

ORIGINAL

Commissioner	Yes	No	Not Participating
Zay	√		
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Swinger	√		
Veleta	√		
Ziegner			√

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

COMPLAINT OF VALBRUNA SLATER STAINLESS, INC.) CAUSE NO. 46235
AGAINST INDIANA MICHIGAN POWER COMPANY)
CONCERNING THE PROVISION OF ELECTRIC SERVICE) APPROVED: APR 22 2026

ORDER OF THE COMMISSION

Presiding Officers:
David E. Veleta, Commissioner
Sean Gorman, Administrative Law Judge

On April 24, 2025, the Indiana Utility Regulatory Commission’s (“Commission”) Consumer Affairs Division referred an open complaint by Valbruna Slater Stainless, Inc. (“Complainant” or “Valbruna”) against Indiana Michigan Power Company (“Respondent” or “I&M”) to the Commission for the Commission’s determination in accordance with 170 IAC 16-1-5(e).

On May 15, 2025, the Commission issued a legal notice of prehearing conference and preliminary hearing in this Cause. On June 9, 2025, the Presiding Officers issued a docket entry continuing the June 10, 2025, prehearing conference and preliminary hearing, and granting Respondent’s joint motion to continue the prehearing conference and preliminary hearing for approximately 30 days.

A Prehearing Conference in this Cause was held on July 15, 2025. Complainant, Respondent, and the Indiana Office of Utility Consumer Counselor (“OUCC”) appeared and participated at the Prehearing Conference. On July 30, 2025, the Commission issued its Prehearing Conference Order of the Commission setting forth the agreement of the parties regarding procedural and scheduling matters in this Cause.

On August 15, 2025, Valbruna filed its Amended Complaint. On September 12, 2025, Valbruna prefiled its case-in-chief testimony, consisting of the direct testimony of Patrick Hilger, Engineering and Maintenance Manager at Valbruna, and a copy of the contract between Valbruna and I&M regarding the provision of electric service (the “Contract”). On November 5, 2025, the Commission issued a legal notice of public Evidentiary Hearing under this Cause.

On November 14, 2025, I&M filed its Request for Administrative Notice and its Submittal of Prefiled Testimony. I&M’s prefiled testimony included testimony from Aaron T. Shaw, Realtime Reliability Engineering Manager at American Electric Power Service Corporation, and Todd L. Bechtold, Key Account Manager at I&M. On November 14, 2025, the OUCC filed its Notice of Intent to Not File Testimony.

On November 26, 2025, the Commission granted I&M's Request for Administrative Notice. On December 3, 2025, Valbruna prefiled the rebuttal testimony of Mr. Hilger. On December 12, 2025, Valbruna and I&M filed their Joint Submittal of Witness Order, indicating the time needed for cross-examination of Mr. Hilger, Mr. Shaw, and Mr. Bechtold.

An evidentiary hearing in this Cause was held in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana, at 9:30 a.m. on December 18, 2025. Complainant, Respondent, the OUCC, and the parties' respective witnesses appeared and participated at the Evidentiary Hearing. At the Evidentiary Hearing, Mr. Hilger, Mr. Shaw, and Mr. Bechtold all adopted their prefiled testimony as their sworn testimony in this Cause.

Based upon the parties' filings, the evidence presented at the evidentiary hearing, and the applicable law, the Commission now finds:

1. Commission Jurisdiction and Parties. Respondent I&M is a public utility as that term is defined in Ind. Code § 8-1-2-1 and provides electric utility service within portions of Indiana and Michigan. In accordance with Ind. Code § 8-1-2-34.5 and 170 IAC 16-1-5, the Commission has authority to investigate and enter orders on complaints from individual customers, such as Valbruna, when referred by the Commission's Consumer Affairs Division. Accordingly, the Commission has jurisdiction over I&M and this complaint by its customer, Valbruna.

2. Relief Requested by Complainant. This case involves a complaint of inconsistent voltage at Valbruna's manufacturing facility. Valbruna's Amended Complaint requests that the Commission find that I&M wrongfully interrupted Complainant's electric services, order that prospective electric supply to Valbruna satisfy I&M's contractual and statutory duties, order that I&M provide prior notice to Valbruna of any future potential interruption of electric services within their reasonable control and set up a more efficient communication method for I&M to resolve any future potential electric supply issues for Valbruna, and award all other relief that is just and proper.

3. Valbruna's Case-in-Chief. Complainant Valbruna is an Indiana corporation located at 2400 Taylor Street, Fort Wayne, Indiana 46802. Valbruna engages in the business of producing stainless steel, nickel alloys and titanium in a variety of industrial sectors. Mr. Hilger testified to the circumstances leading to the filing of Valbruna's Amended Complaint with the Commission, why Valbruna initiated these proceedings, and the relief sought by Valbruna.

