



# Iowa Utilities Board 2015 Update

Libby Jacobs, Chair



# Mission and Vision

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

**Vision:** The Iowa Utilities Board is valued as the regulatory expert and solutions-oriented partner in electric, natural gas, and telecommunications issues.

# Iowa Utilities Board

*The IUB is a quasi-judicial body that hears evidence in cases filed before it and makes decisions based on the evidence presented. The IUB is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.*

Libby Jacobs, Chair

Nick Wagner, Board Member

Sheila Tipton, Board Member

# Who We Regulate

## (Gas, Electric, Water, Telecommunications)

- 2 Large investor-owned electric utilities
- 136 Municipal electric utilities
- 45 Rural electric cooperatives
- 5 Investor-owned natural gas utilities
- 51 Municipal gas utilities
- 3 Large local exchange carriers of telecommunications services
- 260 Independent and competitive local telephone exchange service providers
- 1 Investor-owned water utility

# Electricity

IUB regulates:

- 2 large investor-owned electric utilities (IOUs) for rates, service, safety, and disconnection.
- 45 rural electric cooperatives (RECs) for service, safety, and disconnection. RECs may elect to be rate regulated.
- 136 municipal electric utilities for safety and disconnection.

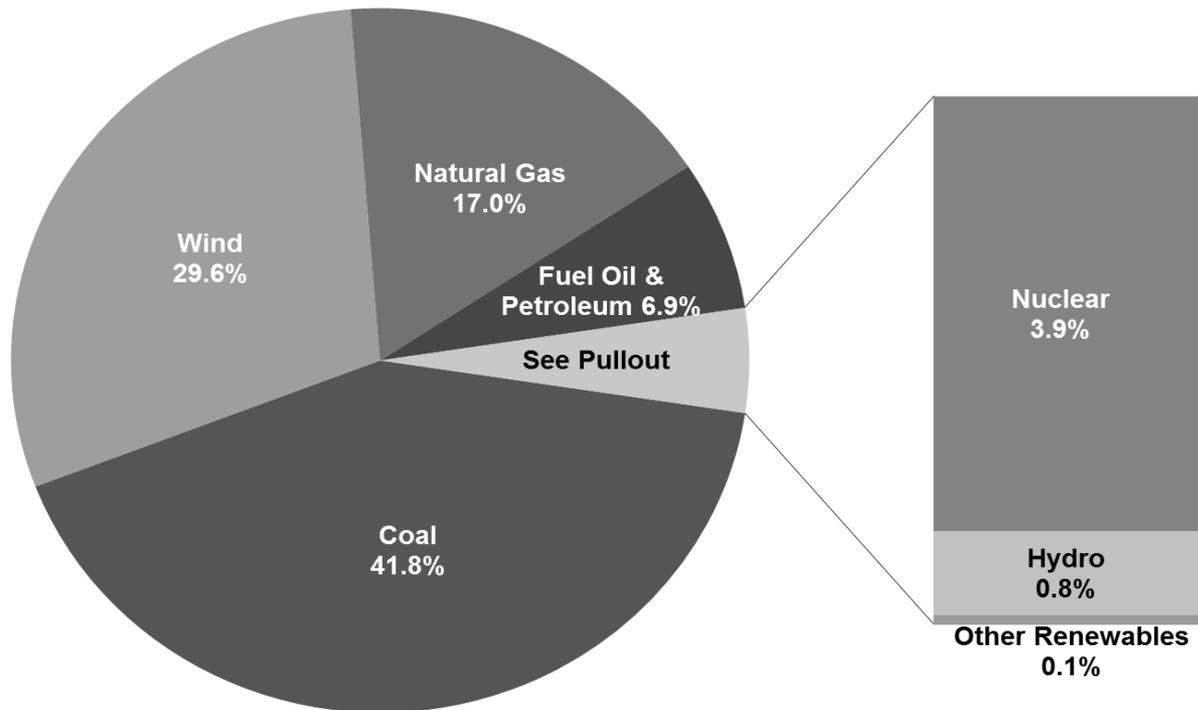
# Electricity

What we do:

- Certify electric power generation (>25MW).
- Grant electric transmission franchises (>69kV).
- Set rates for investor-owned utilities.
- Review energy efficiency programs.
- Review IOU emissions control plans.
- Adopt safety and service requirements and inspect for compliance.

