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April 17, 2026

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Hwy, 3rd Floor  
Lansing, MI 48917

Re: U-21831 – *In the matter of the application of INDIANA MICHIGAN POWER COMPANY to commence a renewable energy cost reconciliation proceeding for the 12-month period ended December 31, 2024.*

Dear Ms. Felice:

Enclosed for electronic filing in this matter are the fully executed Settlement Agreement and Proof of Service of same.

If you have any questions, please contact me.

Sincerely,

**Dykema Gossett PLLC**

Jason T. Hanselman

Enclosure

111253.000102 4927-3293-5842.1

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter on the application of **INDIANA** )  
**MICHIGAN POWER COMPANY** to )  
commence a renewable energy cost )  
reconciliation proceeding for the 12-month )  
period ended December 31, 2024. )

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Case No. U-21831

**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”) 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 Renewable Energy Cost Reconciliation for the period ending December 31, 2024.

1. On June 30, 2025, I&M filed its application with the Commission, including supporting testimony and exhibits of witness Bryan S. Owens, to reconcile its renewable energy costs and revenues and to review the compliance of I&M’s Renewable Energy Plan (“REP”). I&M made its filing in accordance with MCL 460.1049 and the Commission’s January 23, 2025 order in this docket.

2. I&M’s application and testimony present the reconciliation of incremental renewable energy costs and surcharge revenues through December 31, 2024, resulting in a regulatory liability of \$24,254,316 including carrying charges. The filing also demonstrates that I&M achieved full compliance with the Renewable Energy Credit (“REC”) Portfolio Standard requirement as calculated and based upon I&M’s 2023 weather normalized sales of

2,687,342 MWh (net of Choice Customer sales), multiplied by the Renewable Energy Credit Portfolio standard of at least 15%, for a total 2024 retail REC compliance of 403,101.

3. At an initial prehearing conference on August 5, 2025, Administrative Law Judge (“ALJ”) Christopher S. Saunders presiding, I&M presented proof of compliance with the Executive Secretary’s order to publish a Notice of Hearing, and mail the Notice of Hearing to all cities, incorporated villages, townships, and counties in its service territory and to prior Intervenors in Case Nos. U-21551 and U-21843.

4. Only Staff and I&M participated in this proceeding. No other parties requested to intervene or otherwise participate. This proceeding was conducted as a contested case matter pursuant to Chapter 4 of the Administrative Procedures Act of 1969, 1969 PA 306.

5. Prior to and following the August 5, 2025 prehearing, the Parties exchanged information and discussed I&M’s filing at length. Staff thoroughly reviewed the Company’s REP Reconciliation through a number of means including the submission of information requests and reviewed the submittals from the Company. These requests included support for revenues, expenses, and the other information listed within the Company’s testimony and exhibits, including tying the revenues, expenses, and other components to bills, general ledgers, system documentation, policies, or relevant Commission orders. This review also included the Company’s explanations of actual versus Plan data as required under MCL 460.1049(3). Further, Staff reviewed the rate of return and verified that it matches the authorized weighted average cost of capital (WACC) in effect during the 2024 compliance period. Staff also requested, and subsequently reviewed, REC inventory, generation, and compliance support from the Company and from the Michigan Renewable Energy Certification System (“MIRECS”). In addition to written information requests, phone calls confirming data, and the MIRECS

compliance review, Staff also virtually performed an audit of the Company's transfer price related to cost recovery data. During this review, Staff compared transfer price schedules, as approved by the Commission, to invoices and ultimately the Company's filing. Staff was able to discuss specific questions with the Company regarding the 2024 REP Reconciliation. Additionally, Staff reconciled requested transfer price amounts from the Application to the Power Supply Cost Recovery ("PSCR") Case. The result of those discussions is this executed Settlement Agreement. 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 I&M's renewable energy costs and revenues as presented in this Renewable Energy Cost Reconciliation proceeding were reasonable and prudent, that I&M complied with the renewable energy standards established under 2008 PA 295 for the 2024 compliance period, and that the reconciliation of renewable energy surcharge revenues and costs through December 31, 2024, resulting in a regulatory liability of \$24,254,316, including carrying charges, is reasonable and should be approved.

b. The Parties further agree that I&M's currently approved Renewable Energy Surcharge factors, which are set at \$0.00 for all rate classes, shall remain unchanged unless and until otherwise ordered by the Commission.

c. The parties further agree that the Commission should approve 403,101 RECs as the Company's Renewable Energy Credit Portfolio Standard requirement set forth in 2008 PA 295, as amended.

d. 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.

e. The Parties agree that the 2025 Staff Transfer Price Schedule, attached as Attachment 1, should be assigned to any new renewable assets that are granted approval by the Commission, until such time as a new transfer price schedule is presented in subsequent renewable energy reconciliation proceedings.

6. 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 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.

7. 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 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.

9. 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.

10. 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.

11. 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.

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

Dated: April \_\_\_\_\_, 2026

**MICHIGAN PUBLIC SERVICE  
COMMISSION STAFF**



Amit T. Singh  
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Amit T. Singh (P75492)  
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: 2026.04.15 15:51:36 -04'00'

Dated: April 15, 2026

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STATE OF MICHIGAN

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**PROOF OF SERVICE**

Cassandra A. Jackway, an employee of Dykema Gossett PLLC, says that on the 17<sup>th</sup> day of April 2026, she served the fully executed Settlement Agreement upon the following parties at the e-mail addresses indicated below:

**ALJ**

Hon. Christopher S. Saunders

[saundersc4@michigan.gov](mailto:saundersc4@michigan.gov)

**MPSC Staff**

Amit T. Singh

[singha9@michigan.gov](mailto:singha9@michigan.gov)

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Cassandra A. Jackway