

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 SUSPENDING PROCEDURAL SCHEDULES
AND CANCELING HEARING**

(Issued February 14, 2008)

On February 8, 2008, Progressive Foundry Company (Progressive) and Interstate Power and Light Company (IPL) filed a "Joint Notice of Settlement and Request to Suspend Procedural Schedule Pending Conference and Comment Period" with the Utilities Board (Board). Progressive and IPL state their engineers were able to reach an agreement on a possible technical solution to the harmonics problem at issue in this case and that Progressive and IPL have agreed to the terms of a proposed written settlement agreement. Progressive and IPL state they sent drafts of the proposed settlement agreement to all parties other than MidAmerican Energy Company (MidAmerican), which had not yet been granted intervention. Progressive and IPL believe that Jacobsen Holz Corporation (Jacobsen Holz) will

object to one term of the proposed settlement. Therefore, they state, IPL and Progressive will have to follow the requirements of the Board's settlement rule and provide notice, a conference, and the comment period required by 199 IAC 7.18. According to the procedural order issued on December 20, 2007, the parties are required to file their prepared direct testimony and exhibits by February 11, 2008. Therefore, IPL and Progressive request that the procedural schedule be suspended pending the filing of a formal motion proposing settlement pursuant to 199 IAC 7.18(1) within the next seven days.

On February 13, 2008, Jacobsen Holz filed a letter and exhibits with the Board. The exhibits included Jacobsen Holz's statement of position in lieu of testimony, its original complaint letter to the Board filed February 17, 2003, a second letter Jacobsen Holz sent to the Board dated January 12, 2004, an agenda from a settlement meeting held on May 23, 2005, and a letter dated November 13, 2005, from Power Quality Systems, Inc. to Progressive Foundry. Jacobsen Holz did not file an original and ten copies of its filing as required by Board rules, and there is no indication on the filing that it served copies on the other parties to this case as required by Board rule 199 IAC 7.4. Therefore, staff of the Board's Records and Information Center will call Jacobsen Holz and tell it of the requirements. The undersigned presumes in this order that Jacobsen Holz will file the required copies, which the Board needs to be able to administer the case, and will serve the other parties, which is required to avoid ex parte and due process problems. Jacobsen

Holz should refer to the "Procedural Order and Notice of Hearing" issued December 20, 2007, regarding requirements for communicating with the Board. From its filing, it appears that Jacobsen Holz is dissatisfied with the situation and the solutions being offered.

It is unclear from the documents filed by all the parties to date how the information filed by Jacobsen Holz relates to the settlement document filed by Progressive and IPL. Progressive and IPL have not yet filed the proposed settlement. It is not yet clear what Jacobsen Holz objects to in the proposed settlement agreement.

The request by Progressive and IPL to suspend the procedural schedule set forth in the December 20, 2007, order pending the filing of a formal settlement motion is reasonable and should be granted, considering that Progressive and IPL will be following the procedures for contested settlements required by 199 IAC 7.18. If any party, including Jacobsen Holz, contests the settlement agreement on any material issue of fact, a hearing on the contested issues may be held. 199 IAC 7.18(5). However, it is reasonable to give IPL and Progressive the opportunity to follow the settlement procedures set forth in the rule, and presumably, to attempt to achieve a settlement that is acceptable to all parties. Even if the parties are unable to settle the case completely, it is likely that further settlement discussions will narrow and clarify what issues remain contested.

On February 5, 2008, the undersigned issued an order granting limited intervention to MidAmerican. The order provided that if the existing parties were able to settle the case, they could do so without the participation and approval of MidAmerican. The order also required MidAmerican to comply with the procedural schedule set forth in the procedural order, to file a brief on March 3, 2008, and to update it on March 24, 2008. The other parties were given the opportunity to file responses to MidAmerican's brief on March 31, 2008. The additional procedural schedule set forth in the order granting limited intervention issued February 5, 2008, should also be suspended pending the settlement process.

As stated in the order granting limited intervention, the parties other than MidAmerican may settle the case without the participation and approval of MidAmerican. The parties other than MidAmerican are not required to include MidAmerican in the settlement process undertaken pursuant to 199 IAC 7.18.

IT IS THEREFORE ORDERED:

1. The procedural schedule set forth in the "Procedural Order and Notice of Hearing" issued December 20, 2007, is hereby suspended pending further order.
2. The additional procedural schedule set forth in the "Order Granting Limited Intervention" issued February 5, 2008, is hereby suspended pending further order.
3. Progressive and IPL shall file a motion proposing settlement pursuant to 199 IAC 7.18 within a reasonable period of time.

4. Progressive and IPL shall keep the Board informed of the progress of the settlement procedures followed pursuant to 199 IAC 7.18.

5. The parties other than MidAmerican may conduct the settlement process without the participation or approval of MidAmerican, and may settle the case without the participation or approval of MidAmerican.

6. The hearing currently scheduled for April 15, 16, and 17, 2008, is hereby cancelled.

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 14th day of February, 2008.