# 2012 Iowa Electric Generation

State of Iowa 2012 Capacity (MW) by Fuel Type  
Total 17,271 MW



Source: Energy Information Administration (EIA) Report 860

# Natural Gas

IUB regulates:

- 4 large IOUs for rates, service, safety and engineering standards, and disconnection.
- 51 municipal natural gas utilities for safety and disconnection.
- IUB does not regulate propane.

# Natural Gas

What we do:

- Grant natural gas intrastate pipeline permits and supervise safety of intrastate pipelines
- Protect against environmental damage from intrastate natural gas pipelines during construction
- Certify all competitive natural gas suppliers serving retail customers in Iowa

# Safety and Engineering

IUB regulates safety, construction, and operation and maintenance of gas and electric transmission and distribution.

- Reviews and processes electric transmission line franchises and pipeline permits.
- Conducts inspections of natural gas and electric utilities for compliance with safety standards.
- Acts as an interstate agent for the federal Department of Transportation in natural gas pipeline safety matters.
- Does not have safety jurisdiction over hazardous liquids pipelines.

# Electric Transmission

- Transmission is transportation of electricity from generating facilities over high-voltage lines.
- IUB approves the siting and physical construction of transmission.
- Currently, est. 14,300 miles of transmission in Iowa.
- 157 miles of 345kV lines approved in 2014; 166 miles in process.
- For comparison, only 200 miles of 345kV have been built since 2000.
- Clean Line DC project is additional 375 miles. Petition filed on November 6, 2014.

# Electric Transmission

- Federal Energy Regulatory Commission (FERC) regulates the interstate transmission of electricity.
- North American Electric Reliability Corporation (NERC) ensures electric reliability for the U.S.
- The Midcontinent Independent System Operator (MISO) coordinates regional transmission and operates grid.

# Water

- The IUB regulates the rates and service of one investor-owned water utility - Iowa American Water.
- IUB does not regulate municipal or rural water systems.

# Telecommunications

IUB regulates:

- All local exchange carriers (CenturyLink, Windstream, and Frontier, plus 280 rural and competitive carriers) for service quality and intrastate access services.
- IUB does not regulate long distance or wireless carriers, cable television, or broadband.

# Wireless and Wireline Subscribers in Iowa

Year	Total Access Lines (ILEC + CLEC)	% Change from Prior Year	Total Wireless Subscribers	% Change from Prior Year
2007	1,613,000	-4.1%	1,972,664	8.1%
2008	1,561,000	-3.2%	2,134,607	8.2%
2009	1,463,000	-6.3%	2,190,054	2.6%
2010	1,373,000	-6.2%	2,450,801	11.9%
2011	1,299,000	-5.4%	2,548,175	4.0%
2012	1,255,000	-3.4%	2,573,915	1.0%
2013	1,178,000	-6.7%	2,674,624	3.9%

# Telecommunications: Lifeline and Link Up Programs

- **Lifeline** assists qualified low-income lowans by providing a monthly credit of \$9.25 on their local telephone bill. Credit limited to one wireless or wire line per household with yearly certification required.
- **Link Up** assists qualified subscribers on Tribal lands with a one-time discount of up to \$100 on phone installation/activation. Qualified subscribers can pay remaining amount on a deferred schedule, interest-free.

# Telecommunications: Programs for the Deaf and Hard of Hearing

- **Relay Iowa** allows persons who are deaf, hard of hearing, or have difficulty speaking to communicate with the hearing community through a specialized confidential operator.
- **Equipment Distribution Program** voucher program provides up to 95% of the cost of specialized telephone equipment for persons who are deaf, hard-of-hearing, or have difficulty speaking.

# Telecommunications: Notice of Inquiry

- In 2013 the IUB initiated an inquiry into the appropriate scope of Iowa's regulation of telecommunications services.
- As a result of the inquiry, legislation was passed in 2014 implementing stakeholder recommendations to reduce administrative burdens for the telecommunications carriers and the IUB.
- Rulemakings are in progress updating obsolete code.

