

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC PURSUANT TO)
IND. CODE §§ 8-1-2-42.7 AND 8-1-2-61, FOR (1) AUTHORITY TO)
MODIFY ITS RATES AND CHARGES FOR ELECTRIC UTILITY)
SERVICE THROUGH A MULTI-STEP RATE)
IMPLEMENTATION OF NEW RATES AND CHARGES USING A)
FORECASTED TEST PERIOD; (2) APPROVAL OF NEW)
SCHEDULES OF RATES AND CHARGES, GENERAL RULES)
AND REGULATIONS, AND RIDERS; (3) APPROVAL OF)
REVISED ELECTRIC DEPRECIATION RATES APPLICABLE TO)
ITS ELECTRIC PLANT IN SERVICE, AND APPROVAL OF)
REGULATORY ASSET TREATMENT UPON RETIREMENT OF)
THE COMPANY'S LAST COAL-FIRED STEAM GENERATION) CAUSE NO. 46038
PLANT; (4) APPROVAL OF AN ADJUSTMENT TO THE)
COMPANY'S FAC RIDER TO TRACK COAL INVENTORY)
BALANCES; AND (5) APPROVAL OF NECESSARY AND)
APPROPRIATE ACCOUNTING RELIEF, INCLUDING)
AUTHORITY TO: (A) DEFER TO A REGULATORY ASSET)
EXPENSES ASSOCIATED WITH THE EDWARDSPOINT)
CARBON CAPTURE AND SEQUESTRATION STUDY, (B))
DEFER TO A REGULATORY ASSET COSTS INCURRED TO)
ACHIEVE ORGANIZATIONAL SAVINGS, AND (C) DEFER TO)
A REGULATORY ASSET OR LIABILITY, AS APPLICABLE,)
ALL CALCULATED INCOME TAX DIFFERENCES RESULTING)
FROM FUTURE CHANGES IN INCOME TAX RATES.)

NUCOR'S REPLY TO DUKE'S RESPONSE TO
NUCOR'S OBJECTION TO DUKE'S COMPLIANCE FILING - STEP 1

Intervenor Nucor Steel-Indiana, a division of Nucor Corporation ("Nucor"), by counsel, submits this Reply to Duke Energy Indiana ("DEI" or "Duke")'s Response to Nucor's Objection to Duke Energy Indiana's Compliance Filing – Step 1 ("Compliance Filing") as follows:

1. Pursuant to the Indiana Utility Regulatory Commission's ("Commission") Final Order issued in this Cause on January 29, 2025 ("Final Order"),¹ Duke's approved rate increase "shall take place over two steps we have described and, subject to the

¹ As amended by the *Nunc Pro Tunc Order of the Commission* issued in this Cause on February 3, 2025.

compliance filings, shall be calculated to produce jurisdictional operating revenues and net income at each step...”. Final Order at 85.

2. The Final Order also stated that “we find that a 25% subsidy reduction, constrained such that no specific rate class experiences an increase that is more than 25% higher than the overall increase, is reasonable *and shall be reflected in compliance filings submitted in this proceeding.*” *Id.* at 101. (emphasis supplied). And the Final Order also noted that “[t]he numbers are subject to refinement pending the division reviewed and approved order directed compliance filings of Ordering Paragraph 2.” *Id.* at 136 n.19
3. Duke submitted its Compliance Filing – Step 1 which purports to reflect Nucor’s approved rates and estimated charges, pursuant to the Final Order.
4. Duke has the burden of proof to show that its Compliance Filing, including as it pertains to Nucor’s prospective rates and charges, comports with and, is in compliance with the Final Order. This includes but is not limited to the data provided with the Compliance Filing attachments, confidential attachments, and highly confidential attachments. Nucor is not responsible for nor had input as to the contents of Duke’s Compliance Filing.
5. Nucor believes that Duke’s Compliance Filing is incorrect as to its own prospective approved rates and estimated charges and is inconsistent with the Commission’s Final Order.
6. Duke’s suggested approach of approving rates subject to refund² that are the subject of objections does not substantively address (i) its Compliance Filing’s potential errors,

² See, Duke’s Response to Nucor’s Objection ¶¶ 5-6.

- (ii) the appropriate Commission vehicle by which Nucor is permitted to raise issues with Duke's Compliance Filing, or (iii) Duke's resolution of any errors. Additionally, implicit in Duke's suggested approach of "subject to refund" is that Duke then shifts *its* burden of proving the compliance filing comports with the Commission's Final Order to Nucor; the obligation however remains with Duke.
7. On February 18, 2025, Nucor filed its Motion for Clarification and Reconsideration ("Motion") with respect to aspects of the Final Order as it relates to Nucor and Duke's Compliance Filing including a requested time period to review. Nucor incorporates by reference the Motion's arguments here.³
8. Concurrently, Duke filed its Verified Petition for Rehearing and Reconsideration, or, alternatively, Commission Clarification and/or Modification ("Verified Petition"). By Duke's own Verified Petition, it asserts an inconstancy in the Final Order and requests modifications thereto.
9. Duke's Motion states that its Step 1 Compliance Filing (the subject of Nucor's objection here) contains adjustments that it believes should also be reflected in the Final Order – meaning that the "as filed" Compliance Filing – Step 1, does not comport with the Commission's Final Order.⁴ In other words, the Compliance Filing that Duke made was submitted in the format and substance that Duke believes it is entitled to under the Order *rather than what the Order states*.⁵

³ See, Nucor's Motion for Clarification and Reconsideration.

⁴ See, Duke's Verified Petition for Rehearing and Reconsideration, or, alternatively, Commission Clarification and/or Modification ¶ 4.

⁵ *Id.* "Duke Energy Indiana is attaching hereto, as Attachment 1, a redlined version of proposed changes to the Rate Order. *These changes are consistent with the adjustments identified and explained in Exhibit 1 of the Step 1 Compliance Filing*" (emphasis supplied).

10. Therefore, by Duke's own admission, its Compliance Filing does not reflect the Commission-issued Final Order and therefore is incorrect, irrespective of and in addition to the issues that Nucor has raised in its Objection.

WHEREFORE, for the foregoing reasons, Nucor respectfully requests it be permitted additional time to review Duke's "as filed" rates as contained in its Step 1 Compliance Filing and that Duke be required, through confidential filings, *to correct* its Compliance Filing as it pertains to Nucor's approved rates and estimated charges and comports to the Commission's Final Order.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a copy of the foregoing document was served via electronic mail, this 20th day of February, 2025:

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