

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 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)
EDWARDSPORT 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.)

CAUSE NO. 46038

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PUBLIC'S EXHIBIT NO. 7
TESTIMONY OF OUCC WITNESS
ROOPALI SANKA

July 11, 2024

Respectfully submitted,



Thomas R. Harper
Atty. No. 16735-53
Deputy Consumer Counselor

TESTIMONY OF OUCC WITNESS ROOPALI SANKA
CAUSE NO. 46038
DUKE ENERGY INDIANA, LLC.

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Roopali Sanka, and my business address is 115 West Washington
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed as a Utility Analyst in the Indiana Office of Utility Consumer
6 Counselor's ("OUCC") Electric Division. A summary of my educational
7 background and experience is included in Appendix A attached to my testimony.

8 **Q: What is the purpose of your testimony?**

9 A: I provide results of my analysis regarding Duke Energy Indiana, LLC's ("Duke,"
10 or "Petitioner") reliability metrics and Duke's proposed transmission and
11 distribution ("T&D") expense related to Major Event Day ("MED") storms. Based
12 on my analysis, I recommend Duke reduce its T&D expense related to MEDs from
13 its proposed amount of \$15.6 million to \$9.2 million.

14 **Q: Please describe the review and analysis you conducted to prepare your**
15 **testimony.**

16 A: I reviewed the Petition, relevant portions of Petitioner's case-in-chief, and
17 Petitioner's responses to OUCC data requests relating to the issues I address. Also,
18 I researched and reviewed the Indiana Utility Regulatory Commission's
19 ("Commission") latest "Investor-Owned Utilities ["IOUs"] Reliability Report Data
20 for 2022," Duke's Electric Reliability Reports from 2015 through 2023, and the
21 Final Order in Duke's last rate case (Cause No. 45253). Finally, I participated in

1 case meetings and discussions with other OUCC staff.

2 **Q: If you do not address a specific topic, issue, or item in your testimony, should**
3 **it be construed to mean you agree with Duke's proposal?**

4 A: No. My silence on any issue should not be construed as an endorsement. Also, my
5 silence in response to any actions or adjustments stated or implied by Petitioner
6 should not be construed as an endorsement.

II. RELIABILITY

7 **Q: What reliability performance indices do Indiana investor-owned utilities**
8 **("IOUs") report to the Commission?**

9 A: The reliability performance indices all five Indiana IOUs use are: System Average
10 Interruption Frequency Index ("SAIFI"),¹ System Average Interruption Duration
11 Index ("SAIDI"),² and Customer Average Interruption Duration Index ("CAIDI").³
12 These reliability indices are among the most commonly used to report to state
13 public utility commissions across the United States.

14 **Q: What does the observable data demonstrate regarding Duke's reliability**
15 **metrics in relation to MEDs?**

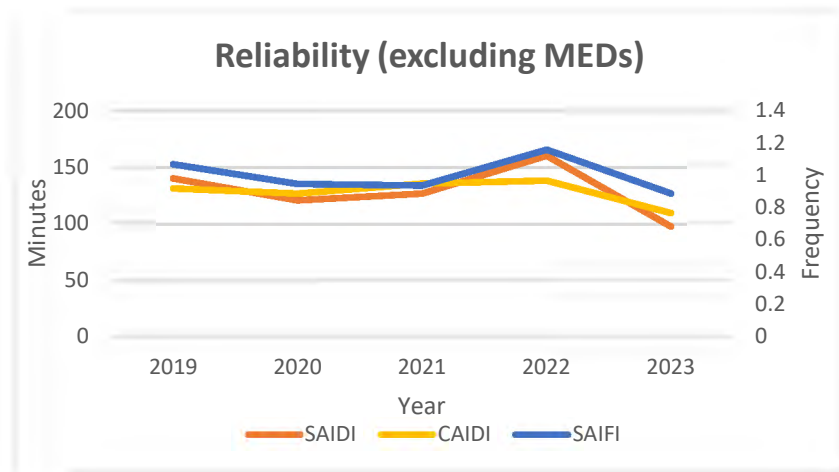
16 A: The chart below shows Duke's annual reliability metric for non-major event days
17 (day-to-day operation) between the years 2019-2023. Duke's reliability metrics
18 have shown improvement since 2019.

¹ SAIFI is the average number of interruptions a customer would experience. Cause No. 45253, Duke Energy Indiana, LLC Performance Metric Report, 2023, pp. 8-10.

