



For Immediate Release

Oct. 14, 2021

News Media Contact:

Anthony Swinger, (317) 233-2747 or

aswinger@oucc.IN.gov

OUCC Recommends Denial of I&M Rate Request

The Indiana Office of Utility Consumer Counselor (OUCC) is recommending denial of Indiana Michigan Power's (I&M's) request for a \$104 million annual rate increase.

This week, the OUCC filed its case-in-chief before the Indiana Utility Regulatory Commission (IURC). The OUCC's testimony from 11 expert witnesses is based on the agency's three-month technical and legal review of evidence filed by I&M.

"After receiving base rate increases in 2018 and 2020, I&M has not made the case for this increase at this time," said Indiana Utility Consumer Counselor Bill Fine. "Our analysis of the utility's request shows I&M to be a financially sound utility that is capable of providing safe and reliable service to its Indiana customers with the revenues it currently has."

In its filing, the OUCC notes the unprecedented health and financial hardships ratepayers have faced over the last 18 months, due to the COVID-19 pandemic. The agency's filing also refers to state policy directing utilities to protect affordability when investing in necessary infrastructure, noting a lack of affordability criteria in I&M's request.

As explained in the OUCC's testimony:

- A revenue decrease of \$6.3 million is justified based on current evidence.
- The monthly residential customer charge, which does not vary based on usage, should stay at its current \$15.00 level. I&M is seeking to raise the charge to \$20.00 in this case.
- Reductions in various line items throughout I&M's request would more than offset the revenues needed for the replacement of aging infrastructure and improvements to the utility's transmission and distribution system.
- The utility's authorized return on equity should be set at 9.1 percent, rather than the 10.0 percent it is requesting.
- I&M's plan to retire its life cycle management rider for projects at the Cook Nuclear Plant should be approved.
- The utility's proposal to change its rate mechanism for potential future increases in federal income taxes is premature and should be denied.
- Pollution control equipment at Rockport Generating Station Unit 2 should be removed from rate base, since the unit will supply power only to the wholesale market after 2022.
- Rate recovery for electric vehicle (EV) charging stations should be denied at this time, in the absence of a state policy promoting EV charging infrastructure. The utility's proposal would require all ratepayers to pay for stations that are unlikely to receive wide use in the near future.
- Employee incentive compensation plans should be funded equally by ratepayers and shareholders.

(Continued)

- Additional line items that should be reduced include:
 - Long-term depreciation costs,
 - Advanced metering infrastructure (AMI) deployment,
 - Staff positions that are currently vacant,
 - Nuclear decommissioning trust fund costs since it is already fully funded,
 - Bad debt recovery, and
 - Various additional operating and maintenance expenses.

The OUCC's testimony is posted on the agency's website.

I&M has until Nov. 9, 2021 to file rebuttal testimony. A Commission order is expected in spring 2022.

(IURC Cause No. 45576)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.