



Iowa Utilities Board

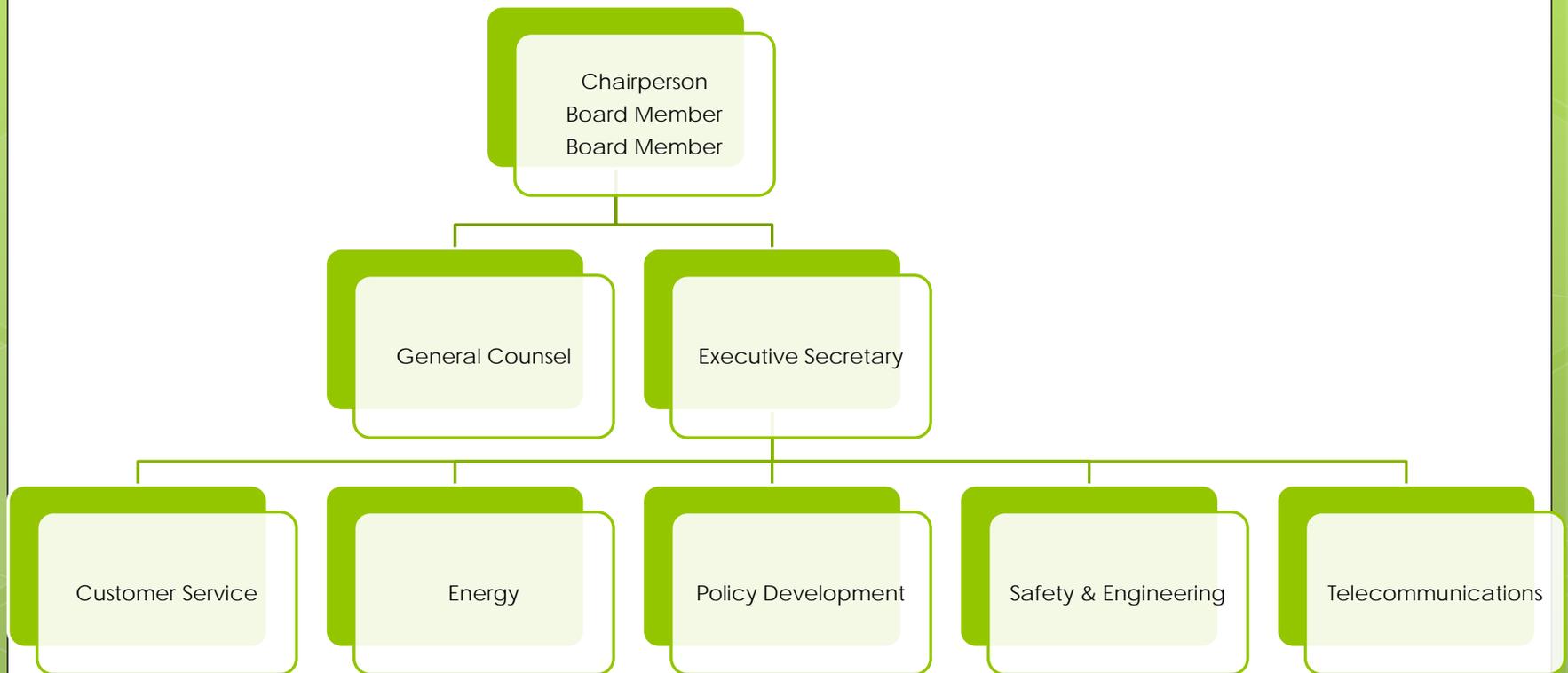
Libby Jacobs, Chair

January 17, 2012

IUB Mission

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

Iowa Utilities Board



Telecommunications

IUB regulates

- All local exchange carriers (CenturyLink, Windstream, Frontier plus 280 rural and competitive carriers) for local exchange service quality and intrastate access services
- Long distance and wireless carriers not regulated

Lifeline and Linkup Programs

- **Link-up** is a plan that reduces telephone connection fees by 50 percent or \$30, whichever is less. **(one-time credit only)**
- **Lifeline** is a plan that assists qualified low-income lowans by providing a monthly credit of up to \$10 on the local telephone bill (depending on provider). **(monthly credit on the telephone bill)**

Deaf and Hard of Hearing

- Relay Iowa – IUB administers the telephone relay service which allows deaf and hard of hearing to communicate with the hearing community through a specialized confidential operator
- Equipment Distribution Program – IUB administers a voucher program providing up to 95% of the cost of specialized telephone equipment for the deaf, hard-of-hearing, and speech-impaired.

