

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-04-1
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**ORDER GRANTING MOTION TO CONSOLIDATE**

(Issued May 16, 2005)

On April 28, 2005, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a motion to consolidate tariff consolidation and rate equalization proceedings that will be filed on or before June 30, 2005. IPL filed a letter on April 29, 2005, indicating that in addition to the Consumer Advocate Division of the Department of Justice (Consumer Advocate), IPL served a copy of the motion on all parties of record in Docket No. RPU-04-1.

The Community Coalition for Rate Fairness (CCRF) filed a response to the motion on May 11, 2005. The CCRF stated it supported the motion to consolidate. No other responses were filed.

In its "Final Decision and Order" issued January 14, 2005, in Docket No. RPU-04-1 (Final Order), the Board directed IPL to make two rate filings on or before June 30, 2005. Ordering clause number 3 of the final order directed IPL to "file a proposal consolidating class rate structures and redefining customer classes," which will be referred to as "tariff consolidation." Ordering clause number 4 directed IPL to

begin making “annual, revenue-neutral equalization filings.” These annual filings will be referred to as “rate equalization.”

In support of its motion, IPL noted that in initial preparations for filing, IPL assumed the tariff consolidation and rate equalization filings would be separate dockets. However, in preparing separate filings, IPL found pricing conflicts for specific rate elements. For example, IPL said that in its rate equalization proposal, specific rate elements show an increase, while in the tariff consolidation proposal those same rate elements would be reduced. IPL argued that it makes no sense to increase a particular rate element in order to comply with the average dollar-per-kWh rate equalization approach approved in Docket No. RPU-04-1 and then decrease the same rate element in the tariff consolidation proposal, particularly when the two tariffs will likely become effective at or near the same time.

IPL said that rate consolidation and rate equalization are directed at the same goal, an end state in approximately five years where all customers are served off a single IPL tariff with one set of rates. IPL intends to provide a vision for its end-state tariff in the tariff consolidation filing, including the expected price for specific rate elements assuming no intervening revenue requirement proceedings. IPL pointed out its proposed customer notice will reflect the impact of tariff consolidation and the first equalization step.

The Board will grant the motion. The Board believes it is appropriate for IPL to focus on its proposed end state that reflects the impacts of tariff consolidation and rate equalization. Consolidation of the two dockets is appropriate because the two

proposed tariffs will be filed at the same time and the proposed tariffs, with any changes adopted by the Board after hearing, will likely be effective at approximately the same time. It does not make sense to increase a rate element in one proceeding and then decrease that same element in a separate, tandem proceeding. Some of the testimony in the two dockets may be duplicative and consolidation will allow for the most efficient use of the parties' and the Board's resources.

**IT IS THEREFORE ORDERED:**

The "Motion to Consolidate Rate Proceedings" filed by Interstate Power and Light Company on April 28, 2005, is granted.

**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 16<sup>th</sup> day of May, 2005.