

**Customer Rights.** You have the right to file a written objection to this proposed increase with the Utilities Board and to request a public hearing. All comments are a matter of public record. Written objections or requests can be mailed, emailed, or submitted online to the Utilities Board as follows:

<b>Online:</b> Online Comment Form* or <a href="https://efs.iowa.gov">efs.iowa.gov</a>	<b>Email:</b> <a href="mailto:customer@iub.iowa.gov">customer@iub.iowa.gov</a>	<b>Mail:</b> Iowa Utilities Board 1375 E. Court Avenue Des Moines, IA 50319-0069
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\*<https://iub.iowa.gov/online-services/open-docket-comment-form>

The Utilities Board should be provided with any facts that would assist it in determining the justness and reasonableness of this requested increase. This information will be available to the Office of Consumer Advocate, which represents the public interest in rate cases before the Utilities Board. The company sends this notice to all applicable existing customers and to customers who begin service while this case is pending. Comments may be filed at any time while the case is pending.

**Customer Comment Meetings.** As part of this process, the Utilities Board will host a series of customer comment meetings. The Utilities Board encourages customers of Interstate Power and Light Company to attend a customer comment meeting. A customer comment meeting is the best opportunity to provide feedback directly to the Utilities Board and other parties involved in the rate case. The customer comment meetings have been scheduled for:

- Creston:** 5:30 p.m. Thursday, April 11, at Southwest Community College, Performing Art Center, 1501 W. Townline St.
- Marshalltown:** 5:30 p.m. Tuesday, April 23, at Iowa Valley Education Center, 3702 S. Center St.
- Storm Lake:** 5:30 p.m. Wednesday, May 1, at Buena Vista University, Science Center, 610 W. Fourth St.
- Mason City:** 11:30 a.m. Thursday, May 2, at the Historic Park Inn, 7 W. State St.
- Decorah:** 6 p.m. Thursday, May 2, in the Hotel Winneshiek, 104 E. Water St.
- Ottumwa:** 6 p.m. Wednesday, May 8, at the Bridge View Center, 102 Church St.
- West Burlington:** 11:30 a.m. Wednesday, May 22, at Southeastern Community College, Building 300, 1500 W. Agency Road.
- Clinton:** 5:30 p.m. Wednesday, May 22, at Clinton Community College, Tech Center, 1951 Manufacturing Drive.
- Dubuque:** 11:30 a.m. Thursday, May 23, at the Hotel Julien, 200 Main St.
- Cedar Rapids:** 5:30 p.m. Thursday, May 23, at Kirkwood Community College, Main Campus, Iowa Hall, 6301 Kirkwood Boulevard S.W.

The Board intends to expand customer access to the customer comment meetings. One or more of the meetings may be accessible using a web conferencing service. Details about participating online of accessing information presented at the customer comment meetings will be available on the Board's website at [iub.iowa.gov](http://iub.iowa.gov). Additional customer comment meetings may be scheduled by the Utilities Board, if necessary.

**Understanding Your Rates.** Customers with questions regarding the rate increase proposal may contact Interstate Power and Light Company's customer support representatives at 1-800-ALLIANT (800-255-4268) or [iowarates@alliantenergy.com](mailto:iowarates@alliantenergy.com). Written explanations of all current and proposed rate schedules are available upon request and will be sent to you at no charge. The current and proposed rate schedules, along with other information, are also available at [alliantenergy.com/iowarates](http://alliantenergy.com/iowarates).

## Notice of proposed electric rate increase

### Your customer notice includes:

- Details on Interstate Power and Light Company's rate increase proposal and the potential impact on your bill.
- Ways you can learn more about the rate case.

### Dear Customer,

Every day, we work to exceed your expectations for clean, reliable and affordable energy. We are investing in more wind and grid technologies that advance clean energy and enhance the services we provide.

Expansions in low-cost wind energy, for example, will deliver fuel cost savings, as wind has no associated fuel costs. Wind energy additions will also lower emissions, while driving significant economic benefits to local communities.

Advanced meters will make it easier to detect and respond to outages. They can also provide you with more control over your energy bills with information about your usage.

New bill options, including a flat bill, will give you the opportunity to pay the same amount every month, providing increased certainty. A new community solar program will enhance our ability to partner with you to support renewable energy.

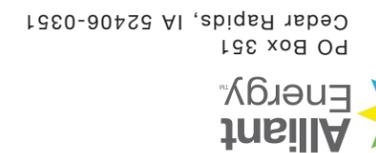
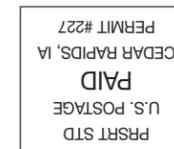
This spring, we are requesting an increase in electric base rates to reflect improvements and investments in our electric system.

Through these and other efforts, we are focused on continuing to build a strong energy future and help the communities we serve remain vibrant. On behalf of our more than 2,000 Iowa-based employees, it is a privilege to be your energy provider. We thank you for your business.



Terry Kouba – President of Alliant Energy's Iowa energy company

## Notice of proposed electric rate increase



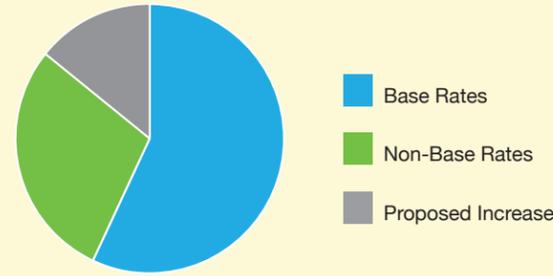
# Electric rate increase proposal

Alliant Energy's Iowa electric utility, Interstate Power and Light Company, is asking the Iowa Utilities Board for an increase in electric utility rates and charges with a proposed effective date of January 1, 2020.

