



For Immediate Release

February 14, 2018

News Media Contact:

Anthony Swinger, (317) 233-2747 or

aswinger@oucc.IN.gov

I&M Rate Settlement to Benefit Consumers

The Indiana Office of Utility Consumer Counselor (OUCC), Indiana Michigan Power Company (I&M), and numerous additional intervening parties in I&M's pending rate case have reached and filed a comprehensive agreement resolving all of the case's issues.

If approved by the Indiana Utility Regulatory Commission (IURC), the settlement would provide I&M with an overall revenue increase of \$96.8 million. I&M requested a \$263 million increase in September 2017, which was effectively adjusted to approximately \$191.5 million in January 2018 following passage of the federal Tax Cuts & Jobs Act.

The agreement's consumer benefits include:

- A monthly residential customer charge of \$10.50. I&M had proposed raising the current \$7.30 charge to \$18.00.
- A 9.95 percent authorized return on equity (ROE). By comparison, the utility currently has an authorized ROE of 10.2 percent and sought to increase it to 10.6 percent.
- Resolving all issues regarding tax relief due to the federal Tax Cuts & Jobs Act, including a \$4 million customer credit to repay 2018 taxes collected at the former 35 percent rate.
- Caps on rate recovery of certain regional transmission costs.
- Creation of a \$700,000 Economic Impact Grant program to be funded with shareholder dollars.
- Shareholder funding of up to \$950,000 for the development of new low-income assistance and weatherization programs in I&M's Indiana service territory.
- Additional benefits negotiated by the case's parties.

The OUCC – the state agency representing the interests of all Indiana consumers in cases before the IURC – recommended approval of approximately half of I&M's request in testimony filed in November 2017.

"Our team of attorneys and technical experts played a major role in orchestrating a broad settlement agreement benefiting the full range of I&M's customers while providing the utility with the revenues needed to provide safe, dependable service," said Indiana Utility Consumer Counselor Bill Fine. "The OUCC and intervening parties representing a diverse array of ratepayers negotiated these terms at arm's length, and we are pleased to see a reasonable settlement with tangible benefits that will help ratepayers throughout I&M's Indiana service territory."

Additional consumer and local government parties to the agreement include the cities of Fort Wayne, South Bend, and Marion, the Muncie Sanitary District, 39 North Conservancy District in LaPorte County, the Citizens Action Coalition of Indiana, Indiana Coalition for Human Services, Indiana Community Action Association, Sierra Club, The Kroger Co., Wal-Mart Stores East, LP and Sam's East, Inc., and nine industrial customers.

The settlement was filed on February 14, 2018 with the IURC, which may accept, deny or modify any agreement before it. Testimony from the settling parties is due on February 16, 2018, with an IURC settlement hearing scheduled for March 5, 2018.

Updates on this case are being posted on the OUCC's website at www.in.gov/oucc/2885.htm.

(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.

Visit us at www.IN.gov/OUCC, www.twitter.com/IndianaOUCC, or www.facebook.com/IndianaOUCC.

Sign up for our monthly newsletter at www.IN.gov/OUCC/2356.htm.