STATE OF IOWA

DEPARTMENT OF COMMERCE

UTILITIES BOARD

IN RE: KAREN FENHOLT VANDER LEE, Complainant, v. ROCKFORD MUNICIPAL LIGHT PLANT, Respondent.	DOCKET NO. FCU-2013-0008

ORDER DETERMINING JURISDICTION OVER DEPOSITS REQUIRED BY MUNICIPAL ELECTRIC AND NATURAL GAS UTILITIES AND DISMISSING COMPLAINT

(Issued September 9, 2013)

On June 4, 2013, the Utilities Board (Board) issued an order opening a formal complaint docket to address the complaint of Karen Fenholt Vander Lee against the Rockford Municipal Light Plant (Rockford). The issues in this formal complaint were the subject of an informal complaint process conducted by the Board pursuant to the provisions of 199 IAC Chapter 6. On April 4, 2013, Board staff issued a Proposed Resolution of the informal complaint. Vander Lee disagreed with the Proposed Resolution and requested the Board open this formal complaint proceeding. The information concerning this complaint was presented to the Board during the informal complaint process and that information is considered a part of the record in this formal complaint proceeding pursuant to 199 IAC 6.7.

In the informal complaint, Vander Lee alleged that the deposit charged by Rockford to a new tenant at an apartment in a building owned by Vander Lee's father, William Fenholt, did not comply with Board rules. Rockford is the public utility providing electric service in Rockford, Iowa. Vander Lee stated that Rockford charged a new tenant in Apartment 16, 211 7th Street NE, in Rockford, Iowa, a $200 deposit based upon the highest billing for the apartment over the preceding 24-month period. Vander Lee contended that Rockford should only have charged a deposit based upon the highest monthly billing over the previous 12-month period as required by Iowa Code § 476.20(5)(a)(1).

In the June 4, 2013, order, the Board established a date of June 28, 2013, for Vander Lee and Rockford to file any additional arguments and request a hearing or oral argument. Neither Vander Lee nor Rockford filed additional arguments or requested a hearing or oral argument.

In the June 4, 2013, order, the Board directed its Records and Information Center to give notice of the docket to the Iowa Association of Municipal Utilities (IAMU), the Iowa Association of Electric Cooperatives (IAEC), and all rate-regulated electric and natural gas utilities. The order also established a date for intervention and directed those seeking intervention to indicate whether a hearing or oral argument was being requested.

On June 5, 2013, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an appearance and stated that it was not requesting a hearing or oral argument. On June 21, 2013, Interstate Power and

Light Company (IPL) and MidAmerican Energy Company (MidAmerican) filed separate petitions to intervene. Neither IPL nor MidAmerican requested a hearing or oral argument. On June 26, 2013, IAMU filed a petition for intervention, a request for dismissal of the complaint, and an answer to the complaint. IAMU did not request a hearing or oral argument. On June 28, 2013, IAEC filed a petition to intervene and an answer to the complaint. IAEC did not request a hearing or oral argument.

On July 10, 2013, the Board issued an order granting intervention to IPL, MidAmerican, IAMU, and IAEC. Consumer Advocate is also a party to this complaint.

PARTIES' POSITIONS

A. Vander Lee Position

In the informal complaint, Vander Lee contended that the first sentence of 199 IAC 20.4(3)"d" limits the amount a utility may charge a customer for a deposit to the highest one-month billing during the previous 12 months for an apartment that has previously received service. Vander Lee stated that even though Apartment 16 was not occupied by a tenant during the previous 12 months, electric service to the apartment was maintained in her father's name during this period. Vander Lee contended that the exception that allows the utility to estimate the usage for determining a deposit amount for an unoccupied premise in 199 IAC 20.4(3)"d" does not apply since service was being provided to the apartment during the previous 12 months. Vander Lee contended that Rockford, pursuant to 199 IAC 20.4(3)"b," could

increase the deposit if Rockford subsequently found the deposit to be inadequate; however, a customer who pays a large deposit cannot recover the deposit for 12 months, even though the customer's bill each month is significantly less than the deposit. Vander Lee argued that 199 IAC 20.4(3)"d" should be applied literally and that the initial deposit for the apartment should be set at the highest one-month billing amount for the previous 12 months based upon the usage while the service to the apartment was in her father's name.

B. Rockford Position

On April 2, 2013, Rockford filed a response to the informal complaint. Rockford stated that the deposit for Apartment 16 was based on a review of the three highest bills from when the apartment was occupied. Rockford noted the three highest one-month bills for Apartment 16 at the time it was occupied were $153, $202.74, and $187.48. Rockford stated that it understood that considering electric usage for the previous 24-month period for Apartment 16 was consistent with Board rules, since that was when the apartment was previously occupied.

