

DIRECT TESTIMONY

of

BURMA C. JONES

Accountant
Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Reconciliation of Revenues Collected
Under Gas Adjustment Charges
with Actual Costs Prudently Incurred

Interstate Power and Light Company

Docket No. 05-0744

October 26, 2006

1 Witness and Schedule Identification

2 Q. Please state your name and business address.

3

4 A. My name is Burma C. Jones. My business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

6 Q. By whom are you employed and in what capacity?

7

8 A. I am currently employed as an Accountant in the Accounting Department
9 of the Financial Analysis Division of the Illinois Commerce Commission
10 (“Commission”).

11 Q. Please describe your professional background and affiliations.

12

13 A. I am a licensed Certified Public Accountant with a Bachelor of Arts in
14 Accountancy from Sangamon State University, which is now known as the
15 University of Illinois at Springfield. I joined the Staff of the Illinois
16 Commerce Commission (“Staff”) in October 1999. My prior accounting
17 experience includes five years as the Assistant Controller for a mid-size
18 retail business and two and a half years on the accounting staff of the
19 Illinois Office of the Comptroller.

20 Q. Have you previously testified before any regulatory bodies?

21

22 A. Yes, I have testified on several occasions before the Illinois Commerce
23 Commission.

24 Q. What is the purpose of your testimony in this proceeding?

25

26 A. The purpose of my testimony is to present the results of my review of
27 Interstate Power and Light Company's ("Company") purchased gas
28 adjustment ("PGA") reconciliation as presented by Company witness
29 Michael Bremel on 2nd Revised Exhibit 1.1 and Revised Exhibit 1.2 and
30 the underlying documents that support the calculations.

31 Q. Are you sponsoring any schedules as part of your direct testimony?

32

33 A. Yes. I prepared the following schedule, which is attached to this
34 testimony.

35 Schedule 1.1 Interstate Power and Light Company PGA
36 Reconciliation Summary

37 Results of the PGA Review

38 Q. Do you propose any adjustments to Interstate Power and Light Company's
39 PGA reconciliation as a result of your review?

40

41 A. No.

42 Q. Please explain ICC Staff Exhibit 1.0, Schedule 1.1, Interstate Power and
43 Light Company PGA Reconciliation Summary.

44

45 A. I present this one page schedule to facilitate the inclusion of the
46 reconciliations into the record for this docket. It is a summary of the
47 Company's reconciliations for the cost components within Supply Area A
48 and Supply Area B.

49 Q. Does the reconciliation in this proceeding require an Ordered
50 Reconciliation Factor collection?

51

52 A. Yes. The reconciliation in this proceeding requires Ordered Reconciliation
53 Factor (Factor O) collections of \$165,682 for Supply Area A Commodity
54 Gas Charge, \$1,000 for Supply Area B Commodity Gas Charge, and
55 \$1,136 for Supply Area B Non-commodity Gas Charge.

56 Other Comments

57 Q. Do you have any other comments?

58
59 A. Yes. The Commission is considering the sale of the Company's gas
60 operations to a cooperative in Docket No. 05-0835. A Commission order
61 is anticipated to be entered before December 1, 2006. If the sale of the
62 gas operations of the company is consummated prior to the Factor Os that
63 result from this proceeding have been refunded or collected from
64 customers, the resulting Factor Os should be held and aggregated with the
65 unamortized balances that exist at the time of the sale. The resulting
66 unamortized balance should be held and accrue interest and be netted
67 with the Factor Os resulting from a Commission order on the reconciliation
68 periods from January 1, 2006 through the date of the sale. The
69 Commission order for the last reconciliation period should provide
70 instructions for the disposition of the final unamortized balance.

71 Summary

72 Q. Please summarize your recommendations.

73

74 A. I find no reason to object to the Company's reconciliation of revenues
75 collected under its Purchased Gas Adjustment Clause with the actual PGA
76 recoverable costs. I recommend that the Commission accept the
77 reconciliation of revenues collected under the Purchased Gas Adjustment

78 Clause with actual costs as reflected on ICC Staff Exhibit 1.0, Schedule
79 1.1.

80

81 I also recommend that the Company implement Factor O recoveries of
82 \$165,682 for Supply Area A Commodity, \$1,000 for Supply Area B
83 Commodity, and \$1,136 for Supply Area B Non-Commodity in the first
84 monthly PGA filing after the date of the Order in this docket.

