

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC)
FOR APPROVAL OF A SOLAR SERVICES)
PROGRAM TARIFF, RIDER NO. 26, AND)
APPROVAL OF ALTERNATIVE REGULATORY) CAUSE NO. 45145
PLAN (“ARP”) AND DECLINATION OF)
JURISDICTION TO THE EXTENT REQUIRED)
UNDER IND. CODE 8-1-2.5-1, *ET. SEQ.*)

VERIFIED PETITION

Duke Energy Indiana, LLC (hereinafter referred to as “Duke Energy Indiana”) respectfully represents and shows to the Indiana Utility Regulatory Commission (“Commission”) that:

1. **Petitioner’s Corporate and Regulated Status.** Duke Energy Indiana is an Indiana corporation with its principal office in the Town of Plainfield, Hendricks County, Indiana. Its address is 1000 East Main Street, Plainfield, Indiana 46168. It has the corporate power and authority, among others, to engage, and it is engaged, in the business of supplying electric utility service to the public in the State of Indiana. Accordingly, Petitioner is a “public utility” within the meaning of that term as used in the Indiana Public Service Commission Act, as amended, Indiana Code 8-1-2, and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana. Petitioner is also an “energy utility” as provided for in Indiana Code 8-1-2.5.

2. **Petitioner’s Electric Utility Service.** Duke Energy Indiana owns, operates, manages, and controls plants, properties, and equipment used and useful for the production,

transmission, distribution, and furnishing of electric utility service to the public in the State of Indiana. It directly supplies electric energy throughout its 22,000 square mile service area to more than 820,000 customers located in 69 counties in the central, north central, and southern parts of the State of Indiana, and supplies steam service to one customer from its Cayuga Generating Station. Petitioner also sells electric energy for resale to municipal utilities, Wabash Valley Power Association, Inc., Indiana Municipal Power Agency and to other public utilities that in turn supply electric utility service to numerous customers in areas not served directly by Petitioner.

3. Petitioner's Status as an Energy Utility. As defined in Indiana Code § 8-1-2.5-2, Duke Energy Indiana is an “Energy Utility” and its electric service constitutes “Retail Energy Service” as defined in Indiana Code § 8-1-2.5-3. By this Petition, Duke Energy Indiana elects to be subject to the provisions of Indiana Code §§ 8-1-2.5-5 and 8-1-2.5-6 for full approval of the Solar Services Program Tariff, Standard Contract Rider No. 26, and the offering of financing services to qualified customers who voluntarily choose to participate in the program. This petition, and the testimony and exhibits to be filed by Duke Energy Indiana in this proceeding, constitute its Alternative Regulatory Plan (“ARP”) for purposes of this proceeding.

4. Solar Services Program Proposed Tariff, Standard Contract Rider 26. Under the terms of the 2016 Edwardsport Settlement Agreement in Cause No. 43114 IGCC-15,¹ Duke Energy Indiana and the other Settling Parties have been meeting on a quarterly basis to discuss options to increase the amount of solar energy within the Company's service territory, as well as options for Duke Energy Indiana's low income customers. As a result of those discussions, the

¹ The Settling Parties are not formally supporting or opposing the proposed solar services program tariff, but it has been discussed among the Parties and changes to the proposal have been made pursuant to feedback from the Settling Parties.

Company is proposing this voluntary tariff to address the increasing interest of its non-residential customers in having additional service options and cleaner energy options. The proposal provides our customers an alternative financing method for solar facilities located on the customers' premise. Rider 26 will be made available to customer classes Rate CS, Rate LLF, Rate HLF and Rate WP, with the aggregate of all participating generation to be limited to 12 MW. In addition, this proposed solar tariff could particularly benefit not-for-profit or government entities that cannot otherwise take advantage of tax credits available that can lower the costs of solar installation.

5. **Solar Services Program Proposed Tariff, Rider 26, Rates.** Duke Energy Indiana proposes that all costs and revenues associated with the solar services program tariff would be treated below the line for ratemaking purposes.

6. **Petitioner's Request for Standard Contract Rider No. 26, Solar Services Program Tariff Alternative Regulatory Plan.** In determining whether public interest will be served through the approval of an ARP, the Commission is to give consideration to four areas stated in Indiana Code § 8-1-2.5-5(b). The proposed Solar Services Program Tariff, Standard Contract Rider No. 26, satisfies each of these requirements in the following manner:

1. Whether technological or operating conditions, competitive forces, or the extent of regulation by other state or federal regulatory bodies render the exercise, in whole or in part, of jurisdiction by the Commission unnecessary or wasteful.

