

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 STEP-IN 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 A FEDERAL MANDATE)
CERTIFICATE UNDER IND. CODE § 8-1-8.4-1;)
(4) APPROVAL OF REVISED ELECTRIC)
DEPRECIATION RATES APPLICABLE TO)
ITS ELECTRIC PLANT IN SERVICE; (5))
APPROVAL OF NECESSARY AND)
APPROPRIATE ACCOUNTING DEFERRAL)
RELIEF; AND (6) APPROVAL OF A)
REVENUE DECOUPLING MECHANISM FOR)
CERTAIN CUSTOMER CLASSES)

FILED
October 22, 2019
INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 45253

DUKE ENERGY INDIANA, LLC'S RESPONSE TO JOINT MOVANTS'
MOTION TO AMEND PROCEDURAL SCHEDULE

Petitioner Duke Energy Indiana, LLC ("Duke Energy Indiana" or the "Company"), by counsel, respectfully responds to the Joint Motion to Amend Procedural Schedule, For Appropriate Relief, and For Expedited Briefing ("Motion") filed on October 15, 2019, by Citizens Action Coalition of Indiana, Inc. ("CAC"), the Indiana Office of Utility Consumer Counselor ("OUCC"), the Environmental Working Group, Sierra Club, Indiana Community Action Association, Indiana Laborers District Council, Walmart Inc., and Kroger Co., and joined by the Duke Industrial Group ("Industrial Group") and Nucor Steel-Indiana, a division of Nucor Corporation ("Nucor") by separate Motions on October 16, 2019 (collectively, "the Joint

Movants”).¹ Duke Energy Indiana opposes the Motion for the reasons stated herein and respectfully requests the Indiana Utility Regulatory Commission (“Commission”) to deny the Motion in its entirety as it is both meritless and untimely.

I. Introduction

Duke Energy Indiana opposes the Motion and the extraordinary relief it seeks, which requests that the Commission: (1) order Duke Energy Indiana to refile its Minimum Standard Filing Requirements (“MSFRs”), workpapers, exhibits, and discovery responses in a manner not required by any Commission rule, but rather in a form demanded by Joint Movants and not used or kept by the Company; (2) grant Joint Movants an extension of time to file their testimony in this proceeding from October 30 to three weeks *after* Duke Energy Indiana completes the prodigious task of refiling its MSFRs, workpapers, exhibits, and discovery responses; and (3) impose unnecessary and burdensome expedited discovery procedures for discovery requests related to Duke Energy Indiana’s cost of service studies.

Contrary to the allegations of Joint Movants, the Company’s MSFRs, workpapers, and exhibits filed in early July are fully compliant with applicable rules and Commission guidance. Joint Movants were required to allege non-compliance with the MSFRs within twenty (20) days of the Company’s filing; Joint Movants’ untimely Motion asserts non-compliance 105 days after the filing. Second, in addition to its fully-compliant filings, Duke Energy Indiana has taken numerous additional steps to assist and accommodate the Joint Movants. Joint Movants now seek to unfairly distort Duke Energy Indiana’s assistance as indicia of non-compliance. Third, given Duke Energy Indiana’s full compliance with applicable rules, there is no basis for granting the Joint Movants an extension of time, which would only serve to unnecessarily prolong the

¹ By docket entry dated October 18, 2019, the Commission ruled “[i]n accordance with 170 IAC 1-1.1-12(e), the Presiding Officers are expediting the period for responses to the Motion. DEI’s Response shall be filed by October 22, 2019. Joint Movants’ Reply shall be filed by October 25, 2019.

procedural schedule. It is notable that, as an accommodation to the other parties, the Company has already agreed to a procedural schedule that is two months beyond the standard 300-day statutory rate case timeframe. And finally, given the Company's full compliance, and the already-extended procedural schedule, there is no basis for ordering expedited discovery.

In support of their Motion, Joint Movants allege that "it is standard practice" to file its MSFRs, workpapers and exhibits so that the Excel spreadsheets are linked together, *Motion*, p. 7. Joint Movants also allege that it is standard practice to "refile any discovery responses that do not have formulas intact or linked spreadsheets." *Id.* It can certainly be debated whether Joint Movant's contentions are accurate in this regard. Regardless, whether or not something is standard practice is not relevant to any legal analysis in this proceeding. The Commission rules, orders and its GAO are the guidance that a utility is required to follow. If the Commission determines that documents should be filed a certain way, then it has the ability to do so through a rulemaking or a GAO, prospectively and not retrospectively.² To impose a new requirement upon a utility over four months after it has filed in case in chief and less than one week before the Joint Movants are to file their case would be punitive and unreasonable.

II. Duke Energy Indiana's MSFRs, Workpapers, and Exhibits Fully Comply with the Commission's MSFR Rules and GAO Guidance.

The crux of the Joint Movants' complaint revolves around the Company's cost of service studies and the format of its MSFRs, workpapers and certain exhibits. As is demonstrated below, their objections are meritless and should be rejected.

When it filed its case-in-chief, MSFRs, and workpapers in early July 2019, Duke Energy Indiana (1) filed a case-in-chief that fully complied with applicable rules, (2) elected to file

² "[A] rulemaking function involves an element of generality, operating upon a class of individuals, and has a prospective effect." *Home Tel. Co. of Pittsboro, Inc. v. Verizon North, Inc.*, 904 N.E.2d 223, 229 (Ind. Ct. App. 2009) (citing *Blinzinger v. Americana Healthcare Corp.*, 466 N.E.2d 1371, 1375 (Ind. Ct. App. 1984)).

MSFRs, in order to ensure a relatively expedited procedural schedule for its rate case, (3) filed MSFRs in full compliance by the Commission's rules and guidance, and (4) filed workpapers supporting its case-in-chief that also fully complied with the Commission's rules.

With regard to cost of service studies, the Commission's MSFR rules³ require that, first, an electing utility submit a jurisdictional separation study, if applicable, and a class cost of service study to the Commission, OUCC, and any party to the proceeding. See 170 IAC 1-5-15(a). The Commission's MSFR rules further provide that the electing utility should submit its cost of service study information electronically (or other medium agreed to by the Commission), including all formulas used in completing the studies. See 170 IAC 1-5-15(e). Importantly, however, the MSFR rules also provide that (1) such information shall be confidential and protected from disclosure, and (2) if it is impossible or impractical for the electing utility to provide such information electronically, the electing utility shall make such information available to the Commission staff and any other party (subject to a nondisclosure agreement) during normal business hours, on the electing utility's premises, a computer and all software used to create and store such information. See 170 IAC 1-5-15(e), (f), (g). The Company has complied fully with all of these rules.

Joint Movants allege that GAO 2013-5 imposes a requirement that, as to the MSFRs and the cost of service studies ("COSS"), "To the extent a forward-looking test year employs a model, that model must be completely transparent, the assumptions fully explicit, and the results fully replicable by any party and by Commission staff." GAO 2013-5 II.A.2(d). Joint Movants fail to recognize that this GAO statement, which is found under the heading "Proposed test year

³ It is worth mentioning that the Commission's MSFR rules only apply at the utility's option, in order to receive a relatively expedited procedural schedule. See 170 IAC 1-5-2(c). Duke Energy Indiana did so elect to follow the MSFR rules, and has already agreed to a procedural schedule approximately two months longer than provided for in the applicable statute and GAO.

and rate base cutoff dates,” applies to the use of financial forecast models. As to the jurisdictional cost of service study, the GAO references the MSFRs and imposes no additional requirements. Of course, as is made clear in this Response, Duke Energy Indiana has taken many steps to make its COSS transparent to and replicable by the parties – including making the model available at its Plainfield offices pursuant to the MSFR rules, which the parties have not done to date.

With its case-in-chief, the Company included descriptions and the results of both a jurisdictional separation study and a class cost of service study. *See* testimony of Maria Diaz.⁴ As Duke Energy Indiana witness Diaz explains in her testimony, Duke Energy Indiana performed its jurisdictional separation and class cost of service studies using a proprietary model – PowerPlan. A model of this nature cannot be “filed.” Accordingly, Duke Energy Indiana’s filed workpapers supporting its cost of service studies containing the inputs and outputs of the PowerPlan model and relied on 170 IAC 1-5-15(e), (f), and (g) – *i.e.*, the Company would make the model available to the parties on the utility’s premises. In response to several parties’ queries, the Company confirmed (repeatedly) that it would make the PowerPlan model available to the parties consistent with 170 IAC 1-5-15(f) and (g).⁵ The Company’s compliance with the Commission’s rules was not satisfactory to the Joint Movants and so they seek to impose a new standard, over four months after Duke Energy Indiana filed its case-in-chief.

⁴ An examination of Ms. Diaz’s revised direct testimony and accompanying MSFRs indicates that the Company’s cost of service studies address all the information required by 170 IAC 1-5-15(b), specifically: (1) Allocation of rate base by rate class (p. 33); (2) Pro forma sales revenues at present rates by rate class (p. 34); (3) Allocation of other operating revenues (or miscellaneous revenue or other income) by rate class (p. 33); (4) Allocation of pro forma operating expenses by rate class (p. 33); (5) Rate of return by rate class at present rates (p. 34); (6) Revenues at equal rates of return by rate class at present rates (p. 35); (7) Subsidy or excess at present rates by rate class (p. 36); (8) Revenues at equal rates of return by rate class at proposed rates (Revised MSFR COSS 209-220 (MTD)); (9) The proposed dollar and percent subsidy or excess reduction by rate class (p. 35); and (10) Revenues at proposed rates by rate class (p. 35).

⁵ See, e.g., September 17, 2019 email from Melanie Price to Jennifer Washburn, *et al.* (*see* Attachment 1 to Joint Movants Motion).

III. Duke Energy Indiana has Gone Above and Beyond the Commission's Requirements to Accommodate and Assist the Joint Movants' Requests.

Surpassing what is required by the Commission's rules, and in an effort to accommodate the requests of certain parties, Duke Energy Indiana has provided the following support to Joint Movants:

- The Company set up a Skype meeting with the parties to walk through the cost of service model with its cost of service witness, Maria Diaz, other rate department personnel, and Duke Energy's in-house PowerPlan modelling expert.⁶
- In response to complaints that Duke Energy Indiana used a proprietary cost of service model instead of Excel spreadsheets, Duke Energy Indiana personnel replicated the entire jurisdictional separation studies and class cost of service study in Excel spreadsheet format, for the convenience of the parties.⁷
- The Company held several Skype meetings with the parties to walk them through the Excel spreadsheets replicating its cost of service studies, which it developed to accommodate the parties' wishes.⁸
- At the request of the parties, after these Skype meetings, Duke Energy Indiana added additional functionality to the replica COSS Excel spreadsheets, including

⁶ September 19, 2019 Skype meeting to review PowerPlan with interested parties with an executed Nondisclosure Agreement ("NDA").

