



## 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 13, 2015

The Honorable Robert Dvorsky, Chair, Senate Appropriations Committee  
The Honorable Chuck Soderberg, Chair, 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 that summarize each fund's activities for the prior State Fiscal Year. The attached report summarizes those submissions for FY 2014.

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

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**IOWA UTILITIES BOARD**  
**Energy Section**

**TO:** The Board  
**FROM:** Ellen Shaw  
**DATE:** October 30, 2014  
**SUBJECT:** 2014 Fiscal Year Customer Contribution Fund Report

**I. Background:**

This report is for the Customer Contribution Fund (CCF) for fiscal year 2014 (July 1, 2013 – June 30, 2014). 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 the federal heating assistance received by low-income customers. The CCF report consists of contributions totaling \$2,585,189 and distributions totaling \$1,650,282. Each source of the CCF is summarized below:

	<b>Investor Owned</b>	<b>Municipals</b>	<b>RECs<sup>1</sup></b>	<b>Total</b>
Customers Contributing	8,758	1,385	1,731	11,874
Total Funds Contributed	\$2,406,609	\$111,368	\$67,211	\$2,585,189
Total Funds Distributed	\$1,483,812	\$108,704	\$57,766	\$1,650,282
Families Assisted	5,801	850	513	7,164
Average Per Family	\$256	\$128	\$113	\$230

**II. Legal Standards:**

Iowa Code § 476.66(6) states:

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

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<sup>1</sup> Rural Electric Cooperatives

Board rule 199 IAC 19.15(5) states:

**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.<sup>2</sup> Therefore, the information is complete and ready to submit to the legislature. Staff notes that the net contributions which were not distributed during the 2014 fiscal year are carried forward for distribution in future fiscal years.

### IV. Recommendation

Staff recommends that the Board sign 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	<u>/s/ Elizabeth S. Jacobs</u>	<u>10-31-14</u>
		Date
	<u>/s/ Nick Wagner</u>	<u>11/3/14</u>
		Date
	<u>/s/ Sheila K. Tipton</u>	<u>11/3/2014</u>
		Date

#### Attachment

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<sup>2</sup> MidAmerican Energy Company's CCF report does not include the disbursement of former manufactured gas plant insurance proceeds. In Docket No. SPU-2014-0003, the Board directed MidAmerican to make the distributions to gas customers who are certified as eligible for the Low-Income Home Energy Assistance Program or Weatherization Program, subject to the oversight of the Community Action Agencies; any remaining funds would be included in MidAmerican's annual purchased gas adjustment filing. MidAmerican filed a report on the disbursements under Docket No. SPU-2014-0003.

**CUSTOMER CONTRIBUTION FUND  
ANNUAL REPORT  
For the Fiscal Year Ended June 30, 2014**

	<b>INVESTOR OWNED UTILITIES</b>	<b>MUNICIPAL UTILITIES</b>	<b>RURAL ELEC. CO-OPS</b>	<b>TOTAL</b>
<b>CONTRIBUTIONS:</b>				
Number of Customers Contributing	8,758	1,385	1,731	11,874
Customer Contributions Collected	\$415,107	\$100,023	\$67,211	\$582,342
Matching Contributions Collected	\$1,991,502	\$11,345	\$0	\$2,002,847
Total Contributions Collected	\$2,406,609	\$111,368	\$67,211	\$2,585,189
Reimbursed Expenses	\$0	\$1,140	\$143	\$1,283
<b>NET CONTRIBUTIONS</b>	<b>\$2,406,609</b>	<b>\$110,228</b>	<b>\$67,069</b>	<b>\$2,583,906</b>
<b>EXPENSES:</b>				
Advertising	\$3,500	\$10,285	\$1,653	\$15,438
Admin. & General Salaries	\$11,707	\$4,445	\$3,069	\$19,221
Office Supplies & Expenses	\$0	\$3,447	\$507	\$3,955
Supervision - Labor & Expenses	\$0	\$3,061	\$687	\$3,748
Customer Records and Collections:				
Mailing	\$0	\$2,525	\$3,121	\$5,646
Printing	\$60	\$5,075	\$1,035	\$6,170
Publication	\$168	\$2,223	\$612	\$3,004
Total Expenses	\$15,435	\$31,061	\$10,684	\$57,181
Reimbursed Expenses	\$0	\$1,026	\$153	\$1,179
<b>NET EXPENSES</b>	<b>\$15,435</b>	<b>\$30,035</b>	<b>\$10,532</b>	<b>\$56,002</b>
<b>FUND DISTRIBUTION:</b>				
Weatherization Program	\$23,087	\$31,509	\$2,010	\$56,606
Heating Assistance Payments	\$1,426,956	\$62,549	\$28,194	\$1,517,699
Other Programs	\$33,770	\$14,647	\$27,561	\$75,977
<b>TOTAL FUNDS DISTRIBUTED</b>	<b>\$1,483,812</b>	<b>\$108,704</b>	<b>\$57,766</b>	<b>\$1,650,282</b>
Estimated Nbr. of Families Assisted	5,801	850	513	7,164
Average Amount	\$256	\$128	\$113	\$230

**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.