

ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	√		
Bennett	√		
Freeman	√		
Veleta	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF INDIANA MICHIGAN POWER)
COMPANY, AN INDIANA CORPORATION,)
FOR AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC UTILITY)
SERVICE THROUGH A PHASE IN RATE)
ADJUSTMENT; AND FOR APPROVAL OF)
RELATED RELIEF INCLUDING: (1) REVISED)
DEPRECIATION RATES, INCLUDING COST)
OF REMOVAL LESS SALVAGE, AND)
UPDATED DEPRECIATION EXPENSE; (2))
ACCOUNTING RELIEF, INCLUDING)
DEFERRALS AND AMORTIZATIONS; (3))
INCLUSION OF CAPITAL INVESTMENT; (4))
RATE ADJUSTMENT MECHANISM)
PROPOSALS, INCLUDING NEW GRANT)
PROJECTS RIDER AND MODIFIED TAX)
RIDER; (5) A VOLUNTARY RESIDENTIAL)
CUSTOMER POWERPAY PROGRAM; (6))
WAIVER OR DECLINATION OF)
JURISDICTION WITH RESPECT TO)
CERTAIN RULES TO FACILITATE)
IMPLEMENTATION OF THE POWERPAY)
PROGRAM; (7) COST RECOVERY FOR)
COOK PLANT SUBSEQUENT LICENSE)
RENEWAL EVALUATION PROJECT; AND (8))
NEW SCHEDULES OF RATES, RULES AND)
REGULATIONS.)**

CAUSE NO. 45933

APPROVED: MAY 08 2024

ORDER OF THE COMMISSION

**Presiding Officers:
David E. Ziegner, Commissioner
Ann S. Pagonis, Administrative Law Judge**

On August 9, 2023, Indiana Michigan Power Company (“I&M” or “Petitioner”) filed a Petition with the Indiana Utility Regulatory Commission (“Commission”) seeking authority to increase its rates and charges for electric utility service and associated relief as discussed below.¹ Also on August 9, 2023, Petitioner filed its case-in-chief, workpapers, and information required

¹ On June 6, 2023, I&M provided its notice of intent to file a rate case in accordance with the Commission’s General Administrative Order 2013-5.

by the minimum standard filing requirements set forth at 170 IAC 1-5. I&M's case-in-chief included testimony, attachments, and workpapers from the following witnesses:²

- Steven F. Baker, I&M President and Chief Operating Officer.
- Dona Seger-Lawson, I&M Director of Regulatory Services.
- David S. Isaacson, I&M Vice President of Distribution Operations.
- Nicolas C. Koehler, American Electric Power Service Corporation ("AEPSC") Director of East Transmission Planning.
- Shelli A. Sloan, AEPSC Director Financial Support and Special Projects in Corporate Planning and Budgeting.
- Andrew J. Williamson, I&M Director of Regulatory Services.
- Jason A. Cash, AEPSC Director of Regulatory Accounting Services.
- Aaron L. Hill, AEPSC Director of Trusts and Investments.
- Roderick W. Knight, TLG Services, Inc Decommissioning Manager.
- Jessica M. Criss, AEPSC Tax Accounting and Regulatory Support Manager.
- Ann E. Bulkley, The Brattle Group Principal.
- Franz D. Messner, AEPSC Managing Director of Corporate Finance.
- Tyler H. Ross, AEPSC Director of Regulatory Accounting Services.
- Jennifer C. Duncan, AEPSC Regulatory Consultant Staff in the Regulated Pricing and Analysis Department.
- Jenifer L. Fischer, AEPSC Manager, Regulated Pricing and Analysis.
- Kurt C. Cooper, I&M Regulatory Consultant Staff in the Regulatory Services Department.
- Joe Brenner, AEPSC Vice President, Business Solutions.
- Katherine K. Davis, I&M Vice President of External Affairs and Customer Experience.
- Kelly J. Ferneau, I&M Site Vice President at Donald C. Cook Nuclear Plant.
- Stacie R. Gruca, I&M Regulatory Analysis & Case Manager in Regulatory Services Department.
- Robert A. Jessee, AEPSC Managing Director – Generating Assets for I&M and Kentucky Power Company.
- Vanessa Yvonne Oren, AEPSC Executive Compensation Consultant, Sr. in Human Resources.
- Scott S. Osterholt, AEPSC Managing Director of Federal Grants and Broadband.
- Michael S. Small, AEPSC Regulatory Consultant Senior in Regulated Pricing and Analysis Department.
- Daniel M. White, AEPSC Managing Director of Economics and Supply Forecasting.

The Indiana Office of Utility Consumer Counselor ("OUCC") participated as a party. Petitions to Intervene were filed by the I&M Industrial Group, a group of industrial customers located in I&M's Indiana service territory³ (referred to collectively as "IG" or "Industrial Group"); Walmart, Inc. ("Walmart"); Citizens Action Coalition of Indiana, Inc. ("CAC"); City of Fort

² Petitioner filed revisions to its direct testimony on September 15, October 10, November 13, and December 8, 2023.

³ Included the following customers: Air Products and Chemical, Inc.; Cleveland-Cliffs Inc.; General Motors LLC; Linde, Inc.; Marathon Petroleum Company LP; Metal Technologies Auburn LLC; Messer LLC; and University of Notre Dame.

Wayne, Indiana, (“Ft. Wayne”); City of Marion, Indiana and Marion Municipal Utilities (“Marion”, and collectively with Ft. Wayne, the “Joint Municipals”); Wabash Valley Power Association, Inc. d/b/a Wabash Valley Power Alliance (“Wabash Valley”); City of Auburn Electric Department (“Auburn”); and Steel Dynamics, Inc. (“SDI”). These petitions were granted without objection.

On August 25, 2023, the Commission issued a Docket Entry establishing a procedural schedule and related requirements, and approving certain stipulations included in I&M’s Petition.

Public field hearings were held on October 16, 2023, in Fort Wayne, Indiana, the largest municipality in Petitioner’s Indiana service area, and on October 30, 2023, in South Bend, Indiana. At these field hearings, members of the public made statements under oath to the Commission.

On November 15, 2023, the OUCC and certain intervenors filed their respective cases-in-chief. For purposes of its case-in-chief, the OUCC prefiled written consumer comments as well as testimony and attachments from the following witnesses:

- Michael D. Eckert, Director of the OUCC’s Electric Division.
- Brian R. Latham, Utility Analyst in the OUCC’s Electric Division.
- Wes R. Blakley, Senior Utility Analyst in the OUCC’s Electric Division.
- Kaleb G. Lantrip, Utility Analyst in the OUCC’s Electric Division.
- Jared J. Hoff, Utility Analyst in the OUCC’s Natural Gas Division.
- Brian A. Wright, Utility Analyst II in the OUCC’s Electric Division.
- Gregory L. Krieger, Utility Analyst in the OUCC’s Electric Division.
- Shawn Dellinger, Senior Utility Analyst I in the OUCC’s Water/Wastewater Division.
- David J. Garrett, Managing Member of Resolve Utility Consulting, PLLC.
- David E. Dismukes, Consulting Economist with Acadian Consulting Group.
- April M. Paronish, Assistant Director in the OUCC’s Electric Division.

The Industrial Group provided testimony and attachments from James R. Dauphinais and Michael P. Gorman, both Consultants and Managing Principals, and Brian C. Andrews, Consultant and Associate, all with Brubaker & Associates, Inc.

Walmart prefiled the testimony and attachments of Lisa V. Perry, Director, Regulatory-Utility Partnerships for Walmart.

The CAC prefiled the testimony and attachments of Benjamin Inskeep, CAC’s Program Director.

Joint Municipals provided testimony and attachments from Laurie A. Tomczyk, Senior Manager in the Energy Practice of NewGen Strategies and Solutions, LLC (“NewGen”); Anthony M. Georgis, Managing Partner of the Energy Practice of NewGen; and Douglas J. Fasick, Chief Sustainability Office, Mayor’s Office for the City of Fort Wayne.

On December 13, 2023, the OUCC prefiled cross-answering testimony from David E. Dismukes. That same day, the Industrial Group prefiled cross-answering testimony from Brian C. Andrews.

Also on December 13, 2023, I&M prefiled rebuttal testimony, exhibits, and workpapers for the following witnesses:

- Steven F. Baker.
- Joe Brenner.
- Dona Seger-Lawson.
- David S. Isaacson.
- Aaron L. Hill.
- Jason A. Cash.
- Ann E. Bulkley.
- Tyler H. Ross.
- Jessica M. Criss.
- Katherine K. Davis.
- Kelly J. Ferneau.
- Vanessa Yvonne Oren.
- Scott S. Osterholt.
- Michael S. Small.
- Jenifer L. Fischer.
- Kurt C. Cooper.

On December 20, 2023, I&M, the OUCC, the Industrial Group, CAC, Fort Wayne, Marion, Walmart, and Wabash Valley (collectively, the “Settling Parties”) filed an Unopposed Joint Motion for Leave to File Settlement Agreement and Request for Settlement Hearing (“Joint Motion”). In the Joint Motion, the Settling Parties advised that they had executed the attached Stipulation and Settlement Agreement (“Settlement Agreement”), which resolved all issues pending before the Commission in this proceeding.⁴ By Docket Entry dated December 27, 2023, the Presiding Officers revised the procedural schedule to accommodate presentation of the Settlement Agreement and supporting evidence.

On January 9, 2024, I&M prefiled the settlement testimony, attachments, and workpapers of Mr. Williamson in support of the Settlement Agreement. Also on January 9, 2024, the following witnesses filed additional testimony supporting the Settlement Agreement:⁵

- Michael D. Eckert, on behalf of the OUCC.
- Brian C. Andrews, on behalf of the Industrial Group.
- Laurie A. Tomczyk, on behalf of the Joint Municipals.

⁴ The Joint Motion indicated the two remaining parties of this case, SDI and Auburn, were included in the settlement communications but are not parties to the Settlement Agreement. The Joint Motion further indicated SDI and Auburn had no objection to the Joint Motion or the Settlement Agreement and waived cross-examination.

⁵ On January 9, 2024, Walmart filed a letter noting that it fully supports the terms of the Settlement Agreement and requests the Commission approve the Settlement Agreement in full and without modification.

- Douglas J. Fasick, on behalf of the Joint Municipals.

On January 25, 2024, the Presiding Officers issued a Docket Entry requesting additional information, to which the OUCC and I&M separately replied on January 29, 2024.

An evidentiary hearing was held at 1:30 p.m. on January 31, 2024, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the evidentiary hearing, the Settlement Agreement and the direct, cross-answering, rebuttal, and settlement testimony and exhibits of each party were admitted into the record without objection. Further, per the terms of the Settlement Agreement, the parties mutually waived cross-examination of each other's witnesses.

The Commission, based upon applicable law and the evidence, finds as follows:

1. Notice and Jurisdiction. Legal and timely notice of the public hearings held in this Cause were given and published as required by law. I&M is a public utility as defined in Ind. Code § 8-1-2-1(a). Pursuant to Ind. Code §§ 8-1-2-42 and 42.7, the Commission has jurisdiction over I&M's rates and charges for utility service. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. Petitioner's Organization and Business. I&M is a public utility with its principal place of business located at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M renders retail electric utility service to approximately 482,000 retail customers located in the following Indiana counties: Adams, Allen, Blackford, DeKalb, Delaware, Elkhart, Grant, Hamilton, Henry, Howard, Huntington, Jay, LaPorte, Madison, Marshall, Miami, Noble, Randolph, St. Joseph, Steuben, Tipton, Wabash, Wells, and Whitley. I&M also provides electric service in Michigan to approximately 133,000 retail customers. I&M is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). I&M is a member of PJM Interconnection, L.L.C. ("PJM"), a regional transmission organization operated under FERC's authority, which controls the use of I&M's transmission system and the dispatching of I&M's generating units.

I&M renders electric service by means of electric production, transmission, and distribution plant, as well as general property, equipment, and related facilities, including office buildings, service buildings, and other property, which are used and useful for the convenience of the public in the production, transmission, delivery, and furnishing of electric energy, heat, light, and power. I&M's property is classified in accordance with the Uniform System of Accounts as prescribed by FERC and approved and adopted by the Commission.

3. Existing Rates. The Commission approved I&M's current base rates and charges on February 23, 2022 in its Order in Cause No. 45576 (the "45576 Order"), based upon test year operating results for the 12 months ended December 31, 2022. The petition initiating Cause No. 45576 was filed with the Commission on July 1, 2021; consequently, in accordance with Ind. Code § 8-1-2-42(a), it has been more than 15 months since I&M filed its most recent petition for an increase in basic rates and charges and the filing of I&M's petition in this Cause.

4. Test Year and Rate Base Cutoff. As authorized by Ind. Code § 8-1-2-42.7(d)(1), Petitioner proposed a forward-looking test period using projected data, with the test year used for determining Petitioner’s projected operating revenues, expenses, and net operating income being the 12-month period ending December 31, 2024. I&M is utilizing the test year end, December 31, 2024, as the general rate base cutoff date. The historical base period is the 12-month period ended December 31, 2022.

5. I&M’s Requested Relief. In its Petition, I&M requested Commission approval of an overall annual increase in revenues of approximately \$116.4 million, or approximately 6.8%. I&M proposed to implement the requested revenue increase in two steps through the Phase-In Rate Adjustment process used in Petitioner’s three most recent basic rate cases. In Phase I, revenue would increase by approximately \$83.7 million or 4.89%. Phase II would reflect an increase of \$32.7 million, or approximately 1.91%, as adjusted for actual test year investments. As detailed in I&M’s case-in-chief, Petitioner also requested Commission approval of specific accounting and ratemaking relief, including new depreciation accrual rates, modifications to rate adjustment mechanisms, and I&M’s proposed revenue allocation and rate design.

6. Opposition, Rebuttal, and Cross-Answering. The OUCC and intervenors raised numerous challenges to Petitioner’s filing, including to the proposed rate base, return on equity and rate of return, operating and maintenance (“O&M”) expenses, depreciation rates, rider proposals, cost of service allocation, and rate design. The extent to which these parties disagreed with each other is shown in their cross-answering testimony. The extent to which I&M disagreed or agreed with the OUCC and intervenors was addressed in I&M’s rebuttal evidence.

7. Settlement Agreement. Mr. Williamson, Mr. Eckert, Mr. Andrews, Ms. Tomczyk, and Mr. Fasick presented testimony in support of the Settlement Agreement. They discussed its terms and stated the Settlement Agreement resolves all issues related to I&M’s revenue requirement and rate design. Mr. Williamson explained this is a settlement of all the issues among all but two of the parties in this Cause. SDI and Auburn, the two parties not joining the Settlement Agreement, have communicated to the Commission and the Settling Parties that they do not oppose the Settlement Agreement. All five witnesses providing settlement testimony testified the Settlement Agreement is a product of intense negotiations, with each party offering compromise to challenging issues. Per Mr. Andrews, the Settlement Agreement represents the culmination of the parties’ efforts to come together through the process of negotiations to find a result that reflects the purpose of utility regulation – the balancing of interests between the utility and its consumers. Mr. Eckert testified that given the certainty of many ratepayer benefits under the Settlement Agreement, the OUCC, as the statutory representative of all ratepayers, concluded the Settlement Agreement is a fair resolution of the issues, supported by the evidence, is in the public interest, and should be approved. Ms. Tomczyk testified the settlement process included extensive negotiations among participants representing a diverse and sometimes conflicting set of ratepayer interests, including those of residential, low-income, commercial, industrial, wholesale, and municipal customers of I&M. She said the Settling Parties recognized the uncertainty associated with litigation and understood that a well-reasoned compromise between their various positions would result in an acceptable outcome that avoided the uncertainty and expense of a fully litigated case.

A. Overview. Mr. Williamson explained how the Settlement Agreement is organized and stated it is important to recognize that the Settlement Agreement is presented as a complete negotiated package of terms that, taken as a whole, reflects compromise and the give and take of negotiations.

Mr. Eckert explained the Settlement Agreement addresses the Five Pillars of electric utility service, including the affordability issues raised by the OUCC.⁶ More specifically, he said the Settlement Agreement reduces I&M's requested revenue increase in several ways. For example, the Settlement Agreement removes: (1) \$15.8 million in depreciation expense; (2) \$6.0 million in O&M expenses; (3) \$2.0 million of I&M's requested nuclear decommissioning expense; (4) \$0.9 million in Information Technology ("IT") costs; (5) \$4.0 million in major storm expense; and (6) other costs identified in his testimony and in the Settlement Agreement.

B. Revenue Requirement. If the Settlement Agreement is approved, I&M's base rates will be designed to reflect a lower revenue requirement than I&M proposed in its case-in-chief, which supported a revenue deficiency of approximately \$83.7 million in Phase I and \$116.4 million in Phase II.

Mr. Eckert explained that the Settling Parties agreed to an annualized combined basic rate and rider revenue requirement increase of \$56.9 million, which is a decrease of \$59.5 million prior to updated Transmission Owner Costs, Revenues, and Proposed Rider Revenue, and a decrease of approximately 51.11% from I&M's requested increase of \$116.4 million. Inclusive of Transmission Owner Costs, Revenues, and Proposed Rider Revenues, the Settlement Agreement decreases the Phase I revenue request by approximately \$56.1 million and the Phase II revenue request by approximately \$54.6 million. The result is a Phase I revenue increase of approximately \$27.6 million or 1.61%. Phase II reflects an increase of \$34.2 million, or approximately 2.00%.

C. Return on Equity ("ROE"), Capital Structure, and Rate of Return.

1. **ROE and Capital Structure.** In its case-in-chief, I&M proposed a 10.50% ROE and several intervenors, including the OUCC, Walmart, and the Industrial Group, advocated for a considerably lower ROE. Testimony in support of the Settlement Agreement explained that as a result of the negotiations, a compromise was reached, resulting in a 9.85% ROE, which is within the range of evidence presented by the Settling Parties. The ROE component of the Weighted Average Cost of Capital ("WACC") used in each of I&M's capital riders will be 9.85%.

Mr. Williamson testified that the agreed upon ROE is within the range of Commission authorized ROEs or negotiated ROEs for other investor-owned utilities in Indiana. More specifically, he said the agreed upon ROE is slightly higher than the negotiated NIPSCO ROE of 9.80% reflected in the settlement approved by the Commission on August 2, 2023 in Cause No. 45772; and slightly lower than the negotiated AES Indiana ROE of 9.90% reflected in the settlement pending approval before the Commission in Cause No. 45911. He said the agreed 9.85%

⁶ Recently enacted House Enrolled Act 1007, codified at Ind. Code § 8-1-2-0.6, sets forth five attributes (also referred to as the "Five Pillars") the Commission considers: reliability, affordability, resiliency, stability, and environmental sustainability.

ROE is similar to the 9.86% ROE authorized for I&M by the Michigan Public Service Commission on January 23, 2020. He added that from Petitioner's perspective, the agreed upon ROE is also consistent with Petitioner's witness Bulkley's rebuttal testimony that recently authorized ROEs for vertically integrated electric utilities over the past 18 months demonstrate that the cost of equity has increased. He stated that, as Petitioner's witness Baker explained in his rebuttal testimony, it is important that Petitioner be provided the opportunity to earn a ROE consistent with the market and takes into consideration that Petitioner's overall performance is noteworthy in multiple important metrics.

Mr. Eckert testified that a ROE lower than I&M's original request benefits ratepayers by reducing the return on rate base reflected in customers' rates. He added that from the OUCC's perspective, for settlement purposes, using a 9.85% ROE for determining I&M's revenue requirement in its base rates and ongoing capital riders more accurately reflects I&M's risk profile than Petitioner's proposed 10.50% ROE. Mr. Eckert added that in addition, the lower ROE reduces the return on capital investment that consumers must pay through capital riders between rate cases. Mr. Eckert testified that the Settlement Agreement establishes a more balanced plan that is in the interest of ratepayers while still preserving the financial integrity of Petitioner.

The Settlement Agreement also addresses Petitioner's capital structure in Section I.A.1.2. The Settling Parties agreed that for purposes of calculating the Phase I compliance filing, the debt/equity ratio for investor-supplied capital will reflect the Phase II capital structure approved in the 45576 Order (i.e., 50%/50%). As discussed by Mr. Williamson, for purposes of the Phase II compliance filing, I&M's debt/equity ratio will be adjusted to its December 31, 2024, actual ratio based on shareholder contributions of debt and equity but will be no higher than a 51.2% equity ratio. The Settlement Agreement provides that the agreed after-tax WACC to be applied to I&M's original cost rate base will be 6.05% for Phase I and 6.12% for Phase II, subject to the Phase II compliance filing. Mr. Williamson stated Attachment AJW-1-S to Petitioner's Exhibit 42 (which updates Exhibit A-7) sets forth the settlement WACC and Cost of Investor Supplied Capital for both Phase I and Phase II.