² SAIDI is the average outage duration of interruptions for each customer served. *Id.*

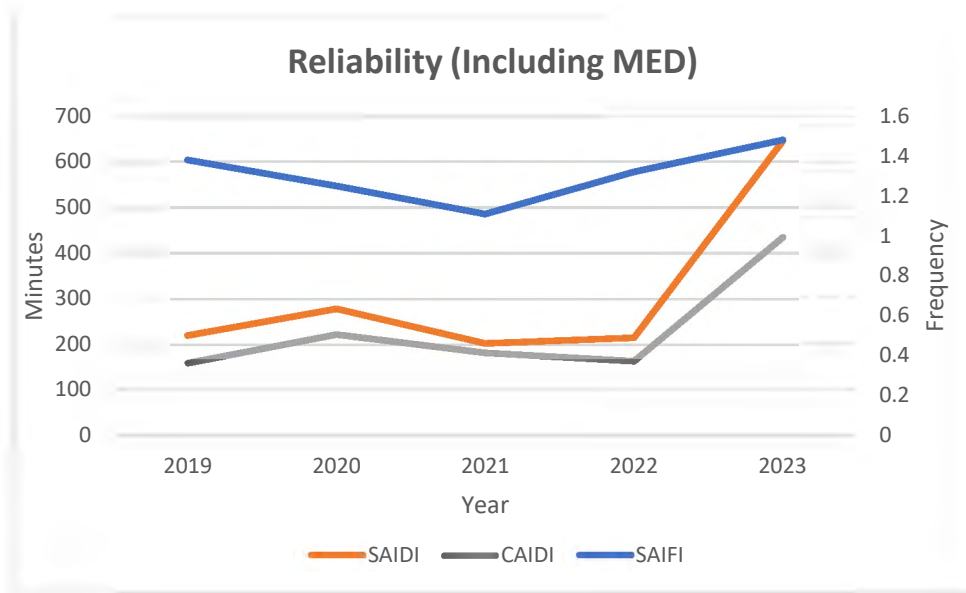
³ CAIDI is the average outage duration for customers that experienced a sustained outage (average restoration time). *Id.*

Chart 1⁴



1 The chart below shows Duke's reliability metric, including major event days, from
2 2019 through 2023.

Chart 2⁵



3 On June 29, 2023, a large portion of Duke's service territory experienced a derecho

⁴ Cause No. 45253, Duke Energy Indiana, LLC Performance Metrics Report (2023) and Appendix to the 2023 Performance Metrics Report (Tab 2023 DEI Metric Report Appendix).

⁵ *Id.*

1 event resulting in five consecutive MEDs in 2023 and a spike in the SAIDI, SAIFI,
2 and CAIDI metrics. The spike indicates a substantial increase in the duration,
3 frequency, and average duration of power interruptions experienced by Duke's
4 customers. This significant increase reflected in its reliability metrics is both
5 expected and notable given the severity of the event, and factoring in the large size
6 of Petitioner's service territory and number of customers it serves. Furthermore,
7 OUCC witness Michael Eckert also addresses reliability in his discussion of the
8 Five Pillars of Electric Utility Service.

III. MED STORM TRANSMISSION AND DISTRIBUTION EXPENSE

9 **Q: Did Petitioner make an adjustment to its T&D expense resulting from MED**
10 **storms?**

11 A: Yes. For the years 2024 and 2025, which includes Duke's Test Year, Duke
12 forecasted annual operations and maintenance ("O&M") expense of \$12.7 million
13 for MED storms.⁶ However, Duke is also proposing a *pro forma* adjustment to
14 increase the annual forecasted O&M Test Year expense from \$12.7 million to \$15.6
15 million.⁷ This amount was calculated by averaging the five-year historical period
16 (2019-2023) of Duke's MED storm T&D expenses.⁸ Table 1 below shows Duke's
17 annual MED storm-related expenses incurred (\$ in Millions).⁹

⁶ Petitioner's Exhibit No. 23, Verified Direct Testimony of Harley McCorkle, p. 32, ll. 1-6.

⁷ *Id.*

⁸ McCorkle Direct, p. 31, Table 9.

⁹ *Id.*

Table 1

Year	Distribution	Transmission	Total	% Variance from prior year
2019	\$ 14.7	\$ 0.5	\$ 15.2	
2020	\$ 9.0	\$ 1.0	\$ 10.0	-34%
2021	\$ 6.4	\$ 0.3	\$ 6.7	-33%
2022	\$ 4.8	\$ 0.1	\$ 4.9	-27%
2023	\$ 40.0	\$ 1.4	\$ 41.4	745%
5-Year Average	\$ 15.0	\$ 0.7	\$ 15.6	

1 **Q: How did Petitioner calculate its adjusted forecasted Test Year storm- expense?**

2 A: Duke separately adjusted both transmission and distribution storm-related costs for
3 the forecasted period to reflect the historical average costs based on a five-year
4 average from 2019 through 2023.¹⁰

5 **Q: Why was Duke's 2023 T&D expense significantly higher than the prior years,**
6 **as shown in Table 1?**

7 A: The June 29, 2023, derecho resulted in significantly higher T&D expenses for
8 Duke. Meteorologists describe a derecho as “a widespread, long-lived windstorm
9 that is associated with a band of rapidly moving thunderstorms.”¹¹ There was a
10 significant rise in outage activity, primarily caused by the extreme weather due to
11 the derecho, that resulted in five consecutive MEDs in 2023.¹² Table 2 below shows

¹⁰ McCorkle Direct, p. 32, ll. 1-6.

