

ORIGINAL

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANAPOLIS POWER )  
& LIGHT COMPANY, AN INDIANA )  
CORPORATION, FOR APPROVAL PURSUANT TO )  
IND. CODE §§ 8-1-2-42(a), 8-1-8.8-11 AND TO THE )  
EXTENT NECESSARY 8-1-2.5-6 OF A RENEWABLE )  
WIND ENERGY PROJECT POWER PURCHASE )  
AGREEMENT WITH LAKEFIELD WIND PROJECT, )  
LLC INCLUDING THE TIMELY RECOVERY OF )  
COSTS THROUGH RATES AND CONFIDENTIAL )  
TREATMENT OF POWER PURCHASE )  
AGREEMENT PRICING AND RELATED )  
CONFIDENTIAL INFORMATION. )

CAUSE NO. 43740

SUPPLEMENTAL ORDER

APPROVED: JUL 28 2010

BY THE COMMISSION:

David E. Ziegner, Commissioner  
Angela Rapp Weber, Administrative Law Judge

On July 17, 2009, Indianapolis Power & Light Company (“Petitioner” or “IPL”) filed its Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) for approval of a Renewable Wind Energy Project Power Purchase Agreement (“Wind PPA”) between IPL and Lakefield Wind Project, LLC, a Delaware limited liability company (“Lakefield”), including timely recovery of the associated costs through rates (“Lakefield Wind Project”). Lakefield’s sole member is enXco Development Corporation (“enXco”).

On January 27, 2010, the Commission issued its Order in this Cause (the “Lakefield Order”) approving the Lakefield Wind PPA. The Lakefield Order approved the timely recovery of the associated costs through rates. On May 21, 2010, Petitioner filed its Submission of Supplemental Testimony and Second Motion for Protection and Nondisclosure of Confidential and Proprietary Information. On May 28, 2010, IPL filed a Motion to Reopen the Proceedings for the Limited Purpose of Receiving Additional Information. By Docket Entry dated June 8, 2010, the Presiding Officers granted IPL’s Motions. As instructed in the Docket Entry, the Confidential Information was submitted electronically via the Commission’s Electronic Filing System on June 9, 2010. The Indiana Office of Utility Consumer Counselor (“OUCC”) filed Supplemental Testimony on June 23, 2010. IPL filed Rebuttal Testimony on June 30, 2010.

Pursuant to notice 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 Evidentiary Hearing in this Cause was held on July 9, 2010 at 2:30 P.M. in Room 224 of the PNC Center, 101 W. Washington Street, Indianapolis, Indiana. At the Hearing Petitioner and the OUCC appeared by counsel and the parties’ prefiled testimony and exhibits were admitted into evidence without objection. No members of the general public were present at the Hearing.

Based upon the applicable law and evidence presented herein, the Commission now finds as follows:

1. **Notice and Jurisdiction.** Due, legal, and timely notice of the Evidentiary Hearing in this Cause was given and published by the Commission as required by law. Proofs of publication for legal notices made by IPL were offered and admitted into evidence.

Petitioner is a “public utility” under Ind. Code § 8-1-2-1 and an “energy utility” providing “retail energy service” as defined in Ind. Code §§ 8-1-2.5-2 and 8-1-2.5-3. IPL is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. Petitioner requests relief pursuant to Ind. Code §§ 8-1-8.8, 8-1-2.5-6 and 8-1-2-42(a). Accordingly, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. **Supplemental Information.** On March 18, 2010, IPL advised the Commission by letter that it had provided notice to enXco that IPL was exercising its right of early termination of the Lakefield Wind PPA. In his Supplemental Testimony, IPL Witness Ken Flora stated that subsequently, enXco disputed IPL’s right to terminate the contract, and the parties began a formal dispute resolution process. Mr. Flora advised that the dispute was resolved, and the parties entered into a Confidential Settlement Agreement, Release and Waiver (“Confidential Agreement”) to address the parties’ concerns. Mr. Flora stated that although in his opinion there were no changes made to the Lakefield Wind PPA that affect the approvals received by the Lakefield Order, IPL is providing the Commission with the details of the Confidential Agreement showing additional financial benefits to customers. Mr. Flora described the Confidential Agreement, which he sponsored as Petitioner’s Confidential Exhibit KF-S2. Mr. Flora stated that the original Lakefield Wind PPA was deemed to be in the public interest by the Commission and the result of the recent settlement between IPL and enXco provides additional financial benefits to customers.