Mr. Hilger described why Valbruna's production process requires a consistent electric power voltage supply. He explained that if Valbruna does not have a consistent electric power voltage supply and receives lower voltage than the minimum required to operate its equipment, then Valbruna's amperage draw will have to increase to compensate for the low voltage supply to allow the equipment to maintain the same level of work being done, measured in watts. He added that the increased amperage draw results in more heat generation, and the heat generation causes damage to Valbruna's equipment. He explained that an inconsistent electric power voltage supply to Valbruna will result in production downtime and damage to its equipment, and downtime caused by electrical issues can bring Valbruna's entire production process to a halt and result in significant

financial damages. He stated that damage to equipment can hinder Valbruna's production capabilities and cause repair costs, resulting in significant financial damages to Valbruna.

Mr. Hilger testified that the Contract's terms provide that I&M agreed to provide Valbruna, and Valbruna agreed to pay for, a supply of 34,500 volts of electric power.

Mr. Hilger described the dispute between Valbruna and I&M. He stated that in early 2023, I&M informed Valbruna it was installing a new power line (Line Name: Wall Street-Slater Steel; Line No.: TLN 120:94-309) ("Power Feed Line") as a temporary power line to be utilized while I&M upgraded its infrastructure, and on May 20, 2023, I&M completed the Power Feed Line installation. He stated that, thereafter, Valbruna noticed an inadequate voltage supply that prevented it from operating within its normal parameters. He testified that Valbruna first noticed problems with the speed control drives for the large main motors on their 22-inch mill motor and 24-inch mill motor. He explained that the 22-inch mill motor and 24-inch mill motor have fault protection that shuts down the motors if their voltage supply is too low, because low voltage supply can be damaging to the equipment. He stated that at the time of some of these faults on the 22-inch mill motor and the 24-inch mill motor, I&M was supplying Valbruna as little as 28,352 volts, and Valbruna calculated this figure from voltage readings taken at the mill speed control drive supply and simultaneous voltage readings at the substation supplied by I&M. He explained that with a ratio established from the voltage readings, Valbruna calculated the utility supply voltage based on the fault low voltage threshold at the mill drive supply. He testified that the drives on Valbruna's 38-inch mill motor and North Medart (a two-roll bar straightener) failed because of the excess amperage that was required to run this equipment with inadequate voltage, and Valbruna also experienced failure on its South Medart (a two-roll bar straightener) motor speed control drive and mill conveyor speed control drive. He stated that despite communicating with I&M almost immediately upon experiencing the low voltage supply issues and explaining the significant financial harm Valbruna would suffer as a result, I&M was unable to provide Valbruna a satisfactory response as to why it was experiencing the low voltage supply issues or an effective solution in an efficient manner.

Mr. Hilger testified that some of its equipment at the plant, including transformers and substation, dated back to approximately the 1930s and 1940s, some dated to the 1980s, and some dated to the 2000s.

Mr. Hilger also testified to the damages Valbruna has suffered and will continue to suffer as a result of I&M's alleged failure to provide adequate voltage supply. He explained that the inconsistent voltage supplied by the Power Feed Line led to more than 40 hours of production downtime on the mill, a loss of 6 weeks of production on the North Medart, and a loss of production on the South Medart, which in turn caused Valbruna a significant loss of profit. He stated that Valbruna has also incurred significant repair costs due to the power supply issues from: (1) drive failure repairs on the North Medart, South Medart, and 38-inch mill motor; and (2) the conveyor for the 24-inch mill motor. He discussed how, Valbruna has not received an official position, statement, or satisfactory explanation from I&M on why these issues with the inadequate voltage supply occurred, and without this information, Valbruna is not sure whether the issue has been remedied. He stated that because Valbruna does not have assurance that the issue has been

remedied or an explanation as to why the voltage supply dropped below I&M's contractual obligations, the potential for more downtime and damaged equipment still exists.

Mr. Hilger explained that he was Valbruna's main point of contact with I&M regarding the voltage supply problems, and he maintained communications with Mr. Bechtold at I&M. He stated that when I&M reached out to Valbruna regarding upgrading its infrastructure, it was Valbruna's understanding that I&M was upgrading its infrastructure to maintain the electrical supply that Valbruna had always received and was contractually entitled to receive. He stated that Valbruna understood the installation of the Power Feed Line as a temporary solution. He testified that since the voltage supply issues occurred, I&M has placed Valbruna back on the substation it was previously receiving power from. He explained that I&M also attempted to help Valbruna with its voltage supply by advising Valbruna to utilize its capacitor banks, and I&M made transformer tap changes. He stated that I&M acknowledged that these were not permanent solutions to the inadequate voltage supply problem.

Mr. Hilger testified that he knew of no protective devices that Valbruna could have used to prevent the inadequate voltage supply or the damage to Valbruna's equipment and, to his knowledge, I&M did not inform Valbruna of any protective devices that Valbruna could have used. However, on cross-examination, Mr. Hilger testified that there were protective devices installed on the newer equipment at the plant, which was not damaged, but there were no such protective devices on the older equipment that was damaged. He also testified on cross-examination that I&M had suggested that Valbruna change the taps on the Valbruna-owned transformers at the plant, but that Valbruna did not have the time and expertise and declined to do so.

Mr. Hilger stated his belief that the disruption of Valbruna's voltage supply was caused from the Power Feed Line and the installation of the Power Feed Line was entirely within I&M's reasonable control.

