

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANAPOLIS POWER & )  
LIGHT COMPANY, AN INDIANA CORPORATION, )  
FOR APPROVAL OF ALTERNATIVE REGULATION )  
PLAN FOR EXTENSION OF DISTRIBUTION AND ) CAUSE NO. 44478  
SERVICE LINES, INSTALLATION OF FACILITIES )  
AND ACCOUNTING AND RATEMAKING OF COSTS )  
THEREOF FOR PURPOSES OF THE CITY OF )  
INDIANAPOLIS' AND BLUEINDY'S ELECTRIC )  
VEHICLE SHARING PROGRAM PURSUANT TO )  
IND. CODE § 8-1-2.5-1 *ET SEQ.* )

JOINT STIPULATION AND SETTLEMENT AGREEMENT

The City of Indianapolis, Indiana (“the City”), Indianapolis Power & Light Company (“IPL”), and the Office of Utility Consumer Counselor (“OUCC”) (collectively the “Settling Parties”) stipulate and agree for purposes of resolving the issues in this Cause to the terms and conditions set forth below.

1. The Settling Parties agree that the Commission should find the Alternative Regulation Plan, as described in IPL’s Petition in the above captioned Cause and in the City-IPL Agreement, and as amended by the provisions of paragraph 2 in this Stipulation and Settlement Agreement (the “ARP”), the project proposed in the ARP (the “Project”), and this Joint Stipulation and Settlement Agreement (“Settlement Agreement”) to be in the public interest.

2. The Settling Parties hereby agree to the following:
- a. The costs of the Project shall be amortized by IPL over ten (10) years, with a return on and of the unamortized balance.
  - b. The return on equity on carrying charges for IPL shall be 10.2%.
  - c. As provided in the Section 5.03(f) of the City-BlueIndy Agreement and Section 7(c)(ii) of the City-IPL Agreement (Exhibit KF-3), any Profit Share (as that term is defined by the City-BlueIndy Agreement) (Exhibit DR-2) provided by BlueIndy to IPL shall be utilized solely for rate mitigation to benefit IPL customers.

- d. Notwithstanding the provisions of Section 5.03 to the contrary, the City agrees to forego any Profit Share to which it would be entitled from BlueIndy and to direct such Profit Share to IPL, which IPL shall also utilize solely for rate mitigation to benefit IPL customers. After 125 percent of all Project costs incurred by ratepayers have been recovered, there shall be an equal split of the Profit Share between IPL (for the benefit of further rate mitigation) and the City.
- e. IPL shall report on an annual basis to the IURC and OUCC on (1) any Profit Share received and (2) data gathered at each charging site for purposes of observing, on a generic basis, consumer behavior associated with EV infrastructure deployments and the impact of EVs on IPL's system and the grid in terms of operational effects and costs.
- f. The City shall create an advisory board with membership of the City, IPL, BlueIndy, and OUCC to meet regularly to discuss the Project details, including implementation progress, IPL's Costs (as that term is defined in the City-BlueIndy Agreement), the City's costs incurred as its contribution to the Project, and Locations (as that term is defined in the City-BlueIndy Agreement).
- g. The City shall cause BlueIndy to provide IPL customers who sign up for an annual membership in the BlueIndy service within the first six (6) months after the Public Opening two (2) months of membership for free, which is estimated to be \$26 value per customer.
- h. The City shall make all reasonable best efforts to apply for grant funding for rate mitigation. The City shall also make reasonable efforts to secure other funding, particularly from corporate citizens, for rate mitigation; provided however, that the City shall not cause BlueIndy to provide a Location to any person in exchange for such funding. Any grants or other funding secured by the City pursuant to this paragraph 2(h) will be directed to IPL, which shall account appropriately for those funds and use them solely purpose of rate mitigation. BlueIndy or the City may separately apply for grants related to services provided by BlueIndy. The City will provide periodic updates to the OUCC on its efforts in this regard.

i. For purposes of enhancing energy efficiency, public safety and providing other public benefits within IPL's Service Territory, IPL will collaborate with its DSM Oversight Board to develop an Energy Efficient Streetlighting Program whereby a total of up to \$1.5 million shall be designated for IPL's Rate MU1 customers.<sup>1</sup> The Energy Efficient Streetlighting Program will be available for the conversion of existing streetlighting to modern LED lights or for upgrading an expansion of a streetlighting system to LED lights. IPL will collaborate with its DSM/EE Oversight Board:

- 1) to develop program guidelines that offset upfront costs of new or replacement LED lighting through program participant incentives and program participant bill savings resulting from the use of the efficient lighting;
- 2) to devise and implement a process in order to select which interested customers receive these allocations based on the merits of their proposals; and
- 3) within six months of a final Commission order approving this Settlement Agreement, to report to the Commission on the program design and implementation plan by filing a separate petition with the Commission for approval of the plan.

