

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD

**FILED WITH**  
**Executive Secretary**  
**September 16, 2009**  
**IOWA UTILITIES BOARD**

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IN RE:

IOWA-AMERICAN WATER  
COMPANY

DOCKET NO. RPU-2009-0004

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REPLY COMMENTS  
OF THE OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, in its Reply Comments states:

1. The OCA believes that the parties have adequately addressed the pros and cons of rate equalization.

2. The only matter the OCA would like to further comment upon is Iowa-American's "CAVEAT: Rate Refund Issues." (Iowa-American Comments, pp. 5-6).

The OCA generally believes that refunds with interest should be made upon a rate schedule by rate schedule and District by District basis. The OCA believes this methodology is the most justified, accurate and fairest to customers. However, the unique circumstances of this proceeding where both Iowa-American and the OCA advocated the use of separate and distinct Clinton and Quad Cities Districts' rate increases for interim rate purposes, a limited and narrow exception may be warranted. This is because the Iowa Utilities Board, on its own motion, decided to equalize and

levelize the separate and distinct interim rate increases for each District. Only under these narrow and unique circumstances should the Board consider an equalized and levelized refund with interest, if one is due and owing, for both Districts and only for the purposes of this proceeding. In the event the Board decides to equalize and levelize rates in both Districts for final rate purposes in this proceeding, this is a reasonable result.

Respectfully submitted,

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CONSUMER ADVOCATE

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OFFICE OF CONSUMER ADVOCATE