



NEWS & INFORMATION

350 Maple Street • Des Moines, Iowa 50319 • 515.281.5979

Robert B. Berntsen, Chair

Darrell Hanson, Member

Krista Tanner, Member

July 14, 2009

For Immediate Release

13-09

Contact: Rob Hillesland 515.281.3551

Email: rob.hillesland@iub.state.ia.us

Website: www.state.ia.us/iub

IUB approves temporary water rates, adjusts cost allocation in Clinton and Quad Cities

Iowa-American Water Company today received an estimated 26 percent temporary rate increase while the Iowa Utilities Board (IUB) considers permanent rates in its ongoing rate case. Iowa-American could generate about \$7.14 million in additional annual revenue from the temporary rates approved by the IUB, which is about three-quarters of \$1 million less than it had requested. In addition, the IUB adjusted the allocation of certain costs for temporary rates between the utility's Clinton and Quad Cities service districts. This will temporarily raise overall rates by approximately 26 percent in both service districts.

Residential customers' water bills, on average, will increase approximately \$6.70 per month (27 percent) in the Clinton District and about \$6.50 per month (27 percent) in the Quad Cities District under the temporary rates. Temporary rates are established based on specific criteria and principles required by Iowa law.

Temporary rates will remain in effect until the Board's final decision in this case, which is expected in February 2010. The rate case continues with an evidentiary hearing for cross-examination of witnesses scheduled to begin on November 4, 2009, in Des Moines. If the final approved rate increase is lower than this temporary increase, any over-collection is subject to customer refund with interest. Iowa law would require an interest rate of about 13.02 percent to be applied to refunds for any over-collections in this case.

On April 30, 2009, Iowa-American filed its proposal for an overall permanent annual revenue increase of approximately \$9.4 million (34.8 percent) and a overall temporary rate increase estimated at \$7.9 million (29.2 percent).

Public comment meetings were held in Clinton and Bettendorf. The IUB continues to accept written public comments in this rate case, identified as Docket No. RPU-2009-0004. The most effective written comments are concise and make specific points about why someone supports or objects to the rate request. More information about this rate case and an electronic comment form is available at www.state.ia.us/iub. Written comments may also be mailed to the Iowa Utilities Board, Executive Secretary, Docket No. RPU-2009-0004, 350 Maple Street, Des Moines, Iowa 50319-0069.

Iowa-American serves approximately 60,000 customers in Iowa.

###

Attention News Editors/Directors: Full details of today's temporary rate decision will be included in the Board's Temporary Rates Decision Order (Docket No. RPU-2009-0004), which will be made accessible at <http://efs.iowa.gov> sometime in the next several weeks.