

2011

ANNUAL REPORT

Iowa Utilities Board

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TABLE OF CONTENTS

THE BOARD.....	4
History.....	7
Jurisdiction.....	13
Vision.....	15
Mission.....	15
ORGANIZATION	16
Executive Secretary	17
Deputy Executive Secretary.....	18
General Counsel.....	20
Customer Service and Public Information.....	21
Energy.....	26
Policy Development.....	30
Safety and Engineering.....	35
Telecommunications.....	39
UTILITY PROCEEDINGS	43
Competitive Natural Gas Provider Certificates	43
Electric Franchises	45
Energy Efficiency Plans.....	51
Emissions Plans and Budgets.....	52
Formal Complaints.....	53
Negotiated Interconnection Agreements.....	64
Notices of Inquiry	66
Pipeline Dockets	68
Refunds	69

UTILITY PROCEEDINGS (CONT ...)

Rate Proceedings..... 70
Rule Makings 73
Service Proceedings 76
Telephone Certificates 82
Waivers of Rules..... 86

FEDERAL PROCEEDINGS..... 92

COURT CASES 93

THE BOARD

ELIZABETH (LIBBY) JACOBS, CHAIR

Elizabeth S. Jacobs began serving on the Iowa Utilities Board on May 1, 2011. She was appointed by Governor Terry Branstad to fill a term that runs through April 30, 2017. Additionally, Branstad appointed Jacobs Chair of the Board. She serves in that capacity from May 1, 2011, to April 30, 2013.

Jacobs is a National Association of Regulatory Utility Commissioners (NARUC) member and serves on the NARUC Committee on Electricity and Subcommittee on Nuclear Issues-Waste Disposal. Jacobs represents Iowa on the Board of the Organization of MISO States (OMS) and is a voting member on the Eastern Interconnection States Planning Council (EISPC). She is also a member of the Mid-America Regulatory Conference (MARC).

Prior to joining the Iowa Utilities Board, Jacobs was president of The Jacobs Group, LLC, a consulting firm specializing in strategic planning, board development, community outreach, and fund development. In addition, Jacobs' career includes professional and management-level positions in the telecommunications, non-profit, and financial services industries.

Jacobs served in the Iowa House of Representatives from 1994 to 2008. She was elected by her peers to serve as Majority Whip for seven years. Jacobs also sat on the Commerce, State Government, and Appropriations Committees. She served as co-chair of several interim committees including a study committee on the Iowa Communications Network.

Jacobs has been recognized with several honors including the 2008 West Des Moines Citizen of the Year, 2008 Drake University Outstanding Master of Public Administration Alumnus Award, 2008 Greater Des Moines Leadership Institute Business Leadership Award, 2005 Iowa Grocers Association Legislative Leadership Award, and the 2001 Des Moines Business Record Woman of Influence.

Jacobs earned her BA "With Distinction" in political science from the University of Nebraska—Lincoln and a Master's of Public Administration from Drake University. She and her husband, Steve, reside in West Des Moines and have two daughters.

DARRELL HANSON, BOARD MEMBER

Darrell Hanson was appointed by Governor Chet Culver to fill an unexpired term on the Iowa Utilities Board on November 9, 2007. His term runs until April 30, 2013.

Hanson is a National Association of Regulatory Utility Commissioners (NARUC) member and serves on the NARUC Committee on Gas and the Committee on International Relations. He also serves on the NARUC Subcommittee on Nuclear Issues – Waste Disposal and the NARUC Subcommittee of Education and Research. Board Member Hanson is president of the Mid-America Regulatory Conference (MARC). Hanson is a member of the Eastern Interconnection States Planning Council (EISPC) and the Executive Committee of the Upper Midwest Transmission Development Initiative (UMTDI). He also serves on the Advisory Boards of the Financial Research Institute (FRI) at the University of Missouri and the Center for Global and Regional Environmental Research (CGRER) at the University of Iowa.

Hanson graduated with High Distinction from the University of Iowa in 1976. He received a master's degree in political science from the University of Northern Iowa in 1991, with additional graduate study in economics.

A native of northeast Iowa, Hanson represented Delaware County and surrounding areas in the State Legislature for eight terms from 1979 through 1994. While serving in the Legislature he also taught economics and American history for Upper Iowa University and political science at the University of Northern Iowa. In 1995, he served as Senior Director of Transportation and Economic Development for the Iowa Northland Regional Council of Governments based in Waterloo. From 1996 to 2007, he was the County Extension Education Director for the Iowa State University Extension office in Delaware County.

Hanson has been a member of the Manchester City Council, Manchester Area Chamber of Commerce Board of Directors, Delaware County Economic Development Commission, and Manchester Board of Adjustment. He chaired the Manchester Enterprise Zone Commission from 2001 to 2007, and chaired the Manchester Local Access Cable Television Committee from 1997 to 2007. He has received Manchester's Distinguished Service Award and the Delaware County Friend of Agriculture Award. Hanson was a member of the Iowa Environmental Council (IEC) Board of Directors from 1994 to 2004 and IEC Vice President in 1997 and 1998. He served as a member of the Iowa Environmental Protection Commission from 2000 to 2007, including three terms as commission chair.

Hanson is married to Janet Hanson, a registered nurse. They have two sons, Eric and Mark.

SWATI DANDEKAR, BOARD MEMBER

Swati Dandekar officially began serving on the Iowa Utilities Board on September 19, 2011. Governor Terry Branstad appointed her to fill a vacated Board Member seat, which runs through April 30, 2015.

Board Member Dandekar is a National Association of Regulatory Utility Commissioners (NARUC) member and serves on the NARUC Committee on Telecommunications. She is a voting member of the North American Numbering Council (NANC). Dandekar is also a member of the Mid-American Regulatory Conference (MARC). She serves as the Board representative to the Advisory Council of the Iowa Energy Center in Ames. Board Member Dandekar serves on the advisory board of the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCoR).

Prior to joining the Board, Dandekar served in the Iowa House of Representatives from 2002 until 2008 and was elected to the Iowa Senate in 2008. She was the chair of the Senate Commerce Committee, vice-chair of the Economic Development Budget Subcommittee, and was elected president of the National Foundation of Women Legislators for 2011.

Dandekar has a bachelor's degree in biology and chemistry from Nagpur University and a post graduate diploma in dietetics from Bombay University in India. She has served on the Linn-Mar School Board, Iowa Association of School Boards, the Vision Iowa Board, U.S. Center for Citizen Diplomacy, Iowa Math and Science Coalition, Greater Cedar Rapids Foundation, Belin-Blank International Center for Gifted and Talented, Iowa Innovation Council, and Iowa Public Health Commission.

Honors bestowed upon Dandekar include the 2000 J.C. Penney Education Golden Rule Award, India Abroad 2002 Person of the Year, 2003 Pillar of the Community Award from Waypoint, Asian Alliance of Iowa 2003 Person of the Year, 2004 Flemming Institute Fellow, Iowa's 2006 Passport to Prosperity Award, and Asian Week's 2008 Asia Pacific American Person of the Year.

Swati and her husband, Arvind, reside in Marion, Iowa. They have two sons; Ajai (with his wife Allison and their sons Evan and William) and Govind (with his wife Shanedda).

History of the Iowa Utilities Board

The Iowa Board of Railroad Commissioners, one of the oldest agencies in Iowa state government, was established in 1878. The three elected commissioners were charged with the duty to regulate railroad passenger and freight rates and operations. This oversight of the network that transported Iowans and their products was critical to pioneer farmers and businesses.

In 1911 the Iowa Legislature established the Office of Commerce Counsel, one of the nation's first public defender's offices, within the Railroad Commission. With the growing use of electricity, the Board was authorized to regulate the location of electric transmission lines in Iowa. A rate department was added at that time, followed by statistics and engineering departments a short time later. The agency began licensing grain warehouses in Iowa in 1921 and was authorized to regulate passenger and freight rates for intrastate motor truck transportation in 1923. Authority to regulate natural gas pipeline construction was granted in the early 1930s. Because of its expanded authority, the agency was renamed the Iowa State Commerce Commission in 1937.

After World War II ended, sentiment grew for centralized regulation of public utilities. The governing bodies of the cities and towns had jurisdiction over electric and gas rates and services. The major investor-owned electric and gas companies had to deal individually with more than 200 town and city councils for each rate change. There was no provision for the regulation of

communication services at either the state or municipal level. By 1953, Iowa was one of only two states that lacked a public utility commission. In 1963 the Iowa Legislature added the regulation of the rates and service of public utility companies to the Commission's responsibilities. Also in 1963 the commission terms were extended from two years to six years and the positions became appointed rather than elected.

The additional responsibility of regulating 923 public utilities (702 telephone companies) began to overshadow the Commission's other duties. In 1975 the industry passed the \$1 billion threshold in intrastate operating revenues and regulation of motor and rail transportation was transferred to the Iowa Department of Transportation. Exclusive service areas for electric utilities were initiated in 1976, as well as authority to issue certificates of public convenience, use, and necessity for constructing electric generating facilities.

As the price of energy rose in the late 1970s conservation and alternative sources of energy became important issues. In 1980 the Commission was authorized to engage in several energy-saving strategies and pilot projects.

After the Iowa Legislature adjourned in 1981 only five telephone companies remained under rate regulation. Those with fewer than 15,000 customers were required only to meet the agency's service standards.

In 1983 the nation's first telephone deregulation statute was included in an omnibus utility reform bill that also replaced the Office of Commerce Counsel. A state Office of Consumer Advocate (OCA) was established to represent the public interest in rate cases and the Office of General Counsel was created to provide legal support to the Commission.

State government reorganization in 1986 renamed the Iowa State Commerce Commission and included the agency in an umbrella regulatory agency, the Department of Commerce. The new name, the Iowa Utilities Board (IUB), reflected the absence of the grain warehouse function that was transferred to the Department of Agriculture. Also that year, rate regulation ended for rural electric cooperatives and service regulation of municipal utilities was severely limited. The OCA was made a division of the Department of Justice.

In 1989 the Iowa Legislature abolished the practice of the IUB and the OCA utilizing shared technical staff. The Board was also given authority to oversee mergers and acquisitions of utility companies. The 1990 Iowa Legislature, at the Board's urging, gave the Board authority to oversee gas and electric utilities' energy efficiency activity.

The 1980s saw the beginning of a move away from regulation in the gas and electric industries. In the mid-1980s the Federal Energy Regulatory Commission (FERC) began opening interstate natural gas pipelines to competitive gas suppliers. Congress fully deregulated sales of natural

gas, but the interstate transportation of natural gas was still regulated by the FERC. As a result, gas could be obtained competitively at hundreds of delivery points in Iowa. Since the late 1980s, industrial customers in Iowa have been purchasing gas in the open competitive market, but small volume customers faced continued barriers. In August 2000 the Board required each rate-regulated natural gas utility to file draft tariffs to implement transportation to small volume end-users.

In April 2001 the Board implemented new rules establishing the criteria for certification of competitive natural gas providers. The rules allowed certified competitive natural gas providers to pool transportation service to Iowa small-volume business and residential customers for the first time. The large-volume competitive natural gas providers that served Iowa industrial customers previously continued providing service but became certified under the new rules.

The electric industry was also changing. The Federal Energy Policy Act of 1992 (EPACT) permitted independent power producers to enter the wholesale power market where they could sell electric capacity and energy to utilities at unregulated market rates. EPACT also authorized the FERC to require electric utilities to open their transmission systems for wholesale transactions. The apparent success of competition in the wholesale electric market led to growing pressure to allow retail competition as well. The Legislature considered electric competition

proposals in 1998, 1999, and 2000 but nothing was enacted. In September 2000, after the California energy crisis, the Governor announced the formation of a task force to take a comprehensive look at Iowa's energy needs. Also in 2000 the Board initiated an inquiry into electric delivery reliability and an investigation into generation resource planning, which continued in 2001. In December 2001 the IUB released a report entitled "Report on Electric Delivery Reliability Inquiry, A Staff Analysis, Docket No. NOI-2000-0004."

In 2001 the Iowa Legislature adopted House File 577 to attract the development of electric power generating and transmission facilities in the state. The new legislation streamlined the statutory generation siting requirements and allowed advance ratemaking principles for the construction of certain generation plants built by rate-regulated utilities. It required the Board to establish ratemaking principles that will apply when new plant costs are included in electric rates. Utility companies were previously required to wait until new plants actually went on line before learning how regulators would treat their investment.

Telephone price regulation was authorized in 1995 along with laws encouraging the development of local telephone competition. The Federal Telecommunications Act of 1996 opened the local telecommunications market to competition and gave state commissions the authority to determine prices for the use of the telephone network.

With Executive Order Eight in 1999 the Governor asked all state agencies to review their rules for need, clarity, intent and statutory authority, cost, and fairness. In February 2000 the Board issued its plan for regulatory review. After receipt of public comments, staff teams developed recommended changes to the Board's rules. During 2001, the Board submitted its recommended rule changes to the Governor in its assessment report.

In 2002 the Board was given discretion to reduce the filing requirements to streamline petitions for extension of electric franchises. Also in 2002 the state's Interagency Missouri River Authority was established to represent Iowa interests regarding membership in the Missouri River Basin Association. The IUB was named a member agency. The interagency group is charged with promoting the management of the Missouri River in a manner that does not negatively impact landowners along the river or the state's economy.

In 2003 the IUB became a founding member of the Organization of MISO States (OMS). The OMS is a non-profit, self-governing organization of representatives from each state with regulatory jurisdiction over entities participating in the Midwest Independent Transmission System Operator, Inc. (MISO), a regional transmission organization as defined by the FERC. The purpose of the OMS is to coordinate regulatory oversight among the states, including recommendations to MISO, the MISO Board of Directors, the FERC, other

relevant government entities, and state commissions as appropriate.

In 2004 and 2005 the Board deregulated the rates for local telephone service in a total of 40 Iowa exchanges where it made a finding of effective competition. The Board will continue to regulate service quality in these exchanges and monitor the markets. The Board initiated the rate deregulation proceeding after conducting a statewide local telecommunications competition survey, which indicated specific geographic areas or certain customer groups had a choice of service providers.

In 2005 legislation removed price controls from all local telephone service in Iowa but the most basic single line residential and business services of Iowa's large incumbent local exchange carriers. Previously, these carriers had been fully price regulated. The Board continued to price regulate the incumbent carriers' basic services during a projected three- to five-year phase-out period. A portion of the proceeds from any single line increases during the transition period must be used to install high-speed Internet service in rural areas. The law also enabled local exchange carriers to file complaints with the Board against other local exchange carriers they believe have engaged in anti-trust activities. The Board could order a local exchange carrier to adjust its retail rates and assess a civil penalty.

In 2005 Iowa enacted legislation creating two separate production tax credits for electricity generated by eligible renewable-

energy facilities. The credits are subject to approval by the Board. Iowa Code Chapter 476C created a production tax credit of 1.5 cents per kilowatt-hour for electricity generated by and purchased from eligible wind and other renewable-energy facilities, including biomass and solar. Iowa Code Chapter 476B created a production tax credit of one cent per kilowatt-hour for electricity generated by and purchased from eligible wind-energy facilities. The Board adopted final rules on the facility eligibility process in Docket No. RMU-2005-0008. The tax credits are issued and tracked by the Iowa Department of Revenue.

In April 2006 the Board approved more uniform Interstate Power and Light Company (IPL) class rate structures and rate changes, moving closer to equalizing electric rates across IPL's four electric service territories in Iowa. Rate disparities resulted from past mergers and acquisitions of utilities that had varying rate structures. In deciding the company's previous rate case (Docket No. RPU-2004-0001), the Board established a flexible target for equalizing rates over a five-year period for residential and commercial customer classes and a three-year timeframe for large commercial and lighting customer classes.

In July 2006 the Board commenced a multi-layered energy efficiency initiative in Iowa. A component of this was the Iowa Weatherization Challenge in which the IUB works with local community organizations across Iowa to recruit volunteers and solicit donations to help weatherize homes for Iowa's low-income families, elderly, and

disabled individuals. The Board also began investigation and reassessment of various policies, rules, legislation, and utility energy efficiency programs as well as evaluation of the use of new and emerging technologies.

The energy efficiency push extended to the national level. In 2006 a National Action Plan for Energy Efficiency was unveiled. Iowa was instrumental in forming this national energy-saving plan under the leadership of the IUB Members. Its numerous recommendations elevated the importance of energy efficiency as part of the work of utility regulatory bodies. The recommendations build upon the best existing practices from successful efficiency programs to remove barriers that had traditionally limited utilities and customers from pursuing cost-effective energy efficiency resources.

Legislation passed in 2007 required that providers of cable or video service acquire a franchise either from the Board or a municipality. The new statute and rules did not give the Board regulatory authority over cable service.

Pursuant to Iowa Code, on June 27, 2008, the Board issued a decision order finding that sufficient market forces existed throughout Iowa to constrain the price of single line flat-rated residential and business rates in general. The record also showed that competitive offerings from competitive local exchange carriers, wireless carriers, and cable providers were available in much of the state and most Iowa consumers had a choice of telecommunications service

providers. Therefore, effective July 1, 2008, the Board no longer held retail rate jurisdiction over single line flat-rated residential and business service rates of local exchange telecommunications carriers in Iowa.

In January 2009 the IUB implemented its new Internet Electronic Filing System (EFS). The new paperless filing process enables the public to view most case documents filed in Board proceedings from the EFS Website, <http://efs.iowa.gov>, or from a link on the Board's Website, <http://iub.iowa.gov>. This new system came after many months of preparation. Working with a vendor, Board staff designed and tested the EFS and trained internal and external users in how to use the EFS. An EFS Help Desk was also established:

- Phone: (515) 725-7337
- E-mail: efshelpdesk@iub.iowa.gov

On January 18, 2011, the IUB and OCA moved into a new model energy efficiency office building located on the State Capitol Complex at the corner of East 14th Street and Court Avenue. The building demonstrates cost saving, energy reduction, and environmentally friendly features and ideas. Architects for the project were BNIM Architects of Des Moines. The contractor was J. P. Cullen of Janesville, Wisconsin. The State will seek the highest certification, LEED Platinum, from the U.S. Green Building Council.

On April 28, 2011, a building open house ceremony and public tours were held. Governor Terry E. Branstad spoke at the

event. IUB Chair Rob Berntsen said it was a proud day in the history of the IUB and the OCA. Iowa's Consumer Advocate Mark Schuling said the building demonstrates the benefits of cost-effective energy efficiency programs.

The 44,460 square foot building was anticipated to use about 63 percent less energy than a typical office building of the same size, saving about \$36,000 a year. Geo-thermal heating and cooling technology would account for the largest share of the energy savings. Other energy efficient features include super-efficient precast concrete wall panels with integrated edge-to-edge rigid insulation, daylight harvesting solar screens and a V-shaped design to make maximum use of daylight, lighting and occupancy sensors, special plug outlet

controls, and operable windows for use on temperate days. Roof-mounted solar energy panels were projected to provide about 12.5 percent of the total energy used. An energy information kiosk for use by visitors and employees was installed in the building's entrance lobby in 2011. The kiosk provides updated energy efficiency facts as well as detailed solar generation and energy consumption data pertaining to the energy-saving State office building.

The IUB and OCA conducted, and will continue to conduct, many public tours focusing on the energy efficiency aspects of the office building. Participants have included individuals from utilities, utility industry groups, colleges and universities, and other interested organizations.

JURISDICTION AND REGULATORY AUTHORITY OF THE IOWA UTILITIES BOARD

The Board's authority is stated in summary form in Iowa Code §§ 476.1 and 474.9. The Board regulates the rates and services of electric, natural gas, and water utilities, the services of communications utilities, and generally supervises all pipelines and the transmission, sale, and distribution of electrical current.

The Board regulates the rates and services of two investor-owned **electric** companies, MidAmerican Energy Company (MEC) and Interstate Power and Light Company (IPL), which is the utility subsidiary of Alliant Energy Company serving Iowa. Together these companies serve more than 1 million electric customers. Municipal electric utilities are regulated only in matters specified by statute. Rural electric cooperatives (RECs) are regulated for service and have the option of choosing to be regulated for rates. Linn County REC is the only REC that has opted to have the Board set its rates.

The Board has general jurisdiction over **gas** utilities furnishing natural gas by piped distribution under Chapter 476, but does not regulate propane gas. The Board regulates the rates and services of the following four large investor-owned gas utilities: MEC, IPL, Black Hills Energy, and Atmos Energy Corporation. The Board also regulates certain areas of gas service provided by municipal utilities. Gas utilities having fewer than 2,000 customers are subject to separate rate and service regulatory provisions under Iowa Code § 476.1C.

The Board has general regulatory authority over two-way, landline **telecommunications** under chapter 476. Although, it does not regulate cellular service or cable television service, in December 2007, new rules went into effect to implement a new law providing the Board authority to issue cable television franchise agreements. The Board regulates only the service, and not the rates, of local service providers in Iowa. In addition, under Iowa Code Chapter 476 and 47 U.S.C. § 252 of the Federal Telecommunications Act of 1996, the Board has authority to resolve inter-utility disputes between competitors. Finally, the Board has jurisdiction to hear all complaints regarding any unauthorized change to a telecommunications customer's account (i.e., slamming and cramming), even if the service in question is deregulated.

The Board also regulates the rates and service of one investor-owned **water** utility, Iowa-American Water Company. The company serves about 60,000 water customers in its Davenport and Clinton districts. The Board does not regulate small or municipally owned waterworks.

Also included in the Board's jurisdiction is certification of electric power generators (Chapter 476A); granting of franchises for electric transmission lines (Chapter 478); supervision of the transportation or transmission of a solid, liquid, or gas, except water, through intrastate pipelines (Chapter 479); the authority to implement federal regulation of interstate pipelines (Chapter

479A); and the authority to implement certain controls over hazardous liquid pipelines to protect landowners and tenants from environmental or economic damages (Chapter 479B).

In addition to ratemaking and service regulation, the Board has the authority to resolve complaints, enforce safety and engineering standards, approve plans for energy efficiency programs, approve plans for recovery of costs to control emissions from generating facilities, oversee affiliate transactions, and review proposals for reorganization.

Under Chapter 477C, the Board administers a dual party relay service to allow communication-impaired persons to use the telephone. It also administers an equipment distribution program to provide telecommunications devices for the deaf to eligible persons.

