ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND **ELECTRIC COMPANY** d/b/a **VECTREN ENERGY** DELIVERY OF INDIANA, INC. ("VECTREN SOUTH") FOR ISSUANCE OF A OF **PUBLIC** CERTIFICATE **CONVENIENCE** AND NECESSITY **FOR** THE CONSTRUCTION OF A COMBINED CYCLE GAS TURBINE GENERATION FACILITY ("CCGT"); (2) APPROVAL OF ASSOCIATED RATEMAKING **AND** ACCOUNTING TREATMENT; (3) ISSUANCE OF A CERTIFICATE OF **CONVENIENCE NECESSITY PUBLIC** AND **COMPLIANCE PROJECTS** TO MEET **FEDERALLY** MANDATED REQUIREMENTS ("CULLEY 3 COMPLIANCE PROJECT"); (4) AUTHORITY TO TIMELY RECOVER 80% OF THE COSTS INCURRED DURING CONSTRUCTION AND OPERATION OF THE CULLEY 3 COMPLIANCE PROJECTS THROUGH VECTREN SOUTH'S ENVIRONMENTAL COST ADJUSTMENT MECHANISM; (5) AUTHORITY TO CREATE REGULATORY ASSETS TO RECORD (A) 20% OF THE REVENUE REQUIREMENT FOR COSTS, INCLUDING CAPITAL, OPERATING, MAINTENANCE, DEPRECIATION, TAX AND FINANCING COSTS ON THE CULLEY 3 COMPLIANCE PROJECT WITH CARRYING COSTS AND (B) POST-IN-SERVICE ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION, BOTH DEBT AND EQUITY, AND DEFERRED DEPRECIATION ASSOCIATED WITH THE CCGT AND CULLEY 3 COMPLIANCE PROJECT UNTIL SUCH COSTS ARE REFLECTED IN RETAIL ELECTRIC RATES: (6) ONGOING REVIEW OF THE CCGT: (7) AUTHORITY TO IMPLEMENT A PERIODIC ADJUSTMENT MECHANISM FOR RECOVERY OF COSTS DEFERRED IN ACCORDANCE WITH THE ORDER IN CAUSE NO. 44446; AND (8) AUTHORITY TO ESTABLISH DEPRECIATION RATES FOR THE CCGT AND CULLEY 3 COMPLIANCE PROJECT ALL UNDER IND. CODE §§ 8-1-2-6.7, 8-1-2-23, 8-1-8.4-1 ET SEO, 8-1-8.5-1 ET SEO., AND 8-1-8.8 -1 ET SEQ.

CAUSE NO. 45052

APPROVED: APR 1 1 2018

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PREHEARING CONFERENCE ORDER OF THE COMMISSION

Presiding Officers:

David E. Ziegner, Commissioner

David E. Veleta, Senior Administrative Law Judge

On March 20, 2018, Southern Indiana Gas and Electric Company d/b/a Vectren South Delivery of Indiana, Inc. ("Petitioner") filed its petition with the Indiana Utility Regulatory Commission ("Commission") in this matter.

Pursuant to notice and as provided for in 170 IAC 1-1.1-15, a Prehearing Conference in this Cause was held in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana, at 9:30 a.m., on April 3, 2018. Proofs of publication of the notice of the Prehearing Conference have been incorporated into the record and placed in the official files of the Commission. Petitioner, Citizens Action Coalition of Indiana, Valley Watch, Inc., Indiana Coal Council, Vectren Industrial Group, Sunrise Coal, LLC, St. Joseph Energy Center, and the Indiana Office of Utility Consumer Counselor ("OUCC") appeared and participated at the Prehearing Conference. The pending petitions to intervene filed by Vectren Industrial Group, Sunrise Coal, LLC, and St. Joseph Energy Center were granted on the record, without objection.

Prior to the opening of the record and with the consent of all parties in attendance, an informal discussion was held regarding procedural and scheduling matters in this Cause. The agreement of the parties was then read into the record.

