

STATE OF IOWA
DEPARTMENT OF COMMERCE
IOWA UTILITIES BOARD

FILED WITH
Executive Secretary
September 25, 2015
IOWA UTILITIES BOARD

IN RE:)	
)	
Arti, LLC,)	
Complainant,)	DOCKET NO. FCU-2014-0016
)	(C-2014-0145)
vs.)	
)	
MIDAMERICAN ENERGY COMPANY)	
Respondent.)	

MIDAMERICAN ENERGY COMPANY’S RESPONSE TO THE IOWA UTILITIES BOARD’S REQUEST FOR ADDITIONAL INFORMATION

NOW COMES MidAmerican Energy Company (MidAmerican) and for its response to the Iowa Utilities Board’s (Board) Order Granting Stay, Denying Motion to Continue Hearing, and Requesting Additional Information issued August 12, 2015, and its Order Continuing Hearing and Directing Filing Of Information issued August 21, 2015, files the following information responding to the Board’s questions:

1. **Is MidAmerican currently sending Arti two bills for electric service?**

Response:

No, the second substation serving Arti is not in service at this time.

2. **Identify the charges that have been billed to Arti in the two bills, or which will be billed to Arti in two bills, and estimate the annual financial impact associated with the identified charges in the two bills as compared to Arti being billed for service in one bill.**

Response:

The charges that will be billed to Arti under two bills will be identical with the possible exception of Phase-in and Rate Equalization charges. These charges are the same as the charges currently being billed to Arti today. These charges are as follows:

Basic Service Charge:	\$ [REDACTED]	per month
Summer On Peak Energy:	[REDACTED]	per kWh
Summer Off Peak Energy:	\$ [REDACTED]	per kWh
Summer Other Hours Energy:	[REDACTED]	per kWh
Winter On Peak / Other Hours:	\$ [REDACTED]	per kWh
Winter Off Peak Energy:	[REDACTED]	per kWh
Demand Charge:	[REDACTED]	per kW
EAC:	TBD	subject to change every year
TCA:	TBD	subject to change every year
EECR:	TBD	subject to change every year
Rate Equalization:	TBD	pending outcome of this docket
Phase-In:	TBD	pending outcome of this docket but will be zero after 2015 in any event

The annual financial impact of billing Arti under two bills instead of one comes from three potential sources; basic service charges, demand charges, and rate equalization/phase-in charges. Because Arti is only receiving service under one bill today (see response to Question #1), the annual financial impact associated with the identified charges in the two bills as compared to Arti being billed for service in one bill can only be estimated in a hypothetical sense. Based on an analysis of Arti load data from 2014, MidAmerican estimates the annual impact to be the following:

- a) Basic Service Charge – The impact of two bills versus one is \$ [REDACTED] per month ([REDACTED] per year).
- b) Demand Charge – As pointed out in the direct testimony of Mr. Arons (p. 15, lines 13-16), and Mr. Brubaker (p. 15, lines 4-8), single aggregated billing would reduce the total demand for which a demand charge would be applied as compared to separate billing under two bills. Based on MidAmerican’s analysis, the demand reduction per month would be approximately [REDACTED]%, which translates to a demand charge reduction of approximately \$ [REDACTED]/kW, or [REDACTED]/MW per month. Assuming an average monthly peak demand load of [REDACTED] MW, this reduction in demand charges is approximately [REDACTED] per month ([REDACTED] per year).
- c) Rate Equalization – If the Board rules that the phase-in and rate equalization charges currently billed to Arti by MidAmerican are appropriate, there is no impact due to phase-in or rate equalization, as all kWh will be billed the same factor. However, if the Board rules that either Pinnacle factors or the alternative factors as proposed by Mr. Brubaker in his rebuttal testimony should be applied to Arti, the financial impact between two bills and a single bill would be significant. This is because a ruling that load at the Southland substation can be considered a

separate customer would allow for [REDACTED] factors to be billed to that customer regardless of the determination of factors for load at the Pony Creek substation, because the Southland load would have no claim to a pre-existing [REDACTED] rate or rate equalization factors based on that rate.

The difference between Pinnacle and [REDACTED] rate equalization factors for 2016 is [REDACTED]. Applied to an assumed average Southland load of [REDACTED] [REDACTED] load factor, which is approximately Arti's Pony Creek ramp up load for 2014, the annual financial impact would be [REDACTED] ([REDACTED] [REDACTED])

Based on the above information, a potential financial impact to Arti assuming a stable [REDACTED] load factor load at the Pony Creek substation and a ramp up at the Southland substation similar to the ramp up schedule Arti had in [REDACTED], the potential annual impact of billing under two separate customers versus a single customer would be between approximately [REDACTED] [REDACTED] [REDACTED] [REDACTED] (assuming different rate equalization factors would apply to Southland than Pony Creek) depending on the decision on rate equalization factor applied to Arti in this docket.

- 3. Describe the facilities, including substations and meters, for other customers taking service under the same rate code as Arti and indicate whether those customers are being billed one bill for service or two bills. Explain how these customer's facilities are either similar to or different from the Arti facilities and whether any of the facilities are considered "electrically unified."**

Response:

Please see Confidential Attachment A.

Wherefore, MidAmerican Energy Company respectfully requests that the Iowa Utilities Board accept MidAmerican's additional information and find it in compliance with the Board's August 12, 2015, and August 21, 2015 Orders in the above reference docket.

Dated this 8th day of September, 2015.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

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