## 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 1&M'S DSM/EE PROGRAM COST RIDER OF ASSOCIATED COSTS, INCLUDING **PROGRAM OPERATING COSTS, NET LOST REVENUE, AND FINANCIAL INCENTIVES.** )

## SUBMISSION OF DIRECT TESTIMONY OF MICHAEL R. WHITMORE

Applicant, Indiana Michigan Power Company (I&M), by counsel, respectfully

submits the direct testimony and attachments of Michael R. Whitmore in this Cause.

Respectfully submitted,

Teresa Morton Nyhart (Atty. No. 14044-49) Jeffrey M. Peabody (Atty. No. 28000-53) Lauren Aguilar (Atty. No. 33943-49) Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, Indiana 46204 Nyhart Phone: (317) 231-7716 Peabody Phone: (317) 231-6465 Aguilar Phone: (317) 231-6474 Fax: (317) 231-7433 Nyhart Email: tnyhart@btlaw.com Peabody Email: jpeabody@btlaw.com

Aguilar Email: laguilar@btlaw.com

Attorneys for Indiana Michigan Power Company

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was served this 31st day of March, 2022, by email transmission, hand delivery or United States Mail,

first class, postage prepaid to:

Jeffrey Reed Kelly Earls Indiana Office of Utility Consumer Counselor Office of Utility Consumer Counselor 115 West Washington Street Suite 1500 South Indianapolis, Indiana 46204 <u>infomgt@oucc.in.gov</u> <u>jreed@oucc.in.gov</u> keearls@oucc.in.gov

Jennifer A. Washburn Citizens Action Coalition 1915 West 18th Street, Suite C Indianapolis, Indiana 46202 jwashburn@citact.org

Courtesy Copy to: Reagan Kurtz rkurtz@citact.org

1ch

Jeffrey M. Peabody

Teresa Morton Nyhart (Atty. No. 14044-49) Jeffrey M. Peabody (Atty. No. 28000-53) Lauren Aguilar (Atty. No. 33943-49) **BARNES & THORNBURG LLP** 11 South Meridian Street Indianapolis, Indiana 46204 Nyhart Phone: (317) 231-7716 Peabody Phone: (317) 231-6465 Aguilar Phone: (317) 231-6474 Fax: (317) 231-7433 Nyhart Email: tnyhart@btlaw.com ipeabody@btlaw.com Peabody Email: Aguilar Email: laguilar@btlaw.com

Attorneys for Indiana Michigan Power Company

I&M Exhibit: \_\_\_\_\_

# INDIANA MICHIGAN POWER COMPANY

# 2023 – 2025 DSM PLAN

# PRE-FILED VERIFIED DIRECT TESTIMONY

OF

MICHAEL R. WHITMORE

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## DIRECT TESTIMONY OF MICHAEL R. WHITMORE ON BEHALF OF INDIANA MICHIGAN POWER COMPANY

# I. Introduction

1	Q1.	Please state your name and business address.
2		My name is Michael Whitmore and my business address is Indiana Michigan
3		Power Center, P.O. Box 60, Fort Wayne, IN 46801.
4	Q2.	By whom are you employed and in what capacity?
5		I am employed by Indiana Michigan Power Company (I&M or Company) as
6		Regulatory Consultant Staff in Regulatory Services.
7	Q3.	What are your responsibilities as Regulatory Consultant Staff?
8		My responsibilities in this position include supporting state regulatory case and
9		compliance filings.
10	Q4.	Briefly describe your educational background and professional
11		experience.
12		I have a Bachelor's degree in Finance, a Master's degree in Business
13		Administration, and a Juris Doctorate, all from Indiana University.
14		I began my career working for the Indiana Utility Regulatory Commission (IURC)
15		as an analyst in the electric division. From 2014 to 2019, I worked for Northern
16		Indiana Public Service Company as a senior analyst. In 2019, I began in my
17		current position with I&M.