In a subsequent response, Rockford provided usage information for Apartment 16 for the 24 months prior to April 1, 2013. Rockford pointed out that the usage information shows that when service was in William Fenholt's name, the usage was very low or there was no usage. The usage information shows that the highest billed amount for the prior 24 months was $202.74, while the highest billed amount for the previous 12 months was $95.32. Rockford stated that it determined the electric deposit for Apartment 16 based upon the highest bill at the time it was

occupied and it uses this method for all Rockford customers as it considers this the most appropriate way to determine the electric usage for apartments where there have been no tenants for the last 12 months.

C. IAMU Position

On June 26, 2013, IAMU filed a response to the complaint and a request that the complaint be dismissed. IAMU states that all municipal electric and natural gas utilities will be impacted by a decision regarding this complaint.

IAMU contends that the Board does not have jurisdiction over a determination of whether Rockford complied with Iowa Code § 476.20(5) due to the fact that Rockford is not subject to Board jurisdiction regarding deposits charged by municipal utilities. IAMU admits that the Board has jurisdiction over certain policies and practices of municipal electric and gas utilities pursuant to Iowa Code § 476.1B; however, IAMU contends that § 476.1B limits the Board's jurisdiction to the specific statutory sections listed and those sections do not include deposits.

Section 476.1B provides that unless otherwise specifically provided by statute, municipal electric and gas utilities are not subject to regulation by the Board under Iowa Code chapter 476 except for regulatory action listed in § 476.1B, including regulation pertaining to "Disconnection of service, as set forth in section 476.20." IAMU points out that § 476.20 is entitled “Disconnection limited – notice – moratorium – deposits.” IAMU argues that the specific reference in § 476.1B(1)(e) to “disconnection of service” limits the Board to jurisdiction over disconnections and not deposits, even though deposits are addressed in § 476.20. IAMU contends that the

Legislature would not have specifically referred to disconnections but rather would have included all of the provisions in Iowa Code § 476.20 if the Legislature had intended for the Board to have jurisdiction over deposits required by municipal utilities.

IAMU argues that the language in Iowa Code § 476.20(3)(a) that authorizes the Board to establish uniform rules with respect to all public utilities furnishing gas or electricity relating to disconnection of service specifically states that this subsection of the statute applies to both regulated utilities and municipally-owned utilities. IAMU points out that Iowa Code § 476.20(5)(a), in contrast, includes language authorizing the Board to establish rules on customer deposits with respect to all public utilities; however, this provision does not include specific language applying this provision to all regulated and municipal utilities.

IAMU argues that the rule of statutory construction "expressio unius est exclusio alterius" (the expression of one thing is the exclusion of another) applies to Iowa Code § 476.20(5). IAMU states that this rule of statutory construction was codified by the Legislature in Iowa Code § 4.7 which provides that: "If a general provision conflicts with a special or local provision, they shall be construed, if possible, so that the effect is given to both. If the conflict between the provisions is irreconcilable, the special or local provision prevails as an exception to the general provision."

With regard to the merits of the complaint, IAMU points out that when Rockford was first contacted by Vander Lee regarding the $200 deposit, Rockford

assumed it was subject to the Board's rules and calculated the deposit for the highest month during the previous 12 months since the owner maintained service at the apartment, even though the apartment was not occupied. The highest 12-month bill while the apartment was not occupied was $95.32. IAMU states that Rockford considered this deposit to be insufficient and checked with Board staff whether use of the highest monthly bill during the 12-month period when the apartment was occupied was appropriate. IAMU states that Board staff confirmed that a deposit calculated while the apartment was occupied was appropriate. The highest bill under this second scenario was $202.74.

IAMU cites to the Board's rules at 199 IAC 20.4(3)"b," which provide that a new or additional deposit may be required from a customer when a deposit has been refunded or is found to be inadequate. This provision of the Board's rules also states that no written notice is required to be given of a deposit required as a prerequisite for commencing service. IAMU argues that based upon these rules, it is reasonable to conclude that the exception to the notice requirement also applies to an additional deposit where the calculated amount is determined to be insufficient at the time of application. If this notice provision did not apply to additional deposits, a utility would be required to give written notice of an increase in the deposit amount and wait 12 days for the additional deposit.

