

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA,)
LLC, SEEKING (1) APPROVAL OF AN)
ONGOING REVIEW PROGRESS REPORT)
PURSUANT TO IND. CODE CHAPTER 8-1-8.5)
AND THE FINAL ORDERS IN CAUSE NOS.) CAUSE NO. 44932 REP 3
44734, 44767, AND 45002; AND (2))
AUTHORITY TO REFLECT COSTS)
INCURRED FOR THE CRANE SOLAR)
FACILITY, THE MARKLAND HYDRO)
UPRATE PROJECT, THE CAMP)
ATTERBURY MICROGRID, AND NAAB)
BATTERY PROJECT, THROUGH ITS)
RENEWABLE ENERGY PROJECT RIDER,)
STANDARD CONTRACT RIDER NO. 73)
PURSUANT TO IND. CODE CHAPTER 8-1-8.8)

SUBMISSION OF AGREED PROPOSED FORM OF ORDER

Duke Energy Indiana, LLC on behalf of itself and the Indiana Office of Utility Consumer
Counselor, hereby respectfully submits the attached Proposed Form of Order in the above-
captioned cause to the Indiana Utility Regulatory Commission.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

By:


Counsel for Duke Energy Indiana, LLC

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Submission was delivered electronically this 18th day of May, 2021, to the following:

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PETITION OF DUKE ENERGY INDIANA,) LLC, SEEKING (1) APPROVAL OF AN) ONGOING REVIEW PROGRESS REPORT) PURSUANT TO IND. CODE CHAPTER 8-1-8.5) AND THE FINAL ORDERS IN CAUSE NOS.) 44734, 44767, AND 45002; AND (2)) AUTHORITY TO REFLECT COSTS) INCURRED FOR THE CRANE SOLAR) FACILITY, THE MARKLAND HYDRO) UPRATE PROJECT, THE CAMP) ATTERBURY MICROGRID, AND NABB) BATTERY PROJECT, THROUGH ITS) RENEWABLE ENERGY PROJECT RIDER,) STANDARD CONTRACT RIDER NO. 73) PURSUANT TO IND. CODE CHAPTER 8-1-8.8)	CAUSE NO. 44932 REP 3
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DUKE ENERGY INDIANA, LLC'S PROPOSED ORDER

Presiding Officers:

David Ober, Commissioner

David Veleta, Administrative Law Judge

On January 29, 2021, Duke Energy Indiana, LLC ("Petitioner" or "Duke Energy Indiana") filed a Petition with the Indiana Utility Regulatory Commission ("Commission") seeking approval of 1) its ongoing progress reports related to the Crane Solar Facility, Markland Hydro Uprate Project ("Markland Uprate Project"), Camp Atterbury Microgrid, and Nabb Battery project (jointly, "Clean Energy Projects"); (2) recovery of the costs for the Clean Energy Projects using the same ratemaking and accounting treatment that was approved in their respective orders; (3) the amounts included in Petitioner's Renewable Energy Project Rider, Standard Contract Rider No. 73 ("Renewable Rider" or "Rider 73") for recovery of the renewable energy project costs; (4) the value of the Clean Energy Projects investments as of September 30, 2020 on which Duke Energy Indiana is authorized to earn a return; and (5) the adjustment of the Petitioner's retail electric rates via Rider 73 to include the revenue effect of such investment and cost recovery. On that same day, Petitioner also filed its case-in-chief. Petitioner filed revised testimony and exhibits of Ms. Sieferman on February 10, 2021 and March 8, 2021.

The Indiana Office of Utility Consumer Counselor ("OUCC") filed its direct testimony and exhibits on April 14, 2021.

An evidentiary hearing was held on May 17, 2021 at 1:30 p.m. via WebEx. Counsel for Petitioner and the OUCC participated in the hearing. The evidence of both parties was admitted into the evidentiary record without objection.

Based upon the applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Due, legal and timely notice of the evidentiary hearing was given and published by the Commission. Petitioner is a public utility as defined in Ind. Code § 8-1-2-1, and requests relief pursuant to Ind. Code §§ 8-1-2-6.6, 8-1-2-6.8, 8-1-2-42(a), Ind. Code chs. 8-1-8.7 and -8.8, and 170 Ind. Admin. Code 4-6. The Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. **Petitioner's Characteristics.** Petitioner is a public utility organized and existing under the laws of the State of Indiana, and has its principal office at 1000 East Main Street, Plainfield, Indiana 46168. It is engaged in rendering electric utility service in the State of Indiana and owns, operates, manages, and controls, among other things, plant and equipment within the State of Indiana used for the production, transmission, delivery and furnishing of such electric service to the public.

