FILED
April 4, 2024
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC PURSUANT TO IND. CODE §§ 8-1-2-42.7 AND 8-1-2-61, FOR (1) AUTHORITY TO MODIFY ITS RATES AND CHARGES FOR ELECTRIC UTILITY SERVICE THROUGH A MULTI-STEP RATE IMPLEMENTATION OF NEW RATES AND CHARGES USING A FORECASTED TEST PERIOD; (2) APPROVAL OF NEW SCHEDULES OF RATES AND CHARGES, GENERAL RULES AND REGULATIONS, AND RIDERS; (3) APPROVAL OF REVISED ELECTRIC DEPRECIATION RATES APPLICABLE TO ITS ELECTRIC PLANT IN SERVICE, AND APPROVAL OF REGULATORY ASSET TREATMENT UPON RETIREMENT OF THE COMPANY'S LAST COAL-FIRED STEAM GENERATION PLANT; (4) APPROVAL OF AN ADJUSTMENT TO THE COMPANY'S FAC RIDER TO TRACK COAL INVENTORY BALANCES; AND (5) APPROVAL OF NECESSARY AND APPROPRIATE ACCOUNTING RELIEF, INCLUDING AUTHORITY TO: (A) DEFER TO A REGULATORY ASSET EXPENSES ASSOCIATED WITH THE EDWARDSPORT CARBON CAPTURE AND SEQUESTRATION STUDY, (B) DEFER TO A REGULATORY ASSET COSTS INCURRED TO ACHIEVE ORGANIZATIONAL SAVINGS, AND (C) DEFER TO A REGULATORY ASSET OR LIABILITY, AS APPLICABLE, ALL CALCULATED INCOME TAX DIFFERENCES RESULTING FROM FUTURE CHANGES IN INCOME TAX RATES.	)	**CAUSE NO. 46038**

PETITION FOR GENERAL RATES AND CHARGES INCREASE AND ASSOCIATED RELIEF UNDER IND. CODE § 8-1-2-42.7 AND NOTICE OF PROVISION OF INFORMATION IN ACCORDANCE WITH THE MINIMUM STANDARD FILING REQUIREMENTS

Duke Energy Indiana, LLC ("Duke Energy Indiana," "Petitioner" or "Company") respectfully petitions the Indiana Utility Regulatory Commission ("Commission") for authority to increase its retail rates and charges for electric service rendered by Duke Energy Indiana in the

State of Indiana through a multi-step rate implementation using a forecasted test period; and for approval of related relief including: approval of revised depreciation rates and Petitioner's proposal for regulatory asset treatment upon retirement of the Company's last coal-fired steam generation plant; an adjustment to Duke Energy Indiana's fuel adjustment clause ("FAC") rider to track coal inventory balances in the Company's quarterly FAC filings; approval of necessary and appropriate accounting relief, including authority to: (1) defer to a regulatory asset expenses associated with an upcoming carbon capture and sequestration study to be conducted for the Edwardsport Generating Station ("Edwardsport"); (2) defer to a regulatory asset costs incurred by the Company to achieve organizational savings; and (3) defer to a regulatory asset or liability, as applicable, all calculated income tax differences resulting from future changes in income tax rates; and approval of new schedules of rates, charges, rules, and regulations. This filing is made pursuant to Ind. Code § 8-1-2-42.7 ("Section 42.7").

At every step of generating, transmitting, and distributing energy, Duke Energy Indiana has a relentless commitment to performing tasks safely, reliably, and efficiently. This commitment and the investments included in this Cause have resulted in the strong reliability, safety, and customer satisfaction successes set forth in the Company's case-in-chief. The requested relief is necessary to recover for and continue to make investments that increase reliability, resiliency, and stability of the Duke Energy Indiana system while transitioning the Company's generation fleet to increase environmental sustainability in a reasonable manner that takes customer affordability into consideration.

In accordance with the Commission's General Administrative Order ("GAO") 2013-05 (Rate Case Standard Procedural Schedule and Recommended Best Practices for Rate Cases Submitted under Ind. Code § 8-1-2-42.7), Duke Energy Indiana hereby provides its Notice of

Intent to File Information required under the Minimum Standard Filing Requirements ("MSFRs"), 170 IAC 1-5, as applicable, to provide support for this Petition.

