

Decorah Municipal Electric Utility Task Force Report (12/21/2022)

EXECUTIVE SUMMARY

The Decorah Municipal Electric Utility (MEU) Task Force was created by the Decorah City Council in December of 2020. This report summarizes the work that the task force has done over the last two years.

Part One of this report examines the potential advantages and disadvantages of MEUs, as compared with Decorah's existing electric utility provider. Here we draw on publicly available data and information provided to us from electricity service providers who participated in our education sessions to compare electricity costs, reliability of service, and other benefits to communities associated with electric utility providers. This section also discusses what we learned from the various listening sessions we held with Decorah community members.

Regarding rates, we find that on average, Iowa MEU residential and commercial customers pay substantially less for their electricity than Alliant's residential and commercial customers. Industrial/Large User customers served by a MEU in Iowa, on average, pay slightly more than industrial customers served by Alliant. We found that the reliability of electrical service provided by MEUs is as good as, or better than the reliability of electrical service provided by investor-owned utilities. We found the education session interviews with managers of Iowa MEUs to be particularly informative. We were impressed with the professionalism and expertise demonstrated by these managers, and we encourage everyone interested in this issue to [watch](#) those interviews. As described in the Education Sessions with MEU Managers section, Mutual Aid Agreements work reliably to restore service after natural disasters.

Part Two of this report examines the feasibility of establishing a MEU in Decorah. Here we build upon the two competing feasibility studies from 2018, analyze differences between those two studies, and consider new developments from the most recent five years that could impact the feasibility of establishing a MEU in Decorah. Feasibility considerations include economic feasibility, feasibility of reliable service during and after a potential transition to a MEU, and the feasibility of a successful Iowa Utilities Board (IUB) application process and service territory acquisition.

We find that both feasibility studies in 2018 significantly underestimated Alliant's projected rate increases, given the magnitude of Alliant's rate increase that occurred in 2019. Should the city decide to pursue municipalization, MiEnergy's recent offer to partner with Decorah provides reassurance that the transition between Alliant and a MEU could be smooth. The education session with Decorah City Manager, Travis Goedken, and Attorney David Lynch provided valuable information on financial and regulatory processes regarding applying for

municipalization with the IUB and funding the municipalization process. Our comparison of the two feasibility studies, in combination with new information available since 2018, gives us confidence that a MEU in Decorah could be logistically and economically feasible. The legally required regulatory oversight process provides further reassurance that a petition from the city for municipalization of electric services must be feasible and in the best interest of customers in order to gain approval from the Iowa Utilities Board.

Part Three contains our conclusions and a relative assessment balancing the potential advantages and disadvantages of a MEU as well as an acknowledgement of uncertainties. We find that establishing a Decorah MEU has the following potential advantages:

- The opportunity to reduce the costs of electricity for customers.
- Improved financial viability for the Decorah community that could be accomplished by keeping energy dollars in the community.
- Financial benefits to the City of Decorah, including payments in lieu of taxes that could exceed the contributions currently made by Alliant.
- Improved reliability and resilience in the face of adverse weather events if the City decides to improve upon existing electric infrastructure.
- Flexibility to pursue goals from the City of Decorah’s Sustainability Plan.
- Local autonomy could allow greater flexibility in responding to future challenges.

We also find that the establishing a Decorah MEU has the following potential disadvantages:

- The legal expenses involved in pursuing municipalization cannot be precisely predicted and could be substantial.
- Developing a careful and thorough application for municipalization with the IUB would require the City of Decorah to make significant investment, without the certainty of IUB approval.
- For the City of Decorah to accomplish some of the potential advantages of municipalization (for example, improved reliability due to “infrastructure hardening,” or investments in renewable energy and energy storage), the city would need to incur significant costs. These increased costs could negate some of the potential cost savings advantages considered in this report.
- The City of Decorah would assume responsibility for providing electricity service to customers in the face of increased stressors to the existing electric grid infrastructure. This could be expensive in ways that we cannot predict.

The group of community members volunteering to serve on Decorah’s MEU Task Force have undertaken this effort in the spirit of trying to do what is best for the community of Decorah. This report is accompanied by a recommendation to the Decorah City Council that they proceed with the next steps in the process of pursuing municipalization, including holding a referendum on municipalization, at a time of their choosing.

All of the documents related to our work on this taskforce are available to the public at this link: tinyurl.com/meutaskforce

INTRODUCTION

Decorah's City Council established this Task Force with Resolution E3 in December 2020, and the task force began meeting in January 2021. In Resolution E3 the city council tasked us with the following duties:

- “Conduct a series of learning opportunities for the task force and the public about the advantages/disadvantages of forming a Decorah MEU and then conduct them in various venues and via different means (in-person meetings, online webinars, etc.) in Decorah.
- Convene meetings with key stakeholders (large customers, senior citizens, downtown businesses, Freeport residents and businesses, City leaders/employees, etc.) to identify and address concerns
- Respond to the recent invitation by the IUB “to bring specific issues regarding a municipalization process before the Board through the Board’s complaint procedures in accordance with Iowa Code § 476.3.”
- Commission a MEU feasibility study to be completed by Fall 2021.
- Provide a recommendation to the City Council about whether and when to hold a second referendum about establishing a MEU.”

Decorah Task Force members include Carly Hayden Foster, Larry Grimstad, Doug Hamilton, Reginald Laursen, Mark Lovelace, Andy Johnson, Karen McLean, and Larry Wilson. In fulfilling the duties that were asked of us by Decorah's City Council we have:

- held regular meetings, open to the public, at Decorah's City Hall;
- met with various groups and individuals in our community to hear their insights and concerns;
- invited guests to present information to our taskforce on issues related to MEUs;
- invited IUB members to discuss the process of electrical municipalization with the Decorah community;
- conducted MEU education events with the general managers of MEUs in Iowa;
- invited representatives from Alliant Energy to participate in our educational event series (they declined the invitation);
- invited presentations by managers from MiEnergy, the rural electric cooperative with a service territory that surrounds Decorah;
- invited the Mayor of Hudson Iowa, the one and only Iowa community who had a MEU and decided to sell it to MidAmerican Energy;
- invited Decorah's City Manager and an attorney with extensive knowledge about electric utility regulation in Iowa to discuss the processes for establishing and financing a municipal electric utility;
- and we engaged in the lengthy process of attempting to gather information from Alliant, with the assistance of the IUB.

On July 11, 2022, the IUB ultimately declined to hear the City of Decorah’s complaint filed in November 2021 regarding the city’s failure to secure utility data from Alliant. The board concluded it did not have the statutory authority to compel Alliant to furnish this data prior to a successful public referendum on municipalization. Therefore, we were not able to get the information that we requested from Alliant—information that we hoped would help us build a solid foundation for a meaningful feasibility study. Because of this, we ultimately decided not to ask the city to expend the resources needed for conducting a feasibility study. If the city council decides to hold a second referendum on municipalization, this is an issue that the Decorah City Council may want to revisit at that time.

While this is not what the task force hoped the IUB would decide, we are reassured that the Board’s decision included a reminder that they will require Alliant to provide accurate information to the community. In its final ruling (July 11, 2022) on the complaint, the Board confirmed that:

“There may be many reasons a city might advocate for municipalization ... [including] to address service quality issues, become a model for renewable energy, or add additional revenue sources in order to decrease rates via the switching of wholesale power providers. Iowa Code § 388.2 grants a city the right to determine what is best for it and to put municipalization to a vote by its citizenry.” ([IUB, Order Denying Request for Formal Complaint Proceeding, \(C-2021-0179\), July 11, 2022](#))

The Board’s ruling declares that they do not have the statutory authority to compel Alliant to provide information to the City of Decorah now, but the board did state that:

“Should [Alliant] engage in the local process and put forth its own numbers, facts, or figures, as [Alliant] did prior to the previous Decorah municipalization vote, the Board would have the authority to ensure IPL was using the correct, most up-to-date information when speaking to customers.”

It is in this context that the Decorah MEU Task Force presents this report. What follows is a summary of the work that the task force has done over the last two years. This report has three primary subsections:

Part One - What are the potential advantages and disadvantages of MEUs, as compared with Decorah’s existing electric utility provider? Here we draw on publicly available data and information provided to us from electricity service providers who participated in our education sessions to compare electricity costs, reliability of service, and other benefits to communities associated with electric utility providers. This section also discusses what we learned from the various listening sessions we held with Decorah community members.

Part Two - Could establishing a MEU be feasible for Decorah? Here we build upon the two competing feasibility studies from 2018, analyze differences between those two studies, and consider new developments from the most recent five years that could impact the feasibility of establishing a MEU in Decorah. Feasibility considerations include economic feasibility, feasibility of reliable service during and after a potential transition to a MEU, and the feasibility of a successful IUB application process and service territory acquisition.

Part Three - Conclusions from the work of this task force. This section includes a summary a relative assessment balancing the potential advantages and disadvantages of a MEU, and an acknowledgement of uncertainties.

PART ONE: WHAT ARE THE POTENTIAL ADVANTAGES AND DISADVANTAGES OF MEUs, AS COMPARED WITH DECORAH'S EXISTING SERVICE PROVIDER?

What We Learned About Electricity Costs

Electricity providers divide customers into different ratepayer classes—residential, commercial, (sometimes large commercial and small commercial), industrial/large user, and sometimes public authority—and charge different customers different base rates. In addition, electric utility providers utilize different systems of additional charges (monthly fees, connection charges, demand rates, etc.) that they collect from their customers. As we compare the costs of electricity, we are taking all these factors into consideration.

