

BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION

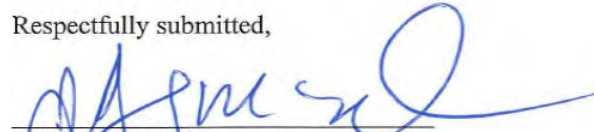
PETITION OF DUKE ENERGY INDIANA, LLC)
FOR APPROVAL OF: (1) ITS DEMAND SIDE)
MANAGEMENT AND ENERGY EFFICIENCY)
PLAN FOR 2024-2026, INCLUDING ENERGY)
EFFICIENCY PROGRAMS AND DEMAND)
RESPONSE PROGRAMS; (2) ACCOUNTING AND)
RATEMAKING TREATMENT, INCLUDING)
TIMELY RECOVERY OF ASSOCIATED)
PROGRAM COSTS, INCLUDING REASONABLE)
LOST REVENUES AND FINANCIAL)
INCENTIVES, AND AUTHORITY TO DEFER)
COSTS; AND (3) NEW STANDARD CONTRACT)
RIDER 74, LOAD CONTROL ADJUSTMENT.)

CAUSE NO. 45803

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
PUBLIC'S EXHIBIT NO. 2
TESTIMONY OF OUCC WITNESS
BRIAN R. LATHAM

February 9, 2023

Respectfully submitted,



Jeffrey M. Reed
Attorney No. 11651-49
Deputy Consumer Counselor

TESTIMONY OF OUCC WITNESS BRIAN R. LATHAM

CAUSE NO. 45803

DUKE ENERGY INDIANA, LLC

I. INTRODUCTION

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

2 A: My name is Brian R. Latham, 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 an overview of Duke Energy Indiana, LLC's (hereafter "DEI" or
10 "Petitioner") proposed adjustment to its retail electric rates through its Standard
11 Contract 66 for the 2024-2026 Demand Side Management Plan ("DSM Plan"). I
12 also provide an overview of DEI's proposed Contract Rider 74, Load Control. I
13 verified the accuracy of DEI's mathematical calculations deriving its proposed
14 DSM Plan and Load Control Factors. OUCC witness Mr. John E. Haselden
15 challenges many aspects of the proposed DSM Plan and I defer to Mr. Haselden
16 to explain his recommendations. Ultimately, I recommend the Commission
17 approve continuation of DEI's accounting and ratemaking treatment (Contract
18 Rider 66) of its Demand Side Management and Energy Efficiency Plan for 2024-

1 2026 and its proposed accounting and ratemaking treatment for the new standard
2 contract rider 74, load control adjustment.

3 **Q: Please describe the review and analysis you conducted in order to prepare**
4 **your testimony.**

5 A: I reviewed DEI's petition, testimony, exhibits, workpapers, and previous filings in
6 Cause No. 43955 DSM-08, DSM-10, and DSM-11, and Cause No. 45253. I also
7 had informal discussions with OUCC staff to discuss pertinent issues.

8 **Q: To the extent you do not address a specific item or adjustment, should that be**
9 **construed to mean you agree with Petitioner's proposal?**

10 A: No. The absence from my testimony of a reference to any specific item or
11 adjustment proposed by DEI does not indicate my approval of that item or
12 adjustment. Furthermore, I am offering no opinion on the validity of the
13 underlying data offered by DEI, or the propriety of DEI's proposed methodologies.

II. RELIEF REQUESTED -DSM

14 **Q: What accounting and ratemaking authority is Petitioner requesting?**

15 A: Petitioner requests approval of the following:

- 16 • Its DSM/EE Plan under Ind. Code. § 8-1-8.5-10, of, which includes goals,
17 programs, program budgets and costs, and evaluation, measurement, and
18 verification ("EM&V") procedures, all as required by Ind. Code. § 8-1-8.5-
19 10(h);
- 20 • Projected Program Year 2024 program costs, Evaluation, Measurement &
21 Verification ("EM&V") costs and shareholder incentives in the
22 Petitioner's proposed 2024-2026 DSM Plan;

- 1 • Reconciled actual costs and revenues for January 2020 through December
2 2022, as proposed in Cause No. 43955 DSM-11 (“DSM-11”); and
3 • Re-reconciliations for the application of additional EM&V results to 2020 lost
4 revenues as proposed in DSM-08.

5 **Q: Please describe the 2024-2026 forecasted costs.**

6 A: DEI forecasts total costs for both residential and non-residential programs of
7 \$299,305,841 for the 2024-2026 DSM Plan. The total residential and non-
8 residential costs include: 1) program costs; 2) EM&V costs; 3) incentives; 4)
9 shared savings; and 5) lost revenues.¹

10 **Q: Please describe the 2024 forecasted costs.**

11 A: DEI forecasted total residential costs of \$13,120,442 and total non-residential
12 costs of \$21,284,096 for the January 2024 through December 2024 period.² This
13 includes EM&V costs, program costs, and incentives.

III. RELIEF REQUESTED -LOAD CONTROL

14 **Q: Is the OUCC opposing DEI's Load Control proposal?**

15 A: No.

16 **Q: Have you reviewed DEI's proposed accounting and ratemaking treatment for
17 its Load Control Rider?**

18 A: Yes.

¹ Direct Testimony of Amy B. Dean, Petitioner's Exhibit 1, Page 20.