Mr. Hilger also discussed the relief sought by Valbruna in this cause. He testified that Valbruna is requesting a judgment in its favor, finding that I&M interrupted the electric services that it was required to provide to Valbruna, ordering that I&M's prospective electric supply to Valbruna satisfy I&M's contractual and statutory duties to Valbruna, ordering that I&M provide prior notice to Valbruna of any future plans to change the infrastructure associated with Valbruna's electrical services, with a reasonable opportunity for Valbruna to object, and ordering that I&M set up an effective communication method for I&M to resolve any future potential electric supply issues for Valbruna. He added that Valbruna is also seeking an explanation from I&M as to why the inadequate voltage supply issues have occurred.

4. I&M's Case-in-Chief. Mr. Shaw described the temporary feed installation. He testified that I&M provides Valbruna with transmission-level service via a connection to the 34.5kV Wall Street Switch Station in Fort Wayne, Indiana, just outside the Valbruna facility. The Wall Street Switch Station is connected to the 34.5kV McKinley Station, which is also in Fort Wayne and is a source of power in the area. Mr. Shaw explained that in May 2023, I&M began construction for planned upgrades to the McKinley Station. While these upgrades were being performed, I&M coordinated with Valbruna to temporarily switch them and other customers to the

neighboring 34.5kV Spy Run Station. The 34.5kV Spy Run Station is also located in Fort Wayne and is a source of power for the community three miles northwest of Valbruna. Mr. Bechtold testified that, based on Valbruna's load characteristics and their load capacity on the system, the Spy Run Station was the closest to which Valbruna could be transferred.

Mr. Shaw explained that the installation of the temporary power feed was a significant, planned configuration to help with reliability improvements for the community at McKinley Station, and the transfer was communicated to Valbruna well in advance Mr. Bechtold added that the upgrade at McKinley Station was for system continuity, and much of the McKinley Station equipment was at end of its operational life. He explained that the upgrades to the McKinley Station benefit all customers operating on I&M's system, not only Valbruna.

Mr. Shaw testified that I&M began the transfer to the Spy Run feed on May 20, 2023, I&M completed construction to the McKinley Station on December 4, 2023, and I&M restored connection to the McKinley Station on March 5, 2024. He stated that I&M first learned Valbruna was experiencing voltage issues on June 2, 2023. He described how Valbruna reported low voltage, approximately ~0.93 per unit ("PU") of their nominal 480VAC system during steel mill operations on several days during the 2023 summer peak season.

Mr. Shaw testified that I&M's voltage on the 34.5kV system serving Valbruna met the requirements of IURC rules, specifically 170 IAC 4-1-20, even on days when Valbruna experienced voltage issues. He explained that in addition to generally allowing voltage differences of +/- 5%, 170 IAC 4-1-20 provides, among other things, "A greater variation of voltage than specified above may be allowed when service is supplied directly from a transmission line," and "Variations in voltage in excess of those specified, caused by (1) the operation of power apparatus on the customer's premises which necessarily requires large starting current, (2) the action of the elements, and (3) the infrequent and unavoidable fluctuations of short duration due to station operation, shall not be considered a violation of this rule."

Mr. Shaw also described explanations that I&M provided Valbruna for the voltage issues. He explained that Valbruna was advised by I&M that weather, specifically high ambient temperatures, and the Spy Run Station's farther distance from the Valbruna facility than the McKinley Station had both contributed to a larger drop in voltage than Valbruna had previously experienced. Mr. Shaw opined that the high temperatures and farther distance were equally weighted factors contributing to the voltage drops, and he discussed the non-linear, exacerbated effect higher ambient temperatures and greater distance can have on voltage. Mr. Shaw added that issues unique to Valbruna's operations create voltage challenges. Steel producers like Valbruna cause large voltage fluctuations due to the unique nature of their manufacturing processes and need to be connected to strong sources. Such producers also require large starting current for motors in rolling mills, air blowers, and arc furnaces. Mr. Shaw discussed how I&M considered these voltage challenges when connecting Valbruna to equivalent size transformers at Spy Run Station to ensure strength of source was not impacted.

Mr. Shaw discussed the various actions I&M took when it learned that Valbruna was experiencing voltage issues, including: dispatching crews to investigate potential equipment damage that could have caused the intermittent voltage problem; operating capacitor banks to bias

voltage; and adjusting transformer settings to bias voltage higher to help Valbruna with voltage issues during Summer peak season. Mr. Shaw stated that Valbruna has not experienced voltage issues since August 21, 2023.

Mr. Shaw testified that the I&M system at no time during the period of Valbruna's low-voltage concerns dropped below voltage of 0.95PU, measured from the beginning of the source going toward the customer. He explained that this is where I&M typically measures voltage, and I&M monitors the system overall, for all customers. Mr. Shaw further explained that I&M instrumentation captures real-time information about the amount of current flowing on I&M's lines, and real-time system operators monitor that information and have alarms set to notify dispatchers if voltage drops below 95%. Mr. Shaw testified that I&M's system never dropped below 0.95PU, or 95% voltage, and thus I&M delivered electric energy to Valbruna at reasonably close maintenance to constant potential and frequency.

