

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED)
PETITION OF INDIANA MICHIGAN POWER)
COMPANY FOR APPROVAL OF: (1))
DEMAND SIDE MANAGEMENT (DSM))
PLAN, INCLUDING ENERGY EFFICIENCY)
(EE) PROGRAMS, DEMAND RESPONSE) CAUSE NO.
PROGRAMS, AND ENHANCED)
CONSERVATION VOLTAGE; AND (2))
ASSOCIATED ACCOUNTING AND)
RATEMAKING TREATMENT, INCLUDING)
TIMELY RECOVERY THROUGH I&M'S)
DSM/EE PROGRAM COST RIDER OF)
ASSOCIATED COSTS, INCLUDING)
PROGRAM OPERATING COSTS, NET LOST)
REVENUE, AND FINANCIAL INCENTIVES.)

VERIFIED PETITION

Indiana Michigan Power Company (I&M or Company) hereby petitions the Indiana Utility Regulatory Commission (Commission) for approval of its Demand Side Management (DSM) Plan, including Energy Efficiency (EE) Programs, Demand Response (DR) Programs, and Enhanced Conservation Voltage Reduction (CVR) and associated accounting and ratemaking treatment, as summarized in the caption and further described below. In support of this Petition, I&M represents and shows the following:

I&M's Corporate Status

1. I&M, a wholly-owned subsidiary of American Electric Power Company, Inc. (AEP), is a corporation organized and existing under the laws of the State of Indiana, with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M is engaged in, among other things, rendering electric service in the States of Indiana and

Michigan. I&M owns and operates plant and equipment within the States of Indiana and Michigan that are in service and used and useful in the generation, transmission, distribution and furnishing of such service to the public. I&M has maintained and continues to maintain its properties in a reliable state of operating condition.

2. I&M supplies electric service to approximately 467,000 retail customers in northern and east-central Indiana and 131,000 retail customers in southwestern Michigan, within a service area covering approximately 4,573 square miles. In Indiana, I&M provides retail electric service to customers in the following counties: Adams, Allen, Blackford, DeKalb, Delaware, Elkhart, Grant, Hamilton, Henry, Howard, Huntington, Jay, LaPorte, Madison, Marshall, Miami, Noble, Randolph, St. Joseph, Steuben, Tipton, Wabash, Wells and Whitley. In addition, I&M serves customers at wholesale in the States of Indiana and Michigan. I&M's electric system is an integrated and interconnected entity that is operated within Indiana and Michigan as a single utility.

I&M's "Public Utility" Status

3. I&M is a "public utility" under Ind. Code § 8-1-2-1 and Ind. Code § 8-1-8.5-1 and an "electricity supplier" as that term is used in Ind. Code § 8-1-8.5-10 (Section 10). I&M is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

Overview of I&M's 2023-2025 DSM Plan Filing

4. I&M requests Commission approval of a DSM Plan for the three calendar year period of 2023 through 2025. The DSM Plan consists of three components: 1) an

EE Plan; 2) a DR Plan; and 3) a CVR Plan. The EE Plan includes EE goals; a portfolio of EE programs designed to achieve the energy and demand savings goals; program budgets and program costs; and evaluation, measurement and verification (EM&V) procedures that include independent EM&V. The DR Plan contains DR programs including program budgets and program costs, EM&V procedures, and demand savings goals that are based on the DR Realistic Achievable Potential from the I&M 2021 Market Potential Study. The CVR Plan contains the Company's plan for future cost effective CVR deployment for the Indiana service territory, program budgets and costs, and EM&V procedures.

Energy Efficiency and Demand Savings Goals

5. The DSM Plan is designed to achieve energy and demand savings as set forth in the Company's prefiled testimony and attachments. The EE Plan goals are reasonably achievable, consistent with I&M's 2021 IRP, the 2021 Market Potential Study, and the state's energy analysis, are designed to achieve an optimal balance of energy resources in I&M's service area.

EE Plan Programs

6. The EE Plan includes offerings to all customer classes, including low income customers, and provides for industrial customer opt out in accordance with Section 10(p).

Program Budgets and Program Costs

7. I&M's program budgets reflect the direct (including EM&V) and indirect costs of the DSM Plan programs. I&M estimates the program operating budgets

associated with the Plan's savings goals to be approximately \$57.18 million over the three year period not including net lost revenue and financial incentives (Shared Savings and Demand Response Financial Incentive). The net lost revenue, Shared Savings, and Demand Response Financial Incentive associated with the DSM Plan and sought to be recovered are identified in I&M's prefiled case-in-chief.

