

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY, MIDAMERICAN ENERGY COMPANY, AND AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. 199 IAC 35.4(1) (EEP-02-38, EEP-03-1, EEP-03-4)
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**ORDER REQUIRING FILING OF NEW ENERGY EFFICIENCY
PLANS AND ADDITIONAL INFORMATION**

(Issued January 14, 2008)

Iowa's electric and gas utilities that are required to be rate-regulated under Iowa Code chapter 476 have a statutory obligation pursuant to § 476.6(16) to file energy efficiency plans with the Utilities Board (Board). Interstate Power and Light Company (IPL), MidAmerican Energy Company (MidAmerican), and Aquila, Inc., d/b/a Aquila Networks (Aquila), three of the utilities subject to this statute, have filed energy efficiency plans approved by the Board. The Board addressed the energy efficiency plan of the other utility subject to the statute, Atmos Energy Corporation, in an order issued May 14, 2007, in Docket No. WRU-07-11-222 (EEP-03-3).

The utility plans on file, although they have been modified over the years, will be five years old at the end of 2008. IPL, MidAmerican, and Aquila have been engaged for the past year in developing new energy efficiency plans, including the assessment of the potential of various energy efficiency measures, conducting public meetings with interested parties to collaborate on new energy efficiency plans, and

work on software development to analyze energy efficiency measures and programs. The Board has adopted rules to implement the energy efficiency statutes. 199 IAC chapter 35.

The utilities subject to § 476.6(16) developed a joint study of energy efficiency potential. Much of that work has been completed and the Board will therefore schedule dates for each utility to file its energy efficiency plan.

In addition to the information required by 199 IAC chapter 35, the Board will require the utilities to submit additional data with their plan filings to reflect the findings contained in the Board's recent energy efficiency study. The Board's study highlighted several areas that warrant further investigation in the energy efficiency plan process. The following information will be required to be filed with each new energy efficiency plan:

Item 1. Utilities shall provide additional information to extend the analysis of "future supply options and costs" required under 199 IAC 35.9(6) and "avoided capacity and energy costs" under 199 IAC 35.9(7), including all of the following:

a. For electric utilities, include in 199 IAC 35.9(6) all capacity and operating costs for any supply options analyzed in the utility's most recent resource plan. The resource plan should be the most thorough and detailed plan of any of the following: a plan filed as evidence with the Board in an application for siting of a power plant, a plan filed in an application for approval of ratemaking principles, or a plan filed with a regional reliability organization.

b. For electric utilities, provide as part of 199 IAC 35.9(7) a cost scenario with costs distributed over costing periods used in 199 IAC 35.9(6) that includes an estimate of the impact on supply option costs caused by the adoption of national carbon dioxide (CO₂) standards such as a "cap and trade" system or a carbon tax. A utility will use a reasonable target year and reasonable high and low estimates of costs per ton of CO₂.

c. For natural gas utilities, provide as part of 199 IAC 35.10(4) a cost scenario that includes an estimate of the impact on supply option costs caused by the adoption of national CO₂ standards such as a "cap and trade" system or a carbon tax. A utility will use a reasonable target year and reasonable high and low estimates of costs per ton of CO₂.

d. For electric and natural gas utilities, provide any additional information, which would contribute to the Board's understanding of the effects of higher performance goals and higher avoided costs on the utilities' new energy efficiency plans and programs.

Item 2. A utility shall provide additional information to extend the analysis of the utility's annual energy efficiency goals required under 199 IAC 35.8(1)"e" and "f" and its proposed energy efficiency plan required under 199 IAC 35.8(2). The scenarios listed below may be used as a substitute for the scenario analysis required under 199 IAC 35.8(1)"f."

a. For electric utilities, include a scenario in which the proposed performance goals reach a level equal to 1.5 percent of the utility's retail MWh sales (as an average of sales for three previous years). The scenario should attain the level of 1.5 percent of retail sales on or before December 31, 2011.

b. For natural gas utilities, include a scenario in which the proposed performance goals reach a level equal to 1.5 percent of the utility's retail Mcf sales (as an average of sales for three previous years). The scenario should attain the level of 1.5 percent of retail sales on or before December 31, 2011.

c. For electric and natural gas utilities, show the impacts of the scenarios specified in "a" and "b" in terms of levels of spending, rate impacts, bill impacts, cost-effectiveness, program selection, incentives to customers and any other information relevant to the analysis of these scenarios.

The schedule that the Board will set is designed so that the review process can be completed in time for the utilities to implement new energy efficiency plans in 2009. The Board recognizes that with this schedule, some utilities might need to file

requests for waiver of some of the Board's rules, particularly those involving the time frames for customer notice and Board review and approval of the customer notices. The Board will address those requests as they are filed and as rapidly as possible.

IT IS THEREFORE ORDERED:

1. Interstate Power and Light Company shall file a new energy efficiency plan on or before March 31, 2008.
2. Aquila, Inc., d/b/a Aquila Networks, shall file a new energy efficiency plan on or before April 15, 2008.
3. MidAmerican Energy Company shall file a new energy efficiency plan on or before April 30, 2008.
4. Each utility shall include in its energy efficiency plan filing the information referenced in the body of this order.

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 14th day of January, 2008.