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## **OUCC recommends denial of IPL rate request**

The Indiana Office of Utility Consumer Counselor (OUCC) is recommending denial of Indianapolis Power & Light Company's (IPL's) request for an approximate \$96.7 million rate increase. Instead, the OUCC's analysis supports a much smaller increase of \$4.9 million.

The agency's recommendations are detailed in testimony filed with the Indiana Utility Regulatory Commission (IURC) late Thursday. The OUCC, which represents consumer interests in cases before the IURC, has used its legal and technical resources to analyze IPL's request over the last six months.

"Between the rate increase IPL received only two years ago and the evidence filed in this case, there is no justification for the size of the requested increase or for IPL's proposed changes to its customer charges," said Indiana Utility Consumer Counselor Bill Fine. "Our careful analysis of the data shows that the utility already has nearly ample revenue to provide safe, reliable service to its central Indiana customers while providing appropriate returns to shareholders."

Recommendations in the OUCC's testimony include:

- A flat, monthly customer charge of \$11.25 for each residential customer.
  - IPL proposes, in this case, to raise this charge from \$17.00 to \$27.00 for residential customers using more than 325 kilowatt hours (kWh) per month. Customers using fewer than 325 kWh now pay an \$11.25 flat charge that would rise to \$16.00 under the utility's request.
- Maintaining IPL's flat, monthly customer charge for small commercial customers at \$30.00. This charge would rise to \$40.00 under the utility's request.
- Recognizing and appropriately applying federal income tax decreases as a result of the 2017 Tax Cuts and Jobs Act.
- Reducing IPL's authorized return on equity to 9 percent. The utility's current authorized return is 9.85 percent, and it is requesting an increase to 10.32 percent in this case.
- Recognizing that IPL's current revenues can cover the construction and financing costs for its newly built Eagle Valley Generating Station in Morgan County.
- Recognizing lower operating costs due to staff reductions since IPL's last rate case in 2016.
- Denial of IPL's proposed increase in vegetation management expense.

**(Continued)**

The OUCC's exhibits include written comments from more than 2,700 IPL customers. More than 60 IPL customers spoke at the IURC's public field hearings this spring.

IPL's rebuttal testimony is due on June 21, 2018 with an IURC evidentiary hearing scheduled to start on July 16, 2018. While evidentiary hearings are open to the public, participation is typically limited to attorney and Commission questioning of technical witnesses who have filed testimony on behalf of the case's formal parties. The Commission's order is expected later this year.

IPL provides electric utility service to approximately 490,000 customers in Marion County and parts of surrounding counties.

(IURC Cause No. 45029)

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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