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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF DUKE ENERGY INDIANA, INC. REQUESTING THE INDIANA UTILITY REGULATORY COMMISSION TO CONTINUE TO DECLINE ITS JURISDICTION OR OTHERWISE PERMANENTLY APPROVE AN ALTERNATIVE REGULATORY PLAN FOR THE OFFERING OF A FIXED BILL PROGRAM RIDER APPLICABLE TO RESIDENTIAL CUSTOMERS PURSUANT TO IND. CODE 8-1-2.5-5 AND 8-1-2.5-6	)	CAUSE NO. 44586 APPROVED: JUN 10 2015

ORDER OF THE COMMISSION

Presiding Officers:
David E. Ziegner, Commissioner
Jeffery A. Earl, Administrative Law Judge

On January 21, 2015, Duke Energy Indiana, Inc. ("Duke") filed its Verified Petition initiating this Cause. On February 9, 2015, Duke filed the direct testimony and exhibits of the following witnesses:

- Mark Meetsma, Product & Services Manager at Duke Energy Carolinas LLC; and
- Roger A. Flick II, Lead Rates & Regulatory Strategy Analyst at Duke Energy Business Services LLC.

On March 13, 2015, Duke and the Indiana Office of Utility Consumer Counselor ("OUCC") filed a Settlement Agreement (Petitioner's Exh. C-1) and the settlement testimony of Mr. Meetsma and Mr. Flick. Also on March 13, 2015, the OUCC filed the settlement testimony of April M. Paronish, Utility Analyst in the OUCC's Resource Planning and Communications Division.

The Commission held an evidentiary hearing in this Cause at 1:00 p.m. on March 24, 2015, in Hearing Room 224, 101 West Washington Street, Indianapolis, Indiana. Duke and the OUCC attended and participated in the hearing. No members of the general public sought to participate.

Based on the applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Notice of the hearings in this Cause was given and published by the Commission as required by law. Duke published notice of the filing of this petition as required by Ind. Code § 8-1-2.5-6(d). Duke is a public utility as that term is defined in Ind. Code § 8-1-2-1(a) and an energy utility as that term is defined in Ind. Code § 8-1-2.5-2. Under Ind. Code ch. 8-1-2.5, the Commission has jurisdiction over an energy utility's request for an alternative regulatory

plan ("ARP"). Therefore, the Commission has jurisdiction over Duke and the subject matter of this proceeding.

2. **Duke's Characteristics.** Duke is an Indiana Corporation with its principal office in Plainfield, Indiana. Duke renders retail electric utility service in the State of Indiana and owns, operates, manages, and controls, among other things, plant and equipment within the State of Indiana used for the production, transmission, delivery, and furnishing of such service to the public.

3. **Background and Relief Requested.** On August 3, 2005, the Commission approved Duke's request for an ARP that allowed Duke to offer a fixed monthly bill program to residential customers called "Your FixedBill." *PSI Energy, Inc.*, Cause No. 42721, 2005 Ind. PUC LEXIS 250 (IURC Aug. 3, 2005). The Commission approved Your FixedBill for an initial three-year period. On June 11, 2008, the Commission approved a Settlement Agreement between Duke and the OUCC that extended Your FixedBill, with certain additional terms and conditions, for an additional seven years. *Duke Energy Indiana, Inc.*, Cause No. 43439, 2008 Ind. PUC LEXIS 294 (IURC June 11, 2008). Your FixedBill is set to expire on June 11, 2015.

In this Cause, Duke requests that the Commission continue to decline its jurisdiction over and reapprove Your FixedBill. Duke also requests that the Commission approve Your FixedBill on a permanent basis rather than for a term of years as was done in the Cause Nos. 42721 and 43439.

4. **Summary of the Evidence.**

A. **Duke's Direct Evidence.** Mr. Meetsma testified that Your FixedBill will remain essentially the same. It is a voluntary billing option that allows residential customers to pay the same amount each month for the next 12 months regardless of changes in weather, usage, or the price of electricity. It is intended for customers who knowingly pay an additional charge for the benefit of paying the same amount each month without any end-of-year reconciliation. Duke's marketing materials will continue to disclose that Your FixedBill is not intended to result in the lowest cost of electricity possible. Since its inception in 2005, Your FixedBill has been an ARP with all revenues and expenses specific to the program booked below the line. Mr. Meetsma said that this results in Duke bearing all of the financial risk, including weather, usage, and price-fluctuation risk.

Mr. Meetsma testified that Your FixedBill has been successful in its role to provide a fixed-monthly-bill option for Duke's customers. Approximately 58,000 customers are currently enrolled in Your FixedBill. In the most recent renewal period, customers renewed at a rate of 97.7%.

