INTERSTATE POWER and LIGHT COMPANY ELECTRIC TARIFF FILED WITH M.P.U.C.

ORIGINAL VOLUME NO. 8 TWENTY-SECOND REVISED SHEET NO. 32 Canceling TWENTY-FIRST REVISED SHEET NO. 32

RATE DESIGNATION: TAX ADJUSTMENT MTX

CLASS OF SERVICE: ALL CLASSES

SERVICE: AREA ALL MINNESOTA SERVICE AREA

Applicable:

Should any tax or franchise fee, federal, state or local be levied upon the sales of electricity hereunder, or upon the seller measured by the electricity sold or the revenue received from such sale, such tax shall be added to the net bill unless exempted under provisions of the Minnesota statutes, rules, and regulations applicable hereunder. The Company remits 100% of the taxes and franchise fees collected on billings for electric service under this tariff to the governmental taxing authority.

The Company will notify the Minnesota Public Utilities Commission of any new, renewed, expired, or changed fee, authorized by Minnesota Statute § 216B.36 to raise revenue, at least 60 days prior to its implementation. If the Company receives less than 60 days' notice of a repealed or reduced fee from a city, the Company will notify the Minnesota Public Utilities Commission within 10 business days of receiving notice. Notification to the Minnesota Public Utilities Commission will include a copy of the relevant franchise fee ordinance, or other operative document authorizing imposition of, or change in, the fee.

The Company will include the following language on the first bill to a customer on which a new or modified fee is listed:

The MUNICIPALITY granted Interstate Power and Light Company (IPL) a franchise to operate within the City limits. An electric franchise fee of X% of gross revenues will be imposed on customers effective MM/DD/YYYY. The line item appears on your bill as "City Franchise Fee." IPL remits 100% of this fee to the MUNICIPALITY.

Current Applicable Requirements:

Minnesota Sales Tax:

A state sales tax, as set forth in Minnesota Statute §297A.61 and Minnesota Rule 8130.1100 of the Minnesota code, shall be applied to all billings for electric service, unless exempted under the provisions of Minnesota Statute §297A.67, and regulations applicable thereto.

Local Sales Tax:

Where a local sales tax, as set forth in Minnesota Statute §297A.99, has been imposed by a local political subdivision for a local community and consistent with Minnesota Rule 8130.1100 of the Minnesota code, such a local tax shall be applied to all billings for electric service, unless exempted under the provisions of Minnesota Statute §297A.67, and regulations applicable thereto. Albert Lea:

A local sales tax of 0.50 percent shall be applied to all utility billings for electric service furnished within the city of Albert Lea.

Franchise Fees:

Albert Lea:

A franchise fee of 4.50 percent shall be applied to all billings for electric service furnished within the city of Albert Lea.

Medford:

A franchise fee of 3.00 percent shall be applied to all billings for electric service furnished within the city of Medford, authorized August 27, 2007.

Owatonna:

A franchise fee commencing January 1, 2003, shall be calculated for each customer based upon a customer's peak kW demand and total amount of electric kWh energy delivered during the calendar year of consideration according to the following schedule: Peak kW demand less than 100 kW = \$0.0016 per kWh delivered during the calendar year,

Peak kW demand greater than 100 kW = \$0.0014 per kWh delivered during the calendar year.

Winnebago:

A franchise fee of 2.00 percent shall be applied to all billings for electric service furnished within the city of Winnebago, authorized January 1, 2012.

Date Filed: August 21, 2013 Effective Date: July 23, 2013

By: Erik C. Madsen – Director, Regulatory Affairs

Docket No. E,G-999/CI-09-970 Order Date: <u>July 23, 2013</u>