In support of this Petition, Duke Energy Indiana represents the following:

1. Petitioner's Corporate Status.

Duke Energy Indiana is an Indiana limited liability corporation with its principal office in the Town of Plainfield, Hendricks County, Indiana. Its address is 1000 East Main Street, Plainfield, Indiana 46168. It has the corporate power and authority to engage, and it is engaged, in the business of supplying electric utility service to the public in the State of Indiana. Accordingly, Petitioner is a "public utility" within the meaning of that term as used in the Indiana Public Service Commission Act, as amended, Ind. Code § 8-1-2-1, and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana, including Ind. Code § 8-1-2-1 *et seq*. Petitioner is a wholly-owned subsidiary of Duke Energy Indiana Holdco, LLC.

2. Petitioner's Operations and Service Territory.

Petitioner is engaged in the business of rendering retail electric service solely within the State of Indiana under duly acquired indeterminate permits, franchises, and necessity certificates. Duke Energy Indiana owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities (collectively, the "Utility Properties") that are used and useful for the production, storage, transmission, distribution, and furnishing of electric service to its customers.

Petitioner directly supplies electric energy throughout its approximately 22,000-square mile service area to approximately 900,000 customers located in 69 counties in the central, north central, and southern parts of the State of Indiana, and supplies steam service to one customer from its Cayuga Generating Station and to Purdue University via a combined heat and power facility. Petitioner also sells electric energy for resale to other public utilities that in turn supply electric utility service to numerous customers in areas not served directly by Petitioner.

Duke Energy Indiana's electric generating Utility Properties currently consist of: (1) two syngas/natural gas-fired combustion turbines ("CT") and one steam turbine; (2) five solar-powered facilities, two of which have on-site energy storage systems; (3) steam capacity located at two stations comprised of seven coal-fired generating units; (4) combined cycle capacity located at one station comprised of three natural gas-fired CTs and two steam turbine-generators; (5) one CT in a combined heat and power ("CHP") configuration located at Purdue University; (6) a run-of-river hydroelectric generation facility comprised of three units; (7) peaking capacity consisting of four oil-fired diesels and twenty-four natural gas-fired CTs, one of which is configured with dual natural gas and fuel oil capability; and (8) one distribution-tied energy storage system located at the Nabb substation. Petitioner's generating fleet also includes numerous environmental compliance facilities, including Flue Gas Desulfurization technology (*i.e.,* "scrubbers"), Selective Catalytic Reduction technology, low-Nitrogen Oxide burners, baghouses, monitors, *etc.*, added to meet various federal and state environmental requirements.

The transmission Utility Properties currently consist of over 5,000 circuit miles of 345 kV, 230 kV, 138 kV, and 69 kV transmission lines, along with approximately 500 transmission and distribution substations and associated equipment. Petitioner jointly owns its transmission system with Wabash Valley Power Association, Inc. ("WVPA") and the Indiana Municipal Power Agency ("IMPA").

Pursuant to the Commission's Order in Cause No. 42027 (December 27, 2001), Duke Energy Indiana's transmission system is under the functional control of Midcontinent Independent System Operator, Inc. ("MISO"), a Federal Energy Regulatory Commission ("FERC")-approved regional transmission organization ("RTO"), and is used for the provision of open access non-discriminatory transmission service pursuant to MISO's Open Access Transmission Tariff on file with the FERC. As a member of MISO, charges and credits are billed to Duke Energy and allocated to Duke Energy Indiana for functional operation of the transmission system, management of the MISO markets including the assurance of a reliable system, and general administration of the RTO.

Duke Energy Indiana's electric distribution Utility Properties currently consist of over 31,800 circuit miles of distribution lines, as well as control rooms, transformers, circuit breakers, poles, substations, and other associated distribution equipment.

Duke Energy Indiana's electric system Utility Properties, together with its offices, call centers, and associated equipment, are used and useful in providing safe and reliable electric utility service to its customers.

Duke Energy Indiana's property is classified in accordance with the Uniform System of Accounts as prescribed by the FERC and adopted by this Commission.

3. Petitioner's "Public Utility" Status.

Duke Energy Indiana is a "public utility" under Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

4. Petitioner's Operating Results Under Existing Rates.

Duke Energy Indiana's existing retail rates in Indiana were established pursuant to the Commission's Order in Cause No. 45253, dated June 29, 2020. Those basic rates and charges remain in effect today, as modified by the Commission's Order on Remand in Cause No. 45253, dated April 12, 2023, and various riders approved by the Commission from time to time, as well as the reduction in rates produced by Indiana's repeal of the Utility Receipts Tax. These riders adjust Duke Energy Indiana's rates for service to timely recover changes in certain costs associated with the provision of service. The petition in Cause No. 45253 was filed on July 2, 2019, and so more than 15 months have passed since the filing date of Petitioner's last request for a general increase in its basic rates and charges.