IAMU states that the practice of basing deposits on energy used when a premise was occupied is a reasonable standard practice in the industry and is within the intent of the statute. The purpose of a deposit is to ensure payment for service

and use of the highest monthly bill over the last 12 months when a place is occupied is likely to cover an unpaid bill. IAMU argues that basing the deposit on minimum bills for an unoccupied apartment is no more reasonable than basing the deposit for a warehouse on the building's previous use as an Internet data hub.

IAMU states that without adequate deposits, uncollected debt must be made up through rates charged to other customers. For customers of a small municipal utility, the impact of even a few thousand dollars of uncollected bills can be substantial on the utility's few other customers. Rockford has 534 meters. Forty-two municipal utilities serve fewer than 500 customers.

D. IAEC Position

IAEC states that in the order docketing the complaint the Board indicated that the statute and Board rules related to deposits could be subject to different interpretations when a premise has not been occupied but has been receiving minimal service. IAEC states that a deposit is designed to ensure payment of a customer's electric service bill if a customer does not pay. IAEC suggests that the purpose of a deposit would be frustrated if the statute and rules were to be interpreted in such a way that a utility would be limited to requesting a deposit no greater than the highest billing for the previous 12-month period for a premise that has not been occupied for more than 12 months. IAEC states that in this instance it would be more appropriate to treat the premise as having not previously received service and allow the utility to project one month's usage based on the projected change in the occupancy status. IAEC suggests that reviewing the billings for a 12-

month period from when the premise was occupied would be an appropriate method for projecting future usage.

E. IPL Position

IPL did not file an initial response to the complaint. In a reply filed July 15, 2013, IPL states that it generally agrees with the actions taken by Rockford regarding the deposit for the Vander Lee apartment.

F. MidAmerican Position

In a reply filed July 15, 2013, MidAmerican states that it does not take a position on the request to dismiss the complaint and that it generally agrees with the Board staff's proposed resolution and Rockford's calculation of a deposit.

G. Consumer Advocate Position

Consumer Advocate states that it disagrees with the position taken by IAMU regarding the Board's jurisdiction over the deposits charged by municipal utilities. Consumer Advocate argues that Iowa Code § 476.1B(1)(e), when read in context with the other provisions of Iowa Code chapter 476, supports the Board's jurisdiction over deposits charged by municipal utilities. Consumer Advocate points out that Iowa Code § 476.20(5) directs the Board to establish rules which shall be uniform with respect to "all utilities" furnishing gas and electricity related to deposits required for the initiation or reinstatement of service. Municipal utilities are included in the broad definition of "public utility" in Iowa Code § 476.1(3).

Consumer Advocate disagrees with IAMU's interpretation of Iowa Code § 476.1B(1)(e) as limiting the Board's jurisdiction under Iowa Code § 476.20 to just

those provisions related to disconnections. Consumer Advocate argues that the use of the phrase "disconnection of service" in Iowa Code § 476.1B(1)(e) is descriptive and does not serve a restrictive function. The words in the title of that section which include disconnection, notice, moratorium, and deposits should not be considered as separate topics, but as inseparable related parts of the whole subject of disconnection.

According to Consumer Advocate, to apply IAMU's interpretation would mean that the winter moratorium would not apply to municipal utilities because it is set forth in Iowa Code § 476.20 but is not strictly "disconnection." Consumer Advocate contends that deposits, like the winter moratorium, are an inseparable part of the Board's jurisdiction over disconnections.

In addressing the phrase in Iowa Code § 476.20(5), "has previously received service," Consumer Advocate contends that the Board has the authority to interpret this phrase. Consumer Advocate states that the Board should consider that the nature of the use of the apartment has changed from senior housing to general use apartments. Consumer Advocate points out that Vander Lee contends that the change in the nature of the use of the apartments makes the prior usage data irrelevant.

Consumer Advocate states that the Board should consider alternatives to simply extending the previous period beyond 12 months for estimating usage. Consumer Advocate suggests that the Board apply the language in Iowa Code § 476.20(5)(a)(2) which provides that the deposit for a residential customer for "a

place which has not previously received service" shall be the customer's projected one-month's usage for the place to be serviced as calculated by the utility according to Board rules. According to Consumer Advocate, extending the period for determining a deposit beyond the previous 12 months for an apartment where the use of the apartment has changed may not yield an accurate estimate of future usage. Consumer Advocate suggests that some non-historical method would be more appropriate.