Mr. Shaw addressed Valbruna's request for a Commission finding that I&M interrupted the electric service it was required to provide Valbruna. He explained that, taken together, the Contract, I&M's tariff general terms and conditions, and IURC rules demonstrate that I&M has no contractual obligation to supply Valbruna with uninterrupted service or with a constant supply of 34,500 volts of electricity. He added that I&M's decision to replace the power feed was prudent, and its actions upon learning of Valbruna's voltage issues were reasonable and effective.

Mr. Shaw stated that while I&M will continue to satisfy its contractual and statutory duties to Valbruna, those duties do not include the provision of an uninterrupted supply of electricity or a constant supply of 34,500 volts.

In response to Valbruna's request for an explanation as to why the voltage issues occurred, Mr. Shaw stated that his testimony in this Cause and prior explanations by I&M sufficiently explain the voltage issues.

Mr. Bechtold described communications made by I&M to Valbruna prior to the installation of the Spy Run feed to the Valbruna customer-owned station. He explained that Valbruna was notified in December 2022 of upgrade work planned for the McKinley Station and the need to transfer their source from McKinley to Spy Run. He outlined a timeline of the documented pre-transfer communications as follows:

- December 16, 2022 – Site visit by I&M Customer Services, AEP Transmission and Valbruna to discuss details of upcoming project and timeline.
- January 6, 2023 – Site visit by I&M Customer Services, AEP Transmission and Valbruna discussing project details and timeline.
- February 13, 2023 – Site Visit by I&M Customer Services with Valbruna reviewing status, details, and upcoming timeline.
- April 13, 2023 – I&M Customer Services telephone call with Mr. Hilger advising of upcoming timeline for project.

Mr. Bechtold stated that, in addition to the above communications, I&M frequently had company representatives on site before the transfer. Mr. Bechtold explained that the site visits included in-person meetings, with a customer representative or Mr. Hilger present, to discuss planning the transfer between stations and improvements to facilities on the Valbruna site.

Mr. Bechtold testified that I&M first learned Valbruna was experiencing voltage issues when he was contacted by Mr. Hilger on June 2, 2023. Mr. Bechtold stated that he received subsequent communications from Mr. Hilger about low-voltage concerns on: June 28, 2023; July 5-6, 2023; and August 4, 2023.

Mr. Bechtold summarized the content of communications between I&M and Valbruna about low-voltage concerns, as follows:

- June 2, 2023 – Mr. Bechtold received a call from Mr. Hilger and advised him that he would check into any issues on I&M/AEP’s system and let him know of findings. After consultation with the Transmission Dispatch Center (“TDC”), Valbruna was advised that I&M voltage levels were within acceptable operational levels.
- June 6, 2023 – Mr. Bechtold advised Mr. Hilger of the TDC decision to close in capacitor banks at McKinley Station and Industrial Park Station to boost voltage levels. Mr. Bechtold also informed Mr. Hilger that I&M/AEP was looking into potential tap changes on station transformers. Per Patrick Hilger, Mr. Bechtold noted, Valbruna was not experiencing any voltage issues as of June 6, 2023.
- June 28, 2023 – Late on June 28th, Mr. Bechtold received a call from Mr. Hilger informing I&M that Valbruna had experienced voltage issues again. On the morning of June 29, Mr. Bechtold reached out to TDC and TDC closed in a capacitor bank at Industrial Park Station. Upon follow-up with Mr. Hilger, Mr. Bechtold noted that he was informed that Valbruna’s voltage issues were resolved.
- July 5 & 6, 2023 – Late in the day on July 5th, Mr. Hilger contacted I&M indicating that Valbruna was experiencing voltage issues. On July 6th, a conference call was scheduled between I&M, TDC, and Mr. Hilger at Valbruna to discuss options. Per this joint discussion with TDC and Valbruna, Mr. Bechtold noted, Valbruna agreed to utilize customer-owned, on-site capacitors to help assist in raising voltage levels. Late in the day on July 6th, based upon communication from Valbruna, the voltage issue was resolved.
- July 14, 2023 – Mr. Bechtold communicated with Valbruna intentions to make tap changes to the Spy Run and McKinley Stations. As part of this work, Mr. Bechtold noted, Valbruna agreed to keep their capacitor bank in service and suspend mill/smelter operations during a planned service outage on July 18th at midnight.
- August 4, 2023 – Valbruna reported low voltage issues. To address, I&M placed the Industrial Park Station capacitor bank in service.
- August 21, 2023 – Mr. Bechtold noted no issues being reported by Valbruna. Mr. Bechtold received an email from Mr. Hilger with concerns about I&M current system conditions (capacitor banks, etc.). Mr. Hilger expressed concerns about forecasted heat/temperatures for the upcoming week and wanted to make sure I&M had utilized remedies in place.

Mr. Bechtold also testified that I&M provided Valbruna with an explanation for why the voltage issues occurred. He explained that Valbruna was advised that the source from Spy Run Station was farther away than the source from McKinley Station, which contributed to a larger drop in voltage than they had previously experienced, and that weather could be a contributing factor, as all dates on which Valbruna reported low voltage concerns experienced higher temperature conditions.