# Telecommunications: Effects of VoIP De-regulation

- Loss of consumer protection.
  - Slamming and cramming.
  - Rural call completion.
- Unequal regulatory treatment.
  - Regulation should be based on **service provided** rather than underlying technology, or uneven playing field is created between direct competitors.
  - VoIP is alternative technology; but customer experience is identical (land-line service to physical location).
- Loss of IUB jurisdiction over inter-carrier disputes; issues will be settled through litigation.

# Customer Service

- 6,283 customer-initiated contacts in 2014.
  - Includes 544 written complaints, whether filed online, by email, or postal mail.
- Customer Service can help with
  - Utility billing disputes.
  - Slamming and cramming; call completion issues.
  - Nonpayment of bills and payment agreements.
  - Utility disconnection.
  - Winter moratorium and low-income home energy assistance (LIHEAP).

# 2014 Activity Highlights

- MidAmerican Energy Company rate case
  - Rate increase will occur over 3 years and impact will vary across rate classes and areas of the state.
    - Phase-in of rate consolidation over 10 years.
    - Order contained provisions to cap residential increases at 15% or \$200 and others at 15% or \$1,500 in order to mitigate customer impacts.
    - Constituents can contact our customer service staff with complaints or questions.

# 2014 Activity Highlights

Notice of Inquiry (NOI) on distributed generation (DG) initiated in January 2014 due to increasing interest in solar PV, combined heat and power (CHP), biomass, and other forms of DG.

Recently issued Consumer Information Guide for On-Site Generation. Available on IUB Website:

[http://iub.iowa.gov/docs/misc/IUB\\_Informational\\_Guide\\_Distributed\\_Generation.pdf](http://iub.iowa.gov/docs/misc/IUB_Informational_Guide_Distributed_Generation.pdf)

# 2014 Activity Highlights

- Worked with IDNR and IEDA to submit joint comments to EPA on federal greenhouse gas (GHG) rules for existing power plants (111(d) rules).
- Promulgating rules to implement HF 2183, Water Service Disconnections.
- Alliant broke ground on Marshalltown gas plant.

# 2015 Outlook

- Contested case proceedings
  - Emission Plan and Budgets: biannual filing of coal plant emission retrofit plans.
  - MidAmerican request to build 162 MW (~\$280M investment) of additional wind.
- Continued participation in EPA 111(d) rulemaking.
- Clean Line transmission franchise.
- Dakota Access, LLC (Bakken) Pipeline permit.

# Rock Island Clean Line

- 500-mile high voltage direct current transmission line.
- Would deliver 3,500 MW of power from NW Iowa to Illinois and points east.
- Would be paid for by those shipping power; estimated cost \$2 billion.

# Dakota Access Pipeline

- 1,100 mile crude oil pipeline from western North Dakota to Patoka, Illinois.
- About 343 miles in Iowa (18 counties).
- Initially, would carry 320,000 barrels each day, could be up to 450,000.
- \$3.8 billion project (\$1.04 billion for Iowa portion).
- Paid for by shippers.

# Types of IUB Siting Authority

- Electric Generating Plants, ch. 476A
- Electric Transmission Lines, ch. 478
- Intrastate Natural Gas Pipelines, ch. 479
- Hazardous Liquids Pipelines, ch. 479B

Similar, but not identical, processes for each.

# Pipeline and Electric Transmission Informational Meetings

- Informational meetings
  - Initial step for most proposed pipelines and transmission lines.
  - Held in each affected county.
  - Applicant cannot acquire easements for the project until after each meeting.
  - The applicant cannot file its petition with the IUB until at least 30 days *after* the last meeting.

# Pipeline and Electric Transmission Public Hearings

- For both electric franchise and HLP permit proceedings, hearing must be in county seat of the county closest to the center of the project.
- Published notice of hearing required.
- Objectors and affected property owners notified by mail.
- Hearing may be by Board or an ALJ.
- ALJ decisions can be appealed to the Board, Board decisions can be appealed to the courts.

