

**RPU-2009-0002**

**FILED WITH  
Executive Secretary**

**July 17, 2009**

**IOWA UTILITIES BOARD**

**OFFICE OF CONSUMER ADVOCATE**

**DIRECT EXHIBITS**

**OF**

**MARK E. CONDON**

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

**July 17, 2009**

Interstate Power and Light Company  
Iowa Electric Operations  
Pension Expense

OCA Ex. \_\_\_\_ (MEC-1)  
Schedule A  
Page 1 of 3  
RPU-2009-002

Line No.		FAS 87 Pension Expense	
		IPL (A)	AECS (B)
1	2008	(\$2,097,000)	\$1,882,000
2	2009	\$23,713,000	\$3,831,000
3	Two Year Total	\$21,616,000	\$5,713,000
4	Two Year Average	\$10,808,000	\$2,856,500
5	Less amount recorded during the 2008 Test Year	(\$2,097,000)	\$1,882,000
6	Difference	\$12,905,000	\$974,500
7	Allocated to IPL (on AECS expense labor basis)		50.48%
8	Allocated to IPL electric operations (on IPL expense labor basis)	55.56%	
9	Iowa electric (on direct labor basis)	92.93%	77.26%
10	Subtotal	\$6,663,098	\$380,063
11	Adjustment to Reflect Two Year Average Pension Expense		\$7,043,161

Sources: Lines (1), (2), (5), (7), (8), & (9) - IPL Hampsher's Exhibit \_\_\_\_ (CAH-1), Schedule B-3

Interstate Power and Light Company  
Iowa Electric Operations  
Comparison of Pension Expense  
For the Eight Year Period Ended December 31, 2009

OCA Ex. \_\_\_\_ (MEC-1)  
Schedule A  
Page 2 of 3  
RPU-02-3

Line No.	Description (A)	<u>2002</u> (B)	<u>2003</u> (C)	<u>2004</u> (D)	<u>2005</u> (E)	<u>2006</u> (F)	<u>2007</u> (G)	<u>2008</u> (H)	<u>2009</u> (I)
1	IPL Direct Costs	6,926,000	13,311,000	11,355,000	4,353,000	9,388,000	2,218,000	(2,097,000)	23,713,000
2	Electric % (on expense labor basis)	57.40%	57.40%	59.93%	57.80%	57.83%	57.69%	55.56%	55.56%
3	Total Electric Amount	3,975,524	7,640,514	6,805,052	2,516,034	5,429,080	1,279,564	(1,165,093)	13,174,943
4	Iowa Electric % (on direct labor basis)	89.45%	89.45%	89.79%	90.21%	92.07%	92.50%	92.93%	92.93%
5	Total Iowa Electric Amount for IPL Employees	3,556,106	6,834,440	6,110,256	2,269,714	4,998,554	1,183,597	(1,082,721)	12,243,475
6	Alliant Energy Corporate Services Costs	4,622,000	5,305,000	5,818,000	2,586,000	5,811,000	5,184,000	1,882,000	3,831,000
7	IPL% (on AECS expense labor basis)	47.89%	47.89%	49.12%	49.04%	47.81%	45.62%	50.48%	50.48%
8	Total IPL Amount	2,213,476	2,540,565	2,857,802	1,268,174	2,778,239	2,364,941	950,034	1,933,889
9	Iowa Electric% (on direct labor basis)	74.93%	74.93%	75.48%	77.14%	78.15%	79.32%	77.26%	77.26%
10	Total Iowa Electric Amount for AECS Employees	1,658,558	1,903,645	2,157,069	978,269	2,171,194	1,875,871	733,996	1,494,123
12	Total Iowa Electric Costs	5,214,664	8,738,085	8,267,325	3,247,983	7,169,748	3,059,468	(348,725)	13,737,598
13	% Change from Prior Year		67.6%	-5.4%	-60.7%	120.7%	-57.3%	-111.4%	-4039.4%

Sources: Cols. (B) & (C) - IPL Hampsher Workpaper D-2(c) in RPU-04-1 (see copy in Mark Condon Workpapers)  
Cols. (D), (E), (F), & (G) - IPL Response to OCA Data Request No. 136 (see copy in Mark Condon Workpapers)  
Cols. (H) & (I) - IPL Hampsher Workpaper B-3(b)

