

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-2019-0001
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**ORDER REGARDING CUSTOMER SATISFACTION AND STAKEHOLDER
ENGAGEMENT PLAN**

BACKGROUND

On January 8, 2020, the Utilities Board (Board) issued an order which, among other things, directed Interstate Power and Light Company (IPL) to submit a plan to take action to address its management decisions regarding IPL's relationship with its customers. One of the goals for the plan was to ensure that information presented to communities regarding anticipated rate increases is accurate. On April 6, 2020, IPL submitted its comprehensive Customer Satisfaction and Stakeholder Engagement Plan (Plan). IPL's Plan is composed of two sections; the first details strategies to improve the service to customers and communities, and the second discusses how IPL will track its efforts.

On April 24, 2020, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, stated that it did not have any response to the plan at this time, but OCA would be willing to file comments in response to IPL's Plan if requested by the Board.

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On June 8, 2020, the City of Decorah (Decorah) filed a response to IPL's Plan, arguing that the Plan fails to address many of the directives outlined in the Board's order. Decorah requested that the Board order IPL to amend its Plan to comply with the order and require that IPL submit promotional and informational material to the Board prior to the materials being disseminated to the public. Decorah also suggested that the Board consider a rule making that includes a process for discovery to govern conduct and informational material presented in the context of municipalization efforts.

On June 24, 2020, Luther College (Luther) submitted a response to IPL's Plan, which supported Decorah's concerns, and stated that IPL's Plan failed to address the requirement that information presented to communities regarding anticipated rate increases be accurate and current. Additionally, Luther requested that the Board hold IPL accountable for its behavior during the Decorah municipalization vote.

On June 26, 2020, IPL submitted its response to Luther's and Decorah's objections. IPL argues that its Plan complies with the Board's order and should not require any modifications. IPL also states that it should not be required to file for approval of promotional materials and that the municipalization process is not within the Board's jurisdiction.

DISCUSSION

The Board directed IPL to proactively engage with stakeholders, consider community-specific solutions to identifiable concerns, and ensure that information

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presented to communities regarding rate changes is accurate and current. Specifically,

IPL was required to:

- Ensure that information presented to communities considering any anticipated rate changes is accurate and current;
- Address the Board's concerns regarding IPL's: (1) behavior during the Decorah municipalization effort, (2) approach to implement AMI technology, and (3) focus on its parent company and shareholders rather than its customers;
- Emphasize customer impact by proactively engaging with stakeholders and considering community-specific solutions to identifiable concerns;
- Participate in monthly meetings with the Board's customer service staff to address trends in customer complaints; and
- Review its internal processes, identify opportunities for improvement, and correct deficiencies as they become apparent.

Additionally, the Board required IPL to provide evidence of increased customer satisfaction, including but not limited to: a reduction in customer complaints, reduced average call wait times, and an increase in its J.D. Power customer satisfaction score.

The Board stated that it would monitor IPL's progress in regard to its management efficiency and may take any additional action as provided under Iowa Code chapter 476.

Generally, IPL's Plan complies with the Board's order. IPL's Plan emphasizes customers and outlines a list of ideas to improve IPL's service. IPL's Plan contains a community engagement component, including various stakeholder meetings, electronic communications, leadership roundtables, and other programs designed to collaborate with stakeholders and identify concerns within the communities it serves. IPL's Plan specifically utilizes metrics selected by the Board to address customer complaints, average call wait times, and IPL's J.D. Power customer satisfaction score. Additionally,

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IPL has been participating in monthly meetings with Board staff to assess its progress and trends in dealing with customer complaints.

While IPL's Plan regarding customer service is generally satisfactory, Luther and Decorah's concerns that the Plan fails to ensure accurate information is presented to communities considering municipalization are warranted. IPL's Plan describes a webpage to ensure that information presented to communities is accurate and current. Specifically, IPL states:

We will create a new webpage on our existing website with publicly-available information regarding our current expectations regarding material future rate changes and costs.... When Alliant Energy provides information about forward-looking projections, that information will appear on the new webpage. The rate information on the webpage will show base rates and riders that are either proposed in IUB filings or approved by the IUB. We will update the information on the website as information becomes publicly-available...

However, the Board is concerned that such a mechanism may not adequately protect Iowa customers from potential omissions or misrepresentations during the municipalization process, as occurred during the Decorah municipalization vote.

