

2003

**Iowa Utilities Board  
Annual Report**

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## **The Board**

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### **Diane Munns, Board Chair**

Diane Munns was appointed to the Board in 1999 to fill a term lasting through April 2003. Her current term ends April 30, 2009.

Munns was elected to serve as Second Vice President, First Vice President, and President of the National Association of Regulatory Utility Commissioners (NARUC) between 2004 and 2007. She serves on the NARUC Finance and Technology Committee, Consumer Affairs Committee, Committee on Electricity, Executive Committee, and Board of Directors. She also serves on the Federal-State Joint Board on Separations and the Federal-State Joint Conference on Accounting Issues, which work cooperatively with the Federal Communications Commission. Munns is a member of the Board of Directors of the National Regulatory Research Institute and chairs its research committee. She also serves on the Advisory Council to the Board of Directors of the Electric Power Research Institute, the Iowa Energy Center Advisory Council, and the New Mexico State University Center for Public Utilities Advisory Council.

Munns received a B.A. from the University of Iowa and her law degree from Drake University Law School. Prior to her appointment to the Board, she was general counsel to the Iowa Utilities Board and served 15 years as a regulatory attorney for the agency.

### **Mark Lambert, Board Member**

Governor Thomas J. Vilsack appointed Mark Lambert to the Utilities Board in July 2001 for a term expiring on April 30, 2005.

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 a representative to the Center for Global and Regional Environmental Research advisory boards of the University of Iowa and the Iowa Energy Center. Lambert also serves on the National Wind Coordinating Committee and its Economic Development Working Group and Transmission Working Group.

## **The Board**

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### **Elliott Smith, Board Member**

Governor Thomas J. Vilsack appointed Elliott Smith of Des Moines to the Iowa Utilities Board in January 2002 for a term expiring on April 30, 2007.

Smith 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 the North American Billing and Collection Board of Directors. In addition, he serves on the Iowa Alliance for Advanced Telecommunications Services, the Governor's Energy Coordinating Council, and the Qwest Regional Oversight Committee.

Following graduation from law school Smith served as a law clerk for the Chief Judge of the U.S. Eighth Circuit Court of Appeals. He then worked as an associate attorney for two civil law firms in Chicago before returning to the state as the legislative liaison and a policy planner for the Iowa Department of Economic Development. Smith is a former vice president of government relations for the Iowa Association of Business and Industry. He also served as the president of the Iowa Taxpayers Association prior to joining the Board. 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.

## History of the Iowa Utilities Board

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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.

In 2003 the IUB became a founding member of the Organization of MISO States (OMS). The OMS is a non-profit, self-governing organization of representatives from each state with regulatory jurisdiction over entities participating in the Midwest Independent Transmission System Operator, Inc. (MISO), a regional transmission organization (RTO) as defined by the FERC. The purpose of the OMS is to coordinate regulatory oversight among the states, including recommendations to MISO, the

MISO Board of Directors, the FERC, other relevant government entities, and state commissions as appropriate.

## **Jurisdiction and Regulatory Authority of the Iowa Utilities Board**

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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 Energy. 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 principles 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**

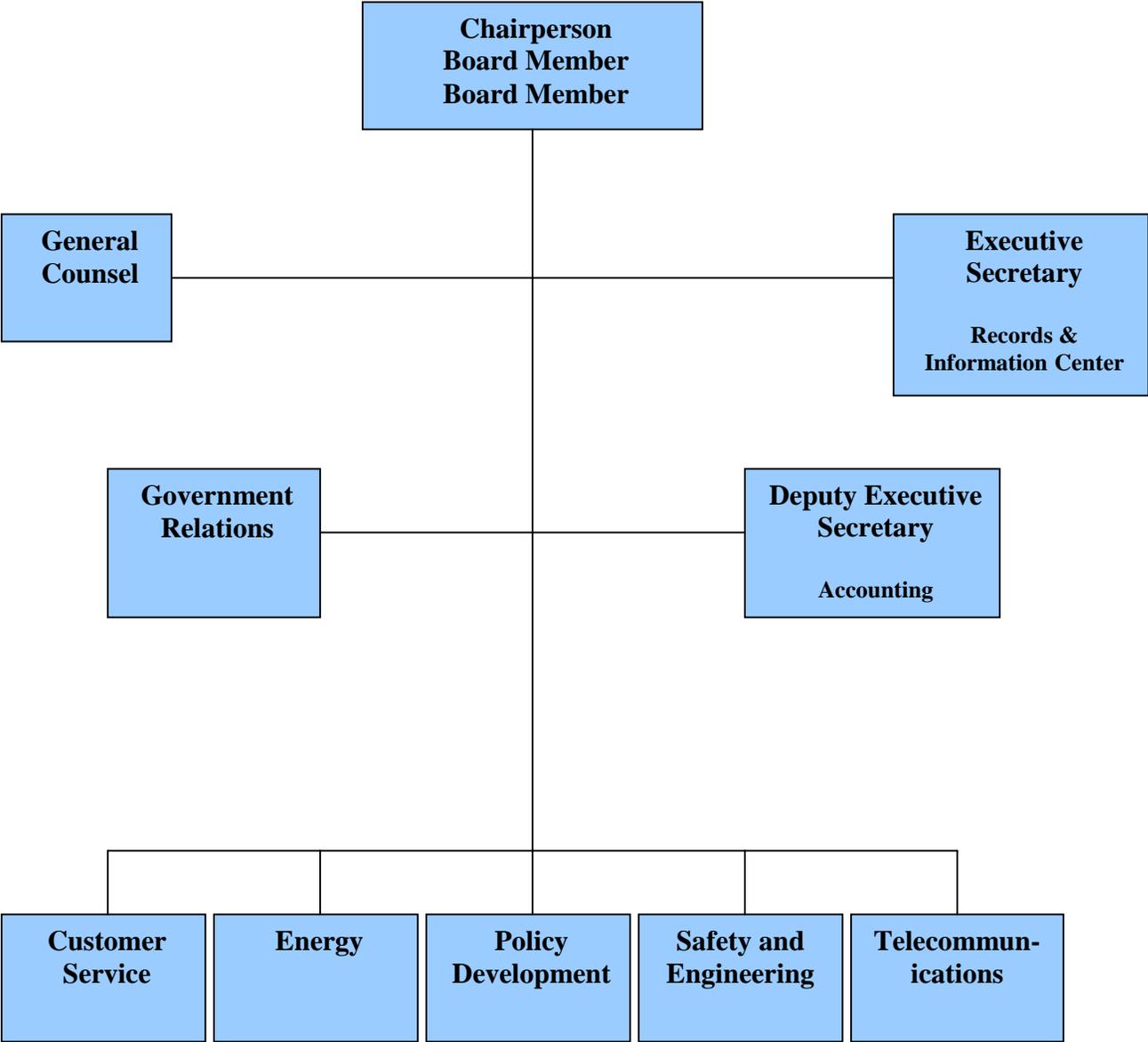
The Iowa Utilities Board will continue to be a nationally recognized leader in utilities regulation to assure:

- Consumers receive the best value in utility services.
- Utilities receive an opportunity to earn a fair return on their investment in regulated services.
- Services are provided in a safe, reliable, and environmentally conscious manner.
- Economic growth is supported by ensuring utility services adequate to meet new customer demand.
- Consumers have access to the information they need to make informed choices about their utility services.
- Competitive markets develop where effective.
- All market participants receive fair treatment.

## **Mission Statement**

The Iowa Utilities Board regulates utilities to ensure that reasonably priced, reliable, and safe utility services are available to all Iowans, supporting economic growth and opportunity.

# Organization of the Agency



## **Executive Secretary**

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### **Judi K. Cooper, Executive Secretary**

*Judi K. Cooper was named executive secretary to the Iowa Utilities Board in August 2001, after serving as the acting executive secretary since January 2001. She was previously the first IUB deputy executive secretary, a position created in the internal reorganization of the agency in the spring of 1998. Cooper joined the IUB in July 1982 and worked as an analyst in the Electric Rates Section until her appointment as deputy executive secretary. She holds a bachelor of business administration degree in accounting from Iowa State University. She is a member of the NARUC Staff Subcommittee on Executive Management and has served on the NARUC Staff Subcommittee on Accounting and Finance.*

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 to 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 on 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 2003

Alternate Energy Production	2
Competitive Long Distance	1
Complaints	281
Declaratory Rulings	6
Electric Delivery Reliability	44
Electric Energy Adjustments	24
Electric Franchises	50
Emission Plans and Budgets	1
Energy Efficiency Plans	4
Formal Complaints	64
Investigations	3
Negotiated Interconnection Agreements	39
Notices of Inquiry	5
Pipeline Permits	7
Purchased Gas Adjustments	57
Rate Notifications	4
Gas and Electric	3
Telephone	1
Water	0
Rate Proceedings	1
Refund Plans	9
Gas and Electric	9
Telephone	0
Rule Makings	17
Service Proceedings	18
Tariff Revisions	562
Gas and Electric	74
Telephone	488
Water	0
Telephone Certificate Proceedings	19
Waiver Requests	76
<b>Total</b>	<b>1,294</b>

## General Counsel

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### David Lynch, General Counsel

*David Lynch was named general counsel 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. 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.

### 2003 Highlights

See Court Cases section of the 2003 Annual Report, Page 132.

## Customer Service

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### Chuck Seel, Manager

*Chuck Seel joined the agency in 1998 as manager of the Customer Service Section, serves as the chief public information officer for the Board, and also serves as the Board liaison for Homeland Security and Emergency Management. He is a member and officer of the NARUC Staff Subcommittee on Consumer Affairs. His professional background includes 16 years with a Midwest 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.*

### 2003 Highlights

- Customer Service analysts responded to more than 10,000 customer contacts, approximately 5,500 of which were concerns about utility services or practices.
- Customer Service staff conducted education and training meetings with staff of various utilities on topics related to energy service, low-income assistance, winter disconnection moratorium, and telephone service.
- Customer Service staff initiated Docket No. NOI-03-3 to examine level-payment-plan activities of the rate-regulated utilities. Based on initial data gathering and analysis this inquiry will continue into 2004.
- Customer Service staff implemented a 24-hour, 7-day per week duty officer plan for the IUB to provide an emergency communications link between energy and telecommunications utilities and the state Homeland Security Emergency Management agency.

### Summary

In 2003 the number of “wrong number” calls received held steady. More than 4,000 calls were received where the caller actually wanted their utility, but found the IUB number first and called the IUB. Customer Service staff has worked with utilities to seek a remedy to this problem.

In 2003 staff continued to notice a declining trend in customer complaints and contact activity that began in fall 2001. There may be several contributing factors to the decline: fewer slamming and cramming complaints, fewer customer complaints against the state’s two largest telephone carriers, and possibly a change in the public attitude following September 11, 2001.

Staff began developing a plan to increase consumer awareness of the agency and consumer education on critical issues. The plan should be implemented in 2004.

## Customer Service Year End Report - 2003 Contacts/Issues

	Contacts/Letters			# of Issues		
	2003	2002	2001	2003	2002	2001
<b>VERBALS</b>						
Gas	836	599	1,124	955	689	1,292
Electric	1,332	1,230	1,244	1,498	1,366	1,385
Water	88	89	60	96	95	60
Local Telephone	1,080	1,724	1,436	1,151	1,846	1,587
Long Distance	1,187	1,239	1,317	1,261	1,293	1,413
<b>TOTAL VERBALS</b>	<b>4,523</b>	<b>4,881</b>	<b>5,181</b>	<b>4,961</b>	<b>5,289</b>	<b>5,737</b>

<b>C-FILES</b>	2003	2002	2001	2003	2002	2001
	(Actual 281)	(Actual 430)	(Actual 730)			
Gas	30	25	94	39	32	128
Electric	26	58	103	32	72	144
Water	-	1	1	-	1	1
Local Telephone	82	176	216	105	236	282
Long Distance	209	352	560	233	393	606
<b>TOTAL C-FILES</b>	<b>347</b>	<b>612</b>	<b>974</b>	<b>409</b>	<b>734</b>	<b>1,161</b>

<b>RC-FILES</b>	2003	2002	2001	2003	2002	2001
	(Actual 181)	(Actual 162)	(Actual 213)			
Gas	14	10	33	20	13	51
Electric	20	18	26	26	23	31
Water	3	-	0	4	-	0
Local Telephone	60	64	70	78	79	79
Long Distance	104	88	121	113	93	127
<b>TOTAL RC-FILES</b>	<b>201</b>	<b>180</b>	<b>250</b>	<b>241</b>	<b>208</b>	<b>288</b>

<b>GC-FILES</b>	2003	2002	2001	2003	2002	2001
	(Actual 425)	(Actual 609)	(Actual 641)			
Gas	87	55	177	96	57	192
Electric	136	264	89	144	275	97
Water	13	48	5	15	49	5
Local Telephone	94	155	280	102	158	289
Long Distance	117	91	79	123	93	89
<b>TOTAL GC-FILES</b>	<b>447</b>	<b>613</b>	<b>630</b>	<b>480</b>	<b>632</b>	<b>672</b>

<b>TOTAL ALL TYPES</b>	2003	2002	2001	2003	2002	2001
Gas	967	689	1,428	1,110	791	1,663
Electric	1,514	1,570	1,462	1,700	1,736	1,657
Water	104	138	66	115	145	66
Local Telephone	1,316	2,119	2,002	1,436	2,319	2,237
Long Distance	1,617	1,770	2,077	1,730	1,872	2,235
<b>SUBTOTAL</b>	5,518	6,286	7,035	6,091	6,863	7,858
Misdialed Calls	4,708	4,434	NA			NA
<b>GRAND TOTAL</b>	10,226	10,720	7,035	6,091	6,863	7,858

**\*NOTE: An individual complaint file may cover more than one utility type (for example, 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. A GC-File may have complaints outside IUB jurisdiction and be placed in a category type of other (for example, wireless), which is not listed.**

DISCLAIMER: A database reporting error in 2001 and 2002 resulted in some complaint types being significantly understated. This error was corrected in 2003 and the totals for 2001 and 2002 have been revised to reflect the actual number of contacts.

## Energy Section

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### 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 serves on the NARUC Staff Subcommittee on Electricity and on two Organization of MISO States (OMS) Working Groups: Market Rules and Implementation Timelines and Congestion Management and FTR Allocation. 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.*

### 2003 Highlights

#### Electricity

- The Board approved settlements covering two MidAmerican Energy Company requests for ratemaking principles. The settlements were interrelated.
- The Board approved a \$26.1 million (3 percent) general increase in Interstate Power and Light Company's rates in Docket Nos. RPU-02-3 and RPU-02-8. The order also provided for a narrowing of rate differences between Interstate's zonal rates.
- The Board disapproved, without prejudice, Interstate and MidAmerican applications for reorganization in Docket Nos. SPU-02-21 and SPU-02-23.
- The Board participated in the formation of the OMS.

#### Natural Gas

- The Board approved a \$13.3 million (4.8 percent) general increase in Interstate's rates in Docket No. RPU-02-7.
- The Board approved a \$4.25 million (2.58 percent) general increase in Aquila Network's rates in Docket No. RPU-02-5.
- Natural gas commodity prices were at moderate levels in January and February, but spiked to very high levels in March. Trends pointed to the potential for much higher prices in the winter of 2003-04 so the Board implemented several means to closely monitor the natural gas price situation.
- The Board approved an Aquila Networks reorganization request.
- The Board intervened in Northern Natural Gas Company's gas pipeline case filed with the Federal Energy Regulatory Commission.

#### Water

- No significant filings were made by jurisdictional water utilities.

### **Advance Ratemaking Principles**

House File 577 (HF 577) was passed during the 2001 legislative session. It encouraged the development of electric power generating and transmission facilities within the state. In the 2003 legislative session, House File 391 added alternate energy production facilities such as wind projects to the list of eligible facilities for ratemaking principles. In 2003 the Board issued its third and fourth ratemaking principles decisions under HF 577. The ratemaking principles were granted (through approval of related settlements) for two generators proposed by MidAmerican. The first settlement approval covered MidAmerican's proposed 790-megawatt coal-fired Council Bluffs Energy Center Unit 4 (Docket No. RPU-02-10). The other approval covered MidAmerican's proposed 310-megawatt wind park (Docket No. RPU-03-1). The approved settlements also provided for an extension of the effective date for MidAmerican's revenue freeze, from the end of 2005 to the end of 2010. In September 2003, MidAmerican commenced construction on Council Bluffs Energy Center Unit 4. Construction on the wind park remained on hold, pending passage and signing of an extension of the federal production tax credit applicable to such wind power resources. The ratemaking principles are binding for the life of the facilities under Iowa-jurisdictional regulation.

The ratemaking principles granted for Council Bluffs Unit 4 included the following issues: (1) capital structure, cost of debt, and preferred securities; (2) other plant components; (3) cost recovery of plant Allowance for Funds Used During Construction (AFUDC); (4) an inter-relationship with the approval and construction of the 310-megawatt wind park; (5) recovery of project cancellation costs (if any); (6) excess capacity; (7) capital cost recovery (up to a cap); and (8) cost of equity (12.29 percent).

The ratemaking principles granted for the wind park included the following issues: (1) capital structure, cost of debt, and preferred securities; (2) other plant components; (3) cost recovery of plant AFUDC; (4) an inter-relationship with the approval and construction of Council Bluffs Unit 4; (5) depreciable life (20 years); (6) excess capacity; (7) capital cost recovery (up to a cap); and (8) cost of equity (12.20 percent).

Construction continued on the two combined cycle combustion turbines, for which the Board had approved ratemaking principles in 2002 (Docket Nos. RPU-01-9 and RPU-02-6). The Energy Section led and helped staff the teams evaluating all applications, including managing the ratemaking principles consulting contract for the cases.

### **Interstate Power and Light Company Electric Rate Increase Filing**

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 April 15, 2003, final order granting Interstate a \$26.1 million (3 percent) increase, the Board continued the process of zonal rate consolidation, but also gave due consideration to the potential for rate shock to customers. The Energy Section led and helped staff the Interstate rate case team.

### **TRANSLink Application**

The Board issued an order disapproving, without prejudice, the reorganization applications of Interstate and MidAmerican in Docket Nos. SPU-02-21 and SPU-02-23. The reorganization requests had been filed with the intent of forming an independent electric transmission company, known as TRANSLink. The Board did adopt a recommendation on the delineation of certain of Interstate's electric utility facilities between transmission and local distribution classifications.

### **OMS Formation**

The Board played a leading role in the formation of OMS and became a member of the Midwest Independent Transmission System Operator (MISO) Advisory Committee. Participation in both organizations allowed the Board to represent Iowa's needs related to MISO's role as regional transmission organization and reliability coordinator for certain Midwestern electric transmission systems, including those of Interstate.

### **Natural Gas Rate Increase Filings**

The rate increase filings made in 2002 by Aquila and Interstate were completed in 2003. 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).

On February 18, 2003, the Board approved \$4.25 million (2.58 percent) general increase in Aquila's rates. On May 15, 2003, the Board approved a \$13.3 million (4.8 percent) general increase in Interstate's rates.

The Energy Section led and helped staff both the Interstate and Aquila case teams.

### **Preparing For Potential Natural Gas Price Volatility**

Continuing with a policy begun in 2001, Board staff (including Energy Section personnel) 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 continued the use of volumetric (weather) hedging tools to mitigate customer bill volatility.

The Board initiated an inquiry into potential methods of managing natural gas customer bill volatility in Docket No. NOI-03-5 and initiated a review of its purchased gas adjustment rules in Docket No. NOI-03-1. The Board also issued a white paper, *Natural Gas Bill Volatility*, on June 3, 2003, and updated it on September 2, 2003. In the white paper, the Board warned of the potential for unusually high natural gas bills in the coming winter (November 2003- March 2004) due to increased volatility of natural gas prices and the potential for colder than normal weather.

**Aquila Reorganization Request**

In response to a reorganization request from Aquila that it be allowed to pledge Iowa natural gas utility assets in order to secure lower debt service costs for a needed line of credit, the Board issued a decision that did not prohibit Aquila from taking such actions.

**FERC Gas Pipeline Case**

The Board intervened in Northern Natural Gas Company gas pipeline case filed with the Federal Energy Regulatory Commission (FERC Docket No. RP03-398). This action allowed the Board to represent the interests of its jurisdictional natural gas utilities and their customers in this proceeding.

## Deputy Executive Secretary

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### Margaret Munson, Manager

*Margaret Munson has served as deputy executive secretary, team leader of the information technology cross-sectional team, and manager of the Accounting and Assessments Section since August 2002. Before joining the management team in 1998, Munson served as a utility analyst and the Local Area Network (LAN) administrator for the Board. 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 an M.S. in industrial administrative sciences (business) from ISU and an 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 Chief Information Officers Council.*

### 2003 Highlights

- Staff streamlined many of its accounting practices.
- The information technology team provided technology resources, training, support, and tools to the agency.

### Accounting and Assessments

Accounting and Assessments (accounting) staff provides billing and accounting services for the Board, Iowa Insurance Division, and the Office of Consumer Advocate. The accounting and assessments staff calculates, bills, collects, and accounts for assessments of utility companies for IUB services. It bills and collects funds for Dual Party Relay, the Iowa Energy Center, and the Global Warming Center. It processes and pays vouchers for Relay Iowa's Equipment Distribution Program. In 2003 many procedures were developed and modified to improve the efficiency and accuracy of accounting processes. Accounting staff participated on advisory groups for the new I/3 state enterprise accounting system.

### Information Technology Team

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 team 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.

## Policy Development

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### Frank Bodine, Manager

*Frank Bodine joined the Iowa Utilities Board in June of 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 has 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.*

#### 2003 Highlights

- Surveyed the telecommunication providers in the state to determine the level of competition for retail local voice service in Iowa.
- Reviewed ratemaking procedures.
- Reviewed the energy efficiency plans of investor-owned utilities.
- Reviewed the emission plans and budgets of the two investor owned electric utilities in Iowa.
- Prepared the report on the third assessment of broadband deployment in Iowa.
- Worked extensively on issues related to the development of electricity markets.
- Worked on two MidAmerican dockets that reviewed a coal-fired plant and wind farm.
- Compiled a report on electric production and consumption in Iowa.
- Worked on MidAmerican Energy Company's and Interstate Power and Light Company's proposal to form an independent transmission company, TRANSLink.

#### Telecommunications Competition Survey

Policy Development staff led the Board's assessment of market competition for retail local voice service in Iowa. On August 4, 2003, the Board sent the survey to approximately 280 companies providing or having the potential to provide local telephone service in Iowa. A total of 239 telephone service providers, including 93 percent of the wireline carriers, responded. Respondents included Qwest, Iowa Telecom, Frontier, most of the smaller independent carriers, most of the competitive local exchange carriers, and some of the wireless carriers. The results of the survey were to be released in January of 2004.

#### Review of Ratemaking Procedures

In response to a legislative order for review of current ratemaking procedures, Policy Development staff led a team assigned to assess a future test year proposal in Docket No. NOI-03-02. The section also reviewed other alternatives such as changes in the interest rate on refunds, pro forma changes to year-end data, and energy efficiency exemptions and was to send a report to the legislature in January 2004.

#### Energy Efficiency Plans

Policy Development staff analyzed the new energy efficiency plans filed by the investor-owned utilities. A hearing was held on March 4, 2003, on the proposed partial settlement and the remaining contested issues in Interstate's plan. The intervenors and companies were able to

achieve complete settlements of all issues for the plans filed by MidAmerican, Atmos Energy, and Aquila. The Board issued orders in 2003 approving all of the plans. The Board's orders for each of the investor-owned utilities required increased funding for the low-income weatherization programs and directed the utilities to file reports on enhancing the low-income weatherization programs.

### **Emission Plans and Budgets**

On April 1, 2002, Interstate and MidAmerican, the two investor-owned utilities owning and operating coal-fired electric power plants in Iowa, filed emission plans and budgets for those plants. Section staff assisted the Board-assigned Administrative Law Judge (ALJ) in reviewing the emission plans. The ALJ issued a proposed decision and order approving MidAmerican's emissions plan and budget. The Board was also required to report to the Iowa General Assembly on the question of whether to recommend filing of emissions plans and budgets by municipal utilities and rural electric cooperatives. The Board determined it has no rate-regulation authority over municipal utilities and rural electric cooperatives and no purpose would be served by requiring them to file emissions plans and budgets.

### **High-Speed Internet Access**

Policy Development staff prepared a third report based on the assessment of broadband activities in Iowa. Surveys were mailed to various communication companies in January 2003 to assess current and projected access to high-speed Internet services in Iowa. The report on the assessment was entitled "Assessing High-Speed Internet Access in the State of Iowa: Third Assessment" and was released in May 2003. The third assessment is a continuation of the assessments released in 2000 and 2002. All of the reports are available on the IUB Web site, [www.state.ia.us/iub](http://www.state.ia.us/iub).

### **Electricity Market Development**

Policy Development staff and other Board staff participated in the development of energy markets in the Midwest. Staff participated in conferences and committees dealing with issues related to planning, resource adequacy, market monitoring and mitigation, pricing, and demand response. Staff will continue to work with the Midwest Independent Transmission System Operator, the Organization of MISO States, and the Federal Energy Regulatory Commission to balance the interests of all market participants.

### **Generation In Iowa**

Policy Development staff participated in the review of two MidAmerican dockets requesting ratemaking principles determination. One was a proposed wind generation project (Docket No. RPU-03-1) and the other was a proposed coal-fired plant (Docket No. RPU-02-10). Policy Development staff covered energy efficiency, revenue sharing, and equity return allowance issues. Both dockets resulted in settlements. Policy Development staff also worked on Western Minnesota Municipal Power Agency's proposal to build a 90 MW generating facility in Audubon County and the Hawkeye Power Partners L.L.C. proposed expansion of its Cerro Gordo County wind farm.

**Electric Report**

Policy Development staff worked with Iowa's investor-owned utilities, the Rural Electric Cooperative Association, and the Iowa Association of Municipal Utilities to produce the report entitled "Facts Concerning the Consumption and Production of Electric Power in Iowa." This report is an update to the first study done in 2000. The report compiles numerous facts and data concerning the consumption and production of electricity in Iowa and is designed to be a reference guide for a wide variety of users. It was posted on the IUB Web site, [www.state.ia.us/iub](http://www.state.ia.us/iub).

**Transmission Operation**

Policy Development staff helped review the Interstate and MidAmerican reorganization applications to transfer control of their electric transmission assets to the TRANSLink Transmission Company L.L.C. On June 13, 2003, the Board issued an order disapproving, without prejudice, the applications for reorganization and approving Interstate's proposed transmission and local distribution electric line delineation.

## Safety and Engineering

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### 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. He has also 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.*

### 2003 Highlights

- A \$22,319 One-Call educational grant was obtained for the Attorney General.
- Fifty-nine electric franchise petitions were filed with the Board.
- The Board issued 20 new electric line franchises, four amendments to existing franchises, and two temporary construction permits, and extended 13 expiring franchises.
- Permits were granted for two new gas pipelines and one existing gas pipeline.
- Thirty-five natural gas pipeline operators and 204 electric line operators were 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 and distribution companies as it relates to safety, construction, and operation and maintenance of facilities. The responsibilities of this section include reviewing and processing all petitions for electric transmission line 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. It also acts as an interstate agent for the federal Department of Transportation in pipeline safety matters.

### Electric

Fifty-nine electric franchise proceedings (E-dockets) were initiated in 2003 pursuant to Iowa Code chapter 478. Of the 59 petitions filed, 20 were for new franchise, 8 were for amendment of an existing franchise, and 31 were for franchise extension. Additionally, three proposed electric line projects were assigned docket numbers, but did not progress beyond the informational meeting stage by the end of 2003. A staff member presided over 13 informational meetings that were held pursuant to Iowa Code § 478.2. As part of the franchise proceedings, 78 route and/or safety inspections were also conducted.

In 2003, the Board issued 20 new electric franchises, four amendments to existing franchises, 13 extensions of expiring franchises, and two temporary construction permits. These include final actions taken on petitions filed in years preceding 2003. The beginning of 2003 had 41 petitions

pending before the Board: 17 for new franchise or amendment and 24 for franchise extension. The close of 2003 showed 64 pending petitions: 20 for new franchise or amendment and 44 for extension.

In 2003, 204 utilities operating electric supply lines throughout Iowa received a visit from the Board's electric field inspectors. The inspectors reviewed records at 207 offices and conducted 575 safety code compliance inspections of electrical lines and facilities. These inspections were also used to review the utilities' compliance with the inspection and maintenance plans required by 199 IAC 25.3.

Utilities filed accident reports with the Board pursuant to 199 IAC 25.5 on 12 electric contact accidents. Three of those accidents resulted in fatalities. In addition, staff investigated and made a recommendation on safety and service matters in four citizen complaints to the Board.

The Engineering staff also made four 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.

### **Gas Pipeline**

The Board took action on three dockets for natural gas pipeline permits filed in 2003 pursuant to Iowa Code chapter 479. Included were two petitions for new permits and one petition for a permit for an existing pipeline.

One of the petitions for a new permit involved providing natural gas service to a cogeneration facility in Keokuk. The other petition for a new permit concerned approximately 13 miles of pipeline in Cerro Gordo County to transport gas to the Power Iowa Energy Center. The third petition for a permit was for an existing natural gas pipeline serving Muscatine for which a permit was not previously requested or granted.

In 2003 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 inspected 35 intrastate natural gas operators for compliance with federal pipeline safety standards. This inspection encompassed 53 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 347.9 person days on this inspection. Five interstate pipeline operators were also inspected in 2003. Engineering staff spent 26.5 days on those 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 2003 was \$246,827. The Board received \$209,190 in 2003 for the work done in 2002 and \$106,154.81 for work done in the first half of 2003.

## **Iowa One-Call Grants**

The Board obtained a separate federal grant of \$22,319 for use by the Attorney General to provide education and training activities regarding Iowa Code chapter 480, the Iowa One-Call law. Also in 2003, the Board received \$98,843.12 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.

## **2003 Statistics**

Thirty-three accidents, incidents, or service outages were reported in 2003. Five were incidents involving jurisdictional piping, thirteen were interruptions of service to customers, 13 were courtesy calls involving incidents that were not reportable but were considered significant enough by the operator to inform the Board, and two were non-jurisdictional incidents. Of the 33 reported, 11 of the accidents, incidents, or outages resulted from third-party damage. Engineering staff investigated four of the incidents.

The Engineering staff also gave one presentation on safety and regulatory matters to the Iowa Association of Municipal Utilities. The section manager participated in conferences and on national committees involving grant allocation/strategic planning, rules review, and pipeline safety.

## **Telecommunications**

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### **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.*

### **2003 Highlights**

- Certification of local exchange carriers increased slightly.
- Enrollment for Lifeline assistance continued to increase under new process.
- IUB continued to monitor the efficient use of telephone numbering resources.
- IUB initiated rule making regarding the filing of intrastate access service tariffs.
- IUB initiated rule making concerning eligible telecommunications carrier designation for wireless carriers.
- Federal Communications Commission re-certified Relay Iowa service.
- IUB oversaw Relay Iowa equipment distribution program.
- IUB investigated Qwest telephone deregulation request.

### **Competitive Local Exchange Carriers**

Competitive local exchange carriers applied for and received 12 new certificates, bringing the total number of certificated competitive local exchange carriers in Iowa to 84. This number has been slightly on the rise as the telecom industry continues to rebound from a previous decline. The Board also undertook an effort to cancel or close any certificates issued to companies no longer in business or not doing business in Iowa.

### **Municipal Telephone Utilities**

There were no new applications from municipal telephone utilities. The approved total is 14 municipal telephone companies.

### **Lifeline Enrollment**

In 2002, through a collaborative effort between the Board and the Department of Human Rights, a new automatic enrollment process was established for the Lifeline low-income telephone assistance program. Customers enrolling for LIHEAP gained the ability to enroll for Lifeline simultaneously. If a customer authorizes this and signs the LIHEAP form, their name and telephone number is sent to their local carrier and they are identified as a qualified Lifeline subscriber. The local carrier places the customer on Lifeline with no further paper work being required. At the end of 2001, Iowa had 13,884 Lifeline subscribers. With this new process in place, Iowa finished 2002 with 23,549 Lifeline subscribers and had over 135,000 Lifeline subscribers by the end of the third quarter of 2003.

## **Efficient Use of Telephone Numbering Resources**

### **Docket No. NOI-00-3**

Telephone numbering resource usage in Iowa has stabilized. None of Iowa's five area codes are currently in danger of exhausting, thus delaying the need for more new area codes. This is the result of three years of monitoring the use of numbering resources by the Board and staff.

Working with the Federal Communications Commission (FCC), staffers from other states, and members of the telecommunications industry, Board staff continues to look at number conservation efforts nationwide, the problems encountered, and the results achieved. It appears there is no "one-size-fits-all" solution and each state has its own unique set of problems and its own criteria for measuring success. Iowa, with its more than 150 incumbent local exchange carriers (ILECs) and an abundance of rural areas, faces some unique challenges.

Staff continues to receive advance notice from telecommunications carriers and the North American Numbering Plan administrator (NANPA) of all applications for new numbering resources. NANPA also provides reports on numbering resources that are not put into use by carriers and could be reclaimed, as well as bi-annual reports of how all Iowa carriers utilize the numbering resources they do have. Staff continues to collect and analyze this data to update the current status of Iowa's area codes.

Thousands-block number pooling continues to expand in Iowa. As staff continues its effort to convince carriers of the benefits of participating in the number pooling process, many carriers are taking a more responsible approach to number conservation. This translates into voluntary pooling in exchanges that are not considered mandatory by the FCC. In Iowa, the predominantly urban areas of the 515, 641, and 712 area codes are mandatory pooling exchanges.

Numbering resource policy seems to always be in a state of flux. Therefore, it is necessary for the Board and staff to work closely with the FCC and stay current on its rulings. It is also important to keep pace with industry trends and new technology. To this end, a Board member or alternate staff member has participated as a member of the North American Numbering Council (NANC) for the last year. The NANC advises the FCC on numbering resource matters, bringing industry and government to the table to resolve issues and help set policy.

## **Proposed Rule Changes to 199 IAC 22.14(2)"d"(1) "Filing of intrastate access service tariffs"**

### **Docket No. RMU-03-11**

On July 18, 2003, the Board issued an Order Commencing Rule Making concerning intrastate access service charges.

The intent of the proposed rule was to amend 199 IAC 22.14(2)"d"(1) to, first, reflect the current application of the Carrier Common Line charge (CCLC) by rate-regulated incumbent local exchange carriers (ILECs) and, second, require competitive local exchange carriers (CLECs) that choose to concur with the Iowa Telephone Association (ITA) Access Service Tariff No. 1, and offer service in exchanges where the ILEC's access rate is lower than the ITA access tariff rate,

to remove the three-cent CCLC rate element from their access tariff. This proceeding was pending.

### **Eligible Telecommunications Carrier Designation**

#### **Docket No. RMU-03-13**

On August 25, 2003, the Board issued an Order Commencing Rule Making concerning eligible telecommunications carrier designations for wireless carriers. The proposed rules offered the following amendments to Chapter 39 regarding Universal Service:

Add paragraph 39.2(5)"c" to read as follows:

- c. In the case of a wireless telecommunications carrier, "service area" means that area where the wireless company has been licensed by the FCC to provide service.

Add section 39.4 to read as follows:

39.4(476) Standards for service quality for wireless carriers attaining designation as an eligible telecommunications carrier.

39.4(1) A wireless carrier that has received designation as an eligible telecommunications carrier shall comply with the service quality rules set forth in 199-22.6(476) with respect to all services provided as an eligible telecommunications carrier.

39.4(2) A wireless carrier that has received designation as an eligible telecommunications carrier shall file with the Board documentation of the wireless carrier's customer service agreements that sets out all the rates, terms, and conditions applicable to its ETC-eligible local calling plans.

Written statements of position were to be filed on or before November 10. Comments were received from nine parties. An oral presentation to receive comments was held on December 10. On December 22 the Board issued an order accepting late comments and requesting additional information be filed on or before January 20, 2004. This case was pending.

### **Relay Iowa**

Under Title IV of the Americans with Disabilities Act of 1990, telecommunications relay services were to be provided for both interstate and intrastate communications everywhere in the United States no later than July 26, 1993. A working committee was created, headed by the Iowa Utilities Board, to develop recommendations for a telecommunications relay system. The committee's recommendations resulted in enactment of Iowa Code chapter 477C that created the Telecommunications Relay Service. Iowa's provision of telecommunications 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 telecommunications relay service.

A telecommunications relay service allows deaf, hearing-impaired, and speech-impaired persons using special equipment known as telecommunications devices for the deaf, or

teletypewriters (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 Iowa's telecommunications relay service is known, has been in operation since August 1, 1992, and is currently provided by Sprint, on contract with the Iowa Utilities Board. The Board's contract with Sprint was extended until December 31, 2004.

The 2003 total minutes of use (MOU) of Relay Iowa was 1,686,005 minutes, compared to the 2002 MOU of 1,818,209 minutes (a 7.3 percent decrease). Inbound calls to Relay Iowa decreased almost 9 percent, from 376,770 calls in 2002 to 343,021 calls in 2003. Part of the decrease in calls to the traditional relay service (Relay Iowa) can be attributed to the increase in the use of Internet relay service and video relay service. Internet relay service provides Internet users the ability to communicate via the relay service through web access, rather than with a TTY or telephone. Video relay service 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.

In 2003 the average Relay Iowa response time was 1.93 seconds. TTY calls made up approximately 71 percent of all Relay Iowa calls, while voice calls accounted for 20.4 percent of relay calls, 8.5 percent were voice carryover calls, and the remaining were ASCII and hearing carryover calls.

Iowa's telecommunications relay service was re-certified by the FCC on May 1, 2003. The certification remains in effect for a five-year period, beginning July 26, 2003, and ending July 25, 2008. The original FCC certification expired July 25, 1998, and the first re-certification expired on July 25, 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 (DSU), located in Des Moines, 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.

Deaf Services Unlimited began its distribution and outreach duties, under the program name of Telecommunications Access Iowa (TAI), on January 1, 1999. A new contract was awarded to DSU in 2001, with a contract period of January 1, 2002, through December 31, 2004, with an optional two-year extension.

In 2003, 695 participants in the program received vouchers for equipment valued at \$152,698. The equipment most in demand was the amplified phone. There were 539 amplified phones and cordless amplified phones made available through this program in 2003. In addition, 104 TTYs

were distributed. Most deaf recipients request TTYs, whereas persons who are hard of hearing generally prefer the amplified phones.

<b>Equipment Description</b>	<b>Number of Pieces</b>	<b>Total Amount</b>
Amplified phone	539	\$85,022
Speakerphone	5	1,934
Speech Amplified Phone	1	95
Loud ringer, amplifier, ring flasher	11	477
TTY with and without accessories	104	52,778
Voice carryover (VCO) phone with and without accessories	33	11,844
Computer software package	2	546
<b>TOTAL</b>	<b>695</b>	<b>\$152,698</b>

**Qwest Deregulation Request  
Docket No. INU-03-4**

On July 2, 2003, Qwest Corporation filed a petition asking the Iowa Utilities Board to determine that the retail services and facilities offered by Qwest in 37 exchanges were subject to effective competition and should be deregulated pursuant to Iowa Code § 476.1D (2003).

In an order dated August 7 the Board described the criteria to be used in determining whether a service is subject to effective competition, pursuant to 199 IAC 5.6(1). The Board found that the petition did not provide sufficient data to support a *prima facie* finding of effective competition.

In response to Qwest’s filings, the Board issued an order on September 26 that initiated a formal notice and comment proceeding, required notice to persons identified as competitors, and waived the specified time for counterstatements in 199 IAC 5.4(2).

On December 18, 2003, Qwest filed a motion for withdrawal of the petition for deregulation. Qwest asserted that since the July 2, 2003, filing date, there were additional competitive threats in all of Qwest’s exchanges. Since Qwest believed the industry has changed since its original filing, Qwest wished to pursue a different process. Qwest felt that the existing deregulation process was outdated and took too much time to effectively keep up with changes in markets and technologies. Therefore, Qwest thought legislative action must be pursued.

On December 23 Consumer Advocate filed a resistance to Qwest’s motion to withdraw. In its filing, Consumer Advocate asserted that Qwest’s withdrawal conflicted with the applicable law. Under Iowa Code § 476.1D, the Board must deregulate services that are found to be subject to effective competition. Consumer Advocate believed that Qwest’s allegations in its motion did not justify Qwest’s request that the Board abdicate its statutory authority to administer Iowa law. Consumer Advocate went on to say that the legislature has prescribed public policy and assigned the Board to promote and enforce that policy, regardless of Qwest’s desire to transfer its case from the agency to the legislature. At the end of the year, the Board had not yet ruled on Qwest’s motion to withdraw.