BOARD DECISION

This complaint requires the Board to interpret the statutory language in Iowa Code § 476.20(5)(a) which states:

> a. The board shall establish rules which shall be uniform with respect to all public utilities furnishing gas or electricity relating to deposits which may be required by the public utility for the initiation or reinstatement of service.
> (1) The deposit for a residential or commercial customer for a place which has previously received service shall not 2be greater than the highest billing for service for one month for the place in the previous twelve-month period.
> (2) The deposit for a residential or commercial customer for a place which has not previously received service or for an industrial customer shall be the customer's projected one month's usage for the place to be serviced as determined by the public utility according to rules established by the board.

The issue raised in the Vander Lee complaint is whether the phrase "place which has previously received service" means any place where service is connected, regardless of whether there is someone residing at the place, or does it mean there must be someone residing at the place using electricity or natural gas.

Iowa courts address issues of statutory interpretation only after the court determines that the statutory language is ambiguous. In re R.V., WL3872894, 1-3 (Iowa App. 2013); State v. Wiederien, 709 N.W.2d 538, 541-42 (Iowa 2006). A statute is ambiguous if reasonable minds can disagree on the statute's meaning. Id. If a statute is determined to be ambiguous, the court, in civil cases, will interpret the statute liberally to effect the purpose of the statute rather than to defeat it. In re R.V., WL3872894 at 2; Renda v. Iowa Civil Rights Commission, 784 N.W.2d 8, 15 (Iowa 2010); State v. Wiederien, 709 N.W.2d at 541-42; State v. Hearn, 797 N.W.2d 577, 585 (Iowa 2011).

In the case of In re R.V., the Court stated when interpreting a statute courts avoid strained, impractical, or absurd results and give ordinary language its plain meaning; however, the manifest intent of the Legislature will prevail over the literal import of the words used. In re R.V., WL3872894 at 2 (citing Renda, 784 N.W.2d at 15). Courts look at the object to be accomplished and the evils and mischief sought to be remedied in reaching a reasonable construction which will best effect the purpose of the statute rather than one which will defeat the purpose. Renda, 784 N.W.2d at 15. Courts consider all parts of the statute together and do not give undue importance to any single portion. Id.

The goal of statutory construction is to determine legislative intent. The court looks at the words chosen by the Legislature to determine the intent and not what the Legislature should or might have chosen. Absent a statutory definition or an established meaning in the law, words in the statute are given their ordinary and

common meaning by considering the context within which they are used. State v. Wiederien, 709 N.W.2d at 541. The court will not under the guise of construction extend, enlarge, or otherwise change the meaning of a statute. Id. (Citing Auen v. Alcoholic Beverages Div., 679 N.W.2d 322, 325 (Iowa 2001)). Ambiguity may arise in two ways: (1) from the meaning of particular words, or (2) from the general scope and meaning of a statute when all of the statute's provisions are examined. Id. (citing Holiday Inns Franchising, Inc. v. Branstad, 537 N.W.2d 724, 728 (Iowa 1995)). To resolve the ambiguity and determine the legislative intent, the court considers: (1) the language of the statute; (2) the objects sought to be accomplished; (3) the evils sought to be remedied; and (4) a reasonable construction that will effectuate the statutory purpose rather than defeat that purpose. State v. Wiederien, 709 N.W.2d at 541-42; State v. Green, 470 N.W.2d 15, 18 (Iowa 1991).

A. Jurisdiction Over Municipal Utility Deposits

IAMU argues that the Board does not have jurisdiction over the deposits required by municipal utilities because of the language in Iowa Code § 476.1B(1)(e) that, according to IAMU, specifically limits the Board's jurisdiction under Iowa Code § 476.20 over municipal utilities to disconnection of service. IAMU argues that deposits are addressed in a separate part of § 476.20 and so are not covered by the statutory jurisdiction of the Board over disconnections.

IAMU is correct about the specific reference to disconnections in Iowa Code § 476.1B(1)(e); however, IAMU ignores the language in Iowa Code § 476.1B(1) which states that the Board lacks jurisdiction over municipal utilities, except as

specifically listed, "unless otherwise specifically provided by statute." The language in Iowa Code § 476.20(5) which states that the Board shall "establish rules which shall be uniform with respect to all public utilities furnishing gas or electricity relating to deposits which may be required by the public utility for the initiation or reinstatement of service" meets the requirement of "otherwise specifically provided by statute." It is clear that the Legislature intended for the Board to have jurisdiction over deposits required by all public utilities, including municipal utilities, by enacting the specific language regarding deposits in Iowa Code § 476.20(5).

