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December 11, 2012

Ms. Joan Conrad, Executive Secretary
Iowa Utilities Board
1375 East Court Avenue, Room 69
Des Moines, IA 50319-0069

RE: Interstate Power and Light Company
Docket Nos. RPU-2012-0002 and TF-2012-**0657**
Compliance Filing

Dear Secretary Conrad:

Enclosed please find Interstate Power and Light Company's (IPL) Compliance Filing consisting of proposed natural gas tariff sheets in accordance with the Iowa Utilities Board's (Board) Order Approving Settlement Agreement and Canceling Hearing issued November 26, 2012, as filed today on EFS.

As part of this compliance filing, IPL has made certain tariff revisions as directed in the Board's November 26, 2012, Order. Specifically, IPL has:

- Changed the term "producer" to "provider" in the Indemnification Section of the Gas Service/Transportation Agreements on tariff sheet numbers 267, 278, 295, and 305;
- Renamed the Gas Transportation Agreement – Take or Pay as Gas Transportation Agreement – Seasonal in Section 14.11 on tariff sheet numbers 302 through 312, and has added the customer criteria in the Recital on tariff sheet number 302;
- Withdrawn the proposed revisions to its interruptible service that require existing or legacy interruptible customers to install telemetering equipment; and
- Withdrawn the proposed Excess Facilities Charge provisions in the Residential, General Service, Large General Service – Contract Demand, and Large General Service tariffs, and the Gas Service Agreement and Gas Service Agreement – Seasonal.

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Consistent with the Joint Settlement Agreement, approved by the Board's November 26, 2012, Order, IPL will not make the rate case expense filings required by 199 IAC 26.4.

Very Truly Yours,

/s/ Kent M. Ragsdale
Kent M. Ragsdale
Managing Attorney - Regulatory

KMR/kjf
Enclosures

Interstate Power and Light Company

December 11, 2012

COMPLIANCE FILING

INTERPRETATION

RE: Docket Nos. RPU-2012-0002 and TF-2012-**0657**
FINAL NATURAL GAS RATES

General Information

On May 25, 2012, Interstate Power and Light Company (IPL) filed with the Iowa Utilities Board (Board) a general rate case proceeding requesting a \$14,785,156 increase in its Iowa retail revenue requirement. As part of this filing, IPL implemented, on June 4, 2012, pursuant to Iowa Code § 476.6(10), an interim increase in the annual amount of \$8,612,094. On August 16, 2012, the parties to this case, the Office of Consumer Advocate, a division of the Iowa Department of Justice (OCA), the Iowa Consumers Coalition (ICC) and IPL, filed a Joint Settlement Agreement with the Board. This Joint Settlement Agreement resolved all outstanding issues among the parties and authorized a permanent increase in IPL's natural gas rates of \$10,500,000. The Board issued its final order on November 26, 2012, (November 26 Order) approving the Joint Settlement Agreement.

Summary of Final Rates

Attachment A, included with the Joint Settlement Agreement, supports calculations associated with rate base, return, revenue requirement, and the overall revenue increase. Attachment B, included with the Joint Settlement Agreement, supports the revenue allocation and revenue verification, which reflects the rates found in the attached rate schedules. Attachment C, included with the Joint Settlement Agreement, supports billing credit factors found in IPL's new Tax Benefit Rider. The Tax Benefit Rider will be depicted as a separate line item on customer bills with the description of "Cost Management Credit."

The final increase applicable to Iowa retail rates was based on an across-the-board uniform percentage of 12.95 percent, applied to non-fuel and non-Energy Efficiency Cost Recovery revenues, resulting in an overall increase of 3.99 percent on a total bill basis.

The following are the results reflecting the final rate increase:

<u>Customer Class</u>	<u>Final Increase</u>
Residential	\$ 6,325,115
General Service	\$ 3,097,465
Large General Service	\$ 296,142
LGS-Contract Demand	\$ 144,674
Transportation –Small	\$ 6,431
Transportation – Large	\$ 577,097
Transportation – Small Volume Bal.	\$ 23,151
Pipeline Corridor	\$ 2,039
Total	\$ 10,472,114

For all classes of service, the proposed prices are designed to achieve the revenue requirement for the class, taking into account the customer charges that were approved by the Board as part of the Joint Settlement Agreement. Those approved customer charges are noted below:

Residential Customer Charge	\$ 13
General Service Class	\$ 30
Large General Service	\$ 225

Summary of Tariff Provisions

In the November 26 Order, the Board stated three proposed tariff revisions which it had concerns about in the Joint Settlement Agreement. IPL addresses those concerns as follows:

- The Board suggests that IPL change the term “producer” to “provider” in the tariffs filed in compliance with the order. IPL has changed the term “producer” to “provider” in the Indemnification Section of the Gas Service/Transportation Agreements on tariff sheet numbers 267, 278, 295, and 305.
- The Board suggests that IPL rename the Gas Service/Transportation - Take or Pay Agreements as Gas Service/Transportation Agreements – Seasonal in addition to including language addressing the criteria for a customer being offered these agreements, i.e., distribution main extension cost over \$15,000 and the customer is seasonal. IPL has renamed the Gas Service Agreement – Take or Pay as Gas Service Agreement – Seasonal in Section 14.07 on tariff sheet numbers 275 through 285, and has added the customer criteria as a new Recital on tariff sheet number 275. IPL has renamed the Gas Transportation Agreement – Take or Pay as Gas Transportation Agreement – Seasonal in