We have examined the data on electric utility rates made publicly available by the IUB at <https://iub.iowa.gov/records-information/information-utility-annual-report-filings>. We have reviewed analysis of this data by Decorah's Sustainability Commission chair, Jim Martin-Schramm, which showed Alliant's "all-in" costs per kilowatt hour compared with the other 180 electric utilities in Iowa. We also gained useful details about rates from the general managers of electric utilities that participated in our MEU Educational Event series. Detailed information about rates is available at the IUB's website above, and in the executive summary documents from the MEU Taskforce Educational Events, in the appendix of this report. All the data that we have drawn upon is publicly available in the Decorah MEU Taskforce Dropbox tinyurl.com/meutaskforce

We have found that:

- In all customer rate classes, Alliant's (also known as Interstate Power and Light, IPL) Iowa "all-in" costs per kilowatt hour are higher than those of the other investor-owned utility in Iowa, MidAmerican Energy.

- Alliant’s *residential rates* are ~60% higher than those of MidAmerican Energy; they are also higher than all of Iowa’s Rural Electric Cooperatives (RECs), and higher than nearly all of Iowa’s MEUs.
- 136 MEUs operate in Iowa, each authorized to create their own customer classification systems and rates for those customer categories. Some MEUs have created rate structures with small differences in rates between customer categories, and other MEUs have created rate structures with substantial differences between customer categories. These rate decisions are made by members of local MEU Boards, accountable to local elected officials and the communities they represent.
- On average, Iowa MEU Residential and Commercial customers pay substantially less for their electricity than Alliant’s residential and commercial customers.
- Industrial/Large User customers served by a MEU in Iowa, on average, pay slightly more than Industrial customers served by Alliant.

Blake Kruger, Utility Analyst for the Iowa’s Office of Consumer Advocate included the following in his September 2022 testimony to the IUB:

“IPL’s rates, particularly residential rates, are particularly higher than nearly all other electric utilities in Iowa and investor-owned utilities in the Midwest. Information obtained from the Iowa Utilities Board shows that IPL’s “all-in” residential rates, measured as a comparison of all residential revenues and all residential sales, are 16.6 cents per kWh. That is 61% higher than MidAmerican Energy Company’s rates. IPL’s commercial rates are 49% higher and its industrial rates are 38% higher than MidAmerican. Of Iowa’s 136 municipal electric utilities, 132 have “all-in” residential rates that are lower than IPL’s rates. All 42 rural electric cooperatives have “all-in” residential rates that are lower than IPL’s rates.”

(OCA Kruger Responsive Testimony RPU-2021-0003, September 16, 2022.)

What We Learned About Electricity Service Reliability

The increasing frequency of severe weather events has our community particularly concerned about the reliability of our electricity supply. The derecho that struck our neighbors in east-central Iowa in August 2020 demonstrated the potential damage that can be sustained to property and electric utility infrastructure.

The IUB does not require the same level of data reporting on reliability from MEUs that they require of investor-owned utilities (IOUs). Therefore, our reliability comparisons are based on data made publicly available by the US Energy Information Administration (EIA), <https://www.eia.gov/electricity/data/eia861/>, and data from the American Public Power Association. Luther College statistics professor, Phil Iverson, compiled and analyzed some of this data for us. In addition, we learned much about the reliability of electricity distribution from

the managers of local electric utility providers who participated in our MEU Educational Event Series. Electric utility reliability is measured by several metrics:

- SAIDI is the System Average Interruption Duration Index.
- CADI is the Customer Average Interruption Duration Index. CAIDI and SAIDI are reported in minutes. SAIDI and CAIDI are used by the EIA, and both are included in the American Public Power Association's national reliability averages by type of utility provider (COOP, IOU, or Public MEU)
- SAIFI is the System Average Interruption Frequency Index. This is reported as number of interruptions. (The Institute for Electronics and Electrical Engineers, IEEE, uses this standard, and is the source of the Iowa/Alliant specific numbers.)

For SAIDI, CAIDI, and SAIFI, smaller numbers are better, and all three metrics are reported with and without major adverse events (widespread power outages caused by major disasters).

The American Public Power Association provides national reliability performance by type of utility, comparing electric cooperatives, investor-owned utilities, and publicly owned utilities. This data allows nation-wide comparisons between types of service providers but does not include comparisons between providers in Iowa. Key findings:

- In 2020, publicly owned utilities nationwide had better average reliability scores than investor-owned utilities nationwide on all 3 metrics (SAIDI, CAIDI, and SAIFI), both with and without major adverse events.
- The Iowa specific data available is based on SAIFI scores. Alliant's (IPL) SAIFI score was slightly higher than Iowa's average SAIFI score, indicating a slightly higher frequency of interruptions than the state average.

In all our research into reliability of electricity service providers we found no evidence to support the concern (expressed in some of our community listening sessions) that MEUs might provide less reliable service than investor-owned utilities. And as described in the discussion of information from the Education Sessions with MEU Managers below, Mutual Aid Agreements work reliably to restore service after natural disasters. The Iowa Association of Municipal Utilities (IAMU) facilitates and coordinates mutual aid agreements, including maintaining an inventory of equipment and backup generators.

What We Learned from the Education Sessions with MEU Managers

The MEU task force conducted interviews with managers of the following MEUs:

- Algona Municipal Utilities, General Manager John Bilsten (May 23, 2022)
- Osage Municipal Utilities, General Manager Stacy Walsh (June 9, 2022)
- Maquoketa Municipal Electric Utility, General Manager Chris Krogman (July 7, 2022)
- Spencer Municipal Utilities, General Manager and CEP Steve Pick (July 19, 2022)

We asked each of these MEU managers questions about the following:

- Where they obtain their energy and how they transmit it
- Rates - including various rate classes and procedures used to set rates
- Electric service reliability
- Energy efficiency programs
- Community impact and benefits
- Total value of infrastructure and assets
- Advice to Decorah city officials if they decide to pursue municipalization.

In addition, each of the speakers answered questions posed directly from community members in the audience.

Representatives from Alliant Energy were also invited to participate in this education event series. We had hoped to pose similar questions to Alliant representatives so that we could directly compare responses, but Alliant declined our invitation.

Themes that emerged from these interviews with MEU managers in these comparable Iowa communities:

- There is variation in priorities of MEUs: some prioritized low rates, some prioritized reliability (undergrounding), some have invested in backup generators and energy storage that give them “islanding capability” (Maquoketa) and some have invested in wind and solar (Osage).
- Energy resources - All the MEUs participate in some sort of buyers group or in the case of Algona, three different buyers’ groups, to purchase energy. Energy comes from a variety of sources – coal, hydroelectric, nuclear, wind, and solar depending on the buying group. About 45% of Algona’s energy comes from a shared wind farm and three local turbines. Most have invested in some level of energy production (wind, solar, coal, or at least back-up diesel or natural gas generators). Maquoketa can produce enough energy to carry the entire community if needed during an emergency. These MEUs are sometimes asked to contribute their local energy production to stabilize the grid during peak demand hours.
- Rates and rate classes – MEU’s facilitate accountability, transparency, and responsiveness around rates, service, and reliability. This was especially evident as the MEU managers discussed the transparent process in which they established rate classifications and set rates. This included conducting rate studies and using consultants to assure that some ratepayers are not subsidizing other ratepayers. The four MEUs had four to six rate classes ranging from residential to large commercial/industrial. Residential rates among the four ranged from \$0.0615/kWh to \$0.124 kWh.
- Reliability and mutual aid agreements
 - Several have focused on undergrounding to decrease chances of storm damage to overhead wires and to increase the energy efficiency of the system. Spencer’s

line are 95% underground and 60%-70% of Algona's are underground. In Maquoketa, all new work is mostly underground, but 65% of existing lines are still overhead. Maquoketa does have three substations in town to provide redundancy.

- Algona's reliability statistics (SAIDI, SAIFI, and CAIDI) are impressive relative to other utilities in their region.
- MEU's provide net revenue to their city governments. The amounts of revenue vary from community to community and most often are assessed directly as a payment in lieu of taxes (PILOT). Among the MEU communities participating in our education sessions, these MEU's provided net revenue to their communities ranging from \$147k to \$600k annually
 - Algona \$400k (5%-6% of revenue) in lieu of taxes and serves as a communication utility (30% of customers have fiber connection)
 - Maquoketa 2% of revenue – about \$147k in 2021
 - Osage \$102k and provides free meters to some community entities – rec center, swimming pool, etc.
 - Spencer 5% of revenue, around \$600k annually
- Total asset value of MEUs was quite varied and ranged from about \$50 million in Algona to \$13 million in Osage considering depreciation. Total asset value was higher if a MEU owned some generation facilities.
- Professionalism and the importance of hiring and keeping staff were themes that emerged in all the conversations with MEU managers. The members of Decorah's MEU task force were impressed by the knowledgeable, capable, and professional MEU managers that participated in our education sessions.
- Advice for Decorah as we investigate the possibility of a MEU
 - Proactively investigate potential partners, buyers' groups, and sources of energy. Decorah could be part of a joint action agency like WPPI (member-owned, not-for-profit energy collaborative of 51 locally owned electric utilities) or UMMEG (locally owned utilities in IA, MN, and WI) to take advantage of economies of scale and negotiate low rates
 - Employees are critical – the city will need to hire employees with unique skill sets and they will need to be trusted by community. Wages and benefits are important to retain talent and experience.
 - A MEU will need a Board of Directors with members who are knowledgeable and focused on making long-term decisions.

To provide context for the revenues that MEUs contribute to their city governments, our task force also considered the fees that Alliant pays annually to the city of Decorah. While Alliant did not participate in this educational series, our City Council Liaison, Steven Zittergruen, confirmed that Alliant customers pay, and Alliant collects and transmits to the city of Decorah, a Franchise

fee of 4%, which in 2021 was \$267,632. Alliant also pays an annual “Excise Tax” of \$154,125. Together this is approximately \$422,000 in annual contributions from Alliant.

Our task force encourages anyone interested in the details of how MEUs operate in Iowa to watch the videos from those presentations and review the executive summaries from each event. Links to these videos and documents are available in the index of this report, and in the Decorah MEU Task Force Dropbox folder on the City of Decorah’s website.