² Direct Testimony of Kathryn C. Lily, Petitioner's Attachment 5-A(KCL), Page 1.

1 **Q: Please describe the Load Control 2024 forecasted costs.**

2 A: DEI forecasted total Load Control costs of \$31,382,325 for the period January
3 2024 through December 2024.³ This includes EM&V costs, program costs, and
4 incentives.

IV. CONCLUSIONS

5 **Q: As proposed by DEI, what impact will the Cause 45803 factor have on a**
6 **typical residential customer's monthly bill?**

7 A: Petitioner's proposed DSM factor results in a \$0.94 increase for a residential
8 customer using 1,000 kWh per month. The increase is calculated as follows: a
9 \$0.14 bill decrease in comparison to the factor approved in Cause No. 43955
10 DSM-11 (\$2.39 vs. \$2.53),⁴ a \$0.35 decrease resulting from the reduction in
11 PowerShare program costs⁵ and an increase of \$1.43⁶ for its proposed rider 74
12 adjustment.

13 **Q: Did you verify DEI's mathematical calculations deriving its proposed Cause**
14 **No. 45803 DSM and Load Control factors?**

15 A: Yes. I reviewed and verified the calculations in the schedules provided by DEI
16 witness Ms. Kathryn C. Lilly in the current proceeding. Nothing came to my
17 attention indicating DEI's calculations were incorrect.

18 **Q: Did you prepare a schedule showing your calculation of DEI's proposed**
19 **factor?**

³ Direct Testimony of Kathryn C. Lily, Petitioner's Attachment 5-C(KCL), Page 2.

⁴ Direct Testimony of Kathryn C. Lily, Petitioner's Attachment 5-B(KCL), Page 3.

⁵ Direct Testimony of Kathryn C. Lily, Petitioner's Attachment 5-C(KCL), Page 2.

⁶ Direct Testimony of Kathryn C. Lily, Petitioner's Attachment 5-C(KCL), Page 3.

1 A: No. Mr. Haselden addresses additional recommendations that affect the
2 calculation of DEI's Proposed factor. Thus, I did not prepare a schedule of my
3 own.

V. RECOMMENDATIONS

4 **Q: What are your recommendations regarding Petitioner's proposed 2023 DSM**
5 **Adjustment Factors?**

6 A: During my review of Petitioner's exhibits and workpapers, nothing came to my
7 attention that would indicate DEI's mathematical calculations (based on its current
8 proposal) are incorrect. However, if the Commission rejects a portion of any
9 particular program, or finds the entirety of the 2020-2023 DSM Plan unreasonable
10 based on Mr. Haselden's recommendations, the OUCG recommends the
11 Commission continue DEI's interim program authority previously granted in this
12 Cause, and continued cost recovery using the most-recently approved DSM
13 adjustment factor, subject to reconciliation, until a new DSM Plan is approved.

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

15 A: Yes.

APPENDIX A

QUALIFICATIONS OF BRIAN R. LATHAM

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

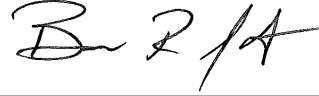
2 A: I graduated from Northern Illinois University in DeKalb, Illinois, with a bachelor's
3 degree in accounting. I then attended Illinois State University in Normal, Illinois,
4 and obtained a master's degree in accounting. In addition, I have participated in
5 various continuing education programs sponsored by my current and former
6 employers.

7 I began my employment in 1992 as a Staff Accountant with OSI Industries
8 (Aurora, 15 Illinois). In 1995, I was hired as a cost accountant at Rexnord in
9 Milwaukee, Wisconsin. In 1998, I was hired as a cost accounting manager at
10 Morton Metalcraft (Morton, Illinois) eventually promoted to a Controller role at
11 Illinois Machine and Tool Works. In 2001, was hired at Hamernik Associates,
12 where I was a work-out and bankruptcy consultant. I was an independent financial
13 recruiter in 2007 and 2008. In March 2008, I was hired as Vice President of
14 Finance for Junior Achievement of Central Indiana. In 2009, I was hired as a
15 Utility Analyst for the Indiana Utility Regulatory Commission ("Commission"),
16 where I worked as a member of the Water Division Staff, reviewing water and
17 wastewater utility filings and making recommendations based on witness
18 testimony and Indiana law. In 2018, I was hired as Controller for Aqua Indiana,
19 where I was responsible for Aqua Indiana's financial operations, and my roles
20 included the oversight and accountability of the monthly, quarterly, and annual

1 financial closings and reporting, SOX and audit compliance, budget, forecasting,
2 and five-year planning, regulatory petitions, acquisitions, and other strategic
3 projects. After a short stint as Controller at Senior Home Companions, I was hired
4 at the OUCC as a Utility Analyst in October 2022.

AFFIRMATION

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



Brian R. Latham
Utility Analyst II
Indiana Office of Utility Consumer Counselor

Cause No. 45803
DEI, LLC

Date: February 9, 2023

CERTIFICATE OF SERVICE

This is to certify that a copy of *OUCC Public's Exhibit No. 2 Testimony of OUCC Witness Brian R. Latham* has been served upon the following parties of record in the captioned proceeding by electronic serve on February 9, 2023.


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