

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

FILED

December 21, 2017

INDIANA UTILITY
REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER & LIGHT)
COMPANY (“IPL”) FOR (1) AUTHORITY TO INCREASE)
RATES AND CHARGES FOR ELECTRIC UTILITY)
SERVICE, (2) APPROVAL OF REVISED DEPRECIATION)
RATES, ACCOUNTING RELIEF, INCLUDING UPDATE OF)
THE MAJOR STORM DAMAGE RESTORATION)
RESERVE ACCOUNT, APPROVAL OF A VEGETATION)
MANAGEMENT RESERVE ACCOUNT, INCLUSION IN)
BASIC RATES AND CHARGES OF THE COSTS OF)
CERTAIN PREVIOUSLY APPROVED PROJECTS,)
INCLUDING THE EAGLE VALLEY COMBINED CYCLE)
GAS TURBINE, THE NATIONAL POLLUTION)
DISCHARGE ELIMINATION SYSTEM AND COAL)
COMBUSTION RESIDUALS COMPLIANCE PROJECTS,)
RATE ADJUSTMENT MECHANISM PROPOSALS, COST)
DEFERRALS, AMORTIZATIONS, AND (3) APPROVAL OF)
NEW SCHEDULES OF RATES, RULES AND)
REGULATIONS FOR SERVICE.)

CAUSE NO. 45029

**VERIFIED PETITION FOR GENERAL RATE INCREASE AND
ASSOCIATED RELIEF UNDER IND. CODE §8-1-2-42.7, NOTICE OF PROVISION
OF INFORMATION REQUIRED BY THE MINIMUM STANDARD FILING
REQUIREMENTS AND REQUEST FOR ADMINISTRATIVE NOTICE**

Indianapolis Power & Light Company (“Petitioner”, “IPL” or “Company”) respectfully requests the Indiana Utility Regulatory Commission (“Commission”) to issue an order: (1) authorizing IPL to increase its rates and charges for electric utility service; (2) approving associated relief, including revised depreciation rates, accounting relief, including update of the Major Storm Damage Restoration Reserve Account and approval of a Vegetation Management Reserve Account; inclusion in basic rates and charges of the cost of certain previously approved environmental compliance projects and other investment in IPL’s facilities, including the Eagle Valley Combined Cycle Gas Turbine (“CCGT”) and the National Pollution Discharge Elimination System (“NPDES”) and Coal Combustion Residuals (“CCR”) compliance projects;

rate adjustment mechanism proposals; cost deferrals; amortizations; and (3) approving new schedules of rates, rules and regulations for service. This filing is made pursuant to Ind. Code § 8-1-2-42.7 (“Section 42.7”). IPL also requests administrative notice to be taken of certain Commission Orders and other documents that are pertinent to this case, as identified herein. In support of this Petition, IPL represents the following:

Petitioner’s Corporate and Regulated Status and Service Area.

1. IPL is a public utility corporation organized and existing under the laws of the State of Indiana with its principal office and place of business at One Monument Circle, Indianapolis, Indiana 46204. Petitioner is engaged in rendering electric utility service in the State of Indiana.

2. IPL renders retail electric utility service to approximately 490,000 retail customers located principally in and near the City of Indianapolis, Indiana, and in portions of the following ten Indiana counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Owen, Putnam and Shelby Counties.

3. IPL is part of The AES Corporation. AES is a global energy company that owns and operates a diverse portfolio of electricity generation and distribution services. AES owns businesses in 16 countries on four different continents with a combined generation of approximately 36 Gigawatts. AES operates power plants that encompass a broad range of technologies and fuel types, including coal, diesel, gas, oil, pet coke and renewables. In the U.S.A., AES’ operations consist of 16 generation facilities and two utilities (including IPL) in nine states, including approximately 12 GW of generation capacity and serving 1.0 million utility customers. This excludes AES’ recent investment in sPower, the largest independent owner,

operator and developer of utility scale solar assets in the United States. AES has been a pioneer in the energy storage industry since 2008. The AES U.S. Strategic Business Unit is headquartered in Indianapolis, Indiana as is AES US Services, LLC, which is the service company that services IPL and other AES affiliates.

