

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 APPROVING REVISED ANNUAL PURCHASED
GAS ADJUSTMENT RECONCILIATION FILING**

(Issued December 24, 2007)

On October 30, 2007, the Utilities Board (Board) issued an order docketing for further review the annual purchased gas adjustment (PGA) reconciliation filed by Interstate Power and Light Company (IPL) on October 1, 2007. The annual reconciliation is for the period ending August 31, 2007, and shows that IPL overcollected \$1,287,836 from firm customers and undercollected \$407,849 from interruptible customers for that period. The Board docketed the annual reconciliation filing in response to an objection filed by the Consumer Advocate Division of the Department of Justice (Consumer Advocate). Consumer Advocate objected to the inclusion in the annual reconciliation of a portion of a refund made by IPL to Pioneer Hi-Bred International, Inc. (Pioneer), for an overpayment by Pioneer at its Sheldahl facility. The refund was made to Pioneer for the five years from the discovery of the overpayment back to December 13, 2001.

On October 29, 2007, the Board opened a formal complaint proceeding, Docket No. FCU-07-13, regarding a Settlement Agreement filed by Pioneer and IPL

that proposed another refund to Pioneer for the overpayment at the Sheldahl facility and to allow IPL to recover a portion of the refund from other PGA customers. This additional refund would be for a period from December 13, 2001, back to the installation of the meter multiplier that caused the overpayment.

On December 14, 2007, the Board issued an order in this docket requiring IPL to file a revised annual reconciliation without the portion of the refund to Pioneer. In the order, the Board stated that a decision in Docket No. FCU-07-13 would not be made until after January 1, 2008, and it would not be reasonable to delay implementation of the annual reconciliation adjustment beyond that date.

On December 18, 2007, the Board issued an errata order to correct a word in the December 14, 2007, order.

On December 18, 2007, IPL filed the revised reconciliation. The revised filing changed the overcollection from firm customers to \$1,641,148. The revised filing did not change the undercollection of \$ 407,849 from interruptible customers. The resulting E factors that will be included in the PGA factor for the period January 2008 through August 2008 are a reduction of (\$.0089/ccf) for firm customers and an increase of \$.0115/ccf for interruptible customers.

The revised filing appears to comply with the Board's rules and the Board will approve the annual reconciliation, as revised, filed by IPL for the period ending August 31, 2007. The Board's decision concerning the recovery of a portion of the

refunds to Pioneer will be reflected in the annual reconciliation filed by IPL for the period ending August 31, 2008.

IT IS THEREFORE ORDERED:

The annual reconciliation filing made by Interstate Power and Light Company for the period ending August 31, 2007, as revised on December 18, 2007, is approved, subject to complaint and investigation.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/Judi K. Cooper
Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 24th day of December, 2007.