Since its basic rates and charges for utility service were last established in Cause No. 45253, Petitioner has continued and will continue to make significant capital expenditures for additions, replacements, and improvements to its Utility Properties. Also, the fair value of Petitioner's Utility Properties has materially increased. At the same time, some expenses and other costs have also increased. As a result, Petitioner's return on its Utility Properties currently is, and without increase will continue to be, below the level required to permit Petitioner to earn a fair return on the fair value of its Utility Properties; to provide revenues which will enable it to continue to attract capital required for additions, replacements, and improvements to its Utility Properties at a reasonable cost; to maintain and support Petitioner's credit; to assure confidence in Petitioner's financial soundness; and to earn a return on the value of its Utility Properties equal to that available on other investments of comparable risk. As a consequence, Petitioner's existing rates and charges now are and will continue to be insufficient to provide revenues adequate to cover its necessary and reasonable operating expenses and provide the opportunity to earn the fair return Petitioner must be provided the opportunity to earn by law. The existing rates of Petitioner, therefore, are unjust, unreasonable, insufficient, and confiscatory and should be increased.

5. Petitioner's Requested Relief.

Petitioner requests that new rates and charges be authorized to enable Petitioner to realize a proper and adequate utility operating income, maintain and support its credit, adequately service its outstanding securities, assure confidence in its financial soundness, allow Petitioner to earn a return equal to that available on other investments of comparable risk, and raise on fair and reasonable terms such amounts of additional capital that will be required to enable Petitioner to render safe, adequate, and continuous electric service to the public.

As discussed in the Company's case-in-chief, Duke Energy Indiana requests that the Commission approve an overall annual increase in revenues from base rates and charges, including rate adjustment mechanisms, in the total amount of approximately $491.5 million (inclusive of the Step 1 and 2 increases). The total requested increase is approximately 16.20%. The percentage increase by rate class is set forth in Attachment A. Petitioner proposes to implement the requested revenue increase in two steps. Based upon projected net original cost rate base and capital structure, Step 1 would increase revenue by approximately $355.4 million, representing an approximate 12% increase; Step 2 would reflect a revenue increase of approximately $136.1 million, representing an approximate 4% incremental increase. The estimated bill impact after Step 2 for an average residential customer is set forth in the testimony of Company witness Ms. Christa Graft. This two-step rate increase will ensure that only plant that is in-service and used and useful will be reflected in Petitioner's retail electric rates. The first step would take effect as soon as possible after the issuance of an Order in this Cause. Rate base for the first step will be projected as of the end of the test year except that it will include actual net plant in service as of June 30, 2024. The first step will also reflect actual capital structure as of June 30, 2024. This date is at least sixty (60) days before the anticipated commencement of the evidentiary hearings in this Cause and is prior to the beginning of the forward-looking test year, which is the 12 months ended December 31, 2025. The second step would take effect as soon as possible following the end of the test year.

In addition, Duke Energy Indiana is seeking approval of new depreciation accrual rates as described by Company witness Mr. John Spanos, as well as regulatory asset treatment upon the retirement of Duke Energy Indiana's last coal-fired steam generation plant as discussed by

Company witness Ms. Kathryn Lilly. The Company is also proposing one substantive change to its FAC rider to address the recent volatility the Company has experienced in coal inventory levels as discussed in Company witness Mr. John Verderame's testimony. Further, the Company is seeking authority to defer expenses associated with an upcoming carbon capture and sequestration study to be conducted for the Edwardsport Generating Station, as described in the testimonies of Company witnesses Mr. Peter Hoeflich and Ms. Lilly. The Company is also seeking authority to defer to a regulatory asset costs incurred by the Company to achieve organizational savings, as described in the testimony of Ms. Graft. Finally, the Company is seeking authority to defer to a regulatory asset or liability, as applicable, all calculated income tax differences resulting from future changes in income tax rates, as discussed by Ms. Graft.

6. Drivers of the Relief Being Sought and the Five Pillars.

It has been almost five years since the Company last filed for a general rate increase. The test year in the Company's last general rate case was a fully forecasted calendar year 2020. Thus, the case establishing Petitioner's current rates and charges was filed and the record was closed before the COVID-19 pandemic.

