

2002

**Iowa Utilities Board
Annual Report**

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The Board

Diane Munns, Chair

Diane Munns was appointed to the Board in 1999 to fill an unexpired term ending in April 2003. She is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on both the Finance and Technology Committee and the Consumer Affairs Committee. She serves as a state member on the Federal-State Joint Board on Separations, which works cooperatively with the Federal Communications Commission. Munns is a member of the Board of Directors of the National Regulatory Research Institute and serves as the chair of its research committee. She also serves on the Advisory Council to the Board of Directors of the Electric Power Research Institute and is a member of the Iowa Energy Center Advisory Council.

Board member Munns received a B.A. from the University of Iowa and her law degree from Drake University Law School. She was general counsel to the Iowa Utilities Board prior to her appointment to the Board.

Elliott Smith, Board Member

On January 22, Governor Thomas J. Vilsack appointed Elliott Smith of Des Moines to the Iowa Utilities Board. Smith filled the unexpired six-year term of former Chairman Allan Thoms, which will expire April 30, 2007.

Smith served as the president of the Iowa Taxpayers Association prior to joining the Board. There, he focused primarily on government relations and member services. He joined the three-member Board on February 25, 2002. The Iowa City native is a graduate of Iowa City High. He received a Bachelor of Business Administration degree from the University of Iowa with a double major in management and industrial relations. He received his Juris Doctor degree from Vermont Law School in South Royalton, Vermont.

After working as an associate attorney for two civil law practices, Smith worked as a legislative liaison/policy planner for the Iowa Department of Economic Development. He is also a former vice president of the Iowa Association of Business and Industry. He is active with the National Association of Regulatory Utility Commissioners (NARUC) as a member of its Telecommunications Committee and the Ad Hoc Committee on Critical Infrastructure. He also represents NARUC on the North American Numbering Council and is a member of the 15-state Mid-America Regulatory Commissioners organization. In addition, he serves on the Iowa Alliance for Advanced Telecommunications Services, the Governor's Energy Coordinating Council, and the Qwest Regional Oversight Committee.

The Board

Mark Lambert, Board Member

Governor Thomas J. Vilsack appointed Mark Lambert to the Utilities Board in July 2001 for an unexpired term lasting through April 30, 2005. Lambert replaced Susan Frye, who resigned from the Board in June 2001.

The Newton native was the executive director of the Iowa Environmental Council in 2000 and 2001. Before that, he was staff attorney for Planned Parenthood of Greater Iowa between 1996 and 2000, was engaged in the private practice of law in 1996, worked for the State Public Policy Group consulting firm from 1990-1996, and was the associate director of the Iowa Civil Liberties Union from 1985-1990. Lambert has a law degree from the University of Iowa College of Law and a Bachelor of Arts Degree in Liberal Arts from the University of the State of New York.

Lambert is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the NARUC Energy Resources and the Environment Committee. He is an Advisory Board representative to the Center for Global and Regional Environmental Research. Lambert also serves on the National Wind Coordinating Committee and its Economic Development Working Group and Transmission Working Group.

History of the Iowa Utilities Board

The Iowa Board of Railroad Commissioners, one of the oldest agencies in Iowa state government, was established in 1878, only 32 years after Iowa became a state. The three elected commissioners were charged with the duty to regulate railroad passenger and freight rates and operations. This oversight of the network that transported Iowans and their products was critical to pioneer farmers and businesses.

In 1911 the Legislature established the Office of Commerce Counsel, one of the nation's first public defender's offices, within the Railroad Commission. With the growing use of electricity, the Board was authorized to regulate the location of electric transmission lines in Iowa. A rate department was added at that time, followed by statistics and engineering departments a short time later. The agency began licensing grain warehouses in Iowa in 1921 and was authorized to regulate passenger and freight rates for intrastate motor truck transportation in 1923. Authority to regulate natural gas pipeline construction was granted in the early 1930s. Because of its expanded authority, the agency was renamed the Iowa State Commerce Commission (ISCC) in 1937.

After World War II ended, sentiment grew for centralized regulation of public utilities. The governing bodies of the cities and towns had jurisdiction over electric and gas rates and services. The major investor-owned electric and gas companies had to deal individually with more than 200 town and city councils for each rate change. There was no provision for the regulation of communication services at either the state or municipal level. By 1953, Iowa was one of only two states that lacked a public utility

commission. In 1963, the Iowa Legislature added the regulation of the rates and service of public utility companies to the Commission's responsibilities. Also in 1963, the commission terms were extended from two years to six years and the positions became appointed rather than elected.

This additional responsibility over 923 regulated public utilities (702 telephone companies) grew quickly and began to overshadow the Commission's other duties. In 1975, the industry passed the \$1 billion threshold in intrastate operating revenues. Regulation of motor and rail transportation was transferred in that year to the Iowa Department of Transportation. Exclusive service areas for electric utilities were initiated in 1976, as well as authority to issue certificates of public convenience, use, and necessity for constructing electric generating facilities.

As the price of energy rose in the late 1970s, conservation and alternative sources of energy became important issues. In 1980, the Commission was authorized to engage in several energy-saving strategies and pilot projects.

After the Legislature adjourned in 1981, only five telephone companies remained under rate regulation. Those with fewer than 15,000 customers were required only to meet the agency's service standards.

In 1983 the nation's first telephone deregulation statute was included in an omnibus utility reform bill that also replaced the Office of Commerce Counsel. A state Office of Consumer Advocate was established to represent the public interest in rate cases and the Office of General Counsel

was created to provide legal support to the Commission.

State government reorganization in 1986 renamed the Iowa State Commerce Commission and included the agency in an umbrella regulatory agency, the Department of Commerce. The new name, Iowa Utilities Board, reflected the absence of the grain warehouse function that was transferred to the Department of Agriculture. Also that year, rate regulation ended for rural electric cooperatives and service regulation of municipal utilities was severely limited. The Office of Consumer Advocate was made a division of the Department of Justice.

In 1989 the legislature abolished the practice of shared technical staff by the Utilities Board and Consumer Advocate. Staff positions were transferred to Consumer Advocate when this occurred. The Board was also given authority to oversee mergers and acquisitions of utility companies. The 1990 General Assembly, at the Board's urging, gave the Board authority to oversee gas and electric utilities' energy efficiency activity.

The 1980s saw the beginning of a move away from regulation in the gas and electric industries. In the mid-1980s the Federal Energy Regulatory Commission (FERC) began opening interstate natural gas pipelines to competitive gas suppliers. Congress fully deregulated sales of natural gas, but the interstate transportation of natural gas was still regulated by FERC. As a result, gas could be obtained competitively at hundreds of delivery points in Iowa. Industrial customers in Iowa have been purchasing gas in the open competitive market and transporting it through their local utilities' facilities to their plant locations since the late 1980s. Certain barriers,

however, prohibited small volume customers from participating in the competitive market. In 1997, the Board adopted new rules that required the gas utilities to propose comprehensive plans or tariffs to provide access for small volume customers. In 1999, workshops were held to develop consensus recommendations on consumer protections, market accessibility, and system reliability. In August 2000, the Board required each rate-regulated natural gas utility to file draft tariffs to implement transportation to small volume end-users.

In April 2001, the Board implemented new rules establishing the criteria for certification of competitive natural gas providers. The rules allowed certified competitive natural gas providers to pool transportation service to Iowa small-volume business and residential customers for the first time. A competitive natural gas provider or aggregator had to reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposed to offer. Competitive natural gas providers served large industrial customers in Iowa previously for many years with requirements of large-volume transportation tariffs. Those large-volume competitive natural gas providers that continued providing service became certified under the new rules.

The electric industry was also changing. The federal Energy Policy Act of 1992 (EPACT) permitted independent power producers (IPPs) to enter the wholesale power market where they could sell electric capacity and energy to utilities at unregulated market rates. EPACT also authorized the Federal Energy Regulatory Commission (FERC) to require electric utilities to open their transmission systems for wholesale transactions. The apparent success of competition in the wholesale

electric market led to growing pressure to allow retail competition as well. In 1995, the Board began formal study of this issue with an inquiry into emerging competition in the electric industry. In 1998, 1999, and 2000, electric competition proposals were considered but not passed by the legislature. In September 2000, the Governor announced the formation of a task force to take a comprehensive look at Iowa's energy needs. Also in 2000, the Board initiated an inquiry into electric delivery reliability and an investigation into generation resource planning. That inquiry continued in 2001. In December 2001, the IUB released a report entitled "Report on Electric Delivery Reliability Inquiry, A Staff Analysis, Docket No. NOI-00-4."

In 2001 the Legislature adopted House File 577 to attract the development of electric power generating and transmission facilities in the state. The new legislation streamlined the statutory generation siting requirements and allowed advance ratemaking principles for the construction of certain generation plants built by rate-regulated utilities. Upon utility request, it required the Board to establish ratemaking principles that will apply when new plant costs are included in electric rates. Utility companies were previously required to wait until new plants actually went on line before learning how regulators would treat their investment.

Telephone price regulation was authorized in 1995, along with laws encouraging the development of local telephone competition. The federal Telecommunications Act of 1996 opened the local telecommunications market to competition and gave state

commissions the authority to determine prices for the use of the telephone network.

With Executive Order Eight in 1999 the Governor asked all state agencies to review their rules for need, clarity, intent and statutory authority, cost, and fairness. In February 2000, the Board issued its plan for regulatory review. After receipt of public comments, staff teams developed recommended changes to the Board's rules. During 2001 the Board submitted its recommended rules changes to the Governor in its Assessment Report.

In 2002 the Board was given discretion to reduce the filing requirements for petitions for extension of electric franchises after the legislature approved House File 2341. The legislation should streamline extension proceedings. Also in 2002 the passage of Senate File 2051 established a state Interagency Missouri River Authority responsible for representing Iowa interests regarding membership in the Missouri River Basin Association. The IUB was named a member agency. The interagency group is charged with promoting the management of the Missouri River in a manner that does not negatively impact landowners along the river or the state's economy. The legislation provides that the interagency authority must reach consensus between all state departments that are members (Departments of Agriculture, Natural Resources, Transportation, and Economic Development and the IUB) to approve or disapprove a substantive proposal or action.

Jurisdiction and Regulatory Authority of the Iowa Utilities Board

The Utilities Board's authority is stated in summary form in Iowa Code §§ 476.1 and 474.9. The Board regulates the rates and services of electric, natural gas, communications, and water utilities and generally supervises all pipelines and the transmission, sale, and distribution of electrical current.

The Board regulates the rates and services of two investor-owned **electric** companies, MidAmerican Energy Company and Alliant Utilities. Together these companies serve more than 1 million electric customers. There are 139 municipal electric utilities that are regulated only in matters specified by statute. Rural electric cooperatives (RECs) are regulated for service and have the option of choosing to be regulated for rates. Linn County REC is the only REC out of 47 that has opted to have the Board set its rates. The legislature in 2001 passed House File 577, which encouraged the development of generation and transmission within the state by changing the statutory generation siting requirements and by allowing defined generation facilities to receive a binding Board determination of the regulatory principals that will apply to the plant throughout its life.

The Board has general jurisdiction over **gas** utilities furnishing natural gas by piped distribution under Chapter 476, but does not regulate propane gas. The Board regulates the rates and services of four investor-owned gas utilities: MidAmerican Energy Company, Aquila Inc. (f/k/a Peoples Natural Gas Company), Interstate Power and Light Company, and Atmos Energy Corporation. The Board also regulates certain areas of gas service provided by municipal utilities. Gas utilities having fewer than 2,000 customers are subject to separate rate and service regulatory provisions under Iowa Code § 476.1C.

The Board has general regulatory authority over two-way, landline **telecommunications** under Chapter 476. It does not regulate cellular service or cable television service. The Board regulates the rates and service of local exchange carriers that serve more than 15,000 customers: Qwest Corporation, Iowa Telecommunications Services, Inc. and Frontier Communications of Iowa, Inc. It regulates only the service, and not the rates, of the remainder of both independent and competitive local service providers. Nearly all long distance service has been deregulated because it is subject to effective competition. In addition, under Iowa Code Chapter 476 and 47 U.S.C. § 252 of the federal Telecommunications Act of 1996, the Board has authority to resolve inter-utility disputes between competitors.

The Board also regulates the rates and service of one investor-owned **water** utility, Iowa-American Water Company. The company serves over 54,000 water customers in its Davenport and Clinton districts. The Board does not regulate waterworks having less than 2,000 customers or municipally owned waterworks.

Also included in the Board's jurisdiction is certification of electric power generators (476A), granting a franchise for electric transmission lines (478), supervision of the transportation or transmission of a solid, liquid, or gas, except water, through intrastate pipelines (479), the authority to implement certain controls over the transportation of natural gas through interstate

pipelines to protect landowners and tenants from environmental or economic damages (479A), and the authority to implement certain controls over hazardous liquid pipelines to protect landowners and tenants from environmental or economic damages (479B).

In addition to rate making and service regulation, the Board has the authority to resolve complaints, enforce safety and engineering standards, approve plans for energy efficiency programs, approve plans for recovery of the costs to control emissions from generating facilities, oversee affiliate transactions, and review proposals for reorganization.

Under chapter 477C, the Board administers a dual party relay service to allow communication-impaired persons to use the telephone. It also administers an equipment distribution program to provide telecommunications devices for the deaf to eligible persons.

Vision Statement

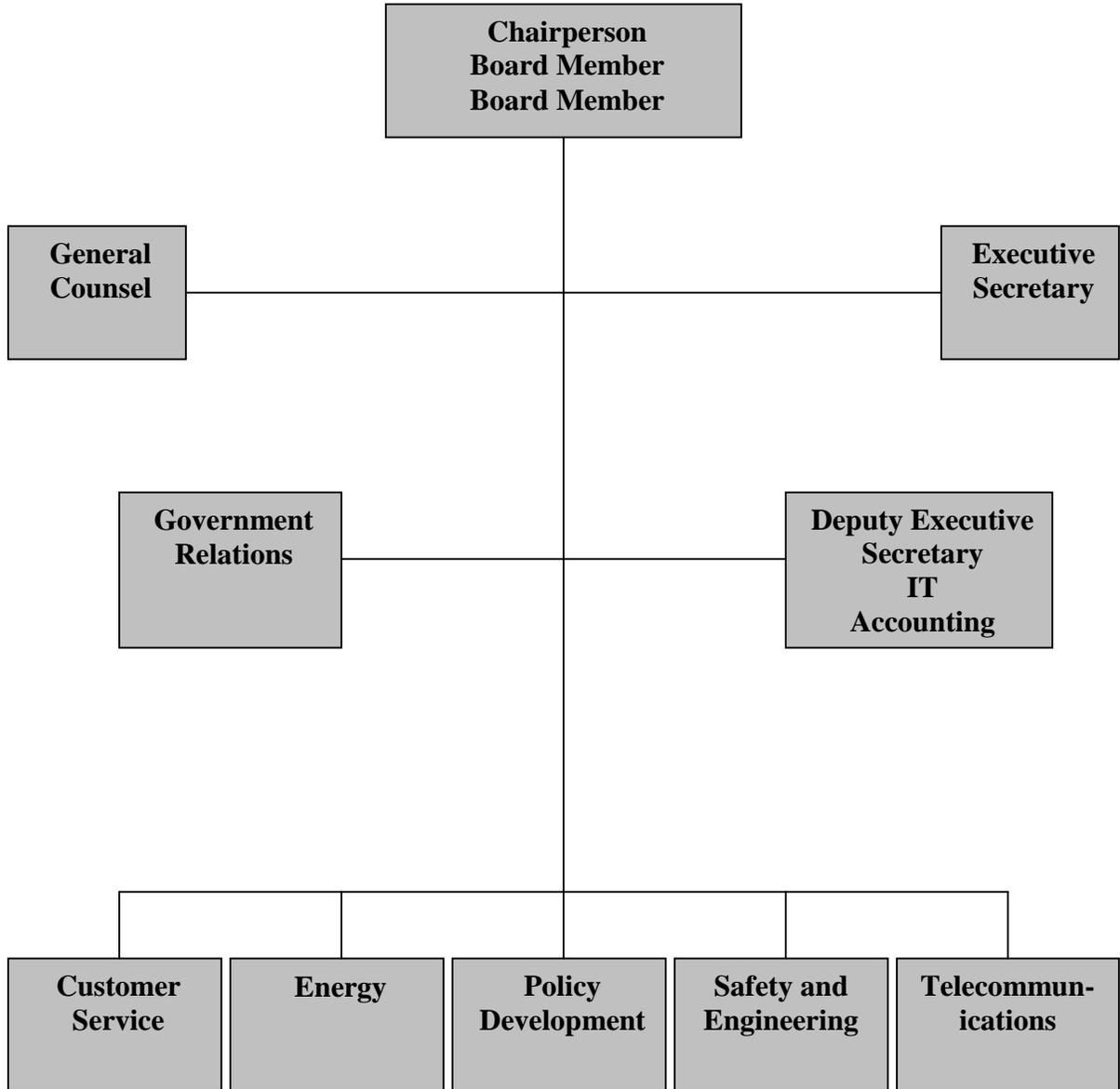
The recognized leader, providing Iowans innovative utilities regulation through an environment of excellence.

Mission Statement

Performance excellence in regulation, where we assure Iowans receive:

- The best value in utility services
- Safe and reliable utility services
- Fair treatment
- The information and services they need

Organization of the Agency



Executive Secretary

Judi K. Cooper, Executive Secretary

Judi K. Cooper was named executive secretary to the Iowa Utilities Board on August 17, 2001. Prior to this she served as the acting executive secretary from January to August 2001. She served as the first IUB deputy executive secretary, a newly created position in the internal reorganization of the IUB in the spring of 1998. Cooper joined the agency in July 1982 and worked as an analyst in the Electric Rates Section of the agency until her appointment as deputy executive secretary. She holds a bachelor of business administration degree in accounting from Iowa State University. Cooper is a member of the NARUC Staff Subcommittee on Executive Management and has served on the NARUC Staff Subcommittee on Accounting and Finance. In 2002 she was the recipient of a State of Iowa Governor's Golden Dome Award for leader of the year.

Appointed by the Utilities Board under Iowa Code chapter 474, the executive secretary oversees the operation of the agency and assists the Board in assuring that the work of the agency is completed efficiently and effectively.

The executive secretary is the custodian of the Board seal and all Board records. The executive secretary, deputy executive secretary, or secretary's designee, is responsible for attesting the signatures of the Board members and placing the seal on original Board orders. The secretary or the secretary's designee is also responsible for certifying official copies of Board documents. Other responsibilities of this office include establishing procedures for the examination of Board records by the general public pursuant to the provisions of Iowa Code § 22.11 and providing for the enforcement of those procedures.

The executive secretary is responsible for preparing the agency budget and ensuring that essential administrative business is carried out. Additional duties include supervising the records and information center staff. The records and information center receives and maintains all filings made with the Board, provides access to Board files for those who wish to review them, processes requests for copies, and ensures that orders are served to parties to a docket. The records and information center also ensures that periodicals and pertinent information is distributed to the Board and staff and maintained in the information center.

Record Center Filings in 2002

Accounting Ruling	1
Competitive Natural Gas Provider or Aggregator	3
Complaints	430
Declaratory Rulings	4
Electric Energy Adjustments	29
Emission Plans and Budgets	2
Energy Efficiency Plans	38
Formal Complaints	28
Generating Certificates	2
Investigations	1
Negotiated Interconnection Agreements	34
Notices of Inquiry	2
Purchased Gas Adjustments	68
Rate Notifications	7
Gas and Electric	6
Telephone	1
Water	0
Rate Proceedings	10
Refund Plans	4
Gas and Electric	4
Telephone	0
Rule Makings	11
Service Proceedings	22
Tariff Revisions	578
Gas and Electric	66
Telephone	511
Water	1
Telephone Certificate Proceedings	16
Waiver Requests	50
Total	1,340

General Counsel

Allan Kniep, General Counsel

Allan Kniep was named general counsel in September 1999. He has been an attorney for the agency since 1985. He is a 1980 graduate of The University of Iowa College of Law School. He is a member of the NARUC Staff Subcommittee on Law. He retired from the Iowa Utilities Board in December 2002.

David Lynch, General Counsel

David Lynch was named general counsel following the retirement of Allan Kniep in December 2002. He has been an attorney for the agency from 1983-87 and most recently since 1998. He is a 1983 graduate of The University of Iowa College of Law School. He is a member of the NARUC Staff Subcommittee on Law, Chair of the National Regulatory Research Institute's Research Advisory Committee, and State Staff Chair of the Federal-State Joint Board on Separations.

The Office of General Counsel was created July 1, 1983, to serve as legal advisor to and attorney for the Iowa Utilities Board. General Counsel provides legal advice and formal legal opinions to the Board on matters arising under the Iowa Code and the Board's administrative rules. Attorneys draft Board decisions, orders, and rules. General Counsel also provides legal advice to the Board's staff. It represents the Board before state and federal courts in proceedings that challenge the Board's implementation of state and federal law.

2002 Highlights

See Court Cases section of the 2002 Annual Report, page 122.

Customer Service

Chuck Seel, Manager

Chuck Seel joined the agency in 1998 as manager of the Customer Service Section and also serves as the chief public information officer for the Board. He is a member and officer of the NARUC Staff Subcommittee on Consumer Affairs. His professional background includes 16 years with a Midwestern energy utility serving in various capacities, including director of customer service and director of public relations. Seel was a founding member and served five years on the Communications Advisory Committee for the Electric Power Research Institute. He has a B.A. in mass communications from Kansas State University and has earned the APR professional certification from the Public Relations Society of America.

2002 Highlights

- Planned and executed 26 public comment hearings for five different rate case dockets.
- Reviewed and acknowledged correspondence and petitions from more than 20,000 Iowans concerned about the various proposed rate increases.
- Customer analysts responded to more than 10,000 customer contacts, approximately 6,000 of which were concerns about utility services or practices.

Consumer Comment hearings required considerable staff time and effort in 2002. The public was particularly interested in the Interstate Power and Light (IPL) (a/k/a Alliant Energy) electric rate case and the Iowa Telecommunications Services rate case. The 12 consumer comment hearings held in the IPL electric docket was among the most ever held by the agency in any single case. Three separate hearings were held in Ottumwa and the largest single hearing was in Keokuk where more than 850 persons filled the Grand Theater.

Customer Service staff made the location arrangements and provided logistical support to the Board in conducting these hearings. In addition staff provided several public presentations on the rate making process to improve public awareness and understanding in advance of these consumer comment hearings. Staff responded to letters and petitions from more than 20,000 persons concerned about the proposed rate increases.

2002 was the first year Board staff began counting the number of “wrong number” calls received where the caller actually wants their utility, but finds the IUB number first and calls us. Collecting this data - more than 4,000 calls during this year - has allowed staff to work with utilities to remedy this problem.

In 2002 staff continued to notice a declining trend in customer complaints and contact activity that began in the fall of 2001. Some of this can be attributed to the decline in slamming and cramming complaints, which had been on the rise in previous years. Some of it may be attributed to a change in the public attitude following September 11, 2001.

Staff worked with the Iowa Energy Center, rate-regulated gas and electric utilities, and Iowa cooperative and municipal utility organizations to create a new energy efficiency brochure. It

became available to the public early in 2002. Also in 2002, staff developed a new brochure outlining customer rights regarding land restoration and pipeline construction in Iowa. This brochure incorporates information about new land restoration rules adopted by the Board in 2001. All Customer Service brochures are available for viewing on the IUB web site, www.state.ia.us/iub, and are available to the public free-of-charge in reasonable quantities.

Customer Service Year End Report - 2002 Contacts/Issues

VERBALS	Contacts/Letters		Number of Issues	
	Actual		Actual	
	2002	2001	2002	2001
Gas	603	1,124	694	1,292
Electric	1,230	1,244	1,366	1,385
Water	89	60	95	60
Local Telephone	1,726	1,436	1,847	1,587
Long Distance	1,239	1,317	1,293	1,413
TOTAL VERBALS	4,887	5,181	5,295	5,737

C-FILES	2002 (Actual 430)	2001 (Actual 730)	2002	2001
Gas	25	93	32	127
Electric	58	99	72	140
Water	1	1	1	1
Local Telephone	170	205	230	271
Long Distance	336	478	377	523
TOTAL C-FILES	590	876	712	1,062

RC-FILES	2002 (Actual 162)	2001 (Actual 213)	2002	2001
Gas	10	33	13	51
Electric	18	26	23	31
Water	0	0	0	0
Local Telephone	63	68	78	77
Long Distance	87	116	92	122
TOTAL RC-FILES	178	243	206	281

GC-FILES	2002 (Actual 609)	2001 (Actual 641)	2002	2001
Gas	57	143	59	158
Electric	142	86	152	94
Water	22	5	23	5
Local Telephone	148	122	151	130
Long Distance	90	77	92	86
TOTAL GC-FILES	459	433	477	473

TOTAL ALL TYPES	2002	2001	2002	2001
Gas	695	1,393	798	1,628
Electric	1,448	1,455	1,613	1,650
Water	112	66	119	66
Local Telephone	2,107	1,831	2,306	2,065
Long Distance	1,752	1,988	1,854	2,144
SUBTOTAL	6,114	6,733	6,690	7,553
Misdialed Calls	4,434	NA	4,434	NA
GRAND TOTAL	10,548	6,733	11,124	7,553

***NOTE:** An individual complaint file may cover more than one utility type (e.g. gas/electric or local telephone/ long distance telephone). If the complaints in the file cover more than one utility type, the total number may be higher than the number of actual files established. The actual number of written complaints is listed below the year. GC-File may have complaints outside IUB jurisdiction and put in a category type of other (e.g. wireless) which is not listed.

C-file = Complaint File.
RC file = Referred Complaint.
GC file = General Correspondence.

Energy Section

John Harvey, Manager

John Harvey joined the agency in May 2000 as manager of the Energy Section. Prior to joining the agency he had 20 years of experience in the utility industry, including a variety of regulatory and operations positions. He also serves on the NARUC Staff Subcommittee on Electricity. Harvey served as a naval intelligence officer from 1973-1980. He holds a B.A. in history and political science from Luther College in Decorah and a M.B.A. from Southern Illinois University at Edwardsville.

2002 Highlights

Electricity

- The Board approved MidAmerican Energy Company's request for advance ratemaking principles for the 540-megawatt natural gas combined cycle Greater Des Moines Energy Center (Docket No. RPU-01-9).
- The Board approved Interstate Power And Light Company's request for advance ratemaking principles for the 632-megawatt natural gas combined cycle Power Iowa Energy Center (Docket No. RPU-02-6).
- MidAmerican Energy filed a request for advance ratemaking principles for the 790-megawatt coal-fired Council Bluffs Energy Center (Docket No. RPU-02-10).
- Interstate Power and Light Company filed a request for an \$82 million (9.6 percent) increase in rates (Docket No. RPU-02-3) and later filed an application for approval of a class cost-of-service study, rate design, and rate consolidation (Docket No. RPU-02-8).
- The Board completed its electric delivery reliability rule changes stemming from the 2001 final report of its inquiry into the same subject.
- The Board adopted changes to its rules on electric master metering.

Natural Gas

- Natural gas commodity price trends were much lower than during early portions of 2001. However, late year extreme weather in major market areas of the Eastern United States set the stage for a return to higher prices after 2002.
- The Board continued to hold annual meetings with each of the investor-owned natural gas utilities to discuss the use of financial tools to ease customer bill volatility.
- MidAmerican Energy Company filed a request for a \$26.6 million (4.3 percent) increase in rates (Docket No. RPU-02-2).
- Aquila, Inc., d/b/a Aquila Networks filed a request for \$9.3 million (5.8 percent) increase in rates (Docket No. RPU-02-5).
- Interstate Power And Light Company (Interstate) filed a request for \$18.6 million (7.2 percent) increase in rates (Docket No. RPU-02-7).
- The Board continued to accept applications of competitive natural gas providers and aggregators.
- The Board adopted changes to its rules on gas master metering.

Water

- Iowa-American Water Company and the Office of Consumer Advocate filed a motion for approval of an amended settlement agreement in Docket No. RPU-01-4.

Advance Ratemaking Principles

House File 577 (HF 577), passed during the 2001 legislative session, encouraged the development of electric power generating and transmission facilities within the state. In 2002 the Board issued its first two advance ratemaking principles decisions under HF 577. The Board approved advance ratemaking principles for two combined cycle combustion turbines, one to be built near Des Moines by MidAmerican (Docket No. RPU-01-9) and the other to be built near Mason City by Interstate (Docket No. RPU-02-6). Construction had commenced on both facilities. By the end of 2002, MidAmerican filed for approval of ratemaking principles for another facility, a coal-fired baseload plant near Council Bluffs.

MidAmerican received advanced ratemaking principle approval for its Greater Des Moines Energy Center regarding the following issues: (1) capital structure, cost of debt and preferred securities; (2) jurisdictional allocations; (3) other plant components; (4) the effect on an earlier settlement; (5) depreciable life (27.6 years); (6) excess capacity; (7) capital cost recovery; and (8) cost of equity (12.23 percent). The ratemaking principles are binding for the life of the facility under Iowa jurisdictional regulation.

The Board approved a settlement granting the following advance ratemaking principles for Interstate's Power Iowa Energy Center: (1) cost of equity (12.23 percent); (2) depreciable life (27.6 years); (3) mitigating regulatory lag; and (4) project cancellation costs. The ratemaking principles are binding for the life of the facility under Iowa jurisdictional regulation.

The Energy Section led and helped staff the teams evaluating the applications, including managing the ratemaking principles consulting contract for the cases.

Interstate Power and Light Company Electric Rate Increase Filing

Interstate Power And Light Company (Interstate) filed a request for \$82 million (9.6 percent) increase in rates (Docket No. RPU-02-3) on March 29, 2002, and filed an application for approval of a class cost-of-service study, rate design, and rate consolidation on July 31, 2002 (Docket No. RPU-02-8). Included with the March 29 filing was a request for an interim rate increase of \$22.4 million.

The most noteworthy and controversial issue considered in the case was whether or not to begin the reduction of zonal rate disparities. Interstate has rate zones that match the service territory boundaries of its predecessor companies: Interstate Power Company (IPC), IPC Zone; Iowa Electric Light and Power Company, Northern Zone; Iowa Southern Utilities, Southern Zone; and the electric transmission and distribution properties located in Iowa that were formerly owned by Union Electric Company (now Ameren-UE), Southeast Zone. Zonal rate disparities were considerable in some cases. In its June 27, 2002, order approving interim rate levels, the Board began the process of zonal rate consolidation, but gave due consideration to the potential for rate shock to customers.

Natural Gas Rate Increase Filings

Each of the three largest rate-regulated natural gas utilities, MidAmerican Energy Company, Interstate Power And Light Company, and Aquila, filed for revenue increases from charges associated with the delivery of natural gas in 2002. On March 15 MidAmerican filed a request for a \$26.6 million (4.3 percent) increase (Docket No. RPU-02-2). On June 3 Aquila filed a request for a \$9.3 million (5.8 percent) increase (Docket No. RPU-02-5). On July 15 Interstate filed a request for \$18.6 million (7.2 percent) increase (Docket No. RPU-02-7).

In Docket No. RPU-02-2 the Board on June 12 approved an interim rate increase of \$13.82 million and approved a settlement on November 8 allowing MidAmerican a permanent rate increase of \$17.75 million. The settlement also provided for a reduction of MidAmerican zonal rate disparities. In Docket No. RPU-02-5 the Board on August 28 allowed Aquila an interim rate increase of \$5.65 million. In Docket No. RPU-02-7 the Board on October 4 allowed Interstate an interim rate increase of \$16.91 million.

Meetings with Rate-Regulated Natural Gas Utilities

Continuing with a policy begun in 2001, Board staff held meetings with each of the rate-regulated natural gas utilities to discuss their plans to mitigate the volatility of customer bills. Each of the four utilities adopted plans that used financial tools to mitigate natural gas commodity price volatility. Two of the utilities also adopted the use of volumetric (weather) hedging tools to mitigate customer bill volatility.

Information Technology/Deputy Executive Secretary

Margaret Munson, Manager

Margaret Munson became manager of the Information Technology Section when it was formed in May 1998. In August 2002 Munson was named Deputy Executive Secretary and the Information Technology Section was soon reorganized as a cross-sectional team with Munson as team leader. In the fall of 2002, Munson was appointed manager of the Accounting and Assessments Section. This section, whose staff is shared by the Board, Iowa Insurance Division, and the Office of Consumer Advocate, was formerly part of the Department of Commerce Administrative Services. Munson served as a utility analyst and the Local Area Network (LAN) Administrator for the Board before becoming part of the management team in 1998. She joined the Iowa Utilities Board staff in 1990 after teaching college business courses for ten years at various institutions, including Iowa State University (ISU) and the University of Iowa. An Iowa native and a long-time Ames resident, Munson earned a B.S. in industrial administration (finance) and a M.S. in industrial administrative sciences (business) from ISU and a M.A. in business administration (finance) from the University of Iowa. She holds an Iowa Certificate of Public Accounting. Munson serves as a member of the NARUC Staff Subcommittee on Information Services and the State of Iowa CIO Council.

The Information Technology (IT) Team provides technology resources, training, support, and tools for the agency. The IT Team is responsible for maintenance and support of the IUB's local area network (LAN), including network hardware and software, desktop hardware and software, and user support. The IT Team members provide strategic and tactical support for the agency's present and future business processes and the section coordinates information technology processes with enterprise and external systems. The IT Team is responsible for developing, updating, and maintaining the Board web site and works collaboratively within the agency to develop web site content.

2002 Highlights

- Web site improvements and updates
- Annual utility financial and operating report filings (information gathering and analysis)
- Network hardware and software improvements
- Information process improvements

Web Site Expansion

The IT Team members continued to expand the Board web site to include timely information about Board actions, reports, and pending proceedings.

Annual Utility Financial and Operating Report Filings

The IT staff led the review, revision, preparation, and mailing of the forms on which over 900 Iowa utility companies filed their annual financial and operating reports. After the reports were filed, the IT staff analyzed and summarized the completed filings for Board review.

LAN User Group Meetings

The IT staff conducted regular informational meetings on current computer topics to continue the learning process for all employees.

Network Hardware and Software Enhancements

The IT staff members updated network hardware and software according to replacement cycle plans.

Information Process Improvements

The IT staff continued development of agency information systems.

Policy Development

Frank Bodine, Manager

Frank Bodine joined the Iowa Utilities Board in June 2002 as the manager of the Policy Development Section. Prior to that, he was a consultant, held various positions at the Illinois Commerce Commission, was an energy analyst with the Illinois Department of Energy and Natural Resources, and an economic analyst with the Institute for Energy Analysis in Oak Ridge, Tennessee. Bodine holds a bachelor's degree in economics from Lincoln University, a master's degree in economics from the University of Missouri, and a master's degree in management from the University of Southern California.

2002 Highlights

- Section staff led the effort to complete the electric reliability rules.
- Staff helped complete the competitive bidding rules to be used by utilities that are adding electric generation capacity.
- Staff began the review of energy efficiency plans of investor-owned utilities.
- Staff began the review of the emission plans and budgets of the two investor-owned electric utilities in Iowa.
- Staff prepared a report on the second assessment of Iowa broadband deployment.
- Staff worked on issues related to the development of electricity markets.
- Staff worked on several dockets related to generation plant siting.

Electric Delivery Reliability

Policy Development staff headed up the Board's inquiry into electric delivery reliability in Docket No. NOI-00-4. The final report recommended a rulemaking. The Board issued an order on February 4, 2000, initiating a formal rulemaking on electric delivery reliability, Docket No. RMU-02-3. On October 25, 2002, the Board issued an order adopting rules to enhance the Board's oversight of electric delivery system reliability. Among other things, these rules established general obligations, record keeping, and reporting requirements.

Competitive Bidding Rules

In approving advance ratemaking principles for generating plants, Iowa Code 476.53 requires the Board to find the proposed plant is reasonable and allows the utility to satisfy the requirement through a competitive bidding process under Board rules. The rules set forth a voluntary process and impose no additional regulatory burden on the utility. The utility may choose another approach for demonstrating its proposed plant is reasonable. The Board's competitive bidding rules were proposed on August 3, 2001. Final rules were adopted on March 15, 2002, and became effective on May 8, 2002.

Energy Efficiency Plans

On May 30, 2002, the Board issued an order requiring the filing of new energy efficiency plans by investor-owned utilities. The Board observed that utility plans were all more than seven years old and required the utilities to assess potential energy and capacity savings and present programs designed to achieve those savings. The Board noted that the utilities, subject to the

requirements, were developing a joint study of energy efficiency potential, which was almost complete and would provide a base for the individual plans.

Interstate Power and Light Company (IPL) filed its proposed plan on schedule on October 15, 2002. On November 8, 2002, the Board issued an order docketing the plan for review as Docket No. EEP-02-38. A team of staff from Policy Development and Customer Service sections began analyzing the Interstate plan and intervener testimony. The proposed plans of other investor-owned utilities were required in a staggered timeframe early in 2003.

Emission Plans and Budgets

On April 1, 2002, emission plans and budgets were filed by the two investor-owned utilities owning and operating coal-fired electric power plants, IPL and MidAmerican Energy Company (MEC). Section staff assisted the Administrative Law Judge assigned by the Board to review the emission plans. Iowa Code Supp. Section 476.6 (25) required the filing of the emission plans and budgets. In addition to provisions encouraging the construction of power plants in Iowa, the statute stated “the intent of the general assembly that the state...provide for compatible statewide environmental and electric energy policies with respect to regulated emissions from rate-regulated electric power generating facilities in the state that are fueled by coal.” At the end of the year, staff was continuing its review of the plans and budgets and intervener testimony.

High-Speed Internet Access

Policy Development staff prepared a second report assessing high-speed Internet access in Iowa based on the latest broadband deployment activity in Iowa. Surveys were mailed to various communication companies in September 2001 to assess current and projected access to high-speed services in Iowa. The report on the assessment entitled “Assessing High-Speed Internet Access in the State of Iowa: Second Assessment” was released in February 2002. It indicated that the availability of high-speed Internet service to Iowans jumped nearly 50 percent from one year earlier with 47 percent of rural Iowa communities and 61 percent of urban Iowa communities having access. The second assessment was a continuation of the first assessment released in October 2000. Both reports are available on the Board’s web site.

Electricity Market Development

Policy Development staff, along with numerous other Board staff members, provided comments to the Federal Energy Regulatory Commission (FERC) regarding the FERC’s proposals on standard market design. This FERC effort was designed to develop regional markets for electricity. The FERC proposal and the comments regarding the proposal dealt with the structure of the markets, participant incentives, pricing, and market monitoring. The outcome of the FERC proposal and its impact on Iowa has yet to be determined. Efforts to monitor the proposed changes and their potential impact on Iowa continue.

Generation in Iowa

Iowa Code 476A requires that a person shall not commence construction of an electric generating facility unless the Board has issued a certificate of public convenience, use, and necessity. Policy Development staff worked on three generation certification dockets; Entergy Power Generation (GCU-01-2), MEC (GCU-02-1), and IPL (GCU-02-2). Staff also worked on dockets that approved waiver requirements for two proposed generation projects for Roquette America Inc. (WRU-02-44) and Hancock Wind Farm (WRU-02-28).

Safety and Engineering

Donald J. Stursma, Manager

Donald J. Stursma joined the agency in 1981 as Principal Gas and Water Engineer and was later promoted to manager of the Safety and Engineering Section. He received a degree in civil engineering from Iowa State University in 1974 and is a licensed professional engineer. He is a member and past chairman of the National Association of Pipeline Safety Representatives (NAPSR) and serves on its Grant Allocation/Strategic Planning and Liaison Committees, and has served on several federal rules review committees. His other memberships include the NARUC Staff Subcommittee on Pipeline Safety, the American Society of Civil Engineers, and the American Society of Mechanical Engineers B109 Committee and B31 advisory group. He is an Iowa native from the Leighton and Pella area.

2002 Highlights

- A \$42,500 One-Call enforcement grant is obtained for the Attorney General.
- Forty-one electric franchise petitions are filed with the Board.
- The Board issues 24 new franchises, 5 amendments to existing franchises, 35 franchise extensions, and 1 temporary construction permit.
- Seven pipeline permit actions are taken - four new permits and three permit renewals.
- Thirty-six natural gas pipeline operators and 202 electric line operators are inspected for compliance with safety standards.

The Safety and Engineering Section is responsible for the regulation of gas and electric service providers and pipeline and electric transmission/distribution companies as it relates to safety, construction, and operation and maintenance of facilities. Section responsibilities include reviewing and processing all petitions for electric transmission lines franchises under Iowa Code chapter 478 and for pipeline permits under Iowa Code chapters 479 and 479B, and conducting inspections of natural gas and electric utilities for compliance with safety standards. The section assists the federal Department of Transportation's Office of Pipeline Safety, which certifies intrastate gas (distribution) companies and conducts the gas pipeline safety program.

Electric

Forty-one electric franchise proceedings (E dockets) were initiated in 2002 pursuant to Iowa Code chapter 478. Of the 41 petitions filed, 17 were for new franchise, 2 were for amendment of an existing franchise, 21 were for extension of franchise, and 1 was withdrawn (primarily for procedural reasons). Additionally, three proposed electric line projects were assigned docket numbers, but did not progress beyond the informational meeting stage by the end of 2002. Six informational meetings, presided over by a Board Engineering staff member, were held pursuant to Iowa Code § 478.2. As part of the franchise proceedings, 55 route and/or safety inspections were also conducted.

In 2002, the Board issued 24 new franchises, 5 amendments to existing franchises, 35 extensions of expiring franchises, and 1 temporary construction permit. These include final actions taken on petitions filed in years preceding 2002. The 2002 calendar began with 66 petitions pending - 26 for new franchise or amendment and 40 for extension of franchise. The close of 2002 showed 41 pending petitions - 17 for new franchise or amendment and 24 for extension.

In 2002, 202 utilities operating electric supply lines throughout Iowa received a visit from the Board's electric field inspectors. They inspected records at 165 offices and conducted 370 safety code compliance inspections of electrical lines and facilities. These inspections also reviewed the utilities' compliance with the inspection and maintenance plans required by 199 IAC 25.3. The number of safety field inspections in 2002 was less than in recent years due to the retirement of one inspector at the end of 2001 and an engineer in July 2002. An inspector was subsequently hired and qualified candidates were still being sought for the engineer position.

Utilities filed accident reports with the Board pursuant to 199 IAC 25.5 on nine electric contact accidents. Two of those accidents resulted in fatalities. In addition, staff investigated and made a recommendation on safety and service matters in three citizen complaints to the Board. The Engineering staff also made three presentations to groups of electric utility personnel. The presentations included information on electric line routing and safety issues, regulatory changes, and instruction on franchise petitions and exhibits.

Pipeline

The Board took action on seven dockets for natural gas pipeline permits filed in 2002 pursuant to Iowa Code chapter 479. Included were four petitions for a new permit and three petitions to renew a permit for an existing pipeline.

Three of the petitions for new permits involved providing natural gas service to ethanol plants in Guthrie, Kossuth, and Cherokee Counties. One petition for a new permit was for 12.9 miles of pipeline in Polk County to transport natural gas to the Pleasant Hill Energy Center and new Greater Des Moines Energy Center. The three petitions to renew permits were for existing pipelines in Linn, Mahaska, Scott, and Wapello counties.

As part of a certification agreement under Section 60105(a), Title 49, United States Code, with the U.S. Department of Transportation, Office of Pipeline Safety, Engineering staff in 2002 inspected 36 intrastate natural gas operators for compliance with federal pipeline safety standards. This number encompasses 55 percent of the intrastate pipeline operators under federal pipeline jurisdiction in Iowa. Intrastate pipeline operators are typically utilities, but the term also includes pipelines owned by industrial end users. Engineering staff spent 360.8 inspection-person days performing these inspections. Of that total, 32 days were on transmission pipeline construction and 15.8 were on drug and alcohol testing programs. Five interstate pipeline operators were also inspected in 2002. Engineering staff spent 42.3 person days on these inspections.

The Board is reimbursed for up to 50 percent of the cost of its natural gas pipeline safety inspection program through a grant from the U.S. Department of Transportation. The grant amount requested for 2002 was \$245,250. The Board received a payment of \$211,132 in 2002 for the work done in 2001.

The Board obtained a separate federal grant of \$42,500 for use by the Attorney General to enforce Iowa Code chapter 480, the Iowa One-Call law. Also in 2002, the Board received \$48,154.98 of the \$312,500 Damage Prevention Grant awarded in 2001 for use by the Iowa One Call organization. The purpose of the grant is to enhance operations for community and industry partners with the existing One-Call notification system and provide a means for the State of Iowa to become more current with “Common Ground” best practices.

Thirty-three accidents, incidents, or service outages were reported in 2002. Five were incidents involving jurisdictional piping, 14 were interruptions of service to customers, and six were courtesy calls involving incidents that were not reportable but were considered significant enough by the operator to inform the Board, and eight were incidents concerning customer piping, propane, and equipment damage. Of the 33 reported, 18 of the accidents, incidents, or outages resulted from third-party damage. Engineering staff investigated six of the incidents.