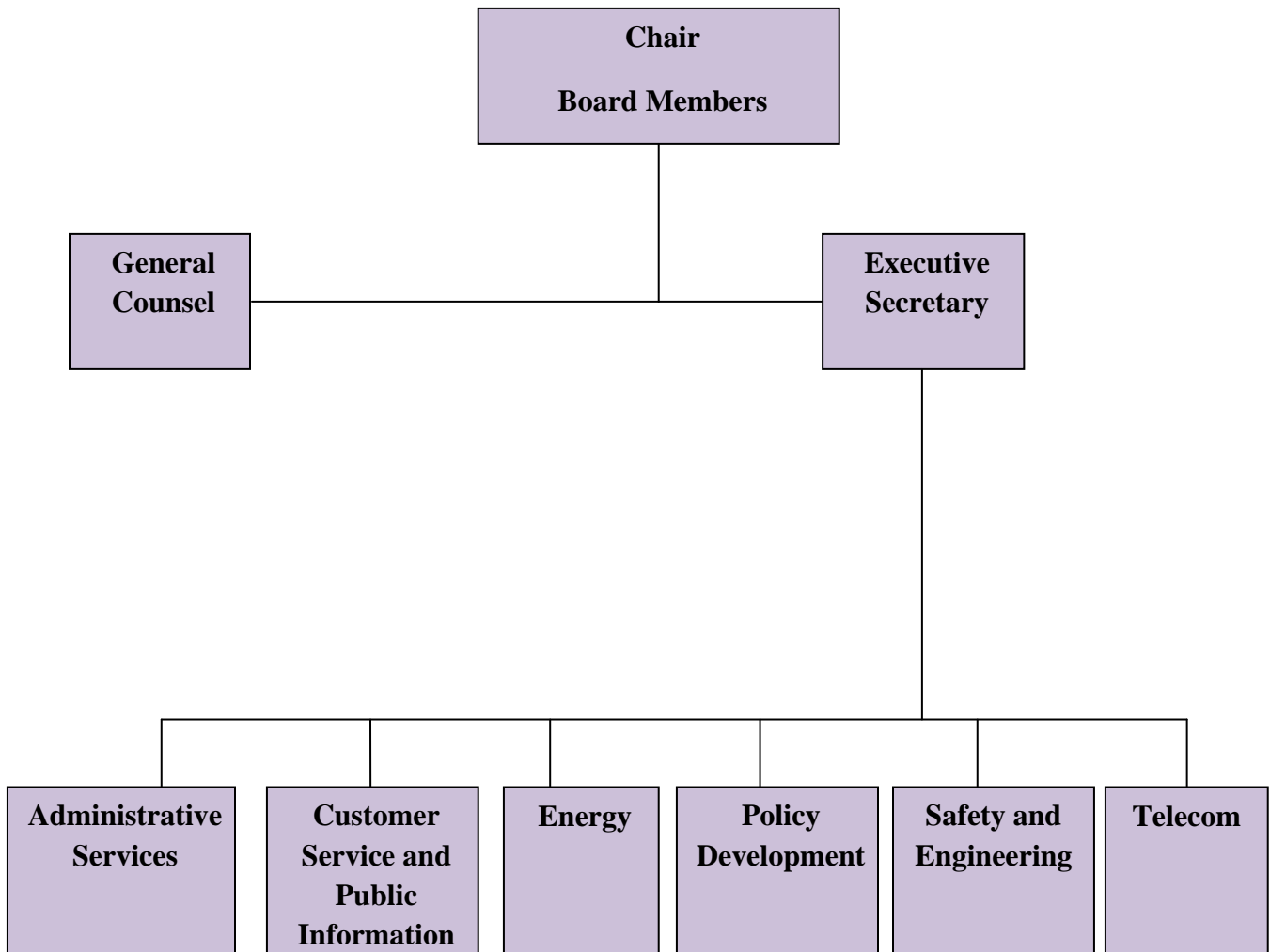
VISION STATEMENT

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

MISSION STATEMENT

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

ORGANIZATION OF THE AGENCY



EXECUTIVE SECRETARY

Joan Conrad, Executive Secretary (November 2009 - present)

- *IUB Legislative Liaison (1997-2010)*
- *Iowa Power Fund Board – Alternate member (2007-present)*
- *IDED Regulatory Assistance Coordinator – IUB representative (2003-present)*
- *Iowa Energy Council – IUB representative (2003-2010)*
- *Bachelor’s degree (Marquette University)*

Appointed by the Utilities Board under Iowa Code Chapter 474, the Executive Secretary oversees the operation of the agency and assists the Board in assuring the work of the agency is completed efficiently and effectively. The Executive Secretary serves as the agency’s chief of staff. The Deputy Executive Secretary, the five section managers, and the Policy Advisor report to the Executive Secretary.

The Executive Secretary is the custodian of the Board seal and all Board records. The Executive Secretary or designee is responsible for attesting the signatures of the Board members and placing the seal on original Board orders. The Executive Secretary or designee is also responsible for certifying official copies of Board documents. Other responsibilities of this office include establishing procedures for the examination of Board records by the general public, pursuant to the provisions of Iowa Code § 22.11, and providing for the enforcement of those procedures.

DEPUTY EXECUTIVE SECRETARY

Judi K. Cooper, Deputy Executive Secretary-Administrative Services Manager (December 2009 – to present)

- *Former Executive Secretary (2001-2009) and Deputy Executive Secretary (1998-2001)*
- *Joined agency in July 1982 as analyst in Electric Rates Section*
- *Former Member, NARUC Staff Subcommittee on Accounting and Finance and Staff Subcommittee on Executive Management*
- *Prepares agency budget*
- *Ensures essential administrative business is completed*
- *Project manager for new office building*
- *Bachelor of Business Administration degree in Accounting (Iowa State University)*

2011 DUTIES AND HIGHLIGHTS

Records and Information Center

- Receives, routes, and maintains all filings made with the Board.
- Provides public access to Board files.
- Ensures that orders are served on parties to a docket.
- Helps to establish and, in turn, follow retention guidelines for various dockets.
- Works in conjunction with the State records center.
- Ensures that periodicals and pertinent information is distributed to the Board and staff, and maintained in the information center.
- Ensured that essential agency records were retained and moved in an orderly manner to the new office building.

Records Center Filings in 2011

Complaint	169
Competitive Natural Gas Provider	2
Electric Delivery Reliability	44
Electric Energy Adjustment	26
Electric Franchise or Extension	40
Formal Complaint	31
Negotiated Interconnection Agreement	38
Notice of Inquiry	3
Pipeline Permit	7
Pipeline Safety	1
Purchased Gas Adjustment	55
Rate Notification	2
Rate Proceeding	1
Refund Plan	1
Rule Making	7
Service Proceeding	14

Tariff Revision	156
Telephone Certificate Proceeding	12
Video Cable Authority	7
Waiver request	26
Total	642

Accounting and Assessments Section Highlights

- Provided billing, payment, and accounting services for the IUB, the Iowa Insurance Division, and the Office of Consumer Advocate (OCA).
- Calculated, billed, collected, and accounted for assessments to utility companies for IUB and OCA services.
- Billed and collected funds for Dual Party Relay, the Iowa Energy Center, and the Center for Global and Regional Environmental Research.
- During the 2011 calendar year, processed and paid 1286 vouchers for Relay Iowa's Equipment Distribution Program.
- Active in the State of Iowa Financial Managers organization.
- Ensured that essential agency financial/billing information was retained and moved in an orderly manner to the new building.

Information Technology Team Highlights

- Continued to develop and support the Electronic Filing System (EFS) which became available for use by the public on January 2, 2009, providing on-line access to public documents filed with and orders issued by the Board. Each of the 5,951 filings made during 2011 contained an average of four documents. The largest filing contained 106 documents.
- Active in the Joint Chief Information Officers Council, the CIO Council security committee, and other enterprise technology efforts.
- Provided technology resources, training, support, and tools for the agency.
- Responsible for maintenance and support of the agency computer systems, including network and desktop hardware and software as well as user support.
- Provided strategic and tactical support for the agency's present and future business processes and coordinated information technology processes with enterprise and external systems.
- Monitored information security and implemented timely corrective measures.
- Recommended appropriate information technology and data policies and procedures for the agency and participated in policy discussions at the enterprise level.
- Developed, updated, and maintained the IUB Website and worked collaboratively within the agency to develop Website content.
- Prepared for and successfully moved to the new office building.
- Continued to learn about new products and services, determining agency need.

GENERAL COUNSEL

David Lynch, General Counsel (December 2002-present)

- *Board attorney (1983-87, 1998-2002)*
- *Former State Staff Chair, Federal-State Joint Board on Separations*
- *Past Chair, National Regulatory Research Institute Research Advisory Committee*
- *Bachelor's degree (Yale University), J.D. degree (University of Iowa)*

The Office of General Counsel was created on July 1, 1983, to serve as legal advisor to and attorney for the Board. General Counsel provides legal advice and formal legal opinions to the Board on matters arising under the Iowa Code and the Board's administrative rules. Attorneys draft Board decisions, orders, and rules. General Counsel also provides legal advice to the Board's staff. It represents the Board before state and federal courts in proceedings that challenge the Board's implementation of state and federal law.

2011 HIGHLIGHTS

See Court Cases section of the 2011 Annual Report, page 93.

CUSTOMER SERVICE AND PUBLIC INFORMATION

Don Tormey, Customer Service and Public Information Manager (September 2011-present)

- *Manager of customer information, complaint resolution, and IUB internal and external communications.*
- *Public information coordinator for the IUB's role in the U. S. Department of Energy, Iowa Energy Emergency Assurance Plan (electric/natural gas)*
- *Member, NARUC staff subcommittee on Consumer Affairs*
- *Office of Energy Independence, Public Information Officer (2009-2011)*
- *Des Moines Register, Director of Multimedia, (2004-2009)*
- *Los Angeles Times, Senior Editor, (1984-2004)*
- *Bachelor's degree (California State University, Long Beach)*

Customer Service staff handles customer inquiries and complaints, while providing a variety of communications to increase public awareness of utility-related, energy and telecommunications issues, along with the regulatory role of the Iowa Utilities Board.

Utility analysts respond to public telephone, e-mail, and written correspondence about utility activities, and service complaints. The analysts also work with the Energy and Telecommunications Sections on utility tariffs, rate cases, and other issues with a consumer interest.

Public Information staff is responsible for agency news releases, producing and updating content for the Website, media relations, communications and coordination with the Governor's office and other state agencies. Additional duties include consumer education and outreach, utility related consumer information brochures, and other activities to inform and educate the public.

Customer Service and Public Information staff are also responsible for coordinating agency communications and related support to the Iowa Division of Homeland Security and Emergency Management during natural disasters or other unplanned utility related events, planning public meetings of the Board, conducting annual customer service meetings for utility and Community Action Program agency representatives, , and producing the agency Annual Report.

2011 HIGHLIGHTS

- Customer Service analysts responded to 4,100 customer contacts of which nearly 2,300 were complaints about utility services or practices. Hundreds of other contacts were classified as misdials, where the customer was trying to contact their utility and either reached the IUB by misdialing or called the IUB for help reaching the utility directly.

- Customer Service staff conducted 13 education and training meetings with 328 staff of utilities and Community Action Program agency caseworkers on topics related to energy service, low-income energy assistance, and the winter heating disconnection moratorium. This was the second year that municipal attendees received municipal utility clerks' certification curriculum credits for attending an IUB Customer Service meeting. This education and training effort continues to receive positive feedback.
- Customer Service staff responded to 143 requests from utilities for assistance on rules interpretations for customer situations they were dealing with directly. The Customer Service Manager and staff met with various utilities on a quarterly basis to discuss utility complaint issues.
- Customer Service staff handled arrangements for the consumer comment hearings in the Iowa-American Water Company rate case (Docket No. RPU-2011-0001), where consumers were invited to attend and provide comments or ask questions of Iowa-American Water representatives and the Office of Consumer Advocate, at hearings held in Clinton (Clinton District) and Bettendorf (Quad Cities District).
- During 2011, the Public Information staff issued media advisories, news releases, handled state and national media inquiries and created new web content while updating the IUB Website. Press relationships were expanded to include such local, state, regional and national media outlets as *Bloomberg News*, *The Seattle Times*, *The Des Moines Register*, *Tribune Media Group*, *Des Moines Business Record*, *The Associated Press*, *Omaha World Herald*, *Cedar Rapids Gazette*, *Sioux City Journal*, *Waterloo Courier*, *Quad City Times*, *Lee News*, *Fort Dodge Messenger*, *Dubuque Telegraph-Herald*, *Metro Networks Radio and Newspaper Group*, *Midwest Energy News*, *SNL Energy*, and *Windpower Engineering and Development*, *KCCI-TV (Des Moines)*, *WHO-TV (Des Moines)*, *KWQC-TV (Quad Cities)*, *WHO Radio (Des Moines)*, and *Radio Iowa*. Out-of-state news inquiries dealt primarily with wind and renewable energy, natural gas pipeline safety policy, and various telecommunications issues.
- The Customer Service Manager and Customer Service Coordinator actively participated with other state and federal agencies, such as the National Association of Regulatory Utility Commissioners (NARUC) Staff Sub Committee on Consumer Affairs, and the State-National Action Plan (SNAP) Strike Force, which is a partnership between the FCC and state commissions for the purpose of strengthening consumer protections in the telecommunications marketplace.

- Customer Service and Public Information staff worked closely with NARUC, state and federal agencies, the Iowa Newspaper Association, media, and volunteer organizations across Iowa to publicize the September 2011 National Lifeline Awareness Week. Lifeline is the federal assistance program that helps provide basic telephone service.
- Additionally, the Customer Service Manager and staff helped coordinate public information related to the Governor's Missouri River Flood Recovery Coordination Task Force. This included the creation of a flood information and photo gallery hub on the IUB Website, while assisting with communications for other IUB staff serving the State's Homeland Security and Emergency Management efforts, the State Interagency Missouri River Authority, the U.S. Army Corps of Engineers, and other State Public Information Officers.

CUSTOMER SERVICE 2011 COMPLAINT REPORT – CONTACTS/ISSUES

	Contacts/Letters		Number of Issues	
	Actual		Actual	
Customer Calls	2011	2010	2011	2010
	349	325	416	352
Gas	911	1,117	1,095	1,240
Electric	90	78	96	85
Water	395	407	419	419
Local Telephone	94	87	99	91
Long Distance				
TOTAL CALLS	1,839	2,014	2,125	2,187
C-FILES (Complaints)	2011 (Actual 169)	2010 (Actual 155)	2011	2010
	28	21	43	34
Gas	95	96	144	174
Electric	5	7	10	11
Water	62	41	89	64
Local Telephone	21	14	31	25
Long Distance				
TOTAL C-FILES	211	179	317	308
RC-FILES (Referred Complaints)	2011 (Actual 132)	2010 (Actual 133)	2011	2010
	8	6	10	6
Gas	39	35	45	41
Electric	2	5	2	6
Water	53	61	62	70
Local Telephone	12	23	13	23
Long Distance				
TOTAL RC-FILES	114	130	132	146

GC-FILES (General Correspondence)	2011 (Actual 195)	2010 (Actual 217)	2011	2010
Gas	23	30	25	30
Electric	78	116	83	123
Water	19	9	20	10
Local Telephone	36	46	37	47
Long Distance	10	12	12	12
TOTAL GC-FILES	166	213	177	222

TOTAL ALL TYPES	2011	2010	2011	2010
Gas	408	382	494	422
Electric	1,123	1,364	1,367	1,578
Water	116	99	128	112
Local Telephone	546	555	607	600
Long Distance	137	136	155	151
SUBTOTAL	2,330	2,536	2,751	2,863
Misdialed Calls	1,808	2,883		
TOTAL	4,138	5,419	2,751	2,863

***NOTE:** An individual complaint file may cover more than one utility type (for example, gas/electric or local telephone/long distance telephone). If the complaints in the file cover more than one utility type, the total number may be higher than the number of actual files established. The actual number of written complaints is listed below the year. A GC-File may have complaints outside IUB jurisdiction and be placed in a category type of other (for example, wireless), which is not listed.

Complaint types:

Customer Calls – Any customer telephone contact.

C-File - Complaint File, an informal investigation in which staff proposes a resolution. This resolution may be appealed to the Board.

RC File - Referred Complaint, a complaint about an issue over which IUB lacks jurisdiction.

GC File - General Correspondence, general comment/correspondence with no specific complaint requiring investigation or action.

ENERGY

Mack Thompson, Energy Section Manager (September 2011-present)

- *Office of the Ohio Consumers' Counsel, Senior Energy Policy Analyst (2010-2011)*
- *American Municipal Power, Vice President Power Supply Services (2006-2009)*
- *Michigan Electric Transmission Co., Manager Transmission Strategy and Policy (2005-2006)*
- *Independent Energy Industry Consultant (2000-2005)*
- *Illinois Power, Numerous positions of increasing responsibility and ultimately Director, Distributed Computing (1980-2000)*
- *Master's degree in Business Administration (University of Illinois, Springfield)*
- *Bachelor's degree in Mechanical Engineering – Cum Laude (Rose-Hulman Institute of Technology)*

2011 HIGHLIGHTS

- Reviewed and processed over 200 new filings.
- Summarized and collected data and analysis for Iowa's electric profile on the IUB Website, <http://iub.iowa.gov>.
- The Board issued its final decision and order in the Interstate Power and Light Company (IPL) general rate case, Docket No. RPU-2010-0001, on January 10, 2011, and its Order on Rehearing on February 25, 2011.
- The Board issued its final decision and order in the Black Hills Energy (BHE) general rate case, Docket No. RPU-2010-0002, on February 10, 2011.
- The Board held hearings on the Iowa-American Water Company (Iowa-American) general rate case, Docket No. RPU-2011-0001.
- Two new natural gas marketers were certified to provide service to large volume customers in Iowa.
- Energy Section staff supported Board Chair Libby Jacob's service on the Board of the Organization of Midwest ISO States (OMS). Staff participated in several MISO and OMS related efforts and also served on several Midwest Independent Transmission System Operator (MISO) and OMS work groups.
- Energy Section staff participated in NARUC's International Exchange program with Armenia. An IUB delegation was sent to Armenia in March 2011, and an Armenian delegation visited the IUB in October 2011.

In 2011, the Energy Section reviewed and processed over 200 new filings including monthly, recurring, and periodic filings. Recurring monthly filings include the purchased gas adjustments (PGA) for natural gas costs and energy adjustment clauses (EAC) for electricity costs. These recurring filings were reviewed for accuracy, impact, and trends. Unit costs for natural gas and fuel used to generate electricity were generally lower in 2011 than in 2010. This is partially explained by the general economic downturn, milder than normal weather, and new sources of natural gas supply from shale deposits. Energy Section staff also processed refund, tariff, service territory change, waiver, and other filings during the year in addition to recurring business. In addition, Energy Section staff participated on many agency inter-disciplinary teams addressing

policy issues, rate increase requests, formal complaints, and rulemakings. Below is a brief summary of highlighted cases and issues that the Energy Section worked on extensively in 2011, by industry.

ELECTRICITY

SMALL NUCLEAR REACTOR TECHNOLOGY

Energy Section and other staff researched small modular nuclear reactor (SMR) technology in response to House File 561, a bill before the Legislature that would promote the use of nuclear generation in Iowa. Staff held discussions with the Nuclear Regulatory Commission and the Department of Energy. Staff also reviewed available SMR literature and attended SMR conferences.

IPL RATE CASE

In March 2010, IPL filed an electric rate increase request in Docket No. RPU-2010-0001. Substantial cost drivers included the rate impact of constructing the 200-megawatt Whispering Willow East wind farm and increased electric transmission costs paid to ITC Midwest LLC, as well as credits to customers based on anticipated savings on federal taxes. The Board ordered the permanent rate increase to be set at slightly below the temporary rate level, which in turn was substantially less than the company's full requested increase. The Board approved recovery for storm and flood damage and then-current transmission cost increases. In addition, the Board approved a rider allowing IPL to recover transmission costs approved by the Federal Energy Regulatory Commission (FERC) and paid to ITC Midwest LLC. The Board's order was conditioned on IPL agreeing not to seek a general rate increase for three years.

On January 28, 2011, IPL and the Office of Consumer Advocate (OCA) each filed requests for rehearing. The OCA filed a response to IPL's request for rehearing on February 8, 2011; IPL filed a response to the OCA's request on February 11, 2011. The final increase allowed on rehearing was \$113,978,761, or approximately 8.99 percent. Since the final increase was lower than what IPL implemented in temporary rates, IPL was required to make a refund, with interest for the over-collections. The refund was completed in July 2011.

PREPAID METERING NOTICE OF INQUIRY

On June 29, 2011, the Board initiated a notice of inquiry (Docket No. NOI-2011-0001) regarding prepaid metering. Participants were asked to respond to various questions regarding prepaid metering. On September 28, 2011, Board staff conducted a workshop to gather additional comments and discussion. The inquiry is pending.

TRANSMISSION

MEC and Alliant/IPL are both members of MISO, the FERC-regulated Regional Transmission Organization that manages the regional electric grid and ensures open access to transmission facilities and wholesale markets in 11 states and one Canadian province. The Energy Section staff continued its participation in various MISO and OMS stakeholder groups. In these forums, the Board and staff seek to ensure electricity consumer value and protect Iowa's interests. In 2011, MISO approved several Multi-Value Projects which includes two transmission lines that are proposed to traverse the state of Iowa. In July of 2011, the Federal Energy Regulatory

Commission issued Order No. 1000, which requires increased coordination of transmission plans and cost allocation.

NATURAL GAS

PRICE VOLATILITY

Four investor-owned utilities serve customers in Iowa and are subject to rate regulation of distribution costs: Alliant/IPL, MEC, BHE, and Atmos Energy. Shale gas supply helped to keep gas costs lower in 2011. Staff reviewed gas costs in monthly and annual purchased gas adjustment factor (PGA) filings, as well as gas utility hedging programs designed to reduce the volatility of natural gas prices charged to customers. Variance in the cost of natural gas supply is reflected one-for-one in the PGA rate on customer bills.

BLACK HILLS ENERGY (BHE) RATE CASE

On June 8, 2010, BHE filed for a natural gas rate increase in Docket No. RPU-2010-0002. Subsequently, a settlement on the rate increase and a new mechanism to recover investment costs was filed by BHE and the OCA (and others). The Board held a hearing, requested additional information on several issues, and issued its final decision approving a settlement on February 10, 2011. The Board approved an annual revenue increase of \$3.4 million (2.1 percent).

INTERSTATE PIPELINE ISSUE

Northern Natural Gas Company (Northern) filed tariff provisions (Docket No. RP1-1781) seeking the return of Kansas ad valorem tax payment refunds from 69 customers that Northern had previously flowed through to the customers. On July 15, 2011, Northern filed a Stipulation and Agreement of Settlement; the settlement set forth the amounts which each customer would refund to Northern. The Board did not oppose the settlement and FERC approved it on August 25, 2011.

NORTHWEST IOWA CAPACITY ISSUE

In February 2011, the Board became involved in discussions between the interstate pipeline Northern Natural Gas Company (Northern) and the city of Storm Lake concerning whether there was a lack of natural gas pipeline capacity in Northwest Iowa. On February 18, 2011, the Board held a meeting on this issue in Storm Lake with 75 to 100 people attending. As a result of the Storm Lake meeting, Board staff had several calls and conferences with Northern, IPL, MEC, BHE, the Iowa Department of Economic Development, State Legislators, and both Iowa United States Senators. Northern conducted an open season in May 2011, for approximately 6,000 Dekatherms/day of additional capacity to Northwest Iowa which concluded on June 7, 2011, with Northern terminating the proposed expansion project due to limited response.

ATMOS ENERGY CORPORATION – SALE OF IOWA ASSETS

On August 15, 2011, Atmos and Liberty Energy (Midstates) Corporation filed a joint proposal for reorganization. The basis of the filing was an Asset Purchase Agreement entered into on May 12, 2011, where Liberty Midstates would acquire all of Atmos' natural gas assets in Iowa, Illinois, and Missouri. The Board issued its order not disapproving the proposal for reorganization, granting the request to discontinue service, and requiring reports on November 14, 2011. The sale is expected to be completed in 2012.

AUTOMATIC ADJUSTMENT MECHANISM - NATURAL GAS CAPITAL INFRASTRUCTURE INVESTMENT

On October 13, 2011, the Board adopted a rule allowing automatic adjustment mechanisms for certain natural gas utility costs that occur between general rate case filings. The rule establishes separate criteria for two different mechanisms - one requires the utility to file for prior Board approval and the second allows the utility to file a proposed tariff to recover the cost of investment in eligible infrastructure. The Board placed a four-year sunset on the second mechanism to ensure that there were no unforeseen consequences before making the mechanism permanent.

WATER

RATE CASE

Iowa-American Water Company (Iowa-American) serves customers in the Davenport area (Quad Cities District) and Clinton district, and is the only jurisdictional water utility in Iowa. On April 29, 2011, Iowa-American filed a proposal for a general rate increase in temporary and permanent water rates. Iowa-American proposed a temporary increase that would produce additional annual revenue of approximately \$4.4 million, or about 13.72 percent, and a permanent increase that would produce additional annual revenue of approximately \$5.1 million, or about 16.4 percent. The parties filed a settlement agreement resolving all outstanding issues, except three. A hearing was held on November 7, 2011, and a final decision is expected in February 2012.

