

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION


PETITION OF DUKE ENERGY INDIANA, LLC)
SEEKING APPROVAL OF AN ADJUSTMENT TO)
ITS RATES THROUGH ITS ENVIRONMENTAL)
COMPLIANCE ADJUSTMENT STANDARD)
CONTRACT RIDER NO. 62 IN ACCORDANCE)
WITH IND. CODE 8-1-8.4 AND 8-1-8.8 AND 170) CAUSE NO. 42061 ECR 35
I.A.C. 4-6; APPROVAL OF THE PURDUE)
COMBINED HEAT AND POWER PROJECT)
PROGRESS REPORT; AND AN EDWARDSPORT-)
RELATED CREDIT IN ACCORDANCE WITH)
THE COMMISSION’S ORDER IN CAUSE NO.)
43114 IGCC-17.)

SUBMISSION OF FINAL TARIFF

Pursuant to the Final Order of the Commission in this proceeding dated July 28, 2021, Duke Energy Indiana, LLC, by counsel, respectfully submits Standard Contract Rider No. 62 and the updated tariff sheets for approval by the Commission’s Energy Division. The attached Rider 62 issued July 28, 2021, is effective with bills rendered July 29, 2021. Please email the approved tariff sheets to kathy.lilly@duke-energy.com.

Respectfully Submitted,

DUKE ENERGY INDIANA, LLC

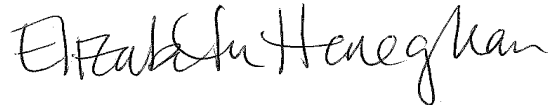
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing motion was electronically delivered this 28th day of July, 2021 to:

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**STANDARD CONTRACT RIDER NO. 62 –
ENVIRONMENTAL COMPLIANCE ADJUSTMENT**

The applicable charges for electric service to the Company's retail electric customers shall be increased or decreased to reflect rate base treatment for environmental compliance projects, defined as qualified pollution control property, clean energy projects, and other federally-mandated environmental compliance projects in accordance with I.C. 8-1-2-6.6, I.C. 8-1-2-6.8, I.C. 8-1-8.4, I.C. 8-1-8.8 and 170 IAC 4-6, and to reflect recovery of clean energy and other federally-mandated environmental compliance project operating costs, including the cost of environmental reagents and emission allowances applicable to native load customers net of realized gains and losses from sales, in accordance with Ind. Code 8-1-8.8 and Ind. Code 8-1-8.4. The revenue adjustment to the applicable charges for electric service will be determined under the following provision:

Calculation of Adjustment

The Environmental Compliance Adjustment shall be determined no more often than every six months by multiplying the Environmental Compliance Adjustment Factor, as determined to the nearest 0.001 mill (\$0.000001) per kilowatt-hour in accordance with the following formula, by the monthly billed kilowatt-hours for the billing cycle months in the case of customers receiving metered service and by the estimated monthly kilowatt-hours used for rate determination in the case of customers receiving unmetered service.

Environmental Compliance Adjustment Factor =

$$\frac{(a \times b \times c \times h)}{i} + \frac{((d + e + f) \times g)) \times j}{k}$$

where:

1. "a" is the jurisdictional cost of the Company's net invested capital applicable to environmental compliance projects and the net balance of post-in-service carrying costs, if any. For purposes of determining the value of such capital projects for this rate mechanism, the Company's costs as recorded in its books of account in accordance with the Uniform System of Accounts prescribed for Public Utilities and Licensees subject to the provisions of the Federal Power Act shall be used.
2. "b" is the Company's weighted cost of capital as of the date of valuation of the environmental compliance projects.
3. "c" is the revenue conversion factor to be used to convert return to operating revenues.
4. "d" is the Company's forecasted incremental jurisdictional operation and maintenance expense applicable to environmental compliance projects, including the cost of environmental reagents and emission allowances applicable to native load customers net of realized gains and losses from sales.
5. "e" is the Company's forecasted jurisdictional depreciation expense applicable to the investment in environmental compliance projects.
6. "f" is the Company's other incremental jurisdictional expense applicable to environmental compliance projects such as plan development costs, amortization of post-in-service

**STANDARD CONTRACT RIDER NO. 62 –
ENVIRONMENTAL COMPLIANCE ADJUSTMENT**

carrying costs, and other costs or credits approved by the Commission for inclusion in this rider.

7. “g” is the revenue conversion factor used to convert operating expenses to operating revenues.
8. “h” is the individual retail rate group’s production demand allocator used for allocation purposes in the cost of service study last approved by the Commission as adjusted for migrations approved by the Commission.
9. “i” is the individual retail rate group’s adjusted billing cycle kilowatt-hour sales for the twelve months ending as of the date of valuation of the environmental compliance projects for all retail rate groups other than industrial customers served under Rate HLF. The revenue adjustment for industrial customers served under Rate HLF shall be based on demands within the HLF customer group such that “i” shall be the sum of kilowatts billed for the applicable twelve month period.
10. “j” is the individual retail rate group’s kilowatt-hour sales allocator used for allocation purposes in the cost of service study last approved by the Commission as adjusted for migrations approved by the Commission.
11. “k” is the individual retail rate group’s adjusted billing cycle kilowatt-hour sales for the applicable six month period for all retail rate groups other than industrial customers served under Rate HLF. The revenue adjustment for retail customers served under Rate HLF shall be based on demands within the HLF customer group such that “k” shall be the sum of kilowatts billed for the applicable six month period.

This factor shall be further modified to reflect the difference between estimated costs billed and costs actually experienced during the period such estimated costs were billed.