Based upon the agreement of the parties, the Commission now enters the following Findings and Order which shall become a part of the record in this proceeding:

- 1. <u>Petitioner's Prefiling Date</u>. Petitioner filed with the Commission its prepared testimony and exhibits constituting its case-in-chief on March 20, 2018.
- 2. <u>OUCC's and Intervenors' Prefiling Date</u>. The OUCC and all Intervenors shall prefile with the Commission the prepared testimony and exhibits constituting their respective cases-in-chief on or before August 10, 2018. Copies of same shall be served upon all parties of record.
- 3. <u>Petitioner's Rebuttal Prefiling and Cross-Answer Prefiling</u>. Petitioner shall prefile with the Commission its prepared rebuttal testimony and the OUCC and any Intervenors shall prefile with the Commission their respective cross-answer testimony on or before September 10, 2018. Copies of same shall be served upon all parties of record.
- 4. <u>Witness Order.</u> Parties shall submit their intended order of witnesses to the Commission and the parties in writing at least 72 hours in advance of the evidentiary hearing.
- 5. Evidentiary Hearing on the Parties' Cases-In-Chief. In the event this Cause is not settled, the cases-in-chief of the Petitioner, the OUCC, and any Intervenors shall be presented in an evidentiary hearing to commence at 9:30 a.m. on October 9, 2018, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At such time, the direct evidence of the respective parties shall be presented and their respective witnesses examined. Thereafter, Petitioner shall present its prefiled rebuttal evidence as well as any additional evidence rebutting

evidence adduced on cross-examination of the OUCC's or Intervenors' witnesses. If the parties reach settlement, the agreement and supporting testimony and exhibits shall be submitted to the Commission ten business days prior to the evidentiary hearing.

- 6. Sworn Testimony. Any witness testimony to be offered into the record of this proceeding shall be made under oath or affirmation. In accordance with 170 IAC 1-1.1-18(h), if the prefiled testimony of a witness is to be offered into evidence at the evidentiary hearing, and the witness sponsoring the prefiled testimony is not required to, and does not, attend the evidentiary hearing, the prefiled testimony shall be accompanied by the witness's sworn affidavit or written verification at the time the evidence is offered into the record.
- 7. <u>Discovery</u>. Discovery is available for all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten calendar days of the receipt of such request. Following the filing of rebuttal, any response or objection to a discovery request shall be made within five business days. In all cases, discovery requests received after 6:00 p.m. will be deemed received on the next business day.
- 8. <u>Prefiling of Working Papers</u>. When prefiling technical evidence with the Commission, each party shall file a copy of the working papers used to produce that evidence within two business days after the prefiling of such technical evidence. The working papers shall be filed in accordance with the User Manual referenced in General Administrative Order 2016-2. Copies of same shall also be served on the other parties to this Cause.
- 9. <u>Number of Copies/Corrections</u>. Filings with the Commission shall comply with General Administrative Order 2016-2. Any corrections to prefiled testimony shall be made in writing as soon as possible after discovery of the need to make such corrections.
- 10. Objections to Prefiled Testimony and Exhibits. Any objections to the admissibility of prefiled testimony or exhibits shall be filed with the Commission and served on all parties of record as soon as an objection can be reasonably determined, but no less than ten days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.
- 11. <u>Intervenors</u>. Any party permitted to become an Intervenor in this Cause shall be bound by the record as it stands at the time its Petition to Intervene is granted, pursuant to 170 IAC 1-1.1-11.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The determinations of the Prehearing Conference set forth in this Order are made a part of the record in this Cause and shall be binding on all present and future parties of record during the proceedings of this Cause.

This Order shall be effective on and after the date of its approval. 2.

HUSTON, FREEMAN, OBER, WEBER, AND ZIEGNER CONCUR:

APPROVED:

APR 1 1 2018

I hereby certify that the above is a true and correct copy of the Order as approved.

Mary M. Becerra Secretary of the Commission