Mr. Bechtold described the Contract between I&M and Valbruna as well as I&M's general Terms and Conditions of Service. He emphasized pertinent parts of the Contract, including that the agreement is "subject to Company's standard Terms and Conditions of Service as regularly filed with the Indiana Utility Regulatory Commission" and "The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency..." He also explained that I&M's tariff Terms and Conditions of Service include, "The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy but does not guarantee uninterrupted service." He discussed how these provisions of the Contract and tariff demonstrate that contractually (1) I&M does not (and cannot) deliver an uninterrupted supply of power, and (2) I&M is to provide voltage reasonably close to 34,500 volts. Respondent's Exhibit 2.

Mr. Bechtold also described limitations of liability contained in I&M's general Terms and Conditions of Service. He explained that Section 11 of the Terms and Conditions of Service provides:

The Company shall not be liable for damages in case such supply should be interrupted due to causes or conditions beyond the Company's reasonable control, including extraordinary repairs, breakdowns or injury to machinery, transmission lines, distribution lines, or other facilities of the Company when the Company has carried on a program of maintenance consistent with the general practices prevailing in the industry.

In addition, Section 11 provides:

The customer shall provide and maintain suitable protective devices on customer-owned equipment to prevent any loss, injury, or damage that might result from single-phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury, or damage resulting from a single-phasing condition or any other fluctuations or irregularity in the supply of energy which could have been prevented by the use of such protective devices.

Similarly, Section 12 provides:

The customer shall provide and maintain suitable protective devices on customer-owned equipment to prevent any loss, injury, or damage that might result from single-phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury, or damage resulting

from a single-phasing condition or any other fluctuations or irregularity in the supply of energy which could have been prevented by the use of such protective devices.

Id.

Mr. Bechtold addressed certain requests for relief by Valbruna in this Cause. In response to Valbruna's request for an order requiring I&M to provide prior notice to Valbruna of any future plans to change the infrastructure associated with Valbruna's electric service, with a reasonable opportunity for Valbruna to object, Mr. Bechtold explained that, when possible, I&M provides advance notice to customers when major construction activities which may affect their electric utility service are going to take place. And he stated that I&M will continue this practice. He noted that, in this case, I&M provided advance notice to Valbruna about the new power feed. And he stated that I&M will provide such notice in future cases involving Valbruna, if possible.

Mr. Bechtold explained that while I&M is willing to discuss customers' concerns with construction activities, I&M must have the ability and authority to move forward with upgrades or restoration activities whether or not a customer objects. He noted that I&M has a responsibility to protect the grid and service to all customers; one customer's objection cannot be allowed to override that larger responsibility.

In response to Valbruna's request for an explanation as to why the voltage issues occurred, Mr. Bechtold stated that his testimony, which describes multiple communications with Valbruna, demonstrates that I&M has provided Valbruna with such an explanation.

In response to Valbruna's request for an order that I&M set up an effective communication method for I&M to resolve any future potential electric supply issues for Valbruna, Mr. Bechtold stated that no such order is needed because the evidence shows that I&M effectively communicated with Valbruna about the voltage issues. Mr. Bechtold explained that I&M proactively communicated with Valbruna prior to the installation of the Spy Run feed, I&M maintained frequent contact with Valbruna in the months leading up to the transfer, and I&M promptly investigated Valbruna's concerns when they arose. Accordingly, Mr. Bechtold concluded, the Commission should reject Valbruna's requests for relief in this Cause.

I&M also introduced into evidence its administrative notice exhibit, showing daily temperature data at Fort Wayne, Indiana during the summer of 2023, sourced from the federal government's National Weather Service, National Oceanic and Atmospheric Administration. This exhibit shows a correlation between the days upon which Valbruna experienced voltage issues and high temperature days in Fort Wayne.

5. Valbruna's Rebuttal. Complainant Valbruna offered the rebuttal testimony of Patrick Hilger. Mr. Hilger supplemented and expanded on topics he initially testified to in his direct testimony, and he further detailed I&M's alleged inadequate voltage supply to Valbruna and I&M's communication with Valbruna throughout the events that led to this proceeding. He testified that he was the only person at Valbruna who held the responsibility of communicating with I&M, and I&M was aware of this.

Mr. Hilger described how Valbruna received electricity from I&M prior to and during the events described in Valbruna's Amended Complaint and how Valbruna currently receives electricity from I&M. He explained that I&M supplied electricity to Valbruna from the McKinley Station prior to making upgrades to the McKinley Station. He stated it was his understanding that the upgrades to the McKinley Station involved updating the power feed infrastructure. He testified that I&M temporarily switched Valbruna to the Spy Run Station when making its upgrades to the McKinley Station. He stated that I&M now supplies electricity to Valbruna from the McKinley Station.

