

**VERIFIED REBUTTAL TESTIMONY
OF
KEN FLORA
ON BEHALF OF
INDIANAPOLIS POWER & LIGHT COMPANY**

CAUSE NO. 45029

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ON BEHALF OF
INDIANAPOLIS POWER & LIGHT COMPANY**

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

2 A1. My name is Ken Flora. I am employed by Indianapolis Power & Light Company (“IPL”
3 or “Company”), whose business address is One Monument Circle, Indianapolis, Indiana
4 46204.

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

6 A2. I am Director, Regulatory Affairs.

7 **Q3. Please summarize your previous work experience with IPL.**

8 A3. I have been an employee of IPL since February 27, 1995. During my tenure with the
9 Company, I have worked in a variety of positions, including various accounting staff
10 roles, Team Leader of Administrative Support at our Harding Street Station, Power
11 Supply Accounting Team Leader, Team Leader of Corporate Accounting and my current
12 position of Director, Regulatory Affairs, since December 2005.

13 **Q4. Please describe your education, professional qualifications and business experience.**

14 A4. I hold a Bachelor of Science Degree in Accounting from Indiana University-Purdue
15 University at Indianapolis and a Master’s Degree in Business Administration from the
16 University of Indianapolis. I also hold a Certified Public Accountant’s license with the
17 State of Indiana.

18 **Q5. Have you previously testified before the Commission?**

1 A5. Yes. I previously submitted testimony in IPL's DSM proceeding (Cause No. 43960) that
2 included a request for ratemaking recognition of costs incurred to deploy electric vehicle
3 supply equipment. I also submitted testimony in IPL's quarterly fuel cost and DSM
4 adjustment proceedings (Cause No. 38703-FAC-XX and Cause No. 40292-DSM-XX)
5 and IPL's semi-annual Environmental Compliance Cost Recovery ("ECR") Adjustment
6 proceedings (Cause No. 42170-ECR-XX). Additionally, I testified in the proceeding that
7 resulted in the approval of IPL's nitrogen oxides ("NOx") case in Cause No. 42170, the
8 proceeding that resulted in the approval of the first step of IPL's Multi-Pollutant Plan in
9 Cause No. 42700 and the proceeding that resulted in the approval of the second step of
10 IPL's Multi-Pollutant Plan in Cause No. 43403. I also previously submitted testimony in
11 Cause No. 42997 regarding IPL's Air Conditioning Load Management Adjustment
12 proceeding, Cause Nos. 43485 and 43740 regarding IPL's requests for approval of Wind
13 Power Purchase Agreements, Cause Nos. 43083 and 43321 regarding the Commission's
14 generic investigation concerning aspects of the federal Energy Policy Act of 2005, Cause
15 No. 43580 regarding the Commission's generic investigation concerning aspects of the
16 Energy Independence and Security Act of 2007, Cause No. 43426-S1 regarding
17 Midcontinent Independent System Operator, Inc. ("MISO") Ancillary Services Market,
18 and Cause No. 43663 regarding the Commission's generic investigation concerning tree-
19 trimming practices and tariffs relating to service quality. Additionally, I presented
20 testimony in Cause No. 42693 regarding the Commission's generic investigation
21 concerning the effectiveness of DSM programs and in Cause Nos. 43623 and 43911,
22 regarding IPL's request for approval of DSM programs. Also, I testified in Cause No.
23 44478, regarding IPL's request for approval of an alternative regulatory plan related to

BlueIndy's electric vehicle sharing program. Most recently, I testified in Cause No. 45032 S1, regarding possible rate implications under Phase 1 of the Commission's investigation into the Tax Cuts and Jobs Act of 2017.

Q6. What is the purpose of your rebuttal testimony in this proceeding?

A6. My rebuttal testimony responds to the testimony of Mr. Neal Townsend filed on behalf of The Kroger Company ("Kroger") regarding reliability concerns at two Kroger facilities and to the testimony of Mr. Douglas B. Nordham filed on behalf of Rolls-Royce Corporation ("RRC") regarding Rate SS service.

Kroger Reliability Concerns

Q7. On page 18 of his testimony, Kroger Witness Townsend discusses reliability concerns at Kroger's Cross Road Farm Dairy and its Indianapolis Bakery. How are the Kroger Dairy and Bakery facilities served by IPL?

