

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

<b>IN RE:</b>  <b>INTERSTATE POWER AND LIGHT COMPANY</b>	<b>DOCKET NO. RPU-2018-_____</b>
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**APPLICATION FOR APPROVAL OF NON-STANDARD NOTICES**

**COMES NOW**, Interstate Power and Light Company (IPL or the Company) and in support of its application to the Iowa Utilities Board (Board), pursuant to 199 Iowa Administrative Code (IAC) 26.5(1)(d)(1), for approval of non-standard notices, states:

1. IPL is preparing to file an application for increased retail electric and natural gas rates, pursuant to Iowa Code § 476.6, to reflect the costs and benefits of the investments IPL has made for its customers and communities since its last rate case. IPL intends to use a forward looking test year approach in its filing, and will request a change in rates for two specific forward looking test years (2020 and 2021), all consistent with Iowa's new law allowing the same. Iowa Code § 476.33(4).

2. The Board, in Docket No. RPU-05-3, "Order on Rehearing," issued June 7, 2006, indicated that a notice may not need to be the same for all customer classes. The Board indicated IPL could ask the Board to consider alternatives to the standard notice for some customers or customer classes.

3. In previous electric rate and natural gas cases, IPL and its predecessor companies sought to use a non-standard notice because the standard forms of notice in the Board's rules did not fit the Company's situation in each case. See

Docket Nos. RN-94-13, RN-02-1, RN-02-6, RN-04-1, RN-2009-0003, RN-2010-0001, and RN-2017-0001; see *also* RN-2014-0001. IPL makes the same request in this application, in order to clearly communicate the class-specific changes that are being proposed in IPL's upcoming rate case. IPL has drafted the notices to be consistent not only with current Board requirements, but also with the proposed amendments to 199 IAC ch. 26. See Docket No. RMU-2016-0027.

4. IPL's goals for the customer notices are to: (1) provide effective notice of IPL's application to increase rates; (2) make the notices and the changes proposed as understandable as possible for each customer class; (3) provide information on how to participate in the rate case process; and (4) provide information on how customers can access additional resources about the rate case, including via telephone or the internet.

5. IPL believes that the standardized notices, Forms A and B, from 199 IAC 26.5(1), would not adequately meet these goals for customers. Therefore, IPL seeks Board approval for seven non-standard notices for the following electric classes: (1) Residential, (2) Municipal Lighting, (3) Non-residential General Service, (4) Large General Service, (5) Large General Service – High Load Factor/Large Volume, (6) Standby and Supplementary Power Service – Standby, and (7) Large General Service – Supplementary, found in Attachments 1 through 7, respectively. Similarly, IPL seeks Board approval for eight non-standard notices for the following natural gas classes: (1) Residential, (2) Non-residential General Service, (3) Large General Service, (4) Contract Demand, (5) Large Volume Transport, (6) Small Volume Transport, (7) Small Volume Transport – Balancing, and (8) Pipeline

Corridor, found in Attachments 8 through 15, respectively. Within each service (electric and natural gas) the notices are identical except for the highlighting that denotes to which class the notice is being sent.

6. The attached notices contain the necessary information in the standard notice form as required by 199 IAC 26.5(1)(d)(3) in order to provide effective notice to each class of the impact of IPL's application to increase rates.

7. In particular, IPL's notices set forth the requested increase, as well as other significant proposed changes. Specifically, the electric notices contain the required information for non-metered area lighting service. This allows customers who have non-metered area lighting service along with metered electric service to receive the information required by 199 IAC 26.5(1)(d)(3) since these customers have their non-metered service depicted on their monthly bill along with their metered service. In addition, IPL has described in the notices that, where applicable, its proposal includes increases in the basic service charge.

8. Additionally, IPL has provided all information as ordered by the Board or otherwise necessary to comply with IPL commitments and recently enacted legislation to make the customer notices more transparent. This includes information related to the Duane Arnold Energy Center transaction, costs that flow through the energy adjustment clause and transmission rider, and energy efficiency costs. See Docket Nos. SPU-2018-0008, RPU-2018-0002. Finally, IPL is including in the notices, in addition to the information already noted, information related to overall customer bill impacts. IPL believes this information more fully explains the ultimate costs to customers than do base rate impacts alone.

9. The proposed electric notices also reflect IPL's intent to implement interim electric rates under Iowa Code § 476.6(9), subject to refund, 10 or more days after filing its application. Accordingly, the proposed electric notices contain both interim and final rate information for each class.

