

June 2, 2017

INDIANA UTILITY

REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY)
 INDIANA, LLC FOR (i) APPROVAL OF)
 A SOLAR PURCHASED POWER)
 AGREEMENT; (ii) TIMELY RECOVERY)
 OF THE RETAIL JURISDICTIONAL) CAUSE NO. 44953
 PORTION OF PURCHASED POWER COSTS)
 THROUGH RETAIL RATES PURSUANT)
 TO INDIANA CODE § 8-1-8.8-11; AND, (iii))
 CONFIDENTIAL TREATMENT OF PRICING)
 AND OTHER PROPRIETARY TERMS OF)
 THE PURCHASED POWER AGREEMENT)

PETITION

Duke Energy Indiana, LLC (hereinafter referred to as “Duke Energy Indiana”) respectfully files this Petition requesting that the Indiana Utility Regulatory Commission (“Commission”) enter an Order approving a solar energy Purchased Power Agreement (“PPA”) for a total of 4 MWs. Petitioner also respectfully requests that the Commission approve timely recovery of the costs of the PPA through rates and that the Commission grant confidential treatment of the PPA pricing and other confidential terms and conditions. In support of this Petition, Duke Energy Indiana states as follows:

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 to engage 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, Ind. Code § 8-1-2-1, 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, including Ind. Code § 8-1-2-1 *et seq.*

2. **Petitioner's Electric Utility Service.** Petitioner 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 approximately 817,000 customers located in 69 counties in the State of Indiana. Petitioner also sells electric energy for resale to municipal utilities, Wabash Valley Power Association, Inc., Indiana Municipal Power Agency, Hoosier Energy, and to other public utilities that in turn supply electric utility service to numerous customers in areas not served by Petitioner.

3. **The PPA.** Duke Energy Indiana has entered into a 10 year PPA with Staunton Solar, LLC for 4 MWs of solar power, to be located in Clay County, Indiana. Petitioner expects that the execution of the PPA and operation of the project will assist in the development of emission-free solar energy generation, expand and diversify Duke Energy Indiana's portfolio of supply resources, enhance customer awareness of renewable energy, and foster economic development and job creation in the State of Indiana. Petitioner requests approval of the PPA, including assurance of cost recovery for the life of the 10 year PPA.

4. **Request for Recovery of Costs.** Duke Energy Indiana proposes that the retail jurisdictional portion of the costs of purchased power under the PPA, including fuel related MISO charges or credits, if any, related to the purchased power, be recovered pursuant to Ind. Code § 8-1-8.8-11. The ratemaking mechanism for recovery of the energy portion of the PPA payments is proposed to be quarterly filings in conjunction with its fuel adjustment clause ("FAC") tracking mechanism under Ind. Code § 8-1-2-42(a) and be administered through that

quarterly proceeding. The capacity value associated with the PPA will be credited to customers in the Company's annual Standard Contract Rider No. 70 ("Rider 70") proceedings. To match the capacity costs associated with this solar PPA with the associated capacity value, the Company proposes to include the capacity portion of the PPA payments under the Staunton Solar Agreement in its Rider 70 proceedings. Additionally, pursuant to the terms of the PPA, Petitioner is entitled to the value of the Renewable Energy Credits ("RECs") under the PPA. Petitioner proposes to include a credit for the retail jurisdictional portion of the net proceeds from the sales of any such RECs in the development of its retail FAC factor. Finally, while other non-fuel related MISO charges or credits are not currently anticipated, if any are incurred as a result of this PPA, the Company proposes they be included in the calculations for recovery under MISO Management Cost and Revenue Adjustment Standard Contract Rider No. 68.

5. **Request for Confidential Treatment.** Petitioner respectfully requests that the Commission make a determination that the pricing and other proprietary terms of the PPA constitute confidential trade secrets and be excepted from public disclosure. Petitioner will file a Motion for Protection for Confidential Material and supporting Affidavits.

6. **Statutory Authority.** Duke Energy Indiana considers Ind. Code §§ 8-1-8.8-1 *et seq.*, 8-1-2-42(a), among others, as applicable to this proceeding.

7. **Petitioner's Counsel.** Petitioner's counsel is Melanie D. Price and Kelley A. Karn, both at 1000 E. Main Street, Plainfield, Indiana 46168. Ms. Price and Ms. Karn are authorized, on Petitioner's behalf, to receive papers filed in this matter.

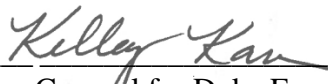
8. **Request for Prehearing Conference and Preliminary Hearing.** In accordance with 170 I.A.C. § 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, Petitioner requests that the Commission schedule a prehearing conference and preliminary hearing for the

purpose of fixing a procedural schedule in this proceeding and considering other procedural matters.

9. **Relief Requested.** Petitioner respectfully requests that the Commission set this matter for hearing and enter a Final Order (i) approving the PPA, including assurance of cost recovery for the life of the PPA; (ii) providing for the timely, full and certain recovery of the retail jurisdictional portion of the purchased power costs under the PPA through rates; (iii) approving the confidential treatment of the pricing and other proprietary terms of the PPA; and (iv) granting all other relief as appropriate in the premises.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

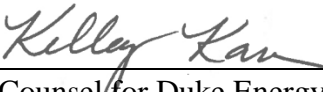
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Petition of Duke Energy Indiana, LLC was electronically delivered this 2nd day of June 2017, to:

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