

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE INDIANA)
UTILITY REGULATORY COMMISSION'S)
INVESTIGATION INTO THE IMPACTS OF)
THE TAX CUTS AND JOBS ACT OF 2017) CAUSE NO. 45032 S 1
AND POSSIBLE RATE IMPLICATIONS)
UNDER PHASE 1 FOR INDIANAPOLIS)
POWER & LIGHT COMPANY)

SUBMISSION OF STIPULATION AND SETTLEMENT AGREEMENT

Respondent, Indianapolis Power and Light Company (“Petitioner” or “IPL”), by counsel and on behalf of itself and the following parties, Indiana Office of Utility Consumer Counselor (“OUCC”), and Indiana Industrial Group (Accurate Castings, Inc., Allison Transmission, ArcelorMittal USA, BP Products North America, Inc., Cargill, Inc., Carmeuse Lime, Inc., CountryMark Refining and Logistics, LLC, Fiat Chrysler Automobiles, General Motors LLC, Haynes International, Inc., INDIEC, Marathon Petroleum Company LP, Praxair, Inc., Tate & Lyle Ingredients Americas, Inc., The Linde Group, United States Steel Corporation, USG Corporation), (collectively the “Settling Parties” and individually “Settling Party”), submits the attached Stipulation and Settlement Agreement (“Settlement Agreement” or “Settlement”).

Respectfully submitted,



Teresa Morton Nyhart (No. 14044-49)

Jeffrey M. Peabody (No. 28000-53)

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Attorneys for Respondent INDIANAPOLIS POWER &
LIGHT COMPANY

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing has been served, this 6th day of July, 2018, by electronic mail, hand-delivery, or U.S. Postal Service, First Class mail, to:

OUC:

Tiffany Murray
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115 West Washington Street, Suite 1500S
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INDIANAPOLIS POWER & LIGHT COMPANY

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STIPULATION AND SETTLEMENT AGREEMENT

Respondent Indianapolis Power & Light Company (“IPL”), the Indiana Office of Utility Consumer Counselor (“OUCC”) and Intervenor, Indiana Industrial Group (“IG”) (collectively the “Settling Parties” and individually “Settling Party”) solely for purposes of compromise and settlement and to reduce controversy and avoid protracted litigation and having been duly advised by their respective staff, experts and counsel, stipulate and agree that the terms and conditions set forth below represent a fair, just and reasonable resolution of all matters pending before the Commission in this Cause, subject to their incorporation by the Indiana Utility Regulatory Commission (“Commission”) into a final, non-appealable order (“Final Order”) without modification or further condition that may be unacceptable to any Settling Party. If the Commission does not approve this Stipulation and Settlement Agreement (“Settlement Agreement”), in its entirety, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Settling Parties.

I. TERMS AND CONDITIONS

1. IPL will provide a \$9.51 million credit to be flowed to customers using IPL’s demand allocators via IPL’s ECR-31 during the six month period commencing with the September 2018 billing cycle and ending with the February 2019 billing cycle. Any variance due to usage will be reconciled as a credit/charge in IPL’s ECR-33.

2. The Settling Parties agree that rates established in Cause No. 45029 will be placed into effect no earlier than December 5, 2018.
3. The Settling Parties agree that this Settlement Agreement fully addresses the treatment of the Tax Cuts and Jobs Act of 2017 (“TCJA”) Change in the Federal Income Tax Rate from 35% to 21% for 2018 (“2018 Tax Expense Issue”).
4. The Parties agree to work cooperatively with the IPL Industrial Group in Cause No. 45029 to prepare a stipulation for submission in that Cause stating that the 2018 Tax Expense Issue in Cause No. 45029 has been fully resolved by the Settlement Agreement in Cause No. 45032-S1 and Commission approval of this Settlement Agreement makes further Commission action on the 2018 Tax Expense Issue unnecessary.

