

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE:

INTERSTATE POWER AND LIGHT
COMPANY

DOCKET NO. TF-2015-0007

CONDITIONAL OBJECTION

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, responds as follows to the electric energy efficiency cost recovery reconciliation (EECR) filed by Interstate Power and Light Company (IPL) on January 29, 2015:

IPL has explained that this tariff filing includes corrections for two significant prior period errors discovered subsequent to IPL's approved 2014 EECR filing. The corrections have been applied to the customer classes in which the errors occurred. An additional correction of \$1 million for misstated 2013 interruptible credits was applied and spread among all customer classes. These three corrections were documented and OCA has no issues with the proposed corrections. OCA is, however, concerned whether IPL's proposed EECR factors sufficiently reflect the anticipated levels of direct cost assignment to IPL's Large General Service (LGS) and General Service (GS) classes as agreed to in Settlement Issue 17 approved in IPL's current Energy Efficiency Plan. IPL's approved EEP budget is based on allocations determined in its most recent rate case, which differs from the directly assigned costs. This also impacts and makes it difficult to compare IPL's actual direct assignment spending versus budget for these customer classes. This comparison is used to determine whether a plan modification or waiver for spending variance is needed under 199 IAC 35.6(4).

Residential spending is not impacted by the Nonresidential tracking, so budget and actual spending can be meaningfully compared. In 2014, IPL spent \$6 million less than its approved budget for the Residential class, or 18 percent below its approved budget. It is unclear what factor or factors are driving the lower spending relative to budget for the residential class. Because this variance is greater than 10 percent, IPL should evaluate whether this situation warrants energy efficiency plan modification or request a waiver of such requirement in accordance with Rule 199 IAC 35.6(4).

As noted above, it is difficult to compare Nonresidential spending to budget because of the recent introduction of direct cost assignment to the LGS and GS classes. IPL should propose an alternative method or mechanism to evaluate the Nonresidential plan direct-assigned spending with IPL's approved EEP budget allocation.

WHEREFORE, OCA requests that IPL's EECR filing be docketed for investigation of the foregoing concerns. OCA does not object to IPL's proposed residential factors going into effect, but does recommend that IPL further investigate the nonresidential factors to ensure that they appropriately reflect the direct assignment of costs approved for the nonresidential class.

Respectfully submitted,

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OFFICE OF CONSUMER ADVOCATE