

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
INDIANA MICHIGAN POWER COMPANY for	)	
approval to implement a power supply cost recovery	)	Case No. U-21877
plan for the 12 months ending December 31, 2026.	)	
_____	)	

At the March 27, 2026 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 September 30, 2025, Indiana Michigan Power Company (I&M) filed an application in this docket, with supporting testimony and exhibits, requesting approval to implement a power supply cost recovery plan for the 12 months ending December 31, 2026, pursuant to Section 6j of Public Act 304 of 1982, MCL 460.6j.

A prehearing conference was held on November 21, 2025, before Administrative Law Judge Lesley C. Fairrow (ALJ). At the prehearing, the ALJ recognized the intervention of the Michigan Department of Attorney General. I&M and the Commission Staff also participated in the proceeding. The parties have since 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 the settlement agreement attached as Exhibit A is approved.

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

Shaquila Myers, Commissioner

By its action of March 27, 2026.

Lisa Felice, Executive Secretary

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter on the application of)
INDIANA MICHIGAN POWER)
COMPANY for approval of a Power)
Supply Cost Recovery Plan and factors)
(2026))
_____)

Case No. U-21877

SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969, MCL 24.278, and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“Commission”), R 792.10431, the undersigned Parties hereby stipulate and agree as follows:

This Settlement Agreement between Indiana Michigan Power Company (“I&M” or the “Company”), the Department of Attorney General, and Commission Staff (“Staff”) (collectively, the “Parties”) is intended by the Parties as a final settlement and resolution of all issues before the Commission regarding I&M’s 2026 Power Supply Cost Recovery (“PSCR”) Plan and factors, subject to the express reservations set forth herein.

1. On September 30, 2025, I&M filed its application with the Commission, including supporting testimony and exhibits, requesting approval of its proposed 2026 PSCR Plan and PSCR factors, pursuant to 1982 PA 304, as amended.

2. I&M’s application and testimony present the forecasted power supply costs and new energy requirements for the twelve-month period ending December 31, 2026, and request approval of a PSCR factor of 1.93 mills per kWh for each billing month from January 2026 through December 2026.

3. The Parties entered settlement discussions in an attempt to effectively resolve the matter before the Commission. As a result of those settlement discussions, the Parties have agreed to resolve all issues in this case as set forth in the following paragraphs.

a. The Parties agree that I&M's 2026 PSCR Plan and the proposed PSCR factors, as filed, are reasonable and prudent and should be approved by the Commission.

b. The Parties agree that, for the calendar year 2026, no Ohio Valley Electric Corporation ("OVEC") power supply costs or revenues shall be allocated to Michigan retail customers. In lieu of OVEC resources, I&M shall serve Michigan customers using market purchases.

c. The Parties acknowledge that I&M has a separate pending proceeding addressing the allocation of non-fuel and fuel costs for its Current Generation Resources, as defined in that case.¹ The Parties further agree that, if the Commission issues an order in that allocation proceeding that modifies the structure or process applicable to I&M's PSCR, such modifications shall apply as ordered in that case and will be reflected in I&M's 2026 PSCR reconciliation case.

d. The Parties agree that approval of this Settlement Agreement does not constitute a determination of the reasonableness or prudence of I&M's actual 2026 power supply costs. All Parties expressly reserve their rights to raise and litigate issues related to the reasonableness and prudence of actual 2026 expenditures in I&M's 2026 PSCR reconciliation case.

e. The Parties agree that approval of this Settlement Agreement by the Commission will promote the public interest, is consistent with applicable law, and represents a fair and reasonable resolution of the issues in this proceeding.

4. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties and resolves all issues in this case. All offers of

¹ See Case No. U-21968.

settlement and discussions relating to this Settlement Agreement are considered privileged under Michigan Rules of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to this settlement 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 terms of the Settlement Agreement and the order approving it.

5. 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.

6. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement.

7. It is the opinion of the Parties that approval of this Settlement Agreement by the Commission would be in the public interest, consistent with applicable law, will aid in the expeditious conclusion of the issues in this case, and will minimize the time and expense associated with litigating this matter.

8. The Parties agree to waive Section 81 of 1969 PA 306, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

9. The Parties respectfully request that the Commission promptly issue an order accepting and approving this Settlement Agreement. If the Commission issues an order accepting and adopting the Settlement Agreement without modification, no party will appeal, challenge, or contest the Commission's Order accepting and approving this Settlement Agreement. If the Commission does not accept and approve this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

10. The stipulations and agreements contained in this Settlement Agreement shall constitute the record needed to support the Commission order in this case.

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**



Dated: March 3, 2026

Adam M. Cozort (P78363)
Heather M.S. Durian (P67587)
Michigan Public Service Commission
7109 W. Saginaw, 3rd Floor
Lansing, MI 48917
(517) 284-8140

**INDIANA MICHIGAN
POWER COMPANY**

Jason T.

Hanselman

Digitally signed by: Jason T.
Hanselman
DN: CN = Jason T. Hanselman
email = jhanselman@dykema.com
C = AD O = Dykema OU = Dykema
Date: 2026.03.02 15:17:18 -05'00'

Dated: March 2, 2026

Richard J. Aaron (P35605)
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**DEPARTMENT OF
ATTORNEY GENERAL**

Dated: March ____, 2026

Michael Moody

Digitally signed by Michael
Moody
Date: 2026.03.03 11:51:31
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PROOF OF SERVICE

STATE OF MICHIGAN)

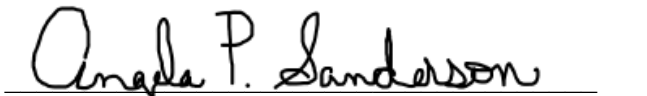
Case No. U-21877

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on March 27, 2026 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 27th day of March 2026.


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

Service List for Case: U-21877

Name	On Behalf Of	Email Address
Adam M. Cozort	MPSC Staff	cozorta1@michigan.gov
Christopher M. Bzdok	Department of Attorney General	chris@tropospherelegal.com
Hannah E. Buzolits	Indiana Michigan Power Company	hbuzolits@dykema.com
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