News Coverage:

Landon: Water quality bill will enhance projects across Iowa
Des Moines Register
January 25, 2018

The first bill of the session that passed through the Iowa House was Senate File 512, otherwise known as “the water quality bill.” This was a multi-year effort and received bipartisan support in both the House and the Senate.

This bill will enhance water quality projects all over the state by working through the cost sharing model that already exists in each county by the Natural Resources and Conservation Service. Additionally, funding for urban initiatives for cities and utilities will be made available through a revolving fund set up in the Iowa Treasurer’s office.

The Iowa Department of Agriculture and Land Stewardship has decades of experience in administering these types of cost sharing projects. Using existing administration and engineering resources should allow for an efficient program.

The $282 million provided over the next 12 years will dramatically increase funding to enhance the size and number of these initiatives. The Polk County Conservation Board will be involved with many urban projects.

House Transportation Committee gets updates from DOT
Department of Transportation Director Mark Lowe appeared before our House Transportation Committee recently. He outlined many large construction projects that are in process around the state and spoke about the overall operations of the Iowa DOT.

During the committee I was able to ask Lowe if he was satisfied with the level of service being provided by the DOT at the Ankeny driver’s license renewal center. This question originated from many of you who have asked about long waits and poor overall experiences.

Lowe told our committee that he was aware of the situation. This problem was the focus of a new initiative to upgrade their customer service in Ankeny and we should see continued improvements statewide.

A second question I asked was about the pace of upgrading impaired bridges on the secondary road system. This was the main reason given for the need of the gas tax increase several years ago.

Lowe told us that many projects were in the design phase and we should expect to see continued improvement on the secondary road system. The Legislature will continue to provide oversight over state government.
Iowa's water quality problems really boil down to this
Des Moines Register
January 23, 2018

It seems like Iowans have feuded over water quality since farmers began draining the swampy prairie more than a century ago to turn it into some of the most fertile farmland in the world.

On Tuesday, legislators agreed to send the governor a bill committing $282 million to water quality initiatives over the next 12 years, breaking a gridlock that had stretched over three sessions.

But what's all the fighting really about?

Here's what we know about Iowa's long-running problem with contaminated water:

What's the harm?
Runoff from farmland, caused by storms and tiling, is sending nitrates and other chemicals into Iowa's waterways, which cause a host of problems downstream.

Elevated nitrates in drinking water — a persistent problem in Iowa — have been linked to a host of health concerns, including birth defects, cancers and thyroid problems, dozens of health studies say.

Some environmentalists and outdoor advocates also complain that the water quality is threatening Iowa's rivers and lakes. They worry that it is provoking harmful changes to fish and wildlife.

How bad is it?
But is Iowa's water quality really that bad?

Well, that depends on whom you ask. But the short answer is — it's not good.

A Register analysis of available research shows that nitrate levels in Iowa's major rivers have more than tripled since the 1950s, but have slightly declined in recent decades as farmers' awareness has grown.

Limnologists and educators from the state hygienic lab use an electric generator to shock and count fish during a biological assessment on the Volga River in late summer. Zach Boyden-Holmes/Register file video

Regardless, nitrates are causing headaches for municipal water utilities downstream, such as the Des Moines Water Works, which says it spends millions of dollars every year cleaning nitrates from the drinking water.
Water Works sued three upstream drainage districts in 2015 for allowing too many nitrates to leach off farmland into rivers and streams. The utility lost the suit in March 2017 after a judge said the drainage districts couldn’t be held responsible for the runoff.

But the nitrate problem isn’t confined to cities. Small private wells also have serious issues with contaminated water and high nitrate levels.

So what can Iowa do?
A few years ago, Iowa adopted a Nutrient Reduction Strategy to try to get a handle on its water quality issues. The plan seeks to slash nitrogen and phosphorous levels in the state’s waterways by 45 percent.

The state has focused on financial incentives and voluntary compliance from farmers to cut nitrate and phosphorous levels so far. Critics argue that compulsory requirements are necessary if Iowa wants to get serious about improving its water quality.

The problem is compounded by the fact that Iowa can’t even agree on how to measure whether its initiatives are working, which begs the question of whether the state can realistically achieve its goals.

In the meantime, more and more farmers are voluntarily adopting conservation measures such as buffer strips along streams and more strategic applications of fertilizer to curb runoff.

**Alliant Energy (NYSE:LNT) versus DTE Energy (DTE) Critical Comparison**

The Ledger Gazette
January 26, 2018

DTE Energy (NYSE: DTE) and Alliant Energy (NYSE:LNT) are both mid-cap utilities companies, but which is the superior stock? We will compare the two companies based on the strength of their profitability, valuation, risk, analyst recommendations, earnings, dividends and institutional ownership.

