

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER &)	
LIGHT COMPANY FOR APPROVAL OF AN)	
AIR CONDITIONING LOAD MANAGEMENT)	CAUSE NO. 44322
ADJUSTMENT FACTOR FOR ELECTRIC)	
SERVICE IN ACCORDANCE WITH THE)	APPROVED: MAY 29 2013
ORDERS OF THE COMMISSION IN CAUSE)	
NOS. 42069, 43623 (PHASE I) AND 43960.)	

ORDER OF THE COMMISSION

Presiding Officers:
David E. Ziegner, Commissioner
Jeffery A. Earl, Administrative Law Judge

On March 19, 2013, Indianapolis Power & Light Company (“IPL” or “Petitioner”) filed its Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) for approval of an Air Conditioning Load Management (“ACLM”) Adjustment Factor for the months of June, July, August and September, 2013. IPL’s request was filed pursuant to the Commission’s May 1, 2002 Order in Cause No. 42069, February 10, 2010 Order in Cause No. 43623 (“Phase I Order”), November 22, 2011 Order in Cause No. 43960, and the provisions of Standard Contract Rider No. 13. Also on March 19, 2013, IPL filed its case-in-chief in this Cause. The Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief on April 22, 2013.

Pursuant to public notice given and published as required by law, a public hearing was held in this Cause at 9:30 a.m. on April 29, 2013, in Hearing Room 224, 101 W. Washington Street, Indianapolis, Indiana. At the hearing Petitioner’s and the OUCC’s filings were admitted into evidence without objection. No other party or members of the general public appeared.

Based upon the applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Legal and timely notice of the public hearing held in this Cause was given and published by the Commission as required by law. Petitioner is a public utility as defined by Ind. Code § 8-1-2-1(a). Under Ind. Code § 8-1-2-42, the Commission has jurisdiction over changes to a public utilities rates and charges. In addition, the Commission approved Petitioner’s ACLM program and ACLM adjustment mechanism as an alternative regulatory plan under Ind. Code ch. 8-1-2.5. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. **Petitioner’s Characteristics.** IPL is an electric generating utility and is a corporation organized and existing under the laws of the State of Indiana. Its principal office is located at One Monument Circle, Indianapolis, Indiana. IPL is engaged in rendering electric public utility service in the State of Indiana and owns, operates, manages, and controls, among other things, plants and equipment within the State of Indiana used for the production, transmission, delivery, and furnishing of such service to the public.

3. **Background.** On August 20, 2001, IPL filed its Petition in Cause No. 42069 for adoption of an alternative regulatory plan pursuant to Ind. Code ch 8-1-2.5 to provide for the adoption of a voluntary ACLM program for new applicants for residential electric service. On May 1, 2002, the Commission issued an Order in Cause No. 42069 approving a Settlement Agreement entered into by the OUCC, Citizens Action Coalition, and IPL. Pursuant to the Settlement Agreement, IPL was authorized to offer a \$5 per-customer, per-month credit for the four summer months to participants in the ACLM program. In addition, IPL was authorized to offer a reduced “half-cycle service” payment of \$3 per-customer, per-month over the same four summer months to customers with devices already installed, but who chose not to be a “full” participant in the program. The Commission also approved the alternative regulatory plan, the ACLM Adjustment, which tracks costs of the ACLM program under Standard Contract Rider No. 13, and procedures for ongoing review and implementation of the ACLM Adjustment.

In the Phase I Order, the Commission authorized IPL to continue to offer the \$5 per-month credit and \$3 “half-cycle service” per-month payment discussed above. The Commission also authorized IPL to do the following: offer a \$5 credit per net ton of cooling capacity per month for the four summer months to Commercial and Industrial ACLM customer participants; make revisions to the ACLM Adjustment; track existing ACLM switches separately from ACLM switches installed on or after February 10, 2010; and recover the ACLM customer incentives for ACLM switches installed prior to February 10, 2010, through Standard Contract Rider No. 13.

In its Order in Cause No. 43960, the Commission approved the continuation of the ACLM program.