10. 199 IAC 26.5(1)(c)(3) requires averages used in the standard form to be median averages. Instead, IPL proposes to base its calculations on the arithmetic mean system electricity usage and revenue of each class to show the typical bill impact for electric customers and the arithmetic mean system natural gas usage and revenue of each class to show the typical bill impact for natural gas customers.<sup>1</sup> The calculation of the median involves time consuming and costly data inputs to produce a result that is likely to be less informative to customers than the use of the mean average. The Board's March 4, 2004, Order in Docket No. RN-04-1, at 3, stated, "The use of mean averages appears to better communicate to most customers the impact of the impending rate case."

11. The calculations that IPL proposes above are the same methodology to calculate the non-median averages that the Board approved in IPL's prior electric and natural gas rate case notices. While the methodologies are consistent with what the Board has approved in prior IPL rate cases, they deviate from the methodology set forth in 199 IAC 26.5(1)(c)(3). For that reason, if the Board is of the opinion that waiver is necessary in order to approve the attached non-standard customer notices, IPL respectfully requests such a waiver, as provided in 199 IAC 1.3.

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<sup>1</sup> IPL's approach is consistent with that in the modification to the customer notice rule in Docket No. RMU-2016-0027, where the Board has proposed using an "average" instead of a median average. See proposed 199 IAC 26.5(1)(b)(5).

12. Information on customer comment meetings is provided in IPL's proposed notices. To ensure access for customers throughout its service territory, IPL believes that meetings in or around the following cities would be appropriate: Storm Lake (natural gas service), Marshalltown (combination service), Mason City (combination service), Osceola (combination service), Burlington (combination service), Oelwein (combination service), and Cedar Rapids (electric service). These cities include a geographic representation of IPL's territory, span areas that are electric, natural gas, or combination service, and are easily accessible to IPL's rural and urban customers. These locations also feature communities that have not been a part of recent comment meetings, giving a voice to new customers. Given the broad reach of its service territory, IPL also submits that if desired by the Board or other interested parties, simulcasting the comment meetings live via the Iowa Communications Network, or other similar means, may make access to the meetings potentially more convenient for some customers.

13. IPL believes that the information required by 199 IAC 26.5(1)(d)(3) is only one part of the rate case communication process. While the required information provides customers with the impacts of a proposed increase in rates as well as the process of a rate case, customers may also desire information on the reasons for an increase and ways to help mitigate the impacts of increased rates. Thus, additional information on IPL's investments for its customers and communities, as well as information on IPL's energy efficiency programs and rebates to help educate customers on ways to save energy, will be included as part of the proposed notices. IPL will file the additional information that will be included in

the proposed notices, for informational purposes, at a later date. This is similar to the process used in Docket Nos. RN-04-1, RN-2009-0003, and RN-2010-0001.

14. IPL's proposed notices also provide details about additional information available to all customer classes through its Customer Support Center or through the Alliant Energy website. This will allow customers to research information for all customer classes, if desired.

15. The print size in the proposed notices in Attachments 1 through 15 will be similar to the font size in IPL's prior notices. This font size is believed to be of adequate size to allow customers to easily read the information in the notices. The notices will be printed on 11-inch by 17-inch paper, double-sided. The outside is the mailing panel, page 1 on Attachments 1 through 15. The inside left panel on the natural gas notice contains the above-described message to customers; a similar message is on the back side of the electric notice. The remaining panels are the specific notice information.

16. As permitted under 199 IAC 26.5(1)(f)(2), IPL intends to mail the notices as a separate mailing to customers, on or about February 28, 2019. Combination customers who receive both natural gas and electric service from IPL will receive two separate mailings, one for each service.

17. IPL currently anticipates filing its application for increased rates on or about March 1, 2019. Due to the volume of notices, it is anticipated that the lead time for printing and processing will be longer than IPL has seen historically. In communications from paper suppliers, IPL has been told lead time necessary to purchase the needed volume of paper is longer due to supply and demand

constraints across the paper-supply industry. In order to achieve a potential March 1, 2019, filing date, IPL requests a Board order on this issue no later than the 30 days provided by rule, and ideally as soon as possible.

**WHEREFORE** IPL, for the reasons stated above, respectfully request that the Board grant any necessary waiver and approve the attached non-standard notices for use in the electric and natural gas rate case docket to be initiated on or about March 1, 2019. IPL further requests the Board approve the manner and timing of the delivery of the notices to customers as described in this application.

Dated this 21st day of December, 2018.

Respectfully submitted,

Interstate Power and Light Company

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