

State of Indiana
Indiana Utility Regulatory Commission

IN THE MATTER OF THE VERIFIED)
PETITION OF INDIANA MICHIGAN)
POWER COMPANY FOR APPROVAL OF)
DEMAND SIDE MANAGEMENT (DSM))
PLAN, INCLUDING ENERGY EFFICIENCY)
(EE) PROGRAMS, AND ASSOCIATED)
ACCOUNTING AND RATEMAKING)
TREATMENT, INCLUDING TIMELY)
RECOVERY THROUGH I&M'S DSM/EE)
PROGRAM COST RIDER OF ASSOCIATED)
COSTS, INCLUDING PROGRAM OPERATING)
COSTS, NET LOST REVENUE, FINANCIAL)
INCENTIVES, AND CARRYING CHARGES)
AND DEPRECIATION EXPENSE ON CAPITAL)
EXPENDITURES AND ASSOCIATED)
OPERATIONS AND MAINTENANCE EXPENSE.)

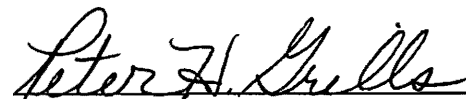
CAUSE NO. 44841

RESPONDENTS: INDIANA REGULATED
ELECTRIC UTILITIES.

**CITY OF FORT WAYNE'S TESTIMONY IN SUPPORT
OF STIPULATION AND SETTLEMENT AGREEMENT**

The City of Fort Wayne, through its counsel, hereby submits its Testimony of Douglas Fasick in support of the Stipulation and Settlement Agreement by and between Indiana Michigan Power Company, Indiana Office of Utility Consumer Counselor, I&M Industrial Group, and the City of Fort Wayne.

Respectfully submitted,

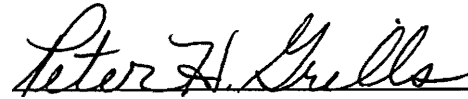


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Testimony has been served, upon request, to the Service List below, electronically, on this 25th day of January, 2017.



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**DIRECT TESTIMONY OF
DOUGLAS J. FASICK ON
BEHALF OF CITY OF FORT WAYNE**

Q: Can you please state your name and address for the record?

A: My name is Douglas J. Fasick, C.E.M. and my business address is 200 E. Berry Street, Suite 250, Fort Wayne, Indiana 46802.

Q: By whom are you employed and what are your job title and responsibilities?

A: I am the Sr. Program Manager, Utilities Energy Engineering and Sustainability Services, for the City of Fort Wayne's City Utilities Division. My current responsibilities include the development, implementation and management of energy policies, objectives, plans, projects, and programs in order to properly protect the environment through more efficient and cost-effective energy utilization for City Utilities. These facilities include treatment and pumping for drinking water and fire protection, wet weather and flood control facilities, and wastewater facilities, including lift stations. Since my recent appointment, I have developed and enacted an Energy Policy and an Energy Efficiency Lighting Standard for all of City Utilities' facilities. I also have completed energy audits at our water and wastewater facilities, developed a strategic plan for deployment of an energy management system for energy intensive assets through the ISO50001 process, and I am currently developing a program to improve methane utilization at our wastewater facility.

Q: Have you previously provided testimony in this proceeding?

A: Yes I have.

Q: Did your testimony address specific aspects of I&M's proposed 2016-2019 DSM Plan and Energy Efficiency Programs (DSM Plan)?

A: Yes it did.

Q: What was the City's primary concern addressed in your testimony?

A: The City was concerned that the DSM Plan as originally proposed did not provide for programs designed to capture the major energy efficiency opportunities created by the renewal of City's municipal utility infrastructure and I&M's electric grid. The City plans on spending a \$1.0B on its wastewater system alone, while I&M anticipates investing significant funds in its transmission and distribution system. As these investments are made, there will be one-time opportunities to maximize large scale energy efficiencies through infrastructure design, new technologies and operational efficiencies. In the City's view, I&M's 2016-2019 DSM Plan and Energy Efficiency Programs did not recognize these long-term energy efficiency opportunities, or the urgency in acting before capital commitments are made and opportunities are lost.

Q: What are these one-time opportunities?

39 A: The opportunities exist because of the timing and implementation of the City's and
40 I&M's long-term capital improvement programs. Historic levels of energy efficiency can
41 be achieved on both sides of the electric meter through the planning, coordination and
42 design of facilities, processes and operations. There are efficiencies in equipment
43 selection and deployment of new Smart Grid technologies, such as, next generation
44 communications, data management, automation, advanced sensing, monitoring and
45 remote controls and advanced distribution automation. Market-driven efficiencies will
46 also expand.

47 Q: Did the City make recommendations regarding I&M's proposed 2017-2019 DSM Plan?

48 A: Yes. The City recommended the proposed DSM Plan be amended to: 1) include an
49 aggressive outreach program designed to identify major energy efficiency opportunities
50 with large institutional and industrial customers, 2) provide greater flexibility in project
51 eligibility under the Work Custom Rebate Program and Work Prescribed Rebate
52 Program, and 3) add a Demonstration Project Program.

53 Q: Was the City able to reach an agreement with I&M regarding its concerns?

54 A: Yes. Following the filing of the City's testimony, discussions took place with I&M and
55 the other Settling Parties. An approach was developed which the City believes
56 recognizes the potential long-term energy efficiency opportunities, the need for
57 coordination of long-term capital project planning and the potential benefits to I&M's
58 ratepayers and the City's utility ratepayers from leveraging technical and financial
59 resources through strong partnerships.

60 Q: Were I&M and the Settling Parties able to incorporate this approach into the Stipulation
61 and Settlement Agreement ("Settlement Agreement")?

62 A: Yes.

63 Q: Could you please summarize the provisions in the Settlement Agreement which address
64 the City's concerns?

65 A: Yes. I&M's and the City's technical engineering and operations experts will make a
66 substantive evaluation of the long-term capital improvement programs for the City's
67 wastewater and water utilities and I&M's electric distribution system. The purpose of the
68 evaluation is to identify opportunities to achieve cost-effective energy savings through
69 the design and operation of the City's utilities and I&M's electric distribution system.

70 Q: How does this affect I&M's DSM Plan?

71 A: If the City and I&M agree that there are cost-effective energy efficiency projects and
72 initiatives that are not eligible for the DSM program, I&M may seek approval from the
73 Commission to modify the DSM program. Prior to seeking approval of a modification of
74 the DSM Plan, I&M will advise the Settling Parties and OSB of its intention, and I&M
75 and the City will offer to explain the program to interested members of the Settling
76 Parties or OSB. The Settling Parties have the right to contest any effort to modify I&M's
77 2017-2019 DSM Program.

78 Q: Does this provision within the Settlement Agreement address the City's concerns?

79 A: Yes it does.

80 Q: Does that conclude your testimony in support of the Settlement Agreement?

81 A: Yes.

VERIFICATION

I, Doug Fasick, Senior Program Manager, Utilities Energy Engineering and Sustainability Services for the City of Fort Wayne's City Utilities Division, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Dated: January 25th,
2017

Douglas J. Fasick

A handwritten signature in black ink, appearing to read 'D. Fasick', written over a horizontal line.

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