4. In addition to AES' ownership, CDP Infrastructure Fund GP, a wholly-owned subsidiary of La Caisse de depot et placement du Quebec ("CDPQ"), also owns a minority equity interest in IPALCO, IPL's immediate parent company.

Petitioner's "Public Utility" Status.

5. IPL is a "public utility" under Ind. Code § 8-1-2-1 and a "utility" under Section 42.7. IPL is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

6. IPL is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

7. As authorized by the Commission's Order in Cause No. 42027 dated December 17, 2001, IPL's transmission system is under the functional control of the Midcontinent Independent Transmission System Operator, Inc. ("MISO"), a FERC-approved regional transmission organization ("RTO"), and is used for the provision of open access non-discriminatory transmission service pursuant to MISO's Open Access Transmission Tariff ("OATT") on file with the FERC. As a member of MISO, charges and credits are billed to IPL for functional operation of the transmission system, management of the MISO markets, and general administration of the RTO. As a MISO member, IPL must also adhere to the federal

reliability standards developed and enforced by the North American Electric Reliability Corporation (“NERC”), which is the electric reliability organization certified by the FERC to establish and enforce reliability standards for the bulk power system. ReliabilityFirst (“RF”) is one of eight NERC Regional Entities and is responsible for overseeing regional reliability standard development and enforcing compliance. IPL’s transmission facilities are wholly located with the RF region.

IPL’s Electric Utility System.

8. IPL renders electric service by means of electric production, transmission and distribution plant, as well as general property, equipment and related facilities, including office buildings, service buildings, and other property, all of which is used and useful for the convenience of the public in the production, transmission, delivery and furnishing of electric energy, heat, light and power. IPL has maintained and continues to maintain its properties in an adequate state of operating condition.

9. IPL’s property is classified in accordance with the Uniform System of Accounts (“USOA”) as prescribed by the FERC and approved and adopted by this Commission.

10. In order to continue to properly serve the public located in its service area and to discharge its duties as public utility, IPL has made and continues to make numerous additions, replacements and improvements to its electric utility systems.

11. IPL also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

Statutory Authority for Requested Relief.

12. This Petition is filed pursuant to Section 42.7. Other provisions of the Public Service Commission Act, as amended, Ind. Code § 8-1-2-1, *et seq.*, that may be applicable to the subject matter of this proceeding, include, but are not limited to: Ind. Code §§ 8-1-2-4, 6, 10, 19, 20, 21, 42, 61, 68 and 71.

GAO 2013-5.

13. In accordance with the guidance provided by the Commission’s General Administrative Order 2013-5 (Rate Case Standard Procedural Schedule and Recommended Best Practices for Rate Cases Submitted under Ind. Code § 8-1-2-42.7) (“GAO 2013-5”), IPL provided its Notice of Intent to File Rate Case to the Commission, on November 20, 2017. This Notice was provided at least 30 days prior the date of filing this Petition. A copy thereof was provided to the Indiana Office of Utility Consumer Counselor (“OUCC”) and other stakeholders.

14. While Section 42.7 enumerates the required categories of a case in chief, in accordance with the GAO 2013-5, IPL provides notice that its filing also follows the Minimum Standard Filing Requirements (“MSFRs”) (170 IAC 1-5 *et seq.*) as guidance as to the case-in-chief and categories of information to be included as working papers.

IPL’s Existing Rates and Rate Structure.

15. IPL’s current basic rates and charges were approved by the Commission in its Orders in Cause No. 44576 based upon test year operating results for the twelve months ended June 30, 2014, adjusted for fixed, known and measurable changes.¹ IPL was authorized to increase its basic rates and charges for electric service to produce 2.56% additional operating

¹ The Commission’s Orders in Cause No. 44576 were issued March 16, 2016 (“44576 Order”), March 23, 2016 (“44576 Nunc Pro Tunc Order”) and June 1, 2016 (“44576 Reconsideration Order”), (collectively “44576 Orders”).

revenue. Those basic rates and charges were effective March 31, 2016 and remain in effect today, as modified by various riders approved by the Commission from time to time.