⁷ Replica COSS Excel files were sent to interested parties with NDAs on September 23, 2019. Please note that Joint Movants insinuate that these Excel files existed prior to the date provided and were withheld by Duke Energy Indiana, which is not correct. Duke Energy Indiana indicated it had a rough version of Excel spreadsheets that were used early in the testing of the PowerPlan model. These were testing files only and did not use final data nor were they a complete Cost of Service Study. These testing files were used as a guide to put together the replica COSS files for the convenience of the parties over a very short period (less than two weeks including weekends).

⁸ The first Skype meeting was held with interested parties having NDAs on September 25, 2019, to go over replica COSS Excel spreadsheets.

attempting to make a public version with special contract data masked, and adding links to additional exhibits and workpapers.⁹

- The Company offered to run other parties' cost of service scenarios using the replicated Excel spreadsheets¹⁰ – although, to date, only one party has requested that three limited scenarios be run.¹¹
- Throughout the entire discovery process, Duke Energy Indiana has timely answered over 1061 separate discovery requests, many with multiple subparts and 89 sets of discovery, in addition to voluminous informal data requests.
- Duke Energy Indiana has also met with parties in person, on the phone, via Skype meetings, and through informal emails on dozens of occasions.

IV. The Commission Should Reject Joint Movants' Request for an Order Requiring the Company to Refile its MSFRs and Workpapers, and Should Likewise Reject the Request for an Extension of Time to File their Testimony.

Despite the fact that Duke Energy Indiana's actions have not only been consistent with the Commission's rules, but have repeatedly gone above and beyond what is required by the Commission's rules, the Joint Movants remain unsatisfied. A mere fifteen (15) days before their testimony is due, Joint Movants now request the extraordinary relief of asking the Commission to require the Company to refile its MSFRs and workpapers in an entirely different format than what Duke Energy Indiana has developed them and in which Duke Energy Indiana has provided

⁹ Updated replica COSS Excel spreadsheets were emailed to the parties on September 30, 2019 and a Skype meeting was held on October 9, 2019. Version 3 of replica COSS Excel Spreadsheets were made available to the parties on October 11, 2019 via ShareFile, and filed with the Commission.

¹⁰ Email to parties offering COSS runs using replica Excel spreadsheets was sent September 30, 2019, following up on telephone calls/messages to IG, OUCC, and CAC week of September 23, 2019.

¹¹ Skype meetings were held with interested parties having NDAs in place on October 9, 2019 and October 18, 2019 to review parties' desired changes to the model.

via its replicated COSS Excel spreadsheets, and they request a three-week extension of time -- from the date of such refiling -- to file their testimony.

These requests should be rejected out of hand, for several reasons. First, as demonstrated by the foregoing, there is no basis to require the Company to refile its MSFRs and workpapers, because the Company fully complied – indeed went far beyond – the Commission’s rules. The Company used a proprietary cost of service model; its testimony and workpapers described that model and the cost of service study results; the Company has been (and continues to be) willing and available to make the model available to the parties at its Plainfield offices, as permitted by 170 IAC 1-5-15(g); the Company accommodated the requests of the parties to view the model via Skype; the Company created a replica Excel based version of the COSS and modified it per parties’ requests; and the Company offered and did run changes to the COSS files at the request of the CAC.

Second, Joint Movants’ request that Duke Energy Indiana refile its MSFRs and workpapers in a specific format runs counter to the Commission’s rules. As mentioned previously, MSFRs are not even required to be filed – they are filed at an electing utility’s option, in order to achieve a relatively expedited procedural schedule for its rate case. 170 IAC 1-5-2(c). Although the Commission’s guidance recommends that MSFRs be filed as a “best practice,” it is not a requirement. *See* GAO 2013-5. The Company followed this best practice by filing MSFRs. Further, and significantly, 170 IAC 1-5-1(r) provides that “working papers” may be provided in paper or electronic format. Working papers submitted in paper format, of course, do not include linked formulas. Joint Movants have no legal basis to seek to prescribe the format – Excel spreadsheets with linkages throughout -- in which Duke Energy Indiana files its workpapers. In fact, based on multiple requests by Joint Movants, just linking the separation

study and cost of service study (which the Company has already done) does not appear to be satisfactory to the parties. Rather, they seem to expect every workpaper and exhibit from the revenue requirements, to the jurisdictional separation study, and the cost of service study to the rate design exhibits to be “linked.” This is not practical and is not the manner in which the workpapers and exhibits were developed. The Company is not required to perform new studies or compilations of data for parties in the discovery process, despite Duke Energy Indiana’s willingness to do so on multiple occasions.

Further, the request that the Company refile its MSFRs and case-in-chief is untimely. For example, the Commission’s MSFR rules provide that the Commission should address any issues raised concerning the completeness of the utility’s filing at the prehearing conference. 170 IAC 1-5-2.1. Yet there were no complaints raised about the completeness of Duke Energy Indiana’s filing during the prehearing process. In fact, many of the Joint Movants (including the OUCC, CAC, Industrial Group, Nucor, and Kroger) joined in Motion for Approval of Agreed Procedural In Lieu of Prehearing Conference, seeking to vacate the prehearing conference. Similarly, the Commission’s MSFR rules provide that any party to the proceeding may file with the Commission a notice that the utility’s MSFR information does not comply with the rule, identifying the alleged defect or defects and the requirements necessary to cure the alleged defect or defects, **within twenty (20) days of the utility’s filing.** 170 IAC 5-1-4(a). The Company filed its petition and case-in-chief on July 2, 2019; the parties did not even begin communicating with the Company about its cost-of-service study until the end of the first week of September; and not until mid-October did Joint Movants file their Motion with the Commission claiming “deficiencies” in the Company’s MSFRs – approximately two and a half months beyond the rule’s 20-day deadline. The 20-day rule is intended to avoid this very situation – a last minute

emergency request that challenges the contents of the MSFRs, and results in the disruption of the procedural schedule. Joint Movants are eighty-five (85) days past the deadline to lodge their complaints.

Joint Movants' preference appears to be to access the COSS model remotely and have the Company run "what if" COSS scenarios for them, rather than examine the PowerPlan model at the Company's Plainfield headquarters. As this Response and accompanying Affidavits make clear, the Company has been and continues to be willing to do this. However, the Company is not willing to extend the procedural schedule in order to accommodate this preference.¹²

Given the Company's full compliance with Commission rules, and the Joint Movants' lack of due diligence in timely analyzing the Company's case, the Commission should reject both the Joint Movants' request for an order directing the Company to refile its MSFRs, workpapers, exhibits, and discovery, and the Joint Movants' request for an extension of time.¹³

V. There is No Basis for Ordering Expedited Discovery.

Expedited discovery is uncalled for and unduly burdensome to Duke Energy Indiana. The Company filed its case-in-chief, MSFRs, and workpapers over three months ago. There has been ample time for discovery, and the parties have made abundant use of the discovery process. The Company has timely responded to over 89 sets of discovery requests from the parties thus far, comprising over 1061 individual data requests, many with multiple subparts. Additionally, as mentioned above, the Company has met with various parties and provided numerous informal data responses via phone conference and emails. And with respect to its cost of service studies,

¹² "Because many of the parties rely on out-of-state experts, CAC explained to Duke that this [viewing the COSS model in Plainfield] proposal was not acceptable," despite the fact that the Commission's rules contemplate such. *Motion*, page. 2. It is worth noting that, in past cases (such as the Company's last base rate case), outside consultants for the OUCC spent two or three weeks on site in Plainfield -- delving into the Company's case, asking numerous questions, talking with numerous rate personnel and other witnesses.

¹³ Duke Energy Indiana stands fast that no extension is warranted and that the evidentiary hearing date and proposed order date of July 1, 2020 should be unchanged.

as mentioned previously, the Company has not only repeatedly made its model available to the parties at its Plainfield offices, it has also exceeded the Commission's rules and requirements in order to assist and accommodate the parties. In short, the discovery process is working as intended. The parties are asking questions and Duke Energy Indiana is responding timely and in good faith.

VI. Paragraph by Paragraph Response to the Motion

The specific allegations contained in the Motion are in many cases inaccurate or incomplete and have been addressed by Duke Energy Indiana through the formal and informal discovery process. In Attachment A to this Response, the Company offers specific responses, paragraph by paragraph, to the Motion. Also attached to this Response as Attachment B are Affidavits from Company personnel supporting the statements in this Response and Attachment A.

VII. Conclusion

For all the reasons contained in this Response, Duke Energy Indiana respectfully requests that the Commission deny the Motion in its entirety.¹⁴

¹⁴ Duke Energy Indiana notes that it stands by its statement from the July 23, 2019 Motion for Agreed Procedural Schedule : "At the request of the parties for more time to conduct discovery and to prepare their testimony and in recognition of holiday breaks, Duke Energy Indiana consents to a schedule that goes beyond the 300-day schedule as specified in Ind. Code 8-1-42.7, but does not waive its right and ability to implement temporary rates and charges if the order is not issued by July 1, 2020. Duke Energy Indiana commits not to implement temporary rates and charges prior to July 2, 2020.", p. 3-4.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

A handwritten signature in black ink, appearing to read "Kelley A. Karn", with a long horizontal flourish extending to the right.

By:

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VERIFICATION

I affirm under penalties of perjury that the factual representations made herein are true and correct to the best of my knowledge, information and belief.

A handwritten signature in dark ink, appearing to read "Kelley Karn", with a long horizontal flourish extending to the right.