POLICY DEVELOPMENT

Stanley Wolf, Policy and Development Section Manager (January 2011-Present)

- *RRI Energy, Director of Market Advocacy (August 2007 – December 2010)*
- *Sullivan & Worcester/ Schiff, Hardin, Of Counsel (September 2004 – August 2007)*
- *Leonard, Street and Deinard, Of Counsel (April 2003 – September 2004)*
- *Federal Energy Regulatory Commission, Advisory Attorney (October 1978 – April 2003)*
- *Association Memberships: District of Columbia Bar, California Bar (inactive), American Bar Association, Energy Bar Association*
- *JD, MA in Economics, UCLA*
- *BA in Political Science cum laude, University of Minnesota*

2011 HIGHLIGHTS

- Performed analysis and review of energy efficiency programs.
- Processed eligibility applications for, and answered questions about, the wind and renewable energy tax credit programs, and established rules for renewable energy interconnection and innovation zones.
 - Continued to address transmission and energy market issues in collaborations with regional organizations.
 - Opened two Notices of Inquiry (NOI): High-voltage Transmission Projects (Docket No. NOI-2011-0002) and Coal Utility Coal Plant Planning (Docket No. NOI-2011-0003).
 - Assisted in representing Iowa's interests at the National Association of Regulatory Utility Commissioners (NARUC), Midwest Independent Transmission System Operator (MISO), Organization of Midwest States (OMS), National Energy Regulatory Commission (NERC), and Eastern Interconnection States' Planning Council (EISPC).
 - Involved in the following dockets: Interstate Power and Light (IPL) transmission rider (Docket Nos. EAC 2011-0025, EAC-2011-0007, TF-2011-0129), ITC Midwest electric franchise (Docket Nos. E-21948, 21949, 21950, 21951), Roquette American v. IPL (Docket No. FCU-2010-0014), Caradco v. IPL (Docket No. FCU-2011-0029 (C-2011-0101)), Iowa-American Water Company (Iowa-American) rate increase (Docket No. RPU-2011-0001), Atmos and Liberty Energy Corporation reorganization (Docket No. SPU-2011-0003), and MidAmerican Energy Company (MEC) updated delineation (Docket No. SPU-2011-0005).

ENERGY EFFICIENCY

Policy staff led the agency work on energy efficiency. Investor-owned utilities (IOUs) continued to implement new energy efficiency plans approved by the Board in 2009, including IPL (Docket

No. EEP-2008-0001), Black Hills Energy (BHE) (Docket No. EEP-2008-0003), and MEC (Docket No. EEP-2008-0002). Staff advised the Board on requests for waivers of budgeted spending levels by IPL, MEC, and BHE; the waivers were approved. Staff also advised the Board on a request by the Iowa Environmental Council and the Environmental Law and Policy Center to change the energy efficiency rules and require IOUs to file energy efficiency plans every three years (Docket No. RMU-2011-0005). The Board issued an order denying the petition for rulemaking.

Legislation enacted in 2008 required the municipals and cooperatives to develop new goal-oriented energy efficiency plans and also required biennial reports on the new plans and results. At the end of 2011, reports were filed by the Iowa Association of Municipal Utilities (Docket No. EEP-2009-0001) and by the Iowa Association of Electric Cooperatives (Docket No. EEP-2009-0002). The reports continue to be reviewed.

Energy efficiency statutes and rules also require formal performance reviews of the energy efficiency efforts by IOUs. In 2011, IPL and BHE completed and filed reports on results achieved during timeframes from 1999 through 2003. Staff advised the Board on the review of these reports, which were approved by the Board in December 2011.

RENEWABLE ENERGY

Policy staff was involved in a variety of renewable energy issues, including the continued processing of eligibility applications and tax credit applications, comments on proposed legislation, and continued answering of questions related to the wind and renewable energy tax credit statutes (Iowa Code chapters 476B and 476C), as well as other Board rules and policies related to renewable energy.

Specifically Policy staff worked on Docket No. RMU-2011-0003, proposing rules for implementing the HF 672 changes related to eligibility (199 IAC 15.19) and tax credit applications (199 IAC 15.21). On August 30, 2011, the Board issued an order adopting the rules, which became effective on October 26, 2011.

ELECTRIC/TRANSMISSION

Policy staff continued to work extensively with MISO, OMS, NARUC, FERC, NERC, and EISPC to represent Iowa's interests. Policy staff worked on issues related to regional transmission planning, electric transmission and generation siting, resource adequacy, market monitoring and mitigation, transmission cost allocations and pricing, demand response, quality of service, and electric reliability. During 2011, Policy staff continued its participation in or led the efforts in:

- MISO's Regional Expansion Criteria and Benefits Task Force providing for broad-based stakeholder discussion and advice leading to the new transmission project category of

“multi-value project” and cost-sharing on a usage basis throughout the MISO footprint. This also includes a review of the selection criteria and cost allocation methodologies for market efficiency projects that commenced in the last quarter.

- The OMS Transmission Planning Work Group – Board staff as co-chair of the workgroup monitored approval of MISO Transmission Expansion Plan (MTEP) 10, development of MTEP 11, and pre-planning for MTEP 12 projects. The workgroup drafted comments to MISO on Advisory Committee monthly hot topics on “inter-regional planning,” participated in stakeholder meetings of MISO’s 2011 Candidate MVP Portfolio Technical Studies Task Force, Interconnection Queue Process Task Force, and MISO’s EPA Regulations Impact Study. The workgroup provided comments to the Planning Advisory Committee (PAC) on various issues including prioritization and weighting of MTEP 11 futures scenarios.
- Policy staff monitored MISO PAC and Planning Subcommittee activities and assisted the Board chair in representing the OMS regulatory sector at PAC meetings, MISO’s stakeholder process to develop resource adequacy requirements enhancements which provided broad-based stakeholder discussion and advice to MISO on the question of which enhancements to propose.
- MISO’s Transmission Cost Allocation Workgroup followed various cost allocation initiatives, including MISO’s MVP filing in Docket No. ER10-1791 and FERC’s generic cost allocation notice of proposed rulemaking in Docket No. RM10-23. This work included helping to generate comments to file at FERC.

ENERGY DOCKETS

In 2011, Policy staff was involved in the following major energy-related dockets:

- **MidAmerican Energy Company Delineation Reorganization (Docket No. SPU-2011-0005)**
MEC filed its application with the Board on June 15, 2011, proposing to reclassify its non-radial 69-kilovolt distribution facilities and its non-radial 161-kilovolt facilities connecting to 69-kilovolt facilities from distribution to transmission. Policy staff worked on many issues including impact on the utility’s ability to attract capital, impact on ratepayers, and impact on public interest. The Board recommended to FERC the change to the transmission and distribution delineation requested by MEC.
- **Atmos Energy Corporation Reorganization (Docket No. SPU-2011-0008)**
On August 15, 2011, Atmos filed a joint proposal for reorganization. Liberty Energy Corporation entered into an agreement to acquire Atmos natural gas assets in Iowa. Policy staff worked on what impact this reorganization would have on the utility’s ability to attract capital. On November 14, 2011, an order not disapproving the reorganization was issued.
- **Roquette v. IPL (Docket No. FCU-2010-0014)**

Roquette filed a formal complaint against IPL. Among other things, Roquette asked the Board to determine that there were no impediments to the finalization and implementation of a proposed metering agreement with IPL. Roquette stated that it wanted to sell power from a cogeneration facility to the energy market administered by MISO, but that it was unable to do so, because IPL would not finalize a proposed metering agreement that would allow Roquette to purchase backup power from IPL at the same time it was selling power in the MISO market. The case went to hearing and the Administrative Law Judge's proposed decision was pending at the end of the year.

- **High-Voltage Transmission Projects (Docket No. NOI-2011-0002)**

On August 16, 2011, the Board opened an inquiry on high-voltage transmission projects. Iowa ranks second in wind power capacity, and because Iowa is a major producer of wind energy, there are indications of major transmission constraints within Iowa and between Iowa and surrounding states. Several major transmission projects are proposed to be constructed in Iowa to deal with these constraints. This inquiry is to obtain information regarding the status of the projects, how the projects interact, whether the timing of some projects impact the time of other projects, and the impact on Iowa rates. The Board also wants to know what impediments could adversely affect a project or what incentives could benefit a project. Policy staff is leading this inquiry.

- **Utility Coal Plant Planning (Docket No. NOI-2011-0003)**

On September 2, 2011, the Board issued an order opening an inquiry on utility coal plant planning. The U.S. Environmental Protection Agency (EPA) has proposed new regulations concerning discharges into water, coal fly ash, and air regulations regarding ozone, sulfur oxides, nitrogen oxides, mercury, and carbon dioxide and other greenhouse gases. These regulations likely will require upgrading some coal plants, retiring others, and converting some coal plants to natural gas. This inquiry requests regulated utilities to prepare several scenarios describing how they could comply with the new regulations (such as upgrade all coal, convert some to natural gas, etc.), what the rate and other impacts are of each scenario, and “sensitivity” studies exploring the impact on these projections if the price of natural gas, the interest rate, demand, or the cost of construction, etc. is lower or higher than anticipated. Policy staff is leading this inquiry.

WATER

Iowa-American (Docket No. RPU-2011-0001) filed a proposed water rate increase requesting a permanent increase that would produce additional annual revenue of approximately \$5.1 million (an overall increase of 16.04 percent), rate design changes that marked the completion of a two-step process for equalizing water rates across Iowa-American's two geographic service areas and an 11.35 percent return on equity (ROE). A partial settlement was filed with double leverage and a Qualified Infrastructure Plant Adjustment Clause proposal being the remaining issues. Policy staff worked on the double leverage issue. The Board's decision is pending.

TELECOMMUNICATIONS

Policy staff assisted with National Broadband Plan and State Broadband Deployment Plan (Docket No. NOI-2010-0002), Proposed Utilities Board Regulations Regarding Safety on Pole Attachments (Docket No. RMU-2011-0007), and the review of all Federal Communications Commission orders related to the reform of Inter-carrier Compensation and Universal Service Funding.

SAFETY AND ENGINEERING

Donald J. Stursma, Safety and Engineering Section Manager (July 1989-present)

- *Joined agency in February 1981 as principal gas and water engineer supervising pipeline safety and permit programs.*
- *Electric safety and franchise supervision added in 1989.*
- *Member/Past Chair, National Association of Pipeline Safety Representatives (NAPSR).*
- *Chairman, NAPSR Grant Allocation/Strategic Planning Committee.*
- *Member, NAPSR Liaison Committee.*
- *Member, U.S.D.O.T. Pipeline and Hazardous Materials Administration (PHMSA) Technical Pipeline Safety Standards Committee (TPSSC).*
- *Member, NAPSR/USDOT task group on implementation of Distribution Integrity Management regulations.*
- *Member, NARUC Staff Subcommittee on Pipeline Safety.*
- *Member, American Society of Civil Engineers.*
- *Iowa Natural Resources Council (1974-1981), State dam safety engineer (1979-1981).*
- *Registered professional engineer.*
- *Bachelor's degree in Civil Engineering (Iowa State University).*

2011 HIGHLIGHTS

- Sixty-one electric franchise petitions were filed with the Board.
- The Board issued 19 new electric line franchises, 17 extensions to expiring franchises, 14 amendments to existing franchises, and one temporary construction permit.
- The Board acted on fifteen natural gas pipeline permit renewal petitions, and four requests for reclassification of pipelines.
- Sixty-six natural gas pipeline operators and 130 electric line operators were inspected for compliance with safety standards.
- The Board received a Natural Gas Pipeline Safety grant allocation of \$798,948 for its inspection program.
- A \$35,000 grant was obtained for the Attorney General's enforcement and education activities regarding the Iowa One Call law.
- The Board obtained a federal grant of \$100,000 in partnership with Common Ground Iowa for a damage prevention marketing/public relations campaign and to host an educational Iowa Excavation Safety Summit.

The Safety and Engineering Section is responsible for the regulation of safety, construction, and operation and maintenance of facilities of gas and electric service providers and pipeline and electric transmission and distribution companies. The responsibilities of this section include reviewing and processing all petitions for electric transmission line franchises under Iowa Code

Chapter 478 and for pipeline permits under Iowa Code Chapters 479 and 479B, as well as conducting inspections of natural gas and electric utilities for compliance with safety standards. The section also acts as an interstate agent for the Federal Department of Transportation in pipeline safety matters.

ELECTRIC

Sixty-one electric franchise proceedings (E-dockets) were initiated in 2011. Of the 61 petitions filed, 12 were for new franchise, 24 were for amendment of an existing franchise, and 25 were for franchise extension. Additionally, seven proposed electric line projects were assigned docket numbers, but did not progress beyond the informational meeting stage by the end of 2011.

In 2011, the Board issued 19 new franchises, 17 extensions of expiring franchises, and 14 amendments to existing franchises. The above numbers included final action taken on petitions filed in years preceding 2011. The beginning of 2011 revealed 27 petitions pending before the Board - six for franchise extension and 21 for new franchise or amendment. The close of 2011 showed 38 pending petitions - nine for new franchise, 14 for extension, and 15 for amendment.

In 2011, 130 utilities operating electric supply lines throughout Iowa received a visit from the Board's electric field inspectors. They inspected office records and conducted 216 safety code compliance inspections of electrical lines and facilities. These inspections also reviewed the utilities' compliance with required inspection and maintenance plans.

The utilities filed five electric contact accident reports with the Board. Two of the accidents resulted in a fatality. In addition, Board staff investigated and made recommendations to the Board regarding safety and service matters in five citizen complaints.

NATURAL GAS PIPELINE

In 2011, the Board granted 15 petitions for renewal of natural gas pipeline permit. In addition, the Board issued orders granting requests to reclassify four pipelines, canceling a pipeline permit, accepting the withdrawal of a petition for renewal of pipeline permit, accepting withdrawal of a petition for amendment of a pipeline permit, approving the transfer of a pipeline permit, and addressing a surety bond.

In 2011, as part of a certification agreement with the U.S. Department of Transportation, Office of Pipeline Safety, Engineering staff inspected 60 intrastate and six interstate natural gas operators for compliance with federal pipeline safety standards. This encompassed 59.5 percent of the pipeline operators under federal pipeline jurisdiction in Iowa. Intrastate pipeline operators are typically utilities, but the term also includes pipelines owned by industrial end-use customers. Engineering staff spent 363.1 person-days on standard inspections, 6.8 days on investigating incidents or accidents, 27 days on follow-up inspections, 3.5 days on on-site operator training, 22 days on integrity management, 0.5 days on damage prevention, and 50.9 days on design, testing,

and construction. In 2011 Engineering staff intrastate inspections found 225 probable violations of federal and state pipeline safety rules and took 45 compliance actions. The beginning of 2011 listed 193 open probable violations and close of 2011 showed 122 corrected and 296 probable violations remaining.

GRANTS

The Board is reimbursed for up to 80 percent of the cost of its natural gas pipeline safety inspection program through a grant from the U.S. Department of Transportation. However, the actual amount of federal reimbursement is dependent upon the availability of appropriated funds and state program performance. The grant allocation received for 2010 was \$798,948. The Board received \$147,770 for the work done in the last half of 2010 and \$ 307,971 for work done in the first half of 2011.

In 2011, the Board obtained a federal grant of \$35,000 for use by the Attorney General to continue to provide enforcement and educational activities regarding the Iowa One Call law. In addition, the Board obtained a federal grant of \$100,000 in partnership with Common Ground Iowa for a damage prevention marketing/public relations campaign and to host an educational Iowa Excavation Safety Summit.

2011 STATISTICS

Forty-one accidents, incidents, or service outages were reported in 2010. Two were federally reportable incidents involving jurisdictional piping, 12 were interruptions of service to customers, eight involved overpressure, 16 were courtesy calls involving incidents that were not reportable but were considered significant enough by the operator to inform the Board, and three were events originally reported as incidents but later found to be non-jurisdictional. Seventeen of the events reported resulted from excavation damage. Engineering staff followed up on 13 of the reported events to obtain additional information.

The Engineering staff also gave nine presentations on safety and regulatory matters, including excavation damage prevention, to gas utility personnel, regulatory groups, and the public. The section manager and staff participated in conferences and on national committees involving grant allocation/strategic planning, distribution integrity management, damage prevention, and pipeline safety. Additionally, the section manager served on the U.S. Department of Transportation's Technical Pipeline Safety Standards Committee.

HOMELAND SECURITY AND EMERGENCY MANAGEMENT ACTIVITIES

The major emergency management activity for 2011 was the long-term flooding along the Missouri River. Above average snowpack in conjunction with unusually heavy spring rains over the Missouri River Basin resulted in unprecedented river volumes starting in late May. On June 2, 2011, the Governor's Office issued emergency proclamations for Fremont, Harrison, Mills,

Monona, Pottawattamie, and Woodbury counties. The IUB staffed the State Emergency Operations Center (SEOC) as this long-term event unfolded. Several flood control levees failed, which resulted in numerous emergency utility service disconnections in the affected counties. This event continued to impact Iowa through October of 2011, when the effort moved from emergency management to flood recovery.

On the night of July 10, 2011, straight line winds in excess of 90 miles per hour crossed five central Iowa counties along the Highway 30 corridor causing significant property damage and knocking out power and telephone service to several communities. This resulted in the loss of gas service to the town of Garwin. A total of approximately 40,000 customers lost power, but most were restored by noon on July 11, 2011. The Governor's Office issued emergency proclamations for Benton, Marshall, Tama, Story, and Dickenson counties as a result of this event. No additional SEOC staffing was needed as this event took place during the same timeframe as the Missouri River flooding.

The winter storms of 2011 had limited impact on energy services in Iowa with service outages limited in scope and duration.

TELECOMMUNICATIONS

John Ridgway, Telecommunications Section Manager (July 2000-September 2011)

- *More than 45 years working in the telecom industry.*
- *NARUC Staff Committee on Telecommunications – Chair.*
- *Regional Oversight Committee – Past Chair.*
- *Federal/State Joint Board on Universal Service – Staff member.*
- *706 Joint Conference on Advanced Services – Staff member.*

Mike Balch, Telecommunications Section Acting Manager (September 2011-present)

2011 HIGHLIGHTS

- Filed Comments with FCC on USF/ICC Reform.
- Filed Comments with FCC on Cramming Rules
- Forecast exhaust dates for telephone numbering resources in Iowa's five area codes.
- Traditional Relay Iowa service decreased as video relay and Internet relay use increased.
- Oversaw captioned telephone service to Iowans for fifth year.
- Oversaw the Relay Iowa equipment distribution program.
- Jointly applied with the Iowa Department for the Blind to participate in the FCC's National Deaf Blind Equipment Distribution Program pilot program

THE NATIONAL BROADBAND PLAN AND IOWA'S BROADBAND DEPLOYMENT

In March 2010, the Federal Communications Commission (FCC) released the National Broadband Plan (NBP). The NBP contains a wide array of recommendations to bring high speed internet services to all areas of the country. Two important aspects of the NBP are recommended reforms of the Federal Universal Service Fund (USF) and the nation's intercarrier compensation (ICC) system. The USF provides support for telephone carriers serving rural and high cost areas. Iowa's share of USF is approximately \$146 million per year. Iowa's 150 rural telephone companies receive a large percentage of USF dollars.

ICC relates to the money telecommunications carriers pay each other for the exchange of traffic across their networks. There is great disparity in the level of compensation based on the size of the carrier and the type of traffic that is exchanged. Iowa's 150 rural telephone companies have traditionally been allowed to charge the highest ICC rates.

Prior to the FCC issuing its 750 page USF/ICC Reform Order on November 18, 2011, the Telecom Section filed comments with the FCC regarding issues that impact Iowa's carriers and Iowa's consumers. The USF/ICC Reform Order shifts the focus from voice telephone to broadband deployment, and in doing so dramatically restructures the revenue mechanisms relied upon by Iowa's carriers.

FCC Comments on Cramming: On July 12, 2011, the FCC released a Notice of Proposed Rulemaking (NPRM) aimed at assisting consumers in detecting and preventing the placement of unauthorized charges on their telephone bills. The NPRM referred to this unlawful and fraudulent practice as “cramming.” The NPRM proposed changes to the FCC’s Truth-in-Billing rules as a means to reduce the occurrences of cramming complaints. On October 20, 2011, the IUB filed comments generally criticizing the FCC’s approach of changing the Truth-in-Billing rules. Those rules are applicable to the local exchange carriers that bill the crammed charges – not the carriers that submit the crammed charges to local exchange carriers for billing.

The IUB’s comments recommended that the FCC consider Iowa’s anti-cramming approach, which considers such billings to be a “change in telecommunications service” which requires customer verification. In Iowa, if there is no proof that a customer verified a change in telecommunications service, then the carrier submitting the charge for billing would be guilty of cramming and subject to civil penalties. The IUB’s comments also recommended that the FCC consider requiring local exchange carriers to offer blocking to protect their end users from crammed charges.

CONSERVING IOWA’S TELEPHONE NUMBERING RESOURCES

As the number of carriers providing telecommunications services in Iowa expands, the demand for new Iowa telephone numbers increases. Telephone numbers are a finite resource and eventually the assignment of new telephone numbers will exhaust all available numbers within an area code. For decades, Iowa had just three area codes – 319, 515, and 712. About a decade ago, the demand for new telephone numbers in 515 and 319 grew so quickly that the area codes had to be split. Today, Iowa has five area codes – 319, 515, 563, 641, and 712. In 2011, the demand for new telephone numbers remained steady and there were no extraordinary applications for numbering resources that negatively impacted the forecasted lives of Iowa’s five area codes.

The Board’s staff collaborates with the North American Numbering Plan Administrator (NANPA) to assure that carrier requests for blocks of telephone numbers will have the minimal impact on the expected lives of Iowa’s area codes. Twice each year, NANPA forecasts the remaining lives of all the area codes. Below is the NANPA’s October 2011 forecast:

Iowa Area Code	Exhaust Year (NANPA Forecast)
319	2027
515	2025
563	2036
641	2025
712	2028

UNIVERSAL SERVICES ELIGIBLE TELECOMMUNICATIONS CARRIER STATUS DESIGNATIONS AND ANNUAL HIGH COST FUND CERTIFICATIONS

In 2011, the Board granted Eligible Telecommunications Carrier status to eight new carriers pursuant to 47 U.S.C § 214(e). This federal code section delegates to the Board the responsibility of granting Eligible Telecommunications Carrier status to the carriers requesting such designation in Iowa. In 2006, the Board adopted new designation rules and requirements. The new designation rules included the requirement for Eligible Telecommunications Carrier applicants to submit a two-year network improvement and maintenance plan, among other items.

In 2011, the Board certified 250 Eligible Telecommunications Carriers pursuant to 47 C.F.R. 54.314 – State Certification of Support for Rural Carriers. Eligible Telecommunications Carriers that want to receive federal high-cost universal service support are required to file annually signed affidavits with the Board stating that they will use the high-cost support received pursuant to 47 C.F.R. §§ 54.301, 54.305 or 54.307, or Part 36, Subpart F, of FCC regulations or successor regulations concerning high-cost universal service support, only for the provision, maintenance and upgrading of facilities and services for which the support is intended. Eligible Telecommunications Carriers are also required to submit annual filings regarding network improvement and maintenance plans and other data related to service quality.

RELAY IOWA

Under Title IV of the Americans with Disabilities Act of 1990, telecommunications relay service was required to be provided for both interstate and intrastate communications everywhere in the United States by no later than July 26, 1993. A working committee was created, headed by the IUB, to develop recommendations for a telecommunications relay system. The committee's recommendations resulted in enactment of Iowa Code Chapter 477C that created telecommunications relay service in Iowa. Iowa's provision of telecommunications relay service was adopted by the Legislature and became law in July 1991. The legislation provides that the IUB administer the provision of the telecommunications relay service.

A telecommunications relay service allows persons who are deaf, hard of hearing, or have difficulty speaking to use the telephone system on a functionally equivalent basis to persons without communications impairments, using special equipment known as telecommunications devices for the deaf, or teletypewriters (TTY). The service is also for use by hearing persons and businesses that wish to talk with persons who are deaf, hard of hearing, or have difficulty speaking. Relay Iowa, as the state's telecommunications relay service is known, has been in operation since August 1, 1992, and is provided by Hamilton Telephone Company of Aurora, Nebraska. Hamilton has been on contract with the IUB since January 1, 2005. The current contract expires on December 31, 2013, with an optional three-year extension of the contract.

