Deliberation Outline

Interstate Power & Light (IPL) 2010 Rate Case
Minnesota Public Utilities Commission Docket No.E-001/GR-10-276
Oral Argument: June 14, 2011
Deliberations: June 16, 2011

Staff Note: All parenthetical notes and staff notes included in this outline are expository in nature and not meant to be incorporated into the Commission's motion or final order.

ALJ Report

1. Adopt the ALJ's Report in its entirety.

2. Adopt the ALJ's Report and recommendation with modification to one or more of the following issues.

Decision Alternatives on the Overall Rate Increase and Rate Shock
Staff Briefing Papers pp. 13-20
(*The Commission may want to take up this issue as one of the last issues in deliberations, after the main financial and rate design issues are considered.)*

3. Make no finding on this issue.

4. Determine that no mitigation measures are needed.

5. Determine that the total authorized rate increase should be phased in over 3 years (or other appropriate number of years). Require IPL to make a compliance filing within 30 days of the order setting out a detailed proposal for implementing the phase-in.

6. Determine that some other mitigation measure is appropriate. Require IPL to make a compliance filing within 30 days of the order setting out a detailed proposal for implementing the measure.

Decision Alternatives for the Class Cost of Service Study
Staff Briefing Papers pp. 20-36

Current Case-Allocation of Production Plan

7. Adopt the 4CP method as proposed by the Company, supported by the MCC, and recommended by the ALJ in proposed finding 441, for allocating costs in this proceeding.

8. Determine that the Department's alternative use of the Equivalent-Peaker method in the Company's proposed CCOSS should be adopted for allocating production plant costs in this proceeding.

Current Case-Allocation of Energy Related Costs

9. Adopt Interstate's proposal to allocate energy related production costs on the basis of kWh sales in this case (ALJ proposed finding 444 supported this proposal).
10. Adopt the MCC's modified proposed finding 444 and direct the Company to develop and use an E8760 Allocator for use in its CCOSS in IPL's next rate case and in its FCA mechanism as soon as the allocator is developed.

Current Case-Consolidation of Customer Classes

11. Approve IPL's proposal to consolidate the Stored-Heat Space Heating and Controlled Water Heating classes in to the Residential class and the Municipal Pumping Single-Phase Farm and Three-Phase Farm Classes into the General Service class.

12. Determine that these customer classes should not be consolidated.

Future Filings

13. Adopt the Department's recommendation and require Interstate, in its next rate case, to classify each of the Distribution Plant accounts, FERC 364-368, on the basis of a minimum system study.

14. Adopt the Department's recommendation to encourage Interstate to develop and use an E8760 allocator for CCOSS and FCA purposes. Require the Company to provide the analysis supporting the reasonableness of its decision if it does not use the E8760 allocator for CCOSS and FCA purposes. (The ALJ did not make any recommendation about the appropriate allocator for those costs in future rate cases.)

15. Adopt the Department's recommendation and require that for IPL's next rate case, the Commission require IPL to use the Equivalent-Peaker method to classify and allocate Production Plant costs.

Decision Alternatives on Class Revenue Apportionment
Staff Briefing Papers pp. 37-43

16. Adopt the DOC proposal for revenue apportionment (as recommended by the ALJ), including the DOC's proposal for apportioning revenue if the approved revenue requirement is less than that requested by the Company.

17. Adopt some other method of revenue apportionment.

Decision Alternatives for General Service Charges
Staff Briefing Papers pp. 43-45

18. Maintain the Company's current General Service customer charges.

19. Approve the Company's proposed General Service customer charges. (ALJ, IPL, DOC)

20. Approve some other General Service customer charges as deemed reasonable by the Commission.

Decision Alternatives for Residential Basic and Time-of-Use Customer Charge
Staff Briefing Papers pp. 45-54

21. Maintain the current customer charge of $6.50

22. Approve the Company's proposed $10.00 residential basic customer charge and $13.35 residential time of use charge.

23. Approve the Department's proposed $8.50 residential basic customer charge and $11.85 residential time of use charge. (DOC, ALJ Finding 465)

24. Approve other residential basic and time of use charges as deemed reasonable by the Commission.

Decision Alternatives on Declining Block Rate
Staff Briefing Papers pp. 54-58

25. Approve IPL's current declining block rate structure. (IPL, DOC, ALJ)

26. Require IPL to file in its next rate case a plan to eliminate the declining block rate. (DOC, ALJ)

27. Require IPL to provide in compliance filing for this rate case a plan to phase-out the declining block rate.

28. Require IPL to eliminate the declining block rate and instead implement a flat energy charge for the winter months as is currently in place for the summer months (DOC's initial recommendation).

