

IURC News Release

Indiana Utility Regulatory Commission

101 W. Washington St.

Suite 1500 E.

Indianapolis, IN 46204

For Immediate Release

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Contact Information:

Danielle McGrath | (317) 232-2297

IURC Renders a Decision in the I&M Rate Case

INDIANAPOLIS – The Indiana Utility Regulatory Commission (IURC) issued an order today concerning Indiana Michigan Power Company’s (I&M) petition for a rate increase under Cause No. 44075.

In the order, the IURC authorized the utility to implement rates designed to produce additional annual revenue of approximately \$85 million, which is about 50 percent less than I&M’s revised request of \$174.3 million. In consideration of investment market expectations, among other factors, the IURC reduced I&M’s authorized return on equity investment from the presently authorized 10.5 percent to 10.2 percent. The company’s last rate case was approved in 2009.

When the IURC determines whether a utility may alter its rates and charges, it examines a variety of issues including the revenue requirements for the utility as well as evidence presented by the Office of Utility Consumer Counselor and any intervenors. Once a final decision is rendered, the utility must then file revised tariffs and supporting documentation with the IURC. Supporting documentation includes the filing of a revised cost-of-service study that details how costs should be fairly allocated among the various customer classes (i.e., residential, commercial, and industrial customers).

The IURC anticipates that I&M will file its revised tariffs within 30 days of this order. Once the tariffs are received, the IURC will then review the figures to ensure they are in compliance with the order.

To access the IURC’s decision, please visit us online at www.in.gov/iurc. If you would like to access other case-related documents under Cause No. 44075, visit our Electronic Document System at <https://myweb.in.gov/IURC/eds/>. Instructions on how to best use this database can be found at www.in.gov/iurc/2666.htm.

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The Commission is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.

For more information, please visit: www.in.gov/iurc.