# Electric Transmission and Pipeline Safety

- IUB regulates safety of electric transmission lines and has a safety inspection program.
- IUB does not regulate HLP safety and does not conduct safety inspections.
- HLP safety regulated by U.S. DOT Federal Pipeline and Hazardous Materials Safety Administration (PHMSA).

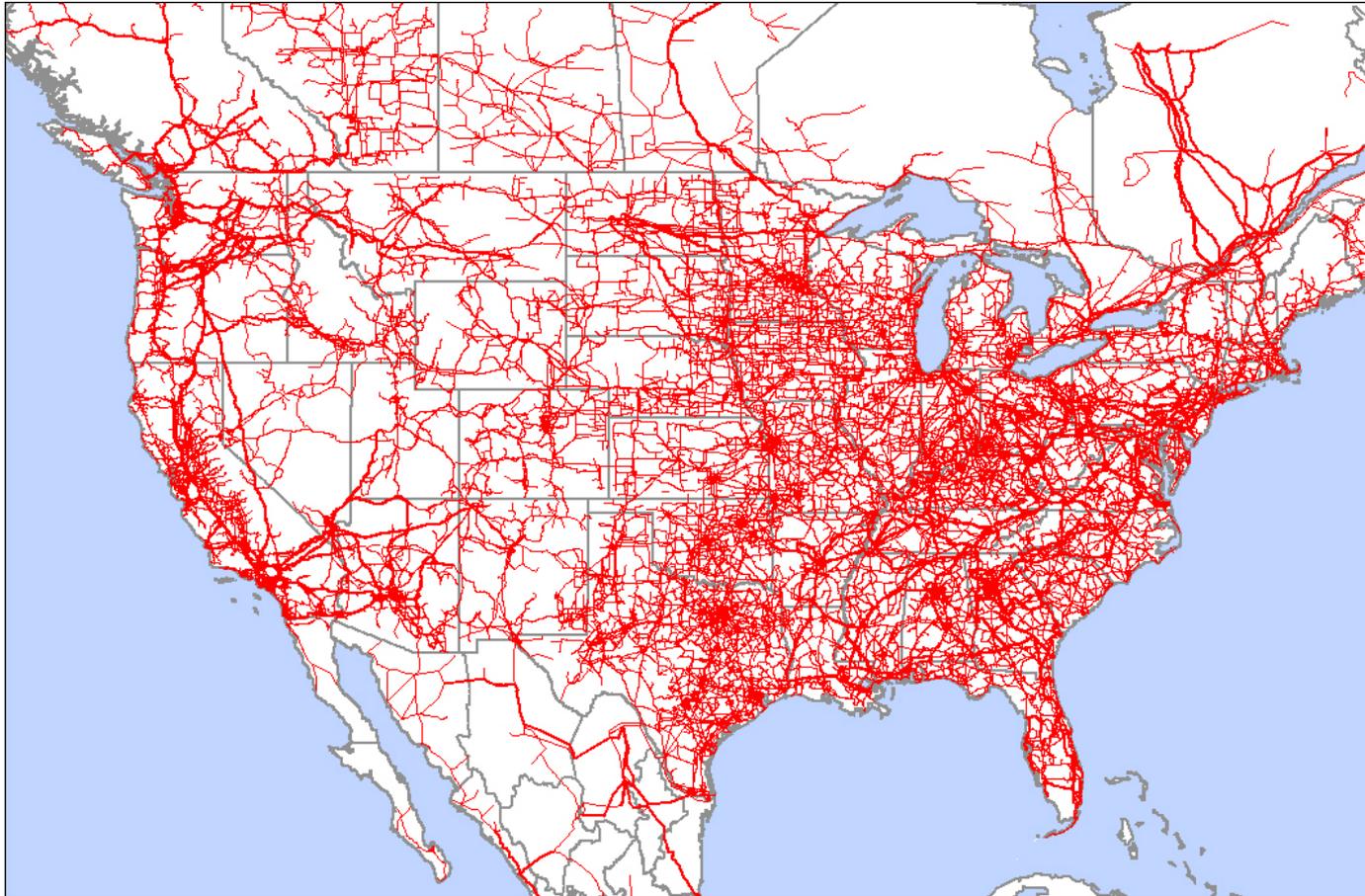
# Hazardous Liquid Pipeline Permits Iowa Code Chapter 479B

- Permit required for any HLP.
- Includes crude oil, refined petroleum products, liquefied petroleum gases, anhydrous ammonia, liquid fertilizers, liquid CO<sub>2</sub>, coal slurry pipelines.
- To be permitted a pipeline must “promote the public convenience and necessity.”

