

The IUC Spectrum

January 2025

Vol. 5, Issue 1

Mission: The Iowa Utilities Commission regulates utilities, as established by Iaw, to ensure that reasonably priced, reliable, environmentally responsible, and safe utility services are available to Iowans.

Vision: The Iowa Utilities Commission is engaged in continuous improvement activities in order to be a regulatory expert and solutions-oriented partner regarding current and emerging utility matters. Read More

The IUC newsletter is produced quarterly and provides information to lowans and utility industry stakeholders about various dockets, programs, and functions of the IUC.

IUC hosts underground utilities locating services and excavation activities meeting

The IUC held a meeting for interested stakeholders involved in underground infrastructure locating services and excavation activities on December 13, 2024. House File 2581, 2024 lowa Acts, required the meeting be held to discuss subjects related to forecasting, future projects, and operational considerations.

Meeting attendees included IUC Safety & Engineering bureau staff, locating service providers, utility representatives, public and private infrastructure planners, and telecommunications and construction industry stakeholders.



Ben Booth of Iowa One Call gives a presentation to stakeholders gathered to discuss underground utility locating and excavation services. Photo by Melissa Myers

Settlement agreement approved in Black Hills Energy's request to increase natural gas rates

Black Hills Energy (Black Hills) filed its application to increase customers' natural gas rates with the IUC on May 1, 2024, in Docket No. <u>RPU-2024-0001</u>. The utility implemented temporary rates on May 11.

On November 26, 2024, the IUC filed an order approving a Stipulation and Settlement Agreement filed October 15. The settlement allows for an overall natural gas revenue increase of 19.6% annually, to \$14.96 million. The company's initial request was for an annual increase of 27.1%, or \$20.7 million

Under the settlement, residential natural gas bills, as calculated by IUC staff, will increase by 8.3%, raising the average monthly bill for service from \$64.82 to \$70.21 for a typical usage of 63 therms/month.

The effective date of settlement increases was January 1, 2025.

Black Hills and the Office Consumer Advocate, a division of the Iowa Department of Justice, submitted the Stipulation and Settlement Agreement. Both parties, along with the Iowa Business Energy Coalition, also filed a Joint Motion to Suspend Procedural Schedule and Cancel Hearing. The IUC denied the motion to cancel the hearing in an October 18 order to allow for determination as to whether a hearing on the settlement was needed.

On November 13, the IUC issued an <u>order</u> canceling the public evidentiary hearing scheduled for December 9. The IUC, after reviewing the settlement filed in the proceeding, determined a hearing was not required as there were no questions or issues of material fact remaining.

All documents filed in the proceeding are available in the IUC's electronic filing system under Docket No. RPU-2024-0001.

IUC receives PHMSA Base Grant Award for pipeline inspections

One of the functions of the IUC is to inspect pipelines that transport natural gas throughout the state. These duties are carried out in cooperation with the Pipeline and Hazardous Materials Safety Administration (PHMSA), an agency within the federal Department of Transportation.



The mission is to protect people and the environment by advancing the safe transportation of energy that is essential to our daily lives.

PHMSA has federal oversight of the inspection process and provides funding through a grant program to ensure states have additional resources necessary to uphold important standards in their inspection procedures.

In 2024, the IUC prepared and submitted an application to PHMSA to cover a portion of program costs. Of the estimated \$1.4 million in program costs applied for, the IUC was awarded nearly \$855,000, or about 62%. This award helps support the mission of PHMSA in the state of lowa and contributes to funding the IUC.



IUC Pipeline Utilities Engineer Ryan Faber gives a presentation on the IUC's process to investigate a One Call complaint during the lowa Excavation Safety Summit hosted by Iowa One Call at the Iowa State Fairgrounds. Photo by Emily Clapham

IUC participates in Excavation Safety Summit

IUC Safety & Engineering staff joined lowa's excavators, underground utility-focused contractors, and other damage prevention stakeholders at the Jacobson Exhibition Center on November 7, 2024, for the first statewide lowa Excavation Safety Summit. In collaboration with stakeholders and damage prevention partners, lowa One Call hosted the summit and plans to make it an annual event.

IUC Pipeline Utilities Engineer Ryan Faber gave a presentation about how the IUC conducts and processes a One Call complaint investigation, including use of the IUC online complaint form. The presentation touched on the procedure to gather facts and the summary of findings the IUC would provide to the Attorney General's Office for its potential action. Faber also highlighted best practices for submitting or responding to an excavation complaint, including the importance of submitting photos and other documentation.

