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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER &)
LIGHT COMPANY FOR APPROVAL OF)
DEMAND SIDE MANAGEMENT)
ADJUSTMENT FACTORS FOR ELECTRIC)
SERVICE FOR THE MONTHS OF MARCH,)
APRIL AND MAY 2010 IN ACCORDANCE)
WITH THE ORDERS OF THE)
COMMISSION IN CAUSE NO. 42639, CAUSE)
NO. 43018 AND CAUSE NO. 43252.)

CAUSE NO. 40292 DSM 58

APPROVED: FEB 19 2010

BY THE COMMISSION:

Loraine L. Seyfried, Administrative Law Judge

On December 14, 2009, Indianapolis Power & Light Company (“IPL”), filed its verified petition for approval of Demand Side Management Adjustment Factors (“DSM Adjustment Factors”) for the months of March, April and May 2010, in accordance with the Orders issued by the Indiana Utility Regulatory Commission (“Commission”) in Cause No. 42639, Cause No. 43018 and Cause No. 43252 (the “DSM Orders”). On December 14, 2009, IPL also pre-filed its direct testimony and exhibits of Craig Forestal. On January 28, 2010, the Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the testimony and attachment of Wes R. Blakley.

Pursuant to notice published as required by law, proof of which was incorporated into the record by reference and placed in the official files of the Commission, a public hearing was held in this Cause on February 4, 2010, at 9:30 a.m., EST, in the National City Center, Room 222, 101 West Washington Street, Indianapolis, Indiana. The OUCC and IPL were represented by counsel at the hearing. At the hearing the pre-filed testimony and exhibits of IPL and the OUCC were admitted into evidence without objection and the parties waived cross-examination of all witnesses. No other party presented evidence nor were there any members of the general public in attendance.

Based upon the applicable law and being duly advised in the premises, the Commission now finds as follows:

1. **Notice and Jurisdiction.** Due, legal and timely notice of the public hearing conducted by the Commission herein was given and published by the Commission as required by law. IPL is a “public utility” within the meaning of the Indiana Public Service Commission Act, as amended, I.C. 8-1-2, and is subject to the jurisdiction of the Commission. Therefore, the Commission has jurisdiction over the Petitioner and the subject matter of this Cause in the manner and to the extent provided by the laws of the State of Indiana.

2. **Petitioner’s Characteristics.** IPL is an Indiana corporation with its principal place of business located at One Monument Circle, Indianapolis, Indiana 46204. IPL is lawfully engaged in the provision of electric service, under lawfully acquired indeterminate permits, to

the public within Indiana. IPL renders such electric utility service to the public in and adjacent to the City of Indianapolis, Indiana, and for such purpose, owns, operates, manages, and controls electric generating, transmission and distribution plant, property and equipment and related facilities which are used and useful for the convenience of the public in the production, delivery, and furnishing of electric energy, heat, light and power for residential, commercial, industrial and municipal uses.

3. **Current DSM Program.** On March 28, 2007 in Cause No. 43252, IPL and the OUCC filed their Joint Petition and Stipulation (“Current Stipulation”) with the Commission for the approval of an extension of IPL’s residential DSM Program. IPL’s residential DSM Program was initially approved by the Commission in Cause No. 42639, and modified by the Commission in Cause No. 43018 (the “2004-2007 DSM Program”). On July 11, 2007, the Commission approved the Current Stipulation, extending with modifications the 2004-2007 DSM Program through June 30, 2009 (the “Current DSM Program”). On June 3, 2009, in Cause No. 43623, IPL was authorized to continue the Current DSM Program on a month-to-month basis from July 1, 2009 until the Commission issues a final order in Cause No. 43623.¹

4. **Current DSM Program Cost Data.** IPL’s evidence indicated that the actual cost data and estimated kilowatt-hour sales support the requested DSM Adjustment Factors and the Commission so finds.

5. **Reconciliation of Estimated and Actual Revenue.** IPL’s evidence indicated that IPL properly reconciled the estimated and actual revenues for the months of August, September and October 2009, and the Commission so finds.

6. **Resulting DSM Adjustment Factor.** The total DSM costs, including net prior period variance and program costs, reflected in the DSM Adjustment Factors for the months of March, April and May 2010 is \$477,980, which is the Settlement Agreement Program Costs of \$441,281 (Exhibit B, Schedule 1, Line 4 attached to Petitioner’s Exhibit 1) adjusted for the variance to be reconciled of \$36,699. Assigning the cost to and dividing the assigned amounts by the estimated sales of each rate class results in, after modification for the recovery of the Indiana Utility Receipts Tax, a factor for residential services of \$0.000450 per kWh; for small commercial and industrial (“C&I”) of \$0.000000 per kWh; and for large C&I of \$0.000000 per kWh. Pursuant to I.C. 8-1-2-42(a), the resulting DSM Adjustment Factors will be effective for all bills rendered for electric services beginning with the first billing cycles for the March 2010 billing month in Regular Billing District 41 and Special Billing District 01. OUCC Witness Blakley testified that his calculation of the adjustment factors matches Petitioner’s calculation of its DSM adjustment factors. We find that the DSM Adjustment Factors applied for by IPL should be approved.

¹ The Commission issued a final order in Cause No. 43623 on February 10, 2010.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Petition of Indianapolis Power & Light Company for approval of a Demand Side Management Adjustment Factor for electric service as set out in Finding No. 6 above shall be, and is hereby approved.

2. IPL shall file with the Electricity Division of this Commission, prior to placing in effect the Demand Side Management Adjustment Factor herein approved, a separate amendment to its rate schedules with a reasonable reference therein reflecting that such charge is applicable to all of its filed rate schedules, as shown in Exhibit A attached to Petitioner's Exhibit 1.

3. This Order shall be effective on and after the date of its approval.

HARDY, ATTERHOLT, GOLC AND ZIEGNER CONCUR; LANDIS ABSENT:

APPROVED: FEB 19 2010

I hereby certify that the above is a true and correct copy of the Order as approved.



**Brenda A. Howe,
Secretary to the Commission**