Mr. Hilger explained that I&M first notified Valbruna of upgrades needed for the McKinley Station in either December 2022 or January 2023. He stated that I&M switched Valbruna from the McKinley Station to the Spy Run Station on May 20, 2023. He testified that between December 2022 and May 20, 2023: I&M did not offer any alternative stations to Valbruna aside from the Spy Run Station; I&M never mentioned anything related to the increase in distance between the McKinley Station and the Spy Run Station; I&M did not discuss with Valbruna that greater distance from the voltage supply station could contribute to a larger drop in voltage supply than Valbruna had previously experienced; I&M never mentioned how many other customers were going to be added on to the Spy Run Station at the same time as Valbruna; I&M never mentioned whether there were other customers that were industrial in nature that were also going to be added on to the Spy Run Station at the same time as Valbruna; I&M did not discuss with Valbruna any reasoning as to why it wanted to perform the repairs to the McKinley Station during the summer months; I&M did not discuss with Valbruna that high ambient temperatures could contribute to a larger drop in voltage supply than Valbruna had previously experienced; and I&M did not suggest to Valbruna to use protective devices when Valbruna was to be switched to the Spy Run Station.

Mr. Hilger testified that in his seventeen years with Valbruna, Valbruna has not experienced a drop in voltage supply due to high ambient temperatures that caused damages to Valbruna similar to the damages he described in his direct testimony in this Cause. He added that Joe Steinmetz, Engineering and Maintenance Manager for Valbruna since 1988 and before Mr. Hilger took over the position five years ago, told him that Valbruna did not experience such a drop in voltage supply during his tenure in that position. Mr. Hilger stated that I&M's conclusion that high ambient temperatures could contribute to a larger drop in voltage supply than Valbruna had previously experienced does not make sense for this reason. He said that if high ambient temperatures are a true cause of the inadequate voltage supply to Valbruna, then greater measures need to be taken to ensure that Valbruna will receive voltage supply reasonably close to the contracted 34,500 volts in the event of high ambient temperatures in the future.

Mr. Hilger explained that he does not believe that high ambient temperatures could be a sole cause for Valbruna's drop in voltage supply because they are not significantly greater than any previous summer since he has worked at Valbruna, or since 1988. He stated that he does not believe a large starting current or any unavoidable fluctuation caused the drop in voltage supply because there was not any substantial change to Valbruna's operations regarding the necessity of voltage in 2023, and Valbruna did not experience voltage supply issues prior to 2023 to his knowledge. He stated that the only factor present in 2023 that is different than prior years was Valbruna being on the Spy Run Station rather than the McKinley Station, and the Spy Run Station was a further distance away from Valbruna than the McKinley Station. Mr. Hilger was unsure how

many customers were switched over to the Spy Run Station at the same time as Valbruna, and what the nature of those customers were (whether industrial or residential). He stated it seemed reasonable that Valbruna's voltage supply issues could have been caused by the increase in distance with the Spy Run Station, or they could also have been caused by too many customers being on the Spy Run Station at the same time as Valbruna, such that the Spy Run Station did not have the capacity to service Valbruna.

Mr. Hilger responded to Mr. Shaw's testimony that I&M's voltage on the 34.5kV system serving Valbruna met the requirements of the IURC rules, specifically 170 IAC 4-1-20. Mr. Hilger stated that while 170 IAC 4-1-20 allows for voltage differences of +/- 5% for residential service, Valbruna produces stainless steel, nickel alloys, and titanium long bar product, and Valbruna does not fit within the term "residential service" as described in 170 IAC 4-1-20. He reiterated concerns, expressed in his direct testimony regarding inconsistent electric power voltage supply and stated that Valbruna's consistent need for significant electric power voltage supply justifies close voltage regulation as described in 170 IAC 4-1-20. He added that he does not believe that practicable voltage regulation was provided to Valbruna under the circumstances, that high temperatures were the sole cause of Valbruna's voltage supply issues, or that large starting current or any unavoidable fluctuation were a cause of Valbruna's voltage supply issues.

Mr. Hilger also testified regarding I&M's obligations to Valbruna under the Contract. He explained that during the time Valbruna was placed on the Spy Run Station, I&M was unable to meet its contractual obligations to Valbruna. By Valbruna's calculation, on six different dates, I&M supplied Valbruna with 28,532 volts. He stated that this was not reasonably close to the contracted 34,500 volts. He added that whether or not I&M's voltage supply to Valbruna dropped below 28,532 volts is unknown but is possible.

Mr. Hilger explained that Valbruna's 22- and 24-inch mill motor drives have fault protection that shuts down the motors if their voltage supply is too low, because low voltage supply can be damaging to the equipment. He stated that Valbruna determined when the 22- and 24-inch mill motor drive faulted, the voltage supply to Valbruna was at 28,532 volts. He explained the calculations used by Valbruna to determine the voltage supply, which involved determining that 28,532 volts was the voltage supply reading at substation #1 (the point of delivery under the Contract) at which the 22- and 24-inch mill motor drive would fault and establishing the ratio for voltage supply at substation #1 with the reading at the 22-inch mill motor drive and 24-inch mill motor drive. He explained Valbruna's reasoning for arriving at .01458 as the established ratio between substation #1 and the 22- and 24-inch mill motor drives. He testified that Valbruna has never determined a different ratio between substation #1 and the 22- and 24-inch mill motor drives. He added that Valbruna's 22-inch mill motor drive and 24-inch mill motor drive were set to fault at 416 volts at all relevant times to this proceeding and could not be set lower than this to protect its equipment, and with the ratio of .01458 previously established, Valbruna determined that the voltage supply to Valbruna at substation #1 was at 28,532 volts when the mill motor drives faulted. He testified that Valbruna experienced faults that indicate a voltage supply of 28,532 volts on May 23, June 1, June 29, July 5, July 6, and July 10 of 2023. He reiterated that this is not reasonably close to the contracted 34,500 volts.

