

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

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

RESPONSE TO COMPLIANCE FILING

COMES NOW the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, and submits this Response to Iowa-American Water Company's (Iowa-American or Company) "Compliance Filing" filed with the Iowa Utilities Board (Board) by Iowa-American on July 16, 2021.

1. On June 28, 2021, the Board issued its "Final Decision and Order" (Order) regarding the application for rate increase filed by Iowa-American on August 28, 2020, authorizing Iowa-American an overall revenue requirement of \$43,813,200, reflecting a revenue increase of \$2,263,081.

2. On July 9, 2021, Iowa-American filed a "Motion for Clarification" seeking the Board's approval of the methodology the Company implemented to refund the Excess Accumulated Deferred Income Tax (EADIT) amount to customers over the required three-year period. Iowa-American asserts that the Board's calculation of the adjusted balance for Accumulated Deferred Income Tax (ADIT) is incorrect; the balance should be increased by \$3,749,416. Iowa-American also asks the Board to approve increases to the ordered revenue increase and revenue requirement to \$2,665,290 and \$44,215,409, respectively, to recognize the immediate creation of the liability, the ordered three-year flow-back of EADIT to customers, and an interest synchronization correction.

3. On July 16, 2021, Iowa-American filed a “Compliance Filing” in accordance with the Board’s Order, which includes a compliance tariff, an updated class cost of service study (COSS), a final revenue allocation by customer class, the rate calculations for each customer class, and an updated non-recurring revenue and expense rider. In the transmittal letter accompanying the compliance filing, Iowa-American noted that the Board has not yet ruled on its July 9 Motion for Clarification. Nevertheless, Iowa-American filed the compliance documents and based the calculations in its filing on the Board’s Order as if the Board granted the adjustments requested in the motion.

4. On July 23, 2021, OCA filed a Response to Iowa-American’s Motion stating its objections to the Company’s proposed treatment of the EADIT refund and the requested adjustments. Iowa-American filed a Reply to OCA’s Response on July 28, 2021, and OCA responded to that Reply on August 3, 2021. The Board has not yet ruled on the Motion.

5. The deadline for OCA to file a response to Iowa-American’s compliance documents is August 5, 2021. However, given that the outstanding issues before the Board for clarification of its Order have direct impacts on the calculations required in Iowa-American’s compliance documents, it is premature for OCA to respond to that filing as submitted. OCA asks that the Board reject the “Compliance Filing” as filed by Iowa-American on July 16, 2021, and require Iowa-American to refile those documents after the Board has made a determination regarding the issues raised in the Company’s Motion for Clarification. Once the Board has clarified its Order, Iowa-American should revise any necessary calculations and resubmit the documents so as to allow OCA the opportunity to respond as contemplated by the Board’s rules.

WHEREFORE, OCA asks that the Board reject Iowa-American's Compliance Filing as submitted on July 16, 2021, and require the Company to refile the required compliance documents after the Board has made a determination regarding the issues raised in Iowa-American's outstanding Motion for Clarification.

Respectfully submitted,

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