By: _____

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing submission was electronically delivered this 22nd day of October 2019 to the following:

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Attachment A to Duke Energy Indiana's Response to Joint Motion to Amend Procedural Schedule

Joint Motion Paragraph Number	Joint Movants' Complaints / Allegations	Duke Energy Indiana Response
1	On July 2, 2019, Duke filed its case-in-chief testimony, and on July 10, 2019, Duke filed its public workpapers with this Commission.	
2	In late-August of 2019, certain parties began to uncover serious deficiencies in Duke's filed case.	Duke Energy Indiana disputes that there were "serious deficiencies" in its filed case. Moreover, Duke Energy Indiana questions why these "serious deficiencies" were not discovered until late-August and not communicated to Duke Energy Indiana until September 6, 2019. Duke Energy Indiana's testimony and MSFRs were filed on July 2, and all public workpapers were filed on July 10, 2019. Confidential MSFR and workpapers were made available to parties entering into non-disclosure agreements as early as July 3, 2019. As mentioned in the attached Response, 170 IAC 1-5-4 (a) prescribes a 20-day period in which any party to the proceeding may file with the Commission a notice that the utility's MSFRs do not comply with the MSFR rule, identifying the alleged defect or defects and the requirements necessary to cure the alleged defect or defects. Joint Movants failed to comply with this time schedule and rule.
3	On September 6, 2019, CAC reached out to Duke with its most pressing issue uncovered at that time: the fact that the Cost of Service Study ("COSS") did not have any formulas intact and was merely 69,000+ rows in Excel that were pasted in from another model. Put another way, Duke had not provided a COSS that showed how Duke functionalized, classified, and allocated costs, in nonconformance with the requirements in 170 IAC 1-5-15(a), (b), and (e), and GAO 2013-5 II.A.2(d). GAO 2013-5 II.A.2(d) states: "To the extent a forward-looking test year employs a model, that model must be completely transparent, the assumptions fully explicit, and the	As clearly explained in the prefiled testimony of Duke witness Maria Diaz, the Company used a proprietary model to perform its cost of service studies (the PowerPlan model), and in its prefiled testimony, the Company presented the results of its model – i.e., the results of the model's functionalization, classification, and allocation of costs. As mentioned in the Response, consistent with the Commission's rules, and because there are formulas and computations occurring within the PowerPlan model, Duke Energy Indiana stood ready and willing to make the model available to the parties for their examination, at its Plainfield offices, provided nondisclosure agreements were in place. And in fact, as the attached Affidavits make clear, the Company has repeatedly made such an offer to the

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	results fully replicable by any party and by Commission staff."	<p>parties. In addition, Duke Energy Indiana suggested and held a Skype call on September 19, 2019, to walk through the model with its cost of service witness (Ms. Diaz) and its in-house PowerPlan model expert.</p> <p>Although the Company used a proprietary model for its Cost of Service Study, and was willing to make such model available for inspection at its Plainfield offices, the workpapers supporting the separation, jurisdictional and cost of service studies (and supporting Ms. Diaz's exhibits) were filed with the MSFRs. Ms. Diaz explained each part of the process and referred to multiple supporting MSFR Workpapers applicable to each process by Workpaper Number. It was also obvious that the workpaper support consisted of more than the one workpaper which presented the output of the model in Excel format (the workpaper Joint Movants seemed to think was the Cost of Service Study.) They would also have seen multiple workpapers if they had reviewed the response to 170 IAC 1-5-15(a) and (b) listing all the workpapers.</p> <p>Specifically with regard to the Joint Movants' reference to the thousands of rows of data: Because Duke Energy Indiana in fact relied upon approximately 71,000 rows of data from its PowerPlan model to produce the following Duke Energy Indiana schedules (MSFR 16, 209, 221, and 233 (MTD) (and subsequent revision)), which are the schedules identified as "Calculation of Taxable Income before Adjustments", the rows of PowerPlan data were copied to the "RC Alloc Tab" which were incorporated in the following Excel files and subsequent revision (see Revised MSFR 16- 27 (MTD), Revised MSFR 209-220 (MTD), Revised MSFR 221-232 (MTD), and Revised MSFR 233-244 (MTD)). Links to the RC Alloc Tab with formulas intact were used to create MSFRs 16, 209, 221, and 233 (MTD) and subsequent revision and can be visibly seen in electronic format. Linking to the PowerPlan output in this specific example</p>

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		<p>increased transparency from the PowerPlan model, not reduced it.</p> <p>Beyond the specific reference noted above, Duke Energy Indiana provided materials filed in support of MSFR 1-5-15 (a) and (b) on a CD for transparency in compliance with 170 IAC 1-5-15(e) (1). In response to MSFR 1-5-15(a) and (b), Duke Energy Indiana filed a Word document which identified which Exhibits and MSFR workpaper(s) satisfied the specific subparts of 1-5-15 (a) and (b).</p> <p>For all practical matters, in other Duke Energy jurisdictions, the parties make requests of Duke Energy for different COSS scenarios, which Duke Energy produces on behalf of the parties; Duke Energy Indiana is agreeable to this approach also while maintaining confidentiality of its special contract information – and in fact has performed three scenarios at one party's request. To date, no other party has made any requests for the Company to run cost of service scenarios.</p>
4	<p>Duke's initial responses seemed to indicate that counsel was unaware of this issue. <i>See</i> Attachment 1, pp. 4-8. Duke later responded that it was relying on 170 IAC 1-5-15(f) and (g), instructing intervenors and the Commission that the only option to see a complete COSS would be to view such at Duke's premises. <i>Id.</i>, pp. 3-4. Because many of the parties rely on out-of-state experts, CAC explained to Duke that this proposal was not acceptable. <i>Id.</i> at 3. Further, to the best of Joint Movants' knowledge, Duke's reliance on 170 IAC 1-5-15(f) and (g) in particular was absent from its case-in-chief and was never brought to the attention of the OUCC and other intervenors until this Sept. 17, 2019 email.</p>	<p>As mentioned above, Duke Energy Indiana witness Diaz clearly explained in her July 2 prefiled testimony that a proprietary model was used to perform the cost of service studies. The Commission's longstanding rules require in such situations that the utility make its model available for inspection at its offices. The Joint Movants are (or should be) familiar with these rules. There was no need for Ms. Diaz's testimony to invite the parties to do this. Nevertheless, as Joint Movants' complaints ensued, the Company made repeated invitations to view the model at its Plainfield offices, and the parties have declined all such in person invitations.</p>
5	<p>On September 19, 2019, certain parties had a phone/Skype call with Duke for Duke personnel to walk</p>	<p>This Skype call, set up by Duke Energy Indiana after the parties rejected the invitation to view the model at the Company's offices,</p>

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	<p>parties through its proprietary COSS model. CAC and other parties expressed their concern for this format in terms of relying upon a limited Skype call to conduct their analyses for the October 30, 2019 case-in-chief submission and again requested Duke provide a format parties could review in house that showed how Duke functionalized, classified, and allocated costs.</p>	<p>devolved into more of a technical Q/A session than a walk-through of the model. It became clear that the parties did not have interest in understanding or delving into the PowerPlan model. Accordingly, following this call, Duke Energy Indiana took additional steps – not required by the Commission's rules – to accommodate the parties' desire not to travel to Plainfield and to assist them in analyzing the cost of service studies remotely. These additional steps were to replicate the entire cost of service studies in Excel format for the parties.</p>
6	<p>On September 23, 2019, Duke provided an Excel based replica of the COSS model via email broken into two separate Excel workbooks. See Attachment 2 for this email.</p>	<p>This first replica was based upon two tie-out workbooks Duke Energy Indiana used for internal quality control purposes – i.e., for testing of the output of the proprietary model. Duke Energy Indiana then significantly enhanced and modified these tie-out models to enable the parties to see how the functionalization and other steps in the Cost of Service study process worked in the proprietary model. The replica was not intentionally “broken into two separate Excel workbooks” – this was the format of the two internal tie-out workbooks that were further enhanced and modified to expeditiously get an Excel version to parties, as a courtesy in response the Sept. 19th meeting. The Company offered additional separate or joint meetings to explain the COSS model and/or the Excel workbook.</p>
7.a.i.	<p>On September 25, 2019, certain parties had another phone/Skype call with Duke for Duke personnel to walk through this new Excel based replica of the COSS model.</p> <p>On this call, certain parties pointed out several deficiencies in this Excel workbook, and Duke agreed to attempt to correct those and supplement it with a new version of the Excel based replica of the COSS model.</p>	<p>In the September 25, 2019 meeting, the intervening parties indicated that the Excel-based replica of the model was helpful and requested additional information and did not during the meeting characterize the four additional requests as “deficiencies.” And, in fact, the additional requests cannot legitimately be characterized as “deficiencies.” The requests for information and/or topics included: 1) merging the two separate Excel workbooks into one to improve the linking of the results between the Function and the COSS steps; (2) providing a roadmap for the sources behind the COSS Allocators; (3) discussion of ensuring confidentiality is maintained for special contracts; and (4) the parties' desire to elect Duke Energy Indiana to</p>

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		run scenarios for the parties' use. Duke Energy Indiana during the meeting committed to addressing the four requests expeditiously.
7. a.ii.	One major deficiency CAC asked Duke to address was the fact that when Duke did a calculation in one sheet, it merely copied the results and numbers over into the next sheet, making it impossible for the parties to follow the chain of evidence. In other words, the links between the sheets were inexistent.	<p>Subsequently, Duke Energy Indiana again spent substantial time enhancing and modifying the Excel based replica to link the two previous workbooks together to address request #1 noted in 7.a.i – this combined Excel workbook was provided to the parties five days later on September 30th. Included in the September 30th workbook provided to the parties, Duke Energy Indiana added a roadmap for the “COSS Allocators RC (rate code) Tab” because the files used to create the eventual COSS WP-178 (MTD) were linked to outputs and not the original sources. This addressed request #2 noted in 7.a.i. Specifically, Duke Energy Indiana, in preparation of the COSS Allocator RC files, did cut and paste results where it was efficient to do so as is a commonly used feature in Excel. The roadmap created was a key which showed the specific primary reference/source and its feeders to the primary reference/source by COSS allocator. Duke Energy Indiana also provided a comment field which identified column references and other external sources such as specific rate design workpapers. This roadmap showed the parties how the data stepped from the source file(s) to the subsequent file(s).</p> <p>Lastly, Duke Energy Indiana made additional improvements to the Excel based replica, which were not even requested by the parties – such as adding things like the “Impact of Changes” sheet and additional workpapers to make it easier for parties to use for scenario analyses.</p>
7. a.iii.	Another concern voiced on this call was whether Duke would agree to make changes to the COSS model for the parties' analyses—a standard discovery function per the experience of CAC and OUCC's witnesses and an elevated concern considering the fact Duke is relying on a new model that, at that moment in time, did not have links between the Excel sheets in the Excel workbook.	The Company again offered additional separate or joint meetings to explain the proprietary COSS model and/or the Excel workbook and to assist with running scenarios desired by the parties. As mentioned above, to date, only one party has requested the Company to run three scenarios, which it has completed and provided to the parties on October 22, 2019.