### **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 (TF-03-123)**

##### **MidAmerican Energy Company**

On April 18, 2003, MidAmerican filed its sixth annual reconciliation of recoveries and expenses under the Cooper Nuclear State Capital Additions Tracker. The Cooper Tracker was part of the settlement approved on June 27, 1997, in Docket Nos. APP 96-1 and RPU-96-8. The reconciliation included proposed revisions to the Cooper Tracker factors and no objections to the reconciliation were filed. The Cooper Tracker relates to certain amounts MidAmerican was required to pay for construction expenditures. While

MidAmerican is no longer responsible for any future construction expenditures, the Cooper Tracker formula allows it to recover past expenditures over a period of years. Recovery was to be largely complete by the end of 2004. On May 16 the Board approved the Cooper Tracker reconciliation, which tracked the formula approved by the Board in the June 1997 settlement in Docket Nos. APP-96-1 and RPU-96-8. The Cooper Tracker factors increased slightly for 2004 for all customer classes. A residential customer using 750 kilowatt hours per month could expect an estimated monthly increase of approximately 19 cents.

### **Certified Gas Provider (CGP)**

*The Board implemented 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 must also become certified under the existing rules.*

#### **CGP-01-2 (SPU-03-5) Nicor Energy, L.L.C.**

On April 7, 2003, Nicor filed a request to surrender its certificate to operate as a competitive natural gas provider (CNGP) in Iowa. Effective April 1 Nicor had either assigned its customers to another CNGP or terminated the contracts. On April 16 the Board granted Nicor's request by issuing an order canceling Nicor's certificate to operate as a CNGP 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-03-1 (WRU-03-14) Hometown Silver Creek LLC and Hometown Five Seasons Davenport LLC**

On January 2, 2003, Silver Creek and Five Seasons filed a petition requesting a declaratory order that the Board rule prohibiting sub-metering was not applicable in their provision of water service to individual residents in their manufactured home communities. In the alternative, the petitioners requested a waiver of the rule. On March 24 the petitioners filed a settlement agreement reached with other parties in the case and joint motion for approval of the settlement agreement. On April 2 the Board issued a declaratory order, granted the motion for approval of the settlement agreement, and granted Silver Creek and Five Seasons a waiver of the prohibition against sub-metering for two manufactured home communities that they operate in Davenport.

### **DRU-03-2 Flying Cloud Partners, LLC**

On January 13, 2003, Flying Cloud filed a petition for a declaratory ruling concerning the necessity to obtain certification from the Board prior to commencing construction on a proposed wind project or, in the alternative, a request for waiver of the statutory provisions. Flying Cloud was planning to construct no more than 29 wind turbines over six square miles in Dickinson County. Each turbine would have a capacity of 1.5 megawatts for a total maximum nameplate capacity of 43.5 megawatts. Flying Cloud did not intend to furnish electricity for public consumption, but rather

sell the output to an investor-owned utility on the wholesale market. On January 30 Consumer Advocate filed a response stating that it did not object to the Board granting the request for a declaratory order or a waiver. Flying Cloud stated in its request that no more than 15 individual turbines with a total maximum nameplate capacity of 22.5 megawatts would be located on any single feeder or connection line. On February 10 the Board found that Iowa Code chapter 476A did not apply to Flying Cloud's project because no more than 15 turbines would be connected to a single gathering line. The decision was consistent with several previous declaratory rulings in similar cases.

### **DRU-03-3 MidAmerican Energy Company**

On May 13, 2003, MidAmerican filed a petition for declaratory order. MidAmerican planned to build in Iowa a wind generation project consisting of approximately 173 to 207 wind turbine generators with a maximum nameplate generating capacity between 1.5 and 1.8 megawatts each for a total project nameplate capacity of approximately 310 megawatts. MidAmerican stated each turbine would operate on a stand-alone basis to produce electricity and that the output of the individual turbines would be collected on a network of collector lines expected to operate at 34.5 kilovolts or below. None of those collector lines would carry more than 25 megawatts of generation capacity. MidAmerican sought a decision on whether

it was required, pursuant to Iowa Code chapter 476A, to obtain a generation certificate from the Board prior to commencing construction of its proposed wind facility. On May 22 MidAmerican filed a request for an informal meeting with Board staff. The meeting was held on May 30 and also included representatives of Consumer Advocate. No objections to the request for declaratory order were filed. On June 6 the Board granted MidAmerican's petition for declaratory order. In making its determination, the Board referred to precedent established in several previous cases and the decision criteria for a certificate proceeding found in Iowa Code § 476A.6. Those criteria are that construction be consistent with Iowa Code § 476.53 and the economic development policy of the state and that operations not be detrimental to the provision of adequate and reliable electric service, that there be a willingness to construct and operate the proposed facility, and that construction and operation be consistent with reasonable land use and environmental policies. The Board noted that the legislature has stated public policy of the state is "to encourage the development of alternate energy production facilities and small hydro facilities in order to conserve our finite and expensive energy resources and to provide for their most efficient use" and that jobs and tax revenue to be created by MidAmerican's project are consistent with Iowa's economic development policies. The Board also focused on the impact the generation project might have on the transmission system, stating that MidAmerican said in its petition: "the project will go forward only under the condition that it will not have any significant detrimental impact on the transmission system." The Board stated that any concerns about detrimental impact on the transmission system were satisfied because MidAmerican is committed to obtaining all

required transmission authorizations. The Board said MidAmerican's willingness to perform would be evidenced by construction of the wind project and noted that its rate base would be affected if it fails to construct the facility. Finally, the Board deferred environmental and land use factors to the Iowa Department of Natural Resources and local authorities, as well as other permit issues. The Board concluded that MidAmerican is exempt from the certification requirements of Chapter 476A under the facts recited in its petition, because no more than 25 megawatts of generating capacity would be connected to any single collection line.

#### **DRU-03-4 MidAmerican Energy Company**

On July 8, 2003, MidAmerican filed a petition for declaratory order. MidAmerican said it planned to build a coal-fired generating facility known as Council Bluffs Energy Center Unit 4 (CBEC 4). MidAmerican also stated that the construction and operation of the new plant would require improvements to its electric transmission system, specifically a 161,000-volt line extending westward from CBEC 4 to a substation in Nebraska. The Iowa portion of this line would be located almost exclusively within Council Bluffs, but a small segment would extend from Council Bluffs' city limits and the middle of the Missouri River. MidAmerican asked if this segment would require an electric line franchise. On August 1 the Board denied the petition for declaratory order, stating that a petition for electric line franchise must be filed with the Board.

**DRU-03-5 (SPU-02-11, SPU-02-13) Level 3 Communications, LLC, Sprint Communications Company L.P., and KMC Telecom V, Inc.**

On September 16, 2003, the petitioners filed a request for an expedited declaratory ruling that when the Board issued its June 6, 2003, final decision and order in Docket Nos. SPU-02-11 and SPU-02-13 and encouraged the parties to negotiate and seek alternative solutions, it contemplated the parties would consider alternatives other than the retail services already available through tariffs and catalogs of the incumbent local exchange carriers (ILECs). On October 6 the Board issued an order denying the request for expedited declaratory ruling. In its order, the Board stated it contemplated, but did not order that the parties would consider and discuss alternatives beyond the available retail services, if such alternatives existed. The Board also stated that the petitioners, in essence, asked the Board to declare that the ILECs must develop and propose new service alternatives for their consideration, which the Board stated it could not appropriately dictate. If the Board-directed negotiations failed, the Board would consider other options for resolving issues,

which could include consideration of modifications to the ILECs tariffed services, arbitration, complaint proceedings, or other alternatives.

**DRU-03-6 Alliance Communications Cooperative, Inc.**

On September 30, 2003, Alliance filed a petition for a declaratory ruling on 199 IAC 22.3(1)"j," seeking a ruling that Alliance customers living in East Hudson are not served by an out-of-state exchange so it would not be required to list the names of its East Hudson customers in the directory list of any contiguous Iowa exchanges. Subrule 199 IAC 4.6(1) requires that petitions for declaratory orders be served on certain persons. On October 8 the Board issued an order stating that it appeared Alliance should serve copies of the petition upon any of its customers in East Hudson who have requested a listing in a directory published for a contiguous Iowa exchange. The Board suspended docketing of the petition until Alliance noticed those customers and filed a certificate of service.

## **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 2003**

<b>New</b>	<b>Filed</b>	<b>Company</b>	<b>Franchise Issued</b>
E-21556	10/9/01	MidAmerican	1/14/03
E-21508(C)	2/28/00	CIPCO	1/24/03
E-21605	11/22/02	CIPCO	1/24/03
E-21606	11/22/02	CIPCO	1/24/03
E-21557	10/9/01	MidAmerican	1/28/03
E-21598(D)	9/9/02	Interstate	2/13/03
E-21608	12/10/02	CIPCO	3/7/03
E-21573**	12/12/01	CIPCO	4/23/03
E-21620	2/10/03	CIPCO	5/14/03
E-21568(C)	11/26/01	CIPCO	5/20/03
E-21609(D)	12/16/02	Interstate	6/24/03
E-21594*	8/22/02	MidAmerican	7/22/03
E-21636(D)	4/29/03	Corn Belt	8/22/03
E-21637	4/29/03	Corn Belt	8/22/03
E-21631(B,D)	4/9/03	Interstate	8/25/03
E-21533(C)	10/30/00	CIPCO	9/15/03
E-21599	12/16/02	MidAmerican	9/17/03
E-21641	6/19/03	Interstate	10/13/03
E-21640	6/13/03	NIPCO	10/21/03
E-21635	4/24/03	Interstate	12/31/03

<b>Amendments</b>	<b>Filed</b>	<b>Company</b>	<b>Issued</b>
E-20840(A1)	5/27/03	Interstate	8/27/03
E-21584(A1)	5/8/03	Interstate	9/19/03
E-21092(A3)	4/24/03	Interstate	10/13/03
E-20896(A1)	7/18/03	Interstate	11/17/03
<b>Extensions</b>			
E-21596	8/28/02	Interstate	1/14/03
E-21494	1/3/00	CIPCO	1/16/03
E-21535	11/13/00	CIPCO	1/16/03
E-21575	12/26/01	NIPCO	1/28/03
E-21545	3/29/01	Algona Municipal	2/28/03
E-21620	2/10/03	CIPCO	5/14/03
E-21568(C)	11/26/01	CIPCO	5/20/03
E-21574	12/17/01	MidAmerican	5/28/03
E-21587	6/6/02	City of Anthon	6/25/03
E-21500	1/18/00	CIPCO	9/15/03
E-21493	12/30/99	CIPCO	9/17/03
E-21498	1/11/00	CIPCO	9/17/03
E-21578	2/19/02	MidAmerican	10/13/03

**Other Actions**

E-21631 TCP issued 4/25/03, errata order correcting error 5/19/03  
E-21453(A1)(B) TCP issued 11/17/03

**2003 SUMMARY**

New franchises	20
Amendments	4
Franchise extensions	13
Total franchises or amendments issued:	37

**Other Data**

Temporary construction permits 2

**Dockets closed**

Petition withdrawn	0
2-year informational meeting window expired	0
Informational meetings held	13

**Remarks**

- (A\_) Amendment to franchise and amendment number
- (B) Includes Temporary Construction Permit request.
- (C) Existing line apparently never franchised or with franchise expired.
- (D) Includes 11.6(1) separate pole line request.
- \* Part of a 3-part project;
- \*\* Existing line refranchised at a higher voltage.

## **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 (ALJ) 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. Interstate later amended it to request approval for only the period from April 1, 2002, through March 31, 2004. Interstate's plan proposed a "combustion initiative" involving improvements to six coal-fired plants in Iowa that it stated was intended to improve plant performance and reduce emissions of nitrogen oxides. On March 14, 2003, the ALJ issued a proposed decision and order approving Interstate's emissions plan and budget. The ALJ found Interstate's emissions plan and budget met applicable state environmental requirements and federal ambient air quality standards for regulated emissions from its six coal-fired generating facilities at issue in the case and that Interstate presented sufficient evidence that its approach and activities proposed for reducing emissions in the future through the combustion initiative were reasonable. Only actual expenditures made pursuant to the emissions plan and budget would be allowed to be included in retail rates and the Board would determine the mechanism to recover those costs in Interstate's rate case (Docket Nos. RPU-02-3 and RPU-02-8). Interstate appealed the proposed decision of the ALJ within the 15-day appeal period. On April 18 the Board issued an order establishing issues on appeal and setting dates for filing briefs. Interstate asserted that language in the conclusions of law section of the proposed order could be interpreted to

preclude recovery of costs associated with the emissions plan and budget in Docket Nos. RPU-02-3 and RPU-02-8. Consumer Advocate responded that Interstate's request to amend the language in the conclusions of law section would be unlawful. On July 17 the Board issued an order affirming the proposed decision and order, stating the record in the case demonstrated that Interstate did not propose a mechanism to recover costs associated with its emissions plan and budget in this docket. Rather, Interstate proposed a rider mechanism for the recovery of those costs in its rate case (RPU-02-3 and RPU-02-8). The Board found that the rider mechanism introduced in the rate case was neither precluded nor approved by the ALJ's decision.

### **EPB-02-156 MidAmerican Energy Company**

On April 1, 2002, MidAmerican filed an emissions plan and budget. MidAmerican later amended its plan and budget to request approval for only the period from April 1, 2002 through March 31, 2004. 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.

On March 19, 2003 the ALJ issued a proposed decision and order approving MidAmerican's emissions plan and budget. The ALJ found MidAmerican's emissions plan and budget met applicable state environmental requirements and federal ambient air quality standards for regulated emissions from its coal-fired generating facilities located in Iowa. The ALJ also concluded that MidAmerican's plan and budget reasonably balanced costs, present and future environmental requirements, economic development potential, and reliability of the electric generation and transmission system. In the two-year period covered by the plan and budget, MidAmerican would install neural networks at most of its Iowa coal-fired plants to improve adaptation to plant changes and plant efficiencies. In the proposed decision, the ALJ denied MidAmerican's requests for use of a "tracker" mechanism for emissions plan and budget expenses, a 10 percent contingency factor, and certain substitute technology. MidAmerican and Consumer Advocated appealed the proposed decision of the ALJ within the 15-day appeal period. On April 17 the Board issued an order establishing issues on appeal and setting dates for filing briefs. Consumer Advocate contended that there should be two determinations of reasonableness; first, whether the plan and budget is reasonable and, second, whether costs incurred in implementing the plan and budget are reasonable. Consumer Advocate sought a second proceeding for the second determination of reasonableness.

MidAmerican contended the ALJ's analysis regarding the tracker mechanism was rendered moot because of its filing of a wind power stipulation, which prevented it from utilizing the tracker mechanism until at least the conclusion of the nine-year emissions plan and budget period. MidAmerican sought to have the tracker mechanism analysis removed from the final order. On July 17 the Board issued an order affirming the proposed decision and order, stating that two determinations of reasonableness were not required and that MidAmerican requested the determination on the issue of the tracker cost-recovery mechanism. The Board also noted it had not yet ruled upon MidAmerican's wind power stipulation in Docket No. RPU-03-1.

#### **EPB-03-150 Interstate Power and Light Company**

On December 30, 2003, Interstate filed its multi-year emissions plan and budget for managing regulated emissions from its coal-fueled electric power generating facilities in Iowa. The filing was identified as Docket No. EPB-03-150. Interstate also filed an application for confidential treatment of the documents filed in this docket. This included the company's long-term budget information relating to its combustion initiative. Interstate claimed the information is a report to a government agency that, if released, would give advantage to competitors and serve no public purpose and should be held confidential. The docket was pending.

## **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.*

### **EET-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. Interstate filed its proposed new plan on October 15, which contained both electric and natural gas programs. On February 13, 2003, the Board required Interstate to respond to several questions regarding its pre-filed rebuttal testimony and data it supplied. Interstate provided written responses to the questions. On February 27 the Board granted a joint motion filed by Interstate and Consumer Advocate concerning the need, if any, for litigation of the avoided cost issue in the energy efficiency plan docket. Interstate and Consumer Advocate said that while they had serious differences in their preferred methodologies of calculating avoided cost, those differences did not impact the nature or content of Interstate's energy efficiency plan. Interstate and Consumer Advocate asked that the matter not be litigated in this proceeding. The Board granted the motion, stating that there was no need to decide the avoided cost issue in this proceeding

because any decision made would have no impact on the proposed plan. Also on February 27 Consumer Advocate and Interstate filed a unanimous partial settlement. A hearing was held on March 4 on the proposed partial settlement and the remaining contested issues. The parties had an opportunity to file initial and reply briefs subsequent to the hearing. The plan as filed proposed a first-year budget of \$6,311,500 for natural gas energy efficiency programs, and \$37,178,199 for electric energy efficiency and load management programs. The plan included a five-year budget and implementation schedule, which Interstate estimated would yield net benefits amounting to approximately \$700,000,000 over the lifetime of the energy efficiency measures. The benefits of the plan were estimated to outweigh the costs by a ratio of 2.86 to one, using the Societal benefit-cost test. Interstate's plan was different from previous energy efficiency plans, because Interstate proposed to include in the plan substantial costs for its Nonresidential Load Management program, also known as the Interruptible program. The costs of the Interruptible program had previously been included in base rates. Interstate proposed to subtract these costs from all customers' base rates in its electric rate case, Docket

No. RPU-02-3. Interstate proposed to simultaneously begin to recover the interruptible costs through energy efficiency cost recovery (EECR) at precisely the levels determined to apply to the base rates. On June 3 the Board issued a Final Decision and Order, approving the settlement, requiring additional funding, requiring additional information, and deciding contested issues. Citing the effects of rate changes on some of Interstate's electric pricing districts, the Board established an effective date for the new plan of July 1, 2003, with programs to be available to customers by September 1, 2003. The Board directed Interstate to target the most affected pricing zones first with proposed new pilot programs. Interstate was also directed to increase funding for the Low-Income Weatherization program by 100 percent and to file a report on low-income weatherization programs by September 1, 2003. The Board approved changes in the Non-Residential Custom Rebate program to increase incentives for those types of energy efficiency projects. The Board also directed Interstate to file more complete information on the Performance Contracting program. The Board approved Interstate's proposal to transfer cost recovery for the interruptible credits from base rates to the energy efficiency cost recovery clause. The Board decided not to order Interstate to change the level of interruptible credits, but required Interstate to file a report by September 1, 2003, including a proposal for addressing inconsistencies in the current customer incentives. Interstate's proposed level of funding for monitoring and evaluation was approved, but the company was ordered to obtain solid answers on the performance of programs from its monitoring and evaluation work. The Board also directed Interstate to file annual reports on plan results and to meet with Board staff and interested parties to discuss the further development of new

programs and ongoing implementation of the plan.

### **EEP-03-1 MidAmerican Energy Company**

On May 30, 2002, the Board issued an order directing MidAmerican to file a new energy efficiency plan on or before January 14, 2003. On January 14, 2003, MidAmerican filed its proposed new plan, which contained both gas and electric programs. On May 5 the Board approved a partial settlement between MidAmerican and Consumer Advocate concerning the need for litigation of the avoided cost issue in the energy efficiency docket. MidAmerican and Consumer Advocate said that while they had serious differences in their preferred methodologies for calculating avoided cost, the matter should not be litigated in this proceeding because MidAmerican and Consumer Advocate agreed on the totality of measures to be included in the plan. On June 5 the Board issued an order holding the procedural schedule in abeyance to allow the parties to pursue negotiations on a settlement. On June 23 MidAmerican, Consumer Advocate, and Ag Processing filed a proposed settlement on all outstanding issues in the docket. The accompanying motion requesting approval of the settlement stated that the other parties to the proceeding did not object to the settlement. On June 30 the Board canceled the hearing scheduled for July 8. On July 18 the Board issued an order approving the settlement and requiring additional funding and information. The energy efficiency programs proposed by MidAmerican were similar to programs previously being implemented, but the overall budget for electric programs in 2004 proposed an increase of 30 percent from the actual spending level in 2002. Three new nonresidential programs were proposed: small commercial energy audits,

nonresidential energy analysis, and an energy efficiency bid program. The settlement provided that the new plan would begin on January 1, 2004. The Board was concerned about the impact of high natural gas prices and stated its expectations that MidAmerican would engage in sufficient promotional activities during the heating season to make customers, particularly residential customers, aware of programs available to reduce heating costs. The Board suggested that if additional implementation during 2003 strained the budget, MidAmerican could request a budget waiver. The Board was also concerned that MidAmerican's plan for low-income programs was not sufficient and directed MidAmerican to increase its total funding for low-income energy efficiency programs by 100 percent, effective January 1, 2004. MidAmerican was directed to obtain readily available information on low-income weatherization and provide by September 1, 2003, a report to the Board addressing a number of items. Depending on the results of the report, the Board stated it might consider modifications to the plan to provide additional assistance to low-income customers. MidAmerican was required to file the narrative and numerical deletions, additions, and other changes to the plan contained in the settlement as revisions or amendments to the filed plan. The Board also scheduled a meeting for September 16, 2003, for Board staff to meet with MidAmerican and other interested parties to discuss implementation of current and new programs and the possible impacts of rising natural gas prices on energy efficiency programs. The Board required MidAmerican to file by November 1, 2003, a report on the progress of developing design improvements for the nonresidential load management program as described in the settlement. The Board discontinued the requirement that MidAmerican file quarterly

reports on implementation, but required MidAmerican to continue tracking implementation during each quarter and include quarterly data in an annual report to be required on or before May 1 of each year, beginning in 2004. The Board also listed detailed requirements for the annual report.

#### **EET-03-2 Panora Municipal Utilities**

On February 10, 2003, Panora filed a nonrate-regulated utility energy efficiency plan. The filing was to meet an Iowa Code filing requirement for nonrate-regulated utilities. The Board accepted the filing.

#### **EET-03-3 Atmos Energy Corporation**

On May 30, 2002, the Board issued an order directing Atmos to file a new energy efficiency plan on or before March 31, 2003. Atmos filed its proposed plan on March 28. Atmos provides natural gas service in Iowa so the plan only contained gas programs. On May 27 Consumer Advocate filed a response to Atmos' plan, stating that Atmos and Consumer Advocate had resolved all issues during the collaborative process before the plan filing. Consumer Advocate said it found that the plan adequately reflected all of the issues previously resolved between Atmos and Consumer Advocate. Consumer Advocate recommended that the plan be approved and implemented as soon as possible. On July 21 the Board issued an order approving the plan, canceling the procedural schedule, and requiring additional funding and information. The plan provided for low-income weatherization, school-based energy education, and a small commercial energy audit. The school-based energy education program included distribution of water-heating energy efficiency kits, such as faucet aerators and showerheads. The plan as a whole and each individual program were shown in the filing to be cost-effective. The Board required one modification to the

plan's budget, directing Atmos to double its budget for low-income weatherization to \$59,250 per year, beginning January 1, 2004. This level of funding brought Atmos more in line with the per capita low-income funding of other electric and gas utilities serving Iowa retail consumers. The Board required Atmos to file comments appropriate to its situation on low-income weatherization on or before October 1, 2003, which would allow Atmos an opportunity to review the reports of other utilities filing reports on low-income weatherization on September 1, 2003. The Board also directed Atmos to file a comprehensive annual report for the previous calendar year of implementation on or before May 1 of each year, beginning in 2004. The first comprehensive report would address information for the calendar years 1999 through 2003.

#### **EEP-03-4 Aquila, Inc.**

On May 30, 2002, the Board issued an order directing Aquila to file a new energy efficiency plan on or before March 31, 2003. Aquila filed its proposed plan on March 31. Aquila provides natural gas service in Iowa so the plan contained only gas programs. On April 22 the Board docketed the filing and established a procedural schedule. On June 2 Consumer Advocate filed a response to Aquila's plan stating that Aquila and Consumer Advocate had resolved all issues during the collaborative process before the plan filing. Consumer Advocate said the proposed plan adequately and accurately reflected all of the issues previously resolved between Aquila and Consumer Advocate. Consumer Advocate

recommended that the plan be approved and implemented as soon as possible. On July 21 the Board issued an order approving the plan, canceling the procedural schedule, and requiring additional funding and information. The plan provided for increases in the energy efficiency budget and included some new initiatives for innovative space and water heating technologies, high efficiency residential construction, energy education, and funding to upgrade new low-income residences through Habitat for Humanity. The Board was concerned that new programs that could reduce gas consumption, particularly for residential customers, be implemented as soon as possible. The Board established an effective date for the new plan of October 1, 2003, while recognizing that some new or modified programs would not be implemented until January 2004. However, the Board stated its expectations that new or modified programs be implemented as soon as possible and that current programs be continued for some time so customers would be able to take advantage of the widest variety of programs possible for the upcoming winter heating season. Aquila was also directed to separate the plans for accounting purposes. The Board directed Aquila to increase its budget for low-income weatherization by 100 percent to \$480,000 per year, beginning October 1, 2003. The Board also directed Aquila to submit a report addressing certain low-income issues. The Board required Aquila to file a comprehensive annual report on or before May 1 of each year, beginning in 2004.

## **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-01-2 (TF-02-398, TF-02-399) Interstate Power Company and 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 was not liable for gas service at 1010 South 4<sup>th</sup> 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. The additional time allowed the Board time to ensure the proposed tariffs were in compliance with its order and provided Consumer Advocate and Legal Service Corporation of Iowa an opportunity to review them. Interstate filed revisions to the proposed tariffs on October 7, October 22, November 7, and November 13. On March 7, 2003, the Board approved the proposed tariffs in part and rejected them in part, ordering Interstate to file proposed tariffs consistent with its order by April 1. The Board determined the existing proposed tariffs, as revised, went beyond the holding in Docket No. FCU-01-2 and would have allowed Interstate to refuse service to a qualified customer based upon the debt of another person residing with them. The Board ordered Interstate to modify provisions in Gas Tariff 7.08 and Electric Tariff 7.10, removing existing language that provided "in the case of residential customers, all adults living at the premises may be jointly and severally liable for payment of bills." The Board approved all proposed Gas and Electric Tariffs 8.02 relating to customer and spouse debts, but

rejected all proposed Gas and Electric Tariffs 8.02A relating to service to premises where a debtor continues to reside.

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

On March 15, 2002, Brian Cooper filed an informal complaint against New Access on behalf of his parents, Mr. and Mrs. Merle Cooper, for changing their long distance service and then charging them higher rates than they were quoted. The Board provided New Access written notice of the informal complaint. New Access filed a response stating it issued full credit to the Coopers' account and notified the telemarketing firm responsible for the price quote of the complaint for further action. Staff found the charges were in fact higher than what was quoted and the full credit satisfied the complaint. On April 16 Consumer Advocate filed a request for a formal proceeding and the matter was docketed as a formal complaint proceeding. On April 15, 2003, the parties filed a settlement agreement and joint motion for approval of a settlement agreement with the Board. On April 21 the Board approved the settlement agreement.

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

On May 6, 2002, Consumer Advocate filed a complaint against Choicetel, alleging that it violated Iowa Code regarding unauthorized changes or charges in telecommunications services. Consumer Advocate requested that the Board commence an administrative proceeding to impose civil penalties. On May 24 Consumer Advocate filed a request to delay docketing. On August 8 Consumer Advocate filed a request to withdraw its complaint. On August 19 the Board granted the request.

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

On April 12, 2002, Patricia DeVore filed an informal cramming complaint against Qwest for unauthorized telephone charges. The proposed resolution stated there had been billing errors and Qwest had corrected the errors and fully credited the customer for the incorrect charges. On May 29 Consumer Advocate filed a request for a formal proceeding. On June 18 Qwest filed an opposition to the request for formal hearing. On July 9 Consumer Advocate filed a request to delay docketing in order to work with Qwest to bring this matter to resolution. On October 3, 2003, Consumer Advocate filed a request for leave to withdraw the petition. On October 22 the Board granted the request.

**FCU-02-12 Iowa County E-911 Board v. South Slope Cooperative Telephone Company**

On June 11, 2002, Iowa County filed a complaint against South Slope for an alleged unreasonable monthly surcharge for maintenance of its E-911 database. On June 28 the Board docketed the complaint as a formal complaint proceeding and requested a response from South Slope. On July 17 South Slope filed its response and a motion to dismiss the complaint. On August 30 the Board issued an order denying South Slope's motion to dismiss and directed staff to meet with both parties to facilitate an informal resolution. On January 23, 2003, Iowa County filed a motion for summary judgment. On February 7 South Slope filed a resistance and its own motion for summary judgment. On March 26 the Board denied the parties' motions for summary judgment. On April 16 Iowa County filed a motion requesting the Board to reconsider its ruling on Iowa County's summary judgment motion or dismiss the formal complaint in lieu of an informal resolution. On April 25

South Slope filed a response and a motion requesting that the Board reconsider its ruling on South Slope's summary judgment motion or dismiss Iowa County's complaint. On June 5 the Board denied the parties' motions to reconsider summary judgment rulings, but did grant Iowa County's request for an informal proceeding. The Board denied South Slope's request to dismiss the proceeding altogether. The docket was pending.

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

On October 24, 2002, Rhonda Howard filed an informal complaint against UKI, for changing her long-distance carrier without her consent. The IUB provided UKI written notice of the informal complaint. UKI filed a response to the complaint on November 12. UKI stated it received third-party verification to change the service. Staff found the third-party verification recording was not Howard's voice, thus the change was unauthorized. UKI issued full credit for toll calls and the change in carrier charge. On December 4 the Consumer Advocate filed a petition for a proceeding to impose civil penalty. The matter was docketed as a formal proceeding. On January 7, 2003, the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On January 24 the Board approved the settlement agreement.

**FCU-02-20 Office of Consumer Advocate v. International Plus**

On November 5, 2002, Lan Be filed an informal complaint against International Plus for changing her long-distance carrier without her consent. Be had previously authorized a change to International Plus in May, but was dissatisfied with the rates and canceled the service. In August the service was changed back to International Plus. The IUB gave International Plus written notice

of the informal complaint. International Plus filed a response to the complaint on November 18. International Plus stated it received third-party verification to change the service. Staff found the third-party verification recording was obtained for a change on May 14 and not in August. It also found the change in carrier was unauthorized and, therefore, the company must issue full credit for toll calls and the change in carrier charge. On December 4 Consumer Advocate filed a petition for a proceeding to impose civil penalty. The matter was docketed as a formal proceeding. On January 15, 2003, the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On January 24 the Board approved the settlement agreement.

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

On November 7, 2002, George and Sandra Hoke filed an informal complaint against Optical Telephone Corporation for changing their long-distance carrier without their consent. The IUB gave Optical written notice of the informal complaint. Optical failed to respond to the complaint. Staff found Optical in default and directed the company to issue full credit for the charges and the change in carrier charges. On December 14 Consumer Advocate filed a petition for a proceeding to impose civil penalty. The matter was docketed as a formal proceeding. On January 6, 2003, the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On January 24 the Board approved the settlement agreement.

**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 placed a move order on May 28, which still listed MCI as her long-distance carrier. 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 listed 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 Consumer Advocate filed a petition for a formal proceeding for the Board to review the proposed resolution and to impose civil penalties against Qwest. On April 16, 2003, the Board issued an order denying Consumer Advocate's request. The Board determined that this alleged slam was the result of an inadvertent error that would not be effectively deterred by civil penalties and that Iowa Code § 476.103 does not impose strict liability on telecommunications carriers. The MCI charges were credited. On April 28 Consumer Advocate filed a "Motion for Reconsideration and Request for Oral Argument," asserting that Iowa Code § 476.103 is a strict liability statute. Also on April 28 Consumer Advocate filed a

"Request for Leave to Amend" its original petition by adding reasons why the proposed resolution should be changed. On May 12 Qwest filed a response stating that Consumer Advocate provided an alternate basis for relief but no new information and that Consumer Advocate failed to demonstrate that the Board abused its statutory discretion by declining the imposition of civil penalties. On May 28 the Board issued an order granting Consumer Advocate's request to amend and denying the request for reconsideration because Consumer Advocate's amendment reiterated the record already reviewed by the Board in its April 16 determination.

**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. Board staff provided 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 a proceeding to impose civil penalty and the matter was docketed. On June 24, 2003, the Board issued an order denying Consumer Advocate's petition for a formal proceeding, stating that the proposed resolution was sufficient and that the customer had not objected to the proposed resolution.

**FCU-02-24 (TF-03-420) 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

rates it was being assessed for wireless E-911 services were unreasonable. On December 16 the Board initiated formal complaint proceedings on its own motion. On September 3, 2003, Qwest filed a proposed tariff revision with a new pricing option for wireless E-911 services. The proposed tariff revision was filed after Qwest reached an agreement with EMD. On September 19 the Board approved the tariff revision and closed the docket. The tariff revision became effective immediately.

**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 Voicemail in violation of cramming rules. On December 12 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On June 13, 2003, Consumer Advocate filed a settlement agreement and joint motion for approval of the settlement agreement. On June 17 the Board issued an order approving the settlement agreement.

**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. A copy of the third-party verification tape was forwarded to Dr. Gibson to review and respond. Dr. Gibson stated that the office manager did receive a phone call from LCR, but was assured that no transfer of service would occur without Dr. Gibson's 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. Only Consumer Advocate challenged staff's proposed resolution. On December 16 Consumer Advocate filed a petition for a proceeding to impose civil penalty and the matter was docketed as a formal complaint proceeding. On June 24, 2003, the Board issued an order denying Consumer Advocate's petition for a formal proceeding, stating that the proposed resolution was sufficient and that the customer had not objected to the proposed resolution. On July 9 Consumer Advocate filed a motion for reconsideration. On August 7 the Board granted the motion for reconsideration and petition for proceeding to consider civil penalties. The Board did not establish a procedural schedule, but allowed the parties three months to negotiate a resolution. On September 12 a joint motion was filed for approval of a settlement agreement. On September 26 the Board approved the settlement agreement, which assessed a \$500 civil penalty.

**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. On January 21, 2003, UKI filed a response and motion to dismiss, indicating that UKI does not own, direct, or manage the third-party verification company who obtained Mr. Berenger's authorization. On January 28 Consumer Advocate filed a reply stating that Iowa Code § 476.103 does not require Consumer Advocate to show reasonable grounds for further investigation and stating that slamming violations should be processed and civil penalties assessed. 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 provided Legacy written notice of the informal complaint. Legacy responded to the complaint on December 17, stating Starling was billed for collect calls made from his home telephone and failed to pay the charges billed by his local phone company. The charges were, therefore, sent directly to Starling. 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 a proceeding to impose civil penalty. On June 18, 2003, the Board denied Consumer Advocate's petition.

**FCU-03-01 Office of Consumer Advocate vs. McLeodUSA**

On November 1, 2002, Lee Athearn filed a billing complaint against McLeodUSA. He stated that he hadn't authorized a change in his local telecommunications service to McLeodUSA, but had instead requested information. He said McLeodUSA also charged more than what its representative had quoted. On December 20 staff issued a proposed resolution directing McLeodUSA to credit him back to October 16. On January 3, 2003, Consumer Advocate filed a petition for a proceeding to impose civil penalty against McLeodUSA. On February 12 McLeodUSA filed a response and a motion to dismiss. In October Athearn contacted Consumer Advocate to state that McLeodUSA had started collection activity in regards to the outstanding balance. On October 6 McLeodUSA stopped collection activities and zeroed out the outstanding balance. The docket was pending.

**FCU-03-02 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.**

On November 25, 2002, William Schmidt filed a slamming complaint against AT&T for changing his long distance service without his knowledge. AT&T's response stated authorization to change the service had been given by Kerri Bailey on October 25. On December 23 staff issued a proposed resolution stating no slamming took place due to the authorization given by Bailey. In its attempt to resolve the matter, AT&T cancelled the account. The customer was credited for all charges that had been billed and AT&T also covered the cost for the customer to return to the carrier of his choice. Upon further investigation it was

found that Bailey had inadvertently given the wrong phone number (Mr. Schmidt's) when she had changed her service to AT&T. On January 6, 2003, Consumer Advocate filed a petition for a proceeding to impose civil penalty against AT&T. On January 21 AT&T filed a response in opposition to Consumer Advocate's petition for a proceeding to impose civil penalty, stating they had acted in good faith in regards to this complaint and that an error was made. On May 15 Consumer Advocate filed a withdrawal of its petition. On May 30 the Board issued an order granting the request to withdraw the complaint and closing the docket.

### **FCU-03-3 KMC Telecom V, Inc.**

On December 23, 2002, the Board issued a certificate to provide local exchange telecommunications service to KMC on the basis of its application in Docket No. TCU-00-26. On January 6, 2003, KMC applied to the North American Numbering Plan Administrator (NANPA) for the telephone numbering resources it would need to provide local service in Iowa. As a part of that application, KMC filed a confidential docket that described the services it intended to offer in Iowa, making statements in its business plan that were inconsistent with its application for a certificate and were also inconsistent with its tariff filed with the Board. On January 9 the Board issued an order opening this formal complaint proceeding to investigate whether KMC should have its certificate revoked. The Board stated that KMC would be given an opportunity to show cause as to why the Board should not find it in violation of the conditions of its certificate or the terms of its tariff. The January 9 order also suspended KMC's certificate pending further order from the Board. On January 22 KMC filed a response, stating that the document submitted to NANPA incorrectly stated that

it did not have plans to deliver voice-grade telecommunications service in Iowa. KMC attached a letter it sent to NANPA stating that the business plan for Iowa was in error and attached a copy of its business plan for Iowa indicating it planned to target businesses with five or less access lines in Ames, Burlington, Davenport, Dubuque, Iowa City, Waterloo, and Des Moines. The docket was pending.

### **FCU-03-04 Office of Consumer Advocate v. McLeodUSA Telecommunications, Inc.**

On November 25, 2002, Marsha Snyder filed a complaint against McLeodUSA regarding billing charges she was disputing. Snyder alleged she cancelled her service with McLeod on August 21, but continued to be billed for service as well as a \$95 charge for repair of inside wiring. On December 18 McLeodUSA responded to Snyder's concerns and stated that its records indicated she had contacted McLeod on August 24, stating she had a repair issue so a technician was sent to her location. McLeodUSA stated that on August 27 Snyder again contacted McLeodUSA with a repair matter and was offered credit to remain a McLeodUSA customer, which she accepted. On September 29 Snyder requested that her phone service be disconnected. The service was disconnected on October 8. On December 26 staff issued a proposed resolution that would offer a \$95 credit for the repair charge and additional credit for any charges billed after the disconnection. On January 8, 2003, Consumer Advocate filed a petition for a proceeding to impose civil penalty for a cramming violation. On June 18 the Board issued an order denying the petition, stating reasonable grounds had not been met for further investigation of the matter.

**FCU-03-5 Office of Consumer Advocate, Petitioner, v. National Online Services, Inc.**

On December 5, 2002, Deanne Dentlinger filed a complaint for alleged cramming by National Online Services. On December 18 National Online Services responded to the complaint, stating it contacted Customer Builders on July 16 and received authorization for service from Dave Dentlinger. Included with the response was a copy of the third-party verification tape. Staff issued a proposed resolution stating authorization had been given and no cramming had occurred. In addition, the customer had been credited for all charges and the account had been cancelled. On January 9, 2003, Consumer Advocate filed a petition for a proceeding to impose civil penalty. Consumer Advocate stated it believed the customer had only given authorization for a 30-day trial period and not for services beyond that point. On January 23 the Lustigman Firm, representing National Online Services, filed for a motion for extension of time. On May 5 Consumer Advocate filed a settlement agreement and a joint motion for approval of settlement agreement. Civil penalties of \$1,000 were assessed for cramming violations. On June 16 the Board issued an order approving the settlement agreement.

**FCU-03-6 Office of Consumer Advocate v. Ionex Telecommunications, Inc.**

On December 11, 2002, Tom Murray filed an informal complaint against Ionex for changing his long-distance telephone carrier without his consent. Board staff provided Ionex written notice of the informal complaint. Ionex failed to respond to the complaint. Staff found Ionex in default and directed the company to issue full credit for the charges. On January 13, 2003, Consumer Advocate filed a petition for a proceeding to impose civil penalty. The

matter was docketed as a formal proceeding. On June 18 the Board issued an order denying Consumer Advocate's petition for a formal proceeding, stating it had not offered any reasonable ground for further investigation and that the customer had not objected to the proposed resolution.

**FCU-03-7 Office of Consumer Advocate v. National Online Services, Inc.**

On November 5, 2002, Carol Kelsey on behalf of The Office filed an informal complaint against NOL for unauthorized charges. The Board provided NOL written notice of the informal complaint. NOL responded stating Kelsey agreed to a free trial offer for Internet service. The company acknowledged Kelsey canceled the service, but it continued to bill The Office. Staff found NOL in violation of the rules. The account was credited in full and was terminated. On January 13, 2003, Consumer Advocate filed a request for a formal proceeding and the matter was docketed as a formal proceeding. On May 5 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On June 16 the Board approved the settlement agreement.