The economic climate in which Duke Energy Indiana operates has changed significantly since the Company's last rate case. Since that time, the U.S. economy has experienced periods of dramatic inflation, the cost of capital has increased, and the Company has made significant capital investments in its electric system. The lapse in time since Petitioner's last base rate case, the changing market conditions since that time, and the Company's focus on the "Five Pillars" are what is driving Petitioner's requested relief in this Cause.

In 2023, the Indiana General Assembly adopted Ind. Code § 8-1-2-0.6, which sets forth five attributes, known as the "Five Pillars," which must be considered as part of the decisions around electric generation resource mix, energy infrastructure, and electric ratemaking. The Five Pillars are: reliability, resiliency, stability, environmental sustainability, and affordability. As described in more detail in Company witness Mr. Stan Pinegar's testimony and in Petitioner's case-in-chief, these Five Pillars are central to Petitioner's case and are driving Petitioner's requested relief in this Cause.

With respect to reliability, resiliency, and stability, these three pillars are at the core of what an electric utility is expected to do – to render adequate and reliable service and facilities to the public and its customers. As discussed in the testimonies of Company witnesses Mr. Timothy Abbott, Mr. Harley McCorkle, and Mr. William Luke, the Company has made, and will continue to make, significant investments in transmission, distribution, and generation assets to ensure and support the electric system's reliability, resiliency, and stability. Further, as discussed in detail in Mr. Abbott's testimony, the Company is also proposing to make significant physical security investments in this Cause in order to better protect its substations and critical assets against a physical attack and to further support these pillars. As a result of these investments and as described in Petitioner's case-in-chief, net original cost rate base is projected to grow from the end of the test year level in the last case by almost $2.3 billion, $1.6 billion of which would not be reflected in rates without this case.

With respect to environmental sustainability, the Company is continuing its progress to a clean energy future. As discussed in the Company's case-in-chief, coal-fired steam generation has been retired and will continue to be retired. In addition to the generation transition, however, coal combustion residuals are a significant issue in this case. If environmental sustainability is to be the pillar that the General Assembly has directed under Ind. Code § 8-1-2-0.6, then recovery of prudently incurred costs to sustain the environment must be provided. As part of the relief being requested in this Cause, Duke Energy Indiana has developed a reasonable and thoughtful approach to recover prudently incurred costs associated with coal ash closure and management, as well as to recover closure and management costs that will be incurred in the future. The Company's proposal is discussed in detail in the testimonies of Company witnesses Mr. Sean Riley, Mr. Timothy Hill, and Ms. Kathryn Lilly.

With respect to the pillar of affordability, Petitioner has actively worked to maintain costs since its last base rate case. This is evidenced by the fact that despite the significant impact of inflation on the cost to produce and deliver power, the Company has been able to keep its day-to-day operating costs flat since 2020. Further, the Company has specifically designed its proposals and taken multiple measures in this Cause to address affordability. These measures are outlined in Mr. Pinegar's testimony and discussed in detail in Petitioner's case-in-chief testimony. As described in Mr. Pinegar's testimony, these specific affordability measures are reflected in the Company's proposed depreciation accrual rates, its proposal for recovery of coal ash closure and management costs, its proposal for mitigating increased customer charges, the methodology the Company used in its cost of service study, and the return on equity the Company is proposing in this Cause, to name a few.

Overall, as is evidenced by Petitioner's proposals in this Cause and the evidence filed with its case-in-chief, Duke Energy Indiana has structured its requested relief in this Cause to support the first four of the Five Pillars – reliability, resiliency, stability, and environmental sustainability – while at the same time balancing and designing the Company's overall request with a view to the fifth pillar of affordability.

7. Statutory and Regulatory Authority for Requested Relief.

This Petition is filed pursuant to Ind. Code §§ 8-1-2-42.7 and 8-1-2-61. Other provisions of the Public Service Commission Act, as amended, Ind. Code § 8-1-2-1, *et seq.*, that may be applicable to the subject matter of this proceeding, include, but are not limited to: Ind. Code §§ 8-1-2-4, 6, 6.7, 6.8, 10, 12, 14, 19, 20, 21, 23, 24, 25, 29, 42, 61, 68 and 71, Ind. Code chs. 8-1-8.4, 8-1-8.5, 8-1-8.7, 8-1-8.8, and 8-1-39. Certain of the Commission's administrative rules are or may be applicable to the subject matter of this proceeding, as well, including but not limited to: 170 IAC 4-1-15(f).

