

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA JOINT UTILITY MANAGEMENT PROGRAM, INC.	DOCKET NO. SPU-04-1
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ORDER REQUESTING ADDITIONAL INFORMATION

(Issued February 14, 2007)

PROCEDURAL BACKGROUND

On August 12, 2004, the Utilities Board (Board) issued an order approving a settlement agreement in Docket No. SPU-04-1, In re: Iowa Joint Utility Management Program, Inc. The settlement agreement expanded the existing small volume gas pilot project to include state and local governmental entities and extended the project to August 31, 2007. In the August 12, 2004, order, the Board directed Interstate Power and Light Company (IPL) and MidAmerican Energy Company (MidAmerican) to file tariffs in compliance with draft tariffs attached to the settlement agreement. The order also required MidAmerican and IPL to file reports each year during the project and a final report at the end of the pilot.

MidAmerican and IPL filed annual reports in 2005 and 2006. In these annual reports the two companies provided the information as directed by the Board's August 12, 2004, order. In the responses to some of the questions, MidAmerican and IPL indicated they did not have access to information about the individual

customers since the two utilities only dealt with the marketers. To complete a review of the pilot program, the Board will need information about the program from marketers and some additional information from MidAmerican and IPL. To obtain the additional information, the Board will set out questions for the participants to answer.

Once the Board has the additional information from the responses to the questions in this order, the Board will make a determination concerning whether to require MidAmerican and IPL to provide small volume gas transportation as a permanent service and, if it is found a permanent service is in the public interest, what if any changes should be made to the service. Under current plans, the Board anticipates issuing an order addressing permanent tariffs by June 2007 in order to allow MidAmerican and IPL to file permanent tariffs prior to the expiration of the pilot, if the Board decides that the small volume transportation service should be made permanent.

QUESTIONS FOR MARKETERS (CERTIFIED NATURAL GAS PROVIDER'S AND OTHER SUPPLIERS)

These questions include the requests for information from the Board's August 12, 2004, order that the utilities indicated they could not answer. The questions also seek additional information about making the service permanent.

1. List the number of customers that take service under the pilot program and receive gas on the interstate pipeline system using firm service. Provide the number of customers that take service under other than firm service and describe the types of service those customers receive.

2. Provide the delivered price per dekatherm of gas for customers under this pilot. These figures should be provided for each month during which natural gas was supplied to customers under the pilot programs.
3. Provide a description and discussion of any problems encountered in implementing the pilot program and the administration of the pilot program since implementation. Explain whether any such problems prevented any customer that wanted service under the pilot program tariffs from receiving that service.
4. Provide the number of requests or inquiries received from small volume customers who were not eligible for the pilot programs. Indicate the reason the customer did not qualify for the program and how the utility responded to the request.
5. Provide an evaluation of the effectiveness of the pilot program in meeting the needs of schools and governmental entities eligible for the program.
6. Describe any changes or suggestions about the pilot programs you recommend if the small volume transportation service is made a permanent service.
7. If MidAmerican and IPL are required to offer the small volume transportation service as a permanent service, should it be available to all small volume gas customers, except residential customers, rather than just schools and government entities?
8. If the small volume transportation service were to be made available to all small volume natural gas customers, except residential customers, would changes to the conditions for providing the service be required?
9. Should the Energy Efficiency Cost Recovery (EECR) factor be paid by small volume transportation customers and should those customers be eligible for the energy efficiency programs offered by MidAmerican and IPL?
10. If the Board orders MidAmerican and IPL to implement permanent small volume transportation tariffs similar to the service offered in the pilot programs with a cap on the number of customers who could take the service, do you have a recommendation concerning the maximum number of customers that should be permitted to take the service?

QUESTIONS FOR MIDAMERICAN AND IPL

1. The pilot programs will end August 31, 2007. Provide a recommendation whether the utilities should be required to file permanent tariffs to provide the small volume transportation service offered in the pilot program tariffs.
2. Describe any changes that you would suggest if the small volume transportation service is made a permanent service and explain the basis for the proposed changes.
3. If permanent tariffs are required to be filed to provide small volume transportation service, should the service be available to all small volume gas customers, except residential customers, rather than limited to schools and government entities?
4. If the small volume transportation service were to be made available to all small volume natural gas customers, except residential customers, would changes to the conditions for providing the service be required?
5. Should the Energy Efficiency Cost Recovery (EECR) factor be paid by small volume transportation customers and should those customers be eligible for the energy efficiency programs offered by the utilities?
6. If the Board orders the utilities to implement permanent small volume transportation tariffs, available to all small volume customers except residential customers, what is the maximum number of customers your utility can serve without a significant increase in costs?

QUESTION FOR IPL

Do you have an explanation for why government entities receiving service from your company chose not to participate in the pilot program?

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Responses to the questions set out in this order shall be filed on or before March 12, 2007.
2. In addition to the persons on the official service list, a copy of this order shall be sent to Iowa Joint Utility Management Program, Inc., Cornerstone Energy, Inc., and U.S. Energy Services, Inc.

UTILITIES BOARD

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 14th day of February, 2007.