

FILED  
November 30, 2020  
INDIANA UTILITY  
REGULATORY COMMISSION

OFFICIAL  
EXHIBITS

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION


VERIFIED PETITION OF INDIANAPOLIS )  
POWER & LIGHT COMPANY FOR )  
APPROVAL OF: (1) AN ADJUSTMENT TO )  
ITS RATES THROUGH ITS APPROVED )  
ENVIRONMENTAL COMPLIANCE COST )  
RECOVERY ADJUSTMENT COMMENCING )  
WITH THE MARCH 2021 BILLING CYCLE; )  
AND (2) ONGOING REVIEW REPORT, )  
CONSTRUCTION AND ASSOCIATED COSTS. )

IURC  
PETITIONER'S  
EXHIBIT NO. 2  
DATE 2-15-21 REPORTER AT  
CAUSE NO. 42170-ECR-34

PETITIONER'S SUBMISSION OF DIRECT TESTIMONY OF  
CHAD A. ROGERS

Indianapolis Power & Light Company ("IPL" or "Petitioner"), by counsel, hereby  
submits the direct testimony and attachments of Chad A. Rogers.

Respectfully submitted,



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Teresa Morton Nyhart (No. 14044-49)  
Jeffrey M. Peabody (No. 28000-53)  
Barnes & Thornburg LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204  
Nyhart Telephone: (317) 231-7716  
Peabody Telephone: (317) 231-6465  
Facsimile: (317) 231-7433  
Nyhart Email: tnyhart@btlaw.com  
Peabody Email: jpeabody@btlaw.com

ATTORNEYS FOR PETITIONER  
INDIANAPOLIS POWER & LIGHT COMPANY

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was served this 30th day of November, 2020, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

Lorraine Hitz-Bradley  
Office of Utility Consumer Counselor  
115 W. Washington Street, Suite 1500 South  
Indianapolis, Indiana 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)  
[lhitzbradley@oucc.in.gov](mailto:lhitzbradley@oucc.in.gov)

courtesy copy to:

Bette J. Dodd  
Lewis & Kappes  
One American Square, Suite 2500  
Indianapolis, Indiana 46282  
[bdodd@lewis-kappes.com](mailto:bdodd@lewis-kappes.com)

courtesy copy to:

[ATyler@lewis-kappes.com](mailto:ATyler@lewis-kappes.com)  
[ETennant@Lewis-kappes.com](mailto:ETennant@Lewis-kappes.com)



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Jeffrey M. Peabody

Teresa Morton Nyhart (No. 14044-49)  
Jeffrey M. Peabody (No. 28000-53)  
Barnes & Thornburg LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204  
Nyhart Telephone: (317) 231-7716  
Peabody Telephone: (317) 231-6465  
Facsimile: (317) 231-7433  
Nyhart Email: [tnyhart@btlaw.com](mailto:tnyhart@btlaw.com)  
Peabody Email: [jpeabody@btlaw.com](mailto:jpeabody@btlaw.com)

ATTORNEYS FOR PETITIONER  
INDIANAPOLIS POWER & LIGHT COMPANY

**VERIFIED DIRECT TESTIMONY OF CHAD A. ROGERS**

**SENIOR PROGRAM MANAGER**

**CAUSE NO. 42170-ECR-34**

1   **Q1.   Please state your name, employer and business address.**

2   A1.   My name is Chad A. Rogers. I am employed by Indianapolis Power & Light Company  
3       ("IPL" or "Company"), whose business address is One Monument Circle, Indianapolis,  
4       Indiana 46204.

5   **Q2.   What is your position with IPL?**

6   A2.   I am Senior Program Manager in Regulatory Affairs.

7   **Q3.   Please describe your duties as Senior Program Manager.**

8   A3.   I provide financial, technical and regulatory analysis and manage various regulatory  
9       projects and filings.

10   **Q4.   Please summarize your educational and professional qualifications.**

11   A4.   I hold a Bachelor of Science Degree in Accounting and Finance from the Kelley School  
12       of Business at Indiana University. I also hold a Master of Business Administration  
13       Degree from the Lacy School of Business at Butler University. I received my Certified  
14       Public Accountant ("CPA") license for the State of Indiana and have fulfilled the  
15       necessary educational requirements to allow use of the CPA designation. I have also  
16       attended various regulated utility training courses such as Edison Electric Institute  
17       ("EEI") Utilities Accounting Courses (Intro and Advanced), EEI Electric Rates

1 Advanced Course, and PWC Rate Case Experience Course. I also am a member of the  
2 Society of Utility and Regulatory Financial Analysts ("SURFA").

