

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC)
FOR APPROVAL OF A NEW ELECTRIC)
SUPPLY AGREEMENT WITH STEEL) CAUSE NO. 45466
DYNAMICS, INC. ARISING FROM)
OPERATION OF THE BAR STEEL MILL IN)
PITTSBORO, INDIANA)

PETITIONER’S VERIFIED MOTION
ON AN EXPEDITED BASIS FOR INTERIM ORDER

Duke Energy Indiana, LLC (“Duke Energy Indiana”, “Petitioner” or “Company”) by counsel, and pursuant to 170 IAC 1-1.1-12 and Ind. Code § 8-1-2-72, respectfully moves the Commission to allow for the continuation of the current SDI Electric Supply Agreements’ rates, charges, terms, and conditions, as approved in Cause No. 44662. In support of this Verified Motion, Duke Energy Indiana states as follows:

Background

On January 14, 1998, in Cause No. 40893, the Commission approved an Electric Supply Agreement negotiated between the Company and Qualitech for the provision of electricity, the lease of the on-site electric substation to Qualitech, the establishment of confidential procedures, along with the approval of a special agreement between the Company and Hendricks County REMC (now known as Hendricks Power Cooperative) whereby the Company was authorized to be the electricity supplier for the new Qualitech bar mill located in Pittsboro, Indiana (“Pittsboro Plant”).

Operation of the Pittsboro Plant requires a large supply of oxygen and other industrial gases. To provide a supply of oxygen and other industrial gases to the Pittsboro Plant, Air Liquide America Corporation (“Air Liquide”) located a new oxygen manufacturing facility within the

Qualitech industrial site. Accordingly, the Company and Air Liquide executed a special contract for the provision of electricity, which was approved on July 8, 1998, in Cause No. 41150.

While Qualitech did construct the bar mill, commercial operation was for a limited time and Qualitech soon filed for bankruptcy protection. After sitting vacant for approximately three years, the Pittsboro Plant was purchased by Steel Dynamics, Inc. (“SDI”) in 2002. In 2004, SDI commenced operation of the significantly improved the Pittsboro Plant, obtaining its oxygen supply from the on-site Air Liquide facility.

To facilitate the economic development expected to arise from the SDI operation and to meet the Pittsboro Plant’s anticipated electric load of up to 100 MW of demand, SDI and the Company entered into negotiations and agreed upon an Electric Supply Agreement. The term of that contract was three years from the latter of Commission approval or commercial operation of the Pittsboro Plant. On May 12, 2004, the Commission issued an Order in Cause No. 42565 approving the Electric Supply Agreement (as amended April 13, 2004) and establishing confidential procedures for certain information provided to the Commission. As a result, the Electric Supply Agreement was to terminate as of May 12, 2007.

Prior to the expiration of that three-year Electric Supply Agreement, the Company and SDI engaged in good faith, arms-length negotiations regarding a subsequent Agreement. As a result of those negotiations, the Parties agreed on a one-year extension of the Electric Supply Agreement. On May 9, 2007, in Cause No. 43243, the Commission approved the one-year extension of the Electric Supply Agreement and again provided protection of confidential information. Such Electric Supply Agreement expired in May 2008 and SDI began receiving electric service under the Company’s Standard Rate HLF and participated in the Company’s PowerShare[®] program.

The Company and SDI continued their negotiations and executed a new Electric Supply Agreement on June 25, 2009 (“2009 Agreement”), which was approved by the Commission on October 21, 2009 in Cause No. 43737. The 2009 Agreement provided for a three-year term with opportunity for two one-year automatic extensions upon notice to the Commission. On April 18, 2012, the Company and SDI filed a Notice of Contract Extension with the Commission and noted therein that they were working on certain modifications to the 2009 Agreement. The Company and SDI negotiated a new November 30, 2012 Addendum to the SDI Electric Supply Agreement (“2012 Addendum”), concerning the provisions governing electric utility service to the Pittsboro Plant. The 2012 Addendum was approved by the Commission in Cause No. 44279, on June 19, 2013, and will expire October 31, 2015.

The prior special contract between the Company and Air Liquide was terminated by mutual agreement in 2008 and Air Liquide then began service under its otherwise applicable tariff, Rate HLF. The Company and Air Liquide negotiated a November 30, 2012 Electric Supply Agreement which was also approved in Cause No. 44279 on June 19, 2013. That Agreement also expired on October 31, 2015. The Company and Air Liquide have negotiated a new 2015 Addendum to the current Electric Supply Agreement (“2015 A.L. Addendum”) (The 2009 Electric Service Agreement, 2012 Addendum, 2015 SDI Addendum, and 2015 A.L. Addendum are collectively referred to as the “SDI/A.L. Electric Supply Agreements”). The Commission approved the 2015 Addendum and 2015 A.L. Addendum on January 13, 2016, in Cause No. 44662. The current SDI Electric Supply Agreements are set to expire on December 31, 2020.

Petitioner and SDI have extensively negotiated in good faith concerning the rates, charges, terms, and conditions of a replacement electric supply agreement, and have concluded it is in their mutual best interests that a new Electric Supply Agreement be reached and filed with the

Commission for approval. Petitioner and SDI are diligently working towards finalization of a new Electric Supply Agreement but will be unable to file it before December 31, 2020.

