

**ORIGINAL**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

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

**IN THE MATTER OF THE PETITION OF )  
INDIANA MICHIGAN POWER COMPANY ) CAUSE NO. 45901  
FOR APPROVAL OF AN EXTENSION OF ITS )  
IM PLUGGED IN ELECTRIC VEHICLE PILOT ) APPROVED: OCT 04 2023  
PROGRAM )**

**ORDER OF THE COMMISSION**

**Presiding Officers:**

**David Veleta, Commissioner**

**Ann Pagonis, Administrative Law Judge**

On June 2, 2023, Indiana Michigan Power Company (“I&M” or “Petitioner”) filed a Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) to extend its IM Plugged In electric vehicle pilot program (“Pilot Program”).

On June 2, 2023, I&M also filed its direct testimony and attachments in support of its Verified Petition. The presiding officers entered a docket entry on June 8, 2023, scheduling a prehearing conference and preliminary hearing in this cause on June 22, 2023, at 9:30 a.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the preliminary hearing, the prefiled testimony and attachments of Petitioner were offered and admitted into evidence without objection, and the Indiana Office of Utility Consumer Counselor (“OUCC”) waived cross-examination of I&M’s witness.

On June 28, 2023, the Commission issued a prehearing conference and interim order (“Interim Order”) which, among other things, authorized I&M to continue offering the Pilot Program during the pendency of this proceeding.

On July 12, 2023, the OUCC filed its testimony in this Cause. On August 2, 2023, I&M filed a notice indicating it would not file rebuttal testimony.

On August 16, 2023, at 9:00 a.m. an evidentiary hearing was held in this Cause in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, the parties’ evidence was offered and admitted without objection, and both parties waived cross-examination of the other’s witness.

Based on the evidence presented and the applicable law, the Commission finds:

**1. Notice and Jurisdiction.** Notice of the evidentiary hearing in this case was given and published by the Commission as required by law. Petitioner is a public utility as defined in Ind. Code § 8-1-2-1. Pursuant to Ind. Code §§ 8-1-2-42 and -61, the Commission has jurisdiction over Petitioner’s rates and charges for utility service, including the Pilot Program. In addition, under Ind. Code § 8-1-2-72, the Commission has jurisdiction to amend its previous orders.

Therefore, the Commission has jurisdiction over Petitioner and the subject matter of the Verified Petition and its request for relief.

**2. Petitioner's Characteristics.** Petitioner is a corporation organized and existing under the laws of the State of Indiana, having its principal executive office at Indiana Michigan Power Center, Post Office Box 60, Fort Wayne, Indiana. Petitioner owns and operates electric utility properties for service to the public in Indiana and southwestern Michigan. I&M is a wholly owned subsidiary of American Electric Power Company, Inc. and operates as a public utility in Indiana and Michigan. I&M currently serves approximately 476,000 retail customers in northern and east-central Indiana and 131,000 retail customers in southwestern Michigan, covering an area of around 4,570 square miles. I&M also provides wholesale electric service in Indiana and Michigan. The electric system operated by I&M is integrated and interconnected within both states.

**3. Requested Relief.** The Commission approved the Pilot Program for a duration of three years in an Order issued in Cause No. 45235 on March 11, 2020 (the "45235 Order"). The program aims to encourage the adoption of plug-in electric vehicles ("PEV") while optimizing the overall electric system. It includes various tariffs and incentives targeting residential and small commercial PEV charging, multi-unit dwelling charging, commercial and industrial fleet and workplace charging, as well as electric vehicle ("EV") education and technical development. The program began in June 2020 and was set to expire at the end of June 2023, before being extended on an interim basis by our Interim Order.

I&M is currently developing a comprehensive EV program proposal and plans to submit it to the Commission for approval in the first quarter of 2024. In this proceeding, I&M requests an extension of the Pilot Program until the effective date of a Commission order on the comprehensive EV program proposal.

**4. Petitioner's Case-in-Chief Evidence.** Ms. Dona Seger-Lawson, Director of Regulatory Services for I&M, testified in support of Petitioner's request for approval of an extension of the Pilot Program.

Ms. Seger-Lawson testified that I&M is in the process of preparing a comprehensive EV program proposal, anticipated to be filed in the first quarter of 2024. She explained that, in this proceeding, I&M requests that the Commission approve an extension of the Pilot Program, until the effective date of the Commission's order in that comprehensive EV program proposal case.

