

FAQs for Alliant Energy - Interstate Power & Light Co. Proposed electric and natural gas rate increases

Alliant Energy mailed notices on Feb. 28, 2019, to all its Iowa electric and natural gas customers indicating its intent to seek rate increases for electric and natural gas service in several customer classes. The company filed its application for the increases with the Iowa Utilities Board on March 1, 2019.

The following frequently asked questions may be helpful to customers:

Proposed base rate increases

Q: What is the company requesting?

A: In general the company seeks to change retail *base rates* for electric customers in all seven customer classes and for natural gas customers in four of eight customer classes by differing percentages and amounts. Under Iowa law, an interim rate increase of 5.5% for electric service customers became effective April 1, 2019. No interim rate increase was sought for natural gas customers.

Q: What do they mean by “base rate”?

A: The base rate is the combination of the flat monthly fee, or customer charge, and the primary usage fee. It includes capital costs, operation and maintenance costs, a return on investment, and taxes paid by Alliant/IPL. The base rates account for about 66% of the average Alliant consumer’s monthly electric bill and 44% of the monthly natural gas bill.

Q: What are the specific amounts being requested?

A: If approved as proposed, the base rates would increase annual electric revenue by nearly \$203.6 million (11.7%) and annual natural gas revenue by \$21 million (9.0%).

By class, the company has proposed the following *electric* rate changes:

- **Residential:** Seeking a 24.45% increase, from \$82.31 to \$102.44 for the average customer (with typical usage of 756 kWh/mo.)
- **Municipal lighting:** Seeking a 10.01% increase, from \$222.12 to \$244.34 on average
- **Non-residential general service:** Seeking an 18.36% increase, from \$190.15 to \$225.07 on average
- **Large general service:** Seeking a 25.29% increase
- **Large general service (high load factor, large volume):** Seeking a 17.83% increase
- **Standby and supplementary power service:** Proposed *decrease* of 29.15%

- **Large general service – supplementary:** Seeking a 33.23% increase

By class, the company has proposed the following **natural gas** rate changes:

- **Residential:** Seeking a 25% increase, raising average base rate for service from \$28 to \$35 a month (with typical use of 64 therms/month)
- **Non-residential:** Seeking a 14% increase, from \$95 to \$108 a month on average
- **Small volume transport:** Seeking a 19% increase, from \$3,198 to \$3,819 on average
- **Small volume transport – balancing:** Seeking a 17% increase, from \$539 to \$631 on average
- No increases sought in large general service, contract demand, large-volume transport or pipeline corridor classes

Q: Why is the amount they are requesting based on proposed costs (known as “future year”) and not actual expenses?

A: Legislation was passed in 2018 allowing the utility to make the request for a rate increase based on a future test year, rather than “historical costs,” the previous methodology.

Filing comments in a rate case proceeding

Q: Can I provide comments or make a complaint?

A: Yes. Only written comments will be entered into the specific docket and become part of the permanent record. A court reporter will be present at each of the customer comment meetings and a transcript of each meeting will also be entered into the record and available to review or download from the dockets in the IUB’s electronic filing system (EFS).

How to file: File online in the dockets using EFS (efs.iowa.gov); by email to customer@iub.iowa.gov; by mail addressed to Iowa Utilities Board, 1375 E. Court Ave., Des Moines, IA 50319 (and include the docket number for reference); or call the EFS help desk at 515.725.7337. *Customers with complaints about their individual utility service should follow the process listed below:*

For problems with your utility service or questions about your utility bill:

If you experience utility service issues or have questions, contact your local utility company. If the utility’s customer service staff cannot resolve your concerns, ask to speak to a supervisor.

What to do if you cannot get the matter resolved by your utility company:

If you contacted your utility company and have tried unsuccessfully to resolve the matter, contact the Iowa Utilities Board Customer Service staff and request assistance.

How do I contact the Customer Service staff of the Iowa Utilities Board?

By telephone: Call (515) 725-7321 or, toll-free, (877) 565-4450

By email: customer@iub.iowa.gov

By US Postal Mail Addressed to: Iowa Utilities Board, Attention Customer Service, 1375 E. Court Ave., Des Moines, IA 50319-0069.

