

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA-AMERICAN WATER COMPANY	DOCKET NO. RFU-2009-0005 (RPU-2009-0004)
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ORDER APPROVING REFUND PLAN AND REQUIRING REPORT

(Issued December 24, 2009)

On October 8, 2009, the Utilities Board (Board) issued its "Order Approving Settlement and Requiring Filings" in Docket No. RPU-2009-0004. The settlement and the Board's order approving the settlement resolved all outstanding issues in that water rate case involving Iowa-American Water Company (Iowa-American), which was filed on April 30, 2009. On October 12, 2009, Iowa-American filed compliance tariffs that were approved on November 3, 2009.

Because the final rate increase approved by the Board was less than the amount Iowa-American collected in temporary rates, Iowa-American filed a request on November 3, 2009, for approval of a refund plan. The refund plan was identified as Docket No. RFU-2009-0005. Iowa-American filed revisions to its refund plan on December 14, 2009. No objections to the refund plan were filed.

Iowa-American calculated the total refund amount, applicable to the period that it billed customers using temporary rates (July 27, 2009, through November 5, 2009), to be approximately \$227,000. Pursuant to Iowa Code § 476.6(10), Iowa-American included interest on the refund amount at 12.89 percent; interest on

refunds is calculated at 2 percent per annum above the average quarterly interest rate at commercial banks for 24-month loans for personal expenditures. Interest will be paid on the refund amount to the date the refund is tendered to customers.

The Board will approve the refund plan. Iowa-American will be required to file a refund report upon completion of the refund. The report must include the actual amount refunded and how this amount was calculated, the actual interest rate applied for each month of the refund period, the formula used for interest calculations, and a breakdown showing the exact amount of principal, interest, and any other charges refunded.

IT IS THEREFORE ORDERED:

1. The refund plan submitted by Iowa-American Water Company on November 3, 2009, and revised on December 14, 2009, is approved.

2. Within 90 days of the completion of the refund plan, Iowa-American shall file with the Board a refund report containing the information identified in the body of this order.

UTILITIES BOARD

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 24th day of December, 2009.