

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>JACOBSON HOLZ COMPANY,</p> <p style="padding-left: 100px;">Petitioner,</p> <p style="padding-left: 100px;">vs.</p> <p>INTERSTATE POWER AND LIGHT COMPANY,</p> <p style="padding-left: 100px;">Respondent.</p>	<p style="text-align:right">DOCKET NO. FCU-05-5 (C-03-047)</p>
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**ORDER DOCKETING COMPLAINT AND
ASSIGNING TO ADMINISTRATIVE LAW JUDGE**

(Issued February 8, 2005)

On March 5, 2003, Jacobson Holz Company (JHC) filed with the Utilities Board (Board) an informal complaint, identified as C-03-047, alleging that JHC was experiencing equipment loss and alarm alerts due to electric power quality issues. JHC said its problems with power quality began when Interstate Power and Light Company (IPL) upgraded its Perry, Iowa, distribution system and moved JHC to the same circuit as Progressive Foundry Company (PFC). An IPL investigation determined that PFC was creating fluctuations on the line, creating "dirty power" issues for JHC, and that these fluctuations in harmonics potentially violated the Board's standards in 199 IAC 20.5(2)"i."

On December 31, 2003, the Customer Services Section of the Board issued a proposed resolution that called upon JHC, PFC, and IPL to work together to resolve

the power quality issues. The proposed resolution noted that the IPL tariff appeared to support requiring PFC to take steps to resolve JHC's problems.

The three parties were unable to resolve the problems. IPL proposed that PFC should purchase a new uninterruptible power source (UPS) system that would be less sensitive, but JHC rejected this solution. IPL then performed additional tests, which found that there were still problems with two specific harmonics.

The Board's staff issued a second proposed resolution on February 20, 2004. The proposed resolution found service to PFC was not in compliance with standards contained in the Board's rules and IPL's tariff and ordered IPL to file a plan for bringing PFC into compliance. IPL filed a plan on March 8, 2004, but also performed additional testing because of a dispute as to whether harmonics or the IPL substation caused the problem. After further testing, IPL proposed four options to resolve the problem in a letter dated July 27, 2004. PFC and JHC could not agree upon any of the options.

A third staff resolution was issued on November 18, 2004. This proposed resolution would require: (1) PFC to buy a new UPS for JHC; (2) PFC to meet harmonics standards; and (3) IPL to provide harmonics assistance.

In response to this proposed resolution, PFC filed a timely request for a formal complaint proceeding. The issues involved in this complaint are very technical and it appears likely that any resolution of the harmonics problems will require significant expenditures. Resolving the harmonics issues could also affect IPL's new distribution system upgrades. Because there appear to be factual disputes over, among other things, how to resolve the harmonics issues and who should pay those

costs, there are reasonable grounds to warrant instituting a formal complaint proceeding pursuant to Iowa Code § 476.3. The Board will docket this matter as a formal complaint proceeding identified as Docket No. FCU-05-5. To expedite the review of this complaint, the docket will be assigned to an administrative law judge (ALJ) for further proceedings, including the establishment of a procedural schedule and conducting a hearing. The Board will also direct the ALJ to conduct a pre-hearing conference as soon as possible to discuss a procedural schedule and encourage the parties to explore potential resolution of these complex issues.

IT IS THEREFORE ORDERED:

1. The informal complaint filed March 5, 2003, by Jacobson Holz Company, identified as C-03-047, is docketed as a formal complaint proceeding, identified as Docket No. FCU-05-5.

2. Pursuant to Iowa Code § 17A.11(1)"b" and 199 IAC 7.1(4), this matter is assigned to Administrative Law Judge Amy Christensen for such further proceedings as may be appropriate.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 8th day of February, 2005.