


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 CONSTRUCTION AND) CAUSE NO.
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.)

**SUBMISSION OF DIRECT TESTIMONY OF
BRENT E. AUER**

Applicant, Indiana Michigan Power Company (I&M), by counsel, respectfully submits the direct testimony and attachments of Brent E. Auer in this Cause.



Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (Atty No. 28000-53)
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Phone: (317) 231-7716
Peabody Phone: (317) 231-6465
Fax: (317) 231-7433
Email: tnyhart@btlaw.com
jpeabody@btlaw.com

Attorneys for Indiana Michigan Power
Company

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 12th day of June, 2019 to:

William I. Fine
Abby R. Gray
Indiana Office of Utility Consumer Counselor
Office of Utility Consumer Counselor
115 West Washington Street
Suite 1500 South
Indianapolis, Indiana 46204
infomgt@oucc.in.gov
wfine@oucc.in.gov
agray@oucc.in.gov



Jeffrey M. Peabody

Teresa Morton Nyhart (No. 14044-49)
Jeffrey M. Peabody (No. 28000-53)
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Phone: (317) 231-7716
Peabody Phone: (317) 231-6465

Attorneys for INDIANA MICHIGAN POWER COMPANY

I&M Exhibit: _____

INDIANA MICHIGAN POWER COMPANY

PRE-FILED VERIFIED DIRECT TESTIMONY

OF

BRENT E. AUER

**PRE-FILED VERIFIED DIRECT TESTIMONY OF BRENT E. AUER
ON BEHALF OF
INDIANA MICHIGAN POWER COMPANY**

1 **Q. Would you please state your name and business address?**

2 A. My name is Brent E. Auer and my business address is Indiana Michigan Power
3 Center, P.O. Box 60, Fort Wayne, Indiana 46801.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Indiana Michigan Power Company (I&M or Company) as a
6 Regulatory Analysis & Case Manager in the Regulatory Services Department.

7 **Q. Please describe your educational and professional background.**

8 A. I graduated from Purdue University in 1988 with a Bachelor of Science degree
9 in Biological Sciences. In 1995, I obtained an Executive MBA from The
10 University of Notre Dame.

11 I started my career with I&M at the Cook Nuclear Plant in the Chemistry
12 Department as a chemistry technician in 1989. In 1991, I accepted a position
13 in the Quality Assurance group as a Quality Assurance Auditor in support of
14 Nuclear Generation. In 1998, I transferred to the Business Services group
15 within Nuclear Generation and held various positions within Budgeting,
16 Accounting, and Business Planning until 2004. I transferred to I&M's
17 headquarters in 2004 as a Business Operations Support Coordinator. In 2010,
18 I accepted the position of Meter Revenue Operations Manager. In 2017, I
19 moved into my current position as Regulatory Analysis & Case Manager in
20 I&M's Regulatory Services Department.

1 **Q. What are your responsibilities as Regulatory Analysis & Case Manager?**

2 A. I report to the Director, Regulatory Services, and I am responsible for leading
3 and facilitating the preparation of regulatory filings and analyses as assigned.

4 **Q. Have you previously testified in any regulatory proceedings?**

5 A. Yes. I have testified on behalf of I&M before the Indiana Utility Regulatory
6 Commission (IURC or Commission) in the following proceedings:

- 7 • 43774 PJM 8 PJM Cost Rider
- 8 • 43775 OSS 8 Off-System Sales (OSS) Margin Sharing Rider
- 9 • 45114 EZ Bill Program
- 10 • 43774 PJM 9 Off-System Sales Margin Sharing / PJM Rider

11 In addition, I have also testified before the Michigan Public Service
12 Commission regarding an AMI meter opt-out provision (Case No. U-20137).

13 **Q. What is the purpose of your direct testimony in this Cause?**

14 A. The purpose of my testimony is to explain I&M's requested accounting and
15 ratemaking treatment for the proposed 20MW solar project located in South
16 Bend, Indiana which is referred to as the South Bend Solar Project (SBSP). I will
17 discuss I&M's proposed Solar Power Rider (SPR), which provides for timely
18 recovery of the SBSP costs. In addition, I explain how renewable energy
19 certificate (REC) sales related to the customer arrangement presented by
20 Company witness Thomas will reduce the cost of service for all I&M customers.
21 Finally, I discuss how this proceeding works in conjunction with I&M's base case
22 filed on May 14, 2019 in Cause No. 45235.

