

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  IOWA LAKES ELECTRIC COOPERATIVE	DOCKET NO. WRU-08-40-978
---	--------------------------

**ORDER GRANTING WAIVER**

(Issued December 2, 2008)

On November 7, 2008, 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, VeraSun Albert City, LLC, a/k/a VeraSun Energy Corporation (VeraSun), twice each month. VeraSun 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 indicated that VeraSun's average monthly bill is in excess of \$250,000. Iowa Lakes said VeraSun had been a member of the cooperative since June 2007 and has had one late payment in the last 12 months. Iowa Lakes noted it does not have a deposit from VeraSun and that press reports indicate VeraSun has reported significant quarterly losses and might file Chapter 11 bankruptcy. (VeraSun made such a bankruptcy filing subsequent to the request for waiver.) Because of the rules regarding disconnection, Iowa Lakes

calculated that monthly billing actually puts it at risk for at least 50 days of electric usage.

The Board will grant the waiver. Iowa Lakes has demonstrated that it has significant financial risk with monthly billing. 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 request for waiver or exemption request for the Board to consider.

**IT IS THEREFORE ORDERED:**

The request for waiver filed by Iowa Lakes Electric Cooperative on November 7, 2008, is granted, for a period of up to two years from the date of this order.

**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 2<sup>nd</sup> day of December, 2008.