



For Immediate Release

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Settlement Agreement Reached in Indiana Michigan Power Rate Case

A pending settlement agreement would reduce Indiana Michigan Power's (I&M's) requested rate increase by nearly half, if approved.

The Indiana Office of Utility Consumer Counselor (OUCC), additional parties, and I&M reached a settlement that was filed with the Indiana Utility Regulatory Commission (IURC) on Wednesday. The IURC may approve, modify, or deny any settlement it considers. Settling parties are required to file testimony showing the agreement is in the public interest.

Under the settlement agreement I&M's requested \$116.4 million increase was reduced to \$56.9 million (inclusion of rider revenues adjusts the increase to \$61.8 million). Among the benefits:

- The monthly residential customer charge, which does not vary based on usage, will be \$15.00. The charge was set at \$15.00 in I&M's last rate case, then reduced to \$14.79 under the repeal of the state's Utility Receipts Tax. In this case, I&M had proposed raising the charge to \$17.50.
- The utility's authorized return on equity will be set at 9.85%, instead of I&M's requested 10.5%.
- A \$15.8 million reduction in depreciation expense.
- Reductions in nuclear decommissioning expenses.
- Reductions to various line items for operating and maintenance expenses.
- An annual cap on certain interstate transmission costs.
- Withdrawal of the utility's requested Grants Project Rider.
- Approval of I&M's proposed prepaid billing option as a pilot program.
- A \$200,000 annual shareholder contribution to the Indiana Community Action Association in 2024 and 2025 for low-income customer assistance.

"This agreement is the result of many hours of negotiations among the wide range of parties in this case," said Indiana Utility Consumer Counselor Bill Fine. "I appreciate the efforts of the OUCC's legal and technical staff in building a strong case and negotiating a fair resolution. It will significantly mitigate the impact on customer bills while ensuring the utility has the revenues needed to provide reliable and resilient service."

Parties to the rate settlement, along with the OUCC and I&M, include the Citizens Action Coalition of Indiana, a group of I&M's industrial customers (including Air Products and Chemical, Cleveland-Cliffs, General Motors, Linde, Marathon Petroleum Company, Metal Technologies Auburn, Messer, and the University of Notre Dame), the cities of Fort Wayne and Marion, Wabash Valley Power Alliance, and WalMart.

The parties expect to file settlement testimony on Jan. 9, 2024, with a final Commission order expected in summer 2024.

(IURC Cause No. 45933)

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.