

## The Rate Case Process

After a thorough investigation, the IUB will order final electric rates that may be different from the electric rates proposed by IPL. The IUB will also determine when the rates will become effective. If the final electric rates are lower than the interim electric rates, IPL refunds the difference to customers with interest. The IUB will approve the method of refund.

You have the right to file a written objection to this proposed increase with the IUB. Requests for public hearings may also be made. All written objections should be addressed to: Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319. Customers may also submit objections by sending an e-mail to [iubcustomer@state.ia.us](mailto:iubcustomer@state.ia.us) or visiting the IUB's Web site [www.state.ia.us/iub](http://www.state.ia.us/iub). The IUB should be provided with any facts that would assist in determining a fair and reasonable outcome to the rate increase request. This information will be made available to the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, which represents the public interest in rate cases before the IUB.

### As part of this process, the IUB will host a series of customer comment hearings.

**Tuesday, April 28, 2009 - 5:30 p.m.**, at Clarke High School Auditorium, 800 North Jackson, Osceola, Iowa.

**Thursday, April 30, 2009 - 5:30 p.m.**, at Kirkwood Training and Outreach Service Center (KTOS), 3375 Armar Drive, Marion, Iowa.

**Tuesday, May 12, 2009 - 5:30 p.m.**, at St. Mary's Parish Center, 415 11th Street, Fort Madison, Iowa.

**Wednesday, May 13, 2009 - 5:30 p.m.**, at Ottumwa High School Auditorium, 501 East Second Street, Ottumwa, Iowa.

**Wednesday, May 20, 2009 - 5:30 p.m.**, at the Muse-Norris Conference Center, Room 180D, North Iowa Area Community College (NIACC), 500 College Drive, Mason City, Iowa.

**Thursday, May 21, 2009 - 5:30 p.m.**, at the Grand River Center, Meeting Rooms 2 and 3, 500 Bell Street, Dubuque, Iowa.

Additional customer comment hearings may be scheduled by the IUB, if necessary.

A written explanation of all current and proposed rate schedules is available by calling customer service at 1-800-ALLIANT (1-800-255-4268) or by sending an e-mail to [iowarates@alliantenergy.com](mailto:iowarates@alliantenergy.com). The information will be forwarded to you without charge. Also, if you have any other questions, please contact 1-800-ALLIANT (1-800-255-4268).

To learn more please visit [alliantenergy.com/iowarates](http://alliantenergy.com/iowarates).

## NOTICE OF PROPOSED RATE INCREASE

### Your customer notice includes:

- Details on IPL's rate proposal and the potential impact on your bill.
- Ways you can become involved in the rate case.
- Information on energy-efficient ways to potentially reduce the impact of the rate case on your electric bill.

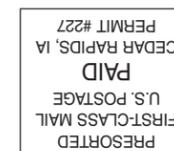


**FILED WITH  
Executive Secretary**

**March 17, 2009**

**IOWA UTILITIES BOARD**

**RPU-2009-0002**



The purpose of this notice is to share information on the electric rate increase that Interstate Power and Light Company (IPL), an Alliant Energy company, will file with the Iowa Utilities Board (IUB) on March 17, 2009. This request is necessary to recover costs related to the devastating 2007 ice storms and 2008 floods that impacted our Iowa electric service area; investments made over the past five years to further our commitment to environmental stewardship and enhance the reliability of our electric system; and general operational costs necessary to provide customers with safe and reliable power. This is the company's first Iowa electric base rate case since 2004.

**Our company wants to share some specifics on what this rate request will cover:**

**Electric system rebuild** - The flood and ice storms impacted many of our customers' homes and businesses and caused more than \$260 million in damages to our electric system. We remain committed to rebuilding our system to help Iowa recover and move forward.

**Reliability enhancements** - We have invested approximately \$600 million in our electric system since 2004 to continue providing safe and reliable electric service. Reliable power is essential to economic growth for Iowa and is the cornerstone of our quality of life.

**Environmental stewardship** - Our company expects to invest approximately \$50 million in environmental projects in 2009. These projects are helping to preserve our natural resources for future generations of Iowans.

