

**SETTLEMENT TESTIMONY OF JEFFREY R. BAILEY
DIRECTOR, PRICING AND ANALYSIS
DUKE ENERGY BUSINESS SERVICES LLC
ON BEHALF OF DUKE ENERGY INDIANA, LLC
CAUSE NO. 44963 BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Jeffrey R. Bailey, and my business address is 1000 East Main Street,
3 Plainfield, Indiana 46168.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC as Director, Pricing and
6 Analysis. In this capacity, I provide various administrative services for Duke
7 Energy Indiana, LLC ("Petitioner", "Duke Energy Indiana" or the "Company"),
8 and other affiliated Duke Energy companies.

9 **Q. ARE YOU THE SAME JEFFREY BAILEY THAT PRESENTED DIRECT**
10 **AND REBUTTAL TESTIMONY IN THIS PROCEEDING?**

11 A. Yes, I am.

12 **Q. WHAT IS THE PURPOSE OF YOUR SETTLEMENT TESTIMONY?**

13 A. The purpose of my testimony is to explain the costs and ratemaking provisions of
14 the Settlement Agreement entered into between the Indiana Office of Utility
15 Consumer Counselor ("OUCC"), Citizens Action Coalition ("CAC"), and Janet
16 Glennon and other similarly situated concerned Duke Energy Indiana Customers
17 ("CDEIC") (collectively, the "Settling Parties"), and attached as an exhibit to the
18 settlement testimony of Company witness Mr. Justin Brown.

JEFFREY R. BAILEY

1 **Q. WHAT RATEMAKING PROVISIONS WERE AGREED TO IN THE**
2 **SETTLEMENT AGREEMENT?**

3 A. The Settling Parties agreed to allow Duke Energy Indiana to defer up to \$150,000
4 of AMI opt-out related IT costs, with carrying costs calculated at Duke Energy
5 Indiana's AFUDC rate, for subsequent recovery in Duke Energy Indiana's next
6 retail base rate case.

7 **Q. HOW DID THE SETTLING PARTIES COME TO \$150,000 IN AMI OPT-**
8 **OUT COSTS?**

9 A. As part of the negotiations, Duke Energy Indiana agreed to remove the IT costs
10 from both its one-time and monthly fee structure. Because these are necessary
11 costs to effectuate the AMI opt-out program and the program is available to all
12 customers within the classes described in my direct testimony, the Settling Parties
13 agreed to deferral treatment for these costs.

14 **Q. DO YOU BELIEVE THAT THE PROPOSED DEFERRAL IS IN THE**
15 **PUBLIC INTEREST?**

16 A. Yes, I do. The deferral is part of an interrelated package that the Settling Parties
17 agreed to at arms-length during extensive negotiations.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE**
19 **SETTLEMENT AGREEMENT?**

20 A. Yes.

VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Signed: Jeffrey R. Bailey Dated: 3/8/2018
Jeffrey R. Bailey