3. **Background to this Proceeding.**

A. **Crane Solar Facility.** In its Order in Cause No. 44734 issued on July 6, 2016, the Commission found the Crane Solar Facility to be a clean energy project as defined under Ind. Code § 8-1-8.8-2 and issued a Certificate of Public Convenience and Necessity ("CPCN"). The Commission approved timely recovery of the costs and expenses incurred during the construction and operation of the Crane Solar Facility via Rider 73, including construction work in progress ("CWIP") ratemaking treatment, to be computed consistent with the methodology currently used to compute Petitioner's Standard Contract Rider Nos. 62 and 71; recovery of the costs of the investments via depreciation; and recovery of associated operating expenses, including operation and maintenance ("O&M"), payroll taxes, property taxes and property insurance costs. The Commission also authorized Petitioner to accrue post-in-service carrying costs (including accrual on previously computed post in-service carrying costs, compounded monthly on the retail jurisdictional portion) of the Crane Solar Facility's capital expenditures at Petitioner's allowance for funds used during construction ("AFUDC") rates once the project is placed in service until such expenditures and post-in-service carrying costs are recovered in the Petitioner's retail rates. Further, the Commission approved a new depreciation rate of 3.33% based on the expected 30-year life of the Crane Solar Facility until such time as a new depreciation rate is approved by the Commission in a future proceeding.

B. **Markland Uprate Project.** In its Order in Cause No. 44767, issued on December 14, 2016, the Commission found the Markland Uprate Project at the Markland Hydroelectric Generating Facility to be a clean energy project as defined in Ind. Code § 8-1-8.8-2 and issued a CPCN. The Commission authorized Petitioner to receive timely recovery of the associated construction (capped at the \$152 million initial estimate plus a 20% contingency, for a total of \$182.4 million) and operating expenses via Rider 73, including CWIP ratemaking treatment, recovery of the costs of the investment via depreciation, and recovery of associated operating costs. The Commission also approved deferral of costs in excess of the cost cap, excluding carrying costs, for consideration in a future retail base rate proceeding; the reduction of annual depreciation expense recovered on the Markland Uprate Project by the amount of

depreciation expense discontinued on corresponding components as retired; and a new depreciation rate of 2.5% based on the expected 40-year life of the Markland Hydroelectric Generating Facility until such time as a new depreciation rate is approved in a future proceeding.

C. Camp Atterbury Microgrid and Nabb Battery Project. In its Order in Cause No. 45002, issued on May 30, 2018, the Commission approved a Settlement Agreement between Duke Energy Indiana and the OUCC and determined the Camp Atterbury Microgrid and Nabb Battery projects were Clean Energy Projects, as that term is defined in Ind. Code § 8-1-8.8-2. The Commission authorized Duke Energy Indiana to timely recover the jurisdictional portion of the actual costs of constructing, owning, and operating the Camp Atterbury Microgrid and Nabb Battery, through Rider 73. The Commission also approved the deferral and accrual of a regulatory asset for post-in-service carrying costs, until the approved costs are recovered through a future retail base rate proceeding; approved the inclusion of the retail jurisdictional portion of depreciation expense and operating expenses; and authorized the use of a depreciation rate of 3.33% for the solar component of the Camp Atterbury Microgrid. For the battery storage plant portions, a depreciation rate of 8.33% was authorized for the cells and monitoring equipment, based on a 12-year expected life, and a depreciation rate of 4.00% was authorized for the other battery related equipment, based on a 25-year expected life. The Commission established project caps of \$14.5 million (excluding AFUDC) for the Camp Atterbury Microgrid and \$9.1 million (excluding AFUDC) for the Nabb Battery.

D. Renewable Rider Proceeding. On April 21, 2017, Duke Energy Indiana made its first filing for rates and charges to be approved under Rider 73 for the Clean Energy Projects. In that proceeding, Petitioner requested and received approval on September 13, 2017 of: (1) its ongoing progress reports related to the Crane Solar Facility and the Markland Uprate Project; (2) recovery of the costs for these renewable projects using the same ratemaking and accounting treatment that was approved in the respective orders; (3) the amounts included in the Renewable Project Rider for recovery of the renewable energy project costs; (4) the value of the renewable energy project investments as of December 31, 2016 on which Duke Energy Indiana is authorized to earn a return; (5) the adjustment of the Petitioner's retail electric rates via Rider 73 to include the revenue effect of such investment and cost recovery; and (6) the adjustment of Duke Energy Indiana's authorized return for purposes of Ind. Code § 8-1-2-42(d)(3) to reflect incremental earnings.

