

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC)
SEEKING APPROVAL TO REFLECT COSTS)
INCURRED FOR THE EDWARDSPORT)
INTEGRATED GASIFICATION COMBINED)
CYCLE GENERATING FACILITY PROPERTY,)
INCLUDING POST-IN-SERVICE ONGOING)
CAPITAL EXPENDITURES, IN ITS RATES AND TO)
REFLECT APPLICABLE RELATED COSTS AND)
CREDITS, INCLUDING OPERATING EXPENSES,)
DEPRECIATION, TAX CREDITS,)
RECONCILIATION, AND CERTAIN 2016)
SETTLEMENT AGREEMENT PROVISIONS,)
THROUGH ITS STANDARD CONTRACT RIDER)
NO. 61 PURSUANT TO INDIANA CODE §§ 8-1-8.8-)
11 AND -12)

IURC
INTERVENOR'S -CAC
EXHIBIT NO. CX-4
12-14-18
DATE REPORTER

CAUSE NO. 43114 IGCC-17

OFFICIAL
EXHIBITS

**DUKE ENERGY INDIANA, LLC'S OBJECTIONS AND RESPONSES TO
CITIZENS ACTION COALITION'S SEVENTH SET OF DATA REQUESTS**

Petitioner, Duke Energy Indiana, LLC ("Duke Energy Indiana"), pursuant to 170 IAC 1-1.1-16 and the discovery provisions of Rules 26 through 37 of the Indiana Rules of Trial Procedure, by its counsel, hereby responds to Citizens Action Coalition's ("CAC") Seventh Set of Data Requests in the manner set forth below.

GENERAL OBJECTIONS

(a) The responses provided to the Requests have been prepared pursuant to a reasonable and diligent investigation and search for information requested. The responses reflect the information obtained before this date by Duke Energy Indiana's respective representatives pursuant to a reasonable and diligent search and investigation conducted in connection with the Requests in those areas where information is expected to be found. To the extent that the requests purport to require more than a reasonable and diligent search and investigation, Duke Energy Indiana objects on the grounds that include an undue burden or unreasonable expense.

(b) Duke Energy Indiana objects to the Requests to the extent the Requests seek documents or information which are neither relevant nor material to the subject matter of proceeding and which are not reasonably calculated to lead to the discovery of relevant or admissible evidence.

(c) Duke Energy Indiana objects to these Requests to the extent the Requests seek an analysis, calculation, or compilation which has not already been performed and which Duke Energy objects to performing.

(d) Duke Energy Indiana objects to the Requests to the extent the Requests are vague and ambiguous and provide no basis from which Duke Energy Indiana can determine what information is sought.

(e) Duke Energy Indiana objects to the Requests to the extent they seek to discover information or the production of documents that contain confidential, competitive or proprietary information. Duke Energy Indiana is willing to make such information and/or documents available subject to appropriate protection. If such confidential, competitive, or proprietary information belongs to third parties, Duke Energy Indiana will seek the cooperation of such third party or parties and endeavor to make such information available, subject to appropriate protection.

(f) Duke Energy Indiana objects to the Requests to the extent they seek information that is subject to the attorney-client, work product, settlement negotiation or other applicable privileges.

(g) Duke Energy Indiana objects to the Requests to the extent they use terms such as “any,” “each,” “every,” “all,” “complete,” and similar terms as being unduly burdensome. To the extent that an individual request is not otherwise objectionable, Duke Energy Indiana will perform a good faith, reasonable search for responsive information or documents requested.

(h) Duke Energy Indiana objects generally to the “Instructions” section or provisions of the Requests. In answering the Requests, Duke Energy Indiana will comply with the rules and practice of the Indiana Utility Regulatory Commission.

(i) Duke Energy Indiana objects generally to the Requests to the extent that any such request purports to require Duke Energy Indiana to produce voluminous documents on the ground that each such request is unduly burdensome. Responses which are voluminous in nature will be made available for review at Duke Energy Indiana’s corporate offices in Plainfield, Indiana to the extent practicable.

(j) Duke Energy Indiana objects to the Requests to the extent they purport to require Duke Energy Indiana to supply information in a format other than the format in which Duke Energy Indiana keeps such information.

(k) Duke Energy Indiana objects to the Requests to the extent they purport to require Duke Energy Indiana to identify each person providing each instance or information or each document and the witness who can answer questions relative to each response; such a request is unduly burdensome and may be irrelevant. Notwithstanding this general objection, Duke Energy Indiana will, in some cases, attempt to identify its witnesses who are generally knowledgeable about the subject of each response and/or who may be primarily responsible with regard to a certain subject area.