16. The petition initiating Cause No. 44576 was filed with the Commission on December 29, 2014. On December 22, 2016, IPL filed a petition for an increase in basic rates, which was docketed as Cause No. 44893. That docket was dismissed without prejudice by Commission Order dated March 15, 2017. Therein, the Commission stated (p. 2) that “IPL may refile its request for rate relief without being limited by Ind. Code §8-1-2- 42(a) as a result of filing this Cause.” Therefore, in accordance with Ind. Code § 8-1-2-42(a), more than fifteen months have passed since the filing date of IPL’s most recent request for a general increase in its basic rates and charges.

17. IPL’s current depreciation accrual rates were approved by the Commission’s 44576 Order.

18. IPL files a quarterly Fuel Adjustment Clause (“FAC”) proceeding (docketed as Cause No. 38703 FAC [X]) in accordance with Ind. Code § 8-1-2-42(d) (Standard Contract Rider No. 6) to adjust its rates to account for fluctuations in its fuel costs. IPL also files adjustments to riders set forth in its Commission-approved tariff. These riders adjust IPL’s rates for service to timely recover changes in certain costs associated with the provision of service.

Petitioner’s Operating Results Under Existing Rates.

19. Notwithstanding diligent efforts to continue to control costs, IPL’s underlying revenue requirements have changed and continue to change. Since its basic rates and charges were last established, IPL has continued to make significant capital expenditures for additions, replacements and improvements to its electric utility property. These investments include

approximately \$2.1 billion in additions, replacements and improvements to used and useful electric utility property, including the new Eagle Valley CCGT, the Harding Street Station Refuelings and environmental compliance projects approved by the Commission. This investment includes significant capital expenditures to maintain and modernize the transmission, distribution and other facilities used and useful in the provision of adequate and reliable retail electric service.

20. While IPL's membership in MISO benefits customers, there are numerous obligations and costs associated with MISO membership.

21. IPL's capital additions warrant the implementation of updated depreciation rates.

22. IPL must continue to make significant capital expenditures to maintain the system at a current state of efficiency and otherwise meet the ongoing need for service in its service territory.

23. As a result of the capital additions to be reflected in rate base in this filing and other changes in the ongoing cost of providing service, IPL's existing rates are below the level required to provide revenues adequate to cover its necessary and reasonable operating expenses, to provide revenues which will enable IPL to continue to attract capital required for additions, replacements and improvements to its electric utility property and to comply with regulatory mandates at a reasonable cost, to maintain and support IPL's credit, to assure confidence in IPL's financial soundness, and to earn a fair return on the fair value of its electric utility property comparable to that available on other investments of comparable risk. IPL's existing rates, therefore, are unjust, unreasonable, insufficient and confiscatory and should be increased.

Test Year and Rate Base Cutoff Date.

24. As authorized by Section 42.7, IPL designates the twelve (12) months ended June 30, 2017 as the test year to be adjusted for fixed, known and measurable changes and appropriate normalizations and annualizations.

25. IPL is also utilizing June 30, 2017 as the general rate base cut-off date. IPL seeks to update rate base during the course of this proceeding to reflect the addition of the following “major projects” as that term is defined in 170 IAC 1-5-1(l):²

(1) the 671 MW Eagle Valley CCGT project for which the Commission issued a Certificate of Public Convenience and Necessity in Cause No. 44339. The CCGT project is located in Martinsville, Indiana and has been subject to ongoing review and approval in Cause No. 42170 ECR-X. IPL’s semi-annual progress reports for the CCGT project are available on the Commission’s electronic docket in Cause No. 44339. This major addition to IPL’s rate base is expected to be used and useful by late April 2018. The pro forma adjustment for this major project is shown on IPL Financial Exhibit IPL-RB, Schedule RB4.