In addition, IAMU's interpretation of the specific reference to "disconnection" in Iowa Code § 476.1B(1)(e) is too restrictive and does not take into account the relationship between deposits and disconnections. Disconnection of a customer for not paying a deposit is subject to Board jurisdiction the same as a disconnection for not paying any other debt owed to a municipal utility for electric or natural gas service. If the Board establishes rules that are to apply to all disconnections of electric and natural gas service by a public utility, including a municipal utility, then rules regarding deposits and disconnection for not paying a deposit would come within the Board's jurisdiction. It is not a reasonable interpretation of the statute that the Board would be able to limit disconnection of service by a municipal utility that has charged a deposit that exceeds the limits in Iowa Code § 476.20(5), but cannot limit the amount of the deposit initially.

IAMU argues that municipals are not subject to the “all public utilities” language in Iowa Code § 476.20(5) because municipals are not specifically listed in

that section, as they are in Iowa Code § 476.20(3)(a). IAMU's argument contradicts the IAMU argument that disconnections and deposits are separate parts of Iowa Code § 476.20 discussed above. If, as IAMU argues above, disconnections and deposits are separate and distinct parts of the statute, then comparison of the language in the two provisions is not relevant.

The Board does not agree with IAMU's argument about the two provisions being separate and distinct and also does not agree that the lack of specific language in Iowa Code § 476.20(5) including municipals limits the Board's jurisdiction over deposits required by municipal utilities. This latter IAMU argument fails to recognize that the Board's jurisdiction over disconnections is addressed in both Iowa Code §§ 476.20(2) and 476.20(3). Iowa Code § 476.20(2) establishes certain criteria for disconnections by regulated public utilities which are not specifically described in Iowa Code § 476.20(3). The Legislature then grants the Board the authority to establish uniform rules related to disconnections for all public utilities in Iowa Code § 476.20(3) and includes the second sentence in that subsection to ensure that there is no question that municipal utilities are covered by any rules promulgated by the Board with regard to disconnections. Since the Board's jurisdiction over deposits required by all public utilities is only found in Iowa Code § 476.20(5), the Legislature did not need to include the additional language in that subsection to ensure it was understood that municipal utilities would be subject to any rules promulgated by the Board.

The intent of the provisions related to deposits in Iowa Code § 476.20(5) is to create a uniform standard for all public utilities that will provide some protection to the utility for non-payment for electric or natural gas service but limits the utility's ability to charge a customer an unreasonable deposit to initiate service. If the IAMU interpretation is correct, then the Legislature has established protections for customer deposits charged by rate-regulated public utilities and electric cooperatives, but not municipal utilities. This interpretation is not reasonable in light of the intent of this section of the statute to establish uniform standards related to disconnections of utility service and deposits. The language in this provision is clear that the Legislature intended for the provisions establishing a limit on what a utility may charge for a deposit is to be the same regardless of whether the utility is municipally owned, cooperatively owned, or a rate-regulated utility.

B. Vander Lee Complaint

The language in Iowa Code § 476.20(5)(a) provides that the Board will establish rules "which shall be uniform with respect to all public utilities furnishing gas or electricity relating to deposits which may be required by the public utility …". This provision of the statute then provides two limits on how much a public utility may require for a deposit. Iowa Code § 476.20(5)(a)(1) limits the deposit to the highest monthly billing in the previous 12-month period for a place which has previously received service. Iowa Code § 476.20(5)(a)(2) provides that a public utility may require a deposit, for a place that has not previously received service, based upon a

projection of the customer's one-month usage as determined by rules established by the Board.

This section of the statute strikes a balance by authorizing the public utility to require a deposit while limiting the amount of that deposit. Board rules state a deposit is "intended to guarantee partial payment of bills for service." 199 IAC 19.4(2)"a" and 20.4(3)"a." Board rules also allow the utility to require a new or additional deposit "when a deposit has been refunded or is found to be inadequate." 199 IAC 19.4(2)"b" and 20.4(3)"b." Board rules do not define or otherwise interpret the phrase "place which has previously received service."

The intent of the statute is to provide the public utility with a deposit large enough to provide some protection for the utility and its other customers in case of non-payment by a customer and to establish an upper limit on the amount of a deposit to protect the customer from an unreasonable deposit requirement. In this context, and applying the Board's rules stating that the deposit is to guarantee partial payment, it could be argued that the phrase "place which has previously received service" is subject to different interpretations. It could be argued that a place where service is only connected, but where there is no tenant, does not meet the requirement of a "place which has previously received service." It can also be argued that the statutory language is clear and for a deposit to be subject to the provisions of Iowa Code § 476.20(5)(a)(1) the place where the deposit is required need only be connected to service. Under this latter interpretation, there would be no requirement that the place be occupied.

