

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>JACOBSEN HOLZ CORPORATION,</p> <p style="padding-left: 100px;">Petitioner,</p> <p style="text-align:center">v.</p> <p>INTERSTATE POWER AND LIGHT COMPANY,</p> <p style="padding-left: 100px;">Respondent.</p>	<p style="text-align:right">DOCKET NO. FCU-05-5 (C-03-47)</p>
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ORDER SETTING DEADLINE FOR RESPONSE

(Issued November 15, 2007)

For the past two and one half years, the parties in this case, Progressive Foundry, Inc. (Progressive Foundry), Interstate Power and Light Company (IPL), Jacobsen Holz Corporation (Jacobsen Holz), and the Consumer Advocate Division of the Department of Justice (Consumer Advocate), have been pursuing a joint solution to resolve this case and have been filing status reports regarding their progress. On October 22, 2007, IPL filed a "Request for Litigation," in which it stated that the parties appeared to be at an impasse and IPL did not believe that settlement is a viable option. IPL summarized the actions it has taken to implement a solution to the harmonics problems at issue in this case, but stated that its solution would not remedy the harmonics issues at their source, which IPL argued is at Progressive Foundry. IPL argued that if monitoring reveals further action must be taken, IPL and

its ratepayers should not bear the financial burden. IPL stated that its request was a general statement of the issues rather than an all-inclusive list of issues. Therefore, IPL requested that the Board establish a procedural schedule and set a hearing date.

On November 1, 2007, the undersigned administrative law judge issued an order giving the other parties the opportunity to respond to IPL's motion. On November 6, 2007, the Consumer Advocate filed a response stating it agreed with IPL that a procedural schedule should be set and it hoped the parties could reach a settlement during this process.

On November 13, 2007, Progressive Foundry filed a "Response to IPL's Request for Litigation." In its response, Progressive Foundry summarized the history of the case and actions the parties have taken in an attempt to settle the case. According to Progressive Foundry, IPL has installed a capacitor bank and turned it on, which was one of the solutions proposed by IPL's consultant to solve the harmonics problem at issue in this case. Progressive Foundry further states that IPL offered to pay for the capacitor bank during settlement negotiations and it should not be allowed to renege on its promise. Progressive Foundry states that IPL refused to give it any test results indicating whether the new capacitor bank was working properly or not and told Progressive Foundry to file a data request. Progressive Foundry states that the only issue left unapproved during settlement negotiations was not material and IPL has refused to provide any real guidance as to why it seeks litigation. Therefore, Progressive Foundry argues, IPL's request for litigation should be denied until the parties have had an opportunity to discuss the issues separating

them, although Progressive Foundry does not know what they are. Progressive Foundry asks that the Board require the parties to engage in mediation.

This is a contested case. The parties have been attempting to settle it voluntarily for several years, and it appears they have made considerable progress in implementing a solution. If the parties cannot settle this case voluntarily or if IPL refuses to negotiate further, the undersigned will not order mediation. However, it is unclear at this point in the proceedings why IPL believes settlement negotiations are at an impasse and what issues it believes remain to be decided. Therefore, the undersigned will order IPL to file a statement clarifying these matters prior to issuing a procedural order.

IT IS THEREFORE ORDERED:

On or before November 27, 2007, Interstate Power and Light Company must file a statement setting forth its position why settlement negotiations are at an impasse and listing the issues that remain to be decided in the case.

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 15th day of November, 2007.