PUBLIC VERSION

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-2019-0001

TABLE OF CONTENTS

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INITIAL BRIEF OF THE DECORAH AREA GROUP

COMES NOW, the Decorah Area Group ("***DAG***") and files the following Initial Brief in this Docket.

I. STATEMENT OF THE CASE

This is a public utility rate case brought by Interstate Power and Light Company("***IPL***") pursuant to Iowa Code § 476.6 (2019). IPL is requesting authority to increase its electric rates. Pursuant to Iowa Code § 476.33(1), the proceedings in this case must be concluded within ten months, or by January 2, 2020.

II. PROCEDURAL HISTORY

This rate case had its genesis on December 24, 2018 when IPL filed with the Iowa Utilities Board ("***IUB***" or "***Board***") an "Application for Approval of Non-Standard Notices" pursuant to 199 IAC 26.5(1)(d) (the "***Rate Case Notice Application***"), seeking IUB approval of notices designed to inform IPL's customers about an electric rate increase application which IPL stated that it intended to file with the Board on March 1, 2019. On February 6, 2019, the Board issued an "Order Rejecting Notices, Opening Dockets and Scheduling Technical Conference" which opened this docket, rejected IPL's proposed customer notices and scheduled a technical conference to discuss the customer notice issues.

On February 18, 2019, the Board issued its "Order approving Customer Notices with Modifications and Scheduling Customer Comment Meetings."

On March 1, 2019, IPL filed its Application for Increase in Electric Rates along with supporting testimony, exhibits and workpapers.

Petitions for Intervention were filed by ITC Midwest, LLC ("***ITC***") on March 1, 2019, the Iowa Business Energy Coalition ("***IBEC***") on March 8, 2019, and the Large Energy Group ("***LEG***") on March 11, 2019. Also on March 8, 2019, the Office of Consumer Advocate of the Iowa Department of Justice ("***OCA***") filed an Appearance and a Motion to Reduce Interim Rates. On March 11, 2019, OCA filed an Objection to Proposed Procedural Schedules. On March 12 and 13, respectively LEG and IBEC filed pleadings supportive of OCA's Objection to Proposed Schedules and joining in OCA's Motion to Reduce Interim Rates. On March 13, IPL filed a Response to Motion to Reduce Interim Rates, to which OCA filed a Reply on March 15, 2019. On March 21, 2019, OCA filed an Objection and Request for Docketing and request for hearing and IPL filed a response to OCA's objection to procedural schedules. IPL filed its Sur-reply to OCA's Reply concerning interim rates on March 22, 2019.

On March 26, 2019, the Board issued an "Order Approving Corporate Undertaking, Scheduling Oral Argument, Docketing Proposed Tariff, Granting Interventions, Denying Motion to Consolidate, Setting Scheduling Conference and Requiring Additional Information" which, among other things, granted the interventions of ITC, IBEC and LEG, ordered a scheduling conference and oral argument on OCA's Motion to Reduce Interim rates to be held on April 1, 2019.

Additional Interventions were filed by Sierra Club ("***Sierra Club***") on March 27, 2019, MidAmerican Energy Company ("***MidAmerican***"), Archer Daniels Midland ("***ADM***") on March 28, 2019, and the Environmental Law & Policy Center and the Iowa Environmental Council ("***ELPC/IEC***" or the "***Environmental Intervenors***") on March 29, 2019.

Oral Argument on OCA's Motion to Reduce Interim Rates was held as scheduled on April 1, 2019. On April 11, 2019, the Board issued an order "Order Granting Interventions, Granting Requests for Admission Pro Hac Vice, Addressing Complaint, Denying Motion to Reduce Interim Rates, Providing Notice of Hearing/Establishing Procedural Schedule" which, among other things, granted the interventions of Sierra Club, MidAmerican and the Environmental Intervenors and denied OCA's Motion to Reduce Interim Rates.

Additional Interventions were filed by the International Brotherhood of Electrical Workers, Local 204 ("***IBEW Local 204***") on April 18, 2019, the Large General Service Group ("***LGSG***") on April 23, 2019, Jonathan Lipman AIA & Associates, Inc. ("***Lipman***") on April 26, 2019, the Decorah Area Group ("***DAG***") and ChargePoint, Inc. ("***ChargePoint***") on May 1, 2019. These interventions were granted by the Board's "Order Granting Interventions" issued on May 21, 2019.

Consumer comment meetings were conducted by the Board in Creston, Marshalltown, Storm Lake, Mason City, Decorah, Ottumwa, West Burlington, Clinton, Dubuque and Cedar Rapids between April 11 and May 23, 2019.

On August 1, 2019, OCA and the intervenors filed their direct testimony and exhibits. On August 15, 2019, OCA and the intervenors filed their rebuttal testimony to each other's direct testimony. On August 30, 2019, IPL filed its reply testimony and exhibits, responsive to the testimony of OCA and the intervenors. On September 10, 2019, OCA and the intervenors filed their rebuttal testimony and exhibits responsive to IPL's reply testimony and exhibits.

A prehearing conference was held on September 27, 2019 to address the logistics of the hearing scheduled for the week of October 7, 2019. At the prehearing conference, IPL's counsel informed the Board that certain of the parties were engaged in settlement discussions but that nothing had been finalized.

On October 3, 2019, certain of the parties to the case filed a "Non-unanimous Partial Settlement Agreement and Joint Motion for Approval of Agreement and Request for Confidential Treatment" (the "***Settlement Agreement***"). The parties to the Settlement Agreement were IPL, OCA, the Environmental Intervenors, IBEW Local 204, IBEC, LEG, LGSG, Sierra Club and Walmart. The Settlement Agreement purports to resolve all issues related to, among other things, revenue requirement, return on equity ("***ROE***"), capital structure, rate base, return on production tax credit ("***PTC***") carryforwards, the proposed renewable energy rider ("***RER***") but left certain rate design components as contested matter to be determined by the Board after the hearing.

On October 4, 2019, DAG filed a "Partial Objection to Non-Unanimous Partial Settlement Agreement and Joint Motion for Approval of Agreement" ("***DAG Objection***"), which outlined its objections to substantial portions of the proposed settlement.

Hearing was held, as scheduled, on October 7, 8 and 9, 2019.

On October 10, 2019, the Board entered an order which granted the parties an extension of time to engage in the settlement process outlined in Board rule 199 7.18(3) and set a briefing schedule for the case-in-chief. Accordingly, on October 11, 2019, a settlement teleconference was held pursuant to Board rule 199 IAC 7.18(2). The purpose of the conference was to allow the settling parties to explain the settlement and for the non-settling parties to ask questions about the settlement.

On October 15, 2019, Lipman filed "Lipman Objections to Settlement Agreement and Partial Objection to Joint Motion for Approval of Agreement".

On October 18, 2019, IPL, OCA, LEG and the Environmental Intervenors filed separate responses to the objections to the Settlement Agreement previously filed by DAG and Lipman. IBEC and Walmart filed a joinder in the OCA's response on that day as well.

On October 21, 2019, DAG filed a statement that it intended to address the responses to its objection to the Settlement Agreement in this brief. On October 23, 2019, MidAmerican filed a "Sur-reply to Settlement Comment Responses." Also on October 23, 2019, Lipman filed its response to the responses to its objection.

On November 1, 2019, the Board issued an "Order Requiring Additional Information" which required IPL to submit, on or before November 7, 2019, late-filed exhibits consisting of: (1) an updated cost of service study based upon the Settlement; (2) a corresponding revenue allocation (with any proposed mitigation); (3) resulting rates; (4) revenue verification; and (5) the total overall change in revenues by customer class shown as a percentage of base rate revenue and as a percentage of total revenue. IPL filed the required exhibits on November 7, 2019.

During the time that this case has been pending, over 5,500 comments concerning IPL's requested rate increase have been filed in the Board's electronic filing system by individuals, cities and towns that may be impacted by the rate increases proposed by IPL. These include sixty-three official statements or resolutions adopted by elected leaders in cities and counties throughout IPL's service territory. The vast majority of the filed comments oppose the rate increase and ask the Board to reject or reduce it significantly.

III. APPLICABLE LAW

The Iowa Administrative Procedure Act and the Board's rules permit non-unanimous settlements. See, Iowa Code § 17A.10 (2019); 199 IAC 7.18. However, the Board will not approve a settlement, whether contested or uncontested, unless it is: 1) reasonable in light of the whole record; 2) consistent with law; and, 3) in the public interest. Id. The Board's rules allow for "comment" on a non-unanimous settlement agreement by non-settling parties who contest the settlement. Given that the settlement must be "reasonable in light of the whole record", the burden of proving reasonableness remains with the settling parties, and particularly on IPL. IPL is the party who brought this rate case and must justify its rates, whether those rates are determined by litigation or settlement. IPL's rates, whether determined by litigation or settlement, must be shown to be just, reasonable and non-discriminatory. See, Iowa Code §=§ 476.5 (stating: "no . . . public utility shall make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage."); § 476.8 (stating: "The charge made by any public utility for any heat, light . . . or for any service rendered or to be rendered in connection therewith shall be reasonable and just, and every unjust or unreasonable charge for such service is prohibited and declared unlawful. . .").