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7.b.	Duke also admitted on this call that Duke personnel had this Excel based replica of the COSS model previously created to verify the proprietary model results, yet just made it available to parties on September 23, 2019. This weighs against Duke's argument that 170 IAC 1-5-15(f) and (g) apply insofar as it was practicable for Duke to make this COSS replica available to parties and to the Commission.	This is a mischaracterization of the conversation on the call and of the truth. Duke Energy Indiana did not withhold the Excel based replica provided to the parties and filed with the Commission. See comments in 6. The existing spreadsheets were rough, internal quality control tie-out sheets used for various steps to verify the proprietary model output. It took Duke Energy Indiana personnel hours of additional work subsequent to the Sept. 19 th meeting and before the Sept. 23 rd e-mail to get the two spreadsheets in a format to illustrate the processing of all Function and COSS process steps to the parties. And the parties were still not satisfied, despite the fact the replica visibly shows and proves the formulas and the math that the PowerPlan model is performing.
8	On September 30, 2019, Duke provided parties with a second version of the Excel based replica of the COSS model via email. See Attachment 3 for the email. In this new version, Duke supplied the following changes: combined the COSS and Function Allocation files into one file, simplified the mapping from the Function Allocation sheets to the COSS, added an Adjustment column to the Function Allocation sheets, grouped the Input sheets into one section, added Net Operating Income and Rate Increase workpapers COSS16-26, added an "Impact of Changes" sheet to compare the results from any changes made in this file to amounts filed in the rate case, and added a second level reference to the allocation factor input sheets.	These modifications went substantially beyond the request to "link the two worksheets together" and added things like the "Impact of Changes" sheet and additional workpapers to make it easier for parties to use for scenario analyses.
9.a.	Throughout the week of September 30, 2019, CAC worked with other parties to gather a more comprehensive list of deficiencies and outstanding issues to again bring to Duke along with a proposal for a request for extension to the current procedural schedule. On October 4, 2019, CAC sent an email to Duke outlining the deficiencies, which included the	The replica Excel spreadsheets were created by Duke Energy Indiana to accommodate and assist the parties. They do not constitute or replace the proprietary PowerPlan model. As such, Duke Energy Indiana did not believe such replica Excel spreadsheets were required to be filed with the Commission. Nevertheless, Duke Energy Indiana had no objection to filing the replica Excel spreadsheets with the Commission, and did so on October 11, 2019.

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	<p>following Joint Movants' concerns:</p> <p>a. That the Commission had not yet been provided a working COSS model;</p>	
9.b.	<p>b. That Duke had not yet linked certain MSFR and workpaper spreadsheets to the COSS replica, such as (1) the cost allocators in Petitioner's Exhibit 7-E workpaper and (2) the MSFR spreadsheet labeled as "Schedule 1 of Exhibit 7-H(MTD)" showing the Derivation of Annual Fixed Revenue per Customer ("FRC") and Fixed Energy Charge ("FEC") by Rate;</p>	<p>GAO practice is to file Exhibits separate from workpapers and hence the links were not retained. Specifically, as stated in Duke Energy Indiana's Response to Intervenor Informal COSS Data Request provided on October 15th to the parties, Schedule 1 of Exhibit 7-H (MTD) was not in its entirety naturally linked, was not compiled in a linked fashion, and would have been very impractical to attempt to link to the workpaper sources. Further, the Excel based COSS replica was not intended to serve as a Decoupling model. Therefore, at the parties' request, Duke Energy Indiana provided a roadmap/key on October 15th (Informal COSS Data Request 1.2-A) showing the exact derivation of the amounts used in Schedule 1 of Exhibit 7-H (MTD) which applied to the input lines contained within Schedule 1 and which are not part of the Excel based COSS replica. On sub-issue 9.b (1), the roadmap provided on the Cost Allocators RC tab (which roadmap was inserted in the COSS replica) was to address the parties concern in 7.a.ii above. and was therefore not addressed again in 9.b. (1).</p>
9.c.	<p>c. That we were still seeking clarity about how requests to change certain inputs to the COSS would work;</p>	<p>Duke Energy Indiana met with CAC and interested parties again on October 18, 2019 to further discuss making changes to the COSS at their request. Duke Energy Indiana has performed the requested analysis and plans to provide the data to the parties on October 22, 2019.</p>
9.d.	<p>d. That the proofs of revenue provided are based solely on a 4CP allocation and do not include a 12CP allocation;</p>	<p>As stated in Jeff Bailey's testimony, the differences between 4 CP and 12 CP are not material. Workpapers were filed supporting the rate designs for 12 CP for RS and CS. See Bailey workpapers 1-JRB and 2- JRB (and rate designs supporting the 4 CP for all customer classes were filed as part of the MSFRs). Given the immateriality, Duke Energy Indiana does not believe recreation of all rate designs, rate codes and tariffs for 12 CP is reasonable or necessary.</p>

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9.e.	e. That we could not find summary sheets by rate classification and rate structure category "showing" that the sums of the "rate design" revenue requirements detail reflected in the MSFRs referenced in Section 1-5-16(a)(2), volume 2, part B, page 142 equal the total "accounting" revenue requirements as reflected in Douglas Exhibit 4-E, Schedule OPIN 1 (i.e., \$2,912,522,000 for proposed rates and \$2,517,952,000 for present rates as adjusted);	Producing such summary sheets are not listed anywhere in the MSFRs as a requirement. Moreover, parties could visually compare amounts from one filed exhibit to another or workpaper to workpaper. Nevertheless, Duke Energy Indiana developed, and Mr. Bailey provided on October 10 th , a reconciliation sheet to the total proposed revenues using the 4CP methodology. This proof of proposed revenue reconciles, with minor differences, to Ms. Diaz's filed COSS total proposed revenue. The Company committed to reconcile present revenues and provided this to the parties on October 21, 2019.
9.f.	f. That we could not find a summary sheet by major cost category and sub-category "showing" that the sums of the "accounting" revenue requirements detail reflected in the associated MSFRs (which are not in those referenced in the citation above) equal to the total "accounting" revenue requirements as reflected in Douglas Exhibit 4-E, Schedule OPIN 1 (i.e., \$2,912,522,000 for proposed rates and \$2,517,952,000 for present rates as adjusted);	See answer to 9.e. Such summary sheets are not listed anywhere in the MSFRs as a requirement. The same reconciliation sheet noted above also reconciled both present revenues and proposed revenues between Ms. Douglas and Ms. Diaz and provided references to the detailed MSFR workpapers that supported and tied to the totals shown on Douglas Exhibit 4-E, Schedule OPIN 1.
9.g.	<p>g. The overarching concern that there are no connections between data in the MSFRs and the workpapers used to generate the data shown in the MSFRs. Although Duke provided a key, the spreadsheets continue to not be linked to the next logical spreadsheet; rather, the results from one spreadsheet are simply copied to the next spreadsheet. For example:</p> <p>i. The calculations required to derive the PRODKW allocator in the COSS model are spread over four separate, unlinked spreadsheets: (1) 1-5-15(b) Confidential WP - MSFR COSS178 to COSS203-MTD.xlsx; (2) 1-5-15(b)</p>	<p>There is no requirement to link each and every number in the MSFRs to other MSFR numbers.</p> <p>i. It is correct that the parties know where the PRODKW allocator detail schedules reside, and that the data spans more than 1 file due to the feeder sources. However, it is also true that the parties can easily see the percentage to each rate code for the PRODKW allocator in the COSS replica. The COSS replica Duke Energy Indiana built for the parties, which involved approximately 2 weeks of intensive work, can accommodate parties' changes to PRODKW for their analyses -- and Duke Energy Indiana is running scenarios for the parties (notwithstanding that the PRODKW allocator inputs are maintained and stored in the PowerPlan model). Again, this is the same issue identified in 7.a.ii which</p>

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	<p>Confidential WP - MSFR COSS39 to COSS42-MTD.xlsx; (3) 45253-DEI-Petitioner's Workpaper 3-JRB.xlsx; and (4) 45253-DEI-Petitioner's Workpaper 4-JRB.xlsm.</p> <p>ii. Another example is Duke witness Douglas' Exhibit 4_E, Schedule Rev1, which refers to WP REV1-DLD. We finally located this workpaper in the following file: MSFR folder "1-5-8(a)(2) Workpaper.XLS." However, the revenue amounts are hard keyed in this workpaper, which does not show where these numbers come from and how they were determined. Even though the key Duke produced is helping, it is difficult, if not impossible, to follow Duke's chain of evidence.</p> <p>We suggested the most efficient use of time would be for Duke to refile these MSFRs and workpapers with these issues addressed. See Attachment 4, pp. 4-7, and attached affidavits.</p>	<p>was previously addressed by Duke Energy Indiana in the form of a roadmap included in the COSS replica.</p> <p>ii. It is disingenuous to characterize workpaper WP REV1-DLD as hard to find ("we <i>finally</i> located it"). The testimony of Ms. Douglas explained on page 13 that she was sponsoring workpapers that supported her exhibits and that the workpapers were included in the MSFR Volumes. She also referred readers to her Petitioner's Exhibit 4-W for a list of sponsored workpapers and the exhibits they relate to and the MSFR reference where they were filed. Further, pages 5 and 6 of her testimony explained that exhibits were categorized into Schedules and that Revenues schedules used the REV prefix. The workpapers followed suit. Exhibit 4-W clearly shows that for Exhibit 4-E, Schedule REV1, Ms. Douglas filed workpapers referenced REV1-DLD through REV4-DLD and they were included with the MSFR filing at IAC 170 1-5-8(a)(2). If using the electronic excel version of the MSFR 1-5-8(a)(2) Workpaper filing, the relevant tab was clearly labeled, with WP REV1-DLD.</p> <p>If there were questions about where data on any of the workpapers came from or were determined, the parties could have asked formal or informal discovery requests of Duke Energy Indiana. To date, none of the parties have done so in relation to WP REV1-DLD.</p> <p>Because exhibits and workpapers are sponsored by various Revenue Requirements witnesses, various staff assisted in creating exhibits and workpapers, and there is no one Revenue Requirements "model", it is not possible to link all workpapers and exhibits together, so it was necessary to copy or hard key numbers in. Whether workpapers are "linked" with formulas to another tab or</p>