2. Private Letter Ruling ("PLR") and Net Operating Loss Carry-Forward ("NOLC"). Mr. Williamson and Mr. Eckert discussed how the Settlement Agreement resolves the contested issue regarding I&M's NOLC. As stated by Mr. Williamson, I&M will retain in its capital structure the approximately \$96.9 million (total company) in cost-free capital that it proposed to remove through its proposed NOLC adjustment. Pending receipt of a PLR from the Internal Revenue Service ("IRS"), the Settling Parties agreed that the Commission should continue to authorize I&M to establish a regulatory asset for the return that would be associated with the inclusion of the proposed NOLC adjustment in the calculation of accumulated deferred federal income taxes ("ADFIT") in I&M's capital structure. The regulatory asset would also be established for any differences in I&M's requested levels of protected excess accumulated deferred federal income tax ("EADFIT") amortization and the settled levels of amortization. Mr. Williamson stated that upon the effective date of the rates being implemented in this proceeding, the accrual of this regulatory asset will reflect the terms of this Settlement Agreement.

If the IRS issues a PLR determining that failure to reinstate I&M's proposed NOLC ADFIT in the calculation of I&M's capital structure constitutes a normalization violation, I&M will initiate a limited proceeding to update its Tax Rider to reflect the NOLC adjustments, along with any Commission-approved offsets, in rates on an ongoing basis and to recover the regulatory asset. The Settling Parties have expressly reserved the right to take any position in the limited proceeding related to the NOLC and Petitioner's proposed ratemaking related thereto. All parties also reserve all rights to any position regarding Petitioner's continued participation in the Tax Sharing Agreement on a going forward basis in Petitioner's subsequent base rate cases. If the IRS PLR determines there is no normalization violation created by the failure to reinstate the NOLC ADFIT, the Settlement Agreement provides that the regulatory asset will be written off and will not be requested for recovery in rates. Mr. Williamson testified that the proposed resolution of this issue recognizes that the IRS PLR process exists to allow the IRS to rule on matters regarding its own tax rules and reasonably balances the need for compliance with the IRS normalization rule with the ratemaking process. He said the proposed resolution of this issue is consistent with the resolution approved by the Commission in the 45576 Order.

3. Net Operating Income. As stated by Mr. Williamson, under the Settlement Agreement, the agreed-upon authorized base rate net operating income will be \$331,133,925 after adjustment for Transmission Owner Costs, Revenues.

D. Depreciation Rates and Expense. Mr. Eckert testified the Settling Parties agreed to use OUCC witness David Garrett's proposed adjustment to I&M's requested depreciation rates for distribution plant accounts shown in Attachment DJG-3 to Public's Exhibit 9. He said this results in a reduction to depreciation expense of \$15.8 million. He added that the depreciation rates were calculated using the Average Life Group ("ALG") methodology.

Mr. Williamson said Petitioner's proposed depreciation rates, which are calculated using ALG, will otherwise be approved. He testified the negotiated resolution is a reasonable compromise and stated the revised depreciation rates are set forth in Attachment AJW-2-S to Petitioner's Exhibit 42.

E. Rate Base. Mr. Williamson provided a summary of I&M's rate base (Indiana Jurisdictional) in Petitioner's Exhibit 42 at 16, Figure AJW-3, as of December 31, 2024 as a result of the Settlement Agreement.

F. Expense Adjustments. Mr. Williamson testified that Section I.A.3 of the Settlement Agreement (Expense Adjustments) provides another means of mitigating increases to consumer rates. Mr. Williamson and Mr. Eckert stated for purposes of calculating the revenue requirement in this case, I&M agreed to reduce its proposed O&M expenses (Indiana Jurisdictional) as follows: \$2.0 million in nuclear decommissioning expense; \$6.0 million in other O&M in I&M's test year forecast; and \$0.9 million in certain IT costs. Mr. Williamson said that in I&M's Phase II compliance filing, if the Distribution Energy Resource Management Systems ("DERMS") project is in-service, I&M shall credit to the project costs (similar to Contributions-in-aid-of-Construction), the grant funds received for its DERMS project, net of the tax impact and grant writing costs. He said I&M further agreed that the grant writing costs shall not exceed \$250,000 (Indiana Jurisdictional) or the grant amount (whichever is less). He said the grant funds,

net of the tax impact and grant writing costs, will reduce the depreciation of the underlying assets, and rate base (net of depreciation). He explained if the DERMS project is not in-service as of the Phase II compliance filing date, Petitioner will credit its capital expenditures in the next base rate proceeding or the earliest alternative filing in which DERMS is recognized in rate base.

Mr. Williamson added that the Settling Parties agreed I&M may seek additional adjustments to the funding level of the Nuclear Decommissioning Trust (“NDT”) based on future analyses of the adequacy of the NDT funds to pay for decommissioning, and that nothing in the Settlement Agreement shall be construed as limiting any party’s position with regard to the recovery of actual nuclear decommissioning costs or the appropriate balance of the NDT. He said this compromise reasonably resolves the differing views regarding the appropriate level for nuclear decommissioning expense. Mr. Williamson also clarified that nothing in the Settlement Agreement precludes I&M from seeking recovery of these types of expenses in a future case.

G. IURC Fee and Revenue Conversion Factor. Mr. Williamson stated Section I.A.4 of the Settlement Agreement provides that the IURC Fee of 0.1467603% will be used to calculate the gross revenue conversion factor. He said this provision reflects I&M’s agreement with OUCC witness Blakley’s recommendation to use the IURC Fee rate as of July 1, 2023. He provided the revised gross revenue conversion factor in Attachment AJW-7-S to Petitioner’s Exhibit 42.

H. Major Storms. Section I.A.5 of the Settlement Agreement sets forth the Settling Parties’ agreement that the Major Storm Damage and Restoration Reserve will continue as proposed by I&M and accepts IG witness Gorman’s recommendation that annual distribution major storm O&M expense embedded in basic rates be increased by an additional \$1.6 million (Indiana Jurisdictional), for a total of \$9.4 million (Indiana Jurisdictional). As explained by Mr. Williamson and Mr. Eckert, the previously unrecovered balance of storm restoration costs will be recovered and amortized over four years instead of two. Mr. Williamson testified that from Petitioner’s perspective, the frequency of major events in Indiana has had an upward trend. He said despite this increasing trend, I&M has seen an improvement in response and recovery but the cost of recovering from major storm damage remains significant, variable, or volatile, and largely outside Petitioner’s control. He said this negotiated compromise reasonably balances the ratemaking impact of these costs by using a ratemaking device (*i.e.*, longer amortization period) to mitigate rate impact in this case.

I. PowerPay. Mr. Williamson testified that PowerPay is a voluntary program allowing residential customers to pre-pay for electric service and thereby manage their electric bills based on their own personal budget. He said I&M’s case-in-chief outlined the nature of this program and the benefits to customers. He explained the OUCC and CAC proposed certain modifications to I&M’s proposal, which were somewhat in conflict with each other. He said I&M addressed these differences and its position in rebuttal testimony, including the position that a pilot is not necessary given that pre-pay programs are no longer in the experimental phase. He noted I&M’s sister company, the Public Service Company of Oklahoma, has been offering a successful pre-pay program since 2016. Mr. Williamson testified that during settlement negotiations, parties worked to find common ground and develop a path forward for this program.

Mr. Williamson and Mr. Eckert testified that Section I.A.6 of the Settlement Agreement provides that the PowerPay Program will be approved as a pilot program as recommended by the OUCC, with certain modifications. Specifically, the program will be modified as follows:

- Participants will be notified up front that they are responsible for monitoring their account balances to prevent disconnection in all circumstances, including periods when they temporarily lose access to cell phone service or the internet;
- Participants will be provided an opportunity to identify a person to receive third-party notification in case of pending disconnection; and
- A customer's previous deposit will be used to cover arrearages remaining from a previous account. The customer may choose whether to apply the deposit (or remaining balance of the deposit) toward electric service under the PowerPay Program or receive a refund. If a customer does not make a choice within ten days of receiving notification, the deposit or remaining balance will be applied toward electric service under the PowerPay Program. Petitioner's Exhibit 42 at 20.

Mr. Williamson stated that in addition, I&M will offer to meet with the OUCC and CAC no less than 60 days prior to implementing the program to review program implementation details and define program metrics. He explained I&M will also meet with the OUCC and CAC within 60 days of the end of the first year to review program status and metrics and within 60 days of the end of the second and final year of the pilot program. Mr. Williamson testified that as recommended by Ms. Paronish, at a minimum, I&M will use the metrics outlined in her testimony in Public's Exhibit 11 on pages 10 and 11, and I&M will limit the number of participating customers during the first year of the program to no more than 2,300. He added that, as shown by Ms. Paronish's testimony, this list captures the specific metrics proposed by Duke Energy Indiana in Cause No. 45193 and the Commission-identified metrics in the final order in that Cause. He said the negotiated resolution allows Petitioner, the OUCC and CAC to discuss additional details and metrics, which is consistent with Cause No. 45193. He said I&M will file a report with the Commission regarding the metrics within 90 days of the pilot's completion. Mr. Williamson noted that nothing in the Settlement Agreement shall preclude Petitioner from seeking Commission approval to continue the program beyond the end of the pilot.

Mr. Williamson testified the Settling Parties agreed the costs of the PowerPay Program will be deferred, including a return on the plant investment, for recovery in I&M's next basic rate proceeding. He noted the Settling Parties reserve their rights to take any position in that rate proceeding regarding the recovery of the deferred costs. He testified that if Petitioner seeks to recover costs of the PowerPay Program it will present information on the impact of the pilot on the following: (1) Indiana jurisdictional total bad debt expense; (2) Indiana jurisdictional bad debt expense attributable to customers on the PowerPay Program; (3) improvement in back office efficiencies that reduce I&M's expenses; and/or (4) any other reasonably-measured program benefit Petitioner has analyzed. Mr. Williamson said this information, together with the reporting requirement agreed to in Section I.A.6 of the Settlement Agreement, will reasonably position the parties and the Commission to assess the program while recognizing that the limitations imposed on the pilot, such as the participation cap, could impact the overall program results.

J. Grants Project and Broadband. Mr. Williamson testified I&M agreed to withdraw from this basic rate proceeding its request for approval of an expedited review process for grants and associated ratemaking and reporting via the Grants Project Rider. He said this will allow I&M to further consider stakeholder input in the design of this program. He stated with respect to I&M's proposed Delaware and Grant Middle Mile Connect ("DG MMC") project, the Settling Parties worked to find a resolution of this issue and agreed to a compromise that reasonably removes the incremental investment for broadband internet service to Internet Service Providers ("ISPs") from the ratemaking process. He said specifically, the Settlement Agreement provides that if I&M pursues the DG MMC project, neither the investment included in the grant award to provide broadband internet service to ISPs, nor the awarded grant funding will be included in the calculation of I&M's electric utility rates. He said fiber leasing costs and revenues for the DG MMC project will be accounted for below the line and excluded from the retail ratemaking process.

K. Riders. The testimony in support of the Settlement Agreement also discussed the provisions related to I&M's rider mechanisms.

1. Fuel Cost Adjustment Rider ("FAC"). Mr. Eckert testified that I&M agreed to continue the OUCC's 35-day review period from the time I&M files its FAC petition until the time the OUCC files its case-in-chief. He said a 35-day review period is necessary to provide the OUCC with adequate time to review I&M's semi-annual FAC filing and issue appropriate discovery to evaluate and address issues, as needed. Mr. Williamson noted this agreement is consistent with Mr. Eckert's direct testimony.

2. Off-System Sales Margin Sharing / PJM Cost Rider ("OSS/PJM Rider"). Mr. Williamson testified Section I.A.8.2 of the Settlement Agreement balances Petitioner's need for timely cost recovery of PJM Network Integration Transmission Service ("NITS") costs with the concerns raised by IG witness Dauphinais regarding rate adjustment mechanisms. Mr. Williamson said the negotiated compromise will mitigate rate increases between general rate cases and this in turn, in I&M's view, should help customers to better understand the going-forward cost of electricity. He explained the Settlement Agreement provides that an annual cap will be placed on the PJM NITS costs reflected in FERC accounts 4561035 and 5650016 recovered through the PJM rider. He said the annual cap is based on the Indiana Jurisdictional amount per Megawatt-hours ("MWh") forecasted for 2024 plus 20% times the actual annual MWh sales subject to the OSS/PJM Rider. He stated specifically, the annual cap will be calculated using \$31.18 per MWh as the multiplier, computed as follows: $(\$161,850,695 + \$237,848,022) \times 83.17998\% / 12,794,031 \text{ MWh}$ (see Petitioner's Exhibit 18 WP-JLF-6) $\times 120\%$. Mr. Williamson testified that in each annual OSS/PJM Rider filing, Petitioner shall multiply the total actual MWh sales for the year by the \$31.18 per MWh multiplier to arrive at the annual cap. He said annual NITS costs in any year that result in rates that exceed the annual cap, together with the associated NITS rider revenue requirement and carrying costs, will be placed in a regulatory asset for recovery in I&M's next base rate case. He noted the Settling Parties reserve their rights to take any position with respect to the appropriate amortization period and related going-forward return on any unamortized balance of any regulatory asset created pursuant to this term of this Settlement Agreement. *Id.* Mr. Eckert noted the embedded base rate amount will be updated to reflect the forecasted test year level of PJM non-NITS charges. Public's Exhibit 14S at 7.

3. Tax Rider. Mr. Williamson testified that I&M's current Tax Rider was developed to pass back unprotected ADFIT credit that resulted from the Tax Cut and Jobs Act of 2017. He said it was modified in the 45576 Order to credit the remaining unprotected excess ADFIT and to also include the NOLC adjustment associated with the IRS PLR. Mr. Williamson testified that in this proceeding, I&M proposed to expand use of the Tax Rider to timely reflect in customer rates the potential net benefits I&M realizes from the Inflation Reduction Act, including any potential Corporate Alternative Minimum Tax ("CAMT") and Production Tax Credits ("PTCs") associated with the Cook Nuclear Facility. He noted the OUCC and Joint Municipals opposed I&M's proposed modifications to the Tax Rider.

Mr. Williamson and Mr. Eckert testified the Settling Parties agree that the Tax Rider will continue to be used to implement ratemaking adjustments associated with the IRS PLR that requires I&M to make its proposed NOLC adjustment as provided for specifically in Section I.A.1.4 and to reconcile the excess crediting of unprotected ADFIT in accordance with the Order issued by the Commission in Cause No. 45235 on March 11, 2020 ("45235 Order") and the 45576 Order. Mr. Williamson stated this resolution is consistent with Petitioner's last rate case settlement approved by the Commission.

According to Mr. Williamson and Mr. Eckert, Petitioner also agreed to withdraw its proposal in this proceeding to use the Tax Rider to flow through the CAMT and PTCs specifically associated with the Cook Nuclear Facility. Mr. Williamson testified this resolution reflects the OUCC position that it is unnecessary to address the CAMT in the Tax Rider and the potential increase to federal tax expense is not sufficiently known to be reflected in the Tax Rider, as well as the Joint Municipals' opposition to expanding the Tax Rider to reflect these items. He said this resolution also reflects the OUCC position that the Tax Rider does not need to be expanded because the amount is not currently known. He stated from Petitioner's perspective it is important that these items not be reflected in rates until they are reasonably known. Mr. Williamson testified that while Petitioner proposed to use the Tax Rider for this purpose, the negotiated compromise recognizes that these issues reflect future events that are still developing. He stated that to the extent CAMT and Cook Nuclear Facility PTCs are realized in the future and impact I&M's ongoing federal income tax expense, the impacts will be reflected in I&M's semi-annual FAC earnings test calculations. He said as a result, I&M's customers will benefit from these tax-related items in the event that I&M's actual earnings may exceed its authorized net operating income as determined by the FAC earning test.

L. Subsequent License Renewal Application ("SLRA") Project. Mr. Williamson testified that, as explained in Petitioner's Exhibit 42 at page 26, Petitioner is engaged in a generation transition strategy that supports a diversified and flexible portfolio of supply-side and demand-side resources. He said the portfolio will provide a reliable and resilient set of generation resources that stabilize energy costs over time, stimulate economic development growth, reduce emissions, and take advantage of new technologies. He said the anchor to this strategy is the continued operation of Petitioner's Cook Nuclear Facility. To prepare for both Cook Nuclear Facility Units approaching the end of their current licenses in 2034 and 2037, respectively, Petitioner plans to initiate the process to evaluate, and potentially pursue, a Subsequent License Renewal ("SLR") for both Cook Nuclear Facility Units starting in 2024. Petitioner's witness

Ferneau discussed the activities associated with the SLRA Project in greater detail. The OUCC, CAC and IG raised concerns with the SLRA Project, to which I&M responded in rebuttal.

Mr. Williamson testified Petitioner appreciated the OUCC and IG identifying potential alternatives that would allow Petitioner to proceed with this important work at Cook Nuclear Facility. He said Petitioner understands its obligation to demonstrate the costs associated with the SLRA are reasonable and prudent and presented information in its direct testimony to support its proposal. He added that Petitioner also recognizes that transparency regarding the SLRA process is important. He said the Settlement Agreement balances these factors with Petitioner's need to have the accounting and ratemaking for these significant costs reasonably pre-approved. Mr. Williamson testified that from Petitioner's perspective, it is prudent to understand the SLRA analysis and reasonable to recover the associated costs even if the application is not pursued. He said the Settlement Agreement reasonably enables this work to go forward.

Mr. Eckert and Mr. Williamson testified that I&M agreed to limit the Indiana jurisdictional costs associated with the SLRA to no more than \$5 million before I&M submits its 2024 Integrated Resource Plan ("IRP") to the Commission. They said if the Cook Nuclear Facility SLR is not included in I&M's Preferred Portfolio, I&M will be allowed to recover a return of the costs, not to exceed \$5 million, in a future proceeding absent evidence of imprudence. Mr. Williamson noted nothing in the Settlement Agreement limits I&M's ability to seek a reasonable recovery period and return on the deferred balance or the other Settling Parties' ability to challenge any such proposal. He said if the SLR is included in the Preferred Portfolio, Petitioner would proceed with the SLRA process. He said the costs associated with the SLRA will be included as a component of the project(s) necessary to implement the SLR subject to review for reasonableness. He explained that the non-I&M Settling Parties would reserve all rights to challenge the reasonableness of the amount of SLRA costs and to challenge the means of ratemaking recovery, including whether through a rider or base rates, any proposed amortization period and the appropriate return on any authorized regulatory asset in excess of the initial \$5 million (Indiana Jurisdictional) agreed to in this Section. Mr. Williamson further testified that I&M will provide an update on the progress of the SLRA Project annually until the issuance of the final Director's Report for the 2024 IRP. He said the annual progress reports will be filed with the Commission as a compliance filing in this docket (subject to the protection of confidential information), unless otherwise directed by the Commission to use a different docket.

M. 2024 IRP. Mr. Williamson testified that, as mentioned in Petitioner's direct and rebuttal testimony, and addressed in Section I.A.9 of the Settlement Agreement, the future of the Cook Nuclear Facility units will be addressed as part of Petitioner's next IRP. He said during settlement negotiations, certain Settling Parties expressed concern about specific areas of I&M's 2024 IRP. He stated that, as a matter of compromise, I&M agreed to certain items in an effort to facilitate the 2024 IRP modeling and stakeholder process, related to: (1) modeling licenses; (2) schedule of deliverables of data and feedback loop for the 2024 IRP and subsequent IRPs; (3) Energy Efficiency; and (4) storage resources. Mr. Williamson discussed each provision and said they are designed to assuage concerns by clarifying how the next IRP stakeholder process and associated modeling will be conducted.

N. Electric Vehicles (“EVs”). Mr. Williamson stated Section I.A.10 of the Settlement Agreement provides that I&M will invite CAC, Fort Wayne, the OUCC, and any other interested stakeholders to participate in a stakeholder process to be conducted at least 60 days in advance of I&M’s future filing regarding EVs. The purpose of the stakeholder process is to allow I&M to consider and incorporate feedback into its case-in-chief as I&M deems reasonable to help reduce the number of contested issues in the case, if possible. He said this process is already underway and is reasonably aimed at gathering input early on for I&M’s EV filing, which is anticipated to be filed in 2024.

O. Distributed Generation (“DG”) Related Issues. Mr. Williamson testified this Section addresses I&M’s reporting related to Excess Distributed Generation (“EDG”) as well as setting forth commitments made by I&M to collaborate on Distributed Energy Resources (“DER”). Mr. Eckert and Mr. Williamson explained that I&M agrees to: 1) provide and include monthly data by residential and non-residential customers regarding EDG tariff and Small Power Production tariff customer participation as part of I&M’s annual performance metrics report filed in Cause No. 44967; 2) hold up to four meetings during 2024 and 2025 to propose updates to I&M’s Indiana interconnection procedures to facilitate DG in I&M’s service territory; and 3) explore and evaluate implementing: a) Integrated Distribution Planning; b) Virtual Power Plants; c) Hosting Capacity Analyses; and d) a solar and storage or mobile battery storage program that could help medically vulnerable customers in I&M’s Indiana service territory. Mr. Williamson testified these provisions facilitate the parties’ respective interests in continuing to have a dialog on these issues, and that the Settling Parties will work in good faith to ensure these collaboratives do not run in conflict with any Commission initiatives.

P. Cost of Service and Rate Design. The testimony in support of the Settlement Agreement discussed the Settling Parties’ agreements regarding revenue allocation, rate design, certain tariff language changes, and other remaining issues.

