

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INQUIRY INTO ELECTRIC LOAD SERVICE LIMITERS	DOCKET NO. NOI-08-1
--	---------------------

ORDER INITIATING INQUIRY

(Issued January 8, 2008)

I. INTRODUCTION

On December 26, 2007, the Utilities Board (Board) issued an "Order Rejecting Tariff and Denying Waiver" in Docket Nos. WRU-07-28-945 and TF-07-156. These dockets involved Consumers Energy Cooperative's (Consumers Energy) application for approval of an electric service extender program tariff and request for any necessary waivers that would allow Consumers Energy to implement a residential service limiter program as an alternative to disconnection. The proposed tariff and waiver request were opposed by the Consumer Advocate Division of the Department of Justice (Consumer Advocate) and the Iowa Department of Human Rights, Bureau of Energy Assistance. A copy of the order is available for review at the Board's Web site, <http://www.state.ia.us/iub>.

In reviewing the proposed tariff and request for waiver, the Board concluded that its rules regarding electric load service limiters may not be suitable for new technology. The Board had several concerns with Consumers Energy's proposed electric load service limiter program, but also an overriding concern that legal and

other issues raised by the objectors should be addressed in a broader forum because the issues impact all customers and all electric utilities, not just Consumers Energy and its customers. In the order, the Board committed to commencing a notice of inquiry to address issues surrounding the use of new service limiters to allow all electric utilities and interested persons, including low-income assistance and advocacy groups, to participate. Among the issues the Board said would be considered are the scope of available technology, range of applications, and legal and practical issues surrounding the use of service limiters, including whether any limits on their use are mandated by the winter moratorium.

II. INITIATING INQUIRY

Electric service load limiters have existed in some form for at least 25 years. Initially, an electric service load limiter was a collar inserted between a meter and a meter socket that contained what amounted to a mechanical circuit breaker that could be reset by the customer. Load limiters were marketed as an alternative to total service disconnection for customers having trouble paying their electric bill. The load limiters allowed customers to pick and choose electric uses and maintain some level of household activity and avoid complete disconnection of electricity, which could force them from their residence.

Given that forced air gas furnace blower motors and refrigerators each run intermittently, an electric service load limiter made it possible for a customer with a service limiter to maintain heat in the residence, refrigeration for perishable foods, and use a few lights within the limits of electricity allowed. If the customer had a gas

stove, cooking was not a problem; if the customer had an electric stove or microwave, they might have to temporarily stop other electric uses while cooking to avoid tripping the electric service load limiter. The anecdotal evidence was that customers quickly learned which appliances they could use and how to shift appliance use to avoid interruption. By limiting the electricity a customer could use, electric bills were reduced, while the inconvenience gave customers an incentive to pay off past-due electric bills. An important point about these early load limiters is that if the customer used too much energy so the load limit was exceeded and service disconnected, the customer could manually reset the electric service load limiter by going to the meter and pushing a button.

Subrule IAC 199 20.4(23), dealing with electric service load limiters for residential customers, was adopted by the Board on December 2, 1983, in Docket No. RMU-83-27. The rules were adopted subsequent to passage of Iowa Code § 476.20, commonly referred to as the winter disconnection moratorium statute. The adopted rules provide that "[e]lectric-heating residential customers shall not have limited service between November 1 and April 1." The rules are otherwise silent regarding the relationship between service limiters and the moratorium.

When reviewing all of the Board's rules in the 1999-2000 time frame, the Board considered deleting the service limiter rule because there was no evidence any Iowa utilities were using the devices. Interested commentors indicated that the American Public Power Association had recently begun promoting the use of the devices and thus the rule was left in place, unchanged from its original form.

It is the Board's understanding that neither MidAmerican Energy Company (MidAmerican) nor Interstate Power and Light Company (IPL) currently use the devices in Iowa. It is not clear whether any municipal electric utilities or electric cooperatives use service limiters; there have been no complaints recorded by the Board's Customer Service section regarding these devices. The proposed tariff and waiver request filed by Consumers Energy, and the objection thereto, highlighted a number of new issues regarding newer electronic service limiters and the need to reexamine the Board's rules in light of the new technology.

For example, if one of the new devices is tripped because the limit is exceeded, the device may be reset remotely from the utility's office or another location; it is not clear whether all the new devices have a manual reset button that the customer can access. This raises issues regarding phone notification of the utility by those customers who do not have ready access to a telephone. There are legal questions about whether the devices can be used prior to default on a payment agreement and whether there are limits imposed by the winter moratorium statute. There are also other practical issues. For example, the new devices can be set to trip at different loads, presenting the question of how the kW limit for customers should be determined (a preset limit for everyone or individual limits based on individual needs). To the extent individual limits are allowed, then there are questions about how those limits should be determined and how that process should be described in the utility's tariff.

