

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. EAC-2011-0007 TF-2011-0129
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COMMENTS

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, files these Comments pursuant to the Order Docketing Filing and Setting Comment Period issued by the Iowa Utilities Board on December 9, 2011.

1. In its November 18, 2011, first year compliance filing and tariff for its transmission cost recovery rider, Interstate Power and Light Company (Interstate or IPL) included CIPCO true-up costs that appear to be related to transmission service where a contract path does not exist. The CIPCO costs include \$137,152 for 8 months of 2011 as well as \$205,729 for 2012. *See* Schedules A-2 and A-3.

2. In its reply brief filed in Docket No. RPU-2010-0001, Interstate stated that it “would not object to an RTS Rider that did not include IPL’s CIPCO transmission expenses.” (IPL Reply Brief at 34).

3. In its decision, the Board relied on the above statement by Interstate and approved the proposed transmission rider on a pilot basis. The Board expressly noted that “IPL agreed, to alleviate some concerns expressed by LEG, not to include CIPCO transmission charges in the rider.” *Interstate Power and Light Company*, IUB Docket No. RPU-2010-0001, Final Decision and Order at 75 (January 10, 2011).

4. Interstate's inclusion of the CIPCO costs in the transmission rider is inconsistent with the Board's Final Decision and Order, which clearly contemplates that the CIPCO transmission costs at issue would be recovered only through base rates and not automatically through the transmission rider. Accordingly, Interstate's proposed transmission rider should be rejected until such time as the \$342,881 in CIPCO costs are removed.

5. The final base rates approved in Docket No. RPU-2010-0001 were intended to establish a representative level of costs to be recovered by Interstate while its rates are in effect. If Interstate believes that its base rates are too low, it is free to seek rate relief consistent with the three-year rate freeze. No evidence has been submitted by Interstate that its base rate revenue is insufficient to cover all of its reasonably incurred costs, including the CIPCO transmission costs at issue here.

WHEREFORE, the Office of Consumer Advocate respectfully requests that Interstate's November 18, 2011, transmission rider filing be rejected by the Board.

Respectfully submitted,

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