3 **Q5. What is your previous work experience?**

4 A5. I have been an employee of IPL since April 5, 2006, initially as Senior Accountant and  
5 later as Section Leader in the accounting and external reporting team. From June 2009 to  
6 September 2013, I worked as Senior Analyst and later as Section Leader in Financial  
7 Planning and Analysis. From September 2013 to January 2018, I worked as Senior  
8 Regulatory Analyst in Regulatory Affairs. I have been in my current role as Senior  
9 Program Manager in Regulatory Affairs since January 2018.

10 From February 2004 to April 2006, I was employed by Cinergy Corporation (now Duke  
11 Energy). At Cinergy, I held a Senior Accountant role and was responsible for various  
12 accounting, financial analysis, and financial reporting duties.

13 From January 2001 to January 2004, I was employed by KPMG LLP as a Senior  
14 Associate in assurance services. In that position, I was responsible for audits, reviews,  
15 compilations, and control assessments for clients spread over a wide range of industries.

16 **Q6. Have you previously testified before this Commission?**

17 A6. Yes. I have provided testimony in IPL's Environmental Compliance Cost Recovery  
18 Adjustment proceedings, beginning in Cause No. 42170-ECR-28. I also provided  
19 testimony in IPL's most recent Electric Rate Case, Cause No. 45029 and IPL's TDSIC  
20 Plan filing and TDSIC tracker filing, Cause No. 45264 and Cause No. 45264-TDSIC-1,  
21 respectively.

1   **Q7.   What is the purpose of your testimony in this proceeding?**

2   A7.   My testimony explains how the revenue requirements calculated by IPL Witness Coklow  
3       are allocated between jurisdictional and non-jurisdictional customers, and then further  
4       explains the allocation of the resulting jurisdictional revenue requirements between the  
5       retail customer classes. I also discuss the impact of the Environmental Compliance Cost  
6       Recovery Adjustment (“ECCRA”) factors proposed in this filing.

7   **Q8.   Are you sponsoring any attachments?**

8   A8.   Yes. I sponsor Petitioner’s Attachments CR-1 through CR-4.

9   **Q9.   Were these attachments prepared or assembled by you or under your direction and**  
10       **supervision?**

11   A9.   Yes.

12   **Q10. Did you submit any workpapers?**

13   A10. Yes. I am submitting the native format versions of the attachments included with my  
14       testimony as workpapers. These workpapers are part of electronic spreadsheets and were  
15       prepared or assembled by me or under my direction and supervision.

16   **Q11. Please explain how the revenue requirements are allocated between jurisdictional**  
17       **and non-jurisdictional customers.**

18   A11. Revenue requirements, before the allocation to jurisdictional and non-jurisdictional  
19       customers, are calculated by IPL Witness Coklow in Petitioner’s Attachment NHC-2  
20       NAAQS-Other. These total revenue requirements are then transferred to Petitioner’s  
21       Attachment CR-1 and allocated between jurisdictional and non-jurisdictional customers.  
22       The retail allocation factor is based on the retail jurisdictional share of the twelve

1 monthly average system peaks used to allocate production plant, operating expenses and  
2 depreciation expenses respectively from the Company's cost of service study as used in  
3 IPL's most recent general rate proceeding (Cause No. 45029). The use of this  
4 methodology was proposed by IPL and approved by this Commission in the Orders for  
5 Cause Nos. 42170, 42700, 43403, 44242, 44576, 44794, and 45029. There are no non-  
6 jurisdictional customers based upon the cost of service study in Cause No. 45029, which  
7 is why the jurisdictional retail allocation percentages are 100%.

8 **Q12. How are the resulting jurisdictional revenue requirements allocated between**  
9 **individual rate classes?**

10 A12. Petitioner's Attachment CR-2 is the allocation of jurisdictional revenue requirements as  
11 calculated in Petitioner's Attachment CR-1 to each individual rate class. The rate class  
12 allocation factors are based on each class' share of the twelve monthly average system  
13 peaks from the Company's cost of service study as approved by the Commission in  
14 Cause No. 45029. The use of this methodology was also proposed by IPL and approved  
15 by this Commission in its Orders for Cause Nos. 42170, 42700 and 43403.

16 **Q13. Please explain how the reconciled ECR-32 and ECR-33 O&M and depreciation**  
17 **expense variances are allocated between jurisdictional and non-jurisdictional**  
18 **customers.**

19 A13. The reconciled ECR-32 and ECR-33 O&M and depreciation expense variances, before  
20 the allocation to jurisdictional and non-jurisdictional customers, are calculated by IPL  
21 Witness Coklow in Petitioner's Attachment NHC-5. The total revenue requirements for  
22 these reconciled expense variances are then transferred to Petitioner's Attachment CR-3

1 and allocated between jurisdictional and non-jurisdictional customers in the same manner  
2 as the revenue requirements in Petitioner's Attachment CR-1.