(2) The National Pollution Discharge Elimination System (“NPDES”) Compliance Project authorized in Cause No. 44540 and the Coal Combustion Residuals (“CCR”) compliance project (bottom ash system) for Petersburg Station authorized in Cause No. 44794:

² Per 170 IAC 1-5-1(l), “Major project” “means a project that is estimated to cost more than one percent (1%) of a utility’s proposed rate base under section 9(a)(1) of this rule.”

(a) The NPDES project pro forma adjustment concerns the water control measures at IPL's Petersburg and Harding Street Stations to comply with the NPDES permit requirements. The NPDES Project is comprised of three Waste Water Treatments Plants, one at Harding Street Station and two at Petersburg (one for FGD wastewater and one for all other waste water). The overall project was completed on September 30, 2017.

(b) The pro forma adjustment for the CCR compliance project concerns the dewatering bottom ash system at Petersburg Station that was completed on September 8, 2017.

Both of these projects are currently included for rate recovery in IPL's ongoing Environmental Compliance Cost Recovery Rider ("ECCRA") and IPL has provided ongoing reports regarding each of these projects in its ECR proceedings, docketed as Cause No. 42170-ECR-[X]. These reports are available on the Commission's electronic docket. Each of these projects constitutes a major project addition (greater than one percent of total rate base). As shown above, each project was placed in service after the end of the test year in this proceeding. IPL is proposing to roll these projects into basic rates and charges through this proceeding and once the rates are in effect, cost recovery through the ECCRA will be discontinued contemporaneously. The pro forma adjustment to the Test Year is reflected on IPL Financial Exhibit IPL-RB, Schedule RB5.

IPL will file a monthly investment update for the above referenced projects in this docket and serve it on all parties. IPL proposes that the final hearing in this Cause be conducted at least ten

(10) business days after the new CCGT is declared by IPL to be used and useful. IPL expects this objective can be met by adhering to the procedural schedule provided in GAO 2013-5.

Overview of Petitioner's Proposals.

26. Adequate rates are essential to allow IPL to achieve the financial results that will be necessary to attract needed investor capital on reasonable terms, to comply with environmental and other mandates and to otherwise invest to meet the continued need for electricity within IPL's service area. IPL requests that new rates and charges and the associated accounting relief be authorized to enable IPL to realize a reasonable and adequate net operating income to render adequate and reliable service and facilities to the public.

27. As proposed in the case-in-chief, IPL requests the Commission to approve an annual increase in revenues of approximately \$124.5 million, which is an overall revenue increase of 9.10%. The request reflects the Company's significant capital investments, updated depreciation rates, a new cost of service study, updated rate design, and proposed changes to IPL's tariff. This rate package is supported by the testimony of numerous subject matter experts and an index of the filing is provided in IPL Witness RAS Attachment 2.

28. The impact of the proposed revenue increase on customers is detailed in the testimony of IPL Witnesses Cutshaw and Gaske included with the Company's written case-in-chief filing made contemporaneous with this Petition. The proposed revenue increase would increase the average monthly bill of a residential customer using 1,000 kWh per month by approximately \$13.96, which is an increase of approximately 12.3%. This results in a monthly bill of \$127.65 for a residential customer using 1,000 kWh per month. When the Company's complete rate package is considered, the impact on customers is anticipated to be less. More

specifically, the Company proposes to use 100% of its net capacity sales and 100% of its off-system sales margins to reduce the retail revenue requirement for the benefit of customers. If the Company's proposals are approved, the anticipated retail revenue credits are estimated to effectively reduce the impact of IPL's request for a 1,000 kWh residential customer to \$126.29, which would be an increase of \$12.60 or approximately 11.1%.

