Rider BRFEC –
Base Rate Freeze Extension Credit

The Base Rate Freeze Extension Credit (BRFEC) rider provides a mechanism to credit customers in accordance with the unanimous settlement agreement among Interstate Power and Light Company, the Iowa Office of Consumer Advocate, the Iowa Consumers Coalition, and the Large Energy Group, which resolves issues that were raised in Iowa Utilities Board (Board) Docket Nos. SPU-2005-0015 and TF-2012-0577 regarding IPL's recovery of costs for a revised power purchase agreement (PPA) for the output of the NextEra Duane Arnold Energy Center (DAEC). An annualized amount related to these credits by customer class will flow through as a credit to the Energy Adjustment Clause as approved by the Board with the exception of the Standby Customer class, in which case the credit will be directly assigned.

Applicable:
To all kWh sales by customer class under retail electric rate schedules except for standby customers, which are based upon a direct assignment. The factor is applied on a monthly basis to kilo-Watt-hours (energy) for all customer classes and is credited through the Energy Adjustment Clause for billing purposes. The factor shall be determined annually, and may be adjusted as necessary over a calendar year, per the formula below. For standby customers taking service under that tariff as of December 31, 2013, credits 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 credit.

BRFEC credit factors to be applied to all uses for all bills rendered in the January through December 2015 revenue months: C

Class	Price Codes	Credit $/kWh	
Residential Service Usage	400, 407-8, 450, 457-8 460, 467-8, 470, 477-8	($0.00215)	R
Non-Residential General Service Usage	600, 607-8	($0.00171)	R
Large General Service Usage	440, 447-8, 480, 487-8	($0.00103)	R
High Load Factor/ Bulk Usage	510, 760	($0.00068)	R
Lighting Usage	620, 630, 640	($0.00341)	R
Standby	797-8, 840	Direct Assign	

Rider BRFEC –
Base Rate Freeze Extension Credit

BRFEC Projected Credits by Calendar Year by Customer Class

	Year 1 2014	Year 2 2015	Year 3 2016
Total Refund All Classes	($70,000,000)	($25,000,000)	($10,000,000)
Residential Service Usage	($25,350,000)	($7,800,000)	($1,950,000)
Non-Residential General Service Usage	($11,895,000)	($3,660,000)	($915,000)
Large General Service Usage	($22,425,000)	($6,900,000)	($1,725,000)
High Load Factor/Bulk Usage	($4,550,000)	($1,400,000)	($350,000)
Lighting Usage	($780,000)	($240,000)	($60,000)
Standby	($5,000,000)	($5,000,000)	($5,000,000)

Annually, and as necessary over a calendar year, the BRFEC credit per kWh factor by customer class shall be calculated as follows:

For all customer classes except standby:

$$BRFEC_{credit} = (A_{iclas} –/+ B_{iclass}) \ / \ (EQ_{kWhclass})$$

Where the factor components are defined as:

A_{iclass} = The total BRFEC credit by customer class by year from the table above.

B_{iclass} = Any amounts over- or under-credited from the prior year.

$EQ_{kWhclass}$ = The estimated electric kilo-Watt-hours of energy to be consumed or delivered during the upcoming credit period in which BRFECcredit will be used. IPL will use annual sales by customer class except for 2014 in which case the expected electric kilo-Watt-hours of energy to be consumed for May through December will be used.

Note: IPL may find it necessary to correct any credit factor prior to the end of the calendar year to avoid any potential large over- or under-credit.

For standby customer class, the monthly credit is computed as:

$$BRFEC_{credit} = (\$5{,}000{,}000 \ / \ Months_i) \ X \ A_{icustomer}$$

Where the factor components are defined as:

$A_{icustomer}$ = Customer-specific allocation percentage.

$Month_i$ = Number of months in the credit period. IPL will use 12 months for the credit periods with the exception of 2014 in which it will use 8 months to reflect the period from May through December.