Decision Alternatives on Large Light & Power Class Rate Design
Staff Briefing Papers, pp. 59-68

Large Power customer charge

29. Approve IPL's proposed $250 monthly charge for Large Power customers, as well as IPL's proposed adjustments to volumetric energy rates, as recommended by the ALJ.

30. Approve some other level for Large Power customer charge and volumetric energy rates.

Interruptible Service Tariff

31. Approve IPL's Interruptible Service Tariff, including the changes contained in the Agreement between IPL and MCC (Exhibit #60, Settlement Point 11), as recommended by the ALJ.

32. Take some other action on IPL's Interruptible Service Tariff.

LPL Time-of-Use Service

33. Approve IPL's LPL Time-of-Use Tariff, including the changes contained in the Agreement between IPL and MCC (Exhibit #60, Settlement Point 12), as recommended by the ALJ.

34. Take some other action on IPL's LPL Time-of-Use Tariff.

Coincident Peak Billing

35. Approve IPL's proposal for coincident peak billing/aggregation, including the proposed evaluation described in the Agreement between IPL and MCC (Exhibit #60, Settlement Point 10), as recommended by the ALJ.

36. Take some other action on IPL's Coincident Peak Billing.

Lighting Tariff

37. Approve IPL's proposed changes to its Lighting Tariffs, as recommended by the ALJ.

38. Take some other action on IPL's Lighting Tariffs.

Miscellaneous issues related to electric service standards and other issues contained in the Agreement between MCC and IPL

39. Adopt the settlement of the "Miscellaneous Issues" contained in the Agreement between MCC and IPL (Exhibit #60, Settlement Points 1-8), as recommended by the ALJ.

40. Take no action to adopt the settlement of the "Miscellaneous Issues" contained in the Agreement between MCC and IPL (Exhibit #60, Settlement Points 1-8).

Decision Alternatives on Conservation Improvement Program
Staff Briefing Papers pp. 68-86

(*The ALJ supports decision alternatives 41-49 below. IPL, the DOC and MCC either support or do not object to these decision alternatives.)*

41. Accept IPL's 2010-2012 electric and gas CIP, as approved by the Director of the DOC in Docket No. E,G001/CIP-09-636, as satisfying the filing requirement for conservation improvement plans and rate case filings specified in Minn. Stat. §216B.16, subd. 1.

42. Accept IPL's proposal not to true-up the Company's electric CIP tracker account in the present rate case.

43. Adopt a carrying charge for IPL's electric CIP tracker account that is equal to the overall rate of return approved for the Company in the present rate case, with the timing of implementing this revised level of carrying charges in the electric tracker to coincide with the implementation of final rates in 2011 in this proceeding, and with the revised level to appear in the Company's 2011 electric CIP tracker account filing, which is to be submitted by April 1, 2012 in a separate miscellaneous docket.

44. Approve an increase in IPL's administrative and general expenses of $86,094 and revenues of $39,498 for the CIP adjustment.

45. Accept IPL's proposed volumetric method of allocating CIP expenses (i.e., divide the Commission-approved test-year CIP expenses by the Commission approved test-year kWh sales) and make no change to the CIP cost allocation method in this case.

46. Approve the DOC's recommended CCRC of $0.00269 per kWh, which is calculated by dividing the DOC recommended level of test-year CIP expenses of $2,299,102 by the DOC's recommended level of test-year sales of 854,684,761 kWh.

47. If the Commission adopts a level of test-year sales that is different from the level recommended by the DOC, increase or decrease CIP expenses consistent with the formula proposed by the DOC.

48. Deny IPL's alternative proposal to recover all CIP costs through the CCRA.

49. Approve as correct IPL's CCRC and CCRA during January through October 2010, but require IPL, in future annual CIP tracker account filings, to correct the Company's method of reporting revenues so that the monthly revenues from the CCRC and CCRA reported by the accounting department match the monthly revenues from the CCRC and CCRA reported in the CIP tracker account.

