

**IOWA DEPARTMENT OF COMMERCE
UTILITIES DIVISION**

MINUTES OF THE UTILITIES BOARD

A meeting was held on October 20, 2015, commencing at 9:00 a.m. in the Iowa Utilities Board (IUB) Hearing Room, 1375 East Court Avenue, Des Moines, Iowa. Board Members attending were Chair Geri Huser and Nick Wagner. Board Member Libby Jacobs was not present due to her role as president of the Organization of MISO States (OMS) and chairing the OMS Annual Meeting in Little Rock, Arkansas.

Under the consent items, Board Member Wagner made a motion to approve the September 15, 2015, meeting minutes of the Board. Chair Huser concurred and the minutes were unanimously approved, to be signed by Chair Huser.

Board Member Wagner motioned, Chair Huser seconded, and the Board unanimously approved the following administrative items:

- 1) **EAC-2014-0027**- Interstate Power and Light Company (IPL) Transmission Information Report; 2) **EAC-2015-0009** - MidAmerican Energy Company (MEC) Transmission Cost Adjustment; 3) **EAC-2015-0025** - Linn County REC Association Energy Cost Adjustment; 4) **EAC-2015-0026** - IPL Energy Cost Adjustment; 5) **EAC-2015-0027** - MEC Energy Cost Adjustment; 6) **EAC-2015-0028** - Linn County Rural Electric Cooperative Association Energy Cost Adjustment; 7) **TF-2015-0319** - Black Hills Energy Proposed Gas Tariff; 8) **TF-2015-0320** - MEC Electric Franchise Fee for Sergeant Bluff, Iowa; 9) **TF-2015-0321** - MEC Gas Franchise Fee for Sergeant Bluff, Iowa; 10) **TF-2015-0322** - Midland Power Cooperative Jurisdictional Tariff; 11) **TF-2015-0323** - Eastern Iowa Light and Power Cooperative Refusal or Disconnection of Service and Collections; 12) **TF-2015-0325** - MEC Electric Housekeeping Tariff.

Under informational items, Board Staff Suzanne Smith and Jennifer Johnson discussed the workshops and docket timelines for Docket No. RMU-2015-0002, which pertains to telecommunications service regulation amendments in 199 Iowa Administrative Code chapter 22. Smith stated a workshop was scheduled for October 27, 2015, to gather input from stakeholders on possible amendments to chapter 22 of Board rules. She noted two proposed timelines for the rule making and stated staff would be prepared to hold a second workshop if more information is needed. She said the formal rule making would commence as soon as possible following the workshop(s). Chair Huser inquired as to the fastest possible timeline for completing the rule making and Jennifer Johnson stated it would probably take at least six months.

Board Staff Cecil Wright discussed the hearing schedule and timeline for the Dakota Access, LLC hazardous liquid pipeline case, Docket No. HLP-2014-0001. He informed the Board that the number of interveners and witnesses in the docket was not yet complete, with 86 witnesses.

Board Staff Cynthia Munyon updated the Board on the Iowa One Call Grant. She said that this year, on behalf of the Iowa Attorney General's Office, the Board applied with the Pipeline Hazardous Materials Safety Administration (PHMSA) for \$20,000 for compliance, education, and enforcement activities as well as \$2,000 for the development of a state training program.

Deputy Executive Secretary Judi Cooper provided the agency's monthly financial report, stating that it spent approximately \$8.9 million of its \$9.2 million spending authorization in the recently completed 2015 fiscal year. She also noted she had no concerns about the present status of the agency's first quarter 2016 fiscal year budget and spending.

Board staff Ellen Shaw updated the Board on the Customer Contribution Fund Report for Iowa energy utilities (Iowa Code 476.66). Shaw discussed possibly changing the format of this report and noted staff would provide a memo to the Board with its recommendations. Chair Huser thanked Shaw for her work on the report and asked that it be included on Kerri Johannsen's list of items to be submitted to the Legislature.

Board staff Brenda Biddle stated there were about 40 participants in an interconnection workshop held on October 6, 2015, in Docket No. NOI-2014-0001, which pertains to distributed generation in Iowa. She noted that many workshop participants asked for more specificity in the Board rules and a rule making may be initiated in early 2015.

In an update on the Iowa Energy Plan, Cecil Wright stated the Iowa Department of Economic Development (IDED) hired a consultant for a five-year plan and that Board staff was communicating with IDED about how the Board can best participate in the plan without potentially compromising its objectivity in future cases on any of the issues. He stated there will be four following working groups, each group with Board staff representation: Economic Development and Energy Careers (Venkata Bujimalla), Iowa Energy Resources (Barb Oswald), Transportation and Infrastructure (Don Stursma and Cecil Wright), and Energy Efficiency and Conservation (Brenda Biddle).