What We Learned from the Education Session with MiEnergy Cooperative, General Manager and CEO Brian Krambeer (August 2, 2022)

MiEnergy is a nonprofit Rural Electrical Coop (REC) serving a large part of three counties in SE MN and three counties in NE IA, including Winneshiek County. In addition to serving rural customers, MiEnergy contracts with 11 wholesale cities in MN – the two largest being Caledonia and St. Charles. The municipal rates for these 11 cities are a pass through from Dairyland Power. These 11 cities receive all the services of MiEnergy membership. Residential rate basic service charges (meter charges) vary based on density – rural residential \$50.10 (to recover the cost of distribution), suburban \$33.90, and city \$27.60. The rate charge for all residential meters is \$0.107/kWh.

Dairyland Power (member of MISO) currently manages the energy market supply for MiEnergy and is contracted with them for the next 30 years. Over the 10 years, from 2021 to 2031, Dairyland plans to decrease their reliance on coal-generated power from 37% to 25% while their renewables will increase from 25% to 37%. They will continue to rely on natural gas plants, which can ramp up and down quickly to cover the peaks and valleys experienced with renewables, for 38% of their energy production.

MiEnergy provides the opportunity for net-metering for customers who own solar energy generation systems. This is in contrast with the other MEUs that participated in our education sessions who did not provide net metering for their customers.

MiEnergy has fared very well in terms of reliability, despite the challenging storms we have had in NE Iowa and SE Minnesota. Their 2019 and 2020 metrics (SAIFI, SAIDI, CAIDI) compared favorably to Minnesota and Iowa investor-owned utilities. As a nonprofit, they are FEMA eligible and have experience working with that agency during disaster recovery.

Since 2017, MiEnergy has passed back \$12.7 million to its members in patronage. They currently have \$3.8 million in active economic development loans including several in Decorah – expansion of the Decorah Business Park and remodel of the pharmacy at Winneshiek Medical

Center. MiEnergy is also working with the USDA on some matching grants and revolving loan funds for the Sunflower project.

A potential rate scenario for the City of Decorah (if it were to become a contract city) was discussed but would require further study of distribution lines, substations, etc. There are currently four MiEnergy substations surrounding Decorah such as the Nordness substation that now serves Toppling Goliath and the new apartments in the industrial park area.

What We Learned from the Education Session with George Wessel, Mayor of Hudson, IA

On September 15th, we spoke with Mayor George Wessel, as he explained the history and circumstances surrounding the city of Hudson's decision to sell Hudson's MEU to MidAmerican Energy. In 2012, Hudson's utility board entered a long-term (20-year) service agreement with their electricity supplier (Butler County REC and Corn Belt Power Cooperative) at what turned out to be unusually high rates. This high cost of electricity resulted in high rates for Hudson MEU customers. Hudson's very small MEU served half of the Hudson community, and the rest of Hudson and surrounding territories was served by MidAmerican Energy, which offered substantially lower rates. After failed attempts to negotiate lower rates with their electricity supplier, in 2021 Hudson officials decided to offer to sell their MEU to MidAmerican Energy. This sale provided immediate (refunded costs) and long-term (lower rates) financial benefits to the residents of Hudson.

What We Learned from Our Community Listening Sessions

Decorah MEU task force representatives conducted listening sessions with various groups to get a better understanding of community concerns, especially as they relate to electricity service and the potential of municipalization. These were open-ended listening sessions, where MEU task force members posed a series of questions to participants and encouraged them to discuss their concerns.

This summary of Listening Session findings is based on meetings conducted with the following entities: Stanley, Deco, Bruening Rock Products, Gemini Sign, Luther College, Winneshiek Medical Center, Collins Aerospace, Decorah Water Department, Decorah Wastewater Department, Decorah Fire Department, Bethel/Eastern Star Administrator, Decorah Rotary, Decorah Jobs, and Decorah Schools Superintendent. In addition, small business owners responded to a survey shared by the Decorah Chamber of Commerce and community members were invited to attend one of three Community Listening Sessions. Approximately 30 people attended those Community Listening Sessions.

Reliability is the number one concern for Decorah's large employers. Power failures/down times are costly for industries. It is not just a matter of lost productivity but a question of what should be done with the employees who are idled. If they are sent home, the employees earn less.

Large employers are concerned about the rates they pay, but most are willing to pay a premium kWh rate if reliability can be assured. To support a MEU, they would first need to be convinced that a new MEU would be as reliable as Alliant. Secondly, they would need to see a solid financial plan backed up by data. Third, since almost all the industrial customers rely heavily on the energy efficiency programs that are currently offered by Alliant, a MEU would be expected to offer similar programs.

Residential customers, on the other hand, are also concerned about reliability, but they are most frustrated by the high residential rates they are currently paying. Most would only support a Decorah MEU if they could be assured of lower electrical rates. Other residential customers are interested in a MEU because it would allow Decorah to control its energy future. Several community members who attended community listening sessions expressed environmental concerns related to carbon emissions and wondered if a MEU might be better suited than an investor-owned utility to pursue renewable energy goals.

Several community members expressed concerns regarding net metering because MEUs are not required to provide net metering for customer-owned solar installations while investor-owned utilities are. This is of particular concern in Decorah, a city with the highest per-household rate of solar installations in Iowa. Community members owning household solar want a Decorah MEU to retain a net metering program; many are counting on this to offset the significant financial investment they have already made. Providing net metering does increase costs for electricity providers, and some community members were concerned that a Decorah MEU would not be able to afford net metering while still maintaining reasonable electrical rates for all customers. Other community members wanted reassurances that net metering would be continued under a MEU, even if this did increase expenses for the MEU. Net metering is a concern that we encourage city officials to be attentive to if they decide to pursue the process of municipalization.

Finally, several residential customers expressed residual anger and frustration regarding Alliant's dishonest campaign prior to the May 2018 Decorah MEU referendum. Several complained that the feasibility study commissioned by Alliant showing minimal future rate increases was followed by a major Alliant rate increase nine months following the referendum.

All groups want assurances that a Decorah MEU would hire an experienced staff to support the utility. They also want to know that several multiple mutual assistance agreements are in place should Decorah experience a weather-related event that results in loss of electrical power. In the case of a power outage, industrial customers want rapid communication regarding estimated time until power returns. This information is also important to other city utilities (such as the water department) who need to plan when and where to use their generators. They also would expect

that the MEU would have electrical engineers on staff, or on retainer, that can consult with them about other strategies they can use while the power is down.

Community members in all these groups expressed concerns about the cost to purchase the existing electrical infrastructure owned by Alliant and the loss of property tax revenue should Alliant no longer be our electrical provider. (For more on this point, see the section on our Education Sessions above: all the MEUs we interviewed provided “payments in lieu of taxes” that could alleviate this concern.) Many believe the legal battle to establish a MEU will be long and costly as well as taking time and energy from other needed City projects.

In addition to those in-person listening sessions, the MEU taskforce designed an open-ended survey about electrical utility service and thoughts about municipalization which was sent to local small business owners by the Decorah Chamber of Commerce. Most of the small business owners who responded to the open-ended survey have been satisfied with Alliant's service. Although many are frustrated with rates, the majority did not express support for municipalization, instead suggesting that Decorah focus on other priorities including road/street improvement, housing for lower-income employees, and downtown development.

The members of this task force appreciate the community members who took the time to participate in these various listening sessions, and we acknowledge these concerns. Many of these concerns were incorporated into questions on these topics in our education session interviews with MEU managers (see above) and with City Manager, Travis Goedken, and Attorney David Lynch (see below).

What We Learned From our Education Session on Funding and the IUB Application Process (October 13, 2022)

David Lynch, Attorney with BrownWinnick and former General Counsel for the IUB, began the session by reviewing the process of applying for municipalization to the IUB. The IUB will consider an application for municipalization only after a positive referendum on municipalization demonstrates community interest in the endeavor. Following a positive referendum, the city would then create and appoint members to a MEU Board. The MEU Board would be the entity responsible for putting together a detailed application for municipalization. This application would include the city's reasons for wanting to municipalize, and detailed plans for how it would operate and finance a MEU, including a plan for the transfer of electric service provision between the investor-owned utility and the newly created MEU. The IUB would then evaluate the city's application and determine whether municipalization would be in the best interest of the community. The IUB would only approve the application if they are persuaded that municipalization would not increase costs for consumers. In addition, the IUB would consider other goals that the city hopes to pursue with municipalization and any other considerations regarding whether municipalization is in the public interest. It is likely that it would take the IUB at least a year to fully review the application and come to a decision. If either party is unhappy with the Board's decision regarding municipalization, they may appeal the agency's decision in

the Iowa court system. Appeals processes can be lengthy and expensive, and it is impossible to accurately predict the potential costs of such appeals.

Mr. Lynch has observed that the courts do tend to favor state agency decisions, and the IUB would be the defendant responsible for defending their decisions during the appeals process, with the city of Decorah as a co-defendant. Mr. Lynch advised that if the city decides to start this process of applying to the IUB, they should also be willing to make a firm commitment to finish the process.

Mr. Lynch pointed out that the IUB does take community interests seriously. If the City is to pursue a referendum and then an application for municipalization to the IUB, the city should make explicit their reasons for wanting to municipalize. This might include the goal of lower rates but could also include other goals such as: social or economic development, a shift to more renewable energy sources, reduced carbon emissions, improved reliability in the face of the increased frequency of severe storms, and local autonomy. This is further addressed in Part Three of this report.

Decorah City Manager, Travis Goedken, then described the process the City would take to fund the municipalization process. Mr. Goedken's discussion of the funding process was categorized into stages: funding for the process of developing an application for municipalization and defending the application in the courts, and the funding for start-up costs, including acquiring the electric infrastructure. General obligation bonds would be relied upon to fund the first steps in the process. Revenue bonds would be utilized to fund start-up and acquisition costs if the IUB approves the city's application for municipalization. Mr. Goedken also provided details about the city of Decorah's ability to borrow money, and the potential availability of Sustainability Commission funds. More details regarding the funding of a potential MEU are also included in Part Two of this report.