The 2011 total minutes of use of Relay Iowa was 215,693 conversation minutes, compared to 270,306 conversation minutes in 2010 (20.2 percent decrease). Inbound calls to Relay Iowa

decreased 13.5 percent, from 129,040 calls in 2010 to 111,545 calls in 2011. The continued decrease in minutes of use for the traditional relay service can be partly attributed to the increasing popularity and availability of video relay service, Internet relay service, and captioned telephone service. Video relay service allows a relay user who uses American Sign Language (ASL) to communicate with a voice telephone user through video equipment, utilizing high-speed access and a video camera. The ASL user can then use ASL to communicate through a video relay interpreter to a voice telephone user. Internet relay service provides Internet users the ability to communicate via the relay service through Web access, rather than with a TTY or telephone. Captioned telephone service displays captions on a special telephone device called a CapTel phone. This service and equipment uses voice recognition technology to provide visual captions to persons who are hard of hearing or deaf, and who have a clear speaking voice.

The 2011 Relay Iowa average response time was 1.15 seconds compared to the average response time of 1.38 seconds in 2010. TTY calls made up approximately 50 percent of all Relay Iowa calls, voice calls accounted for 20 percent of relay calls, 28 percent were voice carryover calls, and the rest were hearing carryover, Spanish, and speech-to-speech calls.

CAPTIONED TELEPHONE SERVICE

Captioned Telephone (CapTel) service was offered in Iowa beginning on January 1, 2007. CapTel service helps individuals who are hard of hearing, have experienced hearing loss later in life, or are deaf with good vocalization skills to use the telephone. CapTel is comprised of two distinct parts, the captioned telephone equipment and the associated relay service.

CapTel is a technology that requires a special CapTel-equipped phone in order to place a call. The CapTel phone works like a traditional phone with callers talking and listening to each other, except that captions are provided live for every call, similar to captioned television. The captions are displayed on the CapTel phone's built-in screen so the user can read the words while listening to the voice of the other party. This allows conversations to flow more naturally than a traditional relay call, allowing for normal interruptions and expressed emotions. CapTel services are available 24 hours a day, every day, throughout the year. The IUB has a contract for Iowa CapTel relay service with Hamilton Telephone Company. The contract term is for one year, with an option for one possible additional one-year term.

Since the CapTel phone is a patented product, it was only available through one vendor in 2011, Weitbrecht Communications, Inc. (WCI). In order for Iowans to be able to obtain a CapTel phone, the IUB negotiated a purchase agreement with WCI to provide phones through the Iowa Equipment Distribution Program (EDP) and also through direct purchase from WCI.

Total minutes of use for CapTel Relay decreased from 546,836 session minutes in 2010 to 530,108 session minutes in 2011 (three percent less). The number of inbound calls to CapTel Relay decreased five percent, from 172,716 calls in 2010 to 163,991 in 2011. The 2011 CapTel

Relay average response time was 0.83 seconds compared to an average response time of 0.55 seconds in 2010.

EQUIPMENT DISTRIBUTION PROGRAM

On January 25, 1995, the equipment distribution program commenced operations in Iowa. The statewide equipment distribution program distributes assistive telecommunications devices to Iowans who are deaf, hard of hearing, deaf-blind, or have difficulty speaking. Deaf Services Unlimited (DSU), located in Des Moines, administers this program. Eligible recipients are issued vouchers from the program administrator for 95 percent of the average retail price of the equipment. If the price of the equipment exceeds \$1,000, the voucher is for 99 percent of the average retail price. The recipient has ownership of the equipment and is responsible for repairs. The Board sets a standard voucher amount for each type of equipment or equipment package. During 2011, participants in the program redeemed 1,280 vouchers for equipment valued at \$225,625. As seen below, the amplified phone was the equipment most in demand.

Equipment Description	Number of Pieces	Total Amount
Amplified phone with and without accessories	1,145	\$201,533
Captioned telephone	112	17,845
TTY with and without accessories	17	2,709
Voice carryover phone with and without accessories	2	773
Ringer, amplifier	6	239
Speech amplified phone with and without accessories	2	302
Hearing carryover phone with TTY	2	610
Voice activated speakerphone with remote control	4	1,615
TOTAL	1,288	\$225,625

CERTIFIED GAS PROVIDER (CGP)

The Board has rules establishing the criteria for certification of competitive natural gas providers. Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The filing requirements established by the Board for such certificates are found in 199 IAC 2.2(18) and 199 IAC 19.14. The rules allow certified competitive natural gas providers to pool transportation service to Iowa small-volume business and residential customers. Competitive natural gas providers served large industrial customers in Iowa for many years prior to the implementation of CGP rules under rules requiring large-volume transportation tariffs. Large-volume competitive natural gas providers must also become certified under those rules.

CGP-2010-0004 TENASKA MARKETING VENTURES

On November 15, 2010, Tenaska filed an application requesting the issuance of a certificate as a competitive natural gas provider. On January 4, 2011, Tenaska was notified that its application was complete and that the 90-day review period had begun. On February 10, 2011, the Board issued an order approving the application and granting Tenaska a certificate to provide competitive natural gas services to large volume customers in Iowa.

CGP-2011-0001 TRANSALTA ENERGY MARKETING CORP.

On January 24, 2011, TransAlta filed an application requesting the issuance of a certificate as a competitive natural gas provider. On January 31, 2011, TransAlta was notified that its application was complete and that the 90-day review period had begun. On February 22, 2011, the Board issued an order approving the

application and granting TransAlta a certificate to provide competitive natural gas services to large volume customers in Iowa.

CGP-2011-0002 INTEGRYS ENERGY SERVICES – NATURAL GAS, LLC

On June 23, 2011, Integrys filed an application seeking certification to serve large volume customers as a competitive natural gas provider in Iowa. Integrys was notified on July 1, 2011, that its application was complete and that the 90-day review period had begun. On August 18, 2011, the Board issued an order approving the application and granting Integrys a certificate to provide competitive natural gas services to large volume customers in Iowa.

ELECTRIC FRANCHISES (E)

A franchise is the authorization by the Board of the construction, erection, maintenance, and operation of an electric transmission line under Iowa Code Chapter 478. The granting of a franchise requires a finding by the Board that the project is necessary to serve a public use, represents a reasonable relationship to an overall plan of transmitting electricity in the public interest, and follows an acceptable route.

ELECTRIC FRANCHISE ACTIONS IN 2011

(See page footers and Remarks section for explanation of notations/abbreviations)

NEW	FILED	COMPANY	FRANCHISE ISSUED
E-22019	08/27/10	CIPCO	01/26/11
E-22021	08/30/10	NEMO	01/27/11
E-22033	11/12/10	ITC	03/10/11
E-22026	09/28/10	CIPCO	03/17/11 ¹
E-22036	12/08/10	Corn Belt	03/17/11
E-22023	09/02/10	NEMO	04/08/11
E-22022	09/02/10	NEMO	04/22/11
E-22035	11/30/10	ITC	05/05/11
E-22037	12/08/10	Corn Belt	05/12/11
E-22039	01/04/11	CIPCO	05/18/11
E-22038	01/03/11	CIPCO	06/16/11
E-22017	11/08/10	CIPCO	06/23/11

¹ This franchise is for a section of existing line built without franchise – a franchised line crossed into another county. Apparently inadvertent. By gray memo dated 2/11/11 the Board was advised and a penalty action was not initiated.

E-21949	09/03/09	ITC	<i>Franchises issued 7/19/11², but separate judicial review petitions filed by the OCA and Objectors. Cases in court at year's end.</i>
E-21951	09/03/09	ITC	
E-21948(E)*	11/23/09	ITC	
E-21950	11/23/09	ITC	
E-22041	01/06/11	CIPCO	07/25/11
E-22032	03/10/11	L&O Power	08/29/11
E-22066	07/12/11	CIPCO	10/28/11

² Docket Nos. E-21948 through 21951 all relate to one project and were contested. Franchises were issued 7/19/11, but the OCA and landowners filed separate court appeals. The appeals were pending.

AMENDMENTS	FILED	COMPANY	AMENDMENT ISSUED
E-21508(A1)	09/20/10	CIPCO	01/27/11
E-21116(A3) ³	08/30/10	ITC	02/01/11
E-21225(A4)	10/27/10	ITC	02/01/11
E-20953(A2)	10/27/10	ITC	03/10/11
E-20896(A2)	1/20/11	ITC	05/05/11
E-20896(A3)	02/04/11	ITC	06/20/11
E-20869(A5)	03/31/11	ITC	06/24/11
E-21348(A1)	01/04/11	CIPCO	06/29/11
E-21147(A6)	12/17/10	ITC	08/30/11
E-21220(A4)	05/18/11	ITC	09/28/11
E-21116(A5)	06/24/11	ITC	11/14/11
E-21080(A3)	05/18/11	ITC	11/23/11
E-21440(A1)	06/30/11	Corn Belt	12/20/11
E-20994(A2)	05/18/11	ITC	12/22/11
EXTENSIONS	FILED	COMPANY	EXTENSION ISSUED
E-22009	06/04/10	DAIRYLAND	02/03/11
E-22010	06/04/10	DAIRYLAND	02/03/11
E-22029	10/13/10	MEC	02/03/11

³ E-21116(A2) approved a rebuild on this route, but ITC realized later that new/wider ROW is needed. If granted this amendment would replace the prior one, which would need to be terminated.

E-22030	10/13/10	MEC	02/03/11
E-22034	11/12/10	ITC	02/03/11 ⁴
E-22031	10/19/10	ITC	02/22/11
E-22040	01/05/10	CIPCO	04/22/11
E-22042	01/20/11	ITC	04/22/11
E-22045	03/02/11	ITC	06/13/11
E-22056	05/11/11	ITC	08/04/11
E-22048	04/14/11	ITC	08/18/11
E-22055	05/09/11	Dairyland	08/18/11
E-22053	04/28/11	ITC	08/29/11
E-22057	05/23/11		MEC
E-22062	06/29/11	MidAmerican	12/13/11
E-22046 ⁵	03/24/11	ITC	12/14/11
E-22068	07/29/11	ITC	12/22/11

⁴ Docket No. E-22034 was incorrectly listed as a new franchise since the original filing. All fields fixed on this report, older reports will be in error.

⁵ Extension granted with condition requiring rebuild by 2016.

OTHER ACTIONS			
E-21116(A2)	03/04/11	ITC	Franchise amendment 2 revoked 05/04/11; project franchised in amendment 3
E-21147(A4)	03/07/11	ITC	2-year extension granted 05/04/11
E-21968* ⁶	Algona Wind	Hancock	Closed 09/06/11
E-21969	Algona Wind	Kossuth	Closed 09/06/11
E-21970	Algona Wind	Winnebago	Closed 09/06/11
E-21975 ⁷	Eco Vista Wind	Howard	Closed 09/06/11

2010 SUMMARY

New franchises	19
Amendments	14
Franchise extensions	17
TOTAL FRANCHISES, AMENDMENTS, AND EXTENSIONS ISSUED	50
OTHER DATA	
Temporary construction permits	0
Informational meetings held	14

REMARKS

(A) Amendment to franchise and amendment number.

⁶ Algona Wind Energy docket – Two-year period to file petition expired.

⁷ Two-year period to file petition expired

- (B) Includes Temporary Construction Permit request.
 - (C) Existing line apparently never franchised or with franchise expired.
 - (D) Includes 11.6(1) separate pole line request.
 - (E) Eminent domain requested.
- IM – Informational Meeting
- * Objections were filed
 - ** Existing line refranchised at a higher voltage

ENERGY EFFICIENCY PLANS (EEP)

EEPs must be prepared and filed with the Board by all energy utilities in Iowa. Nonrate-regulated utilities (municipals and cooperatives) file plans, but the Board does not review or approve those plans. Investor-owned utilities file EEPs when ordered to do so by the Board. Plans for investor-owned utilities must address all customer classes, including programs for low-income customers, and the plans must be cost-effective. Plans for investor-owned utilities are reviewed in contested case proceedings and the Board has authority to approve, reject, or modify a plan. Utilities recover the costs of energy efficiency implementation through an Energy Efficiency Cost Recovery charge, which is reviewed and adjusted annually. The Board also conducts prudence reviews, for investor-owned utilities, to review the performance of a utility in implementing its EEP.

EEP-1995-0001 (EEP-1994-0040) INTERSTATE POWER AND LIGHT COMPANY

On November 17, 2011, IPL filed a “Performance Report for Energy Efficiency Plans from 1996 through 2003” (Performance Report); IPL made a substitute filing on December 15, 2011. The Performance Report summarized the energy efficiency plans of IES and IPC in terms of spending, savings impacts, and total cost-effectiveness. No objections or responses to the Performance Report were filed. Iowa Code § 476.6(16)"g" provides, among other things, that the Board shall periodically evaluate the reasonableness and prudence of the utility's implementation of an approved energy efficiency plan and budget. In the event the Board finds that the utility did not take all reasonable and prudent actions to cost-effectively implement its energy efficiency programs, the Board can disallow recovery of those costs. On December 29, 2011, the Board issued an order accepting the performance report and closing the dockets.

EEP-1994-0041 Black Hills Energy Company

On November 3, 2011, BHE filed a “Performance Report for Energy Efficiency Plans from 1999 through 2003” (Performance Report); BHE made an updated filing on December 8, 2011. The performance report included detailed participation, spending, savings, and cost-benefit results for the 1999-2003 programs. Iowa Code § 476.6(16)"g" provides, among other things, that the Board shall periodically evaluate the reasonableness and prudence of the utility's implementation of an approved energy efficiency plan and budget. In the event the Board finds that the utility did not take all reasonable and prudent actions to cost-effectively implement its energy efficiency programs, the Board can disallow recovery of those costs. On December 21, 2011, the Board issued an order accepting the performance report and closing the docket.

EMISSIONS PLANS AND BUDGETS

In a special session in June of 2001 the Legislature passed House File 577. This legislation included a provision requiring the two rate-regulated electric utilities to develop multi-year plans and budgets for managing regulated emissions from their Iowa coal-fired electric generating facilities. The Board assigned an Administrative Law Judge (ALJ) to conduct the contested cases for review of the emissions plans and budgets.

EPB-2010-0156 MIDAMERICAN ENERGY COMPANY

On April 1, 2010, and September 17, 2010, MEC filed 2010 updates to its multi-year plan and budget for managing regulated emissions from its coal-fired electric power generating facilities in Iowa. On April 23, 2010, Interstate Power and Light Company filed a petition to intervene, which the Board

granted on April 29, 2010. On December 27, 2010, MEC and the Office of Consumer Advocate filed a joint motion and partial settlement agreement. On February 22, 2011, the Board issued an order finding MEC's plan to be complete and approving the settlement.

FORMAL COMPLAINTS (FCU)

FCUs are brought against a utility by another utility, a customer, the Office of Consumer Advocate, or the Board. FCU dockets are intended to determine if, in a specific instance, a utility violated Iowa law, rules, or its own tariff.

FCU-2006-0020 McLEODUSA TELECOMMUNICATIONS V. QWEST CORPORATION

On February 9, 2006, McLeodUSA filed a complaint against Qwest, alleging that Qwest billed certain collocation power charges to McLeod using ordered levels rather than actual usage in violation of its interconnection agreement. On May 16, 2007, McLeodUSA filed a complaint for declaratory and injunctive relief in the United States District Court for the Southern District of Iowa. The court remanded the case to the Board. A hearing was held on January 20 and 21, 2010. On April 29, 2011, the Board issued its order on remand and determined that Qwest was discriminating against McLeodUSA and other CLECs. The Board also determined that the interconnection, as amended by a 2004 amendment, requires Qwest to provide McLeodUSA and other CLECs access to collocation on rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Finally, the Board approved McLeodUSA's request for a refund of \$63,000 per month, plus interest, from the effective date of the 2004 amendment through the effective date of the power reduction implementation for each collocation, and for the difference between the amount charged from the effective date of power reduction and the amount that should have been billed using measured usage to the present date. On May 19, 2011, Qwest filed an application for reconsideration and rehearing of the Board order on remand in this case. On June 2, 2011, McLeodUSA filed a resistance to

Qwest's application. On June 17, 2011, the Board issued an order denying the request for reconsideration or rehearing.

FCU-2007-0002 QWEST COMMUNICATIONS CORPORATION V. SUPERIOR TELEPHONE COOPERATIVE, ET AL.

On February 20, 2007, Qwest Communications Corporation (QCC), the long-distance arm of Qwest, filed a complaint pursuant to Iowa Code §§ 476.2, 476.3 and 476.5; 199 IAC Chapters 4 and 7; and 199 IAC 22.14, alleging violations of terms and conditions and applications of the intrastate tariffs of the following telecommunications carriers: Superior Telephone Cooperative; The Farmers Telephone Company of Riceville, Iowa; The Farmers & Merchants Mutual Telephone Company of Wayland, Iowa; Interstate 35 Telephone, d/b/a Interstate Communications Company; Dixon Telephone Company; Reasnor Telephone Company; Great Lakes Communications Company; and Aventure Communication Technology (collectively referred to as the Respondents). QCC claimed that the Respondents were engaging in a fraudulent practice by creating a scheme that involved free conference calls, chat rooms, adult content calling, podcasts, voicemail, and international calling services. QCC asserted that the Respondents were charging QCC excessive rates for their routing of calls to companies that advertise these free services and then provide kickbacks of a portion of the terminating access revenues to these free calling service companies. The Board granted several

requests for delays of the hearing before it was held from February 5, 2009 to February 12, 2009. On September 21, 2009, the Board issued its decision order, finding that the intrastate interexchange calls to the conference calling companies were not subject to access charges. Refunds and credits to the interexchange carriers were ordered. The Board also initiated a proceeding to consider proposed rules intended to prevent similar abuse in the future. The Board also ordered reclamation of telephone numbers of one Respondent (Great Lakes Communication Corp.). Several parties filed applications for rehearing. On December 3, 2009, the Board issued an order withdrawing its ordered reclamation of Great Lakes' telephone numbers, allowing the issue to be litigated solely in court and before the Federal Communications Commission (FCC). In the order, the Board indicated it would request that the FCC initiate a "for cause audit" to investigate the use of telephone numbering resources assigned to Great Lakes. On December 21, 2009, the Board filed motions in each judicial review proceeding asking the Courts to remand the proceedings to the Board so that the agency could rule on pending applications for rehearing. In February 2010 the respective courts granted the Board's motion with respect to petitions from a group of incumbent local exchange carriers and Reasnor Telephone Company. A rehearing application from Great Lakes Communications, Superior Telephone, and Adventure Communications was before the Board for its consideration. On February 28, 2011, Great Lakes and Superior filed a joint motion requesting the Board stay all further proceedings in this case, namely the refund phase of the proceeding and the initiation of a show cause proceeding against Great Lakes and Adventure. On March 9, 2011, the ILEC group joined in Great Lakes' and Superior's motion. On April 27, 2011,

the Board issued an order denying the motion to stay further proceedings. On September 12, 2011, Sprint filed a motion for approval of a settlement and dismissal of claims against two of the defendants in this matter, The Farmers Telephone Company of Riceville and Dixon Telephone Company. Sprint's motion generally described the settlement but did not include the settlement agreement. On September 21, 2011, Great Lakes filed a motion seeking to compel the production of the settlement. On October 3, 2011, Sprint filed a request for an extension of time to respond to Great Lakes' motion and the holding of a settlement conference. On October 20, 2011, the Board granted Sprint's request for an extension of time. The docket is pending.

FCU-2007-0011 SPRINT V. RURAL LOCAL EXCHANGE CARRIERS

On September 14, 2007, Sprint filed a complaint alleging a group of rural local exchange carriers and their Internet service providers were engaged in charges or practices that were unjust, unreasonable, and discriminatory. Specifically, the rural carriers included Danville Mutual Telephone Company, Dixon Telephone Company, Readlyn Telephone Company, Van Horne Cooperative Telephone Company, Wellman Cooperative Telephone Association, MTC Technologies, Northern Iowa Telephone Company, Webb-Dickens Telephone Corporation, Mutual Telephone Company, along with other telephone companies identified as Central Utah Communications, d/b/a WRLD Alliance (WRLD) and Zone Telecom, Inc. On June 12, 2009, Sprint filed a motion for default judgment. On September 23, 2011, the Board issued an order denying the motion for default judgment, dismissing the complaint, and closing the docket.

**FCU-2008-0014 QWEST CORPORATION
AND SOUTH SLOPE COOPERATIVE
TELEPHONE COMPANY**

On or about November 21, 2007, 11 residential and business customers from Cedar Rapids, Oxford, and Solon filed written complaints against Qwest and South Slope for alleged discontinuance of toll-free calling between certain Qwest customers and South Slope customers in Oxford, Solon, and Tiffin. On December 31, 2007, Board staff issued a proposed resolution concluding that Qwest violated the Board's rules by failing to provide proper notice to the Board of its discontinuance of Extended Area Service (EAS) for calls between Cedar Rapids and the three identified exchanges. On January 14, 2008, Qwest provided additional information and requested that staff reconsider the proposed resolution.

Qwest noted that the alleged EAS service was never a tariffed service. It argued the EAS agreement between South Slope and Qwest applied to Qwest customers in Cedar Rapids only when they called South Slope customers in the North Liberty exchange.

Qwest stated that calls to South Slope customers in the three exchanges were treated as local calls only because they appeared to end in the North Liberty exchange due to incorrect database entries.

On February 1, 2008, staff found Qwest never included EAS or toll-free service from Cedar Rapids to the three exchanges in its tariff, so the Board's rules regarding discontinuance of service did not apply. On February 8, 2008, South Slope filed a request to reinstate staff's original proposed resolution or initiate a formal complaint proceeding. On April 4, 2008, the Board issued an order denying formal complaint proceedings. On April 30, 2008, South Slope filed a motion for reconsideration of the order denying formal complaint proceedings. On May 30, 2008, the Board issued an order granting South Slope's

motion for reconsideration. On September 8, 2008, the Board issued an order docketing the formal complaint proceeding and assigning it to the Administrative Law Judge (ALJ). On November 5, 2008, a prehearing conference was held. On November 13, 2008, an order was issued establishing a procedural schedule and providing notice of hearing.

The hearing was scheduled for February 24, 2009. On January 1, 2009, the ALJ issued an order modifying the procedural schedule. The hearing was postponed to April 14, 2009. On April 27, 2010, the ALJ issued a proposed decision that found the existing EAS agreement between Qwest and South Slope did not include South Slope's customers in the Oxford, Solon, and Tiffin exchanges. On May 12, 2010, South Slope filed a notice of appeal to the Board. Qwest filed a response to this notice on May 26, 2010. On June 22, 2010, the Board issued an order that set a briefing schedule. On April 14, 2011, the Board issued an order affirming the proposed decision of the ALJ.