8. Commission GAO 2013-5.

In accordance with the guidance provided by the Commission's GAO 2013-5, Duke Energy Indiana delivered its Notice of Intent to File Rate Case to the Commission on March 5, 2024, 30 days prior to the date of filing this Petition.

Further, Duke Energy Indiana has met with the Indiana Office of Utility Consumer Counselor ("OUCC") and other stakeholders to discuss this filing.

9. Test Year, Rate Base Cutoff Dates.

Pursuant to Section 42.7(d), Duke Energy Indiana is utilizing a forward-looking test period determined on the basis of projected data for the twelve (12) months ending December 31, 2025 ("Test Year").

Duke Energy Indiana proposes that the Commission find Duke Energy Indiana's authorized net operating income by applying the overall weighted average cost of capital to the Test Year end original cost rate base. The Company also proposes the Test Year end original cost rate base be used as the fair value of the Company's utility property for such purposes.

10. Depreciation Rates.

Duke Energy Indiana is proposing new depreciation accrual rates as recommended by Mr. Spanos. With a view to affordability, Petitioner has directed that these rates be calculated on the assumption that the Gibson Generating Units 1 through 4 will be retired approximately three years after they are presently projected to be retired. This proposal is subject to the condition that

Petitioner's proposal for regulatory asset treatment upon the retirement of Petitioner's last coal-fired steam generation plant be approved. The regulatory asset treatment is described in the testimony of Ms. Lilly.

11. Adjustment to Fuel Adjustment Clause Rider.

As described in the testimony of Mr. Verderame, Duke Energy Indiana is proposing an adjustment to its FAC Rider in this Cause to track its coal inventory balance. Specifically, the Company is proposing to build into its base rates a representative balance of coal inventory and then to track the actual inventory balance, both up and down, in the Company's quarterly FAC filings. Duke Energy Indiana believes the proposal to track its coal inventory balance is appropriate and necessary in order to address the recent volatility the Company has experienced in its coal inventory levels as discussed by Mr. Verderame.

12. Deferral of Carbon Capture and Sequestration Study Expenses for Edwardsport.

As discussed in the testimonies of Mr. Hoeflich and Ms. Lilly, Duke Energy Indiana is also seeking authority to defer and subsequently recover costs associated with the Company's 50% share of the study costs to assess the potential for carbon capture and sequestration at the Edwardsport Generating Station. The Company is requesting approval to defer such costs in order to be able to present those costs for inclusion in rates in a future proceeding.

13. Deferral of Costs Incurred to Achieve Organizational Savings.

As discussed in the testimony of Ms. Graft, the Company is also seeking authority to defer and subsequently recover costs of $6,289,000 it incurred to achieve organizational savings. As described in Ms. Graft's testimony, the Company's 2025 test year operations and maintenance expense was reduced by the annual savings it expects from the corporate restructuring. The Company is proposing to defer these costs as a regulatory asset and amortize them over a three-year period.

14. Deferral of Calculated Income Tax Differences.

As further discussed in Ms. Graft's testimony, the Company is also requesting authority in this Cause to defer to a regulatory asset or liability, as applicable, all calculated income tax differences resulting from future changes in income tax rates until the effect of the statutory income tax change can be fully reflected in the Company's rates.

15. Submission of Case-in-Chief and Other Supporting Documentation.

Duke Energy Indiana will file its case-in-chief, including the information required by Section 42.7(b), in written form concurrent with this Petition. Additionally, in accordance with GAO 2020-05, Petitioner has included Attachment B, Duke Energy Indiana 2024 Base Rate Case Index of Issues, Requests and Supporting Witnesses, to this Petition. The balance sheet, income statement, revenue requirements, pro forma net operating income at present and proposed rates, and gross revenue conversion factor are set forth in Petitioner's Exhibit 26, at Attachment 26-A, Schedule FS1; Attachment 26-B, Schedule FS2; Attachment 26-C, Schedules OPIN1 and OPIN3; and Attachment 26-C, Schedule RR2, respectively.