1	Q5.	Have you previously testified before any regulatory commissions?
2		Yes. I filed testimony on behalf of I&M in IURC Cause Nos. 43774 PJM-12,
3		44182 LCM-11, 45164 RA-2, 44871 ECR-5, and 43827 DSM-10.
4	Q6.	Are you sponsoring any exhibits, attachments, or workpapers?
5		Yes, I am sponsoring Attachments:
6		<ul> <li>MRW-1, which shows proposed changes to I&amp;M's Rider H.E.M.</li> </ul>
7		MRW-2, which shows proposed Sheet No. 45
8		<ul> <li>MRW-3, which shows a red-lined version of the current Sheet No. 45</li> </ul>
9	Q7.	Were these attachments prepared by you or under your direction and
10		supervision?
11		Yes.
12	Q8.	What is the purpose of your testimony?
13		The purpose of my testimony is to explain how I&M proposes to:
14		<ul> <li>Account for the 2023-2025 Demand-side Management (DSM) Plan</li> </ul>
15		components supported by Company witness Walter;
16		Update its DSM/EE tariff factors when it implements new, approved plan
17		and reconciliation revenue requirements;
18		<ul> <li>Accurately account for large customers that opt into or out of I&amp;M's</li> </ul>
19		voluntary EE (energy efficiency) programs each year; and
20		<ul> <li>Update its tariffs to reflect the changes proposed in this case.</li> </ul>

# II. Accounting and Ratemaking

# Q9. What accounting and ratemaking treatment does I&M propose for the DSM Plan?

- 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. Company witness Walter
   discusses these costs and incentives.
- 8 I&M also requests to continue its current authority to defer the monthly
   9 difference between net rider revenue and approved program costs for future
   10 recovery from or return to customers through a reconciliation component of the
   11 rider.

## 12 Q10. How does I&M calculate and update the DSM/EE Rider factors?

- 13The DSM/EE Rider has two separately calculated revenue requirements: 1) an14annual plan component approved in I&M's DSM plan cases and 2) an annual15reconciliation component approved in I&M's reconciliation filings.
- In this filing, I&M requests authority to implement the three proposed plan
  revenue requirements for the calendar years of 2023, 2024, and 2025,
  respectively. After the Commission issues a final order in this proceeding, I&M
  will submit new rider factors for each of these years that reflect the new plan
  component. The current reconciliation components in the rider at that time will
  not be affected by a final order in this proceeding.

## 22 Q11. How will I&M update the rider factors during the plan period?

- 23 I&M will update the rider factors in two ways during the plan period.
- First, it will update the factors in 2023, 2024, and 2025 to reflect the plan components approved in this proceeding. Second, it will continue to file annual reconciliation cases each summer in Cause No. 43827 DSM-xx, after receiving

verification of the previous year's program results. I&M's independent EM&V 1 2 evaluator provides annual results by the month of May following each plan year. Each reconciliation filing will reconcile the previous calendar year and request 3 authority to implement a new reconciliation component beginning in the January 4 billing month the following year. 5 6 Each proposed reconciliation component will be equal to the difference in that 7 reconciliation period between net rider revenue and authorized rider expenses. 8 including any pro rata return or recovery of previous reconciliation components. Q12. How did I&M determine the annual revenue requirements for the plan 9 10 component? 11 The annual plan revenue requirements are the sum of program costs, net lost revenues, shared savings, DR financial incentives, and revenue gross-up 12 13 expenses in each plan period. Q13. Why does I&M need to gross up the plan revenue requirements? 14

15I&M needs to gross up each annual plan revenue requirement to account for the16Public Utility Assessment Fee (PUAF) it must pay on its gross utility revenue17and to account for its uncollectible accounts. The percentage of gross revenue18allocated to these items is called the gross revenue conversion factor (GRCF).1

In each rider filing, I&M uses the most recent data related to these items to
 calculate the additional revenue I&M needs to collect through the rider to cover
 these costs.

<sup>&</sup>lt;sup>1</sup> The proposed GRCF does not include the 1.4% Utility Receipts Tax because it will be eliminated on July 1, 2022.

