

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	Case No. U-21843
INDIANA MICHIGAN POWER COMPANY	)	
to fully comply with Public Act 235 of 2023.	)	
_____	)	

At the August 7, 2025 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On January 17, 2025, Indiana Michigan Power Company (I&M) filed an application in this docket (January 17 application), with supporting testimony and exhibits, requesting approval of its amended renewable energy plan (REP), pursuant to Public Act 295 of 2008, as amended by Public Act 235 of 2023, MCL 460.1001 *et seq.*, and the Commission's February 8, 2024 order in Case No. U-21568 directing I&M to file its amended REP no later than January 17, 2025. Included in its January 17 application, the company requested that the Commission approve I&M's proposed modification of its renewable energy surcharge, effective for bills rendered beginning with the first billing cycle of the month following a Commission order.

A prehearing conference was held on March 11, 2025, before Administrative Law Judge Katherine E. Talbot (ALJ), at which the ALJ recognized the intervention of the Michigan

Department of Attorney General and granted intervention to the Citizens Utility Board of Michigan. I&M and the Commission Staff (Staff) also participated in the proceeding. On April 18, 2025, the ALJ issued a protective order for use in this matter. The Staff filed direct testimony on May 14, 2025. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached to this order as Exhibit A, is approved.
- B. Within 30 days from the date of this order, Indiana Michigan Power Company shall file the blank First Revised Sheet No. D-120.00 to replace the current effective Renewable Energy Surcharge tariff, Original Sheet No. D-120.00, from Tariff Book M.P.S.C. 18-Electric, as described in the settlement agreement. After the tariff sheet has been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, Indiana Michigan Power Company shall promptly file the final tariff sheet in this docket and serve all parties.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

I abstain.

Shaquila Myers, Commissioner

By its action of August 7, 2025.

Lisa Felice, Executive Secretary

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INDIANA MICHIGAN POWER COMPANY	)	
<u>to fully comply with Public Acts 235 of 2023</u>	)	

SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL 24.278, and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (the "Commission"), Mich Admin Code, R 792.10431, Indiana Michigan Power Company ("I&M" or the "Company"), Commission Staff, Attorney General Dana Nessel ("Attorney General"), and the Citizens Utility Board of Michigan ("CUB") (collectively, the "Parties") stipulate and agree as follows:

1. On October 6, 2008, the Michigan Legislature enacted the "Clean, Renewable, and Efficient Energy Act," 2008 PA 295 ("Act 295"). The Legislature subsequently amended Act 295 by enacting the "Clean and Renewable Energy and Energy Waste Reduction Act," 2016 PA 342, effective April 20, 2017. The Commission subsequently approved I&M's current Renewable Energy Plan ("REP") in Case No. U-18233 on August 28, 2018. The Legislature then amended Act 295 again on November 28, 2023, with 2023 PA 235 ("Act 235"), which was signed into law and became effective on February 27, 2024. Among other things, Act 235 further amended Sections 22 through 49 of Act 295 to increase the Renewable Portfolio Standards ("RPS") for electric providers. Act 235 also requires that an REP describe how an electric provider will meet Act 235's increased RPS.

2. On February 8, 2024, the Commission issued an Order in Case No. U-21568 requiring I&M to file its amended REP under Act 235 no later than January 17, 2025. On January 17, 2025, I&M filed its Application, testimony, and exhibits of witnesses Bryan S. Owens and Edward J. Locigno, detailing its amended REP, as required by Act 235.

3. On March 11, 2025, Administrative Law Judge Katherine E. Talbot (“ALJ”) held a prehearing conference. On May 14, 2025, Commission Staff filed the Direct Testimony of April M. Stow, finding that I&M met Act 235’s requirements. The Parties exchanged information and have thoroughly reviewed the Application. The result of those efforts is this executed Settlement Agreement.

4. In view of the foregoing, and pursuant to Section 78 of the APA, MCL 24.278, the Parties hereby stipulate and agree as follows:

- a. The Company’s amended REP is consistent with the promotion and usage of clean and renewable energy resources, will achieve the purposes of section 1(2) of Act 235, and meets the renewable energy credit standard as defined therein.
- b. The Company’s amended REP, as described in I&M’s Application, exhibits, and supporting testimony, is consistent with Act 235 and the Commission’s requirements, and the Commission should approve the Company’s amended REP.
- c. The Company’s projected costs in its amended REP are reasonable and prudent, and the Commission should approve those projected costs. Actual costs will be subject to reconciliation under Act 235.

- d. For purposes of approval of this amended REP, the Company's use of the transfer price schedule filed in Case U-15800 by Commission Staff to determine the incremental cost of compliance for the Company's amended REP is reasonable and prudent, and the Commission should approve the Company's incremental cost of compliance as consistent with applicable law and Commission orders. The transfer price is subject to possible revision and future approvals in reconciliation proceedings consistent with Act 235.
- e. The Commission should approve the Company's replacement of the current effective Renewable Energy Surcharge tariff, Original Sheet No. D-120.00, from Tariff Book M.P.S.C. 18-Electric, with blank First Revised Sheet No. D-120.00 as reasonable and prudent, and authorize the Company to seek approval of a Renewable Energy Surcharge by future amendment of its REP.
- f. The Commission should authorize the necessary accounting and regulatory authority to effectuate the Company's amended REP, including using revenue from REC sales to reduce fuel costs.

