

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER COMPANY	DOCKET NO. TF-99-252
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ORDER APPROVING TARIFF FILING

(Issued September 22, 1999)

On August 23, 1999, Interstate Power Company (Interstate) filed a proposed transportation tariff revision. The purpose of the proposed tariff is to provide a flexible rate that Interstate could offer customers to avoid bypass of its system. The proposed tariff provides that a rate can be negotiated between zero and the tarified transportation rate. The tariff would be available, on an optional basis, to customers whose point of delivery is less than two miles from Interstate's pipeline transmission or branchline facilities, and whose annual throughput is at least 250,000 dekatherms. Under the terms of the proposed tariff, customers located more than two miles away from the pipeline facilities may also be served if annual throughput volumes so dictate. Customers who elect to take gas under the proposed tariff would be required to sign a contract for a minimum term of one year. In addition, Interstate proposed that excess revenues or revenue deficiencies arising from this tariff be shared equally with one-half to Interstate's sales customers and the remaining half to Interstate. Any revenue excess or deficiency would be dealt with in the annual purchased gas adjustment reconciliation.

The Board has reviewed the tariff and will approve it. The terms of the proposed tariff do not comply in all respects with the terms of the Board's flexible rate rules, IOWA ADMIN. CODE 199-19.12 (1999). The tariff differs from the rules in that the revenue sharing provisions are different from those required by the Board's rules. However, the availability of this proposed tariff is limited to those customers who have the ability to bypass Interstate's system. The prevention of bypass is in the best interest of all of Interstate's customers and the approval of this tariff will allow Interstate to respond quickly to a bypass threat. To the extent necessary, the Board will waive the provisions of IOWA ADMIN. CODE 199-19.12 (1999).

IT IS THEREFORE ORDERED:

1. The tariff, identified as TF-99-252, filed by Interstate Power Company on August 23, 1999, is approved, subject to complaint or investigation.
2. To the extent necessary to avoid conflict with this tariff, the provisions of IOWA ADMIN. CODE 199-19.12 are waived.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 22nd day of September, 1999.