

ORIGINAL

**GENERAL ADMINISTRATIVE ORDER
OF THE INDIANA UTILITY REGULATORY COMMISSION
2014-1**

WHEREAS, effective March 28, 2014, the Indiana General Assembly enacted Senate Enrolled Act 340, which establishes new requirements concerning energy efficiency programs offered by electricity suppliers; and

WHEREAS, Governor Michael R. Pence has requested that the Indiana Utility Regulatory Commission ("Commission" or "IURC") make recommendations regarding energy efficiency and demand-side management ("DSM") policy and programs; and

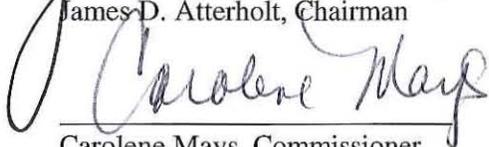
WHEREAS, pursuant to Governor Pence's request (attached as Appendix A), the IURC's recommendations shall:

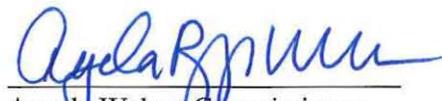
1. Include appropriate energy efficiency goals for Indiana.
2. Reflect an examination of the overall effectiveness of current DSM programs in the state.
3. Reflect any and all issues that may improve current DSM programs.
4. Reflect a thorough benefit-cost analysis of the cost impact to ratepayers of possible DSM programs.
5. Allow for an opt-out whereby large electricity consumers can decide not to participate in a DSM program; and

WHEREAS, Governor Pence has further requested "that the IURC work with all relevant stakeholders to assist our administration in formulating the most effective energy efficiency policy for Indiana;" and

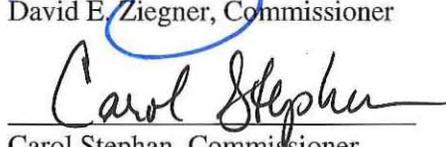
NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Commission's General Counsel and Commission staff shall establish an open, transparent process for interested stakeholders to submit written comments to the Commission, pursuant to the procedures outlined and attached to this General Administrative Order as Appendix B, which are hereby adopted by the Commission.


James D. Atterholt, Chairman

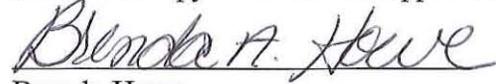

Carolene Mays, Commissioner


Angela Weber, Commissioner


David E. Ziegner, Commissioner


Carol Stephan, Commissioner

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


Brenda Howe
Secretary to the Commission

Date: APR 09 2014

General Administrative Order 2014-1 – Appendix A

Letter from Governor Michael R. Pence, dated March 27, 2014



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Michael R. Pence
Governor

March 27, 2014

James D. Atterholt
Chairman
Indiana Utility Regulatory Commission
PNC Center
101 West Washington Street, Suite 1500 E
Indianapolis, IN 46204

Dear Chairman Atterholt:

As you are aware, SEA 340 became law without my signature. Under the law, the IURC is required to submit a status report on all energy efficiency programs to the regulatory flexibility committee. In addition to that status report, I request that the IURC complete a set of recommendations that can inform the development of a new legislative framework to be considered in the 2015 session of the Indiana General Assembly.

Managing the demand-side of our electricity industry through energy efficiency is an important part of our energy strategy. I speak often of the need for an 'all of the above' energy strategy, and I include energy efficiency in my definition of 'all of the above.'

Energy efficiency measures reduce demand for electricity, which reduces the need to build new generation facilities and avoids the costs associated with those new facilities. The State Utility Forecasting Group's 2013 Forecast estimates that Indiana will need to add 1,450 megawatts of generation resources in the near term and 3,600 megawatts in the longer term in order to meet forecasted demand. Demand-side management (DSM) can help reduce that gap and is a critical part of ensuring that our public utilities provide electricity at the lowest cost possible.

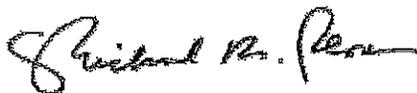
To produce policies that can reduce that gap, in addition to the status report required by SEA 340, I request that the recommendations:

1. Include appropriate energy efficiency goals for Indiana.
2. Reflect an examination of the overall effectiveness of current DSM programs in the state.
3. Reflect any and all issues that may improve current DSM programs.
4. Reflect a thorough benefit-cost analysis of the cost impact to ratepayers of possible DSM programs.
5. Allow for an opt-out whereby large electricity consumers can decide not to participate in a DSM program.

I request that the IURC work with all relevant stakeholders to assist our administration in formulating the most effective energy efficiency policy for Indiana. And I ask that the IURC complete its recommendations on or before the termination of the current program.

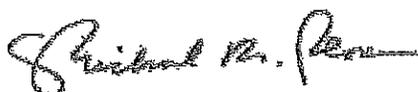
Thank you in advance for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Pence". The signature is written in a cursive style with a large initial "M".

Michael R. Pence
Governor of Indiana

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Pence". The signature is written in a cursive style with a large initial "M".

Michael R. Pence
Governor of Indiana

General Administrative Order 2014-1 – Appendix B

Process for Submission of Written Comments regarding IURC Energy Efficiency and Demand-side Management Recommendations

- I. Any person or entity may submit written comments to the Indiana Utility Regulatory Commission (“IURC” or “Commission”) regarding what should be considered as part of the IURC’s energy efficiency and demand-side management recommendations to Governor Michael R. Pence and the Indiana General Assembly.
- II. The deadline for submission of written comments shall be June 9, 2014, which is the first business day sixty (60) days from the date of this General Administrative Order.
- III. Written comments should be submitted to the attention of the Commission’s General Counsel Beth Krogel Roads and may be submitted electronically or through regular mail. The mailing address is:

General Counsel Beth Krogel Roads
Re: IURC’s EE/DSM Recommendations
Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500 E
Indianapolis, IN 46204

- IV. Written comments submitted electronically should be sent to the following email address, which has been established to provide a central location for such submissions:

urccomments@urc.in.gov

- V. All relevant information related to the Governor’s request shall be posted to the Commission’s website on the following webpage:

www.in.gov/iurc/2802.htm