

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

**FILED WITH**  
**Executive Secretary**  
**June 08, 2015**  
**IOWA UTILITIES BOARD**

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

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**RESPONSE TO REHEARING REQUEST**

COMES NOW, MidAmerican Energy Company (“MidAmerican”) and hereby files its response to Ironwood Development’s and Professional Property Management, Inc.’s (“Petitioners”) Application for Rehearing with the Iowa Utilities Board (“Board”) and states as follows:

1. The Petitioners filed for rehearing in this docket on May 19, 2015. The Petitioners take issue with the Board’s finding that the “Board considers it more appropriate to approve the new residential rate developed by MidAmerican for the Pilot Project because the tenants at the two apartment buildings are residential tenants and the aggregated load profile for the total apartment building will most likely be similar to aggregated residential load profiles.” *In Re: Altoona Tower Condominiums, LLC f/k/a Ironwood Development LC and Professional property Management, Inc.*, Docket No. WRU-2014-0013-0004, Order Approving Pilot Project, Subject to Certain Condition, April 29, 2015, at 13-14 (“Order”); Application at 1-2.

2. Next, the Petitioners argue that the Board's Order does not consider the "factual" issue of the number of meters and that the Petitioners only intended to have one master meter, or one billing meter. Application at 2. Petitioners contend that portions of the Altoona Towers will be used for business purposes related to Altoona Towers. Therefore, the Petitions argue that one meter should be used as a billing meter for the entire project.

3. The Petitioners' request for rehearing should be denied because the Board's Order has already addressed these issues and resolved the material facts disputed. MidAmerican will address why the "one" meter issue is a red herring and only obfuscates the record. MidAmerican will then address the specifics regarding the rate structure and design.

4. MidAmerican first notes that the amount of meters located in Altoona Towers is irrelevant to the buildings' load factor and thus the rate design. More importantly, the Petitioners allege there is a factual dispute about whether there should be one meter measuring the usage for the project. Application at 2. The Petitioners contend that the "Pilot Project, as written, only intended to have one billing meter." *Id.* Yet, the Petitions also request that the Board incorporate the Revised Pilot Project Proposal and Response to the Board's January 30, 2015, Order filed on February 27, 2015 and Reply filed on March 20, 2015. Application at 7. In the Petitioners' February 27, 2015, Revised Pilot Project, the Petitioners' state the following:

The Altoona Towers consists of two buildings. Each building will have a secondary general service/house meter to collect data on the energy use for each of the common areas, such as fitness center, laundry, site lighting, and extended stay apartments. In addition, MidAmerican will place non-billing electric meters on at least ten percent of the individual apartment units to collect data regarding tenant energy use characteristics. Additional metering or monitoring equipment will be used to segregate non-building energy loads such as site lighting, garages, exterior security lighting and other electric energy not consumed within the buildings. Finally, sub-metering and monitoring of electric energy use within tenant apartments will be installed to identify energy end-use functions such as lighting, heating/air conditioning, plug loads, etc. All of the above

metering equipment, monitoring and data logging equipment, installation, wiring, set-up, and other incidentals relating to the metering will be provided by MidAmerican. Petitioners will provide access to the Altoona Towers and electrical equipment areas as reasonably required.

February 27, 2015 filing at 19.

The Petitioners also acknowledge that:

MidAmerican will collect and analyze data from the individual meters on a monthly basis and make such data and analysis available to the Petitioners for use as part of the Education Programs.

*Id.* at 20.

Based on the Petitioners' filings, it is clear from record the Pilot Project was intended to have separate meters for the common areas and the residences. Further, the intended use is residential and not commercial. It is unclear how shared residential common areas are commercial use. The language "those portions regularly used for business or professional purposes" in Rate RMS was intended to cover the potential situation that businesses unrelated to Altoona Towers itself might at some point be located in the building. Again, for purposes of the pilot project the relevant information for the Board to focus on is the load shape of the residential building, which is not similar to commercial use.

5. The Petitioners also express concern that they will not have current access to monthly usage data for the apartments in order to provide energy education and tenant behavior programs. MidAmerican disagrees with the offering of these programs while the pilot is in effect and pointed out in its initial response that the offering of these programs will taint the information gained from the pilot. The point of the pilot is to test the effectiveness of master metering in promoting energy efficiency, not of energy education and behavior programs. Moreover, in a real-life master metering situation the individual tenant information would not even be available, as no meters would be

installed to measure it. Petitioners appear to believe it is essential to their proposal that they should be able to benefit from having individual metering information while still realizing the savings from not having individual meters. MidAmerican is concerned that if the parameters of the pilot are not specified in the way that future projects would be expected to be structured, the information gained will be of little use. If the installation of individual meters is essential to the pilot, then Rate RMS should be modified to include the costs of installing, reading and maintaining the individual unit meters.

6. Contrary to the assertions of the Petitioners, they have provided no evidence that the load at Altoona Towers is more akin to a commercial than a residential load. MidAmerican, on the other hand, based its assessment on the load information used to determine the energy efficiency rebate for the project as part of its Commercial New Construction program. *See* MidAmerican Attachment 1 for the information used for MidAmerican's load factor calculations.

7. Having failed to demonstrate that Altoona Towers load is a commercial load, Petitioners request the Board to require MidAmerican to develop a special residential rate for them with a lower winter tailblock. MidAmerican is troubled by the suggestion that more favorable rates should be developed for a customer just because they use less energy relative to other similar customers. The Petitioners suggestion of a special rate is completely unrelated to the question of whether master metering can help lessen the "split incentive" for energy efficiency for rental properties. MidAmerican's energy efficiency programs exist specifically to provide financial assistance to make efficiency affordable for customers. If the incentives provided in MidAmerican's programs are not adequate to achieve their intended goals, that issue should be addressed in MidAmerican's energy efficiency plan.

8. Petitioners further suggest that they will not benefit enough from achieving lower demand in the summer because they will be billed on a non-demand rate. However, the summer energy charges in the residential rates approved by the Board in Docket No. RPU-2013-0004 include all the summer capacity cost assigned to the residential class. This resulted in the significant summer/winter differential that has been the subject of a Board requirement for MidAmerican to increase customer communications. To the extent that Altoona Towers can reduce its energy usage in the summer, MidAmerican's rates are structured so that it will realize appropriate cost reductions related to its lower capacity requirements.

9. The Petitioner's continue to argue for an "indefinite" waiver. Petitioners at 6. The Board's decision is clear, the Board approved the Pilot Project for a three-year period. Order at 9. Consequently, the waiver is conditioned upon the outcome of the three year pilot project and it is premature to make any determination regarding the length of the waiver request without first reviewing the data collected regarding the pilot project and then determine whether the pilot project's objectives were met. The Board has already ruled on this issue and the matter does not need to be addressed through further rehearing.

**WHEREFORE**, for the foregoing reasons, MidAmerican Energy Company respectfully requests the Iowa Utilities Board deny the Application for Rehearing in this docket.

Date this 8<sup>th</sup> day of June, 2015.

Respectfully submitted,

MidAmerican Energy Company

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