

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. GCU-07-1
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**ORDER ACCEPTING FILING, REQUIRING ADDITIONAL
INFORMATION, SETTING PROCEDURAL SCHEDULE,
AND SETTING INTERVENTION DEADLINE**

(Issued August 16, 2007)

On July 2, 2007, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) an application pursuant to Iowa Code chapter 476A for a generating facility certificate to construct and operate a 630 MW coal-fired electric generating unit. The proposed unit is called the Sutherland Generating Station Unit Number 4 (SGS 4) and is to be located in Marshalltown, Marshall County, Iowa. IPL held an informational meeting on the application on May 21, 2007.

The Board has reviewed IPL's filing and finds that it is in substantial compliance with the Board's filing requirements contained in 199 IAC 24. Therefore, the filing will be accepted and a procedural schedule set, including a deadline for intervention. While the Board finds there is substantial compliance with the Board's rules, the Board will require IPL to file the following additional information within 30 days from the date of this order:

1. A quantitative analysis of the potential impact on the proposed SGS 4 coal plant if federal legislation (i.e., Sanders-Boxer, McCain-Lieberman,

Bingaman-Specter) regarding carbon taxes or a carbon-trading program is implemented. The bills listed are only examples; the Board is seeking IPL's analysis of the potential impact in general, not just these specific bills.

2. Section 1.8 of the application states that a number of transmission enhancements will be required in the Marshalltown area with or without the construction of the proposed SGS 4. Provide a list of what transmission enhancements are needed without SGS 4. What is the estimated cost of these enhancements? Do these estimates include upgrading of 34.5 kV lines to 69 kV that are located in the area? What is the estimated cost of upgrading these 34.5 kV lines to 69 kV?

3. Are the transmission enhancements discussed in question 2 included in the indirect cost numbers provided in Confidential Figure 1.9-1?

4. Provide more information about IPL's site selection process, such as whether the proposed site would be feasible without the transmission enhancements discussed in the previous questions.

5. Provide details of how transmission enhancements and transmission-related costs were considered in Phase 1 of IPL's site selection methodology.

6. Confidential Figure 1.9-1 gives estimated direct and indirect costs of construction. Provide a breakdown of the costs included in each description. For example, provide detailed breakdown of what is included in

"Electric Power Generating Unit." The detail should include the total cost as well as IPL's share of the cost estimates.

7. IPL witness Bennington testifies, on page 9 of his testimony, that "IPL's 2007 Resource Plan, as sponsored by Mr. Kitchen, demonstrates that a base load coal facility is the most effective resource to add to IPL's generation mix at this time." Provide a copy of IPL's 2007 Resource Plan that is discussed in witness Bennington's testimony. Describe how the availability of purchase power was analyzed and the costs included in IPL's analysis for purchase power. Finally, describe the supply alternatives that were considered and provide the justification for choosing the proposed coal-fired base load option.

8. IPL witness Bennington testifies, on page 10 of his testimony, that "[t]he construction of SGS 4 will prompt the upgrade of the transmission system in the Marshalltown area which was recommended in 2004 The addition of this transmission will make significant contribution to reliable electric service." Clarify how the addition of SGS 4, which is a generating unit, affects the reliability of the electric system that serves IPL's Iowa ratepayers.

9. IPL witness Bennington discusses, on page 10 of his testimony, that the addition of transmission will relieve transmission constraints in Iowa and in the region. Clarify which transmission constraints will be relieved and provide copies of any supporting transmission studies and analyses.

10. For SGS 4, estimate the expected hours of operation, capacity, and MWh generation, on a monthly and annual basis.

11. Provide the expected operating characteristics for SGS 4, such as heat rate, equivalent availability, and capacity factor.

The hearing will be held at the Iowa Veteran's Home in Marshalltown, Iowa. Persons who have been accorded the status of intervenors have the right to appear at the public hearing. Intervenors will be given the opportunity to file prefiled testimony, cross examine the witnesses of any other party, and to rebut, refute, or reply to all evidence in opposition to the intervenors' stated position according to the procedural schedule set forth below. The Board's intervention rules are in 199 IAC 7.13. This is a contested case proceeding as defined by Iowa Code chapter 17A.

