

**RPU-2009-0002**

**FILED WITH  
Executive Secretary**

**July 17, 2009**

**IOWA UTILITIES BOARD**

**OFFICE OF CONSUMER ADVOCATE**

**DIRECT EXHIBIT**

**OF**

**JOYETTE D. HENRY**

**IN RE: Interstate Power and Light Company  
Docket No. RPU-2009-0002**

**July 17, 2009**

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 122**

Docket Number: RPU-2009-0002  
Date of Request: June 9, 2009  
Response Due: June 16, 2009  
Information Requested By: Ben Stead  
Date Responded: June 16, 2009  
Author: Chris Hampsher  
Author's Title: Mgr. II Fin. Planning & Analysis  
Author's Telephone No.: (319) 786-4851  
Subject: Postage Increase Adjustment  
Reference: Schedule B-14

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**Data Request No. 122**

Company's calculation to annualize a 2008 postage increase is shown on Schedule B-14, line 1 in the amount of \$117,203, which is supported by Workpaper B-14(a). This page shows an increase of \$58,601, which is based on 7 months from June 1, 2008 to December 31, 2008, multiplied by two to derive at \$117,203. This amount reflects 14 months instead of 12 months 'Annualized effect of the 2008 increase in postage costs'.

Please provide a corrected schedule to reflect the 12-month annualized amount of 2008 postage increase.

**Response**

Please see Attachment A for the revised calculation to annualize the 2008 postage increase.

INTERSTATE POWER AND LIGHT COMPANY

IOWA ELECTRIC UTILITY

PRO FORMA ADJUSTMENT TO REFLECT INCREASES IN POSTAGE

YEAR ENDED DECEMBER 31, 2008

<u>Line No.</u>		
1	Annualized effect of the June 1, 2008 increase in postage costs	\$ 100,459
2	Less: amount of 2008 increase in postage in test year	58,601
3	Amount of 2008 postage increase not reflected in test year	<u>41,858</u>
4	Annualized effect of the May 1, 2009 increase in postage costs	200,919
5	Total increase in postage not reflected in test year	<u>242,777</u>
6	Iowa electric amount (63.55%, on average customer basis)	<u><u>\$ 154,285</u></u>

Source:

Lines 1, 2, & 4: Company Workpaper B-14(a).

OCA Exhibit (JDH-1)  
Schedule A  
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Response to OCA DR. No. 122  
Attachment A  
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**Postage**  
**Calculation of Increase over 2008 Actuals**

	<u>IPL</u>	<u>Total</u>	<u>6/1/08 Increase</u>	<u>5/1/09 Increase</u>
<b>Customer Billings</b>				
2008 Adjustment:				
2008 Bill Print Counts	9,049,962	9,049,962		
June 1, 2008, Increase	\$	0.01		
Add'l Months to Annualize		<u>7</u>		
Increase	\$	52,791	52,791	
2009 Adjustment:				
2009 Bill Print Counts	9,049,962	9,049,962		
May 1, 2009, Increase	\$	0.02		
Number of Months		<u>8</u>		
Actual Increase	\$	120,666		
Annualized	\$	180,999		180,999
Total Customer Billings Adjustment	\$	<u>233,791</u>		

**Other Postage:**

Permit Postage

2008 Adjustment:				
2008 Bill Print Counts		666,284		
June 1, 2008, Increase	\$	0.01		
Add'l Months to Annualize		<u>7</u>		
Increase	\$	3,887	3,887	
2009 Adjustment:				
2009 Bill Print Counts		666,284		
May 1, 2009, Increase	\$	0.02		
Number of Months		<u>8</u>		

