



For Immediate Release

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Settlement Agreement to Reduce I&M Rates If Approved

The Indiana Office of Utility Consumer Counselor (OUCC), a number of additional parties, and Indiana Michigan Power (I&M) have reached a settlement agreement in the utility's pending rate case.

The agreement was filed Tuesday with the Indiana Utility Regulatory Commission (IURC), which may approve, modify, or deny any settlement it considers.

If approved, the agreement will reduce base rates by approximately \$94.7 million annually once fully implemented in 2023. Among the benefits:

- The monthly residential customer charge, which does not vary based on usage, will remain at its current \$15.00 level. The utility had proposed raising the charge to \$20.00.
- The utility's authorized return on equity will remain at its current level of 9.7 percent.
- I&M will recover necessary costs for infrastructure improvements including deployment of advanced metering infrastructure (AMI). However, those costs will be offset by savings in operating and maintenance expenses.
- Most of the rate case agreement's decrease pertains to Rockport Generating Station Unit 2 and the upcoming changes to its ownership. I&M customers will no longer be responsible for the unit's operational costs once its lease ends on Dec. 7, 2022, under the terms of a previously filed and pending settlement agreement in a separate docket (Cause No. 45546). Those costs will be recovered through the wholesale electric market after that date.
- An annual cost cap will apply to certain interstate transmission charges.
- I&M will retire its life cycle management rider for projects at the Cook Nuclear Plant as proposed.
- The utility's proposed tax rider will not be expanded to reflect potential, future changes to the federal corporate income tax.
- The OUCC will receive 35 days to review I&M's semi-annual rate adjustments for generating fuel costs. Current reviews are limited to 20 days.
- Deposits will be capped at \$50 for customers who either participate in or qualify for the Low-Income Home Energy Assistance Program (LIHEAP).

"I commend the hard work of the OUCC's legal and technical staff for presenting a strong case and negotiating this agreement. I also commend the additional consumer and governmental parties that intervened, as well as I&M, in working collaboratively to bring this case to a fair resolution," said Indiana Utility Consumer Counselor Bill Fine. "Customers will benefit from this agreement and the cooperative efforts that have led to it."

Parties to the rate settlement, along with the OUCC and I&M, include the Citizens Action Coalition of Indiana, a group of I&M's industrial customers (including I/N Tek LP, Linde, Inc., Marathon Petroleum Company, and Messer LLC), municipal governments and utilities (including Auburn, Fort Wayne, Marion, Muncie, and South Bend), the Wabash Valley Power Alliance, The Kroger Co., and Wal-Mart.

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Testimony from settling parties is due on Friday, Nov. 19, 2021, with a final Commission order expected in spring 2022. The base rate decrease will be implemented in two phases in 2022 and 2023. Specific customer billing impacts will be detailed under the utility's new tariff, to be filed within 30 days of the Commission order.

(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.