

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 CERTAIN )  
COMPANY-OWNED ELECTRIC VEHICLE )  
FAST CHARGING STATIONS AND THE )  
REVENUES FROM THE ELECTRIC VEHICLE )  
FAST CHARGING TARIFF )

CAUSE NO. 45919

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S**  
**PROPOSED ORDER**

Pursuant to the schedule adopted at the conclusion of the hearings in this cause, Indiana Office of Utility Consumer Counselor ("OUCC") submits the attached proposed order.

Respectfully submitted,



T. Jason Haas  
Attorney No. 34983-29  
Deputy Consumer Counselor

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

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

**OUCC’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 Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the direct testimony of John E. Haselden, an expert witness 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 the witnesses.

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).

I&M seeks relief pursuant to Ind. Code §§ 8-1-2-10 and -61, among other provisions. 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 electric 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 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 the Indiana Department of Environmental Management ("IDEM") had issued a request for proposals related to the use of the VW Trust Fund<sup>1</sup> for EV charging stations; among IDEM's goals and objectives with respect to this RFP are:

- 1) To develop a statewide EV charging network that provides EV charging locations to the greatest number of citizens;

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<sup>1</sup> 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.

- 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 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 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 the rate will only apply at Company-owned charging stations. Ms. Seger-Lawson explained 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 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 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 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 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 it is appropriate to defer costs net of revenues associated with providing EVFC service. She stated 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 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 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 the OUCC's concerns are associated with the fact that I&M proposes to require customers to subsidize the EVFC projects in several ways, which allows I&M 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 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 the OUCC is not opposed to I&M or other utilities offering EVFC services, so long as the utilities compete fairly and conduct their business as "below-the-line"<sup>2</sup> operations without ratepayer

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<sup>2</sup> Below the line expenses and revenues are income statement items not included in determining operating income. If the item falls below the net operating income line of the income statement, it is labeled a below-the-line item.

subsidy. Mr. Haselden demonstrated I&M's EVFC Tariff rate is unlikely to cover the Company's costs of providing the EVFC Tariff service. In addition, Mr. Haselden noted I&M has spent no funds on the DCFC projects. He contended it is too speculative at this point to include any EVFC capital costs in base rates in view of the lack of certainty of any aspect of their development and the lack of any cost estimates. In addition, he testified the OUCC is concerned this proposal will adversely affect customer affordability. Mr. Haselden also expressed concerns about unfair competition with other EVFC providers, technical obsolescence of the proposed EVFCs compared to the National Electric Vehicle Infrastructure ("NEVI") requirements, and precedent for future Commission cases. Finally, he noted an ambiguity between I&M's testimony and the tariff sheet, and he stated 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 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), she urged the Commission to reject the Company's request to defer any excess costs to its general rate case or any other future case, but instead, find any such excess costs should be borne by the Company and not its customers. [Walmart Ex. 1, pp. 4-6]

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 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 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

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Operating income is the "line" referred to. These items are usually not included directly in the ratepayers' rates (although some are included indirectly; for example, interest expense is included in rates through the return on rate base).

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 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 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 I&M-owned fast charging stations 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 the 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 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 the Company will comply with the IDEM grant terms and conditions. [Pet. Ex. 3, pp. 5-6]]

Finally, Ms. Seger-Lawson addressed the ambiguity the OUCC pointed out with respect to the EVFC Tariff price changes. She noted 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.** We address I&M's proposed EVFC Tariff and rate, request to defer incremental costs associated with the installation and operation of approximately twelve fast charging stations until such costs are reflected in the Company's base rates, and request 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.

**A. EVFC Tariff.** I&M states its EVFC rate is based on an average of rates at publicly available EVFC stations within I&M's service territory. (Pet. Ex. 1, pp. 7-8). While the methodology is similar to that proposed and approved for Duke Energy Indiana in Cause No. 45616 (*See Amended Petition of Duke Energy Indiana, LLC*, Cause No. 45616, 2022 IND. PUC LEXIS 129 (IURC; June 1, 2022)), OUCC witness Haselden identified specific concerns with I&M's determination of comparable rates. First, while I&M described ten public EVFCs in its service territory, rates were only included for eight of these facilities. Out of these eight facilities, sales and revenue data solely for the EVFC facilities were attributed to only two of the sites, with I&M noting customers may have load not related to the EVFC facilities at two other locations, and I&M could not provide any usage information for the remaining four facilities. (Pub. Ex. 12, p. 4 and Attachment JEH-1, p. 12). Therefore, rate information could only be derived for two of the eight facilities. For six of the eight facilities, it is unknown how the rates were determined. I&M did not rebut this concern.

Mr. Haselden also expressed concern about subsidization of the EVFC services from other I&M ratepayers, stating the "OUCC is not opposed to utilities entering the EVFC market so long as they compete fairly and conduct their business as 'below-the-line' operations without ratepayer subsidy." (Pub. Ex. 1, p. 4) Utilizing the usage data from the two facilities for which data is available, Mr. Haselden determined the known per kWh rates would be higher than the EVFC rate proposed by I&M. Therefore, "[w]hen the capital costs and all other costs are considered, there is no hope this endeavor will break even, and any shortfall will be subsidized by all ratepayers." (*Id.*) Again, I&M did not rebut this specific concern.

