



# Iowa Utilities Board 2014 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. An advocate of neither the public nor the utilities, 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

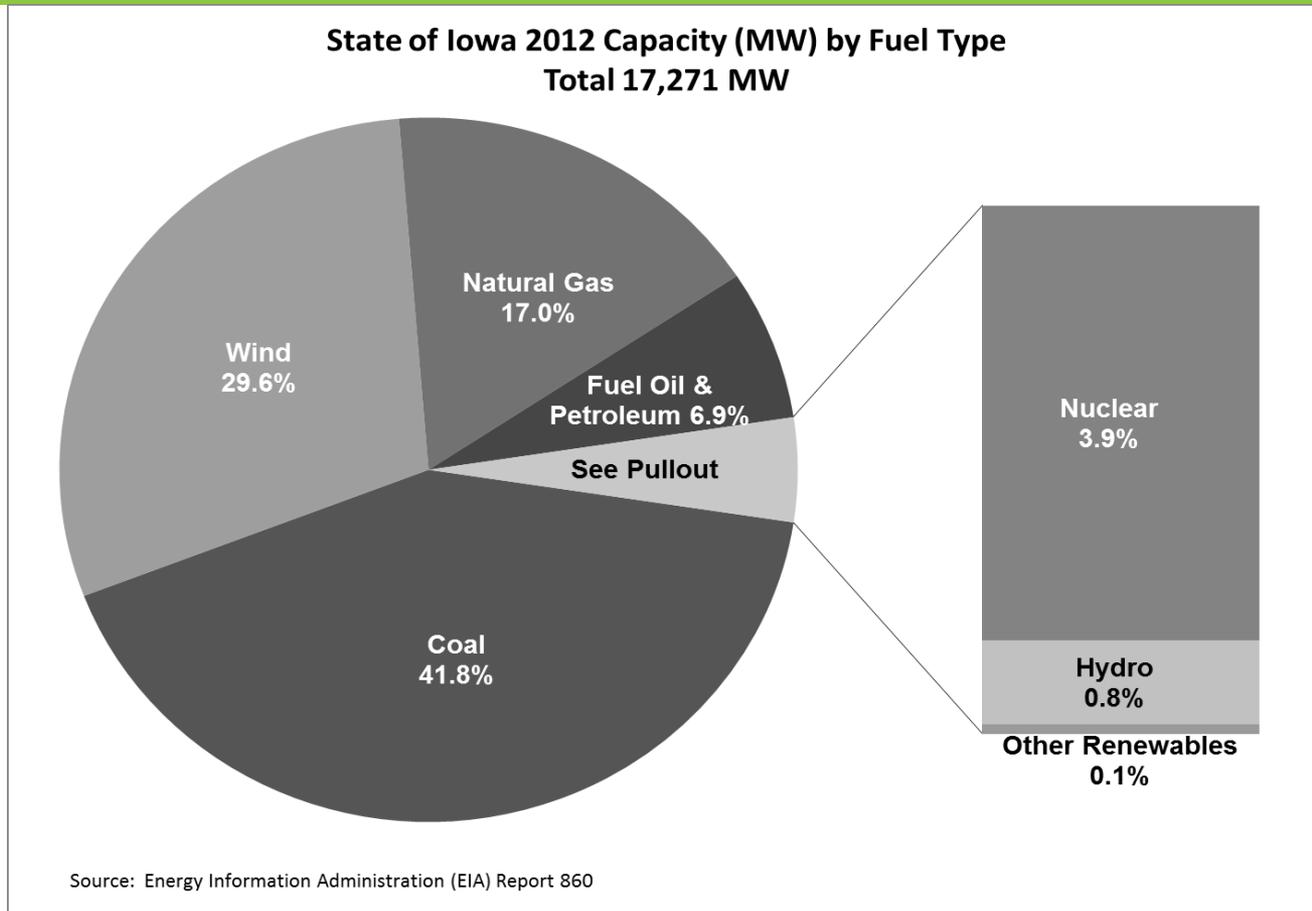
- 2 large investor-owned electric utilities (IOUs) for rates, service, safety, and disconnection
- 45 rural electric cooperatives (RECs) for service, safety, and disconnection. RECs may elect to be rate regulated
- 136 municipal electric utilities for safety and disconnection

# 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



# 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 pipeline safety matters

16 miles of cast iron pipeline remains in Iowa (out of total 31,000 miles of transmission and distribution lines)

# Transmission

- Transmission is transportation of electricity over high-voltage lines from generating facilities
- Currently, est. 12,300 miles of transmission in Iowa
- IUB approves the siting and physical construction of transmission
- Between October 12, 2012 and December 31, 2013, fifty-six informational meetings were held across the state as part of the franchise process. These meetings must be held prior to company negotiating land rights and applying for a franchise with the Board

# Transmission

- 300 miles of 345kV transmission projects have begun the franchise process with the Board. Clean Line proposes additional 375 miles of DC transmission
- For comparison, only 200 miles of 345kV have been built since 2000 and no DC
- 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

# 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

# Telecommunications

## Wireless and Wireline Subscribers

Year	Total Access Lines (ILEC + CLEC)	% Change from Prior Year	Total Wireless Subscribers	% Change from Prior Year
2006	1,682,000	--	1,824,878	--
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%

# Telecommunications

## Lifeline and Linkup 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.

# 2013 Telecommunications Notice of Inquiry

- IUB asked for comments from all interested parties as to the scope and future of telecommunications regulation in Iowa
- Extensive participation from telecommunications providers and other stakeholders over the course of 9 months.
- Staff recommendations issued in October, 2013
- Two bills this session; rulemakings are also anticipated in the near future

# 2013 Telecommunications Notice of Inquiry IUB Legislation

- HF 2330 and SF 2132: Eliminates obsolete provisions in IUB telecommunications statutes
- HSB 551 and SF 2195 : Contains changes resulting from stakeholder process in NOI
  - Eliminates retail tariff filings
  - Removes Board review of corporate reorganizations (currently only applies to CenturyLink, Windstream, and Frontier)
  - Allows the Board to increase time to resolve inter-carrier disputes from 90 days to 120 days for good cause shown

# 2013 Telecommunications Notice of Inquiry Conclusions on VoIP De-regulation

- No change in regulation is justified at this time
- VoIP deregulation would mean 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)
- Continued consumer protection is necessary
  - Slamming and cramming
  - Rural call completion

# IUB Customer Service

- 5,908 customer-initiated contacts in 2013
  - Includes 554 written complaints, whether filed online, by email, or postal mail
- IUB Customer Service can help with
  - Utility billing disputes
  - Telecommunications slamming and cramming
  - Nonpayment of bills and payment agreements
  - Utility disconnection
  - Winter moratorium and low-income home energy assistance (LIHEAP)

# 2013 Activity

- Over \$4.5 billion in new generating plant, generating plant improvements, and energy efficiency approved in 2013
- In addition, a significant amount of new transmission and power purchase agreements were approved
- Cybersecurity Policy Team formed
  - Met with all utilities to emphasize issue of cybersecurity preparedness
  - Will follow up on a regular basis to keep the issue at the forefront

# 2014 Initiatives

- Notice of Inquiry on distributed generation (DG)
  - Over 200 comments submitted
- Kaizen using the LEAN process for accounting/billing
- Monitoring EPA emission rules

# IUB/OCA LEED® Platinum Building

- Energy savings exceed aggressive goal
- Compared to building built to code, 68% overall reduction in energy consumption

For questions or more information  
contact:

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