29. IPL's proposed adjustment to its rates and charges is detailed in its case-in-chief filed contemporaneous herewith and further summarized below:³

- a. Depreciation Rates. Depreciation expense associated with the Company's utility property is a necessary cost of service. IPL's current depreciation rates were approved in the 44576 Order. IPL seeks approval to revise its depreciation rates as proposed in its case-in-chief filed contemporaneous with this Petition.
- b. Major Storm Damage Restoration Reserve Account. The 44576 Order approved IPL's Major Storm Damage Restoration Reserve Account. As discussed in the case-in-chief, the Company proposes to continue this mechanism including the deferral accounting above and below the level of average expense embedded in basic rates.
- c. Vegetation Management Reserve Account. As discussed in the case-in-chief, IPL proposes to create a Vegetation Management Reserve account similar to the Major Storm Damage Restoration Reserve Account.
- d. Prepaid Pension Asset and OPEB Liability. IPL has recorded a prepaid pension asset and an OPEB liability on its books in accordance with governing accounting

³ This summary is included to provide an overview of significant proposals in IPL's filing; it is not intended to be an all inclusive summary of every aspect of IPL's filing.

standards. This asset reduces the pension cost that would otherwise be reflected in the revenue requirement and preserves the integrity of the pension fund. To recognize the opportunity cost incurred by the Company to produce these benefits IPL proposes to include the net asset as a component of its capital structure.

e. Rate Adjustment Mechanisms. IPL does not propose to implement any new rate adjustment mechanisms. IPL proposes to maintain its existing rate adjustment mechanisms with some modifications as further detailed in IPL's case-in-chief. The modifications include:

- (i) *Standard Contract Rider No. 6 (Fuel Adjustment Clause ("FAC"))*: IPL proposes to update its base cost of fuel for use in the FAC to adjust rates to account for fluctuations in IPL's fuel costs.
- (ii) *Standard Contract Rider No. 20 (Environmental Compliance Cost Recovery Rider ("ECCRA"))*: IPL proposes to reflect in its basic rates and charges capital costs and operating expenses associated with certain of these environmental control projects previously approved by the Commission. These include the MATS compliance project approved in Cause No. 44242, the Harding Street 7 ("HS7") Refueling project and NPDES compliance project approved in Cause No. 44540, and the National Ambient Air Quality Standards ("NAAQS") - dibasic acid ("DBA") and the CCR (bottom ash) compliance projects approved in Cause No. 44794, all of which are currently reflected in IPL's ECCRA. The ECCRA will continue to operate in order to allow timely recovery of

compliance project costs authorized by the Commission which are not included in this case, including the NAAQS non-DBA Compliance Project costs approved in Cause No. 44794.

- (iii) *Standard Contract Rider No. 22 (DSM)*: Coincident with the approval of new rates in this proceeding IPL will cease the calculation and collection of lost revenues associated with all energy efficiency measures installed and recorded prior to the end of the test year. IPL will continue to calculate and collect through this rider lost revenues for all measures that were installed subsequent to the end of the test year pursuant to approvals received in Cause No. 44497 and consistent with the Settlement Agreement filed and pending approval in Cause No. 44945 for the DSM Plan for 2018–2020. The methodology to calculate the lost revenues will remain the same as the current approach. Updated lost revenue margin rates are based upon the proposed tariffs and the cost of service study sponsored by IPL Witness Gaske.

- (iv) *Standard Contract Rider No. 24 (Capacity Cost Recovery (“CAP”) Adjustment)*: IPL proposes to reflect a pro forma level of capacity sales in its basic rates. With the addition of the CCGT at Eagle Valley, IPL expects to be making sales of capacity instead of purchases of capacity as were occurring when this rider was approved in Cause No. 44576. IPL’s proposed revenue requirement reflects an \$11.288 million credit for expected net capacity sales. By comparison the revenue requirement approved in Cause No. 44576 reflected \$1.8 million in capacity purchases

and \$0 for capacity sales. IPL also proposes to modify the CAP so that retail rates reflect 100% of net capacity sales and 100% of any net capacity expenses.

- (v) *Standard Contract Rider No. 25 (Off-System Sales (“OSS”) Margin Adjustment)*: OSS margins are derived from the competitive wholesale market. IPL’s proposed retail revenue requirement reflects a credit for OSS margins of \$6.324 million, which is the amount embedded in the retail revenue requirement in Cause No. 44576. It is anticipated that the Eagle Valley CCGT will provide a greater opportunity for OSS margins than in the past. IPL also proposes to modify the OSS Margin Adjustment so that retail rates reflect 100% of OSS margins.

