



Alliant Energy Corporate Services, Inc.
608-458-3318 – Phone
608-458-4820 - Fax

Michael S. Greiveldinger
Senior Attorney

Interstate Power and Light Co.
An Alliant Energy Company

Alliant Tower
200 First Street SE
P.O. Box 351
Cedar Rapids, IA 52406-0351

Office: 1.800.822.4348
www.alliantenergy.com

November 10, 2014

Ms. Joan Conrad, Executive Secretary
Iowa Utilities Board
1375 East Court Avenue, Room 69
Des Moines, IA 50319-0069

RE: Interstate Power and Light Company
Docket No. WRU-2014-0009-0150
Unanimous Settlement Agreement

**FILED WITH
Executive Secretary
November 10, 2014
IOWA UTILITIES BOARD**

Dear Secretary Conrad:

Enclosed please find the Unanimous Settlement Agreement executed by Interstate Power and Light Company, the Office of Consumer Advocate, the Iowa Consumers Coalition and the Large Energy Group, as filed today on EFS in the above-referenced docket.

Very truly yours,

/s/ Michael S. Greiveldinger
Michael S. Greiveldinger
Senior Attorney

MSG/kjf
Enclosures

**STATE OF IOWA
DEPARTMENT OF COMMERCE
IOWA UTILITIES BOARD**

**FILED WITH
Executive Secretary
November 10, 2014
IOWA UTILITIES BOARD**

IN RE:

**INTERSTATE POWER AND LIGHT
COMPANY**

DOCKET NO. WRU-2014-0009-0150

JOINT MOTION FOR APPROVAL OF AGREEMENT

On this 10th day of November, 2014, Interstate Power and Light Company ("IPL" or "Company"), the Office of Consumer Advocate, a division of the Iowa Department of Justice ("OCA"), the Iowa Consumers Coalition ("ICC") and the Large Energy Group ("LEG") agreed to the terms and conditions of a Unanimous Settlement Agreement ("Settlement Agreement" or "Agreement") and hereby submit their Joint Motion for Approval of Agreement. The Settlement Agreement is being concurrently filed with this Joint Motion. The Company, OCA, ICC and LEG are individually referred to as a "Party" and are collectively referred to as "Parties."

INTRODUCTION

On May 30, 2014, IPL filed a Petition for Extension of Waiver, seeking a two-year extension of certain waivers the Board had previously granted from the Energy Adjustment Clause ("EAC") rules in 199 IAC 20.9(2) to allow certain costs and credits from participation in wholesale markets to flow through the EAC. OCA objected in part and the Board granted the extension of the waiver on June 30, 2014, with the exception of a single issue: the appropriate level of sharing between customers and IPL of revenues from IPL's "low-load" Auction Revenue Rights ("ARR") program (described

more fully in the Board's June 30 Order). The low-load ARR program revenues had been shared on a 50%-50% basis between IPL and customers; IPL had requested the extension of the waiver be subject to the same terms. This single issue was docketed for additional proceedings by an order on August 29, 2014.

The Parties entered into discussions while concurrently maintaining the procedural schedule set for the above-captioned docket. Based upon those discussions, the Parties reached agreement on settlement terms that resolve the issue of sharing revenue associated with the ARR program and entered into the Settlement Agreement. The Parties are filing the Settlement Agreement with the Board pursuant to Iowa Code § 17A.12(5) (2014) and 199 IAC § 7.18 (2014).

PURPOSE

The Agreement was prepared and executed by the Parties for the purpose of resolving all issues and settling on a mutually-acceptable outcome in the above-captioned docket. The proposals, positions and adjustments made in the Agreement, whether express or implied, were made or obtained only through the spirit of compromise. This Agreement has been executed as a compromise settlement of disputed claims, and the execution of the Agreement does not constitute admission or concession on the merits of those claims on the part of any Party. The Parties entered into the Agreement in order to avoid the burden, expense, delays, and uncertainties of further litigation with respect to the settled issues.

