

**STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD**

IN RE:)	
)	
IRONWOOD DEVELOPMENT, LC)	
)	
AND)	Docket No. WRU-2014-0013 -0004
)	
PROFESSIONAL PROPERTY MANAGEMENT, INC.)	
)	
)	

**MIDAMERICAN ENERGY COMPANY’S RESPONSE TO THE APPLICANT’S RATE
INFORMATION**

NOW COMES MidAmerican Energy Company (MidAmerican) and for its response to Ironwood Development and Professional Property Management, Inc. (Applicants) rate information filed on February 27, 2015, and MidAmerican states the following:

Introduction

On September 11, 2014, Ironwood Development and Professional Property Management, Inc. (Applicants) filed a Request for Waiver with the Board requesting a permanent waiver of 199 I.A.C. Section 20.3(1)(b). Along with the request, the Petitioners also filed an Exhibit B detailing the energy efficiency measures it proposed to install for its proposed two residential complexes. MidAmerican and the Applicant agreed to a pilot program to allow for master metering under certain terms and conditions and the Applicant filed a preliminary Altoona Towers Master Pilot Project on January 9, 2015. MidAmerican and the Office of Consumer Advocate (OCA) provided input to the filing. In response to the Board’s January 30, 2015, Order, Applicants filed an updated Altoona Towers Master Pilot Project on February 27, 2015. MidAmerican filed a separate response to address the

Board's questions raised in the January 30, 2015, Order specific to MidAmerican. MidAmerican also noted that the Applicants did not agree with the proposed rate discussed in the response to Question 2. The Applicants filed an Altoona Towers Master Pilot Project update to its waiver request which outlined the reason it opposes MidAmerican's proposed rate. The Applicant only made its argument and analysis available to MidAmerican on February 27, 2015. MidAmerican indicated it would address the issues raised by the Applicant and file a response on March 4, 2015, after MidAmerican has time to review the information provided in the Applicant's February 27, 2015, filing.

MidAmerican's Response

As MidAmerican noted in its February 27th Response to the Board Question 2, MidAmerican believes it is appropriate to bill the pilot project facilities under a residential rate, consistent with rate applications for all other MidAmerican residential customers. Allowing master metering of the facility addresses the "split incentive" issue identified by the Petitioners. Allowing selection of a non-residential rate for a residential application is not relevant to addressing the split incentive issue, but is simply a way for the Petitioners to gain benefits for their project in addition to the incentives already provided through MidAmerican's energy efficiency programs.

It is important to note that the implementation of energy efficiency measures, while reducing overall usage, does not change the usage pattern for the pilot facilities from a residential usage pattern to a commercial/industrial usage pattern. To put this in perspective:

- Average monthly load factor of the aggregated pilot project facilities before energy efficiency improvements is 44%, based on the Petitioners' data.

- Average monthly load factor of the aggregated pilot project facilities after energy efficiency improvements is 37%.
- A typical residential aggregated multifamily facility monthly load factor based on MidAmerican's load research information is 55%.
- A typical residential individual (non-aggregated) monthly load factor for a MidAmerican customer is 25%.
- A typical large commercial/small industrial monthly load factor for a MidAmerican customer is 60-70%.

The evidence simply does not support an assertion that the pilot facilities, unlike other multifamily facilities, should be eligible for a commercial/industrial rate.

The only change MidAmerican believes would be appropriate to the Residential Master Metered Service rate it provided in its February 27, 2015, response would be to add a lower-priced winter step for aggregated facility usage over 100,000 kWh. With 103 separate units, this would approximate the pricing for residential heat customers on an individualized basis. MidAmerican did not initially include this step in its rate as it assumed the usage per apartment would not be likely to exceed 1,000 kWh per month in extremely efficient apartments. Based on the Petitioners' data it appears that assumption was incorrect. A revised copy of the Residential Master Metered Service tariff incorporating this change is attached as Revised Exhibit A.

WHEREFORE, MidAmerican Energy Company respectfully requests the Iowa Utilities Board accept MidAmerican's Response to the Applicant's rate information and adopt MidAmerican's proposed tariff for the pilot project.

Respectfully submitted,

MidAmerican Energy Company

/s/ Jennifer S. Moore

By _____

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