IPL is also investing more than \$400 million dollars in new wind energy development in Iowa over the next two years. By 2010, our company expects to complete construction of the Whispering Willow Wind Farm, located in Franklin County, Iowa. The wind farm is expected to produce enough energy to power more than 50,000 Iowa homes. We expect these investments in renewable energy to be included in a future electric rate case once the wind projects are operational.

As part of our filing, we are proposing to mitigate the impact of the rate increase with proceeds from transactions over the past several years that were reserved for the benefit of customers. If these proposals are accepted, this would reduce the increase awarded in final rates.

We recognize the impact a change in rates has upon our customers. Our company offers a number of programs to help you manage your energy costs. Here are some tips to help you save on your electric bill:

- Set back your thermostat. Lowering the temperature ten degrees for at least eight hours a day can save ten percent on your energy bill.
- Request a free energy audit. These surveys analyze how and where you use energy and help identify ways to reduce electric usage in your home and business.
- Weatherize doors and windows. Caulking and weather stripping can help reduce heating usage by 20 percent and cooling usage by 10 percent.
- Check your furnace filter. Failing to clean or replace a filter can make your furnace and central air conditioner run harder, which reduces its operating efficiency and life span.

For more ways to save energy and potentially reduce your electric bill, call our Efficiency Solutions hotline at 1-800-723-7635, or visit our Web site [alliantenergy.com](http://alliantenergy.com).

Our company is committed to providing you with safe, reliable and environmentally responsible electric service at a reasonable cost. We value our energy partnership with each of our customers. If you have questions, concerns or comments please call 1-800-ALLIANT, e-mail [iowarates@alliantenergy.com](mailto:iowarates@alliantenergy.com) or visit our Web site [alliantenergy.com/iowarates](http://alliantenergy.com/iowarates).

Sincerely,



Tom L. Aller  
President - Interstate Power and Light Company

**IPL Rate Case Proposal:**

Interstate Power and Light Company (IPL), an Alliant Energy company, is asking the Iowa Utilities Board (IUB) for an increase in IPL's electric rates in Iowa with a proposed effective date of April 16, 2009. The proposed increase in annual revenues for all customer classes combined will be approximately \$171 million or 16.6 percent.

The proposed electric rate increase may be docketed by the IUB, which suspends the effective date of the proposed electric rates. IPL expects to implement interim rates, which are subject to refund, in late March 2009.

The effect of the proposed increase on your bill will vary depending upon the type and extent of your usage. The General Service customer class is determined by usage and generally comprised of commercial, farm, municipal pumping, and small industrial customers. The typical monthly increases per customer for your service classification are shown in the following tables:

**Proposed interim increase in electric rates\***

**General Service customer class**

Typical Monthly Bill	+	Proposed Increase	=	Proposed Typical Monthly Bill	% Increase
\$211.19	+	\$18.37	=	\$229.56	8.7%

\*Interim rates do not include the impact of Step 4 of the electric rate equalization plan previously approved by the IUB. IPL expects Step 4 to be implemented in 2009 with recalculated rates based upon the interim rate increase. Customers will be notified of any proposed changes in electric rates as a result of electric rate equalization Step 4.

**Proposed final increase in electric rates\*\***

**General Service customer class**

Typical Monthly Bill	+	Proposed Increase	=	Proposed Typical Monthly Bill	% Increase
\$211.19	+	\$37.38	=	\$248.57	17.7%

\*\*The proposed final rates do not include the impact of Step 5 of the electric rate equalization plan previously approved by the IUB. IPL expects Step 5 to be implemented in 2010. Customers will be notified of any proposed changes in electric rates as a result of electric rate equalization Step 5.

For area lighting customers renting an outdoor area security light from IPL, the monthly rate will be increasing approximately 10.0 percent for interim rates and 20.3 percent for final rates.

In this case, IPL is proposing a new 'automatic adjustment clause' to reflect future changes assessed by its electric transmission service provider, ITC Midwest. If the new adjustment mechanism is approved by the IUB, any future increases or decreases in transmission charges to IPL would be passed on automatically to IPL customers without further notice and would not be part of the normal rate case process. Expected charges from ITC Midwest for 2009 and 2010 are reflected in the tables above.

To learn more please visit [alliantenergy.com/iowarates](http://alliantenergy.com/iowarates).

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