85

86 If the Order in this docket is entered after the sale to the cooperative has
87 been consummated, then the Factor Os should be held and aggregated
88 with the unamortized balance at the date of the sale and the Factor Os
89 resulting from Commission orders on the reconciliation periods from
90 January 1, 2006 through the date of the sale. The Commission order for
91 the last reconciliation period should provide instructions for the disposition
92 of the final unamortized balance.

93 Conclusion

94 Q. Does this question end your prepared direct testimony?

95

96 A. Yes.

Interstate Power and Light Company
 PGA Reconciliation Summary
 for the Year Ended December 31, 2005

Line No.	Description	Supply Area A			Supply Area B			Total Company
		Commodity Gas Charge	Non-commodity Gas Charge	Transitional Surcharge	Commodity Gas Charge	Non-commodity Gas Charge	Transitional Surcharge	(C+D+E+F+G+H)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Unamortized balance as of 12/31/04 per 2004 Reconciliation	\$ (535)	\$ -	\$ 416	\$ (92,679)	\$ -	\$ (2,587)	\$ (95,385)
2	Factor A Adjustments Amortized to Sch. I at 12/31/04 per 2004 Reconciliation	36,249	111,313	-	80,614	24,585	-	252,761
3	Factor O Collected / (Refunded) during 2005	39	(1,800)	-	-	5,195	-	3,434
4	Balance to be Collected / (Refunded) during 2005 from prior periods (sum of lines 1 - 3)	\$ 35,753	\$ 109,513	\$ 416	\$ (12,065)	\$ 29,780	\$ (2,587)	\$ 160,810
5	2005 PGA Recoverable Costs	\$ 2,310,391	\$ 434,399	\$ -	\$ 2,158,939	\$ 279,319	\$ -	\$ 5,183,048
6	2005 PGA Actual Recoveries	(2,639,801)	(261,460)	-	(2,443,840)	(233,944)	-	(5,579,045)
7	Pipeline Surcharges / (Refunds)	(59,464)	-	-	-	-	-	(59,464)
8	Other Adjustments or Rounding	-	-	-	-	-	-	-
9	Interest	(2,308)	533	13	(1,396)	-	(79)	(3,237)
10	2005 Under / (Over)-Recovery (sum of lines 5 - 9)	\$ (391,182)	\$ 173,472	\$ 13	\$ (286,297)	\$ 45,375	\$ (79)	\$ (458,698)
11	Under / (Over)-Recovery Balance at 12/31/05 (line 4 + line 10)	\$ (355,429)	\$ 282,985	\$ 429	\$ (298,361)	\$ 75,155	\$ (2,666)	\$ (297,888)
12	Factor A Adjustments Amortized to Schedule I at 12/31/05	\$ (296,279)	\$ 282,985	\$ -	\$ (144,736)	\$ 74,019	\$ -	\$ (84,011)
13	Unamortized Balance at 12/31/05 (Per filing truing up actuals for 12/05)	\$ (224,832)	\$ -	\$ 429	\$ (154,625)	\$ -	\$ (2,666)	\$ (381,694)
14	Requested Factor O (line 11 - line 12 - line 13)	\$ 165,682	\$ -	\$ -	\$ 1,000	\$ 1,136	\$ -	\$ 167,817

Source:

Col. C Company 2nd Revised Exhibit 1.1, page 2 of 9
 Col. D Company Revised Exhibit 1.1, page 4 of 9
 Col. E Company Revised Exhibit 1.1, page 6 of 9
 Col. F Company Revised Exhibit 1.2, page 2 of 9
 Col. G Company Revised Exhibit 1.2, page 4 of 9
 Col. H Company Revised Exhibit 1.2, page 6 of 9

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION
On Its Own Motion

-vs-

INTERSTATE POWER AND LIGHT COMPANY

05-0744

Reconciliation of revenues collected under gas
adjustment charges with actual costs prudently
incurred.

NOTICE OF FILING

TO ATTACHED SERVICE LIST:

YOU ARE HEREBY NOTIFIED that we have, on this 26th day of October 2006 forwarded to the Chief Clerk of the Illinois Commerce Commission for filing in the above-captioned docket, the Direct Testimony of Burma Jones of the Financial Analysis Division, Accounting Department, a copy of which is hereby served upon you.



Steven R. Knepler
Supervisor
Accounting Department
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT copies of the foregoing Notice, together with the documents referred to therein, were served upon the parties on the attached Service List, by messenger, electronic mail, facsimile and/or first-class mail, proper postage prepaid from Springfield, Illinois, on this 26th day of October 2006.



Steven R. Knepler
Supervisor
Accounting Department

INTERSTATE POWER AND LIGHT COMPANY
Docket No. 05-0744
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ILLINOIS COMMERCE COMMISSION

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