

1 SENATE CONCURRENT RESOLUTION NO. 9

2 BY BARTZ

3 A Concurrent Resolution requesting Interstate Power
4 Company to refund certain farm customer charges.

5 WHEREAS, on July 31, 1992, Interstate Power Company
6 filed a request with the Iowa Utilities Board to
7 change its electric rate structure; and

8 WHEREAS, Interstate Power Company's cost-of-service
9 study indicated that there should be significant
10 alterations in the way costs to customers had been
11 allocated in the past, in particular, the study showed
12 that 3-phase farm customers' rates should be
13 increased; and

14 WHEREAS, on May 26, 1993, the Utilities Board
15 issued a decision, RPU-92-10, approving a cost-of-
16 service and rate design that resulted in major rate
17 changes for many of Interstate Power Company's
18 customers; and

19 WHEREAS, the rate change, which became effective on
20 July 14, 1993, resulted in an estimated average
21 aggregate rate increase to farm customers of 14.3
22 percent; and

23 WHEREAS, the majority of the 3-phase farm customers
24 received average annual increases between 15 and 50
25 percent, but a few 3-phase farm customers received
26 average annual increases which ranged from 100 to 300
27 percent; and

28 WHEREAS, on August 4, 1993, Interstate Power
29 Company filed a request with the Utilities Board for a
30 general rate increase in temporary and final electric

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1 rates; and

2 WHEREAS, on June 3, 1994, the Utilities Board
3 issued a decision, RPU-93-6, approving a revenue
4 increase but placing a rate cap on the 3-phase farm
5 customer class, which had the effect of reducing rates
6 which some of the 3-phase farm customer class had been
7 paying since the RPU-92-10 decision became effective
8 on July 14, 1993; and

9 WHEREAS, the decision stated that "[w]hile the
10 ultimate goal is rates generally based on costs, the
11 Board recognizes it is also appropriate to ameliorate
12 unreasonable rate shock resulting from movement toward
13 cost-based rates.... The board considered the parties'
14 recommendations and has determined that the fairest
15 approach to addressing the problem is to implement a
16 demand-metered "billing cap" for 3-phase farm
17 customers..."; NOW THEREFORE,

18 BE IT RESOLVED BY THE SENATE, THE HOUSE OF
19 REPRESENTATIVES CONCURRING, That Interstate Power
20 Company be requested to refund the difference in the
21 charges to the 3-phase farm customer class from the
22 date in which the increased rates were effective on
23 July 14, 1993, to the date in which the 3-phase farm
24 customer class rates were capped; and

25 BE IT FURTHER RESOLVED, That, upon passage,
26 enrolled copies of this resolution be sent to Mr.
27 Wayne Stoppelmoor, President and Chief Executive
28 Officer for Interstate Power Company, the Board of
29 Directors of Interstate Power Company, and Mr. Kent
30 Ragsdale, Staff Counsel for Interstate Power Company,

1 at 1000 Main Street, P.O. Box 769, Dubuque, Iowa
2 52004-0769 and to the Iowa Utilities Board.

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