

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF ::
INDIANA MICHIGAN POWER COMPANY FOR :
APPROVAL OF (1) AN ELECTRIC VEHICLE :
FAST CHARGING RATE AND TARIFF AND : CAUSE NO. 45919
(2) DEFERRED ACCOUNTING TREATMENT FOR :
THE COSTS OF CERTAIN COMPANY-OWNED :
ELECTRIC VEHICLE FAST CHARGING :
STATIONS AND THE REVENUES FROM THE :
ELECTRIC VEHICLE FAST CHARGING TARIFF :

WALMART INC.'S SUBMISSION OF EXCEPTIONS TO
INDIANA MICHIGAN POWER COMPANY'S PROPOSED ORDER
PROPOSED ORDER

Walmart Inc. ("Walmart"), by counsel, respectfully submits the attached limited Exceptions, shown in redline format, to the Proposed Order filed on November 13, 2023, by Indiana Michigan Power Company ("I&M" or "Company"). The attached Exceptions reflect Walmart's recommendations for the Indiana Utility Regulatory Commission's ("Commission") consideration in this matter.

Please note that Walmart has provided its Exceptions in the form of a redline revision to the Company's Proposed Order, addressing those issues of primary importance to Walmart. The fact that Walmart has not addressed each and every section of the Company's Proposed Order does not indicate Walmart's acceptance of I&M's position on the issues not expressly addressed by these Exceptions. That said, unless specifically modified by these Exceptions, Walmart adopts each party's summary of its own testimony and evidence as presented in each party's respective post-hearing filings.

Respectfully submitted,

/s/ Eric E. Kinder

Eric E. Kinder (Indiana Bar No. 22646-02)
SPILMAN THOMAS & BATTLE, PLLC

300 Kanawha Boulevard, East
P.O. Box 273
Charleston, WV 25321-0273
Telephone: (304) 340-3893
Facsimile: (304) 340-3801
E-mail: ekinder@spilmanlaw.com

Barry A. Naum (PA I.D. No. 204869)
Steven W. Lee (NJ I.D. No. 324262020)
SPILMAN THOMAS & BATTLE, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
Phone: (717) 795-2742
Fax: (717) 795-2743
E-mail: bnaum@spilmanlaw.com
Slee@spilmanlaw.com

COUNSEL FOR WALMART INC.

Dated: November 22, 2023

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF INDIANA)	
MICHIGAN POWER COMPANY FOR APPROVAL)	
OF (1) AN ELECTRIC VEHICLE FAST CHARGING)	
RATE AND TARIFF AND (2) DEFERRED)	
ACCOUNTING TREATMENT FOR THE COSTS OF)	CAUSE NO. 45919
CERTAIN COMPANY-OWNED ELECTRIC)	
VEHICLE FAST CHARGING STATIONS AND THE)	APPROVED:
REVENUES FROM THE ELECTRIC FAST)	
CHARGING TARIFF)	

PETITIONER'S PROPOSED FORM OF ORDER

Presiding Officers:

David Veleta, Commissioner

Ann Pagonis, Administrative Law Judge

On July 19, 2023, Indiana Michigan Power Company ("Petitioner," "Company," or "I&M") filed its Verified Petition with the Indiana Utility Regulatory Commission ("Commission") initiating this Cause. Also on July 19, 2023, I&M prefiled its case-in-chief testimony and attachments, consisting of the direct testimony and attachments of Dona Seger-Lawson, I&M's Director of Regulatory Services (Petitioner's Ex. 1); and Elizabeth A. Kerim, Regulatory Accounting Consult Staff for American Electric Power Service Corporation (which provides services to subsidiaries of American Electric Power Company, Inc. ("AEP")), including I&M) (Petitioner's Ex. 2).

On September 8, 2023, Walmart Inc. ("Walmart") filed a petition to intervene in this proceeding, which petition was granted by the Commission on September 22, 2023.

On September 13, 2023, the Office of the Utility Consumer Counselor ("OUCC") prefiled the direct testimony of John E. Haselden, a consultant retained by the OUCC (Public's Ex. 1); and intervenor Walmart prefiled the direct testimony of Lisa V. Perry, Senior Manager of Utility Partnerships for Walmart (Intervenor Walmart's Ex. 1). On September 27, 2023, I&M prefiled the rebuttal testimony of Dona Seger-Lawson (Petitioner's Ex. 3).