In deciding whether to approve the Settlement Agreement and the remaining contested issues, the Board must make findings on the merits of all of the contested issues. Mobil Oil Corp. v. Federal Power Commission, 417 U.S. 283, 314 (1974). Failure or refusal to do so would violate the Iowa Administrative Procedure Act, particularly Iowa Code §§ 17A.16(1) and 17A.19. Contrary to the suggestions of the settling parties,[1] the Board may not approve the settlement based upon finding that the settlement is the result of "compromise". While a

[1] See, "Briefing Parties' Response to Objections to Partial Settlement", filed October 18, 2019 at pp. 3-4, stating: [T]he Board has acknowledged the ground given by each party in getting to a mutually agreeable position, and that a 'settlement generally represents compromise on various issues and therefore must be considered as a whole.'. . .A reasonable compromise has in fact been reached." See also, "OCA Response to Objections", filed on October 18, 2019 at p. 2, stating "A settlement agreement generally represents compromise on various issues and therefore must be considered as a whole."

settlement has the potential to streamline the regulatory process, it does not allow the Board to abandon the regulatory process and a customer's right to an independent decision from the Board. Indeed, a non-unanimous settlement agreement must be examined critically to insure that it does not unduly adversely affect the rights of captive customers, such as those who are members of DAG. Accord, Stephan Kreiger, Problems for Captive Ratepayers in Non-unanimous Settlements of Public Utility Rate Cases", Yale J. on Reg., 12:257-343, 280-81 (1995). See also, North Carolina ex.rel. v. Cooper, 366 N.C. 484, 739 S.E.2d 541 (2013).

The Board's ultimate duty here -- to determine whether IPL's *rates* are just and reasonable -- is neither eliminated nor diminished by virtue of a settlement. Thus, the question that the Board has before it, as relates to the settlement, is: ***Does the entire record of this case support a conclusion that the proposed settlement will result in just, reasonable and non-discriminatory rates under applicable legal principles and is in the public interest (not just in the interest of the settling parties)?*** As will be shown in the remainder of this brief, DAG believes the answer to this question is that the record does not support the settlement as written.

With respect to the issues that are not covered by the Settlement Agreement and remain contested, DAG submits that the substantial evidence in the record supports DAG's positions on the issues, as further discussed in this brief.

IV. ARGUMENT

A. THE SUBSTANTIAL EVIDENCE IN THIS CASE SHOWS THAT IPL'S PROPOSED RATE INCREASE WILL HAVE A SIGNIFICANTLY DELETERIOUS IMPACT UPON IPL'S CUSTOMERS AND THE COMMUNITIES IN WHICH THEY LIVE AND WORK.

DAG is perhaps the only party in this case whose focus *remains* on IPL's captive customers, i.e., those customers who lack the bargaining power that would enable them to convince IPL that its rate request put forward in this case is unreasonable and should be reduced significantly. DAG's members and their constituents[2] share a broad set of concerns and interests relevant to the current docket. See DAG Johnson Direct Testimony ("***Johnson Direct***"), pp. 2-3. DAG's history of engagement with IPL on various issues of importance to its constituents, render it uniquely qualified to address the issues presented by IPL's proposed rate increase and the proposed settlement. See Id., at pp. 6 – 13 (for a more complete discussion of that history).

As stated in DAG's Objection to the proposed settlement, DAG's intervention in this case is informed by two premises. The first is the context of IPL's rapidly rising electric rates over the past decade and that are planned to continue into the future.[3] IPL's Application requested an overall increase in revenues through rates of $204 million or 11.7%. In 2017 as part of Docket No. RPU-2017-0001, IPL was awarded a rate increase of $130 million (approx. 7.8%). Approval of the current request combined with the 2017 docket would result in an overall increase of over 20% in just three years. See, DAG Berg Direct Testimony ("***Berg Direct***"), p. 8. This result creates an untenable and unjust level of wealth extraction from IPL customers and communities and imposes a heavy energy burden not only on low and moderate income ("***LMI***") and otherwise disadvantaged households, but also on businesses and entire communities, all of whom are crying out to the Board for relief. The second is a conviction borne of experience over the past decade that IPL has been working assiduously to thwart customer and community opportunities to participate on fair terms in the 21st century clean energy economy, especially by disempowering IPL customers who want to pursue locally-owned clean energy prosperity

[2] DAG's membership includes: the Winneshiek Energy District; the City of Decorah, Iowa; Luther College, Aase Haugen Senior Services; and the Winneshiek Medical Center. Together these entities serve residential customers, senior citizens, students, low to medium income customers and others who are affected by IPL's rates. Johnson Direct, pp. 3-4.

[3] See, DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 4, pp. 1, 36, 41; DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 15, pp,. 2, 12; DAG Berg Surrebuttal CONFIDENTIAL Exhibit 1, pp. 1, 8; DAG Berg Surrebuttal CONFIDENTIAL Exhibit 2, pp. 1, 4.

through investments in renewable energy and energy efficiency. DAG's objection to the Partial Non-Unanimous Settlement is likewise informed by these two premises.

DAG's testimony and exhibits in this case show clearly that a rate increase of the magnitude proposed by IPL is likely to have significantly deleterious effects on IPL's customers and the communities in which they live. This fact is made clear if only by the thousands upon thousands of comments filed with the Board and those presented at the Board's consumer comment hearings which opposed IPL's proposal. To our knowledge, this is a record level of consumer participation in a rate case docket. The vast majority of the thousands of comments in the docket are expressed by individuals who say they can't afford the rate increase because they are poor and/or on fixed incomes. DAG Witness Martin-Schramm provided some examples from Decorah:

> I just received the notice concerning the proposed base rate increase being requested by Alliant Energy. It is an eye-opener to say the least. How is someone on a fixed income suppose[d] to view a rate increase of 24.45%? Will Social Security have a similar cost-of-living increase? With inflation around 2% this proposed rate increase is shocking! Is there anyone in state government looking out for we citizens who do not have unlimited resources?
> Ken Larson, Decorah
> Email sent on March 5, 2019
> Filed on March 28, 2019
>
> I am asking for reconsideration of the increased rate proposal of 25%. As a retired person on a fixed income I find this huge increase ridiculous. So many things are increasing and then my electricity this huge amount please vote no. As a member of the Decorah community we voted in favor of keeping Alliant in a May of 2018 vote. We opted to keep Alliant instead of exploring a local municipality. I voted NO in order to keep rates low, just as Alliant's campaign said. They said a municipality would increase rates up to 30% or more. Not even 10 months after Alliant won that vote in their favor they are now proposing a 25% rate increase. I feel I was lied to and manipulated by their ad campaign and would ask the Utility board to please vote against the proposed rate increase.
> Marlene Sorenson, Decorah
> Submitted via Online Customer Comment Form, March 12, 2019
> Filed on March 28, 2019

> My name is Rebecca Goettl. I am a resident of Decorah. I've been here for almost five years now. I am a single mom of two kids. They're 7 and 9. . . My bill averages $280 for a two-bedroom apartment that I don't get a choice. I have to have the electric. If we have this increase my bill would go up almost $70. That would bring it to $347 a month just to keep the heat on. . . Thankfully my rent is only $350 because it's a crappy enough apartment. My kids hate where they live, but I can't afford anything else. And with this price increase I don't think I can. I don't know what I'm gonna do. . . . There are many other people who live in a lot of these downtown apartments that are in this exact same predicament because we don't get a choice. We have to pay it. We can't switch to gas or electric. So how am I supposed to pay my bills and feed my kids if we have this increase? And yes, I reject this—I want you guys to not accept this increase. Thank you.
> Rebecca Goettl, Decorah
> Oral Comments at Decorah Public Hearing, May 2, 2019
> Filed on May 28, 2019

See DAG Martin Schramm Direct, pp. 9-10.[4]

The proposed increase most directly and seriously affects IPL's 403,726[5] residential customers. DAG Witness Dr. Steve Holland, Professor of Economics and the Dahl Chair in Economics at Luther College in Decorah, testified that households respond to higher electricity prices either by reducing electricity use or, more likely, by reducing consumption in other areas. DAG Holland Direct Testimony ("***Holland Direct***"), pp. 6-7. Those households with a higher "energy burden"[6] will be affected the most. Id. Based upon the rates proposed in IPL's notice proposed electric rate increase, Dr. Holland computed the energy burden on customers at differing income levels under IPL's current and proposed rates and under MidAmerican Energy Company's current rates. The results appear in the table below:

[4] In addition, social service agencies filed comments in the docket or offered comments at the Board's public hearings articulating the same or similar concerns. These include statements from: Aase Haugen Senior Services (Decorah), Ecumenical Community Center Foundation (Cedar Rapids), Montrose Health Center (Montrose), Stonehill Franciscan Services of Dubuque, The Madison (Long-term care provider in Fort Madison), Swea City Senior Citizens Center, and the Winneshiek (County) Medical Center. See DAG Martin-Schramm Direct Exhibit 4.

[5] IPL 2018 Annual Report, found at https://iub.iowa.gov/records-information/information-utility-annual-report-filings

[6] A household's "energy burden," is the percent of household income that goes to pay for energy. One study found the average energy burden in the region that includes Iowa to be 3.2%. Id.

Annual income	Current electricity burden for IPL customers	Electricity burden for IPL customers after proposed rate increase	Electricity burden for MidAmerican customers[7]
$25,000	5.9%	6.9%	3.8%
$50,000	3.0%	3.5%	1.9%
$100,000	1.5%	1.7%	1.0%

With a current electricity burden of 5.9% alone, the total energy burden of IPL's customers with a median income of $25,000 is well above the regional average (3.2%). The electricity burden will grow to 6.9% if IPL's rate increase is approved, which is almost twice the electricity burden currently experienced by similar MidAmerican customers. Id., pp 7-9.

