

## STATE OF INDIANA

# INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF THE CITY OF RICHMOND,  
INDIANA, BY AND THROUGH ITS  
MUNICIPAL ELECTRIC UTILITY,  
RICHMOND POWER AND LIGHT, FOR  
APPROVAL OF A NEW SCHEDULE OF  
RATES AND CHARGES FOR ELECTRIC  
SERVICE AND APPROVAL OF AN  
AMENDMENT TO ITS ENERGY COST  
ADJUSTMENT PROCEDURES**

**CAUSE NO.** 45361

## VERIFIED PETITION

Petitioner, the City of Richmond, Indiana (“Richmond”, “Petitioner” or “City”), by its municipal electric utility, Richmond Power and Light (“RP&L” or “Utility”), hereby files this Petition with the Indiana Utility Regulatory Commission (“Commission”) seeking approval of a new schedule of rates and charges. In support of its Petition, RP&L states:

1. Richmond owns and operates a municipal electric utility that serves approximately 21,029 customers. The Utility's office is located at 2000 U.S. Hwy 27 South, Richmond, Indiana 47374. RP&L's operations are supervised and controlled by the Common Council of the City of Richmond, which serves as RP&L's Board of Directors and is its Board within the meaning of IC 8-1.5-3-3(a)(2).

2. RP&L owns and operates an electric system which consists of electric transmission, distribution, substation and power production facilities, including coal-fired electric generating plants of a combined capacity of 93 MW at the Whitewater Valley Generating Station (“WWVS”), which facilities are used and useful in providing adequate and efficient service to its customers.

3. Richmond is a member of the Indiana Municipal Power Agency (“IMPA”) and purchases all of its electric power and energy requirements from IMPA pursuant to the terms of a Power Sales Contract. IMPA also operates WWVS and is entitled to all of its generation output, pursuant to an Amended and Restated Capacity Purchase Agreement with Richmond.

#### **RP&L’s Present Rates**

4. RP&L collects rates and charges for the electric services it renders, which are subject to the approval of the Commission and the Common Council of the City of Richmond, by ordinance, pursuant to IC 8-1.5-3-8(f). RP&L is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana, including IC 8-1.5-3-1 *et seq.* and certain provisions of the Public Service Commission Act, as amended, which are applicable to the relief requested in this Petition.

5. RP&L’s current rates and charges for electric utility service were approved by final order of the Commission in Cause No. 42713, issued on February 9, 2005. Petitioner also files a quarterly Energy Cost Adjustment (“ECA”) in a thirty-day filing in accordance with the Final Order in Cause No. 36835-S3, dated December 13, 1989, to reflect solely the changes in the cost of power and energy purchased by RP&L from its full-requirements wholesale power provider, IMPA. RP&L is requesting revisions to its ECA structure to accommodate new and eliminated rate classes, as well as to separate those classes whose ECA demand charge is based on a per kilowatt (“KW”) charge from those whose ECA demand charge is based on kilovolt-amperes (“kVAR”).

6. Pursuant to IC 8-1.5-3-8, the Utility’s rates and charges “must be nondiscriminatory, reasonable, and just.” RP&L is further obligated by law to maintain rates and charges for services rendered to “produce an income sufficient to maintain the utility property in

a sound physical and financial condition to render adequate and efficient service.” IC 8-1.5-3-8(d).

7. These rates and charges no longer produce revenues sufficient for Richmond to pay all the legal and necessary expenses incident to the operation of the Utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, and interest charges on bonds and other obligations, provide adequate money for working capital, provide adequate money for making extensions and replacements to the extent not provided for through depreciation, and compensate the civil city for taxes that would be due on the Utility’s property if such property were privately owned. The existing rates are, therefore, unlawful.

8. Richmond will propose in this case new electric rates and charges which will be sufficient to pay the Utility’s expenses, including for operation, maintenance, extensions and replacements. Petitioner’s proposed schedule of rates and charges is accompanied by the prepared direct testimony and exhibits of Petitioner’s witnesses.