Interstate Power and Light Company  
Comparison of Selected Stock Market Indices

OCA Ex. \_\_\_\_ (MEC-1)  
Schedule A  
Page 3 of 3  
RPU-02-3

Line No.	Index (A)	2007				2008				2009	
		1st Qtr. (B)	2nd Qtr (C)	3rd Qtr (D)	4th Qtr (E)	1st Qtr. (F)	2nd Qtr (G)	3rd Qtr (H)	4th Qtr (I)	1st Qtr. (J)	2nd Qtr (K)
1	S & P 500	\$1,420.86	\$1,503.35	\$1,526.75	\$1,468.36	\$1,322.70	\$1,380.00	\$1,164.36	\$903.25	\$797.87	\$919.32
2	DJIA	\$12,354.35	\$13,408.62	\$13,895.63	\$13,264.82	\$12,262.89	\$11,350.01	\$10,850.66	\$8,776.39	\$7,608.92	\$8,447.00
3	NYSE composite	\$9,261.82	\$9,873.02	\$10,039.28	\$9,740.32	\$8,797.29	\$8,660.48	\$7,532.80	\$5,757.05	\$4,978.98	\$5,905.15
4	Russell 3000	\$829.05	\$873.19	\$882.79	\$849.22	\$764.63	\$748.10	\$678.50	\$520.60	\$461.14	\$535.62

Sources: [http://online.wsj.com/mdc/public/npage/2\\_3051.html?mod=mdc\\_h\\_dtabnk&symb=SPX](http://online.wsj.com/mdc/public/npage/2_3051.html?mod=mdc_h_dtabnk&symb=SPX)

Interstate Power and Light Company  
Iowa Electric Operations  
FAS 106 OPEB Expense

OCA Ex. \_\_\_\_ (MEC-1)  
Schedule B  
Page 1 of 3  
RPU-2009-002

Line No.		Post-retirement FAS 87 Pension Expense	
		IPL (A)	AECS (B)
1	2008	\$4,578,000	\$2,556,000
2	2009	\$8,759,000	\$3,077,000
3	Two Year Total	\$13,337,000	\$5,633,000
4	Two Year Average	\$6,668,500	\$2,816,500
5	Less amount recorded during the 2008 Test Year	\$4,578,000	\$2,556,000
6	Difference	\$2,090,500	\$260,500
7	Allocated to IPL (on AECS expense labor basis)		50.48%
8	Allocated to IPL electric operations (on IPL expense labor basis)	55.56%	
9	Iowa electric (on direct labor basis)	92.93%	77.26%
10	Individual Adjustments	\$1,079,365	\$101,597
11	Combined Adjustment		\$1,180,962

Sources: Lines (1), (2), (5), (7), (8), & (9) - IPL Hampsher's Exhibit \_\_\_\_ (CAH-1), Schedule B-2

Interstate Power and Light Company  
Iowa Electric Operations  
Comparison of FAS 106 OPEB Expense  
For the Eight Year Period Ended December 31, 2009

OCA Ex. \_\_\_\_ (MEC-1)  
Schedule B  
Page 2 of 3  
RPU-02-3

Line No.	Description (A)	2002 (B)	2003 (C)	2004 (D)	2005 (E)	2006 (F)	2007 (G)	2008 (H)	2009 (I)
1	IPL Direct Costs	8,237,000	10,823,000	8,964,000	10,227,000	6,856,000	5,512,000	4,578,000	8,759,000
2	Electric % (on expense labor basis)	57.40%	57.40%	59.93%	57.80%	57.83%	57.69%	55.56%	55.56%
3	Total Electric Amount	4,728,038	6,212,402	5,372,125	5,911,206	3,964,825	3,179,873	2,543,537	4,866,500
4	Iowa Electric % (on direct labor basis)	89.45%	89.45%	89.79%	90.21%	92.07%	92.50%	92.93%	92.93%
5	Total Iowa Electric Amount for IPL Employees	4,229,230	5,556,994	4,823,631	5,332,499	3,650,414	2,941,383	2,363,709	4,522,438
6	Alliant Energy Corporate Services Costs	1,484,000	2,674,000	3,965,000	5,705,000	3,497,000	2,223,000	2,556,000	3,077,000
7	IPL% (on AECS expense labor basis)	47.89%	47.89%	49.12%	49.04%	47.81%	45.62%	50.48%	50.48%
8	Total IPL Amount	710,688	1,280,579	1,947,608	2,797,732	1,671,916	1,014,133	1,290,269	1,553,270
9	Iowa Electric% (on direct labor basis)	74.93%	74.93%	75.48%	77.14%	78.15%	79.32%	77.26%	77.26%
10	Total Iowa Electric Amount for AECS Employees	532,519	959,538	1,470,055	2,158,170	1,306,602	804,410	996,862	1,200,056
12	Total Iowa Electric Costs	4,761,749	6,516,532	6,293,686	7,490,669	4,957,016	3,745,793	3,360,571	5,722,494
13	% Change from Prior Year		36.9%	-3.4%	19.0%	-33.8%	-24.4%	-10.3%	70.3%