Under action items, Board staff Joni Nicoll discussed additional iPad funding recommendations for the Iowa Equipment Distribution Program (EDP), which the Board oversees. Nicoll stated this funding would be in addition to \$65,000 the Board approved previously because that funding was depleted after four weeks due to interest in the program. The staff recommendations were to cap the number of iPad vouchers that can be issued at ten per month, use the existing 2016 fiscal year equipment budget of \$315,000 to include the purchase of iPads, cancel all focus group meetings and instead rely on surveys for feedback; and reallocate the \$16,000 budgeted for focus-group expenses to the equipment budget for iPad purchases. Following lengthy discussion, Chair Huser and Board member Wagner agreed with the recommendations that the scheduled iPad focus group meetings be cancelled and the \$16,000 budgeted for focus groups be allocated to the equipment budget for iPad distribution. Chair Huser recommended the Board delay its vote on the other recommendations until it has more information on the additional funding request due to potential impacts on the EDP budget and telephone company billing assessments. She asked that the item be taken up again at the Board's December 15, 2015, meeting. Board Member Wagner agreed.

Board staff Mack Thompson presented a staff recommendation that the Board approve a proposed order setting a procedural schedule and requiring responses to staff's questions in Docket No. ARC-2015-0156, which pertains to MEC's electric fuel procurement and contracting practices. Board Member Wagner motioned to approve the staff recommendation. Chair Huser seconded the motion, which was unanimously approved.

Thompson also presented a staff recommendation that the Board approve a proposed order adopting rule changes proposed by the Board in Docket No. RMU-2015-0001. The changes were necessitated by recent amendments to Iowa Code chapter 476C, which added municipal and rate-regulated energy utilities to the list of entities eligible to receive certain renewable energy tax credits. Board Member Wagner moved approval and the motion was approved unanimously.

Regarding renewable energy tax credits requirements under Iowa Code chapter 476C, Thompson noted the Board issued an August 21, 2015, order opening a notice of inquiry (NOI) and soliciting comments in Docket No. NOI-2015-0001. He presented a staff recommendation that the Board approve a proposed order initiating a rule making reflecting the comments received in response to the notice of inquiry. Following discussion about what is needed to address the Board's concerns, Thompson said staff would develop recommendations for additional questions to be asked in the notice of inquiry docket and would also provide an assessment of how that could affect the timeframe for adopting final rules.

Thompson updated the Board on pending renewable energy tax credit extension requests, separated into two sets of projects. The first group included projects that Thompson said were requesting an initial 12-month extension and which have shown significant progress to become operational. Thompson said staff recommended the Board grant these initial requests for extension. Board Members Huser and Wagner each voiced concerns about statutory ownership restrictions and whether Board processes adhere to the requirements. Board Deputy General Counsel Gary Stump stated that Board staff's interpretation has been that each limited liability company (LLC) constitutes a single owner and that no LLC shall own multiple facilities. He recommended that the Board grant the current extension requests because the companies have expended money and other resources and are relying on the tax credits. Chair Huser stated she would like General Counsel to write briefs on both sides of the ownership issue, which General Counsel David Lynch stated can be done. Chair Huser also stated she wants the Board to reach a decision that clarifies ownership requirements going forward before any more new extension requests are filed. Board Member Wagner motioned to grant the set of initial requests for 12-month extension, which Chair Huser seconded and the Board unanimously approved.

Thompson stated the other group of 12-month extension requests was the fifth such request from companies that have shown some limited progress and do have a plan for completing the projects. Thompson stated that under the proposed rules changes already discussed, granting these extension requests may not be warranted. Al Blum of Emmet County Energy 10, LLC et al., presented the history and progress of the projects to the Board, citing a developing partnership agreement with Trade Wind Energy and

asking for the extensions to be granted. Board Member Wagner asked if the projects are being planned and developed as one overall project and Mr. Blum said that they are and should be completed by the beginning of January 2017. Jeff Hammond, Tradewind Energy Development Manager, also addressed the Board and discussed the process for Emmet County Energy 10, LLC et al., to sign a partnership agreement with Tradewind Energy and advocated that the additional extensions be granted for its projects. Following discussion, Chair Huser asked that the Board be provided documentation regarding the completion of the forthcoming partnership agreement noted by Blum and Hammond. Chair Huser announced that the Board would take no action on this item until the December 15, 2015, Board meeting. She asked Board staff to prepare a letter for her signature containing the specific partnership agreement information sought by the Board, with response to the Board required by November 30, 2015.

Finally, Board Member Wagner moved that the Board approve the annual purchased gas adjustment (PGA) of Liberty Utilities in Docket No. PGA-2015-0032, which Chair Huser seconded and the Board unanimously approved.

The meeting adjourned at 12:00 p.m. Recorded by Rob Hillesland.

Approved at the November 17, 2015, Board meeting.

UTILITIES BOARD

/s/ Geri D. Huser

Chair

ATTEST:

/s/ Trisha M. Quijano

Executive Secretary, Designee