The cost of the Energy Efficient Streetlighting Program shall be reasonably allocated to all customer classes and recovered through IPL's DSM Rider No. 22. Notwithstanding the foregoing, IPL agrees to forego recovery of lost revenues and shareholder incentives on the Energy Efficient Streetlighting Program until IPL's rates from its next general base rate case are implemented. Nothing herein shall foreclose IPL from receiving lost revenue recovery and a shareholder incentive for any future Energy Efficient Streetlighting Program that may be implemented once new rates in a general base rate case are established.

j. IPL shall work with its DSM Oversight Board to assess the ISO 50001 energy management system, or other similar strategic energy management programs. The OUCC recommends that the City or K-12 schools in the IPL Service Territory be considered as the initial participating customers in such a pilot program. The parties acknowledge that while a pilot program may have potential, it must be further evaluated to determine whether it is in the best interest of IPL's customers.

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<sup>1</sup> IPL's Tariffed Rate MU-1 (Municipal Lighting and Other Devices) is available for Street Lighting "of public streets, parkways, improved alleys, boulevards, drives, bridges, parking areas, or other public places by Cities or Towns or by individuals, groups of individuals, associations and other than incorporated municipalities; and lighting of public parks, drives, bridges, parking areas or other public places by only Cities or Towns where there is a prospect that the capital expenditure is warranted."

- k. IPL and the City shall collaborate with BlueIndy to determine the potential feasibility of using the BlueIndy electric vehicles as providers of energy back to the IPL grid as a demand response resource and whether a Vehicle to Grid (V2G) pilot would be viable. IPL will provide a report to the OUCC and to the Commission on its efforts in this regard within a year of the Public Opening (as that term is defined in the City-BlueIndy Agreement). If a pilot program is proposed by IPL and approved by the Commission, any net benefits material enough to attempt to quantify and realized as a result of a V2G pilot will be used for rate mitigation to benefit IPL customers.

3. The Settling Parties agree that the Commission should approve the ARP, and will support the City's request that the Commission issue its order as expeditiously as possible to help ensure a successful launch of the Project during whatever remains of a favorable climate for construction this year.

4. In support of this Settlement Agreement, the Settling Parties will stipulate to the admission into evidence the testimony and exhibits the Settling Parties agree to offer in support of the Settlement Agreement.

5. The Settling Parties further agree to waive cross-examination of one another's witnesses. The Settling Parties shall not offer any further testimony or evidence in this proceeding other than this Settlement Agreement, other evidence necessary to support the terms of this Settlement Agreement, or as may be requested or directed by the Commission.

6. The Settling Parties stipulate and agree that the evidentiary material filed by IPL and the City in this Cause, in addition to the settlement testimony offered by the Settling Parties, constitutes sufficient evidentiary basis for the issuance of an order by the Commission adopting the terms of this Settlement Agreement and granting the relief as requested by the Settling Parties.

7. Each Settling Party will promptly prepare testimony in support of this Settlement Agreement and the Settling Parties will jointly submit a proposed order consistent with this Settlement Agreement.

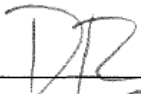
8. The concurrence of the Settling Parties with, or withholding of any objection to, the terms of this Settlement Agreement is expressly predicated upon the Commission's approval of the Settlement Agreement. If the Commission alters the Settlement Agreement in any material way, unless that alteration is unanimously consented to by the Settling Parties, in writing, the Settlement Agreement shall be deemed withdrawn, and the matter will be set expeditiously for public hearing.

9. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will be bound thereby.


10. The Settling Parties stipulate and agree that this Settlement Agreement and the related order shall not be construed nor be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms or the terms of the final order to be issued herein before the Commission or any court of competent jurisdiction on these particular issues and in this particular matter. This Settlement Agreement is solely the result of compromise in the settlement process and, as provided herein, is without prejudice to and shall not constitute waiver of any position that any of the Settling Parties may take with respect to any or all of the items resolved herein in any future regulatory or other proceeding and, failing approval by the Commission, shall not be admissible in any subsequent proceeding.

ACCEPTED AND AGREED TO THIS 20th DAY OF AUGUST 2014.

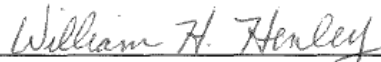
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