The summit provided a platform for building relationships, participating in engaging sessions, and learning about the latest developments across the industry. The type of education and awareness this event provided was crucial for mitigating hazards and safety risks for both excavators and the general public, reducing liabilities and costs associated with repairs and delays, and preventing disruptions to essential utility services.

Data center workshop focuses on expected growth in electricity demand, new construction

The IUC hosted a workshop on November 19, 2024, to learn about the growth of data center loads and how current regulatory processes handle new large loads. The workshop brought together representatives from companies that own data centers, regional transmission organizations, utility representatives, and academic and industry researchers.

After two decades of minimal growth, electricity demand is expected to grow significantly in the coming decade. Much, although not all, of that growth is forecasted to come from construction of new data centers. Data center developers are encountering two related challenges. First, there is little surplus generation capacity available. Second, data centers can be built significantly faster than new generation or transmission.

The panelists believe existing large-load tariffs are sufficient for data centers and paying for new investments to serve them can be handled in a similar manner to the way utilities handle other large loads and distribution-system "line extension." Building new generation may be less risky than new transmission to serve a new data center because the transmission capacity is likely to be easier to resell if the data center shuts down.

Connecting new generators to the grid is a bigger barrier than connecting new data centers to the transmission system. When generation cannot be built fast enough, data centers may be able to connect more quickly if they are willing to accept some operational constraints, such as curtailing their load during times of transmission congestion or peak load. Finally, data center developers see utilities as the most important gatekeepers for building data centers. They set the costs and determine the hosting capacity of their systems.

IUC FY2025 billing rates established

lowa Code 476.10 provides the authority for the IUC to allocate and charge directly the expenses attributable to its duties to the person bringing a proceeding before the commission, to persons participating in matters before the commission, or to persons subject to inspection by the commission.

At the beginning of each state fiscal year (July 1), the IUC reviews and updates the billing rates for all IUC job classifications. The rate calculation is based on each of the job classifications and is an average of each employee's total cost in every position, since individual costs may vary.

IUC staff track their time on an hourly basis in a timekeeping/project billing system that is then used to generate quarterly and annual invoices to recoup the operating costs of the IUC.

You can find FY2025 billing rates and information on how they are calculated on the IUC's Industry Billing & Assessments webpage.

Utility annual reports to be available January 13

Utility annual reports and company annual review for the 2024 calendar year will be completed again in <u>IUB 24/7</u>, a self-service web application portal that allows companies and utilities to maintain their company and contact information with the IUC. Read more about <u>how to file a utility annual report</u> on the IUC's website.

Important Note about a change to the Annual Company Review: Electric and gas companies can save a draft copy of their annual report to complete later, but the company contact annual review section will need to be completed all at once. All telecom company updates occur under the annual review process, and all information will need to be entered at once as the system will not save "in draft."

The utility annual reports will be available January 13, 2025, in IUB 24/7 and found in the company record. The company administrators and annual report submitters will be able to see and edit the annual report information and will receive system notifications that the reports are available. The filing deadline is April 1, 2025, for all companies required to submit utility annual reports.

Updates to EFS filing standards and IUC rules: Effective January 13, handwritten signatures will be accepted in EFS filings in accordance with 199 IAC chapter 14 rule updates. Signatures will no longer need to be redacted.

For questions about annual reports covering calendar year 2024 or completing a company record in IUB 24/7, contact the IUC's customer service staff at ITsupport@iuc.iowa.gov or (877) 565-4450 during regular business hours, 8 a.m. to 4:30 p.m. Monday through Friday.

Pipeline permit petitions filed by Summit Carbon Solutions and SCS Carbon Transport being reviewed

The IUC is currently reviewing the petitions for hazardous liquid pipeline permits filed by Summit Carbon Solutions, LLC, in Docket No. HLP-2023-0004, and by SCS Carbon Transport, LLC, in Docket Nos. HLP-2024-0001 and HLP-2024-0003 through HLP-2024-0014.

An additional public informational meeting has been scheduled by the IUC in Docket No. HLP-2024-0002. The informational meeting will be at noon January 7, 2025, at Albright's Bluff, located at 19 Main St. in Iowa Falls.

IUC conducts technical conference for lowa utilities to share winter preparedness plans

The IUC issued an <u>order</u> on September 16, 2024, opening Docket No. <u>INU-2024-0002</u> to further the IUC's dialogue regarding Iowa electric utilities' preparedness into the winter of 2024-2025.

