

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-2019-0001
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**SECOND ORDER REGARDING CUSTOMER SATISFACTION AND STAKEHOLDER
ENGAGEMENT PLAN**

BACKGROUND

On January 8, 2020, the Utilities Board (Board) issued an order in Docket No. RPU-2019-0001 that, among other things, directed Interstate Power and Light Company (IPL) to submit a plan to take action to address IPL's relationship with its customers. The goal of the plan was to address stakeholder engagement and customer satisfaction. IPL was required to ensure that it: (1) present accurate information to communities regarding anticipated rate increases, (2) emphasize customer impact and consider community-specific solutions to identifiable concerns, (3) participate in monthly meetings with Board customer service staff, (4) review internal processes, (5) identify opportunities for improvement, (6) correct deficiencies, and (7) address the Board's concerns regarding IPL's behavior during the city of Decorah's (Decorah) municipalization effort.

On April 6, 2020, IPL submitted its comprehensive Customer Satisfaction and Stakeholder Engagement Plan (Plan). IPL's Plan includes two sections. The first

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section details strategies to improve the service to customers and communities, and the second discusses how IPL will track its efforts.

On October 29, 2020, the Board issued an order requiring IPL to file a revised proposal consistent with the order and the Board's January 8, 2020 Final Decision and Order, which expressed the Board's concern over the lack of transparency and the inaccurate information provided with regard to the Decorah municipalization vote. The October 29, 2020 order laid out the deficient aspects of IPL's Plan by identifying portions of the Plan that did not adhere to the Board's final order. The Board stated that it would require that information presented to communities concerning future rate increases be accurate and based on current expectations. The October 29, 2020 order also required IPL to file semi-annual reports detailing its progress regarding each of the 13 goals outlined in its Plan.

On November 30, 2020, IPL filed a supplement to its Plan (Supplemental Plan). The Supplemental Plan created a multipronged approach to providing accurate information about current energy costs and anticipated rates in the future, called the Energy Cost Outlook. The Supplemental Plan proposed to present the Energy Cost Outlook to communities by organizing meetings, leadership roundtables, webinars, and newsletters. IPL stated the Energy Cost Outlook would be included on its website with detailed information about anticipated rate projections.

On December 15, 2020, Luther College filed a response to the Supplemental Plan. In its response, Luther College identified areas where the Energy Cost Outlook demonstrated a different conclusion from Energy Cost Outlook presentations that were given to customers via webinar on November 30 and December 2, 2020. Luther

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College asserts that the Supplemental Plan and Energy Cost Outlook hide the true impact of IPL's rate increase and do not present accurate information regarding the use of tax refunds to mitigate total bill increases. Finally, Luther College states that nothing in IPL's Plan or Supplemental Plan ensures that the company will disclose information to customers and stakeholders about anticipated rate increases.

On December 30, 2020, IPL filed its Semi-Annual Information Report (Report) as required by the Board's October 29, 2020 order. In the Report, IPL stated that it "is meeting its goals and continues to improve its processes to enhance customer service and continually improve communications with its customers." The Report also details IPL's progress in achieving the 13 goals outlined in its Plan.

On January 5, 2021, IPL filed a response to Luther College's December 15, 2020 filing. In IPL's response, IPL contends there were no inconsistencies in the information it provided to communities regarding the Energy Cost Outlook because it provided information consistent with filings before the Board. IPL states that the Board's Order Establishing Reconciliation Methodology in Docket No. EAC-2019-0150 required a modification to the methodology IPL uses to calculate its regional transmission service rider. IPL states that the timing of the Board's order was the cause of the inconsistencies Luther College noted in its December 15, 2020 response. IPL states that, in the future, it will attempt to avoid updating information when significant changes to bill components are pending before the Board. IPL also disputes Luther College's claim that IPL is hiding its base rates through the EAC filing by stating that it has provided granular information on its website regarding its Energy Cost Outlook for customers. Finally, IPL opposes Luther College's request that IPL publicly disclose its

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confidential strategic planning documents. IPL believes this request is unreasonable and risks exposing IPL to securities litigation.

On January 12, 2021, Luther College filed a response to IPL's January 5, 2021 filing. In its response, Luther College requests that IPL record its webinars and post the recordings along with the corresponding slides for the public to view at any time. Luther College also requests that the Board require IPL to include specific information from its EAC filing on its Energy Cost Outlook webpage. Finally, Luther College requests that the Board require IPL to make additional changes to its Energy Cost Outlook in order to provide customers with additional information and background regarding rates.