The Engineering staff also gave two presentations on safety and regulatory matters - one at the American Public Gas Association workshop held in Des Moines and one at meetings of investor-owned utility personnel. The section manager participated in conferences and on national committees involving grant allocation/strategic planning, rules review, and pipeline safety.

Telecommunications

John Ridgway, Manager

John Ridgway joined the Board in July of 2000. He has spent over 35 years in the telecommunications industry in a wide variety of roles. He has previously worked at Qwest, Iowa Network Services, and Teleconnect. John is a member of the NARUC Staff Subcommittee on Telecommunications. John was a member of the inaugural class of Leadership USA and past chair of Leadership Iowa. He holds a B.S. in business management from Upper Iowa University.

2002 Highlights

- Certification of local exchange carriers increases slightly.
- New enrollment process for Lifeline assistance.
- Staff participates in multi-state collaboratives on Qwest's § 271 compliance.
- IUB continues to monitor the efficient use of telephone numbering resources.
- IUB rules on proposed change to Iowa Telecom price regulation plan.
- New Relay Iowa services unveiled as use and equipment distribution increase.

Competitive Local Exchange Carriers

Thirteen new certificates were applied for and approved. This brings the total certificated carriers in Iowa to 86. This number has been slightly on the rise due to the shake-up in the industry and revised business plans.

Municipal Telephone Utilities

There were four new applications. The approved total is 14 municipal telephone companies.

New Lifeline Enrollment Process

In 2002, through a collaborative effort between the IUB and the Iowa Department of Human Rights, a new automatic enrollment process was established for Lifeline assistance. Customers enrolling for LIHEAP can now automatically be enrolled for Lifeline as well. After customers request Lifeline assistance on the LIHEAP form, their names and telephone numbers are sent to the appropriate local carrier and they are identified as qualified Lifeline subscribers. The local carriers place these customers on Lifeline with no further paperwork required. At the end of 2001, Iowa had 13,884 Lifeline subscribers. With the new process in place, Iowa finished 2002 with 23,549 Lifeline subscribers. The number of Lifeline subscribers is expected to continue to climb.

Qwest Corporation's Section 271 Compliance Reviews

Section 271 of the Telecommunications Act of 1996 establishes the conditions Regional Bell Operating Companies, such as Qwest, must meet prior to being allowed to enter the market as in-region providers of interLATA services. In general, compliance with Section 271 would mean that Qwest had opened its local exchange network to competition. Ultimately, the FCC determined that Qwest complied with Section 271, in Iowa and eight other states, in an order

issued on December 23, 2002. That determination was made after consulting with various state commissions and the Department of Justice. Beginning in 2000 and ending in early 2002, the Board participated in three collaboratives with other states in Qwest's 14-state region to more efficiently review Qwest's Section 271 compliance.

- **Thirteen-State OSS Collaborative**

Operational Support Systems (OSS) are the methods, procedures, and systems (often computers) that support the daily operations of Qwest's telephone infrastructure. Nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition because access to Qwest's OSS provides a competitor with the ability to order new services for its customers and to communicate with Qwest on basic activities such as providing repair and maintenance service for customers. Qwest had to show there was nondiscriminatory access to OSS prior to any regulatory approval of providing long distance services.

This collaborative involved 13 of the 14 states served by Qwest. The Executive Committee and Steering Committee included commissioners and staff from the states. A Technical Advisory Group consisted of industry participants in addition to state commission staff members. The National Regulatory Research Institute, NARUC's research affiliate, served as the Administrative Coordinator. Maxim Telecom Group (MTG) was the Project Administrator.

The OSS test used three additional vendors to conduct the testing. KPMG Consulting was the overall test administrator and was responsible for the final report. Hewlett Packard Consulting took on the role of a newly established competitive local exchange carrier (pseudo CLEC) to serve as an unbiased vehicle for testing Qwest's systems, documentation, and processes. Liberty Consulting conducted audits to ensure that all aspects of Qwest's wholesale performance measures and retail parity standards complied with the collaboratively developed performance measurement definitions. The test began in 2000 and concluded in early 2002. On June 10, 2002, the Board issued a conditional statement approving the OSS evaluation.

- **Seven-State Collaborative**

The seven-state collaborative addressed Qwest's compliance with the Section 271 competitive checklist, Section 272 nondiscrimination safeguards, Track A, and Public Interest. Liberty Consulting was hired to coordinate the multi-state proceeding and resulting workshops. Prior to each workshop, Qwest and intervenors filed testimony relating to Qwest's compliance. The purpose of the workshops was to bring open issues to resolution. At the conclusion of the workshops, Liberty reported to the state commissions on resolutions reached. More importantly, Liberty made recommendations for commission action on those issues not resolved at the workshops. State commissions were free to accept, reject, or modify Liberty's recommendations. In 2002, the Board issued fifteen "Conditional or Reconsideration of Conditional Statements" approving the Section 271 competitive checklist items, Section 272 safeguards, Track A, and Public Interest concerns.

- **Nine-State Performance Assurance Plan Collaborative**

The FCC has recognized that a performance assurance plan (PAP) is one method of demonstrating that markets will remain open to competition once a Regional Bell Operating

Company, such as Qwest, gains authority to provide interLATA long-distance service. A performance assurance plan would keep Qwest in compliance with the various requirements of Section 271 after receiving interLATA authority from the FCC. A performance assurance plan would subject Qwest to monetary penalties should “backsliding” occur after being granted Section 271 authority.

Initially, Iowa was among eleven states that participated in a process known as the Post-Entry Performance Plan (PEPP) collaborative. Through May of 2001, five separate multi-day workshops were convened, numerous conference calls were placed, and a large quantity of information, proposals, and supporting data were exchanged and reviewed in an attempt to create a "consensus plan." Following the conclusion of the PEPP process, the Board joined a nine-state collaborative to develop Qwest’s performance assurance plan (QPAP). Liberty Consulting was again hired to facilitate the collaborative and workshops. Testimony was filed and workshops were conducted in the summer and fall of 2001. In October 2001, Liberty submitted its QPAP report to the states for consideration. The report outlined 68 issues that remained at impasse following the collaborative workshops, as well as numerous recommendations by Liberty for inclusion in a final QPAP. After a full review, the Board issued two statements in 2002, which addressed these impasse issues.

Use of Telephone Number Resources, Docket Nos. SPU-02-11 and SPU-02-13

On June 6, 2003, the Board denied two challenges to actions of the North American Numbering Plan Administrator (NANPA). NANPA denied numbering resource requests submitted by Sprint Communications Company L.P. and Level 3 Communications, LLC each of which proposed to use the requested numbers to provide Virtual NXX (VNXX) services. Operating pursuant to jurisdiction delegated to the states from the Federal Communications Commission, the Board found that VNXX was not an authorized local service and the proposed use of telephone number resources would be inconsistent with applicable industry standards and guidelines. The Board also found that VNXX or similar services may be appropriate and useful if offered by alternative means and directed the parties to meet and discuss the availability of acceptable alternatives that use telephone numbers in a more efficient manner and that resolve outstanding intercarrier compensation issues.

Local Number Portability, Docket Nos. SPU-02-18 and SPU-02-19

On October 18, 2002, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, filed a petition for suspension or modification of its obligation to provide long-term local number portability in the Hartley, Primghar, and Paullina, exchanges. The petition was identified as Docket No. SPU-02-18. Also on October 18, 2002, Iowa Telecom filed a similar petition with respect to the Coon Rapids exchange. This petition was identified as Docket No. SPU-02-19.

On November 6, 2002, The Community Agency (TCA), whose service area includes the Hartley, Primghar, and Paullina exchanges, filed an answer to the petition in Docket No. SPU-02-18. Also on November 6, 2002, Coon Rapids Municipal Communications Utility (CRMUCU), whose service area includes the Coon Rapids exchange, filed an answer to the petition in Docket No. SPU-02-19.

On December 6, 2002, the Board issued an order combining the two dockets and docketing them for investigation. The order assigned the combined docket to an administrative law judge (ALJ)

to conduct the proceedings. Subsequent orders by the ALJ granted intervention to TCA, CRMCU, the Iowa Association of Municipal Utilities, and LTDS Corporation. A hearing was scheduled for January 30, 2003.

Efficient Use of Telephone Numbering Resources, Docket No. NOI-00-3

Board staff continues to monitor the assignment and usage of numbering resources in Iowa. By Board order, staff now receives fax or e-mail copies of all carrier applications for new or growth Central Office Codes (a.k.a. NXX Codes) prior to the carrier submitting the applications to the North American Numbering Plan Administrator (NANPA). NXX Codes comprise the prefix or first three digits of a seven-digit telephone number and the remaining number of unassigned NXX codes in an area code (NPA) is what drives area code exhaust forecasts. NANPA's 2002 NPA Exhaust Analysis showed increases in the expected lives of all five Iowa area codes over the previous year's forecast. However, forecasts are based on very fluid inputs and can change quickly. Therefore, it is important that the Board and staff continue to monitor Iowa's numbering resources.

Board staff continues to participate in NXX Code reclamation in concert with NANPA and monitors usage through NANPA's Numbering Resource Utilization/Forecast reports. Staff also maintains databases of numbering resource information collected since the inception of this docket. The Board and staff also continue to work with the FCC on changes in numbering policy that work on a local rather than national level. For instance, this year the FCC, as part of its national rollout of Thousand-Block Number Pooling (TBNP), instituted TBNP in Iowa's 712 area code. However, because of FCC guidelines, pooling is only mandatory in Pottawattamie County. As a result, the Board filed comments with the FCC on its *Third Order on Reconsideration* regarding Local Number Portability (LNP), the Top 100 Metropolitan Statistical Areas (MSA), Bona-fide Requests (BFR), and TBNP.

The Board also approved a staff letter to telecommunications industry participants explaining the FCC's order requiring carriers to assign numbers from open 1000-blocks before "contaminating" new 1000-blocks. The letter further explained how this affected the practice of assigning customized numbers to customers. Carriers were also warned about using marketing plans that wasted NXX Codes, violated the sequential numbering order, and avoided the provision of LNP.

Proposal for Modification of Price Regulation, Docket No. RPU-02-4

Senate File 429 (SF 429) provided changes to Iowa Code relating to ratemaking procedures. Iowa Telecom filed a plan to increase its rates based on these changes. Iowa Telecom proposed to increase rates, over a period of two to three years, until the highest current rate was being charged in all non-competitive exchanges and proposed to decrease rates in competitive exchanges. Iowa Telecom instituted interim rates at the beginning of the docket, as allowed by the revised statute.

After conducting a hearing, the Board denied Iowa Telecom's request for increased rates but allowed for a three percent increase to offset the cost of rate consolidation in Iowa Telecom's three study areas. Iowa Telecom requested a rehearing and the submission of additional evidence. The Board accepted Iowa Telecom's request for rehearing for the purpose of reconsideration, but eventually declined to change its final order with one exception. The Board

gave Iowa Telecom the choice of whether or not to consolidate rates, but reminded Iowa Telecom that the three percent rate increase was tied to consolidation. Iowa Telecom petitioned the District Court for a Judicial Review of the Board's final orders in this docket.

Relay Iowa

Under Title IV of the Americans with Disabilities Act of 1990, dual party relay services have been required to be provided for both interstate and intrastate communications everywhere in the United States since July 26, 1993. A working committee was created, headed by the Iowa Utilities Board, and developed original recommendations for a dual party relay system. The committee's recommendations resulted in enactment of Iowa Code chapter 477C that created the Dual Party Relay Service. Iowa's provision of dual party relay service was adopted by the legislature and became law in July 1991. The legislation provides that the Iowa Utilities Board will administer the provision of the dual party relay service.

A dual party relay service allows deaf, hearing-impaired, and speech-impaired persons using special equipment known as telecommunications devices for the deaf (TTY) to use the telephone system on a functionally equivalent basis to persons without communications impairments. The service is also for use by hearing persons and businesses that wish to talk with persons who are deaf, hard-of-hearing, or speech impaired. "Relay Iowa," as the state's dual party relay service is known, has been in operation since August 1, 1992. It is currently provided by Sprint, on contract with the Iowa Utilities Board. In June 2002, the Board notified Sprint of its intent to extend its contract with Sprint until December 31, 2004.

Four new relay services were implemented in the state of Iowa in 2002. All four services were offered at no additional charge to the state. Enhanced Turbo Code (E-Turbo) was launched in April, voice carry-over direct (VCO Direct) and video relay service (VRS) began in June, and Internet protocol relay (IP Relay) service began in July. *E-Turbo* reduces call set-up time and increases the speed in which certain TTY calls are processed. *VCO Direct* offers a direct toll-free number for VCO users. Those calls are routed to operators who specialize in handling VCO calls. *VRS* allows a relay user who uses American Sign Language (ASL) to communicate with a voice telephone user through video equipment, utilizing high-speed access and a video camera. The ASL user can then use ASL to communicate through a video relay interpreter to a voice telephone user. *IP Relay* provides Internet users the ability to communicate via Relay Iowa through web access, rather than with a TTY or telephone.

In September 2002, Relay Iowa celebrated its tenth anniversary in the state of Iowa. Celebrations were held in several cities throughout the state during the week of September 23rd, including Iowa City, Council Bluffs, Fort Dodge, Waterloo, and Des Moines. All celebrations included a magic show by a deaf magician. In addition, the Des Moines celebration featured information booths and several distinguished speakers, including Iowa Utilities Board Chair Diane Munns and Iowa Lieutenant Governor Sally Pederson.

The 2002 total minutes of use (MOU) of Relay Iowa was 1,818,209 minutes, compared to the 2001 MOU of 1,946,664 minutes (a 6.6 percent decrease). Inbound calls to Relay Iowa increased 4.9 percent, from 359,228 calls in 2001 to 376,770 calls in 2002. In 2002 the average response time was 1.37 seconds, up from 1.73 seconds in 2001. TTY calls made up

approximately 72 percent of all relay calls, while voice calls accounted for 19.9 percent of relay calls, 7.5 percent were voice carryover calls, and the remaining 0.5 percent were ASCII calls.

Iowa's telecommunications relay service was re-certified by the FCC on June 11, 1998. The original FCC certification expired July 25, 1998. The certification remains in effect for a five-year period, beginning July 26, 1998, and ending July 25, 2003. However, all states were required by the FCC to submit their re-certification application by October 1, 2002. Iowa's application was submitted to the FCC on September 27, 2002. A ruling on Iowa's re-certification application is not expected from the FCC until spring 2003.

Equipment Distribution Program

On January 25, 1995, the equipment distribution program commenced operations in Iowa. The statewide equipment distribution program distributes assistive telecommunications devices to hearing-impaired, speech-impaired, deaf, and deaf-blind Iowans. Deaf Services Unlimited administers this program. Eligible recipients are issued vouchers from the program administrator for 95 percent of the average retail price of the equipment. If the price of the equipment exceeds \$1,000, the voucher is for 99 percent of the average retail price. The recipient has ownership of the equipment and is responsible for repairs. The Board sets a standard voucher amount for each type of equipment or equipment package.

The Board has a contract with Deaf Services Unlimited (DSU), located in Des Moines, for this distribution and outreach program. Deaf Services Unlimited began its duties, under the program name of Telecommunications Access Iowa (TAI), as equipment distribution administrator on January 1, 1999. A new contract was awarded to DSU last year, with the contract period of January 1, 2002, through December 31, 2004, with an optional two-year extension.

In 2002, 601 participants in the program received vouchers for equipment valued at \$133,201. The equipment most in demand was the amplified phone. There were 455 amplified phones and cordless amplified phones made available through this program in 2002. In addition, 87 TTYs were distributed. Most deaf recipients request TTYs, whereas persons who are hard of hearing generally prefer the amplified phones.

<i>Equipment Description</i>	<i>Number of Pieces</i>	<i>Total Amount</i>
Amplified phone	455	\$70,941
Speakerphone	2	845
Special requests--Braillephone	1	6,430
Loud ringer, amplifier, ring flasher	12	478
TTY with and without accessories	87	43,579
Voice carryover (VCO) phone with and without accessories	43	10,614
Computer software package	1	314
TOTAL	601	\$133,202

Inquiry into Expansion of Equipment Distribution, Docket No. NOI-02-1

Docket No. NOI-02-1 investigated the possible expansion of the Iowa Utilities Board's equipment distribution program. The current program provides vouchers to help pay for specialized telecommunications equipment for qualified individuals who are deaf, hard-of-hearing, speech-impaired, or deaf/blind.

On September 18, 2002, the Board issued an "Order Initiating Inquiry." The Board requested comments regarding whether it should draft and file legislation to expand the equipment distribution, as requested in a report filed on April 26, 2002, by the University of Iowa Clinical Law Program. The report was the result of research done by the U of I at the Board's request.

Written comments from 38 participants were received. An oral comment proceeding was held on November 7, 2002. Eighteen members of the public attended, in addition to five IUB staff persons and one Board member. All of the commenters agreed there is a need for a program to aid persons challenged by mobility and cognitive disabilities in the acquisition of specialized phone equipment. However, the inquiry did not achieve consensus as to whether a legislative change should be sought to expand the current equipment distribution program. Therefore, the Board declined to approach the legislature for a change to expand the program and closed Docket No. NOI-02-1.

Alternative Pricing Proposals

Alternative pricing proposal (APP) dockets are initiated when a utility files a proposal to set rates that are not based on traditional rate-regulation factors.

APP-96-1 (RPU-96-8, RFU-01-4)

MidAmerican Energy Company

On June 4, 1996, MidAmerican filed an alternative electric pricing plan designed as a transition toward competitive, market-based electric prices and services for MidAmerican's customers. The plan also included a pledge not to raise electric rates until June 1, 2001, as well as a reduction of current rates to move prices toward a market proxy developed by MidAmerican. On August 1 Consumer Advocate filed a petition to reduce MidAmerican's electric rates by \$101.5 million, or 10.7 percent. Consumer Advocate later reduced that amount to \$82.2 million, or 9 percent. On September 6 the Board docketed Consumer Advocate's request as RPU-96-8 and consolidated it with Docket No. APP-96-1. On October 24 the Board approved a reduction in MidAmerican's electric rates of \$8.7 million. On March 10, 1997, a proposed settlement was filed by some of the parties, including MidAmerican and the Consumer Advocate, which would resolve all outstanding issues in Docket Nos. APP-96-1 and RPU-96-8 with the exception of a Public Programs Charge (PPC) proposed by MidAmerican. The settlement reduced MidAmerican's electric base rates by an additional \$25 million. It reduced residential rates by approximately \$10 million. The reduction would be utilized to reduce the rate gap in MidAmerican's three pricing zones. The settled rates incorporated decommissioning costs for two nuclear plants, Quad Cities Station Units 1 and 2. The settlement was effective until December

31, 2000, after which any signatory could file with the Board a petition to increase or decrease MidAmerican's electric rates. The Board approved the settlement agreement on June 27 and granted the motion to bifurcate consideration of the settlement from the remaining contested issue, the Public Programs Charge (PPC). On August 5 the Board conditionally approved the PPC contingent upon approval of a public education campaign designed to inform MidAmerican's customers on the benefits of the items to be included in the PPC – energy efficiency, alternate energy, and the alternate loan fund. On September 15 MidAmerican filed its proposed public education campaign, which the Board rejected on May 21, 1998.

Also in the June 27 settlement agreement, MidAmerican agreed to negotiate with the signatories of the settlement to develop a Market Access Service Pilot (MAS) for commercial and industrial customers. On September 5 MidAmerican filed with the Board a proposed MAS tariff, TF-97-229, which would allow MidAmerican's commercial and industrial customers to purchase electric service on an unbundled basis. The tariff was approved on August 21, 1998.

On December 31, 1998, the Board conditionally approved a tariff (TF-98-324) filed by MidAmerican that reduced certain commercial and small general service rates effective January 1, 1999. Under the terms of the settlement, MidAmerican said base

rates to non-contract commercial and small general service customers should be reduced by \$1.456 million.

On December 18, 1998, the Board issued an order requesting additional information from MidAmerican concerning its flexible rate contracts. On January 15, 1999, MidAmerican filed approximately 30 draft contracts representing the general terms and conditions of its initial offers to its customers. An order issued on April 15 states that MidAmerican agreed, without admitting any wrongdoing, to waive certain provisions included in the contracts, that would add to the customer's rights.

On February 15 MidAmerican filed its return on common equity calculations for 1998 pursuant to the settlement agreement. If MidAmerican's return on equity exceeded 12 percent, the settlement required MidAmerican to return 50 percent of the excess earnings to non-contract customers. MidAmerican showed an equity return of 12.33 percent. The Board approved the plan on April 14. On September 2 MidAmerican filed its refund report. On October 5 the Board accepted the refund report. The total amount refunded was \$3,597,648.13.

On February 15, 2000, MidAmerican filed a 14.17 percent return on common equity calculation for 1999. On March 1 MidAmerican filed a motion for approval of a revenue sharing plan that would refund \$14,851,185 to all non-contract customers. On March 31 the Board approved the plan.

On January 22, 2001, MidAmerican filed a 14.9 percent return on common equity calculation for 2000. On January 22 MidAmerican and Consumer Advocate filed a motion for approval of a revenue sharing plan that would refund approximately \$21.6 million to all non-contract customers. On January 25 the Board approved the revenue

sharing plan. The settlement required MidAmerican to return to non-contract customers 50 percent of excess earnings above a 12 percent return on equity. On July 13 MidAmerican filed its refund report, which was identified as Docket No. RFU-01-4. On January 25, 2002, the Board approved the refund report. The total amount refunded was \$21,303,639 or \$357,698 less than should have been refunded. The under-refund was to be included in MidAmerican's 2002 reconciliation of the Cooper Nuclear Tracker. On April 15 MidAmerican filed its fifth annual reconciliation of recoveries and expenses under the Cooper Tracker, which proposed slightly decreased factors for all customer classes for the upcoming year. No objections were filed. On May 15 the Board approved the tariff. A residential customer using 750 kWh per month would see a monthly decrease of approximately 11 cents per month. On August 7 MidAmerican filed an adjustment that proposed to adjust the Cooper Tracker due to a litigation settlement with the owner of Cooper Nuclear Station that allowed MidAmerican to stop making payments for Cooper construction expenses. On September 26 the Board approved the adjustment, which significantly reduced the amounts collected under the Cooper Tracker. A residential customer using 750 kWh per month would see a monthly decrease of approximately 44 cents per month.

Annual Review of Electric Fuel Procurement Plans

Iowa Code § 476.6(16) directs the Utilities Board to conduct a periodic proceeding (ARC) to evaluate the reasonableness and prudence of each rate-regulated public utility's procurement and contracting practices relating to the acquisition of fuel for use in generating electricity.

ARC-01-150 Interstate Power Company ARC-01-151 IES Utilities Inc.

The Board notified Interstate Power Company and IES Utilities Inc. by order issued January 19, 2001, that the Board intended to conduct a contested case proceeding to evaluate Interstate's and IES's electric fuel procurement and contracting practices. Interstate and IES were required to file a joint fuel procurement plan. On May 15 Interstate and IES filed their joint electric fuel procurement plan. On June 19 the Board docketed the case and established a procedural schedule. A hearing was held beginning on November 6 and Interstate and IES submitted late-filed exhibits on November 19 in response to information requested by the Board at the hearing. The Board issued a decision on April 8, 2002, citing concerns about deficiencies in Alliant's planning process and documentation, among other things, but finding that Interstate and IES had not

undertaken actions in violation of the rate freeze agreed to in the merger of Interstate, IES, and Wisconsin Power and Light to form Alliant Energy. The Board determined it was not reasonable to change Interstate's and IES' base rates in this proceeding to reflect the cessation of demand charges associated with expiring long-term electric supply contracts. There was also insufficient evidence to eliminate or modify Interstate's and IES' energy adjustment clause. However, the Board stated that the issue warrants further investigation in a rate case or other appropriate proceeding. The Board also did not disallow any fuel costs in this proceeding. Interstate and IES were required to file certain information with their respective monthly energy adjustment clause filings.

Certified Gas Provider (CGP)

The Board implemented new rules establishing the criteria for certification of competitive natural gas providers on April 25, 2001. Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The filing requirements established by the Board for such certificates are found in 199 IAC 2.2(18) and 199 IAC 19.14. The rules allow certified competitive natural gas providers to pool transportation service to Iowa small-volume business and residential customers for the first time. Competitive natural gas providers have served large industrial customers in Iowa for many years with requirements of large-volume transportation tariffs. Large-volume competitive natural gas providers are also required to become certified under the new rules.

CGP-01-3 BP Canada Energy Marketing Corporation, f/k/a TransCanada Energy Marketing USA, Inc.

On May 30, 2001, TransCanada filed an application requesting the issuance of a certificate as a competitive natural gas provider. TransCanada was notified of deficiencies and on July 20 the Board notified TransCanada that the application was complete and the 90-day review period had begun. On October 1 the Board issued an order approving the application and granting TransCanada a certificate to provide large volume service as a certified natural gas provider in Iowa. On April 2, 2002, TransCanada filed documentation showing it had merged into BP Canada. On April 26 the Board recognized the name change and issued an amended certificate authorizing BP Canada to provide natural gas services to large volume customers in Iowa.

CGP-01-6 (SPU-02-14) U.S. Oil Company, Inc., f/k/a U.S. CoEnergy Services

On June 1, 2001, U.S. CoEnergy filed an application requesting the issuance of a certificate as a competitive natural gas provider. On June 5 the Board notified U.S. CoEnergy that the application was complete

and the 90-day review period had begun. On August 31 the Board issued an order approving the application concurrently with a certificate as a competitive natural gas provider. U.S. CoEnergy stated that it only intends to provide service to large volume customers and the certificate issued only authorizes service to large volume customers. On July 22, 2002, U.S. CoEnergy filed a notification that it had changed its corporate structure from a general partnership to a Wisconsin corporation and had changed its name to U.S. Oil Company. On August 27 the Board recognized the name change and issued an amended certificate authorizing U.S. Oil Company to provide natural gas services to large volume customers in Iowa.

CGP-01-9 Tiger Natural Gas, Inc.

On May 31, 2001, Tiger filed a request for a waiver of the June 1, 2001, deadline for filing an application for a competitive natural gas provider certificate. Tiger requested an extension until June 8 when it filed an application requesting the issuance of a certificate as a competitive natural gas provider before the Board could issue an order granting the waiver request. The Board treated the waiver as having been granted and began processing the

application. By letter dated June 18, the Board notified Tiger that its application was incomplete and needed to be updated. Tiger did not respond to the Board inquiries in 2001. On March 27, 2002, the Board issued an order approving Tiger's request for waiver of the application deadline, but denying its application for a certificate and providing notice of possible civil penalties. The Board required a list of all existing contracts with Iowa customers (with contract termination dates) and a detailed plan for exiting the Iowa competitive natural gas market by May 1 to be filed within 30 days. On April 3 and April 9 Tiger filed additional information and requested reconsideration of the March 27 decision. The additional information corrected application deficiencies and violations. On April 29 the Board approved the application to provide large volume natural gas service to Iowa customers and issued a certificate.

CGP-01-11 U.S. Enron Energy Services, Inc.

On June 4, 2001, Enron filed a request for a waiver of the requirement (for existing large service providers in Iowa) to file by June 1 an application requesting the issuance of a certificate as a competitive natural gas provider. The Board granted the waiver by order issued June 7 and gave Enron until July 2 to file the application. On August 24 Enron filed an application requesting issuance of a certificate as a certified natural gas provider. On August 29 the Board notified Enron that the application was complete and the 90-day review period had begun and was scheduled to conclude by November 27. On November 26 Enron filed a letter limiting its application for approval to serve large volume customers only. By order issued November 27 the Board extended the determination date of the application an additional 60 days to January 25, 2002, to allow Enron to file additional

information concerning the application. On January 15, 2002, the Board denied Enron's application for a certificate. Enron violated the Board rule that requires an applicant to notify the Board within 14 days if there is a material change in the information provided in support of the application. The bankruptcy filing of Enron's parent company and the effect it had on Enron's financial and managerial capability were material changes. The Board required a list of all existing contracts with Iowa customers (with contract termination dates) and a detailed plan for exiting the Iowa competitive natural gas market by May 1 to be filed within 30 days.

CGP-01-12 (WRU-02-20-3597) Iowa Joint Utility Management Program, Inc. (IJUMP)

On August 30, 2001, IJUMP filed an application requesting the issuance of a certificate as a competitive natural gas provider. On September 10 the Board notified IJUMP that the application was complete and the 90-day review period had begun. On October 31 the Board issued an order approving the application concurrently with a certificate as a competitive natural gas provider. On June 19, 2002, IJUMP filed a request for confidential treatment of information contained in its monthly report and waiver of a requirement to file a report monthly. On June 28 the Board granted the both requests and ruled that filing information annually would be sufficient.

CGP-01-13 Virginia Power Energy Marketing, Inc.

On June 4, 2001, Virginia Power filed a request for a waiver of the requirement (for existing large service providers in Iowa) to file by June 1 an application requesting the issuance of a certificate as a competitive natural gas provider. The Board granted the waiver by order issued June 7 and gave

Virginia Power until July 1 to file the application. Virginia Power subsequently informed the Board that it would not be able to meet the July 1 deadline, because of difficulty obtaining information from its various affiliates. On October 11, 2001, Virginia Power filed an application requesting the issuance of a certificate as a competitive natural gas provider. Virginia Power was notified of some deficiencies in its application. On October 17 the Board notified the company that the application was complete and the 90-day review period had begun. Virginia Power stated that it would only provide service to large service customers. On January 15, 2002, the Board granted the application and issued a certificate that limits service to large volume customers.

CPG-02-1 (SPU-02-17) Center Point Energy Marketing, Inc., f/k/a Reliant Energy Retail, Inc.

On January 17, 2002, Reliant Energy filed an application for a certificate as a competitive natural gas provider. On January 23 the Board notified Reliant that the application was complete and that the 90-day review period had begun. Reliant requested to serve only large volume customers. On February 25 the Board approved the application and issued a certificate to provide service to large volume customers. On October 10 Reliant notified the Board that it was changing its corporate name to Center Point Energy Marketing and requested the Board to amend its certificate. On October 28 the Board recognized the name change and issued an amended certificate.

CGP-02-2 Laclede Energy Resources, Inc.

On March 8, 2002, Laclede filed an application for a certificate as a competitive natural gas provider. On March 18 the Board notified Laclede that the application was complete and that the 90-day review period had begun. On April 26 the Board granted the application and issued a certificate to provide natural gas service to large volume customers in Iowa.

CGP-02-3 Cargill, Incorporated

On March 8, 2002, Cargill filed an application for a certificate as a competitive natural gas provider. On March 13 the Board notified Cargill that the application was complete and that the 90-day review period had begun. On April 26 the Board granted the application and issued a certificate to provide natural gas service to large volume customers in Iowa.

CGP-02-4 Cornerstone Energy, Inc.

On June 18, 2002, Cornerstone filed an application requesting the issuance of a certificate as a competitive natural gas provider. On September 4 the Board notified Cargill that the application was complete and that the 90-day review period had begun. Cornerstone had acquired the competitive natural gas business of Aquila in seven states and would begin operation on September 30. It would provide service to both small and large volume customers. On September 26 the Board granted the application and issued a certificate to provide natural gas service to customers in Iowa.

Declaratory Rulings

Declaratory ruling proceedings (DRU) may be initiated either upon request or by the Utilities Board itself. DRUs offer the Board's interpretation of the rules in their application to a particular hypothetical circumstance.

DRU-02-1 (TF-02-148, TF-02-149)

MidAmerican Energy Company

On January 11, 2002, MidAmerican filed a petition requesting a declaratory order concerning a gas tariff effective February 28, 2001, and electric tariff effective January 2, 1998. MidAmerican requested a declaratory ruling where a potential conflict existed between tariff sheets and Board rules for disconnection. On March 11 the Board issued a declaratory order, concluding that the two tariff sheets violated Board subrules since the tariff sheets provided for refusal and disconnection of service where “the premises has an outstanding debt and the person responsible for the outstanding debt owns, occupies, or receives the benefit of the service provided at that location.” The rules did not allow for service to be refused or disconnected to a customer for a debt attached to a premise at which service is requested as provided for in the tariff sheets. The Board directed MidAmerican to file proposed tariff sheets in compliance with Board rules within 30 days. On April 11 MidAmerican filed proposed revised tariff sheets, eliminating the language found to be in violation of Board rules. The language reads: “if a previous occupant liable for payment of a delinquent bill at the premise continues to occupy the premise.” On May 9 the Board approved the proposed revised tariff sheets.

DRU-02-2 Refusal of Service to Relocating LIHEAP Customers

On February 8, 2002, the Board received a letter from State Representative Jack Hatch

requesting issuance of a declaratory order addressing utility refusal of service to relocating Low Income Home Energy Assistance Program (LIHEAP) customers. His request pertained to the following situation: a LIHEAP qualified head of household has an outstanding bill to a public utility for gas or electric service or both. During the November 1 to April 1 disconnection moratorium, the same head of household moves to another residence and the public utility refuses service at a new residence. On February 25 the Board provided notice of the request for declaratory order as required by Iowa Code. On March 25 the Board granted intervention to the Iowa Association of Municipal Utilities, Iowa Association of Electric Cooperatives, Legal Services Corporation of Iowa, Iowa Community Action Association, MidAmerican Energy Company, Interstate Power and Light Company, Iowa Coalition for Housing and Homeless, and Consumer Advocate. On April 9 the Board issued a declaratory ruling, concluding that a public utility is prohibited from refusing service from November 1 through April 1 to a LIHEAP-certified head of household who moves to another residence.

DRU-02-3 (WRU-02-28) FPL Energy Hancock County Wind, LLC

On July 29, 2002, HCW filed a petition for a declaratory ruling or, in the alternative, a request for waiver. HCW planned to build up to 148 wind turbines on two sites in Hancock County and was negotiating to sell power to various Iowa utilities. HCW asked

to commence construction on its wind project prior to obtaining a certificate of public convenience, use, and necessity. HCW filed a clarification to its request on August 2 and transmission interconnection studies on August 21. On August 27 the Board granted the request for a declaratory ruling, finding that Chapter 476A (certification statute) did not apply to HCW's project as set forth in its petition. The waiver request was deemed moot and not addressed. In its declaratory ruling, the Board stated that since no more than 37 turbines, with a maximum total nameplate capacity of 24.42 megawatts, would be located on any single feeder line, no single site would exceed the 25 megawatt threshold.

DRU-02-4 Interstate 35 Telephone Company, d/b/a Interstate Communications and Southwest Telephone Exchange Inc., d/b/a Interstate Communications

On August 20, 2002, Interstate 35 filed a petition for declaratory order, requesting a ruling that incumbent local exchange carriers with less than 15,000 customers and 15,000 access lines are exempt from rate and access charge regulation. On September 19 the Board docketed the request. On October 18 the Board granted the request for declaratory ruling, determining incumbent local exchange carriers having fewer than 15,000 customers and 15,000 access lines are exempted by Iowa Code § 476.1 from the Board's authority to set rates pursuant to Iowa Code § 476.11.

Electric Franchises

A franchise is the authorization by the Utilities Board for the construction, erection, maintenance, and operation of an electric transmission line under Iowa Code chapter 478. The granting of a franchise requires a finding by the Board that the project is necessary to serve a public use, represents a reasonable relationship to an overall plan of transmitting electricity in the public interest, and follows an acceptable route.

Electric Franchise Actions in 2002

New	Filed		
E-21485	Filed 8/23/01	NEMO	Franchise issued 1/8/02
E-21555	Filed 7/24/01	IES Utilities	Franchise issued 1/25/02
E-21484	Filed 8/23/01	NEMO	Franchise issued 1/31/02
E-21551(C)	Filed 6/15/01	Farmers Electric Coop	Franchise issued 2/18/02
E-21468(C)	Filed 7/26/99	CIPCO	Franchise issued 2/25/02
E-21571	Filed 12/11/01	Corn Belt	Franchise issued 3/8/02
E-21570*	Filed 12/11/01	Corn Belt	Franchise issued 3/29/02
E-21572	Filed 12/11/01	Corn Belt	Franchise issued 3/29/02
E-21566	Filed 11/19/01	CIPCO	Franchise issued 4/10/02
E-21567	Filed 11/19/01	CIPCO	Franchise issued 4/10/02
E-21544(C)**	Filed 3/14/01	IES Utilities	Franchise issued 4/12/02
E-21511(C)	Filed 3/16/00	Ames Municipal	Franchise issued 4/26/02
E-21553***	Filed 1/17/02	Maquoketa Municipal	Franchise issued 5/21/02
E-21554	Filed 1/17/02	Maquoketa Municipal	Franchise issued 5/21/02
E-21579(B)	Filed 3/1/02	Interstate Power	Franchise issued 5/21/02 (TCP 3/25/02)
E-21522(C)	Filed 6/20/00	CIPCO	Franchise issued 5/28/02
E-21548	Filed 5/29/01	CIPCO	Franchise issued 6/28/02
E-21549	Filed 12/13/01	Corn Belt	Franchise issued 6/28/02
E-21550	Filed 12/13/01	Corn Belt	Franchise issued 7/23/02
E-21532****	Filed 10/5/00	IES Utilities	Franchise issued 9/17/02*
E-21582	Filed 5/30/02	MidAmerican	Franchise issued 10/15/02
E-21564(C)	Filed 10/26/01	CIPCO	Franchise issued 11/27/02
E-21593	Filed 8/14/02	CIPCO	Franchise issued 12/4/02
E-21562	Filed 8/23/02	Interstate Power	Franchise issued 12/19/02

(*) E-21570 - \$600 civil penalty assessed 2/1/02 for commencing construction without a franchise.

(**) E-21544 was originally filed as a petition for franchise extension, changed to new/existing after a segment of unfranchised line was identified.

(***) Request for eminent domain was withdrawn 2/26/02.

(****) This docket had been listed as an extension filing, but a new franchise was issued because it included a segment without a franchise.

Amendments

E-21470(A1)	Filed 9/24/01	CIPCO	Amendment issued 1/25/02
E-21092(A2)	Filed 10/3/01	CIPCO	Amendment issued 2/25/02
E-21337(A1)	Filed 9/12/01	Interstate Power	Amendment issued 3/8/02
E-21133(A3)	Filed 1/22/02	Interstate Power	Amendment issued 5/21/02
E-21060(A1)	Filed 1/30/02	Interstate (IES)	Amendment issued 8/6/02

Extensions

E-21490	Filed 12/16/99	CIPCO	Extension issued 1/8/02
E-21501	Filed 2/3/00	CIPCO	Extension issued 1/8/02
E-21481	Filed 9/23/99	MidAmerican	Extension issued 1/25/02
E-21492	Filed 12/28/99	CIPCO	Extension issued 2/18/02
E-21560	Filed 9/13/01	NEMO	Extension issued 2/25/02
E-21565	Filed 11/19/01	IES	Extension issued 2/25/02
E-21539	Filed 1/29/01	IES Utilities	Extension issued 3/8/02
E-21540	Filed 1/29/01	IES Utilities	Extension issued 3/27/02
E-21559	Filed 9/13/01	NEMO	Extension issued 4/17/02
E-21460	Filed 7/7/99	Corn Belt Power	Extension issued 4/26/02
E-21473	Filed 8/16/99	CIPCO	Extension issued 4/26/02
E-21505	Filed 2/14/00	CIPCO	Extension issued 4/26/02
E-21552	Filed 6/26/01	Interstate Power	Extension issued 4/26/02
E-21558	Filed 8/13/01	Interstate Power	Extension issued 4/26/02
E-21471	Filed 8/12/99	Corn Belt Power	Extension issued 5/21/02
E-21515	Filed 4/25/00	Corn Belt	Extension issued 5/21/02
E-21514	Filed 4/10/00	IES	Extension issued 6/7/02
E-21475	Filed 9/1/99	Corn Belt Power	Extension issued 6/7/02
E-21563	Filed 9/24/01	Dairyland Power	Extension issued 6/24/02
E-21529	Filed 9/11/00	MidAmerican	Extension issued 6/28/02
E-21584	Filed 4/4/02	Interstate Power	Extension issued 6/28/02

E-21576	Filed 1/22/02	Interstate Power	Extension issued 7/23/02
E-21536	Filed 11/16/00	MidAmerican	Extension issued 7/26/02
E-21466	Filed 7/20/99	Corn Belt Power	Extension issued 7/26/02
E-21577	Filed 1/22/02	Interstate Power	Extension issued 9/11/02
E-21585	Filed 4/23/02	Atlantic Mun.	Extension issued 10/3/02
E-21474	Filed 8/24/99	Corn Belt Power	Extension issued 10/15/02
E-21476	Filed 9/1/99	Corn Belt Power	Extension issued 10/15/02
E-21583	Filed 3/18/02	Interstate Power	Extension issued 10/16/02
E-21477	Filed 9/9/99	CIPCO	Extension issued 10/22/02
E-21483	Filed 9/30/99	Corn Belt	Extension issued 10/22/02
E-21520	Filed 6/8/00	Corn Belt	Extension issued 11/22/02
E-21495	Filed 1/3/00	CIPCO	Extension issued 11/25/02
E-21513	Filed 4/7/00	Corn Belt	Extension issued 11/25/02
E-21597	Filed 8/30/02	IPL	Extension issued 12/23/02

Other Actions

E-21579(B)	Filed 3/1/02	Interstate Power	TCP Issued 3/25/02
E-21580(C)	Filed 3/1/02	CIPCO	Withdrawn 4/15/02

2002 SUMMARY

New Franchises	24
Amendments	5
Franchise extensions	35
Total Franchises or Amendments issued:	64

Other Data

Temporary Construction Permits 1

Dockets closed

Petition withdrawn	1
2 -year window after informational meeting expired	0

Informational meetings held 6

Remarks

(A) Amendment to franchise and amendment number
 (B) Includes Temporary Construction Permit request.
 (C) Existing line apparently never franchised or with franchise expired.

Emissions Plans and Budgets

In a special session in June of 2001, the legislature passed House File 577. This legislation included a provision requiring the two rate-regulated electric utilities to develop multi-year plans and budgets for managing regulated emissions from their Iowa coal-fired electric generating facilities. The Board assigned an Administrative Law Judge to conduct the contested cases for review of the emissions plans and budgets.

EPB-02-150 Interstate Power and Light Company

On March 29, 2002, Interstate filed its emissions plan and budget and the Board established a proceeding. Interstate later amended its emissions plan and budget to request approval for only the period from April 1, 2002, through March 31, 2004. The emissions plan and budget was deemed complete and a procedural schedule was established in an order issued October 11, 2002. Interstate's plan proposed a "combustion initiative" involving improvements to six coal-fired plants in Iowa that it stated were intended to improve plant performance and reduce emissions of nitrogen oxides. A hearing was held on December 9, 2002. Parties at the hearing were Interstate, Consumer Advocate, the Iowa Department of Natural Resources (IDNR), and MidAmerican Energy Company. Additional information was filed by Interstate on December 23, 2002. Briefs were scheduled to be filed on January 17 and January 24, 2003, with a proposed decision expected in February 2003.

EPB-02-156 MidAmerican Energy Company

MidAmerican filed an emissions plan and budget on April 1, 2002, and the Board established a proceeding. MidAmerican later amended its plan and budget to request approval for only the period from April 1,

2002 through March 31, 2004. The emissions plan and budget was deemed complete and a procedural schedule was established in an order issued October 11, 2002. MidAmerican's plan addressed the emissions produced by 11 coal-fired plants in Iowa. It proposed the installation of neural networks at some of the plants, which it stated were to improve plant performance and reduce various emissions. MidAmerican also proposed a "tracker" mechanism for recovery of the costs of the emissions plan and budget. A hearing was held on December 11, 2002. Parties present at the hearing were MidAmerican, Interstate, Consumer Advocate, and the IDNR. Briefs were to be filed by January 31 and February 10, 2003, with a proposed decision expected in February 2003.

Under House File 577, the Board was also required by law to report to the General Assembly its recommendation on whether to require the filing of emissions plans and budgets by municipal utilities and rural electric cooperatives. At year's end, the Board was developing a recommendation for additional time to examine the question, considering the fact that the contested case proceedings for the rate-regulated utilities were under way. The Board intended to propose an inquiry to provide a forum for all parties to provide input and to allow thorough consideration of the issues.

Energy Efficiency Plans

Energy efficiency plans must be prepared and filed with the Board by all energy utilities in Iowa. Nonrate-regulated utilities (municipals and cooperatives) file plans but the Board does not review or approve those plans. Investor-owned utilities file energy efficiency plans when ordered to do so by the Board. Plans for investor-owned utilities must address all customer classes, including programs for low-income customers, and the plans must be cost-effective. Plans for investor-owned utilities are reviewed in contested case proceedings and the Board has authority to approve, reject or modify a plan. Utilities recover the costs of energy efficiency implementation through an Energy Efficiency Cost Recovery charge, which is reviewed and adjusted annually. The Board also conducts prudence reviews, for investor-owned utilities, to review the performance of a utility in implementing its energy efficiency plan.

