

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER & LIGHT COMPANY)
("IPL") FOR AUTHORITY TO INCREASE RATES AND)
CHARGES FOR ELECTRIC UTILITY SERVICE AND FOR)
APPROVAL OF: (1) ACCOUNTING RELIEF, INCLUDING)
IMPLEMENTATION OF MAJOR STORM DAMAGE)
RESTORATION RESERVE ACCOUNT; (2) REVISED)
DEPRECIATION RATES;(3) THE INCLUSION IN BASIC)
RATES AND CHARGES OF THE COSTS OF CERTAIN)
PREVIOUSLY APPROVED QUALIFIED POLLUTION)
CONTROL PROPERTY; (4)IMPLEMENTATION OF NEW OR)
MODIFIED RATE ADJUSTMENT MECHANISMS TO)
TIMELY RECOGNIZE FOR RATEMAKING PURPOSES LOST)
REVENUES FROM DEMAND-SIDE MANAGEMENT)
PROGRAMS AND CHANGES IN (A)CAPACITY PURCHASE)
COSTS; (B)REGIONAL TRANSMISSION ORGANIZATION)
COSTS; AND (C) OFF SYSTEM SALES MARGINS; AND (5))
NEW SCHEDULES OF RATES, RULES AND REGULATIONS)
FOR SERVICE.)

CAUSE NO. 44576

MOTION FOR STAY

Come now the Indiana Office of Utility Consumer Counselor (OUCC), the IPL Industrial Group (IG), and the Citizens Action Coalition (CAC) (collectively the "Moving Parties"), by their respective counsel, and respectfully move the Commission to stay the proceedings in this Cause due to the Commission's recent initiation of an Investigation into Indianapolis Power and Light Company's (IPL) network facilities. In support of this motion, the Moving Parties state as follows:

1. On December 29, 2014 IPL filed its first base rate case in over 20 years. Pursuant to agreement of the parties and Commission Order, the OUCC and Intervenors' cases-in-chief are due to be filed on April 6, 2015. IPL's rebuttal is due on May 4, 2015 and this matter is currently scheduled for evidentiary hearing beginning May 27, 2015.

2. During the week of March 16, 2015, there were a series of “underground network failures” that resulted in explosions in the downtown Indianapolis area. These explosions caused extremely heavy manhole covers to dislodge and become airborne posing public safety concerns and further enhancing the threat of serious danger to downtown residents, workers and visitors. The failures resulted in widespread power outages to many downtown businesses and customers and caused significant traffic delays in accessing the downtown due to traffic light power outages.
3. Unfortunately, similar underground network failures have repeatedly occurred in IPL’s electrical system in downtown Indianapolis since 2005. After a series of these network events occurred in the first half of 2011, the Commission engaged an independent consultant, O’Neill Management Consulting LLC, (O’Neill) to audit IPL’s electric downtown network. O’Neill prepared an independent assessment of that underground network and presented its findings and recommendations to the Commission on December 13, 2011. The O’Neill Report contained ten recommendations for implementation as action items for IPL to complete. IPL committed to an action plan to implement those recommendations and to provide annual status reports of its progress to the Commission.
4. Prior to last week, the most recent explosion occurred on August 13, 2014 in downtown Indianapolis at 26 S. Meridian Street. In October 2014, O’Neill provided its review of IPL’s Root Cause Analysis (RCA) of this network event that included IPL’s findings, recommendations and action plan in regard to that incident. In November 2014 the Commission and OUCC questioned IPL officials about the August failure and IPL’s subsequent root cause analysis. Among other things, the questioning at this meeting

concentrated on issues of public safety, network reliability and emergency procedures. The Commission emphasized at that public meeting the seriousness and gravity of this matter and called for a more comprehensive action plan from IPL in response to the situation.

5. To the best of our knowledge and belief, no further explosions occurred between August 2014 and March 2015. It was reasonable to believe IPL's assurances that it was satisfactorily addressing the problem.
6. The series of explosions that occurred the week of March 16, 2015 demonstrated that the belief that IPL management had the situation under control was unfounded.
7. On March 20, 2015 the Commission opened an investigation into IPL's network facility failures, Cause No. 44602. The Commission reiterated that it had previously required IPL to perform an analysis of the network failures, third party reviews and action plans to be carried out by IPL. However, based upon the most recent incidents and continued failures, the Commission found that an investigation into IPL's ongoing investment in, and operation and maintenance of, its network facilities is appropriate.
8. The March 20, 2015 Order opening the investigation schedules a Technical Conference and Preliminary Hearing and Prehearing Conference for April 2, 2015 and states that one of the purposes of said hearing is to "further define the specific issues to be addressed" in the investigation. Therefore, the full extent and outcome of the investigation will not be known until after the technical conference has concluded, an evidentiary hearing has been held and an order is ultimately issued in that cause.

9. In its base rate case, IPL is seeking, among other things, an increase in its base rates and charges. In its rate petition, IPL claims that it ranks among the lowest of residential utility bills in the state (Petition para. 9). IPL further claimed that it “has and must continue to make significant capital expenditures for additions, replacements and improvements to its Utility Property...” (Id. para. 15).
10. In exchange for receiving these new rates, as always, IPL is obligated to provide safe and reliable service. The issues raised by the Commission in its Investigation Order issued in Cause No. 44602 are of paramount importance to IPL’s customer base as well as anyone who ventures into downtown Indianapolis. Necessary inquiries need to be made into IPL’s management practices that have not resolved these critical network problems as well as the nature and extent of investments made by IPL to date in an attempt to address these network failures. Among other things, evidence will be presented during both the investigation and the evidentiary hearing in this case of the steady stream of dividends that have been paid to IPL’s parent companies and, therefore, not used to improve its distribution system in order to ensure its safety and reliability.
11. Every aspect of IPL’s rate case is implicated by the outcome of this investigation from the reasonableness of IPL’s ongoing operation and maintenance practices to the reasonable return to which it is entitled.
12. For these reasons, the Moving Parties respectfully request the Commission stay this rate proceeding until such time as it has completed its Investigation in Cause No. 44602. Since the explosions and subsequent initiation of the Investigation occurred so recently, the Moving Parties further request an expedited briefing schedule and expedited ruling on this

motion, or in the alternative, request that the Moving Parties' cases in chief filing date of April 6, 2015 be extended for 2 weeks after the Commission rules on this Motion.

13. Finally, the Moving Parties request the Commission schedule an attorneys' conference on April 2, to be held contemporaneously with the prehearing conference scheduled in Cause No. 44602, to discuss procedural matters in this case going forward.
14. The Indiana Utility Regulatory Commission's testimonial staff understands the concerns raised by the Moving Parties and does not oppose the relief requested herein.
15. Counsel for the Moving Parties have authorized the undersigned to sign this Motion on their behalf.

WHEREFORE, the Moving Parties, respectfully move for a stay of this proceeding and for all other relief just and proper.

Respectfully submitted,



Randall C. Helmen, Atty. No. 8276-49
Chief Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the **OUCC'S MOTION FOR STAY** has been served upon the following counsel of record in the captioned proceeding by electronic service on March 23, 2015.

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