

News Release

Decorah Area Group

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Decorah Area Group Contests Alliant Settlement; Utilities Board Hearing on Monday October 7

The Decorah Area Group (DAG) has filed a partial objection to the “non-unanimous, partial settlement agreement” filed by Alliant Energy in their current Iowa rate case. DAG is made up of the City of Decorah, Winneshiek Energy District, Luther College, Winneshiek Medical Center, and Aase Haugen Senior Services.

The DAG filing states “The members of DAG believe that the majority of IPL’s customers, and the communities in which they live and work, will see this Settlement as “more of the same.” The Board should decline to engage in “more of the same”.

“Alliant is putting an awful lot of spin into making their “compromise” proposal sound like the best thing since sliced bread” said Winneshiek Energy District’s Andy Johnson. “In reality, the utility always comes into a case like this asking for the sky, then crows mightily about compromise. They are very good at playing the system to the benefit of shareholders and, increasingly, to the detriment of communities and ratepayers.

“We could not in good conscience agree to a “compromise” that still raises rates by double digits, puts no brakes on likely near-future increases, continues attacking customer-owned solar and energy efficiency, and gives out-of-state shareholders a 9.5% annual return on the backs of Iowa customers and communities” said Johnson.

“Why are they trying to bill us not only for the company’s new wind farms that were supposed to save money and lower rates, but even for the wind tax credits they have failed to monetize thanks to poor management, all while hundreds of millions in profit flow yearly to shareholders?” asks Steve Luse, Decorah City Council liaison to DAG.

Specifically, the DAG objection to Alliant’s proposed settlement takes issue with:

- The \$127 million in new annual revenue extracted from Iowa ratepayers is over 60% of the original ask, which would still amount to a base rate increase of roughly 15% for residential, 11% for general service (commercial), 15% for large general service, and 20% for large general service “supplementary” (with generation) customers.

- This comes on the heels of a nearly 8% increase effective in 2018, and a high likelihood based on company filings of more rate increases either every year or every other year for the foreseeable future.
- This increase would still be roughly 3-5 times the rate of increase that residential customers were told by Alliant to expect during the municipalization discussion in 2018.
- Alliant is describing \$27 million in “bill credits for electric retail customers” as part of the settlement, when in reality these tax refunds were owed to ratepayers regardless, should have been returned long ago, and should not be used to disguise the scale of the current increase.
- Alliant continues its attack on net metering and customer ownership of solar energy, proposing backdoor and complicated changes reducing solar value for both existing and new customers
- Over fifty Iowa cities and counties have passed statements or resolutions requesting the Utilities Board to deny the rate increase in whole or large part

The City of Decorah passed such a resolution in April, stating in part, “Be it resolved, the Decorah City Council:

1. Stands in opposition to the current rate increase.
2. Believes the current rate increase represents a significant breach of trust and accountability between Alliant Energy, the City of Decorah, and Decorah Customers.
3. Is committed to intervening and submitting testimony to the Iowa Utilities Board ...

The settlement agreement proposed by Alliant is not final. It will be considered by the Utilities Board along with testimony provided at the hearing scheduled for October 7-8. DAG intends to participate, and to file a final brief continuing to urge the Iowa Utilities Board to exhibit the leadership called for by thousands of customers and communities across Iowa saying “enough is enough”.

The current DAG filing objecting to the Alliant “compromise” also states:

DAG’s intervention in this case has been guided by two premises. The first is a context of rapidly rising rates over the past decade with the likelihood that this trend will continue in the future. This reality is creating an untenable and unjust level of wealth extraction from IPL customers and communities. It is also imposing a heavy energy burden not only on low and moderate income and otherwise disadvantaged households, but also on businesses and entire communities, all of whom are crying out to the Board for relief.

The second premise guiding DAG’s intervention is a conviction borne of experience over the past decade that IPL has been working assiduously to thwart customer and community opportunities to participate on fair terms in the 21st century clean energy economy. ... In recent years, IPL has worked aggressively to undermine net metering and to reduce energy efficiency. These efforts disempower IPL customers who want to pursue locally-owned clean energy prosperity through investments in renewable energy and energy efficiency.

The Settlement fails to adequately address either of these overarching issues. It locks in continued rapid rate increases through the revenue requirement and capital structure terms,

and it essentially ignores IPL's moves to close the door on customer and community attempts to mitigate wealth extraction through participation in and ownership of the clean energy future.

... In considering whether or to what extent the Settlement filed in this case should be approved, DAG urges the Board review the entire record in this case and to be mindful of the thousands of IPL customers currently living paycheck to paycheck or whose businesses operate on thin margins, who have pled with the Board for relief from the regular onslaught of rate increases they've experienced by virtue of having the "luck" to reside in IPL's service territory. DAG asks the Board to consider the impact that its decision on each and every issue in this case will have on each and every one of those customers.