

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

**IN THE MATTER OF THE APPLICATION OF)
INTERSTATE POWER AND LIGHT COMPANY,) Case No. _____
f/k/a IES UTILITIES INC., AND ITC MIDWEST)
LLC FOR APPROVAL TO TRANSFER)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY AND TRANSMISSION LINE)
FACILITIES IN CLARK COUNTY, MISSOURI)
AND MOTION FOR EXPEDITED TREATMENT)**

**APPLICATION OF INTERSTATE POWER AND LIGHT COMPANY,
f/k/a IES UTILITIES INC., AND ITC MIDWEST LLC FOR APPROVAL
TO TRANSFER CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY AND TRANSMISSION LINE FACILITIES IN CLARK
COUNTY, MISSOURI AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW, Interstate Power and Light Company (IPL), f/k/a IES Utilities Inc., and ITC Midwest LLC (ITC), pursuant to Missouri Revised Statutes Section 393.190, 4 CSR 240-2.060, 4 CSR 240-3.110, 4 CSR 240-2.080(16), and do hereby file this Application for Approval to Transfer the Certificate of Public Convenience and Necessity and Transmission Line Facilities in Clark County, Missouri and Motion for Expedited Treatment, and in support thereof state as follows:

1. IPL is a corporation organized under the laws of the state of Iowa with its principal place of business being 200 First Street SE, P.O. Box 351, Cedar Rapids, Iowa 52406-0351.

2. IPL is a subsidiary of Alliant Energy Corporation, and is a public utility that provides electric service to cities and towns across Iowa pursuant to Iowa Code §476 et seq. and §478 et seq. Additionally, IPL is a public utility that provides electric service to cities and towns in Southern Minnesota pursuant to Minnesota Statutes §216B et seq. As such IPL is regulated

by both the Iowa Utilities Board and the Minnesota Public Utilities Commission which oversee its obligation to provide dependable and reliable service to its retail customers in Iowa and Minnesota.

3. On January 1, 2002, Interstate Power Company (IPC), a wholly owned subsidiary of Alliant Energy, merged into IES Utilities Inc. (IES), another wholly owned subsidiary of Alliant Energy. Subsequent to this merger, IES changed its name to IPL. IPL now operates as a combination electric and gas utility in the states of Iowa, Minnesota, and Illinois. IPL recently sold its Illinois electric and natural gas distribution assets to Jo-Carroll Energy, Inc., a rural electric cooperative located in Elizabeth, Illinois. *See* Illinois Commerce Commission Docket No. 05-0835, January 3, 2007, Order Approving sale of IPL's Illinois electric and natural gas distribution to Jo-Carroll Energy, Inc. Consequently, IPL no longer has any retail customers in Illinois.

4. ITC is a limited liability company organized under the laws of the State of Michigan, with its principle place of business being 39500 Orchard Hill Place, Suite 200, Novi, Michigan 48375. ITC is a wholly owned subsidiary of ITC Holdings Corp. ITC was organized in January, 2007 to acquire the high voltage electric transmission assets of IPL, which are primarily located in Iowa and Minnesota, with portions of a transmission line facilities located in Illinois and Missouri. The acquisition is explained further below. ITC Holdings Corp. wholly owns, directly or indirectly, stand alone transmission companies in Michigan: International Transmission Company d/b/a *ITCTransmission* and Michigan Electric Transmission Company, LLC. A copy of ITC Holdings Corp.'s latest 10-K is attached as Exhibit A.

5. Neither IPL nor ITC has any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or

rates, which action, judgment or decision has occurred within three years of the date of this application.

6. IPL has no annual report or assessment fees that are overdue.

7. That the following individuals are designated to receive all communications, orders, and filings related to this application:

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8. On April 18, 2002, the Missouri Public Service Commission (Commission), granted the application of IES for a Certificate of Public Convenience and Necessity in Case No. EA-2002-296.

9. Said certificate granted IES' application to construct a transmission line in Clark County, Missouri, approximately 9.5 miles in length interconnecting IES' transmission system in Keokuk, Iowa, and Ameren's transmission system in the vicinity of Wayland, Missouri. IPL has no retail customers in the state of Missouri.

10. On January 18, 2007, IPL entered into an Asset Sale Agreement with ITC for the purchase and sale of its transmission assets, including its transmission facilities located in Clark County, Missouri. A copy of the Asset Sale Agreement is attached as Exhibit B.

11. The Asset Sale Agreement between IPL and ITC Midwest is subject to regulatory approval, including the approval of the Commission for those transmission facilities located in the State of Missouri.