Sources: Cols. (B) & (C) - IPL Hampsher Workpaper D-2(c) in RPU-04-1 (see copy in Mark Condon Workpapers)  
Cols. (D), (E), (F), & (G) - IPL Response to OCA Data Request No. 136 (see copy in Mark Condon Workpapers)  
Cols. (H) & (I) - IPL Hampsher Workpaper B-3(b)

Interstate Power and Light Company  
Iowa Electric Operations  
FAS 106 OPEB Customer Contributed Capital

OCA Ex. \_\_\_\_ (MEC-1)  
Schedule B  
Page 3 of 3  
RPU-2009-002

1	Dec-07	10,451,927
2	Jan-08	10,731,957
3	Feb-08	11,011,987
4	Mar-08	10,440,581
5	Apr-08	10,720,611
6	May-08	11,000,641
7	Jun-08	10,429,236
8	Jul-08	10,709,265
9	Aug-08	10,989,295
10	Sep-08	10,417,890
11	Oct-08	10,697,920
12	Nov-08	10,977,949
13	Dec-08	10,406,544
14	Thirteen Month Average	<u><u>10,691,216</u></u>

Sources: IPL Response to OCA Data Request No. 61 (see copy in Mark Condon Workpapers)

Confidential/Trade Secret

Response of  
Interstate Power and Light Company  
to  
IOWA CONSUMERS COALITION  
Data Request No. 6.1

Docket Number: RPU-2009-0002  
Date of Request: June 19, 2009  
Response Due: June 26, 2009  
Information Requested By: Dan Frank  
Date Responded: June 26, 2009  
Author: Christopher Hampsher  
Author's Title: Mgr II Financial Planning & Analysis  
Author's Telephone No.: (319) 786-4851  
Subject:  
Reference:

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**Data Request No. 6.1**

Referring to page 29 of Mr. Hampsher's direct testimony, please state whether IPL made any incentive payouts in 2007 and 2008, or is it projecting a payout for 2009. If affirmative, please identify the amount of the payouts.

**Response**

Please refer to Workpaper B-5(a), which contains the historical incentive payouts for IPL from 2004 through 2008. The amount of IPL payouts for 2007 and 2008 were \$9,897,986 and \$0, respectively, prior to inflation adjustment and allocation to the Electric utility.

At this time, IPL believes it is premature to predict if there will be an incentive payout for 2009.

Confidential/Trade Secret

Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 135

Docket Number: RPU-2009-0002  
Date of Request: June 25, 2009  
Response Due: July 2, 2009  
Information Requested By: Jennifer Easler  
Date Responded: July 2, 2009  
Author: Lee Stock  
Author's Title: Mgr. Compensation  
Author's Telephone No.: (608) 458-5710  
Subject: Variable Pay Plans  
Reference: IPL's Response to OCA DATA Request Nos. 65 & 126

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**Data Request No. 135**

According to Alliant Energy's February 5, 2009, press release, Alliant Energy's earnings per share (EPS) from continuing utility operations was \$2.19. According to IPL's Response to OCA Data Request No. 65, the VPP's had a minimum 2008 EPS threshold of \$2.33. Explain the payment of VPP related awards for 2008 when actual EPS of \$2.19 was below the VPP threshold of \$2.33.

**Response**

Without the impact of the extraordinary 2008 Cedar River flood-related costs, Alliant Energy would have performed exceptionally in 2008 and would have exceeded the utility earnings targets set in the Employee and Management Incentive Compensation Programs (ICP). This high level of corporate achievement is why the Executive team recommended creating a special award bonus. The award is based on how Alliant Energy performed as a corporation, which is why the 2008 incentive plan was not used to determine the award. However, components of the ICP program were used to determine eligibility and award levels.