**FCU-03-8 Brandon Bruce v. MidAmerican Energy Company**

On August 22, 2002, Brandon Bruce filed an informal complaint alleging that MidAmerican did not follow Board rules with respect to a service line extension to Mr. Bruce's new home near Milo. On November 15 Board staff issued a proposed resolution finding that MidAmerican had followed its tariff on file with Board. On December 3 Mr. Bruce requested a formal complaint proceeding, which the Board docketed on January 15, 2003. The hearing was held on April 3 and the presiding officer issued a proposed decision and order on May 15. The proposed decision concluded

that MidAmerican followed its tariff and the Board rules when charging Mr. Bruce for distribution line extension and did not charge him for the service line extension. The rule in question allows the customer to pick between the refundable or non-refundable options for line extensions. The proposed decision found Mr. Bruce was not entitled to a refund based on the option he chose. On May 30 the Consumer Advocate, Mr. Bruce, and MidAmerican filed notices of appeal of the proposed decision. On August 25 issued an order that affirmed the findings of fact in the proposed decision and order, upholding the fact that Mr. Bruce was not entitled to a refund, and finding it unnecessary to address other issues.

**FCU-03-9 Office of Consumer Advocate v. LCR Telecommunications, L.L.C.**

On December 30, 2002, Dr. Debbie Mosley Nelson filed an informal complaint against LCR Telecom for changing her long distance carrier without her consent. The Board provided LCR written notice of the informal complaint. LCR responded to the complaint and provided third-party verification proof that the change of service was authorized. LCR cancelled the account and credited the account in full. Dr. Mosley Nelson stated it was not her voice on the third-party verification recording; therefore, staff found the evidence insufficient to prove the service was authorized. Staff found that LCR was also responsible to pay for the Presubscribed Interexchange Carrier charge assessed to the account. On January 27, 2003, Consumer Advocate filed a request for a formal proceeding and the matter was docketed as a formal proceeding. On September 12 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On September 26 the Board approved the settlement agreement.

**FCU-03-10 Office of Consumer Advocate v. Liberty Online Services**

On December 18, 2002, Faith Evangelical Covenant Church filed an informal cramming complaint against Liberty for unauthorized Internet charges that appeared on the church's local telephone bill. Board staff provided written notice of the informal complaint to Liberty, which filed a response on December 27. On January 14, 2003, Board staff issued a proposed resolution that found Mr. Gary Martain, pastor of the church, authorized the Liberty charges. The proposed resolution acknowledged Liberty's courtesy credit of all charges. On January 28 Consumer Advocate filed an objection to staff's proposed resolution, stating that Mr. Martain agreed to a 30-day free trial period and did not give authorization for continuation of services on a paid basis following the free trial period and that civil penalties should be imposed. On May 5 Consumer Advocate and Liberty filed a joint motion for approval of a settlement agreement. On June 16 the Board approved the settlement agreement.

**FCU-03-11 Office of Consumer Advocate v. Sprint Communications Company, L.P.**

On February 7, 2003, Consumer Advocate filed a complaint against Sprint, alleging that Sprint violated Iowa Code regarding unauthorized changes or charges in telecommunications services. Consumer Advocate requested the Board commence an administrative proceeding to impose civil penalties. On August 8 Consumer Advocate filed a request to withdraw its complaint. On August 19 the Board granted the request to withdraw the complaint.

**FCU-03-12 Office of Consumer Advocate v. Qwest Corporation**

On January 21, 2003, Kay Stevens of Carroll filed an informal complaint against Qwest for adding a \$99 charge for jack installation and wiring to her local telephone bill without her authorization. Board staff provided Qwest written notice of the informal complaint. Qwest responded to the complaint stating that Stevens requested a technician to install a new jack and its policy is to quote the \$99 jack charges. Qwest also stated that an offer was made to Stevens to pay the bill over monthly installments. Qwest offered a \$49.50 credit adjustment to Stevens' bill. Board staff found Qwest had presented a fair resolution to the situation. On February 7 Consumer Advocate filed a petition for a proceeding to impose civil penalty for cramming. On February 27 the Board denied a motion to dismiss the petition filed by Qwest. The docket was pending.

**FCU-03-13 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On November 25, 2002, Vicki Evanson filed an informal complaint on behalf of First Homestead Real Estate against AT&T and Alliance Group Services for changing the long distance carrier without authorization and charging high rates for calls. Board staff provided AT&T and Alliance written notice of the informal complaint. Alliance responded and explained it resells service to Advantage and forwarded the complaint to Advantage for a reply. Advantage provided a third-party verification recording and a letter stating it received authorization to provide long distance service. AT&T responded stating it confirmed no orders were sent to the local exchange carrier to change the customer's carrier. However, the calls were being routed over the AT&T network and Evanson was billed directly by AT&T. The recording was sent to Evanson

for her response. She responded stating the recording failed to contain the rates promised and said she was supposed to receive one bill from the local phone company. On January 28, 2003, staff issued a proposed resolution, finding that AT&T did not slam the service. The service for Advantage was authorized, however, since the reseller, Alliance, did not recognize the telephone number, the customer's calls were sent to AT&T, which billed the customer. AT&T credited a portion of the bill. Advantage issued full credit for the account and issued the customer a check to cover the additional AT&T charges. On February 11 Consumer Advocate filed a petition for a proceeding to impose civil penalty and the matter was docketed as a formal proceeding. On July 31 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board approved the settlement agreement.

**FCU-03-14 Office of Consumer Advocate v. LCR Telecommunications, L.L.C.**

On November 21, 2002, Nixson & Associates, Inc. (Nixson) of Des Moines filed an informal complaint against LCR for an unauthorized change in long distance providers. Board staff provided LCR written notice of the informal complaint. Board staff determined the proof was questionable and that LCR had switched the long distance telephone service without proper authorization. LCR was directed to credit all charges. On December 18 Nixson filed a request for formal complaint proceedings to consider imposing civil penalty on LCR. On February 11, 2003, Consumer Advocate filed a joinder in Nixson's request. On September 12 Consumer Advocate and LCR submitted a joint motion for approval of a settlement agreement, which included a \$500 civil penalty. On September 26 the Board approved the joint settlement.

**FCU-03-15 Office of Consumer Advocate v. U S Telecom Long Distance, Inc.**

On January 27, 2003, Karen Brown filed an informal complaint against U S Telecom for changing her long distance carrier without her consent. The Board provided U S Telecom written notice of the informal complaint. U S Telecom filed a response stating in November 2002 the customer authorized a service change. In January 2003 U S Telecom stated it received a faulty report from the local telephone company. The faulty report included Brown's telephone number as being disconnected. The company stated it erroneously resubmitted a request to change the customer's service back to U S Telecom. Staff issued a proposed resolution finding that while this change may have been an error, Brown did not authorize U S Telecom to change the service. The company was therefore in violation of the IUB rules. The charges were credited in full to the customer's account. On March 3 Consumer Advocate filed a petition for a proceeding to impose civil penalty and the matter was docketed as a formal complaint proceeding. On April 3 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On April 7 the Board approved the settlement agreement.

**FCU-03-16 Advantage Telecommunications Corporation**

On December 19, 2002, Denise Mendenhall of Merredeth Executive Recruiting Resources submitted an e-mail complaint alleging an Advantage Telecom employee initiated a misleading telemarketing call to her. On December 24 Board staff forwarded the complaint to Advantage Telecom to respond to the allegations and take appropriate action to prevent its telemarketers from making misleading calls. On January 6, 2003, Advantage Telecom

responded that it did not have the resources to determine which telemarketer initiated the allegedly misleading call. Advantage Telecom also stated that it does not tolerate inappropriate, misleading, or deceptive conduct in the selling of its programs, and any representative found to have engaged in such conduct would be terminated. The docket was pending.

**FCU-03-17 Office of Consumer Advocate v. Venus Voicemail Services, Inc.**

On February 12, 2003, Elizabeth Burnett filed an informal cramming complaint against Venus for unauthorized charges that appeared on her local telephone bill. Board staff provided written notice to Venus of the informal complaint and Venus filed a response on February 27. On March 4 staff issued a proposed resolution that found Venus did not file acceptable proof of authorization for the charges, acknowledged full credit of all charges, and advised that Venus may request a formal proceeding if it disagreed with the proposed resolution. On March 11 Consumer Advocate filed a petition for proceeding to impose civil penalty. On June 13 Consumer Advocate and Venus filed a joint motion for approval of a settlement agreement. On June 17 the Board approved the settlement agreement.

**FCU-03-18 Office of Consumer Advocate v. VoiceVox**

On January 2, 2003, Dale White filed a cramming complaint against VoiceVox because of an unauthorized change of telecommunications service. On March 5 staff issued a proposed resolution finding VoiceVox in default because it failed to respond to the complaint in a timely manner. On March 12 Consumer Advocate filed a petition for a proceeding to impose civil penalty. The docket was pending.

**FCU-03-19 Office of Consumer Advocate v. Sprint**

On January 15, 2003, Fikreta Mehmedobic filed a slamming complaint, stating that Sprint Communications billed her for unauthorized service. On February 25 staff issued a proposed resolution finding that there was no slamming in light of the review of the taped verification. Mehmedobic stated she would not have changed her service to pay a higher long distance rate. However, she stated that she was not trying to get out of paying for the charges and that she just wanted to pay what was fair. On March 5 staff issued a revised proposed resolution, stating Sprint would settle the matter by offering a 50 percent discount on the total balance. The customer was not satisfied. On March 12 Consumer Advocate filed a petition for a proceeding to impose civil penalty. The docket was pending.

**FCU-03-20 Office of Consumer Advocate v. Venus Voicemail Services, Inc.**

On February 17, 2003, Marilyn Andersen of Springville filed an informal complaint against Venus for adding charges to her local telephone bill without her authorization. Board staff provided Venus written notice of the informal complaint. Venus failed to respond. Board staff found Venus in default and directed the company to issue full credit for the charges. On March 17 Consumer Advocate filed a petition for a proceeding to impose civil penalty. The matter was docketed as a formal proceeding. On June 13 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On June 16 the Board approved the settlement agreement.

**FCU-03-21 Office of Consumer Advocate v. MCI**

On January 8, 2003, Dr. Syam Kilaru filed an informal complaint alleging that he was

induced to switch his long distance telephone provider from AT&T to MCI by a telemarketer quoting a rate of 37 cents per minute for calls to India with one hour per month of free calling to India for three months. Dr. Kilaru alleged that based on this offer, he switched to MCI, but MCI did not follow through on the offer. Board staff provided written notice of the informal complaint to MCI, which filed a response on January 31. The March 10 proposed resolution found that the third-party verification recording did not quote rates for calls to India or free calling for three months and that MCI had fulfilled the terms of the welcome packet. MCI provided a courtesy credit to resolve Dr. Kilaru's complaint. On March 24, 2003, Consumer Advocate filed a request for formal complaint proceedings. On April 14 MCI filed a response and motion to dismiss. The docket was pending.

**FCU-03-22 Office of Consumer Advocate v. Liberty Online Services, Inc.**

On February 6, 2003, Bud Dreier of Amana Colonies Village Store filed an informal complaint against Liberty for adding charges to his local telephone bill without his authorization. Board staff gave Liberty written notice of the informal complaint. Liberty filed a response stating a store manager, Holly Hastings, authorized the additional charges for Internet services. Mr. Dreier stated that the manager did not have authority to add charges and he had also been called at his second store and offered the same services. At that time, Mr. Dreier advised the sales representative he did not have a computer and requested the order be cancelled for the Amana Colonies Village Store. Board staff found the company's case was questionable and found that the charges were unauthorized. Board staff directed the company to provide a full credit. On March 25 Consumer Advocate filed a petition for a proceeding to impose civil penalty and the

matter was docketed as a formal complaint proceeding. On May 5 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On June 16 the Board approved the settlement agreement.

**FCU-03-24 U.S. Cellular Corp., Cox Iowa Telecom LLC, and Illuminet, Inc. vs. Qwest Corporation**

On March 27, 2003, U.S. Cellular, Cox, and Illuminet filed a formal complaint against Qwest. The complainants stated that on April 9, 2001, Qwest filed proposed amendments to its access tariff (TF-01-111) to lower its local switched access rate and add additional rate elements for Common Channel Signaling, including SS7 signaling messages. The complainants alleged that at the time Qwest filed for the access tariff change, notice of the change was not provided and TF-01-111 subsequently went into effect. After the tariff change, Qwest began charging Illuminet for SS7 signaling messages generated by U.S. Cellular and Cox, which were transported over Illuminet's SS7 network. The complainants alleged that the application of the charges in TF-01-111 violated the terms of U.S. Cellular's and Cox's interconnection agreements, which define the rates, terms, and conditions for the exchange of traffic with Qwest. On October 1, 2003, U.S. Cellular, Cox, Illuminet, and Qwest filed a joint motion to stay the formal complaint case in order to determine whether a settlement was possible. The docket was pending.

**FCU-03-25 Office of Consumer Advocate v. Mercury Internet and Wireless Service**

On January 31, 2003, Judy Hart of Bio Research Products filed a complaint regarding unauthorized charges from Mercury Internet and Wireless Service on the company's phone bill. On March 3

Mercury responded to the complaint stating that Bio Research had been contacted on August 7, 2001, with Bryce Cunningham authorizing this service. On March 27 Board staff issued a proposed resolution, stating Mercury had offered no proof of this authorization, so the customer needed to be credited for all charges that had been billed. On April 3 Consumer Advocate filed a petition for a proceeding to impose civil penalty, citing Mercury for being in violation of the anti-cramming law. On June 13 Consumer Advocate and Mercury submitted a joint motion for approval of a settlement agreement contained in the motion. On June 17 the Board issued an Order Approving Settlement Agreement.

**FCU-03-26 Office of Consumer Advocate v. Venus Voicemail Services, Inc.**

On February 21, 2003, David Kleinkopf filed a complaint regarding unauthorized charges on his phone bill. On March 11 Venus responded to the complaint, stating Mr. Kleinkopf had authorized the service on February 19, 2002. Venus failed to provide proof of this authorization. Mr. Kleinkopf was credited for all charges for which he was billed. On April 3 Consumer Advocate filed a petition to impose civil penalty, citing Venus for being in violation of the anti-cramming law. On June 13 Consumer Advocate filed a settlement agreement and joint motion for approval of the settlement agreement. On June 17 the Board issued an order approving the settlement agreement.

**FCU-03-27 Office of Consumer Advocate v. Venus Voicemail Services, Inc.**

On February 24, 2003, Brenda Brown filed a complaint regarding unauthorized charges on her telephone bill from Venus. On March 11 Venus responded to the complaint, stating Brown had authorized the service on January 3. Venus failed to provide proof of the authorization. On

March 25 Board staff issued a proposed resolution finding Venus in violation of cramming rules. On April 7 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On June 13 Consumer Advocate filed a settlement agreement and joint motion for Approval of the settlement agreement. On June 17 the Board issued an order approving the settlement agreement.

**FCU-03-28 Kinze Manufacturing, Inc. v. Interstate Power and Light Company**

On April 9, 2003, Kinze filed a complaint and request for formal complaint proceedings against Interstate. The complaint alleged, among other things, that Interstate violated the provisions of its net metering tariff and Board rules by refusing to interconnect with Kinze on a net metering basis. Kinze stated it planned to construct three or four 1.5-megawatt wind generators in Interstate's service territory. Kinze is a demand-metered large general service customer receiving service in Interstate's Northern pricing zone under the large general service rate code. In its net metering proposal, Kinze also sought transfer to the general service class to receive net-metered service under Interstate's non-demand-metered general service rate code. This was based on the general service rate eligibility criteria in place before Interstate's last rate case, Docket Nos. RPU-02-3 and RPU-02-8. In that rate case, Interstate proposed to establish specific maximum usage criteria for new customers under general service rate code. This change was unopposed and approved. As a large general service customer, Kinze would be new to general service rates. On September 17 the Board issued an order denying the request for formal complaint proceedings and dismissing the complaint. In the order, the Board stated that it did not find the arguments attempting to link net metering and general service eligibility under

previous tariff criteria convincing and stated that Kinze did not qualify for general service rates under Interstate's existing tariff criteria.

**FCU-03-29 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On March 5, 2003, Tracey Kelley filed an informal slamming complaint against Advantage for the unauthorized change of long distance carriers for the business, A Way With Words. The Board provided written notice of the informal complaint to Advantage, which filed a response on March 28. Staff's March 31 proposed resolution found that Advantage switched the long distance carrier of the business without authorization by misleading Kelley to believe that she was agreeing to the consolidation of the local and long distance bill by a billing company named "Advantage." Staff directed that a full credit and Presubscribed Interexchange Carrier charges be refunded to the customer. On April 10 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On July 31 Consumer Advocate filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board issued an order approving the settlement agreement.

**FCU-03-30 Office of Consumer Advocate v. Main Street Telephone Company**

On March 17, 2003, Kathy Smouse-Hulse and her husband, Larry, filed an informal complaint against Main Street Telephone for assessing charges to their local telephone bill without their authorization. Staff provided written notice of the informal complaint to Main Street, which failed to respond to the complaint within the ten-day time period. Staff found the company in violation of the rules. On April 16 Consumer Advocate filed a request for a

formal proceeding. The docket was pending.

**FCU-03-31 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On March 21, 2003, Susan Coleman filed an informal complaint on behalf of Slumberland Furniture against Advantage for changing the long distance carrier without authorization. Board staff provided Advantage written notice of the informal complaint. Advantage failed to respond to the complaint within the ten day time period. Therefore, staff found the company in violation of the rules. On April 16 Consumer Advocate filed a request for a formal proceeding and the matter was docketed as a formal proceeding. On July 31 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board approved the settlement agreement.

**FCU-03-32 Office of Consumer Advocate v. Horizon Telecom Inc.**

On March 26, 2003, Deb Kerns, on behalf of The Mane Station, filed an informal complaint against Horizon for changing its long distance carrier without consent. Board staff provided Horizon written notice of the informal complaint. Horizon responded and stated Kerns authorized the service. Horizon provided a third party verification recording. Kerns stated the recording was incomplete, in that it did not contain the conversation where the sales agent represented he was from Qwest Corporation. She also claimed the sales agent advised the service would not be changed until she signed and returned paper work. The Mane Station phone carrier was not changed. However, Horizon began billing a fee for service. Staff found Horizon in violation of Board rules and a full credit was issued to the account. On May 1 Consumer Advocate filed a request for a formal proceeding and

the matter was docketed as a formal proceeding. On July 15 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On July 23 the Board approved the settlement agreement.

**FCU-03-33 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On January 31, 2003, Gene Edgington filed a complaint regarding an unauthorized change in his long distance service by Alliance Group. Alliance Group responded to the complaint on February 18 and stated it is a wholesale provider of long distance service and that Advantage was the reseller that sold the service. On April 18 Advantage responded to the complaint, stating the customer's service had been changed in error due to a data entry mistake of the wrong phone number. On May 5 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On July 31 Consumer Advocate and Advantage filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board issued an order approving the settlement agreement.

**FCU-03-34 Office of Consumer Advocate v. Optical Telephone Corp.**

On April 10, 2003, Suzanne Flynn filed an informal complaint against Optical for changing her long distance carrier without her consent. Board staff provided written notice of the informal complaint to Optical, which failed to respond within the ten-day timeframe. Staff found the company in violation of the rules. On May 5 Consumer Advocate filed a request for a formal proceeding. The docket was pending.

**FCU-03-35 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.**

On April 9, 2003, Yolanda Jacobo filed an informal slamming complaint against AT&T. Board staff provided written notice to AT&T. On April 22 AT&T filed a response indicating that it was unable to file a copy of the independent third-party verification recording. AT&T filed a copy of a written statement from EDS, the third-party verification company, stating that Felimon Jacobo completed verification, and without admission of wrongdoing, that AT&T would fully credit the charges. The April 29 proposed resolution found that AT&T did not provide acceptable proof of authorization to change Jacobo's long distance provider and added the switching fees to the credits to be provided. On May 7 AT&T filed a response stating that a full credit of the account and switching fees had been provided. On May 7 Consumer Advocate filed a request for formal complaint proceedings to impose civil penalty. The docket was pending.

**FCU-03-36 (FCU-03-25) Office of Consumer Advocate v. Mercury Internet and Wireless Service**

On April 22, 2003, Jo Ann Kool filed an informal complaint against Main Street Telephone for assessing charges to her local telephone bill without authorization. The Board provided Mercury written notice of the informal complaint. Mercury responded stating Kim Kool authorized the service and provided a third party verification recording. However, Mercury credited the account in full and canceled it. Staff issued a proposed resolution on May 8. Staff found the information Mercury provided was not credible and found no evidence that Kim Kool authorized the charges. Therefore, staff found Mercury in violation of the rules. On May 16 Consumer Advocate filed a

request for a formal proceeding and the matter was docketed as a formal proceeding. On June 12 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On June 17 the Board approved the settlement agreement.

**FCU-03-37 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.**

On May 6, 2003, Martin Herold filed an informal complaint against AT&T alleging that AT&T induced him to change long distance service providers by quoting a rate of seven cents per minute, which was lower than his provider at the time that charged ten cents per minute. AT&T then billed Herold a 35-cent-per-call surcharge in addition to seven cents per minute. Board staff provided written notice to AT&T. On May 19 AT&T filed a response stating that it removed the 35-cent-per-call surcharges from the February bill and that appropriate action would be taken regarding misinformation the telemarketer provided. The May 19 proposed resolution found that AT&T did not file the information Board staff requested regarding the proof of authorization and written notice of the service change. The proposed resolution concluded that AT&T neglected to quote the 35-cent-per-call surcharge to Herold when he agreed to switch to AT&T and required AT&T to fully credit Herold's account and reimburse the switching fees. On May 27 Consumer Advocate filed a petition for a formal complaint proceeding to impose civil penalty. AT&T's June 13 response included the third-party verification recording and welcome packet information. AT&T fully credited the account and reimbursed switching fees to Herold. The docket was pending.

**FCU-03-38 Office of Consumer Advocate v. 00 Operator Services**

In May 2003 many Iowa customers received a billing from 00 Operator Services for operator-assisted calls in the amount of \$28.84, allegedly accepted in September 2002. Most customers alleged they did not accept the call so the charges were unauthorized. Others who accepted the call were led to believe a family member was calling or that it was an emergency. The Board gave 00 Operator Services written notice of the informal complaint. 00 Operator responded that the collect call charges resulted only from acceptance by a positive response from the person answering the call. Staff issued proposed resolutions in May and June, finding the charges were not authorized for customers who alleged they never accepted the call. On June 6 Consumer Advocate filed a request for a proceeding to impose civil penalty and the matter was docketed as a formal proceeding. On September 22 the parties filed a settlement agreement and joint motion for approval of the settlement agreement. On October 22 the Board approved the settlement agreement.

**FCU-03-39 Office of Consumer Advocate v. Mercury Marketing Company**

On May 9, 2003, Amanda Cross filed an informal cramming complaint against Mercury for unauthorized Internet charges that appeared on her local telephone bill. Board staff provided written notice to Mercury of the informal complaint and Mercury filed a response on May 23. On May 29 Board staff issued a proposed resolution that found Mercury did not provide acceptable proof the charges were authorized and acknowledged Mercury's credit of the total charges. On June 12 Consumer Advocate filed a petition for a proceeding to impose civil penalty to ensure compliance and deter future violations. On

June 13 Consumer Advocate withdrew the petition due to a settlement involving two other dockets. On July 17 the Board issued an order granting the request to withdraw the complaint and closing the docket.

**FCU-03-40 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On April 25, 2003, Steve Morrell filed an informal slamming complaint against Advantage for the unauthorized change of long distance telephone carriers of all four telephone lines for the business, Morrell Heating & Cooling. Board staff provided written notice to Advantage of the informal complaint, which filed a response on May 15. Staff forwarded a copy of the letter and the independent third-party verification recording to Morrell for response. Morrell's May 28 response indicated that receptionist Amy Zuck, who completed the recording, had no authority to handle business transactions and was misled into believing that Advantage was consolidating the long distance charges onto the Qwest billing. Staff's June 3 proposed resolution found that Advantage Telecom switched the long distance carrier of the business without authorization by misleading Zuck to believe that she was agreeing to the consolidation of the local and long distance bill by a billing company named "Advantage." Staff directed Advantage Telecom to fully credit the account and for Presubscribed Interexchange Carrier charges to be credited as well. On June 16 Consumer Advocate filed a petition for a proceeding to impose civil penalty to ensure compliance and deter future violations by Advantage. On July 31 Consumer Advocate filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board issued an order approving the settlement agreement.

**FCU-03-41 Office of Consumer Advocate vs. UKI Communications**

On April 30, 2003, Carol Wessels filed a complaint due to an unauthorized change in her long distance service by UKI. Board staff failed to receive a reply from UKI regarding this complaint. On June 10 staff's proposed resolution stated that due to default, slamming had occurred and the customer's account should be credited for all costs incurred. On June 23 Consumer Advocate filed a petition for a proceeding to impose civil penalty. Consumer Advocate stated that other slamming complaints received by Board staff have indicated UKI as the alleged violating company. The docket was pending.

**FCU-03-42 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On April 21, 2003, Dawn and Randall Archer filed a complaint regarding an unauthorized change in their long distance carrier. On May 8 Advantage responded to the complaint, stating Randall had authorized the change in service and included a copy of the third party verification. Board staff issued a proposed resolution stating no slamming had occurred due to the authorization given by Randall Archer. Advantage closed all accounts and offered credit totaling \$204.96. On June 24 Consumer Advocate filed a petition to impose civil penalty. On July 31 Consumer Advocate and Advantage filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board filed an order approving the settlement agreement.

**FCU-03-43 Office of Consumer Advocate v. Advantage Telecommunications Corp.**

On June 3, 2003, Donna Haney filed complaint in regard to an unauthorized change in the long distance service of her employer, Occupation Health Center. On

June 16 Advantage responded to the complaint, stating that Haney gave authorization for the change in service and included a copy of the third party verification. On July 2 Board staff issued a proposed resolution stating no slamming had occurred. Advantage closed all the accounts in question and applied credits totaling \$204.97. On July 16 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On July 31 Consumer Advocate and Advantage filed a settlement agreement and joint motion for approval of the settlement agreement. On August 6 the Board issued an order approving the settlement agreement.

**FCU-03-44 Office of Consumer Advocate v. Mercury Internet and Wireless Service**

On June 9, 2003, Dr. Kathy Keltz of Hawarden filed an informal complaint against Mercury for adding unauthorized charges for Internet services on her local telephone bill. Board staff provided Mercury written notice of the informal complaint. Mercury responded to the complaint stating that Debbie Moffatt properly authorized the charges and provided a copy of the third-party verification recording. Moffatt stated that it was her voice, however, she alleged the tape had been doctored. Board staff found Mercury's proof to be questionable and found the charges to be unauthorized. Mercury had also stated it had provided credit for the charges. On July 21 Consumer Advocate filed a petition for a proceeding to impose civil penalty for cramming. The docket was pending.

**FCU-03-45 Office of Consumer Advocate vs. Net Page Now**

On May 7, 2003, Daniel Wiechmann, attorney for Ron Peyton of Ron's Barber Shop, filed a complaint against Net Page Now for unauthorized services being

charged to his local phone bill. On July 8 Board staff issued a proposed resolution stating cramming did not occur based on the third-party verification, which indicated the customer gave authorization for the service. On July 21 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On February 25 Consumer Advocate and Net Page Now filed a proposed settlement agreement. No objections to the settlement agreement were filed. On March 10 the Board approved the settlement agreement, which assessed a \$500 civil penalty to Net Page Now.

**FCU-03-46 Office of Consumer Advocate v. AT&T Communications of the Midwest, Inc.**

On July 1, 2003, Karen Mercer filed an informal complaint alleging that she was induced by AT&T to switch long distance service providers because of rates quoted by an AT&T telemarketer. She stated that AT&T did not follow through on the offer. Board staff provided written notice to AT&T. On July 17 AT&T filed a response stating that due to misinformation provided by a representative, a full credit was issued for the July bill and switching fees, and the August bill would be adjusted upon receipt of the bill copy. On July 22 AT&T filed the third-party verification recording. The July 24 proposed resolution concluded that AT&T misled Mercer to switch to AT&T by quoting incorrect rates and directed AT&T to provide a full credit. On August 7 Consumer Advocate filed a petition for a formal proceeding to issue civil penalty. The docket was pending.

**FCU-03-47 Office of Consumer Advocate vs. Sprint Communications**

On July 21, 2003, Jim Danks filed a complaint for an unauthorized change in his long distance service by Sprint Communications. On August 19 Board

staff's proposed resolution stated no slamming had occurred, because Mr. Danks daughter, Elizabeth Danks, had provided authorization. On September 2 Consumer Advocate filed a petition for a proceeding to consider civil penalty. The docket was pending.

**FCU-03-48 Office of Consumer Advocate v. Legacy Long Distance International, Inc.**

On August 1, 2003, Fred Wegner of Des Moines filed an informal complaint alleging that his long distance telephone service had been switched to MCI WorldCom (MCI) and Global Crossing Telecommunications, Inc. (Global) without his authorization. Board staff provided MCI and Global written notice of the informal complaint. Global responded that Legacy is a switchless reseller of Global's long distance and would be the company responsible for the change. MCI stated that Wegner's long distance toll service had been inadvertently switched to MCI and credited the switching fee. On August 21 Board staff forwarded Wegner's complaint to Legacy, which failed to respond within the ten-day time limit. Board staff found Legacy in default for not responding to the complaint. On October 6 Consumer Advocate filed a petition for a proceeding to impose civil penalty for slamming. The docket was pending.

**FCU-03-49 Office of Consumer Advocate vs. Acceris Communications Partners, a/k/a WorldXChange Corporation**

On August 20, 2003, Renee Pecenka of Gilbertville filed a complaint for unauthorized charges on her local phone bill from WorldXChange. On September 25 Board staff issued a proposed resolution stating that no cramming had taken place. On October 7 Consumer Advocate filed a petition for a proceeding to impose civil penalty. On November 13 Consumer

Advocate and WorldXChange filed a settlement agreement and joint motion for approval of the settlement agreement. On November 21 the Board issued an order approving the settlement agreement and assessing civil penalties totaling \$500.

**FCU-03-50 Office of Consumer Advocate v. Sprint Communications, L.P.**

On August 4, 2003, Shinalli Evans of Des Moines filed an informal complaint alleging that his long distance telephone service had been switched to Sprint without his authorization. Board staff provided Sprint written notice of the informal complaint. Sprint responded to the complaint stating that on January 31 Vincent Shirao, Evans' nephew, executed a Letter of Agency for residential long distance in a Sprint PCS store. Board staff found Sprint did not have proper authorization to change Evans' long distance telephone provider. Sprint was directed to credit all charges on the account. On October 9 Consumer Advocate filed a petition for a proceeding to impose civil penalty for slamming. The docket was pending.

**FCU-03-51 LTDS Corporation v. Qwest Corporation**

On December 1, 2003, LTDS filed a motion for a protective order regarding a data request made by Qwest Corporation on November 21, which asked for seven quarterly reports filed with the Board in Docket No. TCU-01-13. On December 15 Qwest filed a response. On December 16 the Board granted the motion for protective order, but required LTDS to provide the quarterly reports to Qwest's lawyers, who must hold the information confidential and not share it with other Qwest personnel.

**FCU-03-52 (TF-03-476) Qwest Corporation v. Iowa Telecom Communications, Inc.**

On October 17, 2003, ITC requested approval of revisions to its intrastate access service rates and sought an effective date of November 16 for the revised tariff. On November 6 Qwest filed an objection and requested the Board suspend and docket the proposed tariff revision and determine the reasonableness of the proposed intrastate access rate increase. On November 14 the Board issued an order docketing the complaint, ordering ITC to file a written response and deeming the rates effective on November 16, subject to change at the conclusion of the docket. On December 15 the Board issued an order assigning the docket to its Administrative Law Judge. The docket was pending.

**FCU-03-53 Office of Consumer Advocate vs. Legacy Long Distance International, Inc.**

On September 16, 2003, Barbara Ridenour filed a complaint for an unauthorized change in her long distance service by Global Crossing Telecommunications, Inc. On September 29 Global Crossing responded to Board staff, stating that Legacy initiated the change to her long-distance service. Legacy was a switchless reseller of Global's long-distance services. Board staff forwarded the complaint to Legacy. On November 11 Board staff issued a proposed resolution by default because Legacy failed to respond to the complaint. On November 20 Consumer Advocate filed a petition for a proceeding to consider civil penalty. The docket was pending.

**FCU-03-54 Office of Consumer Advocate vs. Twin City Capital d/b/a Small Business America**

On October 20, 2003, Darlene Dunbar of Des Moines filed a complaint against Small

Business America for an unauthorized change in her long distance phone service. On November 21 Board staff issued a proposed resolution, stating she had not been slammed, but had been given misinformation about the service by the marketing representative. On December 4 Consumer Advocate filed a petition for a proceeding to consider civil penalty. The docket was pending.

**FCU-03-55 Plagge Farms, Inc.**

In July 2003 Curtis Plagge of Plagge Farms, a farming operation near Latimer, sent letters to each member of the Iowa Utilities Board regarding a segment of a 69 kilovolt transmission line belonging to MidAmerican Energy Company. Plagge stated the MidAmerican line had twice fallen on to a Franklin Rural Electric Cooperative distribution line that is built under it and this caused power surges and damaged some of Plagge Farms' electrical equipment. Plagge Farms sought relief in small claims court, but the court denied relief. Plagge Farms indicated it was aware the Board could not award damages, but asked whether something could be done to prevent such events in the future. The Board opened an informal complaint file, requested additional information from MidAmerican, and had its Safety and Engineering Section inspect the line and review MidAmerican's records. The inspection and review showed that while several insulators on the line had been replaced, one damaged insulator needed attention. In its informal resolution, Board staff determined that the number of insulator failures on this 3.25-mile line segment seemed excessive. Board staff proposed, and MidAmerican agreed, to inspect the line quarterly to see if there was an insulator failure problem. Board staff also suggested Plagge Farms and its neighbors explore the possibility with Franklin of relocating or burying its distribution line or installing

surge protectors at entrances to properties served by the line. On December 10 Plagge Farms filed a letter requesting formal complaint proceedings. The docket was pending.

**FCU-03-56 Office of Consumer Advocate vs. eChurch Network**

On October 21, 2003, Shimkat Motors filed a cramming complaint against eChurch Network for unauthorized Internet charges being billed to its local telephone bill. On December 5 Board staff issued a proposed resolution stating no cramming had occurred because authorization had been given. On December 18 Consumer Advocate filed a petition for proceeding to consider civil penalty. The docket was pending.

**FCU-03-57 Office of Consumer Advocate v. I4Mation, Inc.**

On November 17, 2003, McGuire Construction, Inc. filed an informal cramming complaint against I4Mation. Board staff provided written notice to I4Mation, which did not file a response. The December 12 proposed resolution directed I4Mation to fully credit all charges and to close the account. On December 22 Consumer Advocate filed a petition for a formal proceeding to issue civil penalty. The docket was pending.

**FCU-03-58 Office of Consumer Advocate v. I4Mation, Inc.**

On November 19, 2003, Rite-Way Auto Body filed an informal cramming complaint against I4Mation. Board staff provided written notice to I4Mation, which did not file a response. The December 12 proposed resolution directed I4Mation to fully credit all charges and to close the account. On December 22 Consumer Advocate filed a petition for a formal proceeding to consider civil penalty. The docket was pending.

**FCU-03-59 Office of Consumer Advocate v. Mercury Internet and Wireless Service**

On November 21, 2003, Clarice Paiotto, on behalf of All American Turf Beauty, Inc., filed an informal complaint against Mercury for assessing charges to its local telephone bill without authorization. Board staff provided Mercury with written notice of the informal complaint. Mercury failed to respond to the complaint within the ten-day time period. Therefore, staff found the company in violation of the rules. On December 22 Consumer Advocate filed a petition to consider civil penalty. The docket was pending.

**FCU-03-60 Office of Consumer Advocate v. Atlas Communications**

On November 3, 2003, Shari Green filed a complaint for unauthorized charges on her local phone bill by Atlas Communications. On December 9 Board staff issued a proposed resolution stating no cramming had occurred. On December 23 Consumer Advocate filed a petition for a proceeding to consider civil penalty. The docket was pending.

**FCU-03-61 Office of Consumer Advocate v. Atlas Communications, Ltd.**

On November 24, 2003, Sara Bradfield filed an informal cramming complaint against Atlas. Board staff provided written notice to Atlas, which in its December 8 response indicated the account was opened by completion of a form on the Internet, provided the information obtained, and issued a full credit. The December 11 proposed resolution found that Atlas did not provide acceptable proof of authorization and suggested the credit offered by Atlas was a fair resolution. On December 2 Consumer Advocate filed a petition for a proceeding to issue civil penalty. The docket was pending.

**FCU-03-62 Office of Consumer Advocate v. Twin City Capital, d/b/a Small Business America**

On October 6, 2003, Jaspering Electric, Inc. filed an informal slamming complaint against Small Business America. Board staff provided written notice of the informal complaint to Small Business America. On November 7 Small Business America filed a response that Natalie Myers of Jaspering Electric agreed to the switch and that the third-party verification recording authenticated the sale. Small Business America issued a full credit. On December 17 the proposed resolution found that Small Business America provided acceptable proof of authorization to switch the long distance provider and that the credit represented a fair resolution to the situation. On December 30 Consumer Advocate filed a petition for a proceeding to consider a civil penalty and to determine that a slamming violation occurred due to Myers' allegation of misrepresentation by the telemarketer. The docket was pending.

**FCU-03-63 Office of Consumer Advocate v. Twin City Capital, d/b/a Small Business America**

On October 28, 2003, Rueter's Red Power filed a slamming complaint against Small Business America. Board staff provided written notice to Small Business America of the informal complaint. On November 14, Small Business America filed a response stating that Jan Winker of Rueter's Red Power agreed to switch to Small Business America and that the third-party verification recording authenticated the sale. Small Business America issued a full credit. The December 18 proposed resolution found that Small Business America provided acceptable proof of authorization and that the credit represented a fair resolution. On December 3, Consumer Advocate filed a petition for a proceeding to consider a civil

penalty and determine that a slamming violation occurred due to Winker's allegation of misrepresentation by the telemarketer. The docket was pending.

**FCU-03-64 Office of Consumer Advocate v. Protel Advantage, Inc., d/b/a Long Distance Savings**

On December 2, 2003, Jamie Meyer of River Valley Construction filed an informal slamming complaint against Long Distance Savings. Board staff provided written notice of the informal complaint to Long Distance Savings. On December 17 Long Distance Savings filed a response stating that Meyer agreed to switch to Long Distance Savings

and that the third-party verification recording authenticated the sale. Long Distance Savings issued a full credit. The December 22 proposed resolution determined that Long Distance Savings provided acceptable proof of authorization to switch River Valley Construction's long distance provider and that the credit represented a fair resolution to the situation. On December 31 Consumer Advocate filed a petition for a proceeding to consider a civil penalty and to determine that a slamming violation occurred due to Meyer's allegation of misrepresentation by the telemarketer. 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-01-2 Entergy Power Generation Corporation, Hawkeye Generating, L.L.C.**

On December 27, 2001, Hawkeye filed a generation certificate application pursuant to Iowa Code chapter 476A to build and operate a 615 MW combined-cycle natural gas fired, combustion turbine facility in Adair County near Orient. On June 17, 2002, the Board approved the application with conditions. In the order, the Board stated that a certificate would be issued to Hawkeye when it had given notice to the Board that all of the listed conditions had been met. On February 13, 2003, Hawkeye filed a request to cancel its approved application. On February 17 the Board issued an order canceling Hawkeye's approved application for certificate.

### **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 pursuant to Iowa Code chapter 476A for a generating facility certificate to construct and operate a 750 MW coal-fired electric generator called Council Bluffs Energy Center Unit 4 in Council Bluffs. On November 15 Consumer Advocate filed a statement in lieu of testimony, which stated that it did not object to the issuance of the certificate if certain conditions relating to transmission interconnections and service were included in the Board order. No other interventions were filed in this docket. On November 26 MidAmerican filed a motion to cancel the

hearing scheduled for January 28, 2003. In its motion MidAmerican agreed to abide by Consumer Advocate's conditions. No one filed an objection to MidAmerican's motion and the Board issued an order on December 19, canceling the hearing and setting a briefing schedule. On January 6, 2003, MidAmerican filed its initial brief. In its brief, MidAmerican stated that the Consumer Advocate, the other party in this proceeding, was not filing any brief. On January 23 the Board issued its final decision and order approving the application subject to final pre-construction permits being issued and subject to the conditions proposed by the Consumer Advocate. A certificate was to be issued once Board received notice that final pre-construction permits were issued.