The consequences of increasing utility rates to high energy burden households can be serious as these households are more likely to attempt to reduce their electricity bills by simply using less energy, which results in colder and more humid homes which can harm human health, especially for children, the elderly, and those at risk for illnesses such as asthma. Id., p. 9.[8]

IPL's expressed intention to request additional and significant rate increases in the near future[9] will compound the harm caused by the rate increase proposed in this case. Mr. Holland testified that if IPL's rates continue to increase, the impacts on the customers and the local

[7] MidAmerican Energy Company, Iowa's other investor-owned utility. Calculations for MidAmerican used a price of $0.1055/ kWh and assumed the same average electricity use (756 kWh per month), based on IPL's response to OCA Data Request No. 6, filed as DAG Martin-Schramm Direct Exhibit 1.

[8] Dr. Holland also described in great detail how IPL's proposed rate increases will affect businesses, their employees, their competitive positions, and their customers. Id., pp. 3-10.

[9] See, Docket No. RMU-2018-0004, Transcript, pp. 23-27 (addressing the likelihood of more frequent rate cases if multiple future test periods are not permitted); Docket No. RMU-2016-0027, Transcript, pp. 24-25 (addressing the potential for a two year rate case cycle as in Wisconsin); See also IPL strategic planning documents filed as DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 4, pp. 1, 36, 41; DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 15, pp,. 2, 12; DAG Berg Surrebuttal CONFIDENTIAL Exhibit 1, pp. 1, 8; DAG Berg Surrebuttal CONFIDENTIAL Exhibit 2, pp. 1, 4.

economy will increase as well and that some are likely to grow over time with repeated rate increases. On the consumption side, as discussed previously, low-income consumers are likely to bear a disproportionate burden from repeated rate increases because their tighter budgets leave them less able to invest in energy efficiency and adjust their consumption in response to higher electricity prices. Id.

A comparison of the IPL's rates versus MidAmerican's rates, discussed by DAG Witness Dave Berg, corroborates DAG's position that IPL's rates are and will continue to be unreasonable. DAG Berg Direct Exhibit 4 shows a graphical comparison of IPL and MidAmerican Energy average rates from 2008 to 2018. As shown, IPL's rates were approximately 37% higher than MidAmerican's rates in 2008 (11 cents/kWh vs. 8 cents/kWh). Since that time, IPL has raised its rates 45% while MidAmerican has raised its rates 25%. The 2018 difference between IPL and MidAmerican average rates is now 60% (16 cents/kWh vs. 10 cents/kWh). Proposed increases by IPL will cause this rate disparity between Iowa's two investor-owned utilities to widen further. Id., pp. 8-9.

Further analysis by Mr. Berg shows that the primary reason for IPL's rapidly increasing rates is its growing rate base. See, Berg Direct, pp. 9-10. According to Mr. Berg, from 2009 to 2020, IPL dramatically increased its rate base by 194% even though it experienced very modest growth in sales to customers. While IPL's rate base additions may have been borne of reasonable goals, rate base additions should be balanced with their effect on customer rates. IPL's residential customers already pay some of the highest rates in Iowa. Double digit increases do not result in affordable energy. This is particularly true for low- and fixed-income customers. Id. On the basis of these facts, DAG concludes that IPL rates are excessive.

DAG is not the only party in this case that has expressed grave concerns over the magnitude of IPL's proposed rate increase. OCA, which is charged by statute with representing all utility consumers, expressed similar concerns over IPL's failure to address serious customer affordability issues. The summary of OCA's position on this case set forth in its Prehearing Brief is of particular relevance here:

> The primary purpose of utility regulation is to properly balance the competing interests of utility investors and ratepayers. In previous cases, the Board has cautioned Interstate Power and Light Company (IPL or Alliant) that IPL needed to make "customer impact" a "core focus" of its decision making process. In this case, OCA asks the Board to consider whether IPL has fulfilled this important obligation to its customers.
>
> OCA presents evidence that IPL has failed to give proper consideration to customer impacts when making important decisions including decisions regarding generation, tax planning, meter investment and grid investment. OCA explains that to the extent IPL considered customer interests at all, it did so with flimsy and incomplete analyses which were often nothing more than post hoc attempts to justify decisions IPL had already made.
>
> The Board should not consider this rate case in isolation. For the past ten years the Board has struggled to deal with IPL's inadequate commitment to customer interests. This rate case has implications for the future as well. Much of the investment for which IPL seeks recovery in this case represents a mere down payment on IPL's long-term plan to make extensive unjustified investment in its grid. The customer affordability issues at issue in this case will only get worse if the Board does not act now to impose long-overdue restraint on IPL and its runaway spending. IPL's customers need relief and count on the Board to protect their interests.

See Prehearing Brief of the Office of Consumer Advocate ("***OCA Prehearing Brief***"), filed September 16, 2019, at p. 1 (footnotes omitted).[10]

The Board should note that IPL made little effort to address the evidence offered by DAG and OCA concerning affordability. See IPL Witness Brummond's Rebuttal Testimony, pp. 10-13. DAG Witness Martin-Schramm's Surrebuttal Testimony pointed out that IPL's insistence

[10] That OCA has chosen to enter into the Settlement Agreement should not detract in any significant way from the importance of OCA's view of this case as expressed in its prehearing brief, particularly since it has not recanted any of its testimony in this case.

that it remains focused on delivering increasing value, at a reasonable cost, to its customers rings hollow to thousands of IPL ratepayers and numerous cities and counties who have filed comments in the docket opposing IPL's unprecedented proposed increase in base electric rates. As Dr. Martin-Schramm stated, one can only imagine how much this anger would grow if ratepayers knew IPL's plans for additional rate increases in the near future. See DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 15, p. 11. In addition, Dr. Martin-Schramm pointed out that IPL has totally ignored evidence that, despite its claims that it works to address the needs of its low to moderate income customers, the total number of IPL customers with payment agreements in March of each year grew from 1,416 customers in 2016 to nearly **76,000** in 2019 and some customers had a monthly payment agreement amount of more than $1,000. See OCA Parker Direct, p. 17 (emphasis supplied). Finally, while Dr. Martin-Schramm recognized that IPL contributes to various non-profit and charitable organizations that support IPL customers, these efforts only addresses symptoms, not the root causes of their problems, which is high electricity rates that have been increasing over the past decade. See DAG Martin-Schramm Surrebuttal Testimony, pp. 16-17.

In sum, IPL has substantially ignored concerns expressed by DAG (and OCA) over customer affordability issues created by this rate case. The Board should not do so.

B. THE NON-UNANIMOUS PARTIAL SETTLEMENT DOES NOT GO FAR ENOUGH TO MITIGATE THE DETRIMENTAL IMPACT THIS CASE WILL HAVE ON IPL'S CUSTOMERS.

DAG's disagreement with the proposed partial non-unanimous settlement agreement was laid out in the Objection filed by DAG on November 4, 2019. IPL, OCA (joined by IBEC and LEG) and the Environmental Intervenors have responded to DAG's Objection, alleging that DAG is ignoring the benefits of a settlement entered into through compromise. DAG appreciates the efforts of the settling parties, particularly OCA, to negotiate a lower revenue requirement, to eliminate burdensome rate design elements and to encourage more collaboration among the parties with respect to resource planning. However, DAG submits that the Settlement Agreement does not go far enough to address DAG's concerns about customer affordability, wealth extraction, discrimination against renewables and the need to address an appropriate generation mix. The Settlement Agreement locks in continued rapid rate increases through the proposed revenue requirement and capital structure terms, it ignores customer affordability issues, it ignores IPL's management inefficiency and its duplicitous efforts to mask the total effect of the rates proposed in this case and its future rate case plans, it ignores IPL's efforts to close the door on customer and community efforts to mitigate wealth extraction through participation in and ownership of clean energy, and it excludes DAG and parties like it from the "collaborative" processes laid out in the settlement Agreement.

The responses to DAG's Objection claim that DAG fails to acknowledge the $77 million reduction in base rates agreed to by the settling parties. In fact, the proposed settlement will still result in ***substantial double-digit rate increases*** for most of IPL's customer classes, and the residential class will still experience a 15.44% increase. Table 4 of IPL's response to the Board's November 1, 2019 Order Requiring Additional Information shows that IPL's Iowa electric rates will increase as follows as a result of the settlement as compared to the originally-proposed increases:

RPU-2019-0001 **Estimated Billing Impact on Base Electric Rates**		
Customer Class	**March 1 Notice % Increase (Mailed Flyer)**	**November 7 Filing % Increase (Table 4)**
Residential	24.45%	15.44%
Municipal Lighting	10.01%	9.70%
Non-Residential General Service	18.36%	10.69%
Large General Service	25.29%	15.38%
Large General Service - High Load Factor / Large Volume	17.83%	21.23%
Large General Service - Supplementary	33.23%	12.66%
Standby	-29.15%	-39.07%

While the impact of these rate increases will be softened in 2020 due to the refunding to customers of deferred income tax credit – money which belongs to IPL's customers in any event – those customers are going to be shocked the following year when they feel the full brunt of these increases.

The Responses go on to state that customer bills are estimated only to be $2 million more in 2021 due to the positive impact of New Wind I and II that will be fully in service that year along with the elimination of the Duane Arnold Energy Center Power Purchase Agreement ("***DAEC PPA***"). IPL's response either ignores or intentionally omits two important facts: 1) The buy-out of the DAEC PPA is not a result of this case or the settlement; IPL's customers will benefit from elimination of the PPA in any event; and, 2) the net $2 million increase in customer bills in 2021 still translates into a 10% total bill increase for residential customers along with significant increases in total bill expenses for almost all other ratepayer classes. See IPL's

November 7, 2019 Reply to the Board's November 1, 2019 Order Requiring Additional Information, Table 3.