1 **Q. Are you sponsoring any attachments in this Cause?**

2 A. Yes. I am sponsoring Attachment BEA-1, which is a calculation of the forecasted
3 annual SPR revenue requirement and forecasted customer rate impact, and
4 Attachment BEA-2, which is the proposed Solar Power Rider.

5 **Q. Are you sponsoring any workpapers in this Cause?**

6 A. Yes. I am sponsoring Workpaper BEA-1, which is a calculation of the estimated
7 annual investment tax credit.

8 **Q. Were these attachments and workpaper that you are sponsoring prepared
9 or assembled by you or under your direction and supervision?**

10 A. Yes.

11 **Q. Please summarize the ratemaking and accounting relief I&M is requesting
12 in this proceeding for the SBSP.**

13 A. As explained in I&M's verified Petition in this Cause, in accordance with Ind.
14 Code § 8-1-8.8-11, I&M requests the Commission to authorize the necessary
15 accounting and ratemaking to permit timely recovery through rates of the
16 project costs incurred for the SBSP. As explained below, I&M seeks to
17 implement the timely cost recovery via the Company's pending rate case or
18 alternatively through the Solar Power Rider (SPR).

19 More specifically, I&M is requesting the Commission approve the SPR
20 tariff to allow for timely cost recovery of the SBSP, including depreciation
21 expense, carrying costs on the post in-service investment, income and property
22 taxes, operating and maintenance (O&M) costs and gross revenue conversion
23 factor (GRCF) costs. The cost recovery will also be reduced by the

1 amortization of the Investment Tax Credits (ITC) associated with the SBSP as
2 discussed below. I&M requests the Commission to authorize the depreciation
3 of the South Bend Solar Project over a period of 30 years. The carrying costs
4 to be recovered in the Solar Power Rider will be computed by applying I&M's
5 pre-tax weighted average cost of capital (WACC) to I&M's investment when the
6 solar project is placed into electric plant in-service. For the SPR, the return on
7 equity portion of the weighted average cost of capital will utilize the rate
8 approved by the Commission in I&M's most recent base case for capital riders.
9 GRCF costs will be calculated consistent with the methodology approved by
10 the Commission for I&M's current riders.

11 Cost recovery through the SPR will be subject to reconciliation to actual
12 costs. I&M proposes to perform traditional over/under-recovery accounting
13 consistent with I&M's current rider reconciliations. I&M also requests authority
14 to create a regulatory asset to defer any costs associated with the SBSP until
15 they are recovered through the ratemaking process, either through the SPR or
16 base rates.

17 **Q. What is the construction period for the SBSP and the expected in-service**
18 **date?**

19 A. Company witness DeRuntz provides the construction schedule for the SBSP in
20 Figure JGD-2 of his testimony which indicates the projected in-service date to be
21 in December 2020.

1 **Q. Are I&M's books and records kept in accordance with the Federal Energy**
2 **Regulatory Commission (FERC) Uniform System of Accounts (USofA)**
3 **adopted by the Commission?**

4 A. Yes. I&M's books and records are maintained according to the FERC USofA as
5 adopted by the Commission at 170 IAC 4-2-1.1.

6 **Q. Will I&M's books and records be consistent with the FERC USofA if the**
7 **proposed accounting for the South Bend Solar Project is implemented?**

8 A. Yes.

9 **Q. In what account are the costs of the SBSP initially recorded during**
10 **construction?**

11 A. During construction these costs are recorded in Account 107, Construction Work
12 in Progress (CWIP), in accordance with the USofA.

13 **Q. Will I&M accrue AFUDC on the SBSP project?**

14 A. Yes. I&M will record AFUDC on SBSP CWIP in accordance with the FERC
15 USofA. The rate used for equity funds will be the return established in I&M's
16 most recent approved base rate case order. The debt rate reflects the
17 Company's current cost of debt.

18 **Q. What accounting does the FERC USofA require upon the in-service and**
19 **completion of construction of the SBSP?**

20 A. When a project is placed in-service, I&M will transfer the costs from Account
21 107 (CWIP) to Account 106 (Completed Construction Not Classified). Then
22 the costs are transferred into Account 101 (Electric Plant in Service) and
23 classified by appropriate 300 level plant sub-accounts provided in the USofA.