- (vi) *Standard Contract Rider No. 26 (RTO Adjustment)*: IPL proposes to continue to reflect a pro forma level of MISO Non-fuel costs and revenues in base rates and to adjust rates through the RTO Adjustment. IPL’s proposal updates the embedded (or base amount) of MISO Non-fuel costs and revenues used to calculate the RTO charge or credit on the tariff to \$35.424 million and \$4.645 million respectively (instead of the current \$19.358 million and \$5.130 million respectively).

Based upon the cost of service study IPL proposes to calculate one adjustment factor for those Large C&I customers taking service at secondary voltage (Rates SL and PH) and another for those taking service at primary voltage or higher (Rates PL and HL) for each of the following rate adjustment mechanisms: ECCRA, CAP, RTO

Adjustment and OSS Margin Adjustments. Upon implementation of new rates, IPL proposes to adjust the then current factors for the FAC, DSM, ECCRA, CAP, OSS Margin and RTO rate adjustment riders for costs which will be reflected in the new basic rates and charges resulting from this proceeding. IPL is proposing to continue to recover all expenses for DSM and Green Power Initiative in their respective rate adjustment riders.

- f. Regulatory Assets. IPL's proposed revenue requirement includes certain environmental compliance and other costs IPL has deferred in accordance with the Commission's Orders as identified in IPL's case-in-chief.
- g. Other Accounting and Ratemaking Proposals. The Company also asks the Commission to recognize other costs for ratemaking purposes, including the annualization and normalization of the operating, maintenance and property tax costs for the new Eagle Valley CCGT, as well as the ongoing operating and maintenance costs for NPDES, and to approve accounting relief as reflected in IPL's case-in-chief, including the amortization of rate case expense over a three year amortization period and the reflection in the revenue requirement of an annual level of amortization for MISO Non-fuel Costs deferred as a regulatory asset in accordance with orders in Cause Nos. 42266, 42685, and 42962 through the effective date of the rates approved in Cause No. 44576.
- h. Rate Design. IPL's various rate design proposals are detailed in its pre-filed case-in-chief and include the following:

- (i) *Monthly Customer Service Charge.* IPL proposes to adjust the fixed monthly customer charge for residential customers and Small Secondary service customers in order to more closely reflect the costs of serving each customer, as indicated by the Allocated Cost of Service Study (“ACOSS”). This proposal continues the gradual alignment of rate design with cost causation principles and in doing so sends efficient price signals to customers, allowing customers to make informed decisions regarding their consumption of the service being provided. A substantial portion of fixed costs will still be recovered in the variable energy charge component of the rates for these customers.
- (ii) *Low load factor.* The Company’s rate design includes a low load factor rate option for customers who take service at transmission voltage.
- (iii) *LED Streetlighting.* IPL is proposing to add an option for several light emitting diode (“LED”) lights to its tariff.
- (iv) *Tariff, Schedules and Terms and Conditions of Service.* IPL proposes to replace its existing rate schedules governing the electric utility service rendered by it with new schedules of rates and charges and terms and conditions applicable thereto. These changes are summarized in IPL’s prefiled testimony and shown in the redlined version of the Tariff included with IPL’s case-in-chief. These revisions include, without limitation, changes to simplify, modernize, update and clarify the Tariff. The

proposed rate schedules and revised Tariff are included in the Company's case-in-chief.

Submission of Case-in-Chief, MSFR and Workpapers.

30. To aid the Commission in processing this Petition, IPL's case-in-chief, workpapers and supporting information are being filed contemporaneous with this Petition in accordance with Section 42.7, GAO 2013-5 and the MSFRs. In accordance with the best practices set forth in GAO 2013-5, this information is provided on CD-ROM (in Excel format where appropriate).

Confidential Information.

31. Pursuant to 170 IAC 1-5-15(e) (2), the electronic copy of the cost of service study is to be treated as confidential and protected from disclosure to the public under IC 5-14-3-4 and IC 8-1-2-29.