OCA Exhibit (JDH-1)  
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Actual Increase	\$	8,884	
Annualized	\$	13,326	13,326
Total Permit Postage Adjustment	\$	17,212	
<u>US Mail from Mail Centers</u>			
2008 Adjustment:			
2008 Bill Print Counts		329,693	
June 1, 2008, Increase	\$	0.01	
Add'l Months to Annualize		<u>7</u>	
Increase	\$	1,923	1,923
2009 Adjustment:			
2009 Bill Print Counts		329,693	
May 1, 2009, Increase	\$	0.02	
Number of Months		<u>8</u>	
Actual Increase	\$	4,396	
Annualized	\$	6,594	6,594
Total Mail Center Adjustment	\$	8,517	
Total Other Postage Adjustment	\$	<u>25,729</u>	
<b>Grand Total Postage Adjustment</b>	<b>\$</b>	<b><u>259,520</u></b>	<b><u>58,601 200,919</u></b>

Amount per month            8,372 (58,601/7mths)  
x                                    12 months  
Total annual amount        100,459

	IPL	Total
2008 Bill Print Counts	9,049,962	9,049,962
June 1, 2008 Rate increase .01 per statement	\$52,791.45	\$52,791.45

← This number reflects \$0.01 increase for 7 months.

Potage increase Alliant incurred as result of the June 1 rate increase = \$ 52,791.45

	IPL	Total
2009 Bill Print Counts	9,049,962	9,049,962
* 2009 anticipated increase	\$120,666.16	\$120,666.16

← This number reflects \$0.02 increase for 8 months.

\* Right now the postage increase is expected to take effect May 2009. If this assumption is correct, Alliant Energy will incur an additional \$ 173,457.61 in Bill Print

Assumed \$0.02 increase would apply across all rates, consistent with 6/1/08 increase.

Month	Wisconsin Permit 44		Iowa Permit 227		Iowa Permit 5001		Iowa Permit 301		Iowa Permit 1167		Iowa Permit 95018		Iowa Permit 95166	
	Pieces	Cost	Pieces	Cost	Pieces	Cost	Pieces	Cost	Pieces	Cost	Pieces	Cost	Pieces	Cost
January	10,073	\$3,201.45	35263	\$11,922.26	1,615	\$834.54	1	\$0.34	76	\$158.80	0	\$0.00	478	\$210.60
February	12,794	\$2,828.24	23,745	\$5,478.75	1,236	\$573.13	1	\$0.34	67	\$142.83	4	\$1.54	333	\$155.47
March	22,264	\$5,007.04	33,141	\$7,831.88	1,414	\$652.44	0	\$0.00	88	\$905.32	4	\$1.16	245	\$92.92
April	1,255,323	\$319,933.89	61,149	\$13,952.37	4,899	\$1,689.06	0	\$0.00	81	\$178.69	4	\$1.05	339	\$153.65
May	460,422	\$87,799.33	121,641	\$29,943.87	14,760	\$4,777.48	0	\$0.00	90	\$201.88	4	\$1.14	945	\$287.93
June	92,173	\$19,045.66	44,380	\$10,674.96	6,217	\$2,110.08	0	\$0.00	77	\$171.84	3	\$1.18	830	\$276.91
July	118,746	\$27,518.88	106,924	\$27,590.51	3,583	\$1,580.09	0	\$0.00	56	\$132.19	4	\$1.62	730	\$161.74
August	66,392	\$14,222.58	25,394	\$7,020.95	4,213	\$1,626.34	0	\$0.00	65	\$171.61	2	\$4.37	550	\$212.34
September	259,062	\$50,527.94	97,603	\$22,315.89	4,171	\$1,507.85	0	\$0.00	83	\$191.28	5	\$1.08	563	\$221.86
October	177,707	\$34,585.28	30,525	\$8,613.66	4,198	\$1,553.37	0	\$0.00	68	\$153.15	1	\$0.17	424	\$208.10
November	80,885	\$16,839.73	15,865	\$4,244.39	3,490	\$1,469.98	0	\$0.00	85	\$213.31	4	\$1.82	436	\$192.95
December			18,414	\$4,800.85	1,484	\$1,253.01	0	\$0.00	81	\$199.25	6	\$2.40	276	\$109.66
Total	2,555,841	\$581,510.02	614,044	\$154,390.34	51,280	\$19,627.37	2	\$0.68	917	\$2,820.15	41	\$17.53	6,149	\$2,284.13

2008 Total Permit Postage \$760,650.22

2009 Proposed rate increases \$64,442.50

← Represents \$0.02 increase for full year.

