

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. TF-05-85
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**ORDER APPROVING TARIFF**

(Issued April 19, 2005)

On March 22, 2005, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) six revised electric tariff sheets for residential and non-residential service to update the Second Nature energy adjustment clause (EAC) charges for the period from January through December 2005. The charge is increasing slightly from \$0.0170/kWh in 2004 to \$0.0171/kWh for 2005. IPL proposed an effective date for the revised tariffs of April 21, 2005, but it has been applying the new EAC charges to usage since January 2005. No objections to the proposed tariff were filed.

In its order approving the expanded Second Nature program, the Board said:

Another feature of the expanded program is a fixed energy adjustment clause (EAC) rate for program participants, which is readjusted annually based on the previous 12-month EAC average. For residential customers, the fixed EAC will be applied to kWh according to the customer's participation level. In other words, if the customer participates at the 25 percent level, the fixed EAC will be applied to 25 percent of the customer's usage and the standard EAC applied to the remaining 75 percent of usage. . . .

For non-residential participants, a fixed EAC adjusted annually will also be used, but it will function as a rate cap rather than a constant rate. Non-residential participants will have the lesser of the fixed EAC rate or the standard EAC rate applied to their participation kWh. . . .

Interstate Power and Light Company, “Order Approving Alternate Energy Purchase Program and Tariffs,” Docket Nos. AEP-03-2, TF-03-441, TF-03-442, 10/22/03, p. 2. The initial Second Nature EAC was set in Docket No. AEP-03-2, effective January 1, 2004. The tariffs listed the 2004 rate, but also included a statement that the EAC would be recalculated annually with the most recent actual 12-month period of energy costs and applied in the first calendar month of the year. The recalculation contained in the revised tariff sheets filed on March 22, 2005, complies with this statement.

Because the initial tariff included a statement explaining the annual EAC recalculation and the new EAC figure was properly calculated, the Board will approve IPL’s tariff filing and will not disturb collection of the new rate with January 2005 usage. However, in the future the Board expects IPL to file proposed tariffs reflecting the new rate prior to implementing the change. If IPL implements an EAC change in the Second Nature program next year prior to obtaining Board approval, the Board will consider appropriate remedies, including refunds and civil penalties.

**IT IS THEREFORE ORDERED:**

Tariff filing TF-05-85 is approved, effective April 21, 2005, subject to complaint or investigation.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 19<sup>th</sup> day of April, 2005.