

Overview

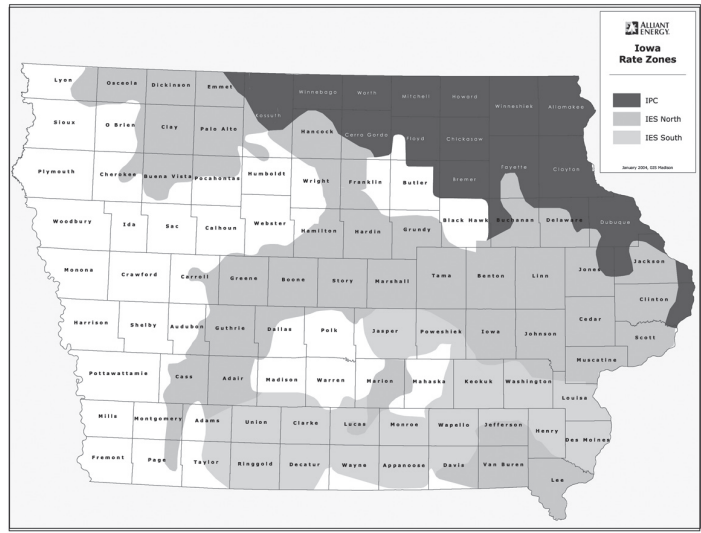
The individual geographic electric pricing zones represent the following former service areas:

IES-Northern – Customers formerly served by Iowa Electric Light and Power Company

IES-Southeastern – Customers formerly served by Union Electric (currently, all customer classes with the exception of General Service customers are now served on the IES-Northern electric price schedules)

IES-Southern – Customers formerly served by Iowa Southern Utilities

IPC – Customers formerly served by Interstate Power Company



NOTICE OF PROPOSED RATE CHANGES



DST 100061309



NOTICE OF PROPOSED RATE CHANGES

Interstate Power and Light Company (IPL) is filing a request with the Iowa Utilities Board (IUB) on September 8, 2008, proposing the fourth step towards creating equal rates across IPL's Iowa service area with a proposed effective date of June 30, 2009. The proposed electric rate equalization step changes do not impact IPL's total annual revenues.

The effect of the proposed equalization changes will vary depending upon your customer class, electric usage characteristics and the geographic electric pricing zone in which you are located. IPL currently has four geographic electric pricing zones in Iowa.

The proposed percentage changes in a typical customer's monthly electric bill for the primary customer classes are shown in the following tables. These changes reflect the proposed fourth electric rate equalization step. Rate changes for individual customers may vary from the numbers shown in this notice. Since rates for the Large General Service, Lighting, and Bulk Power customer classes are currently equalized, these customer classes are not included in this notice.

PROPOSED ELECTRIC RATE CHANGES*

Residential customer class

Electric Pricing Zone	Current Customer Class	Rate Code	Current Typical Customer Monthly Rate	+	Proposed Typical Customer Rate Change	=	Proposed Typical Customer Monthly Rate	Typical Percentage Rate Change
IES Southern Zone	Residential	100, 107-8, 550, 560, 570, 577-8, 567-8, 577-8	\$80.66	+	\$2.41	=	\$83.07	2.99%
IPC Zone	Residential	150, 157-8, 40,50, 60, 47-8, 57-8, 67-8	\$64.72	+	\$0.93	=	\$65.65	1.44%
IES Northern Zone	Residential	400, 407-8, 450, 460, 470, 457-8, 467-8, 477-8	\$80.00	+	-\$1.47	=	\$78.53	-1.84%

General service customer class

Electric Pricing Zone	Current Customer Class	Rate Code	Current Typical Customer Monthly Rate	+	Proposed Typical Customer Rate Change	=	Proposed Typical Customer Monthly Rate	Typical Percentage Rate Change
IES Southern Zone	General Service	200, 207-8	\$106.09	+	\$3.69	=	\$109.78	3.48%
IES Southeastern Zone	General Service	650, 657-8	\$267.96	+	-\$8.03	=	\$259.93	-3.00%
IPC Zone	Demand Rate	240, 247-8	\$326.31	+	\$3.84	=	\$330.15	1.18%
	Energy Rate	250, 257-8	\$43.83	+	\$1.92	=	\$45.75	4.38%
	Municipal Pumping	520, 527-8	\$268.35	+	\$1.79	=	\$270.14	0.67%
	Farm Single Phase	810, 817-8	\$125.78	+	\$0.79	=	\$126.57	0.63%
	Farm Three Phase	820, 827-8	\$270.32	+	-\$2.50	=	\$267.82	-0.92%
IES Northern Zone	Farm	500, 507-8	\$114.52	+	-\$0.57	=	\$113.95	-0.50%
	General Service	600, 607-8	\$139.70	+	-\$1.60	=	\$138.10	-1.15%

The differences in the percentage impacts by geographic electric pricing zone for a customer class indicate IPL's commitment to continue the process previously approved by the IUB to create equal electric rates across IPL's electric service area for similarly situated customers. The typical percentage change in rates identified in the customer class tables does not complete the electric rate equalization process for Residential and General Service customers. Upon achieving complete electric rate equalization in future years, similarly situated IPL-Iowa customers in the same customer class will pay the same electric rates, regardless of where they are located. IPL's proposal complies with the IUB's targeted timeline to create equal rates across IPL's electric service area through a methodical process over the next 2 years.

After a thorough review, the IUB will issue an order approving the fourth step of electric rate equalization, which may be different than IPL's proposals. The IUB will also determine when the new electric rates will go into effect.

As an IPL electric customer, you have the right to file a written objection to this proposed change in rates with the IUB. All written objections or requests for public comment hearings should be addressed to: Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319 or sent to the email address: iubcustomer@iub.state.ia.us. You may also contact IUB Customer Service at 1-877-565-4450 for additional information regarding requests for public hearings or filing written comments. The IUB should be provided with any facts that would assist in determining a fair and reasonable outcome to the rate request. This information will be made available to the Office of Consumer Advocate (OCA), which represents the public interest in rate cases before the IUB.

A written explanation of all current and proposed rate schedules is available by calling customer service at 1-800-ALLIANT (1-800-255-4268) or by sending an e-mail to iowarates@alliantenergy.com. The information will be forwarded to you without charge. Also, if you have any other questions, please contact 1-800-ALLIANT (1-800-255-4268).