1 Also, upon the in-service date, I&M will discontinue recording AFUDC and the
2 month following, begin recording depreciation of the capital investment. The
3 in-service date of the project will also begin amortization of the ITC in
4 accordance with IRS rules.

5 **Q. Is the SPR consistent with the solar project rider approved by the**
6 **Commission in Cause No. 44511?**

7 A. Yes, the SPR proposed in this filing is consistent with the rider associated with
8 I&M's Clean Energy Solar Pilot Project approved by the Commission in Cause
9 No. 44511, on February 4, 2015. The rider ended effective July 1, 2018 at the
10 conclusion of I&M's base case proceeding in Cause No. 44967.

11 **Q. Please explain I&M's proposal related to deferring SBSP costs.**

12 A. I&M is requesting to defer the pre-tax return on investment, O&M expense,
13 depreciation expense, and property tax expense, net of ITC amortization,
14 associated with the SBSP until such costs are included in tariff rates, either
15 through the proposed SPR or base rates. Deferred costs will be recorded as a
16 regulatory asset.

17 **Q. Please explain I&M's requested depreciation time period for the SBSP**
18 **capital investments.**

19 A. I&M requests the Commission to authorize a depreciation period for the SBSP
20 of 30 years. As stated in the testimony of Company witness DeRuntz, the life
21 of the South Bend solar facility is expected to be 30 years. Therefore, a 30-
22 year depreciation period is appropriate to match the recovery of this investment
23 over the life of the investment.

1 **Q. Please explain I&M's accounting for depreciation expense on the SBSP.**

2 A. Once the solar project is placed into service, depreciation expense will be
3 recorded by charging Account 403, Depreciation Expense, and crediting
4 Account 108, Accumulated Provision for Depreciation of Electric Plant.
5 Depreciation commences the month following the in-service date of the
6 equipment.

7 **Q. Please explain I&M's amortization of the ITC associated with the SBSP.**

8 A. Cost recovery of the SBSP will reflect a credit for the ITC amortization earned
9 on the proposed SBSP. The ITC will be amortized over the life of the facility
10 and will reduce the overall cost of the project for customers. In other words,
11 the ITC will be a component of the revenue requirement used to set customer
12 rates. Solar Tax Credits are considered to be Investment Tax Credits (ITCs)
13 under tax regulations. In March 1972, I&M made an election to apply Internal
14 Revenue Code Section 46(f) (2) to Investment Tax Credits that have been
15 claimed for eligible property additions on the Federal income tax returns of
16 I&M. Under the tax normalization rules, these credits must be deferred and
17 amortized over the life of the property through cost of service via income tax
18 expense. The Company has been following this ITC election in all rate
19 proceedings since that time. This regulatory treatment has been accepted by
20 the IURC in previous proceedings.

21 **Q. What is the ITC amount that the SBSP will be eligible to receive?**

22 A. On February 9, 2018, the Bipartisan Budget Act of 2018, Pub. L. 115-123, Div.
23 D, Title I, § 40411, 132 Stat. 150 (BBA 2018), modified the ITC under § 48 of

1 the Internal Revenue Code by replacing the requirement to place energy
2 property in-service by a certain date with a requirement to begin construction
3 by a certain later date. According to the Act, if construction begins after
4 December 31, 2019, and before January 1, 2021, and the solar energy
5 property is placed in-service before January 1, 2024, then the credit
6 percentage is 26%. Since the SBSP is expected to begin construction in May
7 2020, the project will be eligible for the 26% ITC as long as it is placed in-
8 service before January 1, 2024.

9 **Q. Please explain the calculation of I&M's pre-tax WACC that will be used for**
10 **the carrying costs for the post in-service investment in the potential**
11 **future SPR filings.**

12 A. I&M proposes to calculate the WACC using I&M's current cost of debt and the
13 cost of equity for capital riders approved by the Commission in I&M's most
14 recent base case order. I&M's WACC as of March 31, 2019, is shown on
15 Attachment BEA-1, page 2 of 2.