Further, MSFRs will be filed concurrently with Petitioner's case-in-chief testimony in this proceeding. As recognized in GAO 2013-5, a future test year does not align with all of the Commission's pre-existing MSFRs. In accordance with the guidance in the GAO 2013-5, Duke Energy Indiana has provided supporting documentation in accordance with the Commission's MSFRs, modified where appropriate to conform with the forward-looking test year authorized by Section 42.7. This information is provided electronically (in Excel format where appropriate) and includes workpapers for the forecast, the revenue requirements, the rate design, the cost of service study, the proposed cost of equity and fair rate of return, the depreciation study and decommissioning study, and various amortizations of regulatory assets. Duke Energy Indiana's supporting documentation also includes historical data for the 12-month period ended August 31, 2023 (the "Base Period").

16. <u>Confidential Information</u>.

Pursuant to 170 IAC 1-5-15(e)(2), the electronic copy of the cost of service study is to be treated as confidential and protected from disclosure to the public under Ind. Code § 5-14-3-4 and Ind. Code § 8-1-2-29.

Duke Energy Indiana is also filing a motion for protective order to protect certain confidential, proprietary, competitively sensitive, and/or trade secret information related to Duke Energy Indiana's filing from public disclosure. Duke Energy Indiana is in the process of negotiating acceptable confidentiality agreements with potential intervenors to facilitate the production of the confidential information as appropriate.

17. <u>Procedural Matters</u>.

Pursuant to 170 IAC 1-1.1-9(a)(8) and the best practices set forth in the Commission's GAO 2013-05, Duke Energy Indiana has discussed the procedural schedule for this case with the OUCC, the Duke Energy Indiana Industrial Group, the Citizens Action Coalition of Indiana, Inc., and Nucor Steel-Indiana, and the parties have agreed to the following procedural schedule for purposes of this proceeding:

<u>Date</u>	**<u>Event</u>**
July 11, 2024	OUCC/Intervenors File Cases-in-Chief
August 8, 2024	Petitioner Files Rebuttal Testimony
Starts August 29, 2024	Hearing
October 3, 2024	Petitioner Files Proposed Order

October 24, 2024	OUCC/Intervenors File Proposed Orders
October 31, 2024	Petitioner Files Reply

18. Customer Notification and Field Hearings.

Pursuant to Ind. Code § 8-1-2-61(a), Duke Energy Indiana will publish notice of the filing of this Petition in a newspaper of general circulation published in each Indiana county in which Duke Energy Indiana renders service. Duke Energy Indiana will furnish to residential customers within forty-five (45) days of this Petition, a notice which fairly summarizes the nature and extent of the proposed changes, in accordance with 170 IAC 4-1-18(c). Such notice will be provided via bill insert.

Ind. Code § 8-1-2-61 requires a field hearing in the largest municipality served by the utility. The largest municipality in Petitioner's service territory is currently Fishers, Indiana.

19. Attorneys for Petitioner.

The names and addresses of Duke Energy Indiana's duly authorized representatives, to whom all correspondence and communications concerning this Petition should be sent, are as follows:

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Andrew J. Wells (Atty. No. 29545-49)
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WHEREFORE, Duke Energy Indiana respectfully requests that the Commission make such investigation and hold such hearings as are necessary or advisable in this proceeding, and thereafter make and enter an appropriate order in accordance with the time frame provided in GAO 2013-5 and Section 42.7:

(1) finding that the existing rates for electric service rendered by Duke Energy Indiana in the State of Indiana are insufficient to provide revenues to cover the reasonable and necessary Test Year operating expenses and a fair return and are therefore unjust, unreasonable, insufficient, and confiscatory;

(2) determining and, by order, fixing increased rates and charges to be imposed, observed, and followed commencing as soon as practicable in lieu of those so found to be unjust, unreasonable, insufficient, and confiscatory and authorizing and approving the filing of new schedules of rates and charges applicable to its electric utility service through a multi-step rate implementation that will provide just, reasonable, sufficient, and non-confiscatory rates;

(3) authorizing and approving the filing by Petitioner of new schedules of increased rates and charges applicable to the electric utility service rendered by Petitioner so as to provide just, reasonable, sufficient, and non-confiscatory rates;

(4) authorizing Duke Energy Indiana to revise and place into effect new depreciation rates and approving the Company's proposal for regulatory accounting treatment upon the retirement of the Company's last coal-fired steam generation plant as described in this Petition and in Petitioner's case-in-chief;

(5) authorizing Duke Energy Indiana to adjust its FAC rider to track coal inventory balances in the Company's quarterly FAC filings as described in Petitioner's case-in-chief;