EEP-02-38 (WRU-02-16) Interstate Power and Light Company

On May 30, 2002, the Board directed Interstate to file a new energy efficiency plan on or before October 15, 2002. The Board waived the deadlines in its rules and prescribed a collaborative plan development process to expedite Interstate's new plan filing. On October 15 Interstate filed its proposed new plan, which contained both

electric and natural gas programs. On December 9 the Board docketed the filing, established a procedural schedule, and required Interstate to provide additional information. Interstate, Consumer Advocate, MidAmerican Energy Company, Ag Processing, and the Iowa Industrial Intervenors were parties to the proceeding. The case was pending.

Formal Complaints

Formal complaint investigations (FCUs) are brought against a utility by another utility, a customer, or by the Utilities Board. FCU dockets are intended to determine if, in a specific instance, a utility violated Iowa law, rules, or the utility's own tariff.

FCU-00-3 (WRU-02-2-290) FiberComm, L.C., Forest City Telecom, Inc., Heart of Iowa Communications, Inc., Independent Networks, L.C., and Lost Nation-Elwood Telephone Company v. AT&T Communications of the Midwest, Inc.

On August 16, 2000, the complainants jointly filed a complaint asking the Board to prohibit AT&T from withdrawing its interexchange services from certain CLECs serving rural Iowa. On January 30 AT&T filed a motion to stay the case proceedings pending a decision of the FCC on issues involving interstate terminating access service. On February 5 the complainants filed a resistance to AT&T's motion to stay, stating that their complaint involves intrastate billings and tariffed rates within the jurisdiction of the Board. No part of the complaint involves any interstate billings or tariffed rates with the FCC's jurisdiction. The complaint was filed based upon interconnection requirements of Iowa Code § 477.11 (2001). On February 16 the Board denied AT&T's motion to stay the proceedings. On April 23 following conclusion of the evidentiary hearing, two intervenors in the docket, Laurens Municipal Broadband Communications Utility and Coon Rapids Municipal Communications Utility, jointly filed a motion to reopen the hearing and record, which the Board denied by issue ordered September 6. On October 25 the Board issued its final decision and order, finding that by refusing to accept interexchange customers in Iowa, because of the access charges set by the customers'

chosen local exchange carrier and refusing to pay the local exchange carrier for access services provided, AT&T was in violation of Iowa Code §§ 476.10(9) and 477.11. On November 14 applications for rehearing were filed by AT&T and complainants FiberComm, L.C., Forest City Telecom, Inc., Heart of Iowa Communications, Inc., Independent Networks, L.C., and Lost Nation-Elwood Telephone Company. Also on November 14 AT&T filed a motion for a stay of the Board's final decision and order pending the Board's action on applications for rehearing or judicial review proceedings in district court. Goldfield Access Network, L.C., Laurens Municipal Broadband Communications Utility, and Coon Rapids Municipal Communications Utility filed responses, joining in the complainants' application for rehearing. On December 14 the Board granted both AT&T's and the complainants' applications for rehearing, solely for the purposes of further consideration. The Board also granted AT&T's request for a stay while the Board considered the applications for rehearing, but denied AT&T's request for a stay while judicial review proceedings are pending.

On January 25, 2002, the Board issued its order on rehearing, affirming the final decision and order and lifting the stay. On February 22 AT&T filed a petition for judicial review of the Board's order in Polk County District Court and filed with the Board a motion for stay of the Board's order pending conclusion of judicial review

proceedings. On April 10 the Board denied AT&T's request for stay of its October 25, 2001, "Final Decision and Order" while judicial review proceedings are pending. On April 3 the CLEC complainants filed a motion for clarification of the Board's "Final Decision and Order" or, in the alternative, a stay of that order pending completion of judicial review proceedings. On April 26 the Board denied the complainants request for stay and ordered all CLEC parties to the proceeding to file proposed access tariffs complying with the October 25, 2001, final order within 45 days. On May 8 the same CLEC complainants filed a "Motion For Expansion of Order," asking the Board to state that the compliance tariffs to be filed by June 10, 2002, be effective from and after January 25, 2002, rather than from and after October 25, 2001. On June 6 the Board denied the complainants' motion for expansion. On June 10 two of the CLEC parties, Laurens Municipal Broadband Communications Utility and Coon Rapids Municipal Communications Utility, filed an application for additional time to file the compliance tariffs. On June 17 the Board granted the request.

FCU-01-2 Dustin Hobbs v. IES Utilities Inc., n/k/a Interstate Power and Light Company

On September 4, 2001, Dustin Hobbs filed an informal complaint against IES Utilities for transferring an unpaid balance for gas and electric service from the account of Michael and Heidi Spiker in Burlington to his account in Danville. The Board gave IES written notice of the informal complaint. IES filed a response stating that both Hobbs and Heidi Spiker had lived at the Burlington address and were liable for the past due amount. IES stated that since service in Burlington was both gas and electric and service in Danville was only

gas, it would apply only the gas portion of the past due bill to the Danville account. After being notified of the IES response, Hobbs on November 14 filed a request for formal complaint proceedings. He asked that the Board assess civil penalties against IES for the practice of adding former customers' past due bills to current customer or prospective customer accounts, which he claimed is a widespread practice. On December 18 the Board docketed the complaint for formal complaint proceedings in Docket No. FCU-01-2 and established a procedural schedule.

An evidentiary hearing was held on February 26, 2002. On May 17 the Board ruled that Dustin Hobbs is not liable for gas service at 1010 South 4th Street in Burlington between March 1, 2001, and June 5, 2001. In its written decision order, the Board also determined that provisions of IES Gas Tariffs 7.08 and 8.02 were not consistent with the intent of Board rules and ordered IES, n/k/a Interstate Power and Light Company, to file revised gas tariffs by June 20, 2002. On July 1 Interstate filed proposed gas and electric tariffs to comply with the May 17 Board order. On July 26 the Board docketed the proposed tariffs for further review.

FCU-01-3 Principal Life Insurance Company, f/k/a Principal Mutual Life Insurance Company v. MidAmerican Energy Company

On December 21, 2001, Principal filed a written complaint against MidAmerican Energy Company regarding Principal's electric service rates. Principal alleged that MidAmerican breached its contractual obligation to provide electric service for Principal's corporate complex of buildings in Des Moines at the lower of the contract rate or tariff rate. Principal requested the Board docket its complaint as a formal

complaint proceeding. The parties had been in dispute over issues involved for several months with no resolution.

On January 11, 2002, the Board docketed the complaint as a formal complaint proceeding and assigned the case to an Administrative Law Judge to conduct a hearing and issue a proposed decision. On January 24 the Board established a procedural schedule and provided notice of a June 4-5 hearing. On February 25 Principal filed an "Amendment of Complaint" to amend its complaint in three ways. One change requested the Board directly assess all expenses from the case to MidAmerican. Two other changes added technical detail to the original complaint. On March 12 the Board granted Principal's motion to amend its complaint. On May 22 the Board issued an order requiring parties that provided testimony to respond to additional questions. On May 28 Principal filed a motion for amendment of the procedural schedule. MidAmerican and Consumer Advocate did not object to the motion and on May 31 the Board amended the procedural schedule. The hearing was rescheduled for July 8-9. On November 25 Principal and MidAmerican filed a joint motion requesting the Board to refrain from issuing a decision in the proceeding until further word from counsel regarding the status of ongoing settlement negotiations. The Consumer Advocate did not object to the motion and on November 26 the Board granted the motion to hold the decision in abeyance providing the parties keep the Board advised of the status of the anticipated settlement. The conclusion of the case was pending.

FCU-02-1 Cox Iowa Telecom v. Qwest Corporation

On January 3, 2002, Cox filed a complaint against Qwest, alleging that Qwest's decision to offer local service freeze to its

Iowa customers is an anti-competitive measure. On January 22 Cox filed a motion to show cause and a request for a stay of Qwest's local service freeze offerings, which became available to Qwest's Iowa customers on January 17. Qwest filed an answer to the complaint on January 23, stating that its implementation to Iowa customers fully complies with the preferred carrier freeze rules promulgated by the Federal Communications Commission and adopted by the Board. Qwest also stated it is not an anti-competitive measure. On February 6 the Board docketed the complaint, established a procedural schedule, and granted Cox's motion for a stay of Qwest's local service freeze offerings. The hearing was set for March 4. On February 25 the Board granted intervention to MCI Metro Access Transmission Services. On April 3 the Board issued its final decision and order, prohibiting Qwest from implementing a local service freeze in Iowa at this time. Qwest was ordered to withdraw its proposed tariff provision, filed February 11, regarding the local freeze option. Any customers enrolled in the local service freeze option prior to the issuance of the Board's February 6 order granting a stay were to be notified of the Board's final decision and have their participation in the local service freeze option terminated within 30 days.

FCU-02-2 AT&T Corporation v. Qwest Corporation

On February 27, 2002, AT&T filed a letter alleging that Qwest may have entered into a series of secret agreements granting preferential treatment to some competitive local exchange carriers (CLECs). On April 1 the Board docketed the complaint for formal investigation, established a briefing schedule, and denied a March 25 Qwest motion to dismiss. On May 29 the Board issued its tentative findings and provided

notice for purposes of civil penalties. It tentatively found that Qwest's failure to file with the Board an interconnection agreement with Covad and two with McLeod violated Board rules. Parties had 20 days to file a request for hearing to further explore the facts. No parties requested hearing and the tentative findings became final. Qwest was also given written notice that it violated Board rules by failing to file the interconnection agreements and was given 60 days to file all non-filed interconnections agreements for public notice, review, and approval. The Board stated that any future violation would subject Qwest to civil penalties. Iowa statute does not permit the Board to assess civil penalties to Qwest for an initial violation when failing to file interconnection agreements with Board. The Board also denied a motion for subpoena filed by AT&T on April 23 and a motion to stay the docket filed by Qwest on May 10. On July 29 Qwest filed interconnection agreements in compliance with the Board's May 29 order. On August 6 the Board shortened the timeframe for filing objections to Qwest's interconnection agreements until August 19, so not to delay the Board's factual findings in Qwest's long-distance application proceeding with the FCC (Docket No. INU-00-2). The formal complaint investigation did not result in any reconsideration of findings or any delay in Qwest's long-distance application.

FCU-02-3 Office of Consumer Advocate v. LCR Telecommunications, L.L.C.

On February 12, 2002, Jay McKee of McKee Button Company filed a slamming complaint against LCR. Staff forwarded the complaint letter to LCR for response, which was received on March 1. LCR stated that Sandi Hoag, McKee Button Company bookkeeper, provided third-party verification on January 7, 2002, and that the

company had been switched back to its previous carrier and fully credited in the amount of \$71.31. On March 18 Sandi Hoag responded, stating that it was her voice on a copy of the verification tape, but she had been asked to provide confirmation of the company's telephone information because it had been lost. Hoag said she asked and was assured that providing the information would not result in any changes to the phone service. Staff issued a proposed resolution on March 20, which found LCR did not obtain valid authorization for the carrier switch because information provided by the verifier was inconsistent with the misinformation provided by the LCR caller. On April 3 Consumer Advocate requested a formal complaint proceeding to investigate the issuance of civil penalties. On April 10 Consumer Advocate withdrew its request for a formal proceeding.

FCU-02-4 Office of Consumer Advocate v. IDT America Corp.

On February 19, 2002, Austin Rogers of Grafton filed a complaint against ITD with the Consumer Protection Division of the Iowa Attorney General's Office, which referred it to the IUB as a slamming complaint. On March 11 staff forwarded the complaint letter to ITD for response, which was received on March 20. ITD stated it switched his account due to a clerical error. ITD credited all charges and closed the account. On April 4 Consumer Advocate requested a formal complaint proceeding to investigate the issuance of civil penalties. On April 10 Consumer Advocate withdrew its request for a formal proceeding.

FCU-02-5 Office of Consumer Advocate v. Qwest Corporation and MCI Worldcom Communications, Inc.

On April 11, 2002, Consumer Advocate filed a request for formal complaint

proceedings. Consumer Advocate asked the Board to review the proposed resolution issued in C-02-22, Mark Seed Company vs. Qwest Corporation and MCI Worldcom Communications, and to consider assessing civil penalties for slamming. In that complaint file, Board staff determined Mark Seed should not be liable for any of the disputed long distance charges, but that the Board does not have authority to assess civil penalties. Prior to events leading to the complaint, Mark Seed received its long-distance service from OneStar Long Distance, but agreed to switch to MCI upon believing it would receive lower rates. Mark Seed asked to be switched back because MCI rates were higher than expected and received documentation from OneStar. For several months and despite many complaints, monthly phone bills from Qwest continued to include MCI charges. Qwest attributed the problems to a series of unfortunate programming and network routing issues, which continued even after the Consumer Protection Division of the Iowa Attorney General's Office and the Board were brought in on the complaint. On May 1 Qwest filed a statement in opposition to Consumer Advocate's request, claiming the problems did not constitute slamming as defined in the Board's rules. It stated it had credited Mark Seed \$12,284 for all its interexchange service charges from October 4, 2001, through April 4, 2002. On May 14 the Board granted Consumer Advocate's request for formal complaint proceedings, docketing it as FCU-02-5 and assigning the case to an Administrative Law Judge. On August 7 Worldcom filed notice that it had filed for bankruptcy and asked that any further proceedings in the formal complaint investigation be stayed. On August 22 an order of the ALJ ruled that the case would not be stayed, which Worldcom appealed to the Board on September 6, requesting a hearing. On September 13 the Board denied

Worldcom's appeal and request for hearing. On October 2 Consumer Advocate and MCI Worldcom Communications submitted a joint motion for approval of a settlement agreement. Qwest did not join in the settlement agreement, but did not contest it. On October 8 the Board approved the settlement agreement. On November 13 Consumer Advocate and Qwest filed a settlement agreement and joint motion for approval. The settlement covered the dispute between Consumer Advocate and Qwest. On November 14 the Board approved the settlement agreement.

FCU-02-6 Office of Consumer Advocate v. New Access Communications, LLC

On March 16, 2002, Brian Cooper filed a slamming complaint against New Access on behalf of his parents, Mr. and Mrs. Merle Cooper of Des Moines. The complaint stated that the New Access representative said its rates would be lower than Qwest's, which was not the case. On March 19 staff forwarded the complaint letter to New Access for response, which was received on April 3. New Access issued a full credit. On April 18 Consumer Advocate requested a formal complaint proceeding to investigate the issuance of civil penalties. The docket was pending.

FCU-02-7 Office of Consumer Advocate v. Choicetel, LLC

On May 6, 2002, Consumer Advocate petitioned the Board to initiate a formal complaint proceeding regarding possible incidents of slamming by Choicetel. In support of its petition, Consumer Advocate noted that a number of complaints by or on behalf of Iowans raise questions and concerns about possible incidences of slamming by Choicetel in Iowa. Consumer Advocate also noted that staff investigations into many complaints indicate Choicetel may have violated Iowa's anti-slamming

law on multiple occasions. On May 24 Consumer Advocate informed the Board that both parties sought to resolve the matter through settlement discussions rather than a hearing if possible. The docket was pending.

FCU-02-8 Calpine Corporation v. Interstate Power & Light Company

On May 10, 2002, Calpine filed a complaint against Alliant Energy Corporation, the parent company of Intersate, a rate-regulated utility doing business in Iowa. Calpine is an independent power producer that owns 12,000 MW of electric generation and has 14,000 MW in construction. Calpine alleged that an Alliant request for proposals process was flawed because Alliant provided incomplete and uninformative information about the bid process and gave preferential treatment to Interstate. On May 22 Interstate filed an answer and motion to dismiss. On July 5 the Board dismissed Calpine's complaint.

FCU-02-9 Office of Consumer Advocate v. Sprint Communications Company, L.P.

On February 25, 2002, Kenny Nguyen of Windsor Heights filed a slamming complaint against Sprint for an unauthorized change of his long distance carrier. On February 27 staff forwarded the complaint to Sprint for response, which did not respond with the ten-day deadline. On March 20 staff issued a proposed resolution finding the change of long distance carrier to be unauthorized and directed Sprint to provide a full credit for the unauthorized change and any associated PIC charges. Sprint was prohibited from pursuing collection action for the related charges. On April 3 Sprint responded to the proposed resolution and included a signed copy of a letter of authorization. Nguyen replied that it was not his signature. Although staff determined the signature was not authentic, on April 17

it found no wrongdoing by Sprint because of the apparent authorization for the switch. On May 1 Consumer Advocate protested this proposed resolution. On May 3 staff informed Consumer Advocate that the proposed resolution would stand. On May 23 Consumer Advocate requested a formal complaint proceeding to investigate the issuance of civil penalties. On June 6 Consumer Advocate informed the Board that both parties sought to resolve the matter through discussions rather than a hearing. On September 24 Consumer Advocate and Sprint filed a settlement agreement and joint motion for approval. The settlement addressed all issues in the case. On October 21 the Board approved the settlement.

FCU-02-10 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.

On May 23, 2002, Consumer Advocate filed a request for formal complaint proceedings to review the proposed resolution in Docket No. C-02-148 and consider assessing civil penalties against AT&T. On April 12 Board staff received a written complaint from Jo Ann Baker stating her long distance service had been changed from Verizon to AT&T without her consent. On May 2 AT&T provided third-party verification, stating it did not slam the customer. Further contact with the customer revealed that the voice on the tape may be the customer's granddaughter. Board staff issued a proposed resolution that AT&T had not slammed the customer, who later submitted a letter stating the voice on the tape is not her granddaughter. Consumer Advocate in its request for formal complaint proceedings cited a discrepancy in the birth date on the verification tape. On August 19 the Board granted the request for a formal proceeding, docketing it as FCU-02-10 and assigned the case to an Administrative Law Judge. On September 24 the parties to Docket Nos.

FCU-02-10 and FCU-02-16, the Consumer Advocate, and AT&T filed a joint motion for approval of a settlement agreement. On September 30 the Board approved the settlement agreement, which addressed all issues in both cases.

FCU-02-11 Office of Consumer Advocate v. Qwest Corporation

On April 15, 2002, Patricia Devore of Marion filed a complaint against Qwest. Her complaint stated that Qwest increased their monthly billing amount after her husband called to cancel a second line and she sought a credit for the error. She said the issue had been ongoing since January 2002. On April 19 staff forwarded the complaint letter to Qwest for response, which was received on May 3. Qwest applied an additional \$40.95 for three service order changes that were in error. Devore rejected the proposed resolution and stated several overcharges had not been addressed. On May 29 Consumer Advocate requested a formal complaint proceeding to investigate the issuance of civil penalties. On July 9 Consumer Advocate informed the Board that both parties sought to resolve the matter through settlement discussions rather than a hearing if possible. The docket was pending.

FCU-02-12 Iowa County E-9-1-1 Board v. South Slope Cooperative Telephone Company

On June 11, 2002, Iowa County filed an informal complaint against South Slope, contending that the monthly surcharge of 20 cents per access line for E-9-1-1 services is unreasonable. On June 28 the Board initiated formal complaint proceedings on its own motion. On July 17 South Slope filed a response and a motion to dismiss the complaint, asserting that the Board does not have jurisdiction over its rates including the disputed surcharge. On August 30 the

Board denied South Slope's motion to dismiss the complaint. The Board stated it has jurisdiction over database management charges pursuant to Iowa Code § 34A.8 and the charges levied by South Slope in the case may be for the maintenance and management of the E-9-1-1 database service. Consumer Advocate and the parties began settlement negotiations. On September 30 the Board temporarily suspended the proceeding and directed the parties to indicate whether an appropriate settlement had been reached by October 15. On November 26 the Board resumed the proceeding since no settlement agreement had been reached. A hearing was scheduled for March 25, 2003.

FCU-02-13 U S Cellular Corp. and Illuminet, Inc. v. Qwest Corporation

On July 5, 2002, U.S. Cellular and Illuminet filed a complaint and request for immediate relief, alleging that Qwest was unlawfully imposing charges on Illuminet for Signaling System 7 services. Complainants requested an immediate injunction against any action by Qwest to terminate or threaten to terminate signaling service pending resolution of the complaint. Complainants also requested a determination that Qwest's rates for signaling services were unlawful and an order directing Qwest refund monies collected for traffic subject to the complaint. On July 17 Qwest filed a response denying immediate relief is appropriate and arguing Illuminet should not be permitted to continue receiving services without paying for them. On August 9 the Board docketed the complaint and established an accelerated procedural schedule to comply with a 90-day requirement. On August 19, complainants filed a dismissal of their complaint without prejudice. On August 27 the Board closed the docket.

FCU-02-14 (RMU-02-8) AT&T Communications of the Midwest, Inc. v. Iowa Telecommunications Association
On July 12, 2002, AT&T filed a complaint and petition for rule making. AT&T complained that the intrastate access charges of certain independent local exchange carriers are not just, reasonable, and nondiscriminatory and are unlawful. On August 2 AT&T filed an amended complaint and petition for rule making. On August 21 the Board docketed the complaint, suspended the petition, and established a preliminary schedule. The Board stated it would be appropriate to complete complaint proceedings before initiating a rule making. On September 19 the Board indefinitely suspended the schedule in the case, citing that a determination in Docket No. DRU-02-4 would be beneficial before establishing a procedural schedule.

FCU-02-15 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.

On May 2, 2002, Amber Hutchinson filed a written complaint alleging her long-distance service had been slammed. Board staff forwarded the complaint to AT&T, which responded on May 21, stating that there was no slam because it had a recording of third-party verification for change in service. While not admitting liability, AT&T nonetheless credited the customer's account for the total bill amount and sent the customer a \$20 check to reimburse her for PIC change charges. On July 1 staff issued a proposed resolution finding that the customer had not disputed the verification and proposing no relief beyond what the local exchange carrier and AT&T had already provided. On July 15 Consumer Advocate filed a request for formal complaint proceedings. On August 19 the Board denied the request for formal complaint proceedings. On August 22

Consumer Advocate filed a request for leave to amend and for reconsideration. On September 16 the Board granted Consumer Advocate's request for leave to amend the complaint, but denied the request for reconsideration.

FCU-02-16 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.

On April 19, 2002, Bill Miller filed a written complaint with the IUB regarding his long-distance telephone service, stating AT&T changed it from MCI to AT&T without his approval. Staff forwarded the complaint letter to AT&T for response, which was received on May 13. AT&T stated it had not slammed the customer and provided a third-party verification recording it alleged showed authorization for the change in service. The recording indicated that Miller's fiancée, Janice Bennett, was the person contacted about changing. However, the recording revealed Bennett thought Miller's account was already with AT&T and that she was authorizing continuation of service. Board staff concluded AT&T had slammed the account. The proposed resolution directed AT&T to credit the customer's account for the full amount in dispute and informed the parties of their right to appeal. On July 17 Consumer Advocate filed a request for formal complaint proceedings, asking the Board to consider imposing a civil penalty. On August 19 the Board granted Consumer Advocate's request, docketing the complaint and assigning the case to an Administrative Law Judge. On September 6 AT&T filed a motion to dismiss the complaint, which the Board denied on September 9. On September 24 the parties to Docket Nos. FCU-02-10 and FCU-02-16 submitted a joint motion for approval of a settlement agreement, which addressed all issues in

both cases. On September 30 the Board approved the settlement agreement.

FCU-02-17 ServiSense.com, Inc.

On August 12, 2002, Board staff learned that a company using the name Iowa-Nebraska Telephone Company was advertising local exchange services in Iowa without a certificate of public convenience and necessity or registering with the Board. Staff contacted a series of representatives of Iowa-Nebraska and related entities, including Eastern Telephone, Inc. and ServiSense, which was an authorized provider of local exchange telecommunications services in Iowa. On August 27 the Board opened a formal complaint docket to investigate Iowa-Nebraska Telephone Company and its affiliates, issuing an order to show cause. The Board stated that it appeared Iowa-Nebraska and Eastern were offering service in Iowa without a certificate, without a valid tariff on file with the Board, and without an up-to-date registration form in addition to serving former customers of ServiSense without having obtained each customer's authorization.

On August 26 Eastern informed Board staff it purchased some assets of ServiSense at a federal bankruptcy court auction. Eastern had entered into an agreement with Iowa-Nebraska to market services in Iowa and Nebraska. However, Eastern said it was suspending that marketing and operating agreement, pending the outcome of its own internal investigation. On September 6 Eastern and ServiSense filed a formal response stating that ServiSense was issued a certificate on September 21, 2000. On August 20, 2001, ServiSense filed a petition under Chapter 11 in the U.S. Bankruptcy Court, District of Massachusetts, and on February 11, 2002, as part of that proceeding, Eastern purchased substantially

all ServiSense assets. On June 20, 2002, Eastern entered a marketing and operating agreement with OnSystems Technology and authorized OnSystems or its nominee (Iowa-Nebraska) to acquire resale customers pursuant to ServiSense's certificate. Customers were to remain on the ServiSense system until such time as Iowa-Nebraska received appropriate authority, when customers would be transferred.

Iowa-Nebraska was offering service packages that were resale of Qwest services, although neither Eastern nor ServiSense had filed with the IUB for any of the required regulatory approvals. While the IUB investigation was pending, the three companies were not recognized as public utilities and were not allowed to receive any compensation for providing communications services to the Iowa public. On October 18 the Board revoked the certificate of ServiSense.com, Inc., to provide local telephone service in Iowa.

The formal investigation focused on Iowa-Nebraska, ServiSense, and Eastern Telephone Company. Since Iowa-Nebraska, apparently under ServiSense's account, offered service packages that were a resale of Qwest services, the Board directed Qwest to assist the IUB in identifying and notifying all Iowa customers of ServiSense, Iowa-Nebraska, or any affiliated companies.

Within 60 days, all local exchange carriers in Iowa were directed to cease providing resale telecommunications services to ServiSense, Iowa-Nebraska, and Eastern Telephone, as well as marketers identified as OnSystems Technology and Phone Company Services Group. The IUB also ordered ServiSense and its affiliated companies not to charge customers for any services provided during the next 60 days.

On November 7 AltiComm, Inc., f/k/a Eastern Telephone filed an application for rehearing. On December 5 the Board denied AltiComm's application for rehearing, stating it had not provided any substantial reason to conclude rehearing of the decision to revoke the ServiSense certificate is appropriate. The Board's decision to revoke was based on the fact that ServiSense was no longer providing local exchange service in its own name or in any other name listed in its tariff.

FCU-02-18 Office of Consumer Advocate v. LCR Telecommunications, L.L.C.

On August 26, 2002, David Halblom, Sr., filed a complaint alleging his long distance telephone service had been changed from AT&T Communications of the Midwest, Inc. (his preferred carrier) to LCR without his knowledge or permission. Board staff forwarded the complaint to LCR. In its response, LCR stated the service change resulted from a July 26 marketing call and was authorized by "John Laktash, Manager." LCR credited Halblom's account a 100-percent credit of \$57.05. On September 23 Halblom said the verification recording was not his voice, his agent, or anyone else associated with him. On September 25 Board staff issued a proposed resolution finding LCR had provided invalid third-party verification and slammed the customer. In addition to the full credits provided to the customer, staff directed Qwest Corporation, Holblom's local exchange service provider, to assess LCR all preferred interexchange carrier change charges associated with the complaint. On October 9 Consumer Advocated filed a request for formal complaint proceedings to investigate the complaint and consider civil penalties. On October 17 the Board denied the request for formal proceedings.

FCU-02-19 Office of Consumer Advocate v. UKI Communications, Inc.

On October 24, 2002, Rhonda Howard of Burlington filed a slamming complaint against UKI Communications for switching her long distance service without authorization. On October 25 staff forwarded the complaint to UKI. In its response, UKI stated the service change resulted from a marketing call in which "Joe Gonzales" authorized a change to her telephone number, providing her address. Howard stated she was not familiar with the voice on the third-party verification tape. On November 25 staff found that the change in carrier was unauthorized. UKI issued a full credit and paid for the change back to her preferred carrier. On December 4 Consumer Advocated filed a request for formal complaint proceedings to investigate the complaint and consider civil penalties. The docket was pending.

FCU-02-20 Office of Consumer Advocate v. NOS Communications, Inc. d/b/a International Plus

On November 5, 2002, Lan Be of Des Moines filed a slamming complaint against International Plus for switching his long distance service without authorization. On November 7 staff forwarded the complaint to International Plus. On November 20 staff issued a proposed resolution finding that the customer authorized the service change on May 14, but was unsatisfied with the service and switched back to his preferred carrier on May 23, and did not authorize an ensuing change of carrier on August 14. International Plus was directed to issue full credits for toll calls and monthly service charges billed on or after August 14. On December 4 Consumer Advocated filed a request for formal complaint proceedings to investigate the complaint and consider civil penalties. The docket was pending.

FCU-02-21 Office of Consumer Advocate v. Optical Telephone Corp.

On November 7, 2002, George and Sandra Hoke of DeWitt filed a slamming complaint against Optical Telephone. On November 8 staff forwarded the complaint to Optical Telephone, which did not provide the required response. On November 26 staff issued a proposed resolution finding Optical Telephone in violation of Board rules and directing the company to fully credit all charges on the account immediately. On December 9 Optical Telephone provided written notification that it had provided a full refund. On December 4 Consumer Advocated filed a request for formal complaint proceedings to investigate the complaint and consider civil penalties. The docket was pending.

FCU-02-22 Office of Consumer Advocate v. Qwest Corporation

On September 25, 2002, Mari Molseed of West Union filed an informal slamming complaint against Qwest and MCI WorldCom Communications, Inc., for an unauthorized change of long distance carriers. She alleged that in late May she directed Qwest to change her long distance service, both interLATA and intraLATA, from MCI to AT&T. However, MCI billings continued to appear on her Qwest bills in July, August, and September. The IUB provided written notice of the informal complaint to MCI and Qwest, which both filed responses. Staff found Molseed on May 28 placed an order to switch to AT&T, but Qwest still listed MCI as the long-distance carrier on the move order. On May 31 AT&T notified Qwest that Molseed had changed her interLATA carrier designation to AT&T, so Qwest processed the change (local toll service remained with MCI). Qwest then completed the move order on June 3 and designated all long distance service with MCI, as incorrectly noted in the

move order. On October 8 Qwest responded to the complaint, stating it credited the customer's account for \$17.28 in MCI plan charges and for \$15 in preferred carrier change charges. MCI responded in a similar manner. Staff issued a proposed resolution that provided Molseed this information and proposed that credits provided by Qwest resolved her complaint. On December 6 the Consumer Advocate filed a petition for a formal proceeding for the Board to review the proposed resolution and consider civil penalties against Qwest. The docket was pending.

FCU-02-23 Office of Consumer Advocate v. Sprint Communications Company

On September 27, 2002, Tina Schaffner filed an informal complaint against Sprint Communications, for an unauthorized change of her long distance carrier. The Board gave Sprint written notice of the informal complaint. Sprint failed to respond to the complaint within the ten-day time period. Therefore, staff found Sprint in default. Staff's proposed resolution directed Sprint to credit all toll charges billed and refund the change of carrier charge. On October 30 Consumer Advocate filed a petition for proceeding to impose civil penalty. The docket was pending.

FCU-02-24 Qwest Corporation

On December 2, 2002, the Emergency Management Division of the Department of Public Defense (EMD) filed an informal complaint against Qwest. EMD contended that a rate of \$8.57 per call that it was being assessed was unreasonable. On December 16 the Board initiated formal complaint proceedings on its own motion. Qwest was ordered to file a written response to the complaint within 30 days.

FCU-02-25 Office of Consumer Advocate v. Venus Voicemail Services, Inc.

On October 31, 2002, Jeffrey and Kim Pfantz filed a complaint regarding unauthorized charges on their telephone bill from Venus. On November 22 Venus responded to the complaint, stating Kim had authorized the service on June 6. Venus failed to provide proof of the authorization. On December 4 Board staff issued a proposed resolution finding Venus in violation of cramming rules. On December 12 Consumer Advocate filed a petition for proceeding to impose civil penalty. The docket was pending.

FCU-02-26 Office of Consumer Advocate v. LCR Telecommunications, L.L.C.

On September 20, 2002, Dr. Jerry P. Gibson, O.D., filed an informal complaint against AT&T Communications of the Midwest, Qwest Corporation, OneStar Communications, L.L.C, Alliance Group Services, Inc. and LCR regarding an unauthorized change in his long distance telephone service. Board staff investigated all of the companies. During the investigation, LCR responded that it had received authorization from the office manager, Jodi Plower, to switch the long distance telephone service provider. Dr. Gibson stated that the office manager received a phone call from LCR, but was assured that no transfer of service would occur without his authorization. Dr. Gibson also stated that the office manager did not have authority to make changes. Board staff proposed a resolution, which concluded that a full credit offered by LCR was a fair resolution of the situation. On December 16 Consumer Advocate filed a Petition For Proceeding To Impose Civil Penalty. The docket was pending.

FCU-02-27 Office of Consumer Advocate v. UKI Communications, Inc.

On October 3, 2002, Rebecca Jones of Burlington filed a slamming complaint against UKI. On October 8 staff forwarded the complaint to UKI, which filed a response on October 21. UKI stated that Randy Berenger provided verbal consent to change long distance companies. On October 30 staff forwarded a copy of the third-party verification tape to Jones for response. The written response from Jones and Berenger stated that Berenger only indicated that he agreed to donate to a fireman's ball. On December 17 staff issued a proposed resolution finding UKI provided acceptable proof of authorization to switch the long distance service. On December 31 Consumer Advocate filed a request for formal complaint proceedings to investigate the complaint and consider civil penalties. The docket was pending.

FCU-02-28 Office of Consumer Advocate v. Legacy Long Distance International, Inc.

On November 22, 2003, Fred Starling filed an informal complaint against Legacy for assessing charges to his telephone bill without his authorization. The IUB gave Legacy written notice of the informal complaint. Legacy responded to the complaint on December 17, stating Starling was billed for collect calls. Legacy agreed to credit the charges in full. In its proposed resolution, staff found the charges were for collect calls. Based on Board rules, cramming does not include operator-assisted calls or acceptance of collect calls. On December 31 Consumer Advocate filed a Petition For Proceeding to Impose Civil Penalties. The docket was pending.

Generating Certificates

Iowa Code chapter 476A requires that an entity planning to construct a generating facility in excess of 100 megawatts (MW) must receive a certificate of public convenience, use, and necessity to begin construction. This proceeding is called a GCU.

GCU-01-1 (WRU-01-50-156)

MidAmerican Energy Company

On August 23, 2001, MidAmerican held the informational meeting required by the Iowa Code. On October 15 MidAmerican filed an application to construct and operate a 540 MW combined cycle, natural gas fueled, combustion turbine. The Greater Des Moines Energy Center was proposed to be located at 3200 S.E. 45th Street in Pleasant Hill. On November 13 MidAmerican filed additional information, including a system impact study submitted to the Mid-Continent Area Power Pool as part of its request to connect the proposed facility to the transmission grid. On November 29 the Board accepted the application filing, established the procedural schedule, and granted MidAmerican's request to waive rules found in 199 IAC 24 that are superceded by proposed rules in Docket No. RMU-01-7. On February 7, 2002, MidAmerican filed a motion for cancellation of the hearing. On February 15 the Board cancelled the hearing and granted intervention to CPV. On March 8 the Board granted MidAmerican's request for a certificate to construct and operate the generating unit, subject to final pre-construction permits being issued. A certificate would be issued once MidAmerican notified the Board that final pre-construction permits were issued. On April 25 MidAmerican notified the Board that all final pre-construction permits had been obtained. On April 30 the Board issued a generating certificate.

GCU-01-2 (WRU-02-5-3624) Entergy Power Generation Corporation, Hawkeye Generating, L.L.C.

On September 26, 2001, Hawkeye Generating held the informational meeting required by the Iowa Code. On December 27 Hawkeye filed an application to construct and operate a 615 MW combined-cycle, natural gas-fired, combustion turbine plant. The proposed facility was to be called the Hawkeye Generating Facility and be located approximately 2.5 miles south of Orient in Union County. On February 6, 2002, the Board accepted Hawkeye's application for a generating certificate, required additional information, established a procedural schedule, and waived portions of rules in 199 IAC 24 that would be superceded by proposed rules in Docket No. RMU-01-7. On April 9 a hearing was held at Greenfield City Hall. On June 17 the Board granted Hawkeye's application for a certificate to construct and operate a generating unit. Hawkeye was directed to complete studies analyzing transmission flows over the interconnecting transmission system in the region of the facility to schedule transmission flows from the facility. Hawkeye was also ordered to comply with interconnection requirements established by Mid-Continent Area Power Pool, obtain all required pre-construction permits, and submit semi-annual reports to the Board on the status of the project and configuration data for the proposed unit. A certificate would be issued once Hawkeye notified the Board that all listed conditions were completed.

GCU-02-1 MidAmerican Energy Company

On August 14, 2002, MidAmerican, on behalf of itself and as agent for 14 joint owners, filed an application for a generating certificate to construct and operate a 750-megawatt coal-fired electric generating facility. The proposed facility was called the Council Bluffs Energy Center Unit 4 to be located in Council Bluffs. MidAmerican held the required informational meeting on May 15. Other joint owners were Central Iowa Power Cooperative, Corn Belt Power Cooperative, Alta, Cedar Falls, Eldridge, Montezuma, New Hampton, Pella, Spencer, Sumner, West Bend, Lincoln (Nebraska), and the Municipal Energy Agency of Nebraska. On September 12 MidAmerican filed additional information, including a copy of the joint ownership agreement and documents regarding Mid-Continent Area Power Pool approval of the proposed plant's interconnection to the area transmission system. On September 26 the Board accepted the application filing and established a procedural schedule including a January 28, 2003, hearing. On November 26 MidAmerican filed a motion seeking cancellation of the hearing, stating MidAmerican and Consumer Advocate agreed to stipulate that certain conditions contained in the motion be incorporated into the Board's final decision. On December 19 the Board granted the motion, cancelled the hearing, and established a briefing schedule.

GCU-02-2 (WRU-02-18-150) Interstate Power and Light Company

On June 10, 2002, Interstate filed an application for a generating certificate to construct and operate a 568-megawatt combined-cycle, natural gas fueled combustion turbine. The proposed facility was called the Power Iowa Energy Center to be located in Cerro Gordo County near Mason City. On July 12 the Board docketed the filing, required additional information, granted waivers, and established a procedural schedule. The hearing was scheduled for August 26 at North Iowa Area Community College in Mason City. On August 7 Interstate filed a motion to amend its application to reflect the filing of a generation interconnection study on the same date. On August 13 Interstate filed a second motion to amend its application to file supplemental direct testimony from the Iowa Department of Revenue and Finance on the same date (to reflect new tax rates for gas delivery). On August 20 the Board granted both motions to amend the original application. On August 21 Interstate filed a motion for cancellation of the hearing. On August 22 the Board cancelled the hearing. On September 13 the Board granted Interstate's certificate application to construct and operate the generating unit, subject to final pre-construction permits being issued and a Mid-Continent Area Power Pool transmission study being filed. A certificate would be issued after Interstate informed the Board that all conditions had been met.

Investigations

Utility investigations (INUs) are general proceedings to explore issues that may affect a number of utilities.

INU-94-2 Peoples Natural Gas Company, Division of UtiliCorp United, Inc.

On December 31, 2001, Peoples filed an updated 2002 cost allocation manual to comply with Board requirements. The utility must file an updated manual annually or when a new nonutility business is added, an existing nonutility business is dropped, an affiliate relationship changes, operations affecting nonutility business change sufficiently, or accounting practices change. The manual was updated to reflect changes in UtiliCorp United's department structure and specific cost allocation methodologies. It was also updated to identify the assignment of current cost drivers. No objections to the update were filed. On March 12, 2002, the Board accepted the cost allocation manual update.

INU-00-2 (SPU-00-11) U S West Communications, Inc., n/k/a Qwest Corporation

On February 10, 2000, the Board initiated an investigation relating to the possible future entry of Qwest into the interLATA long-distance market. In a May 4, 2000, filing, Qwest encouraged the Board to consider a multi-state process for purposes of its review of competition issues, the 14-point checklist, § 272 (separate subsidiary) issues, and public interest considerations. The Board requested comments on a draft procedural order issued on June 27. On August 10 the Board adopted the multi-state process and established a procedural schedule.

Throughout 2001 the Board participated in three collaboratives, along with other states

in Qwest's 14-state region, to more efficiently review Qwest's § 271 compliance. Section 271 of the 1996 Telecommunications Act sets the conditions Bell Operating Companies, such as Qwest, must meet prior to being allowed to enter the market as in-region providers of interLATA services. In general, compliance with § 271 would mean that Qwest had opened its local exchange network to competition. Ultimately, the FCC would determine whether Qwest had complied with § 271. However, that determination would be made after consulting with state commissions and the Department of Justice.

The IUB was part of an Operational Support Systems (OSS) collaborative involving 13 of the 14 states served by Qwest. Testing began in 2000 and continued throughout 2001 and into 2002. Operational Support Systems are comprised of the methods, procedures, and systems (often computers) that support the daily operations of Qwest's telephone infrastructure. Nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition because access to Qwest's OSS provides a competitor with the ability to order new services for its customers and to communicate with Qwest on basic activities such as providing repair and maintenance service for customers. Qwest must show there is this nondiscriminatory access to OSS prior to any regulatory approval to offer long distance services.

The IUB was also part of a seven-state collaborative to address Qwest's compliance

with the § 271 competitive checklist, § 272 nondiscrimination safeguards, Track A, and Public Interest. Liberty Consulting Group was hired to coordinate this multi-state proceeding and workshops. In 2001 the Board issued four "Conditional Statements" approving most of the § 271 competitive checklist items.

Iowa was initially among 11 states that participated in a process known as the Post-Entry Performance Plan (PEPP) collaborative. In 2001 many separate multi-day workshops were convened, numerous conference calls were placed, and a large quantity of information, proposals, and supporting data were exchanged and reviewed in an attempt to create a "consensus plan." Following the conclusion of the PEPP process, the Board joined a nine-state collaborative to develop Qwest's performance assurance plan. In October 2001 Liberty submitted its QPAP report to the states for consideration. The report outlined 68 issues that remained at impasse following the collaborative workshops. After a full review, the Board was to issue a statement concerning each of the impasse issues related to Qwest's performance assurance plan.

On January 25, 2002, the Board issued a conditional statement regarding its review of competition issues related to Qwest's application. The Board's conditional statement indicated that Qwest had conditionally satisfied competition issues and public interest issues discussed in September 24, 2001, and October 22, 2001, Liberty reports. On February 19, 2002, Consumer Advocate filed a motion requesting the Board to reconsider its January 25 determination that Qwest had conditionally met the public interest requirement. Consumer Advocate requested an oral hearing on public interest. On

March 8 the Board established a March 14 oral argument on public interest. On March 12 the Board issued a conditional statement saying Qwest had conditionally satisfied the general terms and conditions issues discussed in the September 24, 2001, Liberty report. Relating to the same consulting report, the Board issued a conditional statement on Qwest's compliance with section 272 requirements of the Telecom Act. The Board stated that Qwest conditionally satisfied 47 U.S.C. § 272, should it implement conclusions established in the order. On May 7 the Board conditionally approved Qwest's quality performance assurance plan, which would ensure that local markets remain open to competition following FCC approval of Qwest's long-distance application. On May 14 Qwest requested Board reconsideration on four issues discussed in its May 7 order. On May 16 AT&T requested reconsideration of two issues. On June 7 the Board reaffirmed that the quality performance assurance plan is likely to maintain an open local market following FCC approval. Also on June 7 the Board reaffirmed its March 8 order regarding public interest, denying a claim that the public interest inquiry requires a market share test. On June 10 the Board issued a conditional statement acknowledging that Qwest had conditionally satisfied OSS testing requirements. This testing was to assure Qwest's systems allowed nondiscriminatory access to local market competition was a joint venture of individual states and the Regional Oversight Committee. Consultants completed the final OSS test and issued a final report in April, so the Board also closed the docket, identified as NOI-98-1, which was initiated in July 1998. On June 12 the Board issued a conditional statement indicating that the record established that Qwest had adequately addressed all requirements

necessary for approval of its long-distance application to the FCC. The Board stated it will continue to monitor Qwest's performance in the future to prevent backsliding and ensure that competition is not impeded. On June 13 Qwest filed its long-distance application with the FCC for Iowa, Colorado, Idaho, Nebraska, North Dakota, Montana, Utah, Washington, and Wyoming. On September 10 Qwest withdrew its applications to further address questions regarding past accounting methods. Although Qwest was currently using the FCC's prescribed Generally Accepted Accounting Principles (GAAP) for all financial statements and transactions, it did not in some prior years. In its June 12 conditional statement the Board had found Qwest to be in substantial compliance with GAAP requirements. Also on September 10 the FCC issued a statement on Qwest's withdrawal of its applications, stating that Qwest's applications were "razor-close to approval," but that very narrow outstanding issues did not eliminate questions regarding whether Qwest had complied with safeguards set forth by Congress in Section 272 of the 1996 Telecommunications Act. Qwest provided additional information and refilled its long-distance applications in the nine states on September 30. On December 23 the FCC approved Qwest's multi-state application to provide long-distance service in the nine states, finding substantial compliance with all requirements. It was anticipated that Qwest would implement its long-distance service in those states by early in 2003.