In its second filing, Cause No. 44932 REP 1, Duke Energy Indiana requested rates and charges to be approved under Rider 73 for the Crane Solar Facility and the Markland Uprate Project. Petitioner requested that the Commission approve: (1) its ongoing progress reports related to the Clean Energy Projects; (2) recovery of the costs for these renewable projects using the same ratemaking and accounting treatment that was approved in the respective orders; (3) the amounts included in the Renewable Project Rider for recovery of the renewable energy project costs; (4) the value of the renewable energy project investments as of September 30, 2017, on which Duke Energy Indiana is authorized to earn a return; and (5) the adjustment of the Petitioner's retail electric rates via Rider 73 to include the revenue effect of such investment and cost recovery. Petitioner also requested the Commission adjust Duke Energy Indiana's authorized return for purposes of Ind. Code § 8-1-2-42(d)(3) to reflect the incremental earnings that resulted from the

REP 1 filing upon Commission approval. The Commission approved Petitioner's request on June 27, 2018.

In its third filing, Cause No. 44932 REP 2, Duke Energy Indiana requested rates and charges to be approved under Rider 73 for the Crane Solar Facility, the Markland Uprate Project, and for the first time the Camp Atterbury Microgrid, and the Nabb Battery project. Petitioner requested that the Commission approve: (1) its ongoing progress reports related to the Clean Energy Projects; (2) recovery of the costs for these renewable projects using the same ratemaking and accounting treatment that was approved in the respective orders; (3) the amounts included in the Renewable Project Rider for recovery of the renewable energy project costs; (4) the value of the renewable energy project investments as of September 30, 2018, on which Duke Energy Indiana is authorized to earn a return; and (5) the adjustment of the Petitioner's retail electric rates via Rider 73 to include the revenue effect of such investment and cost recovery. Petitioner also requested the Commission adjust Duke Energy Indiana's authorized return for purposes of Ind. Code § 8-1-2-42(d)(3) to reflect the incremental earnings that resulted from the REP 2 filing upon Commission approval. The Commission approved Petitioner's request on June 26, 2019.

4. Relief Sought in this Proceeding. In this proceeding, Petitioner makes its fourth filing for rates and charges to be approved under Rider 73 for the Clean Energy Projects. Petitioner requests that the Commission approve: (1) its ongoing progress reports related to the Clean Energy Projects; (2) recovery of the costs for these renewable projects using the same ratemaking and accounting treatment that was approved in the respective orders; (3) the amounts included in the Renewable Project Rider for recovery of the renewable energy project costs; (4) the value of the renewable energy project investments as of September 30, 2020, on which Duke Energy Indiana is authorized to earn a return; and (5) the adjustment of the Petitioner's retail electric rates via Rider 73 to include the revenue effect of such investment and cost recovery. Petitioner is also requesting the Commission adjust Duke Energy Indiana's authorized return for purposes of Ind. Code § 8-1-2-42(d)(3) to reflect the incremental earnings that will result from this Rider 73 filing upon Commission approval.

5. Petitioner's Evidence. Petitioner presented the testimony and exhibits of Mark D. Sager, Manager Generation Engineering, Midwest Regional Services for Duke Energy Business Services LLC; James A. Hummel, II, Wholesale Renewable Manager for Duke Energy Business Services LLC; and Suzanne E. Sieferman, Director, Rates and Regulatory Planning for Duke Energy Indiana.

A. Mark D. Sager. Mr. Sager testified that the Commission approved the Markland Uprate Project as a clean energy project and granted Petitioner a CPCN for its construction, including timely recovery of the associated construction and operating expenses through Rider 73. The Commission also approved the estimate of \$152 million, including the contingency of \$21.6 million, subject to review in the annual Rider 73 filings. Petitioner was also authorized to defer any costs in excess of the \$182.4 million (without carrying costs) for consideration in Duke Energy Indiana's next retail base rate case.

