

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. RPU-06-1 TF-06-254 TF-06-255 (RPU-04-1)
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**ORDER DOCKETING TARIFFS, ESTABLISHING PROCEDURAL
SCHEDULE, SETTING INTERVENTION DEADLINE, AND
REQUIRING ADDITIONAL INFORMATION**

(Issued October 5, 2006)

On September 8, 2006, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) proposed electric tariffs, identified as TF-06-254 and TF-06-255. The tariffs are a proposed lighting consolidation tariff (TF-06-254) and a proposed second-step equalization tariff (TF-06-255) that would accomplish another step toward equalizing rates across IPL's four pricing zones. IPL stated the proposed rate changes are designed to be revenue neutral.

In the Board's "Final Decision and Order" issued January 14, 2005, in Docket No. RPU-04-1, the Board directed IPL to begin making annual, revenue-neutral equalization filings. Tariff filing TF-06-255 is the second of these annual filings that have generally been referred to as rate equalization filings. The Board in its "Final Decision and Order" issued April 28, 2006, in Docket No. RPU-05-3, ordered IPL to file a target rate design and consolidated tariff for lighting as part of its next

equalization or general rate case, whichever came first. Tariff filing TF-06-254 is IPL's lighting proposal.

The Consumer Advocate Division of the Department of Justice and the Community Coalition for Rate Fairness each filed objections to IPL's rate case filing on September 21 and 26, 2006, respectively. Both asked that the Board docket the filings and set a procedural schedule. To allow the Board and other parties time to fully consider the proposed rate changes to lighting and the second step in rate equalization, the tariffs will be docketed as a formal contested case proceeding, identified as Docket No. RPU-06-1, and a procedural schedule will be established.

The Board will also require IPL to provide additional information regarding, among other things, estimated bill impacts. The additional information is to be filed within 30 days of the date of this order. IPL is to provide the following information:

1. Regarding the rate equalization second-step tariff changes proposed in TF-06-255, IPL states that "[t]he tariff prices are the same Year 2 prices reflected in the revenue verification of IPL's compliance filing in Docket No. RPU-05-3." (Direct Testimony of David Vognsen, pp. 3-4).

Provide the revenue verification filed with IPL's compliance filing in Docket No. RPU-05-3, as revised June 14, 2006, including all supporting workpapers. Provide this information in hard copy and electronic formats.

2. When Large General Service (LGS) definitional criteria were changed in Docket Nos. RPU-02-3 and RPU-02-8, existing LGS customers who did not meet the new criteria were allowed to remain on LGS rates (i.e., "grandfathered") as a transitional measure. In Docket No. RPU-05-3, approximately 1,100 of these customers were transferred to General Service, with the understanding that the remaining "grandfathered" LGS customers would be transferred to General Service in IPL's next equalization filing.

Provide the estimated annual billing impacts for each of these remaining “grandfathered” LGS customers, if transferred from existing LGS rates to the second-step General Service tariff rates proposed by IPL in this proceeding. Specifically, for each “grandfathered” customer, provide:

- a. The estimated annual bill under current LGS rates (using current energy adjustment clause (EAC) and energy efficiency cost recovery (EECR) factors);
- b. The estimated annual bill under IPL’s proposed second-step General Service tariff rates (again, using current EAC and EECR factors);
- c. The resulting dollar change; and
- d. The resulting percentage change.

Provide this information in hard copy and electronic formats.

3. Provide answers to the following questions:

- a. When does IPL plan to file its separate EECR proposal for annually reconciling estimated versus actual revenue changes caused by customer migrations to time-of-use (TOU) rates in the IPC zone, as required in Docket No. RPU-05-3?
- b. When does IPL plan to file a new standby service tariff proposal, pursuant to its commitment in Docket No. RPU-05-3?

IT IS THEREFORE ORDERED:

1. An investigation is instituted to determine the reasonableness of Interstate Power and Light Company’s electric rate schedules and tariffs filed on September 8, 2006. This matter will be identified as Docket No. RPU-06-1, a formal contested case proceeding. Tariff filings TF-06-254 and TF-06-255 are suspended. The expenses reasonably attributable to this investigation shall be assessed to IPL in accordance with Iowa Code § 476.10.

2. The following procedural schedule is established:
 - a. The deadline for filing petitions to intervene shall be on or before November 1, 2006.
 - b. The parties shall notify the Board prior to January 2, 2007, if they desire a prehearing conference.
 - c. Consumer Advocate and any intervenors shall file prepared direct testimony, with underlying workpapers and exhibits, on or before November 9, 2006. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.
 - d. If Consumer Advocate and any intervenors find it necessary to file testimony in rebuttal to each other's direct testimony, they may file rebuttal testimony on or before November 20, 2006.
 - e. IPL shall file its rebuttal testimony, with underlying workpapers and exhibits, on or before December 4, 2006.
 - f. Consumer Advocate and any intervenor shall file rebuttal testimony on any of issues raised initially in that party's direct testimony and responded to by another party, on or before December 11, 2006.
 - g. The parties shall file a joint statement of the issues on or before December 18, 2006.
 - h. All parties that choose to file a prehearing brief may do so on or before December 22, 2006.

i. A hearing shall be held beginning at 9 a.m. on January 23, 2007, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the Iowa Utilities Board's Hearing Room, 350 Maple Street, Des Moines, Iowa. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

j. The parties may file simultaneous initial briefs on or before February 9, 2007.

k. All parties who filed initial briefs may file reply briefs on or before February 19, 2007.

3. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

4. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination which have not been previously filed shall become a part of the evidentiary record of these proceedings. The party making reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

5. In the absence of objection, when the Board has called for further evidence on any issue and the evidence is filed after the close of the hearing, the evidentiary record will be reopened and the evidence will become part of the record five days after the evidence is filed with the Board. All evidence filed pursuant to this paragraph shall be filed no later than seven days after the close of the hearing in this proceeding.

6. IPL is to provide the information identified in the body of this order within 30 days of the date of this order.

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 5th day of October, 2006.