

SENATE FILE 2240  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3018)

Passed Senate, Date \_\_\_\_\_ Passed House, 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:

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**SENATE FILE 2240**

**S-5045**

1 Amend Senate File 2240 as follows:  
2 1. Page 1, line 2, by inserting after the word  
3 "amended" the following: "to read".  
By JOHN PUTNEY

**S-5045 FILED MARCH 8, 2004**

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SF 2240  
COMMERCE

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

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

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SENATE FILE 2240  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3018)

(AS AMENDED AND PASSED BY THE SENATE MARCH 9, 2004)

\_\_\_\_\_ - New Language by the Senate

Passed Senate, Date \_\_\_\_\_ Passed House, 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:

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S.F. 2240

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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Brunkhorst  
Putney  
Gronstal

Succeeded By SSB# 3018  
S. / HF 2240

SENATE FILE Commerce  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON BEHN)

Passed Senate, Date \_\_\_\_\_ Passed House, 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.

SENATE FILE 2240

AN ACT

RELATING TO TEMPORARY RATE AUTHORITY AND RULES OF THE IOWA  
UTILITIES BOARD REGARDING RATE REGULATION PROCEEDINGS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

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

If the board finds that an extension of the ten-month period is necessary to permit the accumulation of necessary data with respect to the operation of a newly constructed electric generating facility that has a capacity of one hundred megawatts or more of electricity and that is proposed to be included in the rate base for the first time, the board

may extend the ten-month period up to a maximum extension of six months, but only with respect to that portion of the suspended rates, charges, schedules, or regulations that are necessarily connected with the inclusion of the generating facility in the rate base. If a utility is proposing to include in its rate base for the first time a newly constructed electric generating facility that has a capacity of one hundred megawatts or more of electricity, the filing date of new or changed rates, charges, schedules, or regulations shall, for purposes of computing the ninety-day and-ten-month time limitations stated above, be the date as determined by the board that the new plant went into service, but only with respect to that portion of the suspended rates, charges, schedules, or regulations that are necessarily connected with the inclusion of the generating facility in the rate base.

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

4. The board shall adopt rules that require the board, in rate regulatory proceedings under sections 476.3 and 476.6, to consider the use of the most current test period possible in determining reasonable and just rates, subject only to the availability of existing and verifiable data respecting costs and revenues, and in addition to consider verifiable data that exists as-of-the-date-of-commencement-of-the-proceedings within nine months after the conclusion of the test year, respecting known and measurable changes in costs not associated with a different level of revenue, and known and measurable revenues not associated with a different level of costs, that are to occur at any time within twelve months after the date of commencement of the proceedings. Parties proposing adjustments that are not verifiable at the commencement of the proceedings shall include projected data related to the adjustments in their initial substantive filing with the board. For purposes of this subsection, a proceeding

commences under section 476.6 upon the filing date of new or changed rates, charges, schedules or regulations. This subsection does not limit the authority of the board to consider other evidence in proceedings under sections 476.3 and 476.6.

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JEFFREY M. LAMBERTI  
President of the Senate

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CHRISTOPHER C. RANTS  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2240, Eightieth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2004

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THOMAS J. VILSACK  
Governor