8. I&M requests authority to roll forward into the next program year any unused and approved budget funds that remain unspent at the end of a plan year. As explained in I&M's prefiled case-in-chief, I&M asks that the Commission continue to grant I&M spending flexibility for the DSM Plan consistent with what is currently in place.

EM&V

9. I&M has developed a consistent process where program design is informed through evaluation and verified savings are confirmed through independent means. The EM&V for the DSM Plan will be conducted by an independent evaluation contractor who will perform a process and an impact evaluation, consistent with I&M's current EM&V procedures.

Accounting and Ratemaking

10. I&M requests Commission approval of associated cost recovery for the DSM Plan through I&M's existing DSM/EE Program Cost Rider (DSM Rider) including recovery of direct and indirect costs of the DSM/EE programs, EM&V costs, reasonable net lost revenue and Shared Savings for the EE Plan, and a Demand Response Financial Incentive.

11. The DSM Rider will continue to include a reconciliation mechanism to

correct for any variance between the forecasted program costs (including program operating costs, lost revenue and Shared Savings for the EE Plan, and the Demand Response Financial Incentive) and the actual program costs (including program operating costs, lost revenue and Shared Savings for the EE Plan, and the Demand Response Financial Incentive based on the EM&V of the Plan programs).

12. The books and records of I&M supporting the proposed DSM Rider factors are kept in accordance with the Uniform System of Accounts for Electric Utilities as prescribed by the Commission and generally accepted accounting principles (GAAP).

13. I&M also requests continued authority to defer the over and under recoveries of projected DSM/EE Program costs through the DSM Rider pending reconciliation in subsequent rider periods. This proposal is consistent with current practice.

DSM Rider Factors

14. The DSM Rider factors are determined as a sum of two components, (1) the DSM Rider Plan component and (2) the DSM Rider Reconciliation component. In this filing, the Company is requesting to update the DSM Rider Plan component. After the Commission issues a final order in this proceeding, the Company will make a compliance filing to update the DSM Rider factors to reflect the new DSM Rider Plan component added to the then-current DSM Rider Reconciliation component, creating new DSM Rider factors.

15. The Company proposes the revisions requested to the DSM Rider in this filing be effective at the beginning of the January 2023 billing cycle or the first full billing

cycle following a Commission Order in this proceeding, whichever occurs last.

16. The books and records of I&M supporting the proposed DSM Rider adjustment factors are kept in accordance with the Uniform System of Accounts for Electric Utilities as prescribed by the Commission and generally accepted accounting principles (GAAP).

Applicable Law

17. I&M considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-2-10, 12, and 42, and Ind. Code § 8-1-8.5-10, among others, as well as 170 IAC 4-8-1 *et seq.*, to be applicable to the subject matter of this Petition.

Procedural and Other Matters

18. I&M notified the other members of its DSM Program Implementation Oversight Board of its intent to file this Petition.

19. I&M is filing its case-in-chief contemporaneous with its Petition, including direct testimony, attachments, and workpapers of the following witnesses. An index of the filing is attached to this Petition as Exhibit A.

a. Jon C. Walter, Consumer & EE Programs Manager, presents the Company's proposed DSM Plan, including the programs, goals, and program costs, including lost revenue and the proposed financial incentives; discusses the demand and energy impact of and cost/benefit analysis for the DSM Plan; explains that the Plan is reasonable and consistent with the Company's 2021 IRP and 2021 Market Potential Study, and the state's energy analysis; discusses program implementation, evaluation, measurement and verification (EM&V), large customer opt out and the Company's plans for stakeholder input; explain the proposed reporting for the DSM Plan and provides the revenue requirement used by I&M witnesses Whitmore and Duncan.

