

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. PGA-07-42
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**ORDER DOCKETING ANNUAL PURCHASED GAS ADJUSTMENT
RECONCILIATION FILING FOR FURTHER REVIEW**

(Issued October 30, 2007)

On October 1, 2007, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) its annual reconciliation of gas costs for the 12-month period ending August 31, 2007, in accordance with 199 IAC 19.10(7). The filing has been identified as Docket No. PGA-07-42. While conducting its review of the reconciliation, IPL and Pioneer Hi-Bred International, Inc. (Pioneer), filed a proposed settlement agreement in an informal complaint, identified as C-07-174. In the settlement agreement in the informal complaint, IPL agrees to make a refund to Pioneer and requests that a portion of that refund be recovered from other customers through the purchased gas adjustment (PGA) factor approved in the reconciliation filing.

On October 17, 2007, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to the reconciliation filing in Docket No. PGA-07-42. Consumer Advocate objects on the basis that the reconciliation contains a charge to PGA customers of several hundred thousand dollars from a refund to Pioneer for prior period charges. Consumer Advocate argues that such a charge cannot lawfully be made under the Board rules.

Consumer Advocate states that a similar issue has been raised in the proposed settlement agreement in File No. C-07-174. Consumer Advocate states that if the Board approves the method of rectifying the overcharge in File No. C-07-174, it will not object to the recovery of the refund proposed by IPL in Docket No. PGA-07-42. On the other hand, if the Board does not approve the refund method used in File No. C-07-174, Consumer Advocate requests the opportunity to contest the charge resulting from the refund to Pioneer.

The Board will docket the reconciliation filing but will not set a procedural schedule at this time. The Board is docketing the informal complaint made by Pioneer against IPL as a formal complaint in Docket No. FCU-07-13. The resolution of the issues concerning the refund to Pioneer involved in the complaint docket will determine whether additional proceedings are necessary regarding the reconciliation filing in this docket.

IT IS THEREFORE ORDERED:

Docket No. PGA-07-42 is docketed for further review.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 30th day of October, 2007.