Goals that the City of Decorah Could Choose to Pursue with Municipalization

As discussed above, the IUB has made clear in previous decisions that when making decisions around approval or denial of applications for municipalization, they will consider costs to customers and they will also consider additional goals presented by the community requesting municipalization, including: social or economic development, a shift to more renewable energy sources, carbon emissions reductions, improved reliability in the face of the increased frequency of severe storms, and local autonomy. The establishment of a MEU could provide the City of Decorah a means of pursuing goals that are not possible with continued electricity service from Alliant. These goals could include:

- Rate relief, especially for residential customers as well as smaller commercial customers given Alliant's high all-in costs to serve those ratepayer classes.
- Economic vitality for the community of Decorah by recycling energy cost savings as well as payments in lieu of taxes within the Decorah economy.
- Custom-designed energy efficiency and net metering programs that will provide improved value to our residents and facilitate pursuit of the goals established in the City's Sustainability Plan.

- The chance to exceed Alliant's renewable energy percentage with grid purchases through buyer groups, and/or direct ownership of renewable energy systems and energy storage systems by the MEU via use of various provisions in the Inflation Reduction Act.
- A locally controlled MEU could decide to prioritize undergrounding and other infrastructure goals that could improve reliability in the face of adverse weather events.
- Maintaining and surpassing reliability via a partnership with MiEnergy at least to manage the MEU's lines in the short term while the MEU is getting established.
- Local autonomy could allow greater flexibility in responding to future challenges.

The goals mentioned above are all things that, if the city decides to prioritize them, could potentially be accomplished through municipalization. The pursuit of some of these goals could potentially increase revenue to the city and reduce costs to customers (for example, keeping electricity revenues in the community, payment in lieu of taxes that could potentially exceed the fees that Alliant currently pays to the city, and fully utilizing opportunities presented under the Inflation Reduction Act). Others of these goals (for example, rate relief, energy efficiency and net metering programs, and infrastructure “hardening”) could be associated with increased costs. Thus, these priorities need to be carefully considered and clearly stated in an application for municipalization, should the city decide to develop an IUB application for municipalization.

PART TWO: COULD ESTABLISHING A MEU BE FEASIBLE FOR DECORAH?

In this section we build upon the two competing feasibility studies from 2018, analyze differences between those two studies, and consider new developments from the most recent five years that could impact the feasibility of establishing a MEU in Decorah. Feasibility considerations include economic feasibility, feasibility of reliable service during and after a potential transition to a MEU, and the feasibility of a successful IUB application process and service territory acquisition.

The Pursuit of Utility Data and a Less Contested Study

As discussed earlier in this report, the charge to the Decorah MEU Task Force included conducting a new feasibility study or updating the prior study. The Task Force’s Feasibility Committee decided early on to request a common and accurate data set from Alliant. As the request submitted by the city to the utility in May of 2021 stated:

[The Task Force] Is committed to a clear, transparent, and less polarizing study process. We strongly believe that confusion and polarization can be significantly reduced by ensuring that any future feasibility studies or study updates use a common set of data consistent with actual utility records on file with the Iowa Utilities Board. We hope you share our goal of maximum transparency, and study outcomes grounded in the best available data.

Even after a second request in August, Alliant Energy refused to provide the requested data. In November of 2021, the Task Force and the City submitted a complaint to the IUB asking the

Board to order Alliant to release the requested information.¹ As noted in the prior section, in July 2022, and after seven months of review, the Board ruled that it did not have the statutory legal authority to compel Alliant to release the requested information prior to a successful referendum.

It is important to note that the Board's order denying Decorah's complaint recognized there may be many valid reasons for the community to pursue municipalization, and that if Alliant were to make claims during a future municipalization campaign, the Board has the authority to ensure they're telling the truth.²

Financial Feasibility Study Elements

Introduction to Major Issues and Study Disputes

The Decorah MEU task force recognizes that in the 2018 municipalization campaign, differences between the feasibility studies commissioned by Decorah Power (compiled by NewGen) and commissioned by Alliant (compiled by Concentric) caused significant confusion. As such, our task force engaged in a lengthy process to gain information from Alliant that might have allowed us to develop a new or revised feasibility study grounded in solid data.

While the Task Force did not conduct a new or updated feasibility study due to lack of data transparency from Alliant, we did learn a great deal of new information about the most important elements likely to determine MEU feasibility and we discuss them below.

Conceptually, the economic feasibility of a MEU revolves around whether the MEU can provide rates over the long term that are competitive with or lower than Alliant, while simultaneously providing equivalent or better service and reliability, and meeting other community goals. On a simplified level, the future rates can be described as a formula:

Rates = Startup Costs + Operating Costs + Power Supply Costs + (Profit)

- *Startup Costs* include costs to buy the infrastructure, equipment, and capital, regulatory, etc.
- *Operating Costs* include personnel, annual equipment, debt service, etc.
- *Power Supply Costs* include energy, capacity, and transmission costs.

¹ The complaint included the full history of data requests, and can be found in its entirety in the [MEU Task Force's Dropbox account](#).

² Iowa Utilities Board, [Order Denying Request for Formal Complaint Proceeding](#), (C-2021-0179), July 11, 2022, pp. 9; 11-12.

- *Profit* is the state-approved return on equity flowing to shareholders of an investor-owned utility like Alliant.³ It does not apply to consumer-owned utilities such as MEUs, which are non-profit organizations.

Two of the largest discrepancies between the NewGen feasibility study (commissioned by Decorah Power) and the Concentric Energy Advisors feasibility study (commissioned by Alliant Energy) revolved around:

- Assumptions around future Alliant rates
- Assumptions around the startup/buyout costs that a MEU would incur.

While there was variation in other aspects of annual operational and power supply costs, it was small relative to these two elements.

The NewGen study assumed that future Alliant rates would rise just over 2% per year (a conservative estimate relative to the past), while the Concentric study assumed that Alliant rates would rise roughly 1% per year.

In addition, the NewGen study assumed that startup/buyout costs would be nearly \$8 million, while the Concentric/Alliant study assumed these costs would total \$51 million. Startup/buyout costs are covered by the issuance of revenue bonds by a new MEU, and so the issue becomes the level of debt service that must be added to other annual operations costs. In the NewGen study, debt service represented just over 5% of the annual MEU budget, while in the Concentric/Alliant study, debt service represented a full 30% of the annual MEU budget.

The combination of lower startup/buyout costs and modest Alliant rate increases led to the NewGen conclusion that a Decorah MEU could provide electricity at roughly 30% lower rates in years 1-10 (and beyond). The combination of very high startup/buyout costs, and very low Alliant rate increases led to the Concentric/Alliant conclusion that a Decorah MEU would need to charge rates 4% higher in year 1, and 14% higher in year two, than projected Alliant rates.

Beyond rates, the most widely discussed challenge to a Decorah MEU in 2018 was the issue of transition management and reliability. These were also issues raised in the IUB's last consideration of municipalization. Brian Krambeer, MiEnergy's CEO, presented to the Task Force specific offers of support and partnership in the areas of transition management, infrastructure management and utility operations, and (together with Dairyland Power) power supply. MiEnergy Cooperative's 75 employees serve 19,000 members in Iowa/Minnesota and manage 43 substations and 5,500+ miles of line, including all of Winneshiek County other than the small geographic areas served by Alliant. This option did not exist in the context of the 2018

³ The IUB granted Alliant a 9.5 percent return on equity for their shareholders in their last rate case and an 11 percent return for their newest large wind farms. (Iowa Utilities Board, [Final Decision and Order](#), RPU-2019-0001, January 8, 2020, pp. 29-30)

feasibility studies and is an important development because it could help assuage IUB concerns about the feasibility of and transition to a newly established Decorah MEU.

Alliant Rates and Impact on MEU Feasibility

As previously mentioned, the Concentric/Alliant study assumed that Alliant rates would rise roughly 1% per year, indefinitely. Historically, however, Alliant’s costs per kilowatt hour over the last decade have risen at a combined annual growth rate of 2.51% for Residential customers, 3.39% for General Service (Commercial) customers, and 3.40% for Large General Service (Industrial) customers. The following table appears on Alliant’s website that presents historical data about their Iowa rates.⁴

Annual average cents per kWh

Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	*Average annual % increase
Residential	13.01	12.99	13.72	13.61	14.23	14.77	15.27	15.88	16.72	16.61	16.62	2.51%
General Service	9.22	9.01	9.98	10.02	10.27	10.71	11.0	11.8	12.47	12.37	12.39	3.39%
Large General Service	5.78	5.67	6.32	6.38	6.54	6.84	8.0	7.52	7.91	7.66	7.80	3.40%

*Annual average cents per kWh

Source: Edison Electric Institute’s Typical Bills and Average Rates Report

In late 2019, less than a year after the presentation of the Concentric/Alliant study to the Decorah City Council and the referendum, Alliant filed an application to increase rates with the IUB. This was Alliant’s third request to raise rates in less than ten years.⁵ Alliant asked the Board for permission to raise base rates 24% for residential customers, 18% for commercial customers, and 25% for industrial customers. The City of Decorah - as part of the Decorah Area Group and along with other intervenors - strongly opposed this increase as an official intervenor in the IUB docket.