3 **Q14. How are the resulting jurisdictional revenue requirements for reconciled ECR-32**  
4 **and ECR-33 expense variances allocated between individual rate classes?**

5 A14. Petitioner's Attachment CR-4 is the allocation of jurisdictional revenue requirements of  
6 reconciled ECR-32 and ECR-33 expense variances as calculated in Petitioner's  
7 Attachment CR-3 to each individual rate class, in the same manner as the revenue  
8 requirements on Petitioner's Attachment CR-2. In the Commission-approved Settlement  
9 Agreement in Cause No. 44794, IPL agreed to allocate costs in the ECCRA on an  
10 individual rate code basis to Rates HL and PL, based on the allocation factors from the  
11 Company's cost of service study as approved in the Company's base rate case in Cause  
12 No. 44576 (the "44794 Factors"). In past ECR filings, because the cost variances being  
13 allocated on Petitioner's Attachment CR-4 related to 1) historical periods whereby the  
14 44794 Factors applied (ECR-31) and 2) a historical period whereby there is a combined  
15 factor for Large Commercial & Industrial Primary Rate (HL & PL) as approved in Cause  
16 No. 45029 (ECR-32), separate factors were previously used for the variances. Now that  
17 all cost for periods applicable to the 44794 Factors have been reconciled, there is only a  
18 combined factor for Large Commercial & Industrial Primary Rate (HL & PL) as  
19 approved in Cause No. 45029.

20 **Q15. For what period will the ECCRA factors, when approved, remain in effect?**

21 A15. IPL anticipates the ECCRA factors approved in this filing will be effective for all bills  
22 rendered for electric services beginning with the first billing cycles for the March 2021  
23 billing month (Regular Billing District 41 and Special Billing District 01), which begins

February 26, 2021. The approved ECCRA factors will remain in effect until replaced by different ECCRA factors approved in a subsequent filing or until the date new rates are effective pursuant to a proceeding that involves the establishment of new basic rates and charges, which include the ECR projects. IPL anticipates that filings for approval for the recovery of environmental compliance related costs will be made approximately every twelve months as discussed by IPL Witness Coklow. As such, IPL anticipates the ECCRA factors approved in this filing would be effective for the billing periods of March 2021 through February 2022.

**Q16. Do the ECCRA schedules and tariff sheets reflect the issuance of the Order in Cause No. 45029?**

A16. Yes, the ECCRA schedules and tariff sheets continue to reflect the changes explained in my testimony in ECR-32. The ECCRA continues to operate in order to allow timely recovery of the NAAQS Compliance Project costs not associated with DBA approved in Cause No. 44794. The NAAQS-Other compliance project was not included in rate base in Cause No. 45029, and accordingly it is appropriate to reflect this project in the ECCRA.

**Q17. What are the proposed ECCRA factors?**

A17. Per the information shown on Petitioner's Attachment NHC-3 and as shown on the proposed tariff (Petitioner's Exhibit A), the proposed ECCRA factors are:

Rate per kWh	Rate Class – Rate(s)
\$0.000186	Residential service – RS, CW (associated with RS)
\$0.000049	Small Commercial & Industrial service (SS, SH, OES, UW CW



	(associated with SS)
\$0.000040	Large Commercial & Industrial service – PL, HL
\$(0.000042)	Large Commercial & Industrial service – SL, PH
\$(0.000041)	Lighting services – APL, MU-1

1

2 **Q18. What effect would the proposed ECCRA factor have on an average residential**  
3 **customer using 1,000 kWh per month?**

4 A18. An average residential customer using 1,000 kWh per month will experience an increase  
5 of \$2.82 or 2.5% of such bill, relative to the basic rates and charges approved in IPL's  
6 last general rate proceeding (Cause No. 45029) and the ECCRA factor approved in the  
7 Cause No. 42170 ECR-33 filing, approved February 26, 2020.

8 A major reason for the increase in the ECCRA factors is that credits approved in Cause  
9 No. 45029 and reflected in ECR-32 and ECR-33 ended with ECR-33. These credits  
10 amounted to \$25.1 million in each ECR-32 and ECR-33. An average residential customer  
11 using 1,000 kWh per month will experience an increase of only \$0.74 or 0.6% of such  
12 bill compared to basic rates and charges and the ECR-33 factor excluding the  
13 aforementioned credits.