**FCU-2009-0006 HAWKEYE LAND CO.,
RICK STICKLE, AND CEDAR LAKE
DEVELOPMENT CORP. V. ITC HOLDINGS
CORP.**

On August 7, 2009, Hawkeye, Mr. Rick Stickle, and Cedar Lake (complainants) filed a complaint and exhibits against ITC. The complainants alleged that the Board had jurisdiction over this complaint and ITC pursuant to Iowa Code § 476.27, but that the Board did not have jurisdiction over the complainants. However, the complainants stated, they were bringing this action before the Board to exhaust their administrative remedies. Iowa Code § 476.27 and the Board's implementing rules at 199 IAC Chapter 42 are the statute and rules regarding utility crossings of railroad right-of-way. Among other things, the complainants alleged that if the Board

determined Iowa Code § 476.27 applies, the \$750 per crossing fee is inadequate and special circumstances exist which render the fee inappropriate. They further alleged that the fee is unlawful, unjust and unreasonable. The complainants further alleged that Stickle and Cedar Lake did not receive notification on the intended crossing as required by Iowa Code § 476.27 and Board rules. On August 14, 2009, the Board issued an order assigning this case to an Administrative Law Judge (ALJ). On August 17, 2009, the Office of Consumer Advocate filed an appearance. Also on August 17, 2009, ITC filed a motion to dismiss and an answer to the complaint. On August 21, 2009, the Board issued an order setting a procedural schedule and scheduling a hearing, which was later rescheduled and held on December 17 and 18, 2009, and January 26, 2010. At the beginning of the December hearing, the ALJ granted a motion to dismiss Rick Sickle and Cedar Lake as complainants. The only remaining complainant was Hawkeye. On May 19, 2010, an order was issued that reopened the record to allow limited additional evidence. On October 14, 2010, the ALJ issued a proposed decision order holding that: 1) the statute covered Hawkeye; 2) there were no special circumstances at any of the crossings; and 3) Hawkeye had not proven it had direct expenses (including damages) in excess of the standard \$750 fee at any of the crossings due to ITC's transmission line, so the standard \$750 fee per crossing provided fair and just compensation to Hawkeye for the slight intrusion of the four wires in ITC's transmission line at each crossing. On October 28, 2010, Hawkeye filed a notice of appeal. On November 24, 2010, an order was issued setting a briefing schedule and changing the style of the docket to only Hawkeye v. ITC Holdings. On February 25, 2011, the Board issued an order establishing a briefing schedule to address the issue of

whether the Board had jurisdiction over the three crossings at issue in the complaint. On September 30, 2011, the Board issued an order determining it has jurisdiction over the three crossings at issue in the complaint and confirming the proposed ALJ decision.

**FCU-2010-0001 SPRINT
COMMUNICATIONS COMPANY V. IOWA
TELECOMMUNICATIONS SERVICES D/B/A
IOWA TELECOM**

On January 6, 2010, Sprint filed a complaint against Iowa Telecom alleging Iowa Telecom was assessing incorrect charges for routing and handling certain telecommunications traffic. Sprint alleged that it properly disputed the charges and withheld the disputed amounts as contemplated by Iowa Telecom's access tariffs. Sprint further alleged that Iowa Telecom was going to cease providing facilities for Sprint traffic beginning on January 8, 2010, effectively blocking calls. Sprint requested emergency relief to prevent Iowa Telecom from doing so. On January 22, 2010, the Board issued an order docketing the matter and setting an expedited procedural schedule. On January 27, 2010, Sprint filed a motion to withdraw, motion for clarification, and a contingent motion to revise the procedural schedule. With respect to its request to withdraw the complaint, Sprint argued that the only relief it sought was for the Board to prohibit Iowa Telecom from discontinuing service and that the specific claims in its complaint were no longer ripe. On February 1, 2010, the Board issued an order granting the motion to withdraw, denying the motion for clarification, canceling the hearing, and revising the procedural schedule. The Board explained that the docket would remain open, but not under the expedited procedural schedule established in the Board's docketing order. The docket is pending.

FCU-2010-0014 ROQUETTE AMERICA, INC. v. INTERSTATE POWER AND LIGHT COMPANY

On December 23, 2010, Roquette filed a request for expedited formal complaint proceedings against IPL. Among other things, Roquette asked the Board to determine that there are no impediments to the finalization and implementation of a proposed metering agreement with IPL. Roquette stated that it wanted to sell electricity from a cogeneration facility to the energy market administered by the Midwest Independent Transmission System Operator, Inc. (MISO), but that it was unable to do so because IPL would not finalize a proposed metering agreement. On December 29, 2010, the Board issued an order assigning the docket to its Administrative Law Judge. On May 10 and 11, 2011, a hearing was held. On July 12, 2011, each of the parties filed post-hearing reply briefs. The docket is pending.

FCU-2010-0015 MCC TELEPHONY OF IOWA, LLC AND MCC IOWA LLC (MEDIACOM) v. CAPITOL INFRASTRUCTURE LLC D/B/A CONNEXION TECHNOLOGIES AND PRIMECAST

On December 30, 2010, Mediacom filed a complaint and request for emergency relief because of anticompetitive threats and practices by Connexion and Primecast. On March 30, 2011, the Board issued an order denying a January 20, 2011, motion by Primecast to dismiss the case. The Board denied in part and granted in part a motion by Connexion to dismiss the case and also put Primecast on notice of civil penalties for future violations. On April 19, 2011, Primecast filed applications for reconsideration, stay, and rehearing. On May 19, 2011, the Board issued an order denying Primecast's applications for reconsideration, stay, and rehearing.

FCU-2011-0001 HEATHER DOLLEN v. MIDAMERICAN ENERGY COMPANY

On May 6, 2010, Heather Dollen filed an informal complaint after MEC changed her electric rate from commercial to residential, and refunded the difference between the rates over the five-year period of April 2005 through April 2010. MEC denied Dollen's request for an additional refund of the difference in rates for August 1995 through March 2005. On June 30, 2010, Board staff issued the proposed resolution that concluded MEC completed the five-year adjustment in accordance with 199 IAC 20.4(14)"e," and there were no facts or circumstances that would warrant a longer refund period. On October 7, 2010, the Office of Consumer Advocate and Dollen filed an untimely joint request for a formal complaint proceeding and waiver of the 14-day period to request a formal proceeding. The Board denied their request.

FCU-2011-0002 AVENTURE COMMUNICATION TECHNOLOGY, LLC v. QWEST COMMUNICATIONS CORP., SPRINT COMMUNICATIONS COMPANY L.P., AT&T COMMUNICATIONS OF THE MIDWEST, INC. AND TCG OMAHA, AND LEVEL 3 COMMUNICATIONS, INC.

On January 21, 2011, Aventure filed a complaint against four interexchange carriers (IXCs), alleging the IXCs had not negotiated in good faith, pursuant to 199 IAC 22.14(2)"e," regarding Aventure's proposed High Volume Access Services (HVAS) rate. The IXCs responded by saying they had negotiated in good faith but that Aventure's proposed HVAS rate was unreasonable. The IXCs also noted that in its final order in Docket No. FCU-2007-0002, the Board found that Aventure had few, if any, traditional local exchange customers and would need to prove why its certificates of public convenience and

necessity should not be revoked. On April 22, 2011, the Board issued an order docketing the case and scheduling a hearing for July 13, 2011. The July 13 hearing date was later moved to September 29, 2011, and then to December 13th 2011. However, in an order issued November 23, 2011, the Board canceled the December 13 hearing date so that the parties could consider how a pending Federal Communications Commission order might impact the issues in this docket. At year's end, the Board had not rescheduled the hearing.

FCU-2011-0004 DAVID WELU v. INTERSTATE POWER AND LIGHT COMPANY
On October 6, 2010, David Welu filed an informal complaint that disputed responsibility for electric bills at one of his rental properties, which IPL transferred to his residential account. Welu disputed IPL's assertion that he had previously agreed for IPL to automatically transfer service into his name at his rental property when the tenant requests disconnection and IPL's ability to transfer the debt from his rental property to his residential account. IPL stated that twice, when Welu called IPL to learn why the bills were sent to him, he turned down IPL's offers to disconnect the service. Board staff's proposed resolution found that IPL appropriately held Welu responsible for the bill. Welu filed a request for a formal complaint proceeding, which the Board granted. On July 20, 2011, the Board dismissed the complaint after Welu failed to respond to the Board's requests to schedule a prehearing conference.

FCU-2011-0007 LYNN SCHMITZ v. IOWA TELECOMMUNICATIONS N/K/A WINDSTREAM COMMUNICATIONS
On September 10, 2009, Lynn Schmitz of Harlan filed a complaint regarding service reliability and repair issues with Iowa Telecom n/k/a Windstream. Schmitz'

telephone issues with Iowa Telecom began in April of 2009 and continued through September 2009. Windstream provided two courtesy credits totaling \$50 to address two of the issues and replaced defective cable. Schmitz indicated that due to previous poor service history with Windstream, he wanted to change his telephone service permanently to Farmer's Mutual Telephone. Schmitz indicated he would pay the costs of the necessary equipment to get the service installed, but didn't think he should have to pay adjacent exchange charges to Windstream. On March 22, 2011, the Board held a meeting to determine whether a formal proceeding would take place. On April 19, 2011, the Board issued an order denying the request for a formal proceeding.

FCU-2011-0008 GREGORY SWECKER v. MIDLAND POWER COOPERATIVE
On January 20, 2011, Gregory Swecker filed an informal complaint that alleged Midland should pay him the same rate for excess generation that Midland pays its generation and transmission cooperatives for power purchases, and therefore, alleged discrimination based on Iowa Code § 476.21. Swecker is a three-phase customer who owns a wind turbine and the power he does not use is purchased by Midland. Midland responded that Swecker's assertion has been rejected by every tribunal where he has pressed the claim, including the courts and the Federal Energy Regulatory Commission (FERC), and Midland's purchase rates for excess generation are based on its tariff. Board staff's proposed resolution concluded there was no indication Midland was in violation of Iowa Code § 476.21 and a question of whether or not Midland is offering full avoided cost rates to qualifying facilities under the Public Utility Regulatory Policies Act of 1978 is a FERC matter. Swecker filed requests for a formal complaint proceeding. The Board found

there were no reasonable grounds for instituting a formal complaint proceeding and denied Swecker's request and on May 27, 2011, the Board denied Swecker's request for reconsideration.

FCU-2011-0014 Aventure Communication Technology, L.L.C. v. Qwest Corporation, Qwest Communications Company, LLC, and PAETEC Communications, Inc.

On April 27, 2011, Aventure, a competitive local exchange carrier, filed a complaint concerning phantom traffic against Qwest and PAETEC alleging that Qwest and PAETEC are involved in what Aventure describes as a fraudulent scheme involving "phantom traffic" sent to Aventure's network to avoid paying terminating access charges on certain intrastate and interstate long distance traffic. On May 17, 2011, Qwest filed a motion to dismiss and to strike the complaint, arguing it should be dismissed because Aventure failed to allege facts showing Qwest breached any duty to Aventure or engaged in any illegal conduct. PAETEC filed an answer to the complaint on May 17, 2011, asking the Board to dismiss the complaint with prejudice. On October 12, 2011, the Board issued an order docketing the complaint, denying the motions to dismiss and strike, and setting a procedural schedule. On November 23, 2011, Aventure filed a motion to amend the procedural schedule by extending the due dates for testimony by 30 to 45 days to allow the parties time to review the recent order of the FCC adopting reforms to the intercarrier compensation system. According to Aventure, that order includes provisions addressing the problem of phantom traffic. On December 1, 2011, Qwest filed a response to Aventure's motion to amend the procedural schedule and a cross-motion to dismiss the complaint, noting that the FCC's intercarrier

compensation order applies prospectively only and does not contain anything to suggest that Qwest has engaged in any form of a phantom traffic scheme. On December 5, 2011, Aventure filed a request to withdraw its complaint as the FCC's new rules applied prospectively and did not address any prior instances of phantom traffic that may have occurred on Aventure's network. On December 7, 2011, Qwest filed a response to Aventure's request to withdraw. Qwest agreed the Board should grant the request to withdraw the complaint, but contended the withdrawal should be with prejudice. On December 12, 2011, the Board issued an order granting the request to withdraw complaint without prejudice, denying the motion to dismiss, canceling the hearing, and closing the docket.

FCU-2011-0015 LIA FIELDS V. INTERSTATE POWER AND LIGHT COMPANY

On March 31, 2011, Lia Fields filed an informal complaint that alleged the electric meter registered more electricity than she used after she moved into her apartment in May 2010, and continued through the summer until IPL replaced the meter. Fields had been making partial payments and wanted a bill adjustment. IPL responded that it tested the meter onsite and at its own expense. Since the test results showed 100.64 percent accuracy, IPL reinstalled the same meter for Fields' apartment. IPL submitted that the summer bills were the result of air conditioning. Board staff's proposed resolution concluded no bill adjustment was necessary because the meter tested within the acceptable range of accuracy, and Fields' overall electric usage follows a logical seasonal usage pattern for residential customers that use electricity for cooling and natural gas or propane for heating. Fields requested a formal complaint proceeding because she continued to believe the meter malfunctioned in some

way to cause the summer bills to be too high. The Board denied the request because there were no reasonable grounds for further investigation.

FCU-2011-0016 ERIC J. ANDERSON AND THE OFFICE OF CONSUMER ADVOCATE V. MIDAMERICAN ENERGY COMPANY

On January 31, 2011, Eric J. Anderson filed an informal complaint after MEC corrected his rate from electric water heating service to all-electric service and refunded the difference between the rates over the five-year period of December 2005 through November 2010. Anderson requested an additional refund back to when the natural gas meter was removed in approximately 1991. MEC denied the request because it had complied with Board rules and does not have billing records older than the five-year period the Board requires utilities to maintain records. The Office of Consumer Advocate suggested a ten-year refund period may be an appropriate time frame. On March 31, 2011, staff issued the proposed resolution that concluded MEC completed the five-year adjustment in accordance with 199 IAC 20.4(14)"e," and there were no facts or circumstances that would warrant a longer refund period. The OCA and Anderson each filed a request for a formal complaint proceeding and the Board denied the requests because there were no reasonable grounds for further investigation.

FCU-2011-0017 PHONG HONG V. MIDAMERICAN ENERGY COMPANY

On February 25, 2011, Phong Hong filed a complaint against MEC regarding amounts that MidAmerican was charging Hong for past usage where Hong was under-billed because of estimated bills. The total amount MEC charged Hong was \$869.61. On April 12, 2011, a proposed resolution was sent to MEC and Hong in which the Utilities Board Customer Service analyst proposed that

Hong pay half of the amount owed since MEC had not complied with Board rules, 199 IAC 20.3(6), when it estimated Hong's bill for more than three consecutive months without his approval.

On April 15, 2011, Hong informed the analyst that he disagreed with the proposed resolution and Hong requested a formal complaint proceeding. Docket No. FCU-2011-0017 was opened to address Hong's request for a formal complaint proceeding. On May 18, 2011, Hong withdrew his request for a formal complaint proceeding. Hong stated that he and MEC had reached a settlement of the amount owed for his past usage. On May 26, 2011, the Board issued an order closing this docket.

FCU-2011-0019 THE LONGBRANCH, INC., D/B/A BEST WESTERN COOPER'S MILL HOTEL AND RESTAURANT V. INTERSTATE POWER AND LIGHT COMPANY

On May 16, 2011, Mr. Douglas De Long filed an informal complaint, alleging that an estimated electric back bill was too high, and questioned if the business should be responsible for a back bill that resulted from IPL's error. IPL had estimated the back bill following discovery that test switches were not completely closed and, therefore, IPL had no way to verify the amount of electricity consumed that did not register on the meter. IPL replaced the meter in 2008 after local flooding subsided, but it was difficult to determine when the business returned to normal operations, so IPL only back billed for the most recent 13-month period, based on a sample average daily usage. Board staff 's proposed resolution concluded the estimation method used to calculate the back bill was reasonable and the back bill dollar amount was in accordance with 199 IAC 20.4(14)"f." De Long requested a formal complaint proceeding and the Board denied the request

because there were no reasonable grounds for further investigation.

FCU-2011-0022 ROLFE AREA MARKET V. INTERSTATE POWER AND LIGHT COMPANY

On July 12, 2011, Nick Graham filed an informal complaint that claimed Rolfe Area Market was eligible for Interstate Power and Light's Large General Service (LGS) electric rate, but IPL refused and kept the business on the General Service electric rate. IPL responded that a business qualifies for the LGS rate when its electric consumption is greater than 20,000 kilowatt hours each month for a minimum of 12 consecutive months, and it must maintain this level each month to remain on LGS. Rolfe Area Market's consumption does not qualify for the LGS rate and does not qualify for a hardship exemption because the business has not had a recent change of rate classification. Board staff's proposed resolution agreed with IPL and noted in the majority of months since October 2009, Rolfe Area Market's usage was under 20,000 kilowatt hours. Mr. Graham filed a request for a formal complaint proceeding and the Board denied the request because there were no reasonable grounds for instituting a formal complaint proceeding.

FCU-2011-0025 CARALEE MALLY V. INTERSTATE POWER AND LIGHT COMPANY

On August 3, 2011, Caralee Mally filed an informal complaint that claimed she should not be responsible for an electric back bill because Interstate Power and Light Company's equipment was faulty and the back bill was estimated based on the usage of a previous tenant. IPL responded that the 14 bills to Mally were for the basic service charge because the meter did not register electric usage, and IPL discovered it was due to an unhooked wire. The back bill was for six months and was calculated by factoring in heating degree day and cooling

degree day data, as well as historical usage and Mally's two months of usage after the meter repair. Board staff's proposed resolution concluded the estimation method used to calculate the back bill was reasonable, and while 199 IAC 20.4(14)"f" allows IPL to back bill 12 months' worth of service, IPL limited the back bill to six months. Mally requested a formal complaint proceeding and the Board denied the request because there were no reasonable grounds for instituting a formal complaint proceeding.

FCU-2011-0026 GREG AND SAMANTHA EKSTEIN V. STANHOPE MUNICIPAL UTILITIES

Iowa Legal Aid filed an informal complaint on behalf of the Eksteins, alleging that Stanhope Municipal Utilities' practice of combining electric, water, garbage, and sewer services onto the same bill, disconnect notice, and payment agreement, violates 199 IAC 20.4(16)"c," which prohibits disconnection of electric service because of nonpayment of a different type of utility service. Board staff's proposed resolution concluded that Stanhope had not violated Board rules. Legal Aid filed a request for a formal complaint proceeding and, shortly afterwards, Stanhope informed the Board that the Eksteins filed for bankruptcy and moved out of the city. The case is pending.

FCU-2011-0028 OREN IRVIN V. BLACK HILLS ENERGY COMPANY

On April 22, 2010, Oren Irvin filed a complaint regarding a gas leak that occurred at his residence in Oakland, Iowa. Irvin was billed \$15,683.82 by Black Hills. Irvin said many errors occurred in how the gas leak was handled and he didn't feel that he should be responsible for the all the charges incurred from the leak. Black Hills responded to Irvin by offering a 50 percent reduction in the outstanding balance and

IUB staff suggested a payment plan for the customer to pay off the remaining balance. Black Hills believed Irvin had been offered a fair settlement and that Irvin was in part responsible for the leak as it was determined that his pipe had cracked and he is responsible for the service line on his property. On December 20, 2011, a memo requesting a formal proceeding was submitted. The docket is pending.

FCU-2011-0029 CARADCO BUILDING V. INTERSTATE POWER AND LIGHT COMPANY
On July 5, 2011, Gronen Restoration filed an informal complaint that requested an exemption to the Board's individual metering requirements, per 199 IAC 20.3(1)"b." Board staff's proposed resolution concluded that none of the exemptions to the requirement for individual metering were met. On November 14, 2011, Gronen Restoration requested a formal complaint proceeding or, in the alternative, a petition for a declaratory order. On November 15, 2011, Gronen Restoration filed a motion for alternate proceedings to treat the petition as a declaratory order or, in the alternative, a request for waiver. On December 9, 2011, the Board denied the request for a declaratory order because the order could have unintended consequences that are not foreseen due to limited participation by other affected persons. On December 22, 2011, the Board denied the

waiver request and requested Gronen Restoration to notify the Board whether it wanted the Board to rule on a request for a formal complaint proceeding or whether that request was withdrawn. The case is pending.

FCU-2011-0030 RISA LUTTON V. MIDAMERICAN ENERGY COMPANY
On October 14, 2011, Legal Aid of Iowa (Legal Aid) filed a complaint, on behalf of Risa Lutton, against MEC regarding the responsible party for her former roommate's debt. Lutton was being required to enter into a payment agreement for the balance of the debt. The total amount MEC charged Lutton was \$648.04. On November 22, 2011, Board staff's proposed resolution found Lutton responsible for the debt as her landlord confirmed Lutton and her former roommate were the original lease holders and moved in together. On December 7, 2011, Legal Aid informed staff that Lutton disagreed with the proposed resolution and Legal Aid filed a request for a formal complaint proceeding on Lutton's behalf. Docket No. FCU-2011-0030 was opened to address Lutton's request for a formal complaint proceeding. The docket is pending.

SLAMMING/CRAMMING/JAMMING COMPLAINTS

DOCKET	CASE	DESCRIPTION	CLOSED	RESOLUTION
FCU-2011-0003	OCA v. Business Connect America	Cramming	2/17/2011	\$1,500 Civil Penalty
FCU-2011-0005	OCA v. BestWebUSA.com	Cramming	6/15/2011	\$2,250 Civil Penalty
FCU-2011-0006	OCA v. U.S. Telecom Long Distance	Cramming	3/25/2011	Withdrawn/Closed
FCU-2011-0009	OCA v. Galacy.com	Cramming	10/27/2011	\$10,000 Default Judgment
FCU-2011-0010	OCA v. FastWebPages.net	Cramming	9/8/2011	\$1,500 Civil Penalty
FCU-2011-0011	OCA v. Service Group International	Cramming	7/28/2011	\$1,500 Civil Penalty
FCU-2011-0012	OCA v. PC Protect	Cramming	11/9/2011	\$1,500 Civil Penalty
FCU-2011-0013	OCA v. Billvia Phone, LLC	Cramming	11/9/2011	\$10,000 Default Judgment
FCU-2011-0018	OCA v. Cytel, Inc.	Slamming	9/19/2011	\$1,500 Civil Penalty
FCU-2011-0020	OCA v. Comm. Network Billing	Cramming	9/19/2011	Withdrawn/Closed
FCU-2011-0021	OCA v. Cheap2Dial Telephone, Inc.	Cramming	10/13/2011	\$1,500 Civil Penalty
FCU-2011-0023	OCA v. US Music Find	Cramming	2/2/2012	Withdrawn/Closed
FCU-2011-0024	OCA v. Preferred Long Distance	Slamming	11/9/2011	\$2,250 Civil Penalty
FCU-2011-0027	OCA v. American Telecom. Systems	Slamming		Pending
FCU-2011-0031	OCA v. Nationwide Long Distance	Cramming		Pending

NEGOTIATED INTERCONNECTION AGREEMENTS (NIA)

Section 252(b) of the Telecommunications Act of 1996 gives the Board the authority to approve the rates, terms, and conditions of NIAs between competitors and incumbent local exchange providers. The agreement is docketed and written comments from interested parties must be filed within 30 days. The statutory standard to be applied in Board review is (1) whether the agreement discriminates against a telecommunications carrier not a party to the agreement or (2) whether the implementation of the agreement or a portion is not consistent with the public interest, convenience, or necessity. This list also includes some arbitration ordered interconnection agreements (ARB and AIA).