5. This Settlement Agreement is reasonable, will promote the public interest, will aid in the expeditious conclusion of this case, and will minimize the time and expense that would otherwise have to be devoted to this matter by the Commission and the Parties. The Parties, therefore, respectfully request that the Commission promptly issue an order accepting and approving this Settlement Agreement.

6. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions related to this Settlement Agreement are, and shall be considered, privileged under Michigan Rules of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to this Settlement Agreement nor the Commission shall make any reference to, or use, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

7. This Settlement Agreement is based on the facts and circumstances of this amended REP proceeding and is intended for the final disposition of Case No. U-21843. So long as the Commission approves this Settlement Agreement without any modification, the Parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise set forth herein, the Parties agree and understand that this Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings or appeals related thereto.

8. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes a failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of the Settlement Agreement, this

Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation position of the Parties.

9. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties in Case No. U-21843 without prejudice to their rights to take new and/or different positions in other proceedings.

10. The Parties agree to waive Section 81 of the Administrative Procedures Act of 1969, MCL 24.281, as it applies to the issues resolved in this Settlement Agreement, if the Commission approves this Settlement Agreement without modification.

Dated: July 7, 2025

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**



Anna B. Stirling (P84919)
Nicholas Q. Taylor (P81020)
7109 W. Saginaw Hwy.
Lansing, Michigan 48917

**INDIANA MICHIGAN POWER
COMPANY**

Jason T.

Hanselman

Digitally signed by: Jason T. Hanselman
DN: CN = Jason T. Hanselman email =
hanselman@dykema.com C = AD O =
Dykema OU = Dykema
Date: 2025.07.08 10:43:14 -0400

Dated: July 7, 2025

Richard J. Aaron (P35605)
Jason T. Hanselman (P61813)
Theresa A.G. Staley (P56998)
Hannah E. Buzolits (P84702)
Dykema Gossett PLLC
201 Townsend Street, Suite 900
Lansing, Michigan 48933
(517) 374-9198

Dated: June 7, 2025

**DEPARTMENT OF ATTORNEY
GENERAL**

Michael E.

~~Moody~~

Digitally signed by Michael E.
Moody

Date: 2025.07.07 13:22:57 -04'00'

Michael E. Moody (P51985)

Christopher Bzdok (P53094)

Assistant Attorney General

525 W. Ottawa Street

P. O. Box 30755

Lansing, Michigan 48909

(517) 335-7627

**CITIZENS UTILITY BOARD OF
MICHIGAN**

Dated: June 7, 2025

Holly L. Hillyer (P85318)

Christopher Bzdok (P53094)

Troposphere Legal, PLC

420 E. Front St.

Traverse City, MI 49686

(231) 709-4000

111253.000094 4913-3673-6844.5

**DEPARTMENT OF ATTORNEY
GENERAL**

Dated: July 7, 2025

Michael E. Moody (P51985)
Christopher Bzdok (P53094)
Assistant Attorney General
525 W. Ottawa Street
P. O. Box 30755
Lansing, Michigan 48909
(517) 335-7627

**CITIZENS UTILITY BOARD OF
MICHIGAN**

Dated: July 7, 2025

 Digitally signed by
Holly Hillyer
Date: 2025.07.08
09:57:55 -04'00'

Holly L. Hillyer (P85318)
Christopher Bzdok (P53094)
Troposphere Legal, PLC
420 E. Front St.
Traverse City, MI 49686
(231) 709-4000

111253.000094 4913-3673-6844.5

PROOF OF SERVICE

STATE OF MICHIGAN)

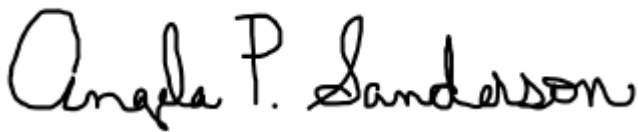
Case No. U-21843

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 7, 2025 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 7th day of August 2025.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21843

Name	On Behalf Of	Email Address
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Christopher M. Bzdok	Citizens Utility Board of Michigan	chris@tropospherelegal.com
Christopher M. Bzdok	Department of Attorney General	chris@tropospherelegal.com
Hannah E. Buzolits	Indiana Michigan Power Company	hbuzolits@dykema.com
Holly L. Hillyer	Citizens Utility Board of Michigan	holly@tropospherelegal.com
Indiana Michigan Power Company (1 of 3)	Indiana Michigan Power Company	ajwilliamson@aep.com
Indiana Michigan Power Company (2 of 3)	Indiana Michigan Power Company	msmckenzie@aep.com
Indiana Michigan Power Company (3 of 3)	Indiana Michigan Power Company	mgobrien@aep.com
Jason T. Hanselman	Indiana Michigan Power Company	jhanselman@dykema.com
Katherine E. Talbot	ALJs - MPSC	talbotk@michigan.gov
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
Nicholas Q. Taylor	MPSC Staff	taylorn10@michigan.gov
Richard J. Aaron	Indiana Michigan Power Company	raaron@dykema.com
Theresa A.G. Staley	Indiana Michigan Power Company	tastaley@dykema.com