1. **Revenue Allocation.** Per OUCC witness Eckert, the Settling Parties spent considerable time negotiating a fair and reasonable revenue allocation among all rate classes. Mr. Andrews, Mr. Eckert, and Mr. Williamson each noted that as stated in Section I.B.1 of the Settlement Agreement, the agreed allocation is without reference to any specific cost allocation methodology and was determined strictly for settlement purposes. IG witness Andrews noted that the Settling Parties agreed to an annualized revenue requirement which is significantly lower than I&M’s as-filed requested increase. He said that, to the benefit of all customers, the agreed-upon revenue requirement flows through as a lower revenue requirement with respect to the revenue allocation. He said the Settling Parties agreed that rates should be designed to allocate the revenue requirement to and among I&M’s customer classes in a fair and reasonable manner. He stated for settlement purposes, the Settling Parties agreed that Settlement Agreement Attachment C specifies the revenue allocation agreed to by all Settling Parties. He testified that given the diverse litigation positions of the parties regarding revenue allocation the agreed upon revenue allocation is a reasonable resolution.

Joint Municipals witness Tomczyk testified that the Settling Parties agreed the settlement cost of service study results are reasonable and support the settlement rate proposal.

Mr. Williamson testified that all customer classes are expected to reasonably benefit from the negotiated revenue decrease. He said while the parties disagreed on the extent to which subsidies exist and which cost of service method is appropriate, the Settlement Agreement allocation reasonably addresses subsidies as reflected in Petitioner's cost of service study, with subsidies in the Large General Service, Water and Sewage Service, Irrigation Service, Outdoor Lighting, and Street Lighting classes reduced or eliminated, and increases in subsidy for the other tariff classes mitigated. He said the overall revenue allocation reflects the give-and-take of settlement negotiations, which included customers with multiple commercial and industrial accounts across different tariff classes along with the OUCC, the statutory representative of all customer classes. Petitioner's Exhibit 42, Attachment AJW-3-S (public), which updates Attachment JLF-2 to reflect the Settlement Agreement, provides the agreed upon customer class revenue allocation factors, among other details.

2. Streetlighting. Section I.B.2 sets forth I&M's agreement to prepare and provide a class cost of service study with the following four streetlighting classes in its next basic rate case: Petitioner-owned, Customer-owned, Customer-owned metered, and Fort Wayne Streetlighting ("FW-SL"). Mr. Williamson stated this provision reasonably addresses concerns raised by Joint Municipals witness Georgis regarding the level of detail within Petitioner's class cost of service study.

As explained by Mr. Fasick and Mr. Williamson, the Settlement Agreement also addresses concerns raised by Mr. Fasick regarding the implementation of certain streetlight tracking technology, referred to as the Collector app, that I&M and Fort Wayne jointly developed pursuant to the Settlement Agreement approved by the Commission in its Order in Cause No. 44967, issued on May 30, 2018 ("44967 Order"). They explained I&M and Fort Wayne will meet within 60 days after issuance of a Commission Order approving this Settlement Agreement to resolve discrepancies among I&M's tariff, billing data, and ledger, and the City's streetlight inventory by using the Collector app data. Mr. Fasick testified that the Collector app was intended to improve the accuracy and efficiency of communicating Fort Wayne's streetlighting inventory to I&M for billing purposes, and that he appreciated I&M witness Cooper's suggestion in rebuttal that the parties take steps to utilize the Collector app data. Mr. Williamson stated this data should include, by map section, the light type, size in watts, GPS location, physical location and any other attributes contained in the Collector app. He said I&M's monthly billing will reflect the agreed upon number of streetlights and sizes owned by Fort Wayne served by I&M on or before August 31, 2024. Monthly inventory updates, if applicable, will be sent to I&M to maintain billing accuracy, and I&M will implement such updates in a timely manner to be included in the next monthly billing cycle, as reasonable. Mr. Williamson stated that because the number of streetlights may change periodically throughout a given year, the parties will commit to meet in February and August each year to discuss any changes or issues identified. If either party requests an audit, both parties will conduct an audit together, as needed, in a timely manner, to verify sections of the streetlights owned by Fort Wayne.

Mr. Williamson stated I&M will revise and streamline the FW-SL tariff. Mr. Fasick testified the agreed revisions to the FW-SL tariff further help address the concerns he raised regarding some of the current billing inefficiencies on the FW-SL tariff. Moreover, he said the

streamlined tariff should eliminate the need to revise the tariff sheet when new streetlight fixture types are added or removed from Fort Wayne’s streetlight inventory.

Mr. Williamson stated Fort Wayne understands and acknowledges that automating the integration of the Collector app data with I&M’s legacy Customer Information System (“CIS”) would be cost-prohibitive. However, within six months of a Final Order approving the Settlement Agreement, I&M will arrange a meeting between Fort Wayne and I&M’s CIS team, which will be sufficiently in advance of the “go live” date of the new CIS system. This will allow the parties a meaningful opportunity to explore the feasibility and cost estimates for automating the integration of the Collector app data with the new CIS system. Mr. Williamson noted the parties agree to consider all cyber security and data security concerns. Mr. Fasick stated Fort Wayne appreciated the opportunity to participate in discussions during the development phase with I&M’s CIS team to meaningfully explore the feasibility and costs for automating the integration of the Collector app data with I&M’s new CIS system.

3. Large General Service (“L.G.S.”). Mr. Williamson testified that, as explained by Petitioner’s witness Cooper, I&M proposed to change the eligibility for the L.G.S. rate class to use the average annual peak demand instead of just annual peak demand. Pet. Ex. 42 at 34. He noted Joint Municipals witness Georgis expressed concern regarding this change and proposed that I&M include tariff language grandfathering existing customers into the L.G.S. rate. In rebuttal, I&M clarified the intention of the proposed eligibility language change was not to move any current customers to or from Tariff L.G.S. as a result of the proposed language and agreed to add grandfathering language to the tariff. Mr. Williamson explained Section I.B.3. recognizes the agreement on this issue and sets forth the language to be included in Tariff L.G.S. The specific language is as follows:

Available for general service customers. Customers may continue to qualify for service under this tariff until their 12-month average metered demand exceeds 1,000 kW. Customers requesting service under Tariff L.G.S. on and after May 8, 2024 must have a 12-month average metered demand of 60 kW or greater. Customers that qualified for Tariff L.G.S. prior to May 8, 2024 may remain on Tariff L.G.S. until their 12-month average metered demand exceeds 1,000 kW or they elect to leave Tariff L.G.S.

He said this agreed language is reflected in the updated redlined tariff included with his settlement testimony as Attachment AJW-10-S to Petitioner’s Exhibit 42 at 35.

4. Industrial Power Tariff (“Tariff IP”). IG witness Andrews testified his direct testimony that the Industrial Group raised concerns with proposed changes to I&M’s Tariff IP. Mr. Andrews and Mr. Williamson said the Settlement Agreement provides that for Tariff IP, the kilovolt-amperes reactive credit as proposed by IG witness Dauphinais will be implemented as agreed to and modified by the rebuttal testimony of I&M witness Fischer. Mr. Williamson stated this reasonably resolves the issue raised by the Industrial Group.

5. Residential Service. Mr. Eckert testified that under the Settlement Agreement, the monthly residential customer charge is restored to the level established before the repeal of Indiana's Utility Receipts Tax. He said in its direct case, I&M proposed an increase of almost 15.0% or \$2.21 in the residential customer fixed charge. Through compromise, the Settling Parties agreed to increase the monthly residential customer charge by \$0.21, placing it at \$15.00, the same level the Commission approved in the 45576 Order, I&M's last rate case. Mr. Williamson testified the residential rate design issues were the subject of much testimony in this proceeding. He said while Petitioner has firmly held positions regarding the application of cost of service and cost recovery principles to residential rate design, Petitioner recognizes the passion around this issue, particularly in the testimony residential consumer advocates offered, with these diverging views making this issue challenging to resolve.

Mr. Eckert and Mr. Williamson discussed the Settling Parties' agreement on other aspects of residential rate design. They testified the Settling Parties reached agreement with respect to: (1) Multi-Family Rate Proposal; (2) Residential Low Income Home Energy Assistance Program ("LIHEAP") Customer Late Payment Charge; and (3) Residential Service Disconnections. Mr. Williamson testified that collectively, these provisions reasonably address concerns raised by the OUCC and intervenors and are a reasonable part of the settlement package as a whole.

Mr. Williamson testified that following full deployment of advanced metering infrastructure, I&M will collect data for one year and analyze cost differentials between single- and multi-family residential customers. He said I&M will solicit input from the CAC and other interested Settling Parties on sample size for the data collection and the scope of analysis, with the cost of the supporting analysis to be limited to no more than \$50,000, excluding internal labor. He indicated I&M will consider a new multi-family rate for qualifying residential customers in its next basic rate case filing. Following the completion of this analysis and in advance of such rate case filing, I&M will offer to meet with the CAC and other interested Settling Parties to discuss a potential multi-family rate and will also provide the CAC and any other interested Settling Party with the results of Petitioner's analysis. He said this negotiated provision recognizes the need to fully deploy advanced metering infrastructure, to have time to collect data for a reasonable sample and to limit the cost of the desired analysis while facilitating a better understanding of these issues.

With respect to LIHEAP customers, Mr. Williamson stated I&M agrees that, once in each half calendar year, at the request of the customer who received LIHEAP assistance within the last 12 months, Petitioner will waive the late payment charge on a delinquent bill, provided payment is tendered not later than the last date for payment of net amount of the next succeeding month's bill. He said this provision recognizes that Petitioner's system is not designed to automate such waivers and avoids imposing a significant cost to do so.

Mr. Williamson testified that with respect to disconnections for nonpayment, I&M agrees not to disconnect service for any residential customer on Fridays, Saturdays, Sundays, and Holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, December 24, and Christmas Day).

Finally, Mr. Eckert and Mr. Williamson testified that I&M agreed to provide Indiana Community Action Association with \$200,000 in both 2024 and 2025 to assist low-income customers. They said I&M's revenue deficiency in this Cause will not be adjusted to include the incremental costs of this contribution.

Q. Remaining Issues. Section I.B.7 of the Settlement Agreement provides that solely as a matter of compromise, the Settling Parties agreed that the new basic rates approved by the Commission will be implemented by Petitioner on a service rendered basis on or after the date the Commission approves the new tariff following the Petitioner's compliance filing in this proceeding. Mr. Williamson said this Section provides that any matters not addressed by this Settlement Agreement will be adopted as proposed by I&M in its direct and rebuttal case.

R. Typical Bill Comparison. Mr. Williamson presented an updated typical bill comparison. He said for a residential customer using 1,000 kWh, the Phase I rates reflect a total monthly bill increase of \$4.20 or 2.6%. He said for Phase II, the Settlement Agreement reflects a total monthly bill increase of \$8.47 or 5.2% at the end of the test year.

S. Supporting Documentation. As Mr. Williamson explained, the Settlement Agreement, Joint Parties' Exhibit 1, includes as attachments a summary of the revenue requirement impact of the settlement terms, a revised I&M Exhibit A-1, the agreed customer class allocations of the revenue requirement increase, and the agreed revisions to the Fort Wayne Street Lighting tariff. The settlement testimony also includes Attachments AJW-1-S (updates to capital structure); AJW-2-S (depreciation rates); AJW-3-S (customer class revenue allocation); AJW-4-S (detailed revenues associated with base rates, riders, and total bill increase by class);⁷ AJW-5-S (typical bill comparison); AJW-6-S (forecasted test year end net plant balance used to calculate the Phase II rates); AJW-7-S (gross revenue conversion factor); AJW-8-S (updates Exhibit A-9 (Effective Federal Income Tax Rate)); AJW-9-S (updated tariff book Table of Contents and Terms and Conditions of Service); and AJW-10-S (updated tariff book - tariffs and riders sections). Workpapers updating the relevant cost of service and rate design were also provided.

T. Field Hearing Comments. Approximately 20 individuals testified at the field hearings held in this Cause and the OUCC provided over 350 written customer comments, which were admitted as Public's Exhibit SBFH-1, Public's Exhibit FH-1, and Public's Exhibit 12. This testimony and the written comments touched on concerns related to affordability issues, customer service, AES Indiana's system resilience and reliability, and the utility's proposed ROE.

U. Five Pillars. Mr. Eckert detailed the ways in which the Settlement Agreement satisfies each of the Five Pillars of ratemaking set forth in Ind. Code § 8-1-2-0.6. He said the Settlement Agreement protects affordability by significantly reducing I&M's requested revenue increase. He said that resiliency, reliability, and stability are addressed by the Vegetation Management Program and Major Storm Damage and Restoration Reserve. The purpose of the Vegetation Management Program is to avoid service interruptions caused by controllable vegetation issues.⁸ The Major Storm Damage and Restoration Reserve may be used to respond to unpredictable storm events.⁹ He said that environmental stability will be promoted by the

⁷ A confidential version of this attachment was provided at Attachment AJW-4-S-C.

⁸ Petitioner's Exhibit 1, Page 51.

⁹ Petitioner's Exhibit 23, Page 17.

Settlement Agreement because it provides investment to I&M that it will use in part to transition from coal generation to a fleet consisting predominantly of renewables, natural gas, and nuclear.¹⁰ Mr. Eckert further testified the Settlement Agreement is a fair resolution of the issues presented in this proceeding, is supported by the evidence, is in the public interest, and should be approved. Mr. Williamson also testified the Settlement Agreement is consistent with the Five Pillars.

V. **Public Interest.** Mr. Williamson testified that settlement is a reasonable means of resolving a controversial proceeding in a manner that is fair and balanced to all concerned. He said while this is true with respect to a general rate case, the complexity of a rate case proceeding can make settlement challenging to achieve. He stated here, parties representing all rate classes participated in negotiations, ultimately arriving at an agreed revenue allocation and package of terms and conditions that were acceptable and reasonable.

Mr. Williamson opined that the Settlement Agreement is in the public interest. He said the Settlement Agreement is supported by and within the scope of the evidence presented by the Settling Parties. He said the Settlement Agreement represents the result of extensive, good faith, arm's-length negotiations of the conceptual framework and details of the Settlement Agreement. He said experts were involved with legal counsel and substantial time was devoted to the settlement discussions. Mr. Williamson stated that taken as a whole, the Settlement Agreement reasonably addresses the concerns raised in this proceeding and provides a balanced, cooperative outcome of the issues in this Cause.

Mr. Eckert similarly testified that the Settlement Agreement balances ratepayers' interests. He echoed that the Settlement Agreement is the product of intense negotiations, with each party offering compromise on challenging issues. He said given the certainty of many ratepayer benefits under the Settlement Agreement, the OUCC, as the statutory representative of all ratepayers, concluded the Settlement Agreement is a fair resolution of the issues, supported by the evidence, is in the public interest, and should be approved.

IG witness Andrews testified the process of negotiating the Settlement Agreement brought I&M, the OUCC, the Industrial Group, and other intervenors together to reach compromise on a wide range of disputed issues. He said this required the parties to evaluate their litigation positions and find common ground. He stated that while no party received the full measure of the positions taken in their case-in-chief, the total package represents a balancing of the parties' competing interests in favor of an overall result that is fair and reasonable. In his view, the Settlement Agreement represents the culmination of the parties' efforts to come together and, through negotiations, reach a result that reflects the purpose of utility regulation, which is the balancing of interests between the utility and its consumers.

Ms. Tomczyk testified that the parties involved in the settlement process worked very hard to agree on an outcome that represented the best possible result for every customer class, within the confines of the competing interests of the Settling Parties. She said approval of the Settlement Agreement as written is consistent with the public interest because the Settlement Agreement represents a comprehensive resolution of all issues in this proceeding raised by the Settling Parties. She said as the evidence reflects, the Settlement Agreement resolves complex, divisive, and

¹⁰ Public's Exhibit 14S, Page 4.

controversial issues surrounding several interrelated issues, including but not limited to, revenue requirement, mitigation of rate impacts, and the appropriate phased in rate design. She said ultimately, the Settlement Agreement provides I&M with an opportunity to earn sufficient revenues and maintain adequate cash flows, while balancing the interests of Petitioner's customers in receiving reasonable service at a fair cost.

8. Commission Discussion and Findings. Despite the complexity and number of issues raised in this proceeding, the Settling Parties reached a comprehensive agreement, as reflected in the Settlement Agreement. While two intervenors did not join the Settlement Agreement, they do not oppose it, and the parties joining or not opposing the Settlement Agreement represent a wide variety of interests and types of customers, including residential, and commercial and industrial customers. A complete copy of the Settlement Agreement and attachments can be found in Attachment A to this Order as Settling Parties' Joint Exhibit 1. New depreciation rates are set forth in Petitioner's Exhibit 42, Attachment AJW-2-S, and distribution and transmission allocation factors are set forth in Petitioner's Exhibit 42, Attachment AJW-4-S on pages 45 and 46. These attachments are incorporated into and made a part of this Order by reference.

Settlement is a reasonable means of resolving a controversial proceeding in a manner that is fair and balanced to all concerned. The Settlement Agreement represents the Settling Parties' proposed resolution of the issues in this Cause. As the Commission has previously discussed, settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. v. Public Service Co.*, 582 N.E.2d 330 (Ind. 1991)). The Commission's procedural rules require that settlement be supported by probative evidence. 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine whether the evidence in this Cause sufficiently supports the conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2 and that such agreements serve the public interest.

The Commission has before it evidence from which to determine the reasonableness of the methodology to be used in determining Petitioner's rate increase, agreed allocation of the increase, agreed rate design, agreement on ROE and capital structure, and other terms of the Settlement Agreement. The Settlement Agreement is supported by the Settlement Agreement attachments and the settlement schedules and workpapers subject to the exception in Finding No. 8.P. We have information from which to discern the basis for the components of the reduced increase in I&M's base rates and charges under the Settlement Agreement as compared to I&M's initial proposal.

The Settlement Agreement filed in this proceeding resolves the issues presented. To put this in context, I&M, in its initial case-in-chief filed in August 2023, supported a revenue deficiency of \$116.4 million in Phase II, reflective of an overall 6.80% revenue increase. As shown by Settlement Agreement Attachment B (lines 12 and 14), the Settling Parties have agreed to an overall revenue increase of \$61.8 million, which is a 3.61% revenue increase. As further discussed below, the Commission finds that the Settlement Agreement, in balancing all interests, fairly resolves this proceeding, is supported by the evidence, and should be approved with one exception discussed in Finding No. 8.P.

A. Revenue Requirement.

1. Return on Equity, Capital Structure, and Rate of Return.

a. Return on Equity. The record reflects the agreed 9.85% ROE is within the range of evidence the Settling Parties presented and is within the range of current Commission-authorized ROEs or negotiated ROEs for other Indiana investor-owned utilities. The OUCC supported the agreed ROE as reasonable and in ratepayers' interest, noting the agreed ROE benefits ratepayers by reducing the return on rate base reflected in customers' rates as compared to I&M's initial proposal. The record further shows the agreed ROE is an important part of the overall settlement package and that it is essential that I&M be provided the opportunity to earn a ROE that is consistent with the market. The Commission finds that, as part of the Settlement Agreement, the agreed ROE balances the consumer parties' concerns while preserving I&M's financial integrity and should, therefore, be approved.

b. Capital Structure. The Settling Parties agreed that, for purposes of calculating the Phase-In Rate Adjustment for Phase I rates, the debt/equity ratio will be 50%/50% through the close of the test year. For purposes of the Phase II compliance filing, the debt/equity ratio will be adjusted to the December 31, 2024, actual ratio based on shareholder contributions of debt and equity but will be no higher than a 51.20% equity ratio. Mr. Williamson testified this agreement resolves a concern raised by Mr. Gorman, who challenged the forecasted change in the ratio. Pet. Ex. 42 at 10. The Commission finds the negotiated agreement regarding I&M's capital structure is reasonable, resolves concerns raised by the Industrial Group, and should be approved.

c. PLR and NOLC. As Mr. Williamson explained, the NOLC affects the calculation of ADFIT that is included as cost-free capital in the capital structure. Per the Settlement Agreement, I&M will retain in its capital structure the approximately \$96.9 million (total company) in cost-free capital that Petitioner proposed to remove through its proposed NOLC adjustment pending receipt of a PLR from the IRS. The Settling Parties agreed that the Commission should continue to authorize I&M to establish a regulatory asset for the return that would be associated with the inclusion of the proposed NOLC adjustment in the calculation of ADFIT in I&M's capital structure. The regulatory asset would also be established for any differences in I&M's requested levels of protected EADFIT amortization and the settled levels of amortization. Mr. Williamson stated that upon the effective date of the rates being implemented in this proceeding, the accrual of this regulatory asset will reflect the terms of this Settlement Agreement.

If the IRS issues a PLR determining that failure to reinstate I&M’s proposed NOLC ADFIT in the calculation of I&M’s capital structure constitutes a normalization violation, I&M will initiate a limited proceeding to update its Tax Rider to reflect the NOLC adjustments, along with any Commission-approved offsets, in rates on an ongoing basis and to recover the regulatory asset. The Settling Parties have expressly reserved the right to take any position in the limited proceeding related to the NOLC and Petitioner’s proposed ratemaking related thereto. If the IRS PLR does not support I&M’s proposed adjustment, I&M will write off the regulatory asset, and it will not be recovered from customers. If the IRS finds a normalization violation would occur, the Settlement acknowledges the Settling Parties’ right to challenge the continued benefit of I&M remaining in the AEP Tax Sharing Agreement on a going forward basis. The Commission finds the proposed resolution in the Settlement Agreement recognizes that the IRS PLR process exists to allow the IRS to rule on matters regarding its own tax rules and reasonably balances the need for compliance with the IRS normalization rule with the ratemaking process. Pet. Ex. 42 at 14. The Commission further finds that the Settlement Agreement provides a reasonable path forward to maintain an unadjusted amount of zero cost capital pending potential clarification from the IRS regarding its normalization rules and is consistent with the resolution approved by the Commission in the 45576 Order.