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		<p>not, it is possible to visually compare numbers to tell what feeds into what. Additionally, references were included many places on exhibits and workpapers to enable parties to see what items were related, whether working from a hard copy or excel version. In formatting and providing exhibits and workpapers, it was also necessary to use judgment as to what exhibits and workpapers would be most useful to the Commission and parties to limit the volume of pages and spreadsheets filed.</p>
10.	<p>Working through the revenue proof issue led to additional concerns regarding the forecast of KWH sales used by Duke. This issue was raised with Duke and Mr. Bailey on a call held October 4, 2019. During that call, the OUCC expressed concerns with Mr. Bailey's forecasted KWH sales and number of customers. During the call, Duke indicated forecasts are delineated into broad groups and directed OUCC to DEI Workpaper 6-JRB_071019, which contains the total forecasted Residential KWH sales for 2020. This allocation includes General Service Low Load Factor with no explanation of why it is considered residential. The forecasted amounts do not match the forecasted KWHs used in the revenue proofs.² Additionally, when reviewing Duke witness Douglas' revenue workpapers, the revenues for the Residential class (as an example) do not match Mr. Bailey's revenue proof workpapers. These deficiencies bring into question Duke's reporting of revenues under both current and proposed rates. During the call, Duke committed to provide documentation showing that the revenue proof equals cost of service at current rates and that the revenue proof at current rates matches Duke witness Douglas' revenue requirement. As of October 11, 2019, the OUCC</p>	<p>Duke Energy Indiana personnel have no recollection of any such concern regarding any kWh issue being expressed on this call. On this call, the Company presented proof of revenue on proposed rates (as well as load research information), and the request was made for present revenues at that time.</p> <p>As to the claim that the forecasted amounts do not match the forecasted kWh, the Motion for Extension was the first time this issue was raised. There is very logical explanation which would have been easy to resolve with a call or data request. To that end we offer the following explanation.</p> <p>The forecasted amount for "residential" includes more than just Rate RS. In fact, the forecast includes lighting and other services that are disaggregated into their respective parts for rate design purposes. Stated another way, the Company's forecast does not follow the myriad rate schedules of the Company but rather follows broad revenue classes. Accordingly, the Company disaggregates the forecast to arrive at the respective kWh by rate schedule, even rate code level, for rate design purposes. This is a common and</p>

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	<p>had not yet received the information. Therefore, OUCC cannot verify, reconcile, or understand how Duke's revenues were derived or even if they are consistent with the forecasts. See OUCC witness Watkins' attached affidavit.</p> <p>² To the best of our knowledge, Joint Movants are still awaiting more information from Duke with respect to this issue. This may require additional relief from the Commission and additional adjustments to the procedural schedule.</p>	<p>necessary practice for any utility that uses a future test period based on a high-level forecast. The Company has provided as Attachment 4-B(a) to Jeff Bailey's Affidavit that illustrates the disaggregation of the high-level residential forecast to the applicable rate codes.</p>
11	<p>On October 7, 2019, Duke responded addressing a few of the concerns outlined in the October 4, 2019 email, including agreeing to file the Excel based COSS replica with the Commission, asking to talk again to discuss how to make intervenor requested changes to the COSS spreadsheet, and agreeing to provide a summary sheet by rate classification and rate structure category for the present and proposed rates. See Attachment 4, pp. 2-4.</p>	<p>Duke Energy Indiana agrees it made all these commitments and has followed through on all of them as soon as reasonably practical.</p>
12.a.	<p>On October 8, 2019, CAC sent a follow-up email agreeing to discuss with Duke how to make intervenor-requested changes to the COSS spreadsheet and outlining several additional problems of the same vein in terms of the MSFRs, workpapers, and exhibits not being connected that CAC had attempted to address via discovery, but CAC encountered the same problems with Duke's discovery responses. These included:</p> <p>a. Duke Response to CAC Data Request 13.1. CAC requested very basic information normally part of a</p>	<p>The file produced in connection with the response to CAC 12.7-A is downloadable and the macros are intact and functional. For clarification, the spreadsheet used does contain formulas which are easily auditable. The function of the macro is to step (or feed) various consumption levels into the correct slot for the calculations to be performed, and then post the results in a table. This is the same spreadsheet used in preparation of the case and is quite easy to use.</p> <p>However, Duke Energy Indiana is open to meeting with interested intervenors to walk them through the Excel file if needed.</p>

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	<p>utility's case in chief, the proposed rate structure with and without decoupling for present RS rates and proposed RS rates under various assumed monthly usage levels, among other basic requested information. Duke pointed back to CAC 12.7A spreadsheet. However, instead of using transparent formulas showing the calculation of bill amounts with current and proposed rates, the spreadsheet uses a black-box macro to run the calculations. This pattern of producing black-box spreadsheets is unacceptable. CAC asked Duke to resubmit CAC 12.7A with the necessary information for parties to prepare their cases-in- chief.</p>	
12.b.	<p>Duke Response to CAC Data Request 12.13(a). CAC asked Duke to show how it came up with energy rates under the decoupling scenario. Duke instead provided a spreadsheet under the no-decoupling scenario, CAC Data Request 12-13B. Under the sheet labeled "Comps," Column E is based on certain curve parameters, but there is no indication where this information is coming from. In addition, the other sheet in CAC 12-13B labeled "Graph," there appears to be another curve--this one has a curve formula at the bottom ($y=0.3422x-0.117$), but this is not the same curve parameters as used in the other sheet to calculate the rates without decoupling. CAC asked Duke to provide a spreadsheet under the decoupling scenario, take a look at these discrepancies within the 12-13B spreadsheet, and resubmit it with the necessary information for the parties to prepare their cases-in-chief.</p>	<p>Duke Energy Indiana provided a response this request to the parties on October 21, 2019. The request in CAC 12.13 (a) asks for a spreadsheet of Exhibit 8-B (JRB). This is the Company's proposal with decoupling, and the spreadsheet was subsequently provided as CAC 12.13-A. Again, this is the decoupling scenario, also referred to as "Scenario 1".</p> <p>The request in CAC 12.13 (b) was to provide the "alternative rate structure" which was assumed to be non-decoupling or "Without Decoupling", and further designated a "Scenario 2" in Petitioner's Exhibit 8-A (JRB). Please see the direction provided in response to CAC 12.13 b, which makes use of the spreadsheet provided in 12.13 (a) to compute the impact under Scenario 2. Only 4 numbers are required to be changed to accommodate Scenario 2. Please see "1-5-16(a)(2) Workpaper 2_RS Rate Design Summary" which illustrates the derivation of the Scenario 2 energy rates.</p> <p>Duke Energy Indiana provided Informal COSS RD Request 1.8-A where a "Map" of previously provided files that direct attention to the specific flow of data and the attendant cells to the parties on October 21, 2019.</p>

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12.c.	Duke Response to CAC Data Request 12.14(a). CAC asked for a spreadsheet version of Petitioner's Exhibit 8D, which shows the calculation of the connection charge, with formulas, linked files and linkages intact. Again, in spreadsheet Attachment CAC 12.14A, the numbers were just copied from somewhere else and pasted in, and Duke did not even identify which MSFRs the numbers came from. For example, Cell F9 in this spreadsheet attachment is hard-keyed in with no formulas or links back to where the data comes from. CAC asked Duke to resubmit this spreadsheet with the necessary information for the parties to prepare their cases-in-chief.	<p>On October 21, 2019, Duke Energy Indiana provided the parties Informal COSS RD 1.9 attachments which provides information in support of Petitioner's Exhibit 8-D (JRB). As a courtesy, since several of the cell were previously linked, the remaining cells have been similarly linked.</p> <p>In review of this file, the Fixed Connection Costs for CSNO were used for the development of the Rate CS Connection Charge instead of total Rate CS. The impact is immaterial and will be updated as part of the Company's rebuttal filing.</p>
13	Later on October 8, 2019, Duke rejected the requested extension of time to work through these issues. See Attachment 5, p. 1	This is accurate. For the reasons set forth in its Response and in this Attachment and Affidavits, Duke Energy Indiana does not believe an extension of time is reasonable or justified.
14	On October 9, 2019, certain parties had another phone/Skype call with Duke to discuss with Duke how to make intervenor requested changes to the COSS spreadsheet. Counsel for CAC again voiced a concern about the state of unlinked Excel sheets in the MSFRs, workpapers, and exhibits and the current filing deadline for the OUCC and intervenors' case-in-chief.	By October 8 th , the confidentiality issue within the COSS replica files was addressed for the special contract customers, resulting in a Version 3 of the COSS replica. On October 9 th , Version 3 of the COSS replica was discussed with the parties along with other improvements to the files which had not even been requested by the parties. In the October 9 th meeting, the parties did not provide Duke Energy Indiana with any recommended scenario runs (i.e. changes to allocators or other inputs.)
15	On October 15, 2019, Duke provided some responses to our concerns. Joint Movants are still reviewing these responses and attachments to see if any of these concerns have been adequately addressed. Joint Movants will update the Commission if any of these disputes outlined herein are resolved. At first glance, it appears Duke has not adequately addressed the major concerns, and the extension for time is still necessary regardless of whether Duke has addressed major	Duke Energy Indiana agrees it provided these responses as soon as reasonably practical. Duke Energy Indiana respectfully recommends the parties to issue data requests if they still have questions after reviewing the responses and attachments, as that is what the discovery process is for.

Joint Motion Paragraph Number	Joint Movants' Complaints / Allegations	Duke Energy Indiana Response
	concerns.	
16	<p>In sum, CAC and other parties have lost over a month's worth of work attempting to address the aforementioned issues amicably with Duke. The Excel based replica of the COSS model provided to parties on September 23, September 30, and October 9, and to the Commission on October 11 per non-Duke parties' request, are still very complex and circuitous documents and are not transparent. Parties need time to fully understand these documents. In addition, Joint Movants are still addressing other issues where they asked Duke to bridge existing gaps with this Excel based replica, link together the MSFRs, workpapers, and exhibits, and fix the same issues in Duke's discovery responses. While some progress has been made, many of these issues still exist, and this intervening month has greatly impaired Joint Movants' ability to meet an October 30, 2019 case-in-chief deadline.</p>	<p>The Excel based replica of the COSS model is necessarily complex, in part due to the parties' requests for linking all steps of the processes into one spreadsheet and adding additional workpapers to it, and in part because it is attempting to do what a proprietary data base model does by utilizing Excel. It was developed over the course of a few weeks to attempt to provide the parties with a linked, Excel-based replica to the PowerPlan Regulatory Ledger model, because they did not want to use the actual model the Company used for its COSS.</p> <p>Note that if the parties had notified the Commission within the required 20 calendar days of Duke's filing of its workpapers of their concerns with the COSS or had begun asking discovery in July and August about the various revenue items in workpapers, their concerns could have been addressed in a more expeditious manner.</p>

**AFFIDAVIT OF
BRIAN P. DAVEY**

COMES NOW Brian P. Davey, being duly sworn, and deposes and says:

1. My name is Brian P. Davey. I am employed by Duke Energy Indiana, LLC (“Duke Energy Indiana,” or “Company”) as Director, Rates and Regulatory Strategy, Indiana. My business address is 1000 East Main Street, Plainfield, Indiana 46168.