IPL's Response also takes issue with the DAG Objection's assertion that there are no new measures proposed in the settlement to mitigate the existing electricity rate burden on IPL's customers. IPL claims that DAG is ignoring the benefits that IPL is providing to customers immediately upon the generation of wind from the New Wind projects, in the form of PTCs. IPL's argument makes no sense. The PTCs were a part of IPL's original rate increase application. That proposal was to raise residential electric rates by $24.45%. While the settlement reduces the carrying cost associated with the PTC carryforwards, the settlement still results in IPL's residential customers being socked with a 15.44% rate increase if the settlement is approved.

IPL goes on to claim that further customer value from the settlement derives from returning the unprotected EDIT of $35 million to customers in 2020. Again, IPL is being disingenuous. The unprotected EDIT (as well as the protected EDIT) represents dollars collected from IPL's customers. Those dollars are required, due to tax law changes, to be returned to customers as soon as possible. The return of these dollars has absolutely nothing to do with the largesse of IPL, but rather with the law. IPL is simply attempting, once again, to mask the total impact of its proposed rate increase by netting amounts already owed to customers against the increased revenue requirement sought in this case.

IPL also takes issue with DAG's comparison of IPL's rates with those of MidAmerican. IPL claims that its rates remain competitive regionally and nationally, and the fact that they are not as low as MidAmerican's in some instances is dispositive of nothing because MidAmerican and IPL are different companies with different cost drivers. IPL's claim is simply not reflective of actual fact. The fact is that IPL's ratepayers live in Iowa, not somewhere else in the nation, and the comparison to MidAmerican is apt; in fact, as pointed out in the previous section of this brief, OCA has made the same comparison. The fact is that IPL's rates are not as low as MidAmerican's in any ratepayer class. The fact is that the gap between MidAmerican's rates and IPL's rates is widening. IPL's attempt to minimize the obvious by comparing itself to rural electric cooperatives and municipal utilities must be rejected. IPL may have a lower customer density than MidAmerican, but cooperatives are much smaller than IPL, have a much higher percentage of their total sales going to residential customers and do not typically have a significant commercial or industrial customer base. IPL serves communities such as Cedar Rapids, Dubuque, Marion, Mason City, Marshalltown, Clinton, Burlington, and Ottumwa. These communities have populations ranging from 24,000 to 130,000. This is very different from the much smaller communities typically served by rural electric cooperatives. Berg Surrebuttal at p. 5.

IPL and OCA both take issue with DAG's position that the settled return on equity (ROE), at 9.5%, is excessive, because the proposed settlement return "is between" IPL's original request of 9.8% and those originally proposed by OCA (8.9%) and IBEC (9.2%). For purposes of the current discussion DAG will point out that the return on equity is not rendered reasonable simply because it is in the middle of all of the suggested alternatives. It must be shown to be reasonable based on market conditions. Decisions of other commissions during the pendency of this rate case indicate that a lower ROE is demanded simply due to current market conditions. For example, the South Dakota Public Utilities Commission recently awarded Otter Tail Power

Company a ROE of 8.75%,[11] and the Minnesota Public Utilities Commission recently awarded Northern States Power Company a ROE of 9.2%.[12] Moreover, the "concession" being made by IPL on ROE is not a concession at all – [redacted], as is shown by its own strategic planning document in the record as DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 15, p. 12. However, and most important, DAG takes issue with the ROE because it has not been reduced to recognize IPL's management inefficiency – which will be discussed in the Section IV.C. of this brief.

As to the 51% equity layer proposed in the Settlement Agreement, IPL and OCA both claim that this concession alone results in a reduction of millions of dollars to the revenue requirement. What this concession speaks to is that IPL's original proposed equity layer of 53% was bloated, and likely for the sole purpose of serving as a bargaining chip for settlement. IPL's own strategic planning documents show that the proposed settlement equity [redacted]. See DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 15, p. 12. In other words, the 51% common equity ratio [redacted].

In sum, the Settlement Agreement in general may be a first step in reducing IPL's proposed rate increase but it is only a first step. Other steps should be taken by the Board to modify the settlement. Those other steps are addressed in DAG's objections to specific aspects

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11 In the Matter of the Application of Otter Tail Power Company for Authority to Increase its Electric Rates, Docket No EL 18-021, "Final Decision and Order; Notice of Entry" (S.D. PUC May 30, 2019), found at https://puc.sd.gov/commission/orders/electric/2019/el18-021final.pdf.

12 In the Matter of the Petition of Northern States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2017 and 2018, and Revised Adjustment Factor, Docket No. E—002/M—17-797, "Order Authorizing Rider Recovery, Setting Return on Equity and Setting Filing Requirements" 2019 W.L. 4803309 (Minn. PUC Sept. 27, 2019).

of the proposed settlement as discussed in the following sections of this Brief. Only by taking those steps will a settlement of this case result in reasonable, just and non-discriminatory rates.

C. THE SETTLED RETURN ON EQUITY SHOULD BE LOWERED IN RECOGNITION OF IPL'S CONTINUING DUPLICITOUS EFFORTS TO MASK THE TRUE EFFECT OF THIS RATE CASE AND ITS FUTURE RATE PLANS AND OTHER EVIDENCE OF ITS MANAGEMENT INEFFICIENCY.

Iowa Code § 476.52 requires Iowa's utilities to operate efficiently and provides that if they do not do so, the Board is authorized to penalize them:

> It is the policy of this state that a public utility shall operate in an efficient manner. If the board determines in the course of a proceeding conducted under section 476.3 or 476.6 that a utility is operating in an inefficient manner, or is not exercising ordinary, prudent management, or in comparison with other utilities in the state the board determines that the utility is performing in a less beneficial manner than other utilities, the board may reduce the level of profit or adjust the revenue requirement for the utility to the extent the board believes appropriate to provide incentives to the utility to correct its inefficient operation. . . .

If a case ever cried out for the Board to exercise its authority under § 476.52 it is this one. This case shows very clearly that IPL has engaged in activities designed to mislead its customers with respect to this rate case and its future rate plans, that it is underperforming in management compared to Iowa's other investor-owned utility, that its proposed rate increase in this case will have a significantly deleterious economic effect on the communities it serves, especially its poor and fixed income customers and that its shareholders are faring much better than its ratepayers. For these reasons, the Board should significantly reduce the ROE proposed in the Settlement Agreement.

1. IPL's Duplicitous Behavior. Since the beginning of this case, IPL has sought to hide the true impact on its customers, in an effort to reduce or eliminate customer opposition to the case. While that effort may have failed, in that this Board has received thousands of

complaints about the case, it is not because IPL did not make the effort. IPL must be held accountable for engaging in such duplicitous behavior.

IPL's effort to mask the effect of its proposed rate increase in this case began with its draft customer notices. The notices were docketed as Docket No. RPU-2018-0004. The draft notices also sought to show "offsets" to the proposed base rate increases that it alleged would result from lower energy costs, lower energy efficiency program costs, lower fuel costs alleged to be experienced as a result of the early termination of the DAEC PPA and other such anticipated cost reductions, none of which would result from matters at issue in this case.[13] The Board saw through IPL's effort and rejected the notices, refusing to allow IPL to include the "offsets".

IPL, however, continues to claim "offsets" to the rate increase proposed in this case in an effort to downplay the total effect of this case on its customers. During the hearing in this case, IPL presented what has come to be known as "the waterfall exhibit". That exhibit, admitted into evidence as IPL Hearing Exhibit 4, is a graphic representation of IPL's efforts throughout this case to mask the overall effect of this case. The waterfall exhibit includes "offsets" to the proposed rate increase for refunds and credits that are not the result of anything at issue in this case (e.g., the DAEC PPA) or that represent ratepayer moneys that IPL is legally required to return to its ratepayers (e.g., EDIT). The real value of the waterfall exhibit is it shows that in the absence of this rate case, IPL's customers would have seen a net $90 million rate reduction in 2023 as a result of termination of the DAEC PPA. See Hearing Transcript – Public, Vol. 1, pp. 160-64. That is, if IPL had simply waited until the DAEC PPA terminates in 2023, it would not have needed the rate increase that it seeks in this case.

[13] See, "Application for Approval of Non-Standard Notices, filed by IPL on December 24, 2018, Docket No. RPU-201-0004.

Even though this case is nearly over, IPL continues to misrepresent the effect of this case on its customers' rates. The City of Wellsburg recently but the question of municipalization on the ballot for the November 5, 2019 election. IPL is the electric provider in Wellsburg and its system was the subject of the municipalization proposal. In the week leading up to the election, there was a public meeting at which both the proponents and opponents of the measure spoke, including IPL. At that meeting, IPL's representative stated that "between 2018 and 2021, rates would only increase by a net of about 0.4% in Wellsburg".[14]

IPL's misrepresentations have not been limited to the specifics of this rate case, but also representations about its rate case filing plans and the number of rate increases it is likely to request in the future that were made during the Decorah municipalization effort that took place in 2017 and 2018.[15]

Before the effort to establish a municipal utility could move forward, a referendum had to be voted on by the citizens of Decorah. IPL opposed the municipalization initiative and undertook an active marketing and public relations campaign against the effort. DAG Berg Direct Exhibit 7 is public information that IPL's feasibility study consultant, Concentric Energy Advisors ("***CEA***") provided prior to the vote in 2018.[16] On page 40 of the feasibility study report, CEA states that they "assumed a rate case increase every third year with a 3 percent increase." On page 42 of the feasibility report, it additionally states as an assumption: "Alliant

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14 See "Sparks fly at Alliant meeting in Wellsburg", published in The Grundy Register, November 1, 2019, found at https://thegrundyregister.com/content/sparks-fly-alliant-meeting-wellsburg

15 In fact, the Board required IPL to respond to questions about its representations during the municipalization effort in this docket. See the Board's July 10, 2019 "Order Requiring Additional Information".