The Environmental Compliance Adjustment factor applicable to retail rate groups is as follows:

**STANDARD CONTRACT RIDER NO. 62 -
ENVIRONMENTAL COMPLIANCE
ADJUSTMENT FACTOR
APPLICABLE TO RETAIL RATE GROUPS**

<u>Line No.</u>	<u>Retail Rate Group</u>	<u>Environmental Compliance Adjustment Factor Per KWH (A)</u>	<u>Environmental Compliance Adjustment Factor Per Non-Coincident KW (B)</u>	<u>Line No.</u>
1	Rate RS	(\$0.001786)		1
2	Rates CS and FOC	(0.001987)		2
3	Rate LLF	(0.001605)		3
4	Rate HLF		(\$0.910773)	4
5	Customer L	(0.003297)		5
6	Customer O	(0.006477)		6
7	Rate WP	(0.001373)		7
8	Rate SL	(0.001087)		8
9	Rate MHLS	(0.001056)		9
10	Rates MOLS and UOLS	(0.001144)		10
11	Rates TS, FS and MS	(0.001648)		11

Issued: July 28, 2021

Effective: Bills Rendered July 29, 2021

**STANDARD CONTRACT RIDER NO. 62 -
ENVIRONMENTAL COMPLIANCE
ADJUSTMENT FACTOR
APPLICABLE TO RETAIL RATE GROUPS**

**ALLOCATED SHARE OF SYSTEM PEAK DEMAND FOR RETAIL CUSTOMERS
BY RATE GROUP EXPRESSED AS A PERCENTAGE OF THE COMPANY'S
TOTAL RETAIL SYSTEM PEAK DEMAND AS DEVELOPED FOR COST OF
SERVICE PURPOSES IN CAUSE NO. 45253**

<u>Line No.</u>	<u>Rate Groups</u>	<u>KW Share of System Peak (4CP) Per Cause No. 45253 (A)</u>	<u>Percent Share Of System Peak (B)</u>	<u>Line No.</u>
1	Rate RS	2,102,591	42.114%	1
2	Rates CS and FOC	258,053	5.169%	2
3	Rate LLF	1,034,546	20.722%	3
4	Rate HLF	1,536,449	30.774%	4
5	Customer L	14,800	0.296%	5
6	Customer O	18,584	0.372%	6
7	Rate WP	20,717	0.415%	7
8	Rate SL	79	0.002%	8
9	Rate MHLS	15	0.000%	9
10	Rates MOLS and UOLS	5,633	0.113%	10
11	Rates TS, FS and MS	1,141	0.023%	11
12	TOTAL RETAIL	4,992,608	100.000%	12

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Effective: Bills Rendered July 29, 2021

**STANDARD CONTRACT RIDER NO. 62 -
ENVIRONMENTAL COMPLIANCE
ADJUSTMENT FACTOR
APPLICABLE TO RETAIL RATE GROUPS**

**ALLOCATED SHARE OF MWH PLANT OUTPUT FOR RETAIL CUSTOMERS
BY RATE GROUP EXPRESSED AS A PERCENTAGE OF THE COMPANY'S
TOTAL RETAIL AS DEVELOPED FOR COST OF
SERVICE PURPOSES IN CAUSE NO. 45253**

<u>Line No.</u>	<u>Rate Groups</u>	<u>MWH Plant Output Cause No. 45253 (A)</u>	<u>Percent Share Of System Peak (B)</u>	<u>Line No.</u>
1	Rate RS	10,075,608	33.840%	1
2	Rates CS and FOC	1,163,496	3.908%	2
3	Rate LLF	5,429,725	18.237%	3
4	Rate HLF	11,448,504	38.452%	4
5	Customer L	119,082	0.400%	5
6	Customer O	1,197,276	4.021%	6
7	Rate WP	162,351	0.545%	7
8	Rate SL	42,814	0.144%	8
9	Rate MHLS	6,095	0.020%	9
10	Rates MOLS and UOLS	118,444	0.398%	10
11	Rates TS, FS and MS	10,457	0.035%	11
12	TOTAL RETAIL	29,773,852	100.000%	12

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**STANDARD CONTRACT RIDER NO. 62 -
ENVIRONMENTAL COMPLIANCE
ADJUSTMENT FACTOR
APPLICABLE TO RETAIL RATE GROUPS**

**BILLING CYCLE KWH SALES FOR THE COMPANY'S
RETAIL CUSTOMERS BY RATE GROUP BASED
ON PERIOD ENDED DECEMBER 31, 2020**

<u>Line No.</u>	<u>Rate Groups</u>	<u>Twelve Months Ended Billing Cycle KWH Sales (A)</u>	<u>Twelve Months Sum Of Monthly Non-Coincident Peak Demands (B)</u>	<u>Six Months Ended Billing Cycle KWH Sales (C)</u>	<u>Six Months Sum Of Monthly Non-Coincident Peak Demands (D)</u>	<u>Line No.</u>
1	Rate RS	8,995,191,855		4,526,454,087		1
2	Rates CS and FOC	985,073,010		511,534,159		2
3	Rate LLF	4,834,468,553		2,586,088,129		3
4	Rate HLF	9,558,951,419	18,093,950	5,021,996,616	9,329,126	4
5	Customer L	70,713,118		22,560,720		5
6	Customer O	156,668,642		77,612,642		6
7	Rate WP	152,268,418		76,940,100		7
8	Rate SL	37,210,364		18,504,130		8
9	Rate MHLS	5,474,557		2,630,871		9
10	Rates MOLS and UOLS	103,003,067		51,132,786		10
11	Rates TS, FS and MS	<u>9,645,219</u>		<u>4,829,088</u>		11
12	TOTAL RETAIL	<u><u>24,908,668,222</u></u>		<u><u>12,900,283,328</u></u>		12

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