Pursuant to notice given and published as required by law, the Commission held an evidentiary hearing at 1:00 p.m. on November 3, 2023, in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner, the OUCC, and Walmart appeared and participated in the hearing. At the hearing, the prefiled testimony and attachments of I&M witnesses Seger-Lawson and Kerim were admitted into evidence, along with Petitioner's Verified Petition (Petitioner's Ex. 4) and Petitioner's October 31, 2023 responses to docket entry questions from the Commission (Petitioner's Ex. 5). The testimony and attachments of the OUCC and Walmart were also admitted into evidence. The parties waived all cross-examination, and the

Commission had no questions for any of the witnesses. No members of the public appeared or participated at the hearing.

Having considered the evidence presented and the applicable law, the Commission finds:

1. Notice and Jurisdiction. Notice of the hearing in this case was given and published by the Commission as required by law. Petitioner is a public utility as that term is defined in Ind. Code §§ 8-1-2-1(a) and 8-1-2-43-3.

I&M seeks relief pursuant to Ind. Code §§ 8-1-2-10 and -61, among other provisions. We note that Ind. Code ch. 8-1-43 also has relevance to this proceeding. Therefore, the Commission has jurisdiction over I&M and the subject matter of this proceeding.

2. Petitioner's Characteristics. I&M is a wholly-owned subsidiary of AEP. I&M is a corporation organized and existing under the laws of the State of Indiana, with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M is engaged in, among other things, rendering electric utility service in the States of Indiana and Michigan. I&M owns, operates, manages, and controls plant and equipment within the States of Indiana and Michigan that are in service and used and useful in the generation, transmission, distribution, and furnishing of such service to the public.

3. Relief Requested. In this proceeding, I&M seeks Commission approval of its proposed EVFC (Electric Vehicle Fast Charging) Tariff and EVFC rate. In addition, I&M seeks Commission authorization to defer incremental capital (depreciation and financing) costs (net of VW Trust Funds received), incremental operation and maintenance ("O&M") costs, and taxes associated with the installation and operation of approximately twelve (12) fast charging stations, until such costs are reflected in the Company's base rates. Finally, I&M requests Commission authorization to defer costs net of revenues received from the EVFC tariff, until such costs, net of revenues, are reflected in the Company's base rates.

4. Summary of the Evidence.

A. Petitioner's Case-in-Chief Evidence. I&M presented the testimony of Dona Seger-Lawson and Elizabeth A. Kerim in support of its Verified Petition. By way of background information, Ms. Seger-Lawson stated that I&M's proposal supports the national initiative to help create 500,000 reliable chargers across the country to support the growing adoption of electric vehicles ("EVs") – and specifically to support Indiana's statewide charging network program. She noted that among the Indiana Department of Environmental Management ("IDEM") had issued a request for proposals related to the use of the VW Trust Fund¹ for EV charging stations; among IDEM's goals and objectives with respect to this RFP are:

¹ As explained in I&M's Verified Petition, the VW Environmental Mitigation Trust Fund ("VW Trust Fund") is the result of a settlement and consent decree between the U.S. Department of Justice, the Volkswagen Corporation ("VW"), and its subsidiaries. \$5,535,000 from the VW Trust Fund has been allocated for fast-charging stations in Indiana, with these funds being administered by IDEM.

- 1) To develop a statewide EV charging network that provides EV charging locations to the greatest number of citizens;
- 2) To create a diverse network that meets the needs of Indiana citizens using both DCFC and Level 2 charging equipment;
- 3) To implement a program that is reliable through multiple charging stations at each location;
- 4) To maximize the available VW Trust Funds of \$6.15 million and achieve the greatest value for Indiana's investment; and
- 5) To maximize leveraging of public and private sourced funds where possible to obtain the greatest number of charging locations possible.

