

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. P-567
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**ORDER ACKNOWLEDGING RECLASSIFICATION OF PIPELINE AND REMOVING
PIPELINE FROM PERMIT NO. R1098**

(Issued April 26, 2005)

On March 29, 2005, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a letter requesting the Board acknowledge the reclassification of the natural gas pipeline serving the Parnell, Iowa, area from a transmission line to a distribution line and remove the pipeline from status requiring a permit. The pipeline being reclassified is 2.4 miles of polyethelene main which was included in an amendment granted May 10, 1993, to Permit No. R1098. This request has been identified as Docket No. P-567.

The Parnell pipeline is fed by the Marengo-Victor and Ladora-Amana Colonies natural gas pipeline that has a maximum allowable operating pressure (MAOP) of 712 psig (pounds per square inch gauge). As originally designed, the pressure was reduced from 712 psig at a town border station (TBS) to 100 psig for the Parnell pipeline. The 100 psig pressure was then fed downstream to two district regulator stations (DRSs) which each reduced the pressure to 60 psig. Several additional customers were also served directly from this 100-psig pressure. IPL states that the

two DRSs have been removed and the TBS now feeds 60 psig to all 166 customers served by the Parnell pipeline.

IPL requests reclassification of the Parnell line from a transmission line to a distribution line due to the reduction in MAOP, the number of customers served, and the interconnection of the system throughout the town of Parnell and its surrounding developments. IPL states that the Parnell line was originally required to have a permit based upon the rationale that the TBS was not regarded as the distribution center since there were two DRSs downstream that were considered the distribution centers.

The designation of distribution center locations is a major element in determining if a pipeline is transmission or distribution under the definitions found in 49 CFR 192.3. Transmission pipelines deliver to distribution centers and the pipelines downstream are distribution lines. The current system design makes the TBS the distribution center.

Board rule 199 IAC 10.16 provides that a pipeline must have a permit if the pipeline will be operated at a pressure of over 150 psig or which, regardless of operating pressure, is a transmission line as defined in ASME B31.8 or 49 CFR Part 192. The Parnell pipeline operates at less than 150 psig, but when originally constructed operated as a transmission line. The redesign of the Parnell pipeline system by IPL has removed the transmission function of this pipeline and the pipeline is now more appropriately classified as distribution.

Since the Parnell pipeline is now classified as a distribution line, it no longer requires a permit and will be removed from Permit No. R1098 as requested. The amendment to R1098 granted on May 10, 1993, included another pipeline that is unaffected by the removal of the Parnell pipeline from permitted status.

IT IS THEREFORE ORDERED:

1. The Utilities Board acknowledges that the Parnell pipeline described in this order is reclassified as a distribution pipeline.
2. The Parnell pipeline shall be removed from Permit No. R1098.

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 26th day of April, 2005.