

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

APPLICATION OF INDIANA MICHIGAN)
POWER COMPANY, AN INDIANA)
CORPORATION, FOR APPROVAL OF 20)
MW_{AC} CLEAN ENERGY SOLAR PROJECT;)
FOR APPROVAL OF RELATED)
ACCOUNTING AND RATEMAKING)
INCLUDING: TIMELY RECOVERY OF)
COSTS INCURRED DURING) CAUSE NO. 45245
CONSTRUCTION AND OPERATION OF THE)
PROJECT THROUGH I&M'S BASIC RATES)
OR A SOLAR POWER RIDER, APPROVAL OF)
DEPRECIATION PROPOSAL, AND)
AUTHORITY TO DEFER COSTS UNTIL SUCH)
COSTS ARE REFLECTED IN RATES; AND)
FOR APPROVAL OF SALE OF RENEWABLE)
ENERGY CREDITS.)

**JOINT VERIFIED PETITION TO REOPEN PROCEEDING
AND FOR LEAVE TO SUBMIT SETTLEMENT
AGREEMENT AND SUPPORTING EVIDENCE**

Indiana Michigan Power Company (“I&M” or “Company”), the Indiana Office of Utility Consumer Counselor (“OUCC”), and the Citizens Action Coalition of Indiana, Inc. (“CAC”) (collectively the “Settling Parties” and individually “Settling Party”), by counsel and in accordance with 170 IAC 1-1.1-17 and 170 IAC 1-1.1-22, respectfully move the Commission to reopen the proceeding and grant the Settling Parties leave to submit a Stipulation and Settlement Agreement (“Settlement Agreement”) and supporting settlement testimony. The Settling Parties further request the Commission conduct a settlement hearing on or about December 3, 2019. In support of this Joint Petition, the Settling Parties state as follows:

1. The hearing in this Cause was conducted on September 9, 2019. The post-hearing briefing process concluded on September 30, 2019.

2. The Settling Parties have engaged in settlement negotiations. On or about October 28, 2019, the Settling Parties reached a Settlement Agreement that resolved all issues pending in this proceeding. The Settlement Agreement is attached to this Petition as Attachment A.

3. The Settlement Agreement reasonably resolves all issues in this Cause among all parties in this proceeding and thus materially changes the contested matters to be decided by the Commission.

4. Although the Settling Parties have been exploring the potential for settlement prior to the closing of the record, no Settling Party was able to reasonably foresee that a settlement agreement would be reached.

5. The Settlement Agreement and supporting evidence will affect the outcome of this proceeding. The Settlement Agreement provides for approval of the South Bend Solar Project subject to negotiated terms and conditions regarding cost recovery. Reopening the record to receive the Settlement Agreement and supporting evidence would allow the Commission to consider the Settlement Agreement in lieu of deciding the contested issues currently pending before the Commission. The additional evidence to be submitted by the Settling Parties will show that the Settlement Agreement strikes a reasonable balance of the interests of I&M's customers, including the University of Notre Dame, the State of Indiana, and the Company and is in the public interest.

6. Settling disputed issues is a reasonable and proper means of furthering the development of homegrown renewable energy and is otherwise consistent with the public and Commission policy which encourages settlement of disputes. As in other litigation contexts, negotiated settlements of administrative proceedings can help advance legal and policy objectives

with far greater speed and certainty, and far less drain on public and private resources, than litigation or other adversarial proceedings. *Mendenhall v. Skinner & Broadbent Co.*, 728 N.E.2d 140, 145 (Ind. 2000) (“The policy of the law generally is to discourage litigation and encourage negotiation and settlement of disputes.”); *In re Courtrooms*, 715 N.E.2d 372, 376 (Ind. 1999) (Without question, state judicial policy strongly favors settlement of disputes over litigation.”).

7. The evidence to be submitted by the Settling Parties will not be merely cumulative. In accordance with 170 IAC 1-1.1-17, this evidence will demonstrate that the Settlement Agreement is in the public interest and should be approved.