SETTLEMENT AGREEMENT

The terms and conditions resulting from the Parties' compromise are reflected in the Settlement Agreement, which is filed contemporaneously with this Motion. The Settlement Agreement contemplates the Board's review, and will not become effective unless the Board enters an Order approving this Agreement without modification, extending the waiver to effectuate the terms of the settlement, and closing this docket. The Parties agree that the terms of the settlement are reasonable in light of the record, are lawful, and are in the public interest. In summary, the settlement provides additional benefits to customers in the current MISO Planning Year, including the contribution of additional amounts already collected by IPL under the existing sharing arrangement. In future Planning Years customers will obtain the entire net benefit of the low-load ARR program, as more specifically described in the Agreement, and will accept all of the costs and risks of loss that IPL would have faced. This is supported in the record by testimony of OCA and intervenor witnesses finding that such an arrangement is reasonable. OCA and the two Intervenors representing groups of customers acknowledge that the program does involve risks, and that the costs, volumes, revenues, and risks of the program are subject to change in the future. There is no Iowa statute or rule prohibiting such an arrangement, and it is lawful so long as a waiver is granted by the Board, as has been true of the existing sharing arrangement pursuant to a waiver of the Board's EAC rules. The public interest is further served by increased transparency in that, should IPL enter into contracts with third-parties to share in nomination to implement the ARR program, those contracts will be filed with the Board.

As a result, Board approval of the Settlement Agreement is proper and the Board should approve the Settlement Agreement.

JOINT MOTION

The Parties jointly move the Board to issue an order approving the concurrently-filed Settlement Agreement without modification. The Parties recognize the short time before the scheduled hearing and further recognize that the Board may seek additional information to rule on the Settlement Agreement. While cancellation would be welcome if that is the preference of the Board, the Parties are willing and able to proceed with the scheduled hearing to ensure that the Board has all of the information that it needs before ruling on the Settlement Agreement.

WAIVER

To the extent necessary to support this Settlement Agreement, the Parties support any and all waivers from Board rules necessary to effectuate this Settlement Agreement.

Respectfully submitted,

/s/ Michael S. Greiveldinger

Michael S. Greiveldinger
Senior Attorney
Alliant Energy Corporate Services, Inc.
4902 North Biltmore Lane
Madison, Wis. 53718
Telephone: (608) 458-3318
E-mail: michaelgreiveldinger@alliantenergy.com

INTERSTATE POWER AND LIGHT
COMPANY

/s/ Jennifer C. Easler

Jennifer C. Easler
Attorney
1375 East Court Avenue
Des Moines, Iowa 50319-0063
Telephone: (515) 725-7200
E-mail: IowaOCA@oca.iowa.gov

OFFICE OF CONSUMER ADVOCATE

/s/ Philip E. Stoffregen

Philip E. Stoffregen
Brown, Winick, Graves, Gross,
Baskerville & Schoenebaum, P.L.C.
666 Grand Avenue, Suite 2000
Des Moines, Iowa 50309-2510
Telephone: (515) 242-2415
Email: stoffregen@brownwinick.com

LARGE ENERGY GROUP

/s/ Daniel E. Frank

Daniel E. Frank
Sutherland Asbill & Brennan LLP
700 Sixth Street, NW, Suite 700
Washington, DC 20001-39280
Telephone: (202)383-0100
E-mail: daniel.frank@sutherland.com

IOWA CONSUMERS COALITION

**STATE OF IOWA
DEPARTMENT OF COMMERCE
IOWA UTILITIES BOARD**

IN RE:

DOCKET NO. WRU-2014-0009-0150

**INTERSTATE POWER AND LIGHT
COMPANY**

**UNANIMOUS SETTLEMENT
AGREEMENT**

Background

1. On May 30, 2014, Interstate Power and Light Company (“IPL”) filed a Petition for Extension of Waiver, seeking a two-year extension of certain waivers the Board had previously granted from the Energy Adjustment Clause (“EAC”) rules in 199 IAC 20.9(2) to allow certain costs and credits from participation in wholesale markets to flow through the EAC. The Office of Consumer Advocate (“OCA”) objected in part and the Board granted the extension of the waiver on June 30, 2014, with the exception of a single issue: the appropriate level of sharing between customers and IPL of revenues from IPL’s “low-load” Auction Revenue Rights (“ARR”) program (described more fully in the Board’s June 30 Order). The low-load ARR program revenues had been shared on a 50%-50% basis between IPL and customers; IPL had requested the extension of the waiver be subject to the same terms. This single issue was docketed for additional proceedings by an order on August 29, 2014. Pursuant to that order, on September 30, 2014, Iowa Consumers Coalition (“ICC”) filed an intervention and on October 1, 2014, Large Energy Group (“LEG”) also filed an intervention.