Telecommunications Issues

- More competition, fewer landline subscribers – means less revenue per company
- 130 phone companies are now competing with the 150 traditional phone companies in Iowa
- Yet total landline subscribership has fallen from 1.95 million in 2000 to 1.37 million in 2010

Telecommunications Issues

- March 2010 – FCC released National Broadband Plan (NBP). The NBP is a blueprint for deploying high-speed broadband services to every home in the U.S.
- The NBP proposed to substantially restructure intercarrier compensation (ICC) and the federal universal service fund (USF) to help deploy broadband services to unserved areas
- ICC and USF are major revenue sources to Iowa's rural phone companies

Telecommunications Issues

- November 2011 – FCC Releases ICC/USF Reform Order
- Order caps most ICC revenues in January 2012 with yearly reductions to \$0.00 by 2020
- Order caps much of the federal USF at 2010 levels while shifting support from voice to broadband
- IUB and industry still analyzing impacts of FCC's Reform Order

Electric

IUB regulates

- 2 investor-owned electric utilities (IOU) for rates, service, safety, and disconnection
- 46 rural electric cooperatives (REC) for service, safety, and disconnection. An REC may elect to be rate regulated.
- 136 municipal electric utilities for safety and disconnection

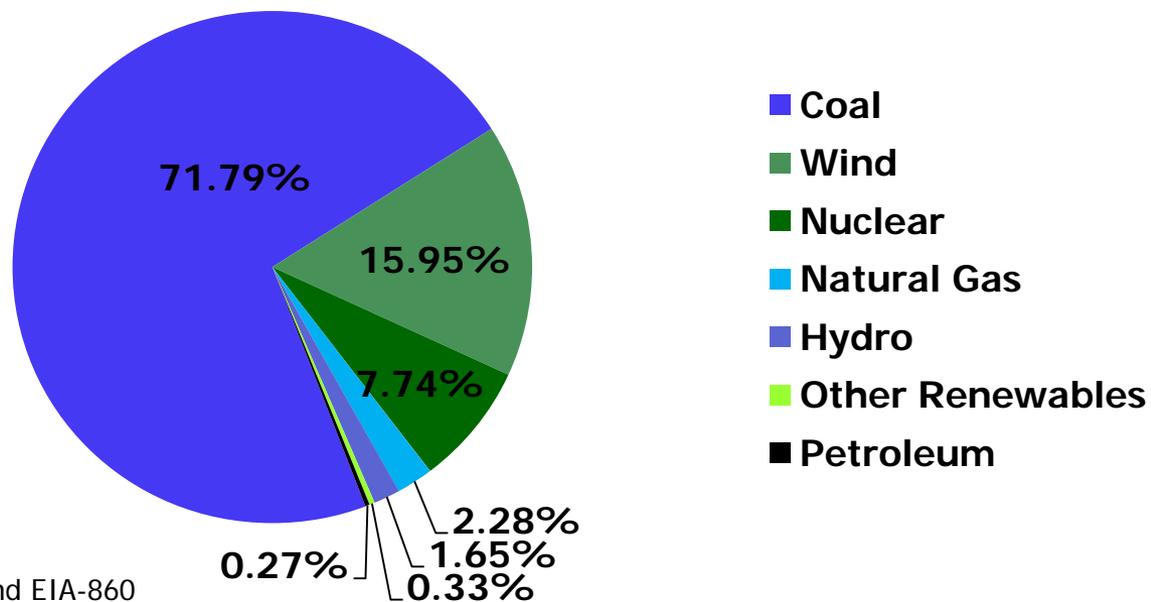
Electric

What we do

- Regulate electric rates for IOUs
- Certify electric power generation (>25MW)
- Grant electric transmission franchises (>69kV)
- Review energy efficiency programs
- Review IOU emissions control plans
- Adopt safety and service requirements

2010 Iowa Electric Generation

MWh By Fuel Type



Source: EIA-923 and EIA-860

Iowa Generation Facts

- 2010 net generation - 57,508,721 MWh
- 2010 net wind generation – 9,170,337 MWh
 - 15.9% of total net electricity generation
 - 1st in % of electric generation from wind
 - 2nd in installed wind capacity
- Iowa average retail price of electricity in 2009 - 7.37 cents/kWh
- US average retail price in 2009 – 9.83 cents/kWh