Ms. Seger-Lawson testified that I&M participated in a joint utility proposal in response to IDEM's RFP, and as part of that proposal, I&M proposed to install approximately twelve fast-charging stations within its service territory. She stated that IDEM awarded \$5.535 million to the joint utility proposal. Per OUCC Ex. 1, Attachment JEH-1, p. 1 of 24, I&M expects to receive approximately \$1.08 million in grant funding. She testified that the Company's installation of these charging stations is consistent with IDEM's stated program goal to maximize leveraging of public and private-sourced funds to obtain the greatest number of charging locations possible for the state. She testified that the Company proposes to fund the costs associated with installing, interconnecting, operating, and maintaining the approximately twelve fast-charging sites in excess of the costs covered by the VW mitigation grant funding. [Pet. Ex. 1, at pp. 4-6]

Ms. Seger-Lawson explained and supported the Company's proposed electric vehicle EV fast-charging ("EVFC") tariff, as well as its proposal for deferring costs net of revenues associated with providing fast-charging service. With regard to the EVFC Tariff, Ms. Seger-Lawson testified that the proposed Tariff will establish a fair charge for EV fast-charging service at Company-owned charging stations. She explained the tariff will be available for use by electric vehicle owners who can, and wish to, charge their electric vehicle at one of the Company's 50kW or greater public charging sites. She noted that the rate would only apply at Company-owned charging stations. Ms. Seger-Lawson explained that the fast-charging rate will be derived from a regional average of comparable public charging stations. She explained that using this average of comparable charging stations within the Company's service territory is a reasonable method of determining the tariff rate because this will keep charging throughout the Company's service territory consistent, whether the customer is charging at the Company's charger or another third-party-owned charger. She noted that this average market price is clear, administratively simple, and will align well with IDEM's program objective of cultivating the Indiana fast-charging market while not undermining the rates at third-party-owned charging stations. She stated that the proposed average rate will be determined from a number of existing charging stations within the Company's service territory. Per the Verified Petition, the proposed EVFC tariff rate includes both a per kWh charge and an idling fee. Ms. Seger-Lawson testified that the proposed EVFC tariff will help promote accessible public fast charging stations within this EV emerging market. Further, she stated, it provides for Commission jurisdiction and oversight of the rates charged at the

Company's fast charging stations to ensure they are market-based and do not create an unfair competitive advantage over other public or private charging stations. [Pet. Ex. 1, pp. 4, 7-8]

Ms. Seger-Lawson next testified about how the Company will handle revenues received from the EVFC tariff, as well as costs associated with providing the charging service. She explained that the Company proposes to apply revenues from the tariff to offset all costs associated with providing the charging service. She stated that these costs can include: any remaining capital costs of purchasing and installing the chargers (net of the VW Trust Fund amounts received), to the extent costs are not included in the Company's pending rate case; any ongoing O&M costs (including the cost of electricity used to charge the vehicles and any charges assessed by the site location); property tax expense; and other taxes. She stated that the Company plans to defer the costs net of revenues associated with providing public charging services for a minimum of five years, which is commensurate with the length of time the Company is obligated to own and operate its DCFC charging stations as required by the VW grant award, and until such costs and revenues are reflected in I&M's base rates. After five years, to the extent there are remaining revenues (above the costs associated with providing the charging service i.e. an over-recovery), I&M proposes to pass those back to customers as a credit to the cost of service in a subsequent base rate case. She noted that Company witness Kerim further discusses how revenues received from the tariff will be accounted for. Ms. Seger-Lawson testified that it is appropriate to defer costs net of revenues associated with providing EVFC service. She stated that the Company cannot predict how profitable or unprofitable this charging service will be because it is an emerging market. She noted that as a recipient of the VW grant, the Company is doing its part to develop a statewide EV charging network that provides EV charging locations to the greatest number of citizens consistent with the goals and objectives of the IDEM. [Pet. Ex. 1, pp. 9-10; Pet. Ex. 2, p. 3]

Ms. Kerim's testimony explained how the monthly EVFC deferral amount will be calculated and what precise costs will be deferred net of EVFC revenues. She also testified that the deferred accounting treatment proposed by the Company is in accordance with Generally Accepted Accounting Principles ("GAAP"). She stated that, in order to meet the probability standard established by GAAP, the final order in this proceeding should state that the Commission authorizes the Company to defer the EV charging station costs net of the EVFC tariff revenues. She stated that the Commission's Order should also directly address the date when such deferral authority commences (*i.e.*, as of the date of filing of this proceeding). [Pet. Ex. 2, pp. 3-5]

B. OUCC's Case-in-Chief Evidence. OUCC witness John Haselden testified that the OUCC has concerns with I&M's proposal regarding EVFC investments and cost recovery. He stated that the OUCC's concerns are associated with the fact I&M proposes to require customers to subsidize the EVFC projects in several ways, which allows it to unfairly compete with competitive providers of EVFC services. In addition, he stated that few I&M customers will use the EVFC projects. Finally, he testified that the EVFCs are not necessary to the provision of safe, reliable, and economic electric service to I&M customers, and should not be approved by the Commission. [Public's Ex. 1, p. 3]

