The Tax Benefit Rider provides a mechanism to refund amounts retained in regulatory liability accounts associated with potential tax benefits resulting from a change in IPL’s accounting methodologies. An annualized amount related to these potential tax benefits will flow through retail rates as approved by the Iowa Utilities Board through the application of a tax benefit factor.

**Applicable:**
To all sales under applicable retail natural rate schedules reflected below. The TBR factor is applied on a monthly basis to base distribution charges for customer classes for the purpose of billing. The factor shall be determined annually and shall apply monthly to bills. The TBR will be reflected as a separate line item on customer bills. All provisions of the customer’s current applicable rate schedule will apply in addition to this charge.

Tax Benefit factors to be applied to distribution charges effective November 1, 2018 through December 2018:

<table>
<thead>
<tr>
<th>Class</th>
<th>Rate Codes</th>
<th>TBR $/Dth</th>
<th>TBR $/day</th>
<th>TBR %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Gas Service</td>
<td>030</td>
<td>N/A</td>
<td>($0.06064)</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-Residential General Gas Service</td>
<td>100, 240</td>
<td>N/A</td>
<td>($0.00000)</td>
<td>N/A</td>
</tr>
<tr>
<td>Large General Gas Service</td>
<td>830, 860</td>
<td>N/A</td>
<td>N/A</td>
<td>(0%)</td>
</tr>
<tr>
<td>Transportation of Customer-Owned Gas</td>
<td>400, 560, 900</td>
<td>N/A</td>
<td>($0.00000)</td>
<td>N/A</td>
</tr>
<tr>
<td>- 200 Dth or less</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation of Customer-Owned Gas</td>
<td>410, 570, 980</td>
<td>N/A</td>
<td>N/A</td>
<td>(0%)</td>
</tr>
<tr>
<td>- Over 200 Dth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Volume</td>
<td>950, 960, 970</td>
<td>N/A</td>
<td>($0.00000)</td>
<td>N/A</td>
</tr>
<tr>
<td>Transportation of Customer-Owned Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large General Service - Contract Demand</td>
<td>320, 370</td>
<td>($0.00000)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Date Issued: September 28, 2018  
Effective Date: November 1, 2018  
By: Jason P. Nielsen – Manager, Regulatory Affairs
Annually, the TBR daily factor for a customer class (if applicable) shall be calculated as follows:

\[
TBR_{\text{day}} = \frac{(A_i - B_i)}{(EQ_{\text{day}})} + \frac{(C)}{(EQ_{\text{day}})}
\]

Where:
- \(A_i\) = The total estimated tax benefit projected refund by year allocated to the class.
- \(B_i\) = Any amount previously refunded to customers that did not sustain IRS audit which was previously allocated to the customer class.
- \(C\) = The reconciliation balance of refund pool at the end of the three year period.
- \(EQ_{\text{day}}\) = The estimated billing days during the upcoming year in which TBR_{\text{day}} will be used.

Annually, the TBR demand factor for a customer class (if applicable) shall be calculated as follows:

\[
TBR_{\text{Dth}} = \frac{(A_i - B_i)}{(EQ_{\text{Dth}})} + \frac{(C)}{(EQ_{\text{Dth}})}
\]

Where:
- \(A_i\) = The total estimated tax benefit projected refund by year allocated to the class.
- \(B_i\) = Any amount previously refunded to customers that did not sustain IRS audit which was previously allocated to the customer class.
- \(C\) = The reconciliation balance of refund pool at the end of the three year period.
- \(EQ_{\text{Dth}}\) = The estimated billing Dth during the upcoming year in which TBR_{\text{Dth}} will be used.

Annually, the TBR percentage factor for a customer class (if applicable) shall be calculated as follows:

\[
TBR_{\%} = \frac{(A_i - B_i)}{(EQ_{\%})} + \frac{(C)}{(EQ_{\%})}
\]

Where:
- \(A_i\) = The total estimated tax benefit projected refund by year allocated to the class.
- \(B_i\) = Any amount previously refunded to customers that did not sustain IRS audit which was previously allocated to the customer class.
- \(C\) = The reconciliation balance of refund pool at the end of the three year period.
- \(EQ_{\%}\) = The estimated billing non-fuel/non-EECR charges during the upcoming year in which TBR_{\%} will be used.

The TBR cost adjustment reconciliation balance shall be the cumulative balance of any excess or deficiency which arises out of the difference between amounts already refunded through the rider and the amount that is sustained after the IRS completes its audits for all tax categories. Credit balances shall be refunded over a 12 month period and debit balances shall be collected over a 24 month period.

Date Issued: December 11, 2012  
Effective Date: January 10, 2013  
By: Erik C. Madsen – Director, Regulatory Affairs