- b. Nicholas M. Elkins, Director of Customer Services and Business Development, supports the implementation and execution of I&M's DSM Plan.
- c. Gregory Soller, AEP Resource Planning Manager, describes the purpose, methodology, and results of the Company's 2021 IRP as it relates to the resources included in the Company's IRP Preferred Plan and explains that the DSM resources included in the IRP Preferred Plan are reasonable.
- d. Chad M. Burnett, AEP Managing Director of Economic and Supply Forecasting, describes how the load forecast that was provided as an input into the Market Potential Study and IRP was developed and explains how energy efficiency is accounted for in the load forecast, including adjustments necessary to align the EE assumptions from the MPS and IRP to avoid double-counting the impacts of utility-sponsored EE programs in the Company's load forecast.
- e. Jeffrey R. Huber, Principal with GDS Associates, Inc., describes the 2021 I&M Market Potential Study and explains how the results of the MPS were used to create energy efficiency, demand response, and distributed energy resources inputs that were then used in the development of the 2021 IRP.
- f. Michael R. Whitmore, Regulatory Consultant Staff, discusses the cost recovery, ratemaking and accounting treatment sought by the Company associated with its proposed 2023-2025 DSM Plan.
- g. Jennifer C. Duncan, Regulatory Consultant Staff, discusses the Company's calculation of the updated DSM Rider factors, and provides the resulting impacts on both I&M non opt-out customers and opt-out customers.

20. Prior to filing this case, I&M engaged in discussions with the Indiana Office of Utility Consumer Counselor (OUCC) and Citizens Action Coalition (CAC) regarding a procedural schedule in lieu of a prehearing conference. An agreement between I&M, OUCC, and CAC regarding the procedural schedule and other procedural matters is attached to this Petition as Exhibit B.

21. So that the DSM Plan may be timely implemented commencing January 1, 2023, I&M respectfully requests a final Commission order approving the relief sought in this Petition on or before December 14, 2022. In the event an order is not issued within this timeframe, I&M requests the Commission grant I&M interim authority to continue the

existing DSM Plan programs and associated cost recovery on a pro rata basis.

Petitioner's Authorized Representatives

22. The names and address of I&M's attorneys in this matter who are duly authorized to accept service of papers in this Cause on behalf of I&M are:

Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (Atty. No. 28000-53)
Lauren Aguilar (Atty. No. 33943-49)
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WITH A COURTESY COPY TO:

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Indianapolis, Indiana 46204
Phone: (317) 822-6379
Email: tdavant@aep.com

WHEREFORE, I&M respectfully requests that the Commission promptly publish notice, make such investigation and hold such hearings as are necessary and advisable, and thereafter make and enter an order in this Cause:

- (i) approving I&M's 2023-2025 DSM Plan;
- (ii) authorizing and approving I&M's proposed recovery, through the DSM/EE Program Cost Rider, of the costs of the DSM Plan, including direct (including EM&V costs), and indirect costs of operating the programs, net lost revenue, and Shared

Savings;

(iii) approving all accounting and ratemaking treatment requested by I&M, including the authority to defer the over and under recoveries of projected DSM/EE program costs through the DSM/EE Program Cost Rider pending reconciliation in subsequent rider periods;

(iv) authorizing and approving the requested DSM/EE Program Cost Rider revenue requirement and associated factors, as set forth in the testimony and exhibits of I&M, to become effective as stated above and explained in I&M's case-in-chief; and

(v) Granting to I&M such other and further relief in the premises as may be appropriate and proper.

Dated this 31st day of March, 2022.

INDIANA MICHIGAN POWER COMPANY

By 

Dona Seger-Lawson
Director of Regulatory Services



Teresa Morton Nyhart (Atty. No. 14044-49)

Jeffrey M. Peabody (Atty. No. 28000-53)

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Attorneys for INDIANA MICHIGAN POWER
COMPANY

VERIFICATION

I, Dona Seger-Lawson, Director of Regulatory Services, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Dated: March 31, 2022.

A handwritten signature in cursive script, appearing to read "Dona Seger-Lawson", is written over a solid horizontal line.

Dona Seger-Lawson
Director of Regulatory Services

**Indiana Michigan Power Company
2023-2025 DSM Plan**

Index of Issues, Requests, and Supporting Witnesses¹

I. Executive Summary

I&M's 2023-2025 DSM Plan consists of three components: 1) energy efficiency programs (EE Plan); 2) demand response programs (DR Plan); and 3) enhanced conservation voltage reduction (CVR Plan) deployment. Collectively, these components are designed to achieve savings of 1.73% of I&M Indiana retail sales, on average, over the three years of the DSM Plan. The EE Plan goals are reasonably achievable, consistent with both I&M's 2021 IRP and 2021 Market Potential Study, the state's energy analysis, and designed to achieve an optimal balance of energy resources in I&M's service area.

I&M projects that successful delivery of the cost effective 2023-2025 DSM Plan portfolio will require spending authority of \$57.18 million in program direct and indirect costs, and expects gross energy savings of approximately 751,117 MWh and gross demand savings of approximately 200,000 kW over the three-year period. The annual average program direct and indirect costs are projected at \$19.06 million and the forecasted annual gross energy and demand impacts are 250,372 MWh and 66,607 kW, respectively. The Plan continues spending flexibility, carryover authority, and the I&M DSM Program Implementation Oversight Board. I&M seeks continued timely cost recovery through I&M's existing DSM/EE Program Cost Rider.