## 1 **Q14.** What is the forecast GRCF in this filing?

The forecast GRCF is 0.3766%, which is based on a PUAF of 0.1274% and a
 bad debt expense of 0.2495%.<sup>2</sup>

## 4 Q15. What are the three annual revenue requirements I&M is proposing?

*Figure MRW-1* identifies the gross revenue requirements proposed in this case
 and used by Company witness Duncan in her rate design. Company witness
 Walter supports in Attachment JCW-11 the net requirements shown below.

## Figure MRW-1. Gross proposed revenue requirements

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net	\$38,678,967	\$52,586,263	\$67,936,980
GRCF	0.3766%	0.3766%	0.3766%
<u>Tax gross-up</u>	<u>\$146,216</u>	<u>\$198,789</u>	<u>\$256,818</u>
Gross	\$38,825,183	\$52,785,052	\$68,193,798

# **III.** Tariff and Rider Rate Updates

- 8 Q16. What are I&M's current DSM/EE Rider factors based on?
- 9 I&M's current rider factors are based on the 2022 plan component and the DSM-
- 10 10 reconciliation component, the latter of which is based on calendar years 2019 11 and 2020.<sup>3</sup>

<sup>&</sup>lt;sup>2</sup> 0.3766% = 0.1274% \* (1 - 0.2495%) + 0.2495%

<sup>&</sup>lt;sup>3</sup> The Commission approved the 2022 plan component on February 3, 2021 in Cause No. 45285. It approved the 2022 reconciliation component on December 8, 2021 in Cause No. 43827 DSM-10.

1 2	Q17.	How will I&M implement the three proposed DSM Plan revenue requirements?
		•
3 4		I&M requests authority to implement its proposed DSM/EE Rider factors in this case in the same way it implemented its proposed factors in Cause No. 45285.
5 6		The Company requests the Commission approve the separate gross revenue requirements proposed for 2023, 2024, and 2025 and authorize I&M to
7		implement with the January billing cycle in those respective years the three sets
8		of rider factors calculated by Company witness Duncan. Attachment MRW-2
9		incorporates the first set of factors into I&M's DSM/EE Rider.
4.0	040	
10	Q18.	
11		presented in this case?
12		In order to most equitably return to or recover from customers the sum of each
13		year's plan and reconciliation components, I&M requests to implement the
14		proposed rider factors at the beginning of the January 2023 billing cycle or the
15		first full billing cycle after the Commission issues an order in this case,
16		whichever occurs last.

# **IV. Large Customer Opt-Out**

17 Q19. May certain I&M customers decline to participate in some of the programs 18 proposed in this case? Yes. A customer that receives more than 1 MW of electrical capacity at a single 19 20 site has an opportunity each year to opt out of participating in and paying for the energy efficiency programs in an approved DSM plan. I&M's DSM/EE Rider, 21 which begins on Sheet No. 45 of its Indiana Tariff, explains this process. 22 A customer that informs I&M it wants to opt out of the next program year must 23 continue to pay for demand response programs and CVR programs, as well as 24

any plan expenses I&M incurred prior to the first year in which the customer
 opted out of participation.<sup>4</sup>

## 3 Q20. How does I&M identify in the DSM/EE Rider the opt-out customer groups?

*Figure MRW-4* illustrates the different groups I&M must identify to accurately
account for opt-out customers and the effective factors for these groups at the
time my testimony was filed.

	Non-Opt Out Customers (Group N)	Pre 2020 Opt Out Customers (Group H)	2020 thru 2022 Opt Out Customers (Groups C, F & J)	2022 Opt In Customers (Group I)
Tariff Class	¢/kWh	¢/kWh	¢/kWh	¢/kWh
RS, RS-TOD, RS- TOD2,RS-OPES, RSD, RS- PEV and RS-CPP	(0.0242)	N / A	N / A	N / A
GS (Excluding Unmetered), GS-TOD, GS-TOD2, GS- PEV, GS-CPP, LGS, LGS- TOD, IS, EHG, MS, WSS, SLS, ECLS, SLC, SLCM and FW-SL	0.0264	0.0012	(0.0439)	0.0715
IP, CS-IRP2	0.0156	0.0009	(0.0330)	0.0495

## Figure MRW-2. I&M Tariff Book 19, Original Sheet No. 45

The first column applies to most customers participating in the DSM programs.
The factors reflect both the current plan rate and the current reconciliation rate.
The second column applies to customers that opted out prior to the period
represented by the current reconciliation rate. These factors reflect only the cost
of DR and CVR programs.

