

**ORIGINAL**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

Commissioner	Yes	No	Not Participating
Huston	√		
Bennett	√		
Freeman	√		
Veleta	√		
Ziegner			√

**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**

**APPROVED: APR 09 2025**

**NUNC PRO TUNC ORDER OF THE COMMISSION**

**Presiding Officers:**

**James F. Huston, Chairman**

**Loraine L. Seyfried, Chief Administrative Law Judge**

The Indiana Utility Regulatory Commission ("Commission") issued on January 29, 2025, a final order in this Cause ("46038 Order"). On February 3, 2025, the Commission issued a Nunc Pro Tunc Order correcting certain numerical errors in the 46038 Order. After additional review, the Commission further finds that the 46038 Order should be corrected nunc pro tunc to resolve

an apparent inconsistency in the Commission’s decision concerning Duke Energy Indiana, LLC’s (“Duke”) proposed revenue rate migration adjustment.<sup>1</sup>

In its 46038 Order, the Commission specifically found that Duke “did not provide persuasive empirical evidence to support its assumption that 50% of Duke’s customers eligible to migrate to a new rate will, indeed, migrate to that rate.” 46038 Order at 111. We further found that,

Duke’s arguments regarding its migration adjustment methodology, including its threshold analysis and minimum savings factors, and its concerns about comparing its proposed [time of use] rates to the Company’s past pilots do not resolve its lack of empirical evidence to support its migration assumption. The burden is on Duke to prove its case and it failed to do so. The Commission is mindful that approving a lost revenue adjustment for lost revenue that never materializes carries a substantial risk of double recovery of revenues from Duke’s ratepayers.

*Id.* at 111-112.

The Commission, in its discussion, also specifically referenced the OUCC’s arguments and Dr. Dismukes’ testimony concerning the low adoption of time-variant rates by residential and small commercial customers. However, the Commission did so because that evidence exemplified Duke’s failure to support its assumption that 50% of its customers would actually move to a new rate. The record evidence shows the same lack of support and concern for double recovery holds true for Duke’s industrial customers. *See* IG Exhibit 1 at 48-51, Kroger Ex. 1 at 12-16 and Tr. at C-53-62. Thus, although the Commission only discussed the residential and small commercial classes and found it appropriate to use Dr. Dismukes’ recommended adoption rate for residential and small commercial customers of 16.5%, the Commission’s ultimate conclusion was that Duke failed to support that its time of use offerings were supportive of a 50% migration assumption for *all* classes of customers.

Therefore, the Commission finds that the last two sentences of Paragraph 14.C.f. on page 112 should be modified as follows:

The Commission finds it is reasonable to utilize, for all customer classes, Dr. Dismukes’ recommendation that 16.5% of Duke’s customers will adopt the new offered rate. We find it is, therefore, appropriate to reduce the proposed revenue requirement for customer migration by \$10.9 million.

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<sup>1</sup> The inconsistency was brought to light by Intervenor Kroger Co.’s February 27, 2025 Objection to Duke Energy Indiana’s Compliance Filing. However, because the Commission finds that the 46038 Order should be corrected *nunc pro tunc*, we find Kroger Co.’s Objection, and any responses thereto, to be moot.

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

1. The last two sentences of Paragraph 14.C.f. on page 112 are modified to read as follows: The Commission finds it is reasonable to utilize, for all customer classes, Dr. Dismukes' recommendation that 16.5% of Duke's customers will adopt the new offered rate. We find it is, therefore, appropriate to reduce the proposed revenue requirement for customer migration by \$10.9 million.

2. Accordingly, the amount of customer migration adjustment to include in base rates is \$5.4 million, which reduces Duke's proposed amount for all non-residential and commercial customer classes by \$8.4 million. When combined with the residential and commercial customer classes reflected in Duke's previously filed Step 1 compliance filing, the ordered migration adjustment will be a reduction of \$10.9 million from Duke's proposed amount.

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

**HUSTON, BENNETT, FREEMAN, AND VELETA CONCUR; ZIEGNER ABSENT:**

**APPROVED: APR 09 2025**

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

\_\_\_\_\_ on behalf of  
**Dana Kosco**  
**Secretary of the Commission**