16 **Q. Please explain I&M's proposal regarding O&M costs.**

17 A. I&M proposes to include the O&M costs associated with operating and
18 maintaining the SBSP, as discussed by Company witness DeRuntz, within its
19 SPR if it becomes necessary to file SPR rates.

20 **Q. Please explain I&M's proposal regarding timely cost recovery of property**
21 **tax expense.**

22 A. I&M requests the Commission to authorize timely cost recovery of the property
23 tax expense associated with the SBSP. Property tax expense will be

1 determined by applying the appropriate local tax rate to the net taxable costs of
2 the SBSP.

3 **Q. Has I&M estimated the proposed incremental tax expense for the SBSP?**

4 A. Yes. I&M estimates the incremental property tax expense for the solar project
5 to be \$87,689 in 2021. This estimate was calculated based on estimates of the
6 solar project's costs and timing, siting, and local tax rates. The assessed value
7 was estimated based upon parameters specific to Indiana then multiplied by
8 the estimated local tax rate to get the estimated annual taxes for Indiana.

9 **Q. How does I&M propose to reconcile the over/under balance and adjust
10 customer rates?**

11 A. The SPR over/under balance will be determined on a monthly basis by
12 comparing actual period-to-date rider revenues to actual period-to-date rider
13 costs. When setting SPR rates, I&M will utilize the most recent actual
14 over/under balance and amortize that balance over the twelve-month period
15 associated with the new rates. When the SBSP is reflected in base rates and
16 no longer recovered through the SPR, I&M will file a final reconciliation
17 comparing actual SBSP costs to revenues collected through the SPR and
18 include that balance in I&M's next ECR update proceeding consistent with past
19 practices approved by the Commission.

20 **Q. Does I&M propose to establish factors for the Solar Power Rider in this
21 Cause?**

22 A. No. I&M seeks approval of the timely cost recovery and the associated Solar
23 Power Rider, but the initial Rider factors will be zero. As previously indicated,

1 I&M filed a base case proceeding before the Commission on May 14, 2019 in
2 Cause No. 45235. If cost recovery and rates are established in the base case
3 proceeding and the SBSP project is placed into service prior to December 31,
4 2020, then I&M will not need to make an SPR filing to establish rates. The
5 amount of Plant in-service will be reflected in the Phase-in Rate Adjustment
6 that is proposed in the base case filing. An order in the base case is expected
7 in the first or second quarter of 2020. However, if Cause No. 45235 does not
8 address cost recovery or the SBSP is not placed into service on or before
9 December 31, 2020, then I&M proposes to file its first SPR filing shortly after
10 the SBSP project goes into service. Those rate factors would be based upon
11 the forecasted costs for the following twelve-month period. Thereafter, I&M
12 proposes to file SPR proceedings on an annual basis. The form and content of
13 these filings (i.e. schedules) will be consistent with previous SPR filings that
14 occurred under Cause No. 44511.

15 Therefore, I&M requests authority to defer the carrying costs on post in-
16 service investment, depreciation expense, property tax expense, ITC
17 amortization, and associated O&M until they are recovered through base rates
18 or the SPR.

19 **Q. How does I&M propose to treat the return associated with the SPR**
20 **ratemaking treatment in its fuel cost adjustment proceedings commonly**
21 **referred to as “FAC” proceedings?**

22 **A.** I&M proposes to reflect the authorized return (also referred to herein as the
23 post in-service carrying costs) on the SBSP from its most recent SPR Order in

1 determining the total authorized net operating income level to be utilized in the
2 I.C. 8-1-2-42(d)(3) earnings test.

3 **Q. How long will the requested ratemaking treatment remain in effect?**

4 A. The requested ratemaking treatment will continue until the SBSP is included in
5 rate base in a proceeding that involves the establishment of I&M's basic rates
6 and charges. As explained above, I&M made a basic rate case filing on May
7 14, 2019 (Cause No. 45235). If that proceeding does not address the
8 investment, recovery, and rates associated with the South Bend Solar Project,
9 then the establishment of the SPR and its implementation processes will be as
10 stated above.

11 **Q. Has I&M prepared an SPR tariff sheet for Commission approval?**

12 A. Yes. The proposed SPR tariff is provided as Attachment BEA-2. As previously
13 indicated, the initial rates have been set to $\text{¢}0.00/\text{kWh}$.

