

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. TF-05-257 WRU-05-39-150
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**ORDER APPROVING ONE-YEAR EXTENSION OF TARIFF AND  
GRANTING ONE-YEAR WAIVER**

(Issued September 8, 2005)

On August 30, 2005, Interstate Power and Light Company (IPL) filed a request with the Utilities Board (Board) for a one-year extension for its natural gas WorryProof Bill program and related tariffs originally granted on August 21, 2003. Also, on August 30, 2005, IPL filed a request for a one-year extension of the associated waiver of 199 IAC 19.10(3). The WorryProof Bill program was originally approved by the Board in Docket Nos. TF-03-358 and WRU-03-42-150, issued August 21, 2003. The request for waiver and proposed tariffs are identified as Docket Nos. WRU-05-39-150 and TF-05-257, respectively.

The WorryProof Bill program is an optional service that offers the customer a fixed monthly bill for 12 months with no true up of the billed amount. The waiver to 199 IAC 19.10(3) permits the S factor in the PGA formula to be adjusted to remove terms associated with the WorryProof Bill program to allow for collection of the correct amounts from customers under the PGA. The waiver is necessary to coordinate the program and PGA appropriately.

Participation in the program has increased in each year of the program and as of July 2005, there were 7,247 WorryProof Bill customers enrolled in the program. In addition, there have been very few complaints concerning the WorryProof Bill program and IPL states that customers are satisfied with the program overall. IPL states that customers desire the rate stability provided by the WorryProof Bill program.

IPL points out that in granting the waiver in Docket No. WRU-03-42-150, the Board found there was clear and convincing evidence that the four waiver criteria in 199 IAC 1.3 were met. IPL states that the circumstances that existed when the Board granted the previous waiver still exist and the findings regarding the four criteria are still valid.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) authorized IPL to state that Consumer Advocate had no objection to the extension.

The Board will approve the proposed tariff for a one-year extension of the program. The Board found in Docket No. WRU-03-42-150 that the WorryProof Bill program offered customers a choice that could remove the volatility in their heating bills and IPL would establish a mechanism designed to ensure that non-participating customers were not harmed by having to assume any of the costs of the program. IPL stated that it would absorb any losses associated with the program. IPL will report the results of the program at the end of the extension and more frequently if

appropriate. In a period of volatile gas prices and high gas bills, the program should provide an opportunity for some customers to protect themselves from that volatility.

To continue to provide the WorryProof Bill program, the Board will need to waive a provision of 199 IAC 19.10(3) which governs the use of the PGA factor. Specifically, the Board must waive the provision that "[c]hanges in factors S and C may not be made in periodic purchased gas filing except to recognize changes between pipeline and non-pipeline purchases." The S factor represents the therms that are used as the divisor to set therm rates in the monthly PGA filing. Under the WorryProof Bill program, the S factor will need to be modified each month, if necessary, to reflect changes in the number of customers taking service under the guaranteed bill program. Approval of the waiver will keep the PGA factor at the appropriate level from month-to-month by applying a more appropriate divisor to gas costs when setting the rate.

To waive a rule the Board must find, based upon clear and convincing evidence, that the four criteria in 199 IAC 1.3 are met. Those criteria are: 1) the application of the rule would pose an undue hardship, 2) the waiver would not prejudice the substantial legal rights of any person, 3) the provisions waived are not specifically mandated by statute, and 4) substantially equal protection of public health, safety, and welfare will be afforded after the waiver.

As indicated by IPL, the Board found there was clear and convincing evidence that the four criteria in the subrule were met when it originally granted the waiver. The Board finds that the circumstances and evidence that supported the original

waiver are still in existence and support a granting of the waiver for the one-year extension.

**IT IS THEREFORE ORDERED:**

1. The proposed tariff filed by Interstate Power and Light Company on August 30, 2005, for a one-year extension of the WorryProof Bill program is approved.

2. Interstate Power and Light Company is granted a one year waiver of the provisions of subrule 199 IAC 19.10(3) as described in this order.

**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 8<sup>th</sup> day of September, 2005.