DOCKET	INCUMBENT/COMPETITOR	FILED	APPROVED
NIA-2011-0001	Qwest/Budget PrePay Phone	01/05/2011	02/15/2011
NIA-2011-0002	Qwest/Lightyear Solutions	01/11/2011	02/21/2011
NIA-2011-0003	Qwest/Metropolitan Telecom of AZ	01/11/2011	02/21/2011
NIA-2011-0004	Qwest/Integra Telecom Holdings	01/11/2011	02/21/2011
NIA-2011-0005	Qwest/MCImetro Access	01/18/2011	02/28/2011
NIA-2011-0006	Qwest/Matrix Telecom	01/18/2011	02/28/2011
NIA-2011-0007	Qwest/CAN Comm. Services	01/25/2011	03/07/2011
NIA-2011-0008	Qwest/Trans National Comm.	01/25/2011	03/07/2011
NIA-2011-0009	Qwest/OrbitComm, Inc.	01/31/2011	03/13/2011
NIA-2011-0010	Qwest/Communications 1 Network	02/02/2011	03/15/2011
NIA-2011-0011	CenturyLink/Verizon	02/08/2011	03/21/2011
NIA-2011-0012	Qwest/Comtel Telcom Assets/VarTec	01/05/2011	02/15/2011
NIA-2011-0013	Qwest/AT&T Corp.	01/11/2011	02/21/2011
NIA-2011-0014	Qwest/TCG Omaha	02/08/2011	03/21/2011
NIA-2011-0015	Qwest/Comtel Telcom/Excel Telecom	02/09/2011	03/22/2011
NIA-2011-0016	Qwest/Windstream IT-Comm.	02/09/2011	03/22/2011

DOCKET	INCUMBENT/COMPETITOR	FILED	APPROVED
NIA-2011-0017	Coop. Tel. Co./MCC Telephony (Mediacom)	02/22/2011	04/04/2011
NIA-2011-0018	MCC Tel.(Mediacom)/Lynneville Tel. Co. - Adopt	02/23/2011	02/23/2011
NIA-2011-0019	Qwest/Alliance Connect	03/08/2011	04/18/2011
NIA-2011-0020	Qwest/Alliance Connect	04/06/2011	05/17/2011
NIA-2011-0021	Qwest/Verizon	04/12/2011	05/23/2011
NIA-2011-0022	Qwest/Broadvox	05/10/2011	06/20/2011
NIA-2011-0023	Qwest/Alliance Connect - Adopt	05/18/2011	05/18/2011
NIA-2011-0024	Mabel Tel. Coop/Verizon	06/13/2011	07/23/2011
NIA-2011-0025	Qwest/Greenfly Networks	06/21/2011	08/01/2011
NIA-2011-0026	Qwest/Greenfly Networks	06/22/2011	08/02/2011
NIA-2011-0027	Qwest/NewCore Wireless	06/24/2011	08/04/2011
NIA-2011-0028	Alliance Connect/Frontier – Opt-in	07/01/2011	07/01/2011
NIA-2011-0029	Qwest/Wholesale Carrier Services	07/25/2011	09/04/2011
NIA-2011-0030	Qwest/Wholesale Carrier Services	07/26/2011	09/05/2011
NIA-2011-0031	Qwest/365 Wireless	08/22/2011	10/01/2011
NIA-2011-0032	Qwest/Gazelle Link - Adopt	09/07/2011	09/07/2011
NIA-2011-0033	Qwest/Gazelle Link	09/07/2011	10/17/2011
NIA-2011-0034	Qwest/Shellsburg Cablevision	11/02//2011	12/12/2011
NIA-2011-0035	Independence Telecom/Windstream	11/04/2011	12/24/2011
NIA-2011-0036	Qwest/US Signal Company - Adopt	11/16/2011	11/16/2011
NIA-2011-0037	Qwest/Eventis Telecom	11/29/2011	Pending
NIA-2011-0038	Qwest/Opencom	12/09/2011	Pending

NOTICES OF INQUIRY (NOI)

NOIs are informal proceedings to educate the participants on a particular issue or set of issues. The Board commences an inquiry and develops a set of issues or questions for consideration. The issues outlined in the notice are not intended to be exclusive but form the framework for the inquiry. The inquiry is not directed at an individual utility or group of utilities but at any group, business, industry, or person who may be interested in the issue. The process is not intended to produce any specific kind of action, but may result in a subsequent formal proceeding such as a rule making or contested case. No record is made and no testimony is compelled.

NOI-2009-0001 TELECOMMUNICATIONS MARKET MONITORING SURVEY FOR RETAIL LOCAL VOICE SERVICE IN IOWA

On July 7, 2009, the Board initiated this inquiry to collect data from local telecommunications service providers. The purpose of the inquiry was to obtain an overview of the status of local exchange competition in Iowa. On September 23, 2010, the Board released a report entitled, “2009 Telecommunications Market Monitoring Survey for Retail Local Voice Service in Iowa.” On January 27, 2011, the Board issued an order closing this inquiry.

NOI-2009-0002 THE AMERICAN CLEAN ENERGY AND SECURITY ACT OF 2009

On July 16, 2009, the Board opened a notice of inquiry to gather information from a broad cross-section of Iowa stakeholders on national climate change legislation, specifically the American Clean Energy and Security Act of 2009 (the Waxman-Markey cap and trade bill). On September 18, 2009, a workshop was held. On October 19, 2009, additional comments were filed.

On April 20, 2011, the Board issued an order adopting and issuing a final report in this inquiry. The Board stated that, although the Waxman-Markey bill was passed by the U.S. House of Representatives, it was never passed by the U.S. Senate. The Board

continued to follow this and related legislation but was of the opinion it is unlikely that Congress would further consider the Waxman-Markey bill. The Board said was also unlikely that Congress would consider the cap-and-trade method of reducing greenhouse gas (GHG) emissions that was the central part of the Waxman-Markey bill at any time in the near future. The final report summarizes the inquiry process that was followed, the written comments and information received, and the oral comments provided at the workshop. It also contains a discussion of the major issues addressed in this inquiry and the Board's conclusions.

NOI-2011-0001 PREPAID METERS

On June 29, 2011, the Board issued an order initiating a notice of inquiry regarding prepaid metering. Participants were asked to respond to various questions about prepaid metering. On September 28, 2011, Board staff conducted a workshop to gather additional comments and discussion. On September 30, 2011, the Board issued an order allowing additional comments on prepaid metering issues to be filed on or before November 1, 2011. The docket is pending.

**NOI-2011-0002 HIGH-VOLTAGE
TRANSMISSION PROJECTS**

On August 16, 2011, the Board issued an order initiating this notice of inquiry to gather information regarding proposed high-voltage electric transmission projects to be constructed in Iowa. These proposed projects would address the potential transmission constraints within Iowa and surrounding states. This inquiry will investigate the projects' status, interactions and timeframes, and potential impacts on Iowa electricity rates. Stan Wolf, the Board's Policy Development Section Manager, was appointed as inquiry manager for this docket. The docket is pending.

**NOI-2011-0003 UTILITY COAL PLANT
PLANNING**

On September 2, 2011, the Board issued an order initiating this notice of inquiry to

gather information about utility coal plant planning. This inquiry requests regulated utilities to prepare several scenarios describing how they would be in compliance with proposed new regulations by the U.S. Environmental Protection Agency (EPA). These proposed new EPA regulations would impact discharges into water, coal fly ash, and air regulations regarding ozone, sulfur oxides, nitrogen oxides, mercury, and carbon dioxide, along with other greenhouse gases. Stan Wolf, the Board's Policy Development Section Manager, was appointed as inquiry manager for this docket. The docket is pending.

PIPELINE DOCKETS (P)

A pipeline permit is the authorization granted by the Board for the construction, maintenance, and operation of an intrastate pipeline under Iowa Code Chapter 479. The granting of a permit requires a finding by the Board that the project will promote the public convenience and necessity and follows an acceptable route.

2011 NATURAL GAS PIPELINE DOCKETS

Docket	Company	Granted	Pipeline
P-0029	IPL	06/23/11	Greenfield Lateral
P-0272	MEC	06/23/11	Malvern Lateral
P-0273	MEC	06/23/11	Emerson Lateral
P-0001	MEC	06/23/11	Fort Dodge Gypsum Lateral
P-0491	MEC	09/28/11	Fremont Lateral
P-0475	MEC	09/28/11	Melcher-Dallas Lateral
P-0476	MEC	09/28/11	Elliott Lateral
P-0474	MEC	09/28/11	Milo Lateral
P-0462	IPL	09/28/11	What Cheer Lateral
P-0461	IPL	09/28/11	Sigourney Lateral
P-0460	IPL	09/28/11	Keota Lateral
P-0487	IPL	10/28/11	Wapello Lateral
P-0473	IPL	10/28/11	Chariton Lateral
P-0458	IPL	10/28/11	Leon Lateral
P-0456	IPL	10/28/11	Osceola Lateral

REFUNDS (RFU)

The Board initiates an RFU when a refund involving a utility requires special analysis.

RFU-2011-0001 Interstate Power and Light Company

Because the final rate increase approved by the Board in Docket No. RPU-2010-0001 was less than the temporary rate amount IPL collected, IPL filed a request on February 9, 2011, for approval of a refund plan. IPL filed a revised refund plan on March 25, 2011, reflecting the Board's decision on

rehearing in the rate case. On April 29, 2011, the Board approved IPL's revised refund plan and required a refund report. On September 19, 2011, IPL filed a refund report, which it supplemented on September 30, 2011. On November 3, 2011, the Board approved IPL's refund report.

RATE PROCEEDINGS (RPU)

Rate setting is a key function of the Iowa Utilities Board. By law, the Board must assure that customers receive adequate service at a reasonable price. The Board must also allow sufficient income for the utilities to maintain reliable service and sufficient earnings for stockholders. The jurisdiction of rate setting extends only to certain larger utilities within Iowa. Municipal utilities and rural electric cooperatives (except those which choose rate regulation) are subject to Board review of their service only.

RPU's are designed to uphold the previously mentioned obligations when the Board investigates a company's rate increase proposal. Such proceedings usually last about ten months. During this time, local consumer comment hearings permit customer feedback. Technical hearings, similar to courtroom hearings, also take place. Testimony is presented and expert witnesses are cross-examined by the company, the Office of Consumer Advocate, and intervenors. At the conclusion, the Board may approve the company's rate request in full, approve some or none of it, or order a rate decrease.

RPU-2009-0003 MIDAMERICAN ENERGY COMPANY

On December 1, 2010, MEC filed a compliance filing as required by the Board's December 14, 2009, final decision order in Docket No. RPU-2009-0003. The filing included additional testimony and an updated market power analysis in support of MEC's proposal to add more than 750 Megawatts (nameplate capacity) of wind generation (up to 1,001 Megawatts total) pursuant to the ratemaking principles awarded for MEC's proposed Wind VII project. On January 25, 2011, the Board issued an order accepting the compliance filing, authorizing the additional investment, and requiring MEC to file semi-annual reports until after the Wind VII project is completed.

RPU-2002-0007 INTERSTATE POWER AND LIGHT COMPANY

On March 14, 2011, IPL filed a former manufactured gas plant (FMGP) site remediation report as required by the final decision order issued in this docket on May

15, 2003. On April 8, 2011, the Board issued an order granting a request for confidentiality of portions of the report and closing the docket.

RPU-2010-0001 INTERSTATE POWER AND LIGHT COMPANY

On March 10, 2010, IPL filed a petition seeking a permanent annual electric revenue increase of approximately \$163 million (14 percent). On March 20, 2010, a temporary increase of about 10 percent (\$119 million), not requiring pre-approval of the Board, was implemented, subject to rate refund pending the Board's decision in the case. The impact on customer rates would vary according to customer class and rate zone. On April 6, 2010, the IUB issued an order announcing a procedural schedule and scheduling an evidentiary hearing to begin on September 20, 2010. Customer comment meetings were held in Peosta, Marion, Spirit Lake, Mason City, Newton, Osceola, Fort Madison, and Ottumwa in April 2010. On May 12, 2010, in West Branch, IUB and OCA staff participated in a locally organized

community comment meeting regarding the IPL rate increase request. On June 29, 2010, the Board issued an additional order with questions about the impact of Alliant's announced staffing and organizational changes.

In its rebuttal testimony, IPL reduced its request for final rates to an annual increase of approximately \$149.9 million while the OCA argued for no increase. A hearing was held beginning September 20, 2010. Simultaneous initial (October 25, 2010) and reply (November 8, 2010) briefs were filed by the parties.

The primary drivers for IPL's rate case filing included capital costs related to IPL's Whispering Willows – East (WWE) wind farm and emissions controls at Lansing Generation Station Unit 4, one of IPL's coal-fired plants. Total capital costs for these two projects were more than \$650 million. ITC Midwest LLC (ITC Midwest) transmission costs paid by IPL were also a significant driver for the proposed increase. On January 10, 2010, the Board issued its final order stating that, based on the Board's decisions on the various issues, IPL's annual Iowa retail revenue would increase by \$114,789,722, or about nine percent. This was less than the increase IPL implemented in temporary rates, which was approximately \$119 million, or 10.1 percent.

As part of the final decision, the Board expressed its intent to open a new docket to conduct an affiliate and management audit of IPL, which would encompass Alliant Energy and Alliant Energy Corporate Services, Inc., to the extent services are provided to IPL and corporate decisions impact IPL. The audit would focus on matters such as the reasonableness of affiliate charges assessed to the utility, the accuracy and reasonableness of allocation

factors, and the utility's performance as compared to industry standards and best management practices, with a focus on customer service and maintenance of utility facilities, such as generating units, distribution lines, and natural gas pipelines. It would be an audit of management practices and results, not performance reviews of individual officers; also, it would not represent a return to an on-site audit function by Board staff. The Board has specific authority to conduct an affiliate audit pursuant to Iowa Code § 476.75, and authority to conduct a management audit under various provisions, including Iowa Code §§ 476.1, 476.2(4), 476.6, and 476.8.

On January 28, 2011, IPL and the OCA each filed requests for rehearing. The OCA filed a response to IPL's request for rehearing on February 8, 2011; IPL filed a response to Consumer Advocate's request on February 11, 2011. The final increase allowed on rehearing was \$113,978,761, or approximately 8.99 percent. Since the final increase was lower than what IPL implemented in temporary rates, IPL was required to make a refund, with interest for the over-collections. This refund was completed in July 2011.

RPU-2010-0002 BLACK HILLS ENERGY

On June 8, 2010, Black Hills petitioned the Board for a permanent annual revenue increase in natural gas service rates of approximately \$4.7 million (2.9 percent). As permitted by Iowa law, a temporary rate increase of about 1.6 percent (\$2.6 million annual revenue increase), which did not require pre-approval from the Board, went into effect on June 18, 2010. On August 20, 2010, Black Hills, the Office of Consumer Advocate, and Constellation New Energy – Gas Division, LLC, filed a settlement agreement. The settlement proposed that Black Hills be granted an increase in annual

Iowa jurisdictional revenues of \$3.4 million. This would raise typical monthly bills of residential customers by about \$2.65 and general service customers by about \$5.40. On January 7, 2011, the Board announced it would not approve the settlement agreement that proposed granting an annual increase of \$3.4 million. The Board indicated certain components of the settlement did not meet applicable standards. In particular, the Board was concerned about an automatic adjustment mechanism, or tracker, proposed by the company. The Board stated that some aspects of the proposed settlement seemed reasonable, including the proposed annual revenue increase of \$3.4 million. On January 11, 2011, the parties filed a modified settlement proposal, not containing a tracker mechanism. On February 10, 2011, the Board issued an order approving the settlement, which contained an annual revenue increase of \$3.4 million (2.1 percent). Board approval resulted in final monthly rate increases of approximately \$1.80 for residential customers and \$1.50 for commercial customers that were only slightly different than what customers had been paying on a temporary basis since the case was filed in June 2010. It also established a customer charge of \$18.25 for residential general service.

RPU-2011-0001 IOWA-AMERICAN WATER COMPANY

On April 29, 2011, Iowa-American filed a proposal for a general rate increase in temporary and permanent water rates. Iowa-American proposed a temporary increase that would produce additional annual revenue of approximately \$4.4 million, or about 13.72 percent, and a permanent

increase that would produce additional annual revenue of approximately \$5.1 million, or about 16.4 percent.

On July 28, 2011, the Board granted Iowa-American a temporary annual revenue increase of approximately \$2.29 million, or about 6.93 percent. The Board emphasized that, based on feedback received at the consumer comment hearings, the Board intended to look at private fire service rate design in the full rate case.

On October 14, 2011, Iowa-American and the Office of Consumer Advocate filed a settlement agreement and motion to approve the agreement. The settlement agreement resolved all outstanding issues, except three: 1) whether Iowa-American's proposed Revenue Adjustment Clause (RAC) should be approved; 2) whether Iowa-American's proposed Qualified Infrastructure Plant Adjustment Clause (QIP) should be approved; and, 3) whether double leverage should be applied in this case. The settlement agreement did not specifically address private fire service rates; the settling parties accepted Iowa-American's initial position that private fire service rates would remain but the rates for the two districts would be equalized.

On October 19, 2011, the parties filed a joint statement of issues. In the statement, Iowa-American said it was withdrawing the RAC issue, leaving only QIP and double leverage as contested issues between the parties. A hearing was held on November 7, 2011, and a final decision is expected in February 2012.

RULE MAKINGS (RMU)

The Board publishes administrative rules that specify the rules under which utilities must operate and the procedures by which citizens and utilities may amend those rules. To change the rules, certain procedures for public notice and comment are specified by law. These proposed changes are called Rule Makings, or RMUs.

RMU-2009-0006 REQUIREMENTS FOR ABBREVIATED FRANCHISE PROCESS [199 IAC 11]

On September 27, 2011, the Board issued an order closing this inquiry, which established requirements for an abbreviated electric franchise process. The order stated that no issues had arisen since the new rules were adopted that would require further amendment.

RMU-2010-0003 REVISIONS TO RULES GOVERNING CERTIFICATES OF FRANCHISE AUTHORITY FOR CABLE AND VIDEO SERVICE

On November 3, 2010, a "Notice of Intended Action" with the proposed amendments was published in the Iowa Administrative Bulletin. The proposed amendments would revise the Board's rules at 199 IAC 44 to conform to Legislative changes to Iowa Code Chapter 477A, the statute that authorizes the Board to issue certificates of franchise authority to cable and video service providers. 2010 Iowa Acts, Senate File 2324 made several changes to Iowa Code Chapter 477A and became effective upon enactment on April 12, 2010. On April 14, 2011, the Board issued an order adopting the amendments to the rules. The amendments include new notice and application requirements; allow the Board 30 calendar days to issue a certificate of franchise authority, unless more time is necessary to review certain requirements; eliminate the application and other fees included in previous rules in light of a new statutory provision allowing the Board to directly assess its

actual costs associated with an application or a certificate; and include new provisions regarding what happens in the event a certificate holder fails to commence operations or ceases providing service.

RMU-2011-0001 ELECTRIC AND GAS TECHNICAL STANDARDS

On April 19, 2011, the Board issued an order adopting updates to electric and gas technical standards in 199 IAC 10, 19, 20, and 25. Federal pipeline safety standards were updated to include new federal reporting forms, control center standards, and distribution integrity management regulations. Corrective changes were also made, such as amendments to reflect the Board's adoption of electronic filing. A more substantive change was made to 199 IAC 25.1(3), which expanded the definition of utility as used in the subrule to explicitly include all electric facility owners, which would include transmission-only operators and wind farms that are not utilities under Iowa Code chapter 476. On June 22, 2011, the amendments became effective.

RMU-2011-0002 CAPITAL INFRASTRUCTURE INVESTMENT AUTOMATIC ADJUSTMENT MECHANISM FOR RATE-REGULATED NATURAL GAS UTILITIES [199 IAC 19.18]

On October 13, 2011, the Board issued an order adopting a rule that establishes automatic adjustment mechanisms that would allow natural gas utilities to recover certain costs between general rate case

filings. The rule has separate criteria for two different mechanisms. One of the mechanisms requires the utility to file for prior Board approval and the second mechanism allows the utility to file a proposed tariff to recover the cost of investment in eligible infrastructure. The Board placed a four-year sunset on the second mechanism to ensure that there are no unforeseen consequences before making the mechanism permanent.

RMU-2011-0003 RENEWABLE ENERGY TAX CREDITS

On August 30, 2011, the Board issued an order adopting amendments to the renewable energy tax credits (199 IAC 15.19 and 15.21). The amendments reflected legislative changes to chapter 476C contained in House File 672, which was signed by the Governor on May 26, 2011, and House File 590, which was signed by the Governor on July 18, 2011. The amendments to the rules implementing chapter 476C, as amended, included allowing tax credits for renewable energy produced for on-site consumption (with a minimum facility capacity size), an extension of the overall facility in-service deadline by three years (from January 1, 2012, to January 1, 2015), and an increase in the maximum nameplate capacity rating to 60 Megawatts if the facility is other than a wind energy conversion facility.

RMU-2011-0004 AMENDMENT TO OUTAGE NOTIFICATION REQUIREMENTS FOR ELECTRIC UTILITIES [199 IAC 20.19]

On October 12, 2011, the Board adopted an amendment to the outage notification requirements for electric utilities. The rule now requires that an electric utility notify the Board if an outage is projected to last more than six hours and it meets the other requirements in the rule.

RMU-2011-0005 PETITION TO AMEND ENERGY EFFICIENCY RULES

On September 16, 2011, the Iowa Environmental Council and the Environmental Law & Policy Center of the Midwest (collectively, Petitioners) filed a petition for a rulemaking to change the energy efficiency rules in 199 IAC 35. The Petitioners asked that investor-owned utilities be required to file new energy efficiency plans every three years, rather than the current practice of every five years. The Iowa Utility Association and the Office of Consumer Advocate filed comments. On November 9, 2011, the Board issued an order denying the petition for rulemaking. Among other things, the Board said that five-year plans and budgets allow the emphasis to be on long-term continuous operation of energy efficiency plans, consistent with Iowa Code § 476,6(16)"e" and provide some stability and predictability to customers' bills. The Board also said that the utilities' five-year plans have not been static and that appropriate adjustments have been made during the plan period. The Board determined that the five-year plan period appropriately balances the interests of all those involved with and impacted by the energy efficiency plan process and that more frequent plan filings would increase the costs paid by ratepayers. The Board said there are ongoing monitoring processes and follow-up activities for the five-year plan and said three-year plan filings would detract from the implementation of the energy efficiency plans.

RMU-2011-0006 RESCISSION OF 199 IAC 43, IOWA BROADBAND INITIATIVE

On October 19, 2011, the Board issued an order commencing a rulemaking to rescind rules related to the Iowa Broadband Initiative that were no longer necessary because statutory provisions of the Iowa

Broadband Initiative had been eliminated.
The docket is pending.

**RMU-2011-0007 PROPOSED UTILITIES
BOARD REGULATIONS REGARDING
SAFETY OF POLE ATTACHMENTS**

On December 9, 2011, the Iowa Utility Association (IUA) filed a petition requesting that the Board commence a rulemaking proceeding to amend its Iowa Electrical Safety Code rules by adding new provisions that address safety

violations related to pole attachments, penalty provisions, and dispute resolution procedures. On December 28, 2011, the Board issued an order setting a deadline of January 31, 2012, for responses to the proposed petition. The docket is pending.

SERVICE PROCEEDINGS (SPU)

A change to the boundaries established for electric utilities is completed through an SPU, as are other matters of utility service that require Board approval.

SPU-2008-0010 INDEPENDENCE LIGHT & POWER TELECOMMUNICATIONS V. EAST-CENTRAL IOWA RURAL ELECTRIC COOPERATIVE

On October 14, 2008, Independence filed a petition to modify the electric service territory boundary between Independence and East-Central in several areas near the City of Independence in Buchanan County. These areas were within East-Central's assigned service territory. Independence is a municipally-owned utility that provides electric service to a portion of the City of Independence. In its petition, Independence argued that Iowa Code § 476.25(1) (2009) allowed the Board to modify previously-assigned electric service territory boundaries at the request of a municipal utility if the Board found it was in the public interest to do so.

Independence alleged that the public interest would be promoted if the service territory between ILPT and East-Central were modified as requested and Independence was allowed to serve the electric customers in the areas instead of East-Central. Independence further argued that the public interest would be promoted because it could provide more adequate and reliable electric service, more energy-efficient electric service, more cost-efficient electric service, and more renewable energy to current and future customers in the service territory at issue in this case. Independence also argued that modification would avoid duplication of facilities and would avoid the creation of two district classifications of voters in Independence: those who could vote for a mayor and city council that appoints and

approves the selection of the Board of Trustees that directs policy for Independence and are bound by the Board of Trustees' decisions, and those who are not so bound.

On October 31, 2008, East-Central filed an answer to the petition and affirmative defenses. East-Central denied that modification of the service territory boundaries would be in the public interest. East-Central denied Independence's allegations and affirmatively stated that it provides: adequate and reliable services, energy-efficient electric service and energy efficiency programs to its member consumers, cost-efficient service, and its member-consumers have access to renewable energy resources. East-Central also argued that modification of the service territories as proposed by Independence would result in duplication of facilities. East-Central denied the allegation regarding avoidance of the creation of two classifications of voters for lack of information. East-Central requested that the Board honor its previously established exclusive electric service territories and that the Board deny the petition and assess all costs to Independence.

