



Indiana Office of Utility Consumer Counselor

115 West Washington St.
Suite 1500 South
Indianapolis, IN 46204
uccinfo@oucc.IN.gov
www.IN.gov/OUCC

Toll-free: 1-888-441-2494
Voice/TDD: 1-317-232-2494
Fax: 1-317-232-5923

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Contact: Anthony Swinger
1-317-233-2747

Agreement reached in IPL electric vehicle case

Settlement provides enhanced ratepayer protections
Street lighting initiative to improve energy efficiency & public safety

The Indiana Office of Utility Consumer Counselor (OUCC), Indianapolis Power & Light Co. (IPL), and the City of Indianapolis have reached a settlement agreement that will allow the city's proposed electric vehicle program to move forward while implementing a number of enhanced consumer protections. Also, the agreement will allow for the creation of a new street lighting initiative that will promote energy efficiency and improve public safety for years to come.

The agreement was filed today with the Indiana Utility Regulatory Commission (IURC) which will review it as part of its deliberations.

In IURC Cause No. 44478, IPL has requested IURC authorization of a rate increase to pay for certain infrastructure costs for BlueIndy, an electric vehicle sharing program for public use with charging stations to be developed at up to 200 sites throughout IPL's service territory. The initial request from the utility and the city sought \$16 million in ratepayer funds for providing electric line extensions to the charging sites (approximately \$3.7 million) and the installation of charging stations and related equipment (approximately \$12.3 million).

IPL's testimony in this case estimated that the proposal would raise a typical residential customer's bill (for 1,000 kilowatt hours) by 44 cents per month. Under specific concessions made in the settlement agreement, the estimated impact was reduced to 28 cents per month on such a bill. Additionally, under the plan, any funds IPL receives through the profit sharing arrangement it has reached with BlueIndy and the city will be used solely for rate mitigation.

In the agreement, IPL and the city also agree to additional concessions regarding the BlueIndy project:

- Any profit share the city is entitled to will go to IPL for rate mitigation, until 125 percent of all costs incurred by ratepayers have been recovered. After that, the city and IPL will equally share in the program's profits, with IPL continuing to use all proceeds for rate mitigation.
- The city commits to make all reasonable efforts to seek grant funding to help mitigate electric rates, along with efforts to secure other project funding especially from corporate citizens.

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- IPL will provide the OUCC and IURC with annual reports including any profit share it receives, the vehicle sharing program's impact on IPL's distribution system and the regional power grid, and data on consumer behavior and use of the vehicles.
- IPL customers who sign up for an annual membership for the service within the first six months would receive the first two months free (a value of about \$26 per customer).

The agreement would also create a new initiative to improve street lighting in IPL's service territory to enhance energy efficiency and public safety, and provide other public benefits.

- IPL will collaborate with the board established to oversee its energy efficiency programs to develop an Energy Efficient Street Lighting Program for IURC approval. The program will provide up to \$1.5 million for the benefit of interested communities and neighborhoods throughout IPL's service territory.
- IPL will not seek shareholder incentives or recovery of lost revenues from the energy efficient lights until new base rates are approved in a future case.

In addition, the agreement provides for exploring the feasibility of implementing several other energy efficiency initiatives for the benefit of IPL customers.

In testimony filed on June 20, 2014, the OUCC expressed support for the project but challenged whether the funding request was in the public interest.

"We have taken into account the risks of litigation and the concessions the OUCC was able to obtain for the benefit of IPL ratepayers from the city and IPL following intensive negotiations," said Indiana Utility Consumer Counselor David Stippler. "IPL customers will also benefit from a creative and innovative street lighting plan, along with the real potential for the establishment of other meaningful energy savings initiatives. Accordingly, we believe this agreement is in the public interest and should be approved by the IURC."

(IURC Cause No. 44478)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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