

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RN-05-3
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**ORDER APPROVING, WITH MODIFICATION, CUSTOMER NOTICE**

(Issued June 13, 2005)

On May 17, 2005, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a request for approval of a proposed rate notification pursuant to 199 IAC 7.4(1)"d"(1), which requires that all nonstandard notification notices be approved by the Board. The rate notice relates to the revenue-neutral, combined tariff consolidation and rate equalization filing IPL will make on or before June 30, 2005. The proposed notice informs customers that the purpose of the filing is to change IPL's rate structure and make the first rate equalization step pursuant to the Board's "Final Decision and Order" issued January 14, 2005, in Docket No. RPU-04-1. No objections to the proposed notice were filed.

Among the changes from the standard notice is IPL's use of the customer class median monthly bill in the notice, because the median represents the bill impact most likely to be experienced by most customers from the tariff consolidation and rate equalization. IPL believes the use of the average customer bill, which is commonly used in customer rate notices, may be skewed by customers that, due to their

particular characteristics, have significant bill reductions or increases resulting from the proposed rate structure changes.

In addition, IPL deviates from the requirement contained in 199 IAC 7.4(1)(f)(2) that the notice and outside of the notice mailing conspicuously state "Notice of Rate Increase." IPL asks that it be allowed to use "Notice of Proposed Rate Changes." IPL notes that while some individual customers may see an increase as a result of the filing, others will see a decrease. Also, the overall impact of the filing is revenue-neutral to IPL and does not represent a revenue increase to the utility.

No rate notice will be perfect for every individual customer because notices cannot be tailored for each customer's individual situation. The changes to the standard notice proposed by IPL provide a more accurate representation of the impending filing and the projected effect on most customers. The Board will approve the proposed notice, with some minor modifications that the Board believes will more accurately communicate information regarding IPL's filing. In the following paragraphs, the changes are underlined to highlight them in the order but they should not be underlined in the actual notice mailed to customers. The Board notes the phrase "do not impact" in the paragraph below is underlined in the original text and does not represent a change.

The first change is in the last sentence of the first full paragraph on page 1 of the proposed notice attached to IPL's application for approval of notice. The word "total" is to be added as follows: "The proposed electric rate equalization step and electric rate structure changes do not impact IP&L's total annual revenues."

The second change is adding an additional sentence after the first sentence of paragraph 3 on page 1. The change is: “are shown in the following tables. Rate changes for individual customers may vary from the numbers shown in this notice. These changes reflect . . .”

The final change amends the third and fourth sentences in the paragraph at the bottom of page 2 of the proposed notice. These sentences are to be amended to read as follows: “Upon achieving complete electric rate equalization in future years, similarly situated IP&L-Iowa customers in the same customer class will pay the same electric rates, regardless of where they are located. IP&L’s proposal complies with the IUB’s targeted timeline to create equal rates across IP&L’s electric service area through a methodical process over the next 3 to 5 years.”

**IT IS THEREFORE ORDERED:**

The proposed rate case notice form filed by Interstate Power and Light Company on May 17, 2005, as modified in the body of this order, is approved.

**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 13<sup>th</sup> day of June, 2005.