16 The first 26 pages of DAG Berg Direct Exhibit 7 contain a PowerPoint presentation made by CEA to the Decorah City Council, dated February 5, 2018. The remainder of DAG Berg Direct Exhibit 7 is the feasibility study report and relevant attachments from CEA.

rate case increase of 3.00 percent every third year starting in 2021 (after the 6.10 percent assumed rate increase in 2018)." Just one year after making that assumption, IPL has requested an increase of 11.7%. IPL's senior management team was present with CEA during the presentation of the feasibility report, as was Decorah's consultant, DAG Witness Berg, and not one of the members of IPL's team contradicted CEA. On numerous occasions, representatives of IPL publicly stated they stand by the conclusions of the CEA report and the report was based on best-possible company predictions. Berg Direct, pp. 12-13.

DAG Berg Direct Exhibit 8 is an example of a promotional mailer sent by Alliant to Decorah customers prior to the May 1, 2018 referendum regarding municipalization. This mailer encouraged Decorah citizens to vote no so they can vote no "to a double-digit rate hike." Another flyer warned Decorah customers that they would face a 30% rate hike if a municipal utility was established in Decorah. See DAG Martin-Schramm Surrebuttal Exhibit 14. These are merely two examples of ways Alliant was advertising to persuade their captive customers to vote "no" on the referendum.

IPL Witness Bauer testified that at the time of the original CEA study, IPL "had not yet made a decision on whether to file a rate review and the magnitude of any such filing" and that "the CEA Feasibility Study represent[ed] the most accurate and current information that was in IPL's possession when it was prepared." See IPL Bauer Rebuttal, p. 35 -36. However, IPL's own strategic planning documents show that IPL had definitely been *planning* since 2016 to file a rate case in 2019. The following regulatory assumptions for IPL are reported on page 8 n the "2016-2019 Preliminary Financial Plan Update" presented at the Alliant Energy Strategic Planning Board Meeting on July 25, 2016:

[redacted]

See DAG Martin-Schramm Surrebuttal Testimony, CONFIDENTIAL VERSION, pp. 8-9; DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 2, p. 15. This information demonstrates that at the time of IPL's presentation to the Decorah City Council on February 5, 2018, IPL did plan to file a rate case in 2019. This evidence shows clearly that the CEA study was not, as alleged by Mr. Bauer, "the most accurate and current information that was in IPL's possession when it was prepared." See IPL Bauer Rebuttal Testimony, p. 36.

The Decorah municipalization referendum lost by three votes. Both Mr. Berg and Dr. Martin-Schramm have testified that the vote was influenced by IPL's PR effort. Berg Direct, p. In fact, Dr. Martin-Schramm testified that had IPL been honest with the Decorah voters about its plans for rate increases, the vote would have been much different. See Berg Direct, p. 15; Hearing Transcript – Public, Vol. II, p. 444.

IPL claims that none of this matters because CEA's updated feasibility study, performed during the pendency of this case, still shows that Decorah's citizens would face higher rates if its electricity supplier were a municipal utility. See Bauer Rebuttal, p. 36. That may or may not be true, since the validity of CEA's study was never litigated, but it also misses the point. The point is that IPL concealed its true plans for rate case timing and magnitude from CEA and the citizens of Decorah.

Moreover, and perhaps even more important, when IPL asked CEA to update its study during the pendency of this case, the Company continued to conceal its future rate case plans from CEA. The evidence in this case shows that:

CEA's original feasibility study included the following assumption:

> Concentric assumed that Alliant's rates will increase by approximately 6 percent in 2018 based on Alliant's current [2017] rate case request and 3.0 percent every third year beginning in 2021 based on analysis of Midwestern rate case frequency and magnitude. *See* DAG Martin-Schramm Surrebuttal Exhibit 3, p. 8)

Concentric Energy's updated feasibility study includes the following assumption:

> [redacted].

See DAG Martin-Schramm Surrebuttal CONFIDENTIAL Exhibit 7 (Attachment C, p. 1)[17].

See DAG Martin-Schramm Surrebuttal Testimony, CONFIDENTIAL VERSION, pp. 11- 13. The updated feasibility study makes the very same assumption about IPL's future rate case plans as did its original feasibility study. IPL's misrepresentations continue.

IPL Witness Bauer tried to distance himself from his testimony during the hearing by claiming that he was not aware of the IPL Strategic Plan until he saw IPL's data request responses to which the strategic planning documents were attached. See Confidential Hearing Transcript, Vol. III, p. 560. That response begs the question. The management of IPL was certainly aware of the strategic planning documents that Mr. Bauer admits would have been in existence throughout 2018. Id., pp. 561-63. Despite that awareness, by allowing CEA to project

17 Dr. Martin- Schramm noted in his prefiled Surrebuttal Testimony that "[o]n their face, these two statements result in significantly different outcomes for customers. The original study projects the equivalent of 1% CAGR rate increases beginning in 2021. The updated study projects the equivalent of 3% CAGR rate increases beginning in 2023. No explanation was given for this significant change." Id. However, at the hearing, Dr. Martin-Schramm explained that the spreadsheets that accompanied the updated study confirmed that the assumption was a [redacted]. See Confidential Hearing Transcript, Vol. II, pp. 552-56.

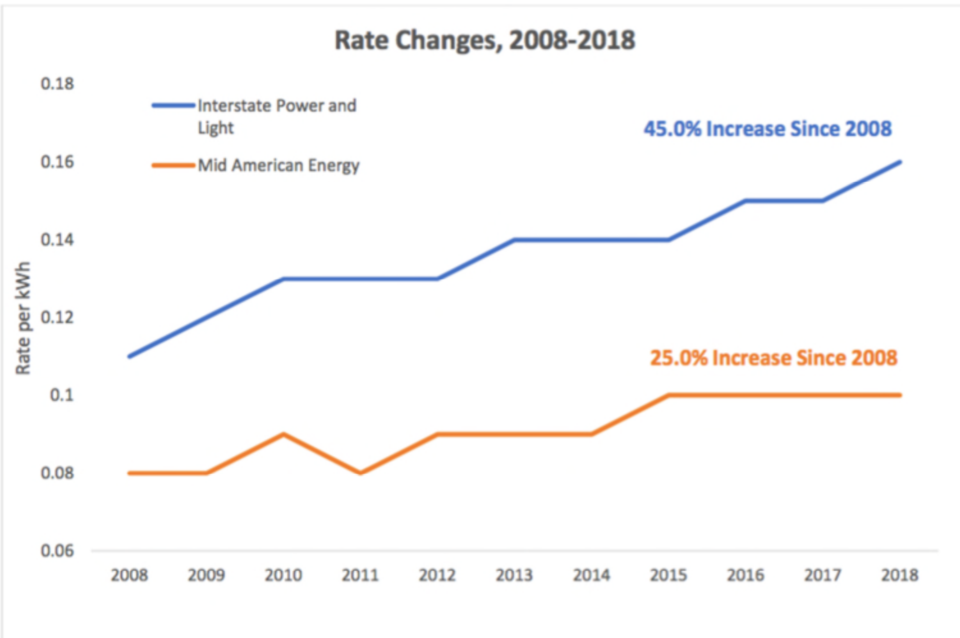
IPL rate increases of 3% every three years and allowing the CEA study to be published to the citizens of Decorah, IPL seriously misled those citizens, and continues to do so.

The Board should not countenance IPL's duplicitous behavior as exhibited in its efforts to mask the true impact of this rate case and to mislead the citizens in Decorah concerning its plans for future rate case increases. For that reason alone, IPL should suffer a substantial reduction to the settled ROE. DAG deliberately chooses not to furnish the Board with a recommendation regarding the reduced ROE because, in our view, this is solely within the discretion of the Board and is not limited by recent precedents or decisions by other public utility commissions.

2. Less Beneficial Financial Performance and Resultant Harm. The substantial evidence in this case shows that IPL is performing in a significantly less financially beneficial manner than other utilities in Iowa. Dr. Martin-Schramm's Direct Testimony provided the following table that summarizes how IPL's 2017 electric rates compare to: 178 other public utilities in the Midwest, 14 investor-owned utilities in the Midwest, and the other investor-owned electric utility in Iowa, MidAmerican. This table shows that MidAmerican has the lowest rates in the Midwest and IPL's rates are *significantly higher in each class compared to MidAmerican.*

2017 Electric Rates	**IPL (178 Midwest Utilities)**		**IPL (14 Midwest IOUs)**		**IPL/MidAmerican Percentage Difference**
	Rank	**Cost/kWh**	**Rank**	**Cost/kWh**	
MidAmerican Residential	48	$0.1055	1	$0.1055	
IPL Residential	167	$0.1527	12	$0.1527	44.7% higher
MidAmerican Commercial	10	$0.0794	1	$0.0794	
IPL Commercial	98	$0.1100	10	$0.1100	38.5% higher
MidAmerican Industrial	1	$0.0542	1	$0.0542	
IPL Industrial	37	$0.0800	11	$0.0800	47.6% higher

IPL attempts to minimize the impact of this table by claiming that it and MidAmerican "are different utilities." That is true enough but IPL ignores the fact, without explanation, that the gap between its rates and those of MidAmerican is widening, as is shown by the following chart prepared by the Legislative Service Agency at the request of Iowa Representative Sharon Steckman of Mason City:



See Martin-Schramm Direct, pp. 7-8. This growing rate disparity is harming IPL's customers and the communities it serves in the following ways:

- The difference in rates for industrial customers has given communities served by MidAmerican a major economic advantage over communities served by IPL;
- The difference in rates has a deleterious effect on the communities served by IPL, as shown by the objections to IPL's proposed rate increase filed by 63 towns, cities and counties in IPL's service territory to date; and,
- The difference in rates has a significant deleterious impact on poor and fixed-income customers of IPL (as discussed previously in this brief).