(6) authorizing Duke Energy Indiana to defer to a regulatory asset expenses associated with its carbon capture and sequestration study to be conducted for the Edwardsport Generating Station;

(7) authorizing Duke Energy Indiana to defer to a regulatory asset costs incurred by the Company to achieve organizational savings;

(8) authorizing Duke Energy Indiana to defer to a regulatory asset or liability, as applicable, all calculated income tax differences resulting from future changes in income tax rates;

(9) granting accounting authority necessary to implement the relief authorized in a Final Order in this Cause, including the accounting authority described in this Petition and in Petitioner's case-in-chief;

(10) approving the other requests set forth in this Petition and in Duke Energy Indiana's case-in-chief; and

(11) granting such other and further relief to Duke Energy Indiana as may be appropriate and proper.

Dated this 4th day of April, 2024.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

By: Elizabeth A. Heneghan
Counsel for Duke Energy Indiana, LLC

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was electronically delivered this 4th day of April, 2024 to the following:

Indiana Office of Utility Consumer Counselor
PNC Center
115 W. Washington Street
Suite 1500 South
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Copies have been distributed electronically, for informational purposes, to the following:

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Dated this 4th day of April, 2024.

By: Elizabeth A. Heneghan
Counsel for Duke Energy Indiana, LLC

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Estimated Rate Class Average Increase

		Current	Proposed	Increase 1/
RS		$ 1,282,293,748	$ 1,527,643,225	19.1%
CS		$ 142,200,330	$ 170,582,861	20.0%
HLF				
	Secondary	$ 367,185,363	$ 421,415,947	14.8%
	Primary	$ 168,836,979	$ 190,566,275	12.9%
	Direct	$ 167,199,427	$ 179,802,405	7.5%
	Common	$ 102,671,298	$ 112,399,053	9.5%
	Bulk	$ 109,679,849	$ 115,209,748	5.0%
		$ 915,572,916	$ 1,019,393,428	11.3%
LLF				
	Secondary	$ 503,260,080	$ 591,133,065	17.5%
	Primary	$ 69,222,987	$ 77,470,562	11.9%
	Direct	$ 28,370,843	$ 30,896,384	8.9%
	Transmsision	$ 16,556,630	$ 17,621,094	6.4%
	High Efficiency	$ 16,470,495	$ 19,606,704	19.0%
		$ 633,881,035	$ 736,727,809	16.2%

1/ *Estimated rate class impacts are averages, individual customer impacts will vary.*

Duke Energy Indiana

2024 Base Rate Case
Index of Issues, Requests, and Supporting Witnesses[1]

Subject	GENERAL	Supporting Witness
Test Year	Twelve Months Ended December 31, 2025	Rutledge
Historical Base Period	Twelve Months Ended August 31, 2023	• Rutledge (provides a summary of the differences from historic base period to the Test Year) • Various Company witnesses support detailed comparisons of historic base period to Test Year expenses, including, for example, in the following functional areas: generation (Luke), transmission (Abbott), distribution (McCorkle), and customer services (Colley)

REVENUE REQUIREMENT		
Subject	**Request**	**Supporting Witness**

Overall Revenue Increase	• Total annual increase in revenue of approximately $492 million or 16.2% to be implemented in two steps.
	  • Step 1: $355 million or 12%.
	  • Step 2: $136 million or 4%.
		• Pinegar (overview)
		• Graft (summary and drivers)
		• Graft/Sieferman/
		• Lilly/Flick (each witness sponsors portions of Petitioner's Exhibit 26 – Revenue Requirement Model)

[1] This Index of the Company's case-in-chief is intended to highlight issues and is not an exhaustive list of requests in this proceeding. A complete account of requested relief can be found in case-in-chief, including but not limited to petition, testimony, exhibits, workpapers, and minimum standard filing requirement ("MSFR") responses.

