

# Indy Energy Policy Recommendations

Policy	Recommendation	Rationale
Rates	<b>Support</b> lowering non-residential (commercial and industrial) rates	These rates are the highest in the region and need to be lower to promote economic development
Rates	<b>Oppose</b> converting the \$4.18 minimum monthly charge to a \$14.50 monthly fixed residential customer charge	The fixed charge is regressive and adversely affects several vulnerable groups and discourages energy conservation.
Rates	<b>Support</b> changing residential rates from declining block (lower rates as more energy is used) to inclining block (higher rates as more energy is used.)	Higher residential energy users creates peak demand on the system and this is the highest cost energy.
Rates	<b>Oppose</b> extra surcharges and riders as recommended in the Sawvel cost of service study.	These should be included in the base rates and not automatically passed onto customers. The ability to pass on 100% of the charges creates little incentive to manage the costs.
Fund Balance	<b>Support</b> adoption of a fund balance policy that requires annual review and is consistent with provisions of the <b>City Charter Section 3.17</b> .  Further study may be needed to determine if the methodology recommended in the Sawvel study is the appropriate method.	This is a good budgetary practice and also something required by the <b>City Charter Section 3.17</b> .

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Costs	<b>Support</b> additional studies to understand IPL costs including benchmarking to other municipal-owned utilities such as Columbia and Springfield, Mo. and Kansas City Ks. as well as KCP&L.	Lower costs will make IPL more competitive and important to see if there are ways to reduce expenses.
Costs	<b>Support</b> investment of available IPL funds in interest-bearing accounts as allowable by Missouri law.	The City is losing chance to earn investment income by prudently investing idle funds balances as recommended by the City Finance Director.
City Charter	<b>Recommend</b> the Public Utilities Advisory Board be required to conduct public hearings for all future proposed rates changes for electricity, water or sewer. The hearings will be conducted before the PUAB votes on any recommendation regarding the proposed rate changes.	This would allow customers and other interested parties to participate in a manner which is currently not possible. The <b>City Charter Section 3.16 (5)</b> allows the PUAB to hold public hearings on rate increase. This would permit the inclusion of other perspectives, policy options and considerations.