Section 14.11 on tariff sheet numbers 302 through 312, and has added the customer criteria as a new recital on tariff sheet number 302

- The Board states that IPL should withdraw the proposed revisions to its interruptible service that requires existing or legacy interruptible customers to install telemetering equipment. According to the November 26 Order, IPL should also withdraw the proposed Excess Facilities Charge provisions in the Residential, General Service, Large General Service – Contract Demand, and Large General Service tariffs, and the Gas Service Agreement and Gas Service Agreement – Seasonal, since it appears that the charge is specifically related to the installation of telemetering equipment. IPL has made the requested revisions to the referenced tariffs and agreements. IPL will discontinue the practice of charging any existing interruptible customers an excess facilities charge for telemetering. IPL has also removed references to telemetering found in the Gas Service Agreement and Gas Service Agreement – Seasonal.

Tariff Changes:

For IPL. – ORIGINAL TARIFF NO. 1

Replace:

Sixth Revised Sheet No. 2
Original Sheet No. 11
Original Sheet No. 21
Original Sheet No. 23
Original Sheet No. 25
Sixth Revised Sheet No. 40
Fifth Revised Sheet No. 41
Sixth Revised Sheet No. 42
Sixth Revised Sheet No. 43
Fourth Revised Sheet No. 44
Sixth Revised Sheet No. 46
Sixth Revised Sheet No. 47
Sixth Revised Sheet No. 48
Third Revised Sheet No. 49
Third Revised Sheet No. 51
Second Revised Sheet No. 53
Third Revised Sheet No. 54
Fifth Revised Sheet No. 55
Fifth Revised Sheet No. 56
Second Substitute Third Revised Sheet No. 57
Fourth Revised Sheet No. 60
Fourth Revised Sheet No. 72
Fourth Revised Sheet No. 73
Fourth Revised Sheet Nos. 74 - 76

With:

Seventh Revised Sheet No. 2
First Revised Sheet No. 11
First Revised Sheet No. 21
First Revised Sheet No. 23
First Revised Sheet No. 25
Seventh Revised Sheet No. 40
Sixth Revised Sheet No. 41
Seventh Revised Sheet No. 42
Seventh Revised Sheet No. 43
Fifth Revised Sheet No. 44
Seventh Revised Sheet No. 46
Seventh Revised Sheet No. 47
Seventh Revised Sheet No. 48
Fourth Revised Sheet No. 49
Fourth Revised Sheet No. 51
Third Revised Sheet No. 53
Fourth Revised Sheet No. 54
Sixth Revised Sheet No. 55
Sixth Revised Sheet No. 56
Fourth Revised Sheet No. 57
Fifth Revised Sheet No. 60
Fifth Revised Sheet No. 72
Fifth Revised Sheet No. 73
Fifth Revised Sheet Nos. 74 - 76

Tariff Changes (continued):

For IPL. – ORIGINAL TARIFF NO. 1

Replace:

Original Sheet No. 264
Original Sheet No. 265
Original Sheet No. 266
Original Sheet No. 267
Original Sheet No. 268
Original Sheet No. 269
Original Sheet No. 270
Original Sheet No. 271
Original Sheet No. 272
Original Sheet No. 273
Original Sheet No. 274
Original Sheet No. 275
Original Sheet No. 276
Original Sheet No. 277
Original Sheet No. 278
Original Sheet No. 279
Original Sheet No. 280
Original Sheet No. 281
Original Sheet No. 282

With:

First Revised Sheet No. 264
First Revised Sheet No. 265
First Revised Sheet No. 266
First Revised Sheet No. 267
First Revised Sheet No. 268
First Revised Sheet No. 269
First Revised Sheet No. 270
First Revised Sheet No. 271
First Revised Sheet No. 272
First Revised Sheet No. 273
First Revised Sheet No. 274
First Revised Sheet No. 275
First Revised Sheet No. 276
First Revised Sheet No. 277
First Revised Sheet No. 278
First Revised Sheet No. 279
First Revised Sheet No. 280
First Revised Sheet No. 281
First Revised Sheet No. 282

For IPL. – ORIGINAL TARIFF NO. 1

Insert:

Original Sheet No. 283
Original Sheet No. 284
Original Sheet No. 285
Original Sheet No. 286
Original Sheet No. 287
Original Sheet No. 288
Original Sheet No. 289
Original Sheet No. 290
Original Sheet No. 291
Original Sheet No. 292
Original Sheet No. 293
Original Sheet No. 294
Original Sheet No. 295
Original Sheet No. 296
Original Sheet No. 297
Original Sheet No. 298
Original Sheet No. 299
Original Sheet No. 300
Original Sheet No. 301

Tariff Changes (continued):

Original Sheet No. 302
Original Sheet No. 303
Original Sheet No. 304
Original Sheet No. 305
Original Sheet No. 306
Original Sheet No. 307
Original Sheet No. 308
Original Sheet No. 309
Original Sheet No. 310
Original Sheet No. 311
Original Sheet No. 312
Original Sheet No. 313

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