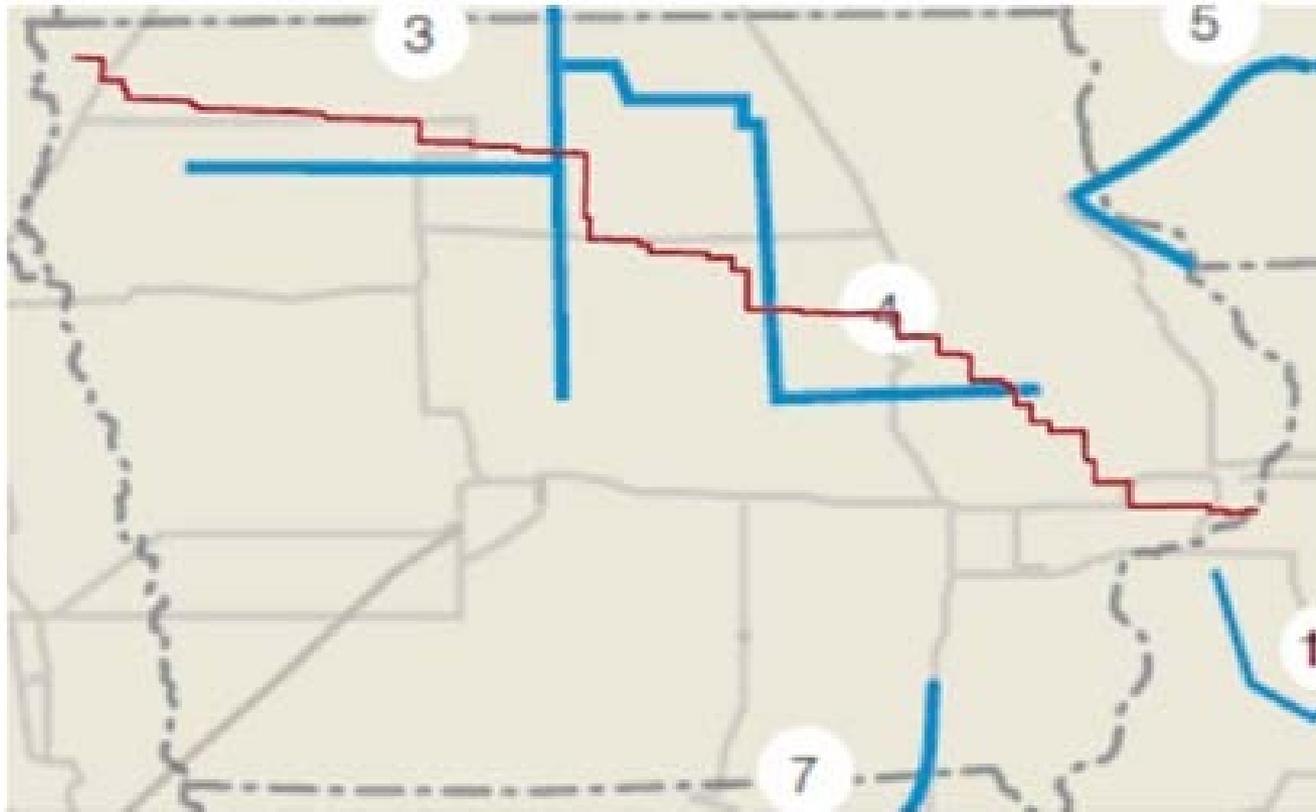
# Hazardous Liquid Pipeline Permits Iowa Code Chapter 479B

- Detailed law on damage payment process and eligible damages.
- Detailed requirements for ag land restoration and inspection.