<sup>&</sup>lt;sup>4</sup> I.C. 8-1-8.5-9

1	The third column applies to customers that opted out after the period
2	represented by the current reconciliation rate. These factors reflect both the cost
3	of the DR and CVR programs and the current reconciliation rate.
4	The fourth column applies to customers that opted out after the period
5	represented by the current reconciliation rate and opted back into the program in
6	2022. These factors contain the plan factors for the current year and the current
7	reconciliation rate.

# V. Tariff Changes

## 8 Q21. Is I&M proposing to change any of its tariffs?

9 Yes. I&M is proposing to change *Sheet 45* of its tariff, as well as to eliminate the 10 maximum enrollment levels of a few of its programs.

## 11 Q22. How does I&M propose to change its Rider H.E.M. tariff?

- I&M proposes to remove the program enrollment caps for its residential AMI
   HVAC Direct Load Control, AMI Electric Water Heat Direct Load Control, and
   Customer Engagement Demand Response programs. I&M included these caps
   when the programs were proposed in Cause No. 45576. The Market Potential
   Study supported by Company witness Walter identifies potential opportunities in
   excess of these levels and therefore the caps should be removed.
- Sheets 42.3, 42.4, and 42.5 in *Attachment MRW-1* identify the three places in
  Rider H.E.M. where the current enrollment cap language has been deleted. I&M
  will submit these sheets in compliance with these three lines deleted.

# 21 Q23. How does I&M propose to change its Rider W.E.M. tariff?

I&M proposes to remove the Small Business AMI Direct Load Control Program
 enrollment cap identified on *Sheet No. 43.4* in Rider W.E.M. I&M included this
 cap when the program was proposed in Cause No. 45576. The Market Potential

1	Study supported by Company witness Walter identifies potential opportunities in
2	excess of these levels and therefore the caps should be removed.
3	Figure MRW-5 recreates the part of Sheet No. 43.4 that will have a line

- 4 removed. I am not including this sheet as an Attachment due to the small
  - change. I&M will submit in compliance the sheet with the cap removed.

#### Figure MRW-3. Proposed change to Original Sheet No. 43.4

I.U.R.C. NO. 19 INDIANA MICHIGAN POWER COMPANY STATE OF INDIANA **ORIGINAL SHEET NO. 43.4** 

RIDER W.E.M. (Work Energy Management Rider)

#### (Cont'd from Sheet No. 43.3)

The Company and its authorized agents shall confirm installation through WiFi and internet connectivity of the load control device(s). In the event full WiFi and internet connectivity is not available, the Company may require access to inspect the load control device(s) and/or provide the customer thirty (30) days to successfully restore or provide full WiFi and internet connectivity. Should full WiFi and internet connectivity not be available after 30 days, the customer will be promptly removed from the program and the Load Management Credit discontinued until such time as the Company is able to gain the required access. The Company shall not be responsible for the repair, maintenance or replacement of any customer-owned equipment.

Enrollment Maximum: 959

6	Q24.	Q24. How does I&M propose to change Original Sheet No. 45?				
7		I&M proposes to change Original Sheet No. 45 to help customers and				
8		stakeholders better understand the factors on their bill. I&M's larger customers				
9		often ask how the factors are calculated. This presentation will help the				
10		Company's major account representatives better answer these questions.				
11		Attachments MRW-2 and MRW-3 contain the proposed and redlined versions of				
12		Sheet No. 45. Company witness Duncan supports the calculation of the factor				
13		components related to the DSM Plan shown in the new presentation.				
14	Q25.	Does this conclude your pre-filed verified direct testimony?				