INU-00-5 IES Utilities Inc., Interstate Power Company, and MidAmerican Energy Company

On May 19, 2000, the Board initiated an investigation to obtain data on transmission and distribution system reliability from the investor-owned utilities. On September 8

the investigation was expanded to include generation resource planning. On March 1, 2001, the three investor-owned companies filed required information regarding their plans to meet projected electric load growth. The generation resource plans included resource plans for the years 2001 through 2010, projected load and capability data, and available capacity reserves. On April 26 the Board issued a written order requiring updated resource plans, including additional long-term planning information, from all three investor-owned companies. IES Utilities Inc. and Interstate filed updated resource plans, as required, by November 1. MidAmerican filed updated resource plans, as required, by March 1, 2002. The Board's work in the docket continues.

INU-01-1 Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom

On August 9, 2001, Iowa Telecom filed a petition for deregulation of its retail local exchange services in nine exchanges where Iowa Telecom alleged there was effective competition. On September 18 the Board issued an order initiating a formal notice of inquiry proceeding and establishing a procedural schedule. An oral hearing was held on December 11 and 12. On April 5, 2002, the Board denied Iowa Telecom's petition for deregulation. The Board said evidence in the record was insufficient to support a finding that market forces associated with a wireline duopoly would be sufficient to assure just and reasonable rates without regulation. On April 25 Iowa Telecom filed a petition for reconsideration. On May 9 the Iowa Association of Municipal Utilities, Coon Rapids Municipal Communications Utility and Manning Municipal Communication and Television System Utility, and Consumer Advocate filed answers or resistances to Iowa Telecom's petition for reconsideration. On May 10 Independent Networks, Farmers'

and Business Mens' Telephone Company, Forest City Telecom, Lost Nation-Elwood Telephone Company, and Clarence Telephone Company filed another resistance. On May 24 the Board denied Iowa Telecom's petition for reconsideration, stating that the petition relied upon selected evidence from the record while ignoring contrary evidence that the Board found more persuasive.

INU-02-1 Northern Natural Gas Company and Peoples Natural Gas Company, Division of UtiliCorp United Inc. n/k/a Aquila, Inc., d/b/a Aquila Networks

On March 5, 2002, Consumer Advocate filed an application requesting an investigation into the refunding of ad valorem taxes by Northern and Peoples. Consumer Advocate stated Northern had received a refund of ad valorem taxes of approximately \$3.15 million from producers for the period 1983 to 1989. Consumer Advocate contended Northern refused to make refunds or pass refunds to Peoples for distribution to retail customers. The portion of the refund for Peoples' Iowa customers should be about \$825,000. On March 11 the

Board docketed the request for investigation and required responses from Northern and Peoples. On May 10 the Board ordered Northern to pay Peoples within 30 days the retained portion of the Kansas ad valorem tax refunds associated with retail sales to Iowa customers between October 3, 1983, and December 20, 1985. The Board also directed Peoples to file a refund plan within 30 days of receipt of the refunds from Northern. On June 7 Northern filed an application for stay of the May 10 order. Northern also filed for judicial review in the Polk County District Court and filed for a declaratory ruling from the Federal Energy Regulatory Commission (FERC). On July 12 the Board denied Northern's application for stay of the May 10 order, stating that Northern had failed to satisfy any of the four criteria for granting stay.

Negotiated Interconnection Agreements

Section 252(b) of the Telecommunications Act of 1996 gives the Board the authority to approve the rates, terms, and conditions of negotiated interconnection agreements (NIAs) between competitors and incumbent local exchange providers. The agreement is docketed and written comments from interested parties must be filed within 30 days. The statutory standard to be applied in Board review is: (1) whether the agreement discriminates against a telecommunications carrier not a party to the agreement or (2) whether the implementation of the agreement or a portion is not consistent with the public interest, convenience, or necessity.

Docket	Incumbent/Competitor	Filed	Approved
NIA-02-1	Qwest/Cricket Comm. Inc.	1/7/02	2/17/02
NIA-00-8	Qwest/Integra Telecom of Iowa	1/7/02	2/17/02
NIA-97-9	Qwest/Sprint Spectrum	1/7/02	2/17/02
NIA-02-2	Qwest/VarTec Telecom	1/8/02	2/18/02
NIA-97-4	Qwest/Cellco Partnership d/b/a Verizon Wireless	1/8/02	2/18/02
NIA-97-22	Qwest/McLeodUSA Telecomm. Services	1/8/02	2/18/02
NIA-97-6	Qwest/Cellco Partnership d/b/a Verizon Wireless	1/8/02	2/18/02
NIA-97-15	Qwest/Cellco Partnership d/b/a Verizon Wireless	1/8/02	2/18/02
NIA-97-7	Qwest/Cellco Partnership d/b/a Verizon Wireless	1/8/02	2/18/02
NIA-02-3	Qwest/SNG Comm.	1/18/02	2/28/02
NIA-97-22	Qwest/McLeodUSA Telecomm. Services	1/23/02	3/5/02
NIA-01-41	Qwest/ChoiceTel LLC	1/24/02	3/6/02
NIA-98-16	Qwest/Iowa Wireless Services	1/25/02	3/7/02
NIA-97-22	Qwest/McLeodUSA Telecomm. Services	1/29/02	3/10/02
NIA-02-4	Northern Iowa Tel. Co./The Comm. Cable TV Agency	2/4/02	3/17/02
NIA-02-5	Qwest/ICG Telecom Group-Opt-in Agreement	2/12/02	3/25/02
NIA-99-25	Qwest/New Edge Network, Inc. dba New Edge Networks	2/20/02	4/2/02
NIA-99-5	Covad Comm. Co.	2/21/02	4/3/02
NIA-00-8	Qwest/Integra Telecom of Iowa	3/13/02	4/23/02
NIA-97-3	QwestUS Cellular	3/13/02	4/23/02
NIA-02-6	Qwest/Premier Network Services	3/14/02	4/24/02
NIA-01-37	Qwest/Sprint Communications	3/27/02	5/7/02
NIA-01-37	Qwest/Sprint Communications	4/10/02	5/21/02
NIA-99-21	Qwest/Midwest Wireless	4/10/02	5/21/02
NIA-00-24	Qwest/Brookings Mun. dba Swiftel Comm	4/10/02	5/21/02
NIA-02-7	Qwest/Level 3 Comm.	4/10/02	4/10/02
NIA-02-8	Qwest/Osage Mun. Comm. Util.	4/29/02	6/9/02
NIA-02-9	Qwest/QuantumShift Comm.	5/8/02	6/18/02
NIA-02-10	Qwest/RSA No. 1 Cellular 29	5/10/02	6/20/02
NIA-02-11	Frontier Comm/Orange City Communications	5/10/02	5/10/02
NIA-02-12	Frontier Comm./ North West REC	5/10/02	5/10/02
NIA-00-3	Qwest/NPCR/Nextel Partners	5/15/02	6/25/02
NIA-02-13	Frontier Comm./ Advanced Network Comm.	5/17/02	6/27/02
NIA-98-22	Qwest/Crystal Comm dba Hickory Tech	5/22/02	7/2/02
NIA-02-14	Qwest/Intrado Comm.	5/22/02	7/2/02
NIA-98-24	Heartland Telecomm. Co. of Iowa dba HickoryTech/Hawarden	5/23/02	7/3/02
NIA-98-10	Qwest/CommChoice of Iowa	5/30/02	7/10/02
NIA-02-15	Qwest/Woolstock Fiber Co.	5/31/02	5/31/02
NIA-02-16	Qwest/CS Technologies	5/31/02	7/11/02
NIA-02-17	Qwest/Sprint Spectrum	6/19/02	7/30/02

NIA-02-18	Qwest/NOW Comm.	6/19/02	7/30/02
NIA-99-25	Qwest/New Edge Network, Inc. dba New Edge Networks	6/25/02	8/5/02
NIA-02-7	Qwest/Level 3 Comm.	6/28/02	6/28/02
NIA-02-19	Qwest/Excel Telecomm.	7/10/02	8/20/02
NIA-01-24	Qwest/1-800-RECONEX, Inc.	7/11/02	8/21/02
NIA-01-25	Qwest/OpenCom, Inc.	7/12/02	8/22/02
NIA-02-20	Frontier/Sprint Spectrum	7/12/02	8/22/02
NIA-01-1	Qwest/KMC Telecom V	7/24/02	9/3/02
NIA-02-21	Qwest/Algona Mun.-adoption of Qwest/Spencer Mun.	7/24/02	7/24/02
NIA-02-22	Iowa Telecom/Cellco Partnership dba Verizon Wireless	7/26/02	9/5/02
NIA-02-23	Qwest/Digital Technologies	7/29/02	9/8/02
NIA-02-24	Qwest/Budget Phone, Inc.	8/8/02	9/18/02
NIA-02-25	Qwest/RSA No. 2 Limited Partnership	8/14/02	8/14/02
NIA-02-26	Qwest/Comm South Companies	8/14/02	9/24/02
NIA-97-17	Qwest/Srpint Comm.	8/14/02	9/24/02
NIA-99-25	Qwest/New Edge Network, Inc. dba New Edge Networks	8/21/02	10/1/02
NIA-98-23	Qwest/TCG Iowa (Omaha)	8/21/02	10/1/02
NIA-99-15	Qwest/LTDS Corp..	8/28/02	10/8/02
NIA-99-25	Qwest/New Edge Networks	08/28/02	10/8/02
NIA-98-38	Qwest/Ionex	8/29/02	10/9/02
NIA-02-27	Qwest/Prairiewave	8/29/02	8/29/02
NIA-97-22	Qwest/McLeodUSA Telecomm. Services	9/19/02	10/30/02
NIA-98-23	Qwest/TCG-Iowa	9/24/02	11/4/02
AIA-96-1	Qwest/AT&T Comm.	9/25/02	11/5/02
NIA-99-35	Qwest/MCImetro AccessTrans. Serv.-7	9/25/02	11/5/02
NIA-99-15	Qwest/LTDS Corp..	10/2/02	11/12/02
NIA-02-5	Qwest/ICG Telecom Group-Opt-in Agreement-1	10/18/02	11/28/02
NIA-99-35	Qwest/MCImetro AccessTrans. Serv.-8	10/18/02	11/28/02
NIA-02-28	Qwest/AscendTel LLC	10/18/02	10/18/02
NIA-02-29	Qwest/VP Telecom	10/23/02	10/23/02
NIA-02-30	Frontier Comm. Of IA/Comm South Co.	11/6/02	12/17/02
AIA-96-1	Qwest/AT&T Comm.	11/6/02	12/17/02
NIA-02-31	Qwest/Bullseye Telecom	11/6/02	12/17/02
NIA-99-35	Qwest/MCImetro AccessTrans. Serv.-9	11/7/02	12/18/02
NIA-00-30	Qwest/TeleCorp Comm.	11/13/02	12/24/02
NIA-02-7	Qwest/Level 3 Comm.	11/13/02	11/13/02
NIA-02-7	Qwest/Level 3 Comm.	11/14/02	11/14/02
NIA-02-32	Iowa Telecom/IA RSA #2 dba Lyrix Wireless	11/21/02	Pending
NIA-98-22	Qwest/HickoryTech	12/5/02	Pending
NIA-00-35	Qwest/Spencer Mun. Comm.	12/5/02	Pending
AIA-96-1	Qwest/AT&T Comm.	12/16/02	Pending
NIA-00-32	Qwest/Arch Paging	12/18/02	Pending
NIA-01-19	Qwest/New Access Comm.	12/18/02	Pending
NIA-01-25	QwestOpenCom-2	12/31/02	Pending
NIA-01-25	Qwest/OpenCom, Inc.03	12/31/02	Pending
NIA-01-37	Qwest/Sprint Communications	12/31/02	Pending
NIA-02-23	Qwest/Digital Telecommunications	12/31/02	Pending
NIA-02-33	Qwest/Mapleton Comm.	12/31/02	12/31/02
NIA-02-34	Frontier Comm. Of IA/Level 3 Comm.	12/31/02	Pending

Notices of Inquiry

Notices of inquiry (NOIs) are informal proceedings to educate the participants on a particular issue or set of issues. The Board commences an inquiry and develops a set of issues or questions for consideration. The issues outlined in the notice are not intended to be exclusive but form the framework for the inquiry. The inquiry is not directed at an individual utility or group of utilities but at any group, business, industry, or person who may be interested in the issue. The process is not intended to produce any specific kind of action, but may result in a subsequent formal proceeding such as a rule making or contested case. No record is made and no testimony is compelled.

NOI-00-3 Efficient Use of Telephone Numbering Resources

On October 11, 2000, the Board initiated an informal proceeding to gather information on the costs and benefits of measures to promote the more efficient use of telephone numbering resources. Board staff was directed to send written requests for information to affected providers. On December 5, 2000, the Board issued an order stating that certain disaggregated, carrier-specific, historical, and forecasted number utilization data obtained from the North American Numbering Plan Administrator (NANPA) would be held as confidential as required by the FCC. This could replace information received from carriers by written request. On March 21, 2001, the Board ordered all communications service providers offering service in Iowa to file with the IUB a copy of each application for a new or growth NXX (prefix) code at the same time the application is submitted to NANPA. The order stated that it is in the public interest for the Board to review each application for compliance with all Iowa requirements before it is granted. On April 3 the Board initiated thousands-block number pooling trials in the 515 and 641 area codes with the goal of improving the efficiency of telephone number assignment. All local number portability capable local exchange carriers in Iowa were ordered to

initiate the trials in both area codes by August 15. The order also designated Telcordia Technologies as Iowa's interim pooling administrator for the trials. On May 17 the April 3 order in the docket was modified to provide that thousands-block number pooling would be required only in 515 and 641 rate centers that are served by multiple LNP-capable local exchange service providers or are served by multiple switches of a single LNP-capable local carrier. It was determined that pooling would also be required in other exchanges where a competitor is providing local exchange service and has requested its own block of 10,000 numbers. On June 18, 2001, the FCC's Common Carrier Bureau announced that it had selected NeuStar to be the national thousands-block number pooling administrator. Because of the FCC's requirement that nationwide pooling should be administered by a single pooling administrator, the Board on September 6 ordered Telcordia Technologies to transition its pooling administrator responsibilities for the 515 and 641 pools by October 1, 2001.

On July 24, 2002, the Board issued an order requiring communications service providers to file applications for central office codes with the IUB by fax or email at least two days prior to submission to NANPA. Board staff reviews all applications for compliance

with Board requirements and works with NANPA to prevent issuance of central office codes based on invalid applications. Because NANPA automated its application process with a new Carrier Application System, NANPA in some instances had assigned new codes before the IUB received the application. The new requirements will preserve the IUB's ability to review applications before codes are assigned. On October 21, 2002, the Board commenced a rule making proceeding (Docket No. RMU-02-9) to incorporate these new procedures into its regulations.

NOI-01-2, RMU-02-6 Natural Gas and Electric Master Metering

On September 5, 2000, the Board issued an "Order Terminating Rule Making Proceeding" in Docket No. RMU-00-4, terminating the proposed adoption of new paragraphs 199 IAC 19.3(1) "b" and "c" and 20.3(1) "b" and "c" with regard to master metering gas and electric service of multi-occupancy premises. The Board stated that issues raised by comments would need to be addressed extensively before proposing another rule making. On November 20, 2001, the Board initiated an inquiry to receive input from representatives of all persons who might be affected by changes to current master metering rules.

MidAmerican Energy, Interstate Power and Light, Consumer Advocate, the Iowa Association of Municipal Utilities, Aquila, and the Iowa Association of Electric Cooperatives commented in the case.

On December 27, 2002, the Board adopted amendments to rules for master metering of gas and electricity in a rule making identified as Docket No. RMU-02-6 and closed the inquiry. Changes were made to 19.3(1) "b" (gas) and 20.3(1) "b" (electric) to ensure the rule applies not only to the sale, but also the delivery of gas and

electricity. The amended rules also place all requirements concerning master metering of single building multioccupancy premises in paragraph "b," more clearly noting exceptions for landlords than the previous rules. The Board modified proposed language in 19.3(1) "c" to clarify the exception to prohibition against master metering multiple buildings for persons or entities, such as homeowners, colleges, and universities, who may master meter multiple buildings that they own if the owner only passes through the total cost of gas or electricity to tenants and meets other requirements. The amendments were adopted on December 27, 2002.

NOI-94-1 Gas Price Hedging

On April 9, 1994, the Board initiated an inquiry into the use of financial derivatives by Iowa's local gas distribution companies. On August 16, 1995, the Board closed the inquiry and stated it did not want to preclude the companies from using financial derivatives to hedge the price of gas to increase price certainty for customers. In addition, the Board indicated 17 items that a utility hedging with financial derivatives would be required to file in the purchased gas adjustment reconciliation process in order to seek recovery of costs associated with hedging transactions.

Following a winter of extreme cold temperatures and high gas prices in the winter of 2000-2001, Board staff began meeting with Iowa's four investor-owned local distribution companies to discuss hedging for the winter of 2001-2002. They informed the Board that they would be using some type of financial derivatives to hedge the price of gas and indicated that they would be filing to recover the costs through the PGA reconciliation. On July 5, 2002, the Board issued an order outlining the 17 items that local distribution companies must

adhere to if seeking to recover hedging costs in the annual PGA reconciliation.

NOI-00-4 (RMU-02-3) Electric Delivery System Reliability

On November 1, 2000, the Board initiated an inquiry to obtain information to develop rules or other measures necessary to address electric delivery system reliability concerns. The inquiry focused such issues as duration and frequency of outages, power quality, and public safety. Twenty-two organizational entities, including investor-owned utilities, electric cooperatives, municipal utilities, industrial interests, and labor groups participated. Board staff issued a report in December 2001 entitled "Report on Electric Delivery Reliability, A Staff Analysis, Docket No. NOI-00-4." Most proposals contained in the report became the subject of a rule making commenced on February 4, 2002, identified as Docket No. RMU-02-3. Following public comment and some revisions to the proposed rules, the Board adopted final rules on October 25. On October 31 the Board closed the inquiry docket.

NOI-02-1 Possible Expansion of Equipment Distribution Program

On September 18, 2002, the Board initiated an inquiry into the possible expansion of the equipment distribution program of Relay Iowa, which assists persons with hearing and speech impairments by helping them select telecommunication devices and helping pay for equipment. In the spring of 1999, the Iowa Program for Assistive Technology approached the Board with an interest in expanding the Iowa equipment distribution program to include persons

challenged by mobility and cognitive disabilities. It appeared a statutory amendment would be required to implement the requested change. The Board received public comment from 38 individuals, agencies, and organizations. An oral comment proceeding was held on November 7. Nine individuals and persons representing various agencies and organizations gave oral presentations and an open discussion was held. Participants agreed there is a need for a program to aid persons challenged by mobility and cognitive disabilities. There was not a consensus that the need should be met by expansion of the dual party relay equipment distribution program. The Board's final order in the inquiry was pending.

NOI-02-2 Aging Transmission and Distribution Infrastructure

On December 27, 2002, the Board opened an inquiry into the aging Iowa transmission and distribution infrastructure of Interstate Power and Light Company and MidAmerican Energy Company. Although Iowa's rural electric cooperatives and municipal utilities are also impacted by aging infrastructure, this inquiry focused only on the investor-owned electric utilities that are rate regulated by the Board. The Board is investigating whether potential reduced reliability and significant rate impacts from Interstate's and MidAmerican's aging transmission and distribution infrastructure will require the development of formal plans or other processes for maintenance and/or replacement. An informal meeting of participants in the inquiry was planned for January 21, 2003.

Pipeline Dockets

A pipeline permit is the authorization granted by the Utilities Board for the construction, maintenance, and operation of an intrastate pipeline under Iowa Code chapter 479. The granting of a permit requires a finding by the Board that the project will promote the public convenience and necessity and follows an acceptable route.

2002 Natural Gas Pipeline Dockets

Docket	Company	Filed	Granted	Lateral
P-846	MidWest Grain Processors Cooperative	01/15/02	05/20/02	MidWest Grain

Permit to construct 1.86 miles of 6-inch diameter pipeline in Kossuth County to provide natural gas to an ethanol plant.

P-845	UtiliCorp United Inc. n/k/a Aquila Inc. d/b/a Aquila Networks	05/17/02	05/24/02	Tall Corn
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Permit to construct 1.8 miles of 6-inch diameter pipeline in Greene, Carroll, and Guthrie Counties to provide natural gas to an ethanol plant.

P-159	MidAmerican Energy Company	05/15/02	06/06/02	Ottumwa #2
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Renewal of permit for 22 miles of existing 4-inch diameter pipeline in Mahaska and Wapello Counties to provide natural gas to Ottumwa.

P-148	MidAmerican Energy Company	07/19/01	06/06/02	Linwood-Iowana
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Renewal of permit for 16.05 miles of existing 10-inch diameter pipeline in Scott County to provide natural gas to Davenport and Bettendorf.

P-847 Little Sioux Corn Processors, L.P. 05/07/01 08/29/02 Little Sioux

Permit to construct .85 miles of 6-inch diameter pipeline in Cherokee County to provide natural gas to an ethanol plant.

P-162 MidAmerican Energy Company 02/12/02 10/07/02 Cedar Rapids

Renewal of permit for 4.57 miles of existing 10-inch diameter pipeline in Linn County to provide natural gas to Cedar Rapids.

P-844 MidAmerican Energy Company 01/31/02 12/13/02 Pleasant Hill

Permit to construct 12.9 miles of 16-inch diameter pipeline in Polk County to provide natural gas to electric generation facilities at the Pleasant Hill Energy Center and new Greater Des Moines Energy Center.

Rate Proceedings

Rate setting is a key function of the Iowa Utilities Board. By law, the Board must assure that customers receive adequate service at a reasonable price. The Board must also allow sufficient income for the utilities to maintain reliable service and assure sufficient earnings for its stockholders. The jurisdiction of rate setting extends only to certain larger utilities within Iowa. Municipal utilities and rural electric cooperatives (except those which choose rate regulation) are subject to Board review of their service only.

Rate proceedings (RPU) are designed to uphold the previously mentioned obligations when the Board investigates a company's rate increase proposal. Such proceedings usually last about ten months. During this time, local consumer comment hearings permit customer feedback. Technical hearings, similar to courtroom hearings, also take place. Testimony is presented and expert witnesses are cross-examined by the company, Consumer Advocate, and intervenors. At the conclusion, the Board may approve the company's request in full, approve some of it, or disallow any increase at all.

RPU-91-5 MidAmerican Energy Company

In a "Final Decision and Order" issued on May 12, 1992, MidAmerican was directed to keep a cumulative record of the recovery of funds related to former manufactured gas plant sites (FMGP). MidAmerican was also allowed to recover in rates a representative level of cleanup costs for the sites. On May 16, 2000, MidAmerican filed a proposed plan for the disposition of insurance recoveries related to the FMGP sites. On September 1, 2000, MidAmerican and Consumer Advocate filed a "Joint Motion for Approval of Settlement Agreement." The settlement agreement was approved on October 16, 2000. The Board ordered MidAmerican to file semi-annual reports.

On November 4, 2002, the Board approved a settlement in Docket No. RPU-02-2, which authorized MidAmerican to increase gas service rates. In approving the rate settlement, the Board addressed MidAmerican expenditures for remediation of former manufactured gas plant sites.

MidAmerican's October 15 semi-annual report showed a significant reduction in expenditures from projected expenditures. Dollar amounts reflected in the Docket No. RPU-02-2 settlement showed an even larger anticipated decrease after 2005. On December 26 the Board required MidAmerican to file an explanation detailing the reason for each of the decreases in expenditures at the sites where accelerated remediation was projected. The Board also ordered MidAmerican to provide any documentation of agreements or discussions with the Department of Natural Resources regarding remediation of the sites. The Board scheduled an informal meeting of the parties in the docket for January 30, 2003.

RPU-94-3 MidAmerican Energy Company

In this docket MidAmerican receives a monetary reward or penalty based upon how its gas procurement costs compare with benchmark parameters approved by the Board. A comparison is required every six months. On February 28, 2002,

MidAmerican filed its six-month report of the results of the Incentive Gas Supply Procurement Plan (IGSPP) for May 2001 through October 2001. The Consumer Advocate filed an objection on March 14, but withdrew it on April 16. Results filed by MidAmerican showed that costs were below the benchmark for reward. On May 1 the Board allowed the award to be added to the May 2002 through October 2002 purchased gas adjustment filings of MidAmerican. On July 17 MidAmerican filed a request for continuation of the IGSPP. On October 28 the Board granted a two-year extension beyond the current expiration date of October 31, 2002. On August 29 MidAmerican filed its six-month report of the results of the IGSPP for November 2001 through April 2002. Results filed by MidAmerican showed that costs were below the benchmark for reward. On October 30 the Board allowed the award to be added to the November 2002 through October 2003 purchased gas adjustment filings of MidAmerican.

RPU-96-8 MidAmerican Energy Company

See Docket No. APP-96-1.

RPU-00-1 (TF-00-64, TF-01-244, TF-02-509) Qwest Corporation

On March 15, 2000, Qwest filed a proposed tariff to deaverage its wholesale and retail rates in Iowa. The Board had also received an order from the U.S. District Court for the Southern District of Iowa remanding certain issues relating to U S West's wholesale rates. These issues included geographic deaveraging, the use of TELRIC modeling to set unbundled network elements (UNE) rates, the availability of dark fiber as an UNE, and the issue of combinations of UNEs.

On January 11, 2001, the Board issued its final decision and order, rejecting Qwest's proposed tariff because it was "unjust, unreasonable, and unlawful." Qwest was ordered to file within 45 days a revised proposed tariff setting deaveraged UNE loop prices and BCS business retail rates complying with certain Board criteria. The Board concluded that the record in the case did not permit the redesign of residential rates, retail rate increases should not exceed 20 percent, each basic business service/product using the loop should be deaveraged on a revenue neutral basis, setting geographically-deaveraged prices for the UNE loop is reasonable (except switching and transport UNEs), and that redesigned rates for BCS business services that include the loop should equal or exceed the deaveraged UNE loop price in the same zone. On January 31 Qwest filed an application for rehearing of the Board's decision. On March 9 the Board denied part of Qwest's application for rehearing and granted part of it. Qwest's request that it be permitted to deaverage retail residential rates was denied. The Board allowed requests for further consideration of Centrex Plus rate deaveraging, changes in the timing of wholesale and retail rate revisions, and adjustments to business measured service rates. On August 6 Qwest filed its proposed retail compliance tariff and on August 21 filed some corrected tariff pages. On August 27 Consumer Advocate filed an objection to the proposed tariff. The Board ordered Qwest to file revised proposed tariff sheets showing a specific effective date for rates.

On January 7, 2002, Qwest filed a revised retail compliance tariff, with a proposed effective date of April 11, 2002. On February 15 the Board approved the tariff and the proposed effective date. On October 3 Qwest filed a proposed tariff revision, with

further revisions filed on October 24. Qwest requested a reduction in its public access line rates and an effective date of November 7, 2002, concurrent with the anniversary date of its price plan. Qwest also requested to implement the year-three basic communications services (BCS) reduction deferred in 2001 pursuant to section III(E) of its price regulation plan. Qwest asserted it is entitled to offset a revenue decrease realized as a result of deaveraging business rates in Docket No. RPU-00-1 and that its remaining obligation is to decrease BCS revenues. On October 23 Consumer Advocate filed an objection to Qwest's filing, asserting Qwest is not entitled to any offset as a result of rate decreases implemented because of RPU-00-1 and taking issue with the amount of rate decrease claimed by Qwest. On October 30 the Board docketed Qwest's proposed tariff revisions for investigation, suspended the effective date of the proposed rates, and established a procedural schedule. On October 31 Qwest filed an application for reconsideration. On November 6 the Board granted Qwest's request to allow proposed rates to become effective on November 7, 2002, as originally proposed, but be subject to the findings of the investigation.

RPU-01-4 Iowa-American Water Company

On April 17, 2001, Iowa-American filed a proposal for a permanent annual revenue increase of approximately \$2.9 million. The company also asked for a temporary increase while the case was pending. Iowa-American cited capital improvements to water treatment and distribution facilities as the primary reason for the proposed rate increase. Consumer comment hearings were held on June 4 in Davenport and June 5 in Clinton. On July 9 the Board approved a temporary rate increase of about 8.9 percent

in the company's Quad Cities District and about 14 percent in its Clinton District.

On August 3 Iowa-American and Consumer Advocate filed a "Unanimous Settlement Agreement and Joint Motion for Approval Thereof." On August 20 the Board approved the settlement agreement, which increased annual revenues from water service by about \$2,037,177 or only about \$130,000 more than what was granted in temporary rates. On September 14 the Board approved compliance tariffs without modification. On December 14 Iowa-American and Consumer Advocate filed an amendment to the rate settlement agreement, which sought to permanently increase rates by an additional 3.43 percent in the Quad Cities District and 8.05 percent in the Clinton District. This would enable the company to recover costs associated with upgraded security measures for the protection of its water supplies following the September 11, 2001, terrorist attacks in New York and Washington, D.C. Iowa-American also requested that two attachments to the amended settlement agreement be held confidential, citing security as the primary reason.

On January 8, 2002, the Board denied confidentiality for one attachment consisting of schedule that contained the revenue requirements for the total company, the Clinton district, and the Quad Cities district. The Board granted confidentiality for an attachment containing details of increased security costs and rationale for those costs. On February 11 the Board approved the amended settlement agreement with new rates being allowed to go into effect immediately. On February 26 Iowa-American filed a proposed compliance tariff. On March 26 the Board approved the compliance tariff.

RPU-01-5 (RPU-01-3) MidAmerican Energy Company

On March 14, 2001, Consumer Advocate filed a request for a \$77,002,803 reduction in MidAmerican's electric rates, identified as Docket No. RPU-01-3. On June 11 MidAmerican filed a proposed electric rate increase of \$50,529,035, identified as Docket No. RPU-01-5. On July 2 Consumer Advocate and MidAmerican filed a joint petition requesting suspension of the procedural schedule in Docket No. RPU-01-3 and also requested the Board docket RPU-01-5 as a formal proceeding without setting a procedural schedule. On July 9 the Board issued an order granting the joint petition. On July 13 a joint settlement agreement was filed that, if approved, would resolve all outstanding issues.

On December 21 the Board issued an "Order Approving Settlement With Modifications." The settlement keeps MidAmerican's base electric rates the same through 2005. As approved, some rates collected would offset MidAmerican's costs for building a new generating plant. During the period covered by the settlement, MidAmerican will be allowed to earn up to a 12 percent return on equity. If MidAmerican were to earn an annual return on equity of more than 12 percent, but less than 14 percent, the company would retain one half of the higher earnings with the remaining half being used to reduce future customer rate levels by offsetting certain costs associated with future MidAmerican plant investments. In a previous alternative price plan, MidAmerican was required to directly refund a share of excess profits to customers. Under this settlement, five-sixths of company profits in excess of a 14 percent return on equity would be used to reduce future customer rate levels.

On January 10, 2002, Archer Daniels Midland Company filed an application for rehearing of the Board's settlement approval. On February 6 the Board denied the application for rehearing.

RPU-01-6 Qwest Corporation

On June 22, 2001, Qwest filed proposed prices for wholesale services and unbundled network elements (UNEs). On July 12 Consumer Advocate filed an objection to Qwest's filing. On July 20 the Board ordered an investigation to determine the reasonableness of the proposed filing and identified the formal contested case as Docket No. RPU-01-6. On December 11 the Board issued an order granting a motion to proceed without a hearing. On December 20 the Board issued an order posing questions to parties in the case.

On March 25, 2002, an Administrative Law Judge issued a proposed decision and order. It rejected Qwest's proposed \$5 recurring monthly charge for the high frequency part (HFPL) of the unbundled loop. The price of the HFPL was set at \$0. The nonrecurring \$38.62 price per loop proposed for the HFPL of each shared loop was approved. The proposed decision also set the total amount to be recovered for Operational Support Systems (OSS) modifications due to line sharing at \$6,876,720 and set the recurring monthly charge for Qwest's OSS modifications due to line sharing at \$1.02. Qwest had proposed \$3.41. The proposed decision approved remaining uncontested prices for unbundled network elements and services not established in Docket No. RPU-96-9. On April 5 Qwest filed a notice of appeal of the proposed decision and order, asking the Board to review the recurring monthly charge for HFPL (\$5 proposed) and the recurring monthly charge for OSS modifications due to line sharing (proposed \$3.41). On April 25 the Board stayed the

proposed decision and order and established a briefing schedule for the appeal. On May 17 Qwest filed a motion to withdraw its appeal and request for stay. On May 28 the Board granted the request.

RPU-01-9 (WRU-01-53-156)

MidAmerican Energy Company

On November 13, 2001, MidAmerican filed an application for determination of advance ratemaking principles for the Greater Des Moines Energy Center (GDMEC), a 540 MW combined-cycle generating unit that it intended to build in Pleasant Hill. This was the first such proceeding, pursuant to Iowa Code § 476.5, which was enacted during the 2001 legislative session as part of House File 577. This section provides that when defined new electric generation is constructed by a rate-regulated public utility, the Board, upon request, shall specify in advance, by order issued after a contested case proceeding, the ratemaking principles that will apply when the costs of the new facility are included in electric rates. The general assembly's intent in enacting the legislation was to attract the development of electric power generating and transmission facilities in the state. In its application, MidAmerican also requested waiver of some of the Board's proposed rules noticed in Docket No. RMU-01-11, which set forth filing requirements for a ratemaking principles proceeding.

On January 2, 2002, the Board docketed the case and established a procedural schedule. An evidentiary hearing was held the week of April 1. On May 29 the Board cleared the way for construction of the state's largest new electric-generating plant in nearly 20 years. The ratemaking principles approved balanced the needs of the utility company to recover its investment in the nearly \$400 million plant and the needs of Iowa customers for reliable electricity at

reasonable rates. It carried out the intent of the Iowa Legislature to bring Iowa plants to Iowa customers. In the past, utility companies were required to wait until new plants actually went on line before learning how regulators would treat their investment. The decision minimized risk to MidAmerican in several areas:

- Guaranteed the company will be protected from questions about prudent management of plant construction within a preset dollar limit.
- Assured the company will not be penalized for building the plant in the event that projected electricity demand does not materialize.
- Declared a set period –27.6 years – during which the company can recover its investment.

The Board ordered that the company's return on investment should be related to the corresponding risk. Since the order reduced risk, the Board found that the company's request of 13.25 percent return on equity was not warranted. Based on financial data from expert testimony presented at hearings, the Board determined the rate of return for the investment in this generating station will be 12.23 percent. The Board also determined that MidAmerican considered other long-term sources of electricity and that GDMEC was reasonable by comparison. The customer benefit from this proposed generating station is an economic and reliable additional electric supply to meet the growing demand in Iowa. The central location will minimize costs by being close to existing transmission and MidAmerican's largest single concentration of customers.

The company had 20 days from the date of the written order to accept the Board's decision or seek rehearing. Although the company had the option to not build the plant and find an alternative electricity supply, it proceeded with the project after the decision. The GDMEC will be the first major electric generating station built in Iowa since a plant was built in Louisa County and went on line in 1983.

RPU-01-10 Qwest Corporation

The Board approved a price regulation plan for U S West Communications, Inc., n/k/a Qwest Corporation, effective November 7, 1998. The plan was for three years, with an option for Qwest to renew for an additional three-year term or submit a new plan for approval. On August 8, 2001, Qwest filed written notice to renew the original price regulation plan for an additional three years. On November 6 Qwest instead filed a renewed price regulation plan negotiated with Consumer Advocate. On November 30 the Board docketed the modified price regulation plan, raised questions about the legality of a section of the plan dealing with rate reductions in local exchanges with competition, and established a briefing schedule.

On February 4, 2002, the Board approved the renewed price regulation plan filed on November 6, 2001, leaving some questions to be addressed by judicial review under way in District Court. The Board was concerned that a section of the plan could act as a barrier to competition. However, no potential competitors opposed the language, which was negotiated and approved with Consumer Advocate. In approving the new plan, the Board adopted procedures for processing a Qwest tariff filing proposed by Frontier (the only other party to the case) and supported by Consumer Advocate testimony. If Qwest filed a proposed tariff

to reduce basic communications services price in an exchange or exchanges, it would be required to file evidence of competition before the tariff would be approved. On February 25 Qwest filed an application for rehearing. On March 26, the Board denied Qwest's application for rehearing.

RPU-02-1 (WRU-02-4-941) Linn County Rural Electric Cooperative

On January 8, 2002, Linn County Rural Electric Cooperative applied for an electric rate increase of 6.86 percent and proposed a February 8, 2002, effective date. On January 28 Consumer Advocate filed a response stating that Linn County satisfied statutory requirements. On February 6 the Board approved the general rate increase and tariff and waived the rule that requires 15 days before the decision becomes final. New rates became effective on February 8.

RPU-02-2 MidAmerican Energy Company

On March 15, 2002, MidAmerican Energy Company filed a request to collect an additional \$26.6 million or 4.3 percent in annual gas revenues by increasing rates and charges associated with the delivery of natural gas. The Board held customer comment hearings on May 2 in Des Moines, May 6 in Davenport, May 7 in Cedar Rapids, and May 8 in Sioux City. On June 12 the Board granted MidAmerican a temporary rate increase of \$13.8 million or 2.2 percent. On July 15 MidAmerican and Consumer Advocate filed a settlement that would increase rates by \$17.7 million or 2.8 percent, which was contested by one party in the case. An evidentiary hearing on issues of return on common equity and rate disparities between MidAmerican's east and west zones was held in mid-September. On November 8 the Board approved the settlement agreement. Approval of the settlement allowed only an additional 0.4

percent increase above temporary rates in effect since June. The rates approved by the Board apply only to the costs of distributing gas and are not associated with gas commodity charges or interstate pipeline charges. Under the settlement agreement, MidAmerican was required to bring rates for natural gas delivery closer together between its east and west zones. On November 12 MidAmerican filed compliance tariffs to implement the Board's November 8 order. On November 14 MidAmerican filed a revision to the compliance tariffs. On November 15 Consumer Advocate filed a pleading indicating it had no objections to the tariffs as revised. On November 25 the Board approved the compliance tariffs.

RPU-02-3, RPU-02-8 Interstate Power and Light Company

On March 29, 2002, Interstate Power and Light Company, a wholly-owned subsidiary of Alliant Energy Company, filed a request to increase its Iowa electric rates by an average of approximately 9.6 percent. This would increase annual company revenues by an estimated \$82,088,000. The request sought a permanent increase that would be applicable to all customer classes in four different price zones, which reflect individual rate schedules of utilities merged or acquired by Interstate Power and Light Company (or its predecessors).

The Board held customer comment hearings on May 15, September 25, and October 8 in Ottumwa, May 22 in Keokuk and Burlington, May 23 in Fort Madison, May 29 in Mason City, June 13 in Dubuque and Cedar Rapids, June 20 in Spirit Lake, June 27 in Grinnell, and October 2 in Osceola. Temporary rates were approved and went into effect on June 27. The Board approved an overall temporary increase of about 1.8 percent or \$15.45 million annually in electric revenue. The approved temporary

rate increase was about two-thirds of the company's request and was assessed to customers in such a way as to not widen existing rate disparity in the company's various rate zones. The Board increased the lowest rate zones first, but limited the impact on those customers by limiting temporary increases for any customer class in any rate zone to 8 percent. The temporary rate increase was subject to refund with interest if permanent rates were lower.

On July 29 Consumer Advocate filed a petition to reduce Interstate's electric rates by \$6,302,550. Consumer Advocate petitioned the Board to determine rates that when applied to 2001 sales levels, would produce revenues of no more than \$882,170,990. This proposed reduction indicated that customers overpaid during the test year and were entitled to a refund plus interest. On August 26 the Board accepted Consumer Advocate's rate reduction petition for consideration as part of Interstate's rate increase request. On July 31 IPL filed with the Board proposed electric tariffs, identified by the Board as Docket Nos. RPU-02-8 and TF-02-437, which incorporate Interstate's application for approval of a class cost-of-service study, rate design, and rate consolidation. On August 14, Consumer Advocate filed an objection to Interstate's July 31 filing. On August 30, the Board announced it could not determine fair and just rates in Docket No. RPU-02-3 without considering the class cost-of-service study, rate design, and rate consolidation issues in Docket No. RPU-02-8. On August 30 the decision deadline in Docket No. RPU-02-3 was extended and the dockets were consolidated. From October 2002 through January 2003 the Board held three evidentiary hearings in the consolidated rate case. The Board intended to issue a final decision in both cases by April 15, 2003.

RPU-02-4 Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom

On May 24, 2002, Iowa Telecom filed a request to increase its residential and business rates by as much as 112 percent to pay for financing costs and to begin installing limited network improvements. The filing was made pursuant to 2002 legislation that permits rate increases under Iowa Telecom's price regulation plan. The Board approved temporary rates on June 21. Under Iowa law, temporary rates represented 75 percent of the company's proposed first-year permanent rate increase request.

In its final order issued on December 26, 2002, the Board rejected Iowa Telecom's proposed rate increases because they were unreasonable and Iowa Telecom had not demonstrated that the increased rates would result in tangible benefits to customers. Instead, the Board ordered Iowa Telecom to equalize its rates so that all residential and business customers pay the same rates for the same services. The Board granted Iowa Telecom a 3 percent increase on the equalized rates. Finally, the Board granted Iowa Telecom's request for new pricing flexibility that will allow the company to reduce rates to meet competition in specific exchanges. The Board stated that evidence presented in the case showed the requested \$18.2 million revenue increase would have largely been needed for debt service and would not have resulted in the service improvements the company relied on to justify significantly higher rates. The direct impact of the decision is that basic telephone rates, which ranged from \$8.92 - \$14.38 per month prior to temporary rates, would be approximately \$12.76 per month for all Iowa Telecom residential customers after equalization and the 3 percent rate increase. Business rates would be about \$24.67 following the decision. Prior business rates

ranged from \$15.64 to \$28.92. The Board ordered Iowa Telecom to refund with interest most of an estimated \$4 million collected from customers in temporary rates since June 25.

RPU-02-5 Aquila, Inc., d/b/a Aquila Networks

On June 3, 2002, Aquila Networks, formerly Peoples Natural Gas, filed a request to increase its rates and charges for distribution of natural gas by an average of 5.8 percent or nearly \$9.3 million in additional annual gas revenues. In the short term, Aquila requested a temporary rate increase that would generate nearly \$8.1 million in additional annual gas revenues. In its filing, the company reported serving about 142,000 natural gas customers in Iowa. Customer comment hearings in the case were held in Dubuque on August 12, Council Bluffs on August 22, and Des Moines on August 27. The Board also accepted written comments from the general public. On August 28 the Board allowed a temporary rate increase of 3.42 percent or about \$5.6 million in additional annual gas revenues from charges associated with the delivery of natural gas. This resulted in a monthly bill increase of about \$2.70 for typical residential customers. On December 18 Aquila and Consumer Advocate filed a joint motion for approval of a settlement agreement. The settlement proposed an annual revenue increase of approximately 2.58 percent or \$4.25 million, which would result in permanent rates that are lower than temporary rates in effect as well as a customer refund. The Board's final decision in the case was pending.

RPU-02-6 Interstate Power and Light Company

Interstate filed an application for advance ratemaking principles for the proposed Power Iowa Energy Center (PIEC) in Cerro

Gordo County on June 10, 2002. On July 23 the Board docketed the case and established a procedural schedule. Interveners in the case were Consumer Advocate (OCA), the Iowa Consumers Coalition, and CPV Highlands, L.L.C. This was the second time the Board had been asked to set advance ratemaking principles since that approach was approved by the Iowa Legislature in 2001. In addition to being set in advance, the ratemaking principles will be effective for the life of the facility. Previously, utility companies were required to await decisions in rate cases brought to the Board after new plants were actually in service before learning how regulators would treat their investment. Additionally, those rate treatments were subject to change over the life of the facility, which is no longer the case in this new regulatory environment.

On August 27 Consumer Advocate filed a motion to suspend the procedural schedule pending filing of a settlement agreement. On August 29 the Board suspended the procedural schedule and Consumer Advocate and Interstate filed the proposed settlement agreement. On September 13 the Board granted Interstate's application for a generating certificate for the PIEC (in a separate docket), subject to the utility obtaining final construction permits and filing a transmission study. On September 17 the Board approved the settlement agreement establishing advance ratemaking principles for the PIEC. It was the second time in four months that the IUB had acted to pave the way for construction of a new electric-generating plant in Iowa. The ratemaking principles will allow Interstate to recover costs of building the approximately 632-megawatt gas-fired combined cycle generating unit near Mason City. The plant was scheduled for completion by June 2004.

The settlement minimized risk to Interstate in several areas:

- Provided a five-year timeframe to recover prudently incurred costs if the company cancels plant construction for good cause shown.
- Assured that when the PIEC goes on-line and customers begin receiving the benefit of service from the plant, the company will be able to promptly begin charging customers.
- Declared a set depreciation period – 27.6 years – during which time the company can recover its investment.