Mr. Sager also explained that Duke Energy Indiana is required to provide testimony in its annual Rider 73 filings on the status of the utilization of the investment tax credits ("ITCs"), the

renewable energy credit (“REC”) market, and Duke Energy Indiana’s attempts to maximize the benefits of RECs for customers.

Mr. Sager explained that the Markland Uprate Project will overhaul and upgrade each of the three units with more modern and efficient options. The uprate and overhaul on Units 2 and 3 was completed in December 2018 and January 2020, respectively. The Unit 1 uprate which began in January 2020 is scheduled for completion in March 2021. It is anticipated that the changes will result in a 10% increase in energy output. Capacity is also expected to increase, but how much will be determined over the three years following installation of the upgraded turbines.

Mr. Sager explained that the overall cost estimate, provided on Petitioner’s Confidential Exhibit 1-B, has not changed, but some of the anticipated in-service dates have been updated since the most recent schedule was provided in Cause No. 44932 REP 2. He testified that Duke Energy Indiana has not increased the estimated cost, but that with any multi-year plan, he expects to see minor changes from ongoing impacts and refinements to the projects as a normal part of an ongoing construction program.

Mr. Sager testified that as of the September 30, 2020 cut-off date for this filing, actual costs were \$119.4 million, exclusive of AFUDC. He explained there will be O&M expenses associated with the Markland Uprate Project during each turbine outage and charges for inventory items associated with the original plant design that will not be compatible with the uprate project design. Miscellaneous expenses are also anticipated due to the work on the balance of plant projects.

Concluding his testimony, Mr. Sager testified that the Petitioner has not yet filed an application with the Public Utilities Commission of Ohio (“PUCO”) seeking to qualify all or a portion of Markland as a renewable energy resource because the project is not currently eligible for RECs. Petitioner intends to file an application with PUCO to try to qualify Markland as a renewable energy resource once the turbines are placed in-service.

B. James A. Hummel, II. Mr. Hummel testified regarding the Crane Microgrid Facility Feasibility Study (“Feasibility Study”) and provided an update on the Camp Atterbury and Nabb Battery Storage Projects, as well as an update on the Crane Battery project approved in the Company’s recent retail rate case in Cause No. 45253.

Mr. Hummel explained that in Cause No. 44734, Duke Energy Indiana agreed to study the feasibility of incorporating future grid-tied energy storage technologies for the purpose of maintaining electric services for critical loads in lieu of a cash payment for the site lease. He explained that the Feasibility Study was completed on August 30, 2018 and shared with the OUCC on September 5, 2018. Mr. Hummel summarized the findings of the Feasibility Study and explained that it serves as a guide for Petitioner and the Department of the Navy to develop a project plan to support additional energy infrastructure at NSA Crane, which will provide both bulk system and local reliability benefits. He testified that Duke Energy Indiana installed a 5 MW battery energy storage system (“BESS”) to support the bulk power system and enable microgrid capabilities which enhances energy resiliency for Crane. The BESS is a regulated grid-

asset owned and operated by Duke Energy Indiana, similar to the 17 MW solar facility on base. The BESS was placed in service in December 2020 and is located within the existing solar lease footprint.

Mr. Hummel next discussed that Petitioner has committed to installing remote operable switching capacity at Crane to further support the base's resiliency goals. It was verified through the Feasibility Study that the remote operable switching was consistent with the results and overall scope of work to enhance resiliency for NSA Crane. Work on the remote capable switch and its functioning with the BESS will continue into 2021.

Mr. Hummel described the maintenance activities required for the Crane Solar Facility. As stated in the Commission's Final Order in Cause No. 45253 the Crane Solar Facility was moved into Petitioner's base rates. He testified that Petitioner is reconciling O&M costs from October 2018 through July 2020 within this Rider for the final time.

Mr. Hummel testified the Crane Solar Facility has been producing power to the grid and provided the generation output for 2020. During this reporting period, no energy was directly purchased by NSA Crane from the Crane Solar Facility. He testified that during October 1, 2018 through September 30, 2020, Duke Energy Indiana realized proceeds, net of broker fees, from the sale of approximately 48,000 Crane Solar RECs totaling \$505,340.