14 **Q. Have you calculated an estimated overall rate impact for I&M's Indiana
15 customers if this investment is recovered through the SPR?**

16 A. Yes. As shown on Attachment BEA-1, I&M estimated the average total impact
17 for all rate classes at the full value of investment on Indiana retail jurisdictional
18 revenues. As shown on Attachment BEA-1, the estimated year one rate
19 impact is 0.17%. This is the estimate rate impact under a SPR filing if the
20 SBSP is not reflected in rates established in the current base case proceeding.

21 **Q. Please explain the ratemaking associated with the customer agreement
22 presented by Company witness Thomas.**

23 A. As described in detail by Company witness Thomas, The University of Notre

1 Dame has entered into a long-term agreement associated with the SBSP
2 whereby it will procure RECs based on 8MW, or 40%, of the South Bend solar
3 facility output. The actual output or performance of the SBSP will determine
4 the number of RECs purchased, but the RECs themselves will be sourced from
5 I&M's renewable asset portfolio. The agreement is priced using a PJM market
6 price for each REC, plus a 20 percent administrative fee to cover the customer
7 specific aspects of the arrangement. The non-administrative fee revenues will
8 be included in I&M's fuel adjustment clause proceedings as a credit to ensure
9 that all I&M customers benefit on a timely basis from this arrangement. This
10 arrangement and pricing is consistent with the IM Green Program described by
11 Company witness Dave Lucas in I&M's recent basic rate case filing in Cause
12 No. 45235.

13 **Q. Please explain how I&M's request for timely recovery through the SPR**
14 **will work in conjunction with I&M's pending base rate case in Cause No.**
15 **45235.**

16 A. I&M is requesting timely recovery of the SBSP through the SPR until such time
17 as the related costs are included in I&M's base rates. I&M's pending rate case
18 uses a 2020 test year, which includes the SBSP forecasted to be placed into
19 service in December 2020. I&M has proposed to implement base rates in
20 phases, which would result in capital investments placed in-service during 2020
21 being included in base rates once I&M makes its final compliance filing in early
22 2021. If the SBSP is completed and in-service by the end of 2020 and the
23 Commission approves I&M's proposed phase-in process in Cause No. 45235,

1 the SBSP will be recovered in base rates in early 2020 at which time deferral
2 authority would no longer be necessary. If the SBSP is completed and in-service
3 after 2020, the related costs would be recovered through the SPR or deferral
4 authority until included in I&M's next base rate update. As described previously,
5 I&M will utilize over-/under-accounting and a reconciliation process to ensure
6 customer rates reflect actual costs prior to recovery through base rates.

7 **Q. Does this conclude your pre-filed verified direct testimony?**

8 A. Yes, it does.

VERIFICATION

I, Brent E. Auer, Regulatory Analysis & Case Manager 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.

Date: June 12, 2019.



Brent E. Auer

Indiana Michigan Power Company
Estimated Year 1 Rate Impact
South Bend Solar Project

<u>Line</u>	<u>Item</u>	<u>(\$000's)</u>	<u>Source</u>
1	Total Capital Investment	\$ 36,771	JG DeRuntz testimony, Confidential Att. JGD-1
2	Weighted Average Cost of Capital as of 3/31/2019	6.78%	Attachment BEA-1, p. 2
3	Return on Invested Capital	\$ 2,457	
4	Total Capital Investment	\$ 36,771	Line 1
5	Recovery Period - 30 Years	<u>30</u>	JG DeRuntz testimony
6	Annual Depreciation (excluding land cost)	\$ 1,055	Cost of land per JG DeRuntz testimony, Confidential Att. JGD-1
7	Annual Incremental O&M Expense (starting 2021)	\$ 312	JG DeRuntz testimony
8	Property Taxes	\$ 88	Based on estimated rate of 0.2385% of investment
9	Net Impact from ITC Amortization (26%)	<u>\$ (268)</u>	Work Paper BEA-1
10	Revenue Requirement Before Gross Revenue Conversion Factor (GRCF)	\$ 3,644	
11	GRCF	1.7640%	Attachment BEA-1, p. 2
12	GRCF Amount	<u>\$ 64</u>	
13	Total Annual Revenue Requirement	\$ 3,708	
14	IN Jurisdictional Demand Allocation Factor	<u>65.21029%</u>	Cause No. 44967
15	IN Annual Revenue Requirement	<u>\$ 2,418</u>	
16	Total Annual IN Retail Revenues	<u>\$ 1,430,066</u>	Cause No. 44967 Order, p. 31
17	Approximate Overall Customer Rate Impact	<u>0.17%</u>	