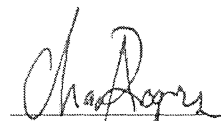
14 **Q19. Does that conclude your prefiled direct testimony?**

15 A19. Yes.

### Verification

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated November 30, 2020.

  
Chad A. Rogers

**Jurisdictional Revenue Requirement  
ECR 34**

Per Books for the Period Ended  
October 31, 2020

Line No.	Column	Total Electric (\$ x 1000)		Allocation Percentages	Applicable to Jurisdictional Retail Customers (\$ x 1000)	Reference	Line No.
		NAAQS-Other	Total				
		(A)	(B)	(C)	(D)		
1	Return On CCT Property	1,528	1,528	100.00%	1,528	Attachment NHC-2 NAAQS-Other Page 2, L. 21; Col (I)	1
2	Amortization of Carrying Charges	3	3	100.00%	3	Attachment NHC-2 NAAQS-Other Page 2, L. 21; Col (L)	2
4	Operation and Maintenance Expenses In-Service CCT Property	0	0	100.00%	0	Attachment NHC-2 NAAQS-Other Page 2, L. 21; Col (M)	4
5	Depreciation Expense In-Service CCT Property	586	586	100.00%	586	Attachment NHC-2 NAAQS-Other Page 2, L. 21; Col (N)	5
6	Total Costs Applicable to ECR-34				2,117		6

Reference: Allocation percentages are from IPL's most recent general rate case, Cause No. 45029, as approved by the Commission on October 24, 2018.

**Jurisdictional Revenue Requirement Allocated By Class  
ECR 34**

Line No.	Column	For The Twelve Month Period Beginning March, 2021		Reference	Line No.
		% Of Responsibility Allocation Percentages	Applicable to Jurisdictional Retail Customers (\$ x 1000)		
		(A)	(B)		
1	Total Revenue Requirements Applicable to ECR-34		2,117	Attachment CR-1, L 6	1
2	Residential	42.48%	899		2
3	Small Commercial & Industrial	14.10%	298		3
4	Large Commercial & Industrial Primary Rate (PL, HL)	17.62%	373		4
5	Large Commercial & Industrial Secondary Rate (Other)	25.39%	538		5
6	Lighting	0.41%	9		6

Reference: Allocation percentages are from IPL's most recent general rate case, Cause No. 45029, as approved by the Commission on October 24, 2018.

**Jurisdictional Revenue Requirement  
of Reconciled ECR-32 & ECR-33 Expenses**

Per Books for the Period Ended  
August, 2020

Line No.	NAAQS-Other Total	Allocation Percentages	Applicable to Jurisdictional Retail Customers	Reference	Line No.
Column	(E)	(F)	(G)		
1 Operation and Maintenance Expenses In-Service CCT Property-ECR-32	(8,129)	100.00%	(8,129)	Attachment NHC-5 pg 1, L 25	1
2 Operation and Maintenance Expenses In-Service CCT Property-ECR-33	(14,686)	100.00%	(14,686)	Attachment NHC-5 pg 2, L 5	2
3 Depreciation Expense In-Service CCT Property-ECR-32	1,398	100.00%	1,398	Attachment NHC-5 pg 1, L 30	3
4 Depreciation Expense In-Service CCT Property-ECR-33	6,643	100.00%	6,643	Attachment NHC-5 pg 2, L 10	4
5 Total Reconciled ECR-32 Expenses			(6,731)	Line 1 + Line 3	5
6 Total Reconciled ECR-33 Expenses			(8,043)	Line 2 + Line 4	6
7 Total Reconciled Expenses			(14,774)		7

Reference: Allocation percentages are from IPL's general rate case, Cause No. 45029, as approved by the Commission on October 31, 2018 and will be in effect through this reconciliation period.

**Jurisdictional Revenue Requirement Allocated By Class  
of Reconciled ECR-32 & ECR-33 Expenses**

		For the Twelve Month Period Beginning March, 2021			
Line No.		Cause No. 45029 % Of Responsibility Allocation Percentages	Applicable to Jurisdictional Retail Customers	Reference	Line No.
	Column		(B)		
1	Revenue Requirements Applicable to ECR-34		(14,774)	Attachment CR-3, L 7	1
2	Residential	42.48%	(6,276)		2
3	Small Commercial & Industrial	14.10%	(2,083)		3
4	Large Commercial & Industrial Primary Rate (PL & HL)	17.62%	(2,603)		4
5	Large Commercial & Industrial Secondary Rate (Other)	25.39%	(3,751)		5
6	Lighting	0.41%	(61)		6