¹ This Index of the Company's case-in-chief is intended to highlight issues and is not an exhaustive list of the Company's requests in this proceeding. A complete account of the Company's requested relief can be found in the Company's filing in this Cause, including the petition, case-in-chief, and workpapers.

II. Supporting Witnesses

Indiana Michigan Witnesses		
Name	Position	Major Subject Area(s)
Jon C. Walter	Consumer & EE Programs Manager	<ul style="list-style-type: none"> • Describe 2023-2025 DSM Plan. • DSM Plan energy efficiency (EE) goals. • DSM Plan programs and costs. • Cost and benefit analysis. • EM&V • Policy considerations related to DSM planning, including recovery of reasonable lost revenues and financial incentives.
Nicholas M. Elkins	Director of Customer Services and Business Development	<ul style="list-style-type: none"> • Implementation of EE and DR programs. • Implementation Evaluation.
Gregory Soller	AEP Resource Planning Manager	<ul style="list-style-type: none"> • Integrated Resource Plan (IRP) development, methodology, and results.
Chad M. Burnett	AEP Managing Director of Economic and Supply Forecasting	<ul style="list-style-type: none"> • Load forecast methodology. • Modeling EE program impacts in load forecast.
Jeffrey R. Huber	Principal with GDS Associates	<ul style="list-style-type: none"> • Describe 2021 I&M Market Potential Study (MPS). • Explain how results of MPS were used as inputs in DSM Plan development.
Michael R. Whitmore	Regulatory Consultant Staff	<ul style="list-style-type: none"> • Accounting and ratemaking • DSM/EE Program Rider rate updates. • Tariff changes.
Jennifer C. Duncan	Regulatory Consultant Staff	<ul style="list-style-type: none"> • Customer class revenue allocation and rate design. • Calculation of DSM/EE Rider factors. • Bill impacts of DSM Plan.

III. Index of Issues and Requests

Subject	Summary	Witness/Other Reference
Statutory Authority	IC §§ 8-1-2-10, -12, -42, and IC 8-1-8.5-10 (Section 10)	<ul style="list-style-type: none"> • Petition, ¶¶ 3, 17
DSM Plan	The 2023-2025 DSM Plan is set forth in I&M's case-in-chief, with details compiled in Company witness Walter's attachments and further supported by I&M's workpapers.	<ul style="list-style-type: none"> • Walter
<i>Section 10(i)</i> Notice	<p>I&M has provided a copy of the petition and plan to the OUCC.</p> <p>I&M has posted a copy of the petition and plan on its website.</p>	<ul style="list-style-type: none"> • Walter
DSM Plan		
Overview	The DSM Plan consists of three components: 1) energy efficiency programs (EE Plan); 2) demand response programs (DR Plan); and 3) enhanced conservation voltage reduction (CVR Plan) deployment. Collectively, these components are designed to achieve savings of 1.73% of I&M Indiana retail sales, on average, over the three years of the DSM Plan.	<ul style="list-style-type: none"> • Walter
Development of DSM Plan	<p>The DSM Plan is the result of an integrated process that utilizes analysis, information, and results from both the IRP and MPS processes. As discussed in greater detail by witness Huber, the I&M MPS served as a planning guide by helping to evaluate program design and overall reasonableness.</p> <p>The IRP Preferred Portfolio, combined with the "going-in" levels of DR and CVR, was used to inform the development of specific programs included in the DSM Plan.</p>	<ul style="list-style-type: none"> • Walter • Huber (MPS) • Soller (IRP) • Burnett (load forecast)