12. The proposed asset sale between IPL and ITC Midwest will have no impact on tax revenues of the political subdivisions in which IPL's transmission assets are located as no change is contemplated to the location and use of said assets as a part of the asset sale.

13. Prior to the closing of the transaction contemplated in the asset sale agreement and transfer of IPL's transmission assets, ITC Midwest will obtain a certificate of authority from the Missouri Secretary of State to conduct business in the State of Missouri and will later file such certificate as Exhibit C.

14. A copy of IPL's certificate from the Missouri Secretary of State that it is authorized to do business in the State of Missouri is attached hereto as Exhibit D.

15. Transmission rates charged by ITC Midwest for transmission services will be regulated by the Federal Energy Regulatory Commission (FERC). Subsequent to the closing of the asset sale between IPL and ITC, IPL will pay ITC FERC-regulated rates for electric transmission needed to serve IPL's customers.

16. IPL anticipates that the proceeds from the sale of its transmission assets will be used to support IPL's infrastructure development plan, which includes investments in a base-load coal power plant, environmental upgrades needed on IPL's existing generating plants and additional wind power, thereby providing IPL customers with reliable, affordable, and environmentally-friendly energy in the future.

17. In addition, the sale of IPL's transmission assets to ITC results in ownership of those assets by a stand-alone independent transmission company that is focused on transmission maintenance and investments for reliability purposes. ITC Holdings Corp.'s existing subsidiaries have a proven track record in providing reliable and safe transmission service. In addition, the sale will encourage the greater flow of energy between generation facilities and customers, thus promoting further investment in generation and enhancing the ability of IPL to obtain competitively priced power for the benefit of IPL customers.

18. The sale of IPL's 9.5 mile transmission line in Clark County, Missouri, is not detrimental to the public interest as no Missouri retail customers are served by the transmission assets that will be transferred to ITC. ITC has the financial backing and operational expertise to own, operate and control the transmission facilities located in the State of Missouri.

19. ITC and IPL respectfully request that the Commission issue its order approving this application by September 1, 2007. To the extent that this time frame requires an expedited schedule on the part of the Commission, the parties move for expedited treatment pursuant to 4 CSR 240-2.080(16).

20. ITC and IPL request that the Commission take action on this application prior to September 1, 2007, in order to meet the contractual commitments between the parties contained in the Asset Sale Agreement.

21. Consideration of this application by the Commission prior to September 1, 2007, will not negatively affect utility customers or the general public.

22. ITC and IPL have submitted the instant application and motion to the Commission as soon as practical and in a timely manner.

23. Commission approval of this Application for Approval to Transfer the Certificate of Public Convenience and Necessity and Transmission Line Facilities in Clark County, Missouri and Motion for Expedited Treatment promotes public convenience and necessity and is in the interest of justice.

WHEREFORE, Interstate Power and Light Company, f/k/a IES Utilities Inc., and ITC Midwest LLC pray that the Commission grant the parties' joint motion for expedited treatment, and approve IPL's transfer of its transmission line facilities in Clark County, Missouri, to ITC, approve the transfer of the certificate of public convenience and necessity issued to IPL to ITC, and for such other and further relief as the Commission deems just and equitable in the premises.

Respectfully submitted,

/s/ N. William Phillips

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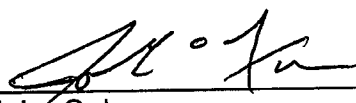
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AFFIDAVIT


STATE OF IOWA)
)ss:
COUNTY OF LINN)

I, John O. Larsen, being first duly sworn on oath, do hereby depose and state that I am the Vice President of Technical and Integrated Services for Interstate Power and Light Company, and that in such capacity I have reviewed the foregoing Application for Approval to Transfer Transmission Facilities in Clark County, Missouri, and that the statements and allegations contained therein are true and correct as I verily believe.

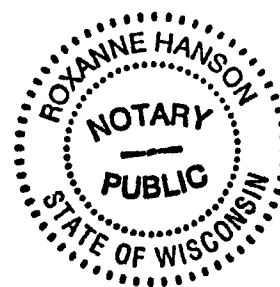


John O. Larsen
Vice President, Technical and
Integrated Services

Subscribed and sworn to before me by John O. Larsen, this 14th day of
June, 2007.



NOTARY PUBLIC IN AND
FOR THE STATE OF WISCONSIN



CERTIFICATE OF SERVICE

A copy of the foregoing was served via email to the Office of the Public Counsel and the General Counsel of the Missouri Public Service Commission on this 15th day of June, 2007.

/s/ Roger W. Steiner
Attorney for ITC Midwest LLC