With regard to the OUCC's concern with customer subsidization, Mr. Haselden testified that the OUCC is not opposed to I&M or other utilities offering EVFC services, so long as they compete fairly and conduct their business as "below-the-line" operations without ratepayer subsidy. In his view, I&M's EVFC Tariff rate was unlikely to cover the Company's costs of

providing the EVFC Tariff service. In addition, Mr. Haselden contended that the costs of the proposed EVFC stations are too speculative at this point. In addition, he testified that the OUCC was concerned about this proposal adversely affecting customer affordability. Mr. Haselden also expressed concerns about unfair competition with other EVFC providers, technical obsolescence, and precedent for future Commission cases. Finally, he noted an ambiguity between testimony and the tariff sheet, and stated that I&M should clarify how the Tariff EVFC price changes will be administered. [Public's Ex. 1, pp. 3-11]

C. Walmart's Case-in-Chief Evidence. Walmart witness Lisa Perry made several recommendations to the Commission with respect to I&M's proposal. First, regarding the Company's request to defer the approval and recovery of any excess costs associated with Company-owned DCFCs to the Company's general rate case, Ms. Perry indicated that Walmart does not oppose I&M's ownership and operation of public fast-charging stations and deferring any associated costs in excess of the VW Trust Funds to its general rate case for chargers that are, or will be, located in areas where the Commission determines that the market will not deliver fast-charging services and the Company is the only realistic provider of charging services. However, for all other Company-owned fast-chargers (i.e., chargers located in areas with competitive viability for third party owners due to economics, utility-based incentives, or government funding), [due to concerns that cost recovery for utility-owned chargers in these locations could result in anti-competitive outcomes](#), the Commission should reject the Company's request to defer any excess costs to its general rate case or any other future case, but instead, find that any such excess costs should be borne by the Company and not its customers. [Walmart Ex. 1, pp. 4-6, [8-10](#)]

In addition, Ms. Perry noted that, generally, Walmart does not have an issue with the Company charging third-party owned chargers under the General Service ("GS") Secondary Tariff due to its relatively low demand charge, which helps the economics of under-utilized chargers. Ms. Perry stated that, to further support third-party investment in public charging in order to build a robust charging network throughout Indiana, Walmart supports the Company's commitment to make a "comprehensive filing including a suite of EV programs" during the first quarter of 2024 following market research and customer focus groups and looks forward to participating in these customer focus groups to discuss public and fleet EV charging opportunities including rates for third-party owned public DCFCs. Finally, Ms. Perry testified that the Commission should review the rate charged to customers who use Company- owned fast-chargers under the EVFC Tariff on a monthly basis to ensure that such rate is competitive with third-party owned chargers based on the market conditions existing at that time. [Walmart Ex. 1, pp. 4-6]

D. Petitioner's Rebuttal Evidence. In rebuttal testimony, Ms. Seger-Lawson responded to the testimony of the OUCC and Walmart. More specifically, her testimony responded to concerns with utility ownership of EV charging equipment as well as the OUCC's testimony concerning ratemaking and accounting treatment for the costs of such equipment, application of VW Trust Fund amounts, and administration of the Company's proposed EV fast-charging rate.

With regard to utility ownership and operation of EV chargers, Ms. Seger-Lawson testified that the Company's installation and ownership of charging stations is reasonable for a number of reasons. First, I&M is proposing to charge a market-based competitive rate, to be updated periodically based upon a survey of other similar competitive chargers. The pricing structure proposed by I&M is designed to ensure that its EV rates do not undercut the rates of third-party-

owned charging stations or adversely impact the competitive market for EV charging. Second, the Company is receiving VW Trust Funds to install these chargers, and the deployment of chargers using these VW Trust Funds will benefit the public at large including I&M's customers. Third, I&M's proposed installation and ownership of approximately twelve EV fast-charging stations is relatively modest, and, if anything, they will add to the competitiveness of the EV charging market in Indiana, not detract from it. Additionally, the Company's proposal includes the commitment to return revenues received from its EV charging to customers. Finally, the Indiana General Assembly has made the policy decision that Indiana electric utilities may own and operate EV charging equipment, and may recover the costs through rates. The legislation that provides for this does not limit the locations where such equipment may be installed. [Pet. Ex. 3, p. 2]

