

POWERING OUR FUTURE

I&M is working every day to improve our service. The **Powering Our Future** plan recently filed with the Michigan Public Service Commission focuses on key programs to help provide safe, reliable energy and an excellent customer experience.



Cook Nuclear Plant



Infrastructure and Reliability



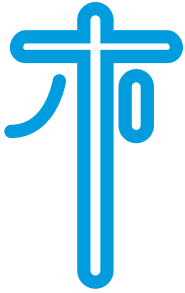
New Payment Option - PowerPay



Customer Information System



An **AEP** Company



INFRASTRUCTURE AND RELIABILITY

I&M is systematically prioritizing infrastructure replacements and improvements

- Replacing more than 850 aging poles
- Rebuilding 93 miles of power lines
- Increasing use of smart technology that detects outages and automatically restores service
- Trimming trees along more than 1,500 miles of power lines
- Upgrading, rebuilding or adding 9 substations

INFRASTRUCTURE IMPROVEMENT HIGHLIGHTS

FOUR-YEAR TRIM CYCLE

- Trees and limbs contacting lines are a leading cause of power outages for I&M's customers.
- I&M proposes trimming all appropriate vegetation every four years instead of the current five years, which will help reduce tree-related outages.

MOVING LINES OUT OF DIFFICULT TERRAIN

- I&M will relocate 55 sections of hard-to-access power lines over about 45 miles of terrain that includes dense vegetation, rivers, lakes or fire lanes.
- Making these line sections more accessible helps with safer and faster power restoration.

FEWER OUTAGES

Over the past five years I&M has **significantly enhanced reliability**. Due to investments in infrastructure, tree trimming practices and smart technology, **customers are experiencing a substantial decrease in outages**.

From 2018 to 2022:

- **Customers have experienced a 25% reduction in the time without service** (excluding major storms)
- **Controlling tree growth has led to a 19% decrease in tree-related outage minutes**
- **System improvements have led to a 36% decrease in equipment/lightning-related outage minutes**

Continuing to invest in infrastructure and reliability will help I&M take the next step in delivering safe, reliable power to our customers.



Customers can learn more about **Powering Our Future** and the rate review process at www.IndianaMichiganPower.com/PoweringOurFuture-MI

COOK NUCLEAR PLANT

Cook Nuclear Plant plays a key role in meeting customers' energy needs. Cook reliably generates the majority of I&M's carbon-free energy and accounted for more than 70% of all power generated by I&M in 2022.



As we look to the future of energy, a thorough study to determine whether to seek a 20-year extension of the Cook Nuclear Plant licenses will help I&M plan for the best mix of **safe, reliable and carbon-free energy** to supply our customers. The current licenses expire in 2034 and 2037, respectively.

*In the **Powering Our Future** plan, I&M is seeking regulatory approval for the study, but most of its costs will be deferred and not included in this rate review.*

NEW PAYMENT OPTION - POWERPAY



A voluntary payment option that allows customers to pre-pay their electric bills, much like pre-paid cell phones. **PowerPay offers customers a choice** of when and how to pay their electric bills, providing the opportunity to make payments that are more in line with their cash flow.

The program is voluntary, and customers who prefer standard monthly billing do not have to change how they pay their bills.

CUSTOMER INFORMATION SYSTEM



Modern technology will provide new, **innovative service options** to customers. The new system will be able to message customers about anticipated or planned power outages, send notifications that promote ways to save money on their bill and offer possible payment plans.