↑ Postage due permit; not included in increase calc.

2009 Estimated Permit Postage \$825,092.72

US Mail from Mail Centers

	2009 Increase	
Cedar Rapids	272,822	\$5,456.44
Dubuque	138,695	\$2,773.90
Madison	373,055	\$7,461.10
	784,572	\$15,691.44

← These numbers included customer billings requiring "special handling" and mailed out of GO's - about 600/day (range 400-800). These are also included in other schedule, so need to adjust out Iowa portion.

Average Pieces per Day	(600)
Working Days per Year	260
Pieces per Year	(156,000)
Total from Mail Centers	784,572
Cedar Rapids	272,822
Dubuque	138,695
Total from Iowa Mail Ctrs	411,517
Percentage from Iowa	52.45%
Iowa Adjustment	(81,824)
Total from Iowa Mail Ctrs	411,517
Net from Iowa Mail Ctrs	329,693

UPS Price Increase \$18,000.00

OCA Exhibit (JDH-1)  
Schedule A  
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INTERSTATE POWER AND LIGHT COMPANY

Iowa Electric Utility

IDNR Title V Permit Fees Pro Forma Adjustment

Year Ended December 31, 2008

OCA Exhibit\_\_(JDH-1)  
 Schedule B  
 Page 1 of 4  
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<u>Line No.</u>		<u>\$ Per</u> <u>Ton</u>	<u>Prior Yr.</u> <u>Emission</u> <u>(Tons)</u>	<u>Expense</u> <u>(\$)</u>
	(a)	(b)	(c)	(d)
1	IDNR Title V permit fees recorded in 2009	\$52	42,468	\$ 2,208,357
2	Less: Sixth Street Generating Station	\$52	<u>(824)</u>	<u>\$ (42,860)</u>
3	Total 2009 IDNR Title V Permit fees		41,644	\$ 2,165,497
4	Less: IDNR Title V permit fees recorded in test year	\$39	<u>51,389</u>	<u>\$ 1,992,629</u>
5	Difference:		(9,744)	\$ 172,868
6	Iowa Electric portion (System Coincident Peak Basis)			<u>94.11%</u>
7	Iowa Electric Pro Forma Adjustment			<u><u>\$ 162,686</u></u>

Source: Lines 1 & 2: Schedule B, page 4 - Co. Response to OCA Data Request No. 125  
 Line 3: Line 1 minus Line 2  
 Line 4: Hampsher Schedule B-33, Line 2 & WP B-33(a)  
 Line 5: Line 3 minus Line 4  
 Line 6: Hampsher Schedule B-33, Line 4  
 Line 7: Line 5 times Line 6

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 125**

OCA Exhibit \_\_\_(JDH-1)  
Schedule B  
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Docket Number: RPU-2009-0002  
Date of Request: June 9, 2009  
Response Due: June 16, 2009  
Information Requested By: Ben Stead  
Date Responded: June 16, 2009  
Author: Chris Hampsher  
Author's Title: Mgr. II Fin. Planning & Analysis  
Author's Telephone No.: (319) 786-4851  
Subject: IDNR Title V Permit Fees  
Reference: Company's Response to OCA Data Request No. 74.

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**Data Request No. 125**

- A. Please provide IDNR's current Invoice due July 1, 2009 for 2008 Title V air operating Permit fees, including all supporting documents.
- B. Itemize all Title V air operating permit fees, by plant, allocated to IPL Iowa Jurisdiction operations for Calendar years 2008 and 2009.

**Response**

- A. Please see Attachment A for the requested information regarding the current invoice from the Iowa Department of Natural Resources (IDNR) for calendar year 2008 Title V air operating permit fees. Attachment A contains a summary of IPL's total Title V air operating permit fee along with each generating facility's individual invoice as supporting documentation.