32. Contemporaneous with the filing of this Petition, IPL is also filing a motion for protective order in accordance with 170 IAC 1-1.1-4 and to otherwise comply with 170 IAC 1-5-3. The filing of this motion is necessary and appropriate to protect other confidential information included in IPL's filing. IPL has entered into a nondisclosure agreement with the OUCC and will work together with any intervenors to negotiate an acceptable confidentiality agreement to facilitate the production of the confidential information as appropriate.

Request for Prehearing Conference and Preliminary Hearing.

33. Pursuant to 170 IAC 1-1.1-15, IPL requests that a date for a prehearing conference and preliminary hearing be promptly set by the Commission to address procedural matters including setting a procedural schedule that will allow completion of the case within 300

days in accordance with GAO-2013-5 and Section 42.7. IPL is working with the OUCC and potential intervenors to develop an agreed procedural schedule consistent with GAO 2013-5. IPL plans to file any agreement separately in this case.

Customer Notification.

34. In accordance with Ind. Code § 8-1-2-61(a), IPL will publish notice of the filing of this Petition in a newspaper of general circulation published in each Indiana county in which IPL renders service. In accordance with 170 IAC 4-1-18(c), IPL will furnish to each residential customer within forty-five (45) days of this Petition, a notice which fairly summarizes the nature and extent of the proposed changes. These notices will be provided via bill messaging, bill inserts, or similar mailing. The notice will be late-filed as an exhibit.

Request for Administrative Notice.

35. Pursuant to 170 IAC 1-1.1-21, IPL requests administrative notice to be taken of the following Commission Orders and filings:

- a. Cause No. 44576: Orders dated March 16, 2016, March 23, 2016 and June 1, 2016; IPL's Compliance Filings dated July 22, 2016, October 24, 2016, January 23, 2017 and March 31, 2017; and IURC Testimonial Staff's Response to IPL's Compliance filing dated November 9, 2016.
- b. Cause No. 44339: Order dated May 14, 2014; and IPL Semi-annual Progress Reports filed May 30, 2014, November 26, 2014, May 29, 2015, November 30, 2015, May 30, 2016 (including correction filed May 31, 2016), November 30, 2016, May 31, 2017 and November 30, 2017.

- c. Cause Nos. 42170-ECR X: Orders in ECR 27 (October 26, 2016), ECR 28 (February 22, 2017), ECR 29 (August 30, 2017) and ECR 30.

36. These materials are available on the Commission's electronic docket. Copies of these documents will be filed in this docket.

Attorneys For Petitioner.

37. The names and addresses of IPL's duly authorized representatives, to whom all correspondence and communications concerning this Petition should be sent, are as follows:

Teresa Morton Nyhart (No. 14044-49)
Nicholas K. Kile (No. 15203-53)
Jeffrey M. Peabody (No. 28000-53)
BARNES & THORNBURG LLP
11 S. Meridian Street
Indianapolis, IN 46204
Nyhart Phone: (317) 231-7716
Kile Phone: (317) 231-7768
Peabody Phone: (317) 231-6465
Fax: (317) 231-7433
Email: tnyhart@btlaw.com
nicholas.kile@btlaw.com
jpeabody@btlaw.com

WITH COURTESY COPIES TO:

Andrew Wells
AES US Services, LLC
Indianapolis Power & Light Company
One Monument Circle
Indianapolis, Indiana 46204
Phone: (317) 864-5372
Fax: 317-261-8288
Email: andrew.wells@aes.com

WHEREFORE, Petitioner, Indianapolis Power & Light Company, respectfully requests that the Indiana Utility Regulatory Commission promptly conduct a prehearing conference and

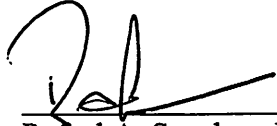
preliminary hearing, make such investigation and hold such hearings as it may deem necessary or advisable, and, thereafter, make and enter an order in this Cause in accordance with the 300 day time frame provided in GAO-2013-5 and Section 42.7:

