

Iowa Utilities Board

Governor Terry E. Branstad
Lt. Governor Kim Reynolds

Elizabeth S. Jacobs, Chair
Nick Wagner, Board Member
Sheila K. Tipton, Board Member

January 14, 2014

The Honorable Robert Dvorsky, Chairman, Senate Appropriations Committee
The Honorable Chuck Soderberg, Chairman, House Appropriations Committee

Dear Senator Dvorsky and Representative Soderberg:

Iowa Code § 476.66(6) requires the Iowa Utilities Board to submit an annual report to the Appropriations Committees regarding the status of utility customer contribution funds. These funds were created to accept voluntary contributions from utility customers to supplement federal weatherization and energy assistance to low-income households.

Legislation requiring all natural gas and electric utilities to establish customer contribution funds was adopted in 1988 and implemented in 1989. Utilities file annual reports with the Board by September 30 that summarize each fund's activities from July 1 through June 30. The attached report summarizes those submissions for last year.

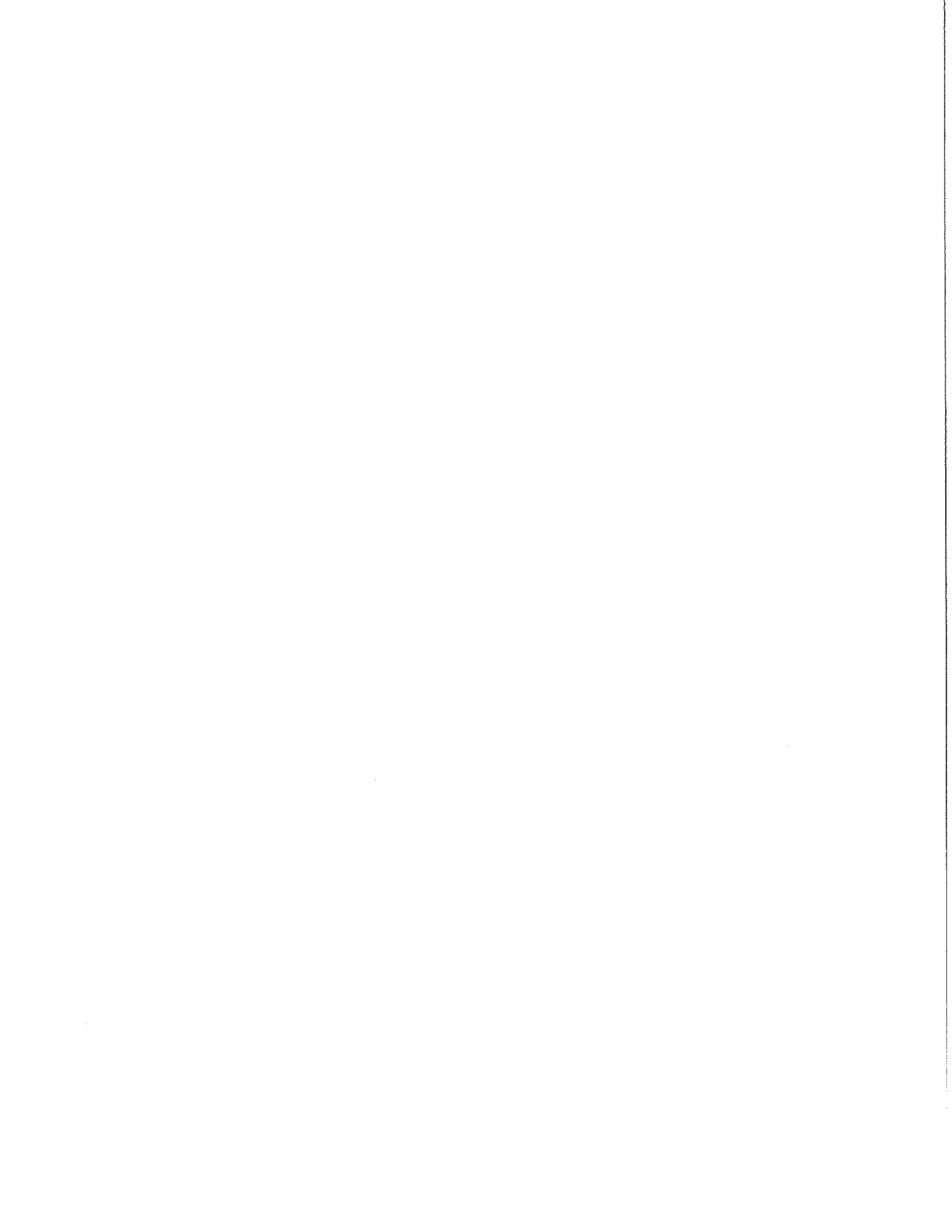
If we can provide any further information, please contact Kerri Johannsen, our legislative liaison, at 515 473 0123.