On May 19, 2009, the Iowa Environmental Protection Commission (EPC) set the Title V air operating permit fee for calendar year 2008 emissions at \$52.00 per ton. Please see Attachment B for the formal letter from the IDNR communicating the calendar year 2008 emissions rate. This rate is reflected in the invoices included in Attachment A.

- B. IPL provides Attachment C, which contains a summary of IPL's total calendar year 2007 Title V air operating permit fee (taken from Workpaper B-33(a)) along with each generating facility's individual invoice as supporting documentation. The invoices provide itemization of each facility's emission fee. The itemization is based on various categories of pollutant tons per year.

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OCA Exhibit\_\_\_(JDH-1)  
Schedule B  
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Please refer to Attachment A provided in response to part A of this Data Request for itemized invoices for each generating facility's calendar year 2008 Title V air operating permit fee.

The IPL Title V air operating permit fees are allocated to Iowa electric jurisdiction based on System Coincident Peak (94.11%).

Interstate Power & Light Company  
 OCA DR #125, Part A  
 IPL Title V Emissions Fee by Generating Facility for 2008

EQ #	Facility #	Facility Name	2008 Emission Tons subject to TV fee	2008 TV Fee \$/Emission Ton	2008 TV Fee (Invoiced by IDNR)
92-2683	23-01-014	IPL - M.L. Kapp Generating Station	3,697.69	\$52.00	\$192,280
92-2685	31-01-017	IPL - Dubuque Generation Station	2,852.98	\$52.00	\$148,355
92-2686	03-03-001	IPL - Lansing Generating Station	8,889.03	\$52.00	\$462,230
92-2687	17-01-066	IPL - Lime Creek Combustion Turbines Station	7.86	\$52.00	\$409
92-2772	79-01-022	IPL - Grinnell Combustion Turbines Station	1.22	\$52.00	\$63
92-2773	29-01-013	IPL - Burlington Generating Station	5,688.73	\$52.00	\$295,814
92-2774	90-07-001	IPL - Ottumwa Generating Station	10,000.45	\$52.00	\$520,024
92-4971	04-01-003	IPL - Centerville Combustion Turbines and Diesels Station	8.69	\$52.00	\$452
92-6250	64-01-012	IPL - Sutherland Generating Station	6,264.45	\$52.00	\$325,751
92-6251	85-01-062	IPL - Ames Diesels Station	0.00	\$0.00	\$0
92-6253	29-02-003	IPL - Burlington Agency Street Combustion Turbines Station	0.68	\$52.00	\$35
92-6915	17-02-016	IPL - Emery Generating Station	82.85	\$52.00	\$4,308
92-9050	57-01-042	IPL - Prairie Creek Generating Station	4,149.54	\$52.00	\$215,776
92-9125	57-01-040	IPL - Sixth Street Generating Station	824.24	\$52.00	\$42,860
<b>IPL Total:</b>			<b>42,468.41</b>		<b>\$2,208,357</b>

Source: Michael Li, Senior Environmental Specialist, on 6-10-2009

OCA Exhibit \_\_\_(JDH-1)  
 Schedule B  
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Response to OCA DR. No. 125  
 Attachment A  
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Interstate Power and Light Company

Iowa Electric Utility

Cash Working Capital -  
Revenue Lag-Days

For Test Period Ended December 31, 2008

OCA Exhibit\_\_(JDH-1)  
Schedule C  
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		Revenue Lag-Days	
		IPL Proposal	OCA Proposal
Line No.		(a)	(b)
1	Metering period	15.25	15.25
2	Bill Processing	2.90	2.90
3	Collection Period	<u>24.30</u>	<u>20.00</u>
4	<b>Net Revenue Lag-Days</b>	42.45	<b>38.15</b>

Source:

IPL Exh\_\_(DVB-1)  
Schedule D

Henry  
Testimony  
Page 7