

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. RPU-07-5 SPU-00-10
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**ORDER ACCEPTING NOTICE AND
REQUIRING ADDITIONAL INFORMATION**

(Issued June 30, 2008)

On May 29, 2008, Interstate Power and Light Company (IPL) filed a notice with the Utilities Board (Board) asking the Board to accept IPL's notice that IPL and Wisconsin Power and Light Company (WPL) have been designated as separate asset owners in the Midwest Independent Transmission System Operator, Inc. (MISO), market as of June 1, 2008. No objections to IPL's notice were filed.

IPL provided background information with respect to its request that the notice be accepted. On September 28, 2007, IPL filed with the Board an application for determination of ratemaking principles with respect to a proposed wind-generation project of up to 200 MW, identified as Docket No. RPU-07-5. On October 12, 2007, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response to the ratemaking principles application, indicating that IPL's wind project related to issues that Consumer Advocate was investigating regarding allocation of energy costs and revenues related to various Alliant Energy subsidiaries, including IPL. The Board docketed IPL's ratemaking principles application and set a procedural schedule. On November 15, 2007, IPL and Consumer Advocate filed a proposed settlement.

The proposed settlement not only addressed ratemaking principles applying to IPL's wind-generation project, but also issues related to the System Coordination and Operation Agreement (SCOA) that was initially executed in 2001 (and addressed in Docket No. SPU-00-10) by and among various Alliant Energy operating companies, including IPL, WPL, and Alliant Energy Corporate Services, Inc. (AECS). Several revisions to the SCOA have subsequently been filed and approved.

On October 7, 2007, IPL filed additional SCOA revisions to reflect, among other things, the operation of the MISO markets. On October 9, 2007, Consumer Advocate filed a response to the proposed SCOA changes, agreeing to non-substantive changes but raising broader concerns about the SCOA and cost allocation.

The settlement filed on November 15, 2007, addressed the SCOA issues. In particular, the settlement provided that IPL would seek to have IPL and WPL designated as separate asset owners in MISO on or before June 1, 2008. IPL and Consumer Advocate's settlement stated that this would allow IPL and WPL to receive separate MISO settlement statements and change the allocation methodology contained in the SCOA. The Board approved the settlement on February 6, 2008, indicating that by having separate MISO settlement agreements, each utility (IPL and WPL) will receive the appropriate locational marginal pricing settlement, which should reduce the chance that subsidies would flow from one utility to the other. Without the change, the SCOA provided that WPL's purchases from IPL are at IPL's variable costs, meaning that IPL could be losing opportunities for market-based sales at higher rates.

In its notice, IPL said it has been informed by MISO that the designation of IPL and WPL as separate asset owners in the MISO market will become effective as of June 1, 2008. IPL noted that this designation satisfies a portion of the settlement with Consumer Advocate and the Board's February 6, 2008, order approving the settlement.

The Board accepts IPL's notice that IPL and WPL have been designated as separate asset owners in the MISO market as of June 1, 2008. However, to ensure that the designation is properly implemented, IPL will be required to provide six months of actual MISO data demonstrating that separate settlements are being provided to IPL and WPL. This information can be provided in IPL's monthly energy adjustment clause filings.

IT IS THEREFORE ORDERED:

1. The notice filed by Interstate Power and Light Company on May 29, 2008, is accepted.
2. IPL shall provide the information identified in this order for the first six months following IPL's and WPL's designation as separate asset owners in the MISO market.

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 30th day of June, 2008.