

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

IN RE: :
: **DOCKET NO. RPU-2019-0001**
:
INTERSTATE POWER AND LIGHT :
COMPANY :
:
:

**SURREBUTTAL TESTIMONY OF
DAVID OSTERBERG**

1 **Q. What is your name and business address?**

2 A. My name is David Osterberg. My business address is Iowa Policy Project, 20
3 East Market, Iowa City, Iowa 52245.

4 **Q. Are you the same David Osterberg who filed Direct Testimony in this**
5 **proceeding?**

6 A. Yes.

7 **Q. What is the purpose of your Surrebuttal Testimony?**

8 A. I will respond to the rebuttal testimony of IPL witness David Vognsen. My
9 testimony includes the following topics:

- 10 • DAG's lack of a cost of service study;
- 11 • IPL's proposed residential customer charge; and
- 12 • IPL's proposed Regional Transmission Rider (RTS).

13 **Q. Why is the lack of a cost of service study by DAG not fatal to your rate**
14 **design arguments?**

1 A. Witness Vognsen, referring to my testimony and that of witness Rábago, states on
2 page 10 of his rebuttal testimony “their rate design proposals are not
3 supported by costs.”

4 **Q. Is that an adequate reason to reject your position in this proceeding?**

5 A. No. DAG did not conduct a cost of service study but that does not mean that the
6 inadequacies of IPL’s cost of service studies cannot be addressed by DAG or any
7 other party.

8 **Q. Does witness Vognsen take issue with your criticism of IPL’s proposed**
9 **residential customer charge?**

10 A. Yes. However, he does not directly disagree that an increased customer charge,
11 and therefore a smaller per kwh charge works against conservation or that it
12 discriminates against customers who produce some of their own electricity or
13 against low-income customers. Rather, Mr. Vognsen simply argues that because I
14 presented similar arguments in RPU-2017-0001 and the Board accepted the
15 settlement in this case, the Board “should reject them in this proceeding.”
16 However, IPL’s customer charge increase in its last rate case was not as large as
17 that proposed here. Moreover, the difference in customer charges between IPL
18 and MidAmerican Energy Company will be even greater if IPL’s new customer
19 charge is accepted by the Board in this case.

20 **Q. Does witness Vognsen take issue with your testimony concerning electricity**
21 **use by low-income customers?**

22 A. Yes, on page 35 of his rebuttal testimony, Mr. Vognsen states: “IPL does not
23 have any data that suggests that low-income customers use less or more energy

1 than the average residential customer in IPL's service territory." The fact that IPL
2 does not have such data does not provide any reason for the Board to discount the
3 well-documented data in my Direct Testimony that clearly demonstrates that low-
4 income customers use less electricity on average and therefore an increase in the
5 mandatory customer charge will hit them harder.

6 **Q. Has your position on IPL's proposed Regional Transmission Rider (RTS)**
7 **changed in light of IPL's rebuttal testimony?**

8 A. No, while I'm pleased that IPL does not intend to assess transmission costs to
9 energy produced and self-consumed by DER customers, its proposed application
10 to DER customers whose excess production is sent out only over the *distribution*
11 network and not to the *transmission grid* remains problematic.

12 **Q. Is there any difference between a customer who consumes all of its self-**
13 **generation and therefore not be subject to the RTS and another customer**
14 **who exports its excess generation only to the local distribution grid for use by**
15 **neighboring homes or businesses, i.e., without ever utilizing the transmission**
16 **grid?**

17 A. There is no difference; neither customer is making use of the transmission system.

18 **Q. Please comment on the scenario advanced by Mr. Vognsen's to justify the**
19 **RTS.**

20 A. IPL's scenario is that of a customer-owned large solar array that uses no outside
21 electricity in a month and credits the next month with the excess produced. That
22 scenario is highly unlikely. The scenario in my original testimony is much more
23 likely. I posited a 2 kW system that in an entire year sends 200 kWh to neighbors

1 and still uses at least 400 kWh from IPL in any month. Why should such a
2 customer be charged for electricity produced by the customer and sent to the
3 neighborhood when IPL has not had to send that amount of electricity to the
4 neighborhood? As I stated above, the kWh produced by such a customer frees
5 LPL from having to send electricity to the neighborhood or the customer over the
6 transmission grid. To assess transmission costs to the customer in that scenario is
7 not rational or fair.

8 **Q. Does this conclude your Surrebuttal Testimony?**

9 A. Yes.