In the end, the Board allowed Alliant to raise its base rates 15% for residential customers, 11% for commercial, and 15% for industrial customers. The Board also severely chastised the company, as mentioned earlier in this report, for its lack of transparency during the Decorah referendum, specifically in relation to their rate projections. As Alliant base rates represent

⁴ Alliant Energy, [Iowa Rates for Electricity and Gas: Historical Data](#), accessed November 15, 2022. It is important to distinguish between rates and costs. Alliant’s base rates represent the majority of costs to their ratepayers, but bills also include costs for fuel, renewable energy systems, and transmission. Alliant’s base rates are a subset of total ratepayer costs. The table above reflects Alliant’s “all-in” costs per kilowatt-hour of electricity sold to the respective ratepayer class.

⁵ The Iowa Utilities Board considered and approved Alliant’s requests to raise rates in the following dockets: RPU-2010-0001, RPU-2017-0001, and RPU-2019-0001.

roughly two-thirds of total ratepayer costs, this increase represents roughly the entire first decade of projected increases in the Concentric/Alliant study.

The 2019 rate increase was part of an Alliant trend that saw their customers gradually paying higher and higher costs per kilowatt-hour compared to most electric utility customers in Iowa. As previously mentioned, annual utility report data reported to the IUB and presented to the Task Force shows that Alliant's residential costs in 2021 were the 6th highest out of 181 Iowa utilities, and commercial rates were the 29th highest out of 173 Iowa utilities.

During Alliant's most recent rate case in 2019, Iowa's Office of the Consumer Advocate (OCA) discussed the history of Alliant's high costs and reminded the Board that it had previously cautioned the company that it "needed to make 'customer impact' a 'core focus' of its decision making process."⁶ OCA presented evidence that Alliant had "failed to give proper consideration to customer impacts when making important decisions including decisions regarding generation, tax planning, meter investment and grid investment."⁷ In addition, "to the extent [Alliant] considered customer interests at all, it did so with flimsy and incomplete analyses which were often nothing more than post hoc attempts to justify decisions [Alliant] had already made."⁸

The evidence above demonstrates that the increase in Alliant's costs to ratepayers over the last decade has been 2.5 - 3.5 times higher than the 1% per year increase projected in the feasibility study produced by Concentric Energy Advisors. What do we know about future Alliant rates and costs? Alliant's own filings at the IUB have indicated that the company intends to file additional and significant rate increase proposals on a regular basis to recover costs associated with investments in new generation, grid modernization, and expenses related to two major derecho storm events.

In fact, it recently appeared that Alliant would soon file another application to raise rates, in part to recover costs associated with the company's intention to build and install 400 MW of solar and 75 MW of battery energy storage. The company had requested prior Board approval of advanced ratemaking principles associated with this ~\$1 billion investment as well as an 11% return on equity for their shareholders. In November of 2022, the IUB denied Alliant's request:

Based upon the lack of analysis in IPL's [Alliant's] evidence, the lack of an analysis of alternative sources in the [Clean Energy] Blueprint, and changed market circumstances, the Board finds that IPL has not demonstrated that it has considered other sources for long-term electric supply and that the proposed

⁶ Office of the Consumer Advocate, [Pre-Hearing Brief](#), (RPU-2019-0001), September 16, 2019, pg. 1

⁷ *Id.*, pg. 5.

⁸ *Ibid.*

projects are reasonable when compared to other feasible alternative sources of supply.⁹

This was a major setback for Alliant and will likely delay their next application to raise rates by a year. In the meantime, Alliant informed its customers earlier this year that ratepayer costs would still be increasing due to higher transmission costs, higher fuel costs, the expiration of the tax benefit rider (that had been minimizing the financial impact of the most recent rate increase), and an increase in the Renewable Energy Rider to recover costs associated with curtailments at their new wind farms.¹⁰

Given the information presented above about Alliant's past, present, and future rates, it is clear the rate projections in the Concentric/Alliant feasibility study were severe underestimates (as were the projections in the NewGen study). Alliant's record of significant rate increases combined with the likelihood of additional rate increases in the future significantly increase the potential economic feasibility of a Decorah MEU.

Decorah MEU Feasibility Elements Other Than Alliant Rates

- MEU Annual Operating Costs Other Than Debt Service - The projected annual operating costs of a Decorah MEU are relatively consistent between the two studies, excluding debt service for startup/buyout and power supply/transmission (discussed separately below). These costs include distribution system/operation and management expense, customer expense, administrative and general expense, and energy efficiency program expense.
- MEU Startup/Buyout Costs: Physical Assets - The startup/buyout costs for a Decorah MEU are funded by the issuance of revenue bonds, with the resulting annual debt service expenses reflected in rates together with the annual operating expenses, and the power supply/transmission expenses. The different assumptions for startup/buyout costs in the two 2018 studies are shown in the table below, drawn from the Concentric/Alliant presentation to Council.

⁹ Iowa Utilities Board, [Final Decision](#), (RPU-2021-0003), November 9, 2022, pg. 14.

¹⁰ Alliant Energy, [Iowa Rates for Electricity and Gas: Electric Price Outlook](#), accessed November 15, 2022.

Assumption	Concentric Base Case (2021\$ million)	Decorah Power (2018\$ million)
System Acquisition Costs		
Physical Assets	\$20.0	\$5.6
Incremental Pre-Muni Capex	\$3.3	-
Separation/Reintegration	\$11.0	-
Going Concern	\$4.4	-
Total	\$38.7	\$5.6
Transaction Costs		
Legal/Consulting	\$2.2	<i>(included in Startup Costs below)</i>
Flotation	\$0.7	-
Total	\$2.9	
Startup Costs	\$9.4	\$2.0
Total Acquisition, Transaction and Startup Costs	\$51.0	\$7.6

The first thing to note is that while the Concentric/Alliant study includes many more categories of expense than the NewGen study, \$23.3 million represents the actual infrastructure valuation (the first two rows). This \$23.3 million compares to the NewGen \$5.6 million valuation; these are figures we had hoped to firm up with our data request to Alliant. While the final figure for infrastructure valuation would be determined by the IUB, a couple points can be made relative to physical asset values.

In June of 2015, the Minnesota Public Utilities Commission approved the voluntary sale of Alliant/IPL's entire electric service territory in southern Minnesota to a coalition of 12 rural electric cooperatives.¹¹ The sale transferred 43,000 customers to the co-ops, for a cost of \$127 million, or \$2,953/customer. Using the Concentric/Alliant Decorah figure of 3,673 Decorah customers would suggest a comparable valuation of Decorah's system of \$10.8 million. These are high level numbers of course, but it is worth noting:

- There is no reason to believe Alliant's distribution infrastructure in northern Iowa is significantly different in age or other characteristics than the infrastructure sold to the MN co-ops.
- It is very likely that the customer density in Decorah is significantly higher than the density in the MN sale, which would suggest significantly fewer miles of line per customer, and lower cost per customer.
- MiEnergy Cooperative was a participant in the buyout of Alliant's MN territory, has experience in the transition of territory and customers, and as discussed below, has offered to partner with Decorah on various aspects of a potential transition. Their recent

¹¹ Minnesota Public Utility Commission, In the Matter of a Request for the Approval of the Asset Purchase and Sale Agreement Between Interstate Power & Light Co. & S. Minn. Energy Coop., Order Approving Agreement Subject to Conditions, Docket Nos. E001, 115, 140, 105, 139, 124, 126, 145, 132, 114, 6521, 142, 135/PA-14-322 (June 8, 2015) (hereinafter, "June 8, 2015 Order"). See also, Utility Dive, [12 co-ops complete 'unprecedented' purchase of Alliant distribution assets](#), August 4, 2015.

experience could be very helpful to Decorah if a referendum is held, and the city petitions the IUB for the service territory.

MEU Startup/Buyout Costs: Separation/Reintegration and Going Concern - Within “acquisition costs”, the Concentric/Alliant study also lists very high costs for “separation/reintegration”, and for “going concern”. The separation/ reintegration figures assume the Board would only allow a MEU to serve customers within the city limits, and that Alliant would need to build new infrastructure to serve out- of-town customers. It is wrong, however, to assume the Board would limit a MEU to the city limits.

[Iowa Code § 476.23\(1\)](#) addresses this subject:

Any municipal corporation, after being authorized by a vote of the people, or any electric utility may file a petition with the board requesting a certificate of authority to furnish electric service to the existing point of delivery of any customer already receiving electric service from another electric utility. If, after notice by the board to the electric utility currently serving the customer, objection to the petition is not filed and investigation is not deemed necessary, the board shall issue a certificate within thirty days of the filing of the petition. When an objection is filed, if the board, after notice and opportunity for hearing, determines that service to the customer by the petitioner is in the public interest, *including consideration of any unnecessary duplication of facilities*, it shall grant this certificate in whole or in part, upon such terms, conditions, and restrictions as may be justified. (Emphasis added)

The Board addressed this issue when they considered proposals in 2006 to establish municipal electric utilities in six small Iowa communities. The Board stated the following in their Final Decision and Order in that case:

[T]he ultimate test in determining service area boundaries in municipalization cases is one of reasonableness, taking into consideration engineering, efficiency, and other factors. Because cities often provide services or own property outside their city limits for such services as sewer, water, and airports, the Board does not rule out establishing electric service area boundaries that go beyond the city limits.¹²

Based on this information, it is clear that the inclusion of separation and reintegration costs are not automatic. The law states that "unnecessary duplication of facilities" is a significant concern. In addition, the Board's ruling in the 2006 case makes it clear that the Board will

¹² Iowa Utilities Board, Final Decision and Order, Dockets SPU-06-06, SPU-06-07, SPU-06-08, SPU-06-09, SPU-06-10, July 11, 2008, pg. 11.

consider reasonable arguments regarding why a Decorah MEU should serve all of Alliant's customers in the Decorah area--including those adjacent to but outside the city's municipal limits. Given Concentric's projected high costs of separation and reintegration, this provides the city with an excellent opportunity to explain why it would be more reasonable for a Decorah MEU to serve all of Alliant's customers outside of the municipality and thus avoid unnecessary duplication of facilities.

