Human Service and Public Interest Advocates Agree to Settlement with IPL and Other Parties in Rate Case

Low-Income Assistance and NO INCREASE in Fixed Charge Secured for most customers

INDIANAPOLIS -- July 19, 2018 -- Citizens Action Coalition (CAC), Indiana Coalition for Human Services (ICHS), Indiana Community Action Association (INCAA), and the Sierra Club Hoosier Chapter joined a settlement reached by all parties in the Indianapolis Power & Light (IPL) base rate case. The settlement was filed today with the Indiana Utility Regulatory Commission (IURC). The agreement remains subject to review and approval by the IURC.

In their pre-filed testimony in the case, the advocates expressed grave concerns over IPL’s request to significantly increase the monthly fixed charge on most residential customers from the existing level of $17.00 to $27.00. If approved by the IURC, the settlement will leave the monthly fixed charge at $17.00 for most residential customers, well below what the company was seeking. For customers whose monthly usage is less than 325 kWh, the existing monthly fixed charge of $11.25 will be slightly increased to $12.50, if approved by the IURC.

“Our top priority in the case was to address the monthly fixed charge and what we viewed as an unreasonable request by the company,” stated Kerwin Olson, Executive Director of CAC. “We are pleased that we were able to work with IPL and the OUCC to keep the monthly charge at its current level for the majority of IPL customers.”

“Although the Office of Utility Consumer Counselor, Sierra Club and CAC recommended a decrease in IPL’s customer charge, preventing further increases of the fixed charge is significant,” said Wendy Bredhold, Senior Campaign Representative for Sierra Club Beyond Coal in Indiana. "We will continue to advocate for rate designs that create the right incentives for efficiency and rooftop solar, while protecting low-income customers.”

Additional concerns were raised over the day-to-day struggles faced by fixed- and low-income households, which include challenges with affording their monthly electric bills. The advocates recommended that IPL create a low-income bill assistance program and an arrearage management program to ease the burden on these vulnerable populations.
The terms secured in the settlement to begin addressing the payment difficulties experienced by low-income customers include:

- A three-year Low-Income Arrearage Forgiveness Pilot Program that will provide an opportunity for low income customers to catch up on their electric bills.
- A three-year pilot program under which IPL’s customers will be given an opportunity to voluntarily contribute on their electric bills to a fund that will be used to assist eligible low-income customers with their regular monthly electric bills. IPL will contribute $100,000 in seed money to help fund the program.
- A $150,000 contribution by IPL shareholders to facilitate low-income weatherization in IPL’s service territory performed by the community action agencies.

“We appreciate IPL’s willingness to include terms designed to begin addressing the challenges many low-income customers face in staying current with their monthly electric bills,” added Mr. Olson.

IPL also committed to work with all interested stakeholders in developing a community solar pilot program. “Increasing access to solar energy for all customers is critical,” stated Ms. Bredhold. “Community solar programs are starting up across the country. We are looking forward to working with IPL and others to craft a program which will afford more IPL customers the opportunity to utilize clean, solar energy to power their homes.”

The settlement and related documents are available upon request.

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