HOUSE FILE 2510
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 591)

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

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

An Act relating to rate regulatory proceedings before the utilities board within the utilities division of the department of commerce.

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

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

7. *Limitation on filings.*

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

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

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

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

board may adopt rules regarding evidence required, information to support forecasts, and any reporting obligations. The board may also adopt rules regarding the conditions under which a public utility that utilizes a future test year may subsequently utilize a historic test year. A public utility shall not be precluded from filing a rate regulatory proceeding utilizing a future test year prior to the adoption of any rules pursuant to this subsection. A public utility that utilizes a future test year in a rate regulatory proceeding shall not propose the use of multiple future test years in the same rate regulatory proceeding.

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

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