If a MEU were to focus exclusively on the city boundaries (whether voluntarily or via Board order), the alternative to separation and reintegration is called primary metering, where two utilities effectively share certain infrastructure, and costs are minimal relative to separation and reintegration expenses. The Board also addressed this matter in their 2008 Final Decision and Order:

It is undisputed that from an engineering standpoint, primary metering works and represents the cheapest reintegration plan . . . The Board . . . would not hesitate to order primary metering if an appropriate record had been made.¹³

If Decorah pursued a MEU limited to the city limits, primary metering plans should and could be developed, especially as MiEnergy Cooperative has offered to collaborate with a new MEU on implementation, and MiEnergy already implements primary metering together with Alliant in Howard County. Separation and reintegration need not represent significant costs in a well-planned and proposed MEU implementation. This is an issue that the city needs to be attentive to if they decide to pursue a feasibility study and ultimately develop a petition for municipalization.

The “going concern” element in the Concentric study is not actually a term or concept found in Iowa code related to municipalization. “Going concern” is used in the Concentric study as some combination of lost revenue from the incumbent utility’s generation and transmission assets, and a theoretical concept of the local customer base as “business unit” with a diversity of values.

Loss of revenue from generation and transmission assets was addressed in the Board’s 2008 case. Because 1) Alliant had already sold off its transmission assets, and 2) Alliant could sell excess power into wholesale energy markets, the Board concluded it “will not include any stranded investment in the NPV analysis” (p.27), though it didn’t rule out relevance in future cases under different circumstances.

The idea of a Decorah MEU needing to compensate the incumbent utility for loss of a “business unit” is more far-fetched and was not considered by the Board in the 2008 case. Iowa utility law grants the IUB the right to assign service territories, not grant exclusive business units. A municipalization petition is about asking the Board to grant that territory back to the community that originally (prior to state regulation) held exclusive rights to manage it or to franchise it as local government saw fit. Municipal government still holds the authority to grant or not to grant

¹³ *Id.*, pp. 23-24.

franchise agreements to the incumbent utility, which also represents a level of authority over the local electrical “business unit”. If the Board were to grant the service territory to a future Decorah MEU, the community would terminate the franchise prior to condemning, paying the Board-determined value, and taking over operation.

Ultimately, Iowa law allows the IUB to assign values to this category, but in the 2008 case the Board declined to do so, explaining that Alliant had access to wholesale energy markets for the disposition of any surplus supply. Attorney Lynch also stated in his presentation to the MEU Task Force that “going concern” would not likely be a significant expense for a Decorah MEU.¹⁴

Given this analysis, the previous IUB ruling in 2008, and Attorney David Lynch’s comments on the subject, it seems unlikely that the IUB would approve a petition for municipalization while also requiring the increased costs to MEU customers that would follow the approach to reintegration and “going concern” presented by the Concentric study. However, we cannot predict with absolute certainty how the IUB would rule on separation/reintegration and “going concern” issues, so the City needs to be prepared to reassess the financial feasibility of an MEU if the additional costs associated with these two matters are significant.

MEU Startup/Buyout Costs: Transaction and Startup Costs - Apart from the “system acquisition costs”, the Concentric/Alliant study also lists over \$12 million in “transaction” and “startup costs”, while the NewGen study puts this figure at \$2 million. The table below from the Concentric/Alliant study shows the differences.

Startup Cost Category	Concentric Base Case (2021\$)	Decorah Power (2018\$)
Transaction Costs		
Legal/Consulting Fees	\$2,207,626	\$500,000
Regulatory Fees	-	\$250,000
Other Fees	\$	\$150,000
<i>Subtotal</i>	\$2,207,626	\$1,000,000
Startup Costs		
1 Year of A&G Labor Costs	-	\$420,000
Software/Billing Systems	-	\$50,000
Operations Startup Costs	\$1,103,813	-
Initial Capex (4 yrs.)	\$3,663,512	-
Initial Debt Service Reserve	\$1,692,763	-
Flotation Costs	\$719,253	
Inventory(Transformer, Conductor)	\$466,012	\$23,355
Power Supply Startup Costs	\$1,103,813	-
Working Capital	\$1,327,014	\$500,000
<i>Subtotal</i>	\$10,076,180	\$993,355
Total Estimated Transaction and Startup Costs	\$12,283,806	\$1,993,355

Transaction costs are an important unknown that will be discussed below in the “process feasibility” section. The vast majority of the “startup costs” listed above were determined to be

¹⁴ Decorah MEU Taskforce Educational Session, [David Lynch, Attorney & Travis Goedken, City Manager](#), October 13, 2022.

unreasonable and/or highly inflated by the NewGen study authors, who have decades of consulting experience with MEUs throughout the Midwest. Also, to be considered here is the partnership offer from MiEnergy Cooperative discussed earlier. MiEnergy has offered to contract with a future Decorah MEU for a variety of services and assistance, including transition management, infrastructure/utility management, and power supply. A contract could theoretically include various configurations of those elements, and for shorter or longer time horizons. The most critical elements would include transition and infrastructure management for a defined time, at a minimum. This arrangement would provide high confidence to the IUB and the community and bring tremendous resources to the process which would negate or reduce the vast majority of “startup costs” listed in the Concentric/Alliant study that may be applicable to a new stand-alone utility.

Power Supply - Future power supply cost assumptions - including energy, capacity, and transmission - were not dramatically different between the two 2018 studies. As the Task Force learned from the multiple presentations from MEU leaders, all MEUs are part of some form of joint action agency or power buyers’ group. These associations allow the utilities to pool their needs and achieve greater stability in accessing wholesale power markets.

Neither of the 2018 studies, however, considered the specific option of a partnership with MiEnergy Cooperative and Dairyland Power, which the Task Force has investigated. As discussed earlier, Alliant Energy currently has higher “all-in” residential costs/kWh than all Iowa rural electric cooperatives, including MiEnergy. Decorah customers would not necessarily see identical rates to MiEnergy and could in fact be significantly lower. Dairyland has multiple wholesale rate structures for communities, and transmission rates (which presenters confirmed would likely be an option) that are significantly lower than ITC/Alliant rates, which are some of the highest in the country. Current MiEnergy rates for “city service” customers reflect some of these savings, showing (per information presented to the Task Force), for example, rural residential service costing \$1.67/day in fixed charge plus 10.7 cents/kWh, and city residential service costing 92 cents/day plus 10.7 cents/kWh, for a savings of about \$20/month.

This is a general discussion; if a referendum passed, the specifics of any Decorah MEU partnership with MiEnergy and Dairyland Power would need to be negotiated while the City was preparing further feasibility analysis and an application to the IUB for service territory. The information learned by the Task Force, however, suggests that significant power supply and transmission savings potential exists through such a partnership beyond that identified in either of the 2018 studies.

Preliminary Conclusions on Financial/Economic Feasibility

Alliant’s rates and total costs per kilowatt-hour are climbing significantly faster than predicted in the Concentric/Alliant study, and we believe they will continue to do so. The magnitude of this

reality alone likely negates that study's conclusions of favorable Alliant rates compared to a Decorah MEU in years 1 and 10.

We have high confidence that the total startup/buyout costs of a Decorah MEU would be much lower than the Concentric study, due to the specific factors discussed above. This does not mean those costs would not be higher than the NewGen study, and the actual figures would not be well known until the community brought a petition to the IUB. That said, even if the total startup-buyout cost were three times the NewGen estimates, then, instead of roughly 5% of the MEU annual operating costs, the debt service would be about 15% of the MEU's annual operating costs. Even without the reality of dramatically rising Alliant rates (above point), and significant savings potential from a MiEnergy/Dairyland partnership (below point), this would still result in lower MEU rates in years 1 and 10 and a positive economic feasibility.

In addition to high and climbing Alliant rates as well as the feasibility of startup/buyout costs (even at levels significantly higher than the NewGen study), there appear to be significant savings opportunities in partnering with MiEnergy/Dairyland for power supply needs going forward that were not factored into either of the 2018 studies. All these factors lead us to conclude that a Decorah MEU could be economically feasible, depending on the interest rate associated with the revenue bonds (see interest rate discussion in Recent Developments Regarding Economic Feasibility section later in this report) and if the separation/integration and "going concern" issues are decided favorably.

Decorah MEU Transition and Reliability

Besides rates, the most widely expressed concerns we heard regarding a Decorah MEU revolve around reliability of service, both during a transition period and beyond. The overall reliability of consumer-owned utilities, and especially MEUs, was investigated by the Task Force and discussed earlier in this report. Public-power utilities (MEUs) nationally and in Iowa have excellent reliability records, which, on average, are better than investor-owned utilities. All MEUs that presented to the task force were very proud of their reliability and service to their communities, and the relevant portions of their presentations can be found and viewed using the index resource developed by the Task Force.

Reliability measurements are complicated by customer density (rural utilities have many more miles of line per customer to manage than urban utilities) and the difference between outages happening under "normal" operating conditions, and those caused by "major events". Worries were expressed to the Task Force about how a Decorah MEU would respond to major events such as a derecho or ice storm. The MEU leaders that presented to us stressed that all MEUs in Iowa are part of mutual aid agreements that allow crews to respond rapidly to emergency situations encountered by other municipal utilities, providing cooperative recovery capabilities at least as robust as those of investor-owned utilities.

The offer of partnership from MiEnergy Cooperative is also very relevant here. Not only does MiEnergy have an excellent reliability record (better than the average of Iowa RECs, and better than Alliant’s Iowa rural service territory, according to data submitted to the Task Force), but also covers most of Winneshiek County, and has experience successfully taking on Alliant territory and customers. In the 2015 transfer of Alliant’s Minnesota territory to RECs, MiEnergy seamlessly took on nearly 3,000 new customers and the corresponding infrastructure with no significant issues. It is difficult to imagine a more pertinent and relevant example of a successful transition of customers and territory in Decorah’s “back yard”.