Mr. Hilger stated that I&M's inadequate voltage supply to Valbruna was within I&M's reasonable control and I&M should be responsible for any damages Valbruna has suffered because of I&M's alleged inadequate voltage supply to Valbruna. He added that Valbruna is also not aware of any protective devices it could have used to prevent the damages to Valbruna described in his direct testimony.

Mr. Hilger also responded to Mr. Shaw's testimony that I&M delivered electric energy to Valbruna at reasonably close maintenance to constant potential and frequency because the tariff requirements are to maintain voltage from 0.95PU and that not at any time did the I&M system drop below this number. Mr. Hilger stated that if the tariff requirements are to maintain voltage from 0.95PU, I&M did not deliver electric energy to Valbruna at reasonably close maintenance to constant potential and frequency. He stated that by Valbruna's calculation, at the point of delivery, Valbruna was supplied 28,532 volts, and the Contract called for 34,500 volts at the point of delivery. He relayed his understanding that this would be 0.83PU, which is well short of the alleged 0.95PU tariff requirements.

6. Commission Discussion and Findings. The evidence shows that Valbruna is a transmission-level customer; that I&M was making necessary upgrades to its McKinley Station, for the benefit of its customers and the transmission system; that I&M switched Valbruna to the Spy Run Station (approximately two miles further away from the Valbruna plant) during the upgrades; that Spy Run had adequate capacity to serve Valbruna; and that Spy Run was the only feasible option from which to serve Valbruna during the McKinley upgrades. The evidence also shows that I&M communicated with Valbruna regarding the McKinley upgrade and the switch to Spy Run on several occasions well in advance of the upgrade and switch.

The evidence indicates that the voltage fluctuations that form the basis of Valbruna's complaint occurred on four instances and coincided with high temperature days and that Valbruna's plant uses equipment that creates voltage surges when started up. The evidence also shows that the voltage fluctuations were almost certainly the result of a combination of high temperatures and the longer distance from the Spy Run Station to the Valbruna plant. Although Mr. Hilger speculated that Valbruna's voltage supply issues could have been caused by too many customers being on the Spy Run Station, there is no evidence of this.

The evidence demonstrates that, during the four instances in question, the voltage delivered by I&M at the source (the Spy Run Station) was within five percent of 34,500 volts. The evidence also suggests that the voltage received by Valbruna at its plant during the days in question was approximately 28,532 volts (17% below 34,500 volts) at times, and that the voltage fluctuations contributed to damage to certain of Valbruna's equipment and loss of production. The evidence also shows that between the I&M source and the Valbruna plant equipment are a number of Valbruna-owned electric facilities, each of which create resistance that reduces the voltage ultimately being delivered to the Valbruna equipment.

The evidence also shows that the Valbruna equipment that was damaged are older equipment from the 1930s and 1940s. Further, the evidence shows that although Valbruna had fault protection that protected its newer equipment by triggering alarms and shut offs, Valbruna did not have protective devices installed on the equipment that was damaged. The evidence further

shows that Valbruna declined to take certain steps recommended by I&M to mitigate the impact of the voltage fluctuations.

The evidence indicates that upon receiving notices from Valbruna about the voltage fluctuations, I&M responded promptly and communicated with Valbruna in an effort to address the issue. The evidence also shows that I&M frequently communicated with Valbruna about the temporary switch to Spy Run before the switch was made.

Finally, the evidence shows that once the McKinley upgrades were completed and Valbruna was switched back to delivery from McKinley, Valbruna has not experienced any additional voltage issues.

Indiana Code § 8-1-2-4 obligates a public utility to provide “reasonably adequate service” but does not impose a duty to continually deliver perfect or uninterrupted service.. The Commission has long recognized that interruptions may occur in the ordinary course of providing electric service due to weather, equipment failure, maintenance, or other operational conditions.

The Contract requires that I&M deliver electricity at approximately 34,500 volts and at reasonably close maintenance to constant potential and frequency. The voltage issues experienced by Valbruna occurred on four instances on very hot days during a major upgrade at the McKinley Station, which had necessitated a temporary switch to the Spy Run Station.

Given the fact that I&M’s voltage recordings indicate delivery at all times within 5% of 34,500 volts, and combined with the fact that the Spy Run Station was the only feasible option for serving Valbruna during the McKinley upgrade and the fact that the voltage issues occurred on only four instances, we cannot conclude that I&M failed to deliver electricity at approximately 34,500 volts, reasonably close to constant potential and frequency.