REVENUE REQUIREMENT		
Subject	**Request**	**Supporting Witness**
Financial Forecast	Set rates based on test year 2025 financial forecast which includes operating expenses, capital investments, other balance sheet components. The forecast will subsequently reflect *pro forma* adjustments supported by other witnesses.	• Rutledge (overall development of financial forecast, including O&M and capital forecast) • Sieferman/Bauer (capital structure and cost of capital) • Buck (cost assignment processes) • Caldwell (compensation and benefits) • Verderame (Fuel inventory)
Pro Forma Adjustments	Approve *pro forma* adjustments to financial forecast as discussed in the testimonies of Company witnesses Graft, Sieferman, Lilly, and Flick.	• Graft • Sieferman • Lilly • Flick • Exhibit 26, Attachment 26-C
Depreciation	• Set new depreciation rates and reflect the resulting depreciation expense in base rates based on depreciation study. • Depreciation rates calculated on assumption that the Gibson Generating Station Units 1 through 4 will be retired approximately three years after projected retirement date. • Approve proposal for regulatory asset treatment upon the retirement of Petitioner's last coal-fired steam generation plant. • Costs of decommissioning reflected in depreciation study.	• Lilly (depreciation expense and regulatory asset accounting treatment) • Spanos (depreciation rates and depreciation study) • Luke (expected lives of generating plants) • Kopp (decommissioning study)
Step 1 and 2 Total Revenue Requirements	Approve proposed jurisdictional retail revenue requirement.	Graft
Separation Study	Reflect results of separation study as the basis to determine jurisdictional retail revenue requirement.	Diaz
Return on Equity	Recommend midpoint: 10.8% Authorize: 10.5%.	• McKenzie • Pinegar

REVENUE REQUIREMENT		
Subject	**Request**	**Supporting Witness**
Taxes	Reflect forecasted Test Year expenses in base rates.	• Panizza • Graft
Generating Fleet	• Approval of generating fleet costs including as used and useful assets. • Reflect in-service capital expenditures in rate base. • Reflect 2025 operation and maintenance expenses in rates. • Discussion of 2020 Edwardsport major maintenance outage and related accounting treatment.	Luke
Coal Ash Basin Closure and Management Costs	Approve Company's proposal for recovery of prudently incurred coal ash closure and management costs and the recovery of costs to be incurred for future management.	• Lilly (ratemaking treatment) • Hill (CCR projects and related-costs) • Riley (costs and appropriate accounting treatment) • Spanos (COR and depreciation rates)
Transmission/ Transmission Vegetation Management	• Reflect capital expenditures in rate base. • Reflect 2025 operation and maintenance expenses in rates. • Supports forecasted operations and maintenance expense and capital expenditures for Transmission Vegetation Management Program. • Approve Company's proposal to include transmission vegetation management costs in the reserve accounting approach previously approved by the Commission for distribution vegetation management costs in Cause No. 45253.	• Abbott • Graft (reserve accounting approach)
Distribution/ Distribution Vegetation Management	• Reflect capital expenditures in rate base. • Reflect 2025 operation and maintenance expenses in rates. • Supports forecasted operations and maintenance expense and capital expenditures for Distribution Vegetation Management Program.	McCorkle

REVENUE REQUIREMENT		
Subject	**Request**	**Supporting Witness**
Change to FAC Rider	Proposal to build into base rates a representative balance of coal inventory and then to track the actual inventory balance in the Company's quarterly FAC filings.	• Verderame • Graft
Customer Services	• Reflect 2025 customer-related operation and maintenance expenses in rates. • Approval of residential Fee-Free payment option for residential customers who use credit cards and debit cards. • Discussion of new "Payment Navigator" program, a support program for qualified low-income customers.	Colley

COST OF SERVICE AND RATE DESIGN		
Subject	**Proposal**	**Supporting Witness**
Cost of Service Study	• Production and demand allocators based on 12CP. • Allocation of revenue increase to eliminate 5% of current subsidies.	Diaz
Rate Design	• Updated rate tariffs based on cost of services revenue by rate code. • Refreshed TOU rate options for residential and commercial customers. • Proposal to increase certain customer charges.	• Flick • Rimal (Minimum System Study supporting increased customer charges)
General Terms and Conditions and Tariff updates	• Tariff changes including proposed rate options mentioned above. • Updated miscellaneous rates and charges.	Flick

OTHER		
Subject	**Proposal**	**Supporting Witness**
Deferral of Edwardsport Generating Station - CCS Study Costs	Authority to defer costs associated with the Edwardsport Carbon Capture and Sequestration Study.	• Hoeflich • Lilly
Deferral of Organizational Savings Costs	Authority to defer to a regulatory asset costs incurred by the Company to achieve organizational savings.	Graft
Deferral of Calculated Income Tax Differences	Authority to defer to a regulatory asset or liability, as applicable, all calculated income tax differences resulting from future changes in income tax rates until the effect of the statutory income tax change can be fully reflected in the Company's rates.	Graft