

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. TF-07-221 (SPU-04-1)
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ORDER REQUESTING ADDITIONAL INFORMATION

(Issued March 11, 2008)

On December 28, 2007, Interstate Power and Light Company (IPL) filed a proposed tariff with the Utilities Board (Board) designed to establish a small volume gas transportation service as directed by the Board. On January 7, 2008, Iowa Joint Utility Management Program, Inc. (IJUMP), filed comments regarding the proposed small volume gas transportation tariff. On January 15, 2008, IPL filed a reply to IJUMP's response. On January 18, 2008, Cornerstone Energy LLC, d/b/a Constellation NewEnergy-Gas Division (Cornerstone), filed comments regarding IPL's proposed tariff. On January 25, 2008, the Board issued an order docketing the proposed tariff and directing that IPL respond to a hypothetical described in the order.

On January 31, 2008, IPL filed a response to Cornerstone's comments and requested a waiver of 199 IAC 7.9(2). On February 7, 2008, the Board issued an order accepting IPL's response and stating that a waiver was not necessary. On February 8, 2008, IPL filed its response to the hypothetical proposed in the January 25, 2008, order.

Based upon the proposed permanent tariff and responses filed by IPL, it appears IPL's proposed permanent small volume gas transportation service is only slightly different from the existing Pilot Project service. However, based upon the comments and the Board's review, there still appears to be some issues about which the Board needs additional information or clarification. The Board has described below the additional information needed and where clarification is requested. In addition, the Board encourages IPL to hold discussions with suppliers and customers regarding any unresolved issues. The additional information requested is as follows:

1. The Board understands that it indicated that IPL should use the eligibility requirements in 199 IAC 19.14(1) for purposes of the permanent small volume gas transportation service. If these eligibility standards are adopted, IPL indicates that at least four current Pilot Project customers will not be eligible for the proposed permanent service and those four customers will be required to take service under IPL's current transportation tariff to continue to transport gas. So that the Board has full understanding of the ramifications of this change on the four customers, the Board is requesting that IPL provide the following information:

- a. File a response to the hypothetical included in the January 25, 2008, order using the rates the four customers would be required to pay under the existing transportation tariff.

- b. Indicate whether these four customers be required to install telemetry equipment to continue to transport gas.

c. Explain any other differences in transportation service that would affect the cost or practices required for these four customers if they were required to move to the existing transportation tariff.

d. Indicate whether IPL would be opposed to keeping the same customer size eligibility requirements for small volume customers that are in the existing Pilot Project tariffs.

2. Clarify if IPL opposes the suggestion that its requirements be combined with the requirements of the supplier in the supplier's contract with the customer rather than presenting the customer with a separate contract with IPL.

3. Clarify if IPL objects to working with the suppliers to develop a single bill for small volume gas transportation customers.

4. There does not appear to be a specific reference in the proposed permanent tariff stating that small volume gas transportation customers will not be required to install telemetry equipment. IPL should clarify if it opposes including this language so that it is clear that these customers will not be required to install telemetry equipment.

5. The monthly balancing provisions in the proposed tariff establish the terms for balancing; however, there is no statement to the effect that the revenue from balancing is to be credited to the purchased gas adjustment factor. The Pilot Project tariff refers to the provisions in the existing transportation tariff that establish where the revenue is credited. IPL should

clarify whether or not it opposes including this language in the permanent small volume gas transportation tariff.

6. The Pilot Project tariff ties the six-month cashout procedures to the applicable provisions in the existing transportation tariff. Clarify whether IPL opposes including this reference in the permanent small volume gas transportation tariff.

7. There does not appear to be a specific provision in the permanent tariff that establishes that IPL will do the forecasting for the small volume gas transportation service customers. IPL should indicate whether or not it opposes including this language in the permanent tariff.

8. It is the Board's understanding that IPL does not intend to charge a fee for current Pilot Project customers to switch to the permanent small volume gas transportation service. IPL should clarify if the Board's understanding is correct.

9. In the proposed permanent tariff Third Revised Sheet No. 57, there is a provision that states "Service hereunder is also subject to the provisions of Company's 'General Terms and Conditions for Gas Transportation'." The General Terms and Conditions beginning at Second Revised Sheet No. 77 appear to contain many provisions that would not apply to the permanent small volume gas transportation service. Since many of the provisions would not apply, the general reference to the General Terms and Conditions creates ambiguity concerning what provisions apply and, if there is

a conflict, which provisions will control. To remove this ambiguity and potential conflict, the Board suggests adding language to the Third Revised Sheet No. 57 that indicates that the provisions in the permanent small volume gas transportation tariff control any conflict between the permanent small volume tariff and the General Terms and Conditions. IPL should explain if it agrees with this suggestion or if it has another proposed solution to removing any potential conflict between the two tariffs.

IT IS THEREFORE ORDERED:

Interstate Power and Light Company shall file the additional information described in this order on or before March 17, 2008.

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 11th day of March, 2008.