Exceptions and corrections to the ALJ's Report

[Staff Note: Prior to deciding whether to adopt any modifications to ALJ Findings 442-444 (decision alternatives 50 and 51), the Commission should review whether it has already addressed these Findings as part of its decision regarding IPL's CCOSS.]

50. Adopt IPL's modifications to ALJ Findings 443, 444, and Conclusion 40.

51. Adopt MCC's modification to ALJ Findings 442 and 444.

52. Adopt the DOC's correction to ALJ Finding 308, the fourth bulleted item, as follows:

    Increase IPL's administrative and general expenses ~~and revenues~~ by ~~$44,032~~ $86,094 and revenues by $39,498 for the CIP adjustment;

Decision Alternatives on Sales Forecast
Staff Briefing Papers pp. 89-102

53. Find that the Company's proposed forecast of 840,757,858 kWh is reasonable and adopt it for setting rates in this proceeding, as recommended by the ALJ as follows:

Test Year 2009 Revenue Forecast	
Total WN kWh Sales	840,757,858
Total Revenues	$74,979,271
WN Revenue Impact	$556,947
WN ECA & CIP Impact	$188,737

54. Find that the Department's recommended forecast of 854,684,761 kWh is reasonable and adopt it for setting rates in this proceeding, as follows (if the Commission selects this option, it may also want to decide whether to adopt the Departments modifications to ALJ proposed findings):

DOC Alternative Test Year Forecast	
Total WN kWh Sales	854,684,761
Total WN Revenue Impact	$1,435,828
WN ECA & RCA Revenue Impact	$567,136
Net of CCRC Impact	$829,193.98

If the Commission chooses this option, it may also want to determine whether IPL's 2010 O&M proposed cost increase of $380,465:

a. is appropriately included in test year costs.
b. has not been demonstrated to be actual or likely 2010 test year costs.

55. Determine that there is not a valid sales forecast with matching costs in this case and therefore no valid test year on which to base a finding of revenue deficiency. Reject the IPL rate increase petition in its entirety.

Decision Alternative for Cash Working Capital
Staff Briefing Papers pp 102-103

56. Find lead/lag methodology acceptable, as recommended by the ALJ. Direct IPL to recalculate the cash working capital component at the end of this proceeding to reflect the Commission's final determination of financial issues.

Decision Alternative for Interest Synchronization
Staff Briefing Papers pp 103-104

57. Direct IPL to update the interest synchronization adjustment, at the end of this proceeding, to reflect the Commission's final decisions, as recommended by the ALJ.

Decision Alternatives for Cost Recovery of Hydroelectric Facilities
Staff Briefing Papers pp. 104-105

58. Allow IPL to recover the "replacement" purchased power costs in its ESCA Rider, effective July 1, 2010, by allowing IPL to discontinue the associated credits to its ESCA Rider, as recommended by the ALJ/DOC.

Decision Alternatives for Workforce Reductions
Staff Briefing Papers pp. 105-106

59. Reduce test year expenses by $75,775, as recommended by ALJ/DOC. [$12,732 for the 2009 workforce reduction adjustment, plus $63,043 for the 2010 workforce reduction adjustment, equals a total $75,775 adjustment to test year expenses.]

Decision Alternatives for Accounts Receivable Sales Program
Staff Briefing Papers pp. 106-108

60. Remove ARSP expenses of $11,386 from test year expenses, as recommended by the ALJ.

Should the Commission adopt the ALJ's recommendation, Staff would also recommend approving the following DOC recommendation:

61. Approve the modified affiliated-interest agreements relating to the ARSP requested in Docket No. E,G001/AI-10-413 (Docket 10-413), and include language in the order that IPL may not recover any costs of the ARSP from Minnesota ratepayers unless and until IPL is able to show explicit quantifiable net benefits for Minnesota customers.

