



CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

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To: Members of the Administration and Regulation Appropriations Subcommittee

From: Judi K. Cooper, Executive Secretary

Date: February 9, 2009

Re: Response to Subcommittee Questions

1) How many new full-time employee positions have you added since 2007? Provide a listing of all full-time employee positions, complete with job titles, salary, and benefits for the position and whether the position is filled. If it is not filled, how long has the full-time position been open?

None.

2) How will you implement the 1.5% across the board cut for FY 2009?

- Not filling positions as staff retire or leave our employment.
- Cutting travel.
- Cutting office supplies, subscription renewals, equipment purchases and phone services.
- A few staff members have volunteered to take some leave without pay.
- Non-contract employees do not receive the 4.5% merit increase that contract employees do.
- Vacant Board member position until a new appointment is made.
- Court reporter and State Auditor expense should be below the budgeted amount.
- Not paying the DOM invoice to fund the Office of Federal State Relations.

3) How will you implement the Governor's recommended deappropriation for FY 2009?

The IUB would attempt to implement furloughs to cut an additional \$157,017 from our FY 2009 budget. This would require our office to be closed seven business days yet this fiscal year. Short of gaining voluntary agreement to furlough, layoffs would be necessary. In order to cut enough money this late in the fiscal year (effectively two to three months that the layoff plan would be in effect), it is estimated that 11 or 12 positions would have to be laid off. This would leave the agency unable to perform its statutory duties.

4) Provide us with the list of suggested cuts you provided the Governor in the Fall of 2008.

The IUB understands that the Governor has invoked executive privilege concerning our specific communications with his office regarding his request for proposals to cut the budget by \$40 million in late 2008. The list of suggested cuts is a document prepared for the Governor and the IUB understands it is subject to the Governor's authority.

5) If you were forced to cut your budget by 10 percent, what suggestions would you have to reduce the budget and/or reduce the responsibilities of your department? Please prioritize all responsibilities from most important to least important.

Salaries and rent make up 91 percent of the IUB budget. The other 9 percent is spent on operating costs, including: computers, telephones, office supplies, workers compensation, postage, court reporters, services provided by other state agencies and charged to the IUB (DAS, Auditor's Office, ICN), and travel.

Rent is non-negotiable because we have signed a lease through November 2010. Our telephones rates are set by the ICN. Computer purchasing and office supplies can be delayed or not purchased; however we are already three versions behind on Microsoft. (We are using MS Office 2000. The current version is MS Office 2007.) This category is just nibbling around the edges of a 10 percent cut. The agency has reduced travel, however to satisfy both state and federal safety inspection requirements, we must have adequate travel and training costs for our safety inspectors who perform inspections of electric lines and natural gas pipelines. Therefore, lay-offs and/or furloughs would be necessary to meet a 10 percent target.

The IUB believes that all of the key services and products we provide are valuable. The following designates our duties into two categories: 1) Statutorily required, and 2) Optional.

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Statutorily Required	Optional
Regulate gas, electric, communications, and water utilities pursuant to statute. This includes:	Other Duties (non-statutory)
Enforcement of safety and engineering standards	Receive and process customer complaints received by telephone
Rate regulation of some utilities	Public education regarding utility issues
Service quality regulation of nearly all utilities	Representing Iowa's interests in national and regional forums, including electric transmission issues
Deregulation of communications services that are subject to effective competition	
Processing written customer complaints regarding utility services	
Processing utility tariffs showing the rates, charges, rules, and regulations of utility service in Iowa	
Regulation of energy efficiency plans for gas and electric utilities	
Resolving disputes between communications utilities	
Defending IUB decisions on judicial review	
Administer public utility crossings of railroad rights-of-way	
Participate in federal regulatory proceedings to advance the interests of Iowa public utility customers and Iowa public utilities	
Ensure all parts of Iowa have reasonable and adequate electric and communications utility services	
Encourage the development of alternate energy production facilities in Iowa	
Prevent cross-subsidizations of nonutility services from regulated utility service revenues	
Promote competition in telecommunications markets	
Protect consumers from unauthorized changes in telecommunications services (slamming and cramming)	
Process applications for certificates for construction of new electric generating facilities in Iowa	
Process applications for wind and renewable energy production tax credits	
Administer a statewide program for dual party relay service (telephone services for the deaf)	
Process petitions for a franchise to construct and operate electric transmission lines	
Process applications for permits to construct and operate underground pipelines and underground gas storage facilities	

Process petitions for cable and video service provider franchises	
Assess utilities for the cost of IUB regulation, including costs of the Office of Consumer Advocate, the Iowa Energy Center, and the Center for Global and Regional Environmental Research	
Inspection of utility facilities for compliance with federal safety standards	
<b>Issuance of:</b>	
Certificates authorizing construction of new utility infrastructure	
Telecommunication certificates	
Video and cable franchise certificates	
Certification of competitive natural gas providers	
Keeping and managing official agency records	
Accounting - including filing an annual report	
Determination of assigned service areas	
Assess civil penalties	
Adopt rules requiring a Customer Contribution Fund	
Review utility proposals for reorganization	
Maintain Universal Service in a competitively neutral fashion	

6) What assets does your department have that can be leased or sold? What services do you provide that could be competitively sourced?

The IUB has no assets that can be sold or leased. If we did sell an asset, it would reduce the amount of money we assess to the utility companies. None of our services could be competitively sourced in a manner that would reduce expenses.