Id., pp. 7-12.

3. Shareholder v. Ratepayer Inequities. That IPL's shareholders have fared much better than its ratepayers in recent times is illustrated by the following example given in an article in the Cedar Rapids *Gazette:*

> MidAmerican, which operates its own transmission services, spent about $71 million on transmission expenses in 2017. Alliant Energy, which contracts with ITC Midwest for transmission services, spent more than $313 million that year.
>
> Also in 2017, transmission expenses accounted for about 1.8 cents per kWh for Alliant customers — yet only 0.2 cents per kWh for MidAmerican customers, according to data filed with the Iowa Utilities Board.[18]

More important, according to the website Fortune 500, Alliant Energy's (IPL's parent company) five-year annualized return to shareholders through 2018 has been 14.1%; over ten years the annualized return has been 15.6%.[19] This rate of return to shareholders is more than double the rate the Alliant strives to provide each year. IPL President (and Alliant's Senior Vice President of Utility Operations), Terry L. Kouba, made the following comments about this topic during the public hearings about this rate case:

> We try to provide anywhere from 5 to 7 percent of total shareholder value on an annual basis. (Decorah hearing transcript, p. 73).
>
> We have a goal to try and provide 5 percent as a shareholder return year after year. (Cedar Rapids hearing transcript, pp. 95-96)
>
> The shareholder return question, it's no secret, this is public information, we strive for a 5 to 7 percent total shareholder return year after year, in that range, and that's what we do and that's pretty common for utilities. And, again, that's public information. (Dubuque hearing transcript, pg. 102)

See Martin-Schramm Direct, pp. 13-14.

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18 Mitchell Schmidt, "The Cost of Things: Why Energy Bills in Iowa Keep Growing," *The Gazette*, July 14, 2019,
https://www.thegazette.com/subject/news/iowa-cost-of-living-electricity-bill-growing-alliant-energy-midamerican-energy-costs-20190701.

19 https://fortune.com/fortune500/alliant-energy/

Given that IPL customers in all rate classes pay significantly more for electricity than customers of MidAmerican, and given that Alliant Energy reported $512.1 million in profits in 2018, and given that IPL is now (as a result of the settlement) requesting a $127 million increase that will raise base rates for residential customers by 15.44%, it is clear that IPL is functioning in a less financially beneficial manner to its customers compared to MidAmerican. It is also clear that IPL is functioning in a less financially beneficial manner to its customers compared to its ultimate shareholders. The Board should prioritize the interests of Iowa ratepayers and subordinate the interests of IPL shareholders to the interests of IPL ratepayers. The current "balance" of interests is patently unjust. This fact, combined with IPL's clear efforts to mislead as outlined previously, and additional evidence of IPL's management inefficiency noted by OCA Witness Parker (OCA Parker Direct, p. 39), should compel the Board should use its powers under § 476.52 to significantly "reduce the level of profit or adjust the revenue requirement for the utility to the extent the board believes appropriate to provide incentives to the utility to correct its inefficient operation."

D. SEVERAL OTHER ASPECTS OF THE SETTLEMENT AGREEMENT SHOULD BE MODIFIED BY THE BOARD IN FAIRNESS TO IPL'S CUSTOMERS.

DAG has addressed certain aspects of the Settlement Agreement in the immediately prior two points. This point will address DAG's positions on each of the remaining items addressed by the Agreement to which it objects, most of which received very little engagement on the part of IPL in its Response to Objection. To the extent that other items in the Settlement Agreement are not discussed here, DAG does not object to them.

1. Article VIII.A. – Rate Base. DAG does not specifically object to the settled rate base amount but notes that rate base additions constitute the primary driver for this rate case.

Berg Direct, p. 10. Further, DAG Witness Berg pointed out that from 2009 to 2020, IPL's rate base has increased 189% (from $2.12 billion in 2009 to $6.13 billion in 2020) while during the same period, IPL experienced very little customer growth. Id. See also DAG Berg Direct Exhibit 6. IPL's retail electric rates are among the highest in Iowa and they are increasing at a faster pace than its competitors. The addition of facilities to rate base must be prudent. Once facilities have been added to a utility's rate base, it is difficult if not impossible to facilitate any kind of rate relief for long periods of time. IPL's internal documents acquired through discovery suggest that the utility will continue to add significant facilities to its rate base, which if left unchecked, will contribute to ever increasing rates for IPL retail customers. For these reasons, DAG encourages the Board to 1) examine more closely in advance ratemaking proceedings the actual need for additional facilities proposed by IPL (and other utilities); and 2) open a new docket to examine IPL's long-term plans regarding rate base additions and integrated resource planning ("***IRP***") results impacting generation plans.

2. Article IX – Resource Planning. The failure of IPL to engage in any serious resource planning currently is additional evidence of its inefficient management. That aside, DAG again encourages the Board to open its own docket to examine IPL's resource plans, including plans for those resources it co-owns with MidAmerican and/or other utilities. It is simply not possible to examine the plans for only part of resources, and MidAmerican's proposal that the Board do so should be rejected.[20] DAG submits that the resource planning agreement set out in the Settlement Agreement should be formal and conducted by the Board. DAG continues to have concerns about how fruitful these consultations will be, given its previous involvement in similar consultations involving IPL. The most likely result, in DAG's view, will be that little

[20] See, MidAmerican Energy Company's Comments on the Proposed Non-Unanimous Settlement Agreement, filed on October 16, 2019.

will be accomplished and we will all find ourselves down the road having accomplished nothing but a delay in resolving the very serious issue of resource planning. However, should the Board decide to give the proposal set out in Article IX a chance to play out, DAG urges the Board not to approve the exclusion of DAG and other parties interested in this issue, from the process. DAG and its members have expertise in these matters that might assist in a positive way. In addition, DAG has been the only party in this docket to expressly voice the necessity to consider community impacts in generation planning. IPL claims that DAG should be excluded from the process because it did not join in the settlement. That argument, however, is specious, given that DAG was not included in the settlement discussions until the very end and then only in a perfunctory way. Accordingly, DAG suggests that if the Board is inclined to approve Article IX in principle, it modify the Article to allow for participation by others who have the requisite interest and expertise even though they were not parties to the Settlement Agreement.

3. <u>Article X – Communication and Grid Projects</u>. DAG's concerns with Article X are the same as those it has voiced with respect to Article IX, i.e., continued concern over the likelihood of a fruitful collaboration and the exclusion of DAG and others who were excluded from meaningful participation in settlement discussions or who may not even have been parties to this case. DAG urges the Board to modify Article X in the same way that it has urged the Board to modify Article IX.

4. <u>Article XI – PTC Carryforwards</u>. DAG sees that there has been some compromise on the PTC Carryforward issue but submits that 1) better tax planning would have resulted in to cost to ratepayers associated with the PTCs; and 2) IPL should have more fully disclosed its net operating loss position in the ARP dockets for New Wind, so that the Board could have had a more precise value for the proposed wind projects. For these reasons, DAG

believes the Board should not allow any return on the rate based PTCs, or should only allow a very small return.

5. Article XII – Renewable Energy Rider ("***RER***"). Based upon IPL's Revised Hearing Exhibit 11, it appears that customers will see very little decrease in their bills due to the RER. This very minor decrease of one-tenth to four-tenths of one cent per kilowatt hour hardly seem worth the effort of creating a new rider that will appear on the customer's bills. The primary advantage of the RER is to IPL – i.e., in not being compelled to bring a rate case to put the New Wind projects into rate base when they go into service. Instead, IPL can simply flow the costs through automatically. DAG understands that the RER is limited to New Wind and that anyone can challenge it in IPL's next rate case or anyone can propose continuation. DAG submits it sets a bad precedent. The history of advance ratemaking proceedings in this state reveals that very little time and effort has been spent in examining the actual necessity for the projects that go through ARP proceedings, in particular, renewable energy projects. Given that fact, and the fact that those same renewable energy projects have not had to go through the rigors of a certificate of need proceeding pursuant to Iowa Code 476A, where need is thoroughly examined, the only real proceeding in which prudence and necessity can be looked at is in rate cases. With the proposal for the RER, those issues will no longer be examined in a rate case. That result works to the ultimate detriment of the ratepayers. Since the RER itself here results in very little, if any, benefit to ratepayers, DAG recommends that the Board not approve it.

6. Article XIV – Interim Rates. Previously herein, DAG has recommended that the Board reduce the settled ROE to recognize IPL's duplicitous behavior and its management inefficiency. The reduced ROE is the ROE that IPL should be ordered to use for interim rates in its next rate case.

7. Article XVI.F. – Rate Design – Customer Charge. Due to the settlement, DAG finds that it is the sole intervenor continuing to focus on IPL's proposed Customer Charge, which is an extraordinary burden to IPL's captive customers. DAG does not object to a customer charge at some level, but believes that IPL's proposed $13 customer charge is unreasonable. The increase in the Customer Charge proposed by IPL in this case, combined with that approved by the Board in IPL's last rate case, would result in a **24%** increase over three years (i.e., from $10.50 to $13.00).

DAG Witness David Osterberg agreed that some costs can reasonably be allocated on the basis of the number of customers rather than on the energy consumed by customers, so some level of fixed customer charge is reasonable. See DAG Osterberg Direct Testimony ("***Osterberg Direct***'), p. 11. Mr. Osterberg cited, a recent monograph on rate design that concludes: "These costs are always quite small, typically amounting to no more than $5 to $10 a month per residential customer." [21]

In IPL's case, there is no social reason for the customer charge to be increased. There is certainly no benefit to IPL customers and the charge has no effect on customer behavior. In fact, increasing this charge has a detrimental effect because it reduces the amount of the rate request that would fall on kilowatt-hour charges that do lead to changes in customer behavior. Id., pp. 4-5.