Decision Alternatives for Cost Allocations
Staff Briefing Papers pp. 108-109

62. Adopt DOC recommendation to require IPL to revise its Cost Allocation Manual to add the methodology the Company uses to determine the allocation of BOD compensation and expense [Exhibit 94, St. Pierre Direct at 12]

    <u>and</u>

    a. Adopt ALJ finding 384 and approve IPL's use of its own general allocator OR

    b. Do not adopt the ALJ recommendation in finding 384 to approve IPL's use of its own general allocator OR

    c. Modify the ALJ's recommendation in finding 384 to accept IPL's use of its own general allocator for the sole purpose of determining the revenue requirement in this rate case, Docket No. E001/GR-10-276.

    <u>and</u>

d. Adopt ALJ finding 386 and approve IPL's allocation of test-year expenses to its non-regulated activities OR

e. Do not adopt the ALJ recommendation in finding 386 to approve IPL's allocation of test-year expenses to its non-regulated activities OR

f. Modify the ALJ's recommendation in finding 386 to accept IPL's allocation of test-year expenses to its non-regulated activities, except as specifically challenged elsewhere, for the purpose of developing the revenue requirement for this rate case, Docket No. E001/GR-10-276.

Decision Alternatives for Rate Case Expenses
Staff Briefing Papers p. 110

63. Adopt the ALJ's recommendation. Allow $236,097 of rate case expense to be included in test year expenses ($944,386 divided by 4 years equals $236,097).

-OR-

64. Decide that a five-year amortization period should be used and allow only $188,877 of rate case expense to be included in test year expenses ($944,386 divided by 5 years equals $188,877). Require test year Administrative and General Expense (A&G) to be reduced by an additional $47,220 for a total reduction of $59,489. That is, IPL's original test year rate case A&G amount of $248,366 less the DOC recommended adjustment of $12,269 less an additional amount of $47,220 equals $188,877. [Not recommended by any party, but DOC witness St. Pierre testified that a five-year amortization period could be justified.]

Decision Alternative on Duane Arnold Energy Center
Staff Briefing Papers pp. 111-112

65. Adopt the ALJ's Findings.

Decision Alternatives for Asset Retirement Obligations
Staff Briefing Papers pp. 112-125

66. Approve use of the Negative Salvage Value method to account for decommissioning (ARO) costs, as recommended by the ALJ.

67. Clarify that IPL is *not* allowed to increase rate base by $192,840.

68. Clarify that IPL *is* allowed to increase rate base by $192,840.

Decision Alternatives for Bad Debt Expense
Staff Briefing Papers pp. 126-131

69. Allow the $418,517 in test year bad debt expense, agreed upon by IPL and DOC, as recommended by the ALJ.

70. Allow $300,000 in test year bad debt expense, as recommended by the OAG.

Decision Alternatives for Incentive Pay--Variable Pay Plans (VPP)
Staff Briefing Papers pp. 131-137

71. Approve IPL's proposed test year VPP expense ($324,216), together with IPL's refund plan, as recommended by the ALJ.

72. Find that shareholders, not ratepayers, should pay for incentive pay and remove $324,216 of VPP pay from test year expense, as recommended by the OAG.

Note: The OAG did not file exceptions.

Decision Alternatives for Long Term Incentive Compensation
Staff Briefing Papers pp. 137-140

73. Accept the ALJ's conclusion that it is the responsibility of Alliant shareholders to pay for IPL's Equity Incentive Plan, and that IPL should not recover that from ratepayers as a test-year expense AND
    a. Adopt the OAG recommendation to reduce test year expense by $80,338; and/or
    b. Direct IPL to identify and remove all long-term equity based compensation related costs (whether to be paid in cash, stock, or stock derivatives) from the revenue requirement.

74. Require IPL to supply, in its next Minnesota general rate case filing, a detailed description and quantification of all incentive compensation costs included in its next Minnesota general rate case revenue requirement.

Decision Alternative for Fuel Inventory
Staff Briefing Papers pp. 140-142

75. Approve IPL Revised proposed fuel inventory amount of $2,181,551, as recommended by the ALJ.

76. Approve the OAG's proposed fuel inventory amount of $1,769,802.

77. Approve the average of IPL and the OAG's recommended amount or $1,975,177.

Note: The OAG did not file exceptions.