### **GCU-02-2 Interstate Power and Light Company**

On June 10, 2002, Interstate filed an application for a generation certificate pursuant to Iowa Code chapter 476A to build and operate a combined cycle, natural gas fueled combustion turbine generating facility with a nameplate capacity of 632.4 megawatts. The facility was to be called the Power Iowa Energy Center (PIEC) and would be located in Cerro Gordo County near Mason City. On July 12 the Board docketed the application and granted waivers to allow for an expedited procedural schedule. The order also required Interstate to file the results of its generator interconnection and load flow studies. None of the four intervening parties filed

testimony. On September 13 the Board issued an order granting the certificate subject to final pre-construction permits being issued and a Midwest Independent System Operator (MISO) interconnection transmission study being filed. On January 2, 2003, the Board issued the certificate of public convenience, use and necessity to Interstate for the PIEC. The certificate is perpetual except that it must be surrendered in the event Interstate does not construct the

facility and withdraws its application. The certificate is conditioned upon Interstate receiving all appropriate transmission interconnection, transmission service, and other transmission related authorizations currently and prospectively required prior to operating the facility, and performing any transmission upgrades required by MISO.

## **Investigations**

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

### **INU-00-6 Investigation into the Gas Procurement and Allocation Practices and Procedures of Regulated Public Utilities**

On March 23, 2001, the Board commenced an investigation requiring certain information from rate-regulated natural gas utilities. The docket was opened in response to an application filed on December 28, 2000, by the Office of Consumer Advocate, which asked the Board to commence an investigation into the regulated and non-regulated marketing activities of UtiliCorp United Inc. and its operating division, Peoples Natural Gas Company, n/k/a Aquila. On August 29, 2003, Aquila and Consumer Advocate filed a joint motion and settlement agreement. The settlement indicated that Aquila incorrectly allocated certain costs and agreed to refund \$294,109 to Iowa regulated customers as a one-time bill credit based upon each customer's 2002 sales volumes. On November 6 the Board approved the settlement agreement and closed the docket.

### **INU-00-5 IES Utilities Inc. and Interstate Power Company, n/k/a Interstate Power and Light 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, Iowa's investor-owned electric utilities 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. On June 30, 2003, the Board closed the docket since Interstate Power and Light Company and MidAmerican had filed their resource plans and generation certificates were issued to MidAmerican to build in Pleasant Hill and Council Bluffs and to Interstate to build in Cerro Gordo County. The Board also noted the adoption of reliability rules that improved Board oversight over electric delivery system reliability.

### **INU-03-1 Implementation of the Federal Communications Commission's Triennial Review Order Adopting New Rules for Network Unbundling Obligations**

On February 20, 2003, the Federal Communications Commission (FCC) adopted rules concerning incumbent local exchange carriers' (ILECs) obligations to make elements of their networks available on an unbundled basis. In its announced decision, the FCC made a presumptive finding that local circuit switching would no longer be required to be made available as an unbundled network element (UNE) by ILECs to competitive local exchange carriers (CLECs) that provide service to business customers with high-capacity loops. The FCC described this as the "enterprise market" and found that

competition in these enterprise markets would not be impaired if the local switching UNE were unavailable. The FCC indicated that individual state utility commissions would have 90 days from the effective date of the forthcoming Triennial Review Order to rebut the presumption of "no impairment" in their state. On June 9 the Board opened the docket and requested comments in advance of the FCC's written decision. On August 21 the FCC order was released and published in the Federal Register on September 2 to be effective on October 3. On September 26 the Board issued an order regarding the nine-month proceeding, establishing an October 20 deadline for ILECs serving the state to provide notice of intent to file a petition rebutting the national presumption. On October 31 Qwest, AT&T Communications of the Midwest, and WorldCom filed a joint petition proposing that the Board participate in a multi-state forum process to address FCC requirements regarding multiple physical cutovers of the local exchange carrier from ILEC to CLEC, known as batch hot cut process, in the 14-state region served by Qwest. On November 7 the Board approved the joint motion to participate in this multi-state batch hot cut forum. On December 29 the Board closed the 90-day proceeding portion of the docket intended to make a determination regarding the FCC presumption that no impairment exists in enterprise switching. No CLEC requested that the Board make a determination. OpenCom filed a petition to rebut the FCC's national presumption regarding line sharing as set forth in its Triennial Review Order, but the Board determined the petition was beyond the scope of this proceeding and denied it. The docket was pending.

### **INU-03-2 Investigation into Natural Gas Utility Methods of Service Disconnection after Termination of Service**

On March 31, 2003, the Board ordered the rate-regulated natural gas utilities to respond to certain questions concerning whether the utility allows gas service to remain turned on at a premise where there is no customer responsible for payment. The order was to determine if this practice posed safety or service issues that should be addressed. On August 1 the Board closed the investigation, directing natural gas utilities to file proposed tariffs that include provisions informing customers of the procedures followed when the utility allowed gas service to remain turned on at a premise where there is no customer responsible for payment and a description of any back billing procedures for gas consumption during that period. The proposed tariffs were to be filed within 60 days. On September 26 Interstate Power and Light Company filed for an extension until October 14 to file its proposed tariffs, which the Board granted on October 1. All proposed tariffs were filed with the Board.

### **INU-03-4 (WRU-03-61) Qwest Corporation**

On July 2, 2003, Qwest filed a petition asking the Board to determine what retail services and facilities offered by Qwest in 37 exchanges had become subject to effective competition such that they should be deregulated pursuant to Board authority. On September 28 the Board issued an order docketing the petition and initiating a formal notice and comment proceeding. On December 18 Qwest filed a motion for withdrawal of its petition for deregulation. Qwest asserted that additional competitive threats emerged in all of its Iowa exchanges since filing the original deregulation petition. Qwest also stated its intent to seek legislative action for deregulation. The docket was pending.

## 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-01-6	Qwest/FiberCom LC	01/09/03	02/19/03
NIA-03-1	Qwest/IAMO Wireless	01/09/03	02/19/03
NIA-03-2	Qwest/VP Telecom	01/09/03	02/19/03
NIA-02-5	Qwest/ICG Telecom Group	01/17/03	02/27/03
NIA-01-23	Qwest/Preferred Carrier Services	01/21/03	03/03/03
NIA-01-41	Qwest/ChoiceTel	01/21/03	03/03/03
NIA-03-3	Qwest/Page Data	01/28/03	03/10/03
NIA-03-4	Qwest/Iloka, Inc. dba Microtech-Tel	01/28/03	03/10/03
NIA-03-5	Verizon Wireless/PrairieWave Telecomm.	01/29/03	03/11/03
NIA-03-6	Qwest/Page Data	01/30/03	01/30/03
NIA-03-7	Qwest/ Wavesent LLC	01/30/03	03/12/03
NIA-97-19	Qwest/ALLTEL Comm of the Midwest-8th	02/03/03	03/16/03
NIA-03-8	Qwest/Houlton Enterprises dba Guaranteed PhoneServ	02/03/03	03/16/03
NIA-99-25	Qwest/New Edge Networks	02/13/03	03/26/03
NIA-03-9	Qwest/Wavesent	02/20/03	04/02/03
NIA-99-1	Qwest/Topp Comm.	02/25/03	04/07/03
NIA-99-5	Qwest/DIECA Comm. Db a Covad Comm. Co.	02/25/03	04/07/03
NIA-03-10	Qwest/Cat Comm. International	03/06/03	04/16/03
NIA-99-35	Qwest/MCImetro Access Trans. Services	03/12/03	04/22/03
NIA-03-11	Qwest/Mahaska Comm. Group	03/12/03	04/22/03
NIA-02-28	Qwest/AscendTel LLC	03/17/03	04/27/03
NIA-99-35	Qwest/MCImetro Access Trans. Services-11th amendment	04/01/03	05/12/03
NIA-03-12	Qwest/Clemons Comm.	04/04/03	04/04/03
NIA-03-13	Frontier/Western Wireless	04/15/03	05/26/03
NIA-99-5	Qwest/DIECA Comm. Db a Covad Comm. Co.	04/23/03	06/03/03
NIA-03-14	Qwest/Houlton Enterprises dba Guaranteed PhoneServ	04/25/03	04/25/03
NIA-00-60	Qwest/NexGen Integrated Comm.-1st amendment	04/25/03	06/05/03
NIA-00-60	Qwest/NexGen Integrated Comm.-2nd amendment	04/25/03	06/05/03
NIA-97-22	Qwest/McLeodUSA Telecomm. Services-20th amendment	04/25/03	06/05/03
NIA-03-14	Qwest/Houlton Enterprises dba G. PhoneServ-1st amendment	04/28/03	06/08/03
NIA-03-15	Qwest/Lightyear Comm.	05/06/03	05/06/03
NIA-98-14	Iowa Telecom/Corn Belt Comm.- 1st amendment	05/07/03	06/17/03
NIA-03-16	Frontier/Midwest Wireless Iowa	05/08/03	06/18/03
NIA-99-22	Qwest/Cox IA Telecom-1st amendment	05/12/03	06/22/03
NIA-01-37	Qwest/Sprint Comm.-4th amendment	05/12/03	06/22/03
NIA-01-6 (ARB-00-2)	Qwest/FiberComm-2nd amendment	05/12/03	06/22/03
NIA-03-17	IA Telecom/AT&T-1st amendment	05/21/03	07/01/03
NIA-01-37	Qwest/Sprint Comm.-5th amendment	05/28/03	07/08/03
NIA-01-29	Ia Telecom/The Comm. Agency-1st amendment	06/06/03	07/17/03

NIA-97-22	Qwest/McLeodUSA Telecomm. Services-21st amendment	06/13/03	07/24/03
NIA-03-18	Qwest/Alilli Investments dba Platinum Comm.	06/13/03	07/24/03
NIA-03-19	Western Wireless/PrairieWave Telecomm.	06/18/03	07/29/03
NIA-02-21	Qwest/Algona Mun. Util.-1st amendment	06/17/03	07/28/03
NIA-03-3	Qwest/Page Data	06/25/03	08/05/03
NIA-02-27	Qwest/PrairieWave Telecomm.-1st amendment	07/16/03	08/26/03
NIA-03-7	Qwest/WaveSent LLC	07/16/03	08/26/03
NIA-03-20	Qwest/Goldfield Access Network	07/17/03	08/27/03
NIA-03-21	Qwest/Aliant Midwest, Inc.	07/17/03	08/27/03
NIA-97-6	Qwest/CommNet Cellular	07/17/03	08/27/03
NIA-99-15	QwestLTDS Corp.	07/30/03	09/09/03
NIA-00-11, NIA-98-21, & NIA-98-37	QwestEssential.com, Knight Comm., NET-tel Corp.	07/30/03	09/09/03
NIA-99-5	Qwest/DIECA Comm. Db a Covad Comm. Co.	07/30/03	09/09/03
NIA-01-23	Qwest/Preferred Carrier Services	07/30/03	09/09/03
NIA-99-35	Qwest/MCI metro Access Trans. Serv.	08/05/03	09/15/03
NIA-03-23	Qwest/Cedar Valley Telecomm.	08/19/03	09/29/03
NIA-03-24	Qwest/AltiComm, Inc.	08/20/03	09/30/03
NIA-01-25	Qwest/OpenCom, Inc.-4th amendment	08/20/03	09/30/03
NIA-03-23	Qwest/Cedar Valley Telecomm.	09/02/03	10/13/03
NIA-03-25	Qwest/ LSSi	09/03/03	10/14/03
NIA-03-26	Iowa Telecom/Cat Comm. International	09/19/03	10/30/03
NIA-03-12	Qwest/Clemons Comm.- 1st amendment	09/24/03	11/04/03
NIA-03-27	Qwest/American Telco of Iowa	09/24/03	11/04/03
NIA-99-15	Qwest/LTDS Corp.-6th amendment	09/24/03	11/04/03
NIA-03-28	Qwest/LH Telecom, Inc.	09/25/03	11/05/03
NIA-01-38	Qwest/Iowa Telecom Comm.- 1st amendment	09/25/03	11/05/03
NIA-01-37	Qwest/Sprint Comm. Co.- 6th amendment	09/25/03	11/05/03
NIA-00-60 (NIA-00-18)	Qwest/NEXGen Integrated Comm. fka New Path Holdings- Amendment 3	09/25/03	11/05/03
NIA-02-27	Qwest/PrairieWave Telecomm.-2nd amendment	09/26/03	11/06/03
NIA-03-29	Frontier/Cat Comm. International	10/06/03	11/16/03
NIA-03-30	Iowa Telecom/IA RSA No. 1, etc.	10/13/03	11/23/03
NIA-03-31	Qwest/FiberComm	10/16/03	11/26/03
NIA-03-32	Qwest/Innovative Comm.	10/16/03	11/26/03
NIA-03-33	Qwest/Louisa Comm.	10/17/03	11/27/03
NIA-03-26	Iowa Telecom/Cat Comm. International-1st amendment	11/12/03	12/23/03
NIA-02-26	Qwest/Comm South Companies-1st amendment	12/11/03	Pending
NIA-00-32	Qwest/Arch Wireless Oper. Co. fka Mobile Comm. Corp. of America	12/11/03	Pending
NIA-99-5	Qwest/DIECA Comm. Db a Covad Comm. Co.	12/16/03	Pending
NIA-03-34	Qwest/Granite Telecomm.	12/16/03	Pending
NIA-03-35	Iowa Telecom/OmniTel Comm.	12/18/03	12/18/03
NIA-03-26	Iowa Telecom/Cat Comm. International-2nd amendment	12/19/03	Pending
NIA-03-36	CenturyTel/Verizon Wireless	12/22/03	Pending
NIA-03-37	Qwest/IDT Communications	12/23/03	Pending
NIA-03-38	Qwest/Sprint Comm.	12/30/03	Pending
NIA-03-39	Iowa Telecom/Huxley Comm. Coop.	12/31/03	12/31/03

## **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-98-3 Small Volume Gas Transportation**

Natural gas transportation service became available in Iowa in approximately 1986 when the Board adopted natural gas transportation rules. Although no customer class was excluded from transportation service, a market for small volume transportation customers did not develop. Beginning in 1996, Board staff reviewed each natural gas utility's tariffs to identify impediments precluding small volume customers from transporting their own natural gas. On October 23, 1997, the Board adopted new natural gas transportation rules in Docket No. RMU-96-12. The rules were intended to encourage small volume customer natural gas transportation service. On December 28, 1998, the Board opened an inquiry into small volume gas transportation. On March 3, 2000, the Board terminated the small volume gas dockets and dismissed all plans filed by the rate-regulated gas utility companies, because they did not provide a satisfactory means to open the market to small volume gas end users. On August 8, 2000, the Board ordered natural gas utilities to file draft tariffs addressing barriers to implementation of small volume gas transportation. On July 18, 2003, the Board rejected all draft tariffs and closed the inquiry. The Board noted that there was no major public effort to

promote implementation of the small volume transportation program. However, the Board found that several amendments to the rules should be considered. The Board proposed an amendment requiring certified natural gas providers serving small volume customers to provide monthly reports on rates charged to each customer class. The Board also ordered all natural gas utilities serving Iowa to comply with a rule requiring individual utilities to file tariffs establishing the replacement cost of natural gas in the event of a supply failure. On November 17 the Board approved the compliance tariffs of each rate-regulated gas utility.

### **NOI-02-1 Possible Expansion of Equipment Distribution Program**

This docket 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 program, 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 request of the Board. Written comments from thirty-eight 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 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 on January 15, 2003.

#### **NOI-03-1 Review of Purchased Gas Adjustment Rules**

On July 18, 2003, the Board issued an order opening an inquiry to review its purchased gas adjustment (PGA) rules. On September 25 the Board issued an order scheduling a December 10 workshop to allow for further discussion of the issues for all parties and other interested persons. The workshop was rescheduled to January 7, 2004. The inquiry was pending.

#### **NOI-03-2 Review of Current Ratemaking Procedures**

On July 14, 2003, the Board issued an order initiating an inquiry to comply with Legislative requirements of Senate File 458 directing the Board to initiate and coordinate a review of current ratemaking procedures to determine whether different procedures would be cost-effective and would result in rates that more accurately reflect a utility's cost of providing service to its customers in Iowa. The Board was to file a report with the General Assembly on or before January 5, 2004. On September 2 the Board issued

an order establishing the ratemaking procedures to be considered in this inquiry. The Board was to present a report to the General Assembly in January 2004.

#### **NOI-03-3 Review of Level Payment Plan Rules**

On July 25, 2003, the Board issued an order opening an inquiry to review its level payment plan rules for gas and electric service. The Board indicated that there had been significant differences in the application of these rules by utilities and that some of those interpretations resulted in monthly payments that were subject to dramatic swings. Additionally, the Board allowed Atmos Energy Corporation to use a rolling-12-month calculation to establish a monthly payment. The order directed rate-regulated utilities to provide a sample of level payment accounts, including consumption and billing history, for a 24-month period. The inquiry was pending.

#### **NOI-03-4 Review of Emissions Plan and Budget Requirement**

On August 14, 2003, the Board issued an order initiating an inquiry to review the emissions plan and budget requirement. That requirement directs the Board to report to the General Assembly on the appropriateness and desirability of requiring municipal utilities and rural electric cooperatives to file emissions plans and budgets similar to those required for rate-regulated utilities. The inquiry was initiated to seek public input on this issue and on whether the Board should recommend other statutory changes to the section. After considering written and oral public comments, the Board on December 1 approved a report submitted to the General Assembly and closed the docket. The report recommended that the General Assembly not amend the current requirement, finding that it would not be appropriate or desirable

to require municipal utilities and rural electric cooperatives to file emissions plans and budgets for their coal-fired generation plants.

**NOI-03-5 Review of Bill Risk Management for Natural Gas Customers**

On July 18, 2003, the Board issued an order closing Docket No. NOI-98-3 pertaining to small volume gas transportation. The Board indicated at that time that significant changes had occurred in the natural gas industry that made it appear implementation of a small volume gas transportation plan would no longer be in the public interest. After closing Docket No. NOI-98-3, the

Board was contacted by a municipality and a competitive natural gas provider seeking to have the inquiry reopened. Upon further investigation the Board learned both requests sought to limit the price risk for small volume customers. On October 9 the Board issued an order initiating a new inquiry to review bill risk management for natural gas customers. The Board said that reopening the original small volume gas inquiry would be too broad. The more directed inquiry would focus on the problem of managing the risk of fluctuating natural gas bills. The inquiry was pending.

## **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.*

### **2003 Natural Gas Pipeline Dockets**

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<b>Docket</b>	<b>Company</b>	<b>Filed</b>	<b>Granted</b>
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P-851	Atmos	01/10/03	05/05/03
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Permit to construct a natural gas pipeline in Lee County.  
(Roquette)

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P-848	Interstate	12/13/02	06/12/03
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Permit to construct a natural gas pipeline in Cerro Gordo and Hancock Counties.  
(Power Iowa Energy Center)

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P-850	Interstate	10/08/02	11/17/03
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Permit for existing natural gas pipeline in Muscatine County.  
(Muscatine)

## **Refunds**

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

### **RFU-03-1 (RPU-02-5) Aquila, Inc., d/b/a Aquila Networks**

On February 18, 2003, the Board approved a settlement for permanent natural gas rates for Aquila in Docket No. RPU-02-5. The settlement resulted in a reduction in rates and the Board directed Aquila to file a refund plan. On April 18 the Board approved Aquila's refund plan and directed Aquila to file a report upon completion of the refund. On July 17 Aquila filed the refund report. Aquila reported refunding \$824,512 to general service customers, \$220,798 to small volume transportation customers, and \$22,154 to large volume transportation customers. Interruptible customers did not receive a refund since they were not billed temporary rates. The average residential customer refund was approximately \$5.89. On August 18 the Board accepted the refund report.

### **RFU-03-2 (RPU-02-7) Interstate Power and Light Company**

On June 16, 2003, Interstate filed a refund plan for insurance recoveries associated with former manufactured gas plant sites in the former service area of Interstate Power Company. The refund plan was filed to comply with the Final Decision and Order issued on May 15, 2003, in Docket No. RPU-02-7. Interstate proposed that it be allowed to retain the insurance recoveries as reimbursement for former manufactured gas plant remediation costs it had incurred. On July 23 the Board issued an order docketing the refund plan, establishing a procedural schedule, and setting a hearing date. The hearing was held on October 29. The primary issue was whether Interstate should be required to refund any of the insurance

recoveries to ratepayers. Other issues raised by parties were dependent on that determination. The docket was pending.

### **RFU-03-3 MidAmerican Energy Company**

On July 7, 2003, MidAmerican filed a proposed refund plan. The plan resulted from a June 4, 2003, refund of Kansas ad valorem taxes from Northern Natural Gas Company. The refund related to distributions from 1984 through 1986 and represented MidAmerican's allocated share. The total refund amount for MidAmerican's Iowa customers was approximately \$81,932 plus \$275 interest. MidAmerican proposed to refund to residential and interruptible customers through the September Purchased Gas Adjustment (PGA) clause. The average residential refund was estimated at eight cents. Transportation customers (other than I-Jump) would receive their refund through a September bill credit. MidAmerican would use the refund to reduce the administrative costs of the I-Jump program since I-Jump customers are not eligible for refunds. Board staff notified MidAmerican by letter that the refund was approved subject to complaint or investigation.

### **RFU-03-4 Interstate Power and Light Company**

On July 8, 2003, Interstate filed a proposed refund plan. The plan resulted from a June 4, 2003, refund of Kansas ad valorem taxes from Northern Natural Gas Company. The refund related to distributions from 1984 through 1989 and represented Interstate's allocated share. The total refund amount for Interstate's Iowa customers was approximately \$35,159. The refund

consisted of approximately \$28,756 plus \$267 interest for former IES Utilities, Inc. customers and \$6,402 plus \$59 interest for former Interstate Power Company customers. The refund to firm customers would be approximately \$29,025 and the refund to interruptible customers would be approximately \$6,460. Interstate proposed to include the refunds in the annual reconciliation since the average residential refund was estimated at only 23 cents. Board staff notified Interstate by letter that the refund was approved subject to complaint or investigation.

**RFU-03-5 Aquila, Inc. d/b/a Aquila Networks**

On July 16, 2003, Aquila filed a proposed refund plan for the annual reconciliation from a Northern Natural Gas Company Kansas ad valorem tax refund. Aquila stated that Iowa's portion of the refund was \$17,444 received on June 5. The average refund would be approximately nine cents per residential customer. On August 7 Board staff notified Aquila by letter that the refund was approved subject to complaint or investigation.

**RFU-03-6, PGA-03-54 (RPU-02-7) Interstate Power and Light Company**

On May 15, 2003, the Board issued a final decision in Docket No. RPU-02-7, a gas rate case involving Interstate Power and Light Company. Since final rates approved by the Board produced less revenue than the temporary rates, Interstate was directed to file a refund plan. On October 9 the Board approved an estimated \$4.33 million refund report for the temporary period beginning on October 17, 2002, and ending on August 22, 2003. Residential customers were to receive about \$3.67 million or \$19.25 per customer as a result of the refund with general service customers getting back about \$661,000 or \$26 per customer. On December 1 Interstate

filed a pleading indicating that \$50,295 relating to local option sales and school taxes had been excluded from the refund plan approved on October 9. The docket was pending.

**RFU-03-7 (RPU-02-3, RPU-02-8, ARU-02-1) Interstate Power and Light Company**

On April 15, 2003, the Board issued its final decision and order in Docket Nos. RPU-02-3, RPU-02-8, and ARU-02-1. On June 6 the Board issued an order on rehearing resulting in a smaller revenue requirement than was originally established. On July 18 Interstate filed a refund plan. On July 30 Interstate filed a revised refund plan of approximately \$42,900. Since the amount was very small and would result in refunds of approximately 20 cents per residential customer, Interstate proposed that the Board allow the refund to flow through the September 2003 Energy Adjustment Clause (EAC) by granting a waiver of EAC rules. On August 19 the Board approved the refund plan, granted the waiver request, and required a refund report to be filed within 60 days of completing the refund. On September 8 Interstate filed its refund report. On October 29 the Board approved the refund report.

**RFU-03-8 (INU-00-6, PGA-03-44) Aquila, Inc. d/b/a Aquila Networks**

On November 6, 2003, the Board issued an order approving a settlement in Docket No. INU-00-6. As part of that settlement, Aquila was required to refund \$294,109. On November 18 Aquila filed the refund plan. However, on November 26 Aquila filed a refund plan that combined the refunds from Docket No. INU-00-6 and PGA-03-44. On October 30, 2003, the Board had approved a purchased gas adjustment filing of Aquila in Docket No. PGA-03-44 and had required Aquila file a refund plan. The refund

amount of the PGA reconciliation was approximately \$5,904,747. Aquila's proposed combined refund for the two dockets was approximately \$6,198,856. On December 29 the Board issued an order approving the proposed combined refund plan. The amount of the refund to a typical residential customer with annual usage of 936 ccfs would be approximately \$31. The refund was to be distributed as a bill credit in the February 2004 billing cycle and Aquila was required to file a refund report within 30 days of the completion of the refund.

**RFU-03-9 Atmos Energy Corporation**

On October 30, 2003, the Board issued an order approving an annual reconciliation filing in Docket No. PGA-03-43. Atmos' 2003 annual reconciliation produced an overcollection in excess of 3 percent of its purchased gas costs for the year and utilities are required to refund overcollections in excess of three percent. The Board order directed Atmos to file a refund plan

detailing its proposed plan for refunding the overcollections to customers. On November 20 Atmos filed its proposed refund plan. On December 15 Atmos filed a revision to its plan. With interest calculated through January 1, 2004, the total refund for residential customers was approximately \$276,609, resulting in an average residential refund of \$46.48. The refund would be distributed as a bill credit in the January 2004 billing cycle. Board staff notified Atmos by letter that the refund plan was approved subject to complaint or investigation. The docket was pending.

## **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-94-3 MidAmerican Energy Company**

On July 21, 1994, Midwest Gas filed to increase its rates. The filing included an Incentive Gas Supply Procurement Plan (IGSPP), which Midwest Gas proposed to implement for a three-year period beginning November 1, 1995. Midwest Gas was to receive a monetary reward or penalty depending on how its gas procurement costs compared with a benchmark. The benchmark costs were based on the cost of the gas, transportation of the gas, storage of the gas, and the cost to reserve capacity on the pipelines that deliver the gas. The benchmark was calculated using several natural gas indices and Federal Energy Regulatory Commission (FERC) approved rates.

On May 19 in Docket No. SPU-94-14 the Board approved the merger of Midwest Gas with Iowa-Illinois Gas & Electric Co. (Iowa-Illinois) to form MidAmerican Energy Company. The Board also approved MidAmerican's IGSPP for the three-year period beginning November 1, 1995. The

Board directed MidAmerican to file reports containing plan results on a semi-annual basis. On November 1, 1995, MidAmerican filed a letter requesting to include the former Iowa-Illinois' gas supply procurement costs in the IGSPP. On December 11 the Board issued an order granting MidAmerican's request. The Board allowed several extensions of the program since that time. However, with each extension parameters were changed to make it more and more difficult to keep costs under revised benchmark costs and to obtain a reward.

On July 17, 2002, MidAmerican filed a request to extend its IGSPP for two more years through October 2004. On October 28 the Board issued an order allowing MidAmerican to extend the IGSPP for one year through October 2003. On February 28, 2003, MidAmerican filed its six-month report of IGSPP results between May 2002 and October 2002. On March 26 Consumer Advocate filed a conditional objection to MidAmerican's IGSPP filing, which it withdrew on April 17. On April 29 the Board allowed the award, which was to be

collected through the PGA during May 2003 through October 2003.

**RPU-96-8 (TF-03-123) MidAmerican Energy Company**

On June 27, 1997, the Board approved a settlement agreement in Docket Nos. RPU-96-8 and APP-96-1, which included the Cooper Nuclear Station Capital Additions Tracker to allow MidAmerican to recover actual capital expenditures at Cooper Nuclear Station through a per kilowatt hour charge. On April 18, 2003, MidAmerican filed its sixth annual reconciliation of recoveries and expenses under the Cooper Tracker. The reconciliation included proposed revisions to the Cooper Tracker factors. No objections to the reconciliation were filed. On May 16 the Board approved the April 18 Cooper Tracker filing. The Cooper Tracker factors increased slightly for all customer classes for the upcoming year with residential customers projected to realize a monthly increase of approximately 19 cents per month.

**RPU-00-4 Frontier Communications of Iowa, Inc.**

The Board approved Frontier's price regulation plan in Docket No. RPU-00-4 on December 28, 2000. The plan explains how price increases and decreases for basic communications services are to be handled. On November 18, 2003, Frontier filed a proposed tariff incorporating price increases to its basic communications services. The proposed tariff reflected an across-the-board price increase of 1.5 percent to be implemented on December 31. It also included a proposal for deployment of advanced telecommunications services in the six of its 35 Iowa exchanges that still did not have Broadband availability. Frontier filed revisions to the proposed tariff on November 26 and December 19. On December 31 the Board approved the

proposed tariff and Broadband deployment plan. The Iowa Broadband Initiative approved in the 2003 session of the Iowa Legislature allows price-regulated local exchange carriers such as Frontier the option to use revenues from deferred price decreases to provide advanced telecommunications services in areas where they were not currently available. Frontier had opted to defer price decreases for 2002 of 1.5 percent or \$145,000 in annual revenue.

**RPU-02-3, RPU-02-8 (ARU-02-1) 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 million. The request sought a permanent increase that would be applicable to all customer classes in four different price zones, which reflected individual rate schedules of utilities merged or acquired by Interstate Power and Light Company (or its predecessors). The Northern zone included customers in communities formerly served by Iowa Electric Light and Power Company, the Southern zone included the former Iowa Southern Utilities service territory, the Southeastern zone included the former Union Electric service territory, and the IPC zone included the former Interstate Power Company service territory. Since 1994, all customers in the Southeastern zone, except general service (business) customers, had been merged into the Northern price zone. On April 26 the Board docketed the proceeding, identified as Docket No. RPU-02-3 and established a procedural schedule. The Board received comments from the general public 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. All comments received were added to the permanent file for the proceeding. Temporary rates were approved and went into effect on June 27. The Board approved an overall temporary revenue increase of about 1.8 percent or \$15.45 million annually. 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. Northern zone temporary residential rates remained unchanged from previous rates at about 10.17 cents per kilowatt hour, Southern zone residential rates increased 8 percent to about 6.66 cents per kilowatt hour, and IPC zone residential rates increased 2.67 percent to about 8.49 cents per kilowatt hour.

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 Interstate filed with the Board proposed electric tariffs, identified by the Board as Docket Nos. RPU-02-8 and TF-02-437, incorporating Interstate's application for approval of a class cost-of-service study, rate design, and

rate consolidation. Interstate's July 31 proposal was revenue neutral. However, it proposed rate changes for most customers in addition to any increase granted by the Board. On August 30 the Board docketed the class cost-of-service study, rate design, and rate consolidation application, identified as Docket No. RPU-02-8, and consolidated the docket with the pending revenue requirement filing, Docket No. RPU-02-3. The Board extended the statutory ten-month deadline for a decision in Docket No. RPU-02-3 and indicated its intent to issue a decision in the consolidated dockets on or before April 15, 2003. On August 14 Interstate filed a request for an accounting ruling regarding the tax impacts of a change in accounting method. Interstate filed corrections and amendments to the request on September 13. The filing was identified as Docket No. ARU-02-1 and was docketed. Consumer Advocate filed an amended petition for rate reduction on September 17, alleging that Interstate's electric rates were excessive in the amount of \$22,470,432. On October 4 the Board accepted Interstate's request for an accounting ruling and Consumer Advocate's amended petition for rate reduction for consideration in the consolidated rate dockets. On April 15, 2003, the Board issued its final decision and order authorizing an overall revenue increase of approximately \$26 million dollars, or 3 percent. The decision did not fully implement rate equalization, which was first initiated by order of a previous Iowa Utilities Board in 1995. Remaining rate disparities resulted from mergers and acquisitions of former utilities that had different rate structures. As of the April 15 decision, Interstate residential customers could expect the following overall rate and bill increases as estimated:

- About 10.17 cents to 10.44 cents per kilowatt hour (2.68 percent) in the Northern price zone (formerly Iowa

Electric Light and Power Company - Cedar Rapids, Marshalltown, Spirit Lake). That would be a monthly bill increase of about \$1.96 for an average customer. Residential rates in the Southeastern zone (formerly Union Electric - Keokuk, Fort Madison) and Northern zone had been merged since 1993. The last previous base rate increase for Northern zone residential electric customers occurred in July 1992.

- About 6.17 cents to 7.19 cents per kilowatt hour (16.64 percent) in the Southern zone (formerly Iowa Southern Utilities - Burlington, Ottumwa, Newton, Osceola). That represents about an \$8.89 monthly bill increase for the average residential customer. The last previous base rate increase for Southern zone residential electric customers occurred in March 1986.
- About 8.27 cents to 9 cents per kilowatt hour (9 percent) in the Interstate Power Company (IPC) zone (formerly IPC - Mason City, Dubuque, Clinton). That would be about a \$5.07 average monthly bill increase. The last previous base rate increase for residential electric customers in the IPC zone was in June 1995.

Other overall rate changes (decreases in parenthesis), by customer class, resulting from the permanent rate decision:

- Farm - Northern zone 0 percent, IPC zone 6.13 percent.
- General Service - Northern zone (5 percent), Southern zone 6.29 percent, Southeastern zone 0 percent (Southeastern and Northern zone General Service rates are not merged), IPC zone 7.05 percent, IPC (Other Public Authority) 8 percent.
- Large General Service - Northern zone (1.71 percent), Southern zone 9 percent, IPC zone 2.34 percent.
- Bulk Power - IPC zone 1.3 percent.

- Lighting - Northern zone 7.61 percent, Southern zone 15 percent, IPC zone 6.48 percent.

Evidence in this case indicated Interstate was fully integrated from past mergers and major cost items were no longer distinguishable by predecessor utilities or rate zones. The Board found it a difficult challenge to move toward rate parity while minimizing the impact of any increase on lower end rate customers; so, full rate equalization was not achieved. Interstate has to file rate tariffs and have them approved by the Board before final rates can be implemented. Proposed new electric power generating facility costs associated with Interstate's Power Iowa program were not included in this rate proceeding. The record indicated that Interstate already intended to file additional rate increase requests in the future. Cost of service equity could continue to be addressed in future rate cases. On April 29 Interstate filed proposed compliance rates, identified as TF-03-133 and TF-03-134, in response to the Board's April 15 Final Decision and Order in these dockets. However, several parties filed requests for rehearing of the Board's final decision and order and any reductions to rates made on rehearing would result in a small refund. Interstate was therefore required to file a corporate undertaking agreeing to refund with interest any amounts collected in excess of the amounts approved on rehearing. On May 28 the Board approved the compliance rates.

On June 4 the Board issued its order on rehearing. The Board denied rehearing on incentive compensation and made adjustments to FERC 182 account deferrals, significant load changes and loss of margins, and rate case expense. The Board stated that it believes that any changes to the energy adjustment clause should be done in a rule making proceeding. The Board also denied rehearing on double leverage, rate

equalization, and the transfer of interruptible cost recovery. The total change to the revenue requirement resulting from rehearing was a reduction of approximately \$335,000.

**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 telecommunications rates to pay for financing costs and to begin installing network improvements. The filing was made pursuant to 2002 legislation that permits rate increases under Iowa Telecom's price regulation plan. The Board was required to approve temporary rates and did so on June 21. The temporary rates represented 75 percent of the company's proposed first-year permanent rate increase request. On December 26, 2002, the Board rejected Iowa Telecom's proposed permanent rate increases stating that they were unreasonable and Iowa Telecom had not demonstrated the increased rates would result in tangible benefits to customers. Instead, the Board ordered Iowa Telecom to equalize its rates so that all residential customers pay the same rates for the same services and all business customers do the same. 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 determined the 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. On January 14, 2003, a group of municipal competitive local exchange carriers filed an application for rehearing and clarification of order. On January 15

Iowa Telecom filed an application for rehearing and stay. On January 24 the Board granted Iowa Telecom's request for a stay of certain ordering clauses of its final decision and order. On February 12 the Board granted both applications for rehearing for the sole purpose of further consideration. Temporary rates remained in effect during the rehearing process. On June 13, 2003, the Board issued an order accepting late-filed evidence and modifying the final decision and order. The order granted Iowa Telecom's application for rehearing with respect to rate consolidation and denied rehearing on all other issues that were raised in the application. The stay on certain ordering clauses in the final decision and order was lifted and the application for rehearing and clarification of order filed by the municipal CLEC group was denied. On July 11 Iowa Telecom filed a petition in Polk County District Court for judicial review of the Board's final decision and order on rehearing. Also on July 11 Iowa Telecom filed a motion for stay of certain ordering clauses pending appeal. On July 25 the Board granted the request for stay. The docket was pending.

**RPU-02-5 (TF-02-238, TF-02-239) Aquila, Inc., d/b/a Aquila Networks**

On June 3, 2002, Aquila filed an application for temporary and permanent natural gas service rate increases and proposed tariffs. Aquila proposed a temporary rate increase that would produce additional annual revenue of approximately \$8.1 million. Aquila proposed a permanent annual revenue increase of approximately \$9.3 million, or an overall annual revenue increase of 5.8 percent. An increase would affect natural gas delivery charges regulated by the IUB, but would not affect natural gas commodity prices, which were competitive. On July 2 Consumer Advocate filed an objection to the request for temporary rates.

On July 5 the Board issued an order requesting additional information from Aquila concerning the allocation of labor expense reductions due to recent employee layoffs. Aquila filed its reply to Consumer Advocate's objection and its response to the Board's request for additional information on July 15. On July 23 Aquila and Consumer Advocate filed a joint motion requesting the Board establish an annual revenue requirement for temporary rates without consideration of complete information regarding workforce reductions, then reduce that revenue requirement by \$211,959 to reflect savings and costs associated with Aquila's workforce reductions. Consumer comment hearings were held on August 12 in Dubuque, August 22 in Council Bluffs, and on August 27 in Des Moines. On August 28 the Board issued an order finding the joint motion filed on July 23 to be reasonable and granting a temporary rate increase of \$5,653,372 (3.42 percent). 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 \$4,250,000 (2.58 percent) and an annual revenue requirement (including rate case expense) of \$169,820,575. The proposed settlement did not include a specific return on equity, nor was it known whether the layoffs that occurred after the rate case was filed impacted the settlement. Under the settlement, most of the increase went to the General Service class, which accounted for 62 percent of Aquila's throughput volumes and over 99 percent of its customers. General Service rates would increase approximately 13.9 percent. Based on a residential-scale monthly usage of 100 therms, the General Service customer increase averaged \$2.58 per month. On February 18, 2003, the Board issued an order approving the settlement agreement

and ordering Aquila to file compliance tariffs. Final rates were lower than temporary rates, so the Board also required Aquila to file a refund plan. On March 7 Aquila filed compliance tariffs. On March 20 Aquila filed a refund plan. On March 31 the Board issued an order approving the tariffs. On April 18 the Board issued an order approving a refund plan. The average residential refund was approximately \$5.62.

#### **RPU-02-7 (TF-03-356) Interstate Power and Light Company**

On July 15, 2002, Interstate filed a proposal to increase its rates and charges for natural gas service. The Board held an evidentiary hearing on February 17-19, 2003. On May 15 the Board granted a permanent gas service rate increase of \$13,333,600. Interstate requested rehearing. On May 28 the Board granted a stay of certain ordering clauses of the May 15 order. On July 1 the Board issued an order denying rehearing. On July 16 Interstate filed revised tariff sheets to comply with the Board's final decision and order. On August 21 the Board approved the proposed tariffs.

