

OFFICIAL
EXHIBITS

FILED
October 4, 2019
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA,)
LLC FOR APPROVAL OF (1) AN)
ADJUSTMENT TO ITS RATES THROUGH ITS)
STANDARD CONTRACT RIDER NO. 66-A)
FOR DEMAND SIDE MANAGEMENT AND)
ENERGY EFFICIENCY PROGRAM COST)
RECOVERY, INCLUDING RECONCILIATION)
OF COSTS IN ACCORDANCE WITH THE)
FINAL ORDERS IN CAUSE NOS. 43955, 43955)
DSM-1, 43955 DSM-2, 43955 DSM-3, 43955 DSM-)
4, 43955 DSM-5 AND 43955 DSM- 6)

CAUSE NO. 43955 DSM-7

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PETITIONER'S
EXHIBIT NO. 4
1-16-20 DATE REPORTER AT

PETITION

Duke Energy Indiana, LLC ("Duke Energy Indiana" or "Company"), by counsel, petitions the Indiana Utility Regulatory Commission ("Commission") for approval of an adjustment to its rates through Duke Energy Indiana's Standard Contract Rider No. 66-A ("Rider 66-A" or "EE Rider") recovering the costs associated with its Demand Side Management ("DSM")/Energy Efficiency ("EE") Programs, as approved most recently in Cause No. 43955 DSM-6 with rate factors to be effective with the first billing cycle for the billing month following the Commission Order. In support of this Petition, Duke Energy Indiana states the following:

1. Petitioner's Corporate and Regulated Status. Petitioner is an Indiana limited liability company 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, among others, to engage, and it is engaged, 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 I.C. § 8-1-2-1 *et seq.* Petitioner is also an “electricity supplier” as provided for in Ind. Code § 8-1-8.5-10. Petitioner is a second tier wholly-owned subsidiary of Duke Energy Corporation.

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. Duke Energy Indiana directly supplies electric energy to approximately 830,000 customers located in 69 counties in the central, north central and southern parts of the State of Indiana. Petitioner also sells electric energy for resale to a municipal utility, Wabash Valley Power Association, Inc., Indiana Municipal Power Agency and to other public utilities that in turn supply electric utility service to numerous customers in areas not served directly by Petitioner.

3. **Relief Sought.** In this proceeding, Duke Energy Indiana is requesting approval of updated EE Rider adjustment factors to be billed to customers. The proposed factors update the EE Rider factors to reflect the reconciliation of 2018 actual costs and energy savings achievements with amounts billed to customers in 2018 in accordance with previous Commission Orders. This filing will also include re-reconciliations for the application of EM&V to lost revenue recovery for 2015, 2016, and 2017.

In addition, Duke Energy Indiana requests continued authority to defer the over and under recoveries of projected DSM/EE Program costs, pending reconciliation in subsequent rider periods and approval to defer any costs incurred in implementing the DSM/EE programs prior to the time the Commission issues an Order authorizing Duke Energy Indiana to recognize these costs through the ratemaking process.

4. **Previous Proceedings Relevant to this Filing.** Counsel for Duke Energy Indiana considers the following Final Orders in previous proceedings to be relevant to this filing:

- Cause No. 43955, which approved programs for 2012 and 2013 and recovery of program costs, performance incentives and lost revenues for three (3) years.
- Cause No. 43955 DSM-1 (“DSM-1”), in which the Commission approved a Settlement Agreement between Duke Energy Indiana and the Indiana Office of Utility Consumer Counselor (“OUCC”). The approved Settlement Agreement modified the basic paradigm in Cause No. 43955. DSM-1 approved programs for 2014 and lost revenues for the life of the measure dating back to 2012. Duke Energy Indiana also agreed to reconcile estimated lost revenues with actual lost revenues with evaluation, measurement and verification (“EM&V”) applied retrospectively to the previous reconciled period for each program.
- Cause No. 43955 DSM-2 (“DSM-2”), in which the Commission approved a Settlement Agreement between Duke Energy Indiana and the OUCC for 2015 programs. The approved Settlement Agreement made minor modifications to the Settlement Agreement approved in DSM-1, including changes to the calculation of 2015 performance incentives.
- Cause No. 43955 DSM-3 (“DSM-3”), in which the Commission approved under Ind. Code § 8-1-8.5-9 (“Section 9”), Duke Energy Indiana’s portfolio of programs for 2016-2018, but did not grant a performance incentive and limited the recovery of lost revenues for programs approved in DSM-3 to four (4) years. Performance incentives and lost revenues approved in previous proceedings were unchanged.

- Cause No. 43955 DSM-4 (“DSM-4”), in which the Commission approved under Ind. Code § 8-1-8.5-10 (“Section 10”), a revised 3-year portfolio of energy efficiency programs consistent with its 2015 Integrated Resource Plan (“IRP”) consisting of programs to be offered during calendar years 2017–2019, program cost recovery, lost revenues for the life of the measure and a shared savings performance incentive. The rates proposed in this filing are consistent with the Order in DSM-4.
- Cause No. 43955 DSM-5 (“DSM-5”), in which the Commission approved revised rates for calendar year 2018 (year 2 of the 3-year plan approved in DSM-4).
- Cause No. 43955 DSM-6 (“DSM-6”), in which the Commission approved revised rates for calendar year 2019 and reconciliation of 2017 DSM program costs, lost revenues and performance incentives and of prior year reconciliations.

5. **Applicable Law.** Counsel for Duke Energy Indiana considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-2-10, 12, 14, 23, and 42, and Ind. Code ch. 8-1-8.5, in addition to 170 IAC 4-8-1 et seq., among others, are, or may be, applicable to the subject matter of this Petition.

6. **Petitioner’s Counsel.** Melanie D. Price and Andrew J. Wells, 1000 East Main Street, Plainfield, Indiana 46168, are counsel for Duke Energy Indiana in this matter and are duly authorized to accept service of papers in this Cause on behalf of Duke Energy Indiana.

7. **Procedural and Other Matters.** Duke Energy Indiana is filing its case-in-chief contemporaneously with its Petition, including direct testimony, exhibits and workpapers.

Pursuant to 170 IAC 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, Duke Energy Indiana requests the Commission promptly conduct a prehearing conference and preliminary hearing to establish a procedural schedule in this Cause.

WHEREFORE, Duke Energy Indiana respectfully requests that the Commission promptly publish notice, make such investigation and hold such hearings as are necessary and advisable, and thereafter make and enter an Order in this Cause:

(i) Authorizing and approving the requested EE Rider Adjustment, as set forth in the Testimony and Exhibits of Duke Energy Indiana witnesses Karen K. Holbrook and Kathryn C. Lilly, which includes the reconciliation of 2018 DSM program costs, lost revenues and performance incentives and of prior year re-reconciliations in accordance with the Commission's Orders;

(ii) Authorizing and approving the requested EE Rider Adjustment to become effective with the beginning of the first billing cycle for the first full billing month following a Commission Order; and

(iii) Granting Duke Energy Indiana such other and further relief in the premises as may be appropriate and proper.

Respectfully submitted,

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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 4th day of October, 2019, to:

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