

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

<p>IN RE:</p> <p>JACOBSEN HOLZ CORPORATION,</p> <p style="padding-left: 100px;">Petitioner,</p> <p style="text-align:center">v.</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 REGARDING POSSIBLE SOLUTION**

(Issued June 1, 2005)

On May 31, 2005, a prehearing conference was held as scheduled in this case in Utilities Board (Board) Conference Room 4. Progressive Foundry, Inc. (Progressive Foundry) was represented by its attorney, Mr. James Pray. Interstate Power and Light Company (IPL) was represented by its attorney, Mr. Allan Kniep. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) was represented by its attorney, Mr. Ben Stead. Mr. Larry Shi, Consumer Advocate staff, was also present. Jacobson Holz Corporation was not present. Board advisory staff Ms. Parveen Baig and Mr. Jim Sundermeyer were also present.

Progressive Foundry provided a letter addressed to IPL dated May 27, 2005, to those present at the prehearing conference. A copy of the letter is attached to this order. The letter contains Progressive Foundry's commitment to pursue a possible

solution to the harmonics issue in this case, to take certain actions with respect to installation of line reactors at the foundry, and to continue to work on a timely solution if necessary. The parties present at the prehearing conference agreed the approach in the letter is reasonable.

Mr. Stead committed to call Mr. Jacobson and request that he file a letter with the Board stating whether or not he agreed the approach in the letter was reasonable. The parties agreed that Mr. Jacobson could call other parties individually to discuss this without the other parties being present.

If Mr. Jacobson files a letter stating he agrees the approach is reasonable, the undersigned will approve it. If Mr. Jacobson files a letter stating he does not agree the approach is reasonable, another prehearing conference will be scheduled.

The parties agreed to file status reports with the Board that keep the undersigned and Board informed of the parties' activities in pursuing a solution. The first status report is due July 29, 2005. Status reports will be due every two months thereafter on the last business day of the month.

**IT IS THEREFORE ORDERED:**

1. Mr. Jacobson must file a letter with the Board as soon as possible stating whether or not he agrees the approach contained in the attached letter is reasonable. Mr. Jacobson must provide a copy of his letter to each of the other parties in this case.

2. If Mr. Jacobson files a letter stating he agrees the approach is reasonable, the approach is approved as of the date the letter is filed with the Board. If Mr. Jacobson files a letter stating he does not agree the approach is reasonable, the undersigned will issue an order scheduling another prehearing conference.

3. A copy of this order will be served on the following parties to this case: Jacobsen Holz Corporation, Progressive Foundry, Inc., Interstate Power and Light Company, and the Consumer Advocate Division of the Department of Justice.

**UTILITIES BOARD**

/s/ Amy L. Christensen  
Amy L. Christensen  
Administrative Law Judge

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 1<sup>st</sup> day of June, 2005.

**Brown, Winick, Graves, Gross,  
Baskerville and Schoenebaum, P.L.C.**

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May 27, 2005

Allan Kniep, Esq.  
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P.O. Box 6187  
Des Moines, IA 50309-2037

Re: **Jacobson Holz Corporation v. Interstate Power and Light Company**

Dear Mr. Kniep:

We have discussed the fact that the status conference may not be necessary if Progressive Foundry commits to pursuing a possible solution to the harmonics issue in a timely fashion. You requested that Progressive Foundry develop a timeline for implementation of this possible solution. In response to your request, I can provide the following assurances:

1. Progressive will supply a list of possible vendors by June 6, 2005.
2. Progressive will supply a timeline for receipt of interest by vendors and proposals by vendors by June 17, 2005.
3. Progressive will supply a timeline for receipt of initial studies/modeling as soon as the vendors provide the needed time requirements.
4. Progressive will supply the manufacturer's lead time to supply equipment if it is warranted by initial studies within one week after receipt of vendor modeling and quotations.

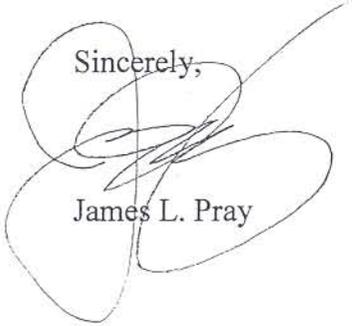
In addition you are requesting that my client state that if the line reactors or other similar proposal does not work, that Progressive will continue to work on coming up with a solution. I can confirm that if after installation and testing the vendor's proposal does not meet the IEEE 519 Standards, then Progressive is committed to moving onto the next means of resolution in a

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timely manner.

You mentioned the fact that your client may not be satisfied with the IEEE 519 standard. It is very difficult to negotiate or even discuss that position when we really do not know at this time if the proposed solution will work. We will need to address that issue in the future.

Sincerely,



James L. Pray

JLP:skm

cc: D. Six