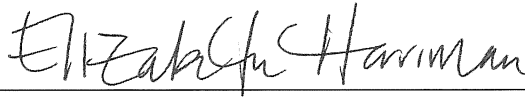
(l) Duke Energy Indiana assumes no obligation to supplement these responses except to the extent required by Ind. Tr. R. 26(E).

Without waiving these objections, Duke Energy Indiana responds to the Requests in the following attachments.

Dated this 5th day of December, 2018.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

By: 
Elizabeth A. Herriman
Counsel for Duke Energy Indiana, LLC

Kelley A. Karn, Atty. No. 22417-29
Elizabeth A. Herriman, Atty. No. 24942-49
Duke Energy Business Services LLC
1000 East Main Street
Plainfield, Indiana 46168
Telephone: (317) 838-6877
Fax: (317) 838-1842
kelley.karn@duke-energy.com
beth.herriman@duke-energy.com

Request:

Reference DEI witness Gurganus' Rebuttal Testimony at page 12, lines 13-20.

- a. Reference the statement found at lines 16-17 that "90% of the generation supply in MISO is supported by cost-of-service ratemaking."
 - (1) Please define with specificity the terms "generation supply" (e.g., by unit type, name, size), "in MISO" (e.g., by specific state jurisdiction(s) or total footprint) and "supported by cost-of-service ratemaking" (e.g., by cost-of-service category(ies)).
 - (2) Please state with specificity the time period(s) for which Mr. Gurganus asserts this statement as further defined in subsection (1) to be accurate as a matter of fact.
 - (3) For the time period(s) identified in subsection (2), please identify with specificity the state jurisdiction(s) "in MISO" by name for which Mr. Gurganus asserts this statement to be accurate as a matter of fact.
 - (4) For the time period(s) identified in subsection (2), please identify with specificity the state jurisdiction(s) and/or generation category(ies) which comprise the 10% or less of "generation supply" which is *not* "supported by cost-of-service ratemaking" and please explain how that generation *is* supported.
 - (5) Please provide copies of the workpapers and/or other source documents on which Mr. Gurganus relies for the accuracy of this statement and the responses in subsections (1) - (4).
- b. Reference the statement found at lines 17 and 18 that "investment decisions [for the 90% or more of generation supply supported by cost-of-service ratemaking] are made hand-in-hand with state regulators to support long term planning objectives."
 - (1) Please define with specificity the terms "investment decisions" (e.g., generation unit construction, modification, and/or retirement), "made hand-in-hand with state regulators" (e.g., formally approved in contested proceedings or by other designated means), and "to support long term

planning objectives” (e.g., established by state statute or by other designated means).

- (2) Please identify with specificity the time period(s) for which Mr. Gurganus asserts this statement as further defined in subsection (1) to be accurate as a matter of fact.
 - (3) For the time period(s) identified in subsection (2), please identify with specificity the state jurisdiction(s) “in MISO” for which Mr. Gurganus asserts this statement to be accurate as a matter of fact.
 - (4) Please provide copies of the workpapers and/or other source documents on which Mr. Gurganus relies for the accuracy of this statement and responses in subsections (1) - (3).
- c. Reference the statement found at lines 18 and 19 that “[t]he result is that the majority of costs are recovered through rates (and not through markets).”
- (1) Please define with specificity the terms “majority,” “costs,” “through rates,” and “through markets”.
 - (2) Please state with specificity the time period(s) for which Mr. Gurganus asserts this statement as further defined in subsection (1) to be accurate as a matter of fact.
 - (3) For the time period(s) identified in subsection (2), please identify with specificity the state jurisdiction(s) “in MISO” for which Mr. Gurganus asserts this statement to be accurate as a matter of fact.
 - (4) Please provide copies of the workpapers and/or other source documents on which Mr. Gurganus relies for the accuracy of this statement and responses in subsections (1) - (3).

Objection:

Duke Energy Indiana objects to this request as overbroad, vague and ambiguous, particularly the portion of the request seeking us to “define”, “state” or “identify with specificity” various terms.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows: The Company’s responses to 7.1 refer to two documents:

- A 2018 whitepaper by ICF titled “Another Year of Depressed Capacity Prices in MISO.” See Attachment CAC 7.1-A.

- A MISO presentation dated April 13, 2018 titled “2018/2019 Planning Resource Auction Results.” See Attachment CAC 7.1-B.

a.

(1) “generation supply” refers to a resource that clears the MISO Planning Reserve Auction (PRA) capacity market.