4. **Proposed Rider Adjustment.** Petitioner is seeking authority to collect the incentives paid, as a charge, from residential customers (Rate RS and Rate CW) who have associated RS service. The total amount of credits paid to ACLM participants, as shown on Lines 2 and 2a of Petitioner’s Exhibit CF-1, was \$531,285. Mr. Craig Forestal, IPL’s Team Leader of Corporate Accounting, stated that the prior period variance was an over collection of \$82,198 and was reflected in the net amount requested for recovery.

According to Mr. Forestal, and as depicted on Petitioner’s Exhibit CF-1, the ACLM Adjustment factor to be in effect for the months of June, July, August, and September 2013 is a charge of \$0.000277 per kWh for residential customers (Rate RS and Rate CW) with associated RS service. He said the ACLM Adjustment factor would be effective for all bills rendered for electric services beginning with the first billing cycles for the June 2013 billing month (Regular Billing District 41 and Special Billing District 01) and continuing for four months.

The actual ACLM Adjustment factor revenues for the months of June, July, August, and September 2013 will be reconciled with the estimated ACLM Adjustment factor revenues for that period. Mr. Forestal testified that any over- or under-collection of ACLM Adjustment factor revenues due to sales volume variances will be included in a filing in 2014. As explained by Mr. Lester H. Allen, DSM Program Development Manager, IPL will propose in an upcoming 2014 DSM Plan filing that recovery of all credits to customers who participate on Standard Contract Rider No. 13 be through Standard Contract Rider No. 22, which will eliminate the need for this annual filing that establishes the charge for Standard Contract Rider No. 13. The ACLM Adjustment Factor requested in this proceeding applies to all residential customers.

5. **Approval of Rider Adjustments.** Petitioner is requesting an ACLM Adjustment factor of \$0.000277 per kWh. Mr. Forestal stated that an average residential customer using 1,000 kWh per month

will experience a decrease of \$0.038, relative to the most recently approved ACLM Adjustment factor and basic rates and charges currently in effect.

Mr. Wes R. Blakley, Senior Analyst in the OUCC's Electric Division, reviewed IPL's calculation of the ACLM Adjustment factor. Mr. Blakley testified that the figures used to calculate the ACLM Adjustment factor are supported by Petitioner's evidence.

Based on the evidence presented, the Commission finds that Petitioner has complied with the rules and procedures applicable to its request, including the May 1, 2002 Order in Cause No. 42069, as extended and modified, and the Phase I Order. The Commission further finds that the proposed ACLM Adjustment factor is properly calculated. Therefore, the Commission approves the ACLM Adjustment factor contained in Petitioner's Exhibit CF-1.

6. **Participation Level.** IPL Witness Lester H. Allen described steps IPL has taken to attempt to increase customer participation in its ACLM program. Mr. Allen stated that customers are informed and recruited through various media. Bill inserts to all customers have been supplemented by special direct mail appeals targeted to those having central air conditioning and heat pumps. He explained that as acquisition of customers has become more challenging, IPL has continued to try alternative communication channels. For example, IPL has targeted a group of customers using e-mail. Another new recruitment approach is to partner with elementary schools, making ACLM customer recruitment a fundraiser for school programs. Most recently, IPL has been working with GoodCents to recruit customers through the Community Outreach Enrichment program, which provides incentives to non-profits that recruit prospects to the program that complete the enrollment process. Mr. Allen stated IPL will continue to work with its delivery partner GoodCents to identify additional approaches to customer recruitment.

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

1. Petitioner's proposed ACLM Adjustment Factor as set out in this Order is approved.
2. IPL shall file with the Electricity Division of the Commission prior to placing in effect the ACLM Adjustment Factor approved herein, a separate amendment to its rate schedules with clear reference therein reflecting that such factor is applicable to the rate schedules reflected on the amendment, as shown in Petitioner's Exhibit A.
3. This Order shall be effective on and after the date of its approval.

BENNETT, LANDIS, MAYS AND ZIEGNER CONCUR; ATTERHOLT ABSENT:

APPROVED: MAY 29 2013

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



Brenda A. Howe
Secretary to the Commission