I&M attempted to support its recovery of the EVFC rates by referencing Ind. Code § 8-1-43-8(f), contending the Indiana General Assembly has addressed the issue of cost recovery of utility-owned EV equipment. (Pet. Ex. 3, pp. 2-3). However, Ind. Code ch. 8-1-43 applies to "pilot programs" relating to "public use electric vehicles," which specifically means governmental or commercial electric vehicles under this statute. I&M did not request authority in this docket under Ind. Code ch. 8-1-43, nor does its proposal fit under the applicability of that chapter; therefore, I&M incorrectly references this section, as it is not supportive of I&M's request in this specific situation. I&M additionally references an INDOT document, "Indiana Electric Vehicle Infrastructure Deployment Plan," as further state policy to support its request. (*Id.*, pp. 3-4). While this document provides guidance on leveraging federal NEVI funding, we find it is guidance for the Commission in dealing with electric vehicle issues not otherwise addressed by statute. However, it is not binding as state policy in Commission matters as presumed by I&M.



Based upon the evidence presented, we find I&M's proposed EVFC Tariff, as presented in Petitioner's Exhibit 3, Attachment DSL-2, is not reasonable and should be rejected. While we approved a similar methodology in Cause No. 45616, the specific concerns the OUCC raised in this proceeding undermine I&M's determination of the regional average upon which I&M calculates its EVFC rate. Accordingly, we find that I&M's specific proposal to update the tariff pricing to reflect relevant market pricing of non-utility owned charging infrastructure is not 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. I&M's testimony regarding the deferred accounting only includes arguments as to why deferred accounting should be approved. As Mr. Haselden noted, I&M included no specific cost analysis in its case-in-chief and provided only the most basic cost estimates in response to discovery, essentially requesting a "blank check" from the Commission. (Pub. Ex. 1, p. 5). Walmart echoed this argument with respect to charging stations located in areas likely to be served by the competitive charging market. We agree. As noted above, I&M's references to state policy in Ind. Code ch. 8-1-43 and the IDEM document are misplaced and do not support I&M's request in this proceeding. Additionally, I&M responds in a superficial manner, simply stating that chargers will cost between \$250,000 to \$500,000 each, a fairly large range, without providing any support. (Pet. Ex. 3, p. 5) I&M also stated in discovery it does not have contracts for any of the EVFC sites. (Pub. Ex. 1, Attachment JEH-1, pp. 7-9). At this point, we find I&M has not provided sufficient support for its cost estimates. Further, Mr. Haselden raised the concern that EVFC capital cost recovery will be subsidized by I&M's captive ratepayers as I&M has not shown what revenues it expects to receive from the EVFCs and which costs could be deferred for later recovery. I&M admits to this, stating "we do not know how often or how many EV owners will use I&M owned chargers." (Pet. Ex. 3, p. 5). This further adds to the uncertainty of how much will be deferred in this proceeding. Additionally, the potential recovery of EVFC costs from I&M's ratepayers raises affordability concerns by increasing the rates for these customers for a service that the majority of I&M's ratepayers will not utilize.

Mr. Haselden also argues that EV chargers are not necessary for the safe, reliable, and efficient provision of electric service to customers. Publicly available EV chargers, such as those proposed in this case, are specialized equipment delivering a service in a public location to anyone willing to pay the fees, who are not necessarily I&M ratepayers. The use of a public charger is a choice made by the user of an EV. It is not a necessity for the provision of electric utility service. Notably, EV charging services can be – and are – provided by other independent businesses.

Mr. Haselden also argues that I&M is unfairly competing with other EVFC service providers, despite I&M's claim it will be charging a market-based, competitive rate. Allowing I&M to defer costs will give it economic and risk advantages not available to competitive EVFC providers. Other EVFC providers do not have the option of relying on captive ratepayers to pay otherwise unrecovered costs. Rather, market forces require third-party EVFC providers to be efficient and innovative in their operations. Finally, the OUCC raised concerns regarding practical issues relating to the rate at which this technical obsolescence of the EVFCs can occur. Mr.

Haselden noted minimum technical requirements IDEM mandated in awarding VW Trust Fund grants (two chargers at 50 kW each per location) are different than the NEVI-required minimum of four chargers at 150 kW each per location. The NEVI requirements have been a matter of public knowledge for over a year, but I&M is still proposing EVFCs that are already underpowered and too few per site to meet the NEVI requirements. While I&M cites to INDOT's NEVI requirements as state policy, I&M only anticipates some of its proposed sites may be NEVI-qualified. Most of the EVFCs proposed in this proceeding are lower powered and not as attractive to the market of users as higher powered sites with more chargers. This raises concerns about the creation of stranded costs that would be imposed on I&M's captive ratepayers.

Accordingly, it is unreasonable for the Commission to authorize deferral of costs not covered through the VW Trust Funds. Without an accurate accounting of expected deferred costs, supported by adequate evidence, the Commission cannot grant authorization of deferral of an unknown amount as I&M requests. Given the record evidence, the Commission concludes and finds that I&M's deferred accounting proposal is unreasonable and inconsistent with the public interest.

**C. Conclusion.** Based upon the evidence presented, we find that I&M's decision to incur the costs of approximately twelve fast-charging stations is not just, reasonable, or in the public interest. I&M may pursue the installation of the proposed EVFCs as a below-the-line service, but I&M is not 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.

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

1. I&M's proposal to implement its EVFC Tariff as described in Petitioner's Exhibit 3, Attachment DSL-2, at I&M-owned charging stations is denied.
2. I&M's proposal to defer for 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, is denied.
3. I&M may pursue the installation of the proposed EVFCs as a below-the-line service.
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.**

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**Dana A. Kosco**  
**Secretary to the Commission**

## **CERTIFICATE OF SERVICE**

This is to certify that a copy of the ***OUCC's Proposed Order*** has been served upon the following parties of record in the captioned proceeding by electronic service on November 22, 2023.

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