

EPB-2014-0150



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February 25, 2015

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 No. EPB-2014-0150
Second Supplement to Additional Information

Dear Secretary Conrad:

Enclosed please find Interstate Power and Light Company's (IPL) Second Supplement to Additional Information, as filed today on EFS in the above-referenced docket, in response to the Iowa Utilities Board's Order Requiring Additional Information issued on December 3, 2014.

Very truly yours,

/s/ Benjamin M. Clark

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BMC/tab
Enclosures

Interstate Power and Light Co.
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**FILED WITH
Executive Secretary
February 25, 2015
IOWA UTILITIES BOARD**

**STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD**

IN RE:	
INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. EPB-2014-0150

SECOND SUPPLEMENT TO ADDITIONAL INFORMATION

COMES NOW, Interstate Power and Light Company (IPL), and further supplements the additional information filed in response to the Iowa Utilities Board's (Board) Order Requiring Additional Information issued on December 3, 2014 (December 3rd Order). In the December 3rd Order, the Board directed IPL to respond to nine questions. On December 18, 2014, and subsequently corrected and refiled on December 19, 2014, IPL filed the additional information in response to the Board's nine questions contained in the December 3rd Order (December 19th Filing).

On February 6, 2015, IPL supplemented the December 19th Filing (February 6th Filing), supplementing its response to the sixth question in the December 3rd Order, which relates to the decision to fuel M.L. Kapp solely on natural gas. In its February 6th Filing, IPL informed the Board that it submitted an Attachment Y Notice to Midcontinent Independent System Operator, Inc. (MISO) on January 30, 2015 (which was updated on February 3, 2015), for the suspension of a portion of the capacity of M.L. Kapp – namely, the projected reduction associated with fueling M.L. Kapp solely on natural gas.

As stated in its initial filing in this docket, IPL plans to fuel M.L. Kapp solely on natural gas as the method for complying with utility Mercury and Air Toxics Standards (MATS). This continues to be IPL's intention. The MATS include an initial compliance date of April 16, 2015. Partially due to the forthcoming MATS compliance date, IPL requested expedited review by MISO when IPL filed its Attachment Y Notice for M.L. Kapp. IPL currently understands that MISO may (or will likely) need 26 weeks from the time that IPL filed its Attachment Y Notice to complete its reliability studies and respond to IPL. Such a timeline would place IPL beyond the April 16, 2015 compliance date for MATS. Additionally, MISO could conclude (following the completion of its studies) that the full capacity of M.L. Kapp is required for system reliability, and that such capacity is needed beyond the 26 week period. To maintain full capacity, M.L. Kapp would need to be fueled on coal. Given the foregoing, IPL deemed it appropriate to seek a one-year compliance extension for MATS.

IPL filed a request for such a compliance extension with the U.S. Environmental Protection Agency (EPA), Region VII, on February 23, 2015. A copy of IPL's MATS compliance extension request is provided as Attachment A. A MATS compliance extension would enable IPL to continue to fuel M.L. Kapp on coal (thereby maintaining the unit's full capacity), thereby providing additional time for MISO to complete its Attachment Y reliability studies and potentially implement system upgrades if they are deemed required by MISO. The request for the MATS compliance extension is prudent contingency planning as IPL seeks to comply with Attachment Y and MATS requirements.

IPL currently expects an EPA response on its MATS extension request within 30 days upon receipt and determination of completeness. IPL will update the Board and parties on this result in the EPB Periodic Report that IPL intends to file before the end of March 2015.

WHEREFORE, IPL requests that the Board accept IPL's second supplement to additional information filed in response to the Board's December 3rd Order.

Dated this 25th day of February, 2015.

Respectfully Submitted,

INTERSTATE POWER AND LIGHT
COMPANY

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