Accordingly, the Commission finds that Section I.A.1.4 of the Settlement Agreement sets out a reasonable path forward to resolve the dispute regarding the treatment of Petitioner’s NOLC. Therefore, the Commission approves the agreed-upon treatment of the NOLC and grants I&M all necessary accounting authority to implement this provision. I&M is directed to file notice in this docket of the results of the ruling and notify the Settling Parties within ten business days of receipt of the PLR.

d. Net Operating Income. The Settling Parties agreed that the authorized base rate net operating income will be \$331,133,925, which is calculated as follows:

Income Requirement	\$ 333,209,894
Remove Transmission Owner Costs, Revenues	\$ (2,773,080)
Gross Revenue Conversion Factor	1.3358
After Tax	<u>\$ (2,075,969)</u>
Total Base Rate Net Operating Income	<u><u>\$ 331,133,925</u></u>

Petitioner’s Exhibit 42 at page 15; Figure AJW-2.

The Commission finds the agreed net operating income is reasonable, subject to the exception detailed in Finding No. 8.P.

B. Depreciation Rates and Expense. The Settlement Agreement provides for a \$15.8 million reduction in depreciation expense but otherwise makes no change to Petitioner’s proposals regarding depreciation. Proposed depreciation rates that implement the agreed \$15.8 million expense reduction were provided in Petitioner’s Exhibit 42, Attachment AJW-2-S. The

Commission finds the Settling Parties' agreements on depreciation expense and depreciation rates are reasonable and should be approved.

C. Rate Base. In its case-in-chief, I&M's proposed rate base was identified in Petitioner's Exhibit 43, Exhibit A-6. Other parties challenged inclusion of the prepaid pension and Other Post-employment Benefits ("OPEB") assets in rate base, as well as certain other aspects of rate base. The Settlement Agreement provides for adjustments to I&M's test year rate base. As discussed below, the Commission finds the agreed provisions reasonably resolve the contested issues while recognizing ongoing capital investment is necessary to maintain safe, reliable, efficient, and environmentally compliant service.

D. Expense Adjustments. The Settlement Agreement provides for various adjustments to the revenue requirement in this case, including reductions to I&M's proposed Indiana Jurisdictional O&M expenses as follows: \$2.0 million in nuclear decommissioning expense; \$6.0 million in other O&M in I&M's test year forecast; and \$0.9 million in certain IT costs. The record shows these agreed-upon adjustments provide another means of mitigating increases to customer rates. The Settling Parties agreed that I&M may seek to adjust the funding level of the NDT based on future analysis of its adequacy to pay for decommissioning. The Commission finds this reasonably balances the consumer parties' concerns that the NDT is already adequately funded with I&M's concern regarding the potential for a shortfall. Accordingly, the Commission approves these expense adjustments as part of the overall Settlement Agreement. Likewise, the Settling Parties' agreement regarding the DERMS project reasonably resolves this contested matter, is supported by the evidence, and should be approved.

E. IURC Fee and Revenue Conversion Factor. The Settlement Agreement reflects the Settling Parties' agreement to use the IURC Fee rate as of July 1, 2023 of 0.1467603%. The Commission finds this agreement is reasonable and should be approved. The Commission further approves the revised gross revenue conversion factor as set forth in Petitioner's Exhibit 42, Attachment AJW-7-S.

F. Major Storms. The Settlement Agreement continues I&M's Major Storm Damage and Restoration Reserve as proposed by I&M. The Settling Parties further agreed that the annual major storm O&M expense embedded in I&M's Indiana base rate be increased to a total of \$9.4 million and that the previously unrecovered balance of storm restoration costs be recovered and amortized over four years instead of two years. The Commission agrees with Mr. Eckert that this agreement will facilitate I&M's work to maintain or improve system reliability, resiliency, and stability, which are three of the Five Pillars that must be considered. We further find the Settling Parties' resolution of this issue is reasonable, supported by the evidence, and should be approved.

G. PowerPay Program. The Settling Parties agreed that I&M should be authorized to implement the PowerPay Program as a pilot program, with certain modifications as recommended by the OUCC. The Settlement Agreement further provides that I&M will offer to meet with the OUCC and CAC and will file a report with the Commission regarding the program's metrics within 90 days of the pilot's completion. The Settlement Agreement also provides for cost recovery by permitting I&M to defer the costs of the PowerPay Program, including a return on plant investment, for recovery in I&M's next basic rate proceeding. Per the Settlement Agreement,

if I&M seeks to recover costs of the PowerPay Program, it will present information on the impact of the pilot on the following: (1) Indiana jurisdictional total bad debt expense; (2) Indiana jurisdictional bad debt expense attributable to customers on the PowerPay Program; (3) improvement in back-office efficiencies that reduce I&M's expenses; and/or (4) any other reasonably-measured program benefit Petitioner has analyzed. The Commission finds this information, together with the reporting requirement agreed to in Section I.A.6, will reasonably position the parties and the Commission to assess the program. Accordingly, the Commission further finds these terms adequately address the concerns raised by the parties with respect to I&M's proposal and should be approved. I&M is granted all accounting authority necessary to implement this provision. I&M is further granted a waiver of the notice requirements in 170 IAC 4-1-16(f) for purposes of remote disconnection and reconnection as it relates to offering the PowerPay Program. I&M is directed to file its PowerPay Program report in this docket within 90 days of the pilot's completion.

H. Grants Project and Broadband. As part of the Settlement Agreement, I&M agreed to withdraw its request for approval of the Grants Project Rider. The Commission finds this will enable I&M to gather and further consider stakeholder input in designing this program and reasonably resolves this issue. The Commission further finds the Settling Parties' agreement regarding the ratemaking treatment of the DG MMC project to be reasonable and should be approved. Settlement Agreement Section I.A.7.2. More specifically, if I&M pursues the DG MMC project, neither the investment included in the grant award to provide broadband internet service to ISPs nor the awarded grant funding shall be included in the calculation of I&M's electric utility rates. Fiber leasing costs and revenues for the DG MMC project shall be accounted for below the line and excluded from the retail ratemaking process.

I. Riders.

1. FAC and Base Cost of Fuel. The Settlement Agreement provides that I&M will continue to provide the OUCC with a 35-day review period in its FAC proceeding. The record shows this agreement is consistent with Mr. Eckert's testimony. The Commission finds the Settling Parties' agreement upon this 35-day review period is reasonable and should be approved. Per Petitioner's Exhibit 42, Attachment AJW-4-S on Page 44, the base cost of fuel resulting from the Settlement Agreement is 12.981 mills per kWh.

2. OSS/PJM Rider. Section I.A.8.2 of the Settling Parties' Joint Exhibit 1 balances I&M's need for timely cost recovery of PJM NITS costs with the Industrial Group's concerns regarding rate adjustment mechanisms. The Commission finds the negotiated compromise establishes a defined cap on increases between general rate cases and this, in turn, should help customers to better understand the going-forward cost of electricity.

As agreed by the Settling Parties, an annual cap will be placed on the PJM NITS costs reflected in FERC accounts 4561035 and 5650016 recovered through the PJM rider. The annual cap is based on the Indiana Jurisdictional amount per MWh forecasted for 2024 plus 20% times the actual annual MWh sales subject to the OSS/PJM Rider. Specifically, the annual cap will be calculated using \$31.18 per MWh as the multiplier, computed as follows: $(\$161,850,695 + \$237,848,022) \times 83.17998\% / 12,794,031 \text{ MWh}$ (see Petitioner's Exhibit 18 WP-JLF-6) $\times 120\%$.

In each annual OSS/PJM Rider filing, Petitioner shall multiply the total actual MWh sales for the year by the \$31.18 per MWh multiplier to arrive at the annual cap. Annual NITS costs in any year that result in rates that exceed the annual cap, together with the associated NITS rider revenue requirement and carrying costs, will be placed in a regulatory asset for recovery in I&M's next base rate case.

The record reflects PJM NITS are a significant expense and are forecasted to increase; consequently, an annual cap limits the increase customers will realize on those charges prior to I&M's next basic rate case. The Commission finds the agreed annual cost cap provides flexibility, allowing I&M to recover costs over or under its annual forecasted amounts, plus an additional 20%, while limiting the PJM NITS cost recovery from ratepayers through the PJM Rider during the designated period. For I&M, the creation of a regulatory asset including carrying costs reduces uncertainty regarding future cost recovery of amounts in excess of the annual cap and recognizes the time value of money impact of the delayed recovery. Based on the settlement testimony, the Commission finds the Settling Parties' agreement with respect to the treatment of PJM NITS costs is a reasonable compromise and within the range of outcomes the evidence supports.

3. Tax Rider. The Settlement Agreement provides for the continued use of the Tax Rider to implement ratemaking adjustments associated with the IRS PLR that requires I&M to make its proposed NOLC adjustment, as provided for specifically in Section I.A.1.4 of the Settlement Agreement, and to reconcile the excess crediting of unprotected ADFIT in accordance with the 45235 Order and the 45576 Order. The Commission finds this resolution is consistent with I&M's last rate case settlement approved by the Commission, is supported by the evidence, and should be approved. As explained by Mr. Williamson, I&M further agrees to withdraw its proposal to use the Tax Rider to flow through the CAMT and PTCs specifically associated with the Cook Nuclear Facility. The negotiated resolution recognizes that these issues reflect future events that are still developing. To the extent CAMT and Cook Nuclear Facility PTCs are realized in the future and impact I&M's ongoing federal income tax expense, the impacts will be reflected in I&M's semi-annual FAC earnings test calculations. As a result, I&M's customers will benefit from these tax related items in the event that I&M's actual earnings exceed its authorized net operating income as determined by the FAC earning test. We find the Settling Parties' agreement upon the scope of the Tax Rider and its implementation is reasonable and should be approved.

J. SLRA Project. In Section I.A.9 of the Settlement Agreement, the Settling Parties resolved their differing views on I&M's proposed SLRA Project by recommending approval of the SLRA Project with certain modifications. More specifically, I&M agreed to limit the costs associated with the SLRA to no more than \$5 million (Indiana Jurisdictional) prior to the submission of I&M's 2024 IRP to the Commission. If the SLR is not included in I&M's Preferred Portfolio, I&M will be allowed to recover a return of the costs, not to exceed \$5 million, in a future proceeding absent evidence of imprudence. If the SLR is included in I&M's Preferred Portfolio, I&M will proceed with the SLRA process and the costs associated with the SLRA will be included as a component of the project(s) necessary to implement the SLR, subject to review for reasonableness, with the non-I&M Settling Parties reserving all rights to challenge the reasonableness of the amount of SLRA costs and to challenge the means of ratemaking recovery, including whether through a rider or base rates, any proposed amortization period and the

appropriate return on any authorized regulatory asset in excess of the initial \$5 million (Indiana Jurisdictional) agreed to in this section of the Settlement Agreement. Section I.A.9.2 of the Settlement Agreement reflects I&M's agreement to provide annual updates on the progress of the SLRA Project and sets forth the information I&M agrees to include in its annual reports.

The record reflects that I&M is engaged in a generation transition strategy that supports a diversified and flexible portfolio of supply-side and demand-side resources that will provide a reliable and resilient set of generation resources that stabilize energy costs over time, stimulate economic development growth, reduce emissions, and take advantage of new technologies. As explained in I&M's case-in-chief, the anchor to this strategy is the continued operation of the Cook Nuclear Facility. The Commission finds the Settlement Agreement reasonably allows I&M to proceed with the SLRA work at the Cook Nuclear Facility while addressing concerns raised by the OUCC, CAC, and the Industrial Group. Accordingly, the Commission finds the Settling Parties' agreement regarding the SLRA Project is reasonable, within the scope of the evidence presented, and should be approved. I&M is directed to file its annual SLRA progress reports as a compliance filing in this docket, subject to the protection of confidential information. Such annual reports shall include the information set forth in Section I.A.9.2 of the Settlement Agreement and shall continue until the issuance of the final Director's Report for the 2024 IRP.

K. 2024 IRP. The Settlement Agreement resolves concerns raised by certain Settling Parties regarding I&M's 2024 IRP. More specifically, I&M made certain commitments intended to facilitate the 2024 IRP modeling and stakeholder process, including providing up to three executable modeling licenses for use by the Commission, the OUCC, and CAC during the 2024 IRP stakeholder process; agreeing to follow a process of releasing and sharing information using a file sharing site to share information at several points of time throughout the IRP process; working with the CAC and interested stakeholders to define and construct I&M's Indiana energy efficiency bundles and levelized costs following completion of the Market Potential Study and prior to IRP modeling; and agreeing to model longer duration and potentially multi-day storage in the 2024 IRP. The Commission finds these provisions reasonably assuage concerns by clarifying how the next IRP stakeholder process and associated modeling will be conducted.

L. Electric Vehicles. Section I.A.10 of the Settlement Agreement provides that I&M will invite CAC, Fort Wayne, the OUCC, and any other interested stakeholders to participate in a stakeholder process to be conducted at least 60 days in advance of I&M's 2024 EV filing to allow time to consider and incorporate feedback into I&M's case-in-chief, as I&M deems reasonable, to help reduce the number of contested issues in the case, if possible. The record reflects this process is already underway and is reasonably aimed at gathering input early on for I&M's 2024 EV filing. Therefore, the Commission finds the Settling Parties' agreement on this issue to be reasonable and should be approved.

M. DG Related Issues. The Settlement Agreement addresses I&M's reporting related to EDG, as well as setting forth commitments made by I&M to collaborate on distributed energy resources. More specifically, I&M agrees to: (1) provide and include monthly data broken down by residential and non-residential customers regarding EDG tariff and Small Power Production tariff customer participation as part of I&M's annual performance metrics report filed in Cause No. 44967; (2) hold up to four meetings during 2024 and 2025 to propose updates to

I&M's Indiana interconnection procedures to facilitate DG in I&M's service territory; and (3) explore and evaluate implementing: (a) Integrated Distribution Planning; (b) Virtual Power Plants; (c) Hosting Capacity Analyses; and (d) a solar and storage or mobile battery storage program that could help medically vulnerable customers in I&M's Indiana service territory. The Commission finds these provisions should facilitate the parties' respective interests in continuing to have a dialog on these issues and further notes the Settling Parties' agreement to work in good faith to ensure these collaboratives do not run in conflict with any Commission initiatives. Pet. Ex. 42 at 31. Accordingly, the Commission finds these provisions reasonably resolve the contested issues related to these topics.

N. Cost of Service and Rate Design.

1. Revenue Allocation. The record reflects the Settling Parties spent considerable time negotiating a fair and reasonable revenue allocation among all rate classes. Mr. Andrews, Mr. Eckert, and Mr. Williamson each noted that, as stated in Section I.B.1 of the Settlement Agreement, the agreed allocation is without reference to any specific cost allocation methodology and was determined strictly for settlement purposes. IG witness Andrews noted that given the Settling Parties agreed to an annualized revenue requirement, which is significantly lower than I&M's as-filed requested increase, this agreed-upon revenue requirement flows through as a lower revenue requirement with respect to the revenue allocation to all customers' benefit. He said the Settling Parties agreed that rates should be designed to allocate the revenue requirement to and among I&M's customer classes in a fair and reasonable manner. He testified that, given the diverse litigation positions of the parties regarding revenue allocation, subsidy mitigation, the impact on all classes, and the policy of gradualism, the agreed upon revenue allocation is a reasonable resolution. Joint Municipals witness Ms. Tomczyk testified that the Settling Parties agreed the settlement cost of service study results are reasonable and support the settlement rate proposal.

The record reflects that all customer classes are expected to reasonably benefit from the negotiated revenue decrease. Mr. Williamson testified that while the parties disagreed on the extent to which subsidies exist and which cost of service method is appropriate, the Settlement Agreement allocation reasonably addresses subsidies as reflected in Petitioner's cost of service study, with subsidies in the Large General Service, Water and Sewage Service, Irrigation Service, Outdoor Lighting, and Street Lighting classes reduced or eliminated, and increases in subsidy for the other tariff classes mitigated. He said the overall revenue allocation reflects the give-and-take of settlement negotiations, which included customers with multiple commercial and industrial accounts across different tariff classes along with the OUCC, the statutory representative of all customer classes.

The record reflects the Settling Parties negotiated and resolved their differences with respect to the method of cost allocation through the Settlement Agreement. Settlement Agreement Section I.B.1. The Commission finds the Settling Parties' agreement with respect to the revenue allocation is within the range of outcomes the evidence supports and is reasonable.

2. Streetlighting. Section I.B.2 of the Settlement Agreement addresses concerns raised by the Joint Municipals. I&M shall prepare and provide a class cost of service study with the following four streetlighting classes in its next basic rate case: Petitioner-owned, Customer-owned, Customer-owned metered, and FW-SL. In addition, I&M and the City of Fort Wayne will work to resolve the discrepancies among I&M's tariff, billing data, and ledger, and Fort Wayne's streetlight inventory by using the Collector app data. The Commission finds these provisions reasonably address the concerns raised by the Joint Municipals and should be approved.

3. Tariff L.G.S. The Settlement Agreement provides that I&M will revise the proposed eligibility language for Tariff L.G.S. to grandfather existing customers under the current eligibility requirements of an annual maximum demand of 60 kW or greater. The proposed Availability of Service for Tariff L.G.S. would read as follows:

Available for general service customers. Customers may continue to qualify for service under this tariff until their 12-month average metered demand exceeds 1,000 kW. Customers requesting service under Tariff L.G.S. on and after May 8, 2024 must have a 12-month average metered demand of 60 kW or greater. Customers that qualified for Tariff L.G.S. prior to May 8, 2024 may remain on Tariff L.G.S. until their 12-month average metered demand exceeds 1,000 kW or they elect to leave Tariff L.G.S.

The Commission finds this language reasonably recognizes the agreement on this issue and ensures the tariff language does not unintentionally require current customers to move to or from Tariff L.G.S. and therefore should be approved.

4. Tariff IP. In its direct testimony, the Industrial Group raised concerns with proposed changes to Tariff IP. The Settlement Agreement provides that for Tariff IP, the kilovolt-amperes reactive credit as proposed by IG witness Dauphinais will be implemented as agreed to and modified by the rebuttal testimony of I&M witness Fischer. The Commission finds the Settling Parties' negotiated compromise regarding the rate design for Tariff IP reasonably resolves these matters.

5. Residential Service ("RS"). The record demonstrates residential rate design issues were the subject of much testimony and that the monthly customer charge was the subject of deliberate negotiations. Under the Settlement Agreement, I&M's standard residential tariff service charge will be \$15.00 per month. The Settling Parties agree the monthly service charge for Rate RS-TOD and Rate RS-TOD2 will be \$15.00 per month. The Commission notes this has the effect of returning the Tariff RS customer charge back to the level agreed upon and approved in the 45576 Order. The Commission finds the agreed-upon fixed customer charges for residential customers are supported by the evidence and resolve these disputed issues. The Commission, therefore, finds the negotiated compromise upon the residential rate design is reasonable.

The Settling Parties also reached agreement with respect to: (1) Multi-Family Rate Proposal; (2) Residential LIHEAP Customer Late Payment Charge; and (3) Residential Service Disconnections. The Commission finds that collectively these provisions reasonably address

concerns raised by the OUCC and intervenors, are a reasonable part of the settlement package as a whole and should be approved.

O. Contribution. In Section I.B.6 of the Settlement Agreement, I&M agreed to make certain contributions to various customer programs that are excluded from I&M's cost of service used to determine rates. More specifically, I&M agreed to provide \$200,000 in both 2024 and 2025 to the Indiana Community Action Association to assist low-income customers. The Commission finds the contributions agreed upon in the Settlement Agreement are reasonable as part of the negotiated settlement.

P. Remaining Issues. Section I.B.7 of the Settlement Agreement provides that solely as a matter of compromise, the Settling Parties agreed that the new basic rates approved by the Commission will be implemented by I&M on a service rendered basis on or after the date the Commission approves the new tariff following I&M's compliance filing in this proceeding. In addition, the parties agree that any matters not addressed by the Settlement Agreement will be adopted as proposed by I&M in its direct and rebuttal case. Provisions like this one have recently become more common in settlement agreements before the Commission as an attempt by the parties to ensure all matters are addressed. Except as modified below, the Commission finds Section I.B.7 of the Settlement Agreement is reasonable and grants I&M all necessary accounting authority associated with the approvals granted under the Settlement Agreement.