2. As Director, Rates and Regulatory Strategy, Indiana, I am responsible for regulated rate matters including the Company’s various rider filings for Duke Energy Indiana.

3. This Affidavit is being filed with the Indiana Utility Regulatory Commission (“Commission”) in support of Duke Energy Indiana’s Response to Joint Movants’ Motion to Amend Procedural Schedule (“Response”) being filed in this proceeding.

4. I have personal knowledge of the information addressed herein and in the accompanying Response.

5. One purported rationale for the requested extension is that Duke Energy Indiana’s cost of service model is based on industry software that is not based on Excel. It appears a reason for the preference by certain parties is that Excel is easier to follow the input, formulas and the resulting output. However, alternative software is not inherently inferior. Alternatives can offer more controls such as inadvertently changed formulas or formulas changed without sufficient oversight. The following direct testimony from Company witness Maria T. Diaz (page 4 and beginning on line 14) explains the application used to develop the cost of service study in this proceeding.

“Duke Energy Indiana used PowerPlan regulatory suite to support this base rate case proceeding. PowerPlan is a 3rd party application that was tailored to meet Duke Energy Indiana’s requirements for the retail rate case filing and resulted in the creation of the “regulatory ledger tool.” Some of the key features of the regulatory ledger tool include: (1) user-defined regulatory accounts that collect data from various sources, such as the PowerPlan asset module for assets and depreciation and has mapping functionality; (2) automated data integration such as uploads from Utilities International (“UI”) Planner, which is the software designed by Utilities

International used by the Company for its budgets, and the capital forecast into the regulatory ledger tool; (3) case management, which results in the creation of multiple cases for different scenarios; (4) flexibility on the type of test period selected such as the ability to support historical and forecasted test periods; (5) separations/allocations to determine jurisdictional and class of service costs and revenue requirements including use of multi-tiered allocations, dynamic allocations (allocations dependent on other balances), and specific assignment; and (6) multiple output reports and queries in a Microsoft Excel format.”

6. In response to certain parties’ desire for an Excel based cost of service study, the Company combined spreadsheets that included analyses and/or control schedules and developed a replica of the cost of service study. This was provided to the parties via informal discovery and collaboration about two weeks after any concern was raised. Based on feedback and requests from certain parties, the spreadsheet cost of service model was further enhanced to make the replica more user friendly. The spreadsheet application provided results that validated the filed testimony. The Excel based cost of service study provided support that the cost of service study originally filed by the Company functioned as intended.

7. The Company’s cost of service is a large body of work with the intent to provide enough detail to design fair and reasonable cost based rates. More specifically, some but not all FERC functions are further divided into more than twenty-five categories. Please refer to Table 1 in the testimony of Maria T. Diaz. The Company’s cost of service study is based on assigning costs to thirty-one rate codes. There are more than twenty-five allocation factors. The Company filed its case according to the Minimum Standard Filing Requirements. A reasonableness assessment can easily be done using two exhibits of Maria T. Diaz. Ms. Diaz’ Confidential Exhibit 7-E (MTD) and Confidential Exhibit 7-F (MTD). Confidential Exhibit 7-E includes the major allocation factors. Confidential Exhibit 7-F includes the allocation of original cost depreciated base and operating expenses excluding income taxes. On the versions attached to this Affidavit (Confidential Attachments B-1(a) and B-1(b)), I added high-lighting and information in red font to both exhibits. The take-aways when reviewing the two exhibits are as follows:

- a. The production demand Rate Base and production demand Operating expenses on Confidential Exhibit 7-F (grey high-lighting) are within 0.02% of the System Peak demand allocators on Confidential Exhibit 7-E (grey high-lighting).
- b. The production energy Rate Base and production energy Operating expenses on Confidential Exhibit 7-F (blue high-lighting) are within 0.01% of the MWH Plant Output energy allocators on Confidential Exhibit 7-E (blue high-lighting).
- c. The transmission demand Rate Base and transmission demand Operating expenses on Confidential Exhibit 7-F (grey high-lighting) are within 2.00% of the System Peak demand allocators on Confidential Exhibit 7-E (grey high-lighting). These are highly correlated but not perfectly correlated because transmission has additional allocation factors besides the “major allocation factor” on Confidential Exhibit 7-E. For example, there is a different allocation factor for common transmission. However, the results are reasonable.
- d. The distribution Rate Base and Operating expenses on Confidential Exhibit 7-F (orange high-lighting) are based on many different allocation factors. The rate base allocated to Rate RS is 60.97% of the total and notable allocation factors are Diversified Class Demand (47.58% for Rate RS) and secondary service components of the Maximum Non-Coincident Demand that total approximately 69% for Rate RS. The operating expenses allocated to Rate RS are 67.06%. The notable allocation factors are the same as those used for Rate Base plus the Delivery Point Number of Customers of which 86.97% applies to Rate RS.

8. The conclusion is the major allocation factors and the rate base and operating expenses are highly correlated. The filed cost of service study is reasonable per the assessment in item 7 and mechanically sound as explained in item 6. The reasonableness assessment could have been completed shortly by the parties after the Company filed its case.

9. The parties request of the Commission to order Duke Energy Indiana to refile its Minimum Standard Filing Requirement documents, workpapers, discovery responses so that these documents and spreadsheets have formulas intact and are logically linked to one another is unnecessary. Linking cells in spreadsheets to cells in other spreadsheets is not necessary or efficient when the body of work is not one that is going to be changed a material number of times. For example, rate cases are filed no sooner than 15 months apart and the rate case issues

will not be the same in each case. If all the spreadsheets were going to be updated daily or weekly it could make sense to link the spreadsheets together. However, it would also depend on how many individuals were involved in the process, how many dependencies exists and where the files were stored such as individual computers, share drives, etc.

10. I affirm, under the penalties of perjury that the above statements are based on personal knowledge and are true and correct to the best of my knowledge, information and belief.

[Signature Page to Follow]

FURTHER AFFIANT SAITH NOT.

Brian P. Davey
Brian P. Davey

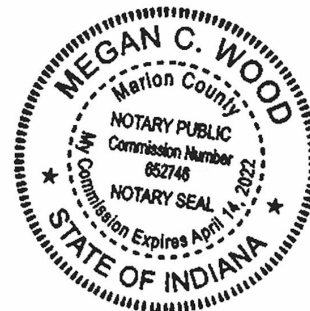
STATE OF INDIANA)
) SS:
COUNTY OF HENDRICKS)

Subscribed and sworn to before me this 21st day of October, 2019.

Megan C. Wood) Notary Public

My Commission Expires:
April 14, 2022

My County of Residence:
Marion



ATTACHMENT B-1(a) IS CONFIDENTIAL

ATTACHMENT B-1(b) IS CONFIDENTIAL

**AFFIDAVIT OF
DIANA L. DOUGLAS**

COMES NOW Diana L. Douglas, being duly sworn, and deposes and says:

1. My name is Diana L. Douglas. I am employed by Duke Energy Indiana, LLC (“Duke Energy Indiana,” or “Company”) as Director, Rates and Regulatory Planning. My business address is 1000 East Main Street, Plainfield, Indiana 46168.

2. As Director, Rates and Regulatory Planning, I have responsibility for the preparation of financial and accounting data used in Company rate filings.

3. This Affidavit is being filed with the Indiana Utility Regulatory Commission (“Commission”) in support of Duke Energy Indiana’s Response to Joint Movants’ Motion to Amend Procedural Schedule (“Response”) being filed in this proceeding.

4. I have personal knowledge of the information addressed herein and in the accompanying Response.

5. This Affidavit will address the Company’s case in chief and workpaper support provided in this proceeding in support of the revenue requirements portion of the filing.

6. I am a Certified Public Accountant and have thirty-nine years of professional experience in various accounting and financial roles with the Company. In virtually all of these roles, among other responsibilities, I have reviewed, verified, traced, and tied financial data using both hard copy and electronic spreadsheets.

7. I provided oversight for the design and preparation of exhibits and workpapers that were filed to support the revenue requirements portion of the filing, for which I provided Direct Testimony, exhibits and workpapers, including summary exhibits which were further supported by testimony, exhibits and workpapers supported by Ms. Suzanne E. Sieferman, Ms. Christa L. Graft and Mr. Roger A. Flick.

8. Our revenue requirements team reviewed hard copies of public versions of revenue requirements exhibits, workpapers and Minimum Standard Filing Requirements (“MSFR”) submissions of other Indiana electric utilities with recent base rate cases, including two who had used a forecasted test period, as we designed and planned for our exhibits and workpapers. It was also necessary to use judgment in determining the data to be included on the

exhibits and workpapers to ensure the Commission and parties had useful information, but also a manageable volume of pages and spreadsheets filed.

9. The revenue requirements exhibits and workpapers were designed to meet the Commission's relevant Minimum Standard Filing Requirements and to allow users to trace or tie numbers from one exhibit to another or from supporting workpapers to exhibits, whether users used printed, hard copy versions of the exhibits and workpapers or Excel files. As such, the exhibits had references to the lower level exhibits or workpapers supporting the data and/or the higher level workpaper or exhibit where the data was used or summarized.

10. We further used an exhibit schedule and workpaper naming convention (discussed on page 5 and shown in Table 2 on page 6 of my Revised Direct Testimony) that categorized the revenue requirements exhibits and workpapers to support users in connecting related exhibits and workpapers regardless of which revenue requirements witness was sponsoring the exhibit or workpaper and to also identify the sponsoring witness. We also labeled tabs on each excel spreadsheet provided for exhibits and workpapers using the same naming convention.

11. Workpapers responsive to the MSFRs were filed with the MSFR submission, organizing them according to the sections of the MSFR in accordance with the Commission's best practice recommendation from GAO 2013-5. Rather than filing multiple individual spreadsheets for each MSFR section, workpapers were combined into larger spreadsheets using multiple tabs, so users could easily move from one related workpaper to another without opening multiple spreadsheets. The MSFR workpapers were labeled with both the MSFR IAC reference number and the Company's naming convention/categorization reference, including sponsoring witness initials.

12. Page 13 of my Revised Direct Testimony discussed the filing of the workpapers with the MSFRs and that I was attaching Petitioner's Revised Exhibit 4-W (DLD) for a list of sponsored workpapers and the exhibits they relate to and the MSFR reference where they were being filed.