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FILING INDEX SUMMARY Continued																	
EE Plan																	
<i>Section 10(h)(1)</i> EE Goals	<p>The EE Plan is designed to achieve 0.8% of I&M Indiana retail sales, on average, for the three years of the plan.</p> <p>Figure JCW-2. EE Plan gross savings goals at-the-meter</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><i>Energy (kWh)</i></th> <th style="text-align: center;"><i>Peak Demand (kW)</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">118,003,665</td> <td style="text-align: center;">20,078</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">117,619,150</td> <td style="text-align: center;">20,312</td> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;"><u>110,738,122</u></td> <td style="text-align: center;"><u>19,185</u></td> </tr> <tr> <td></td> <td style="text-align: center;">346,360,937</td> <td style="text-align: center;">59,575</td> </tr> </tbody> </table>		<i>Energy (kWh)</i>	<i>Peak Demand (kW)</i>	2023	118,003,665	20,078	2024	117,619,150	20,312	2025	<u>110,738,122</u>	<u>19,185</u>		346,360,937	59,575	<ul style="list-style-type: none"> • Walter
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2023	118,003,665	20,078															
2024	117,619,150	20,312															
2025	<u>110,738,122</u>	<u>19,185</u>															
	346,360,937	59,575															
<i>Section 10(h)(2)</i> EE Programs	<p><i>Residential Programs:</i></p> <p>Home Energy Engagement Home Energy Products HVAC Midstream Residential New Construction Residential Online Energy Checkup Residential Income-Qualified Weatherproofing</p> <p><i>C&I Programs:</i></p> <p>Work Custom Work Midstream Work Prescriptive Work Strategic Energy Management Work Direct Install</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-19 															

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FILING INDEX SUMMARY Continued		
EE Plan		
EE Program Implementation	<p>I&M’s Customer Service & Business Development team will both administer and oversee the efficient implementation of the DSM Plan.</p> <p>The Company has developed relationships with a team of experienced industry partners to support the DSM Plan implementation. Partners like Oracle, Uplight, and CLEAResult have been involved in the successful DSM program implementation with utilities across the United States, and I&M will be leveraging these experiences in the implementation of its proposed DSM Plan for its customers.</p> <p>I&M is taking steps for each of the DSM Plan programs to provide its customers with easy to understand information on the programs, the eligibility requirements, and the steps to enroll. Additionally, I&M’s customer team is working on the application process for each program to streamline the process and make the process as simple as possible for customers to enroll.</p>	<ul style="list-style-type: none"> • Elkins
EE Program Budgets and costs	<p>The average annual program direct and indirect costs are projected at \$16,888,805. Please see Figure JCW-4 and Attachments JCW-5 and JCW-11 for complete budget details.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-5 • Attachment JCW-11
Spending flexibility and carry-over authority	<p>Consistent with current practice, I&M seeks to continue spending flexibility and carryover authority under OSB oversight.</p>	<ul style="list-style-type: none"> • Walter
Reasonableness of Plan	<p>The overall reasonableness of the DSM Plan is shown by the Company’s case-in-chief and consideration of the factors enumerated in Section 10(j).</p>	<ul style="list-style-type: none"> • Walter

FILING INDEX SUMMARY Continued		
EE Plan		
Oversight	I&M proposes to continue the existing OSB structure and stakeholder process.	<ul style="list-style-type: none"> • Walter • Attachment JCW-21
<i>Section 10(j)(1)</i> Projected changes in customer consumption of electricity resulting from implementation of the plan.	<p>The annual projected energy and demand savings shown on Attachment JCW-2 indicate how customer consumption is expected to change in 2023 through 2025 because of the Company's implementation of the DSM Plan.</p> <p>Attachment JCW-6 provides the projected net lifetime energy savings resulting from the EE Plan. These values indicate the changes in customer consumption associated with the life of the measures projected to be installed because of the EE Plan programs.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-2 • Attachment JCW-6
<i>Section 10(j)(2)</i> A cost and benefit analysis of the plan, including the likelihood of achieving the goals of the energy efficiency programs included in the plan.	The EE Plan is cost effective, with a three-year portfolio level Utility Cost Test score, excluding the IQ Weatherproofing Program, of 2.31. The Company's overall benefit cost analysis results for the portfolio of EE programs contained in the EE Plan are shown in Attachment JCW-6.	<ul style="list-style-type: none"> • Walter • Attachment JCW-6

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FILING INDEX SUMMARY Continued		
EE Plan		
<p><i>Section 10(j)(3)</i> Whether the plan is consistent with the following: (A) The state energy analysis developed by the Commission under section 3 of this chapter. (B) The electricity supplier's most recent long range integrated resource plan submitted to the Commission.</p>	<p>The EE Plan is consistent with the December 2021 State Utility Forecasting Group (SUGF) Forecast and I&M's most recent IRP.</p>	<ul style="list-style-type: none"> • Walter • Soller
<p><i>Section 10(j)(4)</i> The inclusion and reasonableness of procedures to evaluate, measure, and verify the results of the energy efficiency programs included in the plan, including the alignment of the procedures with applicable environmental regulations, including federal regulations concerning credits for emission reductions.</p>	<p>I&M's DSM Plan includes independent EM&V. I&M's EM&V methodology is designed to meet all the evaluation requirements of 170 IAC 4-8-4. It also remains consistent with the EM&V Framework filed with the Commission by the DSM Coordination Committee for statewide programs. That framework set the stage for I&M's current EM&V practices and these practices are incorporated in the EE Plan.</p>	<ul style="list-style-type: none"> • Walter