# All Transmission, 69KV and Above

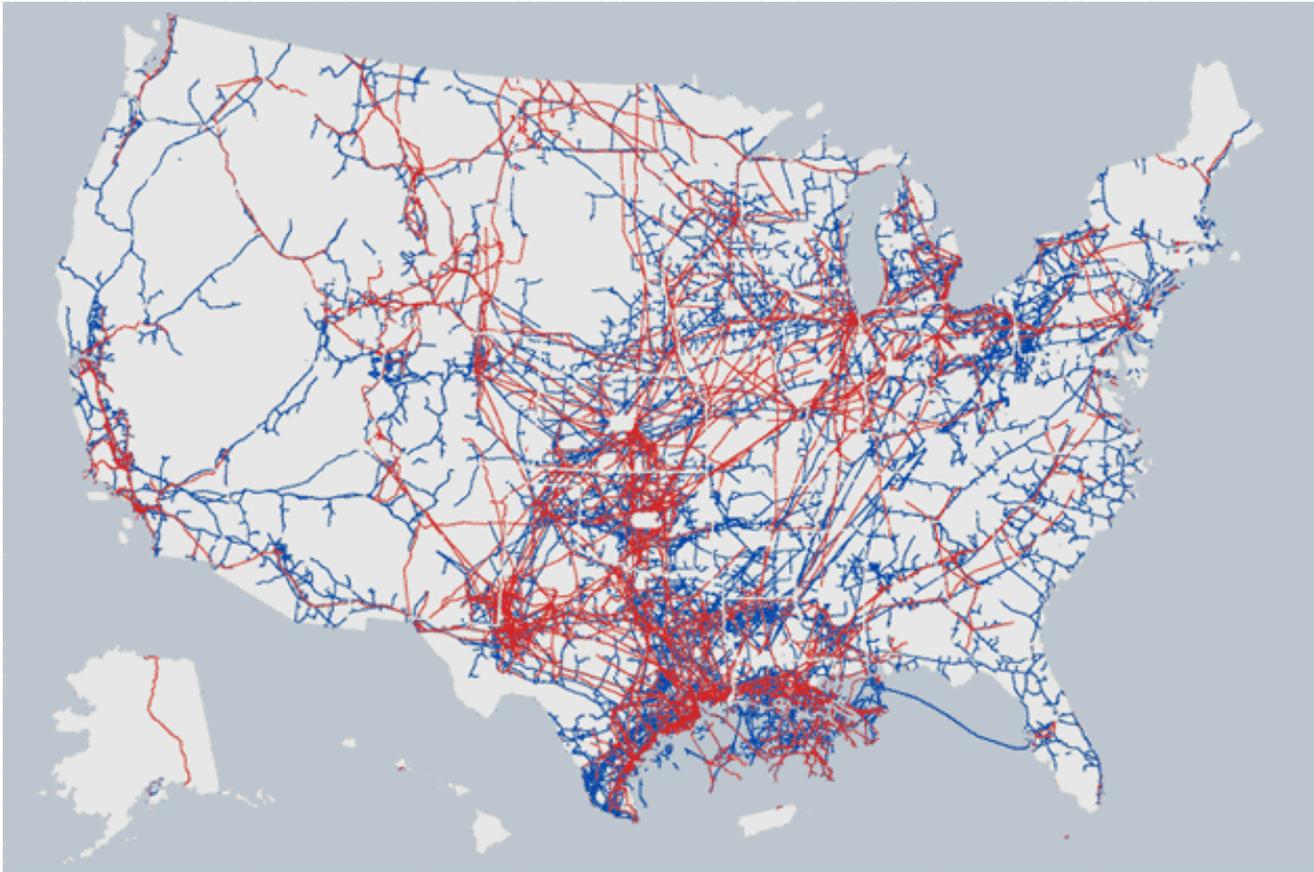


# Current Major Electric Transmission Projects