With regard to the OUCC's argument that any utility-owned fast charging station should be accounted for below-the-line, Ms. Seger-Lawson reiterated that the Indiana General Assembly has passed legislation authorizing both utility ownership and operation of charging infrastructure, as well as the recovery of costs of such through utility rates, subject to a reasonable, just, and public interest standard. [Pet. Ex. 3, p. 3]

With regard to the OUCC's opposition to I&M's proposal to defer the net costs of the EV chargers, Ms. Seger-Lawson reiterated that the Indiana General Assembly has provided for cost recovery for charging infrastructure through rates. She also noted that the Company's proposal not only leverages VW Trust Funds, but the proposal supports a state policy of increasing deployment of EV charging equipment in order to facilitate the use of EVs in Indiana. She cited Indiana's electric vehicle infrastructure deployment plan as support for her position. In addition, she emphasized that I&M is only seeking to recover its actual costs of installing, owning, and operating these twelve EV chargers – no more and no less – and all VW Trust Funds will be used to offset the costs, as will all EV charging revenues received from these chargers. [Pet. Ex. 3, pp. 3-4]

With regard to the OUCC's concern with affordability as a result of these EV chargers, she noted that although the precise cost is uncertain, I&M is estimating \$250,000 to \$500,000 per charger before IDEM grant funding is applied. [Pet. Ex. 3, p. 5]

With regard to the OUCC's recommendation that external VW Trust Funds should first be applied to make ready costs, Ms. Seger-Lawson explained that the IDEM VW grant designates what the funds can be used for, and that the Company will comply with the IDEM grant terms and conditions. [Pet. Ex. 3, pp. 5-6]]

Finally, Ms. Seger-Lawson addressed the ambiguity pointed out by the OUCC with respect to the EVFC Tariff price changes. She noted that the initial EVFC tariff sheet did not describe the calculation of the market-based rate correctly, and the Company has modified the tariff rate description to refer to a regional rather than a statewide average and to a Company service territory rather than the State of Indiana. [Pet. Ex. 3, p. 6]

5. Commission Discussion and Findings. As prefatory matters, we address the OUCC's contention that I&M should only be authorized to own and operate charging stations in a non-utility, below-the-line manner, and Walmart's contention that I&M should only be authorized to own and operate charging stations in locations unlikely to be served by third-party charging

station owners and operators. Notably, in this proceeding, I&M is not seeking approval to own and operate the charging stations at issue here. No such approval is required, although we do note the evidence supports that I&M thoughtfully considered many factors in concluding it could install twelve charging stations. (See Petitioner's Ex. 5.) Further, in Indiana Code ch. 8-1-43, the Indiana General Assembly explicitly authorizes the ownership and operation of charging stations by Indiana electric utilities, along with the recovery of costs in rates – *i.e.*, in an above-the-line manner. Indiana Code § 8-1-43-8(f) provides as follows:

This chapter does not prohibit an electric utility from: (1) installing, owning, or operating charging infrastructure² or make-ready infrastructure for electric vehicles; and (2) seeking to include the associated capital costs in the electric utility's basic rates and charges through a proceeding initiated under IC 8-1-2-61.

The commission shall approve the inclusion of the capital costs described in subdivision (2) in the electric utility's basic rates and charges if the commission finds that the capital costs incurred are reasonable, just, and in the public interest.

Accordingly, we reject the OUCC's contention that the ownership and operation of the charging stations must take place below-the-line or as a non-utility business.