Mr. Meetsma testified that Duke will continue to calculate the Your FixedBill rate in the same manner as in prior programs. The program fee and first- and second-year-usage adder caps will remain at their current levels. Customers will continue to receive their Your FixedBill quote in a side-by-side comparison with the standard tariff price and the budget billing price. Duke will continue to market Your FixedBill in the same manner, with agreed disclosures, in an effort to maximize customer satisfaction by empowering customers to make the billing choice that best meets their needs. Mr. Meetsma sponsored Petitioner's Exh. A-1, which includes copies of Duke's marketing materials and bill inserts related to the Your FixedBill program.

Mr. Meetsma testified that customer enrollment will stay the same except that Duke seeks to communicate electronically about the program with customers who have specifically indicated that they prefer email communications. At least 45 days before the end of their 12-month participation period, Duke will send Your FixedBill customers a reenrollment letter with a new Your FixedBill quote and competing billing options. The letter will inform customers that they will be automatically renewed unless they withdraw from the program by internet, telephone, or regular mail. Mr. Meetsma said that Duke's automatic renewal of customers who have considered their billing options provides participants with the convenience of not having to go through a reenrollment process each year. But to eliminate the possibility of unintentional renewals, Duke will continue to allow participants to withdraw from Your FixedBill without any administrative fee for up to 30 days after their renewal date. A participant may be removed from the program after two warning letters following usage that is 15% higher than was projected in the participant's Your FixedBill quote. He said that this gives participants enough notice and time to modify their usage behavior. Duke will continue to provide customers with detailed, monthly billing. Duke will also continue to collect customer data and file a confidential annual report.

Mr. Meetsma testified that technology has progressed such that sophisticated modeling of individual-customer usage patterns is possible. Fixed or flat billing is a common practice in other industries, including telephone and internet service. In addition, Your FixedBill competes with Duke's standard tariff and budget billing options. Mr. Meetsma noted that Your FixedBill has substantial customer participation and satisfaction, and he said that Duke benefits when it is able to provide customers with helpful choices that increase customer satisfaction. In addition, Duke benefits from the program because Your FixedBill customers make fewer billing inquiries, improving the efficiency of Duke's call center and service response.

Mr. Meetsma testified that maintaining Your FixedBill profits and losses below the line for regulatory purposes creates a performance-based reward system. If Duke accurately models expected usage and price fluctuations and makes the program beneficial to customers, then the program will be successful. If not, Duke bears all losses.

Mr. Flick sponsored the Your FixedBill tariff and explained how rate adjustment riders are included in the Your FixedBill monthly charge. A customer's Your FixedBill monthly charge will continue to reflect estimated fuel costs, environmental compliance costs, reliability adjustment amounts, energy efficiency costs, and other rider charges and credits expected to occur during the 12-month enrollment period. Duke calculates each of the rider charges on an annual, forecasted basis, using current and forecasted information that is available at the time of calculation. Duke carries the risk that actual rider rates may differ from the estimates included in the Your FixedBill Price.

Mr. Flick testified that as approved in Cause Nos. 42721 and 43439, Duke will continue to insulate the FAC earnings and expenses tests from the impact of Your FixedBill. The FAC earnings and expenses tests will be calculated as though Your FixedBill customers were billed on Duke's standard tariff.

B. Settlement Agreement. Mr. Meetsma testified that Duke and the OUCC entered into a Settlement Agreement in this case, which provides that Your FixedBill will continue as it is currently structured with only minor changes. The first change is in the program communication for enrollment. Enrollment communication will continue as in the past except that customers who have authorized Duke to communicate with them by email may process their enrollment, withdrawal, or related information by email, and there may be a Your FixedBill web page link for customers selecting email communication. Mr. Meetsma said that this change offers additional ease, convenience, and customer satisfaction to participants who opt to use email communication.

The second change is that Duke has agreed to survey Your FixedBill participants to determine the extent to which they participate in energy efficiency programs. If Your FixedBill customers' participation in energy efficiency is materially below Duke's overall residential participation level, Duke will make reasonable additional efforts to market energy efficiency programs to Your FixedBill customers. This is in addition to Duke's current practice of providing Your FixedBill participants with educational materials on energy efficiency and time of use information.

The third change is that Duke and the OUCC agree that Your FixedBill should be approved without any specific expiration date. This avoids the periodic costs of having the program reapproved every few years. But should Duke choose to make substantive changes to the Your FixedBill program, such a change would require approval by the Commission.

Ms. Paronish testified that the Settlement Agreement preserves several customer protections and benefits that are included in the current Your FixedBill program, including the capped program fee and annual usage adder and the continued use of clear disclosures and comparative bill projections. Duke will continue to use a flexible consumption threshold and permit two instances of excess usage—with two accompanying warning letters—before a customer is involuntarily removed from the program. This allows customers a reasonable time to modify consumption habits and stay within applicable usage levels and reduces the number of customers who are involuntarily terminated due to unexpected energy usage increases. Duke will also allow customers to withdraw from the program without penalty up to 30 days after their automatic renewal date, which will protect customers who inadvertently fail to withdraw from the program before automatic renewal.