You also may file electronically using the IUB Online Complaint Form:

<https://iub.iowa.gov/consumers/complaints-about-utility/online-complaint-form>

Also, 10 customer comment meetings are scheduled:

- **Creston:** 5:30 p.m. Thursday, April 11, at Southwest Community College, Instructional Center, 1501 W. Townline St.
- **Marshalltown:** 5:30 p.m. Tuesday, April 23, at Iowa Valley Education Center, 3702 S. Center St.
- **Storm Lake:** 5:30 p.m. Wednesday, May 1, at Buena Vista University, Estelle Siebens Science Center, 610 W. 4th St.
- **Mason City:** 11:30 a.m. Thursday, May 2, at the Historic Park Inn, 7 W. State St.
- **Decorah:** 6 p.m. Thursday, May 2, in the Hotel Winneshiek, 104 E. Water St.
- **Ottumwa:** 6 p.m. Wednesday, May 8, at the Bridge View Center, 102 Church St.
- **West Burlington:** 11:30 a.m. Wednesday, May 22, at Southeastern Community College, Building 300, 1500 W. Agency Road.
- **Clinton:** 5:30 p.m. Wednesday, May 22, at Clinton Community College, Tech Center, 1951 Manufacturing Drive.
- **Dubuque:** 11:30 a.m. Thursday, May 23, at the Hotel Julien, 200 Main St.
- **Cedar Rapids:** 5:30 p.m. Thursday, May 23, at Kirkwood Community College, Ballantyne Auditorium, Iowa Hall, 6965 Tower Road S.W.

Q: Who runs the customer comment meetings?

A: The IUB presides over the meeting and will accept comments from the audience after a brief introduction. Alliant representatives will be available to explain the proposed rate increases and answer questions. The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, is also present.

Q: What if I can't attend a public meeting?

A: There will be an opportunity to participate remotely for at least one of the meetings but the date and location is not yet determined. Visit the IUB website at iub.iowa.gov for details about remote participation once that is finalized.

Interim rate increase

Q: What is the interim rate request?

A: Alliant implemented a 5.5% rate increase for electric customers on April 1, 2019.

Q: Why does the company get an automatic interim rate increase?

A: Iowa Code 476.6(9)(a) provides that a "public utility may choose to place in effect temporary rates, charges, schedules or regulations without Board review." However, interim (temporary) rates are subject to refund if final rates approved by the Board are lower than the interim rates.

Non-standard metering

Q: What is the company seeking?

A: Alliant is seeking to *create* a \$15 monthly fee for qualifying residential electric and natural gas customers who chooses a non-standard metering alternative.

Q: Didn't IUB deny that monthly fee in the AMI order?

A: The IUB's final order in the AMI ("smart meter") docket (SPU-2018-0007) indicated that was not the correct proceeding for which to seek a monthly fee from customers who opt out of

having a digital meter installed, and that Alliant would have to wait until a future rate case to seek a monthly opt-out fee.

Renewable energy rider

Q: What is the company seeking?

A: Alliant is proposing a new rider for electric service customers as a way to recover costs associated with renewable energy expenses without having to request an additional rate increase.

Disconnection fee change

Q: What is the company seeking?

A: Current service reconnection fees range from \$56 to \$123; Alliant proposes charging a set fee of \$27.33 for any reconnection except those for which a trip to the property is required to reconnect a non-standard meter, for which the cost would be \$81.18.

Next steps

Q: what process is followed in a rate case?

A: The Board has 30 days from the filing to docket the case as a formal proceeding. A hearing will then be set to receive evidence and testimony.

Board decision

Q: When will the Board issue its final order?

A: The Board will issue separate decisions in the electric and natural gas dockets upon completion of its review of each case.

Q: Is the amount requested by the company an “all or nothing” decision?

A: No, upon review of evidence, testimony and comments filed in the docket and based upon state code, the Board could change the percentage of base rate change.

Q: When would new permanent rates take effect?

A: Alliant is requesting the final base rate increases take effect on January 1, 2020.