

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:	
IOWA-AMERICAN WATER COMPANY	DOCKET NOS. RPU-2020-0001, TF-2020-0250

ORDER DOCKETING PROPOSED TARIFF, DENYING MOTION FOR SUPPLEMENTAL NOTICE, DENYING REQUEST FOR CORRECTIVE FILING, PROVIDING NOTICE OF HEARING, AND ESTABLISHING PROCEDURAL SCHEDULE

PROCEDURAL HISTORY

On August 28, 2020, Iowa-American Water Company (Iowa-American) filed with the Utilities Board (Board) an Application for Revision of Rates and associated testimony and exhibits, which has been identified as Docket No. RPU-2020-0001. The application is based on a future test year period. Iowa-American's proposed tariff revisions have been identified as Docket No. TF-2020-0250.

On September 10, 2020, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed a Motion for Supplemental Notice to Blue Grass Customers.

On September 11, 2020, Iowa-American filed a response to OCA's Motion for Supplemental Notice to Blue Grass Customers.

On September 14, 2020, OCA filed an Objection and Request for Corrective Filing.

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On September 15, 2020, the Board held a scheduling conference to discuss a procedural schedule for filing prepared testimony and exhibits and a hearing date for the proceeding.

On September 17, 2020, Iowa-American filed a response to OCA's Objection and Motion for Corrective Filing.

OCA'S MOTION FOR SUPPLEMENTAL NOTICE TO BLUE GRASS CUSTOMERS

The customer notices Iowa-American mailed on August 27, 2020, indicated proposed rate increases of approximately 14.6% and 16.5% for the average residential and commercial customer, respectively. However, OCA states that Iowa-American's proposed elimination of a special rate in effect for residents of Blue Grass, Iowa, will result in increases of approximately 73.9% and 43.4% for the average Blue Grass residential and commercial customer, respectively. OCA argues that Blue Grass customers may therefore underestimate the impact of Iowa-American's proposed rate increase on their bills. OCA requests that the Board require Iowa-American to mail a supplemental notice to Blue Grass customers reflecting the percentage increase that they will experience under Iowa-American's proposed rates.

Iowa-American argues that the elimination of special rates for Blue Grass customers after a period of three years was part of the acquisition agreement between the company and the city and was thoroughly communicated to Blue Grass customers at the time of the acquisition. Iowa-American also argues that the customer notice included a section alerting customers that Iowa-American is proposing to eliminate

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special rates that are in effect for Blue Grass customers. Iowa-American argues that sending a supplemental notice is not necessary and would confuse customers.

The Board will deny OCA's motion for a supplemental notice. The approved notice clearly states that Iowa-American is proposing to eliminate Blue Grass's special rate and that Blue Grass customers are proposed to pay the same rates as all other customers. The rates that all customers are proposed to pay, including Blue Grass customers, are clearly indicated.

OCA'S OBJECTION AND MOTION FOR CORRECTIVE FILING

Iowa-American submitted evidence supporting its application in accordance with Chapter 26 of the Board's rules, which contemplates the use of a historic test year. The Board has proposed amendments to Chapter 26 that would establish minimum filing requirements for applications based upon a future test year, but the proposed amendments have not been adopted.

OCA provided several examples of information that would be required under the proposed amendments to Chapter 26 which Iowa-American omitted from its application. OCA argues that the omissions render the application incomplete. OCA also noted specific examples of spreadsheets that appear to have been hard coded or refer to some other spreadsheet, formula, or database that was not included in the filing. OCA argues that Iowa-American's filing does not contain sufficient explanation of how the future test year forecast was determined so as to allow the Board and any interested party to determine whether the proposed rates are reasonable and just. OCA's motion

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requests that the Board direct Iowa-American to supplement its application “by filing the level of detail described herein as soon as practicable.”

Iowa-American argues that its application already contains the information and level of detail requested by OCA and provided references to where the information can be found in the filing. Iowa-American denies that its spreadsheets are improperly hard coded. Iowa-American further argues that it would not be proper for the Board to apply rules which have not been adopted.

The Board finds that Iowa-American’s application satisfies the minimum filing requirements provided in the current Chapter 26 rules. The Board does not consider it appropriate to require Iowa-American to file minimum filing requirements pursuant to rules that have not been adopted. Iowa-American points out where it believes the information requested by OCA can be found in the testimony, exhibits, and workpapers. If OCA determines that it needs additional information, it can obtain the information it needs through discovery. The Board continues to review Iowa-American’s filing and will issue an order requesting any additional information the Board determines is necessary pursuant to 199 Iowa Administrative Code 26.5(6).

The Board has reviewed the information filed by Iowa-American to comply with the minimum filing requirements in the current chapter 26 rules and finds that the information is substantially in compliance with those rules. The Board will therefore docket the application for further investigation and suspend the proposed tariff.

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NOTICE OF HEARING AND PROCEDURAL SCHEDULE

The Board will hold a hearing on this matter beginning March 3, 2021. The Board has reserved three days for the hearing. A comprehensive procedural schedule is provided in the ordering clauses below.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The Application for Revision of Rates and the corresponding tariff revision filed by Iowa-American Water Company on August 28, 2020, are docketed and suspended pursuant to Iowa Code § 476.6(4).
2. The Motion for Supplemental Notice to Blue Grass Customers filed by the Office of Consumer Advocate, a division of the Iowa Department of Justice, on September 10, 2020, is denied.
3. The Motion for Corrective Filing filed by the Office of Consumer Advocate, a division of the Iowa Department of Justice, on September 14, 2020, is denied.
4. The following procedural schedule is established:
 - a. Petitions to intervene shall be filed by October 16, 2020.
 - b. Office of Consumer Advocate and Intervenor direct testimony shall be filed by December 17, 2020.
 - c. Office of Consumer Advocate and Intervenor cross-reply testimony shall be filed by December 31, 2020.
 - d. Iowa-American Water Company reply testimony shall be filed by January 14, 2021.

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e. Office of Consumer Advocate and Intervenor rebuttal testimony shall be filed by February 8, 2021.

f. The parties shall file a joint statement of issues or a notice of settlement agreement by February 18, 2021.

g. A public hearing for the presentation of evidence and the cross-examination of witnesses shall commence at 9 a.m. on March 3, 2021, in the Utilities Board's Hearing Room at 1375 East Court Avenue, Des Moines, Iowa. The Utilities Board has reserved three days for the hearing. Each party shall provide a copy of its pre-filed testimony and exhibits to the court reporter at the hearing. The parties shall appear one half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities who will require assistive services or devices to observe or participate in the hearing shall contact the Utilities Board Customer Service staff at (515) 725-7300 at least five business days in advance of the hearing to request appropriate arrangements. Attendees shall observe social distancing, wear masks, and follow posted building protocols related to COVID-19.

UTILITIES BOARD

Geri Huser Date: 2020.09.24
14:41:46 -05'00'

ATTEST:

Anna Hyatt Date: 2020.09.25
14:58:52 -05'00'

Richard W. Lozier, Date: 2020.09.25
Jr. 11:13:02 -05'00'

Dated at Des Moines, Iowa, this 25th day of September, 2020.