

**IOWA DEPARTMENT OF COMMERCE
UTILITIES DIVISION**

MINUTES OF THE UTILITIES BOARD

A meeting was held on August 18, 2015, commencing at 1:18 p.m. in the Iowa Utilities Board (IUB) Hearing Room, 1375 East Court Avenue, Des Moines, Iowa. Board Members attending were Chair Geri Huser, Libby Jacobs, and Nick Wagner. Staff members in attendance were Parveen Baig, Mike Balch, Brenda Biddle, Venkata Bujimalla, Amy Christensen, Dan Fritz, Rob Hillesland, David Lynch, Teresa McConnell, Barb Oswalt, Ellen Shaw, Suzanne Smith, Gary Stump, Jennifer Johnson, Don Tormey, Mack Thompson, Jane Whetstone, and Cecil Wright.

Consent and action items listed on the meeting agenda were considered and two informational items were discussed by Board staff. Board Member Jacobs made a motion to approve the following consent items, which was seconded by Board Member Wagner and unanimously approved:

- Docket No. EAC-2015-0022, Linn County Rural Electric Cooperative Association. Energy Cost Adjustment filing.
- Docket No. TF-2015-0307, Linn County Rural Electric Cooperative Association. Tariff revision.

Board Staff Brenda Biddle and Gary Stump discussed Docket No. NOI-2014-0001 regarding distributed generation and recommended the Board schedule a workshop to present its proposed interconnection rules to the participants and other interested stakeholders as well as receive comments before initiating a formal rule making for the interconnection rules. Board Member Jacobs made a motion directing Board staff to draft a proposed order for the Board's consideration scheduling the workshop. Board Member Wagner seconded the motion, which was unanimously approved.

Board Staff Mack Thompson and Stump updated the Board members on Docket No. RPU-2015-0002, MidAmerican Energy Company's request for advance ratemaking principles for its Wind X project, since the Board's verbal decision meeting held on August 11, 2015. Stump noted the Office of Consumer Advocate (OCA) and MidAmerican filed additional comments with the Board based on the Board's August 11, 2015, order and that the Environmental Law and Policy Center and Iowa Environmental Council also filed additional comments. Board Member Wagner noted that the Board should not take further action in this docket until after receiving and reviewing the full and updated recommendations of Board staff. Chair Huser and Board Member Jacobs agreed.

Board Staff Ellen Shaw and Stump discussed Iowa's renewable energy tax credit waiting lists with the Board members and recommended that the Board initiate a notice of inquiry (NOI) proceeding to seek comments and possibly conduct a workshop of interested stakeholders prior to a rule making (RMU) proceeding. Board Member

Wagner made a motion directing Board staff to draft a proposed order for the Board's review, which would establish an NOI docket and establish a proposed timeline for the Board to use as a guide for the NOI proceeding and possible RMU docket. Board Member Jacobs seconded the motion, which the Board members unanimously approved.

Board Staff Cecil Wright discussed an ITC Grid Development, LLC, filing at the Federal Energy Regulatory Commission (FERC) regarding cost review of projects awarded through competitive bidding in FERC Docket No. EL15-86. Wright told the Board members Board staff has concerns there is no assurance of competition for individual projects and that the filing seeks rate recovery protections from the FERC that would not be subject to future complaints. Wright recommended that the Board should intervene, object, and ask the OCA to join in its filing in this FERC proceeding. Board Member Jacobs motioned for the Board to intervene in the FERC Docket (No. EL15-86) and pursue a joint filing with the OCA. Board Member Wagner seconded the motion, which was unanimously approved.

Board Staff Amy Christensen discussed the United States Environmental Protection Agency (EPA) Section 111(d) rules. She said Board staff is in the process of reviewing the final rules: a) to learn whether Iowa and its utilities can comply without compromising the reliability of the electric system and without significantly increasing the cost of electricity to customers; and b) if so, what are the most reasonable and appropriate ways to implement the rules? Christensen noted that the Iowa Department of Natural Resources (IDNR) is the lead agency in Iowa for these rules, with the IUB being an active member of the stakeholder group process headed by IDNR. She said Board staff is meeting monthly with IDNR staff and is also meeting with other stakeholders, including utilities and environmental groups. The IDNR-led stakeholder group will develop Iowa's compliance plan that IDNR must submit to the EPA. Christensen also thanked Board Member Jacobs for her work as the lead person from the IUB in the Midcontinent States Environmental and Energy Regulators group. No action was taken by the Board on this discussion item.

Board Staff Jane Whetstone discussed the IUB's Fall Customer Service Meetings that are held annually across Iowa. Whetstone provided the history of the meetings and said the meetings are primarily intended to provide the latest information about the IUB rules, rules changes, and customer complaint trends and issues to attendees from utilities, legal aide, community action agencies (CAA), other low-income and social help agencies, and the Office of Consumer Advocate. She said a goal in recent years has been to hold these annual meetings in all 18 of the CAA districts across Iowa and that 19 meetings are scheduled in 2015.

Board Staff Mike Balch and Jennifer Johnson discussed Docket No. RMU-2014-0003, which is a rule making proceeding for proposed amendments to telephone service regulations. Best potential processes for moving forward with this rule making were discussed. Chair Huser recommended that Board staff prepare an order containing the proposed final rules, which would provide the parties an opportunity to make additional comments before the Board could consider the additional comments and the adoption

of final rules at its September 15, 2015, meeting. Board Members Jacobs and Wagner agreed.

The meeting adjourned at 2:45 p.m. Recorded by Rob Hillesland.

IOWA UTILITIES BOARD

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