A7. The Kroger facilities are served at 13,200 volts by IPL's "Ford substation", Circuit #2, located approximately one mile from the Kroger facilities. Kroger owns the transformation equipment at both facilities.

Q8. Please respond to Mr. Townsend's concerns regarding service reliability at the Kroger Bakery and Dairy.

A8. As an initial point, I would note that IPL is always willing to meet with its customers and discuss any service issues they may be experiencing. Customers certainly do not need to wait and intervene in IPL's rate cases to bring their questions or concerns to our attention. Mr. Townsend did not provide any details in his testimony and he did not acknowledge

1 the extent to which the issue at Kroger's Crossroads Farms Dairy stems from the Kroger
2 side and not the IPL system. That said, IPL has been working with Kroger to address
3 their concerns. When IPL followed up in discovery, Kroger responded with
4 competitively sensitive communications showing that IPL has been working
5 collaboratively with Kroger to address the very concerns raised by Mr. Townsend. IPL
6 and Kroger each agreed to take certain steps targeted to improve reliability in light of the
7 setup of Kroger's facilities. Accordingly, I do not see a need to adopt Mr. Townsend's
8 recommendation because IPL has already taken reasonable actions to address Kroger's
9 concerns.

10 **Rolls-Royce Corporation Service Under Rate SS**

11 **Q9. Beginning on page 3 of his testimony, RRC Witness Nordham discusses the service**
12 **RRC receives under Rate SS. In order to provide context, please describe the**
13 **Company's Rate SS offering.**

14 A9. Rate SS – Secondary Service (Small) has been part of IPL's tariff for many decades.
15 Rate SS provides for secondary service to small commercial and industrial customers.
16 Per the terms of the tariff, customers requiring in excess of 75 KW demand "will be
17 served only under special agreement, setting out the minimum monthly service charge."
18 As noted by Mr. Nordham, RRC has received service under Rate SS since July 10, 2009.

19 **Q10. Has RRC Witness Nordham expressed any concerns with the terms and conditions**
20 **of service under Rate SS?**

21 A10. No. Rather, his concern (p. 6) is that IPL could terminate service to RRC under Rate SS
22 "just months after a Final Order is expected in this case."

1 **Q11. Is IPL proposing to terminate service to RRC under Rate SS in this proceeding?**

2 A11. No. Nor is IPL proposing any changes to Rate SS (other than updating the customer and
3 energy charges). See IPL Witness JLC Attachment 1R, pages 13-14, which is included
4 with IPL Witness Cutshaw's rebuttal testimony.

5 **Q12. On pages 4-5 of his testimony, RRC Witness Nordham questions whether additional**
6 **Commission approval is necessary for the service RRC receives under Rate SS.**
7 **Please respond.**

8 A12. First, I would note that the existing Rate SS process has worked well for many years and
9 Mr. Nordham does not appear to seek a change in that process. That said, I disagree with
10 Mr. Nordham to the extent he suggests that any additional Commission approval is
11 needed. Rate SS, including the provision related to customers requiring in excess of 75
12 KW demand, has been part of the IPL tariff approved by the Commission in multiple rate
13 cases over the past several decades. Unlike Rate CSC, which Mr. Nordham discusses on
14 page 4 of his testimony, there is no requirement in the Rate SS tariff that requires Rate SS
15 agreements to be submitted to the Commission for approval. This distinction recognizes
16 the limited situations in which customers would desire service under Rate SS in excess of
17 75 KW demand. The existing practice also recognizes that establishing a separate
18 docketed proceeding for these Rate SS customers would not be the most efficient use of
19 the Commission's and other parties' resources.

20 **Q13. RRC Witness Nordham discusses what he believes the overall rate increase would**
21 **be if RRC were on Rate HL. Please respond.**

22 A13. As discussed previously, IPL is not proposing to terminate RRC's service under Rate SS
23 in this proceeding. Therefore, his concerns regarding the potential rate impact if RRC

1 was switched to Rate HL are premature. Should this service to RRC under Rate SS be
2 terminated at some point in the future, IPL would discuss with RRC what rate provisions
3 are appropriate under their specific circumstances that recognize their ability and
4 willingness to be interrupted at certain times.

5 **Q14. Does this conclude your prepared verified rebuttal testimony?**

6 A14. Yes, at this time.

VERIFICATION

I, Ken Flora, Director, Regulatory Affairs, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

A handwritten signature in cursive script that reads "Ken Flora".

Ken Flora

Dated: June 20, 2018