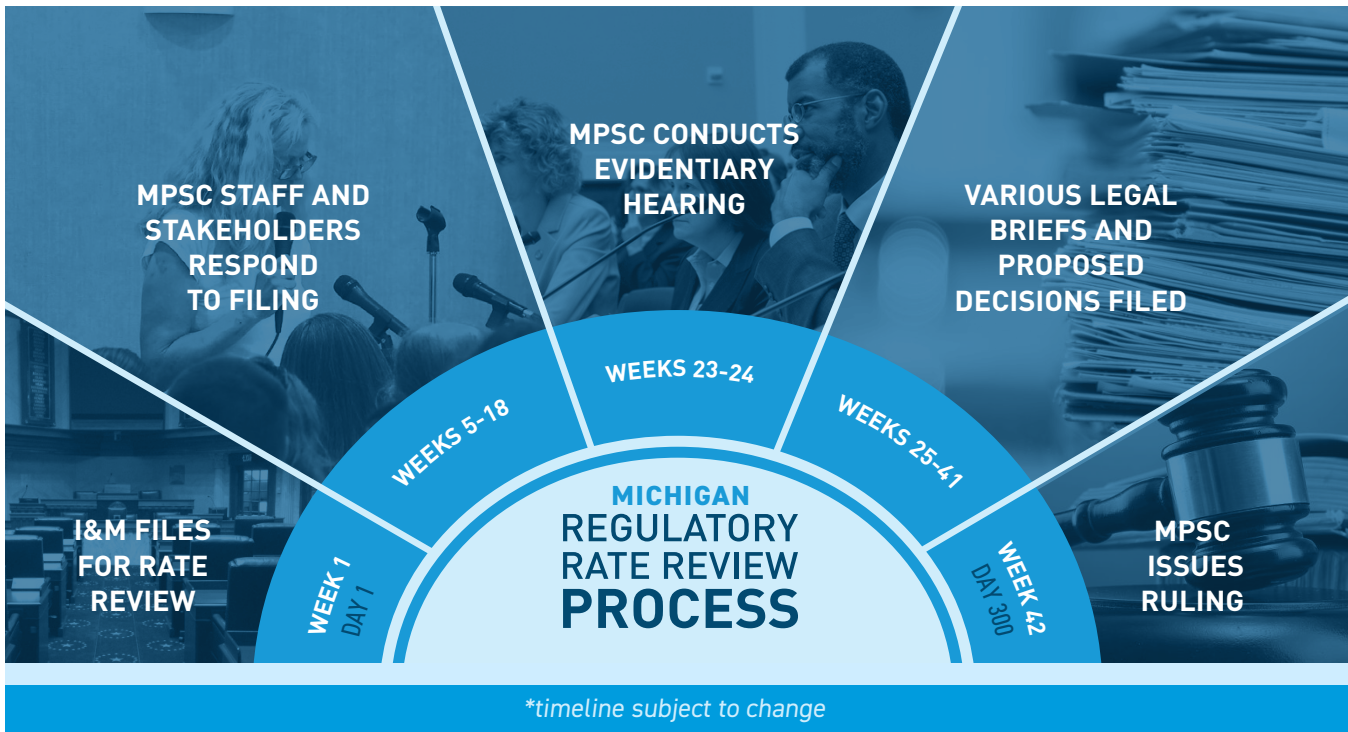
RATE IMPACT AND SERVICE CHARGE

I&M is requesting new rates equal to a \$34M overall revenue increase for the investments in the **Powering Our Future** plan, as well as a change to the residential customer service charge to more accurately reflect the true costs of being connected to the system. The service charge is included in – **and not in addition to** – the proposed new rates.

RESIDENTIAL RATE COMPARISON

Residential customers would see a 9.2% total increase, including the \$7.25 to \$11.50 service charge adjustment.

1,000 kWh	CURRENT	PROPOSED
BILL	\$162.96/mo.	\$177.90/mo.



An energy company regulatory rate review uses a **300-day open process** that allows customers and the public the opportunity to comment on the case. Consumer organizations, customer groups and other stakeholders may seek “intervenor” status, allowing them to be a party in the case, submit testimony and participate in hearings.

These proposals are **necessary for utilities to fund needed projects**. Regulated utility earnings are capped, and rates can only be changed by the regulatory commission.

Your rate is made up of the cost of providing the energy to your home and includes the cost of generation, poles, wires, personnel and capital projects, such as environmental control

technologies, and new equipment to **ensure the reliable delivery of power** to you.

This overall cost of service is then divided up based upon the number of customers served and then applied to the amount of energy you utilize in your home or business to determine the cost to you as seen on your monthly billing statement.

The role of the three-member Michigan Public Service Commission is to serve the public by ensuring **safe, reliable and accessible energy at reasonable rates**. The MPSC hears the evidence and makes decisions based on the evidence presented.