

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA LAKES ELECTRIC COOPERATIVE	DOCKET NO. WRU-05-7-978
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ORDER GRANTING WAIVER

(Issued March 17, 2005)

On February 25, 2005, Iowa Lakes Electric Cooperative (Iowa Lakes) filed with the Utilities Board (Board) a request for waiver of 199 IAC 20.3(6). This rule generally provides that electric bills for large customers be rendered monthly, unless the Board grants an exemption or waiver. Iowa Lakes asks for a waiver of the monthly billing rules so that it may bill one of its large customers, Renewable Fuels, Inc. (Renewable Fuels), twice each month. Renewable Fuels operates an ethanol plant in Iowa Lakes' electric service territory. No objections to the waiver request were filed.

In support of the waiver request, Iowa Lakes filed a list indicating more than \$1.5 million in mechanics liens had been filed against Renewable Fuels. Iowa Lakes has on file a \$5,000 deposit from Renewable Fuels, but Iowa Lakes said this does not provide sufficient security for monthly bills that have ranged from \$73,042 to \$108,309. Renewable Fuels has been a member of the cooperative since August 6, 2003, and has had three insufficient funds checks in the past 12 months. Because of

the rules regarding disconnection, Iowa Lakes calculated that monthly billing actually puts it at risk for up to 62 days of outstanding and unpaid electric usage.

The Board will grant the waiver. Iowa Lakes has demonstrated that it has an unusual degree of financial risk with monthly billing of this customer. Monthly billing is not mandated by statute and allowing more frequent billing will allow service to continue to a significant customer while at the same time protecting Iowa Lakes' other member-consumers. The standards for a waiver contained in 199 IAC 1.3 have been satisfied. However, the Board will limit the term of the waiver to two years from the date of this order. If at that time Iowa Lakes believes that circumstances justify continuation of semi-monthly billing, Iowa Lakes may file another waiver or exemption request for the Board to consider.

IT IS THEREFORE ORDERED:

The request for waiver filed by Iowa Lakes Electric Cooperative on February 25, 2005, is granted, for a period of two years from the date of this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Margaret Munson
Executive Secretary, Deputy

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 17th day of March, 2005.