

City of Mason City  
Council Member

# Memorandum

From: Will Symonds, Council Member 2<sup>nd</sup> Ward

Date: January 15, 2024

RE: Opposition to the Alliant Rate Increase

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**Recommendation:**

Council approval of the resolution opposing the base rate increase by Alliant

**Review:**

Alliant Energy has asked the Iowa Utility Board to approve a nearly 20% increase to the base rate of electricity and natural gas rates. Such an increase could negatively affect our citizens (especially those who are low or fixed income), businesses and our ability to bring in new businesses.

**Budget Impact:**

There are no City funds used and this item will not impact the budget

**Council Action Requested:**

Approve the resolution opposing Alliant's base rate increase.

**Attachments:**

Resolution

/s/Will Symonds

Reviewed and Recommend Approval

RESOLUTION NO. 24 -

A RESOLUTION OPPOSING ALLIANT ENERGY'S ELECTRIC  
RATE INCREASE

WHEREAS, Interstate Power and Light Company (dba Alliant Energy) has asked the Iowa Utilities Board to approve a two-year phased-in rate increase that the company estimates will increase the electric bills of residential customers by 13.4%, small businesses by 20%, and large general service customers by 17.4% - 20%,<sup>1</sup> and

WHEREAS, this is Alliant Energy's sixth electric rate increase since 2004 and, if approved as proposed, will be the largest in the company's history, and

WHEREAS, Alliant Energy posted \$1.72 billion in gross profits in 2022,<sup>2</sup> increased its annual common stock dividend by 6%,<sup>3</sup> and paid its Chief Executive Officer \$7,283,270 in total compensation in 2022,<sup>4</sup> and

WHEREAS, according to utility data furnished to the Iowa Utilities Board,<sup>5</sup> Alliant's average annual cost per kWh for residential customers in 2022 was once again almost the highest in the state, and

WHEREAS, Alliant's average annual bundled cost per kWh in 2022 for the three major ratepayer classes was significantly higher than the other investor-owned electric utility in Iowa (Mid-American Energy Company), and

<b>Ratepayer Class</b>	<b>Alliant Energy 2022 Cost Cents/kWh</b>	<b>MidAmerican 2022 Cost Cents/kWh</b>	<b>Alliant Percentage Higher</b>
Residential	17.75	11.01	61.3%
Commercial	13.25	8.90	48.9%
Industrial	8.36	6.35	31.6%

WHEREAS, according to the U.S. Energy Information Agency (EIA), in 2022 MidAmerican Energy Company had the lowest residential costs per kWh and Alliant had the third highest residential costs among similarly-sized investor-owned utilities in the Midwest,<sup>6</sup> and

WHEREAS, Alliant's high rates are causing serious hardship for low and moderate-income households, fixed-income households, small businesses, industries, nonprofit institutions, educational institutions, and our municipal government, and

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<sup>1</sup> Alliant Energy, [Notice of Proposed Electric Rate Increase](#), October 6, 2023.

<sup>2</sup> Yahoo Finance, [Alliant Energy Statistics](#), accessed October 7, 2023.

<sup>3</sup> Alliant Energy, [2022 Annual Report](#), pg.1,

<sup>4</sup> Salary.com, [John O. Larsen, Board Chair and Chief Executive Officer of Alliant Energy](#), accessed October 17, 2023.

<sup>5</sup> Iowa Utilities Board, [Information from Utility Annual Report Filings, Electric \(2022\)](#).

<sup>6</sup> U.S. Energy Information Administration, [Electric Sales, Revenue, and Average Price: 2022](#), Release date: October 5, 2023, Table T6, accessed October 21, 2023.

WHEREAS, Alliant's high and rising rates are creating a serious hindrance to economic development in the City of Mason City and for all communities in Alliant's service territory, and

WHEREAS, Alliant's proposed \$284 million additional revenue requirement<sup>7</sup> will drain, on average, another \$565 from each one of Alliant's 502,937 electric customers,<sup>8</sup> and

WHEREAS, a 15% - 20% increase to the City of Mason City current electricity purchases will result in an increased expenses that could otherwise be spent on vital public services.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Mason City, Iowa:

- 1) Opposes the magnitude of Alliant Energy's proposed electric rate increase and urges the Iowa Utilities Board to:
  - a) Address Alliant's high, rising, and unreasonable costs that are imposing serious hardship for low and moderate-income households, fixed-income households, small businesses, industries, nonprofit institutions, educational institutions, and our own municipal government.
  - b) Maintain and improve the ability of customers and communities to save and prosper through investments in customer- and community-owned distributed energy resources, such as energy efficiency, solar power, geothermal energy, and battery storage.
  - c) Require rate-regulated utilities to conduct integrated resource planning and competitive procurement to ensure all utility investments are justified and cost-effective.
  - d) Cease approving unnecessarily high returns on equity that reward shareholders at the expense of Alliant ratepayers.
- 2) Authorizes our City Administrator to file this resolution as an official comment in Docket RPU-2023-0002 within ten days and to send copies of this resolution to our State Representative and State Senator to inform the Legislature's current study of ratemaking in Iowa.
- 3) Encourages all citizens and ratepayers in our community to voice their perspectives and concerns to the Iowa Utilities Board by submitting comments and objections by email to [customer@iub.iowa.gov](mailto:customer@iub.iowa.gov) or by mail at Iowa Utilities Board, 1375 E. Court Avenue, Des Moines, IA 50319-0069. All communication should reference Docket RPU-2023-0002 in the subject line of the email or letter.

PASSED AND APPROVED this 16<sup>th</sup> day of January, 2024.

Bill Schickel, Mayor

ATTEST:

Aaron Burnett, City Clerk

<sup>7</sup> Interstate Power and Light Company, "Application for Revision of Electric and Natural Gas Rates," (RPU-2023-0002), October 12, 2023, para. 9, pg. 3.

<sup>8</sup> Interstate Power and Light Company, "Number and Classification of Customers Affected," (RPU-2023-0002), October 12, 2023.