The company is investing in new wind farms, energy grid technologies including advanced metering infrastructure, and environmental controls that reduce emissions.

The requested increase in annual revenues for all customer classes combined is approximately \$203.6 million or 11.7%. The increase includes Interstate Power and Light Company's estimated rate case expense of approximately \$286,000.

The rates Interstate Power and Light Company proposes to increase in this notice are base rates. Interstate Power and Light Company base rates account for approximately 66% of a residential electric bill. The rates on your bill that are considered base rates include capital costs, operation and maintenance costs, a return on investment, and taxes. The rates on your bill applicable to the remaining 34% of the bill include costs assessed by transmission providers, fuel for generation facilities, and state-mandated energy efficiency costs. The chart to the right shows the breakdown between base and non-base rates for 2018, and also the requested base rate increase for residential customers for 2020.<sup>1</sup>



In previous rate cases, the Utilities Board set rates based on consideration of actual, historical costs and expense data of the utility. In this new proceeding, the Utilities Board will consider projected costs and revenues of the utility when setting rates. In a subsequent proceeding, the Utilities Board will consider whether the company's actual costs and revenues are reasonably consistent with the approved costs and revenues used to set final rates and, if not, shall adjust the rates accordingly.

**Riders.** The company is proposing a renewable energy rider that will go into effect in 2020, subject to Board approval. The renewable energy rider would allow the company to assess costs and benefits of eligible renewable energy projects to customers outside of a general rate proceeding. If the company seeks to recover costs associated with future renewable projects through this rider, the company will request Board approval and provide appropriate customer notice of rate impacts. The bill impacts of any costs recovered through the renewable energy rider are already reflected in the tables below.

**Other Charges.** The company is proposing to modify the charge to reconnect service for customers, which currently ranges from \$56 to \$123. The new charge will be \$27.33 regardless of the time of service, or \$81.18 if a field representative must visit the customer's premise to make the reconnection. The company is proposing a new monthly charge of \$15 for qualifying residential customers who choose a non-standard metering alternative.

The Utilities Board may docket the company's proposed rate increase for investigation, which suspends the effective date of the proposed 2020 rates.

**Interim Rates.** Under Iowa law, the company can implement an interim increase in rates that will remain in effect until the Utilities Board completes its review of the proposal. The company will implement an interim rate increase of approximately \$89.9 million or 5.5% effective April 1, 2019. Interim rates are included as part of, but not in addition to, the proposed final increase in rates. Interim rate increases are subject to refund, plus interest, after the Utilities Board issues a final decision on the request.

1. This information is available from Interstate Power and Light Company for the other customer classes upon request.

**Estimated Billing Impacts.** The table below shows how the proposed final rate increase will affect the base rate portion of your bill. The highlighted row in the table represents the customer class listed for your account. The individual effect of the proposed rate change on your electric bill will vary depending on your customer type, actual usage level, and final rates approved by the Board. The table does not include the charges that make up the non-base rate portion of your bill. Interstate Power and Light Company projects that there may be changes to those charges which may affect your total bill. The company anticipates filing its request with the Utilities Board on March 1, 2019.

Energy costs will be lower than they otherwise would because of the early termination of a power purchase agreement with the Duane Arnold Energy Center (DAEC). The company will make an approximately \$110 million payment in 2020 to shorten the term of the DAEC power purchase agreement (PPA), which the company will collect over five years. Along with benefits resulting from related wind PPAs, the company expects to realize approximately \$300 million in net customer benefits over the term of the PPAs.

Customer class	Monthly Base Rate Bill Information				
	Typical 2018 Bill <sup>3</sup>	Proposed Base Rate Increase	Base Rate Increase %	Typical 2020 Bill <sup>4</sup>	Typical Overall Change %
<b>Residential (Assumes typical usage of 756 kWh per month)<sup>1</sup></b>	\$82.31	\$20.13	24.45%	\$102.44	24.45%
Municipal lighting	\$222.12	\$22.22	10.01%	\$244.34	10.01%
Non-residential general service 2	\$190.15	\$34.92	18.36%	\$225.07	18.36%
Large general service	\$7,405.18	\$1,872.92	25.29%	\$9,278.10	25.29%
Large general service - high load factor / large volume	\$685,576.03	\$122,252.11	17.83%	\$807,828.14	17.83%
Standby and supplementary power service - standby	\$208,835.37	-\$60,867.49	-29.15%	\$147,967.88	-29.15%
Large general service - supplementary	\$7,248.48	\$2,408.67	33.23%	\$9,657.15	33.23%

1. Includes a proposed increase in the monthly basic service charge from \$11.50 to \$13.00 for final rates effective in 2020.
2. Includes a proposed increase in the monthly basic service charge from \$19.00 to \$20.00 for final rates effective in 2020.
3. Typical base rate portion of your monthly bill prior to proposed rate increase. The amount only includes approved base rates and monthly customer charges effective in 2018.
4. Typical base rate portion of your monthly bill after the proposed base rate increase. The amount only includes proposed base rates and monthly customer charges effective in 2020.

**The Process.** After a thorough review of Interstate Power and Light Company's request, which will be completed within 10 months as required by law, the Utilities Board will establish final electric rates, which may be different than the rates proposed by the company. In addition to setting rates, the Utilities Board will also determine when final rates will become effective. If final rates are lower than interim rates, Interstate Power and Light Company will refund the difference to customers with interest once a refund plan is approved by the Utilities Board.