

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: REVIEW OF CURRENT RATEMAKING PROCEDURES	DOCKET NO. NOI-03-2
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ORDER INITIATING INQUIRY

(Issued July 14, 2003)

The Utilities Board (Board) is opening this inquiry to comply with the requirements of the Acts of the 80th General Assembly, 2003 Session, Senate File 458, Section 150. Senate File 458 requires the Board to “initiate and coordinate a review of current ratemaking procedures to determine whether different procedures would be cost-effective and would result in rates that more accurately reflect a utility’s cost of providing service to its customers in Iowa.” During the most recent legislative session, questions were raised concerning the use of a forecasted test year for establishing just and reasonable rates under Iowa Code chapter 476. The Board has also received informal inquiries about other ratemaking procedures.

The Board is opening this inquiry to allow interested persons, including the Consumer Advocate Division of the Department of Justice and the rate-regulated utilities, to propose changes to current ratemaking procedures, with the primary focus on proposed changes that would require legislative action. The Board will request

interested persons file a proposal describing those ratemaking procedures the Board should address and the reasons for the proposed changes.

The Board will then appoint an inquiry manager, establish the procedures to be considered, and establish a procedural schedule. The Board is required to file a report with the legislature on or before January 5, 2004, based upon this review, so the focus will be on those procedures that would require legislative action. This inquiry has been identified as Docket No. NOI-03-2.

Persons interested in participating in this inquiry shall file in this docket the following information: name of the participant/organization, contact person, mailing address, phone number, facsimile number, and electronic mail address. If more than one person from any entity is planning to participate, the confirmation shall include the names of all participants, but designate a single contact person.

IT IS THEREFORE ORDERED:

1. An inquiry, identified as Docket No. NOI-03-2, is initiated to review current ratemaking procedures in compliance with Senate File 458.
2. Interested persons shall file a proposal setting forth the ratemaking procedures they believe should be considered for review in this docket on or before July 25, 2003.
3. Interested persons wishing to participate in this inquiry shall file the information described in this order on or before July 25, 2003.

4. The Records and Information Center shall send copies of this order to all rate-regulated utilities in Iowa.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 14th day of July, 2003.