

NEWS RELEASE

INDIANA UTILITY REGULATORY COMMISSION (IURC)

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FOR IMMEDIATE RELEASE

May 30, 2018

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IURC Issues Order in I&M Rate Case

Order Addresses Changes to Federal Tax Law, Implements Process for Performance-based Metrics

INDIANAPOLIS – Today, the Indiana Utility Regulatory Commission (Commission) issued an Order in the Indiana Michigan Power (I&M) rate case, Cause Number 44967. The Order included the Commission's approval of a settlement agreement filed by most of the parties involved in the case, as well as a requirement for I&M to participate in a public collaborative process designed to increase transparency by developing performance-based metrics to be reviewed annually.

In the Order, the Commission authorized the utility to implement rates designed to produce an additional annual revenue of approximately \$96.8 million, down significantly from the utility's original request of \$263.2 million. In January 2018, I&M lowered its request from the original \$263.2 million to \$191.5 million following the passage of the federal Tax Cuts and Jobs Act of 2017 (TCJA). As stated in the approved settlement agreement, I&M will also provide a \$4 million credit to customers from July 1, 2018, through December 31, 2018, to reflect the impact of the TCJA on I&M's current rates for the period before new base rates go into effect.

In addition to I&M, parties in the settlement agreement include the Indiana Office of Utility Consumer Counselor (OUCC), 39 North Conservancy District, Citizens Action Coalition of Indiana, the cities of Fort Wayne, Marion, and South Bend, I&M Industrial Group, Indiana Coalition for Human Services, Indiana Community Action Association, the Kroger Company, Marion Municipal Utilities, Muncie Sanitary District, Sam's East, Inc., Sierra Club – Hoosier Chapter, and Wal-Mart Stores East, LP.

The Commission's Order, in addition to the terms outlined in the approved settlement agreement, also requires I&M to participate in a public collaborative process to allow interested stakeholders, including Commission staff, the OUCC, local communities, customer and industrial advocacy groups, and others, to create performance-based metrics for the utility in a number of areas. Historically, the Commission has approved performance metrics in the areas of public safety, reliability, customer satisfaction, utility operations, and affordability, with more specific metrics established based on the utility.

I&M must file its revised tariffs with the Commission before the new rates will go into effect. Once the tariffs are received, the Commission will review the figures to ensure they are in compliance with the Order.

To view the Commission's Order in Cause No. 44967, as well as all related documents in the case, please visit the Online Services Portal [here](#) and search by the Cause Number.

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The Indiana Utility Regulatory Commission (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 Commission is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide safe and reliable service at just and reasonable rates. The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana's utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utilities issues affecting Indiana. For more information, please visit www.in.gov/iurc.