**Analyst Recommendations**

This is a summary of current recommendations for DTE Energy and Alliant Energy, as reported by MarketBeat.com.

DTE Energy currently has a consensus price target of $114.19, suggesting a potential upside of 7.81%. Alliant Energy has a consensus price target of $43.50, suggesting a potential upside of 7.70%. Given DTE Energy’s stronger consensus rating and higher probable upside, research analysts clearly believe DTE Energy is more favorable than Alliant Energy.

**Insider & Institutional Ownership**
68.3% of DTE Energy shares are owned by institutional investors. Comparatively, 68.5% of Alliant Energy shares are owned by institutional investors. 0.5% of DTE Energy shares are owned by company insiders. Comparatively, 0.3% of Alliant Energy shares are owned by company insiders. Strong institutional ownership is an indication that large money managers, endowments and hedge funds believe a company is poised for long-term growth.

Dividends

DTE Energy pays an annual dividend of $3.53 per share and has a dividend yield of 3.3%. Alliant Energy pays an annual dividend of $1.26 per share and has a dividend yield of 3.1%. DTE Energy pays out 64.7% of its earnings in the form of a dividend. Alliant Energy pays out 67.7% of its earnings in the form of a dividend. Both companies have healthy payout ratios and should be able to cover their dividend payments with earnings for the next several years. DTE Energy has increased its dividend for 12 consecutive years and Alliant Energy has increased its dividend for 6 consecutive years. DTE Energy is clearly the better dividend stock, given its higher yield and longer track record of dividend growth.

Volatility and Risk

DTE Energy has a beta of 0.23, suggesting that its share price is 77% less volatile than the S&P 500. Comparatively, Alliant Energy has a beta of 0.46, suggesting that its share price is 54% less volatile than the S&P 500.

Earnings and Valuation

DTE Energy has higher revenue and earnings than Alliant Energy. DTE Energy is trading at a lower price-to-earnings ratio than Alliant Energy, indicating that it is currently the more affordable of the two stocks.

Summary

DTE Energy beats Alliant Energy on 10 of the 17 factors compared between the two stocks.

About DTE Energy

DTE Energy logoDTE Energy Company is an energy company. Its segments include Electric, which consists of DTE Electric Company, which is engaged in the generation, purchase, distribution and sale of electricity to residential, commercial and industrial customers in southeastern Michigan; Gas, which consists of DTE Gas Company, which is engaged in the purchase, storage, transportation, distribution and sale of natural gas to residential, commercial and industrial customers throughout Michigan; Gas Storage and Pipelines, which consists of natural gas pipeline, gathering and storage businesses; Power and Industrial Projects, which consists of projects that deliver energy and utility-type products and services to industrial, commercial and institutional customers, and sell electricity from renewable energy projects; Energy Trading, which consists of energy
marketing and trading operations, and Corporate and Other, which includes various holding company activities and holds certain non-utility debt.

About Alliant Energy

Alliant Energy logo
Alliant Energy Corporation operates as a regulated investor-owned public utility holding company. The Company’s segments include Utility and Non-regulated, Parent and Other. The Utility segment includes the operations of Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (WPL), which serve retail customers in Iowa and Wisconsin. The Utility segment includes utility electric operations, utility gas operations and utility other, which includes steam operations and the unallocated portions of the utility business. Its Non-regulated, Parent and Other segment includes the operations of Alliant Energy Resources, LLC and its subsidiaries; Alliant Energy Corporate Services, Inc. (Corporate Services); the Alliant Energy parent company, and any Alliant Energy parent company consolidating adjustments. IPL and WPL own a portfolio of electric generating units located in Iowa, Wisconsin and Minnesota with a fuel mix, including coal, natural gas and renewable resources.

Utility Customers Should Benefit from Federal Tax Changes
WVIK Quad Cities Radio
January 24, 2018

Customers of MidAmerican Energy and the Iowa American Water Company may get a break on their bills.

During a workshop tomorrow, the Iowa Utilities Board will hear from several companies about the effects of the new federal tax law.

The board’s Communications Director, Don Tormey, says the board wants to know how rate-regulated utilities will pass along tax benefits to their customers. “We're really trying to find out if rates are still just and reasonable as required by state law. It's too early to tell at this point.”

MidAmerican, Iowa American Water, and other utilities started saving money on January 1st. That’s when the new federal law went into effect. It cuts the corporate income tax rate from 35% to 21%. And utility rates include taxes. The other rate-regulated utilities in Iowa are Black Hills/Iowa Gas Utility Company, Interstate Power and Light, and Liberty Utilities.

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The Iowa Utilities Board may schedule more meetings depending on it hears from the utilities during Thursday’s workshop. It starts at 1 pm, and will be streamed online.