

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SOUTHERN INDIANA GAS AND)
ELECTRIC COMPANY d/b/a VECTREN)
ENERGY DELIVERY OF INDIANA, INC. FOR)
APPROVAL OF CLEAN ENERGY SOLAR) CAUSE NO. 44909
PROJECTS; DECLINATION OF JURISDICTION)
WITH RESPECT TO CONSTRUCTION OF THE)
PROJECTS PURSUANT TO IND. CODE § 8-1-2.5;)
AND ACCOUNTING AND RATEMAKING)
TREATMENT, INCLUDING TIMELY)
RECOVERY OF COSTS INCURRED DURING)
CONSTRUCTION AND OPERATION THROUGH)
A CLEAN ENERGY COST ADJUSTMENT)
PURSUANT TO IND. CODE § 8-1-8.8)

VERIFIED PETITION

TO THE INDIANA UTILITY REGULATORY COMMISSION:

Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (“Petitioner” or “Vectren South”) respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for: (1) approval of clean energy projects pursuant to Ind. Code § 8-1-8.8-11(b); (2) a declination of jurisdiction pursuant to Ind. Code § 8-1-2.5-5 over the construction of the clean energy projects or, in the alternative, issuance of a certificate of public convenience and necessity (“CPCN”) for the projects pursuant to Ind. Code chpt. 8-1-8.5; and (3) approval of a rate adjustment mechanism for timely recovery of Solar Project costs pursuant to Ind. Code § 8-1-8.8-11. In support of this Petition, Vectren South provides the following information:

1. **Corporate and Regulated Status.** Vectren South is a wholly owned subsidiary of Vectren Utility Holdings, Inc. (“VUHI”) which is also the intermediate holding company for two other utility companies: Indiana Gas Company, Inc. and Vectren Energy Delivery of Ohio.

VUHI is a wholly owned subsidiary of Vectren Corporation, an energy holding company headquartered in Evansville, Indiana. Vectren South is an operating public utility incorporated under the laws of the State of Indiana, and has its principal office at One Vectren Square, Evansville, Indiana. It has charter power and authority to engage in, and is engaged in the business of rendering retail electric service solely within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly acquired. It owns, operates, manages, and controls, among other things, plant, property equipment, and facilities which are used and useful for the production, storage, transmission, distribution, and furnishing of electric service to approximately 145,000 electric consumers in southwestern Indiana. Its service territory is spread throughout seven counties: Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick and Spencer counties.

2. **Public Utility Status.** Petitioner is a “public utility” within the meaning of Ind. Code §§ 8-1-2-1 and 8-1-39-4 and an “energy utility” within the meaning of Ind. Code §§ 8-1-2.5-2 and 8-1-8.4-3 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

3. **Proposed Clean Energy Projects.** Petitioner requests approval to construct, own and operate three solar energy projects totaling approximately 4.3 megawatts of alternating current (“MWac”) and two energy storage systems totaling 4.4 MWac within its service territory. These projects, which are consistent with Vectren South’s 2016 Integrated Resource Plan, will provide Vectren South the opportunity to develop experience with solar facilities and on-system energy storage located inside and outside of urban areas. Two of the solar projects will each consist of approximately two (2) megawatts (“MW”) of ground mounted solar panel arrays. One

of these solar arrays will also include approximately one (1) megawatt hour (“MWh”) of battery energy storage. The third solar project consists of a 300 kilowatt alternating current (“kWac”) rooftop based solar generating facility as part of the Urban Living Research Center in downtown Evansville, and will also include approximately 300-400 kilowatt hour (“kWh”) of distributed and shared energy storage. Together, these small projects comprise the “Solar Projects” that are the subject of this proceeding. The total cost for the Solar Projects is \$16.19 million.