The settlement fixed the rate of return on common equity at 12.23 percent for the life of the PIEC. Interstate had initially requested a 13 percent return. Customers stand to benefit from the PIEC because it will provide an additional source of electricity to meet growing demand in Iowa. If the company decides not to build the plant, it must find an alternative electricity supply.

RPU-02-7 Interstate Power and Light Company

On July 15, 2002, Interstate Power and Light Company filed a proposal to increase its rates and charges for natural gas delivery service. Interstate requested a permanent increase of 7.2 percent or approximately \$20.1 million in additional annual gas revenues. The proposed permanent increase reflected changes in basic service charges and other rates/charges to deliver or transport natural gas. The Board regulates these rates and charges. The proposed increase in rates would not impact the commodity price of natural gas, which is competitive. On October 4 the Board ruled on temporary rates, allowing Interstate an

annual increase of approximately 6.1 percent or \$16.9 million. Interstate serves customers in four different pricing zones.

Implementation of temporary rates affected individual customer bills differently based upon customer class and rate zone.

Implementation of temporary rates resulted in an average monthly bill increase of \$5.21 for residential customers. Temporary rates were allowed to go into effect while the Board considered the full rate request. The Board received written comments from the general public in the case and scheduled an evidentiary hearing for February 2003.

RPU-02-9 Qwest Corporation

On September 24, 2002, Qwest filed a proposed tariff introducing what Qwest describes in its cover letter as “three-digit dialing N11 service.” The service provides the end-user with the ability to dial a three-digit N11 code to connect to an information or referral service. The tariff sets terms and conditions Qwest proposes to apply to public agencies and others who intend to receive these N11 telephone calls. On September 30 the Board established a procedural schedule and suspended the proposed tariff for investigation, because the services might be “basic communications services” for which the proposed tariff may be unlawful. The Board noted that Qwest

filed a similar tariff with somewhat higher charges on June 14, which it later withdrew. On October 9 Qwest filed a motion to withdraw the proposed tariff, stating it “understands the services could be viewed as public interest in nature” and that it “will work towards introduction of the services when requested by government and private public service agencies.” On October 21 the Board granted the motion to withdraw the proposed tariff and terminated the docket.

RPU-02-10 MidAmerican Energy Company

On November 26, 2002, MidAmerican filed an application for advance ratemaking principles for the proposed Council Bluffs Energy Center Unit 4 (CBEC-4) to be located at the company’s existing energy center in Council Bluffs. It was proposed to be a 750-megawatt coal-fired electric generating facility. On December 12 Consumer Advocate filed an answer, objection, and response. This was the third time the Board had been asked to set advance ratemaking principles since that approach was approved by the Iowa Legislature in 2001. MidAmerican’s application for a generating certificate for the proposed facility was pending in Docket No. GCU-02-1. This case was also pending.

Refunds

The Board initiates a refund proceeding (RFU) when a refund involving a utility requires special analysis.

RFU-01-4 (APP-96-1, RPU-96-8)

MidAmerican Energy Company

See Docket No. APP-96-1.

RFU-02-1 Peoples Natural Gas Company, Division of UtiliCorp United Inc.

On December 18, 2001, the Board ordered Peoples, n/k/a Aquila, to file a refund plan. The refund plan was required to return an over-collection of approximately \$8,147,014. On January 10, 2002, Peoples filed the refund plan, proposing to refund the over-collection by bill credit as authorized by 199 IAC 19.10(7). On February 11 Peoples filed a revision to the plan, reflecting a correction to sales amounts used to make the refund calculations. On February 26 the Board approved the refund plan. The refund would be distributed in the March billing cycle. On March 13 Peoples filed a “Motion to Vacate Order and Approve Corrected Refund Plan.” Peoples indicated that after the issuance of the February 26 order it realized certain schedules in the approved plan contained errors. On March 18 and March 27 Peoples filed revisions to the corrected refund plan. The new corrected total refund amount was approximately \$8,159,303. New estimates of average refunds by bill credit were \$52.45 for residential and interruptible customers and \$84.07 for large firm customers. The refund would be distributed during the April billing cycle. On March 29 the Board approved the corrected refund plan.

RFU-02-2 (RPU-90-7) Interstate Power and Light Company

On May 17, 2002, Interstate filed a proposed refund retention plan for Docket No. RPU-90-7. The refund was for recovery of funds from Interstate’s insurance carrier for the environmental clean-up of former manufactured gas plant sites in the former IES Utilities service area. It would refund approximately \$38,706 (90 percent) or about 13 cents per residential customer. Interstate would retain approximately \$4,296 (10 percent). On June 10 the Board approved the plan. The refund would be distributed to customers through Interstate’s next PGA reconciliation.

RFU-02-3 Aquila, Inc., d/b/a Aquila Networks

On November 25, 2002, Aquila filed a proposed gas refund of demand charges adjustments for the period of March 1, 2001, through October 31, 2001. The Iowa portion of the refund from Pan Alberta was approximately \$78,030. Peoples proposed incorporating the refund into its 2001-2002 annual PGA reconciliation. The average residential gas customer using 120 mcf would receive a bill credit estimated at \$1.22. On December 24, 2002, the Board approved the refund plan as proposed.

RFU-02-4 (PGA-02-57) Aquila, Inc., d/b/a Aquila Networks

On November 25, 2002, the Board ordered Aquila to file a refund plan for approval in Docket No. PGA-02-57. On December 19 Aquila filed the refund plan, which would return approximately \$2,890,782 to

customers through the annual PGA reconciliation. The average residential gas customer using 120 mcf during September 1, 2001 through August 31, 2000 would receive an estimated bill credit of \$22.38. Peoples proposed incorporating the refund into its 2001-2002 annual PGA reconciliation, including the \$78, 030 refund previously approved in Docket No. RPU-02-

3. The full refund would be distributed as a bill credit during the February 2003 billing cycle. The docket was pending.

Rule Makings

The Iowa Utilities Board publishes administrative rules that specify the rules under which utilities must operate and the procedures by which citizens and utilities may amend those rules. To change the rules, certain procedures for public notice and comment are specified by law. These proposed changes are called rule makings (RMUs).

RMU-01-7 Generation Plant Siting

On August 3, 2001, the Board initiated a rule making to amend generation plant siting rules in 199 IAC chapter 24 to reflect changes enacted by the Iowa Legislature in House File 577 (generation bill), which made significant changes to the plant siting statute (Iowa Code § 476A). The enacted legislation removed the following decision criteria for plant siting: existence of a comprehensive energy plan, consideration of purchased power, and consideration of all feasible alternatives to the proposed facility, including nongeneration alternatives.

Instead, utilities must now show a willingness to construct, maintain, and operate the facility pursuant to certificate provisions, consistency with reasonable land use and environmental policies and reasonable use of air, land, and water resources, and no harm to electric service adequacy and reliability. The previous siting law was passed in the early 1980s when the Legislature was trying to discourage too much new generation and encourage energy efficiency. Under it, utilities had to prove need for new generation and exhaust all other options before building it. An oral presentation was held on October 3.

On February 15, 2002, the Board adopted the new rules.

RMU-01-8 Competitive Bidding

On August 3, 2001, the Board initiated a rule making to add a new 199 IAC chapter 40 to reflect changes to Iowa Code § 476 enacted in House File 577, section 12 of the

adopted generation bill in particular. Section 12 allows rate-regulated public utilities that file an application to construct or lease generating plants that meet certain criteria to request that the Board specify in advance the ratemaking principles that will apply when costs of the facility are included in regulated electric rates. It requires the Board to find that the rate-regulated utility has demonstrated it has considered other sources for long-term electric supply and that the facility or lease is reasonable when compared to other feasible electric supply alternatives. An oral hearing was held on October 30.

On March 15, 2002, the Board adopted the new rules.

RMU-01-10 Rights And Remedies For Gas And Electric Customers

On September 6, 2001, the Board initiated a rule making proposing to amend 199 IAC chapters 19 and 20 to implement changes to the "Rights and Remedies" for gas and electric customers. The amendments were a result of information the Board obtained in Docket No. NOI-01-1 concerning the consequences of the extreme cold and high gas prices of the 2000-2001 winter heating season. A public hearing was held on January 23, 2002, and parties filed additional comments on February 21. On April 26 the Board terminated the rule making proceeding. Many concerns and proposals in the comments dealt with issues beyond the scope of the proposed amendments, but raised issues needing additional evaluation. The Board

determined it would be more efficient and cost effective to address all issues related to “Rights and Remedies” in chapters 19 and 20 rather than attempt to clarify and correct inconsistencies on a piecemeal basis. The Board directed staff and all interested parties to participate in an informal collaborative to focus on more substantive revisions. After the collaborative effort, the Board may propose another rule making.

RMU-01-11 Ratemaking Principles Proceeding

On September 14, 2001, the Board initiated a rule making to add new chapter 199 IAC chapter 41 to reflect changes to Iowa Code chapter 476 enacted in House File 577, particularly section 12 of HF 577. Section 12 allows rate-regulated public utilities that file an application to construct or lease generating plants that meet certain criteria to request that the Board specify in advance the ratemaking principles that will apply when costs of the facility are included in regulated electric rates. It specifically provides that the applicable ratemaking principles shall be determined in a contested case proceeding. The new chapter outlines filing requirements for a rate-regulated public utility to follow when it initiates a ratemaking principles proceeding. MidAmerican Energy, Alliant Energy, and Consumer Advocate filed written comments. An oral presentation was held on November 27. On May 24, 2002, the Board terminated the rule making proceeding because the first ratemaking principle proceeding, involving MidAmerican in Docket No. RPU-01-9 was pending and the Board believed its decision in the case could impact future proceedings. The Board stated it would be more efficient to commence a new rule making in the future and said proposed rules remain a useful guide for utilities preparing to file an application for determination of ratemaking principles.

RMU-01-12 Confidentiality for Certain Information

On December 11, 2001, the Board initiated a rule making to consider an amendment to 199 IAC 1.9(5) concerning the granting of confidential treatment for certain information filed with the Board. The amendment would enable the Board to specify by rule certain information to be treated as confidential without a Board order. The Iowa Association of Electric Cooperatives, MidAmerican Energy Company, Interstate Power and Light Company, Consumer Advocate, and Peoples Natural Gas Company filed comments. On April 26, 2002, the Board adopted the amendment, which added a new paragraph specifying that certain information concerning purchased gas adjustment and energy adjustment clause filings may be treated as confidential without a Board order.

RMU-01-13 Assessment Allocation Rules

On December 14, 2001, the Board initiated a rule making to amend 199 IAC chapter 17, the Board’s assessment allocation rules. The chapter rules pertain to the method the Board uses to assess expenses incurred by the Board and Consumer Advocate on utilities and other parties as authorized by the Iowa Code. The proposed amendments would implement changes to the Board’s assessment allocation authority in Iowa Code § 476.10, which was amended by the Legislature in 2001. Peoples Natural Gas Company, Consumer Advocate, the Iowa Association of Electric Cooperatives, MidAmerican Energy Company, the Iowa Association of Municipal Utilities and Missouri River Energy Services, Rural Iowa Independent Telephone Association, Deere and Company, Iowa Industrial Energy Group, and Iowa Farm Bureau Federation filed written comments. An oral hearing

was held on April 19, 2002. Qwest Corporation provided oral comments at the hearing. On July 26 the Board adopted the new rules.

RMU-01-14 Certification of Rural and Non-rural Telecommunications Carriers

On December 12, 2001, the Board initiated a rule making, proposing to add a new section to 199 IAC chapter 22.2 to reflect the certification process for rural and non-rural carriers who wish to receive federal high-cost universal service support. On July 5, 2002, the Board adopted the new rules, which are intended to implement a certification process for eligible telecommunications carriers who wish to receive federal high-cost universal service support. It followed Federal Communications Commission modifications to regulations for distributing high-cost universal service support to rural telephone companies for the next five years. Each state public utility regulatory authority must now file an annual certification with the FCC to ensure rural telecommunications carriers use the federal funds to support only the provision, maintenance, and upgrading of facilities and service for which the support is intended. The state certification must be filed by October 1 each year. Any carrier wanting to receive federal high-cost universal service support must now file self-certification with the Board. The filings become part of the public record maintained by the Board and those complying with Board requirements are the basis for the Board's annual universal service support certification to the FCC.

RMU-02-1 Update of Gas and Electric Safety Standards

On January 17, 2002, the Board initiated a rule making, proposing to amend 199 IAC 10.12(1), 10.17, 19.5(2), 19.6(3), 19.8(3), 20.5(2), 20.6(3)“a,” and 25.2(5)“b.” The

Board proposed to update references in those rules to the most recent federal pipeline safety standards or most current industry association gas and electric safety and metering standards. These rules were last updated in 1999 and federal and national safety standards had been updated more recently. Peoples Natural Gas, Consumer Advocate, Interstate Power and Light Company, Central Iowa Power Cooperative, and the Iowa Association of Electric Cooperatives provided written comments. On March 18 the Board adopted the amendments to the rules.

RMU-02-2 Update of Pipeline and Transmission Line Rules

On February 7, 2002, the Board initiated a rule making, proposing to amend 199 IAC 10.2(1), 10.3(4)“a,” 11.5(1)“a,” and 13.2(1). In regard to pipeline and transmission rules, the amendments would add the requirement of having to file the land restoration plan as Exhibit “I” if a company proposes construction on agricultural land as defined in IAC 9.1(3). Other amendments would bring notice requirements for informational meetings, for electric transmission and pipeline franchise petitions, into compliance with Iowa Code section 479.5. Consumer Advocate, MidAmerican Energy Company, and Interstate Power and Light Company filed comments stating they supported the proposed amendments. No party requested an oral hearing. On April 12 the Board adopted the amendments.

RMU-02-3 Electric Delivery Reliability

On February 4, 2002, the Board initiated a rule making, proposing to amend 199 IAC chapters 20 and 25 to enhance the Board's oversight of electric delivery system reliability as the electric industry continues to evolve. The proposed amendments are the end result of an inquiry into electric delivery system reliability initiated by the

Board on November 1, 2000, identified as Docket No. INU-00-4. The inquiry focused on issues like duration and frequency of outages, power quality, customer satisfaction, and public safety. Twenty-two organizational entities participated in the inquiry. Ag Processing, the Iowa Association of Electric Cooperatives, the Iowa Association of Municipal Utilities, Interstate Power and Light Company, MidAmerican Energy Company, Northeast Missouri Electric Power Cooperative, and the Consumer Advocate filed written comments. An oral hearing was held on April 30 and some participants filed additional comments after the oral presentation. Eastern Iowa Light and Power was the only oral commenter that did not file written comments. On October 25 the Board adopted the amendments. One of the most significant changes to the proposed rules was an increase in the threshold used in differentiating large and small electric utilities - from 25,000 to 50,000 retail customers. The Board stated that the intent of the rules regarding momentary interruptions was for utilities to report and explain what they track, not to force additional investment that is not economically feasible. Rationale for other changes to the proposed rules were given in a memorandum released October 16 entitled "Post-hearing memo – Electric Delivery Reliability Rulemaking."

RMU-02-4 Sale of Goods and Services

On February 7, 2002, the Board initiated a rule making, proposing to amend 199 IAC 1.6(2) to make provisions consistent with provisions of the Department of Personnel rules with regard to the definition of selling goods and services by state employees. Consumer Advocate and Interstate Power and Light Company filed comments stating they supported the proposed amendment.

No oral hearing was held. On April 12 the Board adopted the rule amendment.

RMU-02-5 Threshold for Electric Transmission Line Franchises

On April 26, 2002, the Board initiated a rule making, proposing to amend 199 IAC chapter 11.1(5), 11.3(2), and 11.4 to make them consistent with legislative changes adopted in Senate File 2086 during the 2002 Legislative session. The new legislation increased the threshold requirement for an electric line franchise petition from 34.5 kilovolts or more to 69 kilovolts or more. Senate File 2068 was effective April 1, 2002. Consumer Advocate and MidAmerican Energy Company filed written comments supporting the proposed amendments. Nobody requested an oral hearing. On June 18 the Board adopted the new rules. No changes to the proposed rules were made. There was no specific waiver provision in the adopted rules because the threshold for electric franchises is statutory and cannot be waived.

RMU-02-6 (NOI-01-2) Natural Gas and Electric Master Metering

On June 28, 2002, the Board initiated a rule making, proposing to rescind 199 IAC 19.3(1)"b" and 20.3(1)"b" while adopting new paragraphs "b," "c," "d," and "e" and renumbering previous paragraphs "c" and "d" to establish standards for master metering of natural gas and electric service, respectively, to multi-occupancy premises. On November 20, 2001, the Board opened a Notice of Inquiry in Docket No. NOI-01-2 to receive recommendations on revisions to individual metering rules and comments from representatives of all persons that might be affected by rule changes. Notice was sent to gas and electric utilities and various groups and associations of potentially interested parties. After considering all comments received in the

inquiry, the Board concluded existing rules needed to be modified. MidAmerican Energy Company, Interstate Power and Light Company, Consumer Advocate, the Iowa Association of Municipal Utilities, and Aquila filed written comments in the rule making proceeding. An oral hearing was held on August 21. On December 27 the Board adopted new rules and closed the Notice of Inquiry.

RMU-02-7 Crossing of Railroad Rights-Of-Way

On July 9, 2002, the Board initiated a rule making, proposing to adopt a new chapter 199 IAC chapter 42 to address recently adopted legislation governing the fee and procedures for public utilities crossing railroad rights-of-way with their wires and pipelines. The new legislation, Iowa Code section 476.27 (2001 Supp.), allows for crossing of railroad rights-of-way subject to certain terms and conditions. It establishes a standard crossing fee, but that fee can be increased if special circumstances exist. The proposed rules were the end result of an extensive collaboration involving various public utilities, utility-industry groups, and railroads. The proposed chapter reflected consensus where it was reached by the parties and attempted to balance the interests of the railroads and utilities where consensus was not attained. An oral hearing was held on November 5. Written or oral comments were submitted by Consumer Advocate, Qwest Corporation, United Cities Gas Company, Iowa-American Water Company, the Small Utility Group, the Joint Utility Group, the Iowa Rural Water Association, the Mahaska Rural Water Association, and the Iowa Railroads. The case was pending.

RMU-02-8 (FCU-02-14) AT&T Communications of the Midwest, Inc. v. Iowa Telecommunications Association
See Docket No. FCU-02-14.

RMU-02-9 Efficient Use of Telephone Numbering Resources

On October 21, 2002, the Board initiated a rule making, proposing to adopt a new section to 199 IAC 22 to provide guidelines for communications service providers in Iowa who wish to apply for additional central office codes (prefixes). Under the existing North American Numbering Plan, telephone numbers in Iowa are assigned by central office code or prefix. In a standard seven-digit local telephone number, the prefix is the first three digits, sometimes referred to as the NXX. Each prefix represents 10,000 potential telephone numbers. Communications service providers apply to the North American Numbering Plan Administrator (NANPA) for new or growth prefixes. Inefficient allocation of prefixes can lead to area code exhaustion and, in turn, unnecessary inconvenience and expense. The volume of applications and short timeframe for review makes it difficult for NANPA to determine whether each application complies with all applicable (especially state-specific) requirements. The Board determined it is in the public interest for each application to be reviewed for compliance with all Iowa requirements before it is granted and on July 24, 2002, issued an order with procedures for communications service providers to follow in submitting copies of applications to the Board. The Board required carriers to send an executed application to the Board by fax or electronic mail two days prior to submission to NANPA. This rule making would implement this application submission process as a Board rule and establish requirements for carriers wishing to apply for additional prefixes. Consumer Advocate, AT&T Communications of the Midwest, and AT&T Local Services filed written comments. No request was made for an oral comment hearing. Consumer Advocated supported the proposed rule and

AT&T requested amendments to the proposed rule. The case was pending.

RMU-02-10 Executive Orders 8 and 9 Revisions to Chapters 16, 18, 23, 31, 32, 33, and 34

On September 14, 1999, Governor Vilsack issued Executive Orders 8 and 9 requiring the IUB to begin a comprehensive review of all agency rules using the criteria of need, clarity, intent, statutory authority, cost, fairness, and consistency with principles contained in Executive Order 9. On February 23, 2000, the Board directed staff to conduct a review of the Board's administrative rules. Based upon a portion of that review, the Board sent proposed changes to interested parties for comment. Comments were received from Alliant Energy Corporation, the Iowa Association of Electrical Cooperatives, the Iowa Association of Municipal Utilities, MidAmerican Energy Company, Consumer Advocate, and Peoples Natural Gas Company (n/k/a Aquila). After reviewing comments, the Board sent proposed revisions to 199 IAC chapters 16, 18, 23, 31, 32, 33, and 34 to the Governor's office for review. On December 6, 2002, the Board initiated a rule making, proposing to amend the rules. Many of the proposed revisions were updates of references or revisions to improve the clarity of the rules, particularly in chapter 16, which contains the Board's adopted uniform system of accounts for public utilities regarding the manner in which electric, gas, and water utilities are to maintain their books and records. Chapter 18 provides information about the location and availability of records for electric, gas, and water utilities. Chapter 23 contains Board rules requiring the filing of annual reports. Chapter 31 contains the Board's rules requiring public utilities to file annually verified copies of all new affiliate contracts or arrangements or similar

transactions. Chapter 32 contains the Board's rules regarding reorganization. Chapter 33 contains the Board's rules requiring a utility that meets the filing threshold to file a cost allocations manual. Chapter 34 contains the Board's rules requiring a public utility that engages in a systematic marketing effort to promote the availability of a non-utility service. The case was pending.

RMU-02-11 Electric Franchise and Related Rules

On November 22, 2002, the Board initiated a rule making, proposing to amend 199 IAC chapters 11 and 25 in response to Executive Orders 8 and 9 and recent amendments to Iowa Code § 478.13. On September 14, 1999, Governor Vilsack issued Executive Orders 8 and 9 requiring a comprehensive review of all agency rules. House File 2341, passed in 2002, amended Iowa Code to provide that electric line franchise extension applications be less extensive than original applications and proceedings. Prior to passage of the amendment, Iowa Code chapter 478 did not differentiate between original franchise and franchise extension proceedings. The Board's reasons for the proposed rules are contained in a memorandum dated October 24, 2002, entitled "Proposed Amendments to Electric Franchise and Related Rules in 199 IAC 11 and 25," which was posted on the IUB website. The Board scheduled an oral comment hearing for February 14, 2003. The case was pending.

Service Proceedings

A change to the boundaries established for electric utilities is completed through a service proceeding (SPU), as are other matters of utility service that require Board approval.

SPU-99-27 U S West Communications, Inc. and Qwest Inc.

On September 20, 1999, Qwest and U S West filed a joint application for merger. On October 7 Consumer Advocate filed a motion for an additional 90 days, which was granted on October 26. On January 28, 2000, the applicants and Consumer Advocate filed a proposed settlement agreement. The other parties to the docket continued to urge the Board to disapprove the merger. Hearings were held on February 1-3 and 14. On March 17 the Board did not disapprove the settlement and terminated the docket. The applicants were cautioned that the decision was based on the record and if there were any material changes to the proposed reorganization, they must be filed with the Board.

Pursuant to the settlement agreement, Qwest and Consumer Advocate were to develop enhanced reporting formats to facilitate assessment of Qwest's continued compliance with the Board's service quality standards. The Board approved the enhanced service quality reporting format on July 14. On July 24 the Board approved a compliance tariff required by the settlement agreement and required further proposed tariffs. On July 7 U S West filed a request that the Board cancel its certificate of public convenience and necessity and issue a new one to Qwest Corporation. The U S West certificate was cancelled by order of September 21. Also on September 21, the Board issued a new certificate to Qwest.

On June 28, 2001, the Board issued an order rejecting a proposed compliance tariff filed by Qwest on August 23, 2000. The Board ordered Qwest to file new proposed tariff pages within 30 days. On July 2 Qwest filed a proposal to modify the service reporting requirements, proposing to limit reports to a statewide level of detail and discontinue information at the wire center level. Qwest also proposed to change certain service quality measurements to reflect proposals it was presenting in other states, in order to standardize reporting requirements across the states. On July 12 Consumer Advocate filed a response opposing the wholesale elimination of reporting requirements at the wire center level.

On January 8, 2002, the Board denied the request to make changes to the monthly service quality reports and ordered a staff audit of Qwest's service quality results and reports. In addition to the audit, the Board required Qwest to file quarterly reports concerning service employee reductions for calendar year 2000, beginning on or before April 15. On January 25 Qwest filed an application for rehearing of the Board's January 8 order. On February 6 the Board denied Qwest's application for rehearing. On September 12 the Board ordered Qwest to make minor revisions to its service quality reporting obligations, based on the staff audit report and discussions at a July 2 meeting with Qwest and Consumer Advocate. The Board ordered Qwest to revise service quality reports by:

- Restating prior reports using the method of counting access lines commenced in March 2002, beginning with July 2001 and continuing the line counting method in the future.
- Resuming the original reporting format for out-of-service reports by including total out-of-service numbers, beginning with September 2001.
- Providing customer notice at least twice a year, informing them of the bill credits, alternative service options, and other remedies available to them for service interruptions and held orders that extend beyond the prescribed timeline of the regulatory standards. The notice should be in the form of a bill insert with prior Board approval of content.
- Submitting a report based on the Board's service quality rules on service interruption. The report should be submitted monthly.
- Making no further changes in its service quality reporting methodology without prior Board approval.

SPU-00-7, TF-00-275 (DRU-00-2) U S West Communications, Inc., n/k/a Qwest Corporation

On May 19, 2000, Qwest filed a petition for declaratory order regarding the exchange of local traffic by wireless and other local calling entities transiting Qwest's facilities. Qwest alleged that the originating and terminating companies must reach their own agreements as to the terms and technical conditions for the exchange of local traffic, even though Qwest's facilities are used for transit traffic. Because of the broad implication of the request, the Board refused to issue a declaratory order and ordered that a service proceeding be initiated. On June

23 the Board opened Docket No. SPU-00-7. On November 26 a proposed decision and order was issued. It concluded that federal law defines wireless traffic originated within the MTA as local, so access charges do not apply. The wireless carriers are entitled to interconnect directly with the independent local exchange carriers on a bill-and-keep basis, pursuant to Board and FCC rules. Qwest is entitled to compensation for carrying this traffic, but has no obligation to pay access or other terminating fees because this is local traffic. On December 11 several parties filed notices of appeal. On December 21 the Board issued an order establishing a procedural schedule for the appeal. On March 18, 2002, the Board issued an order affirming the November 26, 2001, proposed decision and order and denying all requests and appeals filed on December 11, 2001. On April 5, 2002, the Iowa Telecommunications Association filed an application for rehearing, requesting reconsideration of two issues: The use of bill-and-keep and the directive that the independent local exchange carriers allow their customers to place calls to wireless customers within the same Major Trading Area as local calls. On April 19 Qwest, Verizon, AT&T Wireless, and Sprint filed answers opposing the Iowa Telecommunications Association application for rehearing. On May 3 the Board denied the application for rehearing. On June 11 the Rural Iowa Independent Telephone Association filed a letter objecting to the Board's March 13, 2002, invoice to RIITA following the proceeding. The Board established an August 13 hearing. On August 7 the Board canceled the hearing and stated it would consider RIITA's objection as stated in its pleading and issue a decision on the objection in due course. On August 15 the Board denied the "Objection to Invoice" filed by RIITA on June 11.

SPU-00-11 (INU-00-2) Qwest Corporation

See Docket No. INU-00-2.

SPU-01-16 City of Manilla, Municipal Gas Department

On October 9, 2001, six complainants filed a letter requesting an investigation into the discontinuance of natural gas service by the City of Manilla, Municipal Gas Department, to their properties. The complainants alleged that Manilla originally constructed the 13,000-foot natural gas pipeline in the 1960s and that their properties were connected to the pipeline for natural gas service, which Manilla subsequently operated, maintained, and metered to provide them with gas service. In August 2001, the natural gas pipeline was severed and Manilla determined that the pipeline was unsafe for the transportation of natural gas and did not repair the pipeline. After subsequent negotiations, Manilla decided not to construct a new pipeline for the purpose of providing them with gas service. On October 25 the Board docketed the request for investigation and directed the City of Manilla to file a response to the allegations by October 31. On November 2 Manilla filed a response to the allegations, generally agreeing with facts concerning service to the complainants and stating that when it has specifications and estimates for constructing a new pipeline, it will decide whether to apply to the Board for permanent discontinuance of service. On January 18, 2002, the Board required Manilla to file an updated response by February 20, stating that a reasonable amount of time had passed to make a decision whether to construct a new pipeline or seek to discontinue service. On February 20 Manilla filed the updated response and an application to discontinue natural gas service to the affected customers. Manilla stated that the customers all reside

outside the city limits and that initial estimates to install a new pipeline ranged from \$81,000 to \$147,000. Two customers were provided electric water heaters and all the customers were offered the option of being converted to LP gas with the conversion to be paid by Manilla. On March 18, the Board docketed the application for discontinuance of service and directed the complainants and Manilla to respond to several inquiries. On April 10 the Board extended the deadline for filing responses to the inquiries until May 1. On May 16 the Board established a procedural schedule in the contested case proceeding and set a hearing. At a July 9 pre-hearing conference, the parties agreed to cancel the hearing and file depositions of witnesses in lieu of pre-filed testimony and cross-examination at the hearing. On July 12 the Board canceled the hearing and modified the procedural schedule as agreed upon during the pre-hearing conference. On September 17 the Board extended the procedural schedule to allow the parties to negotiate a settlement in the case. On October 18 the complainants filed an application to dismiss their complaints, indicating that the issues had been settled. On October 31 Manilla provided information to staff to show that abandonment of the former PVC line had been completed on October 24. Board staff visited the site on October 25 and confirmed the abandonment was in compliance with Board pipeline safety standards. On November 8 the Board granted the application to discontinue gas service to the customers.

SPU-02-1 Defiance Telephone Company, Manilla Telephone Company, and Farmers Mutual Cooperative Telephone Company of Shelby County

On January 30, 2002, Defiance, Manilla, and Farmers filed a joint application to discontinue service and transfer certificates.

Farmers had entered into a stock purchase agreement to acquire all of the stock of Defiance, which in turn owns all the stock of Manilla. Farmers planned to merge Manilla into Defiance and dissolve Defiance into Farmers. The net result would be that all local exchange customers of Defiance and Manilla would become customers of Farmers. On March 1 the Board approved the joint application to discontinue service and transfer certificates from Defiance and Manilla to Farmers. The Board also issued an amended certificate to Farmers on March 1.

SPU-02-2 Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, and Norway Rural Telephone Company

On February 13, 2002, Iowa Telecom and Norway filed a joint application for discontinuance of service by Iowa Telecom to the Corwith and Klemme exchanges and for transfer of certificate for those exchanges to Norway. Iowa Telecom was granted its certificate effective July 31, 2000. On March 12 the Board approved the application and issued amended certificates.

SPU-02-4 Glidden Rural Electric Cooperative and MidAmerican Energy Company

On May 1, 2002, Glidden and MidAmerican filed a joint petition for modification of electric service area boundaries. A service area agreement between Glidden and MidAmerican was attached to the petition and no objections to the petition were filed. The applicants requested that a portion of the service territory in Sac County, affecting one customer at the time of filing, be transferred from Glidden to MidAmerican. The applicants communicated with the customer, who expressed no objection to the change. On June 13 the Board granted the joint petition for modification of electric

service area boundaries, subject to complaint or investigation.

SPU-02-5 Interstate Power and Light Company, f/k/a IES Utilities Inc., and Humboldt Rural Electric Cooperative

On May 13, 2002, Interstate and Humboldt filed a joint petition for modification of electric service area boundaries. A service area agreement between Interstate and Humboldt was attached to the petition and no objections to the petition were filed. The applicants requested that the Board transfer a portion of the service territory in Kossuth County from Interstate to Humboldt, because equipment to be used at a lagoon owned by Oak Lake Maintenance would require three-phase service. Interstate did not have three-phase service in the vicinity, but Humboldt did nearby. On June 17 the Board granted the joint petition for modification of electric service area boundaries, subject to complaint or investigation.

SPU-02-6, WRU-02-17-482 (TCU-99-33, TCU-01-19, TCU-02-2) Heart of Iowa Communications, Inc., and Heart of Iowa Communications Cooperative (HICC)

On May 20, 2002, Heart of Iowa and HICC filed a joint application to amend their certificates to reflect changes to their local telephone service exchanges. Heart of Iowa is the wholly-owned subsidiary of HICC. No objections to the joint request were filed. The applicants stated that Heart of Iowa was in the process of dissolution and all its assets and liabilities will be assumed by HICC. On June 20 the Board approved the joint request to amend the certificates. The applicants also informally requested a waiver of individual customer verification rules. The Board also approved the waiver request, cancelled a certificate, and issued an amended certificate on June 20.

SPU-02-7 Linn County Rural Electric Cooperative and Interstate Power and Light Company

On June 10, 2002, Linn County Rural Electric Cooperative and Interstate Power and Light Company filed a joint petition for assignment of a customer. The utilities later filed detailed maps and legal descriptions. The petition stated the agreement would not modify the exclusive electric service territories, but would allow Linn County to serve one customer in Interstate's territory. No objections to the petition were filed. The docket was pending.

SPU-02-8 (SPU-01-9) One Star Communications, LLC, and One Star Long Distance, Inc.

On July 12, 2001, One Star Communications, One Star Long Distance, and CRG International (Network One) filed a notification of transfer of assets from One Star Long Distance and Network One to One Star Communications. The Board granted the request on August 20.

On June 20, 2002, One Star Long Distance filed a request to transfer a certificate issued to One Star Communications on August 20, 2001, to One Star Long Distance. One Star Long Distance stated that the contemplated transaction, which precipitated the July 12, 2001, filing was dissolved because Network One ceased operations and did not contribute its assets to One Star Communications, which never materialized and did not offer any telecommunications services to Iowa customers. On July 12, 2002, the Board granted the request to transfer the certificate and issued an amended certificate to One Star Long Distance.

SPU-02-9 Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom

On June 28, 2002, Iowa Telecom filed a request for approval to disconnect access services being provided to WorldCom, Inc. On July 2 the Board docketed the request. On July 5 Worldcom filed a resistance to Iowa Telecom's request and a motion to dismiss the request. On July 12 the Board set the matter for hearing on an expedited schedule. On July 30 WorldCom filed a notice with the Board stating that on July 21 it filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. The bankruptcy petition required stay of further proceedings until the Bankruptcy Court grants relief from the stay or until the bankruptcy case is closed or dismissed. On August 7 the Board stayed the procedural schedule in the docket.

SPU-02-10 MidAmerican Energy Company and City of Orange City

On July 8, 2002, MidAmerican and Orange City filed a joint application for discontinuance of natural gas service by MidAmerican in Orange City. The application stated that Orange City exercised its power of eminent domain and filed petition to condemn the natural gas distribution system owned and operated by MidAmerican in Orange City. On May 25, 2001, a court determined the damages to MidAmerican. Orange City proposed to take possession of MidAmerican's natural gas distribution system and operate it for its residents. Iowa Code requires a utility to obtain Board permission to discontinue service to a community or portion of a community. On August 7 the Board approved the joint application, finding that natural gas utility service by MidAmerican was no longer necessary and that Orange City was ready, willing, and able to provide natural gas service comparable to that

provided by MidAmerican. Orange City was ordered to notify the Board within ten days of the date it began operation of the natural gas distribution system.

SPU-02-11, SPU-02-13 Sprint Communications Company L.P. and Level 3 Communications LLC

On July 8, 2002, Sprint filed an appeal from a decision by the North American Numbering Plan Administrator (NANPA) denying its request for multiple blocks of telephone numbering resources. Sprint stated that on April 29, 2002, it requested blocks of 10,000 numbers in each of several Iowa exchanges to use in providing telecommunications services to Internet service providers.

On July 17 Level 3 filed a similar appeal of a decision by NANPA denying its request for numbering resources in multiple exchanges in Iowa. Level 3 filed the request with NANPA on May 16. On August 19 the Board docketed both petitions, identifying Sprint's as Docket No. SPU-02-11 and Level 3's as Docket No. SPU-02-13. The Board also consolidated the cases and established a procedural schedule. On September 13 Qwest Corporation filed a petition to intervene, which the Board granted on September 24. On October 10 Iowa Telecom filed a petition to intervene, which the Board granted on October 21. On October 23 Level 3 petitioned the Board to reconsider granting intervention to Qwest and Iowa Telecom or clarify that the scope of the proceeding is limited to Level 3's identified issues. On October 29 Iowa Telecom filed a resistance to Level 3's motion to reconsider interventions. On November 15 Consumer Advocate filed a motion requesting parties to the proceeding address in their pre-filed testimony an alternative solution reached by the New Hampshire Public Utilities Commission in

October 2002. On November 26 the Board denied Level 3's motion to reconsider interventions and to narrowly define the scope of the proceeding. Also on November 26 the Board granted Consumer Advocate's motion to have the parties address the recent New Hampshire decision and its possible application in Iowa. On December 18 the Iowa Telecommunications Association filed a petition to intervene. The case was pending. A hearing was scheduled for February 4, 2003.

SPU-02-12 (TCU-96-17, TCU-98-16) Alltel Communications of the Midwest, Inc., and Alltel Nebraska, Inc.

On July 16, 2002, Alltel Communications and Alltel Nebraska filed a joint request to amend their local telecommunications certificates to reflect corporate name changes. On October 10 they filed supplemental information supporting requests to transfer the certificate initially issued to Aliant Midwest on October 10, 1997, to Alltel Communications and the certificate initially issued to Lincoln Telephone and Telegraph Company on April 4, 1994, to Alltel Nebraska. On October 14 the Board approved the certificate transfers and issued amended certificates.

SPU-02-14 (CGP-01-6) U.S. Oil Co., Inc., f/k/a U.S. CoEnergy Services

On August 31, 2001, the Board approved the application of U.S. CoEnergy, a partnership, to become a competitive natural gas provider in Iowa. The Board issued a certificate and limited service to large volume customers. On July 22, 2002, U.S. CoEnergy filed a notification that it had changed its corporate structure from a general partnership to a Wisconsin corporation and had changed its name to U.S. Oil Co. On August 27 the Board recognized the corporate name change and

issued an amended certificate to provide large volume service in Iowa.

SPU-02-15 (WRU-02-37-272) Qwest Communications International Inc. Sale of Publishing Business

On August 20, 2002, Qwest announced an agreement to sell its QwestDex directory publishing business to a nonaffiliated entity. On August 21 the Board ordered Qwest to file an application for approval of the proposed reorganization, a request for a waiver of the Board's review requirement, or a detailed explanation for Qwest's apparent belief that Board review is not required in Iowa. On September 4 the Board issued an order asserting that it had reorganization review jurisdiction over the sale of QwestDex, because it was an indirect disposition of substantial public utility assets of Qwest requiring Board review or a waiver. Qwest was directed to file a proposal for reorganization or a request for waiver of that review before closing the proposed sale of QwestDex. On September 19 Qwest filed a request for an expedited waiver of the reorganization statutes and rules. Qwest stated the public interest does not require full reorganization review and a waiver is therefore appropriate. Qwest filed non-confidential parts of transaction documents on September 20 and confidential parts of transaction documents on September 24. On September 27 Consumer Advocate filed a statement in opposition to Qwest's waiver request. On October 3 the Board issued an order saying it could not grant Qwest's September 19 waiver request because it did not demonstrate that review of the proposed transaction was not necessary in the public interest. In particular, the Board expressed concern that the duration of commitment Qwest offered with regard to future rate review proceedings was inadequate and limited. On October 15 Qwest filed an

amended request for expedited waiver, which the Board granted on October 18.

SPU-02-16 East Plains Telecom, Inc., Baltic Telecom Cooperative, Inc., and Alliance Communications Cooperative, Inc., f/k/a Splitrock Telecom Cooperative
See Docket No. TCU-02-13.

SPU-02-17 (CGP-02-1) Reliant Energy Retail, Inc., n/k/a Center Point Energy Marketing, Inc.

On January 17, 2002, Reliant filed an application for a certificate as a competitive natural gas provider. On February 25 the Board approved the application and issued a certificate to provide large volume service as a certified natural gas provider in Iowa. On October 10 Reliant notified the Board that it was changing its corporate name to Center Point Energy Marketing and requested the Board amend the certificate accordingly. On October 28 the Board recognized the name change and issued an amended certificate to provide large volume service in Iowa.

SPU-02-18 (SPU-02-19) Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom

On October 18, 2002, Iowa Telecom filed a petition for suspension or modification of long-term Local Number Portability (LNP) in the Hartley, Primghar, and Paullina exchanges. The petition was identified as Docket No. SPU-02-18. Also on October 18 Iowa Telecom filed a similar petition with respect to the Coon Rapids exchange, which was identified as Docket No. SPU-02-19. On November 6 the Community Action Agency, whose service area includes the Hartley, Primghar, and Paullina exchanges, filed an answer to Iowa Telecom's petition in SPU-02-18. Also on November 6 Coon Rapids Municipal Communications Utility, whose service area includes the Coon

Rapids exchange, filed an answer to Iowa Telecom's petition in SPU-02-19. On December 6 the Board combined the two dockets, docketed them for investigation under Docket No. SPU-02-18, and assigned the case to an Administrative Law Judge. On December 9 the Administrative Law Judge granted intervenor status to the Iowa Association of Municipal Utilities. The case was pending.

SPU-02-20 (WRU-02-35-3019) Cable & Wireless USA, Inc. and Primus Telecommunications, Inc.

On September 19, 2002, Cable & Wireless and Primus jointly filed a request for a waiver of 199 IAC 22.23(2) regarding individual customer verification requirements for unauthorized changes in telecommunications services. On October 16 the Board granted the waiver request and Cable and Wireless customers were notified that they would be transferred to Primus because Cable & Wireless was leaving the retail long distance business. On November 20 Cable & Wireless and Primus filed a request for limited discontinuance of service, stating that approximately six customers could not feasibly be transferred to Primus. The docket was pending.

SPU-02-21, SPU-02-23 Interstate Power and Light Company and MidAmerican Energy Company

On November 26, 2002, Interstate filed an application for reorganization to transfer

ownership of its electric transmission facilities to TRANSLink Transmission Company, a proposed independent transmission company. On December 18 MidAmerican Energy Company filed an application for reorganization. MidAmerican planned to transfer functional control of its electric transmission facilities to TRANSLink, although it also asked for authority to transfer ownership of its transmission facilities to TRANSLink at some later date. Both utilities asked that the dockets be consolidated for hearing purposes. On December 23 the Board granted a motion of Interstate to withdraw its application and have it reinstated as of December 18, which was the same date MidAmerican filed its application. This allowed the statutory review period and other time limitations to be identical for both proceedings. The case was pending.

SPU-02-22 Farmers Electric Cooperative, Inc. and Winterset Municipal Utilities

On December 10, 2002, Farmers Electric Cooperative and Winterset filed a joint petition for modification of electric service area boundaries pursuant to 199 IAC 20.3(9). The petition asked that the service area maps be modified to reflect the actual territories being served by the two utilities. Three discrepancies between the service area maps and the actual service territories were noted. The docket was pending.

Telephone Certificates

Iowa Code § 476.29 gives the Board the authority to establish non-exclusive service territories for telephone utilities and grant certificates of public convenience and necessity. A TCU is established to enable the Board to evaluate requests to initiate or modify authority to provide local exchange telephone service. The Board examines each application to see if the company possesses the technical, financial, and managerial ability to provide the service it proposes to render and that the service is consistent with public interest. If this finding is made, the Board approves the application pending the filing and approval of maps and tariffs. A certificate of public convenience and necessity is then issued after the maps and tariffs are approved.

TCU-94-3 (TF-96-15) Total Communications Services, Inc.

On October 3, 1994, the Board issued a certificate to Total to provide local exchange telecommunications services in Iowa. On September 23, 2002, Total filed a request to cancel its existing certificate and stated it had not provided service in Iowa for several years. On October 1 the Board granted the request to cancel the certificate and terminated Total's tariff.

TCU-96-17, TCU-98-16 (SPU-02-12) Aliant Midwest, Inc., k/n/a Alltel Communications of the Midwest, Inc.

On October 10, 1996, the Board issued a certificate to Aliant to provide local exchange telecommunications services in Iowa. On July 16, 2002, Alltel filed a request for an amendment to the certificate to reflect a corporate name change. Supplemental information was filed on October 10 to support transfer from Aliant Midwest to Alltel. On October 14 the Board granted the request to amend the certificate.

TCU-97-12 (TF-02-396, WRU-02-24-581) Talk America, Inc., f/k/a Tel-Save, Inc.

On June 27, 1997, the Board approved Tel-Save's application for a certificate to provide local exchange telecommunications service. On June 28, 2002, Talk America filed a proposed tariff with terms,

conditions, and rates for providing competitive local exchange service, requested a corporate name change, and requested waivers of requirements to publish a directory, maintain records according to a uniform system of accounts, and maintain its records in Iowa. On July 23 the Board approved the tariff, concurrence in maps of Qwest Corporation, corporate name change, and waiver requests while concurrently issuing a certificate.

TCU-97-17 (TF-01-526) Advanced Network Communications, L.L.C.

