

House File 2729 - Introduced

HOUSE FILE 2729

BY B. MEYER, WILSON, KRESSIG,
BAETH, CROKEN, R. JOHNSON,
RAMIREZ, WICHTENDAHL,
BROWN-POWERS, MATSON,
KONFRST, WILBURN, LEVIN,
WESSEL-KROESCHELL, OLSON,
and EHLERT

A BILL FOR

1 An Act establishing a temporary prohibition on an increase in
2 rates or charges by gas and electric public utilities, and
3 including effective date provisions.

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

1 Section 1. Section 476.1A, subsection 1, Code 2026, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *f.* Rate and charge adjustment prohibitions
4 before December 31, 2030, as set forth in section 476.6,
5 subsections 1A, 8, and 9.

6 Sec. 2. Section 476.1B, subsection 1, Code 2026, is amended
7 by adding the following new paragraph:

8 NEW PARAGRAPH. *g.* Rate and charge adjustment prohibitions
9 before December 31, 2030, as set forth in section 476.6,
10 subsections 1A, 8, and 9.

11 Sec. 3. Section 476.1C, subsection 1, paragraph a, Code
12 2026, is amended to read as follows:

13 *a.* Are not subject to the regulation authority of the
14 utilities commission under [this chapter](#) unless otherwise
15 specifically provided. Sections Section 476.6, subsections 1A,
16 8, and 9, and sections 476.10, 476.20, 476.21, and 476.51 apply
17 to such gas utilities.

18 Sec. 4. Section 476.6, Code 2026, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 1A. *Moratorium.* A public utility shall
21 not make effective a new or changed rate, charge, schedule,
22 or regulation that will result in an increase of any rate or
23 charge for gas or electric service on a customer's bill on or
24 before December 31, 2030.

25 Sec. 5. Section 476.6, subsection 8, Code 2026, is amended
26 to read as follows:

27 8. *Automatic adjustments.*

28 *a.* [This chapter](#) does not prohibit a public utility from
29 making provision for the automatic adjustment of rates and
30 charges for public utility service, except as provided in
31 paragraph "c", provided that a schedule showing the automatic
32 adjustment of rates and charges is first filed with and
33 approved by the commission.

34 *b.* A public utility may automatically adjust rates and
35 charges to recover costs related to transmission incurred by

1 or charged to the public utility consistent with a tariff or
2 agreement that is subject to the jurisdiction of the federal
3 energy regulatory commission, except as provided in paragraph
4 "c", provided that a schedule showing the automatic adjustment
5 of rates and charges is first filed with and approved by the
6 commission. The commission shall adopt rules regarding the
7 reporting of transmission expenses and transmission-related
8 activity pursuant to this paragraph.

9 c. A public utility shall not automatically adjust rates or
10 charges, pursuant to any schedule, tariff, or agreement, that
11 will result in an increase of any rate or charge for gas or
12 electric service on a customer's bill on or before December 31,
13 2030.

14 Sec. 6. Section 476.6, subsection 9, paragraph a, Code 2026,
15 is amended to read as follows:

16 a. A public utility may choose to place in effect temporary
17 rates, charges, schedules, or regulations without commission
18 review on or after ten days following the filing date under
19 this section, except as provided in paragraph "d". If the
20 utility chooses to place such rates, charges, schedules,
21 or regulations in effect, the utility shall file with the
22 commission a bond or other corporate undertaking approved
23 by the commission conditioned upon the refund in a manner
24 prescribed by the commission of amounts collected in excess
25 of the amounts ~~which~~ that would have been collected under
26 rates, charges, schedules, or regulations finally approved
27 by the commission. At the conclusion of the proceeding if
28 the commission determines that the temporary rates, charges,
29 schedules, or regulations placed in effect under this paragraph
30 were not based on previously established regulatory principles,
31 the commission shall consider ordering refunds based upon the
32 overpayments made by each individual customer class, rate zone,
33 or customer group. If the commission has not rendered a final
34 decision with respect to suspended rates, charges, schedules,
35 or regulations upon the expiration of ten months after the

1 filing date, plus the length of any delay that necessarily
2 results either from the failure of the public utility to
3 exercise due diligence in connection with the proceedings or
4 from intervening judicial proceedings, plus the length of any
5 extension permitted by [section 476.33, subsection 3](#), then such
6 temporary rates, charges, schedules, or regulations placed into
7 effect on a temporary basis shall be deemed finally approved by
8 the commission and the utility may place them into effect on
9 a permanent basis.

10 Sec. 7. Section 476.6, subsection 9, Code 2026, is amended
11 by adding the following new paragraph:

12 NEW PARAGRAPH. *d.* A public utility shall not place in
13 effect temporary rates, charges, schedules, or regulations that
14 will result in an increase of any rate or charge for gas or
15 electric service on a customer's bill on or before December 31,
16 2030.

17 Sec. 8. EFFECTIVE DATE. This Act, being deemed of immediate
18 importance, takes effect upon enactment.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 This bill establishes a temporary prohibition on an increase
23 in rates or charges by gas and electric public utilities.

24 The bill prohibits a public utility from making effective a
25 new or changed rate, charge, schedule, or regulation that will
26 result in an increase of any rate or charge for gas or electric
27 service on a customer's bill on or before December 31, 2030.

28 This rate freeze applies to all public utilities providing
29 gas or electric service and all rate, charge, schedule,
30 and regulation changes, including automatic adjustments and
31 temporary adjustments.

32 The bill authorizes the Iowa utilities commission to
33 regulate this rate freeze for smaller gas or electric public
34 utilities, electric cooperative corporations and associations,
35 and municipally owned utilities.

1 The bill takes effect upon enactment.