15 Yes.

5

# VERIFICATION

I, Michael R. Whitmore, Regulatory Consultant Staff for Indiana Michigan Power Company, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Date: <u>March 31, 2022</u>

Mahit

Michael R. Whitmore

#### **ORIGINAL FIRST REVISED** SHEET NO. 42.3

## RIDER H.E.M. (Home Energy Management Rider)

(Cont'd from Sheet No. 42.2)

#### Load Management Programs

#### Availability of Service

Available on a voluntary basis for qualifying customers with an AMI meter receiving residential electric service, subject to the enrollment caps listed below for each program. Customers that do not currently have an AMI meter may request one in order to participate in this tariff.

Customers are not eligible to take service under the Company's Residential Time of Day 2 tariff or Critical Peak Pricing tariff while enrolled and participating in any load management program offered under this Rider. Customers that enroll and participate in the AMI DLC load management programs are not eligible to enroll and participate in the Customer Engagement Demand Response Program for the same program year. Customers may enroll and participate in more than one AMI direct load control (DLC) load management program offered under this Rider but are not eligible to enroll and participate in the BYOD thermostat load management program for the same program year.

For non-owner occupied multi-family dwellings, the Company may require property owner authorization on behalf of customers for the Company or its authorized agents to install any of the required load control equipment and, if necessary, any required supplemental communication devices or auxiliary communicating devices such as remote sensors or additional control devices. Customers will not be eligible for this rider if the property owner does not allow installation of such equipment.

#### Program Option Descriptions

#### Home Energy Management – AMI HVAC Direct Load Control (DLC) Program

To participate, customers must meet program specific qualification criteria as stated in program specific requirement documents as provided by the Company. Qualified customers must agree, either in writing or via verbal recording, to allow the Company or its authorized agents to install, operate, and maintain the required load control switch at or near the customer's air conditioner or heat pump central unit(s). Qualified customers must also allow the Company or its authorized agents access, as required and appropriate, to such customer owned equipment for the purposes of program related installation, operation, maintenance, and data collection.

The Company plans to initially utilize an adaptive cycling strategy of the central electric cooling unit(s) during summer months, which can result in a 50% cycling strategy or higher but will be dependent upon an assessment of customer comfort impact. Other cycling strategies may be employed and evaluated to determine the strategy that optimizes load reduction without significantly affecting customer comfort.

Enrollment maximum: 5,458 customers

(Cont'd on Sheet No. 42.4)

ISSUED BY STEVEN F. BAKER PRESIDENT FORT WAYNE, INDIANA

#### EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER FEBRUARY 23, 2022

ISSUED UNDER AUTHORITY OF THE INDIANA UTILITY REGULATORY COMMISSION DATED FEBRUARY 23, 2022 IN CAUSE NO. 4557645xxx

## RIDER H.E.M. (Home Energy Management Rider)

(Cont'd from Sheet No. 42.3)

#### Residential AMI Electric Water Heat Direct Load Control Program

To participate, customers must meet program specific qualification criteria as stated in program specific requirement documents as provided by the Company. Qualified customers must agree to participate, either in writing or via verbal recording, in the AMI DLC Program to allow the Company or its authorized agents to install, operate, and maintain the required load control program switch at or near the customer's electric resistance element water heater unit(s). Qualified customers must also allow the Company or its authorized agent's access, as required and appropriate, to such customer owned equipment for the purposes of program related installation, operation, maintenance, and data collection.

The Company plans to initially allow qualified participating customers to choose one of three levels of electric hot water heater unit load management approach, Form 1, Form 2, or Form 3. Form 1 is minimally invasive to hot water control cycling strategy, Form 2 is moderately invasive hot water heater control cycling strategy, and Form 3 is the most invasive hot water heater control cycling strategy that optimizes load reduction without significantly affecting customer comfort, but with customer advance agreement.

Enrollment maximum: 1,738 customers

### **Residential Customer Engagement Demand Response Program**

This program requires customer self-action to manage their own end-use consumption during periods of peak usage notification from the Company.

