



NEWS & INFORMATION

350 Maple Street • Des Moines, Iowa 50319 • 515.281.5979

Robert B. Berntsen, Chair

Krista Tanner, Member

Darrell Hanson, Member

October 9, 2009

For Immediate Release

21-09

Contacts: Rob Hillesland 515.281.3551
Chuck Seel 515.281.5618

Emails: rob.hillesland@iub.state.ia.us
chuck.seel@iub.state.ia.us

Website: www.state.ia.us/iub

Iowa-American will collect less than sought for final rates, less than temporary rates

The Iowa Utilities Board (IUB) has issued an order approving a settlement putting Iowa-American Water's permanent rate revenue below the temporary rates that are currently being collected from its customers and at about \$3.4 million less than its original asking. The settlement agreement negotiated by the Office of Consumer Advocate, which represents consumers generally in rate cases, and Iowa-American, allows a \$6.06 million annual revenue increase over the previous rates, which is approximately \$758,000 less than temporary rates in effect since July.

Iowa-American had requested an overall permanent annual revenue increase of approximately \$9.4 million (34.8 percent) and an overall temporary rate increase estimated at \$7.9 million (29.2 percent) in this case.

Because the final rates established by the approved settlement will generate less revenue than temporary rates, Iowa-American is required to file a refund plan for Board approval within 30 days. Iowa law requires that interest also be applied to refunds for over-collections in this case. Refunds would likely be made as small credits to customer bills.

The IUB also ordered that general metered service rates for the Clinton and Quad Cities districts be equalized (made uniform). Residential customers in both districts received about a 26 percent temporary rate increase in July. However, as a result of this settlement approval and equalization setting final rates, that amount of increase for residential customers will now instead be approximately 21.9 percent in the Clinton District and about 26.6 percent in the Quad Cities District.

Rates other than for general metered service, for example private fire service rates, will remain at the previously established temporary rate levels at this time. Full details of the Board's written order (Docket No. RPU-2009-0004), are available at <http://efs.iowa.gov>.

###