



**For Immediate Release**

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## **OUCC recommends major reduction to I&M rate proposal**

The Indiana Office of Utility Consumer Counselor (OUCC) is recommending approval of less than half of Indiana Michigan Power's (I&M's) requested rate increase.

In a pending case before the Indiana Utility Regulatory Commission (IURC), I&M is seeking more than \$263 million in new annual operating revenues from its Indiana customers. The OUCC, which represents consumer interests in IURC cases, has filed testimony recommending that the increase be limited to approximately \$125.2 million.

"Through the use of our technical and legal resources over the last three months, we have calculated recommendations that, if approved, will provide I&M with the revenue it needs to ensure safe, reliable service for its Indiana customers," said Indiana Utility Consumer Counselor Bill Fine. "Our testimony reflects a careful, thorough review of the evidence and additional information obtained through the discovery process."

In testimony filed late Tuesday, the OUCC recommends:

- Limiting the increase in I&M's flat, monthly residential customer charge to only \$1.00. I&M is proposing to raise the monthly residential charge from \$7.30 to \$18.00. The OUCC's recommendations would cap that amount at \$8.30. In its testimony, the OUCC notes that the utility's proposed customer charge increases would discourage energy efficiency and disproportionately affect low-volume customers, while violating the ratemaking principle of gradualism.
- Reducing I&M's authorized return on equity to 8.65 percent. The utility's current authorized return is 10.2 percent, and it is requesting an increase to 10.6 percent in this case.
- Denial of I&M's requests to shorten its depreciation periods for new meters and for Unit 1 at the utility's Rockport Generating Station.
- Reducing various line items pertaining to the utility's operating expenses including personnel costs, nuclear decommissioning funding, and vegetation management.
- Reducing the number of extra charges through trackers on consumers' bills while seeking further Commission review of escalating costs related to transmission projects.
- Denying newly proposed trackers and denying the continuation of certain existing trackers, which allow the utility to adjust rates for specific items between general rate cases.

**(Continued)**

The OUCC's exhibits include written comments from more than 2,700 I&M customers. More than 100 I&M customers spoke at the IURC's public field hearings in South Bend, Fort Wayne, and Muncie last month.

The utility's rebuttal testimony is due December 6, 2017 with an IURC evidentiary hearing scheduled to start on January 16, 2018 in Indianapolis. While evidentiary hearings are open to the public, participation is typically limited to attorney and Commission questioning of technical witnesses who have filed testimony on behalf of the case's formal parties. The Commission's order is expected in spring 2018.

I&M provides electric utility service to approximately 460,000 customers in 24 northern, northeastern, and east-central Indiana counties.

(IURC Cause No. 44967)

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.

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