Participation in the Solar Services Program Tariff will be voluntary. Each interested customer will enter into a customer-specific Service Agreement, which will include the monthly payment that will cover the payment for the construction, operation and maintenance of the solar energy facility over the term of the Agreement. To the extent possible, Duke Energy Indiana will take

advantage of any tax credits and provide the benefit of those credits to customers. There are a variety of solar developers active in the Duke Energy Indiana territory and the Company has met with some of them to preview this option. These developers will continue to work with customers, but with the availability of Standard Contract Rider No. 26, developers will have an additional financing option to provide to customers. All costs and revenues associated with the solar tariff will be booked below the line for regulatory accounting purposes, will have no impact on Petitioner's jurisdictional rate base or revenue requirements, and will not be included in or otherwise considered as part of Integrated Resource Planning. As such, assertion of Commission jurisdiction over the Solar Services Program Tariff, including but not limited to: selection, installation, relocation, transfer, sale, rate or Certificate of Public Convenience and Necessity ("CPCN") review and regulation would be wasteful, without benefit and should be declined.

2. Whether the Commission's declining to exercise, in whole or in part, its jurisdiction will be beneficial for the energy utility, the energy utility's customers, or the state.

The Commission's approval of this ARP will benefit both Duke Energy Indiana and Duke Energy Indiana's customers. Commercial and industrial customers will benefit by having a tailor made financing option that allows them to benefit from a solar energy facility. Other customers will not be harmed due to the program being accounted for below the line.

3. Whether the Commission's declining to exercise, in whole or in part, its jurisdiction will promote energy utility efficiency.

Approval of this ARP will promote energy utility efficiency by allowing Duke Energy Indiana to serve its customers in a variety of ways. All costs associated with the system will be borne by the solar energy services customer, other customers are not subsidizing this service, so there is no need for extensive Commission oversight.

4. Whether the exercise of Commission jurisdiction inhibits an energy utility from competing with other providers of functionally similar energy services or equipment.

The Commission's approval of the ARP will allow Duke Energy Indiana to effectively partner with other businesses in the free market place that offer solar energy solutions to our customers. In addition, this ARP allows Duke Energy Indiana customers to have an additional option of partnering with their current electricity provider to help finance and construct a solar energy source for their business.

In addition, pursuant to Indiana Code § 8-1-2.5-6(a)(2), the rates charged customers who opt into this voluntary service will be based on the market prices available for the solar facility each participating customer selects.

7. Relief Sought by This Petition. The Company is filing this request under the Alternative Utility Regulation provisions of Indiana Code. The aggregate of all the generation to be eligible under Standard Contract Rider No. 26 is to be capped at 12 MW, and these smaller solar projects are exempt from typical requirements of a CPCN pursuant to Indiana Code 8-1-8.5. However, each clean energy resource constructed by Duke Energy Indiana (as a public utility), while not requiring a CPCN, must still be approved by the Commission under Indiana Code § 8-1-8.5-7(4). To help ensure the success of this voluntary solar services program, Duke Energy Indiana is asking the Commission to approve an ARP or otherwise decline its jurisdiction over this optional tariff offering, so that Duke Energy Indiana may individually price this optional service for each participating customer's needs and so that Duke Energy Indiana does not have to seek separate Commission approval for each solar energy facility constructed under this program.

8. **Petitioner's Counsel.** The following attorneys are authorized to accept service on behalf of Petitioner:

Kelley A. Karn, Atty. No. 22417-29
Elizabeth A. Herriman, Atty. No. 24942-49
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9. **Applicable Law.** Petitioner considers that Indiana Code 8-1-2.5, 8-1-8.5, Indiana Code § 8-1-37-4(a)(2), among others, are or may be applicable to the subject matter of this proceeding.

10. **Request for Relief.** Petitioner respectfully requests that the Commission:

- a. set a prehearing conference in accordance with 170 IAC 1-1.1-15(b);
- b. approve Petitioner's solar services program tariff, Standard Contract Rider No. 26; and
- c. approve Petitioner's alternative regulatory plan or otherwise decline its jurisdiction over this optional solar services program tariff.

Dated as of the 24th day of September, 2018.

By: Elizabeth Herriman
Counsel for Duke Energy Indiana, LLC

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VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

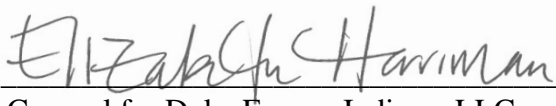
Signed: Melody Byrd Byrd
Melody Birmingham-Byrd, President
Duke Energy Indiana, LLC

Dated: September 24, 2018

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Petition was electronically delivered this 24th day of September, 2018, to the following:

Indiana Office of Utility Consumer Counselor
PNC Center
115 W. Washington Street
Suite 1500 South
Indianapolis, IN 46204

By: 
Counsel for Duke Energy Indiana, LLC

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