

IURC News Release

Indiana Utility Regulatory Commission

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The IURC Modifies Settlement Agreement Proposed by Indiana Michigan Power

The Commission evaluates evidence presented by parties

INDIANAPOLIS – The Indiana Utility Regulatory Commission (IURC) recently issued an order that modified a settlement agreement between Indiana Michigan Power, the Office of Utility Consumer Counselor and all other parties in Cause No. 43306.

The order addressed Indiana Michigan Power's (I&M) request for authority to increase its rates and charges for electric utility service. Under the IURC's order issued on March 4, 2009, the overall revenue increase granted is approximately 4.58 percent. The proposed settlement agreement, however, provided an increase of approximately 4.85 percent.

Upon review of the settlement agreement, the IURC concluded that modifications were needed to specific areas and that further clarification is required by the utility in order for certain program costs to be recovered. For example, the IURC declined the petitioner's request for \$2.537 million to be included in base rates for the proposed Demand Side Management/Energy Efficiency programs. By excluding initial program costs, there was a decrease in the overall revenue approved for the utility. Upon garnering additional information from the utility about the programs, the IURC will evaluate what costs can be recovered.

After factoring in certain modifications to trackers and base rates, the IURC found that the settlement agreement is just, reasonable and in the public interest. However, given the number of interrelated issues within this case and the inability to comprehensively review these issues, I&M is ordered to file with the IURC its petition and case-in-chief initiating a new rate case no later than five years.

For more information or to access the IURC's order, please visit our online Electronic Document System: <http://www.in.gov/iurc/portal/iurc/>.

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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.