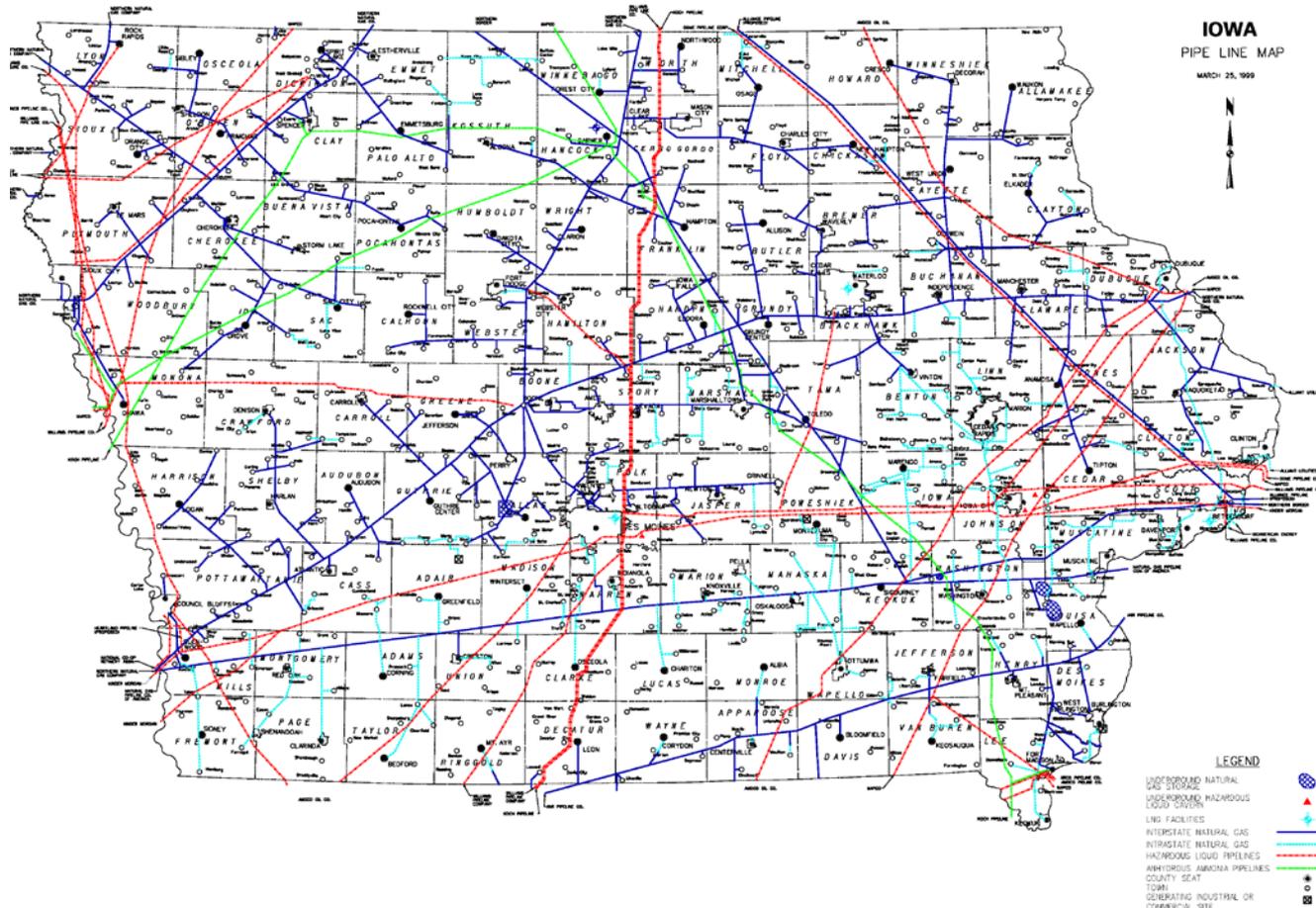


Red – Rock Island Clean Line 600 kV dc    Blue – MISO MVP Projects, MEC and ITCM, 345 kV