We do, however, agree with ~~also reject~~ Walmart's contention that the Commission should proceed cautiously and limit the deferral of costs in excess of VW funds for Company-owned ~~location of the~~ charging stations into ~~into~~ locations which are unlikely to be served by third-party charging station owners and operators. ~~Walmart's proposal, if approved, would require the Commission to determine the areas where the market will not deliver fast charging services. This determination is one which the Commission lacks expertise, and the record is bereft of any evidence establishing areas where the market will not deliver fast charging services. As such, Walmart's proposal is neither practical nor supported. With regard to~~ the Commission finds that Walmart's competitive concerns are valid, insofar as I&M would have an economic advantage over other competitive charging station owners who do not share the luxury of a captive customer base to insure full cost recovery. Such investment very well may be anti-competitive and therefore not in the public interest. Absent demonstration that such result will not occur, we cannot predetermine that automatic recovery of deferred excess costs in a rate case is just and reasonable. For that reason, we find that I&M is certainly permitted to seek recovery of excess deferred costs in its next base rate case, but such recovery will not be presumed to be reasonable and will not be approved unless I&M demonstrates at that time such recovery is just and reasonable based on the evidence presented at that time. ~~we note that the addition of I&M's proposed charging stations will increase the competitive charging landscape rather than impair it, particularly since I&M is proposing to charge a market-based, competitive, and periodically updated rate for EV charging at its owned and operated charging stations.~~

A. EVFC Tariff. Based upon the evidence presented, we find that I&M's proposed EVFC Tariff as presented in Petitioner's Exhibit 3, Attachment DSL-2, is reasonable and should be approved. I&M's EVFC Tariff will support fast charging services in its service territory,

² "Charging infrastructure" is defined in Ind. Code ch. 8-1-43- to include Level 2 charging stations, direct-current fast charging stations, and battery exchange stations. *See* Ind. Code § 8-1-43-1(b).

which is consistent with Indiana’s stated policy to “[c]ollaboratively plan, build, and maintain safe and innovative EV infrastructure that enhances quality of life, drives economic growth, and facilitates the movement of people and goods.” *See Indiana Electric Vehicle Infrastructure Deployment Plan*, July 29, 2022, Indiana Department of Transportation, pp. 21, 87. In addition, I&M has demonstrated that it will utilize reasonable and flexible means to price fast-charging service that neither undercut other market participants nor overburden EV drivers. As we have noted previously, undercutting existing charging stations’ pricing could serve as a barrier to entry to prospective non-utility charging market entrants and to possible expansion of existing market participants’ locations, while pricing charging service above market price could result in underutilization of a utility’s charging stations. *See Amended Petition of Duke Energy Indiana, LLC*, Cause No. 45616, 2022 IND. PUC LEXIS 129 (IURC; June 1, 2022). We note with approval that I&M’s proposed EVFC Tariff rate will be calculated using a regional average for EVFC charging offered by individual fast charge stations in I&M’s service territory that charge a consumption-based or time-based fee, are greater than 50 kW in charging output capacity, offer at least one charging connector, and are publicly accessible 24-hours per day. In addition, we approve I&M’s commitment to review and update its EVFC Tariff rate on a quarterly basis through the 30-day filing process when the average changes by more than 10% from the amount listed in the Tariff. This periodic pricing update is designed to ensure the tariff rate remains market-based as charging conditions evolve. Accordingly, we find that I&M’s proposal to update the tariff pricing to reflect relevant market pricing of non-utility owned charging infrastructure is a reasonable approach to encourage this emerging market.

B. — ~~Deferred Accounting.~~ ~~The OUCC argued that I&M's decision to defer for subsequent recovery the costs of installing, owning, and operating charging stations is not just and reasonable and that I&M should not be allowed to defer and recover capital (depreciation and financing) and O&M costs associated with the installation, ownership, and operation of the charging stations. Walmart echoed this argument with respect to charging stations located in areas likely to be served by the competitive charging market. We reject these arguments because they are inconsistent with Indiana state policy, Indiana statutory law, our precedent, and the unique circumstances presented by this case.~~

~~As discussed above, Indiana’s policy, as articulated in *Indiana Electric Vehicle Infrastructure Deployment Plan*, July 29, 2022, Indiana Department of Transportation, pp. 21, 87, is to build and expand Indiana’s EV fast-charging network. Also as quoted above, an Indiana statute (Ind. Code 8-1-43-8(f)) permits recovery through rates of the capital costs of fast-charging stations. And our precedent supports deferral and subsequent recovery of costs associated with utility-owned fast-charging stations. *See Amended Petition of Duke Energy Indiana, LLC*, Cause No. 45616, 2022 IND. PUC LEXIS 129 (IURC; June 1, 2022) (“Duke Energy Indiana is authorized to defer and recover capital and O&M costs associated with the Electric Transportation Program, as set forth in Petitioner’s Exhibit 2, and as modified in Petitioner’s rebuttal testimony, with carrying costs, for recovery in Duke Energy Indiana’s subsequent retail base rate proceeding”). *See also, Indiana Michigan Power Co.*, 2020 WL 1656243 at 61.~~