- a. finding that IPL's existing rates and charges for electric utility service are unjust, unreasonable, insufficient, confiscatory, and inadequate to provide a fair return on the fair value of IPL's utility property used and useful for the convenience of the public in rendering electric utility service;
- b. establishing and by order fixing increased rates and charges to be imposed, observed and following in the future by IPL in lieu of those found to be unjust, unreasonable, insufficient and confiscatory rates;
- c. authorizing IPL to revise and place into effect for accrual accounting purposes its depreciation rates as proposed in its evidence herein;
- d. recognizing the Company's prepaid pension asset in its capital structure;
- e. authorizing IPL to implement modifications to its rate adjustment mechanisms as proposed in IPL's evidence;
- f. approving and granting accounting authority to IPL to implement, its other accounting and rate proposals, including authority to maintain the Major Storm Damage Restoration Reserve Account and to establish the Vegetation Management Reserve Accounts, to amortize rate case expense, and to amortize MISO Non-Fuel Costs deferred as a regulatory asset through the effective date of the rates approved in Cause No. 44576;

- g. approving IPL's proposed rate design including the changes to the customer charges for the residential and small commercial rate classes;
- h. approving various changes in IPL's Rules and Regulations of Service and others terms, conditions and provisions of IPL's Electric Service Tariff as proposed in IPL's evidence herein; and
- i. granting to IPL such other and further relief as may be appropriate and proper.

Respectfully submitted this 21st day of December 2017,

INDIANAPOLIS POWER & LIGHT COMPANY

By: 
Rafael A. Sanchez, President and CEO

Teresa Morton Nyhart (No. 14044-49)
Nicholas K. Kile (No. 15203-53)
Jeffrey M. Peabody (No. 28000-53)
Barnes & Thornburg LLP
11 S. Meridian Street
Indianapolis, IN 46204
Nyhart Phone: (317) 231-7716
Kile Phone: (317) 231-7768
Peabody Phone: (317) 231-6465
Fax: (317) 231-7433
Email: tnyhart@btlaw.com
nicholas.kile@btlaw.com
jpeabody@btlaw.com

Verification

The undersigned hereby swears and affirms under the penalties for perjury that the foregoing factual representations are true to the best of her knowledge, information and belief.

Date: December 21, 2017.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a vertical line and a horizontal stroke extending to the right.

Rafael A. Sanchez

Certificate of Service

The undersigned hereby certifies that a copy of the foregoing has been served by hand-delivering two copies, or electronic mail, to:

Mr. William I. Fine
Ms. Abby R. Gray
Mr. Randall C. Helmen
Indiana Office of Utility Consumer Counselor
Suite 1500 South, 115 W. Washington St.
Indianapolis, Indiana 46204
infomgt@oucc.in.gov
wfine@oucc.in.gov
agray@oucc.in.gov
rhelmen@oucc.in.gov

Courtesy copies were provided to:

Jennifer A. Washburn
Citizens Action Coalition of Indiana, Inc.
1915 W. 18th Street, Suite C
Indianapolis, Indiana 46202
jwashburn@citact.org

(The Kroger Co.)
Kurt J. Boehm, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
KBoehm@BKLLawfirm.com

John P. Cook, Esq.
John P. Cook & Associates
900 W. Jefferson Street
Franklin, Indiana 46131
john.cookassociates@earthlink.net

Bette J. Dodd
Anne E. Becker
Joseph P. Rompala
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282
bdodd@lewis-kappes.com
abecker@lewis-kappes.com
JRompala@lewis-kappes.com

Courtesy copy to:
ATyler@lewis-kappes.com
ETennant@lewis-kappes.com

this 21st day of December 2017.



Teresa Morton Nyhart (No. 14044-49)
Nicholas K. Kile (No. 15203-53)
Jeffrey M. Peabody (No. 28000-53)
Barnes & Thornburg LLP
11 S. Meridian Street
Indianapolis, IN 46204
Nyhart Phone: (317) 231-7716
Kile Phone: (317) 231-7768
Peabody Phone: (317) 231-6465
Fax: (317) 231-7433
Nyhart email: tnyhart@btlaw.com
Kile email: nicholas.kile@btlaw.com
Peabody email: jpeabody@btlaw.com