



# **CAMPUT**

## **Bilateral Roundtable**

### **May 10, 2015**

David Ziegner

Commissioner

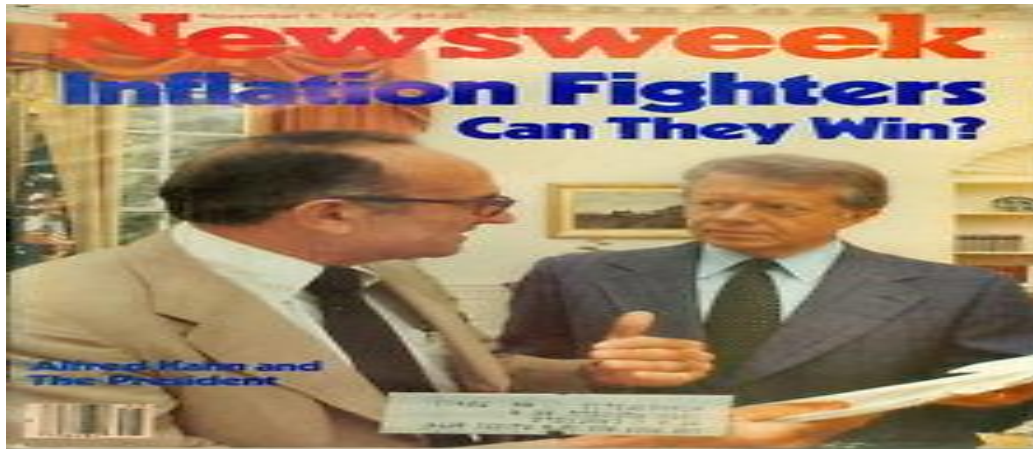
Indiana Utility Regulatory Commission

**If it ain't broken don't fix it!**  
**The Regulatory Compact is Adaptable**



**1970s – 1980s**

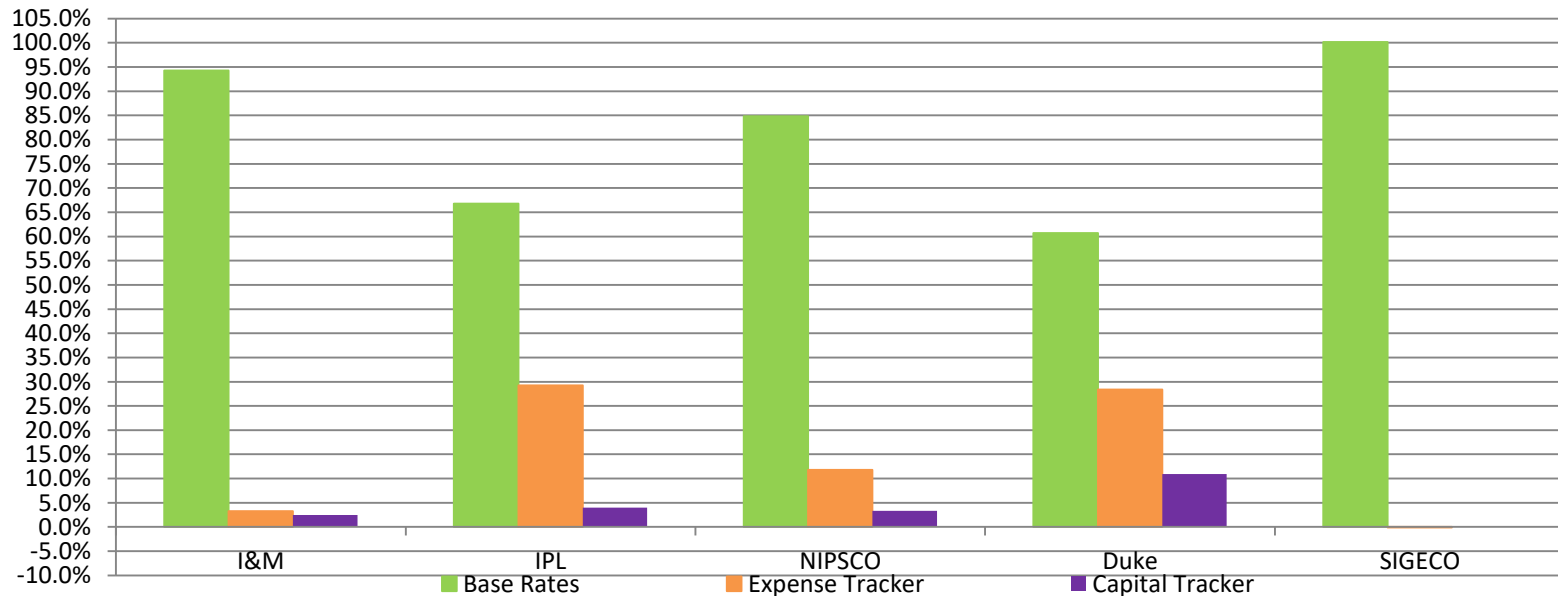
**Oil Embargoes, Extraordinary Increases in Fuel Costs, Extreme Inflation, and Extraordinary Interest Rates at a time of an Unprecedented Power Plant Construction Boom Contributed to the Establishment of Trackers**



# TRACKERS IN INDIANA

A breakdown of how base rates, expense adjustments, and capital adjustments contribute to a residential customer's bill for each of Indiana's electric IOUs. The relative weighting of these elements varies in part due to the magnitude of a company's construction program and how much time has elapsed since its last base rate case.

- **Expense Tracker** - Allows retail rates to be adjusted outside the context of a base rate case to reflect changes in operating expenses excluding a return on such expenses.
- **Capital Tracker** - Allows a utility to reflect certain clean coal and energy generation capital costs in its rate base and to reflect the associated return on such investment in retail rates outside a base rate case.





# Traditional Regulation May Still Be Appealing Compared to Some Alternatives



# Have “Trackers” Unduly Shifted Risks Away from Utilities and to their Customers?



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# The Importance of Planning and Operational Performance can't be Overstated