On October 15 the IUC held a Winter Preparedness technical conference to discuss Iowa utilities' ability to serve customers through potential extreme winter weather. MidAmerican Energy and Alliant Energy both affirmed that they are ready to reliably serve customers throughout the winter. Both utilities also state they are regularly making incremental upgrades to their systems in order to enhance resilience against extreme weather. Additionally, representatives from the Iowa Association of Municipal Utilities and Iowa Association of Electrical Cooperatives affirmed their members are prepared to reliably serve peak load.

lowa Code § 476.17 authorizes the IUC to adopt rules requiring public utilities to establish peak-load management procedures. The IUC adopted rules at 199 lowa Administrative Code 20.11 requiring rate-regulated utilities to have plans for notifying customers in the event of a peak demand. The plans are to include an explanation of what conditions will require a peak alert, general notice to the public of the peak alert, and the messages that will be sent to the public. The rule requires that the plan be made available to the IUC upon request.

Both MidAmerican and Alliant have long-standing winter weather operation plans and generator winterization procedures that they review and update annually. Both utilities believe they have sufficient coal inventory and don't anticipate problems purchasing natural gas. MidAmerican identifies three winter weather phenomena that would have the greatest impact on their system and customers: ice storms, derechos, and low water levels in the Missouri River, which several power plants use for cooling.

The IUC is currently reviewing the responses from the utilities and other interested stakeholders. Seasonal preparedness meetings are held periodically, as they serve as forums for the IUC, utilities, regional transmission operators, trade organizations, and any other interested party to identify challenges and solutions for maintaining the reliability of the electric system in Iowa.

Further information regarding specific utilities winter preparedness plans can be found in the IUC's electronic filing system under Docket No. INU-2024-0002.

Update to IUC order process

The IUC is continuing to review internal procedures for technology solutions to improve agency performance. One change that you will soon notice is in the execution of orders by the Commission. Historically, the orders have included an "Attestor" signature after the signatures of the Commissioners. The signature block will be changing as the Commission moves to different order processing software.

There is no legal requirement or effect to the attestation of the orders, and this change does not alter the editing or review processes. Removing the attestor signature is simply a streamlining of the order execution process to accommodate the electronic signatures that will be utilized.

IUC Hearing and Meeting Calendar

Public Hearings are scheduled in the following dockets:

- RPU-2024-0002 | Iowa-American Water Rate Case: 9 a.m 5 p.m. January 6-10, IUC Hearing Room
- RMU-2023-0037 | IUC Chapter 37 Rules: 9 a.m. January 15, IUC Hearing Room
- RMU-2023-0024 | IUC Chapter 24 Rules: 2 p.m. January 15, IUC Hearing Room
- RMU-2023-0024 | IUC Chapter 24 Rules: 9 a.m. January 23, IUC Hearing Room
- RMU-2023-0037 | IUC Chapter 37 Rules: 2 p.m. January 23, IUC Hearing Room
- RMU-2023-0015 | IUC Chapter 15 Rules: 2 p.m. March 4, IUC Hearing Room
- P-0908 | Proposed natural gas pipeline: 10 a.m. March 5, Cedar Rapids (location TBD)
- RMU-2023-0045 | IUC Chapter 45 Rules: 9 a.m. March 6, IUC Hearing Room
- RMU-2023-0015 | IUC Chapter 15 Rules: 2 p.m. March 18, IUC Hearing Room
- RMU-2023-0045 | IUC Chapter 45 Rules: 9 a.m. March 20, IUC Hearing Room

Public Informational Meetings are scheduled in the following dockets:

- HLP-2024-0002 | SCS Carbon Transport, LLC, Supplemental Informational Meeting: Noon, January 7, 2025, Albright's Bluff, 119 Main St., Iowa Falls
- GCU-2024-0004 | Alliant Energy-Interstate Power & Light, Informational Meeting: 5:30 p.m.,
 January 14, The Hotel at Kirkwood Center, 7725 Kirkwood Blvd., SW, Cedar Rapids

To manage your subscription, or to unsubscribe, navigate to the "Subscriber Preferences Page" below.

Iowa Utilities Commission 1375 E. Court Ave. | Des Moines, IA 50319 515-725-7300 or 877-565-4450 Contact Us

Update your subscriptions, modify your password or email address, or stop subscriptions at any time on your <u>Subscriber Preferences Page</u>. You will need to use your email address to log in. If you have questions or problems with the subscription service, please visit <u>Help</u>.

This service is provided to you at no charge by The State of Iowa.