The hearing in the case was held on February 16-19, 2010. On December 15, 2010, the Administrative Law Judge (ALJ) issued an order stating that it would not be in the public interest to modify the service territory boundaries as requested by Independence. On December 30, 2010, Independence filed a request for rehearing. East-Central filed its response on January

13, 2011. On April 27, 2011, the Board issued an order affirming the December 15, 2010, ALJ decision.

**SPU-2010-0002 (RPU-1994-0003)
MIDAMERICAN ENERGY COMPANY
INCENTIVE GAS SUPPLY PROCUREMENT
PLAN**

On July 21, 1994, Midwest Gas filed a request to increase its rates. The filing included an Incentive Gas Supply Procurement Plan (IGSPP), which Midwest Gas proposed to implement for a three-year period beginning on November 1, 1995. Midwest Gas was to receive a monetary reward or penalty depending on how its gas procurement costs compared with a benchmark. The benchmark costs were based on the cost of the gas and gas storage and the cost to reserve capacity on the pipelines that deliver the gas. The benchmark was calculated using several natural gas indices and Federal Energy Regulatory Commission approved rates. On May 19, 1995, in Docket No. SPU-1994-0014, the Board approved the merger of Midwest Gas with Iowa-Illinois Gas and Electric Company (Iowa-Illinois) to form MidAmerican Energy Company (MEC). The Board also approved MEC's IGSPP for the three-year period beginning on November 1, 1995. The Board directed MEC to file reports containing plan results on a semi-annual basis. On November 1, 1995, MEC filed a letter requesting to include the former Iowa-Illinois' gas supply procurement costs in the IGSPP. On December 11, 1995, the Board issued an order granting MEC's request. Subsequently, the Board has allowed several extensions of the program. However, with each extension, parameters were changed to make it more difficult to keep costs under revised benchmark costs and to obtain a reward. For all IGSPPs through October 2010, a comparison of the benchmark costs

to actual costs was calculated at six-month intervals. After each six-month period, a reward or penalty was applied over the next six-month period. On June 21, 2010, MEC filed a request for continuation of the IGSPP for an additional three-year period. On September 3, 2010, the Board approved the request for continuation of the IGSPP through October 31, 2013. Under the 2010-2013 extension, MEC must file its report on an annual basis, not later than December 31 each year for the period ending October 31 of the same year. On August 27, 2010, MEC filed its six-month report containing the results for the period from November 2009 through April 2010, which the Board approved on October 29, 2010. On February 25, 2011, MEC filed its last six-month report containing the results for the period from May 2010 through October 2010, which the Board approved on May 9, 2011. On December 22, 2011, MEC filed its annual report containing results for the 12-month period ending October 31, 2011.

**SPU-2011-0001 INTERSTATE POWER AND
LIGHT COMPANY AND MAQUOKETA
VALLEY ELECTRIC COOPERATIVE**

On January 5, 2011, IPL and Maquoketa Valley filed a joint petition for modification of electric service area boundaries. The petition was designed to alleviate duplication of facilities resulting from the expansion of a subdivision. No customers were being exchanged or impacted as a result of the proposed modification and the agreement between IPL and Maquoketa Valley stated that any future expansion of the subdivision would remain in Maquoketa Valley's exclusive service territory. On January 31, 2011, the Board approved the modification.

SPU-2011-0002 INTERSTATE POWER AND LIGHT COMPANY AND INDEPENDENCE LIGHT AND POWER, TELECOMMUNICATIONS

On February 21, 2011, IPL and Independence filed a joint petition for modification of electric service area boundaries. They stated that the service territory agreement was executed in June 1999, but they inadvertently failed to submit it to the Board for approval. The oversight was discovered recently in a proceeding before an Administrative Law Judge (ALJ) identified as Docket No. SPU-2008-0010. The ALJ requested that the parties submit the agreement for the Board's review. The petition proposed that that agreement between IPL and Independence is in the public interest, will prevent unnecessary duplication of facilities, provide adequate electric service to all customers affected, and will promote the efficient and economical use of electrical systems. On March 25, 2011, the Board approved the modification.

SPU-2011-0003, SOUTH SLOPE COOPERATIVE TELEPHONE COMPANY AND SWISHER TELEPHONE COMPANY

On April 1, 2011, Swisher and South Slope filed a joint request to transfer Swisher's customer base to South Slope and retire Swisher's existing certificate. Swisher had been operating as a wholly-owned subsidiary of South Slope since 2008. On May 12, 2011, the Board issued two orders in regards to the joint request. The Board cancelled Swisher's certificate of public convenience and necessity and approved the transfer of the customer base from Swisher to South Slope.

SPU-2011-0004 GREAT LAKES COMMUNICATION CORP.

On June 6, 2011, the Board issued an order initiating a show-cause proceeding.

Pursuant to Iowa Code § 476.29(9), Great Lakes was directed to show cause why the Board should not cancel its certificate to provide local exchange telecommunications service in Iowa, issued on June 17, 2005, for failure to furnish reasonably adequate telephone service and facilities in compliance with the said certificate. The issue was whether Great Lakes is providing local exchange service in its authorized service territory. On October 19, 2011, a hearing was held. The Board decision in this docket is expected in early 2012.

SPU-2011-0005 MidAmerican Energy Company

On June 15, 2011, MEC filed an application for a Board order recommending to the Federal Energy Regulatory Commission (FERC) an updated delineation of transmission and local distribution facilities reflecting the reclassification of its non-radial 69-kilovolt distribution facilities as well as non-radial 161-kilovolt facilities connecting to 69-kilovolt facilities from distribution to transmission. MEC also asked that the Board authorize the reorganization of its electric transmission and distribution plant in a manner consistent with the redelineation. Deere & Co. (Deere), Ag Processing, Inc. (Ag Processing), the Midwest Municipal Transmission Group, the Iowa Association of Municipal Utilities, Missouri Basin Municipal Power Agency, and the City of Pella (Pella) intervened in the proceeding. The Office of Consumer Advocate (OCA) stated that it was not going to provide testimony but listed areas where MEC should provide responsive testimony. Deere filed pre-filed testimony and Pella filed testimony responding to MEC witness Stevens' reply testimony. On August 9, 2011, the OCA filed a second response stating MEC had clarified and addressed its issues such that the OCA was not objecting

to the proposed delineation. On August 16, 2011, an evidentiary hearing was held. Briefs were filed by MEC, the OCA, Pella, and Ag Processing. On September 12, 2011, the Board issued an order not disapproving the request and found that MEC had established the proposed reorganization was not contrary to the interests of ratepayers and the public interest. The Board also found that other applicable statutory factors were satisfied. The Board recommended to FERC the change to the transmission and distribution delineation as requested by MEC.

SPU-2011-0006 MIDAMERICAN ENERGY COMPANY AND WOODBURY COUNTRY RURAL ELECTRIC COOPERATIVE ASSOCIATION

On July 19, 2011, MEC and Woodbury filed a joint petition for modification of their electric service area boundaries. The petition proposed that their agreement would be in the public interest, prevent unnecessary duplication of facilities, provide adequate electric service to all affected customers, and promote the efficient and economical use of electrical systems. On August 15, 2011, the Board approved the modification.

SPU-2011-0007 INTERSTATE POWER AND LIGHT COMPANY AND DYSART MUNICIPAL UTILITIES

On August 8, 2011, IPL and Dysart filed a joint petition for expedited modification of electric service area boundaries. In support of the petition, IPL and Dysart stated that the location involved had existing single-phase service provided by Dysart. The customer at that location had requested three-phase service. To provide three-phase service, Dysart Municipal would have to bring the service from about one-half mile away; IPL could bring three-phase service directly across Highway 21 to the subject property. Allowing IPL to provide three-

phase service to the customer would avoid duplication of facilities and more economically accommodate the customer's growth. The customer requesting three-phase service is the only customer impacted by the boundary revision. On August 10, 2011, the Board approved the petition.

SPU-2011-0008 ATMOS ENERGY CORPORATION AND LIBERTY ENERGY CORPORATION A/K/A LIBERTY MIDSTATES

On August 15, 2011, Atmos and Liberty Midstates filed a joint proposal for reorganization. The filing stemmed from an asset purchase agreement entered into on May 12, 2011, wherein Liberty Midstates would acquire all of Atmos' natural gas assets in Iowa, Illinois, and Missouri. On November 14, 2011, the Board issued an order not disapproving the proposed reorganization, granting a request to discontinue service, and requiring reports to be filed. The order required Atmos and/or Liberty Midstates to provide a copy of any decision issued by any other jurisdiction addressing the proposed reorganization within 20 days of that decision. The Board also required Atmos to notify it of the specific date that utility service would be transferred, prior to its discontinuance of service.

SPU-2011-0009 HILLS TELEPHONE COMPANY, INC. AND ALLIANCE COMMUNICATIONS COOPERATIVE, INC.

On August 18, 2011, Hills and Alliance filed a joint request to transfer Hills' customer base to Alliance and retire Hills' existing certificate. The filing indicated that Alliance had acquired from Hills the assets to provide local exchange service in the Iowa exchanges of Alvord, Larchwood, Lester, Inwood, South Valley Sprints, South Steen, and South Hills. On September 16, 2011, the Board issued two orders regarding the joint request. The Board cancelled Hills'

certificate and approved the transfer of its customer base to Alliance.

SPU-2011-0010 INTERSTATE POWER AND LIGHT COMPANY AND INDEPENDENCE LIGHT AND POWER TELECOMMUNICATIONS

On October 6, 2011, IPL and Independence filed a joint petition for modification of electric service area boundaries. Both IPL and Independence stated that the territory in question was served by Independence since the 1950s, although the current service territory map is ambiguous as to which utility should serve the property. IPL and Independence stated that the proposed modification would clarify the boundaries. No customer would be affected by the transfer since Independence had served all the property since the 1950s and would continue to do so. On November 11, 2011, the Board approved the modification.

SPU-2011-0011 EAST-CENTRAL IOWA RURAL ELECTRIC COOPERATIVE AND INDEPENDENCE LIGHT AND POWER, TELECOMMUNICATIONS

On October 11, 2011, East-Central and Independence filed a joint petition for modification of electric service area boundaries. In support of the petition, IPL and Independence states that they were parties to a contested case proceeding involving their service territory boundaries in Docket No. SPU-2008-0010. The proposed decision issued by the administrative law judge on December 15, 2010, which was affirmed in part and modified in part by a Board order issued on April 27, 2011, noted certain instances where East-Central and Independence were serving customers located in the other utility's service territory. East-Central and Independence reviewed their boundaries and determined it would be preferable and more economical to allow the existing utility

provider to continue to serve the customers that are located in the other utility's exclusive service territory. The utilities stated that the proposed boundary modifications formally reflected which utility has served certain customers and would avoid unnecessary duplication of facilities. On November 1, 2011, the Board approved the modification.

SPU-2011-0013 INTERSTATE POWER AND LIGHT COMPANY AND LINN COUNTY RURAL ELECTRIC COOPERATIVE

On October 31, 2011, IPL and Linn County filed a joint petition for modification of their electric service area boundaries. The petition stated that the existing boundary lines required both IPL and Linn County to have facilities in the same vicinity to serve the Timberlake Third Addition Subdivision in Linn County. Approval of the petition would move the boundary lines to the lot lines, eliminate the unnecessary duplication of facilities, and allow for the most efficient and economic use of both systems. This modification would allow for each lot to be clearly served by one utility and allow future buyers to know the electric service provider. Absent these modifications, many lots would have two service providers, leading to confusion and unnecessary duplication of facilities. On November 14, 2011, the Board approved the modification.

SPU-2011-0014 ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC. AND HAWKEYE TRI-COUNTY ELECTRIC COOPERATIVE

On November 18, 2011, Allamakee and Hawkeye filed a joint petition for modification of their electric service area boundaries. The petition stated that although there was not existing electric service to the area to be transferred, the owner of the property, Fred Burmeister, requested a service extension to the property. The

petition stated that the usage to the property would be minimal. The property was located within Allamakee's territory and it would have to extend a line approximately 1,200 feet to serve the property. Hawkeye had facilities within 600 feet of the property and could extend service at a much lower

cost than Allamakee. The parties agreed, since the load would be minimal, it was in the best interest of all parties that the parcel be served by Hawkeye. On November 28, 2011, the Board approved the petition.

TELEPHONE CERTIFICATES (TCU)

Iowa Code § 476.29 gives the Board the authority to establish non-exclusive service territories for telephone utilities and grant certificates of public convenience and necessity. A TCU is established to enable the Board to evaluate requests to initiate or modify authority to provide local exchange telephone service. The Board examines each application to see if the company possesses the technical, financial, and managerial ability to provide the service it proposes to render and that the service is consistent with public interest. If this finding is made, the Board approves the application pending the filing and approval of maps and tariffs. A certificate of public convenience and necessity is then issued after the maps and tariffs are approved.

TCU-2007-0003 (TF-2010-0066) GLOBAL CAPACITY GROUP

On July 13, 2007, Global filed a request for a certificate to provide local exchange telecommunications service in Iowa. On May 27, 2010, Global filed a proposed service tariff. On November 8, 2010, Global filed revisions to its proposed tariff. On March 3, 2011, Global filed a letter with the Board stating that it was in the process of transferring Global's assets to GC Pivotal, LLC. (Pivotal) Global also stated that Pivotal did not have plans to provide local exchange service in Iowa and would not be seeking a certificate. On July 22, 2011, the Board issued an order allowing Global's applications and proposed tariffs to be withdrawn.

TCU-2007-0009 (TF-2008-0201) NEXUS COMMUNICATIONS, INC. D/B/A TSI

On December 19, 2008, the Board granted a competitive local exchange certificate to TSI. On May 4, 2011, Board staff sent a letter to TSI noting that its 2009 and 2010 annual reports showed no local exchange revenues in Iowa. Staff requested that TSI submit a response explaining its business plans for Iowa, but TSI did not respond. On June 28, 2011, the Board issued an order stating that TSI's certificate would be canceled and its tariff withdrawn if TSI

failed to provide an Iowa business plan within 30 days. TSI did not respond.

TCU-2008-0009 (TF-2009-0093) BLC MANAGEMENT LLC, D/B/A ANGLES COMMUNICATION SOLUTIONS

On May 8, 2009, the Board issued an order granting Angles universal service eligible telecommunications carrier (ETC) status. On February 26, 2010, the Board issued a certificate to Angles. Angles filed an annual report with the Board for calendar year 2010 showing no revenues and no customer access lines. On June 7, 2011, staff sent a letter to Angles noting its 2010 annual report. The letter asked Angles to describe what services Angles proposes to provide in Iowa and to provide a timeline when Angles expects to begin providing service. Angles did not respond. On August 4, 2011, the Board issued an order stating that Angles' certificate would be withdrawn and its ETC status revoked if Angles failed to provide an Iowa business plan within 30 days.

TCU-2009-0007 CVC CLEC, LLC

On May 14, 2009, CVC filed a request for a certificate to provide local exchange service in Iowa. On June 22, 2009, the Board granted CVC's application and determined that a certificate would be issued to CVC when the company had an approved local exchange tariff on file with the Board. On

April 1, 2010, CVC filed its 2009 annual report with the Board showing no local exchange revenues and noting that it was not providing service at that time. CVC did not file an annual report for 2010. CVC had not filed a local exchange tariff with the Board and a certificate had not been issued to CVC. In a May 26, 2011, order, the Board found that CVC should not be permitted to continue to hold an approved application for the purpose of obtaining a certificate to provide local exchange service when CVC had not filed a local exchange tariff and did not appear to intend to provide telecommunications service in Iowa. The Board withdrew its approval of CVC's application, without prejudice, effective 30 days from the date of that order.

TCU-2011-0001 (TF-2011-0001)
WiMacTel, Inc.

On January 3, 2011, WiMacTel filed a request for a certificate to provide local telecommunications service in Iowa. WiMacTel also filed a proposed service tariff and stated it would mirror the Iowa service areas of incumbent local exchange carriers Qwest, Frontier, and Windstream. On April 1, 2011, the Board issued an order granting WiMacTel's certificate application, approving concurrence in maps with the incumbent carriers, approving service tariffs, and issuing a certificate.

TCU-2011-0002 (TF-2011-0007)
Alliance Connect, LLC

On January 7, 2011, Alliance Connect filed an application for a certificate to provide competitive telecommunications service in the Iowa local exchange areas where Qwest, Frontier, and Windstream are the incumbent carriers. Also on January 7, 2011, Alliance Connect filed a proposed local exchange tariff. On February 18, 2011, the Board issued an order approving the concurrence in

maps, approving the service tariff, and issuing a certificate.

TCU-2011-0003 (TF-2011-0014)
Cincinnati Bell Any Distance, Inc.

On January 21, 2011, CBAD filed an application for a certificate to provide local exchange telecommunications service in Iowa and its proposed service tariff. CBAD requested authority to provide both facilities-based and resold competitive local exchange service in the Iowa exchange areas served by incumbent local exchange carriers Frontier, Qwest, and Windstream. On March 30, 2011, the Board issued an order granting the application, approving concurrence in maps of the incumbent carriers, approving the service tariff, and issuing a certificate.

TCU-2011-0004 PAC-WEST TELECOMM, INC.

On March 4, 2011, Pac-West filed a request for a certificate to provide local telecommunications service in Iowa. Pac-West stated it would mirror the local exchange service area maps of incumbent carriers Qwest and Windstream. On May 26, 2011, the Board approved Pac-West's application. However, Pac-West was not issued a certificate, and may not offer service in Iowa, until it has an approved local exchange service tariff on file with the Board.

TCU-2011-0005 (TF-2011-0036) US SIGNAL COMPANY, L.L.C.

On March 11, 2011, US Signal Company filed a request to withdraw its certificate to provide local exchange telecommunications service in Iowa. Board staff informed the company in a May 19, 2011, letter that its request to withdraw the certificate was approved.

TCU-2011-0006 (TF-2011-0049)

ACCESS2GO

On April 12, 2011, Access2Go filed a request for a certificate to provide local exchange telecommunications service in Iowa and a proposed service tariff.

Access2Go stated it would mirror the Iowa service areas of incumbent carriers Qwest, Frontier, and Windstream. On June 14, 2011, the Board issued an order granting the certificate application, approving concurrence in maps of the incumbent carriers, approving the service tariff, and issuing a certificate.

TCU-2011-0007 BROADSTAR, LLC D/B/A PRIMECAST

On May 31, 2011, Primecast filed an application for a certificate to provide local exchange telecommunications service in Iowa. The filing was in response to the Board's March 30, 2011, order in Docket No. FCU-2010-0015, which determined that Primecast was a competitive local exchange carrier subject to the requirement to obtain a certificate. Primecast stated that it would mirror the service area maps of all Iowa exchanges. On August 24, 2011, the Board issued an order approving the application, setting a deadline for filing a proposed tariff, and approving a concurrence in maps. The Board ordered Primecast to file the proposed local exchange tariff within 60 days of the order.

TCU-2011-0008 SPEEDCONNECT, LLC

On October 3, 2011, SpeedConnect filed an application with the Board for a certificate to provide local exchange telecommunications service in Iowa. SpeedConnect requested certification in all exchange areas in Iowa. On December 20, 2011, the Board issued an order granting the application and approving concurrence in maps. The Board in its order also stated that a certificate will be issued after a local

exchange tariff is filed and approved and upon submission of a commitment to utilize thousand-block number pooling.

TCU-2011-0009 NEW EDGE NETWORK, INC., D/B/A EARTHLINK BUSINESS

On October 20, 2011, New Edge filed an application with the Board for a certificate to provide local exchange telecommunications service in Iowa. New Edge stated that its service area will mirror the exchange service area maps of CenturyLink and Windstream. On December 20, 2011, the Board issued an order granting the application and approving concurrence in maps. The Board in its order also stated that a certificate will be issued after a local exchange tariff is filed and approved.

TCU-2011-0010 (TF-2011-0118)

SPECTROTEL, INC. D/B/A ONETOUCH COMMUNICATIONS D/B/A TOUCH BASE COMMUNICATIONS

On October 26, 2011, Spectrotel filed an application for a certificate to provide local exchange telecommunications service in Iowa. Also on October 26, 2011, Spectrotel filed a proposed local exchange tariff that contained the terms and conditions for local exchange service and listed the exchanges where Spectrotel intended to provide service. On November 1, 2011, revisions to the proposed tariff were filed. The docket is pending.

TCU-2011-0011 (TF-2011-0120) TW TELECOM OF IOWA LLC

On November 3, 2011, TW Telecom filed an application for a certificate to provide local exchange telecommunications service in Iowa. Also on November 3, 2011, TW Telecom filed a proposed local exchange tariff that contained the terms and conditions for its proposed local exchange service. The docket is pending.

TCU-2011-0012 (TF-2011-0126, TF-2011-0127) WHOLESALER CARRIER SERVICES, INC.

On November 17, 2011, WCS filed an application for a certificate to provide local exchange telecommunications service in Iowa. Also on November 17, 2011, WCS filed proposed local exchange tariffs containing terms and conditions for its proposed local exchange service. The docket is pending.

WAIVERS OF RULES (WRU)

A utility or interested person may petition the Board to temporarily lift a requirement to comply with a certain rule or rules if circumstances make compliance impractical or inappropriate. The Board decision for a WRU considers the interests of both the utility and its customers.

WRU-2010-0003-4119 TRACFONE WIRELESS, INC.

On March 25, 2010, TracFone requested a waiver of specific carrier eligibility requirements contained in 199 IAC 39.2(3)"d," "e," "f"(2), and "h." TracFone asserted it does not own a network and its underlying carriers enable it to remain functional in emergencies and therefore Iowa customers will have access to its service in an emergency. TracFone also stated it could provide a coverage map by zip code and its coverage map would be available to all consumers on its Website. The Board determined, based on these representations, that substantially equal protection of public health, safety, and welfare would be afforded by means other than the prescribed rules. On April 22, 2011, the Board approved the waiver request.

WRU-2010-0014-0222 ATMOS ENERGY CORPORATION

On September 29, 2010, Atmos requested a waiver of a Board rule requiring it to refund, by bill credit or check, an over-collection from customers for the cost of purchased gas. The rule states that if a particular calculation results in an over-collection greater than three percent of the annual cost of purchased gas subject to recovery, the over-collection must be refunded by bill credit or check. If the over collection is three percent or less, the over-collection may be refunded by bill credit or check or by an E-factor adjustment to the purchased gas adjustment (PGA) formula for the

subsequent PGA period. On January 12, 2011, the Board issued an order denying the waiver request. The Board stated that a refund by bill credit or check would not cause the utility undue hardship and any additional resources expended would be outweighed by the benefit to customers.

WRU-2010-0019-4072 NET TALK.COM, INC.

On December 3, 2010, Net Talk.com requested a waiver of the Board subrule that formerly required local exchange carriers to publish a customer directory and keep books and records in compliance with the uniform system of accounts. On March 3, 2011, the Board denied the waiver request because it was not necessary.

WRU-2010-0020-0156 MIDAMERICAN ENERGY COMPANY

On December 20, 2010, MEC requested a waiver of the requirement to file an energy efficiency plan modification. Board rules state a plan modification must be filed in the event expenditures for a customer class vary from the budgeted amount by more than ten percent or the total budget changes by more than five percent. MEC requested the rule be waived for 2010. On May 9, 2011, the Board granted the waiver request, but required additional information for the ongoing review and investigation of its energy efficiency plans. On June 13, 2011, MEC filed the additional information. Board staff held a meeting with MEC on July 20, 2011, to discuss the information filed.

**WRU-2011-0001-4138 (TCU-2011-0001)
WiMacTel, Inc.**

On January 3, 2011, WiMacTel requested a waiver of requirements to publish a customer directory, use a uniform system of accounts, and maintain its records in Iowa. On January 13, 2011, WiMacTel filed a letter requesting to withdraw its waiver request. In a March 29, 2011, letter, Board staff informed WiMacTel that its request to withdraw the waiver application was approved.

