

Senate Study Bill 3038

SENATE FILE _____
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 consideration of costs and revenues by the
2 utilities board in rate regulatory proceedings, and making
3 related changes.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5576SC 80
6 kk/sh/8

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1 1 Section 1. Section 476.33, subsection 4, Code Supplement
1 2 2003, is amended to read as follows:
1 3 4. The board shall adopt rules that require the board, in
1 4 rate regulatory proceedings under sections 476.3 and 476.6, to
1 5 consider ~~the~~, at the utility's option, use of the most current
1 6 ~~or future~~ test period ~~possible~~ in determining reasonable and
1 7 just rates, subject only to the availability of ~~existing and~~
~~1 8 verifiable actual or projected~~ data respecting costs and
1 9 revenues, ~~and in addition to~~. If a utility selects a current
1 10 test period, the board shall consider verifiable data that
1 11 exists as of the date of commencement of the proceedings
1 12 respecting known and measurable changes in costs not
1 13 associated with a different level of revenue, and revenues
1 14 that are known and measurable or that will become known and
1 15 measurable revenues not associated with a different level of
1 16 costs, that are to occur at any time within twelve months
1 17 after the date of commencement of the proceedings. If a
1 18 utility selects a future test period, the board shall consider
1 19 data respecting changes in costs and revenues that are
1 20 projected to occur within twenty-four months after the date of
1 21 the commencement of the proceedings. Regardless of the test
1 22 period chosen by the utility, the board shall consider data
1 23 respecting changes in costs not associated with a different
1 24 level of revenues and changes in revenues not associated with
1 25 a different level of costs. For purposes of this subsection,
1 26 a proceeding commences under section 476.6 upon the filing
1 27 date of new or changed rates, charges, schedules or
1 28 regulations. This subsection does not limit the authority of
1 29 the board to consider other evidence in proceedings under
1 30 sections 476.3 and 476.6.

EXPLANATION

1 31 This bill relates to the consideration of costs and
1 32 revenues by the utilities board in hearings on rate
1 33 regulation.
1 34 regulation.
1 35 The bill modifies Code section 476.33 to provide that, in
2 1 determining just and reasonable rates, it shall be the
2 2 utility's choice to use either a current or future test period
2 3 to obtain data regarding costs and revenues. A current test
2 4 period includes data available within 12 months of the
2 5 commencement of the proceedings. A future test period
2 6 includes data available within 24 months of the commencement
2 7 of the proceedings. The board is directed to consider
2 8 additional data regarding changes in costs not associated with
2 9 varying revenues and changes in revenues not associated with
2 10 varying costs.
2 11 LSB 5576SC 80
2 12 kk/sh/8