#### **RPU-02-10 MidAmerican Energy Company**

On November 26, 2002, MidAmerican filed an application for ratemaking principles for the proposed Council Bluffs Energy Center Unit 4 (CBEC-4). It was proposed to be a 750-megawatt coal-fired electric generating facility. 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. On January 21, 2003, the Board docketed the case, established a procedural schedule, and required MidAmerican to file additional information. On January 30 MidAmerican filed a revised section to its original application. The revised section contained a total projected cost of \$1,265,032,000, of

which MidAmerican's share was \$759,019,00 for the construction of CBEC-4. On February 26 MidAmerican filed a motion to supplement direct testimony and amend its application because a recent execution of an engineering, procurement, and construction contract revealed that capital costs for the facility had increased by approximately \$37 million, but per unit costs had decreased because CBEC-4 was being planned as a 790 megawatt facility rather than a 750 megawatt facility. On March 14 the Board granted the motion to supplement testimony and amend the application. On March 25 MidAmerican and Consumer Advocate filed a joint motion for approval of a settlement agreement. On April 28 they filed a clarification and modification of the proposed settlement. On May 29 the Board approved the settlement. The settlement fixed the rate of return on common equity for the plant at 12.29 percent as long it continues to be a Board-regulated asset. It allowed for MidAmerican's plant costs up to a cap of \$675 million (60 percent share of \$1.125 billion) to be included in its regulated revenue requirements for Iowa customers and exempted CBEC-4 and its costs from calculations of excess capacity penalties. Finally, the settlement allowed MidAmerican to recover any prudently incurred costs over five years if it cancelled plant construction for good cause.

#### **RPU-03-1 MidAmerican Energy Company**

On May 27, 2003, MidAmerican Energy Company filed an application for determination of ratemaking principles for a proposed 310-megawatt wind-powered generating project. MidAmerican filed revision to the application on June 2. The company planned a project consisting of 173

to 207 wind turbine generators with a maximum nameplate generating capacity of 1.5 to 1.8 megawatts each. The wind generation would likely be installed at multiple locations. Advance ratemaking principles proceedings are conducted pursuant to legislation enacted during the 2001 Iowa Legislative Session. This was the fourth ratemaking principles proceeding to come before the Board, but the first involving a wind-powered facility. Also on May 27 MidAmerican filed a stipulation and agreement signed by MidAmerican, Deere & Company, the International Brotherhood of Electrical Workers State Conference, Consumer Advocate, and Local 109, International Brotherhood of Electrical Workers. In addition to approval of ratemaking principles for the wind project, the stipulation and agreement committed MidAmerican to not seeking a general increase in Iowa electric revenues prior to January 1, 2011, unless its return on equity falls below 10 percent. On October 17 the Board issued an order approving the stipulation and agreement and stating it had determined that a hearing was not necessary. The stipulation and agreement provided MidAmerican a return on equity of 12.2 percent on the portion of the wind project to be included in Iowa electric rate base. It also contained a \$323 million cost cap with an additional \$12 million in associated transmission costs. The depreciable life of the wind facilities was set at 20 years for ratemaking purposes.

## **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-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 § 476.27 (2001 Supp.), allows for crossing of railroad right-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. On May 2, 2003, the Board adopted the new rules. The adopted 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. The participants continued to attempt to reach agreement on some areas of dispute (particularly specification exhibits) and the Board continued to review certain aspects of the rules and comments in anticipation of a possible follow-up rule making to propose changes to the adopted rules. However, the Board adopted the new rules rather than re-notice the entire chapter, so both railroads and public utilities would have some guidance for immediate construction. The rules provided that the railroads should file specification exhibits for Board review and approval by August 1, 2003. On June 9, 2003, the Administrative Rules Review Committee imposed a 70-day delay of the

requirement that the utility must provide insurance for a crossing. The small utilities argued that both excess liability coverage and railroad protective liability insurance can be prohibitively expensive when purchased for each crossing. Railroad representatives maintained that the cost of an accident is unrelated to the size of the utility. Committee members felt that the utility and railroad stakeholders could best resolve this through negotiation. The committee stated it would continue to review this issue.

### **RMU-02-9 Efficient Use of Telephone Numbering Resources**

On October 21, 2002, the Board initiated a rule making, proposing to amend 199 IAC 22 to provide guidelines for communications service providers in Iowa who wish to apply for additional central office codes (telephone number 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. On May 9, 2003, the Board adopted the amendments to provide guidelines for communications service providers in Iowa who wish to apply for additional prefixes.

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

On September 14, 1999, Governor Tom 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 its 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 (IAEC), the Iowa Association of Municipal Utilities (IAMU), 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 for public utilities for maintenance of books and records, location and availability of records, filing of annual reports, filing of new affiliate contracts, reorganization, filing of cost allocations manuals, and marketing and promotion. On June 5, 2003, the Board adopted the amendments.

#### **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 Tom 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 were 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 Web site. Consumer Advocate, the Iowa Association of Municipal Utilities, the Iowa Association of Electric Cooperatives, MidAmerican Energy Company, and Interstate Power and Light Company filed written comments or statements. An oral comment hearing was held on February 14, 2003. All parties that made written filings participated. On April 24 the Board adopted the new rules.

**RMU-03-1 Executive Orders 8 and 9 Required Revisions to Chapters 19, 20, 21, 35, and 36**

On February 5, 2003, the Board proposed amendments in response to Executive Orders 8 and 9 issued by Governor Tom Vilsack in September 1999 to update, clarify, and revise agency rules based upon certain criteria. The rulemaking reviewed rules for gas, electric, and water utilities in providing service to customers and investigated moving some provisions relating to energy efficiency to different chapters. The Board made some revisions to its proposed amendments based upon written and oral comments received. On October 23 the Board adopted the revised amendments.

**RMU-03-2 Customer Rights and Remedies to Avoid Disconnection**

On February 5, 2003, the Board initiated a rule making, proposing amendments to 199 IAC 19.4(15)"h"(3) and 20.4(15)"h"(3) relating to gas and electric customer rights and remedies to avoid disconnection. It proposed modifications to the requirements for standard notice sent to customers subject to disconnection for nonpayment of electric or gas bills. The proposed amendments were designed to make the notice more understandable to each customer and to ensure the notice is consistent with Board rules. The Iowa Association of Electric Cooperatives, Aquila, Consumer Advocate, MidAmerican Energy Company, the Iowa Association of Municipal Utilities, Iowa Legal Aid, Iowa Community Action Association, and Interstate Power and Light Company filed written comments. An oral comment hearing was held on April 8. On July 18 the Board adopted the amendments.

**RMU-03-3 Customer Service Rules Revisions; Executive Orders 8 and 9**

On March 13, 2003, the Board commenced a rule making proposing to amend customer service rules as part of the rules review process directed by Gov. Tom Vilsack in Executive Orders 8 and 9 in September 1999. On November 18, 2003, the Board issued an order adopting amendments to the natural gas and electric rules. The changes shortened sentences for ease of reading and understanding and numbered subparagraphs for ease of reference. The changes created consistent use of terms and removed certain references. Language was added to clarify that faxed and e-mailed complaints comply with the requirement for a complaint to be written. Language was also added that customers will have 20 days to file requested additional information or the complaint will be dismissed, but this will not prevent the customer from filing in the future a complaint that includes the requested information. A revision allowed flexibility to utilities to best address customer requests to view tariffs. A six-month payment agreement requirement was added for customers who have been disconnected for more than 120 days and are not in default of a payment agreement. Language was added to clarify that while disputing a bill, the customer must pay the undisputed amount for the utility to withhold disconnection while resolving the disputed amount. It was clarified when disconnection may take place after the utility has withheld disconnection due to the temperature forecast. Language was added to the electric rules for consistency with natural gas rules regarding customer requests for a changeable bill due date and for level payment plans. The proposal to allow electronic billing was beyond the scope of this rule making and the Board will continue to allow electric billing on a volunteer waiver basis.

#### **RMU-03-4 Alternate Energy Production**

On February 12, 2003, the Board initiated a rule making proposing to amend 199 IAC 15 and 20 in response to Executive Orders 8 and 9. On September 14, 1999, Governor Tom Vilsack issued Executive Orders 8 and 9 requiring a comprehensive review of all agency rules. The proposed amendments would simplify and clarify the rules relating to alternate energy production. Chapter 15 was originally adopted in 1981 to implement a section of the Public Utility Regulatory Policies Act of 1978 (PURPA), which requires electric utilities to interconnect and purchase electricity from non-utility cogenerators and small power producers at rates based on utility avoided costs. The purpose of these Board rules has been to implement federal and state law governing purchase and sale transactions between electric utilities and independent power producers that qualify as cogeneration, small power production, and alternate energy production as well as fulfill the utilities' 105-megawatt alternate energy production obligation under Iowa Code §§ 476.43 and 476.44. Additions were made to the rules in 1984 to implement Iowa Code §§ 476.41 to 476.45, encouraging the development of alternate energy production through incentive purchase rates. The alternate energy production rules were amended in 1991 and 1993 to implement changes in Iowa Code §§ 476.41 to 476.45 and again in 1994 to reflect changes in engineering standards. In 1997 the Federal Energy Regulatory Commission (FERC) ruled that the alternate energy production incentive purchase rates were preempted by federal law to the extent the incentive rates exceeded utility avoided costs, but the FERC also ruled the Board could require utilities to purchase alternate energy production under the state statute. The amendments would eliminate rules that focus on setting incentive rates and replace

them with rules that focus on compliance with the statutory purchase requirements. The changes proposed would make Board rules consistent with current policy and practice. Consumer Advocate, Interstate Power and Light Company, MidAmerican Energy Company, and the Iowa Association of Electric Cooperatives filed written comments. An oral comment hearing was held on May 16. On June 27 the Board adopted the amendments.

#### **RMU-03-5 Gas Pipeline and Storage Rules Revisions; Executive Orders 8 and 9, Revisions to Chapters 10, 12 and 13**

On March 13, 2003, the Board initiated a rule making proposing to amend 199 IAC 10, 12, and 13 pertaining to permit proceedings for gas and hazardous liquid pipelines and gas storage in response to Executive Orders 8 and 9. On September 14, 1999, Governor Tom Vilsack issued Executive Orders 8 and 9 requiring a comprehensive review of all agency rules. A staff team issued a report. On May 29 the Board adopted the new rules. The amendments included no substantive changes, but rather updated and clarified the rules.

#### **RMU-03-6 Revisions to Small Volume Gas Transportation Service Rules**

On September 26, 2003, the Board initiated a rule making proposing amendments to small volume gas transportation rules in 199 IAC 19.13(4)"e," 19.13(4)"f," 19.13(6), and 19.14(5)"d." In closing Docket No. NOI-98-3 regarding revisions to small volume gas transportation service rules, the Board directed that paragraphs 19.13(4)"e," "f," and 19.14(5)"d" be rescinded and subrule 19.13(6) be amended. This rule making was initiated to accomplish that directive. The purpose of the proposed amendments was to remove the provisions of the Board's rules that were only applicable if a comprehensive

plan for small volume transportation was developed. The docket was pending.

### **RMU-03-7 Defining the Term "All Eligible Customers"**

On June 6, 2003, the Board commenced a rule making proposing to amend rules to define the term "All Eligible Customers" in Iowa Code § 476.29(5), which requires each local exchange utility to serve all eligible customers unless explicitly excepted by the Board. An oral hearing was held on August 12. The docket was pending.

### **RMU-03-8 Alternate Energy Purchase Programs**

House File 577 was adopted in a 2001 special session of the Iowa Legislature. A new statute pertaining to that legislation became effective on July 1, 2001, requiring all electric utilities to offer alternate energy purchase programs that allow customers to contribute voluntarily to the development of alternate energy in Iowa by January 1, 2004. The statute requires rate-regulated utilities to file program tariffs in compliance with Board rules, but requires non-rate-regulated utilities to file tariffs for informational purposes only. On April 21, 2003, the Board commenced a rule making proceeding on proposed amendments intended to implement the statutory requirements. On August 29 the Board adopted the rule making.

### **RMU-03-9 Iowa Broadband Initiative**

On July 3, 2003, the Board commenced a rule making relating to the availability of advanced telecommunications services throughout Iowa. Rules were needed to implement a new statute, 2003 Iowa Acts, Senate File 368, which became effective on July 1. Entitled the "Iowa Broadband Initiative," the statute allows rate-regulated local exchange carriers to implement an increase in monthly rates for residential or

business lines in order to provide advanced telecommunications services in areas where they are not currently available at affordable rates. The increase in per line rates cannot exceed two dollars per month. An evidentiary hearing was held on October 22. The docket was pending.

### **RMU-03-10 Temperature Trigger For Cold Weather Protections**

On July 8, 2003, the Iowa Community Action Association (ICAA) filed a petition requesting the Board amend language in its rules that establishes the temperature below which a utility cannot disconnect a customer. ICAA proposed to replace the 20 degrees Fahrenheit temperature trigger for disconnection with a 32 degrees Fahrenheit temperature. ICAA also proposed to amend language so that disconnection cannot take place until the forecast includes a temperature of at least 32 degrees lasting for at least 24 hours. On August 6 the Board commenced a rule making. An oral hearing was held on October 28. On October 31 the Board issued an order allowing additional comments to be filed in the case. Specifically, the Board requested that the parties address whether they would support narrowing the proposed 32-degree provision to apply only to customers with broken payment agreements, as had been the case with the 20-degree rule prior to the adoption of its current form, which applies to all customers. The docket was pending.

### **RMU-03-11 Interstate Access Service Charges**

On July 18, 2003, the Board commenced a rule making proposing to amend rules to reflect its current practices with respect to rate-regulated incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs) that compete with ILECs that have lower intrastate access

charges. An oral hearing was held on September 23. The docket was pending.

#### **RMU-03-12 Second Payment Agreements**

On July 29, 2003, Consumer Advocate filed a petition requesting that the Board amend its rules to require a utility to offer a customer a second payment agreement in certain circumstances. On August 15 the Board commenced a rule making. An oral hearing was held on November 6. The docket was pending.

#### **RMU-03-13 Eligible Telecommunications Carrier Designation For Wireless Carriers**

On August 25, 2003, the Board commenced a rule making to provide a definition of the appropriate service territory for wireless carriers with respect to designation as an eligible telecommunications carrier (ETC) and to provide additional filing and compliance requirements for those wireless carriers that have received an ETC designation. On December 10 a public hearing was held to receive comments on the proposed amendments to existing rules. On December 22 the Board requested all interested parties to submit additional comments regarding application of the rules to wireless carriers. The docket was pending.

#### **RMU-03-14 Capital Infrastructure Investments and Cost of Capital Changes**

On September 26, 2003, the Board commenced a rule making pertaining to capital investments and cost of capital changes. Senate File 458 added a subsection to Iowa Code requiring the Board to adopt rules to consider both capital investments and cost of capital changes in a utility rate regulatory proceeding. The Board proposed including the new requirements through amendments to existing rules relating to the

presentation of evidence in a general rate proceeding. The docket was pending.

#### **RMU-03-15 Crossing of Railroad Rights-of-Way**

On May 2, 2003, the Board adopted rules regarding crossing of railroad rights-of-way in Docket No. RMU-02-7. Those rules resulted from an extensive, multi-year collaboration between the railroads and utilities. On November 13 the Small Utility Group and the Iowa Railroads filed a joint petition for rule making proposing amendments to add a definition of small utility and adopt insurance requirements for small utilities in connection with crossing of railroad rights-of-way. Because of the lengthy negotiations that took place regarding these rules, the Small Utility Group and the Iowa Railroads requested expedited adoption of the rules. On December 16 the Board adopted and filed the emergency rules.

#### **RMU-03-16 Notice of Generation Siting Waiver Requests**

On November 24, 2003, the Board issued an order commencing a rule making proposing an amendment requiring that notice be given to adjoining landowners of record of waiver requests involving the electric generation siting statutes of Iowa Code chapter 476A. The proposed amendment was in response to a recent waiver proceeding before the Board. The applicant requested a waiver of the siting statutes with respect to a 90 MW peaking facility in Audubon County. Two families that owned land adjoining the proposed facility contested the waiver request. However, the families were not served by the applicant with notice of the waiver request, but became aware of it through their own investigation. It highlighted the need to provide adjoining landowners with notice of such waiver requests. The docket was pending.

**RMU-03-17 Electric Energy Adjustment Clause**

On November 20, 2003, Consumer Advocate filed a petition for rule making proposing changes to the electric energy adjustment clause (EAC). Only identified energy costs could be recovered through the EAC and Consumer Advocate proposed the rules be revised to require that all demand charges explicitly identified in purchase power contracts, less the demand charges included in base rates, be recovered through the EAC. Any demand charges would then be removed from base rates in an electric utility's next rate case proceeding. Consumer

Advocate stated this approach would allow a utility with an EAC the opportunity to fully recover all of its reasonably incurred purchased power costs and prevent over recovery of such costs. The docket 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-00-21 MidAmerican Energy Company and Corning Municipal Utilities**

On November 9, 2000, MidAmerican and Corning filed a joint petition for modification of electric service area boundaries. On September 15, 2003, MidAmerican and Corning filed an amended petition asking that the service area maps be modified to reflect the sale of a portion of MidAmerican's service territory in Adams County to Corning. Six customers would be transferred. On October 6 the Board granted the petition for modification of electric service area boundaries.

### **SPU-01-15 IES Utilities Inc. n/k/a Interstate Power and Light Company and Access Energy**

On September 28, 2001, Interstate and Access filed a joint petition for modification of electric service area boundaries in Lee County. On November 7, 2003, additional information was filed. On December 5 the Board granted the petition for modification of service area boundaries.

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

On June 10, 2002, Linn County and Interstate filed a joint petition for assignment of a customer. The petition said the agreement would not modify the exclusive electric service territories, but would allow Linn County to serve one customer in Interstate's territory because Interstate would have to extend primary facilities to serve the load. On January 15,

2003, the Board granted the assignment of the customer to Linn County, subject to complaint or investigation.

### **SPU-02-11, SPU-02-13 (DRU-03-5) Level 3 Communications, LLC, Sprint Communications Company L.P., and KMC Telecom V, Inc.**

On July 8, 2002, Sprint filed a challenge to the North American Numbering Plan Administrator (NANPA) denial of its request for numbering resources in Iowa. On July 17, Level 3 filed a similar challenge. In each case, NANPA denied the request for numbering resources because the carrier did not provide documentation establishing the carrier's authority to provide telecommunications service in the geographic area for which the numbers were requested. The Board held an evidentiary hearing on February 4-6, 2003. In its June 6 final decision and order the Board denied the two challenges to the actions of NANPA. Both carriers had proposed to use the requested numbers to provide virtual NXX services, which the Board determined is not authorized local service and would be inconsistent with applicable industry standards and guidelines. The Board also found that virtual NXX or similar services may be appropriate and useful if offered by alternative means and directed the parties to commence negotiations to discuss possible alternatives and resolve outstanding intercarrier compensation issues. On September 16 Level 3, Sprint, and KMC filed a request for an expedited declaratory ruling from the Board. The petitioners sought a ruling to the effect that in its final

decision and order the Board contemplated that the parties to negotiations would consider alternatives other than retail services already available. On October 6, 2003, the Board denied the request for declaratory ruling, stating that it could not appropriately dictate the negotiating positions of the parties and that it had directed the parties to commence negotiations and nothing more.

**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 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 (ALJ). On April 15, 2003, the ALJ issued a proposed decision, ordering Iowa Telecom to provide interim number portability (INP) to Coon Rapids and the Community Action Agency at no charge until it provides local number portability (LNP). Iowa Telecom was also ordered to share access fees with Coon Rapids and the Community Action Agency and to provide LNP to the Coon Rapids exchange as soon as possible, but no later than four months from April 15, 2003. Iowa Telecom was ordered to provide LNP within 18 months in the Hartley, Primghar, and Paullina exchanges. On April 30 Iowa Telecom appealed the proposed decision, seeking Board clarification on certain ordering clauses and the effective date of the proposed decision. On May 19 the Board issued a final order clarifying that Iowa

Telecom must provide LNP to the Coon Rapids exchange as soon as possible and no later than four months from May 19, 2003. It also clarified that Iowa Telecom must provide INP immediately and LNP within 18 months of May 19, 2003, in the Hartley, Primghar, and Paullina exchanges.

**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 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. On June 13, 2003, the Board disapproved the applications of Interstate and MidAmerican to transfer control of their electric transmission assets to TRANSLink. The Board stated that it was facing a statutory deadline and more time was needed to study concepts presented in the case. Questions regarding regulatory jurisdiction persisted and the position of the Federal Energy Regulatory Commission (FERC) on the formation of Regional Transmission Organizations (RTOs) remained unsettled. The Board said evidence in the case did not

adequately demonstrate optimal cost-effective RTO participation, although it did acknowledge the proposals could possibly provide customer benefits like lower wholesale electricity costs. The Board determined that the proposed TRANSLink model might also limit its authority to review the transmission costs of Interstate and MidAmerican, which could adversely affect customer rates. The Board stated concerns about Interstate's proposal to contribute its transmission assets and the risk this might impose on Iowa customers. On July 3 the Resale Power Group of Iowa filed an application for rehearing of the Board's decision, seeking clarification on the delineation of transmission and local distribution facilities. In its decision the Board approved Interstate's proposal to delineate all of its 69 kV transmission facilities as transmission. As Interstate was in the process of systematically converting 34.5 kV facilities to 69 kV capability, the Board on August 1 clarified that 34.5 kV facilities will be reclassified as transmission on an individual basis after they are converted to 69kV or above operating capability.

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

On December 10, 2002, Farmers and Winterset filed a joint petition for modification of electric service area boundaries. The petition asked that service area maps be modified to reflect the actual territories being served by the two utilities. Service area maps showed three discrepancies between service territories on maps and areas actually served. On January 15, 2003, the Board granted the modification of service area boundaries, which corrected ambiguity in the maps and errors in prior legal descriptions while allowing affected

parcels to continue being served by the same utility.

**SPU-03-1 Interstate Power and Light Company and Maquoketa Valley Rural Electric Cooperative**

On January 22, 2003, Interstate and Maquoketa Valley filed a joint petition for modification of electric service area boundaries. A service area agreement was attached to the petition. Both parties stated that it was recently discovered that Interstate was serving an area within Maquoketa Valley's service territory. It was in the best interests of both utilities for Interstate to continue serving those customers. In exchange, Interstate agreed to transfer other territory to Maquoketa Valley. On April 16 the Board approved the modification of service area boundaries.

**SPU-03-2 Eastern Iowa Light and Power Cooperative and Wilton Municipal Light and Power**

On January 27, 2003, Eastern Iowa and Wilton filed a joint petition for modification of electric service area boundaries. They requested the Board modify the service territory boundary between the two utilities in Muscatine County to reduce the necessity of duplication of facilities. On April 16 the Board granted the modification of service area boundaries.

**SPU-03-3 (TCU-01-2) Mapleton Communications Utility and Mapleton Communications Management Agency**

On December 4, 2002, the Board issued a certificate to provide local telecommunications service to Mapleton. On February 6 Mapleton and MCMA filed a request to transfer the certificate to MCMA, a joint agency created by Mapleton and Long Lines Ltd. On March 7 the Board approved the certificate transfer.

**SPU-03-4 Iowa Network Services, Inc.**

On March 28, 2003, INS filed a request to disconnect S&S Communications from access service after April 14 for billings delinquent in excess of 265 days. On May 23 the Board denied the request to disconnect because S&S had become current on its debts to INS. However, the Board ordered that the docket be held open for six months. On June 6 INS filed an appeal of the May 23 order along with a request for immediate disconnection of S&S, stating S&S was again past due in excess of \$2,000. INS stated it had been unsuccessful in its attempts to contact S&S and believed the company was no longer providing service. On June 12 the Board denied the request for appeal, but required S&S to respond to the allegations raised by INS. S&S did not respond and Board staff was informed that the company was no longer providing service to Iowa customers. On July 17 the Board approved the disconnection request.

**SPU-03-5 (CGP-01-2) Nicor Energy, L.L.C.**

On July 5, 2001, the Board approved the certificate application of Nicor to operate as a competitive natural gas provider in Iowa. On April 7, 2003, Nicor filed a request to surrender its certificate. On April 16 the Board approved the certificate cancellation.

**SPU-03-6 (TF-03-132) Killduff Telephone Company and Searsboro Telephone Company, Inc.**

On April 29, 2003 Killduff and Searsboro filed a joint application to transfer the portion of Searsboro's certificate to serve the Killduff exchange to Killduff. On September 12 the Board approved the joint application for partial transfer of Searsboro's certificate and approved Killduff's tariff. The Board also approved a waiver of the verification requirement for change of service and issued certificates to Searsboro

and Killduff to reflect the change in service provider.

**SPU-03-7 Aquila, Inc., d/b/a Aquila Networks**

On April 30, 2003, Aquila filed a request for expedited waiver of reorganization requirements to proceed with a pledge of Iowa utility assets in order to secure a revised credit agreement. Aquila requested, in the alternative, that the Board approve a proposal for reorganization and grant Aquila the authority to extend the pledge beyond the three-year term of the revised credit agreement. On May 21 the Board denied the request for expedited waiver and established a procedural schedule for consideration of the reorganization proposal. The hearing was held on August 26. On October 27 the Board did not disapprove the proposal for reorganization for the current loan agreement. Aquila was not granted authority to extend, amend, or renew the three-year loan agreement without additional review in a future reorganization proceeding. The Board also required Aquila to file reports concerning its progress in implementing its debt and restructuring plan, including the reporting of capital investments made by Aquila in Iowa and all leak call response times of more than 60 minutes. The Board ordered Aquila to continue using surveys regarding its service quality and customer satisfaction and file results as well as any decisions concerning the pledging of utility assets in other states with the Board.

**SPU-03-8 Iowa Lakes Electric Cooperative and Interstate Power and Light Company**

On May 19, 2003, Iowa Lakes and Interstate filed a joint petition for modification of electric service area boundaries. A service area agreement between Iowa Lakes and Interstate was attached to the petition. The

exchange of territory would allow each utility to serve the portion of a new housing development that was closest to their existing service area. On July 18 the Board granted the modification of service area boundaries.

**SPU-03-9 (WRU-03-24-495) Titonka Telephone Company and The Burt Telephone Company**

On May 23, 2003, Titonka and Burt filed a joint application to merge their certificates. The two companies have been jointly operated since 1984. Titonka's Board of Directors determined it would be in the best interest of both companies to dissolve the wholly owned Burt subsidiary and operate as one entity called Titonka-Burt Communications. Because of the name-change, the joint applicants requested a waiver of the Board's slamming rules. On June 20, 2003, the Board approved the application.

**SPU-03-10 Alliance Energy Services Partnership, n/k/a Alliance Energy Services, LLC**

On November 30, 2001, the Board approved the application of Alliance Energy Services Partnership to become a competitive natural gas provider in Iowa. The Board issued a certificate to Alliance to provide limited service to large volume customers. On June 10, 2003, Alliance filed a letter with the Board stating that it had changed its corporate name to Alliance Energy Services, LLC, effective December 27, 2002. It requested that the Board recognize the change in its corporate name and issue an amended certificate. On June 13 the Board issued an amended certificate.

**SPU-03-11 Iowa Network Services, Inc.**

On July 7, 2003, INS filed a request for immediate disconnection of OneStar Long Distance for nonpayment. On July 30 a

telephone conference call involving all parties to the case was held. OneStar and INS stated they had reached a settlement agreement. On August 5 INS filed a negotiated payment/settlement agreement that had been reached with OneStar, a notice that it would fax its participating telephone companies should a disconnection take place, and a message for OneStar customers making a call in the case of disconnection. On August 8 OneStar filed a list of its Iowa customers. In their respective filings, INS and OneStar stated that OneStar had paid all past due invoices. On August 21 the Board approved the payment/settlement agreement, but did not approve the proposed customer notification because it was deemed inadequate. The Board also directed that the docket would be held open for six months to permit INS to seek an expedited hearing if the payment arrangement was broken.

**SPU-03-12 (TF-03-413) Qwest Corporation**

On August 29, 2003, Qwest filed a notice of its intention to discontinue wide area calling service in all of its Iowa exchanges effective November 27, 2003. The filing included a tariff revision to reflect elimination of the service. On September 25 the Board approved the application for discontinuance of service and approved the amended tariff.

**SPU-03-13 MidAmerican Energy Company and Nishnabotna Valley Rural Electric Cooperative**

On September 9, 2003, MidAmerican and Nishnabotna filed a joint petition for modification of electric service area boundaries in Shelby County. On November 17 the Board granted the petition for modification of the service area boundaries.

**SPU-03-14 Rideta Electric Cooperative, Inc., and Southwest Iowa Service Cooperative (SWISCO)**

On October 17, 2003, Rideta and SWISCO filed a joint application for discontinuance of electric service and transfer of electric service to Southwest Iowa Rural Electric Cooperative, which would be the successor to Rideta and SWISCO effective January 1, 2004. On November 14, 2003, the Board approved the application to discontinue and transfer service for the purpose of the consolidation. The Board also approved consolidated service area boundaries.

**SPU-03-15 MidAmerican Energy Company and Midland Power Cooperative**

On October 27, 2003, MidAmerican and Midland filed a joint petition for modification of electric service area boundaries in Polk County. On December 15 the Board granted the joint petition.

**SPU-03-16 (WRU-03-71-263) Iowa Telecom and Heart of Iowa Communications Cooperative**

On November 19, 2003, Iowa Telecom and Heart of Iowa filed a joint application for discontinuance of service and transfer of certificate. The joint application was filed because Iowa Telecom sold Heart of Iowa the assets necessary to provide local service in the Conrad, Eldora, and Steamboat Rock exchanges. On December 19 the Board issued an order approving the transfer. The Board also granted a waiver of its customer notification rules.

**SPU-03-17 Interstate Power and Light Company and Maquoketa Valley REC**

On November 24, 2003, Interstate and Maquoketa Valley filed a joint petition for modification of electric service area boundaries in Dubuque and Jones counties. On December 26 the Board granted the petition to modify the electric service territories.

**SPU-03-18 Wisconsin Power and Light Company**

On December 19, 2003, Wisconsin Power and Light Company (WPL) filed an application for issuance of determinations under section 32 (c) of the Public Utility Holding Company Act of 1935, as amended. WPL requested that the Board determine that allowing the Kewaunee Nuclear Power Plant to be an “eligible facility” would benefit consumers, be in the public interest, and not violate Iowa law. WPL and the other plant owner, Wisconsin Public Service Corporation, had entered into an agreement for the sale of plant assets to Dominion Energy Kewaunee, Inc. No objections to the application were filed. As a subsidiary of Alliant Energy, WPL was affiliated with Interstate Power and Light Company, a provider of retail electric and gas service in three states including Iowa. 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**

#### **Total Communication Services, Inc.**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to Total Communication Services, Inc. The approved certificate application was cancelled within 30 days without further Board action.

### **TCU-96-4 et al., Local Exchange Carriers**

On January 9, 2003, the Board mailed annual report forms to each of the local exchange carriers possessing or approved for a certificate to provide telecommunications service in Iowa. Five carriers failed to return the forms and eight other carriers returned forms showing they had no regulated revenues in Iowa in 2002. In addition, 37 other CLECs were approved for certificates, but never filed the required tariffs or maps to actually obtain a certificate. On August 7 the Board issued an order canceling the certificates or certificate approvals of each of those carriers and rejecting any associated tariffs.

### **TCU-96-11 (TF-03-3) Sprint Communications Company, L.P.**

On February 20, 1997, the Board issued an order approving the application of Sprint to provide local exchange service in the Iowa exchanges served by Qwest Corporation,

f/k/a U S West Communications, Inc. That order stated Sprint must file proposed tariffs before a certificate would be granted. On January 3, 2003, Sprint filed a tariff providing the proposed terms, conditions, and rates for its local exchange service. On January 16 updated financial, technical, and managerial information for the original TCU filing was filed. Issues were raised as to whether Sprint's proposed tariff promotes the public convenience and necessity, as required in Iowa Code § 476.29. In addition, Sprint's tariff may not comply with the requirement of Iowa Code § 476.29(5) that a local exchange carrier provide service to "all eligible customers." On April 16 the Board issued an order rejecting Sprint's tariff and denying a certificate without prejudice. On June 9 Sprint filed a second tariff, which adequately addressed the concerns raised by the Board in its prior order. While the proposed tariff did not include an offering of business services, Sprint filed a statement indicating that it planned to offer a business product following tariff approval. On August 6 the Board approved the proposed tariff, ordered Sprint to file an amendment to the tariff reflecting the addition of business services within 30 days, and issued a certificate.

**TCU-97-9 (TF-97-243) Convergent Communications Services, Inc.**

On April 2, 1997, Integrated Communication Networks, Inc. filed an application for a certificate to provide local exchange telecommunications service in Iowa. On May 1, 1997, Integrated filed to inform the Board it would likely change its name to Convergent. On June 3, 1997, the Board issued an order conditionally granting the application. On September 17, 1997, Convergent filed a tariff and an exchange map for the Des Moines exchange. On October 17, 1997, the Board issued a certificate to Convergent. As of July 7, 2003, Convergent had not file an annual report for 2002 and the Board on July 10 issued an order requiring Convergent to update its status by August 9. Convergent did not reply and pursuant to the Board order, its certificate was deemed cancelled and its tariff was deemed withdrawn.

**TCU-97-23 (TF-03-21, WRU-03-4-3098) BTC, Inc. d/b/a Western Iowa Networks**

On July 17, 1997, BTC filed an application for a certificate. On August 26 the Board issued an order approving the application. On January 23, 2003, BTC filed an amendment to its application for a certificate of public convenience and necessity, identified as TCU-97-23. BTC requested to amend its certificate to reflect the fact it would be doing business as Western Iowa Networks. The filing also indicated that BTC would provide 2-PIC dialing parity. BTC requested waivers of the requirements to use a prescribed system of accounts and independently publish a directory. On March 7 the Board approved the amendment to the application, granted the waiver requests, approved the tariff, and issued a certificate to Western Iowa Networks. On November 21 the Board provided notice of cancellation of certificate approval to BTC. The approved certificate application was

cancelled within 30 days without further Board action.

**TCU-97-24 Geneseo Communications Services, Inc.**

On September 10, 1997, the Board approved Geneseo's application to provide local telecommunications service in the Davenport, Bettendorf, and Le Clair exchanges as described in the local exchange maps of Qwest Corporation and Iowa Telecom. On November 19, 2003, Geneseo filed a proposed local exchange tariff providing the terms, conditions, and rates for local services in those exchanges. The issuance of a certificate was pending.

**TCU-97-30 (TF-01-165) Group Long Distance, Inc.**

On October 13, 1997, the Board approved the application of Group Long Distance (GLD) for a certificate to provide local exchange telecommunications service. On June 6, 2001, GLD filed a proposed tariff for providing service. On July 5, 2001, the Board approved the tariff and issued a certificate. On July 21, 2003, the Board issued an order requiring GLD to provide updated corporate information. The Board cancelled GLD's certificate and tariff after the company did not respond.

**TCU-97-43 Teligent, Inc.**

On December 22, 1997, Teligent filed an application for issuance of a certificate to provide local exchange telecommunications service in Iowa. On March 12, 1998, the Board issued an order approving the application. On August 7, 2003, the Board issued a notice of cancellation of certificates and rejection of tariffs. This order required Teligent to contact the Board with updated corporate information. On August 22 Teligent contacted the Board and effectively surrendered its certificate application. On September 2 the Board issued an order

approving the withdrawal of Teligent's certificate application.

**TCU-98-2 Western Iowa Power Cooperative**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to Western Iowa Power Cooperative. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-98-3 North West Rural Electric Cooperative**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to North West Rural Electric Cooperative. On December 9 North West Rural Electric Cooperative filed a request to maintain its certificate approval, which the Board approved.

**TCU-98-18 (TF-03-494) Preferred Carrier Services, Inc.**

On September 29, 1998, the Board issued an order granting an application for a certificate of public convenience and necessity to PCS. On November 3, 2003, PCS filed a proposed local exchange tariff containing the terms, conditions and rates for its local exchange services. On November 25 the Board approved the proposed tariff and issued a certificate.

**TCU-98-19 ICG Telecom Group, Inc.**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to ICG Telecom Group, Inc. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-98-21 Digital Teleport, Inc.**

On October 1, 1998, the Board approved Digital's application to provide local exchange telecommunications service in Iowa. The Board never issued a certificate

to Digital and Digital had no Iowa customers. On April 24, 2003, Digital Teleport requested withdrawal of its application to provide local exchange telecommunications service. On May 12 the Board granted withdrawal of Digital's application for certificate.

**TCU-99-10 Houlton Enterprises, d/b/a E Z Phone Connections Service**

On March 28, 2003, Houlton requested that its certificate be modified to reflect it is doing business as Guaranteed Phone Service. Company ownership and its principals did not change with the name change. Houlton also requested that its certificate be modified to include facility-based service in addition to resale service. On April 7 the Board approved the changes.

**TCU-99-13, TCU-00-13 BT Communications Sales LLC, f/k/a Concert Communications Sales LLC**

On December 5, 2003, the Board issued an order recognizing the corporate name change and issuing an amended certificate. The order amended a certificate to provide local exchange service to reflect the name change and ordered BT to file a replacement tariff to reflect the name change.

**TCU-99-21 (TF-99-193) Direct-Tel USA, LLC**

On June 25, 1999, Direct-Tel filed an application for a certificate and a tariff to provide local exchange telecommunications service in Iowa. On November 2, 1999, the Board issued Direct-Tel a certificate and approved its tariff. As of July 3, 2003, Direct-Tel had not filed an annual report and the Board on July 10 issued an order requiring Direct-Tel to update its status by August 9. Direct-Tel did not reply and pursuant to the Board order, its certificate was deemed cancelled and its tariff was deemed withdrawn.

**TCU-99-31 (TF-03-128) Reliant Communications, Inc., f/k/a HJN Telecom, Inc.**

On June 19, 2001, in Docket No. TCU-99-31, the Board issued an order approving the tariff and issuing a certificate. On April 24, 2003, Reliant filed a letter of notification that HJN had changed its name to Reliant. Reliant also filed a new local exchange tariff and a statement that HJN had no Iowa customers. On May 23 the Board issued an order recognizing the corporate name change, approving the tariff, and issuing an amended certificate.

**TCU-99-35 New Edge Network, Inc., d/b/a New Edge Networks**

On October 11, 1999, New Edge filed an application for a certificate to provide local exchange telecommunications service in Iowa. On December 6, 1999, the Board approved its certificate application. On August 7, 2003, the Board issued a notice of cancellation of certificates and rejection of tariffs, which identified 37 competitive local exchange carriers, including New Edge, with approved applications for certifications that had never filed the tariffs or maps required to obtain a certificate. On September 2 New Edge filed a response stating that it is currently offering only high-speed broadband services and has not yet begun to provide local exchange service in Iowa. However, New Edge requested a continuation of its TCU status. On November 25 the Board withdrew the prior approval of the certificate application.

**TCU-99-40 Metrocall, Inc.**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to Metrocall. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-00-5 (TF-00-108) Adelphia Business Solutions Operations, Inc.**

On February 8, 2000, Adelphia filed an application for issuance of a certificate to provide local exchange telecommunications service in Iowa. On April 25, 2000, the Board issued an order approving the application. On August 7, 2003, the Board issued a notice of cancellation of certificates and rejection of tariffs. This order required Adelphia to contact the Board with updated corporate information. On August 19 Adelphia contacted the Board and voluntarily surrendered its certificate. On September 2 the Board issued an order canceling Adelphia's certificate and tariff.

**TCU-00-24 Metromedia Fiber Network Services, Inc.**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to Metromedia Fiber Network Services. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-00-32 WorkNet Communications, Inc.**

On June 5, 2000, WorkNet filed an application for a certificate. On September 5 the Board approved WorkNet's application. On January 9, 2003, the Board's annual report was mailed to WorkNet at the address on file. On January 17 the mailing was returned to the Board as undeliverable and the Board concluded WorkNet may no longer be an operational company. On January 31 the Board issued an order canceling WorkNet's application for issuance of a certificate of public convenience and necessity. In this order, WorkNet was required to update the Board on the company status within 30 days. WorkNet failed to respond and its certificate was deemed canceled.

**TCU-00-34 (TF-00-144) Essex Communications, Inc., d/b/a eLEC Communications**

On June 5, 2000, Essex filed an application for a certificate and a tariff to provide local exchange telecommunications service in Iowa. On September 29 the Board issued a certificate to Essex and approved its tariff. On June 20, 2003, Essex filed a request to cancel its existing certificate and withdraw its current tariff. On June 27 the Board issued an order granting this request.

**TCU-00-48 Omniplex Communications Group, LLC**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to Omniplex. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-00-49 Telera Communications, Inc.**

On September 29, 2000, the Board approved Telera's application to provide local exchange telecommunications service in Iowa. Telera submitted a letter to the Board on January 21, 2003, stating Telera was sold to Global Technology Enterprises effective February 8, 2002. In an order issued on July 23, 2003, the Board withdrew its approval of Telera's application.

**TCU-00-53 (WRU-03-27-3090) Crystal Communications, Inc., d/b/a HickoryTech**

On April 3, 2003, Crystal Communications filed a request to terminate its resale service in all but one Iowa exchange. The Board asked Crystal and Qwest Corporation to submit a joint proposal on the transfer of the affected customers. This joint proposal was submitted on June 4. Crystal also requested a waiver of the Board's rule requiring individual customer verification for change of service. On June 16 the Board approved the joint proposal and the waiver request.