13. Petitioner's Revised Exhibit 4-W (DLD) clearly indicated where the workpapers supporting my Revised Petitioner's Exhibit 4-E, Schedule REV1, could be found in the MSFR filing, including Revised Workpaper MSFR REV1-DLD which was filed with other MSFR 1-5-8(a)(2) workpapers. On the excel spreadsheet filed to support MSFR 1-5-8(a)(2) workpapers, a tab was clearly labeled WP REV1-DLD.

14. In response to the parties' request expressed in an October 4, 2019 e-mail for a reconciliation of revenue amounts included on one of my exhibits, I prepared a reconciliation of total operating revenues as reflected in Exhibit 4-E (DLD), Schedule OPIN1 to Exhibit 7-G (MTD), Schedule 2, for both present and proposed revenues, along with what supporting workpapers were provided. This reconciliation also included total proposed revenues as provided to me by Mr. Bailey per his proposed revenue proof that was also provided to the parties via informal discovery. This reconciliation was provided to the parties on October 15, 2019.

15. Despite using my Revised Workpaper MSFR REV1-DLD as an example of the parties' concern with lack of linkages of spreadsheets in their October 4, 2019 e-mail, to date the Company has not received any discovery requests asking for clarification regarding where specific numbers on Revised WP REV1-DLD came from or how they were determined. Nor has the Company received any discovery requests regarding the Joint Movants' generalized references to differences in revenue amounts for the Residential (or other) classes as reported on my exhibits or workpapers as compared to revenue amounts reported by Mr. Jeffrey R. Bailey or asking specific questions regarding determination of revenues included on my exhibits or workpapers or their consistency with the forecasts.

16. On October 21, Mr. Bailey provided me with a present revenues proof for base rate revenues by rate class compared to numbers that had initially been provided to me by Mr. Bailey's team for use in my MSFR 1-5-8(a)(2) Workpaper REV2-DLD. Although Mr. Bailey's base rate revenues tied to amounts used in the COSS study, I determined we had overlooked updating this workpaper to correspond with changes made by Mr. Bailey and Ms. Diaz that were filed in the Company's Sept. 9, 2019 revised filing. As the changes to my revenue requirements support affect presentation only and the substantive changes were properly included in the COSS and rate design filed Sept. 9, 2019, the Company will plan to file any non-substantive corrections to the revenue requirements support of revenues as part of rebuttal testimony.

17. Multiple Indiana rates team members helped develop the *pro forma* adjustments and various portions of the revenue requirements exhibits and workpapers. Multiple unlinked spreadsheets were used to accommodate the workflow and to enable independent changes and adjustments until final. Consequently, there was no one revenue requirements "model" that consisted of all linked revenue requirements exhibits and workpapers, and it was necessary to

copy or hard key certain numbers in when final exhibits and MSFR workpapers were pulled together for filing.

18. In addition to the excel spreadsheets associated with the filed MSFR exhibits and workpapers which were organized by MSFR numbering, to further assist the parties, we revised in early October some of our preliminary spreadsheets and added some additional links and formulas to provide the parties on October 15, 2019, with an alternate set of revenue requirements spreadsheets which were organized by category (Rate Base, Revenues, O&M, etc.) and contained all related exhibits and workpapers, regardless of which witness sponsored the exhibit or workpaper. This was a set of nine spreadsheets and was a good faith effort to address the parties' concerns.

19. The use of the PowerPlan Regulatory Ledger proprietary tool for COSS processing involved loading forecast data and *pro forma* adjustments in a certain format into the tool for further processing for the COSS. This process flow made it unnecessary for production of the workpapers to electronically link via excel to the revenue requirements spreadsheets.

20. It was also impractical to link all revenue requirements exhibits and workpapers together after the fact or to the COSS exhibits and workpapers when the exhibits and workpapers were not initially developed that way.

21. Further, sending and posting electronically linked spreadsheets externally can be complicated and links may not work, increasing the complexity of using the spreadsheets and the chance that things may not work as intended.

22. Duke Energy Indiana has answered numerous discovery requests, both formal and informal regarding the revenue requirements on a timely basis.

23. I affirm, under the penalties of perjury that the above statements are based on personal knowledge and are true and correct to the best of my knowledge, information and belief.


[Signature Page to Follow]

FURTHER AFFIANT SAITH NOT.


Diana L. Douglas

STATE OF INDIANA)
) SS:
COUNTY OF HENDRICKS)

Subscribed and sworn to before me this 21st day of October, 2019.


(Megan C. Wood) Notary Public

My Commission Expires:
April 14, 2022

My County of Residence:
Marion



**AFFIDAVIT OF
MARIA T. DIAZ**

COMES NOW Maria T. Diaz, being duly sworn, and deposes and says:

1. My name is Maria T. Diaz. I am employed by Duke Energy Indiana, LLC (“Duke Energy Indiana,” or “Company”) as Director, Rates and Regulatory Planning. My business address is 1000 East Main Street, Plainfield, Indiana 46168.

2. I have worked at this Company since 1997 in supervisory, accounting and financial reporting roles. I hold an active Certified Public Accountant license in the State of Indiana. I have been in my current position in Duke Energy Indiana’s Rate department since 2006. From 1988 to 1997, I worked in public accounting in audit and in private industry as an internal auditor.

3. As Director, Rates and Regulatory Planning, I have responsibility for certain regulated rate matters involving Duke Energy Indiana, including cost of service studies, rate administration, and rate tracker filings. I have filed supporting testimony, exhibits and workpapers in more than fifty rate tracker filings. I also administer rate issues for the Company’s jointly owned facilities.

4. This Affidavit is being filed with the Indiana Utility Regulatory Commission (“Commission”) in support of Duke Energy Indiana’s Response to Joint Movants’ Motion to Amend Procedural Schedule (“Response”) being filed in this proceeding.

5. I have personal knowledge of the information addressed herein and in the accompanying Response.

6. In this proceeding, I am supporting the Jurisdictional Separation Study and the Cost of Service Study (“COSS”) including testimony, exhibits, and workpapers. I have a team of lead rate analysts and managerial rate employees who were assigned to prepare the aforementioned studies, the related exhibits and accompanying MSFR workpapers for my review and filing as part of this proceeding for the July 2nd, 2019 filing. I also had the extensive support of Duke Energy’s Finance Program Office (“FPO”), which served as the “PowerPlan” expert and liaison for this proceeding.

7. PowerPlan was the 3rd party application that was purchased by Duke Energy for use in its jurisdictions. Duke Energy Indiana tailored the application to meet Duke Energy Indiana's requirements for this proceeding. The PowerPlan model housed data from various sources, by way of uploads from Utilities International ("UI") Planner for the budgets and capital forecast, PowerPlan asset modules, user defined inputs, including Revenue Requirements data from Witnesses Douglas, Graft, Sieferman, and Rate Design data from Witness Flick. The model accepted these data sources to perform its processing of functionalization, classification and cost allocation.

8. Tailoring the PowerPlan model to Duke Energy Indiana specifications began in late 2017, with ongoing development and functionality testing continuing throughout 2018. The PowerPlan project was undertaken across the enterprise to begin establishing uniformity and application controls in a rate case filing. For instance, the Company's last retail rate case was mostly a complex, macro-driven, Excel filing with a few hundred individual files.

9. From late 2017 through 2018, the Company had a dedicated team of FPO and PowerPlan developers working with the same rate case members who prepared the Jurisdictional Separation and Cost of Service studies for this filing involved in the design and testing process for the PowerPlan model.

10. The PowerPlan model produces reports and queries in an Excel format and it was this output that was the basis for the Exhibits and MSFR workpapers filed in this proceeding.

11. The "Proposed Operating Revenues by Function After Subsidy/Excess by Rate Code" (MSFR 89-129 (MTD)) and revisions thereto were sourced from the PowerPlan model and provided to Witness Bailey, and such schedules were in a format that were acceptable and usable for Witness Bailey's derivation of proposed rates.

12. The rate case filing contained the ordering of key exhibits (that were ordered in the same sequence as they were discussed in my testimony based on how the case was logically assembled) with the underlying support as MSFR workpapers. The Company provided the materials filed in support of 170 IAC 1-5-15 (a) and (b) on a CD to the parties at the time of filing this case on July 2, 2019. (In the Company's most recent retail rate case in 2002, such materials were not available until requested in the discovery process.) The Company also filed an MSFR Word Document that identified which Exhibits and MSFR workpapers satisfied the specific subparts of 170 IAC 1-5-15 (a) and (b).

13. It was the culmination of the entire body of work filed on the CD that satisfied the requirements for 170 IAC 1-5-15 (a) and (b). It is not representative for the Joint Movants to highlight the “RC Alloc” tab contained within the filing, which is merely the approximate 71,000 rows of data output from the PowerPlan model, and state the obvious that it does not contain formulas. What is important is that the Company linked to the “RC Alloc” tab for its reporting and it contained all the critical pieces of information to enable Cost of Service Study reporting. In particular, the “RC Alloc” tab contained the following critical pieces of data: regulatory account, function target, regulatory account type (rate base, etc.), subaccount (for roll-up reporting), allocator target (i.e. the individual rate code), the amount of each regulatory account down to the rate code, and the allocator that was applied. This RC Alloc tab is not unlike the data tab used in the other Duke Energy jurisdictions that are using PowerPlan (i.e. the 2018 North Carolina rate case query tab houses approximately eighty thousand rows of similar data used for their bundled cost of service reporting.)

14. Because of the number of Exhibits and MSFR workpapers that were required to be filed, the multiple data sources, and the timing of how the information streams were progressing during the assembly of the case, linking the numbers across the entire population of the spreadsheets was not practical or feasible. Copy and paste functionality within Excel was a common feature employed; however, where Duke Energy Indiana used formulas outside of the PowerPlan model, the formulas were retained intact in the files included on the CD.

15. An attempt to explain the proprietary PowerPlan model occurred on September 19, 2019 with certain parties. It was apparent that certain parties did not have an interest in a traditional walk-through of the model, including learning about how the PowerPlan application was setup to enable Duke Energy Indiana’s functionalization, classification, and allocation of costs processes for the rate case filing. Instead, these parties asked questions, many of which would have been more beneficial had they been asked in the formal discovery process, due to the detailed nature of these questions. Company personnel explained during this meeting that in its filing, there was summarized information from the PowerPlan model, such as O&M expenses. That is due to the number of detailed regulatory accounts and sub-functions used for COSS reporting, such that the number of combinations resulted in thousands and thousands of rows of data, which the Company summarized because the detail is housed in the model and was available for querying and viewing in PowerPlan.