To participate, customers must meet program specific qualification criteria as stated in program specific requirement documents as provided by the Company. Qualified customers must agree to participate, either in writing or via verbal recording, in the Customer Engagement Demand Response Program.

Additional customer requirements:

- Have an active I&M AMI data portal account, or otherwise engaged through one of the AMI residential usage information offerings (e.g. Weekly AMI Report, or WAMI);
- Primary residence is located within I&M service territory;
  - Single family residence that is not electrically served and metered as part of a master metering arrangement;
  - Multi-family residence that is not electrically served and metered as part of a master metering arrangement.

(Cont'd on Sheet No. 42.5)

ISSUED BY STEVEN F. BAKER PRESIDENT FORT WAYNE, INDIANA

#### EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER FEBRUARY 23, 2022

ISSUED UNDER AUTHORITY OF THE INDIANA UTILITY REGULATORY COMMISSION DATED FEBRUARY 23, 2022 IN CAUSE NO. 4557645xxx

#### I.U.R.C. NO. 19 INDIANA MICHIGAN POWER COMPANY STATE OF INDIANA

#### RIDER H.E.M. (Home Energy Management Rider) (Cont'd from Sheet No. 42.4)

And, any of the following:

- Subscription to broadband internet services with a valid email address capable of receiving email demand response event notification;
- Smart cell phone with a valid email address capable of receiving email demand response event notification;
- Smart cell phone with an I&M app capable of receiving text and/or push demand response event notification:

Enrollment maximum: 63,289 customers.

Except for the Residential Customer Engagement Demand Response Program, the Company will utilize a load management software platform to operate and control enrolled load control devices primarily to reduce customer's demand and use. The Company's load management platform will primarily operate to optimize and/or reduce demand use through either peak period use load reduction management techniques or load shaping to achieve optimum and efficient Customer demand use of electricity.

Program demand reduction/load management activities can occur during coincident peak and non-coincident peak demand periods according to Company and PJM system load forecasting techniques. Coincident peak, non-coincident peak, and emergency demand reduction/load management activities will be coordinated during electric power system peak load periods determined according to both I&M system and PJM system requirements. The Company plans to utilize load management activities focused primarily on managing enrolled and active load control devices during peak and emergency conditions and will seek to minimize customer comfort impact during the period of peak demand load management activity to the extent practical. Peak period demand load control events can occur based on I&M and/or PJM system need, as determined by the Company

Peak period load management events shall curtail customer load based on system need, at the sole discretion of the Company, during the months of May through September and shall not exceed 15 events per year with no single event lasting more than six (6) consecutive hours and no more than one event per day.

The Company may communicate events to Customers through the program's load management platform, via a smart phone application push notification, or via email or other electronic notification means. The customer may opt out of a Company planned load management event by providing the Company appropriate notice through the requisite and identified program opt out means of communication.

(Cont'd on Sheet No. 42.6)

ISSUED BY STEVEN F. BAKER PRESIDENT FORT WAYNE, INDIANA

#### EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER FEBRUARY 23, 2022

ISSUED UNDER AUTHORITY OF THE INDIANA UTILITY REGULATORY COMMISSION DATED FEBRUARY 23, 2022 IN CAUSE NO. 4557645xxx

### DEMAND-SIDE MANAGEMENT / ENERGY EFFICIENCY PROGRAM COST RIDER

Demand-side Management / Energy Efficiency Program Cost Rider (DSM/EE) surcharge allows the Company to recover costs associated with the DSM Plan approved by the Commission in Cause No. 45xxx.

The approved DSM Plan has three components: Energy Efficiency (EE), Demand Response (DR), and Conservation Voltage Reduction (CVR). Qualifying non-residential customers that opt-out of participation in the Company's DSM programs are exempt from paying the EE component. Because the DR and CVR components benefit customers independent of participation, opt-out customers must still pay for these components.

The reconciliation subfactors shown below return to or recover from customers differences between DSM revenues and expenses in prior periods.