8. The Settling Parties propose the following procedural schedule on the Settlement Agreement:

- November 18, 2019: deadline for submission of evidence supporting the Settlement Agreement.
- December 3, 2019: settlement hearing;
- December 23, 2019: Settling Parties’ proposed order.

9. The Settling Parties ask the Commission to issue an order approving the Settlement Agreement on or before February 28, 2020.

10. This Joint Motion and the submission of the Settlement Agreement are subject to the condition that if the Commission fails to approve the Settlement Agreement in its entirety and without any change or condition(s) unacceptable to any Settling Party, the Settlement Agreement and supporting evidence shall be deemed withdrawn and the Commission will continue to hear this Cause with the proceedings resuming at the point they were suspended.

WHEREFORE, the Settling Parties respectfully submit and move this Joint Petition be promptly granted; that the proceeding be reopened for the purpose set forth herein, the procedural schedule proposed herein be adopted; and that the Commission grant to the Settling Parties all other relief as may be reasonable and appropriate in the premises.

Respectfully submitted,



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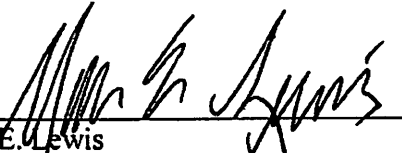
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Attorneys for Citizens Action Coalition of Indiana,
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VERIFICATION

I, Marc E. Lewis, Indiana Michigan Power Company Vice President – Regulatory and External Affairs, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Date: October 29 2019



Marc E. Lewis

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

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RIDER, APPROVAL OF DEPRECIATION)
PROPOSAL, AND AUTHORITY TO DEFER COSTS)
UNTIL SUCH COSTS ARE REFLECTED IN)
RATES; AND FOR APPROVAL OF SALE OF)
RENEWABLE ENERGY CREDITS.)

STIPULATION AND SETTLEMENT AGREEMENT

Indiana Michigan Power Company ("I&M" or "Company"), the Indiana Office of Utility Consumer Counselor ("OUCC"), and the Citizens Action Coalition of Indiana, Inc. ("CAC") (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 that 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 ("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 ("Agreement"), in its entirety, the entire Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Settling Parties.

I. TERMS AND CONDITIONS.

- A. Rider. The costs of the South Bend Solar Project ("SBSP") will be tracked and recovered through a rider. This rider will be in place for at least five years following the Commercial Operation Date ("COD") of the SBSP. After that five years, any Settling Party may request to the Commission that the rider be allowed to expire.
- B. REC Revenue from Notre Dame. The revenue requirement of the SBSP will be reduced by the non-administrative-fee revenues that I&M receives for the sale of Renewable Energy Credits (RECs) to the University of Notre Dame ("Notre

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.

Dame”) under the Purchase and Sale Agreement for Renewable Energy Credits Confirmation (“REC Agreement”).

1. For the first five years after the COD of the SBSP, the reduction to the revenue requirement under this Paragraph I.B will not be less than \$120,000 annually.
 2. After five years, the reduction to the SBSP revenue requirement under this Paragraph I.B will be the actual non-administrative-fee revenues that I&M receives from Notre Dame under the REC Agreement.
 3. To the extent the rider established in Paragraph I.A remains in place, the revenue requirement reduction in this Paragraph I.B will be reflected in that rider.
- C. Monetizing RECs. I&M will use reasonable efforts to monetize any Indiana jurisdictional RECs generated by the SBSP that are not sold to Notre Dame or another I&M customer. To the extent the rider established in Paragraph I.A remains in place, the revenue requirement reduction in this Paragraph I.C will be reflected in the rider.
- D. Land Cost. The cost of the land (\$5,128,852) on which the SBSP is located will not be included in the rate base in the SBSP revenue requirement. I&M will not seek recovery of the cost of the land in this or any future case associated with the SBSP. If the cost of the land is never put in rate base, any proceeds from the ultimate disposition of the land after the SBSP is decommissioned will not be includable in any revenue requirement setting I&M’s rates.
- E. Contingency Costs. Contingency costs currently included in the SBSP cost estimate (approximately \$1.2 million) will not be reflected in the SBSP revenue requirement. I&M will not seek recovery of any contingency costs associated with the SBSP.
- F. Investment Tax Credit (“ITC”). The Settling Parties reserve the right to raise issues concerning the ITC associated with the SBSP in future SBSP tracker filings or base cases.
- G. Remaining Issues. Any matters not addressed by this Agreement will be adopted as proposed by I&M in its case-in-chief.