On June 11, 1997, the Board approved Advanced Network's application for a certificate to provide local exchange telecommunications service in the Anthon, Carroll, Correctionville, and Storm Lake exchanges served by U S West Communications, k/n/a Qwest Corporation, as well as the Lake View exchange served by GTE Midwest Incorporated, later served by Iowa Telecom. On December 8, 1998, the Board approved a proposed tariff and issued a certificate to Advanced Network. On December 17, 2001, Advanced Network filed a proposed tariff revision, asking to retain service in just the Correctionville exchange. On January 15, 2002, the Board approved the proposed tariff revision and concurrence in maps of Qwest and issued an

amended certificate to provide service in the Correctionville exchange.

TCU-97-42 (TF-01-246, TF-02-514, WRU-02-41-3146) Twin Rivers Valley Telephone

On March 17, 1998, the Board approved the application of Twin Rivers to provide local exchange service in the Humboldt, Gilmore City, Hardy-Renwick, Bode-Livermore-Ottosen, Bradgate, LuVerne, Algona, Wesley, and Whittemore exchanges served by U S West Communications, Inc. On August 9, 2001, Twin Rivers filed its proposed tariff, which the Board rejected on October 1. The Board cited failure to provide the required terms, conditions, and rates for local exchange service. On October 11, 2002, Twin Rivers filed a proposed tariff containing the terms, conditions, and rates for its service to residential and business customers in the exchanges listed in its original application. On November 22 the Board approved the tariff and concurrence in maps of Qwest and issued a certificate. The Board also granted a waiver of the requirement to publish a directory.

TCU-98-21 (TF-02-250) Digital Teleport, Inc.

On September 1, 1998, Digital filed an application for a certificate of public convenience and necessity to provide local exchange service in Iowa. On October 1 the Board approved Digital's application, stating that a certificate would be issued when Digital obtained an approved tariff establishing prices, terms, and conditions of local exchange service in Iowa. On June 6, 2002, Digital filed its proposed tariff, which the Board rejected on July 5. The Board stated that it appeared Digital was proposing to provide data services rather than local dial tone services based upon information contained in its proposed tariff.

TCU-99-15 (TF-01-4) Board of Trustees of the Traer Municipal Cable Communications Utility

On May 6, 1999, Traer filed an application for a certificate of public convenience and necessity to provide local exchange service in the Traer exchange. Traer citizens authorized Traer to establish a communications utility in a special election held on December 15, 1998. On June 22, 1999, the Board approved Traer's application. On April 23, 2002, Traer filed a request to withdraw its application, citing a change in business plans. On April 26 the Board approved Traer's request to withdraw its application.

TCU-99-33, TCU-01-19, TCU-02-2 Heart of Iowa Communications, Inc., and Heart of Iowa Communications Cooperative
See Docket No. SPU-02-6.

TCU-00-2 Midwest Communications, Inc., f/k/a NET 12, Inc.

On January 18, 2000, NET 12 filed an application for a certificate to provide local exchange services and unbundled network elements by resale in all exchanges served by U S West Communications, n/k/a Qwest Communications, and GTE Midwest Incorporated. NET 12 filed additional information on February 21 and April 7. On April 14 the Board granted the application. On April 9, 2002, Midwest Communications, f/k/a NET 12, filed a request to withdraw its application due to the closing of NET 12. On April 17 the Board approved NET 12's request to withdraw its application.

TCU-00-4 Cedar Falls Municipal Communications Utility

On April 21, 2000, the Board approved the application of Cedar Falls to provide local exchange service in Iowa. On July 30, 2002, Cedar Falls requested a withdrawal of

its approved application. On August 7 the Board granted withdrawal of the application for certificate.

TCU-00-6 (TF-02-171) Universal Access, Inc.

On February 10, 2000, Universal filed an application for a certificate to provide resold and facilities-based local exchange telephone service in Iowa. Universal stated it would concur with exchange boundary maps of U S West Communications, k/n/a Qwest Communications. On April 25 the Board granted the application. On April 29, 2002, Universal filed a proposed tariff reflecting the terms, conditions, and rates for its local exchange service. On May 21 the Board approved the tariff and issued a certificate.

TCU-00-7 Winstar Wireless, Inc., and Winstar Communications, LLC

On February 14, 2000, Winstar filed an application for a certificate to provide resold and facilities-based local exchange telephone service in Iowa. Winstar stated it would concur with exchange boundary maps of U S West Communications, n/k/a Qwest Communications, and GTE Midwest Incorporated. On May 15 the Board granted the application. On February 11, 2002, Winstar filed a notification of transfer of its assets to a new company, Winstar Communications, and requested a transfer of its application. On March 26 the Board approved transfer of the application from Winstar Wireless to Winstar Communications.

TCU-00-11 Maxcess, Inc.

On March 10, 2000, Maxcess filed an application for a certificate to provide resold and facilities-based local exchange telephone service in Iowa. Maxcess stated it would concur with exchange boundary maps of U S West Communications, k/n/a Qwest

Communications, and make 2-PIC methodology available for IntraLATA and interLATA calling. On May 19 the Board granted the application. On June 4, 2002, Maxcess filed a letter requesting withdrawal of its application to provide local exchange service due to business circumstances. On June 13 the Board approved the request to withdraw the application.

TCU-00-15 Advanced Telecom, Inc., d/b/a ATG and Advanced TelCom Group, Inc.

On May 19, 2000, the Board approved the application of Advanced Telecom and Advanced TelCom Group to provide local exchange service in Iowa. On September 9, 2002, Advanced TelCom Group requested a withdrawal of its approved application. On September 30 the Board granted the withdrawal of the application for certificate, noting that there was no record of the company filing any tariffs with the Board or of the Board issuing a certificate.

TCU-00-17 (TF-01-222) One Star Communications, LLC, and One Star Long Distance, Inc.

See Docket No. SPU-02-8.

TCU-00-20 (TF-01-90) Essential.com, Inc.

On April 3, 2000, Essential filed an application to provide resold local exchange service in U S West exchanges. It would adopt the maps of U S West, n/k/a Qwest. On June 27 the Board granted the application. On March 22, 2001, Essential filed a tariff for Board review. On June 19 the Board rejected Essential's proposed tariff due to non-notification of affected carriers. In that order, the Board stated that Essential could refile its proposed tariff when it provided proper notice to all affected carriers. On January 18, 2002, United Systems Access, Inc., on behalf of

Essential, filed a letter requesting withdrawal of its approved application. On January 25 the Board granted withdrawal of the application for certificate.

TCU-00-22 Milford Municipal Telecommunications Utility

On April 19, 2000, Milford filed an application for a certificate to provide local exchange telephone service in the Milford exchange and portions of the Arnold's Park exchange, which are served by Qwest Corporation. Milford filed its own map of the proposed service territory, which deviates from Qwest's local exchange service area for the Arnold's Park exchange. On July 18 the Board granted the application and approved the map. On May 28, 2002, Milford filed a request to withdraw its application. On June 13 the Board granted the request to withdraw the certificate application.

TCU-00-24 Metrodmedia Fiber Network Services, Inc.

On April 26, 2000, Metromedia filed an application for a certificate to provide facilities-based and resold non-switched dedicated local exchange, exchange access, and intrastate private line, high capacity fiber optic transmission facilities and services throughout Iowa. On July 24 the Board granted the application. On July 2, 2002, Metromedia requested a withdrawal its application. On July 8 the Board granted the request to withdraw the certificate application.

TCU-00-26 (TF-02-554) KMC Telecom V, Inc.

On May 8, 2000, KMC filed an application to provide local exchange service in the exchanges served by Qwest Corporation and Iowa Telecom. It adopted the maps of those companies. On August 7 the Board granted the application. On November 27, 2002,

KMC filed a proposed tariff containing the terms, conditions, and rates for its local exchange service. On December 23 the Board approved the tariff and issued a certificate.

TCU-00-28 (TF-02-125) SNG Communications, LLC

On May 17, 2000, SNG filed an application for a certificate to provide resold and facilities-based local exchange telephone service in Iowa. SNG would concur with exchange boundary maps of Qwest Corporation and Iowa Telecom. According to its application, SNG intended to provide service in exchanges within Henry, Louisa, Muscatine, and Scott Counties. On August 15 the Board granted the application. On March 28, 2002, SNG filed a proposed tariff reflecting the terms, conditions, and rates for its local exchange service. On May 1 the Board approved the tariff and issued a certificate.

TCU-00-29 Maverix.net, Inc.

On May 30, 2000, Maverix filed an application to provide resold local exchange service in exchanges served by Qwest, Iowa Telecom, and Frontier. It adopted the maps of those companies. On August 25 the Board granted the application. On January 8, 2002, Maverix's communications consultant, Competitive Communications Group, filed a letter with the Board requesting a withdrawal of Maverix's approved application. It stated that Maverix was no longer an operating business and had entered bankruptcy proceedings. On January 15 the Board granted the withdrawal of the application for certificate.

TCU-00-36 (TF-02-501, TF-02-502) Algona Municipal Utilities

On June 23, 2000, Algona filed an application to provide local exchange telecommunications service in the Algona

exchange as described in the exchange maps of Qwest Corporation. On September 19 the Board granted the application and concurrence in the maps of Qwest. On September 26, 2002, Algona filed a proposed local exchange tariff containing the terms, conditions, and rates for local exchange service and a proposed access tariff. On October 28 the Board approved the tariff and issued a certificate.

TCU-00-42 Orange City Communications, L.L.P.

On July 17, 2000, Orange City filed an application to provide local exchange service in the Orange City exchange of Frontier Communications of Iowa. On September 21 the Board approved the application. On April 15, 2002, Orange City filed its proposed tariff containing terms, conditions, and rates for service. On May 15 the Board approved the tariff and issued a certificate.

TCU-00-52 (TF-02-169) Premiere Network Services, Inc.

On September 5, 2000, Premiere filed an application to provide resold and facilities-based local exchange service. It adopted the Qwest maps in Henry, Louisa, Muscatine, and Scott Counties. On January 22, 2001, the Board issued an order granting the application and concurrence of maps. On April 26, 2002, Premiere filed a proposed tariff that contained the terms, conditions, and rates for its local exchange service. On June 13 the Board granted the application and issued a certificate.

TCU-00-57 UtiliCorp Communications Services, Inc.

On September 29, 2000, UtiliCorp filed an application to provide statewide facilities and resold local exchange services. Utilicorp proposed to provide service in exchanges served by Qwest Corporation and Iowa

Telecom. On December 14 the Board granted the application and concurrence in maps of Qwest and Iowa Telecom. On April 9, 2002, UtiliCorp requested a withdrawal of its application due to revised business plans. On April 17 the Board granted the request to withdraw the certificate application.

TCU-01-1 ARBROS Communications, Inc.

On February 13, 2001, ARBROS filed an application to provide local exchange service. On March 26 the Board approved the application. On July 2, 2002, ARBROS requested a withdrawal of its approved application. On July 8 the Board granted the withdrawal of application for certificate.

TCU-01-2 (TF-02-451) Mapleton Communications Utility

On February 14, 2001, Mapleton filed an application to provide local exchange service in the Mapleton exchange. On March 21 the Board approved the application and concurrence in maps of Qwest Corporation. On August 13, 2002, Mapleton filed a tariff providing the terms, conditions, and rates for service. Revisions to the tariff were filed on November 20. On December 4 the Board approved the tariff and issued a certificate.

TCU-01-10 (TF-02-102) Osage Municipal Communications Utility

On May 10, 2001, Osage filed an application to provide local exchange service in the Osage exchange served by Qwest Corporation. On July 13 the Board approved the application and concurrence in maps of Qwest. On March 8, 2002, Osage filed a proposed tariff. On April 15 the Board approved the proposed tariff and issued a certificate.

TCU-01-13 (FCU-00-4) LTDS Corporation

On August 28, 2000, LTDS filed a complaint alleging Iowa Telecom refused to provide interconnection trunks required by LTDS to operate as a competitive local exchange carrier. Iowa Telecom was required to answer the complaint by September 6. Iowa Telecom filed its answer on September 7 saying that it did not refuse to interconnect with LTDS, but disputed LTDS's interpretation of how (or whether) Internet traffic should be exchanged pursuant to the interconnection agreement. A hearing was held on November 8 and 9. On December 22 the Board issued an order requiring interconnection pursuant to the agreement that is based upon the premise that there will be a mutual exchange of traffic. It directed Iowa Telecom to provide all local interconnection trunks requested by a CLEC, at no cost to the CLEC. Further, the Board determined that ISP-bound traffic is local exchange traffic as defined in the interconnection agreement that, in turn, requires that Iowa Telecom provide the local interconnection trunks for which LTDS places an order. Continuation of these benefits would depend on whether LTDS competes effectively for other customers. On June 5, 2001, the Board issued a written order directing LTDS to show cause why its CLEC certification should not be revoked because it did not appear to be making service available to all eligible customers in its service territory as obligated by its tariff. The order established Docket No. TCU-01-13. It also set a procedural schedule and an August 14 hearing date. The Board stated that since the issuance of its December 22, 2000, order it had become concerned that actions on the part of LTDS did not appear to be the actions of a bona fide CLEC. LTDS was ordered to file by June 22 prepared direct testimony with supporting exhibits and work papers responding to

preliminary concerns raised in the order, as well as any evidence showing LTDS operates as a bona fide CLEC. On June 19 the Board extended the procedural schedule and rescheduled the hearing to August 28. LTDS filed a motion to dismiss the certificate revocation proceeding on June 19 and renewed its motion to dismiss on August 22. On August 28 the Board denied LTDS's motion to dismiss and took official notice of the record in Docket No. FCU-00-4 in the revocation proceeding. On January 9, 2002, the Board issued its Final Decision and Order in the case. The Board did not revoke the LTDS certificate, but noted that LTDS had demonstrated a slow increase in voice customers since the Board's December 22, 2000, order in Docket No. FCU-00-4. The Board required LTDS to file quarterly reports including the number of voice customers served, the exchanges in which those voice customers are located, the number of lines LTDS is currently using, the number of data and voice trunks being used in total and by location, a summary of marketing activities, and a description of progress toward the development of residential service. The Board would reassess the filing requirement after one year. LTDS was also ordered to submit an emergency operations plan and a revision to its tariff (reflecting where it is or will imminently provide voice service) within 30 days.

TCU-01-14 (TF-02-104/WRU-02-10-3584, TF-02-423/WRU-02-27-3584) Iowa Telecom Communications, Inc.

On June 22, 2001, Iowa Telecom Communications filed an application to provide local exchange service throughout the state except in the service territory of its parent company, Iowa Telecommunications Services. On August 1 the Board approved the application. On November 7 the company filed a proposed tariff providing

terms, conditions, and rates for local exchange service for residential and business customers in the Oskaloosa exchange as described in the local exchange maps of Qwest Corporation. On December 12 the Board approved the tariff and issued a certificate. On March 11, 2002, Iowa Telecom filed a proposed amendment to its tariff that would allow it to provide local exchange service in the Perry exchange. It would concur with the local exchange maps of Qwest. Iowa Telecom also requested a waiver of the requirement to publish a directory of its customers. On April 5 the Board approved the tariff amendment, concurrence in maps, and waiver request. On July 12 Iowa Telecom filed a proposed amendment to its tariff that would allow it to provide local exchange service in the Webster City exchange. It would concur with the local exchange maps of the carrier on file for the Webster City exchange. Iowa Telecom also requested a waiver of the requirement to publish a directory of its customers. On August 7 the Board approved the tariff amendment, concurrence in maps, and waiver request.

TCU-01-17 (TF-02-214) CS Technologies, Inc.

On August 23, 2001, CS Technologies filed an application to provide local exchange service in Iowa in the exchanges served by Qwest Corporation. On October 4 the Board approved the application and concurrence in the maps of Qwest. On May 21, 2002, CS Technologies filed a proposed tariff providing the terms, conditions, and rates for service. On August 7 the Board approved the tariff and issued a certificate.

TCU-01-21 VarTec Telecom, Inc.

On September 27, 2001, VarTec filed an application to provide local exchange service to both business and residential customers throughout the state in exchanges

served by Qwest. On December 18 the Board approved the application and concurrence in Qwest exchange maps. On July 10, 2002, VarTec filed a proposed tariff providing terms, conditions, and rates for local exchange service. On August 15 the Board approved the tariff and issued a certificate.

TCU-02-1 Intrado Communications, Inc.

On January 8, 2002, Intrado filed an application to provide intrastate local exchange telecommunications services statewide. The proposal related only to aggregation and transportation of emergency calls. On March 15 the Board denied the application for a certificate, because the services Intrado proposed to offer were not dial-tone local service regulated by the Board under Iowa Code chapter 476. The Board stated that Intrado's ability to enter into interconnection, collocation, and resale agreements with local exchange carriers should not be adversely affected by the application denial, which was without prejudice should Intrado file a proposal to furnish services regulated by the Board in the future.

TCU-02-2 (SPU-02-06/WRU-02-17-482) Heart of Iowa Communications, Inc., and Heart of Iowa Communications Cooperative (HICC)

On May 20, 2002, Heart of Iowa and its subsidiary, HICC, filed a joint application to amend their certificates of public convenience and necessity to reflect the discontinuance of service by Heart of Iowa to the Eldora, Conrad, and Steamboat Rock exchanges and a portion of the Ackley exchange as well as the addition of those service exchanges to HICC. In support of their request, the applicants also stated that Heart of Iowa was being dissolved by June 30 and all assets would be assumed by HICC. They also requested waiver of the

requirement to obtain individual customer verification for the change in service provider. On June 20 the Board approved the joint application and granted the waiver request. The Board cancelled Heart of Iowa's certificate and concurrently amended HICC's certificate.

TCU-02-3 (TF-02-573) Excel Telecommunications, Inc.

On February 8, 2002, Excel filed an application to provide local exchange telecommunications service to both residential and business customers in Qwest Corporation exchanges. On March 15 the Board approved Excel's application and concurrence in Qwest exchange maps. On December 23 Excel filed a proposed tariff providing the terms, conditions, and rates for local exchange service. The application for certificate was pending.

TCU-02-4 (WRU-02-9-3629) Blue Ridge Telecom Systems, LLC

On March 13, 2002, Blue Ridge filed an application to provide local exchange telecommunications service to both residential and business customers in the exchanges served by Qwest Corporation and Iowa Telecom. Blue Ridge also requested waiver of the requirement to maintain books and records according to a uniform system of accounts. On April 26 the Board approved the application, concurrence in the exchange maps of Qwest and Iowa Telecom, and waiver request. On August 26 Blue Ridge requested withdrawal of its approved application. On August 30 the Board approved the request to withdraw the application.

TCU-02-5 (TF-02-199) Now Communications, Inc.

On May 14, 2002, Now filed an application to provide local exchange telecommunications service in Iowa

exchanges served by Qwest Corporation and also filed a proposed tariff containing terms, conditions, and rates for local exchange service. The applicant filed revisions on June 4. On June 24 the Board approved the application and proposed tariff and concurrence in maps of Qwest and issued a certificate.

TCU-02-6, TCU-01-23 (TF-02-179, TF-02-164) CommChoice of Iowa, L.L.C., and Long Lines Metro, Inc.

On December 13, 2001, Long Lines Metro filed an application to provide local exchange service to business and residential customers in the Sioux City exchange served by Qwest Corporation. On March 4, 2002, the Board approved the application and concurrence in maps of Qwest. On May 1 Long Lines filed a tariff containing the terms, conditions, and rates for local exchange service. On May 17 CommChoice, the parent company of Long Lines, filed a request to amend its certificate to eliminate service to the Sioux City exchange. On May 30 the Board approved Long Line's tariff and issued a certificate. On June 20 the Board approved CommChoice's request to amend its certificate.

TCU-02-7 (TF-02-261, TF-02-262, WRU-02-19-3644) PrairieWave Communications, Inc.

On June 12, 2002, PrairieWave filed an application to provide local exchange telecommunications service in the Storm Lake exchange served by Qwest Corporation and also filed a proposed tariff containing terms, conditions, and rates for local exchange service. The company stated it was acquiring McLeodUSA's facilities-based network in Storm Lake. On July 24 the Board approved the application, proposed tariff, and concurrence in maps of Qwest and issued a certificate. The Board

also approved waivers of the requirements to maintain records in Iowa, publish a directory, and obtain customer authorization for change of service.

**TCU-02-8 (TF-02-400, WRU-02-23-3646)
Bullseye Telecom, Inc.**

On July 1, 2002, Bullseye filed an application to provide local exchange telecommunications service in the Iowa exchanges served by Qwest Corporation and also filed a proposed tariff containing terms, conditions, and rates for local exchange service. On July 26 the Board approved the application, proposed tariff, and concurrence in maps of Qwest and issued a certificate. The Board also granted waiver of the requirements to maintain records in Iowa, publish a directory, and keep records according to a uniform system of accounts.

**TCU-02-9 (TF-02-520, WRU-02-31-3654)
VP Telecom, Inc.**

On August 1, 2002, VP filed an application to provide local exchange telecommunications service in the Iowa exchanges served by Qwest Corporation. On October 7 the Board granted the application and concurrence in maps of Qwest and granted waiver of the requirements to maintain records in Iowa, publish a directory, and keep records according to a uniform system of accounts. On October 18 VP filed a proposed tariff containing terms, conditions, and rates for local exchange service. On December 17 the Board approved the proposed tariff and issued a certificate.

TCU-02-10 (WRU-02-29-3655) Budget Phone, Inc.

On August 5, 2002, Budget Phone filed an application to provide local exchange telecommunications service in the Iowa exchanges served by Qwest Corporation and Iowa Telecom. On October 3 the Board

granted the application and concurrence in maps of Qwest and Iowa Telecom and granted waiver of the requirements to maintain records in Iowa, publish a directory, and keep records according to a uniform system of accounts. A certificate would be issued upon approval of tariffs reflecting prices, terms, and conditions of local exchange service.

TCU-02-11 (WRU-02-36-3657) iLOKA Inc. d/b/a Michrotech-Tel

On August 13, 2002, Michrotech-Tel filed an application for a certificate to provide local exchange telecommunications service in the Iowa exchanges served by Qwest Corporation and Iowa Telecom. On September 19 Michrotech-Tel filed a request to withdraw its application and concurrently filed a new application to provide local exchange telephone service in Iowa.

TCU-02-12 (TF-02-570, WRU-02-36-3657) iLOKA Inc. d/b/a Michrotech-Tel

On September 19, 2002, Michrotech-Tel filed an application for a certificate to provide local exchange telecommunications service in the Iowa exchanges served by Qwest Corporation and Iowa Telecom. On October 28 the Board granted the application and concurrence in maps of Qwest and Iowa Telecom and granted waiver of the requirements to maintain records in Iowa, publish a directory, and keep records according to a uniform system of accounts. On December 19 Michrotech-Tel filed a proposed tariff containing the terms, conditions, and rates for its local exchange service.

TCU-02-13 (TF-02-512, WRU-02-40-3095) East Plains Telecom, Inc., Baltic Telecom Cooperative, Inc., and Alliance Communications Cooperative, Inc., f/k/a Splitrock Telecom Cooperative, Inc.

On September 11, 2002, East Plains, Baltic, and Alliance filed a joint request for a transfer of East Plains' certificate of public convenience and necessity to Alliance. Additional information supporting the request was filed on October 9. Alliance filed a proposed tariff containing terms, conditions, and rates for providing local exchange service. On October 22 the Board approved the application and tariff and issued an amended certificate. Effective January 1, 2003, East Plains, provider of service since July 1997, was to merge with Baltic. The newly-merged Baltic was to merge with Alliance, which would be the surviving entity. Alliance will provide all of the services previously provided by East Plains.

TCU-02-14 (TF-02-549, WRU-02-46-3670) Alticomm, Inc.

On November 22, 2002, Alticomm filed an application to provide local exchange service in the Iowa service territories of Qwest Corporation. It concurred with the maps of Qwest. Alticomm also asked for waiver of the requirements to use a prescribed system of accounts, independently publish a directory, and to keep its records in Iowa. The filing included a proposed tariff. The docket was pending.

TCU-02-15 (TF-03-70, WRU-02-49-3664) CAT Communications International, Inc.

On December 3, 2002, CAT filed an application to provide local exchange

service in the Iowa service territories of Qwest Corporation. It concurred with the maps of Qwest. CAT also asked for waiver of the requirements to use a prescribed system of accounts, independently publish a directory, and to keep its records in Iowa. The docket was pending.

TCU-02-16 (WRU-02-50-3665) Global Network Management Group, LLC

On December 11, 2002, Global filed an application to provide resold switched, dedicated local exchange, and resold interexchange telecommunications services in Iowa. Global requested authority to provide services throughout Iowa and stated it would concur with the service area maps of the respective incumbent local exchange carriers. Global also asked for waiver of the requirements to use a prescribed system of accounts, independently publish a directory, and to keep its records in Iowa. The docket was pending.

Waivers of Rules

A utility or interested person may petition the Board to temporarily lift a requirement to comply with a certain rule or rules if circumstances make compliance impractical or inappropriate. The Board decision for a rule waiver (WRU) considers the interests of both the utility and its customers.

WRU-01-32-3572 (CGP) Tiger Natural Gas

On May 31, 2001, Tiger Natural Gas filed a request for an extension of time from the requirement that natural gas providers transporting gas to Iowa customers prior to April 25, 2001, file for a certificate by June 1, 2001. Tiger filed its application on June 8 before the Board could grant the waiver request. The Board treated the waiver as having been granted and began processing the application. On March 27, 2002, the Board granted the extension because the waiver requirements of Rule 1.3 were met, and some natural gas providers did not become aware of the June 1, 2001, filing date in time to prepare an application. The intent of the rule is to ensure all competitive natural gas providers in the state are certificated, and a reasonable extension would not affect that goal nor disrupt service to customers.

WRU-01-55-156 MidAmerican Energy Company

On December 17, 2001, MidAmerican sought a waiver of the federal safety regulations requiring pressure testing when up-rating a natural gas pipeline. The applicant had up-rated a pipeline but had not complied with the federal regulations. Under federal regulations the Board would have to grant a waiver for the applicant to continue to operate the pipeline at the new pressure. On March 12, 2002, the Board granted the waiver on the basis that in up-rating the pipeline, the applicant found no

defects in the line and committed to conducting annual leak surveys to ensure the line has no problems. Additionally, the Board took into account that any alternative to granting the waiver would require the applicant to shut off service to approximately 21,000 customers, and the Board found that this was not reasonable. The U.S. Department of Transportation, Office of Pipeline Safety, had 60 days to file an objection to the waiver. The waiver became effective on March 21, 2002.

WRU-02-1-766 Waverly Light & Power

On January 14, 2002, Waverly Light & Power requested a waiver of the requirement that non-rate regulated utilities file an energy efficiency plan every two years. On February 1 the Board approved the waiver request. Iowa Code § 476.1B(2) provides that the Board may waive the filing requirement for utilities that demonstrate superior results with existing energy efficiency efforts. The waiver was approved.

WRU-02-2-290 Fibercomm, L.C., Forest City Telecom, Inc., Heart of Iowa Communications, Inc., Independent Networks, L.C., and Lost Nation-Elwood Telephone Company v. AT&T Communications of the Midwest, Inc.

On October 25, 2001, complainants filed for waiver of the rule requiring that all local exchange carrier access charge tariffs include an element known as the "carrier common line" charge, or CCL. On January

25, 2002, the Board waived the rule as applied to the competitive local exchange carriers when they are competing with incumbent local exchange carriers that do not include the CCL in their intrastate access charges. In a contested case proceeding, the Board found that the inclusion of the CCL in the competitor's access charges, when it is excluded from the incumbent's access charges, gives the competitor an unfair competitive advantage, in violation of the state policies set forth in Iowa Code § 476.95.

WRU-02-3-980 Midland Cooperative

On January 29, 2002, Midland Cooperative requested a waiver of 199 IAC 20.3(6), which provides that bills for large customers be rendered monthly, unless the Board grants an exemption or waiver. Midland asked to bill one of its large customers more frequently than once per month because the customer filed for Chapter 11 bankruptcy. On February 18 the Board granted the waiver because the customer agreed to the billing arrangements and allowing more frequent billing will allow service to continue to a significant customer while at the same time protecting the applicant's other customers. The waiver is for one year. If the applicant wants the waiver to continue longer, another request for waiver will have to be filed.

WRU-02-4-941 Linn County Rural Electric Cooperative

On January 8, 2002, Linn County Rural Electric Cooperative asked that the Board waive the provisions of 199 IAC 7.13(2)"c," which provides that the Board's initial rate decision becomes final 15 days following the date of issuance to allow for allegations of error. The cooperative requested that its rate increase become effective February 8, 2002. On February 6 the Board granted the waiver request.

WRU-02-5-3624 Entergy Power

On December 22, 2001, Entergy Power, a Texas-based merchant power plant developer, requested a waiver of all rules contained in current 199 IAC chapter 24 that is proposed to be superseded by new rules being considered in Docket No. RMU-01-7. On February 6, 2002, the Board granted the request to waive the requirements of 199 IAC 24 that will be superseded by the proposed rules in Docket No. RMU-01-7. The proposed rules reflect the information the Board needs to review in a siting proceeding.

WRU-02-6-555 Excel Communication

On February 8, 2002, Excel Communication, a competitive local exchange provider, requested a waiver of the subrule that requires a local exchange carrier to keep its books and records in compliance with the uniform system of accounts. The applicant stated it uses an accounting system in accordance with generally accepted accounting principles. On March 15 the Board granted the request because records kept in accordance with GAAP are acceptable for competitive local exchange carriers since they are not rate-regulated.

WRU-02-7-225 Peoples Natural Gas

On March 1, 2002, Peoples Natural Gas requested to move the March 1 compliance deadline for filing energy efficiency costs to September 1, 2002. The March 1 deadline would require the applicant to make a "short year" filing, which would be unduly burdensome based upon the effort and expense of preparing the filing, and the limited effect of the filing. On March 12 the Board granted the waiver request.

WRU-02-8-293 MidAmerican Energy Company

On March 8, 2002, the Board issued this waiver regarding parallel operation on its

own motion to facilitate approval of MidAmerican's net billing tariff. The Board's rules are silent on the size of a net billing facility and the waiver allows the applicant to impose a 500 kW limit. While the Board's rules contain no size limit, the Board has always maintained that net billing was designed for small customers installing renewable generation for their own use, rather than for large customers or commercial applications. The Board found a 500 kW limit reasonable and waived the rule to the extent necessary to allow the 500 kW limit in MidAmerican's tariff. The waiver also allows customers to carry-forward net billing credits. The carry-forward provision allows customers to use excess generation amounts as an offset in future billing months when the customers' own energy production is lower.

WRU-02-9-3629 Blue Ridge Telecom Systems, L.L.C.

On March 13, 2002, Blue Ridge Telecom Systems, a competitive local exchange provider, requested a waiver of the subrule that requires a local exchange carrier to keep its books and records in compliance with the uniform system of accounts. The applicant stated it uses an accounting system in accordance with generally accepted accounting principles. On April 26 the Board granted the request because records kept in accordance with GAAP are acceptable for competitive local exchange carriers since they are not rate-regulated.

WRU-02-10-3584 Iowa Telecom Communications

On March 11, 2002, Iowa Telecom Communications requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On April 5 the Board granted the request because the applicant did not have a sufficient number of customers to

warrant publishing a directory. However, the Board required the applicant to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

WRU-02-11-272 Qwest Corporation

On March 28, 2002, Qwest requested a waiver of utilization threshold requirements outlined in some Federal Communications Commission (FCC) orders relating to optimization of telephone numbering resources. Qwest stated it received a customer request for 700 consecutive numbers in the Cedar Falls wire center, which it cannot provide without a new block of 10,000 numbers. Qwest stated that the North American Numbering Plan Administrator (NANPA) was likely to deny its request because Qwest did not meet the "months-to-exhaust" threshold for the Cedar Falls rate center. The FCC gives states the authority to overturn NANPA decisions to withhold numbering resources if the carrier has demonstrated verifiable need for numbering resources and has exhausted all other remedies. On April 5 the Board issued an order denying Qwest's waiver request and seeking additional information that the FCC requires states to consider when reviewing such waiver requests. On April 4 Qwest filed the additional information. On April 8 the Board granted the waiver request.

WRU-02-12-156 MidAmerican Energy Company

On March 28, 2002, MidAmerican requested modification of its energy efficiency plan. The rule states that an energy efficiency plan modification must be filed in the event expenditures for a customer class vary from the budgeted amount by more than 10 percent. MidAmerican requested that the rule be waived only for the residential class for

calendar year 2002 and for any period until a new energy efficiency plan goes into effect. MidAmerican stated that to keep spending for the residential class within budget limits, two popular programs, the residential home audit program and new construction program would have to be cut significantly. MidAmerican stated that the waiver would allow its staff to focus time and resources on fulfilling customer requests for stakeholders, rather than on preparing a plan modification. On April 12 the Board granted the waiver request to accommodate the increased level of participation in the energy efficiency programs. Energy efficiency programs offer customers an opportunity to reduce their energy bills and diverting the applicant's resources from implementing its current plan and developing a new plan would create a hardship for the applicant and its customers.

WRU-02-13 Special Accounts Billing Group and Erbia Network

On April 9, 2002, Special Accounts Billing Group and Erbia Network requested a joint waiver of the requirement that a telephone company obtain individual customer verification of a request for change in telephone service before submitting a change order to another telephone company. One of the applicants will be selling its assets to the other applicant, and as a result, the customers will be transferred to the other applicant. The rates and services will remain the same, and the affected customers were sent notices of the change in service providers. The applicants stated it would be costly and burdensome to obtain authorization and verification of the change in provider from each individual customer. On May 17 the Board granted the joint waiver request.

WRU-02-14-3637 NOW Communications

On May 14, 2002, NOW Communications, a competitive local exchange provider, requested a waiver of the subrule that requires a local exchange carrier to keep its books and records in compliance with the uniform system of accounts. The applicant stated it uses an accounting system in accordance with generally accepted accounting principles. On June 24 the Board granted the request.

WRU-02-15-225 Aquila, Inc.

On May 16, 2002, Aquila requested that the Board waive the requirement in 199 IAC 7.4(6)“e”(6) that a rate-regulated utility file federal and state income tax returns for the previous two years with the application for a general rate increase. The applicant asserted that the returns contained information about other operations in the corporation not regulated by the Board. On May 28 the Board denied the request because the information provided in the tax returns was necessary to determine whether the applicant had supported the application for a general rate relief. The Board stated that federal and state tax returns are protected from public disclosure by 199 IAC 1.9(5)“b”(1) and Iowa Code § 422.20.

WRU-02-16 IES Utilities Inc. and Interstate Power Company, n/k/a Interstate Power and Light Company, MidAmerican Energy Company, Peoples Natural Gas Company, Division of UtiliCorp United, Inc., n/k/a Aquila, Inc., d/b/a Aquila Networks, and United Cities Gas Company, a Division of Atmos Energy Corporation

On May 30, 2002, the Board on its own motion reduced the collaborative period for energy efficiency plans in 199 IAC 35.6(1) from 180 days to 120 days for the rate regulated utilities. The waiver was necessary to accommodate an October 15,

2002, filing date for a utility company's new energy efficiency plan.

WRU-02-17-482 (SPU-02-6) Heart of Iowa Communications, Inc. and Heart of Iowa Communications Cooperative

On May 20, 2002, Heart of Iowa Communications and Heart of Iowa Communications Cooperative requested a waiver of the requirement that a telephone company obtain individual customer verification of a request for change in telephone service before submitting a change order to another telephone company. Heart of Iowa Communications will be selling its assets to its indirect parent company, Heart of Iowa Communications Cooperative, and as a result, the customers will be transferred to the indirect parent company. The name of the company will remain the same, rates and service will remain the same, and the customers will not be aware that there was a change in company. The applicants stated it would be costly and burdensome to obtain authorization and verification from each individual customer. On June 20 the Board granted the waiver request.

WRU-02-18-150 Interstate Power & Light

On June 10, 2002, Interstate requested this waiver with respect to its siting application to build a new generating plant in north central Iowa. It requested that the informational meeting be held not less than 30 days prior to the filing of the siting application and also requested a waiver of 24.6(1)"a" which requires that the Board's evidentiary hearing be commenced no earlier than 90 days from the date Interstate filed its application. On July 12 the Board granted this request because no eminent domain was being sought and the timing of the informational meeting was not as important. The Board also granted the

request regarding the evidentiary hearing date to accommodate the applicant's construction schedule.

WRU-02-19-3644 Prairiewave Communications

On June 12, 2002, Prairiewave Communications, a competitive local exchange provider, requested a waiver of the rule that requires a local exchange carrier to keep its books and records in Iowa, and stated it would make the records available to the Board on request. On July 24 the Board granted the request.

WRU-02-20-3597 Iowa Joint Utility Management Program (IJUMP)

Board rule 199 IAC 14(4)"d" requires that certificated competitive natural gas providers (CNGPs) in Iowa file monthly the rates and other information for each rate group. On May 8, 2002, IJUMP requested that it not be required to make this filing as it was burdensome. On June 28 the Board granted the waiver finding that the requirements of paragraph 19.14(5)"d" were established in anticipation of a fully competitive natural gas market with service to residential customers. The Board stated that the monthly data need only be filed yearly, since the competitive natural gas market was not fully competitive and the applicant had no residential customers.

WRU-02-21-263 Iowa Telecommunications Services

Iowa Telecommunications Services, which is rate regulated, proposed to remove services from its tariff that had been identified as deregulated services. On June 25, 2002, Iowa Telecom requested the Board waive the sub-rules that require a local exchange carrier to file a deregulation accounting plan with the Board. On June 28 the Board granted the request because a formal deregulation accounting plan does

not serve any useful purpose when Iowa Telecom is operating under price regulation.

WRU-02-22-150 Interstate Power and Light

On June 27, 2002, Interstate requested a waiver of 199 IAC 10.12(1)“b” and 19.5(2)“a”(2), which deal with gas pipeline requirements. Interstate requested permission to permanently install plastic gas main above ground by utilizing anodeless risers. On September 19 Interstate filed a request to withdraw its waiver request, stating that further review of facilities showed that there would be very few instances where the requested installation would be required. In those few locations, Interstate stated it could meet code requirements using other acceptable methods.

WRU-02-23-3646 BullsEye Telecom

On July 1, 2002, BullsEye Telecom requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On July 26 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers’ listing information to the publisher of the local directory for inclusion in the directory.

WRU-02-24-581 Tel-Save, Inc.

On June 28, 2002, Tel-Save requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On July 23 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers’ listing information

to the publisher of the local directory for inclusion in the directory.

WRU-02-25-150 Interstate Power and Light

On July 11, 2002, Interstate requested a waiver of 199 IAC 7.4(6), which provides that a utility must file certain information with a general rate case. The applicant filed this information in its pending electric rate case, Docket No. RPU-02-3, and asked for the waiver with respect to the class cost-of-service study, rate design, and rate rebalancing proposal it would have filed on or before July 31, 2002. On July 24 the Board granted the waiver because the information is available in Docket No. RPU-02-3 and duplicative filing of the information in a second docket would serve no purpose.

WRU-02-26-272 Qwest Corporation

On July 15, 2002, Qwest requested a waiver of utilization threshold requirements outlined by the Federal Communications Commission (FCC) in numbering resource optimization orders. Qwest stated that the North American Numbering Plan Administrator (NANPA) had denied its request for two new central office codes (typically allotted in blocks of 10,000 numbers) to fulfill two May 2002 customer requests for 7,000 consecutive numbers and 1,300 consecutive numbers in the Des Moines rate center. The FCC gives states the authority to overturn NANPA decisions to withhold numbering resources if the carrier has demonstrated verifiable need for numbering resources and has exhausted all other remedies. On August 6 the Board issued its decision order, denying in part the waiver request for new central office codes because the Des Moines rate center is located in the 515 area code, which has thousands-block number pooling and

sufficient blocks of 1,000 numbers were available to satisfy both customers' requests.

WRU-02-27-3584 Iowa Telecom Communications

On July 12, 2002, Iowa Telecom Communications requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On August 7 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

WRU-02-28 (DRU-02-3) FPL Energy Hancock County Wind, LLC

On July 29, 2002, HCW filed a petition for a declaratory ruling or, in the alternative, request for waiver. HCW planned to build up to 148 wind turbines on two sites in Hancock County and was negotiating to sell power to various Iowa utilities. HCW asked to commence construction on its wind project prior to obtaining a certificate of public convenience, use, and necessity. On July 29 the Board granted the request for a declaratory ruling, finding that Chapter 476A (certification statute) does not apply to HCW's project as set forth in its petition. The waiver request was deemed moot and not addressed.

WRU-02-29-3655 Budget Phone

On August 5, 2002, Budget Phone requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On October 3 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers' listing information

to the publisher of the local directory for inclusion in the directory.

WRU-02-30-3657 iLOKA Inc. d/b/a Microtech-tel

On August 13, 2002, Microtech-tel filed a request for waiver associated with its filing for telephone certificate in Docket No. TCU-02-11. Microtech-tel requested the Board waive the subrules that require local exchange carriers to publish a directory of their customers, maintain books and records in Iowa, and keep records according to a uniform system of accounts. On September 19, Microtech-tel filed a request to withdraw its application and concurrently filed a new application to provide local exchange telephone service in Iowa. On October 28 the Board granted the new application for certificate and approved the waivers associated with it.

WRU-02-31-3654 VP Telecom, Inc.

On August 1, 2002, VP Telecom, Inc. requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On October 7 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

WRU-02-32-3230 PT-1 Long Distance, Inc.

On August 26, 2002, PT-1 Long Distance requested that it be allowed to transfer one company's customer base to the applicant without first obtaining each customer's authorization and verification. The subrule requires individual customer verification to change a customer's local or long distance provider. The applicant stated that a notice

would be sent to each of its affected customers, notifying them of the change. On September 17, 2002, the Board denied the waiver request because the notice to be sent to all the applicant's affected customers did not meet all of the requirements of the subrule. The Board also found that the applicant did not provide clear and convincing evidence that it would suffer an undue hardship from the application of the rule.

WRU-02-33-272 Qwest Corporation

On September 10, 2002, Qwest requested to provide service to the 2002 Farm Progress Show located in Alleman, Iowa, from September 24, 2002 through September 26, 2002, pursuant to a request by the directors of the Farm Show. The site of the event was located in service territory not usually served by the applicant. The subrule sets forth the required procedures for boundary map revisions. Qwest stated that an agreement was reached between it and the service provider usually serving the territory for service to be provided to the Farm Progress Show by Qwest. On September 17 the Board granted the waiver request because an agreement had been made between the service providers that the applicant would provide service to the 2002 Farm Progress Show, and no current customers in the exchange would be affected. In addition, the requirements of the subrule would have resulted in revised maps showing changes in the limited service area for the duration of the Farm Progress Show and then an additional filing of maps by both companies when the service area reverted back to its original boundaries. The Board limited the effective dates of the waiver to encompass the Farm Progress Show and indicated that the service territory would revert to its previous status after the expiration of the effective dates.

WRU-02-34-272 Qwest Corporation

On September 13, 2002, Qwest requested that it be allowed to sell and transfer some of its out-of-state assets without first obtaining Board review or approval. The subrule requires any public utility reorganizations be submitted to the Board for review or approval. The Iowa Code defines a reorganization to include the acquisition, sale, lease, or any other disposition of all or a substantial part of a public utility's assets. Qwest stated that these assets consist of general administrative office properties outside of Iowa. Consequently, the applicant did not believe there would be any impact on customer service in Iowa. On October 13 the Board granted the waiver request because it would be an undue hardship for the applicant to meet the filing requirements of this subrule, since the sale will have minimal or no effect on Iowa ratepayers and Board review of the proposed sale is not necessary or in the public interest.

WRU-02-35-3019 Cable & Wireless USA, Inc., and Primus Telecommunications, Inc.

On September 19, 2002, Cable & Wireless USA and Primus Telecommunications requested a waiver of the requirement that a telephone company obtain individual customer verification of a request for change in telephone service before submitting a change order to another telephone company. Cable & Wireless USA was selling its assets to its indirect parent company, Primus Telecommunications and, as a result, the customers would be transferred to the indirect parent company. The name of the company will remain the same, rates and service will remain the same, and the customers will not be aware that there was a change in company. The applicants stated it would be costly and burdensome to obtain authorization and verification from each

individual customer. On October 16 the Board granted the waiver request. In this instance, the transfer of customers is part of a corporate restructuring and has been approved by the Federal Communications Commission.

WRU-02-36-3657 iLOKA, Inc.

On September 19, 2002, iLOKA requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On October 28 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

WRU-02-37-272 Qwest Corporation

On August 20, 2002, Qwest requested a waiver of Iowa Code § 476.76 and 199 IAC chapter 32, which require the filing of certain information when a regulated public utility proposes to reorganize. The applicant was proposing to dispose of certain public utility assets, specifically its directory publishing division. Iowa Code § 476.77(4) authorizes the Board to waive the statutory review requirement when the Board finds that review is not necessary in the public interest. On October 18 the Board granted the waiver since the sale by the applicant would have no perceptible effect on Iowa customers or the public interest, as the directory will continue to be published and distributed as it is now. In addition, the Board found the waiver request met the four criteria in the Board's waiver rule.

