

LED Streetlight Program in Northern Indiana

Tariffs

March 7th 2017

LED Streetlight Program in Northern Indiana

- ▶ Had its genesis in 2008 when Property Tax Reforms were passed by the legislature
 1. State Imposed a Levy Freeze in Lake County in 2007
 2. Circuit Breaker tax caps were passed in 2008, limiting tax relief to municipalities
 3. Home values decreased due to the great recession which started in 2008

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I AM NOT A LAWYER

However,

- **Indiana Code 36-9-9-9 requires that payments for streetlight costs be made from the General Fund or a fund set aside for the purpose of paying these lighting costs.**
- **The costs of street lighting directly competes with Public Safety dollars.**

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In 2007 I found the Rate Class Distribution of the Costs resulting from a 2005 settlement between NIPSCO and numerous intervening groups of affected customers (no Municipalities). This showed that the Rate 650, Street lighting and traffic signal lighting were significantly subsidizing other classes of customer.

When I read in the Memorandum of Understanding that NIPSCO was filing a base rate case in 2007/2008 I visited a number of Municipalities in Lake County and found some willing to support an intervention in the case.

I hired an attorney and the best Cost Of Service witness in the State of Indiana with a mission of representing these Municipalities in reducing the cost increase to their street light budgets.



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From 2008 through 2011 our group of 8 Cities and Towns participated in two base rate cases in front of the IURC. We were successful in severely limiting the cost increase to the street light rates.

Following the last base rate case our group decided to look into street lights:

1. Town of Highland
2. Purdue Energy Center
3. We were prepared to stop there, but...

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Senate Bill 560 Became Effective on July 1, 2013

- Among other things, allowed for a Transmission, Distribution and Storage System Improvement Charge (TDSIC).
- Allowed for recovery of Distribution System Improvements. At our request, Streetlights were found to be Distribution System costs.
- Worked with NIPSCO and other parties to the proceeding (44733) to fashion a stipulation which is as follow:

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- NIPSCO to change out its 42,500 HPS lights to LED over 7 years.
- Our group, the Indiana Municipal Utility Group (IMUG) was to work with NIPSCO in the issuance of RFP's for fixture and Installation.
- While not in the IURC order, our group was to collaborate with NIPSCO to identify best fixture and most reasonable installation package.
- 50% of the cost of the installed fixture to be “socialized”.
- Resulting tariff comparisons are as follows:

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	Company Owned						
HPS	Equivalent LED	Monthly HPS	Monthly LED				
Wattage	Wattage	Cost	Replacement				
100	Up to 50	\$ 12.35	\$ 7.55				
150	70-90	\$ 12.58	\$ 7.94				
250	91-115	\$ 12.70	\$ 8.47				
400	180-210	\$ 12.62	\$ 10.47				

Plus Energy Charge at \$0.034225 per kWh for all kWh's used per month



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Summary:

- It shouldn't be all about the money.
- But if you can make it about the money as well as the other things discussed by Dr. Kramer then the investment is even Smarter...
Or brighter if you would prefer.

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Ted Sommer 317-777-7002

ted.sommer@lwgcpa.com