# All Pipelines in the U.S.



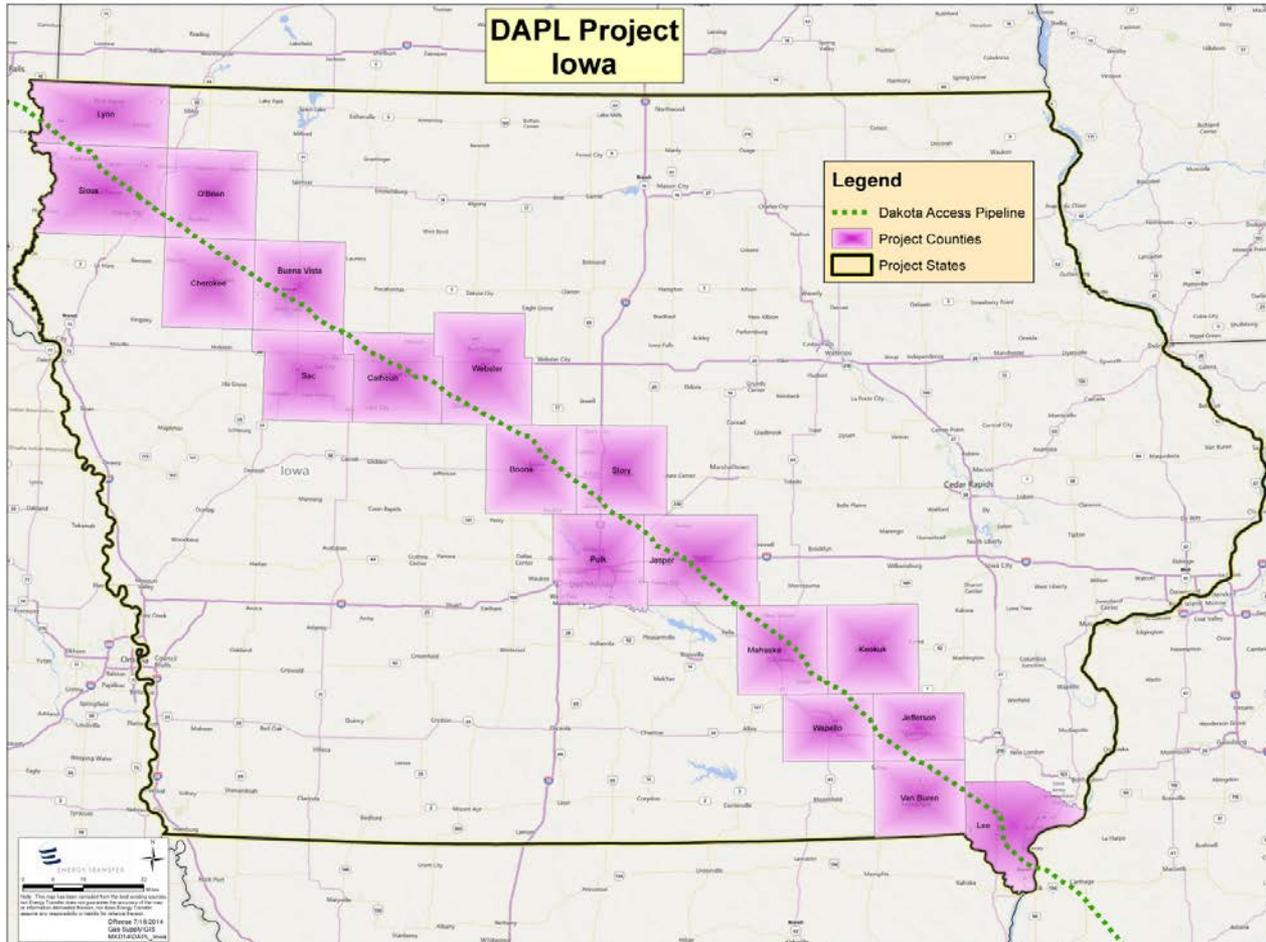
# Iowa Pipeline Map



# Dakota Access (a.k.a. Bakken) Pipeline



# Dakota Access (a.k.a. Bakken) Pipeline



# IUB/OCA LEED® Platinum Building

- Energy efficient demonstration building completed in January 2011. Popular tour destination.
- Energy savings exceed aggressive goal.
- 68% overall reduction in energy consumption compared to a building built to code.
- Numerous national and international awards. (Listing available at [iub.iowa.gov](http://iub.iowa.gov))
- 2% of Capitol Complex square footage; 0.5% of energy usage.

For questions or more information  
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