Mr. Hummel testified that in Cause No. 45002, the Commission approved the Camp Atterbury Microgrid and Nabb Battery Storage Projects as clean energy projects. The Commission also approved: 1) the timely recovery of the associated construction and operating expenses through Rider 73; 2) the deferral of costs associated with the projects until such costs are reflected in retail rates and charges; 3) utilization of the new depreciation rates of 8.33% based on the expected 12-year life of the cells and monitoring equipment related to the battery storage plant portion of the projects; and 4.00% based on the expected 25-year life of the other battery-related equipment related to the battery storage plant portion of the Projects until such time as a new depreciation rate supported by a depreciation study is approved by the Commission; and 4) utilization of the 3.33% depreciation rate for the solar component of the Camp Atterbury Microgrid project. The Commission also found that future REC proceeds and ITCs shall be used to reduce the total Rider 73 revenue requirements.

Mr. Hummel also explained that Duke Energy Indiana is required to provide testimony in its annual Rider 73 filing on the competitive procurement and construction of the Camp Atterbury Microgrid and Nabb Battery Projects.

Mr. Hummel stated that in March 2018, a request for proposal ("RFP") was issued to fulfill technical and commercial requirements, and Duke Energy Indiana's financial and safety requirements, for the Camp Atterbury project. The Engineering, Procurement, Construction and O&M contracts were subsequently awarded to Doosan GridTech. Construction began in March 2019 and was placed in-service in November 2019. Mr. Hummel stated that as of September 30, 2020 incurred projects costs were approximately \$14,013,652. Per the Commission's Final Order in Cause No. 45253, the Camp Atterbury project was moved into base rates. There was one final

segment of the project not completed in 2020, related to the islanding function, which will continue to be included in Rider 73 until the Company's next retail base rate case.

An update on the Nabb Battery Project was also provided by Mr. Hummel. In March 2018, an RFP was issued to fulfill technical and commercial requirements, and safety and financial requirements. The Engineering, Procurement, Construction and O&M contracts were awarded to Doosan GridTech. Construction of the Nabb Battery Project began in June 2019 and was placed in-service in December 2020. Mr. Hummel stated that as of September 30, 2020, incurred projects costs were approximately \$7,632,761. Per the Commission's Final Order in Cause No. 45253, the Nabb Battery project was moved into base rates. There was one final segment of the project not completed in 2020, related to improving reliability at the Nabb Substation, which will continue to be included in Rider 73 until the Company's next retail base rate case.

C. Suzanne E. Sieferman. Ms. Sieferman testified regarding the recovery of costs associated with the Clean Energy Projects. She listed the ratemaking treatment that was approved by the Commission in Cause No. 44734 for Rider 73 and the impact of the Company's retail base rate case in Cause No. 45253 on Rider 73. Ms. Sieferman explained that Petitioner is seeking approval of the recovery of the Clean Energy Projects' cost using the same ratemaking and accounting treatment that was approved in the respective orders, as adjusted by the retail base rate case order in Cause No. 45253; the amounts included in Rider 73 for recovery of the renewable energy project costs; reconciliation adjustment for October 2018 through September 2020 expenses to the associated amounts collected from customers via Rider 73 during that same period; the value of the renewable energy projects investment on which Duke Energy Indiana is authorized to earn a return; adjustment of Petitioner's rates via Rider 73; and adjustment of Duke Energy Indiana's authorized return to reflect the incremental earnings resulting from Rider 73.

In developing the proposed Renewable Project Factors, Ms. Sieferman included the retail jurisdictional costs of (1) the capital investment in the renewable energy projects remaining in Rider 73 as of September 30, 2020 ("Cutoff Date"), which will be recovered via depreciation; (2) 12 months of return on the net book value (original investment less accumulated depreciation) of the included renewable energy projects as of the Cutoff Date; (3) the depreciation and operating expenses incurred for the remaining renewable energy projects through the Cutoff Date; (4) the depreciation and operating expenses forecasted to be incurred from July 1, 2021 through June 30, 2022, when the proposed factors will likely be in place; (5) amortization of costs associated with the Crane Solar Feasibility Study; (6) post-in-service carrying costs accrued for the Markland Uprate Project and the other in-service projects remaining in Rider 73 from October 2018 through the Cutoff Date. In addition, a credit for the net proceeds from sales of RECs from the Crane Solar Facility has been included.

Ms. Sieferman explained that Duke Energy Indiana used the Cutoff Date pursuant to its commitment in the Settlement Agreement approving the Crane Solar Facility. The Settlement Agreement called for the annual ongoing filings to use a September 30 cut-off with filings to be

made no later than January 31 of the subsequent year. For purposes of this filing, it is assumed that rates will be in effect beginning July 1, 2021 and the calculations have been adjusted accordingly.