WRU-02-38-222 Atmos Energy Corporation

On October 1, 2002, Atmos Energy Corporation requested a waiver of 199 IAC 19.10(7) to allow recovery of

undercollections from periods outside the prior 12 months ending August 31, 2002. These undercollections were the result of clerical and calculation errors in the prior year's filings. On October 30 the Board allowed the prior period undercollections to be recovered as part of the recovery of the period ending August 31, 2002, since the undercollections were the result of human errors in making the previous filings. The Board found that it had allowed this type of recovery on previous occasions.

WRU-02-39-272 Qwest Corporation

On October 3, 2002, Qwest requested a waiver of the requirement that telephone utilities make interconnection of pay telephone equipment available to customers on the same basis as business service. Qwest states that it reduced its pay telephone rates pursuant to recent FCC decisions requiring companies like Qwest to recalculate their pay telephone rates in compliance with FCC tests. Qwest's revised rates, calculated under the FCC tests, represent a decrease from the current rates and are inconsistent with the subrule. On October 16 the Board granted the waiver request because it would be an undue hardship for the applicant to meet the requirements of the subrule since doing so would cause the applicant to be noncompliant with FCC orders, the waiver will not affect the substantial legal rights of any person, will decrease the existing rate, and will afford equal protection of public health, safety, and welfare since the revised rate will benefit Iowa ratepayers.

WRU-02-40-3095 (TCU-02-13) East Plains Telecom, Inc., Baltic Telecom, Inc., and Alliance Communications Cooperative, Inc., f/k/a Splitrock Telecom Cooperative, Inc.

On September 9, 2002, the applicants requested a waiver of the requirement that a telephone company obtain individual customer verification of a request for change in telephone service before submitting a change order to another telephone company. On January 1, 2003, East Plains and Baltic will be selling their assets to its indirect parent company, Alliance, and as a result, the customers will be transferred to the indirect parent company. The name of the company will remain the same, rates and service will remain the same, and the customers will not be aware that there was a change in company. The applicants stated it would be costly and burdensome to obtain authorization and verification from each individual customer. On October 22 the Board granted the waiver request.

WRU-02-41-3146 Twin Rivers Valley Telephone

On October 11, 2002, Twin Rivers Valley Telephone requested the Board to waive the subrule that requires local exchange carriers to publish a directory of their customers. On November 22 the Board granted the request because the applicant does not have a sufficient number of customers to warrant publishing a directory. However, the Board required the applicant to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

WRU-02-42 MidAmerican Energy, Peoples Natural Gas, United Cities Gas

On October 29, 2002, MidAmerican, Peoples, and United Cities requested a waiver of the requirement in 199 IAC 35.8(1) that they address the potential

energy and capacity savings in each of the ten years subsequent to the year the assessment is filed. They requested that they be allowed to file the required information for nine years rather than ten. On November 7 the Board granted the waiver because these three utilities, plus another utility, collaborated on a joint study assessing the potential for capacity and energy savings. The study assumed new energy efficiency plans would be filed in 2002. Because of the staggered filings, only one utility filed in 2002. The three that are the subject of the waiver will file in 2003, meaning that only nine years data will be included. There were no objections to the waiver, and the waiver promotes joint activities of this type that provide benefits to both participating utilities and ratepayers.

WRU-02-43-156 MidAmerican Energy Company

On October 29, 2002, MidAmerican requested a waiver of 199 IAC 35.11, which requires that gas forecasts be filed each November in years in which new energy efficiency plans are not filed. On November 7 the Board granted the waiver for the November 2002 filing because MidAmerican will be filing a new energy efficiency plan that will include a gas forecast in January 2003. In the plan, the utility will also have to provide a forecast of gas demand and transportation volumes as required by 199 IAC 35.10(1).

WRU-02-44-3676 Roquette America, Inc.

On November 4, 2002, Roquette requested a waiver of the generating certificate requirements of Iowa Code chapter 476A. In its request, Roquette stated that it proposed to construct a cogeneration facility with a total nameplate capacity of not more than 50 megawatts adjacent to its corn wet-milling processing facility in Keokuk. On November 20 the Consumer Advocate filed

a conditional objection to the request. On December 12 Roquette and Consumer Advocate filed a joint settlement and motion for Board approval of the settlement. On December 26 the Board granted the waiver request and settlement agreement. The Board stated that the request adequately addressed the three statutory decision criteria required for a generating certificate.

WRU-02-45-150 Interstate Power and Light Company

On November 21, 2002, Interstate filed a request for temporary waiver of certain sections of 199 IAC 20.18(5)"a," part of the new electric reliability rules effective on December 18, 2002. The utility company was unable to comply with some of the reporting requirements because it was in the process of installing new software to be completed by July 1, 2003. For example, the applicant's current system could not track all the outage cause codes required by the rules or provide service interruption information about individual distribution circuits. Once the new system is in place, the applicant will be able to comply with the rule. The waiver request was pending.

WRU-02-46-3670 Alticomm, Inc.

On November 22, 2002, Alticomm, a competitive local exchange provider, requested waivers of Board rules requiring a local exchange carrier to keep its books and records in compliance with the uniform system of accounts, to keep its books and records in Iowa, and to publish a directory of its customers. Alticomm stated that it uses an accounting system in accordance with generally accepted accounting principles and has its headquarters in another state. The docket was pending.

WRU-02-47-561 Matrix Telecom, Inc., and International Exchange Communications, Inc.

On November 27, 2002, Matrix and International Exchange requested a waiver of the requirement that a telephone company obtain individual customer verification of a request for change in telephone service before submitting a change order to another telephone company. Both companies were certified to provide long distance service to Iowa customers, but International Exchange filed for bankruptcy and ceased operations. As part of the bankruptcy action, Matrix is to assume International Exchange Communications customer base. The name of the company providing long distance service to customers would remain the same, rates and service would remain the same, and customers would be notified of the change in the company's structure. The applicants stated it would be costly and burdensome to obtain authorization and verification from each individual customer. The waiver request was pending.

WRU-02-48-484 Frontier Communications of America, Inc., and Citizens Telecommunications Company

On December 2, 2002, Frontier and Citizens jointly requested a waiver of the requirement that a telephone company obtain individual customer verification of a request for change in telephone service before submitting a change order to another telephone company. The applicant companies were both authorized to provide long distance service to Iowa customers, although Citizens did not currently serve any Iowa Customers. The parent company of both applicants, Citizens Communications Company, is merging the two applicant companies. The name of the company providing long distance service to customers will remain the same, rates and service will remain the same, and the customers will be notified of the change in

the company's structure. The applicants stated it would be costly and burdensome to obtain authorization and verification from each individual customer. On December 26 the Board denied the waiver request because a waiver of the customer verification requirements of 199 IAC 22.23(2) is not necessary. The Board found that the transaction would not result in a change in the preferred carrier for Iowa customers. The change in structure of the applicant companies does not require Board approval because the companies only provide long distance service to Iowa customers, which has been deregulated in Iowa.

WRU-02-49-3664 CAT Communications International, Inc.

On December 3, 2002, CAT, a competitive local exchange provider, requested waivers of the subrules that require a local exchange carrier to keep its books and records in compliance with the uniform system of accounts, to keep its books and records in Iowa, and to publish a directory of its

customers. The applicant stated it uses an accounting system in accordance with generally accepted accounting principles and would make its books and records available to the Board on request. The docket was pending.

WRU-02-50-3665 Global Network Management Group, LLC

On December 11, 2002, Global requested the Board waive the subrule that requires local exchange carriers to publish a directory of its customers and the subrule that requires a local exchange carrier to keep its books and records in compliance with the uniform system of accounts. The applicant stated it uses an accounting system in accordance with generally accepted accounting principles. The docket was pending.

Federal Agency Proceedings

Congressional Activity

The IUB continued its practice of holding meetings with the Congressional delegation in Washington and in Iowa when meetings can be scheduled during the year without additional travel. Meetings in Iowa were scheduled to occur during district work periods. The IUB has developed relationships with staff members responsible for energy and telecommunications issues and assisting with constituent questions.

Federal Energy Regulatory Commission

In one of the final steps of the Kansas ad valorem tax refund process, the Board ordered Northern Natural Gas Company to refund the non-FERC-jurisdictional portion of the refund. Northern sought judicial review in the Iowa courts and asked the FERC for declaratory relief. The IUB received favorable decisions from the court and the FERC.

The IUB cooperated with other state commissions to challenge the rate of return on equity for the Midwest Independent Transmission System Operator (MISO) and commented on many filings concerning the formation of the TRANSLink Transmission Company, other transmission filings, and the Standard Market Design rule making. The Board served as a member of the MISO's Advisory Committee, representing the North Central states.

Federal Communications Commission

After the Board completed its multi-state proceeding in Docket No. INU-00-2, concerning Qwest's compliance with the requirements of 47 U.S.C. § 271, Qwest filed its request for Section 271 long-distance authority with the FCC on June 13, 2002. The Board filed its recommendation and reply comments. Qwest withdrew its application to address questions raised regarding the accounting for its long-distance affiliate, as well as inquiries into the possible preferential treatment to some competitive local exchange carriers. A new Qwest filing, starting a new 90-day review period, was filed with the FCC on September 30, 2002. The Board again submitted comments. The FCC approved the nine-state application on December 20, 2002, prior to the statutory deadline of December 27, 2002.

Court Cases

Iowa District Court

**AT&T Communications v. Iowa Utilities Board, Polk County No. CV-3985
(Docket No. FCU-00-3)**

On February 22, 2002, AT&T sought judicial review of the Board's decision in Re: FiberComm, et al., that AT&T owed back access charges to a group of competitive local exchange carriers (CLECs). Briefs were filed in August and September and oral argument was heard on October 4, 2002.

**AT&T Communications v. Iowa Utilities Board, Polk County No. AA-4485
(Docket No. DRU-02-4)**

On November 18, 2002, AT&T sought judicial review of the Board's declaratory order holding that the Board lacks jurisdiction over access rates for small local exchange carriers that are not subject to rate regulation. The Board's answer was filed on December 8, 2002, and the record was filed on December 18, 2002.

**Coon Rapids Municipal Utilities, et al., v. Iowa Utilities Board, Polk County
No. CV-4370**

(Docket No. RPU-02-4)

On September 3, 2002, a group of municipal utilities that had intervened in Re: Iowa Telecommunications Services, Inc., sought a judicial stay of a Board order granting Iowa Telecom's motion to compel discovery responses from the municipal utilities. A hearing was held and a ruling denying the application for stay was issued on the same day, September 3, 2002.

**LTDS Corp. v. Iowa Utilities Board, Jefferson County No. CVEQ 001645
(Docket No. TF-02-232)**

On August 23, 2002, LTDS filed a petition for judicial review of a Board order allowing Iowa Telecom to remove certain digital and private line services from its tariff to a catalog of deregulated services. A briefing schedule was established by order issued December 23, 2002, and oral argument was scheduled for April 14, 2003.

**Northern Natural Gas Co. v. Iowa Utilities Board, Polk County No. CV-4201
(Docket No. INU-02-1)**

On June 4, 2002, Northern Natural filed a petition for judicial review of a Board order directing Northern to refund certain funds associated with refunds of Kansas ad valorem taxes. On September 23, 2002, the Court issued an order denying Northern's application for a judicial stay of the Board's order. Briefs were filed and oral argument was heard on October 9, 2002. On December 9, 2002, the District Court issued a decision affirming the Board's order.

**Office of Consumer Advocate v. Iowa Utilities Board, Polk County AA-3682
(Docket No. INU-00-3)**

On May 11, 2001, Consumer Advocate sought judicial review of the Board's determination that local directory assistance service is subject to effective competition and should be deregulated pursuant to Iowa Code § 476.1D. On February 18, 2002, the Court issued a ruling affirming the Board's order. On March 18, 2002, Consumer Advocate filed a notice of appeal, which was dismissed on April 8, 2002.

**Office of Consumer Advocate v. Iowa Utilities Board, Polk County No. AA-3657
(Docket No. RPU-00-1)**

On April 9, 2001, Consumer Advocate sought judicial review of a Board order deaveraging Qwest Corporation's business line rates. A District Court ruling affirming the Board's decision was issued on November 14, 2002.

**Qwest Corp. v. Iowa Utilities Board, Polk County No. CV-4122
(Docket No. FCU-02-1)**

On May 2, 2002, Qwest filed a petition for judicial review of the Board's order in Re: Cox Communications v. Qwest prohibiting Qwest from offering a Local Service Freeze to its customers in Iowa. Briefs were filed and oral argument was heard on November 13, 2002.

Iowa Supreme Court and Court of Appeals

**MidAmerican Energy Co. v. Iowa Utilities Board, S. Ct. No. 99-1529
(Polk County No. AA-3173, AA-3195, and AA-3196)
(Docket Nos. C-97-52, C-98-119, and C-98-137)**

Three appeals by MidAmerican Energy Company of similar Board orders that were consolidated by the Polk County District Court. Each Board order denied MidAmerican's request for formal complaint proceedings and required MidAmerican to interconnect with an alternate energy production (AEP) facility under a net billing arrangement. On August 24, 1999, the District Court reversed the Board and found the net billing arrangements were preempted by federal law. The Board and Consumer Advocate filed a joint appeal to the Iowa Supreme Court on September 22, 1999. Pursuant to joint motion of the parties, the appeal was stayed on May 24, 2001, so that MidAmerican could file a proposed tariff with the Board on September 24, 2001, which, if approved, would resolve the case. The tariff was approved on April 11, 2002, and on May 29, 2002, the District Court granted a joint motion of the parties and entered an order vacating its order of August 24, 1999.

**Office of Consumer Advocate v. Iowa Utilities Board, Supreme Court No. 02-0270
(Polk County District Court No. AA-3693)
(Docket No. TF-00-250/RPU-98-4)**

On June 11, 2001, Consumer Advocate filed a petition for judicial review of a Board order approving certain actions under the price regulation plan of Qwest Corporation. Briefs were filed and oral argument was heard on January 4, 2002. A second oral argument was heard on February 13, 2002. The District Court issued its decision affirming the Board on April 2, 2002, and Consumer Advocate filed a notice of appeal on May 2, 2002. Briefs were filed, but oral argument was not yet scheduled.

Rutherfords and Prices v. Iowa Utilities Board, Court of Appeals No. 2-138
(Supreme Court No. 01-0646)
(Marshall County District Court No. CV-3082-0699)
(Docket No. E-21258)

On June 17, 1999, the Rutherfords and Prices filed a petition for judicial review of a Board order granting IES Utilities Inc., a franchise for an electric transmission line in Marshall County. On March 1, 2001, the District Court affirmed the Board's order. The Rutherfords' rule 179(b) motion was denied on March 23, 2001, and they filed a notice of appeal on April 20, 2001. The Court of Appeals affirmed the Board and District Court in a December 30, 2002, ruling.

Office of Consumer Advocate v. Iowa Utilities Board (Sweckers),
Supreme Court No. 01-1379
(Polk County District Court No. AA 3557)
(Docket No. FCU-99-3)

On November 11, 2000, the Sweckers filed a petition for judicial review of a Board order finding certain provisions of Midland Power Cooperative's cogeneration tariff were in violation of Iowa Code § 476.21 and upholding other provisions of the tariff. On July 26, 2001, the District Court affirmed the Board's order. Consumer Advocate filed a notice of appeal on August 23, 2001. Briefs were filed and the Iowa Supreme Court heard oral arguments on July 10, 2002.

Federal Court

Northern Natural Gas Co., et al., v. Iowa Utilities Board
U.S. District Court – Southern District of Iowa No. CV-70473
(Docket No. RMU-99-10)

On August 6, 2001, Northern Natural filed a complaint against the Board regarding the Board's adoption of rules for the restoration of agricultural land after pipeline construction. Cross-motions for summary judgment were filed on November 11, 2002; briefs were filed and oral argument was heard on December 27, 2002.

Rural Iowa Independent Telephone Association v. Iowa Utilities Board, U.S. Court of Appeals for the 8th Circuit No. 02-4060
(U.S. District Court – Southern District of Iowa No. CV-90348)
(Docket No. SPU-00-7)

On July 19, 2002, RIITA filed a complaint against the Board regarding the Board's decision in Re: Exchange of Transit Traffic, in which the Board determined that the rules of the Federal Communications Commission (FCC) prohibit RIITA's members from assessing access charges on wireless telephone calls within a major trading area as defined by the FCC. On December 4, 2002, the District Court issued an order dismissing the case based on the Hobbs Act, 28 U.S.C. § 2342(1), which provides that the U.S. Courts of Appeal have exclusive jurisdiction of actions challenging FCC decisions. RIITA appealed the District Court order to the U.S. Circuit Court of Appeals for the 8th Circuit on December 10, 2002.

Assessments

Remainder Assessments for Fiscal Year 2002

Fiscal Year 2002 Expenditures

Utilities Division	\$ 5,952,455.67
Indirect Expenses	27,282.00
Administrative Services Expenses	171,302.71
Total Assessable Base	6,151,040.38

Fiscal Year 2002 Deductions

Direct Assessments	\$ 1,497,757.84
Federal OPS Reimbursement	223,702.00
Misc. Adjustments & Assessments	17,306.75
Total Deductions	1,738,766.59

Fiscal Year 2002 Remainder Base **\$ 4,412,273.79**

2001 Utility Revenues and 2002 Assessments

Rate Regulated Utilities	2001 Revenues	2002 Assessments
Water Companies	\$ 21,356,442.00	\$ 17,321.32
Electric Companies	2,041,388,981.00	2,026,882.48
Gas Companies	1,108,298,971.00	1,098,268.98
Telephone Companies	851,392,418.00	909,029.02
Rural Electric Cooperatives	21,455,494.00	21,303.03
Sub-total	\$ 4,043,892,306.00	\$ 4,072,804.83
 Non-Rate Regulated Utilities		
Municipal Electric Companies	\$ 301,567,326.00	\$ 149,712.17
Municipal Gas Companies	58,937,093.00	29,202.11
Rural Electric Cooperatives	323,407,564.00	160,554.68
 Sub-total	\$ 683,911,983.00	\$ 339,468.96
Total of All Utilities	\$4,727,804,289.00	\$ 4,412,273.79

Assessment Rates:

Rate Regulated Water Utilities:	\$.000811 or \$0.81 per \$1,000 of Assessable Revenue
Rate Regulated Electric Utilities:	\$.000992 or \$0.99 per \$1,000 of Assessable Revenue
Rate Regulated Gas Utilities:	\$.000990 or \$0.99 per \$1,000 of Assessable Revenue
Rate Regulated Telephone Utilities:	\$.001067 or \$1.06 per \$1,000 of Assessable Revenue
Non-Rate Regulated Electric Utilities:	\$.000496 or \$0.49 per \$1,000 of Assessable Revenue
Non-Rate Regulated Gas Utilities:	\$.000495 or \$0.49 per \$1,000 of Assessable Revenue

Direct Assessments

2002 Direct Assessment Billings

Electric Industry

Algona Municipal Utilities	463.92
Ames Municipal Electric Utilities	302.29
Atlantic Municipal Utilities	1,155.31
Butler County Rural Elec. Coop.	117.33
Calhoun County Electric Coop. Assn.	342.37
Corn Belt Power Cooperative	16,239.50
Cornerstone Energy	96.22
Dairyland Power Cooperative	1,608.30
Entergy Power Generation Corporation	19,068.76
Humboldt County Rural Electric Coop.	191.28
Interstate Power & Light Co (Electric)	252,310.42
Iowa Lakes Electric Coop.	165.06
Linn County Rural Electric Coop. Assn.	7,985.07
Maquoketa Municipal Electric Utility	3,568.44
MidAmerican Energy Co-Electric	270,040.58
Midland Power Cooperative	119.77
North West Rural Electric Coop.	93.82
Northeast Missouri Power Cooperative	3,695.33
Northwest Iowa Power Cooperative	1,759.38
Paullina Municipal Electric Utilities	136.07
Pella Cooperative Electric Association	260.66
Pleasant Hill Community Line	133.13
Rideta Electric Coop., Inc.	1,326.02
Southern Iowa Electric Coop., Inc.	246.15
Southwest Iowa Service Cooperative	1,439.38
T.I.P. Rural Electric Cooperative	255.06
Total Electric Industry Charges	583,119.62

Gas Industry

Ag Processing	8.00
Alliance Energy Services Partnership	274.97
Alliance Pipeline	3,366.00
ANR Pipeline Co.	4,910.50
Aquila, Inc. (f/k/a Peoples Natural Gas)	41,091.81
Arcadian Corporation	6.00
Archer Daniels Midland	8.00

Atmos Energy Corp (f/k/a United Cities Gas)	14,767.37
Bedford Municipal Gas	25.50
BP Canada Energy Marketing Corp.	467.80
Brighton Municipal Gas	15.00
Cargill, Incorporated	165.06
Central Iowa Power Cooperative (CIPCO)	20.00
Clearfield Municipal Gas	7.00
Consumers Energy-Gas	34.00
Corning Municipal Utility	20.00
Dynegy Marketing	371.58
Enron Energy Services	889.17
Equistar Chemical LP	10.00
Fairbank Municipal Utility	18.00
Interstate Power & Light Co (Gas) (1,475.50 + 163.50 Pipe)	75,474.33
Iowa Joint Utility Management Program (I- JUMP)	791.27
Laclede Energy Resources	233.90
Lenox Municipal Gas Utility	42.00
Little Sioux Corn Processors LP	625.66
Manning Municipal Gas Dept.	20.00
MidAmerican Energy Co-Gas	113,509.61
Mid-American Pipeline (MAPCO)	2.00
Midwest Grain Processors Coop.	5,289.10
Montezuma Natural Gas Dept	37.50
Morning Sun Municipal Gas	2.50
Moulton Municipal Gas	6.00
Natural Gas Pipeline of America	13,105.00
Northern Nautral Gas Co.	26,994.00
Northern Plains Natural Gas	7,629.00
NorthernWestern Energy	536.64
Otter Tail Energy Services Company	1,367.20
Sioux City Brick & Tile Co.	4.00
Tiger Natural Gas, Inc.	736.69
TXU Energy Retail Co	137.68
U.S. CoEnergy Services	233.90
U.S. Energy Services	462.68
US Gypsum Co.	12.00
Virginia Power Energy Marketing	261.28
Wall Lake Municipal Gas Dept.	24.00
Wayland Municipal GasUtility	11.00
Wellman Municipal Gas System	12.00
Williams Company (f/k/a Williams Pipeline)	4.00

Winfield Municipal Gas & Utility	10.00
Total Gas Industry Charges	314,050.70

Telephone Industry

1-800-Reconex, Inc.	90.62
Ace Telephone Assn.	218.62
ACI Communications	204.41
Advanced Network Communications	440.32
AGI Iowa	204.79
ALLTEL Communications Service Corporation	256.15
Alpine Communications L.C.	275.88
Alta Municipal Broadband Communication Utility	106.49
Andrew Telephone Company, Inc.	103.09
Arcadia Telephone Coop.	126.72
Arrival Communications	180.46
AT&T Comm.of the Midwest	36,679.17
Atkins Telephone Company, Inc.	63.97
Baldwin Nashville Telephone Company	97.91
Barnes City Coop. Telephone	61.81
Bernard Telephone Company, Inc.	548.15
Blue Earth Valley Telephone Company	249.62
Blue Ridge Telecom Systems, LLC	501.67
BTC, Inc	100.89
Butler Bremer Mutual Telephone	181.14
Cannon Valley Telecom, Inc.	73.47
Cascade Telephone Company	228.26
Cedar Communications, L.L.C.	337.30
Center Junction Telephone	73.81
CenturyTel Long Distance, Inc.	341.07
CenturyTel of Chester, Inc.	218.06
CenturyTel of Postville, Inc.	250.25
Choicetel	367.85
Citizens Mutual Telephone	51.15
Citizens Telecommunications Company of MN	2,479.32
Clarence Telephone Company	351.44
Clarksville Telephone Company	335.63
Clear Lake Ind. Telephone	83.10
C-M-L Telephone Coop. Assn.	60.99
Colo Telephone Company	326.41
CommChoice of Iowa, LLC	755.28
CommSouth Companies	280.23

Communications 1 Network (Norway Rural Telephone)	1,145.11
Connect America Communications	294.59
Coon Creek Telecommunications	69.20
Coon Creek Telephone Company	111.74
Coon Rapids Municipal Utilities Communications	162.54
Coon Valley Coop. Telephone	208.33
Cooperative Telephone Company	134.79
Corn Belt Telephone Company	797.17
Cox Communications, Inc.	634.13
Crystal Communications (Hickory Tech)	492.56
CS Technologies	444.78
Cumberland Telephone Company	109.10
Custom Teleconnect	532.51
Danville Mutual Telephone	266.78
Digital Telecommunications, Inc.	892.48
Digital Teleport, Inc.	267.61
Dixon Telephone Company	202.69
Dumont Telephone Company	374.90
Dunkerton Telephone Coop.	232.66
East Plains TeleCom, Inc.	63.60
Evercom Systems, Inc.	525.52
eVulkan, Inc.	79.02
Excel Telecommunications, Inc.	383.86
Farmers & Businessmen's Telephone	264.13
Farmers & Merchants Mutual Telephone Company	257.49
Farmers Cooperative Tele-Dysart	60.99
Farmers Electric Cooperative	2,532.95
Farmers Mut. Cooperative Telephone Company	121.92
Farmers Mutual Coop. Telephone Company of Shelby	117.68
Farmers Mutual Telephone Company	74.34
Farmers Mutual Telephone Company of Stanton	230.67
Farmers Mutual Telephone-Coop of Shellsburg	207.64
Farmers Telephone Company-Batavia	175.22
Farmers Telephone Company-Essex	94.94
Farmers Telephone Company-Nora Springs	296.26
Fenton Coop. Telephone Company	123.71
FiberComm, L.L.C.	586.56
Forest City Telecom, Inc.	528.11

Goldfield Access Network, L.C.	213.29
Goldfield Telephone Company	621.85
Grand Mound Cooperative Tele	182.91
Grand River Mutual Telephone	596.32
Guthrie Telecommunications Network	643.64
Harmony Telephone Company	180.17
Hawkeye Telephone Company	146.65
Hawkeye Tri-County Electric Coop.	415.35
Heart of Iowa Communications Cooperative	544.60
Heart of Iowa Communications, Inc.	2,570.64
Heartland Telecommunications Company of Iowa d/b/a HickoryTech	1,611.64
Hills Telephone Company, Inc.	153.05
HITEC (City of Hawarden)	218.60
Hospers Telephone Exchange Inc.	137.48
Hubbard Coop. Telephone Assn.	149.07
Huxley Communications Coop	420.94
IAMO Telephone Company	240.04
Independent Networks, L.C.	273.56
Integra Telecom of Iowa, Inc.	136.98
Interstate 35 Telephone Company	294.01
Intrado Communications, Inc.	546.46
Ionex Communications North, Inc.	443.23
Iowa Telecommunications Services	58,316.22
Jefferson Telephone Company	131.34
Kalona Coop. Telephone Co.	125.87
Keystone Farmers Coop. Tele.	149.08
LaMotteTelephone Company	146.37
LaPorte City Telephone Company	53.71
Laurel Telephone Company, Inc.	90.68
Laurens Mun. Broadband Comm	168.14
Legacy Long Distance International, Inc.	440.61
Lehigh Valley Coop. Telephone	239.32
Level 3 Communications,LLC	157.82
Liberty Communications	146.03
Local Telephone Data Service (LTDS)	10,244.97
Lone Rock Cooperative Telephone	223.50
Long Lines Metro, Inc.	1,625.99
Lost Nation Elwood Telephone	283.59
Louisa Communications, L.C.	126.24
Lynnville Telephone Company	86.83
Marne & Elk Horn Telephone Co	56.36
Martelle Coop. Telephone Assn.	129.34

Massena Telephone Company Inc.	308.58
MCI Metro Access	1,290.03
McLeodUSA Telecommunications	1,095.49
Mechanicsville Telephone Co	116.85
Mediapolis Telephone Company	117.66
Minburn Telecommunications, Inc.	67.88
Minburn Telephone Company	67.88
Minerva Valley Telephone Co., Inc.	90.26
Modern Coop. Telephone	203.62
Nation Broadband, Inc.	61.05
Network Communication Int.	221.65
New Access Communications	338.19
NexGen Integrated Communications	683.68
North English Cooperative Tele	125.70
Northeast Iowa Telephone Co	67.88
Northern Iowa Telephone	140.49
Northwest Telephone Coop. Assn.	156.38
NOS Communications, Inc.	100.35
NOW Communications	701.55
NTERA, Inc.	554.93
OCCM, Inc. (One Call Communications)	915.44
Ogden Telephone Company	220.52
Olin Telephone Company, Inc.	143.42
OmniTel Communications	505.85
OneStar Communications,LLC	1,142.11
Onslow Coop. Telephone	157.83
OpenCom, Inc.	85.02
Operator Service Company	118.94
Oran Mutual Telephone Company	522.81
Orange City Communications, LLP	873.44
Osage Municipal Communications Utility	263.30
Palmer Mutual Telephone	76.14
Palo Coop. Telephone Assn.	75.33
Panora Coop. Telephone Assn.	226.64
Partner Communications Cooperative	973.38
Peoples Telephone Company	79.58
Prairieburg Telephone Company	110.53
PrairieWave Communications, Inc.	758.24
Preferred Carrier Service, Inc.	118.14
Premiere Network Services	534.39
Preston Telephone Company	133.92
Public Communications Services	512.68
QuantumShift Communications	269.04

Qwest Corporation	407,929.76
Radcliffe Telephone Company, Inc.	218.37
Readlyn Telephone Company	157.33
Reinbeck Municipal Telecommunications	333.18
Reliant Communications, Inc.	343.81
Ringsted Telephone Company	106.49
River Valley Telephone Coop.	58.43
Rockwell Coop. Telephone Assn.	75.33
Royal Telephone Company	132.79
Ruthven Telephone Exchange Co	233.84
Scranton Telephone Company	274.88
Searsboro Telephone Company	99.37
Shell Rock Telephone Company	159.82
SNG Communications, Inc.	501.37
South Central Communications	56.36
South Slope Coop. Telephone Co	223.72
Southwest Telephone Exc., Inc.	404.74
Spencer Municipal Communications Utility	430.86
Springville Cooperative Telephone	125.11
Sprint Communications Company	286.41
Swisher Telephone Company	100.18
TeleCents Communications, Inc.	349.53
Telefyne Incorporated	75.56
Teleport Communications Group (TCG)	676.61
Telergy Network Services	118.54
Teligent Services	284.31
Terril Telephone Company	136.30
The Burt Telephone Company	116.47
The Community Agency (Community Cable TV Agency)	280.51
Titonka Telephone Company	180.91
TRX, Inc.	1,259.12
Twin River Valley Telephone	425.10
United Farmers Telephone	57.17
Universal Access, Inc.	242.71
Universal Communications of Allison	500.41
Van Buren Telephone Company	309.46
Van Horne Cooperative Telephone Company (BLT Local Trans)	355.18
VarTec Telecom, Inc.	478.53
Ventura Telephone Company, Inc.	73.48
Villisca Farmers Telephone Co	50.73
Walnut Communications	67.88

Webb Dickens Telephone Corp.	67.88
Wellman Coop. Telephone Assn.	258.11
West Iowa Telephone Company	176.16
Western Iowa Telephone Assn.	255.11
Wholesale Carrier Service	181.23
Williams & Company Communications	794.10
Wilton Telephone Company	356.11
Winnebago Coop. Telephone	279.83
WinStar Gateway Network	176.88
Woodbine Municipal Communications	170.18
Woolstock Fiber Company	519.12
Woolstock Mutual Telephone	255.99
Wyoming Mutual Telephone	278.26
Z-Tel Communications	954.36
Total Telephone Industry Charges	583,427.04

Water Industry

Iowa American Water Co.	17,160.48
Total Water Industry Charges	17,160.48

GRAND TOTAL DIRECT ASSESSMENTS **1,497,757.84**

Remainder Assessments

Rate Regulated Utilities

	Calendar 2001 Revenues	FY 2002 Assessments
Investor-Owned Water Companies		
Iowa-American Water Co.	\$ 21,356,442.00	\$ 17,321.32
Subtotal	21,356,442.00	17,321.32
Investor-Owned Electric Companies		
Interstate Power & Light Co. (Electric)	894,025,875.00	887,672.76
MidAmerican Energy Co (Electric)	1,147,363,106.00	1,139,209.72
Subtotal	2,041,388,981	2,026,882.48
Investor-Owned Natural Gas Companies		
Atmos (United Cities Gas)	6,797,595.00	6,736.14
Aquila (Peoples Natural Gas)	165,100,055.00	163,607.34
Consumers Energy (Gas)	19,254	9.54
Interstate Power & Light Co. (Gas)	259,261,458.00	256,917.40
MidAmerican Energy Co (Gas)	677,120,609.00	670,998.56
Subtotal	1,108,298,971	1,098,268.98
Rural Electric Cooperative		
Linn County REC	21,455,494.00	21,303.03
Subtotal	21,455,494.00	21,303.03

Nonrate Regulated Utilities

Telephone Companies

Ace Telephone Assn.	2,302,768	2,458.66
Alpine Communications L.C.	3,040,283	3,246.10
Alta Municipal Utility d/b/a Altatec	104,673	111.76
Amana Colonies Telephone	599,181	639.74
America's Tele-Network Corp.	157,133	167.77
AmeriVision Communications, Inc.	328,571	350.81
Andrew Telephone Company, Inc.	184,748	197.25
Arcadia Telephone Coop.	219,171	234.01
AT&T Communications of the Midwest, Inc.	576,914	615.97
Atkins Telephone Company, Inc.	404,702	432.10

	Calendar 2001 Revenues	FY 2002 Assessments
Ayrshire Farmers Mutual Telephone Company	365,144	389.86
Baldwin Nashville Telephone Company	179,521	191.67
Barnes City Coop. Telephone Company	99,100	105.81
Bell Atlantic Communications, Inc.	1,235,706	1,319.36
Bernard Telephone Company, Inc.	405,355	432.80
Breda Telephone Corp.	912,543	974.32
Brooklyn Communication Systems, Inc.	167,755	179.11
Brooklyn Mutual Telephone Company	780,969	833.84
Butler Bremer Mutual Telephone Company	1,188,549	1,269.01
Cascade Telephone Company	1,278,079	1,364.60
Casey Mutual Telephone Company	297,754	317.91
Cedar Communications, L.L.C.	140,487	150.00
Center Junction Telephone Company	86,256	92.10
Central Scott Telephone Company	2,155,374	2,301.29
CenturyTel of Chester, Inc.	158,187	168.90
CenturyTel of Postville, Inc.	1,701,075	1,816.23
Citizens Mutual Telephone Company	2,318,168	2,475.10
Citizens Telecommunications Co of MN	136,305	145.53
Clarence Telephone Company, Inc.	494,736	528.23
Clarksville Telephone Company	378,118	403.72
Clear Lake Ind. Telephone Company	3,514,302	3,752.21
C-M-L Telephone Coop. Assn.	388,600	414.91
Colo Telephone Company	387,572	413.81
Comm South Companies, Inc.	546,717	583.73
CommChoice of Iowa, LLC	54,997	58.72
Coon Creek Telecommunications, Corp	789,317	842.75
Coon Creek Telephone Company	405,051	432.47
Coon Rapids Municipal Utilities	429,258	458.32
Coon Valley Coop. Telephone Assn., Inc.	288,165	307.67
Cooperative Tele Exchange (Stanhope)	230,188	245.77
Cooperative Telephone Company (Victor)	664,802	709.81
Corn Belt Telephone Company, Inc.	439,527	469.28
Cox Communications, Inc.	2,325,442	2,482.87
Crystal Communications (HickoryTech)	516,086	551.02
Cumberland Telephone Company	228,337	243.79
Danville Mutual Telephone Company	574,242	613.12

	Calendar 2001 Revenues	FY 2002 Assessments
Defiance Telephone Company, Inc.	155,647	166.18
Dixon Telephone Company	288,249	307.76
Dumont Telephone Company	363,388	387.99
Dunkerton Telephone Coop.	582,769	622.22
East Buchanan Telephone Coop.	945,678	1,009.70
Ellsworth Coop. Telephone Association	513,159	547.90
Evercom Systems, Inc.	917,695	979.82
Farmers & Businessmen's Tele. Co.	988,915	1,055.86
Farmers & Merchants Mutual Telephone	636,067	679.13
Farmers Cooperative Telephone Co- Dysart	806,861	861.48
Farmers Mut. Coop. Telephone Co-Moulton	313,536	334.76
Farmers Mutual Coop. Tele Co of Shelby	1,310,067	1,398.75
Farmers Mutual Telephone Co of Stanton	589,842	629.77
Farmers Mutual Telephone Co-Jesup	1,278,986	1,365.57
Farmers Mutual Telephone Cooperative	1,115,853	1,191.39
Farmers Telephone Co-Batavia	209,421	223.60
Farmers Telephone Co-Essex	327,658	349.84
Farmers Telephone Co-Nora Springs	893,576	954.07
Fenton Coop. Telephone Company	163,776	174.86
FiberComm, L.L.C.	687,254	733.78
Forest City Telecom, Inc.	1,401,002	1,495.85
Frontier Communications of America, Inc.	2,068,433	2,208.46
Frontier Communications of Iowa, Inc.	21,009,232	22,431.49
Goldfield Access Network, L.C.	673,402	718.99
Goldfield Telephone Company	318,945	340.54
Grand Mound Cooperative Telephone Assn.	298,298	318.49
Grand River Mutual Telephone Corp.	3,404,403	3,634.87
Griswold Coop. Telephone Company	1,075,833	1,148.66
Hawarden Municipal Utilities	422,622	451.23
Hawkeye Telephone Company	263,867	281.73
Heart of Iowa Communications Cooperative	511,190	545.80
Heart of Iowa Communications, Inc.	633,160	676.02
Heartland Telecom (Hickory Tech)	5,259,212	5,615.24
Hills Telephone Company, Inc.	902,505	963.60
Hospers Telephone Exchange Inc.	481,700	514.31
Houlton Enterprises Guaranteed Phone Ser	500,040	533.89

	Calendar 2001 Revenues	FY 2002 Assessments
Hubbard Co-op. Telephone Assn.	351,526	375.32
Huxley Communications Cooperative	1,258,810	1,344.03
IADA Services, Inc.	1,752,705	1,871.36
IAMO Telephone Company	196,631	209.94
Independent Networks, L.C.	179,897	192.08
Intellicall Operator Services, Inc.	304,141	324.73
Interstate 35 Telephone Company, Inc.	863,966	922.45
Ionex Communications North, Inc.	1,548,263	1,653.08
Iowa Network Services, Inc.	12,538,389	13,387.20
Iowa Telecommunications Services, Inc.	130,112,000	138,920.18
Jefferson Telephone Company	1,613,878	1,723.13
Jordan Soldier Valley Coop. Telephone Co.	408,249	435.89
Kalona Coop. Telephone Company	1,330,397	1,420.46
Keystone Farmers Coop. Telephone	740,625	790.76
La Motte Telephone Company, Inc.	269,404	287.64
La Porte City Telephone Company	1,179,236	1,259.07
Laurel Telephone Company, Inc.	180,940	193.19
Laurens Municipal Broadband Comm Utility	374,818	400.19
Least Cost Routing, Inc.	50,804	54.24
Lehigh Valley Coop. Telephone Assn.	997,347	1,064.86
Liberty Communications	1,920,613	2,050.63
Lightyear Communications, Inc.	647,762	691.61
Local Long Distance, L.C.	518,510	553.61
Local Telephone Data Service Corporation	197,211	210.56
Lone Rock Cooperative Telephone	134,014	143.09
Lost Nation Elwood Telephone Company	556,496	594.17
Louisa Communications, L.C.	337,144	359.97
Lynnville Telephone Company	144,237	154.00
Mabel Cooperative Telephone Company	512,297	546.98
Manilla Telephone Company	352,405	376.26
Manning Municipal Com & TV System Utility	128,971	137.70
Marne & Elk Horn Telephone Company	721,760	770.62
Martelle Coop. Telephone Assn.	118,784	126.83
Massena Telephone Company Inc.	296,643	316.72
MCI WorldCom Communications, Inc.	74,361,663	79,395.71
MCI WorldCom Network Services, Inc.	3,237,281	3,456.43

	Calendar 2001 Revenues	FY 2002 Assessments
McLeodUSA Telecom Development Inc.	157,076	167.71
McLeodUSA Telecommunications Services	71,682,770	76,535.47
Mechanicsville Telephone Company	481,478	514.07
Mediapolis Telephone Company	1,247,397	1,331.84
Miles Cooperative Telephone Association	369,165	394.16
Minburn Telecommunications, Inc.	610,570	651.90
Minburn Telephone Company	278,404	297.25
Minerva Valley Telephone Co., Inc.	428,405	457.41
Modern Coop. Telephone Company	551,776	589.13
Montezuma Mutual Telephone Company	3,120,052	3,331.27
Mutual Telephone Company of Morning Sun	400,177	427.27
Mutual Telephone Company of Sioux City	1,452,289	1,550.60
Natel, LLC	411,060	438.89
Network Communication International Corp.	122,550	130.85
New Access Communications LLC	1,077,437	1,150.38
North English Cooperative Telephone Co.	368,436	393.38
Northeast Iowa Telephone Company	1,088,020	1,161.68
Northern Iowa Telephone Company	1,296,319	1,384.08
Northwest Iowa Telephone Company, Inc.	5,469,332	5,839.59
Northwest Telephone Coop. Assn.	1,054,840	1,126.25
Norway Rural Telephone Company	427,320	456.25
NOS Communications, Inc.	177,391	189.40
NOSVA Limited Partnership	1,690,479	1,804.92
Ogden Telephone Company	858,105	916.20
Olin Telephone Company, Inc.	474,651	506.78
OmniTel Communications	1,673,814	1,787.13
OneStar Long Distance, Inc.	1,358,703	1,450.68
Onslow Coop. Telephone Association	313,348	334.56
Oran Mutual Telephone Company	210,855	225.13
Palmer Mutual Telephone Company	223,349	238.47
Palo Coop. Telephone Assn.	235,483	251.42
Panora Coop. Telephone Assn., Inc.	849,266	906.76
Partner Communications Cooperative	868,100	926.87
Pay Phone Unlimited, Inc.	231,102	246.75
Peoples Telephone Company	493,395	526.80
PowerNet Global Communications	115,598	123.42

	Calendar 2001 Revenues	FY 2002 Assessments
Prairie Telephone Company, Inc.	591,788	631.85
Prairieburg Telephone Company, Inc.	93,223	99.53
Preston Telephone Company	807,861	862.55
Primus Telecommunications, Inc.	241,155	257.48
Qwest Corporation	355,298,000	379,350.56
Radcliffe Telephone Company, Inc.	260,014	277.62
Readlyn Telephone Company	510,138	544.67
Ringsted Telephone Company	202,563	216.28
River Valley Telephone Coop.	494,899	528.40
Rockwell Coop. Telephone Assn.	897,891	958.68
Royal Telephone Company	206,575	220.56
Ruthven Telephone Exchange Company	398,502	425.48
Sac County. Mutual Telephone Company	622,529	664.67
Schaller Telephone Company	1,124,190	1,200.29
Scranton Telephone Company	281,400	300.45
Searsboro Telephone Company	244,384	260.93
Sharon Telephone Company	561,283	599.28
Shell Rock Telephone Company	524,257	559.75
South Central Communications, Inc.	1,138,498	1,215.57
South Slope Coop.Telephone Company, Inc.	6,882,177	7,348.08
Southwest Telephone Exc., Inc.	493,876	527.31
Springville Cooperative Telephone Assn., Inc.	443,550	473.58
Sprint Communications Company, L.P.	15,898,398	16,974.67
Stratford Mutual Telephone Company	371,400	396.54
Sully Telephone Assoc.	629,146	671.74
Superior Telephone Coop.	125,755	134.27
Swisher Telephone Company	375,632	401.06
Talk America Inc.	671,900	717.39
TCG Omaha	57,179	61.05
Teleconnect Long Distance Services	1,329,730	1,419.75
Templeton Telephone Company	303,570	324.12
Terril Telephone Company	252,912	270.03
The Burt Telephone Company	253,409	270.56
Titonka Telephone Company	348,857	372.47
Touch America Holdings, Inc.	3,323,428	3,548.41
Trans National Communications Inter	52,171	55.70