The OUCC filed the Supplemental Testimony of Ronald L. Keen. Mr. Keen noted that in the original proceeding the OUCC recommended IPL submit specific reports to the Commission and the OUCC including (1) quarterly updates on any remaining or new future Midwest Independent System Operator studies, which discuss or impact the Lakefield Wind Project, including but not limited to studies pertaining to any type of facility required for congestion relief, interconnection, etc. and any timetables that are associated with a required upgrade or construction of facilities, (2) quarterly reports with each Fuel Adjustment Charge listing the hourly congestion cost components of a Locational Marginal Price for the Lakefield Wind Project, and (3) annual reports showing the actual wind energy delivered on an hourly basis. He stated that in addition to these previously ordered reporting requirements, the OUCC recommends IPL provide annually to the OUCC, subject to confidential treatment, documentation for the regulatory accounting treatment referenced in Mr. Flora’s supplemental testimony. With the additional reporting requirements, the OUCC recommended approval of the Confidential Agreement.

In his rebuttal testimony, Mr. Flora stated that IPL agrees to the OUCC’s additional reporting requirements.

3. **Confidential Information.** On June 8, 2010, the Presiding Officers made a preliminary finding that certain designated information marked “Confidential and Protected Material” as requested in Petitioner’s Second Motion for Protection and Nondisclosure of Confidential and Proprietary Information should be treated as confidential in accordance with Ind. Code § 5-14-3-4 and that confidential procedures should be followed with respect to this

Confidential Information. Upon review of the Confidential Information submitted pursuant to the Presiding Officers' preliminary determination, the Commission affirms the prior preliminary finding and concludes that the information for which Petitioner seeks confidential treatment contains confidential, proprietary, competitively sensitive trade secret information that derives actual or potential economic value from being neither generally known to nor readily ascertainable by, competitors and other persons who could obtain economic value from its disclosure or use. We further find that the public disclosure of the Confidential Information would have a substantial detrimental effect on enXco, Lakefield, its affiliates, or IPL and that the information is subject to efforts that are reasonable under the circumstances to maintain its secrecy. Accordingly, the Confidential Information submitted to the Commission, including that contained in Petitioner's Confidential Exhibits KF-S1 and KF-S2 is exempt from the public access requirements of Ind. Code §§ 5-14-3-3, 8-1-2-29, and 24-2-3-1 and shall continue to be held as confidential by the Commission.

**4. Commission Discussion and Findings.** The supplemental information supports a finding that the Wind PPA continues to produce real benefits for IPL and its customers, and in fact provides additional financial benefits to customers, and we so find. The Commission further finds that IPL's proposed accounting treatment of the additional financial benefits noted in Petitioner's confidential exhibits is in the public interest. Accordingly, the Commission finds that the proposed accounting treatment and the OUCC's recommended reporting requirements should also be approved.

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

1. IPL's proposed accounting treatment of the additional financial benefits associated with the Confidential Agreement related to its Renewable Wind Energy Project Power Purchase Agreement with Lakefield Wind Project, LLC shall be and hereby is approved.

2. For a period of four (4) years from the date of commercial operation of the Lakefield Wind Park, IPL shall submit to the OUCC the additional reports requested by the OUCC as described in Paragraphs No. 2 and 4 above.

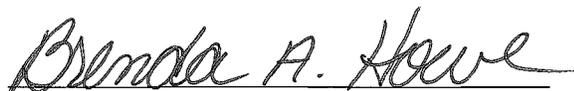
3. IPL's request for confidential trade secret treatment shall be and hereby is granted, and such Confidential Information shall be excepted from public disclosure.

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

**HARDY, ATTERHOLT, LANDIS, MAYS AND ZIEGNER CONCUR:**

**APPROVED:** JUL 28 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**