

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

FILED WITH
Executive Secretary
March 05, 2015
IOWA UTILITIES BOARD

IN RE:

ALTOONA TOWER CONDOMINIUMS, LLC
f/k/a IRONWOOD DEVELOPMENT, LC,

and

PROFESSIONAL PROPERTY
MANAGEMENT, INC.

DOCKET NO. WRU-2014-0013-0004

RESPONSES
OF THE OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, files this Response to the Pilot Project (Revised) filed by Altoona Tower Condominiums, LLC (Altoona Towers) and the Response and Rate RMS filed by MidAmerican Energy Company (MEC). Altoona Towers and MEC agree on the pilot project but not on the appropriate rate to apply to this project. OCA believes that a residential master metering pilot will be a valuable source of information for the parties and the Board, and will be a good first step to address the “split incentive” obstacle to energy efficiency in multi-family rental dwellings. OCA offers the following comments on the issue of rates and on the pilot project generally.

1. MEC proposes to apply Rate RMS—Residential Master Metered Service—to the pilot project. Rate RMS limits the number of fixed monthly meter charges, but otherwise adheres to the usual residential volumetric rates. In its initial February 27, 2015 filing, MEC did not include a winter “stair step” volume discount in Rate RMS. In a March 4, 2015 filing, MEC revised Rate RMS to include a winter stair step volume discount that would begin after 100,000 kWh. Altoona Towers projects that usage of the average apartment unit will exceed the 1000 kWh threshold of the residential stair step volume discount during three winter months.

2. Altoona Towers proposes to apply the LS Large Electric Service rate to the proposed project. Altoona Towers argues that the MEC’s proposed Rate RMS (as initially

proposed by MEC without the revision) would not provide the significant savings needed to justify Altoona Towers' expense for energy efficiency components. Altoona Towers submitted a memorandum and data prepared by the Weidt Group regarding the projected usage and load profile of the buildings. Altoona Towers states that this memorandum demonstrates that the usage and load profile characteristics of the buildings will be more similar to those of commercial customers than to residential customers. Altoona Towers argues that this similarity to a typical commercial load profile warrants application of the LS Large Electric Service rate.

3. There is no dispute that the pilot will result in efficiencies of operation and reduced risk to MEC. OCA asserts that, in addition, if Altoona Towers' load profile and usage more closely resembles that of a large commercial customer, the pilot will result in energy efficiencies benefitting all ratepayers. As a result, the Board should strongly consider applying rates with lower usage charges than those in Rate RMS.

4. Altoona Towers and MEC have suggested that ten percent of the apartment units will be sub-metered for purposes of tracking the usage and behavior of tenants. OCA asserts it is important that the pilot project yield data that is thorough, complete and robust enough to answer the load profile questions at the conclusion of the pilot project.

WHEREFORE, OCA applauds the parties and the Board for proposing this pilot project and requests that the Board set the appropriate rate and data metrics for the pilot project.

Respectfully submitted,

Mark R. Schuling
Consumer Advocate

/s/ John S. Long

John S. Long, Attorney
1375 East Court Avenue
Des Moines, IA 50319-0063
Telephone: (515) 725-7200
E-Mail: IowaOCA@oca.iowa.gov
E-Mail: John.Long@oca.iowa.gov

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