~~The unique circumstances present in this case also favor granting the requested deferred accounting treatment. I&M has proposed a relatively modest program—installation, ownership,~~

~~and operation of approximately twelve fast-charging stations, at a cost of roughly \$250,000 to \$500,000 per charging station. I&M will be receiving funds from the VW Trust (approximately \$1,000,000), which it will use to offset its charging station costs. And, I&M proposes to credit customers with the revenues it receives from its EVFC Tariff. Given these factors, we conclude and find that I&M's deferred accounting proposal is reasonable, just, and consistent with the public interest. The relatively modest size of the proposal, coupled with the offsets from the VW Trust Funds and the EVFC Tariff revenues, ensure that the proposal will not unduly affect the affordability of I&M's electric utility service.~~

~~Further, as we recognized in the *Duke Energy Indiana Cause No. 45616* Order cited previously, the pace of change, as well as the potential material impact mentioned above, driven by the likely accelerated adoption of electric vehicles which are being heavily incentivized, is elevated. Therefore, utility efforts to understand the changes while they are still manageable should reasonably be expected to be elevated, and even encouraged. By approving I&M's requested relief in this proceeding, we are acting in concert with Indiana state policy and statutory law, while also in effect acknowledging a reasonable encouragement of expedited learning regarding the effects of electric vehicles on I&M's distribution system.~~

~~Accordingly, based upon the evidence presented, we find that I&M's decision to incur the costs of approximately twelve fast-charging stations is just, reasonable, and in the public interest, and I&M should be authorized to defer and subsequently recover capital (depreciation and financing) costs, O&M costs (including the cost of electricity used to charge the vehicles and any charges assessed by the site location), and property tax expense and other taxes associated with the installation and operation of the approximately twelve fast-charging stations, net of VW Trust Funds received, until such costs are reflected in I&M's base retail electric rates, as proposed in its Verified Petition and case-in-chief testimony. Further, as also proposed in I&M's Verified Petition and case-in-chief testimony, I&M should be authorized to defer and subsequently credit customers with the revenues received from the EVFC Tariff, until such revenues are reflected in I&M's base retail electric rates.~~

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

1. I&M is authorized to implement its EVFC Tariff as described in Petitioner's Exhibit 3, Attachment DSL-2, at I&M-owned charging stations. I&M shall file the tariff under this Cause for approval by the Commission's Energy Division.

2. I&M is authorized to defer for possible subsequent recovery in its retail electric rates, capital costs (depreciation and financing costs), operation and maintenance costs, and taxes associated with the installation, ownership, and operation of approximately twelve I&M-owned fast-charging stations installed in its service territory, beginning as of July 19, 2023, and continuing for approximately five (5) years or until such costs are reflected in I&M's retail electric base rates; however, recovery of any costs incurred in excess of VW funds is not presumed to be just and reasonable at this time and shall be not be recovered from ratepayers until and unless I&M demonstrates in the course of the next rate case that such excess cost recovery would not unfairly advantage I&M in the EV charging market.

3. I&M is authorized to credit to retail electric customers, revenues received from its EVFC Tariff by reducing the deferred costs with the revenue collections, beginning as of July 19, 2023, and continuing for approximately five (5) years or until such revenues are reflected in I&M's retail electric base rates.

4. This Order shall be effective on and after the date of its approval.

HUSTON, BENNETT, FREEMAN, VELETA, AND ZIEGNER CONCUR

APPROVED:

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

Dana A. Kosco
Secretary to the Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document has been served by electronic mail, hard copies available upon request, this 22nd day of November, 2023, upon the following counsel:

T. Jason Haas
Adam J. Kashin
Office of Utility Consumer Counselor
115 West Washington Street, Suite 1500S
Indianapolis, IN 46204
thaas@oucc.in.gov
akashin@oucc.in.gov
infomgt@oucc.in.gov

Kay E. Pashos
Ice Miller LLP
One American Square, Suite 2900
Indianapolis, IN 46282-0200
Kay.pashos@icemiller.com

Tammara D. Avant
American Electric Power Service
Corporation
101 W. Ohio Street, Suite 1320
Indianapolis, IN 46204
tdavant@aep.com

/s/ Eric E. Kinder

Eric E. Kinder

Counsel for Walmart Inc.