Indiana Michigan Power Company
Rate of Return Summary
12-Month Period Ended 3/31/19

<u>Line No.</u>	<u>(a) Description</u>	<u>(b) Total Company Capitalization</u>	<u>(c) Percent of Total</u>	<u>(d) Percent Cost Rate ⁽¹⁾</u>	<u>(e) Weighted Average Cost Rate</u>	<u>(f) Tax Gross-Up Factor</u>	<u>(g) Carrying Cost Rate</u>
1	Long Term Debt	\$ 2,654,423,818	40.66%	4.44%	1.81%	1.0000	1.81%
2	Common Equity	\$ 2,432,143,528	37.25%	9.85%	3.67%	1.3414	4.92%
3	Customer Deposits	\$ 36,200,794	0.55%	2.00%	0.01%	1.0000	0.01%
4	Acc. Def. FIT	\$ 1,376,308,684	21.08%	0.00%	0.00%	1.3414	0.00%
5	Acc. Def. JDITC	\$ 29,388,700	0.45%	7.07%	0.03%	1.3414	0.04%
6	Total	<u>\$ 6,528,465,523</u>	100.00%		<u>5.52%</u>		<u>6.78%</u>
<u>Cost of Investor Supplied Capital</u>							
7	Long Term Debt	\$ 2,654,423,818	52.18%	4.44%	2.32%		
8	Common Equity	<u>\$ 2,432,143,528</u>	<u>47.82%</u>	9.85%	<u>4.71%</u>		
9	Total	\$ 5,086,567,346	100.00%		7.03%		

⁽¹⁾ Current authorized ROE of 9.85% for capital riders per Settlement Agreement in Cause No. 44967 Order

Computation of Gross Revenue Conversion Factor

	<u>Tax Rates</u>	<u>% of Incremental Gross Revenues</u>
Income Before Income Taxes		100.00%
Less: Indiana Utility Receipts Tax		
Public Utility Assessment Fee (IURC)		
Base Subject to State Income Taxes		100.00%
Less: State Income Taxes	5.63%	5.63%
Income Before Federal Income Taxes		94.37%
Less: Federal Income Taxes	21.00%	19.82%
Operating Income Percentage		74.55%
Tax Gross-Up Factor		<u>1.3414</u>

Gross Revenue Conversion Factor (GRCF) Calculation:

Indiana Utility Receipts Tax	1.4000%
Public Utility Assessment Fee (IURC)	0.1202%
Total Revenue Taxes	1.5202%
Uncollectible Revenue Factor	0.2476%
Discounted Revenue Taxes	1.5164%
Uncollectible Revenue Factor	0.2476%
Gross Revenue Conversion Factor	<u>1.7640%</u>

**I.U.R.C. NO. 17
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA**

ORIGINAL SHEET NO. XX

SOLAR POWER RIDER (SPR)

The Solar Power Rider (SPR) surcharge allows the company to recover costs associated with investments in the South Bend Solar Project as approved by the Commission. All customer bills subject to the provisions of this rider shall be adjusted by the SPR per billing kWh and kW or kVA as follows:

Tariff Class	¢/kWh	\$ / kW or \$ / kVA
RS, RS-TOD, RS-TOD2 and RS-OPES/PEV	0.0000	--
GS, GS-TOD and GS-TOD2	0.0000	--
LGS and LGS-TOD	0.0000	0.00
LGS-LM-TOD	0.0000	--
IP and CS-IRP2	0.0000	0.00
MS	0.0000	--
WSS	0.0000	--
IS	0.0000	--
EHG	0.0000	--
OL	0.0000	--
SLS, ECLS, SLC, SLCM AND FW-SL	0.0000	--

**ISSUED BY
TOBY L. THOMAS
PRESIDENT
FORT WAYNE, INDIANA**

**EFFECTIVE FOR BILLS RENDERED BEGINNING
WITH THE BILLING MONTH OF _____**

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