

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>IOWA ELECTRIC LIGHT AND POWER COMPANY n/k/a INTERSTATE POWER AND LIGHT COMPANY</p>	<p>DOCKET NO. P-809</p>
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ORDER TERMINATING PERMIT AND CLOSING DOCKET

(Issued September 20, 2006)

On June 2, 1992, the Utilities Board (Board) issued Permit No. 1131 to Iowa Electric Light and Power Company, predecessor of Interstate Power and Light Company (IPL), for the construction, operation, and maintenance of approximately 5.4 miles of 4-inch diameter polyethylene pipe in Tama County, Iowa. The pipeline, known as the Montour Lateral, was to be operated at a maximum allowable operating pressure of 100 pounds per square inch gauge (psig) and would provide gas service to the town of Montour, Iowa. The pipeline was located entirely in public road right-of-way. The permit was approved in Docket No. P-809.

On August 21, 2006, IPL filed with the Board a petition to reclassify the pipeline to non-permitted status. In the petition, IPL states that the nature of the pipeline has changed so that it no longer meets the definition of a pipeline requiring a permit as found in 199 IAC 10.16. IPL requests that Permit No. 1131 be terminated. In response to inquiries by Board staff, IPL provided additional information concerning the pipeline on August 29, 2006.

IPL states that the Montour Lateral has been physically modified so that it is now fed from the LeGrand gas distribution system and operates at 55 psig. The pipeline as originally permitted was fed from a Northern Natural Gas Company (Northern) gate station located north of LeGrand and passed along the east edge of LeGrand en route to Montour. The former Montour gate station has now been removed and today the LeGrand gate station supplies a single integrated distribution system serving LeGrand, Montour, and rural customers at 55 psig. The 1.5-mile segment north of where the LeGrand system now connects with the former Montour Lateral remains in service for rural customers, but no longer is directly connected to Northern. The former Montour Lateral continues to serve 128 customers in Montour and four rural customers. IPL states that combining the two systems and eliminating the gate station reduced operating and maintenance expenses and resolved seasonal problems with odorization caused by low gas flow.

Rule 10.16 requires a pipeline permit for any pipeline which will be operated at a pressure of over 150 psig or which, regardless of operating pressure, is a transmission line as defined in ASME B31.8 or 49 CFR Part 192. ASME B31.8 establishes industry standards and focuses on whether a pipeline is best considered as part of a transmission network or a distribution system. The federal regulations concerning pipeline safety, 49 CFR Part 192, are promulgated by the U.S. Department of Transportation.

The Montour Lateral has never operated over 150 psig and was required to have a permit because it came within the definition of a transmission line under

49 CFR Part 192. The Montour Lateral was classified as a transmission line since it transported gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer and was not downstream from a distribution center. Since the Montour Lateral now emerges from another distribution system, it no longer meets the definition of a transmission line in 49 CFR Part 192 and it is now best considered part of a distribution system, which satisfies the requirements of ASME B31.8.

Board staff has reviewed the petition and current operation of the pipeline and has concluded the current operation is consistent with a distribution system and no longer serves a transmission function. Staff has recommended the pipeline permit be terminated.

Based upon the information provided by IPL and the recommendation of Board staff, the Board will terminate Permit No. 1131 and close Docket No. P-809. A permit is no longer required for a pipeline where the operation of the pipeline has changed so that it no longer meets the requirements of rule 10.16.

IT IS THEREFORE ORDERED

1. Permit No. 1131 held by Interstate Power and Light Company for the construction, operation, and maintenance of approximately 5.4 miles of 4-inch diameter pipeline in Tama County, Iowa, is terminated.

2. Docket No. P-809 is closed.

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 20th day of September, 2006.