There is no doubt from the data and presentations that MEUs can provide very high reliability to their customers. There is no doubt that MiEnergy is capable of successful transitioning Alliant customers, and MiEnergy has explicitly offered to partner with a future Decorah MEU in this process if asked. This option should provide high confidence both to the community of Decorah, and to the IUB, if a Decorah MEU were to be realized. If Decorah were to pursue a partnership with MiEnergy and Dairlyand Power for a period of transition, the Decorah MEU would still hold the authority to make mid-range and long-range plans that could include continuing portions of or all of that partnership, or of ending that partnership.

While rates and reliability are important, the IUB has made it clear in multiple instances that these are not the only or even determining factors in considering a petition for municipalization brought by a community. Factors such as local control and self-determination, energy efficiency and renewable energy goals, service to lower-income and disadvantaged populations, and grid strengthening/security are just some examples of issues that could be priorities for communities considering municipalization.¹⁵

The Task Force did not delve deeply into these issues but did include many of them in the conversations with invited MEU leaders. Those discussions can be found on the relevant videos using the index developed by the Task Force for each presentation. Many of these issues are also covered in detail in the [“Vision Shared”](#) report produced in 2018 as a companion to the NewGen economic feasibility report. The Task Force encourages the Council to keep these front and center in addition to rates/reliability when considering if, when, and how to proceed in pursuit of a Decorah MEU.

Process Feasibility

The evidence we have considered suggests that a Decorah MEU may be a feasible proposition both economically and technically and may bring many additional benefits and opportunities for the community. However, we still need to ask, “what will it take to get from A to B, and is there a feasible roadmap?”

¹⁵ Iowa Utilities Board, Final Decision and Order, Dockets SPU-06-06, SPU-06-07, SPU-06-08, SPU-06-09, SPU-06-10, July 11, 2008, pp. 44-45.

To help answer this question, the Task Force invited the IUB to address the community, and the invitation was accepted. On February 14, 2022, the Board and select staff met with the Task Force and Council in an open meeting at Decorah City Hall. Staff presented a brief summary of the municipalization process and relevant sections of Iowa code and rules, which is [available in the Task Force dropbox](#). Board and staff then took questions.

On October 13, 2022, the Task Force held a related session to further investigate both the process and possible funding mechanisms. Attorney David Lynch, former General Counsel to the IUB, and City Manager, Travis Goedken, discussed legal and financial aspects, respectively, and answered questions.

Documents from both presentations are available in the city's Dropbox folder. Below, we draw from these documents and presentations to briefly discuss key points and potential challenges in three phases of the process: 1) the community referendum, 2) the petition for service territory, and 3) the actual buyout and transition of management.

Community Referendum. According to Iowa code section 388.2, a community must wait at least four years after holding a MEU referendum before holding another. We are now outside this four-year window, so the Council could schedule a vote anytime going forward. Iowa code also limits the dates on which public measure elections can take place to 1) the first Tuesday in March, 2) the second Tuesday in September, or 3) the regular election held on the first Tuesday after the first Monday in November (which is local in odd numbered years, and local+federal in even numbered years).¹⁶

Besides determining if/when to hold a vote, the Council would need to consider the actual language, and whether/how to declare a position. The 2018 language could be re-used, but Council may want to seek advice from Attorney Lynch regarding issues such as whether to include a broad purpose statement, and whether to make any reference to potential MEU territory.

In 2018, Council did not declare a position on the referendum, which created a situation where the utility was able to distribute misleading information without being held to account.

In communication with Decorah residents (including billboards, yard signs, radio advertisements, direct mail postcards, and the feasibility study commissioned by Alliant) during their 2018 campaign against municipalization, Alliant Energy claimed that their future rate increases would average 1% per year for at least the next 20 years. Nine months after the referendum failed by three votes on May 1, 2018, Alliant applied to the IUB to raise rates. The company's proposed increase to the base rates for residential customers was 24.5%; an even higher increase was proposed for large industrial customers.

¹⁶ See the Iowa Secretary of State web site: <https://sos.iowa.gov/elections/electioninfo/specelectioncal.html>

The Decorah Area Group filed testimony during the rate case (RPU-2019-0001) proving that Alliant knew the company was going to raise rates in 2019 when they told Decorah citizens that rates would only increase by 1-2% per year. The Board agreed and said:

"The evidence in this case regarding IPL's behavior during the Decorah municipalization campaign shows that IPL . . . failed to meet the expected standard of conduct for a regulated monopoly . . . and (t)he lack of transparency and misrepresentation in the Decorah municipalization vote is of significant concern to the Board." ([Final Decision and Order, January 8, 2020, p. 103](#)).

Subsequently, the IUB has made it clear that if the community holds another referendum, the Board has authority to ensure that claims made by the utility are accurate.

The misinformation that Alliant shared with the Decorah community was an obstacle for Decorah voters as they tried to make well-informed decisions in the 2018 referendum on municipalization. As we evaluate the potential advantages and disadvantages of pursuing a municipal electric utility in Decorah, Alliant's history of communication that does not "meet the expected standard of conduct for a regulated monopoly" is a relevant consideration. If Decorah's electricity were to be provided by a Decorah MEU, these concerns about misrepresentation and lack of transparency with our electricity provider would not be an issue. If the Council decides to hold another referendum, it should consider taking a clear stand on the issue, proactively committing to a campaign, and ensuring effective IUB oversight.

An important issue to keep in mind related to timing is the potential need to terminate the existing franchise agreement. If a referendum is held, and a petition for service territory is approved by the IUB, the final step is for the community to condemn the physical assets and pay the utility the price determined by the IUB. That condemnation cannot happen if the community is bound by an active contract (franchise). The current franchise agreement was negotiated to include windows of opportunity to exit the agreement, and those windows include advance notification timelines that will need to be fully met if a municipalization process is to succeed.

IUB Petition. If a referendum is held and a vote is positive, the Council is then authorized to create a MEU Board and submit a petition to the IUB for the service territory. It is important to note that the referendum (depending on language) likely authorizes, but does not require, that the Council take this step, and does not set a timeline for doing so.

This is important because there may be significant work to do, and significant expense to incur. An effective petition to the Board will need to include all the elements referenced in code, and all elements discussed in detail in the Board's 2008 decision. These elements include the motivations for the city effort, the full economic analysis of costs and benefits, and a full technical analysis of how the city would take over and manage the system, among other issues.

This will require extensive technical and legal work and expense and could take at least a year to prepare. New information may be learned during that process that affects the timeline or other aspects of the city's petition to the Board.

Clearly the petition process will be costly, and the extent of those costs are unknown. The development of a thorough petition is likely heavy on expense for technical expertise, and lighter to moderate on expense for legal. Greater legal costs (along with ongoing technical support) will be incurred once the petition is submitted, and the docket is underway at the IUB. The NewGen feasibility study cost around \$75,000, and the company told the Task Force it could be updated for roughly \$43,000 over a 3-month period (an offer the Task Force did not pursue because we determined that access to utility data was the first and highest priority). Whether NewGen or a different firm is contracted to lead the financial and technical aspects of petition development, the offer of assistance from MiEnergy and Dairyland could contribute greatly to the quality of and confidence in the petition and help keep costs down. It is possible that a thorough, high-quality petition could be developed for \$100,000 - \$200,000. These costs can very likely be covered with existing city funds, including franchise fees, if Council commits to such usage.

Costs for carrying the petition through the IUB docket process are less predictable. The docket would likely take 6 months to a year and require legal representation/leadership from a firm/attorney with extensive experience at the IUB. It would also require ongoing participation from technical experts involved in the petition development (potentially including MiEnergy and Dairyland partners if some form of partnership is incorporated into the petition). It is possible that, if the IUB ruled in Decorah's favor, Alliant would challenge that decision in court. If that happened, the Board would be the defendant (not Decorah) and so lead the legal work, though the community would likely still want representation.

The NewGen study estimated total legal/consulting costs at roughly \$500,000, and the Concentric/Alliant study placed this estimate at over \$2 million. These estimates include the full petition development process as well as the IUB docket. While there is risk in underestimating costs, there is similar opportunity cost in overestimating costs and being paralyzed by unlikely or inflated numbers. The Council has many options available to it, and if a referendum passes, should proceed with both firmness and transparency with the community about risks and benefits, and a potential financial roadmap. Parts to such a roadmap could include:

- Consideration given now to early establishment of a contingency fund for the MEU process, including franchise fees and general fund, that would represent sound financial planning and could be utilized for other purposes, if necessary, in the future.
- Consideration of a phased spending plan based on clear decision points, e.g., an investment in the development of a high-quality petition to the IUB (that includes detailed financial and technical analysis) utilizing existing city funds, that would then (if

all aspects remain supportive of feasibility) provide the basis for bonding to cover the docket process costs.

- General obligation bonds can be approved by the Council sufficient for these process costs without a community vote, though potentially subject to reverse referendum. The decision to pursue this funding may depend in part on the margin of a positive referendum.
- Private donations and grants could also be pursued and could represent a significant part of the process costs.
- If an IUB petition is successful and the MEU is granted territory, the new utility's issuance of revenue bonds for the system buyout could (and likely would) include repayment of the city General Obligation bonds utilized for the IUB petition process.

MEU Buyout and Transition. If a second referendum is approved and an IUB petition (and any associated legal process) is successful, the ball is firmly in the community's court. The community could still decide not to proceed if, for example, the buyout price set by the Board is deemed to be economically infeasible.

If the community proceeds, the Board's order would likely lay out a timeline for condemnation and transition, along with having set the price, and would potentially include oversight of this final stage of the process. Decorah's petition would have included specific plans for transition and management of all aspects of the new utility, including the physical grid, the customer base, and power supply, which would provide the roadmap for the transition. If a partnership with MiEnergy is developed and formalized during the petition development process, the transition should be very smooth given MiEnergy's recent experience managing just such a transition.