As part of the referendum campaign surrounding the Decorah municipalization vote, IPL contracted with Concentric Energy Advisors (CEA) in late 2017 to perform an independent third-party study to evaluate municipalization costs as opposed to the costs of continued service with IPL. On February 5, 2018, when CEA presented the study at the Decorah town hall meeting, IPL executives were present to indicate that they stood by CEA's report conclusions. However, the CEA study relied upon assumptions that did not accurately represent IPL's most current information about the anticipated rate

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increases. With this order, the Board will not revisit the Decorah municipalization vote, but the Board will require that information presented to communities concerning future rate increases be accurate, based on current expectations.

IPL's proposal is to create a webpage on its existing website that would contain information detailing applications filed with the IUB regarding proposed or approved rate increases; however, it is unclear whether the proposal would prevent situations similar to what happened during the Decorah municipalization vote. In the Board's order, the Board expressed significant concern over the lack of transparency and inaccurate information in the Decorah municipalization vote. As expressed in the context of municipalization efforts, it is necessary that IPL and its affiliated contractors present accurate information based on IPL's current plans and expectations. Under IPL's Plan as proposed, no such method exists. As such, IPL's proposal is not consistent with the Board's requirement that IPL ensure that information presented to communities considering any anticipated rate increases is accurate and current. Accordingly, the Board will require that IPL modify its Plan to specifically address how it will ensure that any information presented during the municipalization process (by it or its affiliate contractors) is accurate and current.

Decorah and Luther request that the Board consider a rule making to govern the conduct of the information presented during municipalization meetings. Iowa Code § 476.23, which details the municipalization process, and the Board's administrative rules, are silent as to the process leading up to a municipalization vote. The Statute merely

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provides in part that “[a]ny municipal corporation, after being authorized by a vote of the people, . . . may file a petition . . . requesting a certificate to furnish electric service. . . .” Iowa Code § 476.23. While the Board is not involved in the municipalization vote itself, the Board possesses the authority over regulated entities to ensure the accuracy of information presented during the municipalization process. While the Board is not considering a rulemaking at this time, parties that want to bring specific issues regarding a municipalization process before the Board may do so through the Board’s complaint procedures in accordance with Iowa Code § 476.3.

Finally, IPL has been participating in monthly meetings and has filed limited data to assess its progress and trends in dealing with customer complaints; however, there exists no formal mechanism for the Board to receive regular, comprehensive updates to aid the Board’s review of IPL’s progress in improving its management efficiency. To address this issue, the Board will require that IPL submit semiannual reports detailing IPL’s progress toward each of the 13 goals outlined in its Plan.

If no progress has been made on a specific goal, the reports should note the reason for the lack of progress and how IPL plans on advancing the goal. The semi-annual reports should also include a review of IPL’s internal processes relating to the goals outlined in the Plan, identify opportunities for improvement, and discuss how deficiencies will be corrected as they become apparent. IPL’s first filing will be due on January 1, 2021. IPL will be required to continue filing semiannual reports until the filing of its next general rate case application, or as otherwise directed by the Board. The

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filings will provide a formal mechanism for the Board to review IPL's progress in achieving its 13 goals outlined in its Plan and provide a mechanism for the Board to reassess IPL's management efficiency.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Within 30 days, Interstate Power and Light Company shall file a revised proposal consistent with this order and the Utilities Board's January 8, 2020 Final Decision and Order to ensure that information presented to communities considering anticipated rate changes is accurate and current.

2. Beginning January 1, 2021, Interstate Power and Light Company shall file semiannual reports detailing its progress regarding each of the 13 goals outlined in its Customer Satisfaction and Stakeholder Engagement Plan filed with the Utilities Board on April 6, 2020. Interstate Power and Light Company shall continue filing semiannual reports until it submits its next application for a general rate increase or as otherwise ordered by the Utilities Board.

UTILITIES BOARD

Geri Huser Date: 2020.10.29
13:51:59 -05'00'

ATTEST:

Anna Hyatt Date: 2020.10.29
14:45:49 -05'00'

Richard W. Lozier, Jr. Date: 2020.10.28
16:40:08 -05'00'

Dated at Des Moines, Iowa, this 29th day of October, 2020.