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Continued		
EE Plan		
<p><i>Section 10(j)(5)</i></p> <p>Any undue or unreasonable preference to any customer class resulting, or potentially resulting, from the implementation of an energy efficiency program or from the overall design of a plan.</p>	<p>I&M is not aware of any undue or unreasonable preference contained within the overall design of the EE Plan. Beginning with the I&M MPS, I&M designed the EE Plan to build opportunity for proactive customer engagement in the programs while balancing program cost.</p> <p>I&M seeks to update its modes and channels of outreach with differing customer demographics and has added new measures, technologies, and programs to specifically engage certain customer segments accordingly.</p> <p>The DSM Plan includes both DSM and EE programs intended to help balance the distinct aspects of customer loads in I&M's supply side resources.</p>	<ul style="list-style-type: none"> • Walter • Elkins
<p><i>Section 10(j)(6)</i></p> <p>Comments provided by customers, customer representatives, the office of utility consumer counselor, and other stakeholders concerning the adequacy and reasonableness of the plan, including alternative or additional means to achieve energy efficiency in the electricity supplier's service territory.</p>	<p>I&M meets regularly with its OSB and considered their input in the development of the proposed DSM Plan.</p> <p>I&M held four stakeholder meetings during the development of the MPS.</p> <p>Stakeholder input was also received and considered by I&M as part of the IRP Stakeholder process.</p> <p>Additional input will be received through the participation of the OUCC and any intervenors in this docketed process.</p>	<ul style="list-style-type: none"> • Walter • Huber

FILING INDEX SUMMARY		
Continued		
EE Plan		
<p><i>Section 10(j)(7)</i></p> <p>The effect, or potential effect, in both the long term and the short term, of the plan on the electric rates and bills of customers that participate in energy efficiency programs compared to the electric rates and bills of customers that do not participate in energy efficiency programs.</p>	<p>This type of effect is directionally measured by the RIM test, which is one of the benefit cost tests required to be calculated in the Commission’s rules. While the EE Plan portfolio does not pass the RIM test because the score does not meet or exceed the passing score of 1.0, it is reasonably designed to proactively engage as many customers as practicable through EE measure diversity and broader market engagement.</p> <p>I&M is taking steps to maintain EE program offerings for all its customers and to encourage and entice their participation in the programs. Taking such action by offering a cost-effective portfolio of programs helps address the short term and long-term impact on rates for non-participating customers because those that become participants are taking action to reduce consumption for the long term. All I&M customers realize the annual net benefits from the implementation of programs that seek to educate, encourage, and entice customers to the extent practicable and reasonable.</p> <p>Company witness Duncan calculates the DSM Plan bill impact on the typical residential customer using 1,000 kWh per month and for I&M’s major tariff classes.</p>	<ul style="list-style-type: none"> • Walter • Duncan
<p><i>Section 10(j)(8)</i></p> <p>The lost revenues and financial incentives associated with the plan and sought to be recovered or received by the electricity supplier.</p>	<p>I&M proposes to continue the same lost revenue methodology authorized by the Commission in prior I&M DSM filings, including DSM/EE measure life tracking.</p> <p>The EE Plan continues the Shared Savings construct agreed to in the settlement agreement approved by the Commission in Cause No. 45285.</p>	<ul style="list-style-type: none"> • Walter

FILING INDEX SUMMARY		
Continued		
EE Plan		
<p><i>Section 10(j)(9)</i> The electricity supplier's current integrated resource plan and the underlying resource assessment.</p>	<p>I&M's current IRP is included with Company witness Soller's testimony. Company witness Soller discusses the Company's IRP modeling of DSM/EE.</p>	<ul style="list-style-type: none"> • Soller
<p><i>Section 10(j)(10)</i> Any other information the Commission considers necessary</p>	<p><i>To be provided upon Commission request.</i></p>	
<p>Program cost recovery</p>	<p>I&M is requesting ratemaking authority to recover through the DSM Rider the direct and indirect costs of operating the programs, net lost revenue, shared savings, demand response (DR) financial incentives, Evaluation, Measurement, and Verification costs, and gross-up expenses.</p> <p>I&M also requests to continue its current authority to defer the monthly difference between net rider revenue and approved program costs for future recovery from or return to customers through a reconciliation component of the rider.</p>	<ul style="list-style-type: none"> • Whitmore
<p>Scorecard and reporting</p>	<p>The Company proposes to continue reporting to the Commission and to the OSB scorecard information consistent with the Order in Cause No. 44841.</p>	<ul style="list-style-type: none"> • Walter

