

**ORIGINAL**

Commissioner	Yes	No	Not Participating
Huston	√		
Bennett	√		
Freeman	√		
Veleta	√		
Ziegner	√		

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF INDIANA MICHIGAN POWER )  
COMPANY FOR APPROVAL OF THE PURCHASE OF ) CAUSE NO. 46026  
CERTAIN ELECTRIC UTILITY PROPERTIES FROM JAY )  
COUNTY RURAL ELECTRIC MEMBERSHIP ) APPROVED: JUL 10 2024  
CORPORATION, PURSUANT TO IND. CODE § 8-1-2-84 )**

**ORDER OF THE COMMISSION**

**Presiding Officers:**

**Wesley R. Bennett, Commissioner**

**Jennifer L. Schuster, Senior Administrative Law Judge**

On March 18, 2024, Indiana Michigan Power Company (“I&M” or “Petitioner”) filed its Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) for approval of the purchase of certain assets by I&M from Jay County Rural Electric Membership Corporation (“Jay County REMC”). On March 19, 2024, Petitioner filed its case-in-chief testimony, consisting of the direct testimony of Dona Seger-Lawson, I&M’s Director of Regulatory Services, and the direct testimony of Neil Draper, Jay County REMC’s President and Chief Executive Officer. On May 10, 2024, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its Notice of Intent Not to Prefile Testimony in this Cause.

The Commission held an evidentiary hearing in this Cause at 1:30 p.m. on June 5, 2024 in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC were present and participated, and the testimony and attachments of Petitioner were admitted into the record without objection.

Based upon applicable law and evidence of record, the Commission now finds:

**1. Notice and Jurisdiction.** Due, legal, and timely notice of the evidentiary hearing in this Cause was given and published by the Commission as required by law. Petitioner is a public utility as defined by Ind. Code § 8-1-2-1(a). The Commission has jurisdiction over Petitioner’s purchase and sale of utility property under Ind. Code § 8-1-2-84. Accordingly, the Commission has jurisdiction over Petitioner and subject matter of this proceeding.

**2. Petitioner’s Characteristics and Business.** I&M, a wholly owned subsidiary of American Electric Power Company, Inc. (“AEP”), is a corporation organized and existing under Indiana law with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M owns, operates, manages, and controls plant and equipment in Indiana and Michigan that are in service and used and useful in the generation, transmission, distribution, and furnishing of electric utility service to the public. I&M’s electric system is an integrated and interconnected entity that is operated within Indiana and Michigan as a single utility.

**3. Requested Relief.** Petitioner seeks Commission approval under Ind. Code § 8-1-2-84 for I&M to purchase from Jay County REMC the following electric utility property (the “Property”) located in Jay County, Indiana, as more specifically identified in the Facility Sales Agreement attached to the Petition as “Greene Switch – 2-way SEECO. One (1) two-way 3-phase 1200 Amp MOAB with steel pole, located in Jay County, Indiana.” *See* Verified Petition at 2.

**4. Petitioner’s Case-in-Chief.** Ms. Seger-Lawson testified that I&M currently owns the portions of the 69 kV line on either side of the Property, and the purchase will result in I&M owning the entire throughpath of the applicable 69 kV line segment. She stated that the purchase will simplify and streamline compliance related activities around the ownership of its transmission assets and will allow for the termination of an operation and maintenance (“O&M”) agreement between I&M and Jay County REMC’s wholesale generation and transmission provider, Wabash Valley Power Association, Inc. (“WVPA”), which will also simplify O&M activities and reduce administrative risk. Ms. Seger-Lawson stated that the purchase price for the Property will be the net book value as of the day prior to the transaction closing date, and that the aggregate purchase price of the Property is significantly less than 5% of the value of I&M’s utility plant-in-service. Ms. Seger-Lawson concluded her testimony by explaining that the transaction will not have a material impact on I&M’s retail customers or on regulation.

Mr. Draper testified that the proposed purchase will not impact the repair and maintenance services for the Property because I&M has performed repair and maintenance services for the Property for many years pursuant to its O&M agreement with WVPA. After the Property is transferred and Jay County REMC’s O&M agreement with WVPA also terminates, I&M will continue to maintain and repair the Property. Mr. Draper also testified that, from an operations perspective, the transaction will promote the efficient and reliable operation of the Jay-Portland 69 kV line segments because one entity (I&M) will own the entire throughpath on the Jay-Portland 69 kV line. He testified that the transaction will not have an operational impact on Jay County REMC’s members or retail customers and will have minimal ratemaking impact.

**5. Commission Discussion and Findings.** Based on the evidence of record, the Commission finds that the proposed purchase of the electric utility property described above by I&M is reasonable and is therefore approved.

Ind. Code § 8-1-2-84 requires Commission approval for Petitioner to purchase or sell used and useful property, plant, or business or any part thereof, from or to any other public utility. Petitioner’s Verified Petition and case-in-chief testimony described the nature and purpose of the purchase of the electric utility property. The evidence demonstrates that I&M currently owns portions of the 69 kV transmission lines on either side of the Property, and the purchase and sale of the Property would result in I&M owning the entire throughpath of the applicable 69 kV line segments, which will simplify and streamline compliance-related activities around the ownership of transmission assets. The evidence also demonstrates that the purchase and sale will allow the termination of an existing O&M agreement between I&M and Jay County REMC’s wholesale generation and transmission provider, WVPA, which will simplify O&M activities and reduce administrative risk. The evidence of record also reflects that the purchase and sale will be priced at net book value and represents an exceedingly small percentage (much less than 5%) of the value of either utility’s total utility plant-in-service.

Based on our review of the evidence of record, we find Petitioner's request to be reasonable and in the public interest, and we approve I&M's proposed purchase of the Property at the price and on the terms specified in the Facility Sales Agreement that is attached to the Verified Petition.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. Petitioner I&M's proposed purchase of the Property pursuant to the Facility Sales Agreement attached to the Verified Petition is approved.

2. This Order shall be effective on and after the date of its approval.

**HUSTON, BENNETT, FREEMAN, VELETA, AND ZIEGNER CONCUR:**

**APPROVED: JUL 10 2024**

**I hereby certify that the above is a true and correct copy of the Order as approved.**

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**Dana Kosco**  
**Secretary of the Commission**