

I&M Wants You to Pay \$24 MORE Each Month for Your Electricity!

Indiana Michigan Power (a subsidiary of AEP, American Electric Power) just got a rate hike in 2018. Now they're back before the Indiana Utility Regulatory Commission (IURC), less than a year later, with their hands out requesting yet another rate hike. They want to raise your base electric rates by 20% and the fixed monthly charge on your bill by 43%! This amounts to a monthly increase in the base electric bill for an average I&M residential customer of \$24 or 22%.

I&M monthly electric bills have increased:

- 13.5% from 2017 to 2018
- 33% in the last 5 years, and
- 79% over the last 10 years.

At the same time, Hoosier households struggle with declining and stagnant income and wages, and significant increases in the cost of energy, health care, food, and other necessities.

In this rate case, I&M is trying to do two things that will force those who use less energy to pay more on their bills.

- **I&M wants to significantly increase your monthly fixed charge from \$10.50 to \$15:** The monthly fixed charge on your bill is the amount you pay regardless of how much energy you use, and even if you don't use any energy. Raising the monthly fixed charge disproportionately hurts households on low- or fixed-incomes, most notably senior citizens and people with disabilities. **We should be protecting vulnerable customers, not harming them.**
- **I&M wants to charge you more for using less electricity:** I&M also wants to change how they bill you for electricity by switching to a billing mechanism called declining block pricing, which literally charges those who use less electricity more per kilowatt hour.

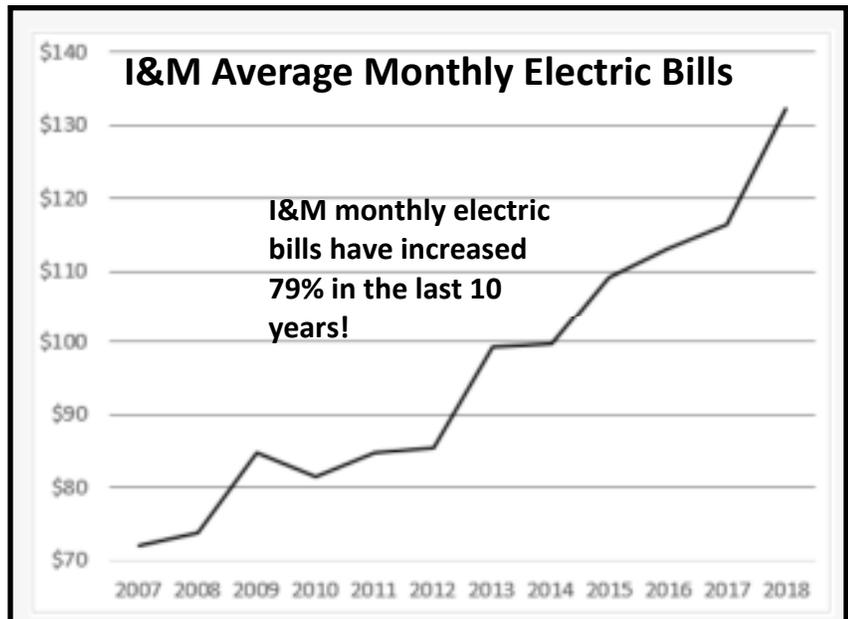
As Hoosiers become more adept at controlling their energy costs through a variety of mechanisms (energy efficiency, energy conservation, installing renewable resources, etc.), I&M is frustrated because they're selling less energy, which means that they're not making as much profit as they want to.

In order to protect their profits, I&M is using this rate case to launch an all-out attack on their customers who are using less energy.

They are justifying this request for a rate hike by saying that they need "to send appropriate price signals to our customers." **The only one who will benefit from charging more for using less is I&M.** It protects their revenues and profits by removing the control that customers have over their energy costs.

- **I&M is also seeking approval to install smart meters at the homes and businesses of all of their customers:** I&M currently has AMR (Advanced Meter Reading) meters installed in their service territory, which have an average remaining life of 11.5 years. They want to replace these perfectly good meters, with new AMI (Advanced Meter Infrastructure) meters **at a cost of \$93.6 million, which of course they want you to pay for.** If this gets approved, you will be paying for two meters for the next 15 years.