In order to examine these and other issues surrounding the use of service limiters and any changes to the Board's rules, the Board will open a notice of inquiry proceeding and invite participation by representatives of electric utilities, low-income assistance and advocacy groups, Legal Aid, Consumer Advocate, and other interested persons to consider the scope of the available technology, the range of applications, and the views of various parties as to the purpose and impact of electric load service limiters. Copies of this order will be mailed to IPL, MidAmerican, the Iowa Association of Municipal Utilities, all electric municipal and electric cooperative utilities, the Iowa Association of Electric Cooperatives, the Iowa Utility Association, the Iowa Community Action Association, Iowa Legal Aid, the Iowa Department of Human Rights, and Consumer Advocate. The order will also be posted on the Board's Web site and other interested persons are invited to participate.

All persons interested in participating in this notice of inquiry should send an e-mail or written confirmation of their intent to participate to the inquiry manager by January 25, 2008. Notice of participation shall include the following, if available: name of the participating organization, a contact person, mailing address, phone number, facsimile number, and e-mail address. If more than one person from any entity is planning to participate, the written confirmation should include the names of all participants, but designate a single contact person. As soon as possible after January 25, 2008, a service list will be available on the Board's Web site, <http://www.state.ia.us/iub>, or by contacting the Board's Records and Information Center or inquiry manager. Interested persons may ask to be added to the service

list after January 25, 2008, but they will not be entitled to service of any submissions made prior to the date they are added to the service list.

On or before February 18, 2008, all participants may file responses to some or all of the questions set forth in Section III below. Participants may also comment on any additional issues they believe to be relevant to the inquiry. MidAmerican and IPL shall respond to all of the questions. All responses shall be filed as follows: 1) an original and ten paper copies filed with the Board's Executive Secretary, 2) one copy, via e-mail, to the inquiry manager, and 3) one copy, via e-mail, to each participant on the service list. If a participant does not have an e-mail address, a copy is to be provided by mail or facsimile. All other communications regarding this inquiry are to be directed to the inquiry manager:

Jim Kellenberg
Iowa Utilities Board
350 Maple Street
Des Moines, Iowa 50319-0069
Telephone: (515) 281-3181
Facsimile: (515) 281-5329
E-mail: jim.kellenberg@iub.state.ia.us

After reviewing the comments, the Board will determine what additional procedures are necessary to complete the inquiry. Work sessions may be scheduled or additional comments on specific questions may be solicited. Participants will be notified of any subsequent procedures established.

Comments are solicited on the inquiry questions. The list is not exclusive and participants are invited to submit comments on any other issues or questions they

believe are relevant to this inquiry. The comments may also include recommendations to the Board.

III. INQUIRY QUESTIONS

1. Does the use of an electric service load limiter conflict with the winter disconnection moratorium? If there is no general conflict, is there a conflict with respect to residential electric heating customers?
2. Should service limiters be allowed in situations where the customer has not broken a payment agreement or failed to pay a deposit? If so, what, if any, conditions should apply to those situations?
3. Modern electronic limiters allow the utility to set the amount of current that will pass through before the limiter trips. Should utilities be permitted to set different limits for different customers? If so, what factors should be considered when setting a customer's limit? For example, should usage limits allow for operation of several major appliances (such as a refrigerator and oven), heating equipment, and any necessary medical equipment at the same time?
4. What are the pros and cons of leaving the limiter in place when it is not needed for actual service limitation?
5. Are there issues associated with a customer having to call the utility to reset an electronic electric service load limiter remotely controlled from the utility office rather than using a reset button at the customer premise? If service limiters that require a remote reset are permitted, should the utility be required to determine whether the customer's phone has already been disconnected or if the customer's phone depends upon electricity? Can any of the new service limiters be reset by the customer without having to call the utility?
6. Some utilities classify farms as residential customers; do these customers present any special concerns?
7. Should a customer be able to voluntarily request an electric service load limiter as a means of managing the customer's electric account? Are there any potential conflicts between allowing this on a voluntary basis and the winter disconnection moratorium?

IV. ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. An inquiry, identified as Docket No. NOI-08-1, is initiated concerning electric load service limiters. Jim Kellenberg is appointed the manager of the inquiry.
2. Interested persons wishing to participate in this inquiry should file the notice described in this order by January 25, 2008, and any comments on or before February 18, 2008. Filing instructions are contained in the body of this order.
3. The Board's Records and Information Center shall send copies of this order to Interstate Power and Light Company, MidAmerican Energy Company, all electric municipal and electric cooperative utilities, the Iowa Association of Municipal Utilities, the Iowa Association of Electric Cooperatives, the Iowa Utility Association, the Iowa Community Action Association, Iowa Legal Aid, the Iowa Department of Human Rights, and Consumer Advocate. The order shall also be posted on the Board's Web site, <http://www.state.ia.us/iub>.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 8th day of January, 2008.