**TCU-00-59 Sigma Networks Telecommunications, Inc.**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to Sigma. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-01-1 ARBROS Communications Licensing Company Central, L.L.C.**

On November 21, 2003, the Board provided notice of cancellation of certificate approval to ARBROS. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-01-2 (SPU-03-3) Mapleton Communications Utility and Mapleton Communications Management Agency**

On February 6, 2003, Mapleton Communications Utility (MCU) and Mapleton Communications Management Agency (MCMA) filed a joint application to transfer MCU's certificate to MCMA, which is a joint agency created pursuant to Iowa Code § 28E for the purposes of joint management and operation of the municipal communications utility in the Mapleton exchange. MCU and Long Lines Ltd. would govern MCMA. The joint applicants stated that upon transfer of the certificate MCMA would undertake all obligations previously imposed upon MCU by virtue of its certificate. On March 7 the Board issued an order approving the transfer of certificate.

**TCU-01-7 (TF-01-106, WRU-01-27-591) NOS Communications, Inc.**

On April 2, 2001, NOS filed an application to provide local exchange telecommunications service in Iowa. On April 19, 2001, Consumer Advocate filed an objection to the application. On June 26, 2001, the procedural schedule was suspended. On May 5, 2003, the Board informed the parties by letter that the filing

would be dismissed unless NOS provided some response. With no response received, the docket was dismissed and closed on June 6. On November 21 the Board provided notice of cancellation of certificate approval to NOS. The approved certificate application was cancelled within 30 days without further Board action.

**TCU-01-15 TeleCents Communications, Inc.**

The Board approved TeleCents' application to provide local exchange telecommunications service on September 6, 2001. The Board never issued a certificate to TeleCents and TeleCents had no Iowa customers. On May 5, 2003, TeleCents requested withdrawal of its application. On May 20 the Board granted withdrawal of TeleCents' application for certificate.

**TCU-02-3 (TF-020-573, WRU-02-6-555) Excel Telecommunications, Inc.**

On February 8, 2002, Excel filed an application to provide facilities-based and resold local exchange telecommunications services in Iowa. Excel requested authority to provide services throughout Iowa in areas currently served by Qwest Communications International, Inc. Excel stated that it is in the process of negotiating an interconnection agreement with Qwest and would serve both residential and business customers, with an immediate focus on residential customers. Excel concurred with and adopted Qwest exchange maps filed with the Board. On March 15 the Board issued an order approving Excel's application, requests for waivers, and its concurrence in Qwest's maps. On December 23 Excel submitted its tariff. On January 17, 2003, the Board approved the tariff filing and issued a certificate.

**TCU-02-9 (TF-03-42) VP Telecom, Inc., n/k/a OrbitCom, Inc.**

On February 10, 2003, VP Telecom filed a request to amend its certificate by changing its corporate name to OrbitCom, Inc. The filing included a replacement tariff reflecting the new corporate name. On March 7 the Board issued an order recognizing the corporate name change, approving the tariff, and issuing an amended certificate. The replacement tariff contained terms and conditions identical to the original tariff.

**TCU-02-10 (TF-03-20) Budget Phone, Inc.**

On August 5, 2002, Budget Phone filed an application to provide local exchange service in the Qwest and Iowa Telecom exchanges. On October 3 the Board issued an order approving Budget Phone's application. On January 23, 2003, Budget Phone filed a proposed tariff. The Board issued orders on March 3 approving Budget Phone's tariff and issuing a certificate.

**TCU-02-12 (TF-02-570) iLOKA, Inc. d/b/a Microtech-tel**

On September 19, 2002, Microtech-tel filed an application for a certificate and requested waiver of the requirements to use a prescribed system of accounts, independently publish a directory, and to keep its records in Iowa. On October 28 the Board approved the waivers and granted the application. On December 19, 2002, Microtech-tel filed a proposed tariff. On January 31, 2003, the Board approved Microtech-tel's tariff and issued a certificate.

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

On November 22, 2002, Alticom filed an application to provide local exchange service in the Iowa service territories of Qwest Corporation. It concurred with the

maps of Qwest. Alticom 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 Board issued orders on January 6, 2003, granting the application, approving the tariff, approving the waiver, and issuing a certificate.

**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. On March 3, 2003, the Board granted the application and the waivers. On April 7 the Board issued an order approving CAT's tariff and issuing a certificate. The order also granted CAT's request that it be allowed to provide service in any exchange in Iowa.

**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. Global did not provide adequate information on the financial ability of the company in its application, failed to provide additional information sought by staff, later requested its application be withdrawn, and then failed

to provide a letter of withdrawal to the Board within the 90-day timeframe. On March 7, 2003, the Board issued an order denying Global's application without prejudice and denying the waiver requests.

**TCU-03-1 (TF-03-51, WRU-03-3-3688) Mahaska Communication Group, LLC**

On January 22, 2003, Mahaska filed an application for a certificate. Mahaska intended to provide resold and facilities-based competitive local exchange service in the Oskaloosa exchange. Mahaska would adopt the Qwest exchange map for Oskaloosa, which was on file with the Board. Mahaska requested waivers of the requirements to use a prescribed system of accounts and independently publish a directory. On March 26 the Board granted Mahaska's application and approved concurrence with Qwest exchange maps and boundaries. The Board also granted the proposed waiver, approved Mahaska's tariff, and issued a certificate on March 26.

**TCU-03-2 (TF-03-48, WRU-03-8-3691) Clemons Communications, Inc.**

On February 19, 2003, Clemons filed an application for a certificate of public convenience and necessity. Clemons stated its intention to provide resold and UNE-P based competitive local exchange service in the Iowa exchanges of Qwest. Clemons indicated that it had no immediate plans to construct facilities. On April 2 the Board issued an order approving the application and granting Clemons a certificate to provide local exchange service. In granting the certificate, the Board also approved Clemons' local exchange tariff and granted waiver of the requirements to use a prescribed system of accounts and independently publish a directory.

**TCU-03-3 (TF-03-93, WRU-03-17-3698)  
BG Enterprises, Inc., d/b/a Grizzly  
Telephone**

On March 31, 2003, Grizzly applied for a certificate to provide local exchange telecommunications service in the Iowa exchanges served by Qwest. Also on March 31 Grizzly filed a proposed tariff containing terms, conditions, and rates for local exchange service. Grizzly requested waiver of the requirements to use a prescribed system of accounts, keep its records in Iowa, and independently publish a directory. On May 7 the Board approved the application, tariff, and waiver. Grizzly offers only local exchange service and does not provide access to long distance service. Grizzly's target market includes customers who, for credit reasons, cannot or choose not to obtain phone service from other carriers.

**TCU-03-4 (WRU-03-18-3707, TF-03-108,  
TF-03-109) Cedar Valley Telecom, Inc.**

On April 10, 2003, Cedar Valley filed an application to provide local exchange service in the service territories of Qwest Corporation, beginning with the Cedar Falls and Waterloo exchanges. It concurred with the maps of Qwest. Cedar Valley also asked for waiver of the requirements to use a prescribed system of accounts and independently publish a directory. On June 16 the Board granted the application, approved local exchange and intrastate access tariffs, approved the waiver, and issued a certificate.

**TCU-03-5 (WRU-03-21-3504) Covista,  
Inc.**

On May 6, 2003, Covista filed for a certificate to provide local exchange telecommunications service in exchanges served by Qwest Corporation. On June 16 the Board approved the application and granted waiver of the requirements to maintain records according to a uniform

system of accounts, to keep records in Iowa, and to independently publish a directory of its customers. The Board granted concurrence in the maps of Qwest and stated that it will issue a certificate upon approval of a tariff.

**TCU-03-6 BAK Communications, LLC**

On May 14, 2003, BAK filed an application for a certificate to provide local exchange telecommunications services in Iowa. On May 15 Board staff informed BAK of deficiencies in the application. BAK stated that it would file requested information as a supplement to its application. On July 31 BAK contacted Board staff and stated that it would be filing a request to withdraw its application. On August 11 the Board rejected BAK's application for a certificate.

**TCU-03-7 (WRU-03-26-3714) Globcom  
Incorporated**

On June 2, 2003, Globcom filed an application for a certificate to provide local exchange service in the exchanges served by Qwest Corporation and Iowa Telecom. Initially Globcom would provide resold and UNE-P based competitive service. In the future, Globcom may construct its own facilities. On July 10 the Board issued an order approving Globcom's application. The Board also granted Globcom waiver of the requirements to use a prescribed system of accounts, to keep records in Iowa, and to independently publish a directory.

**TCU-03-8 (TF-03-179, WRU-03-29-3715)  
Vilaire Communications**

On June 4, 2003, Vilaire filed an application for a certificate to provide local exchange telecommunications service in Iowa. On June 18 Board staff contacted Vilaire and discussed application deficiencies. Vilaire stated it would file additional financial and managerial information by June 23. On June 26 staff contacted Vilaire inquiring

about the status of the supplemental information. Vilaire informed staff the supplemental information would be filed by the week of August 11. On September 2, having not received Vilaire's supplemental information, the Board rejected its application and initial tariff filing and denied an associated waiver request.

**TCU-03-9 (SPU-03-6) Searsboro Telephone Company, Inc., and Killduff Telephone Company**

On April 29, 2003, Searsboro and Killduff filed a joint application for discontinuance of service and partial transfer of certificate. Searsboro was a non-rate regulated independent telephone company providing local exchange service to the Killduff and Searsboro exchanges. Killduff Telephone was a recently formed Iowa corporation intending to provide local exchange and exchange access services to the Killduff exchange. The applicants stated that they had entered into an asset purchase agreement whereby Killduff would acquire the assets of Searsboro and begin providing service to the Killduff exchange. The joint application requested approval for the discontinuance of service for the Killduff exchange by Searsboro as well as the partial transfer to Killduff of that portion of Searsboro's certificate to provide service to the Killduff exchange. On September 2 the parties filed a request for a waiver of individual customer verification rules for unauthorized changes in telecommunication services. On September 12 the Board approved the joint application for discontinuance of service, amending Searsboro's certificate, granting the partial transfer of certificate to Killduff, approving the tariff, and granting the waiver.

**TCU-03-10 HARENet, Inc.**

On July 14, 2003, HARENet filed an application for a certificate to provide local

exchange telecommunications service in the Knoxville exchange served by Iowa Telecom and eventually in other Iowa Telecom exchanges. It also requested waiver of the requirements to maintain records according to a uniform system of accounts and to publish a directory of its customers. On October 7 the Board approved the certificate application and waiver request.

**TCU-03-11 (WRU-03-43-3721) Advanced Integrated Technologies Inc.**

On July 22, 2003, Advanced Integrated Technologies filed an application for a certificate to provide local telecommunications service in the exchanges served by Qwest Corporation and Iowa Telecom. On October 1 the Board issued an order approving the application. The Board also granted waiver of the requirements to use a prescribed system of accounts, to keep records in Iowa, and to independently publish a directory.

**TCU-03-12 (TF-04-109) Walnut Telephone Company**

On August 1, 2003, Walnut filed an application for a certificate to provide local exchange telecommunications service in the Avoca, Minden, and Shelby exchanges and concur with the maps of Iowa Telecommunications Services, Inc. On September 25 the Board approved the application.

**TCU-03-13 (WRU-03-48-419) Qwest Communications Corporation**

On August 4, 2003, Qwest filed an application for a certificate to provide local exchange telecommunications service in areas outside its current Iowa service territory. On September 16 the Board granted the application and waiver of the requirements to maintain records according to a uniform system of accounts, to keep its

records in Iowa, and to publish a directory of its customers.

**TCU-03-14 (TF-03-495, WRU-03-55-3729) American Telco LLP (d/b/a American Telco of Iowa)**

On August 22, 2003, American Telco of Iowa filed an application for a certificate in the Iowa exchange areas served by Qwest Corporation. On October 30, 2003 the Board granted the application. On November 3 American Telco of Iowa filed a proposed tariff. On December 5 the Board approved American Telco of Iowa's tariff and issued a certificate. The Board also granted waiver of the requirements to keep books and records in compliance with the uniform system of accounts and to publish a directory of customers.

**TCU-03-15 (WRU-03-56-3202) IDT America, Corp.**

On August 25, 2003, IDT filed an application for a certificate to provide local exchange telecommunications service in the Iowa service territory of Qwest Corporation. IDT also requested waiver of the requirements to maintain a uniform system of accounts, keep its records in Iowa, and independently publish a directory of its customers. On October 30 the Board approved the certificate application, waiver request, and concurrence in exchange maps and boundaries of Qwest.

**TCU-03-16 (TF-03-466, WRU-03-63-3736) Granite Telecommunications, LLC**

On October 8, 2003, Granite filed an application for a certificate to provide local exchange telecommunications service. Granite stated that it would provide service in the service territory of Qwest Corporation. Also on October 8 Granite filed a proposed local exchange tariff providing the terms, conditions, and rates for

local exchange service. On October 16 Granite requested waiver of the requirements to maintain a uniform system of accounts, keep its records in Iowa, and independently publish a directory of its customers. On November 17 the Board granted a certificate and approved the tariff and waiver request.

**TCU-03-17 XO Network Services, Inc.**

On October 13, 2003, XO Network Services filed an application for a certificate to provide local exchange service in the Iowa exchanges served by Qwest Corporation. On December 17 the Board issued an order approving the certificate application.

**TCU-03-18 (WRU-69-3240) Southwestern Bell Communications Services Inc., d/b/a SBC Long Distance**

On December 12, 2003, Southwestern Bell filed an application for a certificate to provide facilities-based local exchange telecommunications service in Qwest Corporation's Iowa service territories. It also requested to waive the requirements to maintain books and records according to the uniform system of accounts, keep records in Iowa, and publish a directory of its customers. The application was pending.

**TCU-03-19 (WRU-03-70-3749) Computer Network Technology Corporation**

On December 15, 2003, Computer Network Technology (CNT) filed an application for a certificate to provide local exchange telecommunications service in Iowa. CNT also requested waiver of the requirements to maintain its books and records according to the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. Board staff's initial review of the application indicated that CNT intended to provide data-only services and not voice service in Iowa. On December 31 CNT

filed a letter confirming that it only intended to provide data services in Iowa and requesting to withdraw its application. The request 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-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 was in place, the applicant would be able to comply with the rule. On January 6, 2003, the Board granted the temporary waiver until July 1, 2003, because the applicant was in the process of upgrading its outage management system. No further extension would be granted. The Board, however, encouraged the utility company to complete the upgrade prior to that date if possible so complete information would be available.

### **WRU-02-46-3670 Alticomm, Inc.**

On November 22, 2002, Alticomm requested waiver 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. On January 6, 2003, the Board granted the waiver request. 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-02-47-561 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 was 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 very costly and burdensome to obtain authorization and verification from each individual customer. On January 6, 2003, the Board denied the waiver request because a waiver of the customer verification requirements of 199 IAC 22.23(2) was 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 also did not require Board approval because the companies only provided long distance

service to Iowa customers, which was deregulated in Iowa.

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

On December 3, 2002, CAT requested waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its books and records in Iowa, and publish a directory of its customers. On March 3, 2003, the Board granted the waiver request. 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-02-50-3665 Global Network Management Group, LLC**

On December 11, 2002, Global requested the Board waive the requirements that a local exchange carrier publish a directory of its customers and maintain its books and records in compliance with the uniform system of accounts. On March 7, 2003 the Board denied Global's certificate application and its waiver request.

**WRU-03-1-225 Aquila, Inc.**

On June 3, 2002, Aquila requested a waiver of the requirement that gas utilities rely on a customer's statements regarding personal financial information when establishing special payment arrangements. Aquila stated that it preferred to rely on social service agencies to verify financial hardships and determine the reasonableness of payment agreements. The subrule provides that the reasonableness of a payment agreement will be determined by several factors and that a utility may require the customer confirm financial difficulty with an acknowledgment from a social service agency. On February 18, 2003, the Board denied the waiver request because the

applicant's desire to rely primarily on social service agencies to verify a customer's financial difficulty automatically places an additional burden on every affected customer to get an acknowledgment by a social service agency.

**WRU-03-2 Iowa Association of Electric Cooperatives**

On January 15, 2003, the Iowa Association of Electric Cooperatives, on behalf of its members, asked for a temporary waiver of 199 IAC 25.3(3)"c." This rule, which became effective on December 18, 2002, requires that a utility's maintenance and inspection plan include a tree trimming or vegetation management plan. The association asked for a waiver until July 1, 2003, so that the tree trimming or vegetation management plan could be included in each member utility's reliability plan. On January 31 the Board granted the waiver so that the utility members could coordinate the tree trimming or vegetation management plan with their new reliability plans, which must be approved by a utility's board of directors or other governing body by July 1, 2003 (see 199 IAC 20.18(8)"a"). The applicant was working on a model plan for its members. Granting the temporary waiver allowed the separate requirements to be included in one document without impairing safety. The utility members already had tree trimming or vegetation management plans in place, but the plans were not necessarily in writing.

**WRU-03-3-3688 Mahaska Communications Group, LLC**

On January 22, 2003, Mahaska requested waivers of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts and publish a directory of its customers. On March 26 the Board granted the waiver request. 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-03-4-3098 BTC, Inc., d/b/a Western Iowa Networks**

On January 23, 2003, BTC requested waivers of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts and publish a directory of its customers. On March 7 the Board granted the waiver request. 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-03-5-3468 Touch America, Inc., and Buyers United, Inc.**

On February 5, 2003, Touch America and Buyers United 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 Touch America and Buyers United were long-distance telecommunication providers in Iowa. Both stated they had entered into an agreement for Buyers United to purchase about 2,500 Iowa long-distance customer accounts from Touch America. The name of the company would remain the same, rates and service would remain the same, and the customers would not be aware that there was a change in company. The applicants stated it would be very costly and burdensome to obtain authorization and verification from each individual customer. On March 4 the Board granted the waiver request.

**WRU-03-6-156 MidAmerican Energy Company**

On February 7, 2003, MidAmerican asked for a waiver of the requirement that the

annual reliability report include "total annual projected and actual miles of transmission line and of distribution line for which trees were trimmed for the reporting year." The electric utility proposed to track tree trimming on the basis of "scheduled maintenance projects," which can consist of either entire circuits or defined geographical areas. The applicant would report the number of person-hours spent on tree trimming. No objections to the request were filed. On March 14 the Board approved the waiver request, because the rule allows utilities to propose an alternative method of tracking tree-trimming progress by filing a waiver request. The electric utility's historical data is compiled on a project basis, not on miles trimmed. Utilizing person-hours of tree trimming provides a consistent measurement to gauge the program on a year-to-year basis, and is consistent with the rule's purpose, which is to make sure that tree trimming does not lag due to budget cuts or changing priorities.

**WRU-03-7-156 MidAmerican Energy Company**

On February 10, 2003, MidAmerican requested a waiver of the requirements for calculation of the Rb factor in the purchased gas adjustment (PGA) calculations for storage gas in 199 IAC 19.10. The company had received a previous waiver that allowed it to recover storage costs over a period from November through April, rather than October through August for the normal Rb factor recovery. The waiver would allow MidAmerican to use the current futures price rather than the January futures price in calculating storage costs and allow for the recovery of over or under collections in a more-timely manner. On February 28 the Board granted the waiver to allow MidAmerican to more closely match the recovery of storage costs with those who were taking gas when the storage was used.

Under the waiver, the company's customers were to have their PGAs adjusted for the current futures price rather than the January futures price.

**WRU-03-8-3691 Clemons Communications, Inc.**

On February 19, 2003, Clemons requested waivers of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts and publish a directory of its customers. On April 2 the Board granted the waiver request. 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-03-9-225 Aquila Networks**

On February 18, 2003, Aquila requested to move the March 1, 2003, compliance deadline for filing its energy efficiency costs to September 1, 2003. On March 18 the Board granted the waiver.

**WRU-03-10-156 MidAmerican Energy Company**

On March 5, 2003, MidAmerican requested a waiver of the electric flexible rate reporting requirements with respect to electric contracts entered into pursuant to the settlement approved by the Board on June 27, 1997, in Docket No. APP-96-1. The rule provides that a semi-annual report is to be filed that includes certain data regarding the contracts. There are 3,308 such contracts, the majority of which are for terms of five years or less. The applicant stated that it takes over 500 person-hours to prepare each semi-annual report. It also stated no contracts would be extended and the contract discounts would not affect customers as a whole until, at least, January 1, 2006. No objections to the request were filed. On March 14 the Board

granted the waiver request because the information required in the reports is generally known based on past reports. Further reports serve no purpose since no contracts will be extended, particularly since the information will be maintained by the applicant and available to any person if it impacts the applicant's revenue requirement in a general rate case. Continuing the requirement would cause undue hardship in terms of time and costs and would not give greater protection to ratepayers.

**WRU-03-11-3436 ComTech 21, LLC, and Alliance Group Services, Inc.**

On March 5, 2003, ComTech and Alliance 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. ComTech and Alliance stated intent to transfer Alliance's 168 Iowa customers to ComTech as part of a divestiture agreement. The name of the company would remain the same, rates and service would remain the same, and the customers would not be aware that there was a change in company. The applicants stated it would be very costly and burdensome to obtain authorization and verification from each individual customer. On April 1 the Board granted the waiver request.

**WRU-03-12-150 Interstate Power and Light Company**

On March 14, 2003, Interstate requested a waiver of the rebuttable presumption that any natural gas pipeline capacity over 105 percent of base period demand was unreasonable and the costs could not be passed through to customers. The base period demand is based upon the maximum peak during the previous seven heating seasons. Interstate requested the use of forecasted design day volumes so it would

be in compliance. On July 3 the Board denied the waiver request after it discovered Interstate had miscalculated the capacity purchased and with the correct calculation was in compliance with the rule. The Board also denied the use of the forecasted design day for calculating base period demand because it was easily manipulated. The Board indicated that the issue of using forecasted volumes would be addressed generically in Docket No. NOI-03-1.

#### **WRU-03-13 Interstate Power and Light Company**

On January 10, 2003, Consumer Advocate, a party to Interstate Power and Light Company's natural gas rate increase application, filed a request to waive the page limit in the Board's rule on the initial brief and reply brief. Consumer Advocate stated that the number and complexity of issues made it almost impossible to remain within the limits. On April 22 the Board granted the waiver request since no other party objected, the criteria of the Board's waiver rule were met, and there was recognition that the case involved many complex issues.

#### **WRU-03-14 Hometown Silver Creek, LLC, and Hometown Five Seasons Davenport, LLC**

On January 2, 2003, the two companies, which own manufactured home communities and purchase water through a master meter from Iowa-American Water, a regulated water utility, requested to sub-meter the residences in their communities. Board rule 199 IAC 21.3(1)"b" prohibits sub-metering of water service. The parties to the docket filed a settlement agreement with the Board wherein the two customers agreed to charge the residences the same rates for water service as the regulated water utility would charge for the same service. On April 2 the Board granted the waiver of the prohibition against sub-metering based

upon the settlement agreement and the fact that residences would be charged the same rate for water service as they would were they served by the regulated water company. The Board indicated that the unique circumstances of water service made the waiver reasonable where it would not be reasonable for gas or electric service.

#### **WRU-03-15-272 Qwest Corporation**

On March 26, 2003, Qwest filed a request for waiver of the utilization threshold requirements, relating to optimization of telephone numbering resources, for the West Des Moines rate center. Qwest stated it received a customer request for 2,000 consecutive direct inward dialing numbers in the West Des Moines rate center and could not fulfill the request without two new blocks of 1,000 numbers. On April 14 the Board granted the waiver.

#### **WRU-03-16-375 C III Communications Operations, LLC**

On March 27, 2003, C III requested a waiver of the requirement that a telephone company obtain individual customer verification for a change in telephone service before submitting a change order to another telephone company. C III stated it had reached an agreement with Broadwing Communications Services and Broadwing Telecommunications to transfer the entire broadband business of Broadwing, including all long distance and private line services plus approximately 1,600 Broadwing Telecommunications resale customers to C III. The name of the company would remain the same, rates and service would remain the same, and the customers would not be aware that there was a change in company. C III stated it would be very costly and burdensome to obtain authorization and verification from each individual customer. On May 29 the Board granted the waiver request.

**WRU-03-17-3698 BG Enterprises, Inc.  
d/b/a Grizzly Telephone**

On March 31, 2003, Grizzly requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. On May 7 the Board granted the waiver.

**WRU-03-18-3703 Cedar Valley Telecom,  
Inc.**

On April 10, 2003, Cedar Valley requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts and publish a directory of its customers. On June 16 the Board granted the waiver request. However, the Board required Cedar Valley to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

**WRU-03-19 Western Minnesota  
Municipal Power Agency**

On April 18, 2003, Western Minnesota filed an application for waiver of the generating certificate requirements of Iowa Code chapter 476A. Western Minnesota stated that it intended to construct a 90-megawatt electric generating facility for peaking purposes in Audubon County. On June 30 the Board assigned the case to an Administrative Law Judge, who conducted a hearing and issued a proposed decision and order granting the waiver on August 20 subject to mitigation of minor impacts on the transmission system. On September 17 the Board issued an order affirming the proposed decision granting the waiver.

**WRU-03-20-225 Aquila, Inc., d/b/a  
Aquila Networks**

On April 30, 2003, Aquila filed a request for an expedited waiver of Board rules in Chapter 32, which would allow it to pledge its Iowa utility assets to secure a revised credit agreement. A gas utility is required by Iowa Code § 476.77 to obtain Board approval before it can encumber the assets used to provide regulated gas service in Iowa. Aquila proposed a financial transaction that would pledge regulated gas utility assets in Iowa as loan security. On May 21 the Board denied the waiver request because of the objection of Consumer Advocate, the failure of the gas utility to meet the requirements of 199 IAC 1.3 for granting a waiver, and because the Board found that the proposed financial transactions should be considered after a hearing. The Board also established a procedural schedule, identified as Docket No. SPU-03-7.

**WRU-03-21-3504 Covista, Inc.**

On May 6, 2003, Covista requested waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, publish a directory of its customers, and keep its books and records in Iowa. On June 16 the Board granted the waiver request. However, the Board required Covista to provide its customers' listing information to the publisher of the local directory for inclusion in the directory.

**WRU-03-22-3710 ITI Inmate Telephone,  
Inc.**

On May 15, 2003, ITI requested waiver of the requirements that in operator assisted calls, all communications between customers must be considered confidential and that the operator should be capable of connecting to appropriate emergency services at all hours. ITI also requested

waiver of the requirement preventing the blocking of calls that allow callers to reach a long distance telephone company and the requirement to post company information and rate information. ITI provides operator-assisted services exclusively to correctional facilities in Iowa. ITI stated that because of the nature of the services it provides, the correctional facilities must be able to control inmate access to some services. On June 2 the Board granted the waiver request.

**WRU-03-23-222 Atmos Energy Corporation**

On April 21, 2003, Atmos requested a waiver of the Board rule establishing requirements for a level payment plan for natural gas customers. Atmos proposed to implement a "budget billing" plan that recalculated the customer's bill every month based upon the previous 12 months of usage. The Board's rule required the utility to charge the same amount each month with adjustments for certain occurrences. On July 21 the Board approved a temporary waiver to allow Atmos to implement the "budget billing" plan for 18 months to collect data. Atmos submitted preliminary data showing the plan provided more stable payments than the Board's rule, but the Board stated additional information was needed before it would allow a permanent change in level payment plans.

**WRU-03-24-495 Titonka Telephone Company and The Burt Telephone Company**

On May 23, 2003, Titonka and Burt 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. Burt would be selling its assets to Titonka, its indirect parent company. Customers

would be transferred to Titonka. On June 20 the Board granted the waiver request.

**WRU-03-25-156 MidAmerican Energy Company**

On May 27, 2003, MidAmerican asked for a waiver of the requirement that a settlement may be filed at any time after a case is docketed. A settlement was filed as part of MidAmerican's initial request for advance ratemaking principles. On June 27 the Board granted the request. Because the settlement was filed with the initial request for ratemaking principles, potential intervenors were given the opportunity to review the settlement prior to making their decision whether to intervene in the rate proceeding.

**WRU-03-26-3714 Globcom Incorporated**

On June 2, 2003, Globcom requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. On July 10 the Board granted the waiver request.

**WRU-03-27-3090 Crystal Communications, Inc., d/b/a HickoryTech**

On June 3, 2003, Crystal and HickoryTech and Qwest Corporation 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. Crystal and HickoryTech would be terminating resale service to approximately 1,006 customers in all of their Iowa exchanges except for the Waukee exchange. In the exchanges where service would no longer be offered, customers would be given a choice of alternative providers or be automatically

transferred to Qwest. On June 16 the Board granted the waiver request.

**WRU-03-28-259 Frontier Communications of Iowa, Inc.**

On June 4, 2003, Frontier requested a waiver of a requirement regarding the form of a customer's bill. Frontier stated that it would be inviting customers to participate in a test of electronic billing to determine customer response and feasibility. On June 27 the Board granted the waiver, finding it would be an undue hardship for the applicant to not be allowed to test the viability of electronic billing since the Board has previously granted similar waivers to energy utilities seeking to implement electronic billing.

**WRU-03-29-3715 Vilaire Communications**

On June 4, 2003, Vilaire filed an application for a certificate to provide local exchange telecommunications service in Iowa. Vilaire also requested waiver of the requirements to maintain its books and records according to the uniform system of accounts and to publish a directory of its customers. On September 2 the Board denied the waiver and rejected the certificate application.

**WRU-03-30-150 (TF-03-180, TF-03-181) IES Utilities Inc., and Interstate Power Company, n/k/a Interstate Power and Light Company**

On June 5, 2003, Interstate filed proposed tariffs to change the terms under which it offers net metering to customers with alternate energy production facilities. Consumer Advocate, the Iowa Joint Utility Management Program, Inc., and Kinze Manufacturing, Inc. filed timely complaints to the proposed tariffs and waiver request. On July 2, in order to allow an opportunity to fully review the objections to both tariffs and the waiver request, the Board docketed

the tariffs for further investigation. The waiver request was pending.

**WRU-03-31-957 Pleasant Hill Community Line**

On June 10, 2003, Pleasant Hill Community Line requested a waiver of the requirement that electric utilities with fewer than 50,000 customers must maintain, among other things, certain outage information and must adopt and file an electric reliability plan. The docket was pending.

**WRU-03-32-905 Boone Valley Electric Cooperative**

On June 10, 2003, Boone Valley requested a waiver of the requirement that electric utilities with fewer than 50,000 customers must maintain, among other things, certain outage information and must adopt and file an electric reliability plan. On July 17 the Board approved the waiver request.

**WRU-03-33-150 (WRU-02-45-150) Interstate Power and Light Company**

On June 23, 2003, Interstate filed a request for an additional temporary waiver of certain sections of new electric reliability rules. The Board had previously granted a waiver until July 1, 2003, in an order issued on January 6, 2003. Interstate requested an additional waiver until July 1, 2004, because its software vendor had been unable to complete the computer upgrade to allow it to track all the outage cause codes required by the rules or provide service interruption information about individual distribution circuits. On July 14 the Board granted the additional temporary waiver, stating that Interstate appeared to have corrected some of the problems with its software vendor. The Board required the company to file quarterly progress reports beginning on October 1, 2003, and expected Interstate to manage the project so that its outage management system upgrades were

completed no later than June 2004, consistent with the representations made in its waiver request.

**WRU-03-34-272, WRU-03-35-272 Qwest Corporation**

On June 25, 2003, Qwest filed a request for waiver of the utilization threshold requirements outlined in the Numbering Resource Optimization orders issued by the Federal Communications Commission. On July 1 the Board granted the waiver and directed the number pooling administrator to provide Qwest with ten sequential blocks of 1,000 numbers in the Des Moines rate center.

**WRU-03-36 (NOI-03-1) Review of Purchased Gas Adjustment Rules**

On July 18, 2003, the Board initiated an inquiry into its purchased gas adjustment rules. Part of the inquiry involved the calculation of the reserve margin. The rule allows a utility to recover the costs of a reserve margin of 5 percent over historic peaks for the last seven years. The seven-year peak had occurred in 1996 and would no longer be within the seven years, so the Board also on July 18 granted the waiver upon its own motion to maintain that reserve margin calculation for this inquiry.

**WRU-03-37-3263 OPEX Communications, Inc.**

On June 25, 2003, OPEX filed a request for a waiver of the Board's customer authorization rules. OPEX indicated that it intended to acquire the assets of Intelafone Communications, Inc. More than 100 of Intelafone's customers would be transferred to OPEX. At the time of OPEX's waiver filing, the Customer Service Section was processing a slamming complaint against OPEX in Docket No. C-03-089. On July 14 a proposed resolution was issued finding OPEX guilty of an unauthorized transfer of

long-distance service. Also on July 14 Board staff determined that the waiver request was retrospective and that Intelafone's customers had already been transferred. OPEX was informed the waiver request would be rejected. On August 7, 2003, OPEX filed a letter formally requesting withdrawal of the waiver request.

**WRU-03-38-3719 HARENet, Inc.**

On July 14, 2003, HARENet requested a waiver of the requirements to maintain its books and records in compliance with the uniform system of accounts and publish a directory of its customers. On October 7 the Board granted the waiver.

**WRU-03-39-391 Hills Telephone Company**

On July 15, 2003, Hills requested a waiver of the rule that requires a local exchange carrier to keep its books and records in Iowa. On August 19 the Board granted the waiver.

**WRU-03-40-272 Qwest Corporation**

On July 17, 2003, Qwest requested a waiver regarding non-release of confidential information provided during the duration of a biennial audit being conducted. On July 18 the Board approved the waiver, finding that the information met the statutory requirements for confidential treatment. The biennial audit of the applicant involved 14 states, in addition to the Federal Communications Commission staff.

**WRU-03-41-150 Interstate Power and Light Company**

On July 18, 2003, Interstate requested a waiver of the Board's energy adjustment clause (EAC) rules, to the extent necessary, to flow a rate case refund of less than \$40,000 through the EAC to customers in September, rather than issuing individual bill credits or refund checks. On August 19

the Board granted the waiver. The Board also ordered Interstate to file a refund report within 60 days of the completion of the refund.

**WRU-03-42-150 Interstate Power and Light Company**

On July 21, 2003, Interstate, as part of the approval process for a pilot program to implement a guaranteed bill program, requested a waiver of a provision that governs the use of the purchased gas adjustment (PGA) factor. On August 21 the Board granted the waiver request to allow the implementation of the guaranteed bill program. Mechanisms would be in place to ensure that non-participating customers were not prejudiced by the results of the pilot program and the waiver was necessary to allow the PGA factor to be adjusted monthly to reflect participation in the program. The company's PGA calculations would continue to be filed with the Board for review.

**WRU-03-43-3721 Advanced Integrated Technologies, Inc.**

On July 22, 2003, Advanced requested a waiver of the requirements to maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. On October 1 the Board granted the waiver.

**WRU-03-44-3675 Buyers United, Inc., d/b/a Buysersonline, d/b/a United Carrier Networks and Touch America, Inc.**

On July 23, 2003, Buyers and Touch America requested a waiver of the requirement that a telephone company obtain individual customer verification for a change in telephone service before submitting a change order to another telephone company. The applicants stated that Buyers would be acquiring Touch

America's customer base in Iowa. On August 6 the Board granted the waiver.

**WRU-03-45-150 Interstate Power and Light Company**

On June 20, 2003, Interstate requested a waiver of the requirement to show consent by the railroad for a crossing in which the utility's pipeline crossed the railroad right-of-way at any angle other than an approximate right angle. The waiver request was submitted as part of a petition for a permit for a pipeline that had been constructed in 1980 and 1982 without a permit. On September 11 the Board granted the waiver.

**WRU-03-46-509 Walnut Telephone Company**

On August 1, 2003, Walnut requested the Board to waive the requirement that a local exchange carrier publish a directory of its customers. On September 25 the Board granted the waiver.

**WRU-03-47-3512 New Access Communication, LLC**

On August 4, 2003, New Access requested a waiver of the requirement that a telephone company obtain individual customer verification for change in telephone service before submitting a change order to another telephone company. New Access would be purchasing the Iowa assets and customers of Ciera Network Systems. On September 2 the Board granted the waiver.

**WRU-03-48-419 Qwest Communications Corporation**

On August 4, 2003, Qwest requested a waiver of the requirements to maintain its books and records according to the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. On September 16 the Board granted the waiver.

**WRU-03-49 2003 Telecommunications Competition Survey for Retail Local Voice Services**

On August 4, 2003, the Board distributed its 2003 Telecommunications Competition Survey for Retail Local Voice Service to approximately 280 companies providing telecommunications services to Iowa customers. The survey requested information necessary to help the Board assess the status of local exchange service competition in Iowa, including access line information on an individual company basis. On August 19 the Board, understanding that many carriers might consider the information to be confidential, on its own motion granted a waiver providing for confidential treatment of the company-specific line count information.

**WRU-03-50-3675 Buyers United, Inc., d/b/a Buyersonline, d/b/a United Carrier Networks and Glyphics Communications, Inc.**

On August 13, 2003, Buyers and Glyphics requested a waiver of the requirement that a telephone company obtain individual customer verification for a change in telephone service before submitting a change order to another telephone company. The applicants stated that Buyers would be acquiring Glyphics' customer base in Iowa. On September 2 the Board granted the waiver.

**WRU-03-51-3718 Motion Telecom, Inc., and Univance Telecommunications, Inc.**

On July 23, 2003, Motion and Univance requested a waiver of the requirement that a telephone company obtain individual customer verification for a change in telephone service before submitting a change order to another telephone company. Motion would be purchasing the Iowa assets of Univance. On September 2 the Board granted the waiver.

**WRU-03-52-979 Nobles Cooperative Electric**

On August 15, 2003, Nobles requested a waiver of the requirement that electric utilities with fewer than 50,000 customers must maintain, among other things, certain outage information and must adopt and file an electric reliability plan. On September 17 the Board approved the waiver request.

**WRU-03-53-975 Federated Rural Electric**

On August 18, 2003, Federated requested a waiver of the requirement that electric utilities with fewer than 50,000 customers must maintain, among other things, certain outage information and must adopt and file an electric reliability plan. On September 19 the Board approved the waiver request.

**WRU-03-54-977 Tri-County Electric Cooperative**

On August 19, 2003, Tri-County requested a waiver of the requirement that electric utilities with fewer than 50,000 customers must maintain, among other things, certain outage information and must adopt and file an electric reliability plan. On September 19 the Board approved the waiver request.

**WRU-03-55-3729 American Telco LLP, d/b/a American Telco of Iowa**

On August 22, 2003, American requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts and publish a directory of its customers. On October 30 the Board granted the waiver.

**WRU-03-56-3202 IDT America, Corp.**

On August 25, 2003, IDT requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa,

and publish a directory of its customers. On October 30 the Board granted the waiver.

**WRU-03-57-478 Searsboro Telephone Company, Inc., and Killduff Telephone Company**

On September 2, 2003, Searsboro and Killduff requested a waiver of the requirement that a telephone company obtain individual customer verification for a change in telephone service before submitting a change order to another telephone company. Searsboro previously served both the Searsboro and Killduff local telecommunications exchanges and Killduff was a recently formed Iowa corporation. Killduff would be purchasing the Killduff local exchange assets of Searsboro. On September 12 the Board granted the waiver.

**WRU-03-58-608 Lamoni Municipal Utilities**

On September 8, 2003, Lamoni requested a waiver for exemption from offering a program that allows customers to contribute voluntarily to the development of alternate energy. Programs were to be implemented by January 1, 2004. Lamoni also sought waiver of the customer notification requirements contained in the rule. Lamoni said only a small number of customers would likely participate and that the value of customer contributions would be nullified by administrative and mailing expenses. On October 6 the Board denied the waiver requests, stating that Lamoni did not establish good cause for waiver and did not appear to explore other alternatives. The Board did grant a partial waiver to postpone Lamoni's obligations for implementing the program by three months to April 1, 2004.

**WRU-03-59-1513 Hawkeye Power Partners, LLC**

On September 11, 2003, Hawkeye filed a request for waiver of all electric generating

certificate requirements contained in Iowa Code chapter 476A with respect to a proposed expansion of one of its wind facilities in Cerro Gordo County. On October 21 the Board granted the waiver and required Hawkeye to file any generation interconnection studies or other information pertaining to this project that is required for approval by the Midwest Independent Transmission System Operator.

**WRU-03-60-150 Interstate Power and Light Company**

On September 16, 2003, Interstate requested a waiver of the requirement that proposed customer notice regarding its voluntary alternate energy purchase program be filed with the Board 30 days before being sent to customers. On September 17 the Board granted the waiver.

