

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer

Chair

Ken Nickolai

Commissioner

Marshall Johnson

Commissioner

Phyllis Reha

Commissioner

Thomas Pugh

Commissioner

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In the Matter of a Petition by Interstate Power and Light Company for Approval of its 2007 Capital Structure and Authorization to Issue Securities

The above entitled matter has been considered by the Commission and the following disposition made:

**Recommendations if IPL Does Not Sell Its Transmission Assets:**

- 1. Approved IPL's requested 2007 capital structure (Table 2). This approval will remain effective until the Commission issues a new capital structure Order.**
- 2. Approved a +/- 10 percent range around IPL's approved common equity ratios, preferred equity ratios, and long-term debt ratios.**

**Recommendation If IPL Sells Its Transmission Assets:**

- 3a. Approved IPL's requested 2007 capital structure pre-transmission asset sale as shown in Table 2.**
- b. Approved IPL's requested 2007 Capital Structure post-transmission asset**

**sale, as shown in Table 3.**

- c. The approval of IPL's post-transmission asset sale capital structure is contingent upon the Commission's pre-approval of the sale of IPL'S transmission asset.**
- 4. Approved a +/- [10 \_ WSM] percent range around IPL's approved common equity ratio, preferred equity ratio and long-term debt ratio, as shown in Table 3, for the period 12/01/2007 through 03/31/2008. This approval is subject to the Commission's pre-approval of IPL's sale of its transmission assets.**

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**Other Recommendations:**

- 5. Approved IPL's requested short-term debt amount, which is not to exceed \$300 million at any time during the period 04/01/2007 through 03/31/2008, or until the Commission issues a new capital structure Order if the Order is issued after 03/31/2008.**
- 6. Approved IPL's total capitalization contingency of \$2,574.3 million. This amount is 5 percent over IPL's total capitalization including the maximum of \$300 million of short-term debt.**
- 7. Allowed IPL to issue short-term and long-term securities without Commission approval as long as the issuances do not result in a capital structure that is out of compliance with this Order for more than 60 days. Any issuance of securities that would result in a capital structure that is out of compliance with this Order for more than 60 days must be first approved by the Commission.**
- 8. Required IPL to report to the Commission any sale of its transmission assets and its impact on IPL's capital structure.**

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

**BY ORDER OF THE COMMISSION**

Burl W. Haar  
Executive Secretary

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