

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. WRU-2017-0004-0150
---	-------------------------------

ORDER GRANTING REQUEST FOR TEMPORARY WAIVER WITH CONDITIONS

(Issued March 22, 2017)

BACKGROUND

On January 23, 2017, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a request for a waiver of rules 199 IAC 20.6(1), (2), and (7). IPL has requested the waiver of the three rules on a temporary basis because it is upgrading its metering infrastructure and plans to replace approximately 470,000 meters over a period of three years.

Board rule 20.6(1) requires IPL to have a written plan for the inspection and testing of its meters. Board rule 20.6(2)(c) requires testing of all meters removed from service for any reason. IPL has adopted a plan pursuant to rule 20.6(1) in its electric tariff beginning on Sheet No. 223. IPL is requesting a waiver of these two rules because it is proposing to not test any of the approximately 470,000 meters to be removed from service during the three-year period. Instead, it will store all removed meters for 120 days to afford customers the opportunity to challenge the accuracy of either the old or the new meter once the customer has had several billing cycles' experience with the new meters. IPL states it would continue to test all

meters removed from service for reasons unrelated to this program or upon request by a customer.

IPL also requests a waiver of Board rule 20.6(7), which prohibits utilities from installing or keeping in service meters which are known to be mechanically or electrically defective or have not been tested and adjusted where necessary. Additionally, IPL proposes to put its periodic meter test cycle on hold during the three-year replacement period. It would resume periodic testing once the replacement program is complete.

IPL says that the request meets all of the requirements for a waiver as set forth in 199 IAC 1.3. It states the granting of such a waiver would not prejudice the legal rights of any person, and the requirements of Board rule 20.6 are not mandated by statute. IPL states that no person will be prejudiced by the waiver and the waiver is in the public interest.

On February 7, 2017, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed a response to IPL's waiver request. OCA stated it had no objection to the request for waivers.

ANALYSIS

Board rule 1.3 allow for the waiver of a rule upon request when the request satisfies four conditions: the application of the rule would impose an undue hardship, a waiver of the rule would not prejudice the substantial legal rights of any person, the provisions of the rule are not specifically mandated by statute or another provision of

law, and substantially equal protection of public health, safety, and welfare will be afforded by means other than the rule for which a waiver is requested.

A. Undue Hardship

The Board finds that application of its rules 20.6(1), (2), and (7) would pose an undue hardship on IPL by requiring it to test approximately 470,000 meters over a three-year period as they are replaced. IPL asserts it would cost approximately \$1.5 million to test all of the meters. Instead, by waiving the rules, IPL could allocate its resources to more quickly complete the meter replacement program.

B. Protection of Substantial Legal Rights

IPL also states that it intends to store meters removed from service as part of the program for 120 days, thereby allowing customers the opportunity to challenge the accuracy of either the old or the new meter after the switch has taken place and protecting their substantial legal rights.

The Board finds more storage time is required to protect the substantial legal rights of other persons. In previous orders dealing with similar waiver requests, the Board has required utilities to either test a sample of 10 percent or more of the meters replaced from service while storing them for a period of 120 to 180 days, or to store all meters for a period of one year.¹ In this instance, the Board will allow IPL to choose which method it wishes to use to satisfy the requirement. IPL may either

¹ See, e.g., *Farmers Electric Cooperative, Inc.*, "Order Granting Waiver and Requiring Report", Docket No. WRU-2016-0023-0923 (10/31/2016); *Nishnabotna Valley Rural Electric Cooperative*, "Order Granting Waiver and Requiring Report", Docket No. WRU-2016-0009-0949 (06/08/2016); *Chariton Valley Electric Cooperative, Inc.*, "Order Granting Waiver and Requiring Report", Docket No. WRU-2017-0003-0914 (03/06/2017); *Pella Cooperative Electric Association*, "Order Granting Waiver and Requiring Report", Docket No. WRU-2017-0001-0955 (03/06/2017).

store the meters for one year after they are removed from service, or it may test a sample of 10 percent of the meters while storing them for 120 days after they are removed from service. IPL shall file a notice with the Board stating which option it chooses and provide its cost estimate for both options at that time.

Additionally, IPL shall also be required to prioritize replacement of any meters that are known to be defective prior to the implementation of the replacement program rather than waiting for its turn in the upgrade queue. IPL shall also be required to file a project status report at the completion of the project. The report should include the number of meters tested during the time frame of the replacement project, categorized by the reason for conducting the test (i.e., sample, meter problem, or customer request) and the results of tests conducted. IPL may also include other information related to the project in the report as it deems appropriate.

Subject to these additional conditions, the Board finds that the granting of the waiver will not prejudice the substantial legal rights of other persons.

C. No Statutory Requirement

The Board finds that the requirements of 199 IAC 20.6 are not mandated by statute or any other provision of law, thus granting the waiver will not conflict with any statutory requirement.

D. Equal Protection of Public Health, Safety, and Welfare

The Board also finds that substantially equal protection of public health, safety, and welfare will be afforded. IPL is requesting the waiver to implement a program that will install new meter infrastructure. The new meters will presumably benefit

customers as well as IPL. IPL will also be required to store meters so that customers may challenge them, and it has stated that meters that need to be replaced for reasons unrelated to this program will continue to be tested or upon customer request.

E. Conclusion

The Board has reviewed the request for a temporary waiver and finds that it meets the requirements of Board rule 1.3 with the additional conditions described above. The Board will therefore grant the temporary waiver for a period of three years from the date of this order or until IPL completes its meter replacement project, whichever comes first.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The "Request for Temporary Waiver" filed by Interstate Power and Light Company on January 23, 2017, is granted subject to the conditions noted above in the body of this order.
2. Interstate Power and Light Company shall file a notice with the Utilities Board within 21 days of the date of this order indicating whether it intends to store all removed meters for 120 days and test a sample of 10 percent of removed meters, or instead store all removed meters for one year. The notice shall also include a cost estimate of the two options.

3. Within 60 days after Interstate Power and Light Company has completed its project, it shall file a status report with the Utilities Board as noted in the body of this order.

4. This temporary waiver shall be effective for three years from the date of this order, or until Interstate Power and Light Company has completed its meter replacement project, whichever occurs first.

UTILITIES BOARD

/s/ Geri D. Huser

/s/ Elizabeth S. Jacobs

ATTEST:

/s/ Trisha M. Quijano
Executive Secretary, Designee

/s/ Nick Wagner

Dated at Des Moines, Iowa, this 22nd day of March 2017.