FILING INDEX SUMMARY Continued		
Demand Response Plan		
Overview	The DR Plan is a cost-effective portfolio of DR programs that are based on the Company’s existing and AMI DR programs that were approved in Cause No. 45576, and new programs identified in the I&M MPS. As explained in Cause No. 45576, the Company worked jointly with the AMI business case vendor, Accenture, to develop DR programs based on AMI-based DR offerings known in the utility industry.	<ul style="list-style-type: none"> • Walter
Goals	<p>The DR Plan goal for 2023 is 5.794 MW of peak demand reduction. The goal for 2024 is 8.562 MW and for 2025 the goal is 12.536 MW. These goal amounts are cumulative, meaning each subsequent year builds upon prior year levels attained since participants are assumed to remain enrolled year over year. New annual participants increase the enrollment levels and the amount of demand reduction that is possible each year.</p> <p>As explained by Company witness Soller, DR Plan goals reflect I&M MPS DR RAP potential for the identified programs and these levels were included in IRP modelling as a “going-in” resource at the demand and cost levels shown in Attachment JCW-2, Attachment JCW-12 and Attachment JCW-15.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-2 • Attachment JCW-12 • Attachment JCW-15

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FILING INDEX SUMMARY Continued		
Demand Response Plan		
Programs	<p><i>Residential:</i></p> <p>Residential Critical Peak Pricing Residential Time-of-Use Residential Thermostat Direct Load Control Residential Customer Engagement Demand Response Residential Air Conditioner Direct Load Control</p> <p><i>Commercial:</i></p> <p>Commercial Thermostat Direct Load Control Commercial Real Time Pricing Commercial Critical Peak Pricing Commercial Time-of-Use Commercial Interruptible Commercial Water Heat Direct Load Control</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-12 (program map) • Attachment JCW-20 (program design documents from CN 45576)
Budgets	<p>The budget for each DR Plan program, by year, is shown in Attachment JCW-12. DR Plan budgets are summarized in Attachment JCW-2 in the DSM Program Summary section. The DR Plan budgets represent the program costs determined by the I&M MPS DR program potential analysis and forecast customer participation rates.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-12 • Attachment JCW-15

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FILING INDEX SUMMARY Continued		
Demand Response Plan		
Financial Incentive		<p>The Company requests Commission approval of a DR Financial Incentive (DR FI) based on annual DR Plan demand target attainment and the amount of annual DR program cost incurred to achieve the target. The Company proposes to begin DR FI earnings at 7.5 percent of DR program cost once 50 percent of the annual MW target is achieved. After the 50 percent demand reduction threshold is reached, the Company can earn up to 15 percent of annual program cost if 100 percent of the annual MW target has been achieved, at an increment tied to each year's DR target.</p> <ul style="list-style-type: none"> • Walter • Attachment JCW-14 (DR FI calculation) • Attachment JCW-15
Benefit Analysis	Cost	<p>A DR Plan benefit cost analysis is shown in Attachment JCW-13 and is based on I&M MPS RAP levels. The DR Plan portfolio passes cost effectiveness with a UCT score of 2.1.</p> <ul style="list-style-type: none"> • Walter • Attachment JCW-13
Reporting and EM&V		<p>I&M has already worked with its third-party evaluator to plan for DR Plan program EM&V. Like the EE Plan EM&V, I&M will provide for annual EM&V reporting on DR Plan programs and will provide these reports to the Commission for review during annual combined EE Plan and DR Plan DSM Rider reconciliations.</p> <ul style="list-style-type: none"> • Walter
Program recovery	cost	<p>As shown on Attachment JCW-12, the costs reflected for recovery through the DSM Rider are all O&M expense; I&M is not seeking recovery of any DR Plan capital costs at this time.</p> <ul style="list-style-type: none"> • Walter • Attachment JCW-12