All customer bills subject to this rider shall by adjusted by the applicable total factor per Billing Month below:

	Non-Opt Out Customers (Group N)	Pre-2020 Opt-Out Customers (Group H)	2020-2022 Opt- Out Customers (Groups C, F, J)	2022 Opt-in Customers (Group I)
	¢ / kWh	¢ / kWh	¢ / kWh	¢ / kWh
All RS tariff classes Plan <u>Reconciliation (2019-2020)</u> Total	0.3079 <u>(0.1484)</u> <b>0.1595</b>			
IP and CS-IRP2 Plan (EE) Plan (CVR + DR) <u>Reconciliation (2019-2020)</u> Total	0.2193 0.0917 <u>(0.0339)</u> <b>0.2771</b>	0.0917 	0.0917 ( <u>0.0339)</u> <b>0.0578</b>	0.2193 0.0917 <u>(0.0339)</u> <b>0.2771</b>
All other tariff classes (Excluding GS-Unmetered and OL) Plan (EE) Plan (CVR + DR) <u>Reconciliation (2019-2020)</u> Total	0.3653 0.1051 <u>(0.0451)</u> <b>0.4253</b>	0.1051 	0.1051 <u>(0.0451)</u> <b>0.0600</b>	0.3653 0.1051 <u>(0.0451)</u> <b>0.4253</b>

(Cont'd on Sheet No. 45.1)

ISSUED BY STEVEN F. BAKER PRESIDENT FORT WAYNE, INDIANA EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER

ISSUED UNDER AUTHORITY OF THE INDIANA UTILITY REGULATORY COMMISSION DATED IN CAUSE NO. 

#### DEMAND-SIDE MANAGEMENT / ENERGY EFFICIENCY PROGRAM COST RIDER

Demand-side Management / Energy Efficiency Program Cost Rider (DSM/EE) surcharge allows the Company to recover costs associated with <u>the DSM Plan the Company's DSM/EE Program costs</u> approved by the Commission in Cause No. 45xxx.

The approved DSM Plan has three components: Energy Efficiency (EE), Demand Response (DR), and Conservation Voltage Reduction (CVR). Qualifying non-residential customers that opt-out of participation in the Company's DSM programs are exempt from paying the EE component. Because the DR and CVR components benefit customers independent of participation, opt-out customers must still pay for these components.

The reconciliation subfactors shown below return to or recover from customers differences between DSM revenues and expenses in prior periods.

All customer bills subject to the provisions of this rider shall be adjusted by the Demand-Side Management/Energy Efficiency Program Cost Rider adjustment applicable total factor per Billing Month as followsbelow:

	Non-Opt Out Customers (Group N)	Pre 2020 Opt Out Customers (Group H)	2020 thru 2022 Opt Out Customers (Groups C, F & J)	2022 Opt In Customers (Group I)
Tariff Class	¢/kWh	¢/kWh	¢/kWh	<mark>¢/kWh</mark>
RS, RS-TOD, RS- TOD2,RS-OPES, RSD, RS- PEV and RS-CPP	<del>(0.0242)</del>	N/A	N/A	N/A
GS (Excluding Unmetered), GS-TOD, GS-TOD2, GS- PEV, GS-CPP, LGS, LGS- TOD, IS, EHG, MS, WSS, SLS, ECLS, SLC, SLCM and FW-SL	<del>0.026</del> 4	<del>0.0012</del>	<del>(0.0439)</del>	<del>0.0715</del>
IP, CS-IRP2	<del>0.0156</del>	<del>0.0009</del>	<del>(0.0330)</del>	0.0495

SEE ATTACHMENT MRW-2 for proposed factors

(Cont'd on Sheet No. 45.1)

ISSUED BY STEVEN F. BAKER PRESIDENT FORT WAYNE, INDIANA EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER FEBRUARY 23, 2022

ISSUED UNDER AUTHORITY OF THE INDIANA UTILITY REGULATORY COMMISSION DATED-FEBRUARY 23, 2022 IN CAUSE NO. 45576