

*Iowa Utilities Board***NEWS***Elizabeth S. Jacobs, Chair**Nick Wagner, Board Member**Sheila K. Tipton, Board Member***FOR IMMEDIATE RELEASE:** January 20, 2015**Contact** | Rob Hillesland, 515.725.7322, rob.hillesland@iub.iowa.gov **Web site** | <http://iub.iowa.gov>

Iowa Utilities Board establishes advance ratemaking principles for MidAmerican wind generation project

(Des Moines) – The Iowa Utilities Board today issued an order approving a settlement with modifications and establishing advance ratemaking principles for MidAmerican Energy Company’s proposed “Wind IX” Iowa electric generation project of up to 162 megawatts. The Board’s [Docket No. RPU-2014-0002 decision order](#) and all other public documents in the case are available on the Board’s electronic filing system, <https://efs.iowa.gov/efs>.

The Board’s decision order:

- Establishes an 11.5 percent rate of return on equity for the portion of the wind project to be included in the Iowa electric rate base.
- Declares a set depreciation lifetime of 30 years for this project during which the company can recover its investment.
- Sets an overall cost cap of \$1.5 million per Megawatt for this wind generation project. The cost cap establishes project costs that as part of a future rate filing would become part of MidAmerican’s regulated revenue requirements for its Iowa customers. It includes associated costs necessary for reliable integration of the wind generation project into the company’s delivery system.
- Includes a Board initiated settlement modification that provides that once 50 Megawatts of the proposed project is in operation, an additional \$2 million in annual benefits would flow to MidAmerican’s electric customers through the utility’s energy adjustment clause until the next MidAmerican rate case proceeding is decided by the Board.

The Board determined that customers stand to benefit from this wind project, which would provide an additional renewable source of electricity to meet demand in Iowa, and has found that it would be a reasonable long-term source of electricity. A generating certificate from the Board is not required so long as no single gathering line for electricity generated at the site exceeds 25 megawatts.

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On October 10, 2014, MidAmerican filed its ratemaking principles application and requested the Board's review to establish certain aspects of future regulatory treatment for its proposed project. On October 16, 2014, the Board issued an order docketing MidAmerican's filing and setting an expedited procedural schedule. On November 19, 2014, MidAmerican and the Office of Consumer Advocate, which represents consumers generally in Board dockets, filed a proposed settlement for the Board's consideration.

Requests for advance ratemaking principles enable utilities to establish regulatory treatment for certain aspects of electric generation facilities in advance of construction, but such cases do not immediately impact electricity customer base rates. If the utility proceeds with construction, a contested rate case must still be filed with the Board once the proposed new generation source is placed into service.

MidAmerican will have 30 days from the date of today's decision order to notify the Board whether it accepts the ratemaking principles awarded. In addition to being set in advance, the ratemaking principles would be effective for the regulated life of the facilities.

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The Iowa Utilities Board regulates utilities to ensure that reasonably priced, reliable, environmentally responsible, and safe utility services are available to all Iowans.

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