“MISO” refers to all of MISO

“supported by cost-of-service ratemaking” means the mechanism by which investments and costs are supported outside of the MISO markets.

(2) The time period is the past 4 MISO Planning Reserve Auctions of 2015/16, 2016/17, 2017/18, and 2018/19, as referenced specifically in the ICF whitepaper.

(3) “in MISO” refers to the state regulatory jurisdictions in the MISO footprint.

(4) See Attachment CAC 7.1-A, second paragraph on page 2 beginning with “Similar to past auctions....”

See Attachment CAC 7.1-B, page 10, Total Committed line. As an example, for the 2018/2019 PRA, Zone 4 and approximately 10% of Zone 7 = 8,927 MW + 2,180 MW = 11,107 MW, which is 8.2% of the total MISO PRA load procured of 135,179 MW.

(5) See Attachment CAC 7.1-A and CAC 7.1-B.

b.

(1) “investment decisions” refers to generation construction, purchases, maintenance, additions, retirements.

“made hand-in-hand with state regulators” refers to investment decisions reviewed and approved by state regulatory commissions.

“to support long-term planning objectives” refers to investment decisions being supported by integrated resource plan modeling.

(2) Generally speaking, generation within MISO was approved over the last 50 years or more by state regulatory commissions. More specifically, the time period reviewed for the statement was the past 4 MISO Planning Reserve Auctions of 2015/16, 2016/17, 2017/18, and 2018/19.

(3) “in MISO” refers to state jurisdictions within MISO

(4) See Attachment CAC 7.1-A and CAC 7.1-B

c.

(1) See Attachment CAC 7.1-A. Since “90% of the generation supply in MISO is supported by cost-of-service ratemaking,” this represents a majority.

“Costs” are any expense incurred to build, maintain, and operate a generation resource.

“Market” means the MISO energy market, as referenced in Mr. Schlissel’s testimony.

(2) The time period is the past 4 MISO Planning Reserve Auctions of 2015/16, 2016/17, 2017/18, and 2018/19.

(3) “in MISO” refers to state jurisdictions within MISO.

(4) See Attachment CAC 7.1-A and CAC 7.1-B

CAC
IURC Cause No. 43114 IGCC-17
Data Request Set No. 7
Received: November 30, 2018

CAC 7.2

Request:

Reference DEI witness Gurganus' rebuttal testimony at page 6, lines 14 to 16.

- a. Please identify each calendar year from 2013 through 2018 for which the Edwardsport IGCC achieved "auxiliary load as a percentage of gross output for all syngas production at 59 degrees F of 22%" (or less).
- b. Please provide copies of the workpapers and/or other source documents on which Mr. Gurganus relies for the accuracy of the response in subsection (a).

Objection:

Duke Energy Indiana objects to this Request on the grounds that it seeks an analysis that Duke Energy Indiana hasn't performed and to which it objects to performing. Duke Energy Indiana also objects to this request as vague, ambiguous and mischaracterizing Mr. Gurganus's rebuttal testimony.

CAC
IURC Cause No. 43114 IGCC-17
Data Request Set No. 7
Received: November 30, 2018

CAC 7.3

Request:

Reference Mr. Gurganus' rebuttal testimony at page 6, lines 17 through 19, and page 7, lines 1 through 3. Then reference the Company's Confidential Attachments 1.26-A and 4.2-A responding to CAC Discovery Requests 1.26 and 4.2, respectively.

- a. Please identify with specificity by page(s) and lines the testimony of CAC witness Schlissel rebutted by the referenced testimony of Mr. Gurganus;
- b. Admit that a comparison of the offers for the Edwardsport IGCC reported in Columns I, J and K for the MISO Day Ahead Market and Columns R, S and T for the MISO Real Time Market and Column AC for Actual Net Generation for each day and hours in Calendar Years 2017 and 2018 shows the data to be accurately described in Mr. Schlissel's referenced testimony; and
- c. If the response to subsection (b) is anything other than an unqualified admission, please explain in detail the qualification(s) or exception(s).

Objection:

Duke Energy Indiana objects to this request as vague and ambiguous, particularly the reference to "Mr. Schlissel's referenced testimony" without further explanation or definition.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows:

- a. Please refer to CAC Exhibit 1-C in IURC Cause No. 43114 IGCC-17, page 23, lines 12-13: "...the data provided by Duke suggests that MISO dispatched Edwardsport below its maximum offer many hours of the year."
- b. Assuming "Mr. Schlissel's referenced testimony" is intending to refer to the Company's response to subpart (a) above, deny.
- c. Due to the units low incremental cost, Edwardsport is typically dispatched near its full load maximum capability and has only been "dispatched down" by MISO on a very limited number of occasions while operating on syngas.