General Terms

2. Each of these parties has mutually agreed to terms to resolve the remaining issues in this matter without further litigation, and accordingly each of IPL, OCA, ICC and LEG joins in this Unanimous Settlement Agreement pursuant to 199 IAC 7.18.

3. This Settlement Agreement is solely for the purpose of compromising the claims in this docket, and for no other purpose, and is not an admission on behalf of any party as to the validity or invalidity of any claim or argument made in this matter.

4. This Settlement Agreement will not become effective unless and until the Board enters an Order approving this Agreement without modification, extending the waiver to effectuate the terms of the settlement, and closing this docket.

Specific Terms

5. The Parties agree to the following terms regarding treatment of revenues from and administration of IPL's low-load ARR program pursuant to the waiver in this docket:

- a. For Planning Year ("PY") 2014/2015 Auction Results, IPL agrees to provide to customers 75% of the net revenue that IPL would have received under the 50%-50% structure [REDACTED], approximately \$2.92 million of additional revenue. To the extent that IPL has already received some of these revenues, they would be refunded to accomplish the sharing described in this paragraph through a one-time adjustment to the EAC in the month following approval of this Settlement Agreement and entry of an appropriate order implementing its terms. In the remaining months of the planning year, the monthly EAC will reflect this agreed-on sharing.

b. For future auctions, starting with the auction for PY 2015/2016, IPL customers would receive all of the benefits of those auctions and incur all of the costs and risks.

c. Specifically for PY 2015/2016:

i. Customers would be responsible for the costs of [REDACTED] and any negative exposure that previously accrued to IPL for PY 2015/2016, including without limitation [REDACTED], and, in return, would receive all of the benefits (less costs).

ii. Customers would receive the benefit, to the extent applicable, of the [REDACTED]
[REDACTED]

iii. Although the 50%-50% sharing of net revenues between IPL's customers and shareholders will end, IPL will not seek to [REDACTED]
[REDACTED]

6. Each of the Parties recognizes and acknowledges that:

a. There is risk involved in the IPL ARR program, and that the potential benefits, losses, risks, and related costs associated with the program can change over time; and

b. Should IPL seek to extend or enter into future contracts with a third-party or third parties associated with the program, such contracts will be filed with the IUB and notice of such contracts will be provided to the parties, and the terms of those contracts, including the allocation of costs, benefits and risk, could differ from those of the existing contract.

7. Subject to the agreement of IPL to these terms, and contingent on the acceptance by the Board of this Settlement Agreement, OCA, ICC and LEG withdraw any objection to the extension of the waiver in this docket as it pertains to IPL's low-load ARR program. All Parties support and agree to any additional waivers or orders necessary to effectuate the terms of this Settlement Agreement.

8. The Parties acknowledge that certain information herein is confidential and agree that this document will be filed in both public (redacted) and confidential versions. The Parties agree to hold the indicated information in confidence in accordance with the protective agreements, orders, and arrangements that have governed the exchange of confidential material in this docket.

Agreed to and executed by:

/s/ Michael S. Greiveldinger

Michael S. Greiveldinger
Alliant Energy Corporate Services, Inc.
4902 North Biltmore Lane
Madison, Wis. 53718
Telephone: 608-458-3318
E-mail: michaelgreiveldinger@alliantenergy.com

INTERSTATE POWER AND LIGHT
COMPANY

/s/ Philip E. Stoffregen

Philip E. Stoffregen
Brown, Winick, Graves, Gross, Baskerville &
Schoenebaum, P.L.C.
666 Grand Avenue, Suite 2000
Des Moines, Iowa 50309-2510
Telephone: (515) 242-2415
Email: stoffregen@brownwinick.com

LARGE ENERGY GROUP

/s/ Jennifer C. Easler

Jennifer C. Easler
Attorney
1375 East Court Avenue
Des Moines, Iowa 50319-0063
Telephone: (515) 725-7200
E-mail: IowaOCA@oca.iowa.gov

OFFICE OF CONSUMER ADVOCATE

/s/ Daniel E. Frank

Daniel E. Frank
Sutherland Asbill & Brennan LLP
700 Sixth Street, NW, Suite 700
Washington, DC 20001-39280
Telephone: (202)383-0100
E-mail: daniel.frank@sutherland.com

IOWA CONSUMERS COALITION