

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. WRU-08-27-150
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**ORDER GRANTING TEMPORARY WAIVER AND
DIRECTING THE FILING OF REVISED TARIFF SHEETS**

(Issued July 14, 2008)

On July 3, 2008, Interstate Power and Light Company (IPL) filed a request with the Utilities Board (Board) for temporary waiver of Board rules and provisions in IPL's tariff sheets related to forgiveness of late payment charges, refusal or disconnection of service, and testing of flood-damaged electric meters. IPL states that the effects of the flooding in mid-June in Cedar Rapids, Iowa, are ongoing and the temporary waiver is necessary to allow IPL to deal with certain aspects of the ongoing effect of the flooding on IPL's provision of utility service. The waiver request has been identified as Docket No. WRU-08-27-150.

FORGIVENESS OF LATE PAYMENT CHARGES

IPL's current electric and gas tariffs allow customers at least one complete forgiveness of a late payment charge each calendar year. The late payment forgiveness provisions are found in IPL Electric Tariff Section 7.12B, Substitute First Revised Sheet No. 229, and IPL Gas Tariff Section 7.10B, Substitute Second

Revised No. 235. The current electric and gas tariffs also provide that IPL shall add a late payment charge for any delinquent bill to cover the costs of collection. These provisions are found in IPL Electric Tariff Section 7.12, Substitute First Revised Sheet No. 229, and IPL Gas Tariff Section 7.10, First Revised Sheet No. 234. These tariff provisions implement the standards established by the Board in 199 IAC 19.4(11) and 20.4(12).

IPL states that the recent extensive flooding has interrupted mail service, dislocated customers from homes and businesses, and caused significant hardship. In addition, IPL states that its Cedar Rapids headquarters was temporarily closed because of flooding and this has affected the processing of customer payments on a timely basis.

If the waiver is granted, IPL will allow all customers forgiveness of late payment charges that may be incurred during the two post-flooding billing cycles. IPL suggests that 199 IAC 19.4(11) and 20.4(12) anticipate a variance from the one forgiveness standard and that the penalties established are permissive in nature. IPL states that the additional forgiveness credits will be applied to all customers throughout the two monthly billing cycles commencing on June 23, 2008.

The Board will grant the waiver request of IPL tariff provisions related to forgiveness of late payment charges. It is reasonable for IPL to allow customers affected directly by the flood or by the interruption of IPL operations a reasonable

amount of additional time to pay their utility bills. Many IPL customers have been seriously affected by the flood and this waiver may provide some help.

REFUSAL OR DISCONNECTION OF SERVICE

The current IPL electric and gas tariffs provide that IPL will refuse or disconnect service to a customer for nonpayment after the customer has been sent a 12-day notice of pending disconnection. These tariff provisions implement the Board's requirements in subrules 19.4(15) and 20.4(15). Because of the impact of the flooding on IPL customers and operations, IPL is proposing to discontinue issuing disconnection notices for all IPL customers for a two-month period commencing June 17, 2008. IPL states the because it will not be mailing notices pursuant to its tariffs, it will be precluded from door postings as well as actual non-payment disconnects. As a result, IPL will be placing a two-month moratorium on the issuance of disconnect notices and door postings and will suspend collection activities related to nonpayment for this period if the customer in question was negatively impacted by the flood.

IPL states that those accounts that are currently in collection and which have already received proper notice and posting, but were impacted by the flooding, will not be physically disconnected for nonpayment at this time. IPL indicates that some of these customers may have already been disconnected for safety reasons related to the flooding and IPL will continue to support disconnection for issues other than nonpayment, such as safety and customer requests. IPL states that normal

disconnection activities will resume with the normal billing cycles after the two-month period.

The Board finds that IPL has met the four criteria in 199 IAC 1.3 for waiver of Board rules. There is clear and convincing evidence to support a waiver of the provisions of 199 IAC 19.4(15) and 20.4(15) to allow IPL to temporarily suspend sending disconnection notices, door postings, and disconnections for nonpayment.

The Board will also grant the waiver request of the tariff provisions related to refusal and disconnection of service. It is reasonable for IPL to suspend disconnection activities for the two-month period commencing June 17, 2008, for flood victims. Many IPL customers have been dislocated from their homes and employment and the waiver of disconnection activities may give them some assistance. The Board understands that disconnections have occurred and will probably continue for safety reasons and that collection activities will continue for those customers who are in default and not affected by the flood.

ELECTRIC METER TESTING

IPL requests a waiver of 199 IAC 20.6(1) and 20.6(7), which establish requirements for testing customer meters. IPL implemented the meter testing rules in IPL Electric Tariff Section 10.07 and 10.09, Substitute Revised Sheet No. 245 and First Revised Sheet No. 248, to comply with the meter testing requirements. IPL states that the flooding in June severely damaged some electric meters and some are damaged beyond the ability to test within the 120 days required by the tariff after

being removed from service. IPL requests a waiver of as-found meter testing for electric meters damaged beyond testing ability by the flooding.

The Board finds there is clear and convincing evidence that the four criteria in 199 IAC 1.3 have been met and will grant a waiver of the meter testing requirements in 199 IAC 20.6 for meters damaged beyond the ability of IPL to test them within 120 days after taking them out of service. Waiver of the testing provisions in rule 20.6 and waiver of the testing requirements in IPL's electric tariff is reasonable for those meters damaged by the flooding, which will not be put back in service. The Board will grant IPL a waiver of the as-found meter testing for those meters damaged beyond testing ability by the flooding.

REVISED TARIFF SHEETS

IPL will be directed to file revised tariff sheets consistent with the waivers granted in this order. IPL can then file new revised tariff sheets when the temporary waiver period is completed to reinstitute normal late payment and disconnection procedures and meter testing activities.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Interstate Power and Light Company is granted a temporary waiver of the tariff provisions implementing 199 IAC 19.4(11) and 20.4(12) to allow for additional forgiveness of late payment charges as described in this order.

2. Interstate Power and Light Company is granted a temporary waiver of 199 IAC 19.4(15) and 20.4(15) and the tariff provisions implementing these rules to discontinue disconnection of service as described in this order.

3. Interstate Power and Light Company is granted a waiver of the provisions of 199 IAC 20.6 and the tariff provisions implementing these rules for as-found meter testing for electric meters damaged beyond testing ability by flooding.

4. Within 30 days of the date of this order, Interstate Power and Light Company shall file revised tariff sheets to reflect the temporary waiver granted in this order.

5. Interstate Power and Light Company shall file additional revised tariff sheets once it determines that the temporary waiver is no longer necessary. The Board may direct the company to file additional revised tariff sheets if necessary in the public interest.

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 July, 2008.