II. PRESENTATION OF THE AGREEMENT TO THE COMMISSION.

- A. The Settling Parties shall support this Agreement before the Commission and request that the Commission expeditiously accept and approve the Agreement. This Agreement is not severable and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party.

- B. The Settling Parties agree to the admission of the following evidence in support of the Agreement: the direct, rebuttal, and any settlement evidence prefiled by I&M and Intervenors. The Settling Parties will work collaboratively in the preparation of the testimony supporting the settlement agreement. Such evidence shall be admitted into evidence without objection and the Settling Parties hereby waive cross-examination of their respective witnesses. If the Commission fails to approve this Agreement in its entirety without any change or with condition(s) unacceptable to either Settling Party, the Agreement shall be withdrawn and the Commission will continue to hear Cause No. 45245 with the proceedings resuming at the point immediately prior to the filing of this Agreement.
- C. A Commission Order approving this 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.
- D. The Settling Parties shall jointly agree on the form, wording and timing of public/media announcement (if any) of this Stipulation and Settlement Agreement and the terms thereof. No Settling Party will release any information to the public or media prior to the aforementioned announcement. The Settling Parties may respond individually without prior approval of the other Settling Parties to questions from the public or media, provided that such responses are consistent with such announcement and do not disparage any of the Settling Parties. Nothing in this Stipulation and Settlement Agreement shall limit or restrict the Commission's ability to publicly comment regarding this Stipulation and Settlement Agreement or any Order affecting this Stipulation and Settlement Agreement.


III. EFFECT AND USE OF AGREEMENT

- A. It is understood that this Agreement is reflective of a negotiated settlement and neither the making of this Agreement nor any of its provisions shall constitute an admission by either Settling Party to this Agreement 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 Agreement is in consideration and support of each and every other term.
- B. Neither the making of this Agreement (nor the execution of any of the other documents or pleadings required to effectuate the provisions of this Agreement), nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.
- C. This Agreement shall not constitute and shall not be used as precedent by any person in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce this Agreement.

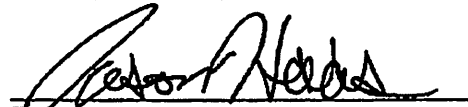
- D. This Agreement is solely the result of compromise in the settlement process and except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any Settling Party may take with respect to any or all of the items resolved here and in any future regulatory or other proceedings.
- E. The evidence in support of this Agreement constitutes substantial evidence sufficient to support this 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 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 Agreement.
- F. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Agreement all relate to offers of settlement and shall be privileged and confidential, without prejudice to the position of either 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 Agreement on behalf of their designated clients, and their successor and assigns, who will be bound thereby.
- H. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of the Commission Order approving this 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 Agreement).
- J. The provisions of this Agreement shall be enforceable by any Settling Party before the Commission and thereafter in any state court of competent jurisdiction as necessary.
- K. This 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 this 28 day of October, 2019.

INDIANA MICHIGAN POWER COMPANY INDIANA OFFICE OF UTILITY
CONSUMER COUNSELOR

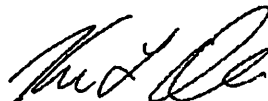


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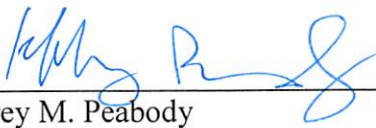
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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing was served upon the following via electronic email, hand delivery or First Class, or United States Mail, postage prepaid this 29th day of October, 2019 to:

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