

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RN-06-3 (RPU-05-3)
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ORDER APPROVING CUSTOMER NOTICE

(Issued July 3, 2006)

On June 16, 2006, 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 nonstandard notices be approved by the Board. IPL filed an amendment to its request on June 21, 2006. The rate notice relates to the second-step revenue-neutral rate equalization and tariff consolidation filing IPL will make on or about September 8, 2006; also included with this filing will be a target rate design and consolidated tariff for the lighting class. The Consumer Coalition for Rate Fairness filed a response on June 22, 2006, stating it did not object to the proposed notice. No other responses were filed.

In its order on rehearing in Docket No. RPU-05-3, the tariff consolidation and first-step equalization case, the Board indicated it would require customer notice be given of the second-step rate equalization and tariff consolidation filing as a matter of public policy, but said the notice may not need to be the same for all customer classes or all pricing zones; for example, a bill message may suffice for customers

who will experience a rate decrease, while lighting customers are likely to require a separate written notification because of the impact of the tariff consolidation and rate equalization on the lighting class. The Board said that IPL could ask the Board to consider alternatives to the standard notice for some customers or customer classes. Interstate Power and Light Company, Docket No. RPU-05-3 (TF-05-211, EEP-02-38), "Order on Rehearing," (6/7/2006), pp. 5-7.

While the proposed notice differs somewhat from the standard notice in the Board's rules, it is consistent with the notice used in the first-step of the tariff consolidation and rate equalization process (Docket No. RPU-05-3) and contains additional information explaining the proposed changes in the lighting class. Also, because not all customers will experience a rate increase, IPL proposes to use "Notice of Proposed Rate Changes" rather than the standard "Notice of Proposed Rate Increase" on the outside envelope. IPL states that lighting customers will receive a direct mailing; other customers will receive the notice via bill insert.

The changes to the standard notice proposed by IPL provide a more accurate representation of the impending filing and the projected impacts on customers and will be approved. The Board will also approve the method of delivering the notice. Because a tariff consolidation and target rate design is being proposed for lighting customers for the first time, those customers should receive a separate delivered notice. A bill insert is appropriate for other customers because they received notice of the target rate design for their respective classes in the customer notice for Docket

No. RPU-05-3. Using a bill insert for these customers will reduce the cost of the notice.

In its initial filing, IPL had a target date of August 31, 2006, for filing the second-step case. Because the August billing cycle will not be completed until September 6, 2006, IPL, in its amended filing, proposed to delay filing until September 8, 2006. IPL cannot send the bill inserts in its July bills because all available slots are being used for customer communications related to the rate changes in Docket No. RPU-05-3. The eight-day delay will not prejudice any party and will be approved.

IT IS THEREFORE ORDERED:

The proposed rate case notice form filed by Interstate Power and Light Company on June 16, 2006, as amended on June 21, 2006, is approved, including the manner and timing of delivering notice.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 3rd day of July, 2006.