If I&M wants to replace perfectly good meters with new meters, they should pay for them, not customers. But they're taking it a step further and trying to hide the cost of the AMI meters they want by asking the IURC to let them use a tracker to charge you for it. This means that **if they get the AMI meters they want, the cost you will pay for them will be above and beyond the rate increase that I&M is seeking in this case.**



I&M Electric Base Rates Comparison

for the average customer using 931 kilowatt hours (kWh) of electricity per month

Current Bill

Proposed Bill

| | Charges & Rates | Total Bill | Charges & Rates | Total Bill |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| Fixed Charge: | \$ 10.50 | \$10.50 | \$15.00 | \$ 15.00 |
| per kWh rate, first 900: | \$0.10458 | \$97.36 | \$0.125823 | \$113.24 |
| per kWh rate, over 900: | | | \$0.116700 | \$ 3.62 |
| Total: | | \$107.86 | Total: | \$131.86 |

This is the core of your electric bill - otherwise known as "base rates". This part of your I&M bill makes up about 87% of your current total I&M bill as of June 9, 2019.



Trackers: the other 13% of your I&M electric bill not included in "base rates"

These trackers, also called "riders," are currently included in your I&M bill and added to the average bill you see above. The amount collected through trackers changes frequently as some are adjusted quarterly, while others change on a semi-annual or annual basis. I&M is asking to continue all of their current trackers, and create a new one for the costs associated with smart meters. Since the trackers will change before this case is concluded and before I&M files another base rate case, how much the trackers will add to your monthly bill in the months and years ahead is unknown at this point. I&M's current trackers as of June 9, 2019 are listed below.

Take Action Now:

Come to one of the IURC Field Hearings and make your voice heard!

OUCG presentations begin at 5:30pm,
Field Hearings begin at 6pm

- **7/11/19, South Bend:** South Bend Century Center Recital Hall, 120 Dr. Martin Luther King Jr. Blvd., 46601
- **7/15/19, Muncie:** LA Pittenger Student Center Cardinal Hall B, Ball State University, 2000 W. University Ave., 47306
- **7/16/19, Fort Wayne:** Walb Student Union Classic Ballroom, Purdue University at Fort Wayne, 2101 E. Coliseum Blvd., 46805

Current Trackers

| | Charge per kWh | Total Avg. Bill |
|---|----------------|-----------------|
| Demand Side Management Rider (DSM) | \$0.001378 | \$1.28 |
| Fuel Cost Adjustment Rider (FAC) | (\$0.003583) | (\$3.34) |
| Environmental Cost Rider (ECR) | (\$0.000227) | (\$0.21) |
| Off-System Sales/PJM Cost Rider (OSS/PJM) | \$0.020142 | \$18.75 |
| Life Cycle Management Rider (LCMR) | \$0.000676 | \$0.63 |
| Resource Adequacy Rider (RAR) | (\$0.000823) | (\$0.77) |
| Phase-In Rate Adjustment (PRA) | (\$0.000118) | (\$0.11) |
| Total Trackers on Current Bills: | | \$16.23 |

TOTAL I&M ELECTRIC BILL INCLUDING TRACKERS

| | Current Total Bill | Proposed Total Bill |
|----------------|--------------------|----------------------|
| Base Rates: | \$107.86 | \$131.86 |
| Trackers: | \$16.23 | ??????? |
| Totals: | \$124.09 | \$131.86 + ?? |

Send your comments to:

Indiana Office of Utility Consumer Counselor
Attn: Bill Fine
115 W. Washington St.
Suite 1500S
Indianapolis, IN 46204
uccinfo@oucc.in.gov
(888) 441-2494 phone

Tell the Utility Consumer Counselor to stop I&M from charging you more for using less by:

- Opposing I&M's request to increase the fixed monthly charge on your bill
- Opposing I&M's request to use declining block rates
- Opposing I&M's request to replace and make you pay for a second meter, when one will do just fine

Tell the OUCG to fight for residential customers to ensure that monthly bills are affordable, just, and reasonable.
Make sure to reference Cause Number 45235 in your comments!