9. Richmond’s proposed schedule of rates and charges includes a proposed new Electric Vehicle (“EV”) Rate. Given that RP&L has no data on actual EV usage yet, Petitioner is requesting approval for the Utility to use the 30-day Filing Process pursuant to 170 IAC 1-6-3(8) to adjust the EV rate design, if EV adoption were to progress at a pace greater than expected.

10. In accordance with 170 IAC 1-1.1-9(b) of the Commission’s Rules of Practice and Procedure, the City requests that the twelve (12) month period ending September 30, 2019, be used as the test year in this case, with adjustments permitted for changes that are known, fixed, and measurable, and to be in effect within twelve (12) months after the test year, and that

the cut-off date for any required adjustments that are reasonable known, fixed and measureable, be the 12-month period following the end of the test year.

11. On February 18, 2020, the Common Council for Richmond (“Council”) approved Ordinance No. 11-2020, which approves the rates for which Commission approval is requested herein. A copy of Ordinance No. 11-2020 is included as Attachment RWB-5 to the Direct Testimony of Randall W. Baker. Also included in that Attachment is a copy of a Resolution of the Richmond Utility Service Board which recommended the rates and charges to the Council.

12. The Utility does not have any outstanding indebtedness to the federal government.

13. In accordance with the Commission’s General Administrative Order (“GAO”) 2013-5, on January 21, 2020, Richmond provided its Notice of Intent to File a Rate Case to the Commission (Attachment RWB-9 to Mr. Baker’s Direct Testimony). On that same date, a copy thereof was provided to the Indiana Office of Utility Consumer Counselor. Also pursuant to GAO 2013-5, Petitioner hereby provides its Notice of Intent to File Information required under the Minimum Standard Filing Requirements (“MSFRs”), 170 IAC 1-5-1 *et seq.*, as applicable, to provide support for this Petition and to reduce or avoid disputes.

14. Attachment RWB-8 to Mr. Baker’s testimony is a copy of the legal notice announcing the filing of the Petition with the Commission for an increase in RP&L’s rates and charges, and the related proof of publication will be filed with the Commission when obtained from the publisher. Said notice is also available at RP&L’s office at the address above, as well as posted on the Utility’s website at [www.rp-l.com](http://www.rp-l.com). Proof of publication will be filed with the Commission after receipt from the publisher.

15. Richmond considers IC 8-1-2-61, 8-1.5-3-8 and 8-1-2-42.7, IC 8-1-2.2 et seq., as well as other provisions of the Public Service Commission Act to be applicable to the relief requested in this Petition.

16. In order to expedite the proceedings in this Cause and to avoid unnecessary expense to Petitioner and its customers, Richmond respectfully requests the setting of a date for a Prehearing Conference to establish a procedural schedule for the prefilings of testimony and exhibits of the parties, establishing time period for responding to discovery and a date for the evidentiary hearing in this Cause.

17. Richmond's attorneys authorized to represent it in this proceeding, each of whom is authorized to accept service of papers in this proceeding on its behalf are:

Kristina Kern Wheeler, #20957-49A  
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WHEREFORE, Petitioner, the City of Richmond, Indiana, requests that the Commission issue a final order approving: (a) a new schedule of rates and charges for electric utility service rendered by Richmond; (b) a change to its ECA tracking mechanism; (c) approval to submit any adjustments to its new EV Rate via the 30-day filing process, if needed; and (d) all other appropriate relief.

Respectfully Submitted,



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Counsel for Petitioner, City of Richmond, Indiana

### VERIFICATION


I, Randall Baker, am the General Manager of Richmond Power & Light. In such capacity, I have instructed legal counsel to file the above and foregoing Verified Petition and have the authority to do so pursuant to authority from the Richmond Common Council. I have read said Petition and know the contents thereof; and the statements and representations therein contained are true to the best of my knowledge and belief.

  
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Randall Baker, General Manager  
Richmond Power & Light

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing "Petition" was served upon the following by hand delivery or regular mail this 24th day of March, 2020:

Indiana Office of the Utility Consumer Counselor  
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