Customer Charges are also discriminatory against low and LMI residential customers. As a group, LMI residential customers use less electricity than more affluent customers since they tend to live in smaller homes and apartments, even though they have less-efficient electrical

[21] Lazar, J. and Gonzales, W., Smart Rate Design for a Smart Future. Montpelier, VT: Regulatory Assistance Project (2019), available at: http://www.raponline.org/document/download/id/7680.

equipment. Id., pp. 5-6.[22] LMI residential customers have a greater incentive to conserve since they must watch all their costs to live, and since they pay a much higher percentage of their income on energy costs than do those with higher incomes. Id. Customers who produce some of their own electricity through distributed generation, mainly roof top solar customers, are also disadvantaged by increases in the Customer Charge. Id., p. 7.

Were the Board to adopt the methodologies proposed by utility theorist James Bonbright and followed by the modern practitioners discussed in Mr. Osterberg's testimony, the IPL customer charge would be much closer to MidAmerican Energy's $8.50 customer charge. By simply modifying the methodology adopted by IPL witness Vogensen, Mr. Osterberg recommends that IPL's proposed fixed mandatory Customer Charge be reduced by $1.35 (to $10.15 per month) for residential customers and by $3.13 (to $15.87 per month) for general service customers, and that the Board order IPL to collect the remainder of the rate increase approved in this case in the volumetric charge. This result gives IPL's customers the option to reduce their consumption and reduce their total bill.[23]

E. THE BOARD SHOULD REJECT IPL'S REGIONAL TRANSMSSION SERVICE ("RTS") RIDER BECAUSE IT SUBVERTS THE NET BILLING TARIFF, DOUBLE CHARGES FOR TRANSMISSION, AND IS AN ATTEMPT TO DISSUADE CUSTOMERS FROM INVESTING IN SOLAR POWER.

As the Board is well aware, during the 2019 session of the Iowa Legislature, Iowa's utilities attempted to obtain authorization for far reaching net energy metering tariffs and were resoundingly rejected. As a result, IPL is now proposing to accomplish a similar end at the Board by changing its existing net metering/net billing tariff. IPL's proposed RTS Rider

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[22] See also, Wood, L, Hemphill, R, Howat, J, Cavanagh, R, and Borenstein, S. Future Electric Utility Regulation/Report No.5, Lawrence Berkeley National Laboratory (2016), p. 66.

[23] Mr. Osterberg's calculations are described in Osterberg Direct at p. 9 and were modified as a part of his cross-examination. See Hearing Transcript – Public, pp. 421-22.

proposes to apply the regional transmission service charge to all "kWh consumed by the customer and delivered by the Company." Previously the RTS charge was only applied to the total (net) kWh delivered each month. This change would only affect customers with distributed generation – most of whom are on the original net metering or the current pilot net billing tariff - forcing them to pay transmission costs for a portion of the energy they produce. Osterberg Direct, p. 14.

The Board should not approve the RTS rider because, as the substantial evidence in this case shows, it: 1) proposes fundamental changes to the net-metering agreement approved by the board in Docket TF-2016-0321; and 2) results in inappropriate double charging of transmission fees by the Company and discrimination against net metering/net billing customers.

Any changes to the net billing tariff should be implemented only after the Board conducts a thorough review of the tariff changes and their likely impact. The current net billing tariff was developed during the three-year "distributed generation" docket NOI-2014-0001 through extensive input from stakeholders throughout IPL's service territory. The "Order Approving Compliance Tariffs, Requiring Submission of Data, and Closing Docket", at pages 1-2, clearly stated "participating customers be afforded the tariff terms for the life of their interconnected equipment if the Board should determine not to make the tariff provisions permanent". The proposed change to RTS would represent a significant change to the net billing tariff terms. This is not the appropriate docket to revise – directly or indirectly – significant terms of IPL's net billing tariff.

Furthermore, approving this rider would allow IPL to charge customers for services IPL did not provide. Id. Mr. Osterberg provided the following example to illustrate his point:

> Let's assume a small 2-kilowatt solar system owned by an IPL customer connected to the IPL system. The total production is 2,000 kilowatt-hours (kWhs)

> per year and 200 kWhs are produced during sunny days when production exceeds electric use at the customer's property. This self-generated electricity passes into the neighborhood to serve other IPL customers. IPL continues to produce and transport an additional 6,000 kilowatt-hours to the property. The 200 kWhs that pass on to the distribution grid is netted against those the Company supplies. IPL wants to charge also for transporting this electricity even though the Company did not transport it at all and it will reduce the total electricity IPL supplies to the neighborhood. This is double counting and double charging and should not be allowed.

IPL stated on rebuttal that it did not intend to charge its customers for electricity that is self-produced and self-consumed by its customers, but rather only to those customers who do not consume all they generate. This is obfuscation. Mr. Osterberg was not talking about the energy a distributed generation customer self-consumes on their side of the meter, but about the surplus energy fed into the distribution grid subject to the terms of the net metering/net billing tariff. Both the original and current pilot tariff, in providing kWh credit for this energy, inherently recognize and credit the avoided transmission value in that customer-produced energy fed into the grid, which IPL's RTS proposal would deny. <u>See</u>, DAG Osterberg Surrebuttal Testimony ("***Osterberg Surrebuttal***"), pp 3-4. There is no difference between a customer who consumes all of his or her generation and therefore is not subject to the RTS and another customer who exports his or her excess generation only to the local distribution grid for use by neighboring homes or businesses, i.e., without ever utilizing the transmission grid. Neither customer is making use of the transmission system. <u>Id.</u>

This is a critical point. Mr. Vognsen's rebuttal testimony claimed that IPL is only proposing to assess the RTS charge when a customer is utilizing the transmission system. He states that "in any hour the billing meter registers kilowatt-hours flowing from the grid to the customer … kilowatt-hours are provided to the customer from IPL-provided generation, not private generation. The IPL kilowatt-hours are power provided by IPL generator resources and require use of the transmission system to reach the customer." Vognsen Rebuttal, pp. 47-48.

It is simply not true that in every hour that power is delivered to an IPL customer via IPL distribution lines, every kilowatt-hour of that energy comes from IPL generation and utilizes the transmission system. When a distributed generation/net billing customer is generating surplus energy beyond what is being self-consumed, as in Mr. Osterberg's example above, that surplus energy is (for well over 99% of distributed generation/net billing customers) entering the distribution system and serving the nearest non-distributed generation customer, without ever reaching the transmission system. Yet, IPL is charging that non-distributed generation neighboring customer the transmission charges on that energy even though it was not in fact "power provided by IPL generator resources" and did not "require use of the transmission system to reach the customer" – it came from the neighbor's solar panels.

Through the proposed change to the RTS rider, IPL would now charge transmission to the distributed generation customer when utilizing his or her net metering/net billing credits (not previously subject to the transmission charge). This results in IPL charging transmission fees to two separate customers for just one kilowatt-hour of energy generated by the Company and supplied through the transmission system. The only solution to avoid double-charging by the Company is to not charge one of these customers the transmission fee: either the neighbor receiving the distributed generation-produced energy or the distributed generation/net billing customer itself, who actually produced the energy. Clearly, the distributed generation customer created the avoided transmission value, and should receive the credit, which is exactly what happens under the past net metering and current net billing tariffs.

IPL's proposed change to the RTS rider both subverts an existing tariff (the net billing pilot) that should not be part of this docket, and inappropriately results in the Company charging transmission fees to two separate customers for the same unit of energy. The change should be rejected, and the Company directed to address the issue, if necessary, in the next/subsequent distributed generation/net billing proceeding.

F. IPL'S LARGE GENERAL SERVICE – SUPPLEMENTAL RATE CLASS SHOULD BE ELIMINATED AND CUSTOMERS CURRENTLY SERVED UNDER THE LGS-S RATE SHOULD BE MOVED TO THE LARGE GENERAL SERVICE RATE.

In IPL's last rate case, IPL proposed and the Board approved the Company's proposal to split the Large General Service rate class into two separate classes -- Large General Service ("***LGS***") (Rate 440) and Large General Service–Supplemental ("***LGS-S***") (Rate 800). IPL's tariff states that the LGS-S rate is "[a]pplicable to power and lighting requirements of Large General Service Customers having their own generating facilities and desiring supplementary power." In the tariff, Supplementary Service is defined to mean "electric energy or capacity supplied by the Company in addition to that which is normally provided by the Customer's own generation equipment."

Luther College has 660 kW ac of solar generation located behind its main campus meter. As a result of IPL's last rate case, IPL moved Luther College from the LGS rate to the LGS-S rate. IPL shifted Luther College to the 800 Rate plan after the Board issued an order on April 26, 2018 approving IPL's revised compliance tariffs in RPU-2017-0001. DAG Witness Martin-Schramm has testified that this shift came as a surprise to Luther College and, undoubtedly, to some of the other approximately 50 LGS customers who have supplementary power systems installed behind their meters. Martin-Schramm Direct, pp. 21-22; Transcript, Vol. II – Public, pp. 438-39.

A review of the Board's discussion of this topic at pages 65-71 of the Board's final decision in Docket No. RPU-2017-0001 reveals that the vast majority of the discussion revolved around the terms associated with a new standby power rate since IPL had proposed separating standby and supplementary power services into two different rate tariffs. The record reflects very little discussion about the justification for a supplementary power rate apart from noting, at page 67, that:

> LEG does not object to treating LGS customers receiving supplementary service as a separate class because the basic structure in the proposed supplementary service tariff will be the same as the LGS tariff service, with minor CCOS-based allocation differences.

