

## **Your I&M Residential Bill in Indiana**

An explanation of charges on your Indiana residential bill:

**Monthly Service Charge:** A flat monthly fee that pays *a portion* of the costs of meters, meter reading, billing and other fixed costs.

**Current Billing:** An amount based on your usage of electricity, determined by the general rate authorized by the state. Most of the costs of poles, wires and other electric generation, transmission and distribution services are included in this portion of your bill.

### **Remaining Line Items on a Residential Customer Bill:**

Most of the remaining line items are called “trackers” or “riders.” They reflect actual expenses and investments a utility incurs and move up or down as those costs (and any related revenue) rise or fall. Several are adjusted at year’s end, so differences in a bill can become more apparent with January billing.

Trackers have advantages for you. For I&M’s capital investments, they gradually phase in the investments that would otherwise impact you all at once if the complete investment was included in base rates at one time. Trackers also offer continuous transparency of your bill. You can see exactly how much of your bill goes toward specific areas of investments and expenses. State regulators review each tracker at least once a year. Importantly, trackers subject certain I&M expenses and investments to more regulatory scrutiny and include “true-up” functions to ensure that rates recover only the tracked costs and expense actually incurred to serve you.

**Fuel Adjustment:** A charge or credit based on the cost of coal, uranium and other fuels used to generate power at I&M’s generation facilities. The fuel adjustment tracker also includes the costs of purchased power.

**Off System Sales/PJM Rider:** This rider allows I&M to share with retail customers the margins from I&M’s sale of energy to the wholesale market. It also recovers costs associated with mandated participation in PJM, the regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states. I&M and other Indiana electric utilities are required to belong to a regional transmission organization.

**Demand Side Management/Energy Efficiency Program Cost:** This portion of your bill recovers the costs of energy efficiency programs, which provide customers with tools to reduce energy use if you choose to engage in the available programs.

**Cook Nuclear Plant Life Cycle Cost:** Cook generates more than 40 percent of I&M’s Electricity – all with zero carbon emissions and at the lowest cost of our generation sources. Cook’s two generation units were originally licensed to operate for 40 years. The Life Cycle Management program allows I&M to invest in Unit 1 and Unit 2 of the Cook Plant and continue to operate the units for 20 additional years – to 2034 and 2037, respectively – at far less cost than building a new generation plant.

**Phase-in Rate Adjustment:** This tracker allows I&M to phase-in the base rate adjustments to appropriately align base rate expenses as they occur and as approved by the Indiana Utility Regulatory Commission.

**Pre-July 2018 Tax Reform Credit Rider:** This rider will credit customers as a result of the federal Tax Cuts and Jobs Act.

***(Customers who choose the option of participating in one or more of I&M's enhanced customer programs may see one or more of the following on their bill)***

**Green Power Rider:** This rider is for customers who choose to participate in the IM Solar program, which enables customers to support solar power and attribute all or part of their energy use to solar power.

**Renewable Energy Option Rider:** This rider will appear on bills of customers who choose to participate in the new IM Green program, which allows customers to the ability to support renewable energy and attribute a percentage of their energy use to wind and solar generation.

**Home Energy Management:** Customers who participate in the IM Home program may receive credits of up to \$29 per year for saving energy during peak usage times that will appear on this line.

**Net Metering Service Rider:** Customers who have self-generation equipment connected to the power grid are billed and credited through this line item.