Persons who have not intervened in the proceeding are invited to observe the proceedings, but may not participate in the hearing. Those who wish to comment but do not wish to intervene are directed to the Board's Web site for electronic filing instructions; written comments may also be mailed to the Board's Executive Secretary at 350 Maple Street, Des Moines, Iowa 50319-0069.

IT IS THEREFORE ORDERED:

1. The application for a generating certificate filed by Interstate Power and Light Company on July 2, 2007, is accepted pursuant to 199 IAC 24.5.

2. The following procedural schedule is established for this proceeding:

a. The Consumer Advocate Division of the Department of Justice and any intervenors shall file prepared direct testimony, with underlying

workpapers and exhibits, on or before October 22, 2007. Petitions to intervene shall also be filed by that date, unless good cause is shown for a later filing.

b. IPL shall file rebuttal testimony, with underlying workpapers and exhibits, on or before December 10, 2007.

c. The parties shall submit a joint statement of issues on or before December 13, 2007.

d. A hearing in this matter shall commence at 10 a.m. on January 14, 2008, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held at the Iowa Veterans Home, Whitehill Auditorium, 1301 Summit Street, Marshalltown, 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.

e. Initial briefs may be filed on or before February 11, 2008.

f. All parties who filed initial briefs may file reply briefs on or before February 25, 2008.

3. The Executive Secretary of the Utilities Board shall cause written notice of the acceptance of the application and procedural schedule to be served upon: the Iowa Department of Natural Resources (IDNR), Air Quality Bureau; the IDNR

Environmental Protection Division; the Office of Historical Preservation; the Office of State Archaeologist; the Community Action Agencies Division of the Department of Human Rights; the Iowa Department of Transportation; the U.S. Army Corps of Engineers; the U.S. Fish & Wildlife Service; the Federal Aviation Administration; the Marshall County Board of Supervisors; the Marshalltown City Council; and all owners and lessees of record of real property located within 1,000 linear feet of the proposed site, as required by Iowa Code § 476A.4(2)"c," as listed in IPL's application and an electronic mailing list provided by IPL.

4. In accordance with 199 IAC 24.6(1)"c," the Executive Secretary of the Utilities Board directs Interstate Power and Light Company to cause a notice of the procedural schedule, attached as Appendix A, to be published in a newspaper of general circulation in Marshall County once each week for two consecutive weeks, with the second publication being no later than 30 days after the date this order is issued. Interstate Power and Light Company shall subsequently file proof of publication with the Board.

5. IPL shall file the additional information identified in the order within 30 days of the date of this order, or as soon as the information is available.

6. 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.

7. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination that 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.

8. 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.

UTILITIES BOARD

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Krista K. Tanner

Dated at Des Moines, Iowa, this 16th day of August, 2007.

OFFICIAL NOTICE
BEFORE THE IOWA UTILITIES BOARD
DOCKET NO. GCU-07-1

TO THE CITIZENS OF MARSHALL COUNTY:

In accordance with 199 IAC 24.6(1)"c," notice is hereby given that an application for an electric generating facility certificate has been filed by Interstate Power and Light Company. On August 16, 2007, the Iowa Utilities Board (Board) accepted the application in accordance with 199 IAC 24.5(3).

By order dated August 16, 2007, the Board set January 14, 2008, at 10 a.m. in the Iowa Veterans Home, Whitehill Auditorium, 1301 Summit Street, Marshalltown, Iowa, as the time and place for commencement of the hearing in this matter. Persons who have been accorded the status of intervenors have the right to appear at the public hearing. Intervenors will be given the opportunity to file prefiled testimony, cross examine the witnesses of any other party, and to rebut, refute, or reply to all evidence in opposition to the intervenors' stated position. 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.

The Board will conduct these proceedings to determine if the application for generating certificate meets the applicable decisional criteria of Iowa Code

§ 476A.6 (2007). The proposed facility is to be located at the site of the Sutherland Generating Station, Marshalltown, Iowa.

Requirements for intervention in the proceeding are contained in 199 IAC 7.13.

/s/ Judi K. Cooper

Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 16th day of August, 2007.