After consideration of the positions of the parties and consideration of the court cases discussed above regarding statutory interpretation, the Board concludes that the phrase "place which has previously received service" is clear and the words are used in there common meaning and are not ambiguous. The Board concludes that the language "place which has previously received service" requires only that service be connected and not that there be a tenant occupying the place.

An interpretation that would add the additional requirement that the place be occupied would require the Board to go beyond the statutory language and add a requirement to Iowa Code § 476.20(5)(a)(1) that the Legislature did not specifically include. Adding such a requirement where the language of the statute is clear and not ambiguous is not reasonable. If the Legislature had intended to include occupancy as an additional requirement, it could easily have included that requirement. It appears clear from the absence of an occupancy requirement that the Legislature did not intend for occupancy to be an additional requirement for determination of the deposit where a place has been receiving electric or natural gas service.

The Board recognizes that application of the language in § 476.20(5)(a) which limits the amount of a deposit where the landlord has retained service, and the place has not been occupied, may not result in a deposit that the utility considers adequate for protection against non-payment. Board rules, which apply to all public utilities including municipals, have addressed the situation where a utility does not consider a deposit adequate. Paragraphs 199 IAC 19.4(2)"b" and 20.4(3)"b" allow a utility to

require a new or additional deposit where the utility has determined the deposit to be inadequate. This provision of the Board's rules would allow a utility to decide that a deposit based upon the highest bill in the previous 12-month period where a place has been receiving service, but the place has not been occupied, is not adequate when a new tenant requests service at the place. The utility could then require a deposit that it considers adequate.

The Board considers the circumstances involved in the Vander Lee complaint to be an example of the situation described above. The circumstances at the Vander Lee apartment come within the provisions of Iowa Code § 476.20(5)(a)(1) since the apartment in question had service connected in the landlord's name in the previous 12-month period; however, the circumstances at the Vander Lee apartment also come within the provisions of 199 IAC 20.4(3)"b" since Rockford did not consider the deposit adequate because there had been no tenant at the apartment in the previous 12-month period. Rockford's determination that a deposit based upon the bills rendered in the previous 12-months, when the apartment was receiving service but did not have a tenant, was inadequate is supported by the fact that the highest bill in the previous 12-month period, when the service was in the landlord's name, was $95.32, and, based upon a review of the bills when the place was occupied, the highest monthly bill was $202.74. Based upon this comparison, it was reasonable for Rockford to conclude that a deposit of $95 was not adequate and to require a deposit for the new tenant of $200.

The Board considers the decision by Rockford to charge a deposit higher than the highest bill during the previous 12-month period when the service was in the landlord's name and the place was not occupied to be reasonable. Usage when a tenant lived at the place provides a more reasonable basis for determining the amount of an adequate deposit than usage during a period when the place was not occupied. The higher deposit provides more adequate protection for other Rockford ratepayers if the new tenant fails to pay for service.

The Board's interpretation of the language "place which has previously received service" does not provide a utility with the flexibility to require whatever deposits it chooses if it is not satisfied with the deposit based upon the high bill in the previous 12-month period where a place has previously received service. For a utility to have the flexibility to require a deposit other than the high bill in the previous 12-month period for a place that has previously received service, the place would need to have been connected to service in a landlord's name and not have been occupied in the previous 12-month period. In this limited situation, the utility could either look at periods when the place was occupied to determine an adequate deposit, or the utility could require a deposit based upon a projected one month's usage at the place.

Based upon the Board's conclusion that the deposit requirements in Iowa Code § 476.20(5)(a)(1) are clear and not ambiguous, and that it was reasonable for Rockford to look back at usage when the Vander Lee apartment was occupied to determine an adequate deposit, the Board will dismiss this complaint. The statute

requires a balancing of the interests of the utility against the interests of the customer and the Board finds that in this instance Rockford reached a reasonable decision concerning the amount of deposit for the Vander Lee apartment.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The Utilities Board has jurisdiction over the deposits required by municipal utilities pursuant to the provisions of Iowa Code § 476.20(5).

2. The complaint of Karen Fenhold Vander Lee against the Rockford Municipal Light Plant, Docket No. FCU-2013-0008, is dismissed.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Joan Conrad */s/ Sheila K. Tipton*
Executive Secretary

Dated at Des Moines, Iowa, this 9th day of September 2013.