16. To assist with the chain of evidence, the Company elected to provide certain parties an additional combined tie-out schedule referred to by the parties as the Excel based “COSS replica”, showing the references to the Revenue Requirements information through the Functionalization, Jurisdictional Study, and eventual Cost of Service Study processing. This tie-out process was being performed by the Company’s rate team as the rate case was being assembled. After the case was filed, the Company chose to combine all the tie-outs in one master file to provide additional cross-referencing, roadmaps, and prove the mathematical validation of the PowerPlan results at both a detailed and summarized level, at the request of certain parties. The COSS replica validated all the results in the initial rate case filing and subsequent revision.

17. The Excel based COSS replica can be used without knowing how to use the PowerPlan application. The COSS replica has gone through three major revisions, aimed at improving usability by the parties, documenting additional references, and improving linkages between the tabs in a single comprehensive, master file. Duke Energy Indiana held meetings with certain parties explaining the COSS replica and how to run competing “what-if” scenarios. To date, said meetings occurred on September 25th, October 9th, and October 18th, and included several Duke Energy Indiana rates team members including myself.

18. At the September 25th meeting, certain parties indicated that the COSS replica was helpful and did not characterize their four additional requests as “deficiencies” The additional requests and topics were: 1) merging two Excel workbooks into one to improve linking between the Function and COSS steps; 2) providing a roadmap for the COSS allocators to show the original sources; 3) discussing the confidentiality of special contracts; and 4) the parties’ desire to have Duke Energy Indiana prepare alternate scenarios. Duke Energy Indiana committed to address the four requests promptly.

19. By September 30th, the second version of the COSS replica was provided to the parties after spending substantial time combining the two Excel workbooks into one and including a roadmap for the COSS allocators. The roadmap showed how the allocator data stepped from the source file(s) to the subsequent files used for the calculations in the COSS replica. The roadmap included by allocator a specific primary reference/source and feeders to the primary reference/source. Duke Energy Indiana also added a comment field that identified column references and other external sources such as specific rate design workpapers. Included

were also improvements to the COSS replica, which were not even requested by the parties – such as adding an “Impact of Changes” tab and other tabs within the workbook to make it easier for the parties to use for scenario analyses.

20. It is not true that the Company had in its possession the COSS replica before September 23rd and withheld it from the parties. Prior to the initial September 23rd release of the COSS replica, the Company prepared individual tie-out sheets during the assembly of the case to verify the PowerPlan model output. Those tie-out sheets were rough and not assembled in a comprehensive tie-out file until September 23rd at which time, the first version of the COSS replica was provided to the parties that illustrated the processing of all Function and COSS steps.

21. On October 8th, the confidentiality presentation for special contracts was addressed and included in the third version of the COSS replica along with other improvements to the COSS replica that had not been requested by the parties. At the October 9th meeting, the parties did not communicate any recommended scenario runs to Duke Energy Indiana.

22. On October 15th, the Company, in its response to Informal COSS Data Request 1.2-A, supplied a detailed key showing the exact derivation of the input amounts included in Schedule 1 of Exhibit 7-H (MTD) for the decoupling example because the COSS replica was not intended to serve as a decoupling model and because Schedule 1 of Exhibit 7-H (MTD) contained some inputs that were not naturally linked. This roadmap was created to address certain parties’ request to cross-reference the inputs with more detail.

23. In other Duke Energy jurisdictions, participating parties have made requests of Duke Energy for different COSS scenarios, which Duke Energy produces on behalf of the parties. To date, Duke Energy Indiana completed two scenarios at the request of one party (the results that were combined into 1 master scenario). This first master scenario was discussed at the October 18th meeting with further explanation that an additional scenario would be done early the week of October 21st due to additional programming required in the COSS replica for production demand and energy allocations. On Sunday, October 20th, the same party provided specific instructions on creating three scenarios and fine-tuned the details on each scenario to enable the Company to commence the scenario runs on Monday, October 21st and said work is ongoing as of the date of this affidavit and planned to be provided to the parties on October 22, 2019. To date, no other party has made requests to run scenarios.

24. This supplementary tie-out file requested by certain parties is not an MSFR or GAO requirement. The rates team supporting me as a witness has spent an extraordinary amount of time attempting to appease certain parties' concerns regarding the chain of evidence in this proceeding by development of this Excel based COSS replica.

25. I affirm, under the penalties of perjury that the above statements are based on personal knowledge and are true and correct to the best of my knowledge, information and belief.

[Signature Page to Follow]

FURTHER AFFIANT SAITH NOT.

Maria T. Diaz

Maria T. Diaz

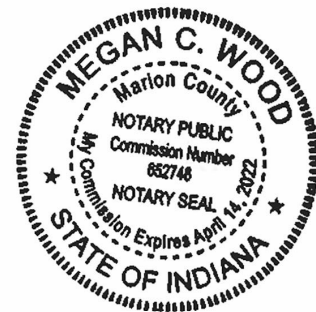
STATE OF INDIANA)
) SS:
COUNTY OF HENDRICKS)

Subscribed and sworn to before me this 21st day of October, 2019.

Megan C. Wood
(Megan C. Wood) Notary Public

My Commission Expires:
April 14, 2022

My County of Residence:
Marion



**AFFIDAVIT OF
JEFFREY R. BAILEY**

COMES NOW Jeffrey R. Bailey, being duly sworn, and deposes and says:

1. My name is Jeffrey R. Bailey. I am employed by Duke Energy Business Services, LLC, a utility affiliate of Duke Energy Indiana, LLC (“Duke Energy Indiana,” or “Company”) as Director, Rate Design & Analysis. My business address is 1000 East Main Street, Plainfield, Indiana 46168.

2. As Director, Rate Design & Analysis, I have responsibilities with the Company which focus on the strategic aspects of the Company’s pricing, and identifies, evaluates, and prioritizes pricing direction for the Company that meets both corporate and customer needs.

3. This Affidavit is being filed with the Indiana Utility Regulatory Commission (“Commission”) in support of Duke Energy Indiana’s Response to Joint Movants’ Motion to Amend Procedural Schedule (“Response”) being filed in this proceeding.

4. I have personal knowledge of the information addressed herein and in the accompanying Response.

5. This Affidavit will address the Company’s case in chief and workpaper support provided in this proceeding in support of the rate design portion of the filing and respond to certain assertions and the Joint Movants’ Motion.

6. In this proceeding, I support Direct Testimony, exhibits, and work papers that were filed to support the rate design portion of the filing and oversaw the body of work required to produce this portion of the filing. The exhibits and workpapers were designed to meet the Commission’s Minimum Standard Filing Requirements to allow users to trace numbers throughout the derivation of the rates and the production of the attendant revenue requirements. In my opinion, such exhibits and work papers fully comply with the MSFRs and provide more than sufficient information for a skilled practitioner to evaluate the Company’s rate designs. I have been personally involved in numerous conference calls intended to address various aspects of the Company’s case in chief, and provided additional information as requested to assist various parties in their understanding of the materials. This effort is still on-going, and the Company is using “best efforts” to fulfil all outstanding requests.

7. In response to Informal COSS Set 1, 4.b. and as listed as 9-E of Attachment A, on October 4th the Company provided proof of proposed base revenue to OUCC, and submitted this proof to the remaining parties on October 7th. The proof clearly demonstrates reconstruction of the Company's proposed base revenues. This proof of proposed revenues was followed by proof of present revenue October 21st. This proof reasonably ties to the Company's cost of service study and, similarly, properly represents the requested revenues by class. While there was a discrepancy with the exhibit used, the Company has been able to determine that the rate design and cost of service revenue requirements are correct. These documents satisfy all outstanding requests for proof of revenue.

8. In response to Informal COSS Set 1, 8 and as 12-B of Attachment A, the Company recapped the request made by CAC and provided clear references to the documents and the source of information within those documents by providing a map of the applicable files.

9. In response to Informal COSS Set 1, 9 and as 12-C of Attachment A, the Company provided the parties information in support of Petitioner's Exhibit 8-D (JRB). As a courtesy, the Company linked the remaining unlinked cells. In review of this file the Company detected an immaterial error that will be updated as part of the Company's rebuttal filing.

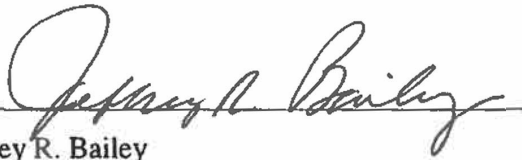
10. In response to Item 10 of Attachment A, it should be noted that the Company's forecast does not follow the myriad rate schedules of the Company, but rather follows broad revenue classes. Accordingly, the Company disaggregates the forecast to arrive at the respective kWh by rate schedule for rate design purposes. This is a common and necessary practice for any utility that uses a future test period based on a high-level forecast. The Company has provided Attachment B-4(a) that illustrates the disaggregation of the high-level residential forecast to its respective rate codes. To be clear, the forecast for residential service includes items like lighting and farm service obviously provided under another schedule. The Joint Movants' claim that the forecast amounts do not match the forecasted kilowatt hours using the revenue proofs, in our opinion, has not been justified or supported by an analysis that was provided to Duke Energy Indiana.

11. More specific responses to each of the Joint Movants' claims are attached in table format in Attachment A to the Response.

12. I affirm, under the penalties of perjury, that the statements herein and those related to rate design included in Attachment A are based on personal knowledge and are true and correct to the best of my knowledge, information, and belief.

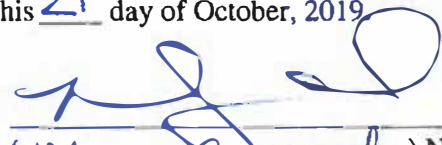
[Signature Page to Follow]

FURTHER AFFIANT SAITH NOT.


Jeffrey R. Bailey

STATE OF INDIANA)
) SS:
COUNTY OF HENDRICKS)

Subscribed and sworn to before me this 21st day of October, 2019


(Megan C. Wood) Notary Public

My Commission Expires:
April 14, 2022

My County of Residence:
Marion



DUKE ENERGY INDIANA, LLC

Residential Energy Reconciliation

		Forecasted Energy (kWh)	
1	Description	8,690,701,682	
2	RSN0	7,848,601,252	
3	RSN2	780,912,177	
4	RSN4	33,630,605	
5		<hr/> 8,663,144,034	99.68%
6	LSN0	4,656,817	
7	LSN4	3,164,305	
8		<hr/> 7,821,122	0.09%
9	SMLC	1,629	
10	SMLP	6,652	
11		<hr/> 8,281	0.00%
12	UOLS	<hr/> 19,728,245	0.23%
13	Grandtotal	<hr/> <hr/> 8,690,701,682	100.00%
14	Variance	-	