Sincerely,

Elizabeth Jacobs
Chair

Attachment: Customer Contribution Fund Annual Report

cc: Michael E. Marshall, Secretary of the Senate
Carmine Boal, Chief Clerk of the House
Senate Appropriations Committee Members
House Appropriations Committee Members



**IOWA UTILITIES BOARD
Energy Section**

TO: The Board
FROM: Ellen Shaw
DATE: October 31, 2013
SUBJECT: 2013 Fiscal Year Customer Contribution Fund Report

I. Background:

This report is for the Customer Contribution Fund (CCF) for fiscal year 2013 (July 1, 2012 – June 30, 2013). The CCF program gives customers of natural gas and/or electric utilities the opportunity to contribute to the fund. The monies remain in the local communities and are distributed to supplement federal heating assistance received by low-income customers. The CCF report consists of contributions totaling \$1,145,504 and distributions totaling \$1,218,496. Each source of the CCF is summarized below:

	Investor Owned	Municipals	RECs¹	Total
Customers Contributing	10,278	1,344	1,668	13,290
Total Funds Contributed	\$983,814	\$104,104	\$57,587	\$1,145,504
Total Funds Distributed	\$1,061,573	\$102,475	\$54,448	\$1,218,496
Families Assisted	4,915	925	425	6,265
Average Per Family	\$216	\$111	\$128	\$194

II. Legal Standards:

Iowa Code § 476.66(6):

6. The rules established by the utilities board shall require an annual report to be filed for each fund. The utilities board shall compile an annual statewide report of the fund results. The division of community action agencies of the department of human rights shall prepare an annual report of the unmet need for energy assistance and weatherization. Both reports shall be submitted to

¹ Rural Electric Cooperatives

the appropriations committees of the general assembly on the first day of the following session.

Board rule 199 IAC 19.15(5):

19.15(5) Annual report. On or before September 30 of each year, each utility shall file with the board a report of all the customer contribution fund activity for the previous fiscal year beginning July 1 and ending June 30. The report shall be in a form provided by the board and shall contain an accounting of the total revenues collected and all distributions of the fund. The utility shall report all utility expenses directly related to the customer contribution fund.

The Board's electric rule in 199 IAC 20.15(5) contains the same language as the Board's gas rule in 199 IAC 19.15(5).

III. Analysis

All utilities filed reports. Therefore, the information is complete and ready to submit to the legislature.

The summary for investor owned utilities reflects more funds distributed than collected during the 2013 fiscal year. This occurred because local community action agencies had funds remaining from the 2012 fiscal year that were distributed during the 2013 fiscal year.

IV. Recommendation

Staff recommends that the Board prepare a letter that submits the attached annual statewide summary of customer contribution fund activity to the appropriate committees of the general assembly.

RECOMMENDATION APPROVED:

IOWA UTILITIES BOARD

/es

/s/ Elizabeth S. Jacobs 10-31-13
Date

/s/ Nick Wagner 10/31/13
Date

/s/ Sheila K. Tipton 10-31-13
Date

Attachment

**CUSTOMER CONTRIBUTION FUND
ANNUAL REPORT
For the Fiscal Year Ended June 30, 2013**

	INVESTOR OWNED UTILITIES	MUNICIPAL UTILITIES	RURAL ELEC. CO-OPS	TOTAL
CONTRIBUTIONS:				
Number of Customers Contributing	10,278	1,344	1,668	13,290
Customer Contributions Collected	\$415,934	\$96,218	\$57,587	\$569,739
Matching Contributions Collected	\$567,880	\$7,885	\$0	\$575,765
Total Contributions Collected	\$983,814	\$104,104	\$57,587	\$1,145,504
Reimbursed Expenses	\$0	\$1,090	\$81	\$1,171
NET CONTRIBUTIONS	\$983,814	\$103,014	\$57,506	\$1,144,333
EXPENSES:				
Advertising	\$2,596	\$9,672	\$1,818	\$14,085
Admin. & General Salaries	\$16,582	\$4,069	\$2,585	\$23,237
Office Supplies & Expenses	\$0	\$3,370	\$517	\$3,887
Supervision - Labor & Expenses	\$0	\$2,959	\$696	\$3,655
Customer Records and Collections:				
Mailing	\$0	\$1,920	\$3,045	\$4,965
Printing	\$60	\$3,600	\$1,016	\$4,676
Publication	\$168	\$2,026	\$174	\$2,368
Total Expenses	\$19,406	\$27,616	\$9,851	\$56,872
Reimbursed Expenses	\$0	\$1,090	\$81	\$1,172
NET EXPENSES	\$19,406	\$26,526	\$9,769	\$55,701
FUND DISTRIBUTION:				
Weatherization Program	\$6,484	\$20,256	\$60	\$26,800
Heating Assistance Payments	\$1,036,626	\$72,430	\$29,095	\$1,138,152
Other Programs	\$18,463	\$9,789	\$25,293	\$53,544
TOTAL FUNDS DISTRIBUTED	\$1,061,573	\$102,475	\$54,448	\$1,218,496
Estimated Nbr. of Families Assisted	4,915	925	425	6,265
Average Amount	\$216	\$111	\$128	\$194

NOTES TO THE REPORT: Figures are rounded to the nearest dollar.

Each utility is allowed to keep 5 percent of annual contributions to defray operating expenses.