**WRU-03-61 (INU-03-4) Qwest Corporation**

On September 26, 2003, the Board on its own motion waived the timing requirements for filing counterstatements of position related to Qwest's petition for determination of effective competition and deregulation, which was filed on July 2. Counterstatements would have been due on December 1, but the Board extended the deadline to December 15 to help ensure the creation of an adequate record. Qwest later withdrew the deregulation petition.

**WRU-03-62 Iowa Association of Electric Cooperatives**

On October 2, 2003, the Iowa Association of Electric Cooperatives filed on behalf of its members a request for waiver the requirement that notice of peak winter demand be delivered to customers between August 1 and September 15. The association sought publication of the notice in October. On October 15 the Board granted the waiver for 2003.

**WRU-03-63-3736 Granite Telecommunications, LLC**

On October 8, 2003, Granite requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. On November 17 the Board granted the waiver.

**WRU-03-64-976 Freeborn Mower Cooperative Services**

On October 17, 2003, Freeborn requested a waiver of the requirement for electric utilities with fewer than 50,000 customers to maintain, among other things, certain outage information and to adopt and file an electric reliability plan. On November 17 the Board granted the waiver.

**WRU-03-65-3102 Cox Iowa Telecom, L.L.C.**

On November 3, 2003, Cox requested a waiver of the required form for a customer's bill. Cox stated that it would be inviting customers to participate in a test of electronic billing to determine both customer response and feasibility. On December 5 the Board granted the waiver.

**WRU-03-66-3740 Consolidated Telecom, Inc.**

On November 5, 2003, Consolidated requested waiver of the requirements that in operator assisted calls, all communications between customers must be considered confidential and that the operator should be capable of connecting to appropriate emergency services at all hours. Consolidated also requested waiver of the requirement preventing the blocking of calls that allow callers to reach a long distance telephone company and the requirement to post company information and rate information. Consolidated provides

operator-assisted services exclusively to correctional facilities in Iowa. Consolidated stated that because of the nature of the services it provides, the correctional facilities must be able to control inmate access to some services. On December 5 the Board granted the waiver request.

**WRU-03-67-3747 XO Network Services, Inc.**

On October 13, 2003, XO requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. On December 17 the Board granted the waiver.

**WRU-03-68-272 Qwest Corporation**

On November 21, 2003, Qwest requested a waiver of the requirement that the Board review and approve the reorganization of a public utility. Qwest said it would be selling and transferring one of its subsidiary divisions to its parent company. The subsidiary division provides wireless telecommunications service to only a few customers in Iowa. On December 15 the Board granted the waiver.

**WRU-03-69-3240 Southwestern Bell Communications Services, Inc., d/b/a SBC Long Distance**

On December 12, 2003, SBC requested a waiver of the requirements that a local exchange carrier maintain its books and records in compliance with the uniform system of accounts, keep its records in Iowa, and publish a directory of its customers. The docket was pending.

**WRU-03-71-263 Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom and Heart of Iowa Communications Cooperative**

On December 16, 2003, Iowa Telecom and Heart of Iowa requested a waiver of the requirement that a telephone company obtain individual customer verification for change in telephone service before submitting a change order to another telephone company. The filing asserted that Heart of Iowa had acquired the assets of Iowa Telecom to provide service in the Conrad, Eldora, and Steamboat Rock local telecommunications exchanges. On December 19 the Board granted the waiver.

**WRU-03-72-156 MidAmerican Energy Company**

On December 18, 2003, MidAmerican requested a partial waiver of the reporting requirements related to notification of contractual arrangements between the public utility and an affiliate. The waiver request was limited to the monthly reporting of operational transactions that occur in the ordinary course of business between MidAmerican and its interstate pipeline affiliate. The docket was pending.

**WRU-03-73-911 Cass Electric Cooperative**

On December 22, 2003, Cass Electric Cooperative filed a request for permanent waiver of the requirement that utilities with less than 50,000 Iowa customers maintain, among other things, certain outage information and adopt and file a reliability plan. Cass noted that it purchased wholesale power from the City of Webster City, served fewer than 100 customers, and had no offices or permanent employees. No objections to the request for waiver were filed. The docket was pending.

**WRU-03-74-272 Qwest Corporation**

On December 22, 2003, Qwest filed a request for waiver of the utilization threshold requirements, relating to optimization of telephone numbering resources, for the Council Bluffs rate center. Qwest stated it received a corporate customer request for 2,000 consecutive direct inward dialing numbers in the Council Bluffs rate center and could not fulfill the request without two new blocks of 1,000 numbers. The docket was pending.

**WRU-03-75-150 Interstate Power and Light Company**

On December 24, 2003, Interstate requested a waiver to allow the cost of switchgrass used to generate electricity at a generating station to be recovered through its energy adjustment clause. Switchgrass did not fall under one of the listed categories of fuels, such as fossil fuel, for recovery under the clause. The docket was pending.

**WRU-03-76-156 MidAmerican Energy Company**

On December 30, 2003, MidAmerican requested a waiver of the requirements for calculation of the Rb factor in its purchased gas adjustment (PGA) calculations for storage gas. The Rb factor allows for adjustments to the monthly PGA for over- and under-collections above a certain amount. MidAmerican proposed to establish a separate Rb factor for storage and to recover storage costs over a period from November through April, rather than the normal Rb factor recovery between October and August. The docket was pending.

## **Federal Agency Proceedings**

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### **Federal Energy Regulatory Commission (FERC)**

#### **Electricity**

The Iowa Utilities Board (IUB) became a founding member of the Organization of MISO States (OMS). The OMS is a non-profit, self-governing organization of representatives from each state with regulatory jurisdiction over entities participating in the Midwest Independent Transmission System Operator, Inc. (MISO), a regional transmission organization (RTO) as defined by the FERC. The purpose of the OMS is to coordinate regulatory oversight among the states, including recommendations to MISO, the MISO Board of Directors, the FERC, other relevant government entities, and state commissions as appropriate. During this reporting year, the IUB was a member of the OMS Board of Directors and its Executive Committee and had at least one participant on each of the eight OMS Working Groups. Each of the eight working groups was active on numerous RTO issues related to MISO during the year, but the greatest share of time spent by the IUB/OMS was on issues related to the MISO Transmission and Energy Markets Tariff. Because of its membership on the Executive Committee, the IUB also was designated to serve as a member of the MISO Advisory Committee.

#### **Natural Gas**

Northern Natural Gas (NNG) filed a request with the FERC in Docket No. RP03-338 on May 1, 2003, for an increase in its rates charged to natural gas pipeline customers. Because of the importance of pipelines to the rates paid by natural gas retail customers in Iowa, the IUB intervened in and participated in the case.

Iowa Supreme Court Judicial review of the Kansas ad valorem tax refund process was pending. The Board had ordered that NNG refund the non-FERC-jurisdictional portion of the ad valorem tax collections. Northern had appealed a lower court review affirming the IUB's order to NNG.

### **Federal Communications Commission (FCC)**

#### **Telecommunications**

The Board filed comments in several dockets before the FCC. Comments in CG Docket No. 03-123 addressed the need for functional equivalence for Telephone Relay Services and initiated a national outreach campaign to educate the public on this service. Comments in WC Docket No. 03-173 centered on Total Element Long-Run Incremental Cost (TELRIC) and Unbundled Network Element (UNE) pricing methodology that should be reviewed periodically with an overall goal of developing competition through proper price signals.

The Board also stated in WC Docket No. 03-109 that an increase of the income-based criterion for determining Lifeline and Link-Up eligibility should occur so that all low-income consumers would be treated in an equitable manner.

Comments in WC-03-211 discussed states having the right and obligation to examine local service issues, standards and regulation of telecommunications service that should be technologically neutral, and Voice over Internet Protocol (VoIP) being reviewed in a comprehensive proceeding. The Board also made comments in CC Docket No. 01-338, stating that competitive local exchange carriers (CLECs) in Iowa have used the “pick-and-choose” rule fairly extensively in negotiating interconnection agreements with the incumbents and the rule should be retained.

## Court Cases

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### Iowa Courts

#### **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 access charges to a group of competitive local exchange carriers (CLECs). On March 19, 2003, the District Court issued its decision generally affirming the Board on the merits but reversing some procedural issues. AT&T appealed. Briefs had been filed with the Supreme Court and the matter was awaiting oral argument.

#### **Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom v. Iowa Utilities Board, Polk County No. CV 4806**

**(Docket No. RPU-02-4)**

On July 11, 2003, Iowa Telecom sought judicial review of the Board's decision to deny Iowa Telecom a proposed price increase. Oral argument was scheduled for October 20, 2003, but was stayed at the request of the parties to allow time for negotiations.

#### **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 local area data service and private line services from its tariff to a catalog of deregulated services. On June 5, 2003, the District Court issued a decision affirming the Board order. No further appeal was taken.

#### **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. On December 9, 2002, the District Court issued a decision affirming the Board's order. Northern appealed and the Supreme Court heard oral argument on December 10, 2003.

#### **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. The District Court issued its decision affirming the Board on April 2, 2002, and Consumer Advocate appealed. On June 11, 2003, the Supreme Court issued a decision affirming the Board.

**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. On January 23, 2003, the District Court issued a decision affirming the Board order. No further appeal was taken.

**Sprint, et al., v. Iowa Utilities Board, Polk County No. CV 4795  
(Docket Nos. SPU-02-11 and SPU-02-13)**

On July 7, 2003, Sprint, Level 3, and KMC Telecom filed a petition for judicial review of a Board order refusing to reverse a decision by the North American Numbering Plan Administrator. Oral argument before the District Court was scheduled for January 6, 2004.

**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 and its members regarding the Board's adoption of rules for the restoration of agricultural land after pipeline construction. On January 28, 2003, the District Court granted summary judgment in favor of Northern Natural. The Board appealed the District Court order to the U.S. Circuit Court of Appeals for the 8<sup>th</sup> Circuit; briefs had been filed and the matter was awaiting oral argument.

**Rural Iowa Independent Telephone Association v. Iowa Utilities Board, U.S. Court of Appeals for the 8<sup>th</sup> 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 and its members regarding the Board's decision in Re: 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 local calls (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 8<sup>th</sup> Circuit. Oral argument was held on October 23, 2003; the matter was awaiting decision.

## Assessments

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### Remainder Assessments for Fiscal Year 2003

#### Fiscal Year 2003 Expenditures

Utilities Division	\$ 6,325,307.75
Indirect Expenses	30,696.00
<b>Total Assessable Base</b>	<b>6,356,003.75</b>

#### Fiscal Year 2003 Deductions

Direct Assessments	\$ 1,577,856.90
Federal OPS Reimbursement	315,344.81
Misc. Adjustments & Assessments	17,238.25
<b>Total Deductions</b>	<b>1,910,439.96</b>

**Fiscal Year 2003 Remainder Base**                      **\$ 4,445,563.79**

### 2002 Utility Revenues and 2003 Assessments

<b>Rate Regulated Utilities</b>	<b>2002 Revenues</b>	<b>2003 Assessments</b>
Water Companies	\$ 23,142,029	\$ 18,900.39
Electric Companies	2,032,656,861	2,001,728.01
Rural Electric Cooperatives	24,939,796	24,560.31
Gas Companies	840,555,667	915,008.58
Telephone Companies	811,203,082	1,140,470.72
<b>Sub-total</b>	<b>\$ 3,732,497,435</b>	<b>\$ 4,100,668.01</b>
<b>Non-Rate Regulated Utilities</b>		
Municipal Electric Companies	\$ 298,912,511	\$ 147,182.13
Rural Electric Cooperatives (Electric)	345,574,514	170,158.13
Municipal Gas Companies	50,580,244	27,530.22
Rural Electric Cooperatives (Gas)	46,485	25.30
<b>Sub-total</b>	<b>\$ 695,113,754</b>	<b>\$ 344,895.78</b>
<b>Total of All Utilities</b>	<b>\$ 4,427,611,189</b>	<b>\$ 4,445,563.79</b>

**Assessment Rates:**

Rate Regulated Water Utilities:	\$.000816 or \$0.81 per \$1,000 of Assessable Revenue
Rate Regulated Electric Utilities:	\$.000984 or \$0.98 per \$1,000 of Assessable Revenue
Rate Regulated Gas Utilities:	\$.001088 or \$1.08 per \$1,000 of Assessable Revenue
Rate Regulated Telephone Utilities:	\$.001405 or \$1.40 per \$1,000 of Assessable Revenue
Non-Rate Regulated Electric Utilities:	\$.000492 or \$0.49 per \$1,000 of Assessable Revenue
Non-Rate Regulated Gas Utilities:	\$.000544 or \$0.54 per \$1,000 of Assessable Revenue

## Direct Assessments

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### 2003 Direct Assessment Billings

#### *Electric Industry*

Interstate Power & Light Company (Electric)	560,973.86
MidAmerican Energy Company (Electric)	175,820.19
<b>Total Electric Industry Charges</b>	<b>736,794.05</b>

#### *Gas Industry*

Ag Processing	8.00
Alliance Pipeline	3,366.00
ANR Pipeline Co.	4,910.50
Aquila, Inc.	99,463.55
Archer Daniels Midland	8.00
Atmos Energy Corp	31,900.35
Bedford Municipal Gas	25.50
Brighton Municipal Gas	15.00
Central Iowa Power Cooperative (CIPCO)	20.00
Clearfield Municipal Gas	7.00
Consumers Energy-Gas	34.00
Corning Municipal Utility	20.00
Equistar Chemical LP	10.00
Fairbank Municipal Utility	18.00
Interstate Power & Light Co (Gas)	184,950.72
Lenox Municipal Gas Utility	42.00
Little Sioux Corn Processors LP	3.00
Manning Municipal Gas Dept.	20.00
MidAmerican Energy Co-Gas	125,109.50
Midwest Grain Processors Coop.	2,082.75
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
Sioux City Brick & Tile Co.	4.00
US Gypsum Co.	12.00
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	5.00
<b>Total Gas Industry Charges</b>	<b>500,396.51</b>

***Telephone Industry***

AT&T Communication of the Midwest	750.94
Coon Rapids Municipal Community Utility	1,578.50
Covad Communications Company	750.94
Iowa Association Municipal Utilities	1,578.50
Iowa Telecommunications	142,213.49
Iowa Telecommunications Association	4,805.33
KMC Telecom	12,168.07
LTDS	1,578.50
Level 3 Communications,LLC	12,168.07
MCI Communications	750.94
OpenCom, Inc.	750.94
Qwest Corporation	146,323.68
Rural Iowa Independent Telephone Association	750.93
Sprint Communications	12,919.01
The Community Agency (Community Cable TV Agency)	1,578.50
<b>Total Telephone Industry Charges</b>	<b>340,666.34</b>

***Water Industry***

None	0.00
<b>Total Water Industry Charges</b>	<b>0.00</b>

**GRAND TOTAL DIRECT ASSESSMENTS** **1,577,856.90**

## Remainder Assessments

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### *Rate Regulated Utilities*

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
<b>Investor-Owned Water Companies</b>		
Iowa-American Water Co.	\$ 23,142,029	\$ 18,900.39
<b>Subtotal</b>	<b>23,142,029</b>	<b>18,900.39</b>
<b>Investor-Owned Electric Companies</b>		
Interstate Power & Light Co. (Electric)	868,235,668	855,024.62
MidAmerican Energy Co. (Electric)	1,164,421,193	1,146,703.39
<b>Subtotal</b>	<b>2,032,656,861</b>	<b>2,001,728.01</b>
<b>Investor-Owned Natural Gas Companies</b>		
Aquila	115,412,645	125,635.42
Atmos Energy	5,344,221	5,817.59
Interstate Power & Light Co. (Gas)	194,157,921	211,355.62
MidAmerican Energy Co. (Gas)	525,640,880	572,199.95
<b>Subtotal</b>	<b>840,555,667</b>	<b>915,008.58</b>
<b>Rural Electric Cooperative</b>		
Linn County REC	<b>24,939,796</b>	<b>24,560.31</b>
<b>Subtotal</b>	<b>24,939,796</b>	<b>24,560.31</b>
 <b><i>Nonrate Regulated Utilities</i></b>		
<b>Telephone Companies</b>		
Ace Telephone Assn.	2,329,612	3,275.20
AllTel Communications of the Midwest, Inc.	178,382	250.79
Alpine Communications L.C.	2,946,314	4,142.22
Alta Municipal Broadband Communication Utility	204,912	288.09
AmeriVision Communications, Inc.	259,478	364.80
Andrew Telephone Company, Inc.	181,571	255.27
Arcadia Telephone Coop.	195,057	274.23
AT&T Communications of the Midwest, Inc.	70,163	98.64
Atkins Telephone Company, Inc.	388,047	545.56
Ayrshire Farmers Mutual Telephone Company	294,696	414.31
Baldwin Nashville Telephone Company	165,710	232.97

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Barnes City Coop. Telephone Company	100,423	141.18
Bernard Telephone Company, Inc.	393,708	553.51
Breda Telephone Corporation	896,047	1,259.75
Brooklyn Communication Systems, Inc.	154,205	216.80
Brooklyn Mutual Telephone Company	724,242	1,018.21
Butler Bremer Mutual Telephone Company	1,100,713	1,547.49
Buyers United, Inc.	51,929	73.01
Cable & Wireless USA, Inc.	132,128	185.76
Cascade Telephone Company	1,160,785	1,631.95
Casey Mutual Telephone Company	290,829	408.88
Cedar Communications, L.L.C.	120,306	169.14
Center Junction Telephone Company	51,139	71.90
Central Scott Telephone Company	2,113,207	2,970.96
CenturyTel of Chester, Inc.	99,206	139.47
CenturyTel of Postville, Inc.	963,173	1,354.13
Cierracom Systems	979,972	1,377.74
Citizens Mutual Telephone Company	2,319,752	3,261.34
Citizens Telecommunications Company of MN	118,758	166.96
City of Hawarden d/b/a HITEC	404,463	568.63
Clarence Telephone Company, Inc.	476,101	669.35
Clarksville Telephone Company	350,955	493.41
Clear Lake Ind. Telephone Company	3,313,354	4,658.25
C-M-L Telephone Coop. Association	325,427	457.52
Colo Telephone Company	93,637	131.64
Comm South Companies, Inc.	299,914	421.65
CommChoice of Iowa, LLC	124,091	174.46
Coon Creek Telecommunications, Corp	927,397	1,303.83
Coon Creek Telephone Company	353,334	496.75
Coon Rapids Municipal Communication Utility	420,997	591.88
Coon Valley Coop. Telephone Association, Inc.	292,840	411.70
Cooperative Telephone Company	717,530	1,008.78
Cooperative Telephone Exchange	204,538	287.56
Corn Belt Telephone Company, Inc.	459,715	646.31
Cox Iowa Telcom, LLC	3,110,959	4,373.70
Cumberland Telephone Company	195,757	275.21
Danville Mutual Telephone Company	559,013	785.92

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Defiance Telephone Company, Inc.	55,101	77.47
Dixon Telephone Company	205,933	289.52
Dumont Telephone Company	372,893	524.25
Dunkerton Telephone Coop.	145,050	203.93
East Buchanan Telephone Coop.	747,771	1,051.29
Ellsworth Coop. Telephone Association	483,129	679.23
eMeritus Communications, Inc.	60,755	85.42
Evercom Systems, Inc.	1,207,596	1,697.76
Excel Telecommunications, Inc.	1,738,151	2,443.67
Farmers & Businessmen's Tele. Co.	767,168	1,078.56
Farmers & Merchants Mutual Telephone Company	622,206	874.76
Farmers Cooperative Telephone Company	761,839	1,071.07
Farmers Mut. Coop. Telephone Company	303,695	426.96
Farmers Mutual Coop. Telephone (Harlan)	1,605,954	2,257.81
Farmers Mutual Telephone Company	1,146,602	1,612.01
Farmers Mutual Telephone Company	1,580,776	2,222.41
Farmers Mutual Telephone Company of Stanton	665,924	936.22
Farmers Mutual Telephone-Coop of Shellsburg	1,349,653	1,897.48
Farmers Telephone Company	215,336	302.74
Farmers Telephone Company	209,413	294.41
Farmers Telephone Company	811,681	1,141.14
Fenton Coop. Telephone Company	158,104	222.28
FiberComm, L.L.C.	1,036,309	1,456.95
Forest City Telecom, Inc.	1,137,142	1,598.71
Frontier Communications of America, Inc.	3,833,563	5,389.61
Frontier Communications of Iowa, Inc.	20,353,391	28,614.84
Goldfield Access Network, L.C.	596,560	838.70
Goldfield Telephone Company	344,973	485.00
Grand Mound Cooperative Telephone Assn.	288,607	405.75
Grand River Mutual Telephone Corp.	3,189,755	4,484.48
Griswold Coop. Telephone Company	998,984	1,404.47
Grundy Center Communications Utility	209,825	294.99
Guthrie Telecommunications Network, Inc.	153,514	215.83
Harlan Municipal Utilities	310,203	436.11
Hawkeye Telephone Company	260,613	366.40
Heart of Iowa Communications Cooperative	945,972	1,329.94

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
HickoryTech (Crystal)	424,944	597.43
HickoryTech (Heartland)	4,998,098	7,026.83
Hills Telephone Company, Inc.	867,971	1,220.28
Hospers Telephone Exchange Inc.	421,452	592.52
Houlton Enterprises, Inc.,	908,980	1,277.94
Hubbard Co-op. Telephone Assn.	359,314	505.16
Huxley Communications Cooperative	1,374,295	1,932.12
IADA Services, Inc.	1,403,489	1,973.17
IAMO Telephone Company	181,374	254.99
Independent Networks, L.C.	159,055	223.62
Interstate 35 Telephone Company, Inc.	852,966	1,199.19
Ionex Communications North, Inc.	1,364,117	1,917.81
Iowa Network Services, Inc.	13,360,585	18,783.65
Iowa Telecom Communications, Inc.	116,892	164.34
Iowa Telecommunications Services, Inc.	122,121,000	171,689.96
ITC DeltaCom Communications, Inc.	70,895	99.67
Jefferson Telephone Company	1,577,700	2,218.09
Jordan Soldier Valley Coop. Telephone Co.	666,922	937.63
Kalona Coop. Telephone Company	1,175,952	1,653.27
Keystone Farmers Coop. Telephone Company	699,321	983.18
La Motte Telephone Company, Inc.	275,628	387.51
La Porte City Telephone Company	1,227,578	1,725.85
Laurel Telephone Company, Inc.	178,088	250.37
Laurens Municipal Broadband Comm Utility	354,750	498.74
LCR Telecommunications, L.L.C.	71,004	99.82
Lehigh Valley Coop. Telephone Assn.	891,935	1,253.97
Liberty Communications	1,913,706	2,690.48
Lightyear Communications, Inc.	531,754	747.59
Local Long Distance, L.C.	465,735	654.78
Local Telephone Data Service Corporation	1,667,675	2,344.58
Lone Rock Cooperative Telephone Company	133,324	187.44
Long Lines Metro, Inc.	74,193	104.31
Lost Nation Elwood Telephone Company	499,048	701.61
Louisa Communications, L.C.	348,941	490.58
Lynnville Telephone Company	145,333	204.32
Mabel Cooperative Telephone Company	400,885	563.60

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Manilla Telephone Company	122,047	171.59
Manning Municipal Comm & Television Utilities	183,722	258.29
Marne & Elk Horn Telephone Company	825,823	1,161.02
Martelle Coop. Telephone Assn.	102,086	143.52
Massena Telephone Company Inc.	268,002	376.78
MCImetro Access Transmission Services, LLC	87,532	123.06
McLeodUSA Telecommunications	93,061,263	130,834.86
Mechanicsville Telephone Company	436,649	613.88
Mediapolis Telephone Company	1,250,236	1,757.71
Miles Cooperative Telephone Association	359,110	504.87
Minburn Telecommunications, Inc.	566,294	796.15
Minburn Telephone Company	250,350	351.97
Minerva Valley Telephone Company, Inc.	423,382	595.23
Modern Coop. Telephone Company	501,183	704.61
Montezuma Mutual Telephone Company	2,030,827	2,855.14
Mutual Telephone Company	1,207,164	1,697.15
Mutual Telephone Company of Morning Sun	387,360	544.59
Network Communication International Corp.	116,082	163.20
New Access Communications LLC	1,454,642	2,045.08
Norstan Network Services, Inc.	63,545	89.34
North English Cooperative Telephone Co.	360,770	507.21
Northeast Iowa Telephone Company	1,010,798	1,421.08
Northern Iowa Telephone Company	1,093,804	1,537.78
Northwest Iowa Telephone Company, Inc.	5,698,695	8,011.80
Northwest Telephone Coop. Assn.	999,085	1,404.61
Norway Rural Telephone Company	445,320	626.08
NOS Communications, Inc.	161,874	227.58
Ogden Telephone Company	785,776	1,104.72
Olin Telephone Company, Inc.	421,158	592.11
OmniTel Communications	577,928	812.51
OneStar Communications, L.L.C.	2,565,945	3,607.46
Onslow Coop. Telephone Association	236,748	332.84
Oran Mutual Telephone Company	192,259	270.30
Palmer Mutual Telephone Company	188,596	265.15
Palo Coop. Telephone Assn.	263,829	370.92
Panora Coop. Telephone Assn., Inc.	853,740	1,200.27

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Partner Communications Cooperative	914,274	1,285.38
Pay Phone Unlimited, Inc.	106,524	149.76
Peoples Telephone Company	399,050	561.02
PowerNet Global Communications	335,635	471.87
Prairie Telephone Company, Inc.	537,642	755.87
Prairieburg Telephone Company, Inc.	111,897	157.32
Preston Telephone Company	699,251	983.08
Primus Telecommunications, Inc.	230,086	323.48
Qwest Corporation	383,775,000	539,549.49
QX Telecom LLC	281,396	395.61
Radcliffe Telephone Company, Inc.	252,807	355.42
Readlyn Telephone Company	538,502	757.08
Reinbeck Telecommunications Utility	152,455	214.34
Ringsted Telephone Company	185,621	260.96
River Valley Telecommunications Coop.	569,479	800.63
Rockwell Coop. Telephone Assn.	817,474	1,149.29
Royal Telephone Company	222,060	312.19
Ruthven Telephone Exchange Company	355,599	499.94
Sac County. Mutual Telephone Company	634,980	892.72
Schaller Telephone Company	1,213,942	1,706.68
Scranton Telephone Company	266,678	374.92
Searsboro Telephone Company	155,075	218.02
Sharon Telephone Company	531,630	747.42
Shell Rock Telephone Company	537,132	755.15
South Central Communications, Inc.	1,009,135	1,418.74
South Slope Coop. Telephone Company, Inc.	8,662,166	12,178.14
Southwest Telephone Excchange, Inc.	554,423	779.46
Southwestern Bell Communications	63,427	89.17
Spencer Municipal Communications Utility	1,165,188	1,638.14
Springville Co-operative Telephone Assn., Inc.	464,909	653.62
Sprint Communications Company, L.P.	13,596,576	19,115.43
Stratford Mutual Telephone Company	332,828	467.92
Sully Telephone Assoc.	966,266	1,358.47
Superior Telephone Co-op.	112,712	158.46
Swisher Telephone Company	394,042	553.98
TCG Omaha	53,387	75.06

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Templeton Telephone Company	302,111	424.74
Terril Telephone Cooperative	220,814	310.44
The Burt Telephone Company	247,799	348.38
The Community Agency	281,372	395.58
Titonka Telephone Company	363,086	510.46
Touch 1 Communications, Inc.	88,764	124.79
Touch America, Inc.	3,323,428	4,672.41
Trans National Communications International	252,776	355.38
Twin Rivers Valley Telephone	168,944	237.52
U.S. Telecom Long Distance, Inc.	116,506	163.80
United Farmers Telephone Company	361,049	507.60
Uni-Tel Communications Group, Inc.	67,647	95.10
Universal Communications of Allison, Inc	397,505	558.85
Van Buren Telephone Company, Inc.	1,650,705	2,320.73
Van Horne Coop. Telephone Company	282,114	396.62
VarTec Telecom, Inc.	2,180,651	3,065.78
Ventura Telephone Company, Inc.	202,452	284.63
Villisca Farmers Telephone Company Corp.	561,150	788.92
Walnut Telephone Company	400,423	562.95
WCTA Long Distance	797,007	1,120.51
Webb Dickens Telephone Corp.	233,130	327.76
Webster Calhoun Coop. Telephone Assn.	4,603,033	6,471.41
Wellman Coop. Telephone Assn.	649,436	913.04
West Iowa Telephone Company	2,398,366	3,371.86
Western Iowa Telephone Assn.	1,889,525	2,656.48
Westside Independent Telephone Company	229,585	322.77
Wilton Telephone Company	1,067,354	1,500.59
Winnebago Coop. Telephone Assn.	3,835,861	5,392.84
Woolstock Mutual Telephone Assn.	123,444	173.55
WorldxChange Corp.	55,570	78.13
Wyoming Mutual Telephone Company	325,077	457.03
<b>Telephone Companies Subtotal</b>	<b>811,203,082</b>	<b>1,140,470.72</b>
 <b>Municipal Electric Companies</b>		
Afton	446,550	219.88
Akron	759,498	373.97

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Algona	5,644,060	2,779.09
Alta	818,614	403.08
Alta Vista	118,972	58.58
Alton	546,560	269.12
Ames	30,622,225	15,078.14
Anita	436,927	215.14
Anthon	300,956	148.19
Aplington	422,712	208.14
Atlantic	5,179,205	2,550.20
Auburn	125,927	62.01
Aurelia	524,448	258.23
Bancroft	715,295	352.21
Bellevue	1,429,068	703.66
Bloomfield	2,035,978	1,002.50
Breda	248,809	122.51
Brooklyn	951,682	468.60
Buffalo	356,721	175.65
Burt	239,687	118.02
Callender	152,726	75.20
Carlisle	1,193,519	587.68
Cascade	1,039,791	511.98
Cedar Falls	18,747,680	9,231.21
Coggon	326,503	160.77
Coon Rapids	2,010,295	989.85
Corning	767,786	378.05
Corwith	232,522	114.49
Danville	367,756	181.08
Dayton	437,754	215.55
Denison	5,042,278	2,482.78
Denver	806,857	397.29
Dike	458,361	225.69
Durant	1,088,984	536.21
Dysart	629,091	309.76
Earlville	365,466	179.95
Eldridge	2,393,620	1,178.60
Ellsworth	322,365	158.73

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Estherville	3,539,224	1,742.69
Fairbank	453,113	223.11
Farnhamville	278,970	137.36
Fonda	343,555	169.16
Fontanelle	317,020	156.10
Forest City	3,557,266	1,751.57
Fredericksburg	1,439,539	708.82
Glidden	480,994	236.84
Gowrie	673,536	331.64
Graettinger	482,915	237.78
Grafton	137,253	67.58
Grand Junction	459,754	226.38
Greenfield	2,261,893	1,113.74
Grundy Center	1,757,155	865.21
Guttenberg	1,043,221	513.67
Harlan	3,900,574	1,920.61
Hartley	1,111,083	547.09
Hawarden	1,407,979	693.28
Hinton	410,114	201.94
Hopkinton	333,141	164.04
Hudson	899,067	442.69
Independence	5,002,912	2,463.39
Indianola	6,719,565	3,308.66
Keosauqua	905,113	445.67
Kimballton	159,489	78.53
La Porte City	952,371	468.94
Lake Mills	2,171,144	1,069.05
Lake Park	636,789	313.55
Lake View	1,030,639	507.48
Lamoni	1,567,454	771.80
Larchwood	370,407	182.39
Laurens	1,269,455	625.07
Lawler	203,690	100.30
Lehigh	215,317	106.02
Lenox	908,068	447.13
Livermore	278,570	137.17

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Long Grove	189,170	93.15
Manilla	387,274	190.69
Manning	1,583,504	779.70
Mapleton	764,848	376.61
Maquoketa	5,603,380	2,759.06
Marathon	173,187	85.28
McGregor	475,888	234.32
Milford	1,842,839	907.40
Montezuma	1,723,378	848.58
Mount Pleasant	4,680,637	2,304.71
Muscatine	52,137,368	25,671.99
Neola	269,435	132.67
New Hampton	2,589,254	1,274.93
New London	1,539,413	757.99
Ogden	1,063,421	523.62
Onawa	1,570,483	773.29
Orange City	4,205,830	2,070.92
Orient	172,972	85.17
Osage	2,923,943	1,439.73
Panora	878,389	432.51
Paton	162,885	80.20
Paullina	464,973	228.95
Pella	12,153,640	5,984.36
Pocahontas	993,822	489.35
Preston	584,629	287.87
Primghar	637,749	314.02
Readlyn	294,544	145.03
Remsen	706,776	348.01
Renwick	269,522	132.71
Rock Rapids	1,455,797	716.82
Rockford	434,210	213.80
Sabula	295,217	145.36
Sanborn	1,080,518	532.04
Sergeant Bluff	1,510,354	743.69
Shelby	280,259	138.00
Sibley	1,911,054	940.99

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Sioux Center	4,158,394	2,047.56
Spencer	6,764,435	3,330.75
Stanhope	248,846	122.53
Stanton	425,496	209.51
State Center	1,074,377	529.01
Story City	3,011,714	1,482.94
Stratford	455,059	224.07
Strawberry Point	632,186	311.28
Stuart	1,207,307	594.47
Sumner	1,089,885	536.65
Tennant	32,621	16.06
Tipton	2,538,462	1,249.92
Traer	1,477,049	727.29
Villisca	651,164	320.63
Vinton	2,181,557	1,074.18
Wall Lake	468,120	230.50
Waverly	7,914,473	3,897.02
Webster City	9,626,669	4,740.09
West Bend	855,776	421.38
West Liberty	3,151,994	1,552.02
West Point	986,272	485.63
Westfield	80,765	39.77
Whittemore	266,815	131.38
Wilton	1,551,763	764.08
Winterset	3,169,687	1,560.73
Woodbine	751,326	369.95
Woolstock	144,140	70.97
<b>Municipal Electric Companies Subtotal</b>	<b>298,912,511</b>	<b>147,182.13</b>
 <b>Municipal Gas Companies</b>		
Allerton	979,164	532.95
Bedford	571,055	310.82
Bloomfield	1,214,423	661.00
Brighton	199,675	108.68
Brooklyn	494,362	269.08
Cascade	519,262	282.63

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Cedar Falls	11,837,025	6,442.76
Clearfield	132,696	72.22
Coon Rapids	1,062,030	578.05
Corning	900,329	490.04
Emmetsburg	2,130,106	1,159.39
Everly	302,663	164.74
Fairbank	331,481	180.42
Gilmore City	544,538	296.39
Graettinger	376,172	204.75
Guthrie Center	983,621	535.37
Harlan	2,361,458	1,285.31
Hartley	800,756	435.84
Hawarden	1,000,038	544.31
Lake Park	665,772	362.37
Lamoni	683,270	371.90
Lenox	842,371	458.49
Lineville	105,022	57.16
Lorimor	137,606	74.90
Manilla	322,481	175.52
Manning	955,747	520.20
Montezuma	825,870	449.51
Morning Sun	313,745	170.77
Moulton	231,938	126.24
Orange City	704,340	383.36
Osage	2,217,585	1,207.00
Prescott	85,988	46.80
Preston	446,908	243.25
Remsen	795,561	433.01
Rock Rapids	940,075	511.67
Rolfe	360,495	196.21
Sabula	346,501	188.60
Sac City	848,100	461.61
Sanborn	998,215	543.32
Sioux Center	4,385,113	2,386.76
Tipton	1,305,887	710.78
Titonka	201,850	109.86

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Wall Lake	150,532	81.93
Waukee	2,003,498	1,090.48
Wayland	501,024	272.70
Wellman	485,560	264.28
West Bend	660,822	359.68
Whittemore	424,367	230.98
Winfield	393,272	214.05
Woodbine	499,875	272.08
<b>Municipal Gas Companies Subtotal</b>	<b>50,580,244</b>	<b>27,530.22</b>
 <b>Rural Electric Cooperatives (Gas)</b>		
Consumers Energy (Gas)	46,485	25.30
<b>Rural Electric Cooperative (Gas) Subtotal</b>	<b>46,485</b>	<b>25.30</b>
 <b>Rural Electric Cooperatives (Electric)</b>		
Access Energy Cooperative	13,083,971	6,442.44
Allamakee Clayton Elec. Coop., Inc.	9,985,654	4,916.86
Amana Society Service Company	5,230,566	2,575.49
Atchison Holt Electric Coop.	1,147,894	565.21
Boone Valley Electric Coop.	429,679	211.57
Butler County Rural Elec. Coop.	9,939,038	4,893.90
Calhoun County Electric Coop. Assn.	2,699,793	1,329.36
Cass Electric Cooperative	89,369	44.00
Central Iowa Power Cooperative (CIPCO)	5,116,257	2,519.20
Chariton Valley Electric Coop., Inc.	5,593,436	2,754.16
Clarke Electric Coop., Inc.	7,598,638	3,741.51
Consumers Energy	7,920,486	3,899.98
East-Central Iowa Rural Electric Coop.	13,595,064	6,694.10
Eastern Iowa Light & Power Cooperative	57,815,723	28,468.00
Farmers Elec. Coop. Kalona	1,196,243	589.02
Farmers Elec. Coop., Inc. Greenfield	8,943,743	4,403.83
Federated Rural Electric Assn.	54,369	26.77
Franklin Rural Electric Coop.	3,844,559	1,893.03
Freeborn-Mower Electric Coop.	9,720	4.79
Glidden Rural Electric Coop.	3,892,379	1,916.58
Grundy County Rural Electric Coop.	5,392,972	2,655.46

	<b>Calendar 2002 Revenues</b>	<b>FY 2003 Assessments</b>
Grundy Electric Cooperative, Inc.	282,553	139.13
Guthrie County Rural Elec. Coop. Assn.	7,681,399	3,782.26
Harrison County Rural Electric Coop.	4,473,920	2,202.92
Hawkeye Tri County Electric Coop.	10,255,124	5,049.54
Heartland Power Cooperative	8,550,736	4,210.31
Humboldt County Rural Electric Coop.	3,577,412	1,761.49
Iowa Lakes Electric Cooperative	21,274,462	10,475.38
Lyon Rural Electric Coop.	3,997,700	1,968.44
Maquoketa Valley Rural Electric Coop.	19,984,739	9,840.33
Midland Power Cooperative	16,843,635	8,293.67
Nishnabotna Valley Rural Elec. Coop.	6,135,292	3,020.97
Nobles Coop. Electric Assn.	10,878	5.36
North West Rural Electric Coop.	15,957,612	7,857.40
Northwest Iowa Power Cooperative	2,108,256	1,038.09
Osceola Electric Coop., Inc.	2,211,232	1,088.79
Pella Coop. Electric Assn.	4,727,228	2,327.65
Pleasant Hill Community Line	297,061	146.27
Prairie Energy Cooperative	12,682,011	6,244.52
Rideta Electric Coop., Inc.	4,307,053	2,120.76
Sac County Rural Electric Coop.	1,956,682	963.45
Southern Iowa Electric Coop., Inc.	7,180,333	3,535.54
Southwest Iowa Service Cooperative	4,828,884	2,377.70
T. I. P. Rural Electric Coop.	10,200,143	5,022.47
Tri-County Electric Cooperative	137,877	67.89
United Electric Cooperative, Inc.	624,642	307.57
Western Iowa Power Cooperative	7,331,322	3,609.88
Woodbury County Rural Electric Coop.	4,376,775	2,155.09
<b>Rural Electric Cooperatives (Electric) Subtotal</b>	<b>345,574,514</b>	<b>170,158.13</b>
<b>GRAND TOTAL</b>	<b>4,427,611,189</b>	<b>4,445,563.79</b>