4. Benefits of the Solar Energy Pilot Projects. Vectren South is committed to meeting the energy needs of the future for its customers and recognizes the increasingly prevalent role of renewable energy, as environmental concerns call into question the sustainability of fossil fuel generation. One of the main benefits of the Solar Projects is experience, tailored towards distributed energy resources. Vectren South will obtain valuable experience regarding project siting, engineering, and maintenance for solar facilities. In addition, the fact that each Solar Project is uniquely designed and situated in either an urban or rural setting will help to broaden and diversify Vectren South’s experience with renewable energy resources. For example, with these Solar Projects, Vectren South will obtain experience working with solar projects with and without integrated battery storage systems, and working with facilities located in urban and rural areas. Vectren South will also learn about the impact of intermittent generation on its transmission and distribution systems, and the operating effects of renewable generation on the regional transmission system. Further, the Solar Projects will provide local economic benefits.

5. Governing Statutes. Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-8.8 and 8-1-2.5-5-11 and in the alternative Ind. Code § 8-1-8.5 to be applicable to the subject matter of this Petition and believes

that such statutes provide the Commission authority to approve the requested relief. Authority to provide the requested accounting relief is consistent with Ind. Code §§ 8-1-2-10, 8-1-2-14, 8-1-2-18 through 21, 8-1-2-23 and 8-1-2-42.

6. Declination of Jurisdiction under Ind. Code 8-1-2.5. Petitioner requests that the Commission decline to exercise its jurisdiction over the Solar Project in accordance with Ind. Code § 8-1-2.5-5 which grants the Commission authority to “. . . enter an order . . . to decline to exercise, in whole or in part, its jurisdiction over either the energy utility or the retail energy service of the energy utility, or both.” If the Commission does not decline the exercise of its jurisdiction, in the alternative, Vectren South requests the Commission issue a necessity certificate pursuant to Ind. Code § 8-1-8.5.

7. Clean Energy Cost Adjustment (“CECA”). Petitioner requests the Commission authorize Vectren South to utilize a CECA, in accordance with Ind. Code §8-1-8.8-11 in order for Vectren South to timely recover through rates, the project costs incurred during the construction and operation of the proposed Solar Projects. These costs include depreciation expense, post-in-service carrying costs, taxes, and operation and maintenance expenses.

8. Scheduling and Prehearing Conference. Petitioner requests the Commission schedule a prehearing conference as soon as possible and set an evidentiary hearing on this matter, noticed as required by law.

9. Service. The names and addresses of Petitioner’s duly authorized representatives, to whom service of papers in this proceeding should be made, are:

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WHEREFORE, Petitioner respectfully requests that the Commission: (a) find that the solar energy projects and battery energy projects constitute clean energy projects pursuant to Ind. Code § 8-1-8.8-11; (b) decline its jurisdiction over the solar energy projects and battery energy projects with respect to granting a CPCN pursuant to Ind. Code § 8-1-2.5—5 or, in the alternative, grant Petitioner a CPCN to construct the clean energy projects pursuant to Ind. Code chpt. 8-1-8.5; (c) authorize Petitioner's timely recovery of costs incurred during the construction and operation of the clean energy projects; and (d) grant all other appropriate relief.

Respectfully submitted,

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
D/B/A VECTREN ENERGY DELIVERY OF INDIANA,
INC.

BY:



Robert C. Sears
Vice President, Customer Energy Solutions

Robert E. Heidorn (Atty. No. 14264-49)
P. Jason Stephenson (Atty. No. 21839-49)
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ATTORNEYS FOR SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC.

VERIFICATION

I, Robert C. Sears, being first duly sworn, upon his oath, says that I am the Vice President, Customer Energy Solutions for Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc., the Petitioner in the above-entitled Cause; that as such I have executed the foregoing Verified Petition and have authority to do so; that I have read the foregoing Verified Petition and know the contents thereof; and that I affirm under penalties for perjury that the statements and representations therein contained are true to the best of my knowledge, information and belief.

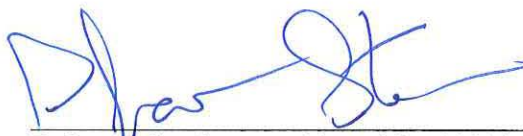


Robert C. Sears

Dated: February 22, 2017

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 22nd day of February, 2017, by hand delivery or United States Mail, postage prepaid, to the Office of Utility Consumer Counselor, National City Bank Building, 115 W. Washington Street, Suite 1500 South, Indianapolis, Indiana 46204.



P. Jason Stephenson (Atty. No. 21839-49)