

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. EPB-08-150
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ORDER REQUIRING ADDITIONAL INFORMATION

(Issued September 26, 2008)

On March 28, 2008, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) an emissions plan and budget update (2008 Plan) covering the period 2009 through 2010. On September 11, 2008, the Iowa Department of Natural Resources (IDNR) filed testimony indicating that, to the best of IDNR's knowledge, IPL's 2008 Plan, in conjunction with continued compliance with all permitting requirements and permit conditions, meets applicable state environmental requirements for regulated emissions. The IDNR indicated in its cover letter accompanying the testimony that it did not believe a contested case evidentiary hearing was necessary.

IDNR has an important role in the emissions plan and budget review process. Iowa Code § 476.6(25)"a"(4) provides, in part, that the IDNR "shall state whether the plan or update meets applicable state environmental requirements for regulated emissions." If the answer is no, IDNR shall recommend amendments that outline

actions to bring the plan in compliance. The Board cannot approve a plan that does not meet applicable standards. Iowa Code § 476.6(25)"b."

On September 22, 2008, IPL and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a joint motion and settlement agreement. IPL and Consumer Advocate asked the Board to approve the settlement, which stipulates that IPL's 2008 Plan complies with Iowa Code § 476.6(25). The settlement noted that Consumer Advocate conducted discovery concerning the reasonableness and prudence of the 2008 Plan.

Before ruling on the proposed settlement, the Board requires additional information. On July 11, 2008, the United States Court of Appeals for the District of Columbia Circuit issued a decision in State of North Carolina v. Environmental Protection Agency, No. 05-1244, which vacated the Clean Air Interstate Rule (CAIR) promulgated by the Environmental Protection Agency. The CAIR was designed to reduce sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions and created optional interstate trading programs for each pollutant. IPL will be required to file information outlining what impact, if any, this court decision had on its 2008 Plan. If IPL concludes that the decision did not impact the 2008 Plan, IPL should explain why.

IT IS THEREFORE ORDERED:

Interstate Power and Light Company shall file the information identified in the body of this order within 15 days from the date 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 26th day of September, 2008.