## Dual Party Assessments

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<b>Telephone Companies</b>	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
Ace Telephone Assn.	1,077,071	1,637,564	1,287.07	3,668.61
Advantage Telecommunications, Corp.	0	58,324	0.00	130.66
AllTel Communications of the Midwest, Inc.	157,283	21,099	187.95	47.27
Alpine Communications L.C.	3,125,204	0	3,734.52	0.00
Alpine Long Distance, LC	0	418,214	0.00	936.92
Alta Municipal Broadband Communication Utility	112,024	127,257	133.87	285.09
AmeriVision Communications, Inc.	0	259,478	0.00	581.30
Andrew Telephone Company, Inc.	186,168	0	222.47	0.00
Arcadia Telephone Coop.	204,101	0	243.89	0.00
Associated Network Partners, Inc. (ANPI)	0	955,152	0.00	2,139.81
AT&T Communications of the Midwest, Inc.	70,163	63,755,369	83.84	142,830.09
Atkins Telephone Company, Inc.	397,809	24,099	475.37	53.99
Ayrshire Farmers Mutual Telephone Company	38,861	271,182	46.44	607.52
Baldwin Nashville Telephone Company	178,614	0	213.44	0.00
Barnes City Coop. Telephone Company	108,955	0	130.20	0.00
Bell Atlantic Communications, Inc.	0	1,685,616	0.00	3,776.26
Bernard Telephone Company, Inc.	404,598	0	483.48	0.00
Breda Telephone Corporation	935,288	0	1,117.64	0.00
Broadwing Telecommunications Inc.	0	655,481	0.00	1,468.46
Brooklyn Communication Systems, Inc.	0	154,205	0.00	345.46
Brooklyn Mutual Telephone Company	794,703	0	949.65	0.00
BTC, Inc.	3,539	86,572	4.23	193.95
Butler Bremer Mutual Telephone Company	1,155,402	0	1,380.67	0.00
Buyers United, Inc.	0	51,929	0.00	116.34
Cable & Wireless USA, Inc.	0	132,128	0.00	296.00
Cascade Telephone Company	1,246,636	0	1,489.69	0.00
Casey Mutual Telephone Company	296,674	0	354.52	0.00
Cedar Communications, L.L.C.	137,541	0	164.36	0.00
Center Junction Telephone Company	55,735	0	66.60	0.00
Central Scott Telephone Company	2,319,251	0	2,771.44	0.00

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
CenturyTel Long Distance, Inc.	0	49,815	0.00	111.60
CenturyTel of Chester, Inc.	49,701	53,515	59.39	119.89
CenturyTel of Postville, Inc.	488,767	540,291	584.06	1,210.40
Ciera Network Systems, Inc.	0	63,127	0.00	141.42
Citizens Communications	0	247,163	0.00	553.72
Citizens Mutual Telephone Company	2,599,492	0	3,106.31	0.00
Citizens Telecommunications Company of MN	125,764	41,813	150.28	93.67
City of Hawarden d/b/a HITEC	382,494	186,816	457.07	418.52
CL Tel Long Distance, Inc.	0	305,497	0.00	684.40
Clarence Telephone Company, Inc.	504,162	0	602.46	0.00
Clarksville Telephone Company	378,168	0	451.90	0.00
Clear Lake Ind. Telephone Company	2,228,004	1,625,528	2,662.40	3,641.64
C-M-L Telephone Coop. Association	366,079	0	437.45	0.00
Colo Telephone Company	181,813	49,085	217.26	109.96
Comm South Companies, Inc.	359,468	0	429.55	0.00
CommChoice of Iowa, LLC	21,313	116,982	25.47	262.07
Complete Communication Services Corp.	57,294	40,381	68.46	90.46
Coon Creek Telecommunications, Corp	955,107	103,771	1,141.32	232.48
Coon Creek Telephone Company	382,981	27,861	457.65	62.42
Coon Rapids Municipal Communication Utility	178,772	345,055	213.63	773.02
Coon Valley Coop. Telephone Association, Inc.	309,053	33,196	369.31	74.37
Cooperative Telephone Company	817,085	0	976.39	0.00
Cooperative Telephone Exchange	102,043	102,495	121.94	229.62
Corn Belt Telephone Company, Inc.	492,894	0	588.99	0.00
Cox Iowa Telcom, LLC	2,920,886	396,049	3,490.37	887.26
Crystal Communications, Inc. d/b/a HickoryTech	622,064	597,648	743.35	1,338.90
Cumberland Telephone Company	224,443	0	268.20	0.00
Danville Mutual Telephone Company	613,558	0	733.18	0.00
Defiance Telephone Company, Inc.	59,691	0	71.33	0.00
Digital Telecommunications Inc. d/b/a DTI	0	70,000	0.00	156.82
Digital Telecommunications, Inc.	144,000	0	172.08	0.00

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Dixon Telephone Company	217,752	0	260.21	0.00
Dumont Telephone Company	452,526	100,133	540.75	224.33
Dunkerton Telephone Coop.	201,508	0	240.80	0.00
East Buchanan Telephone Coop.	836,359	0	999.42	0.00
Ellsworth Coop. Telephone Association	254,132	392,889	303.68	880.18
eMeritus Communications, Inc.	0	60,755	0.00	136.11
Evercom Systems, Inc.	0	1,207,596	0.00	2,705.36
Excel Telecommunications, Inc.	0	2,130,640	0.00	4,773.24
FairPoint Carrier Services, Inc.	0	683,408	0.00	1,531.03
Farmers & Businessmen's Tele. Co.	861,823	0	1,029.85	0.00
Farmers & Merchants Mutual Telephone Company	694,698	53,134	830.14	119.04
Farmers Cooperative Telephone Company	798,610	0	954.31	0.00
Farmers Mut. Coop. Telephone Company	311,747	0	372.53	0.00
Farmers Mutual Coop Telephone of Harlan	1,705,063	0	2,037.50	0.00
Farmers Mutual Telephone Company	1,618,306	0	1,933.83	0.00
Farmers Mutual Telephone Company of Stanton	739,250	0	883.38	0.00
Farmers Mutual Telephone of Jesup	1,254,614	0	1,499.23	0.00
Farmers Mutual Telephone-Coop of Shellsburg	1,497,088	68,011	1,788.98	152.36
Farmers Telephone Batavia	225,877	0	269.92	0.00
Farmers Telephone of Essex	220,521	0	263.52	0.00
Farmers Telephone of Nora Springs	837,776	0	1,001.12	0.00
Fenton Coop. Telephone Company	173,936	0	207.85	0.00
FiberComm, L.L.C.	1,043,315	0	1,246.73	0.00
FMTC Long Distance, Inc.	0	497,510	0.00	1,114.56
Forest City Telecom, Inc.	579,267	665,717	692.21	1,491.39
Frontier Communications of America, Inc.	0	3,833,563	0.00	8,588.27
Frontier Communications of Iowa, Inc.	27,761,007	4,006	33,173.57	8.97
GE Capital Communications Services	0	49,269	0.00	110.38
Global Communications Consulting Corp.	0	53,665	0.00	120.22
Global Crossing Telecommunications, Inc.	0	3,633,142	0.00	8,139.27
Goldfield Access Network, L.C.	674,268	147,535	805.73	330.52
Goldfield Telephone Company	366,773	0	438.28	0.00

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Grand Mound Cooperative Telephone Assn.	306,174	0	365.87	0.00
Grand River Mutual Telephone Corp.	3,496,170	125,850	4,177.82	281.94
Griswold Coop. Telephone Company	1,070,338	0	1,279.02	0.00
Grundy Center Communications Utility	62,010	173,710	74.10	389.16
Guthrie Telecommunications Network, Inc.	154,937	46,754	185.15	104.74
Harlan Municipal Utilities	110,776	317,005	132.37	710.18
Hawkeye Telephone Company	278,491	0	332.79	0.00
Heart of Iowa Communications Cooperative	1,193,795	670,517	1,426.55	1,502.15
Heartland Telecomm of IA d/b/a HickoryTech	5,477,953	0	6,545.99	0.00
Hills Telephone Company, Inc.	274,376	643,828	327.87	1,442.36
Hospers Telephone Exchange Inc.	340,228	220,091	406.56	493.07
Houlton Enterprises, Inc.,	908,980	0	1,086.20	0.00
Hubbard Co-op. Telephone Assn.	384,537	0	459.51	0.00
Huxley Communications Cooperative	462,472	961,128	552.64	2,153.20
IADA Services, Inc.	0	1,403,489	0.00	3,144.21
IAMO Telephone Company	191,628	0	228.99	0.00
IDT America, Corp.	0	340,921	0.00	763.76
Independent Networks, L.C.	108,924	86,300	130.16	193.34
Intellicall Operator Services, Inc.	0	274,080	0.00	614.02
Interstate 35 Telephone Company, Inc.	867,403	0	1,036.52	0.00
Inter-Tel NetSolutions, Inc.	0	58,469	0.00	130.99
Ionex Communications North, Inc.	1,010,045	378,321	1,206.97	847.55
Iowa Network Services, Inc.	0	58,788,663	0.00	131,703.26
Iowa Telecom Communications, Inc.	129,221	57,265	154.42	128.29
Iowa Telecommunications Services, Inc.	80,708,000	55,074,000	96,443.63	123,381.36
ITC DeltaCom Communications, Inc.	0	70,895	0.00	158.82
Jefferson Telephone Company	2,825,484	0	3,376.37	0.00
Jordan Soldier Valley Coop. Telephone Co.	128,683	623,675	153.77	1,397.21
Kalona Coop. Telephone Company	1,272,507	56,581	1,520.61	126.76
Keystone Farmers Coop. Telephone Company	701,473	0	838.24	0.00
La Motte Telephone Company, Inc.	305,116	0	364.60	0.00
La Porte City Long Distance	0	73,596	0.00	164.88
La Porte City Telephone Company	1,267,220	0	1,514.29	0.00

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Laurel Telephone Company, Inc.	182,772	0	218.41	0.00
Laurens Municipal Broadband Communications	146,429	300,795	174.98	673.87
LCR Telecommunications, L.L.C.	0	71,004	0.00	159.07
Lehigh Valley Coop. Telephone Assn.	516,041	701,193	616.65	1,570.87
Liberty Communications	2,453,086	0	2,931.36	0.00
Lightyear Communications, Inc.	0	531,754	0.00	1,191.28
Link Communications, Inc.	0	74,516	0.00	166.94
Local Long Distance, L.C.	0	465,735	0.00	1,043.38
Local Telephone Data Service Corporation	1,397,549	270,126	1,670.03	605.16
Lone Rock Cooperative Telephone Company	148,547	0	177.51	0.00
Long Lines Metro, Inc.	8,476	67,014	10.13	150.13
Lost Nation Elwood Telephone Company	588,869	0	703.68	0.00
Louisa Communications, L.C.	373,554	0	446.39	0.00
Lynnville Telephone Company	151,044	0	180.49	0.00
Mabel Cooperative Telephone Company	251,043	149,842	299.99	335.69
Manilla Telephone Company	136,718	0	163.37	0.00
Manning Municipal Communication & Television	133,596	203,778	159.64	456.52
Marne & Elk Horn Telephone Company	889,666	72,143	1,063.12	161.62
Martelle Coop. Telephone Assn.	115,434	0	137.94	0.00
Massena Telephone Company Inc.	316,851	0	378.63	0.00
MCI WorldCom Communications, Inc.	0	62,267,489	0.00	139,496.90
MCI WorldCom Network Services, Inc.	0	11,422,924	0.00	25,590.59
MCImetro Access Transmission Services, LLC	87,532	0	104.60	0.00
McLeodUSA Telecommunications Services, Inc.	68,315,600	24,745,663	81,635.09	55,437.29
Mechanicsville Telephone Company	465,367	0	556.10	0.00
Mediapolis Telephone Company	1,411,500	0	1,686.70	0.00
Miles Cooperative Telephone Association	378,212	0	451.95	0.00
Minburn Telecommunications, Inc.	591,066	0	706.31	0.00
Minburn Telephone Company	266,978	0	319.03	0.00
Minerva Valley Telephone Company, Inc.	448,631	0	536.10	0.00
Modern Coop. Telephone Company	552,714	0	660.48	0.00

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Montezuma Mutual Telephone Company	2,864,460	0	3,422.94	0.00
Mutual Telephone Company	1,315,593	0	1,572.09	0.00
Mutual Telephone Company of Morning Sun	422,335	0	504.68	0.00
Network Communication International Corp.	0	116,082	0.00	260.06
New Access Communications LLC	0	1,454,642	0.00	3,258.81
NexGen Integrated Communications, L.L.C.	243,225	286,568	290.65	641.99
NorLight Telecommunications, Inc.	0	347,080	0.00	777.56
Norstan Network Services, Inc.	0	63,545	0.00	142.36
North English Cooperative Telephone Co.	397,130	0	474.56	0.00
Northeast Iowa Telephone Company	1,387,912	0	1,658.51	0.00
Northern Iowa Telephone Company	1,170,135	0	1,398.28	0.00
Northwest Iowa Telephone Company, Inc.	1,051,911	4,726,608	1,257.00	10,588.94
Northwest Telephone Coop. Assn.	385,339	706,358	460.47	1,582.44
Norway Rural Telephone Company	504,160	0	602.46	0.00
NOS Communications, Inc.	0	161,874	0.00	362.64
NOSVA, Limited d/b/a Cierracom Systems	0	979,972	0.00	2,195.41
Ogden Telephone Company	867,246	0	1,036.33	0.00
Olin Telephone Company, Inc.	450,610	0	538.47	0.00
OmniTel Communications	596,876	0	713.25	0.00
OneStar Communications, L.L.C.	0	2,565,945	0.00	5,748.44
Onslow Coop. Telephone Association	242,588	0	289.89	0.00
Opcom, Inc.	0	75,178	0.00	168.42
Oran Mutual Telephone Company	206,192	0	246.39	0.00
Palmer Mutual Telephone Company	193,210	0	230.88	0.00
Palo Coop. Telephone Assn.	317,967	0	379.96	0.00
Panora Coop. Telephone Assn., Inc.	953,800	0	1,139.76	0.00
Partner Communications Cooperative	977,133	0	1,167.64	0.00
Partner Long Distance, Inc.	0	58,968	0.00	132.11
Pay Phone Unlimited, Inc.	89,987	62,189	107.53	139.32
Peoples Telephone Company	536,191	0	640.73	0.00
PowerNet Global Communications	0	335,635	0.00	751.92
Prairie Telephone Company, Inc.	559,874	0	669.03	0.00
Prairieburg Telephone Company, Inc.	115,904	0	138.50	0.00

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Prairiewave Telecommunications, Inc.	551,225	411,450	658.70	921.76
Preston Telephone Company	762,787	0	911.51	0.00
Primus Telecommunications, Inc.	0	230,086	0.00	515.46
Qwest Corporation	371,489,000	12,286,000	443,918.19	27,524.12
QX Telecom LLC	0	281,396	0.00	630.41
Radcliffe Telephone Company, Inc.	279,904	0	334.48	0.00
Radiant Telecom, Inc.	0	262,267	0.00	587.55
Readlyn Telephone Company	567,645	0	678.32	0.00
Reinbeck Telecommunications Utility	104,496	88,064	124.87	197.29
Ringsted Telephone Company	224,142	113,563	267.84	254.41
River Valley Telecommunications Coop.	636,385	0	760.46	0.00
Rockwell Coop. Telephone Assn.	326,982	685,583	390.73	1,535.90
Royal Telephone Company	241,245	0	288.28	0.00
Ruthven Telephone Exchange Company	385,246	0	460.36	0.00
Sac County. Mutual Telephone Company	705,613	0	843.19	0.00
Schaller Telephone Company	1,282,933	0	1,533.07	0.00
Scranton Telephone Company	290,413	0	347.03	0.00
Searsboro Telephone Company	171,018	0	204.36	0.00
Sharon Telephone Company	685,241	3,214	818.84	7.20
Shell Rock Telephone Company	215,489	343,187	257.50	768.84
South Central Communications, Inc.	1,098,498	0	1,312.67	0.00
South Slope Coop. Telephone Company, Inc.	10,826,218	0	12,937.01	0.00
Southwest Telephone Exchange, Inc.	567,320	0	677.93	0.00
Southwestern Bell Communications Services, Inc.	0	63,427	0.00	142.09
Spencer Municipal Communications Utility	1,204,719	194,299	1,439.60	435.28
Springville Co-operative Telephone Assn., Inc.	491,893	0	587.80	0.00
Sprint Communications Company, L.P.	0	13,596,576	0.00	30,460.18
Stratford Mutual Telephone Company	334,596	0	399.83	0.00
Sully Telephone Assoc.	1,029,358	0	1,230.05	0.00
Superior Telephone Co-op.	116,046	0	138.67	0.00
Swisher Telephone Company	424,107	0	506.80	0.00
Talk America Inc.	0	404,743	0.00	906.74
TCG Omaha	53,387	16,187	63.80	36.26

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Teleconnect Long Distance	0	657,195	0.00	1,472.30
Templeton Telephone Company	318,883	0	381.06	0.00
Terril Telephone Cooperative	236,780	0	282.94	0.00
The Burt Telephone Company	265,129	0	316.82	0.00
The Community Agency	136,469	196,177	163.08	439.49
Titonka Telephone Company	388,988	0	464.83	0.00
Total Communication Services, Inc.	0	576,736	0.00	1,292.05
Touch 1 Communications, Inc.	0	88,764	0.00	198.86
Touch America, Inc.	0	3,323,428	0.00	7,445.42
Trans National Communications International, Inc.	0	252,776	0.00	566.29
Transworld Network, Corp.	0	83,225	0.00	186.45
TRX, Inc.	674,000	0	805.41	0.00
TTI National, Inc.	0	736,494	0.00	1,649.96
Twin Rivers Valley Telephone	168,944	0	201.88	0.00
U.S. Telecom Long Distance, Inc.	0	116,506	0.00	261.01
United Farmers Telephone Company	83,783	277,266	100.12	621.15
Uni-Tel Communications Group, Inc.	0	67,647	0.00	151.55
Universal Communications of Allison, Inc	416,005	85,992	497.11	192.65
Van Buren Telephone Company, Inc.	1,741,956	0	2,081.59	0.00
Van Horne Coop. Telephone Company	313,186	40,259	374.25	90.19
VarTec Telecom, Inc.	3,193	2,177,458	3.82	4,878.12
Ventura Telephone Company, Inc.	135,832	101,975	162.32	228.45
Verizon Select Services Inc.	0	151,105	0.00	338.52
Villisca Farmers Telephone Company Corp.	589,108	0	703.97	0.00
Walnut Telephone Company	427,351	0	510.67	0.00
WCTA Long Distance	303	797,335	0.36	1,786.26
Webb Dickens Telephone Corp.	251,153	0	300.12	0.00
Webster Calhoun Coop. Telephone Assn.	5,223,624	0	6,242.07	0.00
Webster-Calhoun Long Distance Inc.	792,960	0	947.56	0.00
Wellman Coop. Telephone Assn.	764,257	0	913.26	0.00
West Iowa Telephone Company	2,713,956	0	3,243.10	0.00
Western Iowa Telephone Assn.	610,616	1,412,539	729.67	3,164.49

	<b>2002 Dual Party Local Exchange Revenues</b>	<b>2002 Dual Party Interexchange Revenues</b>	<b>FY 2003 Local Exchange Assessment</b>	<b>FY 2003 Interexchange Assessment</b>
<b>Telephone Companies</b>				
Westside Independent Telephone Company	232,261	0	277.54	0.00
Williams Communications LLC	0	237,459	0.00	531.98
Wilton Telephone Company	409,300	658,054	489.10	1,474.23
Winnebago Coop. Telephone Assn.	1,841,029	2,322,135	2,199.97	5,202.24
Woolstock Mutual Telephone Assn.	189,586	0	226.55	0.00
Working Assets Funding Service, Inc.	0	153,602	0.00	344.11
WorldxChange Corp.	0	55,570	0.00	124.49
Wyoming Mutual Telephone Company	338,845	0	404.91	0.00
<b>Total Billings/Assessments</b>	<b>686,444,329</b>	<b>366,150,227</b>	<b>820,280.34</b>	<b>820,280.33</b>

## Energy Centers Assessments

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Utilities	Calendar 2001 Revenue	Energy Center	Global Warming	FY 2003 Assessments
<b>Rate-Regulated</b>				
IES Utilities-Electric	653,658,877	555,610.00	98,049.00	653,659.00
IES Utilities-Gas	219,511,166	186,584.00	32,927.00	219,511.00
Interstate Power Company-Electric	212,850,190	180,922.00	31,928.00	212,850.00
Interstate Power Company-Gas	39,750,292	33,787.00	5,963.00	39,750.00
MidAmerican Energy Company-Electric	950,986,698	808,339.00	142,648.00	950,987.00
MidAmerican Energy Company-Gas	476,511,725	405,035.00	71,477.00	476,512.00
Peoples Natural Gas	165,100,055	140,335.00	24,765.00	165,100.00
United Cities Gas	6,797,595	5,778.00	1,020.00	6,798.00
<b>Rate-Regulated Subtotal</b>	<b>2,725,166,598</b>	<b>2,316,390.00</b>	<b>408,777.00</b>	<b>2,725,167.00</b>
<b>Municipal Electric and Gas</b>				
Afton	446,960	380.00	67.00	447.00
Akron	731,789	622.00	110.00	732.00
Algona	5,157,154	4,383.00	774.00	5,157.00
Allerton	1,569,504	1,334.00	236.00	1,570.00
Alta	736,756	626.00	111.00	737.00
Alta Vista	120,182	102.00	18.00	120.00
Alton	507,976	432.00	76.00	508.00
Ames	30,230,038	25,695.00	4,535.00	30,230.00
Anita	439,212	373.00	66.00	439.00
Anthon	298,174	253.00	45.00	298.00
Aplington	407,229	346.00	61.00	407.00
Atlantic	4,504,547	3,829.00	676.00	4,505.00
Auburn	121,133	103.00	18.00	121.00
Aurelia	503,984	428.00	76.00	504.00
Bancroft	697,490	592.00	105.00	697.00
Bedford	887,151	754.00	133.00	887.00
Bellevue	1,331,743	1,132.00	200.00	1,332.00
Bloomfield-Electric	1,918,585	1,631.00	288.00	1,919.00
Bloomfield-Gas	1,414,896	1,203.00	212.00	1,415.00
Breda	255,255	217.00	38.00	255.00
Brighton	320,937	273.00	48.00	321.00
Brooklyn-Electric	881,702	750.00	132.00	882.00

<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Brooklyn-Gas	689,028	586.00	103.00	689.00
Buffalo	343,471	292.00	51.00	343.00
Burt	249,526	212.00	38.00	250.00
Callender	151,924	129.00	23.00	152.00
Carlisle	1,150,245	977.00	173.00	1,150.00
Cascade-Electric	1,165,111	990.00	175.00	1,165.00
Cascade-Gas	720,533	613.00	108.00	721.00
Cedar Falls-Electric	15,641,719	13,296.00	2,346.00	15,642.00
Cedar Falls-Gas	13,224,645	11,241.00	1,984.00	13,225.00
Clearfield	189,198	161.00	28.00	189.00
Coggon	336,973	286.00	51.00	337.00
Coon Rapids-Electric	1,005,024	854.00	151.00	1,005.00
Coon Rapids-Gas	949,019	807.00	142.00	949.00
Corning-Electric	737,276	626.00	111.00	737.00
Corning-Gas	1,041,475	885.00	156.00	1,041.00
Corwith	237,109	201.00	36.00	237.00
Danville	362,560	309.00	54.00	363.00
Dayton	426,274	362.00	64.00	426.00
Denison	5,633,473	4,788.00	845.00	5,633.00
Denver	760,869	647.00	114.00	761.00
Dike	410,438	348.00	62.00	410.00
Durant	1,034,317	879.00	155.00	1,034.00
Dysart	621,492	528.00	93.00	621.00
Earlville	333,138	283.00	50.00	333.00
Eldridge	2,275,404	1,934.00	341.00	2,275.00
Ellsworth	327,606	279.00	49.00	328.00
Emmetsburg	2,438,257	2,072.00	366.00	2,438.00
Estherville	3,224,441	2,740.00	484.00	3,224.00
Everly	489,154	416.00	73.00	489.00
Fairbank-Electric	446,243	379.00	67.00	446.00
Fairbank-Gas	368,906	314.00	55.00	369.00
Farnhamville	232,805	198.00	35.00	233.00
Fonda	328,584	280.00	49.00	329.00
Fontanelle	326,216	277.00	49.00	326.00
Forest City	3,369,289	2,864.00	505.00	3,369.00
Fredericksburg	1,520,852	1,293.00	228.00	1,521.00

<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Gilmore City	586,752	499.00	88.00	587.00
Glidden	481,971	410.00	72.00	482.00
Gowrie	551,079	468.00	83.00	551.00
Graettinger-Electric	415,925	354.00	62.00	416.00
Graettinger-Gas	481,842	410.00	72.00	482.00
Grafton	122,995	105.00	18.00	123.00
Grand Junction	446,381	379.00	67.00	446.00
Greenfield	2,289,883	1,946.00	344.00	2,290.00
Grundy Center	1,741,037	1,480.00	261.00	1,741.00
Guthrie Center	1,168,120	993.00	175.00	1,168.00
Guttenberg	1,040,229	884.00	156.00	1,040.00
Harlan-Electric	3,747,306	3,185.00	562.00	3,747.00
Harlan-Gas	2,979,373	2,532.00	447.00	2,979.00
Hartley-Electric	1,039,811	884.00	156.00	1,040.00
Hartley-Gas	1,004,192	853.00	151.00	1,004.00
Hawarden-Electric	1,392,719	1,184.00	209.00	1,393.00
Hawarden-Gas	1,304,576	1,109.00	196.00	1,305.00
Hinton	413,592	352.00	62.00	414.00
Hopkinton	337,216	286.00	51.00	337.00
Hudson	854,975	727.00	128.00	855.00
Independence	4,546,844	3,865.00	682.00	4,547.00
Indianola	5,893,373	5,009.00	884.00	5,893.00
Keosauqua	891,188	757.00	134.00	891.00
Kimballton	144,165	122.00	22.00	144.00
La Porte City	902,651	768.00	135.00	903.00
Lake Mills	2,302,102	1,957.00	345.00	2,302.00
Lake Park-Electric	618,930	526.00	93.00	619.00
Lake Park-Gas	768,004	653.00	115.00	768.00
Lake View	985,930	838.00	148.00	986.00
Lamoni-Electric	1,415,182	1,203.00	212.00	1,415.00
Lamoni-Gas	783,629	666.00	118.00	784.00
Larchwood	354,639	302.00	53.00	355.00
Laurens	784,145	666.00	118.00	784.00
Lawler	204,853	174.00	31.00	205.00
Lehigh	184,102	156.00	28.00	184.00
Lenox-Electric	974,723	829.00	146.00	975.00

<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Lenox-Gas	1,159,572	986.00	174.00	1,160.00
Lineville	142,303	121.00	21.00	142.00
Livermore	245,948	209.00	37.00	246.00
Long Grove	159,586	136.00	24.00	160.00
Lorimor	135,771	116.00	20.00	136.00
Manilla-Electric	357,888	304.00	54.00	358.00
Manilla-Gas	370,370	314.00	56.00	370.00
Manning-Electric	1,566,349	1,331.00	235.00	1,566.00
Manning-Gas	1,018,391	865.00	153.00	1,018.00
Mapleton	694,745	591.00	104.00	695.00
Maquoketa	6,383,962	5,426.00	958.00	6,384.00
Marathon	162,329	138.00	24.00	162.00
McGregor	457,415	388.00	69.00	457.00
Milford	1,655,915	1,408.00	248.00	1,656.00
Montezuma-Electric	1,538,910	1,308.00	231.00	1,539.00
Montezuma-Gas	1,121,256	953.00	168.00	1,121.00
Morning Sun	419,073	356.00	63.00	419.00
Moulton	240,593	205.00	36.00	241.00
Mount Pleasant	4,663,121	3,964.00	699.00	4,663.00
Muscatine	39,042,922	33,187.00	5,856.00	39,043.00
Neola	246,895	210.00	37.00	247.00
New Hampton	2,467,095	2,097.00	370.00	2,467.00
New London	1,434,618	1,220.00	215.00	1,435.00
Ogden	1,029,916	875.00	155.00	1,030.00
Onawa	1,600,413	1,360.00	240.00	1,600.00
Orange City	3,663,998	3,114.00	550.00	3,664.00
Orient	170,055	144.00	26.00	170.00
Osage-Electric	2,824,118	2,400.00	424.00	2,824.00
Osage-Gas	2,792,368	2,373.00	419.00	2,792.00
Panora	878,489	746.00	132.00	878.00
Paton	151,511	129.00	23.00	152.00
Paullina	493,634	420.00	74.00	494.00
Pella	21,528,047	18,299.00	3,229.00	21,528.00
Pocahontas	1,044,472	887.00	157.00	1,044.00
Prescott	106,965	91.00	16.00	107.00
Preston-Electric	431,368	366.00	65.00	431.00

<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Preston-Gas	422,373	359.00	63.00	422.00
Primghar	636,147	541.00	95.00	636.00
Readlyn	271,585	231.00	41.00	272.00
Remsen-Electric	680,058	578.00	102.00	680.00
Remsen-Gas	924,589	786.00	139.00	925.00
Renwick	256,605	218.00	39.00	257.00
Rock Rapids-Electric	1,295,706	1,102.00	194.00	1,296.00
Rock Rapids-Gas	1,369,027	1,164.00	205.00	1,369.00
Rockford	440,593	375.00	66.00	441.00
Rolfe	442,859	377.00	66.00	443.00
Sabula -Electric	284,830	242.00	43.00	285.00
Sabula-Gas	437,914	372.00	66.00	438.00
Sac City	1,372,889	1,167.00	206.00	1,373.00
Sanborn-Electric	966,660	822.00	145.00	967.00
Sanborn-Gas	1,244,386	1,057.00	187.00	1,244.00
Sergeant Bluff	1,497,922	1,273.00	225.00	1,498.00
Shelby	258,329	219.00	39.00	258.00
Sibley	1,795,826	1,527.00	269.00	1,796.00
Sioux Center-Electric	3,854,109	3,276.00	578.00	3,854.00
Sioux Center-Gas	3,591,557	3,053.00	539.00	3,592.00
Spencer	6,335,731	5,386.00	950.00	6,336.00
Stanhope	246,072	209.00	37.00	246.00
Stanton	395,570	337.00	59.00	396.00
State Center	1,059,160	900.00	159.00	1,059.00
Story City	2,933,726	2,494.00	440.00	2,934.00
Stratford	413,359	351.00	62.00	413.00
Strawberry Point	653,440	555.00	98.00	653.00
Stuart	1,219,068	1,036.00	183.00	1,219.00
Sumner	1,082,617	921.00	162.00	1,083.00
Tennant	31,162	26.00	5.00	31.00
Tipton-Electric	2,163,537	1,839.00	325.00	2,164.00
Tipton-Gas	1,717,897	1,460.00	258.00	1,718.00
Titonka	238,334	202.00	36.00	238.00
Traer	1,422,789	1,210.00	213.00	1,423.00
Villisca	544,231	462.00	82.00	544.00
Vinton	2,122,354	1,804.00	318.00	2,122.00

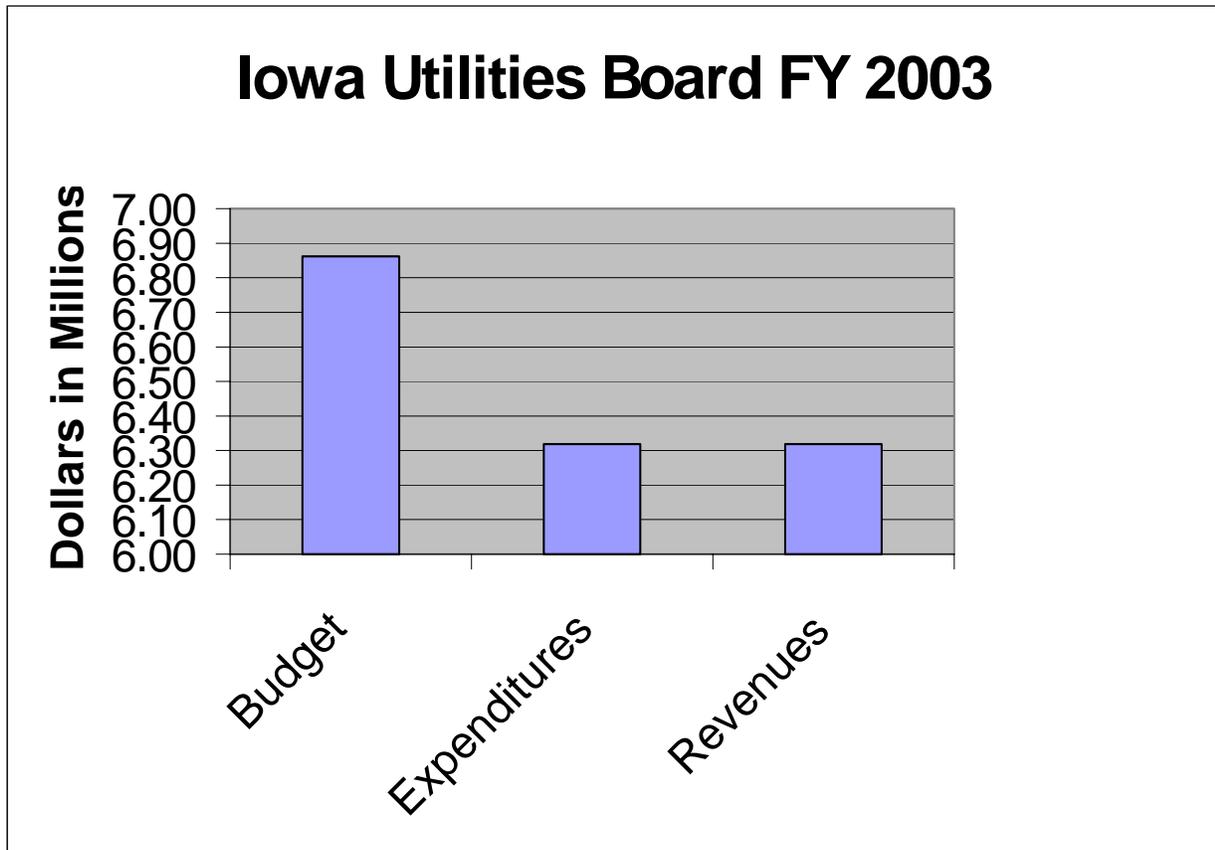
<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Wall Lake-Electric	432,072	367.00	65.00	432.00
Wall Lake-Gas	99,756	85.00	15.00	100.00
Waukee	2,411,633	2,050.00	362.00	2,412.00
Waverly	7,167,479	6,092.00	1,075.00	7,167.00
Wayland	573,834	488.00	86.00	574.00
Webster City	9,197,098	7,817.00	1,380.00	9,197.00
Wellman	710,509	604.00	107.00	711.00
West Bend-Electric	832,049	707.00	125.00	832.00
West Bend-Gas	709,569	603.00	107.00	710.00
West Liberty	2,948,568	2,507.00	442.00	2,949.00
West Point	903,974	768.00	136.00	904.00
Westfield	75,784	65.00	11.00	76.00
Whittemore-Electric	270,696	230.00	41.00	271.00
Whittemore-Gas	607,984	517.00	91.00	608.00
Wilton	1,525,617	1,297.00	229.00	1,526.00
Winfield	521,320	443.00	78.00	521.00
Winterset	3,065,519	2,606.00	460.00	3,066.00
Woodbine -Electric	716,273	609.00	107.00	716.00
Woodbine -Gas	602,534	513.00	90.00	603.00
Woolstock	144,722	123.00	22.00	145.00
<b>Municipal Electric and Gas Subtotal</b>	<b>340,939,807</b>	<b>289,801.00</b>	<b>51,141.00</b>	<b>340,942.00</b>
<b>Rural Electric Cooperatives</b>				
Access Energy Cooperative	12,698,228	10,793.00	1,905.00	12,698.00
Allamakee-Clayton Elec. Coop., Inc.	9,121,091	7,753.00	1,368.00	9,121.00
Amana Society Service Co.	5,132,828	4,363.00	770.00	5,133.00
Atchison-Holt Electric Coop.	1,119,927	952.00	168.00	1,120.00
Boone Valley Electric Coop.	217,846	185.00	33.00	218.00
Butler County Rural Elec. Coop.	8,293,698	7,050.00	1,244.00	8,294.00
Calhoun County Electric Coop. Assn.	2,328,673	1,980.00	349.00	2,329.00
Cass Electric Cooperative	87,617	75.00	13.00	88.00
Central Iowa Power Cooperative (CIPCO)	6,441,991	5,476.00	966.00	6,442.00
Chariton Valley Electric Coop., Inc.	5,496,440	4,672.00	824.00	5,496.00
Clarke Electric Coop., Inc.	6,803,975	5,783.00	1,021.00	6,804.00
Consumers Energy-Electric	7,675,927	6,525.00	1,151.00	7,676.00

<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Consumers Energy-Gas	19,254	16.00	3.00	19.00
Corn Belt Power Cooperative	0	0.00	0.00	0.00
East-Central Iowa Rural Electric Coop.	12,821,797	10,899.00	1,923.00	12,822.00
Eastern Iowa Light & Power Coop.	48,807,226	41,486.00	7,321.00	48,807.00
Farmers Elec. Coop. Kalona	1,155,260	982.00	173.00	1,155.00
Farmers Elec. Coop., Inc. Greenfield	8,485,999	7,213.00	1,273.00	8,486.00
Federated Rural Electric Assn.	45,037	38.00	7.00	45.00
Franklin Rural Electric Coop.	3,609,170	3,068.00	541.00	3,609.00
Freeborn-Mower Electric Coop.	9,543	8.00	2.00	10.00
Glidden Rural Electric Coop.	3,101,279	2,636.00	465.00	3,101.00
Grundy County Rural Electric Coop.	4,591,037	3,902.00	689.00	4,591.00
Grundy Electric Cooperative, Inc.	269,643	229.00	41.00	270.00
Guthrie County Rural Elec. Coop. Assn.	6,381,707	5,425.00	957.00	6,382.00
Harrison County Rural Electric Coop.	4,083,294	3,471.00	612.00	4,083.00
Hawkeye Tri-County Electric Coop.	9,553,459	8,120.00	1,433.00	9,553.00
Heartland Power Coop.	7,928,620	6,740.00	1,189.00	7,929.00
Humboldt County Rural Electric Coop.	3,394,148	2,885.00	509.00	3,394.00
Iowa Lakes Electric Coop.	19,918,669	16,931.00	2,988.00	19,919.00
L & O Power Cooperative	0	0.00	0.00	0.00
Linn County Rural Electric Coop. Assn.	21,455,494	18,237.00	3,218.00	21,455.00
Lyon Rural Electric Coop.	3,548,421	3,016.00	532.00	3,548.00
Maquoketa Valley Rural Electric Coop.	19,180,604	16,304.00	2,877.00	19,181.00
Midland Power Cooperative	15,058,067	12,799.00	2,259.00	15,058.00
Nishnabotna Valley Rural Elec. Coop.	5,893,339	5,009.00	884.00	5,893.00
Nobles Coop. Electric Assn.	10,714	9.00	2.00	11.00
North West Rural Electric Coop.	13,301,154	11,306.00	1,995.00	13,301.00
Northwest Iowa Power Cooperative	2,020,255	1,717.00	303.00	2,020.00
Osceola Electric Coop., Inc.	2,084,014	1,771.00	313.00	2,084.00
Pella Coop. Electric Assn.	4,476,149	3,805.00	671.00	4,476.00
Pleasant Hill Community Line	296,838	252.00	45.00	297.00
Prairie Energy Cooperative	12,755,070	10,842.00	1,913.00	12,755.00
Rideta Electric Coop., Inc.	4,046,393	3,439.00	607.00	4,046.00
Sac County Rural Electric Coop.	1,820,256	1,547.00	273.00	1,820.00
Southern Iowa Electric Coop., Inc.	5,296,507	4,502.00	795.00	5,297.00
Southwest Iowa Service Cooperative	4,369,454	3,714.00	655.00	4,369.00
T. I. P. Rural Electric Coop.	9,832,972	8,358.00	1,475.00	9,833.00

<b>Utilities</b>	<b>Calendar 2001 Revenue</b>	<b>Energy Center</b>	<b>Global Warming</b>	<b>FY 2003 Assessments</b>
Tri-County Electric Coop.	127,756	109.00	19.00	128.00
United Electric Cooperative, Inc.	582,143	495.00	87.00	582.00
Western Iowa Power Cooperative	7,395,043	6,286.00	1,109.00	7,395.00
Woodbury County Rural Electric Coop.	4,291,891	3,648.00	644.00	4,292.00
<b>Rural Electric Cooperatives Subtotal</b>	<b>337,435,917</b>	<b>286,821.00</b>	<b>50,614.00</b>	<b>337,435.00</b>
<b>GRAND TOTAL</b>	<b>3,403,542,322</b>	<b>2,893,012.00</b>	<b>510,532.00</b>	<b>3,403,544.00</b>

## IUB Budget, Expenditures, and Revenues

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The Iowa Utilities Board was appropriated \$6.86 million for the 2003 fiscal year. Actual expenditures were \$6.32 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 \$6.32 million.

**Iowa Utilities Board**  
**350 Maple Street**  
**Des Moines, Iowa 50319**  
**1.515.281.5979**  
[www.state.ia.us/iub](http://www.state.ia.us/iub)  
[iub@max.state.ia.us](mailto:iub@max.state.ia.us)  
**Toll free: 1.877.565.4450**