

Withdrawn

MAR 5 2004
Place On Calendar

4/13/04

HOUSE FILE 2483
BY COMMITTEE ON COMMERCE,
REGULATION AND LABOR

(SUCCESSOR TO HSB 588)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to temporary rate authority and rules of the Iowa
2 utilities board regarding rate regulation proceedings.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 2483

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1 Section 1. Section 476.6, subsection 10, unnumbered
2 paragraph 2, Code Supplement 2003, is amended to read as
3 follows:

4 A public utility may choose to place in effect temporary
5 rates, charges, schedules, or regulations without board review
6 ten days after the filing under this section. If the utility
7 chooses to place such rates, charges, schedules, or
8 regulations in effect without board review, the utility shall
9 file with the board a bond or other corporate undertaking
10 approved by the board conditioned upon the refund in a manner
11 prescribed by the board of amounts collected in excess of the
12 amounts which would have been collected under rates, charges,
13 schedules, or regulations finally approved by the board. At
14 the conclusion of the proceeding if the board determines that
15 the temporary rates, charges, schedules, or regulations placed
16 in effect under this paragraph were not based on previously
17 established regulatory principles, the board shall consider
18 ordering refunds based upon the overpayments made by each
19 individual customer class, rate zone, or customer group.

20 If the board finds that an extension of the ten-month
21 period is necessary to permit the accumulation of necessary
22 data with respect to the operation of a newly constructed
23 electric generating facility that has a capacity of one
24 hundred megawatts or more of electricity and that is proposed
25 to be included in the rate base for the first time, the board
26 may extend the ten-month period up to a maximum extension of
27 six months, but only with respect to that portion of the
28 suspended rates, charges, schedules, or regulations that are
29 necessarily connected with the inclusion of the generating
30 facility in the rate base. If a utility is proposing to
31 include in its rate base for the first time a newly
32 constructed electric generating facility that has a capacity
33 of one hundred megawatts or more of electricity, the filing
34 date of new or changed rates, charges, schedules, or
35 regulations shall, for purposes of computing the ninety-day

1 and-ten-month time limitations stated above, be the date as
2 determined by the board that the new plant went into service,
3 but only with respect to that portion of the suspended rates,
4 charges, schedules, or regulations that are necessarily
5 connected with the inclusion of the generating facility in the
6 rate base.

7 Sec. 2. Section 476.33, subsection 4, Code Supplement
8 2003, is amended to read as follows:

9 4. The board shall adopt rules that require the board, in
10 rate regulatory proceedings under sections 476.3 and 476.6, to
11 consider the use of the most current test period possible in
12 determining reasonable and just rates, subject only to the
13 availability of existing and verifiable data respecting costs
14 and revenues, and in addition to consider verifiable data that
15 exists ~~as-of-the-date-of-commencement-of-the-proceedings~~
16 within nine months after the conclusion of the test year,
17 respecting known and measurable changes in costs not
18 associated with a different level of revenue, and known and
19 measurable revenues not associated with a different level of
20 costs, that are to occur at any time within twelve months
21 after the date of commencement of the proceedings. Parties
22 proposing adjustments that are not verifiable at the
23 commencement of the proceedings shall include projected data
24 related to the adjustments in their initial substantive filing
25 with the board. For purposes of this subsection, a proceeding
26 commences under section 476.6 upon the filing date of new or
27 changed rates, charges, schedules or regulations. This
28 subsection does not limit the authority of the board to
29 consider other evidence in proceedings under sections 476.3
30 and 476.6.

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EXPLANATION

32 This bill relates to temporary rate authority of public
33 utilities and to the adoption of rules by the utilities board
34 in rate regulation proceedings.

35 The bill permits a public utility to place in effect

1 temporary rates and charges 10 days after filing an
2 application with the utilities board. If the public utility
3 places such rates and charges in effect, the utility must file
4 a bond with the board. The bill provides that if the utility
5 board does not approve the temporary rates and charges, the
6 board may order refunds to customers affected by the temporary
7 rates and charges.

8 The bill provides that when the board adopts rules
9 regarding rate regulatory proceedings, the board shall
10 consider verifiable data that exists within nine months after
11 the end of the test year and that parties proposing
12 adjustments not verifiable at the start of proceedings must
13 include projected data related to the adjustments in their
14 initial filing with the board.

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JENKINS, CH
WATTS
Wise

SI (17) 2483

HSB 588
COMMERCE, REGULATION & LABOR

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION
AND LABOR BILL BY
CHAIRPERSON JENKINS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to rules of the Iowa utilities board regarding
2 rate regulation proceedings.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 476.33, subsection 4, Code Supplement
2 2003, is amended to read as follows:

3 4. The board shall adopt rules that require the board, in
4 rate regulatory proceedings under sections 476.3 and 476.6, to
5 consider the use of the most current test period possible in
6 determining reasonable and just rates, subject only to the
7 availability of existing and verifiable data respecting
8 changes in costs and revenues, and-in-addition-to-consider
9 verifiable-data-that-exists-as-of-the-date-of-commencement-of
10 the-proceedings-respecting including but not limited to the
11 costs of capital, that are known and measurable changes-in
12 costs-not-associated-with-a-different-level-of-revenue,-and
13 known-and-measurable-revenues-not-associated-with-a-different
14 level-of-costs,-that-are-to-occur or that will become known
15 and measurable at any time within twelve months after the date
16 of commencement of the proceedings. In determining rates, the
17 board shall consider data respecting changes in costs not
18 associated with a different level of revenues and changes in
19 revenues not associated with a different level of costs. For
20 purposes of this subsection, a proceeding commences under
21 section 476.6 upon the filing date of new or changed rates,
22 charges, schedules, or regulations. This subsection does not
23 limit the authority of the board to consider other evidence in
24 proceedings under sections 476.3 and 476.6.

25 EXPLANATION

26 This bill relates to adoption of rules by the utilities
27 board in rate regulation proceedings.

28 Code section 476.33 is modified to provide for
29 consideration, in determining just and reasonable rates, of
30 data such as the costs of capital that are or will become
31 known and measurable within 12 months of the commencement of
32 the proceeding. The board is directed to consider additional
33 data regarding changes in costs not associated with a
34 different level of revenues, and changes in revenues not
35 associated with a different level of costs.