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January 20, 2012

Dr. Burl W. Haar
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

RE: Interstate Power and Light Company
Docket No. E001/RP-08-673
Notice of Changed Circumstances

Dear Dr. Haar:

Pursuant to Minn. Rule 7843.0500, subp. 5, Interstate Power and Light Company (IPL) provides this Notice of Changed Circumstances Affecting Resource Planning (Notice) to the Minnesota Public Utilities Commission (Commission). This Commission rule requires IPL to inform the Commission, and other parties to its last resource plan proceeding, "of changed circumstances that may significantly influence the selection of resource plans."

Additionally, IPL files its Notice in compliance with the Commission's Order in Docket No. E-001/RP-03-2040, wherein the Commission directed IPL to apprise the Commission and the Division of Energy Resources of the Minnesota Department of Commerce (Department) on an ongoing basis of any significant decisions made by IPL regarding generation or transmission facilities.

In its November, 2010 Integrated Resource Plan (2010 IRP) filing, (Docket No. E001/RP-08-673), IPL indicated that the Sutherland Generating Station Unit 1 (SGS1) was a Tier III unit. IPL also stated in the 2010 IRP that Sutherland Generating Station Unit 3 (SGS3) was a Tier II unit.

As part of its Integrated Resource Plan, IPL identified a retirement date of December 31, 2014 for SGS1. IPL will continue to evaluate the prudence of that retirement and date in light of changing circumstances in the industry.

Because SGS 3 was identified as a Tier II unit, IPL stated that, depending upon the stringency of potential United States Environmental Protection Agency (EPA) rules, SGS3 may not be able to economically withstand the burden of full environmental controls.

Additionally, IPL stated that its Tier II units, including SGS3, could be candidates for fuel switching, retirement, replacement, or might continue to operate if low-cost emission control options become economically available.

As part of the 2010 IRP, IPL assumed that SGS1 would continue to operate as it historically has, using coal as its primary fuel until its 2014 retirement date, while SGS3 unit would also continue to operate as it historically has, using coal as its primary fuel. The unit can also burn gas on an intermittent basis, based on the historical configuration.

In September of 2011, SGS3 experienced a generator failure that resulted in an extended outage. In December 2011, IPL determined that it would continue to move forward with plans to repair SGS3 and utilize natural gas as a primary fuel source for both SGS1 and SGS3.

IPL analysis also indicated that it was not in the IPL customers' economic interest to install emissions control equipment on SGS3 to comply with future environmental rules and, as a result, SGS3 cannot operate on coal beyond 2014.

Once IPL has completed the SGS3 repairs, IPL will use coal as a fuel source at SGS3 until the coal inventory is exhausted, which is expected in April 2012. Thereafter, IPL will complete a minor modification to SGS3 to allow it to continuously operate on natural gas in a safe and reliable manner. IPL expects the modification to be completed by the second quarter 2012. IPL does not expect this modification work to impact the reliability of the SGS3. Because SGS1 is already capable of operation on natural gas, no modifications are required for SGS1 to operate safely and reliably on natural gas.

IPL has decided to operate SGS3 on natural gas until the unit is retired. No decision on a retirement date for SGS3 has been made at this time.

From a system-wide perspective IPL continues to evaluate alternatives for its entire generating fleet and expects to have an update in the second quarter of 2012. This process is consistent with the plan described in IPL's October 26, 2011, filing in this docket.

Copies of this filing have been served on the Department, the Minnesota Office of Attorney General – Residential and Small Business Utilities Division, and the attached service list.

Respectfully submitted,

/s/ Kent M. Ragsdale
Kent M. Ragsdale
Managing Attorney – Regulatory

cc: Service List

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Ellen Anderson
David Boyd
J. Dennis O'Brien
Phyllis Reha
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

IN THE MATTER OF INTERSTATE POWER
AND LIGHT COMPANY'S 2010 ELECTRIC
RESOURCE PLAN

DOCKET NO. E001/RP-08-673

AFFIDAVIT OF SERVICE

STATE OF IOWA)
) ss.
COUNTY OF LINN)

Tonya a. O'Rourke, being first duly sworn on oath, deposes and states:

That on the 20th day of January, 2012, copies of the foregoing Affidavit of Service, together with Interstate Power and Light Company's Notice of Changed Circumstances, were served upon the parties on the attached service list, by e-filing, overnight delivery, electronic mail, and/or first-class mail, proper postage prepaid from Cedar Rapids, Iowa.

 /s/ Tonya A. O'Rourke
Tonya A. O'Rourke

Subscribed and Sworn to Before Me
this 20th day of January, 2012.

 /s/ Kathleen J. Faine
Kathleen J. Faine
Notary Public
My Commission Expired on February 20, 2012

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	OFF_SL_8-673_1
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_8-673_1
Elizabeth	Goodpaster	bgoodpaster@mncenter.org	MN Center for Environmental Advocacy	Suite 206 26 East Exchange Street St. Paul, MN 551011667	Paper Service	No	OFF_SL_8-673_1
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_8-673_1
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	900 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_8-673_1
Kent	Ragsdale	kentragdsdale@alliantenergy.com	Alliant Energy-Interstate Power and Light Company	P.O. Box 351 200 First Street, SE Cedar Rapids, IA 524060351	Paper Service	No	OFF_SL_8-673_1