However, substantial evidence in this case shows that the cost impact of being shifted from the 440 Rate to the 800 Rate under IPL's originally proposed rates in this docket is significant and not minor. <u>See</u> Berg Direct, pp. 3-8. As detailed by DAG Witness Berg in his Direct Testimony at pages 3-7, this was particularly true for customers within Rate Code 800 taking service under the non-TOD rate option. Mr. Berg testified that IPL Witness Vognsen's cost-of-service study results did not justify a larger increase for LGS-S customers. Specifically, Mr. Berg stated: "I don't believe the separate 800 rate is justified, …" With respect to Luther College, a Rate Code 800 customer, Berg stated: "This is a significant disparity in rate impact that I do not believe can be supported by IPL's cost to serve Luther." <u>Id.</u>, p.5.

In Surrebuttal Testimony, DAG Witness Berg (page 8-10) noted that Mr. Vognsen did not directly address the concerns Berg raised in his Direct Testimony. Mr. Berg highlighted the significant disparity between the rate proposals for non-TOD customers within the Rate Code 800 tariff as compared to non-TOD customers within the Rate Code 440. During the hearing Mr. Berg testified regarding the lack of any cost-of-service justification by IPL for the disparate rate treatment of non-TOD customers within the Rate Code 800 Supplementary Power tariff.

Based on the November 7, 2019 filing by IPL in this case, it would appear that IPL agrees with DAG Witness Berg's observations regarding these rates. In that filing, IPL proposed rates for the non-TOD options under Rate Code 440 and Rate Code 800 as follows:

Season	Rate Component	Rate Code 440 Rate	Rate Code 800 Rate
Summer	First 200 kW demand	$20.37	$20.37
	Next 800 kW demand	$19.67	$19.67
	Next 9000 kW demand	$18.88	$18.88
	Over 10,000 kW demand	$18.08	$18.08
	Non-TOD energy	$0.01913	$0.01917
Winter	First 200 kW demand	$14.03	$14.03
	Next 800 kW demand	$10.97	$10.97
	Next 9000 kW demand	$10.56	$10.56
	Over 10,000 kW demand	$10.20	$10.20
	Non-TOD energy	$0.01403	$0.01347

See, IPL Response Settlement Exhibit 3. As shown, the demand rates for both rates classes are now identical. The energy rate for Rate Code 800 customers is only slightly higher in the summer and only slightly lower in the winter. In the short term, the proposed Rate Code 800 rate will be slightly advantageous for those customers. Nonetheless, in DAG's view, IPL's revised proposed rates for the LGS and LGS-S classes leave no doubt that there is no need for a separate Rate Code 800.

For these reasons, the Board should reconsider its decision in Docket No. 2017-0004 to approve IPL's request to establish a separate rate class for LGS customers with supplementary power systems, order IPL to eliminate that rate class and move the current LGS-S customers into the LGS rate class. The Board was wise in IPL's last rate case not to approve similar proposed partial requirements classes for residential and general service customers[24] and should rescind its support for such a class for LGS customers in this case. The establishment of these classes finds

[24] See In re: Interstate Power & Light Co., Docket No. RPU-2017-0001, "Final Decision and Order" (Iowa U.B. Feb. 2, 2018), p. 47.

no support in IPL's cost of service study and they discriminate unfairly against IPL ratepayers who have invested considerable personal, commercial, or institutional financial resources in distributed renewable energy resources.

G. IPL'S RENEWABLE ENERGY PROGRAMS SHOULD BE APPROVED ONLY AS PILOT PROJECTS, IF THEY FULLY VALUE AVOIDED TRANSMISSION COSTS, IF THE STAKEHOLDER PROCESS IS OPEN TO ALL, AND IF THE BOARD ALSO ORDERS AN INDEPENDENT VALUE OF SOLAR STUDY THAT WILL BE USED TO INFORM WHETHER AND HOW THOSE PROJECTS MAY CONTINUE INTO THE FUTURE.

IPL proposed three programs that it claims "will provide customers with increased offerings and options to meet their individual energy goals and needs." See IPL Prehearing Brief, p. 52. The programs are the Community Solar Program, the Renewable Energy Partner Program and the Customer-Hosted Renewable Pilot Program (the "***Renewable Energy Programs***") These programs were objected to in varying degrees by DAG and ELPC/IEC. Under the Settlement Agreement, ELPC/IEC agreed not to further oppose the programs on the condition that "IPL . . . convene at least three stakeholder planning meetings with the [settling] Parties within eighteen (18) months of the Board's order in this case to discuss the initial results and potential changes to the programs." See Settlement Agreement, Article XVI.E.

DAG recognizes potential value in these programs, but considers them significantly flawed and designed more to serve the interests of the Company than those of customers and communities interested in investing in renewable energy on just and reasonable terms. Achieving just and reasonable terms will require an inclusive stakeholder process and an independent value of solar ("***VOS***") study, and the programs ought to be approved in pilot form only during the VOS study process. Meanwhile, approval should be contingent upon inclusion in each program of the full value of avoided transmission cost.

DAG Witness Warren McKenna is one of the most knowledgeable people in Iowa on the values that distributed renewables bring to the overall electric system, and the design of rate structures that fairly incentivize and compensate them. As long-time General Manager/CEO of Farmers Electric Cooperative ("***FEC***") in Kalona Iowa until his retirement in the spring of 2019, Executive Board member of the Resale Power Group of Iowa ("***RPGI***"), and one of the founding Board Members of the Iowa Solar Energy Trade Association ("***ISETA***"), he has developed programs and models to successfully integrate distributed generation into the distribution, transmission, and generation markets and utility business models. McKenna Direct, pp. 1-2.

Mr. McKenna's testimony about the value of solar centered on IPL's Community Solar Program but indicated that his concerns also relate to the other two of IPL's proposed Renewable Energy Programs at issue in this case.

DAG's position is that IPL is not valuing solar appropriately in its methodology. Based on the proposed location of IPL's community solar project, all the energy, even from a 3 MW project, will serve local needs. The metro area adjacent to the proposed field has a demand many times the capacity of the proposed project. Energy produced at the proposed community solar site will export energy only to the local distribution grid. Id., p. 8. Accordingly, IPL's valuation methodology should, at a minimum, include avoided transmission expenses, and full market energy pricing should be included.[25] Id., p. 9. IPL's objection to including avoided transmission costs is without merit. Id. When load diversity is considered along with the aggregation of distributed generation resources, those distributed generation resources become significant enough to lower substation demand and IPL coincidental demands that are used to determine wholesale energy transmission costs. Customers should see the benefit from any potential reduction in these costs. McKenna Surrebuttal, p. 3.

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[25] In fact, IPL Nielsen Direct Exhibits 1 and 2 both calculate transmission costs in Column H under the Tab, "Production Credit Calc".

A value of solar study would show this to be true. The purpose of a VOS study is to establish a rate formula to fully value solar generation. VOS studies should also establish a long-term fixed price based on full production. The preliminary components in determining a VOS involved the stacking of many values and avoided costs: fuel costs, plant fixed and variable O&M, capacity costs for generation and transmission, avoided distribution capacity, avoided line loss, system performance, and environmental costs. McKenna Direct, p. 5. Avoided energy, avoided generation, and avoided transmission were the three components included in every single distributed solar valuation study in the recent meta-analysis conducted by ICF for the Department of Energy. Id., pp. 7-8.

In addition to ensuring the inclusion of avoided transmission costs in IPLs renewables programs while a VOS investigates further valuation options, three additional suggestions for improvement of IPL's program are important. First, the value of the renewable energy credits should be accounted for and reflected in the renewable energy credit ("***REC***") calculations, and customers/participants given the option of retaining the RECs, or getting a bill credit for the RECs (in which case the utility would own and market them). Id., pp. 7-8. Second, the buy-in or subscription cost of community solar should reflect the actual cost to build the project, and that cost should not be rate based by IPL, nor should IPL earn any ROE on the capital cost. Third, IPL should include provisions for ***LMI*** or otherwise disadvantaged customer participation. Id., p. 9, and the development of further provisions for LMI participation should be a top priority of the stakeholder process for program improvement.

Based upon Mr. McKenna's testimony, DAG proposes that the Board approve the proposed Renewable Energy Programs only on a pilot basis, ensuring that avoided transmission costs are incorporated, and with a fully inclusive stakeholder evaluation and improvement process. This gives greater flexibility to the Board and greater voice to customers to make improvements later on. DAG also proposes that the Board order a VOS study, to be paid for by the utility and conducted by an independent consultant. The study commissioning should be overseen by the Board, OCA, or another entity fully independent of the utilities. The process and study should include stakeholder involvement and review.

V. CONCLUSION

For the reasons set forth this Initial Brief, DAG urges the Board to: (1) modify the Settlement Agreement to mitigate the deleterious effect IPL's proposed rate increase will have on its customers and their communities; (2) hold IPL accountable for its duplicitous actions in this case and in the Decorah municipalization effort, and for management inefficiency, by significantly reducing the settled ROE and ordering that ROE to be utilized for interim rates in IPL's next rate case; (3) commence an comprehensive integrated resource planning docket open to all interested stakeholders; (4) order that the communication and grid projects be open to all interested stakeholders; (5) eliminate or reduce the carrying cost on PTC carryforwards; (6) reject the proposed changes to the RER; (7) Eliminate IPL's LGSS rate class; and (8) approve IPL's Renewable Energy Programs on a pilot basis only and order a VOS study.

Dated this 12th day of November 2019

Respectfully submitted,

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