The Commission issued a Docket Entry on January 25, 2024, wherein the Presiding Officers asked Petitioner to clarify whether the capital costs of \$2.6 million for the EV Fast Chargers were included in Petitioner's Capital Forecast. I&M's response cited Section I.B.7.2 of the Settlement Agreement as support for the inclusion of the \$2.6 million of capital costs for EV Fast Chargers in the 2024 Capital Forecast. Petitioner's Exhibit 45. Petitioner's direct and rebuttal testimony provided little evidence in support of including these costs. The extent of the evidentiary support of such inclusion was in effect an identification of their inclusion, the fact they are related to a funding award from the Indiana Department of Environmental Management, and a mention that a related request is expected to be made in a separate proceeding. The OUCC's response to a related January 25, 2024 Docket Entry confirmed that the OUCC understood that these capital costs, which it had opposed in Cause No. 45919, are to be included pursuant to the Settlement Agreement. Public's Exhibit 15. Further, the OUCC posited that by nature a settlement is non-precedential; therefore, the Settlement Agreement does not alter the OUCC's general position that such costs should not be recovered from all ratepayers.

Based on the evidence presented, we find that authorizing approval of this \$2.6 million in capital costs, even as part of a larger overall settlement, has not been shown to be in the public interest for several reasons. First and foremost, as noted above, we lack sufficient evidence demonstrating the reasonableness of Petitioner's request for ratepayers to help fund Petitioner's investment in public EV Fast Chargers. Although the parties agreed with the inclusion of such funds in Petitioner's rates, such agreement must be supported by probative evidence. 170 IAC 1-1.1-17(d). No evidence was presented demonstrating that such an investment in EV Fast Chargers is reasonable or necessary for Petitioner's provision of reasonably adequate electric service and facilities in its service area.

Second, when considering the reasonableness of including the identified EV Fast Charger capital costs, we also must recognize that the service provided by the EV Fast Chargers to the general public is not a traditional service provided by a retail electric service provider.¹¹ The 2022 Indiana enactment of Ind. Code § 8-1-2-1.3 distinguishes this service as well. Ind. Code § 8-1-2-1.3(d) provides that, subject to certain provisions, a person that:

- (1) owns, operates, or leases EV supply equipment; and
 - (2) makes the EV supply equipment available for use by the public for compensation, regardless of whether the person charges the public for such use based on:
 - (A) the kilowatt hours of electricity sold;
 - (B) the amount of time spent by an electric vehicle at a designated charging space; or
 - (C) a combination of both clauses (A) and (B);
- is not a public utility solely by reason of engaging in any activity described in subdivisions (1) through (2).

In this statute, the General Assembly distinguished the provision of electric vehicle charging service from the provision of electric service provided by a public utility. Said differently, the provision of charging services is not necessarily a service provision of a retail rate regulated public utility.

In addition, Ind. Code ch. 8-1-2.3 establishes an exclusive right for a retail public service provider, such as Petitioner, to provide retail electric service in its Commission-assigned service area. Considering Ind. Code § 8-1-2-1.3 in conjunction with Ind. Code ch. 8-1-2.3 shows that electric vehicle charging made available for use by the general public is not necessarily a retail electric service. Thus, when considering the reasonableness of including costs of such non-retail services in the retail rates of Petitioner, we find there should be a demonstration of an identifiable benefit to retail ratepayers, even when such costs are a relatively small portion of an otherwise reasonable settlement. In our review of the evidence, we do not find support in the record of such benefits and that the costs of such investment should be assigned to customers obligated to pay for retail electric service from Petitioner. Importantly, we note that the rates to be established pursuant to the Settlement Agreement are for the retail electric service to be provided by Petitioner.

Further, although decided under Ind. Code § 8-1-2.5-6, the Commission's Order in *Indianapolis Power & Light Co.*, Cause No. 44478 (IURC Feb. 11, 2015) addressed a utility's request for ratemaking treatment of costs incurred with installation of BlueIndy's electric vehicle sharing program, finding that sufficient justification was required to use ratepayer funds for enterprises outside of traditional electric utility service. The evidence provided in support of including the \$2.6 million of capital costs for EV Fast Chargers in the 2024 Capital Forecast is insufficient to demonstrate that the inclusion of such costs would benefit ratepayers or otherwise be in the public interest.

¹¹ We are administratively aware that Petitioner's view is that the services in question are 'outside of the Company's traditional utility service.' See Petitioner's Verified Petition for Rehearing, an Interim Deferral Order, and Ultimately a Final Deferral Order at page 4, filed on January 16, 2024, in *Ind. Mich. Power Co.*, Cause No. 45919 (IURC March 6, 2024).

Additionally, while not determinative of our decision here, we share the concerns expressed by other states and public service commissions about public utilities expanding into the electric vehicle charging market and the chilling effect such expansion may have on competitive markets in that sector.¹² As an example, the Kentucky Public Service Commission recently denied Duke Energy Kentucky, Inc’s request for approval of an Electric Vehicle Service Equipment Tariff. *Duke Energy Kentucky*, Case No. 2022-00372, 2023 WL 6845493 (Ky.P.S.C. October 12, 2023). The Kentucky Public Service Commission found that “[the] proposal is an unnecessary expansion of the utility business model which risks negatively impacting competitive markets and economic development in Kentucky.” *Id* at 65, *40. Because the business model of public utilities is a natural monopoly, it determined such entities have an unfair advantage that could disrupt emerging competitive markets such as EV Fast Charging. We also note that the Commission has addressed similar concerns through market sensitive pricing conditions in previous approvals of retail service tariffs for Petitioner and utilities similarly situated to Petitioner. *See e.g., Ind. Mich. Power Co.*, Cause No. 45919 (IURC Dec. 27. 2023) and *Duke Energy Ind., LLC* Cause No. 45616 (IURC June 1, 2022).

Accordingly, based on the evidence submitted, we find that the Settlement Agreement should be modified to remove the inclusion of capital costs of the EV Fast Chargers identified by Petitioner.

Q. Conclusion. The testimony supporting the Settlement Agreement supports the Settlement Agreement is reasonable and in the public interest and represents a just and reasonable resolution of the issues with the exception described in Finding No. 8.P.

Consistent with the Settlement Agreement, the Settling Parties agree the test year end net original cost rate base (Indiana Jurisdictional) for I&M is \$5,444,606,117 and is calculated as follows:

Net Plant In-Service	\$ 5,062,266,882
Fuel Stock	\$ 42,799,585
Other Materials & Supplies	\$ 131,331,733
Allowance Inventory	\$ 15,588,873
Prepaid Pension & OPEB Expense	\$ 143,217,349
Regulatory Assets	\$ 49,401,695
	<u>\$ 5,444,606,117</u>

Settlement Agreement Attachment B, line 1; Petitioner’s Exhibit 42 at 16, Figure AJW-3.

¹² Other states and utility commissions that have or are considering limiting utility ownership of EV charging stations include: South Carolina (Docket No. 2023-121-E), Connecticut (Docket No. 17-12-03RE04, addressing utility ownership of EV charging through a statewide EV charging program), Georgia (SB146 generally prohibiting regulated public utility ownership of public EV charging stations), Missouri (File No. ET-2016-0246), New Jersey (Docket No. QO20050357), New York (Case 18-E-0138), Pennsylvania (Docket Nos. R-2021-3024750, R-2021-3023618, R-2021-3024601), Texas (SB 1002), and Virginia (Case No. PUR-2019-00154).

The test year end net original cost rate base (Indiana Jurisdictional) is subject to change due to Finding No. 8.P. Accordingly, the Commission finds the test year end net original cost rate base (Indiana Jurisdictional) for I&M shall be calculated in a manner consistent with the terms of the Settlement Agreement, subject to the exception detailed in Finding No. 8.P.

As discussed above, the Settlement Agreement provides that, for purposes of calculating the Phase-In Rate Adjustment for Phase I rates, the debt/equity ratio for investor-supplied capital will be 50%/50%. After giving effect to this Settlement Agreement term, the Commission finds that I&M's Phase I ratemaking capital structure (after tax) and WACC are as follows:

Phase I Capital Structure and WACC

<u>Description</u>	<u>Total Petitioner Capitalization</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>WACC</u>
	\$			
Long-Term Debt	3,103,192,576	41.69%	4.59%	1.91%
Common Equity	3,103,192,576	41.69%	9.85%	4.11%
Customer Deposits	48,606,762	0.65%	2.00%	0.01%
ADFIT	1,174,521,370	15.78%	0.00%	0.00%
ADJDITC ¹³	13,457,227	0.18%	7.22%	0.01%
	<u>7,442,970,511</u>	100.00%		<u>6.05%</u>

Petitioner's Exhibit 42, Attachment AJW-1-S, page 1.

For purposes of the Phase II compliance filing, the Settlement Agreement provides the debt/equity ratio for investor-supplied capital will be adjusted to the December 31, 2024 actual ratio, but no higher than a 51.20% equity ratio. Settlement Agreement Section I.A.1.2. After giving effect to this Settlement Agreement term, the Commission finds that I&M's Phase II ratemaking capital structure (after tax) and WACC are as follows:

Phase II Capital Structure and WACC¹⁴

<u>Description</u>	<u>Total Petitioner Capitalization</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>WACC</u>
	\$			
Long-Term Debt	3,065,215,589	40.91%	4.58%	1.87%
Common Equity	3,216,351,502	42.93%	9.85%	4.23%
Customer Deposits	48,606,762	0.65%	2.00%	0.01%
ADFIT	1,152,859,446	15.39%	0.00%	0.00%
ADJDITC	9,563,755	0.13%	7.28%	0.01%
	<u>7,492,597,053</u>	100.00%		<u>6.12%</u>

¹³ Accumulated Deferred Job Development Investment Tax Credits ("ADJDITC").

¹⁴ This table reflects a 51.20% equity ratio. I&M's compliance filing shall use the December 31, 2024, actual ratio, but no higher than a 51.20% equity ratio. Settling Parties' Joint Exhibit 1 (Settlement Agreement) at Section I.A.1.2.

Petitioner's Exhibit 42 at 11, Figure AJW-1; Attachment AJW-1-S, page 2.

On the basis of the evidence presented, we find Petitioner should be authorized to adjust its base rates and charges for electric utility service in a manner consistent with the terms of the Settlement Agreement, subject to the exception detailed in Finding No. 8.P. Prior to Phase I rates becoming effective, Petitioner shall remove the \$2.6 million of capital costs of the EV Fast Chargers from its 2024 Capital Forecast and file its new schedule of rates and charges, its full tariff, and revenue proof for all customer classes for approval by the Commission's Energy Division. Said filing shall apply and be consistent with the text of this Order, notwithstanding whether it is determined any numbers need revision; provided, the propriety of any such revisions shall be explained in said filing. Any party contesting the derivation of the rates and charges shall file a notice within ten business days of Petitioner's filing of the new rate schedules and proof of revenues.

We further approve the phase-in of I&M's rates as proposed by I&M and modified by the Settlement Agreement and Finding No. 8.P. More specifically, when I&M's new base rates are first effective, they will include I&M's Phase-in Rate Adjustment calculated following the same methods employed to develop the Phase-in Rate Adjustments in the 44967, 45235, and 45576 Orders (the "Phase I" rates).

We further find that I&M shall certify to this Commission its net plant at December 31, 2024 and thereafter calculate the resulting Phase II rates consistent with the Settlement Agreement. For purposes of the Phase II certification, I&M shall use the forecasted test year end net plant shown on Attachment AJW-6-S to Petitioner's Exhibit 42, line 8. The Phase II rates shall go into effect on the date that I&M certifies its test year end net plant, or January 1, 2025, whichever is later. The net plant for Phase II rates shall not exceed the lesser of (a) I&M's forecasted test year end net plant as modified by the Settlement Agreement or (b) I&M's certified test year end net plant. I&M shall serve all Settling Parties with its certification. The OUCC and intervenors shall have 60 days from the date of certification to state objections to I&M's certified test year end net plant. If there are objections, a hearing shall be held to determine I&M's actual test year end net plant, and rates will be trued-up (with carrying charges) retroactive to January 1, 2025, notwithstanding when Phase II rates go into effect.

The Commission finds and concludes that, except as discussed above in Finding No. 8.P., the Settlement Agreement is reasonable, supported by substantial evidence, and in the public interest. Accordingly, the Settlement Agreement is approved with the exception mentioned above.

9. Effect of Settlement. Consistent with the terms of the Settlement Agreement, the Settlement Agreement is not to be used as precedent in any other proceeding or for any other purpose except to the extent necessary to implement or enforce its terms; consequently, with regard to future citation of the Settlement Agreement or of this Order, the Commission finds our approval herein of portions of the Settlement Agreement should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849 at 7-8 (IURC March 19, 1997).

10. Confidentiality. On August 9, 2023, Petitioner filed a Motion for Protection and Nondisclosure of Confidential and Proprietary Information in this Cause, which was supported by affidavits showing the documents to be submitted contain trade secret information as defined in Ind. Code § 24-2-3-2 and should be treated as confidential in accordance with Ind. Code §§ 5-14-3-4 and 8-1-2-29. In a Docket Entry dated September 13, 2023, the Presiding Officers found the information should be held confidential on a preliminary basis. After review of the information and consideration of the affidavits, we find the information is trade secret information as defined in Ind. Code § 24-2-3-2, is exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29 and shall be held as confidential and protected from public access and disclosure by the Commission.

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

1. The Settlement Agreement, a copy of which is attached to this Order, is approved with the exception in Finding No. 8.P. Petitioner is authorized to adjust and increase its rates and charges for electric utility service to produce an increase in total operating revenues of approximately 3.61% in accordance with the findings herein, which rates and charges shall be designed to produce forecasted Phase II total annual operating revenues of \$1,772,812,199, which are expected to produce annual net operating income of \$331,133,925 in a manner consistent with the terms of the Settlement Agreement, but subject to the exception in Finding No. 8.P.

2. Prior to Phase I rates becoming effective, Petitioner shall file its new schedule of rates and charges and its full tariff, revised to comply with the findings in this Order, and revenue proof for all customer classes for approval by the Commission's Energy Division. Said filing shall apply and be consistent with the text of this Order, notwithstanding whether it is determined any numbers need revision; provided, the propriety of any such revisions shall be explained in said filing. Any party contesting the derivation of the rates and charges shall file a notice within ten business days of Petitioner's filing of the new rate schedules and proof of revenues.

3. Consistent with Paragraph 7.1 of the Settlement Agreement, Petitioner is authorized to place into effect Phase I rates and charges in accordance with the findings herein for retail electric service rendered basis on and after the date of approval by the Energy Division.

4. Petitioner shall certify its net plant on December 31, 2024 and calculate the resulting Phase II rates and charges, which shall be made effective in accordance with the findings herein, subject to being contested and trued-up consistent with Finding No. 8.

5. Petitioner is authorized to file updated factors for its rate adjustment mechanisms in accordance with this Order, and such changes shall be effective simultaneously with approval of I&M's new basic rates.

6. I&M is authorized to implement the PowerPay Program on a pilot basis as set forth in the Settlement Agreement. I&M is granted a waiver of the notice requirements in 170 IAC 4-1-16(f) as to the disconnection process for the PowerPay Program.

7. Petitioner is granted accounting authority to implement the Settlement Agreement.
8. Petitioner is, authorized to place into effect for accrual accounting purposes revised depreciation accrual rates as provided in the Settlement Agreement.
9. I&M is directed to file in this docket all information required by the Settlement Agreement.
10. The information filed by Petitioner in this Cause pursuant to the Motion for Protection and Nondisclosure of Confidential and Proprietary Information is deemed confidential pursuant to Ind. Code § 5-14-3-4, is exempt from public access and disclosure by Indiana law, and shall be held confidential and protected from public access and disclosure by the Commission.
11. This Order shall be effective on and after the date of its approval.

HUSTON, BENNETT, FREEMAN, VELETA, AND ZIEGNER CONCUR:

APPROVED: MAY 08 2024

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

Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA MICHIGAN POWER)
COMPANY, AN INDIANA CORPORATION,)
FOR AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC UTILITY)
SERVICE THROUGH A PHASE IN RATE)
ADJUSTMENT; AND FOR APPROVAL OF)
RELATED RELIEF INCLUDING: (1) REVISED)
DEPRECIATION RATES, INCLUDING COST)
OF REMOVAL LESS SALVAGE, AND)
UPDATED DEPRECIATION EXPENSE; (2))
ACCOUNTING RELIEF, INCLUDING)
DEFERRALS AND AMORTIZATIONS; (3))
INCLUSION OF CAPITAL INVESTMENT; (4))
RATE ADJUSTMENT MECHANISM)
PROPOSALS, INCLUDING NEW GRANT)
PROJECTS RIDER AND MODIFIED TAX)
RIDER; (5) A VOLUNTARY RESIDENTIAL)
CUSTOMER POWERPAY PROGRAM; (6))
WAIVER OR DECLINATION OF)
JURISDICTION WITH RESPECT TO)
CERTAIN RULES TO FACILITATE)
IMPLEMENTATION OF THE POWERPAY)
PROGRAM; (7) COST RECOVERY FOR)
COOK PLANT SUBSEQUENT LICENSE)
RENEWAL EVALUATION PROJECT; AND (8))
NEW SCHEDULES OF RATES, RULES AND)
REGULATIONS.)

CAUSE NO. 45933

APPROVED: MAY 08 2024

CONCURRING OPINION OF COMMISSIONER SARAH E. FREEMAN

I write separately to concur in result with respect to the approval of Section I.B.7 of the Settlement Agreement as modified in Finding No. 8.P. of this Order. I agree with the majority that there is insufficient evidence in the record to support the inclusion of the costs at issue, particularly in light of Petitioner’s paltry response to the Commission’s Docket Entry of January 25, 2024, and the lack of any cost-benefit analysis.

I do not agree, however, with the majority’s interpretation of Ind. Code. § 8-1-2-1.3 to make such a bright line distinction between owning and operating EV supply equipment, such as EV Fast Chargers for use by the public, and being a retail rate regulated public utility. The pertinent statutory language in section 1.3(d) provides that “[a] person ... that: (1) owns, operates, or leases EV supply equipment; and (2) makes the EV supply equipment available for use by the public for compensation ... is not a public utility solely by reason of engaging in [either] activity[.]” A literal

reading of this subsection implies (at least partially) the opposite; that a public utility, which includes retail rate regulated public utilities, may indeed own and operate EV supply equipment for use by the public, independent of its regulatory status.

For these reasons, I respectfully concur in result.

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA MICHIGAN POWER)
COMPANY, AN INDIANA CORPORATION,)
FOR AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC UTILITY)
SERVICE THROUGH A PHASE IN RATE)
ADJUSTMENT; AND FOR APPROVAL OF)
RELATED RELIEF INCLUDING: (1) REVISED)
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RIDER; (5) A VOLUNTARY RESIDENTIAL)
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IMPLEMENTATION OF THE POWERPAY)
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RENEWAL EVALUATION PROJECT; AND (8))
NEW SCHEDULES OF RATES, RULES AND)
REGULATIONS.)

OFFICIAL
EXHIBITS

CAUSE NO. 45933

JURG
JOINT
EXHIBIT No. 1
1-31-24 AT
DATE REPORTER

STIPULATION AND SETTLEMENT AGREEMENT

Indiana Michigan Power Company (“I&M”), the Indiana Office of Utility Consumer Counselor (“OUCC”), I&M Industrial Group, Citizens Action Coalition of Indiana, Inc. (“CAC”), Joint Municipals (collectively the City of Ft. Wayne, Indiana, the City of Marion, Indiana and Marion Municipal Utilities), Walmart Inc. and Wabash Valley Power Association, Inc. d/b/a Wabash Valley Power Alliance (collectively the “Settling Parties” and individually “Settling Party”), solely for purposes of compromise and settlement and having been duly advised by their

respective staff, experts and counsel, stipulate and agree the terms and conditions set forth below represent a fair, just and reasonable resolution of the matters set forth below, subject to their incorporation by the Indiana Utility Regulatory Commission (“IURC” or “Commission”) into a final, non-appealable order (“Final Order”)¹ without modification or further condition that may be unacceptable to any Settling Party. If the Commission does not approve this Stipulation and Settlement Agreement (“Settlement Agreement”), in its entirety, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Settling Parties.

I. TERMS AND CONDITIONS.

A. Revenue Requirement. The Settling Parties agree that I&M’s proposed revenue increase (as of Phase II) should be reduced from \$116.4 million to \$56.9 million, a decrease of \$59.5 million as stated below, prior to updated Transmission Owner Costs, Revenues and Proposed Rider Revenue, as shown in and subject to the attached Settlement Agreement Attachment A (summary of revenue requirement impact of settlement terms) and the attached Settlement Agreement Attachment B (I&M Exhibit A-1 updated to reflect settlement terms).

1. Cost of Capital.

1.1. **ROE.** The Settling Parties agree to a Commission authorized return on equity (“ROE”) of 9.85%.

1.2. **Capital Structure.** For purposes of the Phase I compliance filing, the Debt/Equity ratio will reflect the Phase II capital structure approved in Cause No. 45576 (i.e., 50%/50%). For purposes of the Phase II compliance filing, the Debt/Equity ratio will be adjusted to the December 31, 2024, actual ratio based on shareholder contributions of debt and equity, but will be no higher than a 51.2% equity ratio.

1.3. **Weighted Average Cost of Capital (“WACC”).** After incorporating subsection 1.1. above and subsection 1.4 below, the agreed WACC to be applied to I&M’s original cost rate base for Phase I will be 6.05% and 6.12% for Phase II subject to the Phase II compliance filing described in 1.2. above.