Moreover, it is important to recognize that between I&M’s source and Valbruna’s plant equipment are a number of facilities owned by Valbruna, that create resistance and therefore reductions in voltage. Given this situation, even if we were to conclude that Valbruna’s estimate of the voltage at which it *received* electricity at its equipment was not approximately or reasonably close to 34,500 volts, we cannot conclude that I&M delivered electricity at that lower voltage level. Valbruna has not met its burden of proving that I&M failed to deliver electricity at approximately 34,500 volts and at reasonably close maintenance to constant potential and frequency.

The evidence does not support a finding that I&M was required by the Contract to install voltage monitoring equipment in Valbruna’s Substation #1 and failed to do so. The Contract requires that I&M measure the volume of electricity delivered using metering equipment; it does not require that I&M install and monitor voltage at Substation #1.

170 IAC 4-1-20 addresses the voltage to be provided to customers and provides:

(A) The voltage maintained at the customer’s main service terminals shall be reasonably constant, as follows:

- (1) For residential service, the voltage shall be within five percent (5%) plus or minus of the standard adopted, and the total variation of voltage from minimum to maximum shall not exceed six percent (6%) of the average voltage in cities and other incorporated places having a population in excess of 2,500, nor eight percent (8%) of the average voltage in all other places.
- (2) A greater variation of voltage than specified above may be allowed when service is supplied directly from a transmission line, or in a limited or extended area where customers are widely scattered or the loads served do not justify close voltage regulation. In such cases the best voltage regulation should be provided that is practicable under the circumstances.

(B) Variations in voltage in excess of those specified, caused by (1) the operation of power apparatus on the customer's premises which necessarily requires large starting current, (2) the action of the elements, and (3) the infrequent and unavoidable fluctuations of short duration due to station operation, shall not be considered a violation of this rule.

170 IAC 4-1-20.

This rule makes clear that voltage may fluctuate greater than 5% to 8% when a customer is served from a transmission line. In addition, this rule makes clear that even greater variations in voltage are allowable in situations where the customer's equipment requires large starting current, when weather plays a part, or when fluctuations are unavoidable due to station operation. This rule states that in such situations, the best voltage regulation should be provided that is practicable under the circumstances. Because the switch to Spy Run was necessitated by a need to upgrade the McKinley facilities for the benefit of I&M customers as a whole, and the Spy Run Station was the only feasible option for serving Valbruna during the upgrade period, we find and conclude that I&M's voltage delivery to Valbruna was practicable under the circumstances. This finding is further supported by the evidence showing that I&M took numerous actions to try to alleviate the voltage issues Valbruna was experiencing. Valbruna also took some actions recommended by I&M but declined others which may have boosted voltage at the plant.

Further, our rule provides that voltage variations outside the rule's parameters are allowed in the case of weather events, such as the extreme hot weather in this case; when the customer's equipment requires large starting current, as with mill motors such as Valbruna's or during the infrequent and unavoidable fluctuations of short duration due to station operation. Our rule states that in such cases, there is no rule violation. Accordingly, we conclude in this case, there has been no rule violation.

Under the Commission's procedural rule, 170 IAC 1-1.1-18(d), "[i]n hearings upon complaints or petitions, the complainant, petitioner, or other party having the burden of proof must open and close the presentation of evidence and arguments." This rule reflects the fundamental principle that a party asserting a claim bears the responsibility of proving it by competent evidence.

In addition, the Commission has determined that the burden of proof requires the complainant prove, by clear and convincing evidence, that the respondent is not in compliance with the law. *Cartel Transport, Inc.*, Cause No. 37574, 1985 WL 1173333 (Ind. Pub. Serv. Comm'n 1985), citing *Wills v. Pub. Serv. Comm'n of Ind.*, 247 N.E. 2d 98, 102 (Ind. Ct. App.

1969). Indiana courts have also held that the Commission's findings must rest on substantial evidence in the record. See, e.g., *Citizens Action Coal. v. PSI Energy, Inc.*, 894 N.E.2d 1055, 1060-61 (Ind. Ct. App. 2008).

Based on the evidence and the law, we cannot find that I&M failed to provide reasonable electric service to Valbruna. We conclude that pursuant to the facts alleged in Valbruna's complaint, the complaint is unsubstantiated regarding I&M's compliance with a statute, administrative rule, or Commission Order governing the provision of utility services in the State of Indiana.

Finally, we address Valbruna's requests that we order I&M to provide prior notice to Valbruna of any future potential interruption of electric services within their reasonable control and set up a more efficient communication method for I&M to resolve any future potential electric supply issues for Valbruna. The evidence shows that I&M communicated with Valbruna in advance and often, prior to the McKinley upgrade and the Spy Run switch. The evidence further shows that I&M intends to continue providing advance notice of upgrades when possible. Further, the evidence shows that I&M promptly responded to each occasion of Valbruna's voltage issues. Accordingly, we do not believe it is necessary for our Order in this case to provide the relief requested by Valbruna.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Complainant's complaint is dismissed with prejudice.
2. This Order shall be effective on and after the date of its approval.

ZAY, DEIG, SWINGER, AND VELETA CONCUR; ZIEGNER ABSENT:

APPROVED: APR 22 2026

I hereby certify that the above is a true and correct copy of the Order as approved.

Dana Kosco
Secretary of the Commission