II. PRESENTATION OF THE SETTLEMENT TO THE COMMISSION

1. The Settling Parties shall support this Settlement Agreement before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement. The concurrence of the Settling Parties with the terms of this Settlement Agreement is expressly predicated upon the Commission’s approval of the Settlement Agreement in its entirety without any modification or any condition that may be unacceptable by any Settling Party. If the Commission does not approve the Settlement Agreement in its entirety and without change, the Settlement Agreement shall be null and void and deemed withdrawn, upon notice in writing by any Settling Party within fifteen (15) days after the date of the Final Order that any modifications made by the Commission are unacceptable to it.

2. The Settling Parties shall jointly move for leave to file this Settlement Agreement and supporting evidence. The Settling Parties will file testimony specifically supporting the settlement. The Settling Parties will work collaboratively in the preparation of the testimony supporting the settlement agreement. Such evidence together with the evidence previously prefiled by the Settling Parties in this Cause will be offered into evidence without objection and the Parties hereby waive cross-examination of each other’s witnesses. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and that, if the Commission fails to approve this Settlement Agreement in its entirety without any change or with condition(s) unacceptable to any Settling Party, the Settlement and supporting evidence shall be withdrawn and the Commission will continue to hear Cause No. 45032 S1 with the proceedings resuming at the point they were suspended by the filing of this Settlement Agreement.

3. The Settling Parties shall jointly agree on the form, wording and timing of public/media announcement (if any) of this Settlement Agreement and the terms thereof. No Settling Party will release any information to the public or media prior to the aforementioned announcement. The Settling Parties may respond individually without prior approval of the other Settling Parties to questions from the public or media, provided that such responses are consistent with such announcement and do not disparage any of the Settling Parties. Nothing in

this Settlement Agreement shall limit or restrict the Commission's ability to publicly comment regarding this Settlement Agreement or any Order affecting this Settlement Agreement.

III. EFFECT AND USE OF SETTLEMENT

1. It is understood that this Settlement Agreement is reflective of a negotiated settlement and neither the making of this Settlement Agreement nor any of its provisions shall constitute an admission by any Settling Party to this Settlement Agreement in this or any other litigation or proceeding. It is also understood that each and every term of this Settlement Agreement is in consideration and support of each and every other term.

2. This Settlement Agreement shall not constitute and shall not be used as precedent by any person in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce the terms of this Settlement Agreement.

3. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the items resolved here and in any future regulatory or other proceedings.

4. The Settling Parties agree that the evidence in support of this Settlement Agreement and the previously prefiled evidence constitute substantial evidence sufficient to support this Settlement Agreement and provide an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed. The Settling Parties shall prepare and file an agreed proposed order with the Commission as soon as reasonably possible.

5. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement Agreement all relate to offers of settlement and shall be privileged and confidential, without prejudice to the position of any Settling Party, and are not to be used in any manner in connection with any other proceeding or otherwise.

6. The undersigned Settling Parties have represented and agreed that they are fully authorized to execute the Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby.

7. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of the Final Order approving this Settlement Agreement in its entirety and without change or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement Agreement). The Settling Parties shall support or not oppose this Settlement Agreement in the event of any appeal or a request for a stay by a person not a party to this Settlement Agreement or if this Settlement Agreement is the subject matter of any other state or federal proceeding.

8. The provisions of this Settlement Agreement shall be enforceable by any Settling Party before the Commission and thereafter in any state court of competent jurisdiction as necessary.

9. This Settlement Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ACCEPTED and AGREED as of the 6th day of July, 2018.

INDIANAPOLIS POWER & LIGHT COMPANY



Craig L. Jackson
President and CEO of Indianapolis Power & Light Company
Indianapolis Power & Light Company
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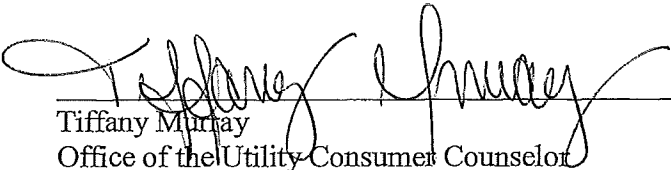
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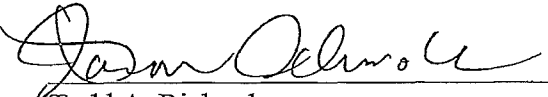
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