¹ “Final Order” as used herein means an order issued by the Commission as to which no person has filed a Notice of Appeal within the thirty-day period after the date of the Commission order.

1.4. Private Letter Ruling. For purposes of setting base rates in this proceeding, I&M will retain the approximately \$96.9 million (Total Company) in cost free capital that is proposed to be removed per I&M's proposed Net Operating Loss Carryforward ("NOLC") adjustment pending receipt of the Private Letter Ruling ("PLR") requested from the Internal Revenue Service ("IRS") in accordance with the Settlement Agreement in Cause No. 45576, that determines whether or not I&M's proposed NOLC adjustment must be made in order to avoid a tax normalization violation.

1.4.1 Pending receipt of an IRS PLR, the Settling Parties agree that the Commission should continue to authorize I&M to establish a regulatory asset for the return that would be associated with the inclusion of the proposed NOLC adjustment in the calculation of accumulated deferred federal income taxes ("ADFIT") in I&M's capital structure. The regulatory asset would also be established for the amount of any differences in I&M's requested levels of protected excess ADFIT ("EADFIT") amortization (see I.A.1.d and I.A.1.e) and the settled levels of amortization. Upon the effective date of the rates being implemented in this proceeding, the accrual of this regulatory asset will reflect the terms of this settlement agreement.

1.4.2 If the IRS PLR determines that failure to reinstate the proposed NOLC ADFIT in the calculation of I&M's capital structure constitutes a normalization violation, I&M will initiate a limited proceeding to update I&M's Tax Rider to reflect the NOLC adjustments, along with any Commission-approved offsets, in rates on an ongoing basis and to recover the regulatory asset. The Settling Parties reserve rights to take any position in the limited proceeding related to the NOLC and the Company's proposed ratemaking related thereto. All parties reserve all rights to any position regarding the Company's continued participation in the Tax Sharing Agreement on a going forward basis in the Company's subsequent base rate cases.

1.4.3 If the IRS PLR determines there is no normalization violation created by the failure to reinstate the NOLC ADFIT, the regulatory asset will be written-off and will not be recovered from customers.

1.4.4 The Company will file notice of the results of the ruling with the Commission and notify the Settling Parties within ten (10) business days of receipt of the PLR.

1.4.5 For purposes of permitting the Commission to make the necessary findings consistent with the terms of this stipulation, I&M will waive confidential treatment of: (1) the fact of its request for a PLR; and (2) the overall results of the PLR.

1.5. The authorized base rate net operating income ("NOI") will be \$333,209,894.

2. Depreciation Rates And Expense. Solely for purposes of compromise in this proceeding, I&M will reduce depreciation expense by approximately \$15.8 million (Indiana Jurisdictional). This reduction will be effectuated by accepting OUCC witness Garrett's proposed adjustment to I&M proposed depreciation rates for distribution plant

accounts shown in Attachment DJG-3. The Company's proposed depreciation rates, which are calculated using Average Life Group, will otherwise be approved by the Commission. The Company will include the depreciation rates revised to reflect this Settlement Agreement with its settlement testimony.

3. Expense Adjustments. For the purpose of calculating revenue requirements in this case and solely for the purpose of compromise on contested issues, I&M will reduce its proposed O&M expenses as follows. Nothing in this agreement precludes I&M from seeking recovery of these type of expenses in a future case.

3.1. A \$2.0 million (Indiana Jurisdictional) decrease in the Company's proposed nuclear decommissioning expense. I&M may seek additional adjustments to the funding level of the Nuclear Decommissioning Trust based on future analyses of the adequacy of the Trust to pay for decommissioning. Nothing in this Agreement shall be construed as limiting any Party's position with regard to the recovery of actual nuclear decommissioning costs or the appropriate balance of the Nuclear Decommissioning Trust.

3.2. A \$6.0 million (Indiana Jurisdictional) decrease in other O&M expense from I&M's Test Year forecast as a negotiated compromise of contested operating expense issues including items challenged in CAC's testimony.

3.3. I&M's revenue requirement in this case will be adjusted downward by reducing expense \$0.9 million (Indiana Jurisdictional) in recognition of certain IT cost reductions proposed by IG witness Gorman.

3.4. In its Phase II compliance filing, if the DERMS project is in-service, I&M shall credit to the project costs (similar to "Contributions-in-aid-of-Construction" ("CIAC")), the grant funds received for its DERMS project, net of the tax impact and grant writing costs. Grant writing costs shall not exceed \$250,000 (Indiana Jurisdictional) or the grant amount (whichever is less). The grant funds, net of the tax impact and grant writing costs, will reduce the depreciation of the underlying assets, and rate base (net of depreciation). If the DERMS project is not in-service as of the Phase II compliance filing date, the Company shall credit its capital expenditures as described above in the next base rate proceeding or the earliest alternative filing in which DERMS is recognized in rate base.

4. IURC Fee and Revenue Conversion Factor. The IURC Fee of 0.1467603% will be used to determine the Test Year IURC Fee and will also be used to calculate the revenue conversion factor.

5. Major Storms. The Major Storm Damage and Restoration Reserve shall be continued as proposed by I&M. As proposed by IG witness Gorman, annual major storm O&M expense embedded in basic rates will be increased by an additional \$1.6 million (Indiana Jurisdictional), for a total of \$9.4 million (Indiana Jurisdictional) annual major storm costs. As also proposed by IG witness Gorman, the unrecovered balance of storm restoration costs will be amortized over four years instead of two years. The net result of these adjustments is an approximate \$4.0 million (Indiana Jurisdictional) decrease in I&M's revenue requirement.

6. Power Pay. I&M's Power Pay Program will be approved as a pilot program as recommended by the OUCC with the following modifications:

6.1. Participants will be notified up front that they are responsible to monitor their account balances to prevent disconnection in all circumstances, including periods when they temporarily lose access to cell phone service or the internet;

6.2. Participants will be provided an opportunity to identify a person to receive third-party notification in case of pending disconnection;

6.3. A customer's previous deposit will be used to cover arrearages remaining from a previous account. The customer may choose whether to apply the deposit (or remaining balance of the deposit) toward electric service under the PowerPay Program or receive a refund. If a customer does not make a choice within ten days of receiving notification, the deposit or remaining balance will be applied toward electric service under the PowerPay Program.

6.4. I&M will offer to meet with the OUCC and CAC no less than 60 days prior to implementing the program to review program implementation details and define program metrics. As recommended by Ms. Paronish, at a minimum, I&M will use the metrics outlined in her testimony on page 10, lines 18 through 24 and page 11, lines 1 through 18. I&M will limit the number of participating customers during the first year of the program to no more than 2,300. I&M will meet with the OUCC and CAC within 60 days of the end of the first year to review program status and metrics and within 60 days of the end of the second and final year of the pilot program. I&M will file a report with the Commission regarding the metrics within 90 days of the pilot's completion. Nothing in this Settlement Agreement shall preclude the Company from seeking Commission approval to continue the program beyond the end of the pilot.

6.5. The costs of the Power Pay Program will be deferred, including a return on the plant investment, for recovery in I&M's next basic rate proceeding. The Settling Parties reserve their rights to take any position in that rate proceeding regarding the recovery of the deferred costs. If the Company seeks to recover costs of the Power Pay Program it will present information on the impact of the pilot on the following:

- a. Indiana jurisdictional total bad debt expense;
- b. Indiana jurisdictional bad debt expense attributable to customers on the Power Pay Program;
- c. improvement in back office efficiencies that reduce I&M's expenses; and/or
- d. any other reasonably-measured program benefit the Company has analyzed.

7. Grants Projects and Broadband.

7.1. Grants Projects. I&M agrees to withdraw from this basic rate proceeding its request for approval of an expedited review process for grants, associated ratemaking and reporting via the Grants Project Rider.

7.2. Broadband. If I&M pursues the Delaware and Grant Middle Mile Connect (DG MMC) project, neither the investment included in the grant award to provide broadband internet service to ISPs nor the awarded grant funding will be included in the calculation of I&M's electric utility rates. Fiber leasing costs and revenues for the Delaware and Grant Middle Mile Connect project will be booked below the line and excluded from retail ratemaking process.

8. Riders.

8.1. FAC. As recommended by OUCC witness Eckert, I&M agrees to continue the current agreement which allows the OUCC and Intervenors a 35-day review period in the Company's FAC proceedings.

8.2. OSS/PJM Rider. An annual cap will be placed on the PJM NITS costs reflected in FERC accounts 4561035 and 5650016 recovered through the PJM rider. The annual cap will be based on the Indiana Jurisdictional amount per MWh forecasted for 2024 plus 20% times the actual annual MWh sales subject to the PJM/OSS Rider. The annual cap will be calculated using \$31.18 per MWh as the multiplier, computed as follows: $(\$161,850,695 + \$237,848,022) \times 83.17998\% / 12,794,031 \text{ MWh}$ (see WP-SRG-1 and WP-JLF-6) $\times 120\%$. In each annual PJM/OSS Rider filing, the Company shall multiply the total actual MWh sales for the year by the \$31.18 per MWh multiplier to arrive at the annual cap. Annual NITS costs in any year that result in rates that exceed the annual cap, together with the associated NITS rider revenue requirement and carrying costs, will be placed in a regulatory asset for recovery in I&M's next base rate case. The Settling Parties reserve their rights to take any position with respect to the appropriate amortization period and related going-forward return on any unamortized balance of any regulatory asset created pursuant to this term of this Settlement Agreement.

8.3. Tax Rider. The Settling Parties agree that the Tax Rider will be used to implement ratemaking adjustments associated with the IRS PLR that requires I&M to make its proposed NOLC adjustment as provided for specifically in Section 1.4. and to reconcile the excess crediting of unprotected ADFIT in accordance with Cause Nos. 45235 and 45576. The Company agrees to withdraw its proposal in this proceeding to use the Tax Rider to flow through the Corporate Alternative Minimum Tax (CAMT) and Production Tax Credits (PTCs) specifically associated with the Cook Nuclear Facility.

9. Subsequent License Renewal Application (SLRA) Project. I&M's SLRA Project will be approved with following modifications:

9.1. I&M agrees to limit the costs associated with the SLRA to no more than \$5 million (Indiana Jurisdictional) prior to the submission of the Company's 2024 Integrated Resource Plan (IRP) to the Commission. If the Cook Subsequent License Renewal (SLR)

is not included in the Company's Preferred Portfolio, I&M will be allowed to recover a return of the costs, not to exceed \$5 million, in a future proceeding absent evidence of imprudence. Nothing in this Settlement Agreement limits I&M's ability to seek a reasonable recovery period and return on the deferred balance or the other Settling Parties' ability to challenge any such proposal. If the SLR is included in the Company's Preferred Portfolio, the Company will proceed with the SLRA process and the costs associated with the SLRA will be included as a component of the project(s) necessary to implement the SLR subject to review for reasonableness with the non-I&M Settling Parties reserving all rights to challenge the reasonableness of the amount of SLRA costs and to challenge the means of ratemaking recovery, including whether through a rider or base rates, any proposed amortization period and the appropriate return on any authorized regulatory asset in excess of the initial \$5 million (Indiana Jurisdictional) agreed to in this paragraph.

9.2. I&M will provide an update on the progress of the SLRA Project annually until the issuance of the final Director's Report for the 2024 IRP. The annual progress reports will be filed with the Commission as a compliance filing in this docket (subject to the protection of confidential information) unless otherwise directed by the Commission to use a different docket. The annual reports will include the following information:

9.2.1 A project status summary on high level milestones achieved during the reporting period.

9.2.2 A Level 2 project schedule with key activities and milestones to complete the SLRA with status updates through the reporting period.

9.2.3 A breakdown of current spend by period, forecasted spend in the next period, total spend to date, and estimated project percentage completion, in each of the five categories identified in I&M witness Ferneau's testimony in each of the five categories listed below regardless of whether the category is considered complete or "in progress":

9.2.3.1. Primary Architect and Engineering Consultant.

9.2.3.2. Specialty Vendor to Perform Analysis on Reactor Vessel.

9.2.3.3. Specialty Vendor to Develop and Review Environmental Report.

9.2.3.4. Cook Project Management and Support.

9.2.3.5. NRC and Legal Fees.

9.2.4 Each report will identify potential risks to project costs and/or project schedule at both the SLRA Project level and in each of the five categories above.

9.3. 2024 IRP. To facilitate the 2024 IRP modeling and the stakeholder process I&M agrees to the following:

9.3.1 Modeling License. I&M agrees to provide up to three executable modeling licenses for use by the IURC, OUCC and CAC during the 2024 IRP stakeholder process and before the 2024 IRP is submitted (i.e. in the first quarter of 2024 for use throughout the stakeholder process until comments on I&M's IRP and the Director's draft report on the IRP). If the IURC elects not to use the license, the third license will be offered to another interested stakeholder, with preference given to a settling party, in Indiana during that same period, assuming no conflicts exist. I&M will also reasonably consider providing other executable modeling licenses, should the request/s arise. I&M will be authorized to defer the costs of these licenses for recovery in its next basic rate proceeding.

9.3.2 Schedule of deliverables of data and feedback loop for 2024 IRP and subsequent IRPs. I&M agrees to follow a process of releasing and sharing information using a file sharing site to share information at several points of time throughout the IRP process, according to a schedule predetermined with stakeholders, where information related to the topics being discussed at the public stakeholder meetings will be provided to interested stakeholders. Information will only be shared with those stakeholders with an executed nondisclosure agreement ("NDA") with I&M. The schedule of release dates will include key modeling inputs, such as capital cost information, resource constraints, resource accreditation, modeling of demand side management ("DSM") resources, and then modeling results.

9.3.3 Energy Efficiency ("EE"). Following the completion of the Market Potential Study, I&M agrees to work in good faith with CAC and interested stakeholders to define and construct I&M's Indiana EE bundles and levelized costs prior to IRP modeling. For purposes of constructing IRP bundles for its Indiana retail jurisdiction, I&M agrees to use a combination of Realistic Achievable Potential (RAP) and Maximum Achievable Potential (MAP) for C&I and RAP for Residential. The RAP and MAP inputs used for constructing the IRP bundles will include net-to-gross adjustments for savings, and inflation adjustments if necessary to align with the assumptions used in the IRP, and no other adjustments to savings or budget shall be applied unless mutually agreed upon by all parties.

9.3.4 Storage. I&M agrees to model longer duration (8-10 hour lithium ion) and potentially multiday storage in the 2024 IRP and will solicit input and feedback from stakeholders on the cost and performance in the stakeholder process prior to modeling.

10. Electric Vehicles (EV). I&M agrees to invite CAC, Fort Wayne, the OUCC, and any other interested stakeholders to participate in a stakeholder process to be conducted at least 60 days in advance of I&M's 2024 EV filing to allow time to consider and incorporate feedback into I&M's case-in-chief as I&M deems reasonable to help reduce the number of contested issues in the case, if possible.

11. DG Related Issues

11.1. EDG Reporting. As part of its annual performance metrics report filed in Cause No. 44967, I&M agrees to include monthly data broken down by residential and

non-residential customers regarding EDG tariff and Small Power Production tariff customer participation, including data for each tariff on new and total (a) capacity (kW-ac) installed, (b) number of customers, and (c) size of battery storage system (both kW and kWh) if one is part of the customer's system and that detail is provided to the Company by the customer.

11.2. DER Collaboration.

11.2.1 I&M agrees to work in good faith with CAC and other interested stakeholders to hold up to four workshop meetings in total during 2024 and 2025 to propose updates to I&M's Indiana interconnection procedures to facilitate distributed generation in I&M's Indiana service territory while ensuring the safety and reliability of the distribution system and compliance with Indiana law and regulation. This includes but is not limited to: streamlining and modernizing the process and interconnection timelines, clarifying the treatment of battery energy storage, considering modifications to the requirement of AC disconnect switches for small inverter-based distributed generation systems, and incorporating industry best practices. This term does not limit I&M's ability to update its interconnect procedures during the pendency of this process.

11.2.2 I&M also agrees to work in good faith with CAC, the OUCC, and other interested stakeholders to explore and evaluate implementing the following in I&M's Indiana service territory: Integrated Distribution Planning, Virtual Power Plants, Hosting Capacity Analyses, and a solar+storage or mobile battery storage program and other ideas that could be implemented to specifically help medically vulnerable customers have a source of emergency backup power for essential medical devices. I&M and these stakeholders will use the results of this evaluation to determine if, how, and when formal proposals will be made. The parties will work to conclude these discussions before December 31, 2026.

11.2.3 The parties will work in good faith to ensure the above referenced collaboratives do not run in conflict with any Commission initiatives.

B. Cost of Service and Rate Design.

1. **Revenue Allocation.** The Settling Parties agree that rates should be designed in order to allocate the revenue requirement to and among I&M's customer classes in a fair and reasonable manner. For settlement purposes, the Settling Parties agree that Settlement Attachment C specifies the revenue allocation agreed to by all Settling Parties. This revenue allocation is determined strictly for settlement purposes and is without reference to any particular, specific cost allocation methodology.

2. Streetlighting.

2.1. **Streetlighting COS in Next Rate Case:** I&M agrees to prepare and provide a class cost-of-service study with the following four streetlighting classes in its next basic rate case: Company-owned (SLS/ECLS), Customer-owned (SLC), Customer-owned - metered (SLCM) and Fort Wayne Streetlighting (FW-SL).

2.2. Fort Wayne Streetlighting Billing/Audit issues: I&M and the City will resolve the discrepancies among I&M's tariff, billing data, and ledger, and the City's streetlight inventory by using the Collector app data. Specifically, the parties will meet within 60 days after issuance of a Commission Order approving this Settlement Agreement to resolve these discrepancies. This data should include, by map section, the light type, size in watts, GPS location, physical location and any other attributes contained in the Collector app. I&M's monthly billing will reflect the agreed upon number of streetlights and sizes owned by the City served by I&M on or before August 31, 2024. Monthly inventory updates, if applicable, will be sent to I&M to maintain billing accuracy, and I&M will implement such updates in a timely manner to be included in the next monthly billing cycle as reasonable. Because the number of streetlights may change periodically throughout a given year, the parties will commit to meet in February and August each year to discuss any changes or issues identified. If either party requests an audit, both parties will conduct an audit together, as needed, in a timely manner, to verify sections of the streetlights owned by the City. I&M will revise and streamline the Fort Wayne Street Lighting tariff attached hereto as Settlement Agreement Attachment D. The City understands and acknowledges that automating the integration of the Collector app data with I&M's legacy Customer Information System (CIS) would be cost-prohibitive. However, within six months of a Final Order approving this Settlement Agreement, I&M will arrange a meeting between the City and I&M's CIS team, which will be sufficiently in advance of the "go live" date of the new CIS system to allow the parties a meaningful opportunity to explore the feasibility and cost estimates for automating the integration of the Collector app data with the new CIS system. The parties agree to consider all cyber security and data security concerns.

3. Grandfathering Current LGS Customers. I&M agrees to revise the proposed eligibility language for Tariff LGS to grandfather existing customers under the current eligibility requirements of an annual maximum demand of 60 kW or greater. The proposed Availability of Service for Tariff L.G.S. would read as follows:

Available for general service customers. Customers may continue to qualify for service under this tariff until their 12-month average metered demand exceeds 1,000 kW. Customers requesting service under Tariff L.G.S. on and after [insert date of Cause No. 45933 Order] must have a 12-month average metered demand of 60 kW or greater. Customers that qualified for Tariff L.G.S. prior to [insert date of Cause No. 45933 Order] may remain on Tariff L.G.S. until their 12-month average metered demand exceeds 1,000 kW or they elect to leave Tariff L.G.S.

4. Tariff IP. The Tariff IP kVAr credit proposed by IG witness Dauphinais will be implemented as agreed to and modified by, the rebuttal testimony of I&M witness Fischer.

5. Residential Service.

5.1. Monthly Fixed Charge. The Settling Parties agree that I&M's standard residential tariff service charge will be \$15.00 per month. The Settling Parties agree the monthly service charge for Rate RS-TOD and Rate RS-TOD2 will be \$15.00 per month.

5.2. Multi-Family Rate Proposal. Following full deployment of AMI, I&M will collect data for one year and analyze cost differentials between single- and multi-family residential customers. I&M will solicit input from the CAC and other interested Settling Parties on sample size for the data collection and the scope of analysis. The cost of the supporting analysis will be limited to no more than \$50,000, excluding internal labor. I&M will consider a new multi-family rate for qualifying residential customers in its next basic rate case filing following the completion of this analysis. In advance of such rate case filing, I&M will offer to meet with CAC and other interested Settling Parties to discuss a potential multi-family rate and will also provide CAC and any other interested Settling Party with the results of the Company's analysis.

5.3. Residential LIHEAP Customer Late Payment Charge. I&M agrees that, once in each half calendar year, at the request of the customer who received LIHEAP assistance within the last twelve months, the Company will waive the late payment charge on a delinquent bill, provided payment is tendered not later than the last date for payment of net amount of the next succeeding month's bill.

5.4. Residential Service Disconnections. With respect to disconnections for non-payment, I&M agrees not to disconnect service for any residential customer on Fridays, Saturdays, Sundays and Holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, December 24, and Christmas Day).

6. Contribution. I&M agrees to provide Indiana Community Action Association with \$200,000 in both 2024 and 2025 to assist low income customers. I&M's revenue deficiency in this Cause will not be adjusted to include the incremental costs of this contribution.