Ms. Sieferman discussed the proposed Rider 73 tariff, including adjustments by retail rate group pursuant to Duke Energy Indiana's recent retail base rate case in Cause No. 45253.

Ms. Sieferman sponsored Petitioner's Exhibit 3-C and provided testimony regarding the capital investment in the remaining components of the Clean Energy Projects (those not in-service by December 31, 2020) as of the Cutoff Date, the development of the revenue requirement associated with the return on the capital investment, the revenue requirement associated with estimated and actual operating expenses for the periods of October 2018 through July 2020 and August 2020 through September 2020, respectively, detail for the actual depreciation and operating expenses from October 1, 2018 through September 30, 2020 period (as reduced by depreciation associated with retired components resulting from the Markland Uprate Projects), the development of the Renewable Project Factors, and the AFUDC rates used from October 2018 through September 2020 to accrue financing costs before the projects are placed in-service. Ms. Sieferman described the determination of the revenue conversion factors used to develop the revenue requirements.

Ms. Sieferman explained that pursuant to the Final Order in Cause No. 44734, revenues through Rider 73 for the Clean Energy Projects will continue to be collected until the Commission determines that the renewable energy projects are used and useful in a base rate case. Ms. Sieferman testified that should the Commission approve the proposed Rider 73 ratemaking, the bill of a typical residential customer using 1,000 kWh will increase by \$0.33, as compared to the total bill reflecting the rider rates as of the date her testimony was filed.

Ms. Sieferman further testified that, as previously approved, Duke Energy Indiana is continuing to request authority to defer costs on an interim basis until included in retail rates and to accrue post-in-service carrying costs for its Clean Energy Projects. She explained that this proposed deferred accounting treatment is in accordance with U.S. Generally Accepted Accounting Principles and is provided for in Ind. Code § 8-1-8.8-11 and that it is her opinion that deferral and subsequent recovery of the retail jurisdictional portion of the renewable energy projects costs until they can be included in Rider 73 or base rates is reasonable and appropriate from both a ratemaking and an accounting perspective.

She explained that the total costs incurred for the Feasibility Study as of the Cutoff Date were approximately \$259,000, with \$99,000 of that amount included in the last Rider 73 filing. She testified the remaining balance will be amortized over the remaining three years of the amortization period for recovery via Rider 73, as shown on Petitioner's Exhibit 3-C.

Ms. Sieferman explained that net proceeds resulting from the sale of any RECs associated with generation from the Crane Solar Facility will be returned to customers as an offset to the revenue requirement amounts in each Rider 73 filing. Duke Energy Indiana has taken steps to receive Ohio certification of the Crane Solar Facility and has been offering the Crane Solar RECs into the Ohio compliance market. For the October 2018 through September 2020 period,

Duke Energy Indiana realized proceeds, net of broker fees, totaling \$505,340 from the sale of approximately 48,000 RECs.

Ms. Sieferman testified that Markland's renewably-generated energy is not currently eligible to receive RECs. Duke Energy Indiana is uncertain whether completion of the Markland Uprate project may allow it to qualify all or a portion of Markland as an Ohio renewable energy resource for RECs in the future, but that it is Duke Energy Indiana's intent to file an application with PUCO as the upgraded turbines are placed in-service.

Continuing, Ms. Sieferman reported that as the Crane Solar Facility has been moved into base rates effective with the retail base rate case in Cause No. 45253, separate financial data is no longer available to provide in Rider 73, as previously required by the Settlement Agreement approved in Cause No. 44734.

Ms. Sieferman concluded her testimony by explaining that Petitioner is not currently in a position to utilize the ITC credits from the Crane Solar Facility, the Markland Uprate Project or the Camp Atterbury Microgrid Project, but that Duke Energy Indiana has committed to include the full ITC benefits associated with these projects in the Rider 73 filing over the lives of the associated renewable generation facilities as soon as Duke Energy Indiana is able to utilize the credits under applicable tax normalization rules. Ms. Sieferman explained that Duke Energy Indiana is unable at this time to determine exactly when it will be able to begin utilizing the ITC benefits associated with these projects, but that the current forecast indicates that it is not likely to begin until 2027 at the earliest. Ms. Sieferman testified that Duke Energy Indiana would provide an update in its next Rider 73 filing.