Revenue bonds will be issued by the new MEU to cover the combined total of the infrastructure buyout, any city general obligation bonds issued for the petition process, and initial/first-year capitalization needs. This latter category will depend to a significant degree on the specifics of the transition plan as developed in the petition. If an existing utility such as MiEnergy will be contracted to manage the utility for a specific period, the city may need less up-front investment than if the plan is to manage the utility independently from day one. To be clear, this is entirely possible if experienced utility professionals are brought in to build the capacity, but it is also possible to envision a transition period managed by an existing utility, and then, following the transition, a decision is made by the MEU board on whether or when to create an independent utility.

Above, we have discussed above the potential importance of City Council commitment to and leadership of the process, if it makes the decision to pursue a second referendum. This does not mean, however, that a referendum commits the City of Decorah to following through on the entire process. There are multiple stages to the process of pursuing electric utility

municipalization, and they include several potential off-ramps along the way. For example, in the event of a positive referendum:

1. The City of Decorah would begin the steps towards municipalization by asking the Iowa Utilities Board to grant the City of Decorah's data requests so that the city can commission a high-quality feasibility study needed for developing a petition to the Iowa Utilities Board. If the Iowa Utilities Board decides not to compel Alliant to share the requested data, then that could be a decision point about whether to proceed further.
2. If the necessary data is acquired, then the City of Decorah could commission a feasibility study and develop a petition for municipalization to the Iowa Utilities Board. If the expenses associated with developing a petition for municipalization and/or the legal costs of pursuing the application with the IUB exceed the costs that the city is prepared to absorb, the city council could end the process.
3. If the Iowa Utilities Board grants the City of Decorah's petition for municipalization and if the purchase price is reasonable, then the city would move into the acquisition and bonding phase. If the purchase price is too high or the bond terms unfavorable, then the city council could choose not to acquire Alliant's assets.

Recent Developments Regarding Economic Feasibility

Municipal electric utilities are facing tremendous opportunities from federal legislation enacted in 2022, especially the Infrastructure Investment and Jobs Act and the Inflation Reduction Act (IRA). Funding opportunities include

- Electric and hydrogen vehicles and charging infrastructure
- Grid infrastructure and reliability
- Cybersecurity
- Energy efficiency and building infrastructure
- Broadband
- Tax credits for owned clean energy generation

Tax credits for clean energy generation owned by MEUs (and other non-profit organizations) is especially important, as most of the clean energy funding in the IRA is available through tax incentives. In the past it has been difficult for non-taxable entities to take advantage of federal tax credits, but the IRA creates a "Direct Pay" provision that will allow MEUs to receive the federal incentive as a fully refundable tax credit. This provision is huge, and it is permanent for the 10-year life of the IRA provisions. So, if Decorah pursued and were to establish a MEU over the course of a few years, there would likely still be plenty of time to take advantage of these benefits for local ratepayers.

A potential area of concern regarding financial feasibility is the recent increase in interest rates. Current interest rates are considerably higher than they were when the initial feasibility studies were conducted in 2018. If interest rates remain high at a point in time when the city decides to

pursue funding for the municipalization process, higher interest rates could raise the overall and long-term costs to the MEU for borrowing money and servicing the debt. Long term trends in interest rates are not something that this task force is able to predict. Interest rates for general obligation bonds and for revenue bonds are constantly in flux. However, this is an important issue that city government officials will need to investigate further if they decide to pursue additional steps in the process towards municipalization. If the city decides to commission another feasibility study, at that time it will be important that the impact of interest rates on the city's overall costs are carefully considered.

PART THREE: CONCLUSIONS

This final part of our report includes an acknowledgement of uncertainties that we encourage the City of Decorah to consider, a summary of potential advantages and potential disadvantages of pursuing municipalization, and a relative assessment balancing those potential advantages and disadvantages.

Acknowledging Uncertainties

There are several important considerations that are beyond the scope of this report, and it is important that we acknowledge these uncertainties. Some of these considerations will require that the city consult experts and otherwise commit resources to investigating. These are all issues that we encourage the city to be attentive to as they consider whether to pursue municipalization:

- Energy markets have seen significant disruption over the course of the past year, because of the military conflict in Ukraine and continued supply chain disruptions resulting from the pandemic. These energy market changes may continue to impact electricity costs.
- Interest rates have increased significantly over the last two years. If this trend continues, it will increase costs for the city of Decorah to borrow money to fund the municipalization process.
- Electricity consumption patterns are undergoing significant changes, especially because of energy efficiency efforts, increased distributed generation (customer owned solar), and increased numbers of new electric vehicles. Electricity sales have seen relatively little growth for the past decade, and this has presented financial challenges to some utilities. On the other hand, the increased electrification of buildings and transportation widely predicted to occur over the next generation could present significant opportunities for a new municipal utility not locked into existing generation and grid assets.
- We are experiencing increased frequency and severity of storms and extreme weather patterns. Also, the nation's entire electricity grid infrastructure is aging. Does the city want to oversee providing electricity when an aging electric grid is increasingly stressed?
- There is financial risk inherent in legal conflict. We have done our best to acknowledge, consider and assess those risks, but legal proceedings are inherently unpredictable.

Relative Potential Advantages and Disadvantages

In summary, we find that establishing a Decorah Municipal Electric Utility has the following potential advantages:

- The opportunity to reduce the costs of electricity for customers.
- Improved financial viability for the Decorah community that could be accomplished by keeping energy dollars in the community.
- Financial benefits to the City of Decorah, including payments in lieu of taxes that could exceed the contributions currently made by Alliant.
- Improved reliability and resilience in the face of adverse weather events if the City decides to improve upon existing electric infrastructure.
- Flexibility to pursue goals from the City of Decorah’s Sustainability Plan.
- Local autonomy could allow greater flexibility in responding to future challenges.

In summary, we also find that the establishing a Decorah Municipal Electric Utility has the following potential disadvantages:

- The legal expenses involved in pursuing municipalization cannot be precisely predicted, and could be substantial.
- Developing a careful and thorough application for municipalization with the Iowa Utilities Board would require the City of Decorah to make significant investment, without the certainty of IUB approval.
- For the City of Decorah to accomplish some of the potential advantages of municipalization (for example, improved reliability due to “infrastructure hardening,” or investments in renewable energy and energy storage), the city would need to incur significant costs. These increased costs could negate some of the potential cost savings advantages considered in this report.
- The City of Decorah would assume responsibility for providing electricity service to customers in the face of increased stressors to the existing electric grid infrastructure. This could be expensive in ways that we cannot predict.

This group of community members volunteering to serve on Decorah’s MEU task force has done our best to seek answers to questions raised by community members about the potential advantages and disadvantages of establishing a MEU in Decorah. We have undertaken this effort in the spirit of trying to do what is best for the community of Decorah.

This report was approved by MEU Task Force Members on 12/14/2022.

On 12/20/2022, MEU Task Force members approved the following: “The Decorah Municipal Electric Utility Task Force recommends that the city of Decorah hold a referendum on municipalization at a time of its choosing.” In addition, the Task Force approved a list of factors that we encourage the city to consider further as they make decisions regarding a municipalization process.

APPENDIX

*All of the documents and video recordings referenced in this report are available in the MEU Task Force Drop box at the city's website and are available at this link:

tinyurl.com/meutaskforce

2018 New Gen Feasibility Study commissioned by Decorah Power [“Vision Shared”](#)

2018 Concentric feasibility study commissioned by Alliant

<https://www.dropbox.com/s/7kbm8d3q062s2us/DecorahFeasibilityStudy%20-%20Alliant.pdf?dl=0>

Alliant Energy, [Iowa Rates for Electricity and Gas: Historical Data](#), accessed November 15, 2022

Alliant Energy, [Iowa Rates for Electricity and Gas: Electric Price Outlook](#), accessed November 15, 2022.

Education Event Summaries

<https://www.dropbox.com/sh/a1ldkl0cfe14iq4/AACRFVpDuQc-IGZDuFJQ3mALa?dl=0>

Education Event Videos

https://www.youtube.com/playlist?list=PLBTEQiz2WqFVwBLRbj8Ld-158_Vp166vE

Iowa Office of Consumer Advocate, September 16, 2022, [Pre-Hearing Brief](#), (RPU-2019-0001), OCA Kruger Responsive Testimony RPU-2021-0003, September 16, 2019.

Iowa Utilities Board Electric Service Territory Boundaries Map for Decorah

<https://iowa.maps.arcgis.com/apps/webappviewer/index.html?id=d595a7d431bc4c789065348a8f454dbb>

Iowa Utilities Board [IUB, Order Denying Request for Formal Complaint Proceeding, \(C-2021-0179\), July 11, 2022](#)

Iowa Utilities Board, [Final Decision](#), (RPU-2021-0003), November 9, 2022, pg. 14.

Iowa Utilities Board, [Final Decision and Order](#), RPU-2019-0001, January 8, 2020, pp. 29-30)

Iowa Utilities Board, Final Decision and Order, Dockets SPU-06-06, SPU-06-07, SPU-06-08, SPU-06-09, SPU-06-10, July 11, 2008.

Iowa Utilities Board, utility annual report filings. <https://iub.iowa.gov/records-information/information-utility-annual-report-filings>.

Minnesota Public Utility Commission, In the Matter of a Request for the Approval of the Asset Purchase and Sale Agreement Between Interstate Power & Light Co. & S. Minn. Energy Coop., Order Approving Agreement Subject to Conditions, Docket Nos. E001, 115, 140, 105, 139, 124, 126, 145, 132, 114, 6521, 142, 135/PA-14-322 (June 8, 2015) (hereinafter, “June 8, 2015 Order”). See also, Utility Dive, [12 co-ops complete ‘unprecedented’ purchase of Alliant distribution assets](#), August 4, 2015.

US Energy Information Administration, electricity reliability data <https://www.eia.gov/electricity/data/eia861/>,