Source: http://www.eia.gov/cneaf/electricity/epa/epa_sprdshts.html

Transmission

- Transmission is transportation of electricity over high-voltage lines from generating facilities
- IUB approves siting and physical construction
- FERC regulates interstate transmission of electricity
- North American Electric Reliability Corporation
 - Certified by FERC as U.S. electric reliability organization
 - Ensures reliability of bulk power system
 - Works with industry to develop reliability standards
 - Files enforcement actions with FERC

Regional Efforts

- MISO – In 2001 first Regional Transmission Organization. 12 states and 1 Canadian province. Iowa's IOUs are MISO members.
- MISO's role
 - Provide independent transmission system access
 - Deliver improved reliability coordination through efficient market operations
 - Coordinate regional planning
 - Provide price information transparency
- Organization of MISO states (OMS) – State PUC advisory body to MISO

Energy Efficiency

- Reduced peak electricity use by 1,400 MW
- Electricity savings
 - Reduced annual demand by 2.6 million megawatt-hours
 - Enough to power 260,000 average homes for 1 year
- Natural gas savings
 - Reduced growth in annual use by 8 billion cubic feet
 - Enough to heat 95,000 average homes for 1 year

Electric Issues

- FERC Order 1000 – Regional transmission planning and cost allocation
- Proposed EPA requirements and compliance measures
- NOI on utility coal plant planning
- NOI on future high voltage transmission projects in Iowa
- Administer rate cases and adjudicate matters before the Board
- Agency planning for possible passage of nuclear bill – staffing and timelines

Natural Gas

IUB regulates 4 IOUs, 51 municipal, and 1 rural electric cooperative natural gas utilities. This regulation includes:

- IOUs for rates, service, safety and engineering standards, and disconnection
- Rural electric cooperatives for service, safety, and disconnection
- Municipal utilities for safety and disconnection

Natural Gas - Commodity

- The commodity of natural gas is federally deregulated
- Gas prices are currently low compared to several years ago and are projected to stay low in the near term. This is primarily due to the development of shale gas in the U.S.

Natural Gas - Customer Bills

- 75% - gas supply charge is unregulated – price is set in the marketplace
- 20% - basic service charge and delivery charge are regulated by the IUB
- 5% - pipeline transport charge is regulated by the Federal Energy Regulatory Commission

Natural Gas Issues

- Shale gas
- Cheap gas benefits economy – heating, electric generation fuel, process feedstock
- Natural gas as an electric generation fuel
 - Response to coal regulations
 - Competition with wind and nuclear
- Supply questions and fracking concerns

Natural Gas Issues

- Regional capacity issues
 - Some communities want increased supply for economic development
 - Not enough total demand to support capacity expansion
 - Feds set rules for interstate pipelines
- Ethanol production demand for gas leaves little reserve capacity
- Natural gas service not available in some smaller communities

Water

The IUB regulates the rates of one investor-owned water utility that serves the Quad Cities and Clinton.

Safety and Engineering

Responsible for regulation of gas and electric service providers and pipeline and electric transmission and distribution companies relating to safety, construction, and operation and maintenance of their facilities

Safety and Engineering

- Review and process petitions for electric transmission line franchises and pipeline permits
- Conduct inspections of natural gas and electric utilities for compliance with safety standards
- Act as an interstate agent for the federal Department of Transportation in pipeline safety matters

Electric Transmission Line Inspection

IUB inspects 12,300 miles of electric transmission line (69 kV and above) and also the electric distribution system

Pipeline Safety Inspections

IUB inspects:

- 8,176 miles of natural gas transmission lines
- 17,387 miles of natural gas distribution mains
- 905,520 gas services

IUB/OCA New Building



IUB/OCA New Building Statistics

- Modeled to use 28 kBtu per square foot/year
- A building built to the current building code would use 73 kBtu per square foot/year
- Building is projected to use 63% less than a baseline energy code new building
- After 11 months of occupancy actual usage of 19.5 KBTU kBtu per square foot/year

IUB/OCA New Building Statistics

- Building area: 44,460 GSF
- Construction budget: \$9,800,000
- LEED Platinum Registered
- Water & stormwater management
- High performance building envelope
- Daylighting
- Horizontal geothermal well HVAC
- Photovoltaic panels
- Energy management system

Customer Service Helps Public

- 7,000 customer initiated contacts in 2011
- We can help with
 - Billing and meter reading disputes
 - Repair and service Issues
 - Poor customer service
 - Slamming and cramming complaints
 - Nonpayment of bills
 - Disconnection
 - Deceptive practices
 - Winter moratorium and low-income assistance

IUB Customer Service Contact Information

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