Ms. Seger-Lawson stated that the purpose of the Pilot Program is to encourage PEV adoption in a way that optimizes the overall electric system. Ms. Seger-Lawson stated that, in approving the Pilot Program, the Commission noted that PEV adoption is accelerating, and with this acceleration, it is important the load from electric transportation be integrated into the grid in a manner that minimizes additional system costs. She further noted the Commission recognized that as the EV market matures in Indiana, electric providers will need to implement strategies, such as leveraging smart meter data, to manage the integration of widespread charging on the system. Thus, she said, the Commission found in the 45235 Order that structuring well designed, right-sized, pilot programs to advance utilities' knowledge and ability to successfully adapt is appropriate. She said that, in the 45235 Order the Commission concluded that the Pilot Program

was reasonable given its modest size coupled with the opportunity it presents for I&M to enhance its understanding and management of the impact of EV charging on its distribution system, thereby benefitting all I&M customers. Ms. Seger-Lawson stated that additional details of the Pilot Program are summarized on Petitioner's Exhibit 1, Attachment DSL-1.

With respect to the costs of the Pilot Program, Ms. Seger-Lawson states that, as proposed and approved in the 45235 Order, the Pilot Program costs were estimated to be \$700,000 per year, although I&M noted at that time that the level at which customers would participate in the Pilot Program was difficult to predict. The Commission approved I&M's request for deferral accounting authority related to the Pilot Program, including carrying costs on the unrecovered balance using the pre-tax Weighted Average Cost of Capital.

Ms. Seger-Lawson testified that customers participating in the Pilot Program can take service under Tariff Residential Service Plug-in Electric Vehicle or Tariff General Service Plug-in Electric Vehicle. The tariff offerings and incentives target residential and small commercial PEV charging; multi-unit dwelling charging; commercial and industrial fleet and workplace charging.

Ms. Seger-Lawson also testified that I&M provided periodic program reports to the Commission. The reports contain information about the number of participants in the Pilot Program, use, and incentives. The reports also contain information about marketing, customer outreach, and engagement, and the status of the different program elements. Petitioner's Exhibit 1, Attachment DSL-2 contains copies of I&M's recent reports.

Ms. Seger-Lawson explained that I&M initiated the Pilot Program in June of 2020. She testified that since the beginning of the Pilot Program through April 2023, I&M has incurred and deferred a total of \$97,500 (before carrying costs):

\$5,500 in 2020  
\$24,000 in 2021  
\$46,000 in 2022  
\$22,000 in 2023 (through April 2023)

She noted that the Pilot Program, initiated during the Covid-19 pandemic, has been even more modest than initially anticipated but has been increasing each year. Ms. Seger-Lawson stated that I&M estimates the program costs for the period May 2023 through the end of 2024 to be approximately \$108,000.

Ms. Seger-Lawson explained that I&M has three key preliminary takeaways that will inform future outreach to customers through the extension of this Pilot Program:

- 1) She stated that Time of Use ("TOU") rates are influencing charging times for participating customers. Ms. Seger-Lawson states that TOU rates are working to move EV load to the off-peak times. On-peak hours are 6:00 a.m. to 11:00 p.m. at rate of 11.7 cents per kilowatt hours ("kWh"). Off-peak hours are 12:00 a.m. to 5:00 a.m. at a rate of 7 cents per kWh.

2) She explained that managed charging solutions should be examined for future filings. As EV market share increases there may be a need to utilize managed charging to gradually ramp charging up and down through the off-peak periods to use existing grid infrastructure more efficiently while still charging all vehicles prior to their daily departure times.

3) She continued by stating that Pilot Program participation rate is low. Currently four percent of EVs registered in I&M's Indiana service territory participate. She said I&M is continuing to review methods of communication with EV customers and marketing outreach channels. Ms. Seger-Lawson said I&M is also learning valuable information about the needs of EV customers and barriers preventing some customers from utilizing rebates and TOU rates. These findings will inform the design of I&M's comprehensive EV program proposal.

Ms. Seger-Lawson testified that extending the Pilot Program will allow I&M to further analyze participant and non-participant feedback to create a better user experience and more effective program. She stated that I&M will continue to review and analyze the customer journey and provide continuous EV programs until its next comprehensive EV program proposal is filed in early 2024.

