IURC News Release

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IURC APPROVES AEP REQUEST TO JOIN PJM

Today in Cause No. 42350, the Indiana Utility Regulatory Commission gave approval to American Electric Power (AEP) d/b/a Indiana Michigan (I&M) to transfer functional control of transmission assets to the PJM regional transmission organization.

It is clear to the Commission that regional coordination and communication are vital to maintain the reliability of power. While the Commission does not fully understand why AEP did not choose to join the Carmel based Midwest Independent System Operator (MISO), the Commissioners agree that AEP must be a part of a regional transmission organization.

In order to be assured that the transfer of functional control of its transmission assets will benefit ratepayers, and the state of Indiana, the IURC has established conditions for the transfer. The order requires the company to file a report with the Commission by November 10, 2003 on its compliance with the following conditions:

- 1. Inform the Commission on the status of a common market for PJM and the MISO;
- 2. Provide detailed information to the Commission on the effects that AEP's entry into PJM will have on Indiana retail customers;
- 3. Satisfy the Commission that AEP, PJM and MISO have satisfied all issues pending before Federal Energy Regulatory Commission (FERC).

Also, Commission approval is required If I&M decides to join another regional transmission organization other than PJM.