7. Remaining Issues.

7.1. Solely as a matter of compromise, the Settling Parties agree that the new basic rates approved by the Commission will be implemented by the Company on a service rendered basis on or after the date the Commission approves the new tariff following the Company's compliance filing in this proceeding.

7.2. Any matters not addressed by this Settlement Agreement will be adopted as proposed by I&M in its direct and rebuttal case.

7.3. The Settling Parties agree to work cooperatively on news releases and/or other announcements to the public about this Settlement Agreement.

II. PRESENTATION OF THE SETTLEMENT AGREEMENT TO THE COMMISSION.

A. The Settling Parties shall support this Settlement Agreement before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement.

B. The Settling Parties may file testimony specifically supporting the Settlement Agreement. The Settling Parties agree to provide each other with an opportunity to review drafts of testimony supporting the Settlement Agreement and to consider the input of the other Settling Parties. Such evidence, together with the evidence previously prefiled in this Cause will be offered into evidence without objection and the Settling Parties hereby waive cross-examination of each other's witnesses. The Settling Parties propose to submit this Settlement Agreement and related evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or condition(s) unacceptable to any Settling Party, the Settlement and supporting evidence shall be withdrawn, and the Commission will continue to hear this Cause with the proceedings resuming at the point they were suspended by the filing of this Settlement Agreement.

C. A Commission Order approving this Settlement Agreement shall be effective immediately, and the agreements contained herein shall be unconditional, effective and binding on all Settling Parties as an Order of the Commission.

III. EFFECT AND USE OF SETTLEMENT AGREEMENT.

A. It is understood that this Settlement Agreement is reflective of a negotiated settlement and neither the making of this Settlement Agreement nor any of its provisions shall constitute an admission by any Settling Party in this or any other litigation or proceeding except

to the extent necessary to implement and enforce its terms. It is also understood that each and every term of this Settlement Agreement is in consideration and support of each and every other term.

B. Neither the making of this Settlement Agreement (nor the execution of any of the other documents or pleadings required to effectuate the provisions of this Settlement Agreement), nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.

C. This Settlement Agreement shall not constitute and shall not be used as precedent by any person or entity in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce this Settlement Agreement.

D. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any Settling Party may take with respect to any or all of the items resolved here and in any future regulatory or other proceedings.

E. The Settling Parties agree the evidence in support of this Settlement Agreement constitutes substantial evidence sufficient to support this Settlement Agreement and provides an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed. The Settling Parties shall prepare and file an agreed proposed order with the Commission as soon as reasonably possible after the filing of this Settlement Agreement and the final evidentiary hearing.

F. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement Agreement all relate to offers of settlement and shall be confidential, without prejudice to the position of any Settling Party, and are not to be used in any manner in connection with any other proceeding or otherwise.

G. The undersigned Settling Parties have represented and agreed that they are fully authorized to execute the Settlement Agreement on behalf of their respective clients, and their successor and assigns, which will be bound thereby.

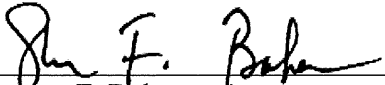
H. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of the Commission Order approving this Settlement Agreement in its entirety and without change or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement Agreement).

I. The provisions of this Settlement Agreement shall be enforceable by any Settling Party upon approval and incorporation into a Final Order first before the Commission and thereafter in any state court of competent jurisdiction as necessary.

J. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

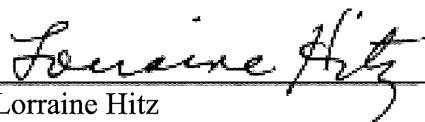
ACCEPTED AND AGREED AS OF THE 20TH DAY OF DECEMBER, 2023.

INDIANA MICHIGAN POWER COMPANY



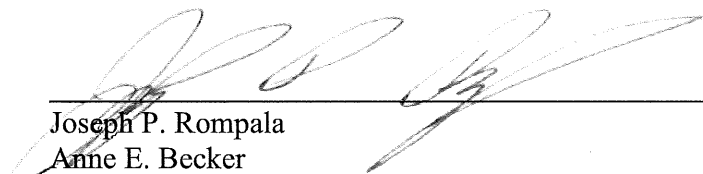
Steven F. Baker
I&M President and Chief Operating Officer
Indiana Michigan Power Center
Fort Wayne, Indiana 46802

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



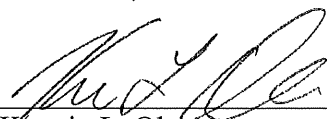
Lorraine Hitz
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CITIZENS ACTION COALITION OF
INDIANA, INC.



Kerwin L. Olson
Citizens Action Coalition of Indiana, Inc.
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CITY OF FORT WAYNE, INDIANA




Brian C. Bosma
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CITY OF MARION, INDIANA, and MARION MUNICIPAL UTILITIES



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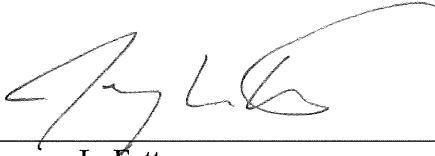
WALMART INC.



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WABASH VALLEY POWER ASSOCIATION, INC.
D/B/A WABASH VALLEY POWER ALLIANCE



Jeremy L. Fetty

J. Michael Deweese

Leah Robyn Zoccola

PARR RICHEY

251 N. Illinois Street, Suite 1800

Indianapolis, IN 46204

Indiana Michigan Power Company - Cause Number 45933
Settlement Agreement Attachment A
(in 000s)

	<u>Indiana</u> <u>Jurisdictional</u>
Rate Base - 12/31/2024	5,423,700
Rate Base Adjustments (No Rounding)	
Increase Storm Reg Asset	6,077
Reduce Distribution Accumulated Depreciation	15,218
Remove Power Pay Net Plant	(378)
Adjusted Rate Base (With Rounding)	<u>5,444,600</u>
Return on Rate Base Impacts (With Rounding)	
Return on Equity ("ROE")	9.85%
ROE @ Settlement	(21,000)
NOL	(5,800)
GRCF	(500)
Rate Base Changes	1,700
Changes to Return on Rate Base	<u>(25,600)</u>
O&M Impacts (With Rounding)	
NOL Impact to Tax Expense	(3,900)
Other Expense	(6,000)
Nuclear Decommission Exp	(2,000)
Distribution Depreciation Expense	(15,800)
Reduce Storm Expense Amortization	(6,100)
Increase Ongoing Storm Expense in Base Rates	1,600
Misc IT Adjustments	(900)
Remove Power Pay Expense Amortization	(100)
Additional Tax Expense Reduction	(700)
Changes to O&M	<u>(33,900)</u>
Change in Ongoing Revenue Requirement *	<u>(59,500)</u>
Phase I Items (With Rounding)	
As filed Revenue Requirement**	116,400
Change in Ongoing Revenue Requirement*	(59,500)
Phase-In Credit	(34,200)
Annual Change to Phase I Revenue Requirement*	<u>22,700</u>
Phase II Items (With Rounding)	
As filed Revenue Requirement**	116,400
Change in Ongoing Revenue Requirement*	(59,500)
Annual Change to Phase II Revenue Requirement*	<u>56,900</u>

* Prior to updated Transmission Costs, Revenues and change in Rider Revenues as summarized on Settlement Attachment B

** Total Rate Change net of Transmission Costs, Revenues and change in Rider Revenues

Indiana Michigan Power Company - Cause Number 45933
Settlement Agreement Attachment B

INDIANA MICHIGAN POWER COMPANY
INDIANA JURISDICTIONAL PROJECTED REQUIRED RATE RELIEF SUMMARY
FOR THE TEST YEAR ENDED DECEMBER 31, 2024

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	Source	Indiana Jurisdictional Settlement	Indiana Jurisdictional As-Filed	Variance
1	Adjusted Original Cost Rate Base	Exhibit A-6	\$ 5,444,606,117	\$ 5,423,706,117	\$ 20,900,000
2	Required Rate of Return	Exhibit A-7	6.12%	6.49%	
3	Income Requirement	Line 1 x Line 2	<u>\$ 333,209,894</u>	<u>\$ 351,998,527</u>	\$ (18,788,633)
4	Less: Net Electric Operating Income	Exhibit A-5	\$ 284,835,850	\$ 259,164,385	\$ 25,671,465
5	Income Deficiency	Line 3 - Line 4	\$ 48,374,045	\$ 92,834,142	\$ (44,460,097)
6	Gross Revenue Conversion Factor	Exhibit A-8	<u>1.3358</u>	<u>1.3372</u>	
7	Jurisdictional Revenue Deficiency	Line 5 x Line 6	\$ 64,618,049	\$ 124,137,815	\$ (59,519,766)
8	Remove Transmission Owner Costs, Revenues	Attachment JLF-1	\$ (2,773,080)	\$ (8,237,860)	\$ 5,464,780
9	Total Required Rate Relief Before Phase-In Credit	Line 7 + Line 8	<u>\$ 61,844,969</u>	<u>\$ 115,899,955</u>	\$ (54,054,986)
10	Less: Current Revenue for Ongoing Riders	Attachment JLF-2	\$ (382,250,710)	\$ (382,250,710)	\$ 0
11	Plus: Proposed Rider Revenue	Attachment JLF-2	\$ 382,226,108	\$ 382,726,978	\$ (500,870)
12	Total Rate Change Before Phase-In Credit	Line 9 + Line 10 + Line 11	<u>\$ 61,820,367</u>	<u>\$ 116,376,223</u>	\$ (54,555,856)
13	Forecasted Revenues Before Increase	Attachment JLF-2	\$ 1,710,991,831	\$ 1,710,991,831	
14	Percent Increase	Line 12 / Line 13	3.61%	6.80%	
15	Phase-In Credit	Attachment JCD-2	<u>\$ (34,205,275)</u>	<u>\$ (32,692,077)</u>	\$ (1,513,198)
16	Total Rate Change During Phase-In	Line 12 + Line 15	\$ 27,615,092	\$ 83,684,146	\$ (56,069,054)
17	Percent Increase	Line 16 / Line 13	1.61%	4.89%	

Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment C
 Revenue Allocation Summary

Settlement Revenue Allocation by Class		
	\$ Increase	% Increase
RS	27,862,101	5.19%
GS	7,947,036	3.18%
LGS	15,228,619	3.93%
IP	8,447,333	1.24%
MS	100,394	5.13%
WSS	652,311	4.91%
IS	22,369	4.83%
EHG	26,737	5.13%
OL	271,034	5.13%
SL	211,885	5.14%
Total	60,769,820	3.83%
Interruptible Revenue and Rider Changes	1,050,547	
Total Rate Change	61,820,367	

I.U.R.C. NO. 20
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA

ORIGINAL SHEET NO. 32

TARIFF F.W. - S.L.
(Fort Wayne Streetlighting - Customer Owned and Maintained System)

Availability of Service.

Available to the City of Fort Wayne, Indiana, for energy supplied through the streetlighting system that is owned and maintained by the Municipality.

Rate. (Tariff Code 525)

3.506¢ per kWh.

Applicable Riders.

Monthly charges computed under this tariff shall be adjusted in accordance with the applicable Commission-approved rider(s) listed on Sheet No. 44.

Payment.

Bills will be rendered monthly and will be due and payable on the 15th day of each month succeeding that in which the service is rendered.

Ledger.

A ~~written~~ ledger shall be maintained in the collector app and shared by the Company and the City by the Company specifying the type, wattage, number, and location of lamps on the customer's streetlighting system. The customer shall be responsible for advising the Company of any changes affecting the type, wattage, number, and location of lamps in service that occur during the billing period.

The customer and Company will reconcile the total street lighting ledger annually and correct any known billing discrepancies. The annual reconciliation is to occur during the first billing period of each calendar year. Additionally, the customer and Company will mutually conduct annual field audits covering at least 5% of the total street lighting served under this tariff. Each year the area audited will change until the entire service area is reviewed. Discrepancies that are discovered during this audit will be corrected effective to the known date of error but in no case will this correction exceed one year.

(Cont'd on Sheet No. 32.1)

ISSUED BY
STEVEN F. BAKER
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON OR AFTER

ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
DATED
IN CAUSE NO.

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.1

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)
 (Cont'd from Sheet No. 32)**

Determination of Energy.

The kWh quantity used for each month for each lamp shall be determined by multiplying the lamp wattage by the number of hours of monthly operation shown for the particular month in from the following table, divided by 1,000. The kWh used by lamps rated at values differing from those included in the following table shall be determined and added to the list as appropriate.

TOTAL MONTHLY ENERGY CONSUMPTION IN KILOWATT HOURS PER SINGLE LAMP-
 STREETLIGHTS (S), OUTDOOR LIGHTS (O)
 ALL NIGHT LAMPS (MONTHLY ADJUSTED HOURS OF FOR PHOTOCELL OPERATION TO TOTAL 4,000 HOUR OPERATION PER YEAR)

Month	No. of Hours
Jan	429
Feb	350
Mar	349
Apr	299
May	259
Jun	240
Jul	249
Aug	289
Sep	329
Oct	379
Nov	399
Dec	429
Total	4,000

TYPE OF LAMP AND APPROXIMATE LUMENS†	TOTAL WATTS	CANDLE POWER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
			INCANDESCENT											
1,000-Lumens (S)	92	100	39	32	32	28	25	22	24	27	29	35	36	39
2,500-Lumens (S,O)	489	250	79	67	67	57	54	46	48	55	60	74	75	84

(Cont'd on Sheet No.

ISSUED BY
 STEVEN F. BAKER
 PRESIDENT
 FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
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 INDIANA UTILITY REGULATORY COMMISSION
 DATED
 IN CAUSE NO.

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

SODIUM VAPOR																	
3,600-L	4,000-L	50W(S)	66	28	23	23	20	48	46	47	49	24	25	26	28		
5,000-L	6,000-L	70W(S,O)	86	36	30	30	26	23	24	22	25	28	32	34	37		
8,550-L	9,500-L	100W(S,O)	124	54	43	43	36	32	29	34	35	39	45	48	52		
14,400-L	16,000-L	150W(S,O)	176	74	62	62	53	47	42	45	54	57	66	70	75		
24,750-L	27,500-L	250W(S,O)	309	130	109	109	93	83	74	79	90	99	116	122	132		
45,000-L	50,000-L	400W(S,O)	500	240	176	176	160	134	120	128	146	160	188	198	214		
99,000-L	110,000-L	750W(S) ²	827	345	264	264	225	204	180	192	219	240	282	297	324		
METAL HALIDE																	
8,750-L	10,500-L	100W(O)	166	67	55	55	47	41	37	39	45	54	59	63	67		
10,800-L	14,000-L	175W(O)	246	94	76	76	65	58	52	55	63	69	84	86	92		
17,000-L	20,500-L	250W(O)	304	127	106	106	90	84	72	77	88	96	113	119	129		
28,800-L	36,000-L	400W(O)	474	199	167	167	142	127	114	121	138	152	178	188	203		
LED																	
(S,O)			1	4	4	4	4	4	4	4	4	4	4	4	4	4	4
(S,O)			2	4	4	4	4	4	4	4	4	4	4	4	4	4	4
(S,O)			3	4	4	4	4	4	4	4	4	4	4	4	4	4	4
(S,O)			4	2	4	4	4	4	4	4	4	4	2	2	2	2	2
(S,O)			5	2	2	2	2	4	4	4	4	2	2	2	2	2	2
(S,O)			6	3	2	2	2	2	4	2	2	2	2	2	2	3	3
(S,O)			7	3	2	2	2	2	2	2	2	2	2	3	3	3	3
(S,O)			8	3	3	3	2	2	2	2	2	3	3	3	3	3	3
(S,O)			9	4	3	3	3	2	2	2	3	3	3	4	4	4	4
(S,O)			10	4	4	4	3	3	2	3	3	3	4	4	4	4	4
(S,O)			14	5	4	4	3	3	3	3	3	4	4	4	4	5	5

(Cont'd on Sheet No.

**ISSUED BY
 STEVEN F. BAKER
 PRESIDENT
 FORT WAYNE, INDIANA**

**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
 ON OR AFTER**

**ISSUED UNDER AUTHORITY OF THE
 INDIANA UTILITY REGULATORY COMMISSION
 DATED
 IN CAUSE NO.**

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.2

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

TYPE OF LAMP AND APPROX MATE LUMENS ¹	TOTAL WATTS	CANDLE POWER	MONTHS											
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
(S,O) 42	42		5	4	4	4	3	3	3	3	4	5	5	5
(S,O) 43	43		6	5	5	4	3	3	3	4	4	5	5	6
(S,O) 44	44		6	5	5	4	4	3	4	4	5	5	6	6
(S,O) 45	45		6	5	5	5	4	4	4	4	5	6	6	6
(S,O) 46	46		7	6	6	5	4	4	4	5	5	6	6	7
(S,O) 47	47		7	6	6	5	4	4	4	5	6	6	7	7
(S,O) 48	48		8	6	6	5	5	4	5	5	6	7	7	8
(S,O) 49	49		8	7	7	6	5	5	5	5	6	7	8	8
(S,O) 20	20		9	7	7	6	5	5	5	6	7	8	8	9
(S,O) 24	24		9	7	7	6	6	5	5	6	7	8	8	9
(S,O) 22	22		9	8	8	7	6	5	6	6	7	8	9	9
(S,O) 23	23		10	8	8	7	6	5	6	7	7	9	9	10
(S,O) 24	24		10	8	8	7	6	6	6	7	8	9	10	10
(S,O) 25	25		11	9	9	8	7	6	6	7	8	9	10	11
(S,O) 26	26		11	9	9	8	7	6	7	7	8	10	10	11
(S,O) 27	27		12	9	9	8	7	6	7	8	9	10	11	12
(S,O) 28	28		12	10	10	8	7	7	7	8	9	11	11	12
(S,O) 29	29		12	10	10	9	8	7	7	8	9	11	12	12
(S,O) 30	30		13	11	11	9	8	7	8	9	10	11	12	13
(S,O) 31	31		13	11	11	9	8	7	8	9	10	12	12	13
(S,O) 32	32		14	11	11	10	8	8	8	9	10	12	13	14
(S,O) 33	33		14	12	12	10	9	8	8	10	11	12	13	14
(S,O) 34	34		14	12	12	10	9	8	9	10	11	13	14	14
(S,O) 35	35		15	12	12	11	9	8	9	10	11	13	14	15
(S,O) 36	36		15	13	13	11	9	9	9	10	12	14	14	15
(S,O) 37	37		16	13	13	11	10	9	9	11	12	14	15	16
(S,O) 38	38		16	13	13	11	10	9	10	11	12	14	15	16
(S,O) 39	39		17	14	14	12	10	9	10	11	13	15	16	17
(S,O) 40	40		17	14	14	12	11	10	10	12	13	15	16	17
(S,O) 44	44		17	14	14	12	11	10	10	12	13	15	16	17
(S,O) 42	42		18	15	15	13	11	10	11	12	14	16	17	18
(S,O) 43	43		18	15	15	13	11	10	11	12	14	16	17	18
(S,O) 44	44		19	15	15	13	12	10	11	13	14	17	18	19
(S,O) 45	45		19	16	16	14	12	11	11	13	15	17	18	19
(S,O) 46	46		20	16	16	14	12	11	12	13	15	17	18	20
(S,O) 47	47		20	17	17	14	12	11	12	14	16	18	19	20
(S,O) 48	48		20	17	17	14	13	11	12	14	16	18	19	20
(S,O) 49	49		21	17	17	15	13	12	12	14	16	18	20	21
(S,O) 50	50		21	18	18	15	13	12	13	14	16	19	20	21
(S,O) 54	54		22	18	18	15	13	12	13	15	17	19	20	22
(S,O) 52	52		22	18	18	16	14	12	13	15	17	20	21	22
(S,O) 53	53		23	19	19	16	14	13	13	15	17	20	21	23
(S,O) 54	54		23	19	19	16	14	13	14	16	18	20	22	23

(Cont'd on Sheet No.

ISSUED BY
 STEVEN F. BAKER
 PRESIDENT
 FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
 ON OR AFTER

ISSUED UNDER AUTHORITY OF THE
 INDIANA UTILITY REGULATORY COMMISSION
 DATED
 IN CAUSE NO.