Ms. Seger-Lawson concluded by emphasizing that I&M would like to continue the Pilot Program to provide programmatic continuity, and to continue to gather information on the following factors:

- 1) Effect of rebates on customer willingness to install a submeter to participate in TOU home charging rates;
- 2) Effect of TOU rates on charging behaviors;
- 3) Best practices for communicating with customers about EV programs; and,
- 4) Existing barriers to participation in the current programs and how they can be overcome with alternative program designs.

**5. OUC's Evidence.** Brittany L. Baker, a Utility Analyst with the OUC, testified on behalf of the OUC. Ms. Baker testified that the OUC does not oppose I&M's requested relief but proposes two modifications. First, the OUC recommends the end date of the extension for the Pilot Program be June 30, 2024, unless I&M files a petition for a comprehensive EV program proposal prior to that date. Ms. Baker explained that the OUC is concerned that the Pilot Program extension could remain in place indefinitely if I&M does not file its comprehensive EV program proposal in early 2024 as currently anticipated. Second, the OUC recommends a Pilot Program expenditure budget of \$108,000 during the extension period, with a requirement that I&M justify any expenditures above that amount. Ms. Baker noted that, while the initial program authorization approved an annual budget of \$700,000, I&M has incurred and deferred a total of \$97,500 (before carrying costs) according to Ms. Seger-Lawson.

**6. Commission Discussion and Findings.** Ind. Code § 8-1-2-72 provides that “[t]he commission may, at any time, upon notice to the public utility and after opportunity to be heard, . . . rescind, alter, or amend any order fixing any rate or rates, tolls, charges, or schedules, or any other order made by the commission. . . .” Pursuant to Ind. Code § 8-1-2-72, the Commission has authority to amend previous orders. In this case, the code gives us authority to amend our 45235 Order to extend the life of Pilot Program. Ms. Seger-Lawson’s testimony demonstrates that an extension of the Pilot Program is reasonable and in the public interest because I&M has gathered useful information from this program and will continue to be able to gather useful data if the program is extended. This data will be used to inform the development of I&M’s comprehensive EV program proposal, anticipated to be filed with this Commission in the first quarter of 2024. At the same time, the Pilot Program is modest in size and an extension of the program will add relatively little to the cost. Without an extension, I&M customers will be left without an EV program option. We find that an extension of the Pilot Program is reasonable and in the public interest.

The OUCC did not oppose the substance of I&M’s proposal, only offering two modifications. I&M did not file a response to either of the OUCC’s recommended modifications. We find the OUCC’s first modification to indicate a specific end date for the Pilot Program to be reasonable. The OUCC’s modification will guard against an indefinite extension of the Pilot Program. On the second modification, we have already approved a total annual budget of \$700,000 for the Pilot Program in the 45235 Order. However, based on I&M’s testimony, the actual and estimated costs for the pilot program have been much lower and we find that the projected budget should be lowered accordingly. We acknowledge the OUCC’s concerns and recognize the need to adequately plan for unanticipated events. Therefore, we find that the Pilot Program annual budget should be reduced to \$350,000. This amount accepts the lower estimated cost while still allowing sufficient flexibility to cover the Pilot Program costs even in the event that they are larger than anticipated.

For all of these reasons, we find that the 45235 Order should be amended and I&M’s IM Plugged In EV pilot program should be extended until the effective date of a Commission order in I&M’s 2024 comprehensive EV program proposal case. Provided, however, that if I&M has not filed its comprehensive EV program proposal case by June 30, 2024, the Pilot Program extension authority shall terminate on June 30, 2024. We further find that I&M’s approved annual budget for the IM Plugged In EV pilot program should be reduced to \$350,000 for the extended period of the program.

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

**1.** I&M is authorized to continue to offer its IM Plugged In EV pilot program until the effective date of a Commission order in I&M’s 2024 comprehensive EV proposal case; provided, however, that if I&M has not filed its comprehensive EV program proposal case by June 30, 2024, this program extension authority shall terminate on June 30, 2024.

**2.** I&M’s approved program annual budget for the IM Plugged In EV pilot program shall be \$350,000.

3. The Commission's March 11, 2020 Order in Cause No. 45235 is amended in accordance with the foregoing ordering paragraphs.

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

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

**APPROVED: OCT 04 2023**

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

\_\_\_\_\_ on behalf of  
**Dana A. Kosco**  
**Secretary of the Commission**