**WRU-2011-0002-0222 ATMOS ENERGY
CORPORATION**

On January 21, 2011, Atmos requested a waiver of the March 1 filing deadline for its new energy efficiency cost recovery factors as required by Board rules. The utility asked that the filing deadline for 2010 be extended to April 1, 2010. On February 10, 2011, the Board granted the waiver to extend the filing date for this year to April 1, 2011. The Board stated the waiver would allow Atmos to use actual winter recovery amounts rather than estimates and save the utility the time and expense of deriving estimates.

**WRU-2011-0003-0532 WINDSTREAM
NEBRASKA**

On January 21, 2011, Windstream Nebraska filed a request for waiver of the requirement to file an annual report. Windstream Nebraska stated it serves only one customer in Iowa. On February 11, 2011, the Board granted the waiver request. The Board stated it does not normally grant permanent waivers; this waiver is granted only until changes in the relevant circumstances may cause the Board to rescind the waiver. The Board also requested that Windstream Nebraska notify the Board when significant changes in the relevant circumstances occur.

**WRU-2011-0004-0123 IOWA-AMERICAN
WATER**

On January 27, 2011, Iowa-American requested a waiver of the requirement to adopt the 1996 Uniform System of Accounts (SOA) for water utilities published by the National Association of Regulatory Utility Commissioners (NARUC). Iowa-American said the Board's annual report form for water utilities is based upon the 1976 NARUC SOA, not the 1996 version, so it continues to use the 1976 NARUC SOA. On March 3, 2011, the Board granted the waiver request, but said it would modify its annual report form for water utilities and, once those modifications were complete, Iowa-American would be required to change its books for future years to reflect the 1996 NARUC SOA.

**WRU-2011-0005-0150 INTERSTATE
POWER AND LIGHT COMPANY**

On February 7, 2011, IPL filed a request for a one-time waiver of the budgeting requirement for its energy efficiency plan due to unforeseen under-spending in 2010. IPL stated that the reasons for the lower-than-budgeted spending were not permanent, citing the economic downturn, which decreased participation in such nonresidential programs as custom rebates, agricultural rebates, and performance contracting. On May 9, 2011, the Board granted the waiver request.

**WRU-2011-0006-0225 BLACK
HILLS/IOWA GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY**

On February 11, 2011, Black Hills filed a request for a waiver of for a waiver of 199 IAC 35.6(4)"a"(1) and (2) for calendar year 2010. Those subrules provide that an energy efficiency plan modification must be filed in the event a utility's total annual budget has changed or will change by more than 5 percent or in the event the budget for a

customer class varies by more than 10 percent. Black Hills estimated that its actual energy efficiency spending for 2010 was 29 percent higher than total budgeted spending, primarily due to increased spending in the residential new construction program. On April 19, 2011, the Board issued an order granting Black Hills' waiver request.

WRU-2011-0007-0156 MIDAMERICAN ENERGY COMPANY

On February 21, 2011, MEC filed a request for waiver of the requirement to provide customer notification of peak demand. The Board had granted MEC a similar waiver for previous years beginning in 2004, with the most recent being for calendar years 2009 and 2010. In support of its earlier requests, MEC said it was making significant additions to its generation and transmission systems in Iowa. In its current filing, MEC provided an update and said it planned to erect 258 wind turbines in Iowa in 2011. The utility said each turbine would have a nameplate capacity of 2.3 megawatts. On March 17, 2011, the Board granted the waiver for calendar years 2011 and 2012. As it has in prior orders, the Board encouraged the utility to continue to educate customers about the benefits of energy efficiency programs that conserve energy throughout the year, not just at times of peak use.

WRU-2011-0008-4211 (TCU-2011-0005) US SIGNAL COMPANY

On March 11, 2011, US Signal Company filed a request for a waiver of requirements to publish a customer directory and use a uniform system of accounts. On May 10, 2011, US Signal Company filed a motion to withdraw its waiver request and local exchange service certificate application. On May 19, 2011, Board staff in a letter informed US Signal Company that its withdrawal requests were granted.

WRU-2011-0009-0150 INTERSTATE POWER AND LIGHT COMPANY

On March 25, 2011, IPL filed a request for waiver along with a motion for approval of a revised refund plan relating to the Board decision in Docket No. RPU-2010-0001. As part of an alternative refund proposal, IPL proposed a one time-credit through the Energy Adjustment Clause (EAC) and requested a waiver of the Board's EAC rules if so decided by the Board. On April 29, 2011, the Board issued an order approving IPL's refund plan. On November 3, 2011, the Board issued an order accepting IPL's refund report. IPL's request for waiver of the EAC rules was moot in the Board's decision.

WRU-2011-0010-3744 ACCESS2Go, INC.

On April 12, 2011, Access2Go filed a certificate application to provide local exchange telecommunications service in Iowa and requested a waiver of requirements to publish a customer directory and maintain its records in Iowa. On June 1, 2011, Access2Go withdrew its waiver request.

WRU-2011-0011-0916 THE UTILITY ELECTRIC COOPERATIVE, INC.

On April 14, 2011, the Utility Electric Cooperative requested a waiver of two portions of subrule 20.6(2)"c." In support of the first part of its waiver request, the Utility Electric Cooperative stated the approximate cost for required testing of all removed meters would be in excess of \$70,000; the costs of sample testing about 610 meters would be approximately \$7,000. The Utility Electric Cooperative said it would store meters that have been removed from service for 120 days in case of any related customer complaints. Its second waiver request was related to suspension of its regular meter testing program for two years while the new meter system is being installed. The utility

stated that because all meters would be replaced during this two-year period, there were few benefits to continuing the meter testing program during the replacement period. On May 16, 2011, the Board granted the waiver request. The Board required, once the project is completed, a report be filed and include the number of meters replaced and the size, type, capability, and manufacturer of the new meters. The report must also include information retrieved from meters (for example, kilowatt hours, kilowatts, or time-of-use data) and whether the project has a central database for billing, troubleshooting, and analyzing meter data. In addition, the report should include the communication technology being used to retrieve data from the new meters. Because many utilities are considering or implementing advanced metering programs, the report will provide the Board, and interested stakeholders, with data that will be useful as more utilities consider smart grid investments.

WRU-2011-0012-4206 PAC-WEST TELECOMM, INC.

On March 4, 2011, Pac-West requested a waiver of the rules requiring a local exchange carrier to keep its books and records in Iowa and publish a customer directory. On May 26, 2011, the Board issued an order denying the waiver request because the Board rules had recently been amended and the waiver was not necessary.

WRU-2011-0013-0272 QWEST CORPORATION

On May 26, 2011, Qwest filed a request for a waiver of the number utilization threshold requirements for the Waukee rate center. On June 3, 2011, the Board issued an order granting the waiver request.

WRU-2011-0014 MIDLAND POWER COOPERATIVE

On June 1, 2011, Midland filed a request for waiver of 199 IAC 20.3(6) and 199 IAC 20.4(12). Rule 20.3(6) rule generally provides that electric bills for large customers must be rendered monthly, unless the Board grants an exemption or waiver. Rule 20.4(12) generally provides that a bill is considered rendered to the customer when deposited in the United States mail, and that the bill shall not be considered delinquent until at least 20 days from the date the bill was rendered. Midland wanted to bill a large customer, Flint Hills Resources IF LLC, twice each month and reduce the time by which the bill becomes delinquent from 20 to five days. Midland also wanted to bill this customer electronically and not by mail. On June 24, 2011, the Board issued an order grant a two-year waiver.

WRU-2011-0015-0123 IOWA-AMERICAN WATER COMPANY

On May 26, 2011, Iowa-American filed a request for waiver of the requirement to file consolidating financial statements and asked that the Board's staff and staff of the Office of Consumer Advocate inspect these statements at its offices in Davenport or its counsel's office in Des Moines. In support of its waiver request, Iowa-American said filing consolidating financial statements is not required by statute and that filing such information for approximately 76 subsidiaries would cause a hardship because the information is treated as highly confidential. On June 20, 2011, the Board denied the request and required Iowa-American to file the consolidating balance sheets within seven days of the date of the order.

WRU-2011-0016-0263 WINDSTREAM IOWA COMMUNICATIONS, INC.

On July 8, 2011, Windstream filed a request for a waiver of the number utilization threshold requirements. On July 14, 2011, Windstream filed a request to withdraw its waiver request without prejudice. On July 22, 2011, the Board issued an order granting Windstream's request to withdraw its application for a waiver.

WRU-2011-0017-0222 ATMOS ENERGY CORPORATION AND LIBERTY ENERGY (MIDSTATES) CORPORATION

On August 15, 2011, Atmos and Liberty Midstates filed a joint proposal for reorganization pursuant to Iowa Code §§ 476.76 and 476.77 (2011). The application included a request for Board approval required in Iowa Code § 476.20(1) and 199 IAC 7.1(6) for Atmos to discontinue service to customers in Iowa. The filing was the result of an Asset Purchase Agreement entered into on May 12, 2011. Under the agreement, Liberty Midstates would acquire all of the natural gas assets of Atmos located in Iowa, Illinois, and Missouri. The applicants requested the Board waive its review of the proposed reorganization. On October 3, 2011, the Board issued an order denying the waiver request but granted a request to expedite consideration of the proposal without a hearing, dependent upon the Board not finding an issue that would require a hearing. The docket is pending.

WRU-2011-0018- 0263 WINDSTREAM IOWA COMMUNICATIONS, INC.

On September 7, 2011, Windstream filed a request for a waiver of the number utilization threshold requirements for the Creston rate center. On September 27, 2011, the Board issued an order granting the waiver request.

WRU-2011-0019-0908 BUTLER COUNTY RURAL ELECTRIC COOPERATIVE

On September 9, 2011, Butler County filed a request for waiver of 199 IAC 20.6(2)"c," relating to utility electric meter testing programs. Butler was upgrading its metering infrastructure (meter upgrade project) and all of its approximately 6,500 meters would be replaced during a five-year period. Generally, Butler requested a waiver of the requirement that all meters removed from service must be tested. On October 13, 2011, the Board issued an order granting a waiver and requiring a report to be filed following the completion of its meter upgrade project.

WRU-2011-0020-4260 SPEEDCONNECT, LLC

On October 3, 2011, SpeedConnect filed a request for a certificate to provide local telecommunications service in Iowa and for a waiver of requirements to use a uniform system of accounts and publish a customer directory. The docket is pending.

WRU-2011-0021-0263 WINDSTREAM IOWA COMMUNICATIONS, INC.

On October 21, 2011, Windstream filed a request for a waiver of the number utilization threshold requirements for 27 Iowa rate centers. On November 21, 2011, the Board issued an order granting a waiver.

WRU-2011-0022-0936 HUMBOLDT COUNTY RURAL ELECTRIC COOPERATIVE

On November 3, 2011, Humboldt County filed a request for waiver of 199 IAC 20.6(2)"c" which relates to utility electric meter testing programs. Humboldt was upgrading its metering infrastructure and all of its approximately 2,300 meters would be replaced during a two-year period. Generally, Humboldt requested a waiver of the requirement that all meters removed from service must be tested. On December

8, 2011, the Board issued an order granting a waiver and requiring a report to be filed after the meter project was completed.

WRU-2011-0023-4266 TW TELECOM OF IOWA LLC

On November 3, 2011, TW Telecom of Iowa filed a certificate application to provide local exchange telecommunications service in Iowa and a request for a waiver of requirements to publish a customer directory, maintain records in Iowa, and use a uniform system of accounts. The docket is pending.

WRU-2011-0024-0156 MIDAMERICAN ENERGY COMPANY

On November 9, 2011, MEC filed a request for approval of a proposed rate notification pursuant to 199 IAC 26.5(1)"d"(1), which requires that all nonstandard notices be approved by the Board. MEC was preparing to file an application for increased electric rates through the implementation of two proposed adjustment clauses. On November 22, 2011, MEC filed a request for waiver of 199 IAC 26.9 so that consumer comment hearings could be held prior to its rate filing planned for early 2012. On December 8, 2011, the Board issued an order denying the waiver request, approving MEC's customer notice, and scheduling consumer comment hearings.

WRU-2011-0025-0978 IOWA LAKES ELECTRIC COOPERATIVE

On December 6, 2011, Iowa Lakes filed a request for waiver of 199 IAC 20.3(6). This rule generally provides that electric bills for large customers must be rendered monthly unless the Board grants an exemption or waiver. Iowa Lakes asked for a waiver of the monthly billing rules so that it might bill one of its large customers, Cycle Country, on a twice-monthly basis for an indefinite period. The docket is pending.

WRU-2011-0026-0150 INTERSTATE POWER AND LIGHT COMPANY

On December 9, 2011, IPL filed a request for limited waiver of 199 IAC 20.1(3), related to the definition of the Clean Air Act Interstate Rule (CAIR) with regard to flowing costs and credits associated with emissions allowances through IPL's energy adjustment clause (EAC). IPL also asked for a limited waiver of the definition statements contained in 199 IAC 20.1(3) to reflect new emissions allowances created by new federal regulations, the Cross State Air Pollution Rule (CSAPR); according to IPL, the waiver, if granted, would allow IPL to flow the costs and credits associated with the CSAPR allowances through IPL's EAC. The docket is pending.

FEDERAL AGENCY PROCEEDINGS

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

ELECTRICITY

The Iowa Utilities Board (IUB) is a member of the Organization of MISO States (OMS), a non-profit, self-governing organization of representatives from each state with regulatory jurisdiction over entities participating in the MISO, a regional transmission organization (RTO) as defined by the Federal Energy Regulatory Commission (FERC). MISO operations cover 11 states and the Canadian province of Manitoba. MidAmerican Energy Company and Interstate Power and Light Company participate as members of MISO. The purpose of the OMS is to coordinate regulatory oversight among the states, including recommendations to MISO, the MISO Board of Directors, the FERC, other relevant government entities, and state commissions as appropriate.

During 2011, the IUB participated in regional-level and national-level electricity discussions on a variety of electric issues including transmission planning and associated costs, reliability, and market operations. Through the OMS, the IUB participated in numerous filings before the FERC.

FEDERAL COMMUNICATIONS COMMISSION (FCC)

TELECOMMUNICATIONS

The FCC is an independent United States government agency, charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The FCC solicits comments from interested parties on the dockets before it.

During 2011, the Iowa Utilities Board filed comments in two dockets, expressing its view of the impact on Iowa. The first docket concerned the proposed FCC rules relating to cramming, which is the placing of unauthorized charges on a customer's bill. Two sets of comments were filed in the second docket. That docket was concerned with the FCC's order on high-cost universal service support and the federal universal service fund.

IOWA COURTS

City of Dubuque v. Iowa Utilities Board
Dubuque County No. 01311 CVCV 057103
(Docket No. DRU-2011-0001)

On May 2, 2011, the City of Dubuque filed a petition for judicial review of the Board's declaratory order answering questions asked by Mediacom regarding the status of its cable television franchise in Dubuque. Briefing is in process and the matter is pending.

Evercom Systems, Inc. v. Iowa Utilities Board
Supreme Court No. 09-0427
Polk County No. CV-7107
(Docket No. FCU-06-40)

On April 11, 2008, Evercom filed a petition for judicial review of a Board order assessing a civil penalty and finding that Evercom committed an unauthorized change in a customer's telecommunications service in Iowa. After briefing and oral argument, on February 18, 2009, the District Court issued an order reversing the Board's decision. The Board and the Office of Consumer Advocate appealed. On February 10, 2010, the Iowa Court of Appeals issued a decision reversing the District Court and affirming the Board. Evercom applied for further review by the Iowa Supreme Court, which was granted on August 6, 2010. On October 11, 2011, the Supreme Court reversed the Court of Appeals, finding that billing a customer for collect calls is not "cramming" under the rule defining the term.

Farmers Telephone Company of Riceville, Iowa, et al., v. Iowa Utilities Board
Polk County Nos. CV-7993 and CV-8561
(Docket No. FCU-07-2)

On December 7, 2009, the Farmers Telephone Company of Riceville; the Farmers & Merchants Telephone Company of Wayland; Interstate 35 Telephone Company, d/b/a Interstate Communications Company; Dixon Telephone Company; and Reasnor Telephone Company, LLC, filed a petition for judicial review of a Board decision finding each company had engaged in access stimulation activities in violation of the terms of its tariff. The petitioners filed a second petition for judicial review on March 4, 2011, following issuance of the Board's order denying petitions for reconsideration. The matter was consolidated with Reasnor Telephone Co. v. Iowa Utilities Board; see that entry below for a summary of the case status as of December 31, 2011.

Hawkeye Land Company v. ITC Midwest, LLC
Franklin County No. LACV500854
(Docket No. FCU-2009-0006)

On October 20, 2011, Hawkeye filed a petition naming ITC Midwest as defendant but related to a Board order concerning the appropriate payment to be made by ITC Midwest for rights to cross Hawkeye's property interest in a railroad crossing. The Board was served with the

petition and filed a response but is not participating. A related judicial review proceeding was filed in Linn County, see below, in which the Board is an active participant.

Hawkeye Land Company v. Iowa Utilities Board

Linn County No. LACV73987

(Docket No. FCU-2009-0006)

On October 24, 2011, Hawkeye filed a petition for judicial review of a Board order determining the rights of ITC Midwest to construct and maintain electric transmission lines across railroad lines in which Hawkeye has an interest. The matter is pending.

Kalona Cooperative Telephone Company v. Iowa Utilities Board

Supreme Court No. 12-0119

Polk County No. CV-8443

(Docket No. TF-2009-0030)

On December 10, 2010, Kalona filed a petition for judicial review of a Board order denying its request for permission to implement new intrastate exchange access service rates. On December 16, 2011, the District Court issued an order affirming the Board's decision. Kalona appealed and the matter is pending.

NextEra Energy Resources, LLC, v. Iowa Utilities Board

Polk County No. CV-8054

(Docket No. RPU-2009-0003)

On January 13, 2010, NextEra filed a petition for judicial review of a Board decision setting ratemaking principles for up to 1,001 Megawatts of new wind turbine generating capacity for MidAmerican Energy Company. On November 16, 2010, the District Court issued a decision affirming the Board's order. On December 15, 2010, NextEra filed a notice of appeal; briefs were filed and oral argument was held on December 8, 2011. The matter is pending.

Office of Consumer Advocate v. Iowa Utilities Board

Supreme Court No. 11-1184

Polk County No. CV-8184

(Docket No. C-2009-0194)

On April 28, 2010, the OCA filed a petition for judicial review of a Board decision denying its request for formal proceedings to investigate a complaint of an unauthorized change in telecommunications service. On June 30, 2011, the District Court issued a decision reversing the Board's order. The Board appealed and filed briefs but oral argument was yet to be scheduled. The matter is pending.

Office of Consumer Advocate v. Iowa Utilities Board

Originally Polk County No. CV-8722

Transferred to Dubuque County and consolidated with No. CVCV 057192

(Docket Nos. E-21948, E-21949, E-21950, and E-21951)

On July 1, 2011, the OCA filed a petition for judicial review of a Board order granting electric transmission line franchises to ITC Midwest, Inc. The petition was filed in Polk County District Court; however, another petition for judicial review of the same order was

filed on June 30, 2011, in Dubuque County District Court (Turnis, et al., v. Iowa Utilities Board, Dubuque County No. CVCV 057192, see above). Ultimately, the Polk County action was transferred to Dubuque County and the matters were consolidated. See the above entry for a summary of the case status as of December 31, 2011.

OWEGO Dairy, LLC, v. Iowa Utilities Board

Supreme Court No. 10-0357

Polk County No. CV-7788

(Docket No. C-09-55)

On July 17, 2009, OWEGO filed a petition for judicial review of a Board decision denying its request for formal proceedings to investigate a complaint regarding retail electric service rates. On January 29, 2010, the District Court issued a decision affirming, in part, and reversing, in part, the Board and remanding to the agency for further proceedings. Notice of appeal was filed by OWEGO and on February 9, 2011, the Court of Appeals issued a decision affirming the Board's decision to deny OWEGO's request for formal proceedings to compare rates of different utilities. Pursuant to stipulation of the parties, the remand to the Board is being held in abeyance.

Reasnor Telephone Company v. Iowa Utilities Board

Supreme Court No. 11-1899

Polk County No. CV-7988

(Docket No. FCU-07-2)

On December 4, 2009, Reasnor Telephone Company filed a petition for judicial review of a Board decision finding Reasnor had engaged in access stimulation activities in violation of the terms of its tariff. The matter was consolidated with the two cases that follow, The Farmers Tel. Co. of Riceville, Iowa, et al. v. Iowa Utilities Board, Polk County Nos. CV-7993 and CV-8561. On October 31, 2011, the District Court issued an order affirming the Board's decision. The petitioners appealed that decision and the matter is pending.

Sprint Communications Co. L.P. v. Iowa Utilities Board

Polk County No. CV8638

(Docket No. FCU-10-1)

On April 25, 2011, Sprint filed a petition for judicial review of a Board order finding that intrastate Voice over Internet Protocol (VoIP) interexchange telephone calls are subject to intrastate access charges. Sprint also filed a motion for a stay of the state court proceedings, pending the outcome of a companion case in federal court (Sprint v. IUB, U.S. District Court No. 11-CV-183, see below). The Board resisted the motion for stay and filed a motion for abstention in the federal court. The hearing on the motion for stay was continued, pending the federal court's final decision on the motion for abstention. The matter is pending.

Turnis, et al., v. Iowa Utilities Board

Dubuque County No. CVCV 057192

(Docket Nos. E-21948, E-21949, E-21950, and E-21951)

On June 30, 2011, Clarence J. Turnis and a number of other owners of property that would be affected by a proposed new electric transmission line filed a petition for judicial review of a Board order granting franchises for the line to ITC Midwest, Inc. This matter was

consolidated with Office of Consumer Advocate v. Iowa Utilities Board, above, and a briefing schedule has been established with oral argument set for March 8, 2012. The matter is pending.

FEDERAL COURT

Great Lakes Communication Corporation and Superior Telephone Cooperative v. Iowa Utilities Board, et al.

**U.S. District Court for the Northern District of Iowa, No. C 09-4085
(Docket No. FCU-07-2)**

On November 3, 2009, Great Lakes and Superior filed a complaint challenging a Board decision finding the companies had engaged in access stimulation activities in violation of the terms of their tariffs. A temporary restraining order was entered and then, on December 4, 2009, vacated. A motion to dismiss or transfer was filed on December 11, 2009. The matter was stayed pending the outcome of a state court judicial review proceeding involving the same Board order, Reasnor Tel. Co. v. IUB, Polk County No. CV7988, see above.

Qwest Communications Corp. v. Iowa Utilities Board

**U.S. District Court for the Southern District of Iowa, No. 11-CV-333
(Docket No. FCU-06-20)**

On July 15, 2011, Qwest filed a petition challenging a Board order in a remanded proceeding finding that Qwest's DC power plant charges to McLeodUSA Telecommunications were discriminatory and resulted in overcharges. The Board answered the petition and Qwest's brief is due February 24, 2012; the Board's brief is due on or before April 19, 2012. No date has been set for oral argument. The matter is pending.

Sprint Communications Co. L.P. v. Iowa Utilities Board

**Eighth Circuit Court of Appeals No. 11-2984
U.S. District Court for the Southern District of Iowa, No. 11-CV-183
(Docket No. FCU-10-1)**

On April 25, 2011, Sprint filed a petition challenging a Board order finding that intrastate Voice over Internet Protocol (VoIP) interexchange telephone calls are subject to intrastate access charges. The Board filed a motion for abstention, arguing Sprint's challenge should be heard in the companion state court proceedings (Sprint v. IUB, Polk County No. CV8638, see above). The Board's motion was granted by order issued August 1, 2011. Sprint appealed the District Court's order to the Eighth Circuit, where the matter has been briefed and is awaiting oral argument.