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CVR Plan		
Overview	<p>CVR is an augmented plan for the former Electric Energy Consumption Optimization Program (EECO). CVR uses AMI meter voltage readings to additionally inform, or enhance, CVR operation and the resulting energy and demand savings from end-use load response to lower, but still compliant, system voltage levels.</p> <p>The Company’s proposed CVR Plan forecasts CVR application and operation for all the remaining cost-effective distribution substation busses in I&M’s Indiana service territory. Attachment JCW-16 sets forth the Company’s overall CVR Plan, which forecasts energy and demand savings, incremental cost, and the number of new cost-effective circuits to be deployed through 2027.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-16
Budget	<p>In Attachment JCW-18, the CVR Plan forecasts incremental costs of \$851,459 in 2023, \$982,244 in 2024, and \$1,164,068 in 2025 for cost recovery as part of the total DSM Plan revenue requirement shown in Attachment JCW-11.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-18
Benefit Cost Analysis	<p>The overall CVR Plan benefit cost score is 1.5. The results of the Company’s CVR benefit cost analysis is shown in Attachment JCW-17 and reflects the full deployment plan for cost effective CVR distribution busses and circuits where only those with a passing benefit cost score under the UCT are included in the CVR Plan. As shown, all distribution buses and circuits pass with a score greater to or equal to 1.0.</p>	<ul style="list-style-type: none"> • Walter • Attachment JCW-17
Reporting and EM&V	<p>The Company plans to continue reporting the energy and demand savings resulting from CVR operation as part of the energy and demand savings reported for the EE Plan.</p> <p>The Company plans to continue the same EM&V approach for CVR as that used for EECO.</p>	<ul style="list-style-type: none"> • Walter

FILING INDEX SUMMARY Continued		
CVR Plan		
Program cost recovery	The Company proposed and was authorized to reflect CVR capital cost recovery in the forecast test year in Cause No. 45576. Attachment JCW-16 provides incremental O&M and program support costs for the new CVR additions along with the O&M and program support costs to continue operation of the existing circuits. I&M proposes recover of the incremental CVR costs through the DSM Rider.	<ul style="list-style-type: none"> • Walter • Attachment JCW-16

**Indiana Michigan Power Company
2023-2025 DSM Plan Case**

Agreed Procedural Schedule and Other Terms

Day 0	I&M Case-in-Chief	Thursday, March 31, 2022
Day 113	OUCC & Intervenor Cases-in-Chief	Friday, July 22, 2022
Day 141 (28 days)	Rebuttal and Cross-Answering	Friday, August 19, 2022
<i>Three business days before hearing:</i>		
	Witness Order submitted	Wednesday, September 7, 2022
Day 165/166 (24/25 days)	Evidentiary Hearing	Monday/Tuesday, September 12 and September 13, 2022
Day 175 (9/10 days)	I&M Proposed Order	Thursday, September 22, 2022
Day 196 (21 days)	OUCC & Intervenor Post-Hearing Filings	Thursday, October 13, 2022
Day 203 (7 days)	I&M Reply Brief and OUCC/Intervenor Cross-Answering Briefs	Thursday, October 20, 2022

Other Terms:

Service: The parties will provide same day service of filings via email, hand delivery or large file transfer.

Discovery: Discovery is available to all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten (10) calendar days of the receipt of such request until August 19, 2022. Thereafter, best efforts shall be made to respond or object to a discovery response within four (4) business days, but in any event within five (5) business days of the receipt of such request. Any discovery communication received after noon on a Friday or after 5:00 p.m. on any other business day shall be deemed to have been received on the following business day. The last discovery response due date shall be three (3) business days before the evidentiary hearing.

The parties may conduct discovery through electronic means. The parties agree to serve all parties with discovery requests and responses.

Workpapers: When prefiling technical evidence with the Commission, each party shall file copies of the work papers used to produce that evidence within two (2) business days after the prefiling of such technical evidence. Copies of the same shall also be served on the other parties to this Cause.

Number of Copies/Corrections: Filings with the Commission shall comply with General Administrative Order 2016-2. Any corrections to prefiled testimony shall be made in writing as soon as possible after discovery of the need to make such corrections.

Objections to Prefiled Testimony and Attachments: Any objections to the admissibility of prefiled testimony or attachments shall be filed with the Commission and served on all parties of record not less than five (5) business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Verified Petition was served this 31st day of March 2022, via hand delivery or electronic mail, on the Office of Utility Consumer Counselor, PNC Center, 115 W. Washington St., Suite 1500 South, Indianapolis, Indiana 46204 (infomgt@oucc.in.gov).



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