

INTERSTATE POWER AND LIGHT COMPANY GAS TARIFF

Filed with the IOWA UTILITIES BOARD

ORIGINAL TARIFF NO. 1

EIGHTH REVISED SHEET NO. 72
CANCELLING SEVENTH REVISED SHEET NO. 72

All Pricing Zones Tax Benefit Rider Rider TBR

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 January 1, 2017:

C

<u>Class</u>	<u>Rate Codes</u>	<u>TBR \$/Dth</u>	<u>TBR \$/day</u>	<u>TBR %</u>	
Residential Gas Service	030	N/A	(\$0.05327)	N/A	R
Non-Residential General Gas Service	100, 240	N/A	(\$0.20377)	N/A	R
Large General Gas Service	830, 860	N/A	N/A	(5.3%)	R
Transportation of Customer-Owned Gas - 200 Dth or less	400, 560, 900	N/A	(\$0.20377)	N/A	R
Transportation of Customer-Owned Gas - Over 200 Dth	410, 570, 980	N/A	N/A	(5.3%)	R
Small Volume Transportation of Customer-Owned Gas	950, 960, 970	N/A	(\$0.20377)	N/A	R
Large General Service - Contract Demand	320, 370	(\$0.19300)	N/A	N/A	R

Date Issued: November 3, 2016

Effective Date: December 23, 2016

By: Jason P. Nielsen – Manager, Regulatory Affairs

INTERSTATE POWER AND LIGHT COMPANY GAS TARIFF

Filed with the IOWA UTILITIES BOARD

ORIGINAL TARIFF NO. 1

FIFTH REVISED SHEET NO. 73
CANCELLING FOURTH REVISED SHEET NO. 73

All Pricing Zones Tax Benefit Rider Rider TBR

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

$$TBR_{\text{day}} = (A_i - B_i) / (EQ_{\text{day}}) + (C / EQ_{\text{day}})$$

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 balance₁ of refund pool at the end of the three year period.

EQ_{day} = The estimated billing days during the upcoming year in which TBR_{day} will be used.

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

$$TBR_{\text{Dth}} = (A_i - B_i) / (EQ_{\text{Dth}}) + (C / EQ_{\text{Dth}})$$

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 balance₁ of refund pool at the end of the three year period.

EQ_{Dth} = The estimated billing Dth during the upcoming year in which TBR_{Dth} will be used.

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

$$TBR_{\%} = (A_i - B_i) / (EQ_{\%}) + (C / EQ_{\%})$$

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 balance₁ 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.

¹ 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