6. OUCC Testimony. The OUCC presented the testimony of Caleb R. Loveman and Anthony A. Alvarez, Utility Analysts in its Electric Division. Mr. Loveman reviewed Petitioner's proposed adjustments to Rider 73. He testified the Crane Solar Facility, Markland Uprate Project, and Clean Energy Project-specific charges comply with the Commission's Orders. He also testified Petitioner's construction costs as of the Cutoff Date for the Markland Uprate Project and Clean Energy Projects are within the cap amounts. Noting that Petitioner's proposed Rider 73 factors appear to be in compliance with the ratemaking approved in Cause Nos. 44734, 44767, 45002, and 45253, Mr. Loveman recommended the Commission approve implementing Petitioner's proposed Rider 73 adjustment factors.

Mr. Alvarez reviewed Petitioner's ongoing progress reports related to the Crane Solar Facility, Markland Uprate Project and Clean Energy Projects. He recommended the Commission approve the progress reports and that Petitioner continue to provide updated reports in future REP Rider 73 filings.

7. Commission Discussion and Findings. Based on the evidence presented, we find that Petitioner's requested relief in this proceeding is reasonable, consistent with regulatory requirements and prior Commission Orders, and should be approved. Specifically, costs and expenses through the Cutoff Date for the Clean Energy Projects shall be included in Petitioner's rates and charges for electric service in accordance with Duke Energy Indiana's Rider 73, as indicated in the direct testimony and exhibits of Ms. Sieferman.

Petitioner is authorized to recover its actual and forecasted O&M costs and depreciation expenses related to its Clean Energy Projects, in accordance with Duke Energy Indiana's Rider 73, as described in the testimony and exhibits of Ms. Sieferman.

In addition, Petitioner's ongoing review progress reports related to the Clean Energy Projects are approved. We find that the updated plans, construction cost estimates, and updated in-service dates for the Crane Solar Facility, Markland Uprate Project, and Camp Atterbury Microgrid and Nabb Battery Storage Projects as described in the testimonies of Mr. Sager and Mr. Hummel are reasonable and approved.

The approved rate class-specific factors as presented on Petitioner's Revised Exhibit 3-C, page 7 of 9, of Petitioner's Exhibit 3, are designed to collect \$8,993,129 from retail customers over a 12-month period. The impact of the proposed factor for Rider 73 on the monthly bill for a typical residential customer using 1,000 kWh will be an increase of \$0.33 from the total bill reflecting rider rates as of the date of this filing (January 29, 2021).

8. Confidential Information. Petitioner filed a Motion for Protection of Confidential and Proprietary Information with the Affidavits of Ms. Sieferman and Mr. Sager on February 1, 2021. The Presiding Officers granted the Motion in a February 9, 2021 Docket Entry, finding the information should be held confidential on a preliminary basis.

The Affidavits of Ms. Sieferman and Mr. Sager indicate that the confidential information has actual or potential independent economic value for Petitioner and its ratepayers, the disclosure of the confidential information could provide Petitioner's competitors and suppliers an unfair advantage, and Petitioner and its affiliate have taken all reasonable steps to protect the confidential information from disclosure. Accordingly, pursuant to Ind. Code §§ 5-14-3-4(a) and 8-1-2-29, we find that the confidential information is trade secret and excepted from public access and disclosure by the Commission.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Petitioner's proposed Rider 73, including recovery of O&M and depreciation expenses related to Petitioner's Clean Energy Projects, as reflected in the direct testimony and exhibits of Duke Energy Indiana is approved.
2. Prior to implementing the rates, Petitioner shall file the tariff and applicable rate schedules under this Cause for approval by the Commission's Energy Division. Such rates shall be effective on or after the order date subject to the Commission's Energy Division review and agreement with the amounts reflected.
3. Petitioner's ongoing review progress reports, including updated plans, cost estimates, and project in-service dates for the Clean Energy Projects, are approved.

4. The detailed cost estimate and actual expenditure information for construction of the Clean Energy Projects, including the detailed project schedule, and details of forecasted and actual operations and maintenance expenses, and the Nucor load and price information contained in Petitioner's testimony and exhibits are confidential trade secret information and therefore excepted from public access.

5. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, KREVDA, OBER, AND ZIEGNER CONCUR;

APPROVED:

**I hereby certify that the above is a true
and correct copy of the Order as approved.**

Dana Kosco
Secretary of the Commission