Decision Alternatives Sixth Street Station Cost Recovery
Staff Briefing Papers pp. 142-144

78. Adopt the Findings of the ALJ.

Decision Alternatives for Retired Generating Plants and Depreciation
Staff Briefing Papers pp.144-147

79. Disallow cost recovery for all costs related to Out of Service Plant (both rate base and O&M) as recommended by the DOC and ALJ.

80. Allow full cost recovery as requested by the Company (both rate base and O&M).

81. Allow partial cost recovery of the depreciated expense of $59,701 but disallow the undepreciated balance of $107,000 (DOC's Alternate proposal).

Decision Alternatives for Sutherland Generation Station Unit 4 (SGS-4) Costs
Staff Briefing Papers pp. 147-151

82. Approve the Minnesota Jurisdictional SGS4 cost of $334,237; to be amortized over a five year period or; $66,847 annually for five years.

83. Deny cost recovery for SGS4 (DOC, MCC, OAG, ALJ)

Note: If the Commission denies recovery, it may wish to specify whether it is adopting the ALJ's reasoning, the OAG's reasoning, or other basis.

Decision Alternative for Lansing Generating Plant Emission Control Equipment
Staff Briefing Papers pp. 151-152

84. Approve inclusion of $189.8 million in rate base and the associated expense as proposed by the Company (IPL, ALJ and DOC)

85. Disallow the $189.8 million from rate base because in was not in service during the test year of 2009 (MCC).

Decision Alternatives for Capital Structure
Staff Briefing Papers pp. 153-156

86. Use the Company's proposed capital structure comprised of 47.737% common equity, 43.858% long-term debt, 6.265% preferred stock, and 2.140% short-term debt.

87. Determine that another capital structure is more appropriate.

Decision Alternatives on the Cost of Debt
Staff Briefing Papers pp. 156-157

88. Adopt Interstate Power's proposed a cost of long-term debt of 5.997% and a cost of short-term debt of 0.34% as supported by the Department and the ALJ.

89. Adopt some other cost of debt the Commission determines appropriate.

Decision Alternatives for Preferred Stock
Staff Briefing Papers pp. 157-158

90. Adopt Interstate Power's proposed cost of preferred stock of 8.41% as supported by the Department and the ALJ.

91. Adopt some other cost of preferred stock the Commission determines appropriate.

Decision Alternatives on Cost of Capital
Staff Briefing Papers 158-179

92. Adopt the following capital structure and cost of capital recommendations of Interstate Power, the Department, and the ALJ in finding 85:

Component	Ratio	Cost	Weighted Cost
Common Equity	47.737%	10.50%	5.012%
Long-Term Debt	43.858%	5.997%	2.630%
Preferred Stock	6.265%	8.410%	0.527%
Short-Term Debt	2.140%	0.340%	0.007%
Total	100.0%		8.176%

93. Adopt the OAG's recommendation and approve a cost of equity of 10 percent.

94. Adopt some other cost of equity that the Commission decides is appropriate.

Decision Alternatives for Travel, Entertainment, and Related Employee Expenses

Staff Briefing Papers pp. 180-200

Adopt ALJ findings 326 through 355, with any of the following modifications/clarifications:

95. As recommended by the OAG with respect to findings 331 and 340-342, clarify that the record is sufficient to make findings on additional unreasonable expenses; and

    a. require IPL to:

    - remove all employee expenses for which the company did not provide a business purpose.
    - remove all expenses associated with employee gift certificates or gift cards; gifts to members of Alliant Energy's Board of Directors; celebratory gatherings and meals; flowers; tickets (and other expenses such as food and beverages) for sporting events or other entertainment activities; and international travel.
    - file schedules with its compliance filing in this proceeding listing each expense it has removed under the criteria described.

<u>or</u>

    b. find that it is more probable than not that the amount of any additional problems identified by the OAG regarding food, beverage, and other employee expenses, but not including corporate aircraft, does not exceed the $25,000, and further reduce travel and entertainment expenses by IPL's proposed $25,000 (that is, in addition to the $4,044 of undocumented Travel and Lodging Expense, $4,103 Expense of Food, Beverage, and Other Expenses, and corporate aircraft expenses addressed elsewhere). [This was the OAG's alternative recommendation, and it appears to be what is reflected in IPL's May 6, 2011 compliance filing.]; and

if alternative (b) is chosen, the OAG requests that the Commission also

    c. make a specific finding that the inadequately documented employee expenses and expenses that are unnecessary for the provision of utility service identified by the OAG are expenses that ratepayers should not be expected to pay for.