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.3

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

TYPE OF LAMP AND APPROX MATE LUMENS ¹	TOTAL WATTS	CANDLE POWER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
			(S,O)	55		23	19	19	17	14	13	14	16	18
(S,O)	56		24	20	20	17	15	13	14	16	18	21	22	24
(S,O)	57		24	20	20	17	15	14	14	16	19	21	23	24
(S,O)	58		25	20	20	17	15	14	15	17	19	22	23	25
(S,O)	59		25	21	21	18	16	14	15	17	19	22	24	25
(S,O)	60		26	21	21	18	16	14	15	17	20	23	24	26
(S,O)	61		26	21	21	18	16	15	15	18	20	23	24	26
(S,O)	62		26	22	22	19	16	15	16	18	20	23	25	26
(S,O)	63		27	22	22	19	17	15	16	18	21	24	25	27
(S,O)	64		27	22	22	19	17	15	16	18	21	24	26	27
(S,O)	65		28	23	23	20	17	15	16	19	21	24	26	28
(S,O)	66		28	23	23	20	17	16	17	19	22	25	26	28
(S,O)	67		29	24	24	20	18	16	17	19	22	25	27	29
(S,O)	68		29	24	24	20	18	16	17	20	22	26	27	29
(S,O)	69		29	24	24	21	18	16	17	20	22	26	28	29
(S,O)	70		30	25	25	21	18	17	18	20	23	26	28	30
(S,O)	71		30	25	25	21	19	17	18	20	23	27	28	30
(S,O)	72		31	25	25	22	19	17	18	21	23	27	29	31
(S,O)	73		31	26	26	22	19	17	18	21	24	27	29	31
(S,O)	74		32	26	26	22	19	18	19	21	24	28	30	32
(S,O)	75		32	26	26	23	20	18	19	22	24	28	30	32
(S,O)	76		32	27	27	23	20	18	19	22	25	29	30	32
(S,O)	77		33	27	27	23	20	18	19	22	25	29	31	33
(S,O)	78		33	27	27	23	21	19	20	22	25	29	31	33
(S,O)	79		34	28	28	24	21	19	20	23	26	30	32	34
(S,O)	80		34	28	28	24	21	19	20	23	26	30	32	34
(S,O)	81		35	28	28	24	21	19	20	23	26	30	33	35
(S,O)	82		35	29	29	25	22	20	21	24	27	31	33	35
(S,O)	83		35	29	29	25	22	20	21	24	27	31	33	35
(S,O)	84		36	29	29	25	22	20	21	24	27	32	34	36
(S,O)	85		36	30	30	26	22	20	21	25	28	32	34	36
(S,O)	86		37	30	30	26	23	20	22	25	28	32	35	37
(S,O)	87		37	31	31	26	23	21	22	25	28	33	35	37
(S,O)	88		38	31	31	26	23	21	22	25	29	33	35	38
(S,O)	89		38	31	31	27	23	21	22	26	29	33	36	38
(S,O)	90		38	32	32	27	24	21	23	26	29	34	36	38
(S,O)	91		39	32	32	27	24	22	23	26	30	34	37	39
(S,O)	92		39	32	32	28	24	22	23	27	30	35	37	39
(S,O)	93		40	33	33	28	24	22	23	27	30	35	37	40
(S,O)	94		40	33	33	28	25	22	24	27	31	35	38	40
(S,O)	95		41	33	33	29	25	23	24	27	31	36	38	41
(S,O)	96		41	34	34	29	25	23	24	28	31	36	39	41
(S,O)	97		41	34	34	29	26	23	24	28	32	36	39	41

(Cont'd on Sheet No.

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 STEVEN F. BAKER
 PRESIDENT
 FORT WAYNE, INDIANA**

**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
 ON OR AFTER**

**ISSUED UNDER AUTHORITY OF THE
 INDIANA UTILITY REGULATORY COMMISSION
 DATED
 IN CAUSE NO.**

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.4

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

TYPE OF LAMP AND APPROXIMATE LUMENS ¹	TOTAL WATTS	CANDLE POWER	MONTHS											
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
(S,O)	98		42	34	34	29	26	23	25	28	32	37	39	42
(S,O)	99		42	35	35	30	26	24	25	29	32	37	40	42
(S,O)	100		43	35	35	30	26	24	25	29	33	38	40	43
(S,O)	101		43	35	35	30	27	24	25	29	33	38	41	43
(S,O)	102		43	36	36	31	27	24	26	29	33	38	41	43
(S,O)	103		44	36	36	31	27	25	26	30	34	39	41	44
(S,O)	104		44	37	37	31	27	25	26	30	34	39	42	44
(S,O)	105		45	37	37	32	28	25	26	30	34	39	42	45
(S,O)	106		45	37	37	32	28	25	27	31	35	40	43	45
(S,O)	107		46	38	38	32	28	25	27	31	35	40	43	46
(S,O)	108		46	38	38	33	28	26	27	31	35	41	43	46
(S,O)	109		46	38	38	33	29	26	27	31	36	41	44	46
(S,O)	110		47	39	39	33	29	26	28	32	36	41	44	47
(S,O)	111		47	39	39	33	29	26	28	32	36	42	45	47
(S,O)	112		48	39	39	34	29	27	28	32	37	42	45	48
(S,O)	113		48	40	40	34	30	27	28	33	37	43	45	48
(S,O)	114		49	40	40	34	30	27	29	33	37	43	46	49
(S,O)	115		49	40	40	35	30	27	29	33	37	43	46	49
(S,O)	116		49	41	41	35	31	28	29	33	38	44	47	49
(S,O)	117		50	41	41	35	31	28	29	34	38	44	47	50
(S,O)	118		50	41	41	36	31	28	30	34	38	44	47	50
(S,O)	119		51	42	42	36	31	28	30	34	39	45	48	51
(S,O)	120		51	42	42	36	32	29	30	35	39	45	48	51
(S,O)	121		52	42	42	36	32	29	30	35	39	46	49	52
(S,O)	122		52	43	43	37	32	29	31	35	40	46	49	52
(S,O)	123		52	43	43	37	32	29	31	35	40	46	49	52
(S,O)	124		53	44	44	37	33	30	31	36	40	47	50	53
(S,O)	125		53	44	44	38	33	30	31	36	41	47	50	53
(S,O)	126		54	44	44	38	33	30	32	36	41	47	51	54
(S,O)	127		54	45	45	38	33	30	32	37	41	48	51	54
(S,O)	128		55	45	45	39	34	30	32	37	42	48	51	55
(S,O)	129		55	45	45	39	34	31	32	37	42	49	52	55
(S,O)	130		55	46	46	39	34	31	33	37	42	49	52	55
(S,O)	131		56	46	46	39	34	31	33	38	43	49	53	56
(S,O)	132		56	46	46	40	35	31	33	38	43	50	53	56
(S,O)	133		57	47	47	40	35	32	33	38	43	50	53	57
(S,O)	134		57	47	47	40	35	32	34	39	44	50	54	57
(S,O)	135		58	47	47	41	36	32	34	39	44	51	54	58
(S,O)	136		58	48	48	41	36	32	34	39	44	51	55	58
(S,O)	137		58	48	48	41	36	33	34	40	45	52	55	58
(S,O)	138		59	48	48	42	36	33	35	40	45	52	55	59
(S,O)	139		59	49	49	42	37	33	35	40	45	52	56	59
(S,O)	140		60	49	49	42	37	33	35	40	46	53	56	60

(Cont'd on Sheet No.

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**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
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**ISSUED UNDER AUTHORITY OF THE
 INDIANA UTILITY REGULATORY COMMISSION
 DATED
 IN CAUSE NO.**

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.5

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

TYPE OF LAMP AND APPROX MATE LUMENS ¹	TOTAL WATTS	CANDLE POWER	MONTHS											
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
(S,O) 441	441		60	50	50	42	37	34	35	41	46	53	57	60
(S,O) 442	442		61	50	50	43	37	34	36	41	46	53	57	61
(S,O) 443	443		61	50	50	43	38	34	36	41	47	54	57	61
(S,O) 444	444		61	54	54	43	38	34	36	42	47	54	58	61
(S,O) 445	445		62	54	54	44	38	35	36	42	47	55	58	62
(S,O) 446	446		62	54	54	44	38	35	37	42	48	55	59	62
(S,O) 447	447		63	52	52	44	39	35	37	42	48	55	59	63
(S,O) 448	448		63	52	52	45	39	35	37	43	48	56	59	63
(S,O) 449	449		64	52	52	45	39	35	37	43	49	56	60	64
(S,O) 450	450		64	53	53	45	39	36	38	43	49	56	60	64
(S,O) 451	451		64	53	53	45	40	36	38	44	49	57	61	64
(S,O) 452	452		65	53	53	46	40	36	38	44	50	57	61	65
(S,O) 453	453		65	54	54	46	40	36	38	44	50	58	61	65
(S,O) 454	454		66	54	54	46	41	37	39	44	50	58	62	66
(S,O) 455	455		66	54	54	47	41	37	39	45	51	58	62	66
(S,O) 456	456		67	55	55	47	41	37	39	45	51	59	63	67
(S,O) 457	457		67	55	55	47	41	37	39	45	51	59	63	67
(S,O) 458	458		67	55	55	48	42	38	40	46	52	59	63	67
(S,O) 459	459		68	56	56	48	42	38	40	46	52	60	64	68
(S,O) 460	460		68	56	56	48	42	38	40	46	52	60	64	68
(S,O) 461	461		69	57	57	48	42	38	40	46	52	61	65	69
(S,O) 462	462		69	57	57	49	43	38	41	47	53	61	65	69
(S,O) 463	463		69	57	57	49	43	39	41	47	53	61	65	69
(S,O) 464	464		70	58	58	49	43	39	41	47	53	62	66	70
(S,O) 465	465		70	58	58	50	43	39	41	48	54	62	66	70
(S,O) 466	466		71	58	58	50	44	40	42	48	54	62	67	71
(S,O) 467	467		71	59	59	50	44	40	42	48	54	63	67	71
(S,O) 468	468		72	59	59	51	44	40	42	48	55	63	67	72
(S,O) 469	469		72	59	59	51	45	40	42	49	55	64	68	72
(S,O) 470	470		72	60	60	51	45	41	43	49	55	64	68	72
(S,O) 471	471		73	60	60	51	45	41	43	49	56	64	69	73
(S,O) 472	472		73	60	60	52	45	41	43	50	56	65	69	73
(S,O) 473	473		74	61	61	52	46	41	43	50	56	65	69	74
(S,O) 474	474		74	61	61	52	46	41	44	50	57	65	70	74
(S,O) 475	475		75	61	61	53	46	42	44	50	57	66	70	75
(S,O) 476	476		75	62	62	53	46	42	44	51	57	66	71	75
(S,O) 477	477		75	62	62	53	47	42	44	51	58	67	71	75
(S,O) 478	478		76	62	62	54	47	42	45	51	58	67	71	76
(S,O) 479	479		76	63	63	54	47	43	45	52	58	67	72	76
(S,O) 480	480		77	63	63	54	47	43	45	52	59	68	72	77
(S,O) 481	481		77	64	64	54	48	43	45	52	59	68	73	77
(S,O) 482	482		78	64	64	55	48	43	46	52	59	68	73	78
(S,O) 483	483		78	64	64	55	48	44	46	53	60	69	73	78

(Cont'd on Sheet No.

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**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
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 INDIANA UTILITY REGULATORY COMMISSION
 DATED
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**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.6

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

TYPE OF LAMP AND APPROXIMATE LUMENS ¹	TOTAL WATTS	CANDLE POWER	MONTHS											
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
(S,O)	184		78	65	65	55	48	44	46	53	60	69	74	78
(S,O)	185		79	65	65	56	49	44	46	53	60	70	74	79
(S,O)	186		79	65	65	56	49	44	47	54	61	70	75	79
(S,O)	187		80	66	66	56	49	45	47	54	61	70	75	80
(S,O)	188		80	66	66	57	50	45	47	54	61	71	75	80
(S,O)	189		84	66	66	57	50	45	47	55	62	71	76	81
(S,O)	190		84	67	67	57	50	45	48	55	62	71	76	81
(S,O)	191		84	67	67	57	50	46	48	55	62	72	77	81
(S,O)	192		82	67	67	58	51	46	48	55	63	72	77	82
(S,O)	193		82	68	68	58	51	46	48	56	63	73	77	82
(S,O)	194		83	68	68	58	51	46	49	56	63	73	78	83
(S,O)	195		83	68	68	59	51	46	49	56	64	73	78	83
(S,O)	196		84	69	69	59	52	47	49	57	64	74	79	84
(S,O)	197		84	69	69	59	52	47	49	57	64	74	79	84
(S,O)	198		84	70	70	60	52	47	50	57	65	74	79	84
(S,O)	199		85	70	70	60	52	47	50	57	65	75	80	85
(S,O)	200		85	70	70	60	53	48	50	58	65	75	80	85
(S,O)	204		86	71	71	60	53	48	50	58	66	76	81	86
(S,O)	202		86	71	71	61	53	48	51	58	66	76	81	86
(S,O)	203		87	71	71	61	53	48	51	59	66	76	81	87
(S,O)	204		87	72	72	61	54	49	51	59	67	77	82	87
(S,O)	205		87	72	72	62	54	49	51	59	67	77	82	87
(S,O)	206		88	72	72	62	54	49	52	59	67	77	83	88
(S,O)	207		88	73	73	62	55	49	52	60	67	78	83	88
(S,O)	208		89	73	73	63	55	50	52	60	68	78	83	89
(S,O)	209		89	73	73	63	55	50	52	60	68	79	84	89
(S,O)	210		90	74	74	63	55	50	53	61	68	79	84	90
(S,O)	211		90	74	74	63	56	50	53	61	69	79	85	90
(S,O)	212		90	74	74	64	56	51	53	61	69	80	85	90
(S,O)	213		91	75	75	64	56	51	53	61	69	80	85	91
(S,O)	214		91	75	75	64	56	51	54	62	70	81	86	91
(S,O)	215		92	75	75	65	57	51	54	62	70	81	86	92
(S,O)	216		92	76	76	65	57	51	54	62	70	81	87	92
(S,O)	217		93	76	76	65	57	52	54	63	71	82	87	93
(S,O)	218		93	77	77	66	57	52	55	63	71	82	87	93
(S,O)	219		93	77	77	66	58	52	55	63	71	82	88	93
(S,O)	220		94	77	77	66	58	52	55	63	72	83	88	94
(S,O)	221		94	78	78	67	58	53	55	64	72	83	89	94
(S,O)	222		95	78	78	67	58	53	56	64	72	84	89	95
(S,O)	223		95	78	78	67	59	53	56	64	73	84	89	95
(S,O)	224		95	79	79	67	59	53	56	65	73	84	90	95
(S,O)	225		96	79	79	68	59	54	56	65	73	85	90	96
(S,O)	226		96	79	79	68	60	54	57	65	74	85	91	96

(Cont'd on Sheet No. 32.7)

**ISSUED BY
 STEVEN F. BAKER
 PRESIDENT
 FORT WAYNE, INDIANA**

**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
 ON OR AFTER**

**ISSUED UNDER AUTHORITY OF THE
 INDIANA UTILITY REGULATORY COMMISSION
 DATED
 IN CAUSE NO.**

**Indiana Michigan Power Company - Cause Number 45933
 Settlement Agreement Attachment D**

I.U.R.C. NO. 20
 INDIANA MICHIGAN POWER COMPANY
 STATE OF INDIANA

ORIGINAL SHEET NO. 32.7

**TARIFF F.W. - S.L.
 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

TYPE OF LAMP AND APPROX MATE LUMENS ¹	TOTAL WATTS	CANDLE POWER												
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
(S,O) 227	227		97	80	80	68	60	54	57	65	74	85	94	97
(S,O) 228	228		97	80	80	69	60	54	57	66	74	86	94	97
(S,O) 229	229		98	80	80	69	60	55	57	66	75	86	92	98
(S,O) 230	230		98	81	81	69	61	55	58	66	75	87	92	98
(S,O) 231	231		98	84	84	70	61	55	58	67	75	87	93	98
(S,O) 232	232		99	84	84	70	61	55	58	67	76	87	93	99
(S,O) 233	233		99	82	82	70	61	56	58	67	76	88	93	99
(S,O) 234	234		100	82	82	70	62	56	59	67	76	88	94	100
(S,O) 235	235		100	83	83	71	62	56	59	68	77	88	94	100
(S,O) 236	236		101	83	83	71	62	56	59	68	77	89	95	101
(S,O) 237	237		101	83	83	71	62	56	59	68	77	89	95	101
(S,O) 238	238		101	84	84	72	63	57	60	69	78	90	95	101
(S,O) 239	239		102	84	84	72	63	57	60	69	78	90	96	102
(S,O) 240	240		102	84	84	72	63	57	60	69	78	90	96	102
(S,O) 241	241		103	85	85	73	63	57	60	70	79	91	97	103
(S,O) 242	242		103	85	85	73	64	58	61	70	79	91	97	103
(S,O) 243	243		104	85	85	73	64	58	61	70	79	91	98	104
(S,O) 244	244		104	86	86	73	64	58	61	70	80	92	98	104
(S,O) 245	245		104	86	86	74	65	58	61	71	80	92	98	104
(S,O) 246	246		105	86	86	74	65	59	62	71	80	93	99	105
(S,O) 247	247		105	87	87	74	65	59	62	71	81	93	99	105
(S,O) 248	248		106	87	87	75	65	59	62	72	81	93	100	106
(S,O) 249	249		106	87	87	75	66	59	62	72	81	94	100	106
(S,O) 250	250		107	88	88	75	66	60	63	72	82	94	100	107
(S,O) 251	251		107	88	88	76	66	60	63	72	82	94	101	107
(S,O) 252	252		107	88	88	76	66	60	63	73	82	95	101	107
(S,O) 253	253		108	89	89	76	67	60	63	73	82	95	102	108
(S,O) 254	254		108	89	89	76	67	61	64	73	83	96	102	108
(S,O) 255	255		109	90	90	77	67	61	64	74	83	96	102	109
(S,O) 256	256		109	90	90	77	67	61	64	74	83	96	103	109
(S,O) 257	257		110	90	90	77	68	61	64	74	84	97	103	110
(S,O) 258	258		110	91	91	78	68	61	65	74	84	97	104	110
(S,O) 259	259		110	91	91	78	68	62	65	75	84	97	104	110
(S,O) 260	260		111	91	91	78	68	62	65	75	85	98	104	111
(S,O) 261	261		111	92	92	79	69	62	65	75	85	98	105	111
(S,O) 262	262		112	92	92	79	69	62	66	76	85	99	105	112
(S,O) 263	263		112	92	92	79	69	63	66	76	86	99	106	112
(S,O) 264	264		113	93	93	79	70	63	66	76	86	99	106	113
(S,O) 265	265		113	93	93	80	70	63	66	76	86	100	106	113
(S,O) 266	266		113	93	93	80	70	63	67	77	87	100	107	113
(S,O) 267	267		114	94	94	80	70	64	67	77	87	100	107	114
(S,O) 268	268		114	94	94	81	71	64	67	77	87	101	108	114
(S,O) 269	269		115	94	94	81	71	64	67	78	88	101	108	115

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ORIGINAL SHEET NO. 32.8

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 (Fort Wayne Streetlighting - Customer Owned and Maintained System)**

APPROXIMATE LUMENS ¹	WATTS	POWER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
(S,O)	270		415	95	95	84	71	64	68	78	88	102	108	115
(S,O)	271		446	95	95	82	71	65	68	78	88	102	109	116
(S,O)	272		446	95	95	82	72	65	68	78	89	102	109	116
(S,O)	273		446	96	96	82	72	65	68	79	89	103	110	116
(S,O)	274		417	96	96	82	72	65	69	79	89	103	110	117
(S,O)	275		417	97	97	83	72	66	69	79	90	103	110	117
(S,O)	276		448	97	97	83	73	66	69	80	90	104	111	118
(S,O)	277		448	97	97	83	73	66	69	80	90	104	111	118
(S,O)	278		449	98	98	84	73	66	70	80	91	105	112	119
(S,O)	279		449	98	98	84	73	66	70	80	91	105	112	119
(S,O)	280		449	98	98	84	74	67	70	81	91	105	112	119
(S,O)	281		420	99	99	85	74	67	70	81	92	106	113	120
(S,O)	282		420	99	99	85	74	67	71	81	92	106	113	120
(S,O)	283		421	99	99	85	75	67	71	82	92	106	114	121
(S,O)	284		421	100	100	85	75	68	71	82	93	107	114	121
(S,O)	285		422	100	100	86	75	68	71	82	93	107	114	122
(S,O)	286		422	100	100	86	75	68	72	82	93	108	115	122
(S,O)	287		422	101	101	86	76	68	72	83	94	108	115	122
(S,O)	288		423	101	101	87	76	69	72	83	96	108	116	123
(S,O)	289		423	101	101	87	76	69	72	83	94	109	116	123
(S,O)	290		424	102	102	87	76	69	73	84	95	109	116	124
(S,O)	291		424	102	102	88	77	69	73	84	95	109	117	124
(S,O)	292		424	103	103	88	77	70	73	84	95	110	117	124
(S,O)	293		425	103	103	88	77	70	73	85	96	110	118	125
(S,O)	294		425	103	103	88	77	70	74	85	96	111	118	125
(S,O)	295		426	104	104	89	78	70	74	85	96	111	118	126
(S,O)	296		426	104	104	89	78	71	74	85	97	111	119	126
(S,O)	297		427	104	104	89	78	71	74	86	97	112	119	127
(S,O)	298		427	105	105	90	78	71	75	86	97	112	120	127
(S,O)	299		427	105	105	90	79	71	75	86	97	112	120	127
(S,O)	300		428	105	105	90	79	71	75	87	98	113	120	128

NOTE: For half-night (time clock) lamps multiply consumption by 0.5 or for a 7-hour timer multiply by 0.63875. ¹Lumen Output for Mercury Vapor, Sodium Vapor, and Metal Halide listed in this table as mean lumens in first column and initial lumens in the second column. Lumen rating varies with lamp manufacturer.
²City of Fort Wayne, IN only.

Special Terms and Conditions.

This tariff is subject to the Company's Terms and Conditions of Service.

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