

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-07-4 (TF-07-158) (RPU-04-1)
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ORDER APPROVING TARIFF

(Issued October 23, 2007)

On September 7, 2007, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a proposed electric tariff, identified as TF-07-158. The proposed tariff is a third-step equalization tariff that would take another step toward equalizing rates across IPL's four pricing zones; if the third-step equalization tariff is implemented, prices for large general service and lighting classes will be fully equalized and prices for the residential and general service classes will have two more steps to complete the equalization process as currently scheduled. IPL stated the proposed rate changes are designed to be revenue neutral with respect to IPL's total revenues. Consistent with prior equalization filings, IPL has proposed a June 30, 2008, effective date for the third-step equalization tariff.

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-07-158 is the third of these annual filings that have generally been referred to as rate equalization filings.

On September 25, 2007, the Board docketed IPL's filing as Docket No. RPU-07-4. The Board did not set a procedural schedule, but allowed interested persons to file comments or objections to the proposed tariff on or before October 12, 2007. In the docketing order, the Board said it would proceed to rule on the tariff without hearing or further comment if no objections were filed. No objections to the tariff were filed.

In Docket No. RPU-05-3, the first of IPL's equalization filings, the Board approved consolidated target rate designs for the residential, general service, and large general service classes, the first step changes to reach the targets, and each of the remaining steps over the time frames established by the Board in Docket No. RPU-04-1. For residential and general service classes, it is contemplated that there will be five steps to complete rate equalization; for the large general service class, three steps. The proposed third step changes would complete the equalization process for the large general service class and leave two steps for residential and general service classes. The proposed third step percentage increases are generally less than for the first two steps because the dollar changes for each rate element were designed to be approximately the same for each step.

For the lighting class, the Board established a three-step equalization process in Docket No. RPU-04-1. The proposed tariff would complete the equalization process for the lighting class. IPL serves a total of 71,160 street lighting fixtures. Only 2.2 percent of these, or 1,567 fixtures, will experience a rate increase of over 10 percent.

The proposed tariff implements the third step of the equalization process in a manner consistent with the Board's prior orders. The proposed tariff will be approved.

IT IS THEREFORE ORDERED:

Tariff filing TF-07-158 is approved, subject to complaint or investigation, effective June 30, 2008.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 23rd day of October, 2007.