BOARD DISCUSSION

The Board has reviewed the Plan and Supplemental Plan and filings by other parties related to each document. Based upon that review, the Board is not satisfied with the Plan and Supplemental Plan's compliance with the requirement to present accurate information to customers. The Board finds that the Plan and Supplemental Plan do not properly address the Board's requirement in that neither plan contains any statements, commitments, assurances, or guarantees that IPL will present accurate information to customers. Additionally, the Board finds that the Plan and Supplemental Plan do not demonstrate to the Board how IPL will ensure information presented to customers is consistent with internal documents.

In the January 8, 2020 order, the Board determined that it would accept a plan of action from IPL in lieu of implementing a return on equity adjustment based upon a finding of management inefficiency. The order required IPL to develop the

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aforementioned Plan and demonstrate how IPL would be more transparent with Iowa customers in the future. IPL submitted the Plan, which prompted the Board's October 29, 2020 order. In that order, the Board recognized Luther College and Decorah's concerns regarding IPL's failure to ensure accurate information is presented to communities considering municipalization. In the October 29, 2020 order, the Board stated that a webpage may not adequately protect Iowa customers from potential omissions or misrepresentations during the municipalization process. The Board found that IPL's Plan was not consistent with the Board's requirement that IPL present accurate and current information, thus the Board required IPL to modify its Plan accordingly.

IPL submitted its Supplemental Plan in response to the Board's October 29, 2020 order. The Board finds that the information provided in the Supplemental Plan is valuable to customers but does not address the concerns stated above. The Board stated its intent to ensure that information presented to communities considering anticipated rate changes is accurate and current. The Board finds that the Supplemental Plan is still not satisfactory and does not adequately address the concerns stated in this order and in the previous two Board orders addressing the information provided by IPL to customers.

The Board finds that despite IPL submitting the Plan and Supplemental Plan, IPL has yet to comply with the Board's order requiring that IPL present accurate information concerning future rate increases, based on current expectations, to communities. The Board specifically laid out its concerns in both the Final Decision and Order and the Order Regarding Customer Satisfaction and Stakeholder Engagement Plan. If IPL

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intends to present information regarding anticipated rates to communities, including those considering municipalization, any information presented is required to be consistent with IPL's actual plans included in internal documents. If IPL intends to use a third-party contractor to communicate information regarding anticipated rate increases, the information presented is required to be consistent with IPL's actual plans included in internal documents, and not based on generic utility data. The Plan and Supplemental Plan need to be updated to clearly describe that the information provided to customers will be consistent with internal documents addressing future rate increases.

The Board will require IPL to update its Plan consistent with this order. The Board is not satisfied that IPL has taken the Board's concerns about the information provided to customers as seriously as required by the Board. The Board considers IPL's inability to formulate a plan that addresses the Board's concerns regarding providing accurate information to Iowa customers to be unacceptable and inconsistent with the conduct expected of a rate-regulated utility.

If IPL has questions or would like to discuss the issues addressed in this order, IPL may request a meeting with the Board to discuss what is required as part of the Plan. The Board's goal is to ensure that IPL's customers are receiving accurate and consistent information.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Within 30 days of the date of this order, Interstate Power and Light Company shall file a revised Customer Satisfaction and Stakeholder Engagement Plan

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that incorporates language addressing the commitment to provide accurate information addressing rate changes filed with the Utilities Board, and information about anticipated rate increases, that is accurate and consistent among all presentations to Iowa customers.

2. Interstate Power and Light Company shall continue to file semi-annual reports detailing its progress regarding each of the 13 goals outlined in its Customer Satisfaction and Stakeholder Engagement Plan filed with the Utilities Board on April 6, 2020. Interstate Power and Light Company shall continue to file the semi-annual reports until it submits its next application for a general rate increase or as otherwise ordered by the Utilities Board.

UTILITIES BOARD

Geri Huser Date: 2021.09.21
22:07:06 -05'00'

Richard Lozier Date: 2021.09.22
17:18:33 -05'00'

ATTEST:

Louis Vander Streek Louis Vander Streek
2021.09.23 15:11:01
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Josh Byrnes Date: 2021.09.22
12:36:29 -05'00'

Dated at Des Moines, Iowa, this 23rd day of September, 2021.