CAC
IURC Cause No. 43114 IGCC-17
Data Request Set No. 7
Received: November 30, 2018

CAC 7.4

Request:

Reference Mr. Gurganus' rebuttal testimony at page 9, lines 1 to 11, regarding Edwardsport operating performance to date.

- a. Please identify with specificity by page(s) and lines the testimony of CAC witness Schlissel rebutted by the referenced testimony of Mr. Gurganus;
- b. Admit that the one chart offered by Mr. Gurganus in support of his referenced rebuttal testimony does not show any erroneous data in the multiple charts and tables offered by Mr. Schlissel in support of his referenced testimony;
- c. Admit that the substantive basis of Mr. Gurganus' rebuttal testimony is not that Mr. Schlissel's data is erroneous but that Edwardsport is unique and thus its operating performance to date cannot be reasonably compared to any other generating facility;
- d. If the response to subsections (b) and/or (c) is anything other than an unqualified admission, please explain in detail the qualification(s) or exception(s).

Objection:

Duke Energy Indiana objects to this Request to the extent it seeks the Company to perform a study or analysis it has not performed and to which it objects performing. Duke Energy Indiana also objects to subpart (c) of this request as not reasonably calculated to lead to admissible evidence in this proceeding and also objects to CAC summarizing Mr. Gurganus's entire rebuttal into one phrase.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows:

- a. CAC Exhibit 1-C, pages 13-14, 23-23 and CAC Exhibit 2-C, page 27.
- b. Deny. The chart in Mr. Gurganus's rebuttal provides information relevant to Mr. Schlissel's testimony. It does not speak to the accuracy of Mr. Schlissel's charts/tables, nor does it purport to. To the extent this request is seeking Mr. Gurganus to validate the data in Mr. Schlissel's testimony, see above objection.

- c. Deny. See above objection.
- d. See the Company's responses to subparts (b) and (c) above.

Request:

Reference Mr. Gurganus' rebuttal testimony at page 11, lines 20 to 22, through p. 12, lines 1 to 20, regarding Edwardsport's cost performance to date.

- a. Please identify with specificity by page(s) and lines the testimony of CAC witness Schlissel rebutted by the referenced testimony of Mr. Gurganus;
- b. Admit that the Mr. Gurganus does not offer any charts, graphs or other data in support of his referenced testimony to show any erroneous data in the charts and tables offered by Mr. Schlissel in support of his referenced testimony;
- c. Admit that the substantive basis of Mr. Gurganus' rebuttal testimony is not that Mr. Schlissel's cost data is erroneous but that its accurately reported cost data for other generation are "apples" to Edwardsport's "oranges";
- d. If the response to subsections (b) and/or (c) is anything other than an unqualified admission, please explain in detail the qualification(s) or exception(s);
- e. Please identify with specificity the cost data for other generation which, if accurately reported, Mr. Gurganus would consider to be "apples to apples" for Edwardsport; and
- f. Please provide a summary of Mr. Gurganus' education, other professional training, and professional experience which qualifies him as an expert witness with respect to the cost metrics appropriate to the evaluation of the "reasonableness" of the "marginal" and "all-in" costs of Edwardsport generation.

Objection:

Duke Energy Indiana objects to this request to the extent it seeks the Company to perform a study or analysis it has not performed and to which it objects performing. Duke Energy Indiana also objects to this request as not reasonably calculated to lead to admissible evidence in this proceeding.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows:

- a. CAC Exhibit 1-C, pages 26-37 and CAC Exhibit 2-C, pages 19-24.
- b. Deny. Mr. Gurganus's rebuttal provides information relevant to Mr. Schlissel's testimony. It does not speak to the accuracy of Mr. Schlissel's charts/tables, nor does it purport to. To the extent this request is seeking Mr. Gurganus to validate Mr. Schlissel's data in his testimony, see above objection.
- c. Deny. To the extent this request is seeking Mr. Gurganus to validate Mr. Schlissel's data in his testimony, see above objection.
- d. See the Company's responses to subparts (b) and (c) above.
- e. See objection. In addition, please see Mr. Gurganus's rebuttal in this proceeding.
- f. Mr. Gurganus provided a summary of his educational and professional experience in his direct testimony in this proceeding. Mr. Gurganus's position stated in his testimony is based on that experience.