

## **FAQs for Alliant Energy - Interstate Power & Light Co. Proposed electric and natural gas rate increases**

Alliant Energy mailed notices on Feb. 28, 2019, to all its Iowa electric and natural gas customers indicating its intent to seek rate increases for electric and natural gas service in several customer classes. The company filed its application for the increases with the Iowa Utilities Board on March 1, 2019.

**The following frequently asked questions may be helpful to customers:**

### **Proposed base rate increases**

#### **Q: What is the company requesting?**

A: In general the company seeks to change retail *base rates* for electric customers in all seven customer classes and for natural gas customers in four of eight customer classes by differing percentages and amounts. An interim rate increase for electric service customers also was made.

#### **Q: What do they mean by “base rate”?**

A: The base rate is the combination of the flat monthly fee, or customer charge, and the primary usage fee. It includes capital costs, operation and maintenance costs, a return on investment, and taxes paid by Alliant/IPL. The base rates account for about 66% of the average Alliant consumer’s monthly electric bill and 44% of the monthly natural gas bill.

#### **Q: What are the specific amounts being requested?**

A: If approved as proposed, the base rates would increase Alliant’s annual electric revenue by nearly \$203.6 million (11/7%) and annual natural gas revenue by \$21 million (9.0%)

By customer class, the company has proposed the following **electric** rate changes:

- **Residential:** Seeking a 24.45% increase, from \$82.31 to \$102.44 for the average customer (with typical usage of 756 kWh/mo.)
- **Municipal lighting:** Seeking a 10.01% increase, from \$222.12 to \$244.34 on average
- **Non-residential general service:** Seeking an 18.36% increase, from \$190.15 to \$225.07 on average
- **Large general service:** Seeking a 25.29% increase

- **Large general service (high load factor, large volume):** Seeking a 17.83% increase
- **Standby and supplementary power service:** Proposed *decrease* of 29.15%
- **Large general service – supplementary:** Seeking a 33.23% increase

By customer class, the company has proposed the following ***natural gas*** rate changes:

- **Residential:** Seeking a 25% increase, raising average base rate for service from \$28 to \$35 a month (with typical use of 64 therms/month)
- **Non-residential:** Seeking a 14% increase, from \$95 to \$108 a month on average
- **Small volume transport:** Seeking a 19% increase, from \$3,198 to \$3,819 on average
- **Small volume transport – balancing:** Seeking a 17% increase, from \$539 to \$631 on average
- No increases sought in large general service, contract demand, large-volume transport or pipeline corridor classes

**Q: Why is the amount they are requesting based on proposed costs (known as “future year”) and not actual expenses?**

A: Legislation was passed in 2018 allowing the utility to make the request for a rate increase based on a future test year, rather than “historical costs,” the previous methodology.

### **Filing comments in a rate case proceeding**

**Q: Can I provide comments or make a complaint?**

A: Yes. Only written comments will be entered into the specific docket and become part of the permanent record. A court reporter will be present at each of the customer comment meetings and a transcript of each meeting will also be entered into the record and available to review or download from the dockets in the IUB’s electronic filing system.

**How to file:** File online in the dockets using EFS ([efs.iowa.gov](https://efs.iowa.gov)); by email to [customer@iub.iowa.gov](mailto:customer@iub.iowa.gov); by mail to Iowa Utilities Board, 1375 E. Court Ave., Des Moines, IA 50319 (and include the docket number for reference); or call the EFS help desk at 515.725.7337.

**Also, 10 public customer comment meetings are scheduled:**

- **Creston:** 5:30 p.m. Thursday, April 11, at Southwest Community College, Performing Art Center, 1501 W. Townline St.

- **Marshalltown:** 5:30 p.m. Tuesday, April 23, at Iowa Valley Education Center, 3702 S. Center St.
- **Storm Lake:** 5:30 p.m. Wednesday, May 1, at Buena Vista University, Science Center, 610 W. Fourth St.
- **Mason City:** 11:30 a.m. Thursday, May 2, at the Historic Park Inn, 7 W. State St.
- **Decorah:** 6 p.m. Thursday, May 2, in the Hotel Winneshiek, 104 E. Water St.
- **Ottumwa:** 6 p.m. Wednesday, May 8, at the Bridge View Center, 102 Church St.
- **West Burlington:** 11:30 a.m. Wednesday, May 22, at Southeastern Community College, Building 300, 1500 W. Agency Road.
- **Clinton:** 5:30 p.m. Wednesday, May 22, at Clinton Community College, Tech Center, 1951 Manufacturing Drive.
- **Dubuque:** 11:30 a.m. Thursday, May 23, at the Hotel Julien, 200 Main St.
- **Cedar Rapids:** 5:30 p.m. Thursday, May 23, at Kirkwood Community College, Main Campus, Iowa Hall, 6301 Kirkwood Boulevard S.W.

**Q: Who runs the customer comment meetings?**

A: The IUB presides over the meeting and will accept comments from the audience after a brief introduction. Alliant representatives will be available to explain the proposed rate increases and answer questions. The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, is also present.

**Q: What if I can't attend a public meeting?**

A: There will be an opportunity to participate remotely for at least one of the meetings but the date and location is not yet determined. Visit the IUB website at [iub.iowa.gov](http://iub.iowa.gov) for details about remote participation once that is finalized.

**Interim rate increase**

**Q: What is the interim rate request?**

A: Alliant will implement a 5.5% rate increase for electric customers on April 1, 2019.

**Q: Why do they get an automatic interim rate increase?**

A: Iowa Code 476.6(9)(a) provides that a “public utility may choose to place in effect temporary rates, charges, schedules or regulations without Board review.” However, interim (temporary) rates are subject to refund if final rates approved by the Board are lower than the interim rates.

**Non-standard metering**

**Q: What is the company seeking?**

A: Alliant is seeking to *create* a \$15 monthly fee for qualifying residential electric and natural gas customers who chooses a non-standard metering alternative.

**Q: Didn't IUB deny that monthly fee in a previous docket order?**

A: The final order in the AMI ("smart meter") docket (SPU-2018-0007) indicated that was not the correct proceeding for which to seek a monthly fee from customers who opt out of having a digital meter installed, and that Alliant would have to wait until a future rate case to seek a monthly opt-out fee.

**Renewable energy rider**

**Q: What is the company seeking?**

A: Alliant is proposing a new rider for electric service customers as a way to recover costs associated with renewable energy expenses without having to request an additional rate increase.

**Disconnection fee change**

**Q: What is the company seeking?**

A: Current service reconnection fees range from \$56 to \$123; Alliant proposes charging a set fee of \$27.33 for any reconnection except those for which a trip to the property is required to reconnect a non-standard meter, for which the cost would be \$81.18.

**Next steps**

**Q: What process is followed in a rate case?**

A: The Board has 30 days from the filing to docket the case as a formal proceeding. A procedural schedule and public hearing will then be set to receive evidence and testimony.

**Board decision**

**Q: When will the Board issue its final order?**

A: The Board has 10 months by statute to issue a final order with its decision.

**Q: Can the amount requested by the company be changed by a Board decision?**

A: Upon review of evidence, testimony and comments filed in the dockets and based upon Iowa law, the Board could change the percentage of base rate change.

**Q: When would new permanent rates take effect?**

A: Alliant is requesting the final base rate increases take effect on January 1, 2020.