

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANA MICHIGAN)
POWER COMPANY (I&M), AN INDIANA)
CORPORATION, FOR APPROVAL OF AN) CAUSE NO. 45245 SPR 1
ADJUSTMENT TO ITS RATES THROUGH ITS)
SOLAR POWER RIDER.)

VERIFIED PETITION

Indiana Michigan Power Company (Petitioner or I&M) respectfully petitions the Indiana Utility Regulatory Commission (Commission) for approval of an adjustment to its rates through its Solar Power Rider (SPR) to be effective for bills rendered with the first billing cycle of April 2021 (which begins March 30, 2021) or the first full billing month after the Commission's approval of the SPR tariff and factors. The proposed rates would remain in effect until replaced in a future Commission-approved filing. In support of this Verified Petition, I&M provides the following information:

I&M's Corporate and Regulated Status

1. I&M is a public electric generating utility, organized and existing under the laws of the State of Indiana, with its principle office and place of business at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M is engaged in rendering electric service in the State of Indiana, and owns and operates, among other properties, plant and equipment within the State of Indiana that are used for the generation, transmission, delivery and furnishing of such service to the public.

2. I&M is a "public utility" under Ind. Code § 8-1-2-1 and an "eligible business" as defined in Ind. Code § 8-1-8.8-6. I&M is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. I&M is

also subject to the jurisdiction of the Michigan Public Service Commission and the Federal Energy Regulatory Commission (FERC) as to electric service provided by I&M to retail customers in Michigan and to wholesale customers, respectively.

Background

3. In its February 19, 2020 Order in Cause No. 45245 (the “45245 Order”), the Commission approved a Settlement Agreement that, among other things, provided for approval of a 20-megawatt alternating current clean energy solar project, now known as the St. Joseph Solar Farm (SJSF), and formerly referred to as the South Bend Solar Project, and for associated accounting and ratemaking relief. The 45245 Order provided that the costs of the SJSF will be tracked and recovered through the Solar Power Rider.

Relief Requested

4. The 45245 Order authorized the use of the SPR to recover the costs associated with the SJSF, and directed that the first SPR proceeding be filed within 30 calendar days of the date the SJSF begins commercial operation. As explained in greater detail by I&M witness DeRuntz, the SJSF commenced construction in June 2020 and is expected to achieve commercial operation in March of 2021. In this filing, I&M is seeking approval of the initial SPR factors reflecting I&M’s April 2021 through March 2022 forecast of costs associated with the SJSF solar facility, including depreciation expense, carrying costs on the post in-service investment, income and property taxes, operating and maintenance costs, revenue from renewable energy certificate sales, and gross revenue conversion factor costs.

5. This filing is I&M’s request to set initial rates for the SPR. As such, there are no costs to reconcile at this time. A reconciliation of actual costs will take place in I&M’s next SPR filing.

6. In Cause No. 45245, I&M estimated the total capital cost of the SJSF (excluding land and contingency) to be \$30.4 million. As of September 30, 2020, I&M's estimate at completion has been revised to \$31.4 million. Company witness DeRuntz discusses the updated cost estimate in greater detail and explains why the revised SJSF cost estimate remains reasonable.

7. As shown on Attachment BEA-1 to I&M witness Auer's testimony, the total Indiana jurisdictional SPR-1 revenue requirement is \$2,293,905. Upon implementation, residential customers using 1,000 kWh of electricity per month would see a monthly rate increase of \$0.23 or 0.2%. Attachment SH-3 to I&M witness Hornyak's testimony shows the percentage increases at various "typical" usage levels for I&M's major tariff schedules, based upon I&M's current rates in effect.

Procedural Matters

8. The books and records of I&M supporting such data and calculations are kept in accordance with the Uniform System of Accounts for Electric Utilities prescribed by this Commission and are available for inspection and review by the Indiana Office of Utility Consumer Counselor and this Commission.

9. I&M requests that the Commission approve a procedural schedule agreed to by the Petitioner and the OUCC in lieu of conducting a prehearing conference. The agreed procedural schedule is as follows:

Date	Event
February 4, 2021	OUCC/Intervenors File Case-in-Chief
February 17, 2021	Petitioner's Rebuttal Testimony
Week of February 22, 2021	Hearing

Governing Statutes

10. I&M considers the provisions of the Public Service Commission Act, as

amended, to be applicable to this proceeding, including Ind. Code ch. 8-1-8.8.

Service

11. I&M's duly authorized representatives to whom all correspondence and communications in this Cause should be sent are:

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WHEREFORE, I&M respectfully requests that the Commission make such investigation and hold such hearings as are necessary or advisable and thereafter issue an order in this Cause:

- (1) Approving the requested rate adjustment factors to be reflected in Petitioner's Solar Power Rider;
- (2) Authorizing Petitioner to make such factors effective with the first billing cycle of April 2021 (which begins March 30, 2021) or the first full billing month after the Commission's approval of the SPR tariff and factors; and
- (3) Making such further orders and providing such further relief to I&M as may

be appropriate.

Respectfully submitted,

INDIANA MICHIGAN POWER COMPANY

By: 
Dona R. Seger-Lawson
Director of Regulatory Services
Indiana Michigan Power Company

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VERIFICATION

I, Dona R. Seger-Lawson, Director of Regulatory Services for Indiana Michigan Power Company, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Dated: November 12, 2020.



Dona R. Seger-Lawson

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the forgoing was served by email transmission upon the following this 12th day of November, 2020:

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