96. As recommended by the OAG, find that the ALJ's interpretation of Minn. Stat. §216B.l6, subd. 17 is wrong: this statutory provision does not supplant the traditional standards of just and reasonable ratemaking, nor does it allow for recoverability of an expense merely if the utility has reported the business purpose of the expense.
97. Find that Minnesota Statute § 216B.16, subd. 17 does not change the standard that an expense must be deemed reasonable and necessary for the provision of utility service in order to be allowable, and:

    a. Reject the last sentence of ALJ Finding 350.

    b. Reject the last sentence of ALJ Finding 353.

98. As recommended by the OAG, reject the last two sentences of finding 354. Deny recovery of any of IPL's proposed test year corporate aircraft costs.

99. Also as recommended by the OAG, add the following sentence to finding 354, "The Commission directs IPL to remove the entire $102,492 in corporate aircraft costs."

Decision Alternatives for Whispering Willow Wind Farm
Staff Briefing Papers pp.200-214

100. Allow full recovery of project costs as proposed by IPL $68.39 MWh.

101. Disallow full cost recovery due to imprudently incurred costs and determine one of the amounts listed below:
    a. Allow IPL to recover $62.50 per MWh the ESCA as in the ALJ's Finding 275.
    b. Allow cost recovery limited to $51.00 per MWh (DOC, MCC)
    c. Allow cost recovery as in a Purchase Power Agreement according to energy output to flow through the ESCA

102. Disallow full cost recovery due to imprudently incurred costs and exclude costs associated with payments to RMT in interim and final rates. (OAG)

Decision Alternatives – Renewable Energy Rider – WWE Costs for April 2 to July 6, 2010
Staff Briefing Papers pp. 214-219

103. Do not allow recovery of costs related to WWE from April 2 to July 6, 2010 through a renewable rider.

104. Allow recovery of costs related to WWE from April 2 to July 6, 2010 through a renewable rider, after first finding that IPL's investment in WWE qualifies for cost recovery under Minn. Stat. §216B.1645, subd. 1, and for rider recovery under subd. 2(a). If the Commission reduces the level of test-year costs for WWE or for a PPA equivalent, then direct IPL to make a corresponding adjustment to the recovery amount as part of its rate case compliance filing.

Decision Alternatives – Renewable Energy Rider – Design of the Rider
Staff Briefing Papers pp. 214-219

Note: The decision alternatives for the design of the renewable rider were inadvertently omitted in Staff Briefing Papers Part Three.

(If the Commission allows recovery of WWE pre-interim costs through a rider, then it is necessary to establish a rider and address issues of the rider design. If the Commission does not allow pre-interim WWE recovery, establishing a renewable rider is optional.)

105. Do not approve a renewable energy rider in this proceeding.

106. Approve the RER rider and implementation mechanisms as proposed by IPL, including the reconciliation for WWE costs, refund of 2008 REC sales revenue, collection of the factor on an energy basis, the inclusion of the factor in the resource adjustment charge, and the customer notice.

107. Approve a modified RER rider and/or implementation mechanisms, with one or more of the following modifications and require IPL to file a revised RER tariff and/or implementation procedures as part of its rate case compliance filing:
    a. Do not allow reconciliation for WWE costs (*if make corresponding decision above*)
    b. Clarify that recovery of energy costs for new PPAs will be recovered through the fuel clause (*agreed to by IPL and DOC*)
    c. Require the RER rider to be shown as a separate line item on customer bills
    d. Modify the tariff to recover costs from demand-metered customers through both demand and energy charges
    e. Direct that the refund for 2008 RECs be flowed back through the fuel clause, rather than the RER, and that future REC refunds or expenses also flow through the fuel clause unless and until IPL requests, and the Commission approves, the collection of other costs through the RER.