¹¹ <https://www.weather.gov/lmk/derecho>

¹² Cause No. 45253, Duke Energy Indiana, LLC Performance Metrics Report (2023), p. 2.

1 the total number of MEDs experienced by Duke in the last five years and shows
 2 2023 had the greatest number of MEDs resulting from storms. Table 2 below
 3 includes the storm classifications with level three storms producing the most
 4 extensive damage.¹³

Table 2¹⁴

Storm Level	2019	2020	2021	2022	2023
Level 1	6	5	5	8	6
Level 2	8	3	1	2	4
Level 3	0	1	1	1	2
# of MEDs	9	6	4	3	11

5 **Q: Do you consider 2023 to be an outlier for MEDs resulting from storms?**

6 A: Yes. Table 2 demonstrates that the median number of MEDs for the past five years
 7 is six and demonstrates that 2023 is an outlier. As shown in Table 3 below, Duke
 8 has experienced an average of 6.67 MEDs per year over the last nine years. The
 9 year 2023 had 11 MEDs, which is atypical when compared to Duke's historical
 10 data and is almost double the typical number of MEDs in an average year.
 11 Therefore, 2023 is an outlier both as to the number of MEDs and the related T&D
 12 expenses for MED storms.

Table 3¹⁵

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average
# of MED	6	4	10	7	9	6	4	3	11	6.666667

¹³ McCorkle Direct, p. 30, ll. 2-12.

¹⁴ McCorkle Direct, p. 30, Table 8.

¹⁵ Cause No. 45253: Appendix to the 2023 Performance Metrics Report (tab 2023 DEI Metric Report Appendix), l. 17.

1 **Q: Do you agree with Duke's proposed T&D expense for MED storms?**

2 A: No. Although I agree that it is reasonable to normalize storm-related costs, the five-
3 year period Petitioner used in this Cause contains the 2023 outlier and is not
4 representative of normal T&D MED expense. As shown in Table 1, there was an
5 increase of \$35.2 million or a 733% increase from 2022 to 2023's O&M MED
6 storm distribution expense.¹⁶ The variance between Duke's total 2023's O&M
7 MED storm transmission and distribution expense as compared to the five-year
8 average is 165%. Additionally, the difference between the four-year average (2019-
9 2022) excluding the outlier year and the five-year average O&M MED storm
10 transmission and distribution expense is 350%.

11 **Q: How do you propose to establish the normalized level of storm related costs to**
12 **be included in Test Year O&M expense?**

13 A: Excluding 2023, due to it being an outlier year, results in more representative
14 normalized storm costs. Therefore, the normalized storm costs should be based on
15 the average level of expenses for the four-year period 2019 through 2022. The
16 OUCC's proposed Test Year annual T&D expenses related to MED storms is \$9.2
17 million, which is the four-year (2019-2022) historical average of Duke's MED
18 storm expenses.

IV. RECOMMENDATIONS

19 **Q: Please summarize your recommendations to the Commission in this Cause.**

20 A: The OUCC recommends Duke's *pro forma* test year T&D expense for MED storms
21 be \$9.2 million instead of Duke's proposed \$15.6 million, which is a *pro forma*

¹⁶ Table 1: 2023 Distribution expense (\$40.0M) – 2022 Distribution expense (\$4.8M) = \$35.2M; \$35.2M / \$4.8M = 733%.

1 reduction of \$6.4 million to its proposed pro-forma test year operating expense.

2 **Q: Does this conclude your testimony?**

3 A: Yes.

APPENDIX TO TESTIMONY OF
OUCW WITNESS ROOPALI SANKA

1 **Q: Please describe your educational background and experience.**

2 A: I hold a bachelor's degree in Energy Engineering from Indiana University Purdue
3 University of Indianapolis. In August 2022, I began my employment with the
4 OUCW as a Utility Analyst II in the electric division and work on demand side
5 management ("DSM"); evaluation, measurement, & verification; certificates of
6 public convenience and necessity. Additionally, I attended Scott Hempling's
7 'Fundamentals of Utility Law' course in the first quarter of 2023, and I attended
8 energy related conferences, which focus on the current and future challenges facing
9 the energy market.

10 **Q: Have you previously testified before the Indiana Utility Regulatory**
11 **Commission?**

12 A: Yes.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Roopali Sanka
Utility Analyst II
Indiana Office of Utility Consumer Counsel
Cause No. 46038
DEI, LLC

Date: July 11, 2024

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 7 Testimony of OUCC Witness Roopali Sanka* has been served upon the following counsel of record in the captioned proceeding by electronic service on July 11, 2024.

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