

**House File 2510 - Reprinted**

HOUSE FILE 2510  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 591)

(As Amended and Passed by the House March 10, 2020)

**A BILL FOR**

1 An Act relating to rate regulatory proceedings before the  
2 utilities board within the utilities division of the  
3 department of commerce.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.6, subsection 7, Code 2020, is  
2 amended to read as follows:

3 7. *Limitation on filings.*

4 a. A public utility that utilizes a historic test year in a  
5 rate regulatory proceeding pursuant to section 476.33 shall not  
6 make a subsequent filing of an application for a new or changed  
7 rate, charge, schedule, or regulation which relates to services  
8 for which a rate filing is pending within twelve months  
9 following the date the prior application was filed or until  
10 the board has issued a final order on the prior application,  
11 whichever date is earlier, unless the public utility applies  
12 to the board for authority and receives authority to make a  
13 subsequent filing at an earlier date.

14 b. A public utility that utilizes a future test year in a  
15 rate regulatory proceeding pursuant to section 476.33 shall  
16 not file an application for a new or changed rate, charge,  
17 schedule, or regulation until after the date the board has  
18 issued a final order related to the subsequent proceeding  
19 unless the public utility applies to the board for authority  
20 and receives authority to make a subsequent filing.

21 Sec. 2. Section 476.33, subsection 4, paragraph b, Code  
22 2020, is amended to read as follows:

23 *b.* For a rate regulatory proceeding utilizing a future test  
24 year, the rules shall require the board to consider the use  
25 of any twelve-month period beginning no later than the date  
26 on which a proposed rate change is expected to take effect  
27 in determining just and reasonable rates. The rules shall  
28 also require the board to conduct a proceeding subsequent to  
29 the effective date of a rate resulting from a rate regulatory  
30 proceeding utilizing a future test year to determine whether  
31 the actual costs and revenues are reasonably consistent with  
32 those approved by the board. If the actual costs and revenues  
33 are not reasonably consistent with those approved by the  
34 board, the board shall adjust the rates accordingly. For a  
35 rate regulatory proceeding utilizing a future test year, the

1 board may adopt rules regarding evidence required, information  
2 to support forecasts, and any reporting obligations. The  
3 board may also adopt rules regarding the conditions under  
4 which a public utility that utilizes a future test year may  
5 subsequently utilize a historic test year. A public utility  
6 shall not be precluded from filing a rate regulatory proceeding  
7 utilizing a future test year prior to the adoption of any rules  
8 pursuant to [this subsection](#). A public utility that utilizes  
9 a future test year in a rate regulatory proceeding shall not  
10 propose the use of multiple future test years in the same rate  
11 regulatory proceeding.

12 Sec. 3. Section 476.33, subsection 4, Code 2020, is amended  
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *0c.* For the proceeding subsequent to the  
15 effective date of a rate resulting from a rate regulatory  
16 proceeding utilizing a future test year, the rules shall  
17 establish filing requirements for the subsequent proceeding,  
18 procedural rules, and standards of reasonableness for  
19 determining whether the actual costs and revenues are  
20 reasonably consistent with those approved by the board and if  
21 refunds, reduced rates, or increased rates should be required.  
22 The subsequent proceeding shall be based upon twelve months of  
23 actual data beginning from the date that the rates based upon a  
24 future test year became effective, and the board shall conduct  
25 a hearing within ninety days after the public utility files  
26 the twelve-month data with the board, if the board determines  
27 that a hearing is necessary. The public utility shall file  
28 the twelve-month data within ninety days of the end of the  
29 twelve-month period. The board shall issue a final order  
30 within one hundred twenty days after the public utility files  
31 the twelve-month data required for the subsequent proceeding.