Decision Alternatives – Transmission Issues – Commission Authority
Staff Briefing Papers pp. 220-228

(*The Commission may want to treat this as a threshold issue or may want to first decide the issue of whether IPL has failed to meet its commitments.)*

108. Find that the Commission has authority to adjudicate that issue of IPL's compliance with its commitments, agreements, and conditions in the Commission's February 2008 Order in 07-540 and to approve test year transmission costs that may be less than ITC-M's FERC-approved wholesale transmission charges. (ALJ, DOC, MCC, RUD)

109. Find that the Commission's authority to adjudicate the above issues with respect to setting retail rates is limited to the accelerating the ATA payments to customers. (IPL)

110. Do not make an explicit finding on this issue.

Decision Alternatives – Transmission Issues – IPL Commitments and Level of Recovery
Staff Briefing Papers pp. 228-233

111. Find that IPL is entitled to fully reflect its proposed 2010 transmission expenses in rates. (IPL)

112. Find that IPL did not fully comply with its commitments in the 07-540 docket with respect to the effect of the sale on its retail customers. Adjust retail rates to:

a. Exclude O&M and A&G costs from rates (ALJ, DOC, MCC)
b. Make other appropriate adjustments

113. Find that IPL did not fully comply with its commitments in the 07-540 docket with respect to the effect of the sale on its retail customers and take appropriate procedural steps to use the gain on sale credited to ratepayers to hold them harmless from increased transmission costs. (RUD)

Decision Alternatives – Transmission Issues – 2008 True-up Costs
Staff Briefing Papers pp. 233-236

114. Allow recovery of 2008 true-up costs through a TCR rider, and off-set them with an accelerated refund of the ATA, as proposed by IPL.

115. Allow recovery of 2008 true-up costs in base rates over five years. (IPL alternative proposal)

116. Adjust recovery of 2008 true-up costs through a TCR and off-set them with an accelerated refund of the ATA, to exclude costs related to O&M and A&G. Require IPL to make a compliance filing including detailed supporting schedules in 30 days to reflect this decision.

117. Adjust recovery of 2008 true-up costs in base rates over five years to exclude costs related to O&M and A&G. Require IPL to make a compliance filing including detailed supporting schedules in 30 days to reflect this decision.

118. Do not allow recovery of 2008 true-up costs.

Decision Alternatives – Transmission Cost Recovery Rider – Design of the Rider
Staff Briefing Papers pp. 236-238

119. Do not approve a transmission cost recovery (TCR) rider in this proceeding.

120. Approve the TCR rider and implementation mechanisms as proposed by IPL.

121. Approve a modified TCR rider and/or implementation mechanisms consistent with any level of expense adjustments the Commission may make to the overall level of allowed expenses.

Decision Alternatives – Transmission Cost Recovery Rider – Costs for January 25 to July 6, 2010
Staff Briefing Papers p. 239

122. Do not allow recovery of transmission costs from January 25 to July 6, 2010 through a TCR rider.

123. Allow recovery of transmission costs from January 25 to July 6, 2010 through a TCR rider. Require a compliance filing which includes supporting calculations for the proposed recovery amount.

General Housekeeping & Compliance Issues
Staff Briefing Papers p. 239

124. State that the final order in this docket shall contain summary financial schedules including: a calculation of IPL's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues. Direct parties to work with Commission staff to prepare such schedules for inclusion in the Order, should modifications be necessary to reflect the Commission's final decision.

125. Require IPL to make the following compliance filings within 30 days of the date of the final order in this docket:

a. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:

i. Breakdown of Total Operating Revenues by type;

ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:

1. Total revenue by customer class;
2. Total number of customers, the customer charge and total customer charge revenue by customer class; and
3. For each customer class, the total number of energy and demand related billing units, the per unit energy and demand cost of energy, and the total energy and demand related sales revenues.

iii. Revised tariff sheets incorporating authorized rate design decisions;

iv. Proposed customer notices explaining the final rates, the monthly basic service charge, and any and all changes to rate design/billing

b. A revised base cost of energy, supporting schedules, and revised fuel adjustment tariffs to be in effect on the date final rates are implemented.

c. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.

d. Direct IPL to file a computation of the CCRC based upon the decisions made herein for inclusion in the final Order. Direct IPL to file a schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective

e. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest calculated at the average prime rate, to affected customers.

126. Authorize comments on all compliance filings within 30 days of the date they are filed. However, comments are not necessary on IPL's proposed customer notice.