Interim Relief

Duke Energy Indiana requests that the Commission expeditiously approve an Interim Order extending the current SDI Electric Supply Agreements' terms, as approved in Cause No. 44662, for the period prior to issuance of a Final Order in this Cause, as the current SDI Electric Supply Agreements will expire December 31, 2020. Such extension is reasonable as the parties have made diligent efforts to timely enter into a new Electric Supply Agreement, but nevertheless will be unable to file it prior to the expiration of the existing agreement. Extending the current Electric Supply Agreements will not adversely affect the adequacy or reliability of service to any of Petitioner's other customers nor alter any of Petitioner's other existing rates or contracts. Duke Energy Indiana further requests the Interim Order expire upon the issuance of a Final Order in this Cause or Petitioner's withdrawal of this Petition.

No Waiver

Duke Energy Indiana proposes the Commission approval of this Verified Motion and requested interim relief shall be without waiver of any position any party, including Duke Energy Indiana and SDI, may take with respect to the Petition for approval of new Electric Service Agreement that will be filed in this Cause.

Supporting Declaration

1. This Verified Motion is supported by the Verified Declaration of Roger A. Flick, Manager, Rates and Regulatory Strategy for Duke Energy Indiana, LLC, who is responsible for development of strategies, policies and the evaluation related to the Electric Service Agreement between Duke Energy Indiana and SDI.

2. Counsel for SDI and the Indiana Office of Consumer Counselor have authorized Duke Energy Indiana to indicate that it does not oppose this Verified Motion, or the relief requested herein.

WHEREFORE, Duke Energy Indiana hereby respectfully requests that this Verified Motion promptly be granted; conduct such hearing as may be necessary or appropriate; and thereafter issue an Order granting Duke Energy Indiana the relief sought, and all other appropriate relief as may be appropriate.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

By:



Counsel for Petitioner

Andrew J. Wells, Attorney No. 29545-49
Kelley A. Karn, Attorney No. 22417-29
Duke Energy Business Services LLC
1000 East Main Street
Plainfield, IN 46168
Telephone: (317) 838-1318
Fax: (317) 838-6001
andrew.wells@duke-energy.com
kelley.karn@duke-energy.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was electronically delivered this 15th day of December, 2020, to the following:

Randall C. Helmen
Lorraine Hitz-Bradley
Office of Utility Consumer Counselor
115 W. Washington Street
Suite 1500 South
Indianapolis, IN 46204
rhelmen@oucc.IN.gov
lhitzbradley@oucc.IN.gov
infomgt@oucc.IN.gov

Courtesy Copy:
Robert K. Johnson
2454 Waldon Dr.
Greenwood, IN 46143
rjohnson@utilitylaw.us

By:



Counsel for Petitioner

Andrew J. Wells, Attorney No. 29545-49
Kelley A. Karn, Attorney No. 22417-29
Duke Energy Business Services LLC
1000 East Main Street
Plainfield, IN 46168
Telephone: (317) 838-1318
Fax: (317) 838-6001
andrew.wells@duke-energy.com
kelley.karn@duke-energy.com

**AFFIDAVIT OF
ROGER A. FLICK**

COMES NOW Roger A. Flick, being duly sworn, and deposes and says:

1. My name is Roger A. Flick. I am employed by Duke Energy Indiana, LLC as Manager, Rates and Regulatory Strategy. My business address is 1000 East Main Street, Plainfield, Indiana 46168.

2. This Affidavit is being filed with the Indiana Utility Regulatory Commission (“Commission”) in support of Duke Energy Indiana, LLC’s Verified Motion on an Expedited Basis for Interim Order.

3. This Affidavit will address the current status of negotiations between Duke Energy Indiana and Steel Dynamics, Inc. (“SDI”) regarding the new Electric Service Agreement.

4. As Manager, Rates & Regulatory Strategy, I am familiar with Duke Energy Indiana’s Electric Supply Agreements and other customer-specific contracts. The Electric Supply Agreement and certain Duke Energy Indiana testimony exhibits and workpapers to be submitted in this Cause will reflect terms regarding costs, pricing-related information, and other negotiated, competitive provisions of service that were negotiated between Duke Energy Indiana and SDI.

5. The current SDI Electric Service Agreements (“ESAs”) are set to expire on December 31, 2020, in accordance with the Commission’s Final Order in Cause No. 44662.

6. Duke Energy Indiana and SDI have continuously negotiated, in good faith, a new Electric Service Agreement.

7. An Interim Order is needed to maintain consistency between the current SDI Electric Service Agreements and the soon to be filed new Electric Service Agreement. Due to the recent Final Order in Cause No. 45253 and the COVID-19 global pandemic, negotiations between

Duke Energy Indiana and SDI have continued into late 2020. The anticipated conclusion of negotiations will not allow the Company to receive Commission approval of a new Electric Service Agreement before the termination of the current SDI Electric Service Agreements. Rather than punitively forcing SDI off the current ESA rates and charges, the Company is requesting an Interim Order to continue the current ESA into 2021, until a Final Order is issued in this Cause or the accompanying Petition is withdrawn.

8. I believe Duke Energy Indiana's request for an Interim Order is in the public interest. Commission approval for Duke Energy Indiana to continue the current SDI Electric Service Agreement, pending a Final Order in this Cause, is beneficial to the Company, SDI, and Duke Energy Indiana customers.

[Affirmation Page to Follow]

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: 
Roger A. Flick

Dated: 12/15/2020