	Calendar 2001 Revenues	FY 2002 Assessments
TTI National, Inc.	814,654	869.80
Twin Rivers Valley Internet d/b/a TRV Telephone	119,250	127.32
United Farmers Telephone Company	421,753	450.30
Universal Access, Inc.	74,848	79.91
Universal Communications of Allison, Inc	364,406	389.08
Van Buren Telephone Company, Inc.	1,714,231	1,830.28
Van Horne Coop Tele Co (BLT Local)	311,768	332.87
VarTec Telecom, Inc.	3,229,349	3,447.97
Ventura Telephone Company, Inc.	232,725	248.48
Villisca Farmers Telephone Company Corp.	593,305	633.47
Walnut Telephone Company	413,652	441.65
WCT COMMUNICATIONS (Wilton Tele Co)	1,161,217	1,239.83
WCTA Long Distance Co.	731,121	780.62
Webb Dickens Telephone Corp.	288,581	308.12
WebNet Communications, Inc.	58,812	62.79
Webster Calhoun Coop. Telephone Assn.	4,807,775	5,133.25
Webster-Calhoun Long Distance Inc.	810,771	865.66
Wellman Coop. Telephone Assn.	703,317	750.93
West Iowa Telephone Company	3,026,556	3,231.44
Western Iowa Telephone Assn.	1,761,795	1,881.06
Westside Independent Telephone Company	240,898	257.21
Winnebago Coop. Telephone Assn.	3,958,030	4,225.98
Woolstock Mutual Telephone Assn.	126,232	134.78
Wyoming Mutual Telephone Company	316,634	338.07
Telephone Companies Subtotal	851,392,418	909,029.02
 Municipal Electric Companies		
Afton	446,960	221.89
Akron	731,789	363.29
Algona	5,727,102	2,843.20
Alta	736,756	365.76
Alta Vista	120,182	59.66
Alton	507,976	252.18
Ames	30,239,337	15,012.23
Anita	439,212	218.05
Anthon	298,174	148.03

	Calendar 2001 Revenues	FY 2002 Assessments
Aplington	419,770	208.39
Atlantic	5,373,364	2,667.59
Auburn	121,133	60.14
Aurelia	503,984	250.20
Bancroft	697,490	346.27
Bellevue	1,331,743	661.14
Bloomfield	2,053,585	1,019.50
Breda	255,255	126.72
Brooklyn	881,702	437.72
Buffalo	343,471	170.52
Burt	249,526	123.88
Callender	151,924	75.42
Carlisle	1,150,245	571.04
Cascade	1,165,111	578.42
Cedar Falls	17,181,420	8,529.66
Coggon	336,973	167.29
Coon Rapids	1,489,613	739.51
Corning	737,276	366.02
Corwith	237,109	117.71
Danville	362,560	179.99
Dayton	426,274	211.62
Denison	5,633,473	2,796.72
Denver	760,869	377.73
Dike	410,438	203.76
Durant	1,034,317	513.48
Dysart	621,492	308.54
Earlville	333,138	165.39
Eldridge	2,275,404	1,129.62
Ellsworth	327,606	162.64
Estherville	3,224,441	1,600.76
Fairbank	446,243	221.54
Farnhamville	232,805	115.58
Fonda	328,584	163.12
Fontanelle	326,216	161.95
Forest City	3,369,289	1,672.67
Fredericksburg	1,520,852	755.02

	Calendar 2001 Revenues	FY 2002 Assessments
Glidden	481,971	239.27
Gowrie	551,079	273.58
Graettinger	415,925	206.48
Grafton	122,995	61.06
Grand Junction	446,381	221.60
Greenfield	2,289,883	1,136.81
Grundy Center	1,741,037	864.33
Guttenberg	1,040,229	516.42
Harlan	3,990,136	1,980.89
Hartley	1,039,811	516.21
Hawarden	1,392,719	691.41
Hinton	413,592	205.33
Hopkinton	337,216	167.41
Hudson	854,975	424.45
Independence	4,546,844	2,257.27
Indianola	5,934,146	2,945.99
Keosauqua	891,188	442.43
Kimballton	144,165	71.57
La Porte City	902,651	448.12
Lake Mills	2,302,102	1,142.87
Lake Park	618,930	307.27
Lake View	985,930	489.46
Lamoni	1,415,182	702.56
Larchwood	354,639	176.06
Laurens	1,191,007	591.27
Lawler	204,853	101.70
Lehigh	184,102	91.40
Lenox	974,723	483.90
Livermore	245,948	122.10
Long Grove	159,586	79.23
Manilla	357,888	177.67
Manning	1,566,349	777.61
Mapleton	694,745	344.90
Maquoketa	6,383,962	3,169.30
Marathon	162,329	80.59
McGregor	457,415	227.08

	Calendar 2001 Revenues	FY 2002 Assessments
Milford	1,760,341	873.92
Montezuma	1,539,487	764.27
Mount Pleasant	4,663,121	2,314.99
Muscatine	53,240,980	26,431.31
Neola	246,895	122.57
New Hampton	2,467,095	1,224.78
New London	1,434,618	712.21
Ogden	1,029,916	511.30
Onawa	1,600,413	794.52
Orange City	3,663,998	1,818.98
Orient	170,055	84.42
Osage	2,850,458	1,415.10
Panora	878,489	436.12
Paton	151,511	75.22
Paullina	493,634	245.06
Pella	21,546,115	10,696.50
Pocahontas	1,044,472	518.52
Preston	431,368	214.15
Pringhar	636,147	315.81
Readlyn	271,585	134.83
Remsen	680,058	337.61
Renwick	256,605	127.39
Rock Rapids	1,295,706	643.25
Rockford	440,593	218.73
Sabula	284,830	141.40
Sanborn	966,660	479.90
Sergeant Bluff	1,497,922	743.64
Shelby	258,329	128.25
Sibley	1,871,786	929.24
Sioux Center	3,854,109	1,913.36
Spencer	6,460,079	3,207.09
Stanhope	246,072	122.16
Stanton	395,570	196.38
State Center	1,059,160	525.82
Story City	2,933,726	1,456.44
Stratford	413,359	205.21

	Calendar 2001 Revenues	FY 2002 Assessments
Strawberry Point	653,440	324.40
Stuart	1,219,068	605.20
Sumner	1,082,617	537.46
Tipton	2,163,537	1,074.08
Traer	1,422,789	706.34
Villisca	544,231	270.18
Vinton	2,122,354	1,053.64
Wall Lake	432,072	214.50
Waverly	7,421,611	3,684.44
Webster City	9,628,327	4,779.95
West Bend	832,049	413.07
West Liberty	2,948,568	1,463.81
West Point	903,974	448.78
Westfield	75,784	37.62
Whittemore	270,696	134.39
Wilton	1,525,617	757.39
Winterset	3,065,519	1,521.87
Woodbine	716,273	355.59
Woolstock	144,722	71.85
Municipal Electric Companies Subtotal	301,567,326	149,712.17
 Municipal Gas Companies		
Allerton	1,569,504	777.66
Bedford	887,151	439.57
Bloomfield	1,414,896	701.05
Brighton	320,937	159.02
Brooklyn	689,028	341.40
Cascade	720,533	357.01
Cedar Falls	13,224,645	6,552.53
Clearfield	189,198	93.74
Coon Rapids	949,019	470.22
Corning	1,041,475	516.03
Emmetsburg	2,438,257	1,208.11
Everly	489,154	242.37
Fairbank	368,906	182.79
Gilmore City	586,752	290.72

	Calendar 2001 Revenues	FY 2002 Assessments
Graettinger	481,842	238.74
Guthrie Center	1,168,120	578.78
Harlan	2,979,373	1,476.22
Hartley	1,004,192	497.56
Hawarden	1,304,576	646.39
Lake Park	768,004	380.53
Lamoni	783,629	388.27
Lenox	1,159,572	574.54
Lineville	142,303	70.51
Lorimor	135,771	67.27
Manilla	370,370	183.51
Manning	1,018,391	504.59
Montezuma	1,121,256	555.56
Morning Sun	419,073	207.64
Moulton	240,593	119.21
Osage	2,820,522	1,397.51
Prescott	106,965	53.00
Preston	422,373	209.28
Remsen	924,589	458.11
Rock Rapids	1,369,027	678.32
Rolfe	442,859	219.43
Sabula	437,914	216.98
Sac City	1,372,889	680.24
Sanborn	1,244,386	616.57
Sioux Center	3,591,557	1,779.54
Tipton	1,717,897	851.18
Titonka	238,334	118.09
Wall Lake	99,756	49.43
Waukee	2,435,755	1,206.87
Wayland	573,834	284.32
Wellman	710,509	352.04
West Bend	709,569	351.58
Whittemore	607,984	301.24
Winfield	521,320	258.30
Woodbine	602,534	298.54
Municipal Gas Companies Subtotal	58,937,093	29,202.11

	Calendar 2001 Revenues	FY 2002 Assessments
Rural Electric Cooperatives		
Access Energy Cooperative	12,698,228	6,304.00
Allamakee-Clayton Elec. Coop., Inc.	9,121,091	4,528.14
Amana Society Service	5,132,828	2,548.18
Atchison-Holt Electric Coop.	1,119,927	555.98
Boone Valley Electric Coop.	378,978	188.14
Butler County Rural Elec. Coop.	9,770,521	4,850.54
Calhoun County Electric Coop. Assn.	2,514,775	1,248.45
Cass Electric Cooperative	87,617	43.50
Central Iowa Power Cooperative (CIPCO)	6,441,991	3,198.11
Chariton Valley Electric Coop., Inc.	5,496,440	2,728.69
Clarke Electric Coop., Inc.	6,874,804	3,412.98
Consumers Energy (Electric)	7,675,927	3,810.69
East-Central Iowa Rural Electric Coop.	12,821,797	6,365.34
Eastern Iowa Light & Power Coop.	50,276,454	24,959.57
Farmers Elec. Coop. Kalona	1,155,260	573.53
Farmers Elec. Coop., Inc. Greenfield	8,485,999	4,212.85
Franklin Rural Electric Coop.	3,609,170	1,791.76
Glidden Rural Electric Coop.	3,307,946	1,642.22
Grundy County Rural Electric Coop.	4,591,037	2,279.21
Grundy Electric Cooperative, Inc.	269,643	133.86
Guthrie County Rural Elec. Coop. Assn.	6,759,494	3,355.73
Harrison County Rural Electric Coop.	4,245,947	2,107.89
Hawkeye Tri-County Electric Coop.	9,683,292	4,807.24
Heartland Power Coop.	7,928,620	3,936.14
Humboldt County Rural Electric Coop.	3,394,148	1,685.01
Iowa Lakes Electric Coop.	19,988,255	9,923.11
Lyon Rural Electric Coop.	3,767,728	1,870.48
Maquoketa Valley Rural Electric Coop.	19,180,604	9,522.15
Midland Power Cooperative	16,023,586	7,954.86
Nishnabotna Valley Rural Elec. Coop.	5,893,339	2,925.73
North West Rural Electric Coop.	13,347,663	6,626.41
Northwest Iowa Power Cooperative	2,020,255	1,002.95
Osceola Electric Coop., Inc.	2,084,014	1,034.60
Pella Coop. Electric Assn.	4,476,149	2,222.17
Pleasant Hill Community Line	296,838	147.36

	Calendar 2001 Revenues	FY 2002 Assessments
Prairie Energy Cooperative	12,909,497	6,408.88
Rideta Electric Coop., Inc.	4,046,393	2,008.82
Sac County Rural Electric Coop.	1,820,256	903.66
Southern Iowa Electric Coop., Inc.	6,957,132	3,453.85
Southwest Iowa Service Cooperative	4,524,116	2,245.98
T. I. P. Rural Electric Coop.	9,832,972	4,881.55
Tri-County Electric Coop.	127,756	63.42
United Electric Cooperative, Inc.	582,143	289.00
Western Iowa Power Cooperative	7,395,043	3,671.25
Woodbury County Rural Electric Coop.	4,291,891	2,130.70
Rural Electric Cooperatives Subtotal	323,407,564	160,554.68
GRAND TOTAL	4,727,804,289	4,412,273.79

Dual Party Assessments

Telephone Companies	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
360networks (USA)	0	95,907	0.00	207.63
Ace Telephone Assn.	1,063,924	1,629,509	1,298.63	3,527.67
Advantage Telecommunications, Corp.	0	61,829	0.00	133.85
Alpine Communications L.C.	3,235,336	0	3,949.06	0.00
Alpine Long Distance, LC	0	492,272	0.00	1,065.70
Alta Municipal Utility d/b/a Altatec	41,874	82,810	51.11	179.27
Amana Colonies Tel Co (South Slope)	626,977	0	765.29	0.00
America's Tele-Network Corp.	0	307,712	0.00	666.15
AmeriVision Communications, Inc.	0	328,571	0.00	711.31
Andrew Telephone Company, Inc.	188,667	0	230.29	0.00
Arcadia Telephone Coop.	231,117	0	282.10	0.00
AT&T Communications of the Midwest, Inc.	576,914	74,230,066	704.18	160,698.01
Atkins Telephone Company, Inc.	416,671	21,567	508.59	46.69
Ayrshire Farmers Mutual Telephone Company	63,148	322,399	77.08	697.95
Baldwin Nashville Telephone Company	192,006	0	234.36	0.00
Barnes City Coop. Telephone Company	103,258	0	126.04	0.00
Bell Atlantic Communications, Inc.	0	1,235,706	0.00	2,675.14
Bernard Telephone Company, Inc.	425,355	0	519.19	0.00
Breda Telephone Corp.	949,692	0	1,159.20	0.00
Broadwing Telecom.	0	627,985	0.00	1,359.50
Brooklyn Communication Systems, Inc.	0	167,755	0.00	363.17
Brooklyn Mutual Telephone Company	815,519	0	995.43	0.00
Budget Call Long Distance, Inc.	0	56,725	0.00	122.80
Butler Bremer Mutual Telephone Company	1,262,665	0	1,541.21	0.00
Cable & Wireless USA, Inc.	0	1,130,343	0.00	2,447.04
Cascade Telephone Company	1,368,164	0	1,669.99	0.00
Casey Mutual Telephone Company	316,623	0	386.47	0.00
Cedar Communications, L.L.C.	148,456	0	181.21	0.00
Center Junction Telephone Company	93,441	0	114.05	0.00
Central Scott Telephone Company	2,356,132	0	2,875.90	0.00

	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Telephone Companies				
CenturyTel of Chester, Inc.	102,246	55,941	124.80	121.10
CenturyTel of Postville, Inc.	1,010,489	690,586	1,233.41	1,495.02
Citizens Mutual Telephone Company	2,465,688	255,750	3,009.63	553.66
Citizens Telecommunications Company of MN	143,930	0	175.68	0.00
CL TEL Long Distance, Inc.	0	384,785	0.00	833.01
Clarence Telephone Company, Inc.	566,627	0	691.63	0.00
Clarksville Telephone Company	410,301	0	500.81	0.00
Clear Lake Ind. Telephone Company	2,184,510	1,986,377	2,666.42	4,300.24
C-M-L Telephone Coop. Assn.	427,481	0	521.78	0.00
Colo Telephone Company	167,670	345,714	204.66	748.42
Comdata Telecommunications Services, Inc.	0	78,262	0.00	169.43
Comm South Companies, Inc.	659,526	0	805.02	0.00
CommChoice of Iowa, LLC	45,484	9,513	55.52	20.59
Complete Communication Services Corp.	116,406	50,258	142.09	108.80
Coon Creek Telecommunications, Corp	810,743	86,880	989.60	188.08
Coon Creek Telephone Company	440,590	25,611	537.79	55.44
Coon Rapids Municipal Utilities	161,861	369,797	197.57	800.56
Coon Valley Coop. Telephone Assn., Inc.	323,181	0	394.48	0.00
Cooperative Telephone Company	766,674	0	935.81	0.00
Cooperative Telephone Exchange	104,039	126,149	126.99	273.10
Corn Belt Telephone Company, Inc.	471,052	0	574.97	0.00
Cox Communications, Inc.	2,146,350	291,640	2,619.84	631.36
Crystal Communications, Inc. d/b/a HickoryTech	469,727	481,946	573.35	1,043.35
Cumberland Telephone Company	266,254	0	324.99	0.00
Danville Mutual Telephone Company	594,157	0	725.23	0.00
Davel Communications, Inc.	0	517,479	0.00	1,120.27
Defiance Telephone Company, Inc.	164,793	0	201.15	0.00
Dixon Telephone Company	300,032	0	366.22	0.00
Dumont Telephone Company	387,468	70,553	472.94	152.74
Dunkerton Telephone Coop.	608,407	127,056	742.62	275.06
East Buchanan Telephone Coop.	1,027,749	0	1,254.47	0.00
Ecompass Communications, L.L.C.	0	74,774	0.00	161.88

	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Telephone Companies				
Ellsworth Coop. Telephone Association	227,829	440,970	278.09	954.64
eMeritus Communications, Inc.	0	88,467	0.00	191.52
Evercom Systems, Inc.	0	917,695	0.00	1,986.69
Excel Telecommunications, Inc.	0	2,922,762	0.00	6,327.38
FairPoint Communications Solutions	0	2,236,488	0.00	4,841.69
Farmers & Businessmen's Tele. Co.	1,022,978	0	1,248.65	0.00
Farmers & Merchants Mutual Telephone Co.	734,358	0	896.36	0.00
Farmers Cooperative Tel Co of Dysart	834,673	0	1,018.81	0.00
Farmers Mut Coop Tel Co of Moulton	322,952	0	394.20	0.00
Farmers Mut Coop Tel Co of Shelby (Harlan)	1,407,116	0	1,717.53	0.00
Farmers Mut Coop Tel Co of Jesup	1,391,239	0	1,698.15	0.00
Farmers Mut Telephone Company of Stanton	645,592	0	788.01	0.00
Farmers Mutual Telephone-Coop of Shellsburg	1,253,835	40,895	1,530.44	88.53
Farmers Telephone Company of Batavia	215,787	0	263.39	0.00
Farmers Telephone Company of Essex	340,824	0	416.01	0.00
Farmers Telephone Company of Nora Springs	923,347	0	1,127.04	0.00
Fenton Coop. Telephone Company	181,617	0	221.68	0.00
FiberComm, L.L.C.	691,060	0	843.51	0.00
FMTC Long Distance	0	490,799	0.00	1,062.51
Forest City Telecom, Inc.	576,508	893,635	703.69	1,934.60
Frontier Comm of America (Rochester, NY)	0	2,068,433	0.00	4,477.88
Frontier Communications of Iowa, Inc.	27,511,945	0	0.00	0.00
Global Crossing Telecommunications, Inc.	0	5,454,563	0.00	11,808.39
Glyphics Communications, Inc.	0	51,775	0.00	112.09
Goldfield Access Network, L.C.	730,537	90,005	891.70	194.85
Goldfield Telephone Company	340,277	0	415.34	0.00
Grand Mound Cooperative Telephone Assn.	313,019	0	382.07	0.00
Grand River Mutual Telephone Corp.	3,670,189	3,909	4,479.85	8.46
Griswold Coop. Telephone Company	1,165,231	0	1,422.29	0.00
Hawarden d/b/a HiTec	343,735	234,348	419.56	507.33
Hawkeye Telephone Company	284,345	0	347.07	0.00
Heart of Iowa Telecommunications Coop.	757,695	0	924.85	0.00
Heart of Iowa Communications, Inc.	703,420	639,764	858.60	1,385.00

Telephone Companies	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Heartland Telecom Co. of Iowa d/b/a HickoryTech	6,073,142	0	7,412.90	0.00
Hertz Technologies, Inc.	0	64,027	0.00	138.61
Hills Telephone Company, Inc.	234,828	675,934	286.63	1,463.31
Hospers Telephone Exchange Inc.	407,420	246,687	497.30	534.04
Houlton Enterprises d/b/a Guaranteed Phone	500,040	0	610.35	0.00
Hubbard Co-op. Telephone Assn.	376,156	0	459.14	0.00
Huxley Communications Cooperative	329,031	985,208	401.62	2,132.84
IADA Services, Inc.	0	1,752,705	0.00	3,794.37
IAMO Telephone Company	211,261	0	257.87	0.00
IDT America, Corp.	0	146,456	0.00	317.06
Independent Networks, L.C.	79,781	135,700	97.38	293.77
Intellicall Operator Services, Inc.	0	473,296	0.00	1,024.62
Interstate 35 Telephone Company, Inc.	885,810	0	1,081.22	0.00
Ionex Communications North, Inc.	1,120,230	456,502	1,367.36	988.26
Iowa Network Services, Inc.	0	55,813,117	0.00	120,827.82
Iowa Telecommunications Services	79,377,000	61,929,000	96,887.87	134,067.87
ITC DeltaCom Communications, Inc.	0	89,742	0.00	194.28
Jefferson Telephone Company	3,038,068	0	3,708.28	0.00
Jordan Soldier Valley Coop. Telephone Co.	105,567	302,682	128.86	655.27
Kalona Coop. Telephone Company	1,435,330	65,464	1,751.97	141.72
Keystone Farmers Coop. Telephone Company	746,418	0	911.08	0.00
La Motte Telephone Company, Inc.	290,894	0	355.07	0.00
La Porte City Long Distance	0	51,259	0.00	110.97
La Porte City Telephone Company	1,221,485	0	1,490.95	0.00
Laurel Telephone Company, Inc.	186,188	0	227.26	0.00
Laurens Municipal Broadband Comm. Utility	134,639	335,396	164.34	726.09
Least Cost Routing, Inc.	0	50,804	0.00	109.98
Lehigh Valley Coop. Telephone Assn.	464,587	812,814	567.08	1,759.63
Liberty Communications (West Liberty)	2,433,567	0	2,970.42	0.00
Lightyear Communications, Inc.	0	647,762	0.00	1,402.32
Link Communications, Inc.	0	80,716	0.00	174.74
Local Long Distance, L.C. (Local Alliance Net.)	0	518,510	0.00	1,122.50

	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Telephone Companies				
Local Telephone Data Service Corporation	92,018	105,193	112.32	227.73
Lone Rock Cooperative Telephone Company	151,685	0	185.15	0.00
Lost Nation Elwood Telephone Company	621,492	0	758.60	0.00
LoTel, Inc.	0	80,579	0.00	174.44
Louisa Communications, L.C.	347,882	0	424.63	0.00
Lynnville Telephone Company	151,839	0	185.34	0.00
Mabel Cooperative Telephone Company	311,946	200,351	380.76	433.73
Manilla Telephone Company	372,639	0	454.84	0.00
Manning Municipal Communication & Television System Utility	79,290	138,833	96.78	300.55
Marne & Elk Horn Telephone Company	792,603	72,516	967.45	156.99
Martelle Coop. Telephone Assn.	129,260	0	157.78	0.00
Massena Telephone Company Inc.	349,692	0	426.84	0.00
MCI WorldCom Communications, Inc.	0	74,361,663	0.00	160,982.90
MCI WorldCom Network Services, Inc.	0	3,237,281	0.00	7,008.27
McLeodUSA Telecom Development Inc.	157,076	0	191.73	0.00
McLeodUSA Telecommunications Services Inc.	54,210,442	17,472,328	66,169.47	37,825.22
Mechanicsville Telephone Company	513,658	0	626.97	0.00
Mediapolis Telephone Company	1,380,496	0	1,685.04	0.00
Miles Cooperative Telephone Association	385,868	0	470.99	0.00
Minburn Telecommunications, Inc.	638,876	0	779.81	0.00
Minburn Telephone Company	298,589	0	364.46	0.00
Minerva Valley Telephone Co., Inc.	455,968	0	556.56	0.00
Modern Coop. Telephone Company	620,864	0	757.83	0.00
Montezuma Mutual Telephone Company	4,165,850	0	5,084.85	0.00
Mutual Telephone Company of Morning Sun	439,240	0	536.14	0.00
Mutual Telephone Company of Sioux Center	1,540,068	0	1,879.81	0.00
Natel, LLC	0	411,060	0.00	889.89
Network Communication International Corp.	0	122,550	0.00	265.30
New Access Communications LLC	0	1,077,437	0.00	2,332.50
NexGen Integrated Communications, L.L.C.	108,780	29,146	132.78	63.10
NorLight Telecommunications, Inc.	0	387,790	0.00	839.51
Norstan Network Services, Inc.	0	134,437	0.00	291.04

	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Telephone Companies				
North English Cooperative Telephone Co.	403,731	0	492.80	0.00
Northeast Iowa Telephone Company	1,499,230	0	1,829.97	0.00
Northern Iowa Telephone Company	1,372,688	0	1,675.51	0.00
Northwest Iowa Telephone Company, Inc.	1,143,750	4,405,406	1,396.07	9,537.11
Northwest Telephone Coop. Assn.	339,845	808,830	414.82	1,751.01
Communications 1 Network (Norway Rural Tel.)	473,017	0	577.37	0.00
NOS Communications, Inc.	0	177,391	0.00	384.03
NOSVA Limited Partnership	0	1,690,479	0.00	3,659.66
Ogden Telephone Company	916,846	0	1,119.11	0.00
Olin Telephone Company, Inc.	500,973	0	611.49	0.00
OLS, Inc.	0	68,550	0.00	148.40
OmniTel Communications (Farmers Mut Tel Co)	1,735,082	0	2,117.85	0.00
OneStar Long Distance, Inc.	0	1,358,703	0.00	2,941.41
Onslow Coop. Telephone Association	320,693	0	391.44	0.00
Opcom, Inc. d/b/a WCS Telecom	0	73,832	0.00	159.84
OPEX Communications, Inc.	0	87,853	0.00	190.19
Oran Mutual Telephone Company	226,351	0	276.28	0.00
Palmer Mutual Telephone Company	228,348	0	278.72	0.00
Palo Coop. Telephone Assn.	300,397	0	366.67	0.00
Panora Coop. Telephone Assn., Inc.	944,123	0	1,152.40	0.00
Partner Communications Cooperative	929,699	0	1,134.79	0.00
Partner Long Distance, Inc.	0	61,601	0.00	133.36
Pay Phone Unlimited, Inc.	165,398	135,039	201.89	292.34
Peoples Telephone Company (New Ulm Tel.)	624,657	0	762.46	0.00
PowerNet Global Communications	0	115,598	0.00	250.25
Prairie Telephone Company, Inc.	618,835	0	755.35	0.00
Prairieburg Telephone Company, Inc.	99,220	0	121.11	0.00
Preston Telephone Company	862,041	0	1,052.21	0.00
Primus Telecommunications, Inc.	0	241,155	0.00	522.07
Qwest Corporation	392,534,000	17,047,000	479,128.44	36,904.44
Radcliffe Telephone Company, Inc.	293,919	0	358.76	0.00
Readlyn Telephone Company	543,722	0	663.67	0.00
Ringsted Telephone Company	215,911	120,887	263.54	261.70

	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Telephone Companies				
River Valley Telecommunications Coop.	546,049	0	666.51	0.00
Rockwell Coop. Telephone Assn.	317,709	769,031	387.80	1,664.85
Royal Telephone Company	229,799	0	280.49	0.00
RSL COM U.S.A., Inc.	0	61,127	0.00	132.33
Ruthven Telephone Exchange Company	436,379	0	532.65	0.00
Sac County. Mutual Telephone Company	705,429	0	861.05	0.00
SBC LONG DISTANCE (Ameritech Comm Int)	0	125,353	0.00	271.37
Schaller Telephone Company	1,084,818	39,372	1,324.13	85.24
Scranton Telephone Company	297,757	0	363.44	0.00
Searsboro Telephone Company	254,198	0	310.28	0.00
Sharon Telephone Company	808,134	0	986.41	0.00
Shell Rock Telephone Company	190,262	362,323	232.23	784.38
South Central Communications, Inc.	1,267,032	0	1,546.54	0.00
South Slope Coop. Telephone Company, Inc.	9,256,288	0	11,298.26	0.00
Southwest Telephone Exc., Inc.	507,574	0	619.55	0.00
Springville Cooperative Telephone Assn., Inc.	471,851	0	575.94	0.00
Sprint Communications Company, L.P.	0	15,898,398	0.00	34,417.87
Stratford Mutual Telephone Company	377,936	0	461.31	0.00
Sully Telephone Assoc.	695,108	0	848.45	0.00
Superior Telephone Coop.	130,237	0	158.97	0.00
Swisher Telephone Company	397,535	0	485.23	0.00
Talk America Inc. f/k/a Tel-Save	0	671,900	0.00	1,454.57
TCG Omaha (Teleport Comm. Group)	57,179	12,653	69.79	27.39
Teleconnect Long Distance	0	1,329,730	0.00	2,878.68
Templeton Telephone Company	319,186	0	389.60	0.00
Terril Telephone Company	274,874	0	335.51	0.00
The Burt Telephone Company	268,730	0	328.01	0.00
Titonka Telephone Company	375,393	0	458.21	0.00
Touch 1 Communications, Inc.	0	156,348	0.00	338.47
Touch America Holdings, Inc.	0	3,323,428	0.00	7,194.77
Trans National Communications International Inc.	0	52,171	0.00	112.94
TRV Telephone	119,250	0	145.56	0.00
TTI National, Inc.	0	814,654	0.00	1,763.62

	2001 Dual Party Local Exchange Revenues	2001 Dual Party Interexchange Revenues	FY 2002 Local Exchange Assessment	FY 2002 Interexchange Assessment
Telephone Companies				
United Farmers Telephone Company	82,193	339,560	100.33	735.10
Universal Access, Inc.	0	74,848	0.00	162.04
Universal Communications of Allison, Inc	387,276	77,368	472.71	167.49
Van Buren Telephone Company, Inc.	1,842,832	0	2,249.37	0.00
Van Horne Coop Tel Co (BLT Local Transport Group)	347,146	49,567	423.73	107.31
VarTec Telecom, Inc.	0	3,229,349	0.00	6,991.10
Ventura Telephone Company, Inc.	139,419	136,324	170.18	295.12
Verizon Select Services Inc.	0	1,627,699	0.00	3,523.75
Villisca Farmers Telephone Company Corp.	621,275	0	758.33	0.00
Walnut Telephone Company	432,957	0	528.47	0.00
WCTA Long Distance Co. (LAKE MILLS)	0	731,121	0.00	1,582.78
Webb Dickens Telephone Corp.	303,509	0	370.46	0.00
WebNet Communications, Inc.	28,557	30,255	34.86	65.50
Webster Calhoun Coop. Telephone Assn.	5,368,594	0	6,552.93	0.00
Webster-Calhoun Long Distance Inc.	810,771	0	989.63	0.00
Wellman Coop. Telephone Assn.	765,249	0	934.07	0.00
West Iowa Telephone Company	3,368,671	0	4,111.81	0.00
Western Iowa Telephone Assn.	366,774	1,551,189	447.69	3,358.11
Westside Independent Telephone Company	249,972	0	305.12	0.00
Wilton Telephone Company (WTCA Comm.)	391,456	769,761	477.81	1,666.43
Winnebago Coop. Telephone Assn.	2,059,332	2,322,400	2,513.63	5,027.68
Woolstock Mutual Telephone Assn.	143,297	0	174.91	0.00
Working Assets Funding Service, Inc.	0	148,893	0.00	322.33
Wyoming Mutual Telephone Company	346,840	0	423.35	0.00
Total Billings/Assessments	691,114,348	387,956,826	843,576.84	839,873.82

Energy Centers Assessments

Utilities	Calendar 2000 Revenue	Energy Center	Global Warming	FY 2002 Assessments
Access Energy Cooperative	12,134,396	10,314	1,820	12,134
Afton	439,333	373	66	439
Akron	714,100	607	107	714
Algona	4,955,856	4,213	743	4,956
Allamakee-Clayton Elec. Coop.	8,986,479	7,638	1,348	8,986
Allerton	1,417,117	1,204	213	1,417
Alta	721,256	613	108	721
Alta Vista	110,898	94	17	111
Alton	463,101	394	69	463
Amana Society Service Co.	4,649,741	3,953	697	4,650
Ames	28,020,162	23,817	4,203	28,020
Anita	425,073	361	64	425
Anthon	305,418	259	46	305
Aplington	360,698	307	54	361
Atchison-Holt Electric Coop.	1,088,457	925	163	1,088
Atlantic	4,532,227	3,852	680	4,532
Auburn	123,580	105	19	124
Aurelia	485,213	412	73	485
Bancroft	673,864	573	101	674
Bedford	471,583	401	71	472
Bellevue	1,311,543	1,115	197	1,312
Bloomfield	2,832,133	2,407	425	2,832
Boone Valley Electric Coop.	195,763	167	29	196
Breda	242,282	206	36	242
Brighton	228,107	194	34	228
Brooklyn	1,120,065	952	168	1,120
Buffalo	317,672	270	48	318
Burt	258,401	219	39	258
Butler County Rural Elec. Coop.	8,064,938	6,855	1,210	8,065
Calhoun County Electric Coop. Assn.	2,183,747	1,856	328	2,184
Callender	158,398	134	24	158
Carlisle	1,147,669	976	172	1,148
Cascade	1,440,259	1,224	216	1,440
Cass Electric Cooperative	85,682	73	13	86

Utilities	Calendar 2000 Revenue	Energy Center	Global Warming	FY 2002 Assessments
Cedar Falls	26,995,089	22,946	4,049	26,995
Central Iowa Power Cooperative (CIPCO)	5,091,387	4,327	764	5,091
Chariton Valley Electric Coop.	5,365,020	4,560	805	5,365
Clarke Electric Coop., Inc.	6,396,010	5,437	959	6,396
Clearfield	125,395	106	19	125
Coggon	323,756	275	49	324
Consumers Energy	6,566,484	5,581	985	6,566
Coon Rapids	1,802,781	1,533	270	1,803
Corning	1,511,395	1,284	227	1,511
Corwith	215,602	184	32	216
Danville	349,941	298	52	350
Dayton	431,578	367	65	432
Denison	5,375,720	4,570	806	5,376
Denver	760,626	647	114	761
Dike	452,007	384	68	452
Durant	1,016,972	864	153	1,017
Dysart	612,242	520	92	612
Earlville	343,327	292	51	343
East-Central Iowa Rural Electric	11,727,728	9,969	1,759	11,728
Eastern Iowa Light & Power Coop.	46,328,424	39,379	6,949	46,328
Eldridge	2,402,716	2,043	360	2,403
Ellsworth	358,628	305	54	359
Emmetsburg	1,693,367	1,439	254	1,693
Estherville	2,804,179	2,383	421	2,804
Everly	319,188	271	48	319
Fairbank	688,894	586	103	689
Farmers Elec. Coop.-Greenfield	7,883,901	6,701	1,183	7,884
Farmers Elec. Coop.-Kalona	1,112,500	946	167	1,113
Farnhamville	244,988	208	37	245
Federated Rural Electric Assn.	39,403	33	6	39
Fonda	306,189	260	46	306
Fontanelle	267,469	227	40	267
Forest City	3,304,595	2,809	496	3,305
Franklin Rural Electric Coop.	3,505,374	2,979	526	3,505
Fredericksburg	1,546,014	1,314	232	1,546
Freeborn-Mower Electric Coop.	8,785	8	1	9

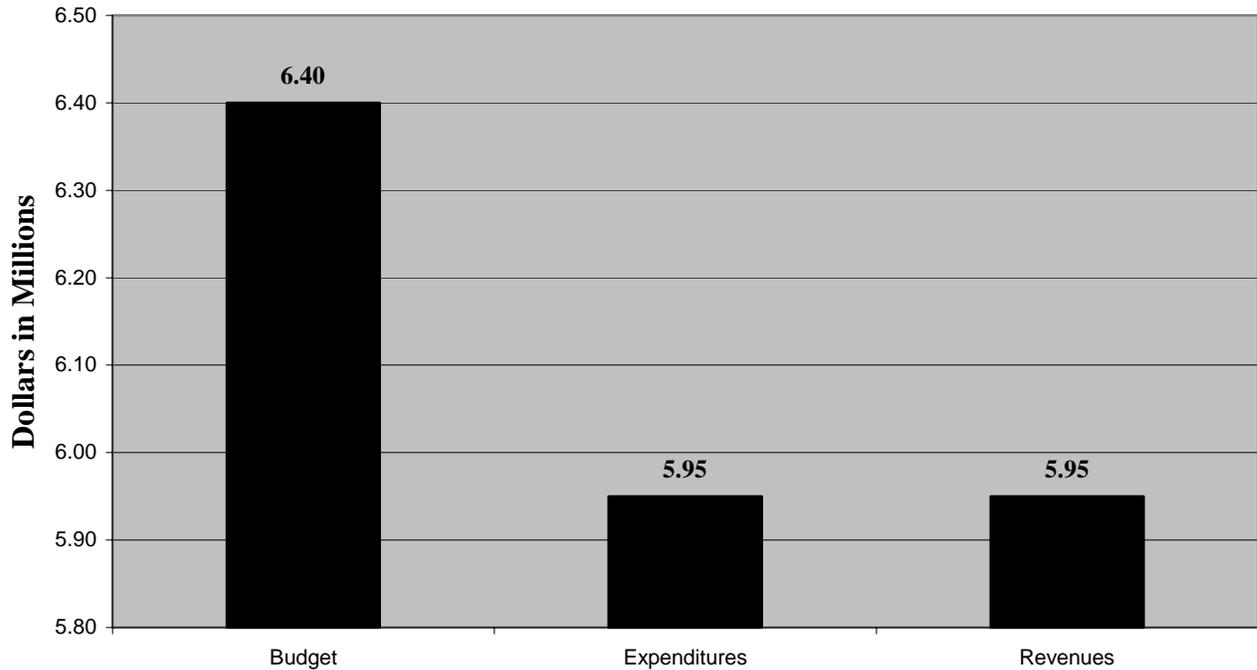
Utilities	Calendar 2000 Revenue	Energy Center	Global Warming	FY 2002 Assessments
Gilmore City	362,016	308	54	362
Glidden	415,579	354	62	416
Glidden Rural Electric Coop.	2,941,548	2,501	441	2,942
Gowrie	515,730	439	77	516
Graettinger	651,842	554	98	652
Grafton	116,402	99	17	116
Grand Junction	445,508	379	67	446
Greenfield	2,069,234	1,759	310	2,069
Grundy Center	1,801,313	1,531	270	1,801
Grundy County Rural Electric Coop.	4,195,046	3,566	629	4,195
Grundy Electric Cooperative, Inc.	241,199	205	36	241
Guthrie Center	791,915	673	119	792
Guthrie County Rural Elec. Coop.	6,057,426	5,148	909	6,057
Guttenberg	1,037,490	881	156	1,037
Harlan	5,843,377	4,967	876	5,843
Harrison County Rural Electric	3,935,037	3,345	590	3,935
Hartley	1,595,985	1,357	239	1,596
Hawarden	2,267,716	1,928	340	2,268
Hawkeye Tri-County Electric Coop.	8,865,676	7,536	1,330	8,866
Heartland Power Coop.	7,309,513	6,214	1,096	7,310
Hinton	392,780	334	59	393
Hopkinton	316,901	269	48	317
Hudson	879,987	748	132	880
Humboldt County Rural Electric	3,246,390	2,759	487	3,246
IES Utilities	815,106,574	692,841	122,266	815,107
Independence	4,461,705	3,793	669	4,462
Indianola	5,132,923	4,363	770	5,133
Interstate Power Co.	235,221,214	199,938	35,283	235,221
Iowa Lakes Electric Coop.	19,284,730	16,392	2,893	19,285
Keosauqua	889,220	756	133	889
Kimballton	123,718	105	19	124
La Porte City	857,187	728	129	857
Lake Mills	2,373,062	2,017	356	2,373
Lake Park	1,077,769	916	162	1,078
Lake View	937,365	796	141	937
Lamoni	1,887,717	1,605	283	1,888

Utilities	Calendar 2000 Revenue	Energy Center	Global Warming	FY 2002 Assessments
Larchwood	334,029	284	50	334
Laurens	775,431	659	116	775
Lawler	212,135	180	32	212
Lehigh	170,063	145	25	170
Lenox	1,707,684	1,452	256	1,708
Lineville	87,098	74	13	87
Linn County Rural Electric Coop.	19,425,974	16,512	2,914	19,426
Livermore	228,708	195	34	229
Long Grove	179,703	153	27	180
Lorimor	102,103	87	15	102
Lyon Rural Electric Coop.	3,295,995	2,802	494	3,296
Manilla	646,652	550	97	647
Manning	2,453,302	2,085	368	2,453
Mapleton	750,219	638	112	750
Maquoketa	3,923,234	3,335	588	3,923
Maquoketa Valley Rural Electric	17,783,635	15,116	2,668	17,784
Marathon	152,460	129	23	152
McGregor	449,600	383	67	450
MidAmerican Electric	924,669,271	785,969	138,700	924,669
MidAmerican Gas	514,824,729	437,601	77,224	514,825
Midland Power Cooperative	14,747,794	12,536	2,212	14,748
Milford	1,638,844	1,393	246	1,639
Montezuma	2,246,318	1,909	337	2,246
Morning Sun	238,867	203	36	239
Moulton	187,899	160	28	188
Mount Pleasant	4,633,076	3,938	695	4,633
Muscatine	43,610,767	37,069	6,542	43,611
Neola	244,049	207	37	244
New Hampton	2,735,485	2,325	410	2,735
New London	1,282,216	1,090	192	1,282
Nishnabotna Valley Rural Elec.	5,577,919	4,741	837	5,578
Nobles Coop. Electric Assn.	9,605	9	1	10
North West Rural Electric Coop.	13,246,479	11,259	1,987	13,246
Northwest Iowa Power Coop.	1,923,854	1,635	289	1,924
Ogden	911,493	774	137	911
Onawa	1,606,736	1,366	241	1,607

Utilities	Calendar 2000 Revenue	Energy Center	Global Warming	FY 2002 Assessments
Orange City	3,461,303	2,942	519	3,461
Orient	148,630	127	22	149
Osage	4,559,050	3,875	684	4,559
Osceola Electric Coop., Inc.	2,092,546	1,779	314	2,093
Panora	869,668	740	130	870
Paton	147,571	126	22	148
Paullina	442,948	377	66	443
Pella	12,206,711	10,376	1,831	12,207
Pella Coop. Electric Assn.	4,012,153	3,410	602	4,012
Peoples Natural Gas	113,229,132	96,245	16,984	113,229
Pleasant Hill Community Line	258,543	220	39	259
Pocahontas	1,045,465	888	157	1,045
Prairie Energy Cooperative	12,683,739	10,781	1,903	12,684
Prescott	89,056	76	13	89
Preston	833,621	709	125	834
Primghar	592,359	503	89	592
Readlyn	271,922	231	41	272
Remsen	1,072,973	912	161	1,073
Renwick	242,814	207	36	243
Rideta Electric Coop., Inc.	3,764,798	3,200	565	3,765
Rock Rapids	2,116,916	1,799	318	2,117
Rockford	438,622	373	66	439
Rolfe	307,015	261	46	307
Sabula	571,569	486	86	572
Sac City	910,524	774	137	911
Sac County Rural Electric Coop.	1,750,625	1,488	263	1,751
Sanborn	1,668,108	1,418	250	1,668
Sergeant Bluff	1,569,038	1,334	235	1,569
Shelby	225,862	192	34	226
Sibley	1,739,951	1,479	261	1,740
Sioux Center	6,098,982	5,184	915	6,099
Southern Iowa Electric Coop.	4,982,552	4,236	747	4,983
Southwest Iowa Service Coop.	4,242,034	3,606	636	4,242
Spencer	6,326,887	5,378	949	6,327
Stanhope	239,292	203	36	239
Stanton	379,235	322	57	379

Utilities	Calendar 2000 Revenue	Energy Center	Global Warming	FY 2002 Assessments
State Center	979,266	832	147	979
Story City	2,882,974	2,451	432	2,883
Stratford	402,306	342	60	402
Strawberry Point	637,550	542	96	638
Stuart	1,105,288	939	166	1,105
Sumner	1,024,017	870	154	1,024
T. I. P. Rural Electric Coop.	9,036,769	7,681	1,356	9,037
Tennant	31,525	27	5	32
Tipton	3,131,562	2,662	470	3,132
Titonka	166,125	141	25	166
Traer	1,399,686	1,190	210	1,400
Tri-County Electric Coop.	116,637	99	18	117
United Cities Gas	7,057,366	5,998	1,059	7,057
United Electric Cooperative, Inc.	559,310	475	84	559
Villisca	509,167	433	76	509
Vinton	2,038,126	1,732	306	2,038
Wall Lake	469,479	399	70	469
Waukee	1,679,977	1,428	252	1,680
Waverly	7,175,970	6,100	1,076	7,176
Wayland	363,261	309	54	363
Webster City	8,740,537	7,430	1,311	8,741
Wellman	341,629	291	51	342
West Bend	1,412,816	1,201	212	1,413
West Liberty	2,895,353	2,461	434	2,895
West Point	861,154	732	129	861
Western Iowa Power Cooperative	7,165,799	6,091	1,075	7,166
Westfield	63,084	54	9	63
Whittemore	541,234	460	81	541
Wilton	1,474,583	1,254	221	1,475
Winfield	272,387	231	41	272
Winterset	2,946,648	2,505	442	2,947
Woodbine	1,192,754	1,014	179	1,193
Woodbury County Rural Electric	4,150,042	3,528	622	4,150
Woolstock	142,802	122	21	143
GRAND TOTAL	3,238,164,502	2,752,446	485,722	3,238,168

Iowa Utilities Board FY 2002



The Iowa Utilities Board was appropriated \$6.4 million for the 2002 fiscal year. Actual expenditures were \$5.95 million. The IUB is supported totally by its jurisdictional utilities and bills these utilities only for actual expenditures. Therefore, the revenues expended by the agency were also \$5.95 million.

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