

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

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

**INITIAL BRIEF
OF THE OFFICE OF CONSUMER ADVOCATE**

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, appears in this proceeding by its undersigned counsel and submits the following Initial Brief in accordance with the Order Establishing Briefing Schedule of September 17, 2015.

Pursuant to Iowa Code § 475A, the role of the OCA is to “[a]ct as attorney for and represent all consumers generally and the public generally in all proceedings before the utilities board.” Iowa Code § 475A.2 (2). In formal complaint cases, the OCA’s role is not to advocate for or on behalf of any particular consumer but to address issues of broad public importance on behalf of all consumers and the public interest. This case involves two main issues raised by complainant, Arti, LLC (Arti). OCA takes no position on the numerous factual disputes between the parties. However, OCA does offer the following comments regarding issues deemed by it to implicate the public interest:

1. Arti's first basis of complaint relates to the rate equalization factors applied to Arti by MidAmerican Energy Company (MEC). Arti witness Maurice Brubaker frames this issue as "how should the rate, E and PI factors be established for a customer that became qualified for [a particular rate] after the test year in [MEC's most recent rate case], but before July 31, 2014, the date when final rates . . . became effective." (Brubaker Reply, p. 3). Mr. Brubaker argues that MEC improperly and unfairly applied these factors to Arti, especially in comparison to the factors applied to Arti's virtually identical sister facility. Mr. Brubaker asserts that MEC based its application of different factors on the different times the two facilities began operating at full load. Mr. Brubaker considers this to be unfair because, as he states, "There is nothing magical or sacrosanct about the 2012 test year as a starting point. . . . Denying Arti . . . reasonable [factors] . . . simply because it did not have consumption during 2012 does not make sense either from a cost of service or an equity perspective." (Brubaker Direct, p. 8).

OCA has expressed similar concerns about MEC's insistence on adhering to a particular time period for testing the applicability of the rate mitigation principles required by the Iowa Utilities Board (Board) in the context of a residential customer's complaint case. *See, generally*, Docket No. FCU-2015-0007. In that residential complaint case, OCA explained that although MEC's methods of testing for mitigation were set forth in a filing, they were not explicitly accepted by the Board. OCA sees a similar situation in the determination of rate, equalization, and phase-in factors.

2. The second basis of complaint raised by Arti relates to whether it is appropriate for MEC to bill Arti separately for service through the two different substations serving the facility. The record reflects disputes as to factual matters between the parties about which OCA takes no position. Accordingly, OCA recognizes that the resolution of this aspect of the

complaint may rely, at least in part, upon a factual finding about the nature and content of the discussions and negotiations between Arti and MEC.

WHEREFORE, OCA respectfully requests that the Board include the aforementioned issues in its consideration of this matter.

Respectfully submitted,

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Consumer Advocate

/s/ John S. Long _____

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