

DIRECT TESTIMONY OF EDWARD KIRSCHNER
DIRECTOR, TRANSMISSION PLANNING
DUKE ENERGY BUSINESS SERVICES LLC
ON BEHALF OF
DUKE ENERGY INDIANA, LLC
BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION

1 **Q. PLEASE STATE YOUR NAME AND BY WHOM YOU ARE EMPLOYED.**

2 A. My name is Edward Kirschner. I am Director, Transmission Planning, for Duke
3 Energy Business Services LLC.

4 **Q. WHAT ARE YOUR JOB RESPONSIBILITIES?**

5 A. I am responsible for the planning of the transmission for Duke Energy Indiana,
6 LLC ("Duke Energy Indiana").

7 **Q. WHAT IS THE PURPOSE OF YOUR VERIFIED DIRECT TESTIMONY?**

8 A. My testimony provides support of the Verified Petition of Duke Energy Indiana
9 whereby Commission approval is sought for the transfer of certain assets from
10 Duke Energy Indiana to Miami-Cass Rural Electric Membership Corporation
11 ("Miami-Cass).

12 **Q. PLEASE DESCRIBE THE PROPOSED SALE OF ASSETS FROM DUKE**
13 **ENERGY TO MIAMI-CASS.**

14 A. Duke Energy Indiana seeks Commission approval of the sale and transfer from
15 Duke Energy Indiana to Miami-Cass certain electric distribution facilities in
16 Richland Township, Miami County, Indiana. Specifically the facilities to be
17 transferred to Miami-Cass are a portion of Duke Energy Indiana's 3417 Circuit,

1 consisting of those 34.5 KV electrical line facilities beginning at and including
2 pole number 880-1004, located 364' North of County Road 900N on County
3 Road 100E. in Richland Township, Miami County, Indiana, thence running in a
4 northerly direction along the east side of County Road 100E for a distance of
5 approximately 1.8 miles to a point of termination at and including pole number
6 880-1037 which is located approximately .2 mi South of CR 1100N in Perry
7 Township, Miami County, Indiana. Also, beginning at and including pole number
8 880-1081, located 475' East of CR 175E, Perry Township, Miami County,
9 Indiana along the South side of C.R. 1200N for a distance of approximately 1.7
10 miles to a point of termination at and including pole number 880-1122 which is
11 located approximately .5 mi East of C.R. 300E, Perry Township, Miami County,
12 Indiana. Also beginning at and including pole number 880-1144, located just East
13 of the intersection of C.R. 450E and C.R. 1200N, Perry Township, Miami
14 County, Indiana on the south side of C.R. 1200N and continuing East along said
15 county road approximately 3.15 miles, crossing the Wabash County line, to a
16 point of termination at and including pole number 880-1219, PawPaw Township,
17 Wabash County, Indiana. The sale consists of approximately 6.6 miles of three
18 phase, three wire, 34.5 KV primary; all facilities appurtenant to said primary and
19 any easement rights associated with said primary.

20 Duke Energy Indiana no longer has need for nor use for this segment of
21 distribution line which no longer serves any load.

22 Miami-Cass desires to purchase this line segment because this allows them
23 to provide a three phase tie with their existing system thus improving their

1 reliability and operating flexibility. Duke Energy Indiana has agreed to sell the
2 distribution facilities to Miami-Cass for \$20,000.

3 With the proposed transfer, Duke Energy Indiana will follow the
4 appropriate accounting treatment of ending depreciation accrual and the value of
5 the property and accumulated depreciation will not be taken into consideration in
6 any subsequent base retail rate case. The impact of this proposed property sale
7 and transfer on Indiana ratemaking is minor.

8 **Q. WHAT IMPACT WILL THE SALE AND TRANSFER OF THESE ASSETS**
9 **HAVE ON DUKE ENERGY INDIANA'S RETAIL CUSTOMERS?**

10 A. The impact of this proposed asset sale and transfer on Duke Energy Indiana
11 ratemaking is de minimus. Duke Energy Indiana will appropriately remove the
12 book value of the assets from its accounting books and end further deprecation
13 accruals thereon. The asset values and accumulated depreciation therefore will
14 not be taken into consideration in any subsequent base retail rate case.

15 **Q. IS THE SALE AND TRANSFER OF THESE MINOR ASSETS IN THE**
16 **PUBLIC INTEREST?**

17 A. Yes. The assets will be used in the rendition of electric service by Miami-Cass
18 and as such their maintenance, operation, and capital investment need not be the
19 responsibility of Duke Energy Indiana.

20 **Q. WHAT PROCEDURAL MECHANISM HAS DUKE ENERGY INDIANA**
21 **USED FOR THE REVIEW AND APPROVAL OF THIS ASSET**
22 **TRANSFER?**


1 A. Duke Energy Indiana has used the expedited asset transfer process agreed to by
2 the OUCC and approved by the Commission in Cause No. 43509. Through this
3 process, at the time the petition is filed, Duke Energy Indiana provides the OUCC
4 with continuing Property Records, vintage year, accumulated cost, and the
5 quantity of the individual components to be transferred. This information was
6 provided to the OUCC on February 1, 2017. Within 15 days thereafter, Duke
7 Energy Indiana and the OUCC jointly seek a hearing from the Commission.
8 Duke Energy Indiana believes this expedited process is appropriate given that this
9 asset transfer is occurring by mutual agreement and is intended to make the most
10 efficient use of resources. Duke Energy Indiana agrees to make any appropriate
11 internal accounting or record keeping entries/adjustments.

12 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

13 A. Yes.

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: 

Dated: 2/1/17