

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

**FILED WITH
Executive Secretary
February 19, 2015
IOWA UTILITIES BOARD**

IN RE:

INTERSTATE POWER AND LIGHT
COMPANY

DOCKET NO. TF-2015-0008

OBJECTION

The Office of Consumer Advocate, a division of the Iowa Department of Justice, responds as follows to the gas energy efficiency cost recovery reconciliation (EECR) filed by Interstate Power and Light Company (IPL) on January 30, 2015:

OCA has reviewed IPL's filing and has no concerns regarding IPL's accounting and reconciliation of expenditures from 2014. OCA is concerned, however, 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 (EEP). IPL's approved gas 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). IPL should propose an alternative method or mechanism to evaluate the nonresidential plan direct assigned spending with IPL's approved budget allocation. Although it is difficult to compare budgeted class spending with actual class spending for nonresidential customers, it appears that IPL spent less than 50 percent of its approved budget for the nonresidential classes.

IPL's residential gas energy efficiency plan spending is not impacted by the nonresidential tracking, so the gas program budget and actual spending can be compared for the residential class. In 2014, IPL's residential spending was 14 percent less than its approved budget. Total 2014 gas energy efficiency plan spending was 28 percent less than IPL's approved budget. Rule 35.6(4) directs the filing of a plan modification if the plan budget has changed or will change by a factor of plus or minus 5 percent or if the budget per customer class or grouping has changed or will change by a factor of plus or minus 10 percent. In 2014, IPL over-collected \$11.6 million from its customers and spent only \$10.6 million. The proposed 2015 EECR factors may reduce, although will not likely eliminate the over-collection trend experienced in 2014. This spending variance must be more directly addressed through an appropriate filing in accordance with 199 IAC 35.6(4).

WHEREFORE, OCA requests that IPL's EECR filing be docketed for investigation of the foregoing concerns. Due to the magnitude of over-collection in 2014, OCA does not object to IPL implementing the proposed reduced EECR factors to be in effect until a final determination is made as to appropriate EECR factors.

Respectfully submitted,

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Consumer Advocate

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OFFICE OF CONSUMER ADVOCATE