Ms. Paronish said that Duke will continue to educate Your FixedBill customers about available energy efficiency programs. Duke will continue to provide a detailed monthly bill as part of the initial program solicitation and annual reenrollment process to allow customers to make informed decisions about program participation. This will also provide customers with additional information about their energy consumption, potentially encouraging additional conservation and energy management efforts.

Ms. Paronish testified that Your FixedBill is an optional program and that Duke is not required to offer it and cannot force its customers to select it over other billing options. Yet although it is voluntary, approximately 58,000 Duke residential customers participate in the program with a high annual renewal rate. Considering the agreed continuation of consumer safeguards, Ms. Paronish recommended that the Commission allow the Your FixedBill program to continue without an expiration date provided that Duke provides notice to the OUCC and seeks Commission approval of any substantive changes to the program.

5. <u>Commission Discussion and Findings</u>. Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order—including the approval of a settlement—must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Indiana Code ch. 8-1-2, and that such agreement serves the public interest.

Prior to approving an ARP the Commission must consider the following factors:

- The effect of technological or operating conditions, competitive forces, or the extent of regulation by other state or federal regulatory bodies;
- Whether the ARP will benefit Duke, its customers, or the state;
- Whether the ARP will promote energy efficiency;
- Whether denying the ARP would inhibit Duke from competing with other providers of functionally similar energy services or equipment; and
- Whether the ARP will enhance or maintain the value of Duke's retail energy services or property, including practices, procedures, and mechanisms focusing on the price, quality, reliability, and efficiency of the service provided by Duke.

Ind. Code § 8-1-2.5-6(a)(1).

Duke's billing technology has progressed to the point that Duke is able to model individual, customer-usage patterns and to calculate individual, fixed, monthly charges for customers who desire the convenience of being billed the same amount each month. Duke's calculations include consideration of multiple riders and trackers that may fluctuate throughout the year. Duke has offered this program for nearly 10 years and has considerable experience in estimating energy usage and price on an individual basis. Therefore, we find that the current state of Duke's billing technology supports approval of the continuation of the Your FixedBill program.

Both Duke and the OUCC discussed the benefits of the Your FixedBill program to both Duke and its customers. For Duke, the program reduces the incidence of billing inquiries, which results in greater call center and service response efficiency. Maintaining the Your FixedBill profits and losses below the line for regulatory purposes also creates a performance-based incentive for Duke to accurately model customer usage and price fluctuations.

For customers, the program offers the comfort of a fixed, monthly bill without the risk of an end-of-the-year reconciliation. The program also offers customers detailed billing information about energy usage and the opportunity to compare monthly energy costs under multiple tariff options on both actual historical and estimated future bases. In addition, through the Settlement Agreement the OUCC preserved several customer protections, including the program fee and annual usage adder caps, the flexible consumption threshold, and the continued use of clear program disclosures and comparative billing projections. But the strongest evidence that the program provides a benefit to customers is that approximately 58,000 customers participate in the program and the program has a 97.5% renewal rate. Therefore, we find that the Your FixedBill program will directly benefit Duke and its customers.

Duke provides Your FixedBill customers educational materials about energy efficiency and detailed monthly billing statements that include usage information. Under the terms of the Settlement Agreement, Duke will conduct a survey of Your FixedBill participants to determine the extent to which they participate in Duke's energy efficiency programs compared to customers on other tariffs. If the survey shows that participation in energy efficiency programs by Your FixedBill participants is materially below Duke's overall residential level, then Duke will make additional efforts to market energy efficiency programs to Your FixedBill customers. Therefore, we find that the Your FixedBill program promotes energy efficiency.

Although Mr. Meetsma speculated that competing energy utility providers (e.g. natural gas or propane) might offer fixed-rate billing, Duke provided insufficient evidence for us to make a finding that denial of the Your FixedBill program would inhibit Duke from competing with other providers of functionally similar energy services or equipment.

Duke enjoys a high level of customer satisfaction resulting from the Your FixedBill program. The program allows Duke to meet the needs of those customers who desire a fixed monthly bill without the fear of an end-of-year reconciliation. In addition, the program offers several benefits to Duke and to its customers as discussed above, including improving the efficiency of Duke's call center and service response. Therefore, we find that the Your FixedBill program enhances the value of Duke's retail energy services.

Having considered the factors in Ind. Code § 8-1-2.5-6(a)(1), we find that the Your FixedBill program is in the public interest, and we approve Duke's continuation of the program. In Cause Nos. 42721 and 43439, we approved the program for a term of three years and seven years, respectively. Given the success of the program, we feel confident to approve the program on an indefinite basis. However, we do not surrender our jurisdiction over the program completely.

Under the terms of the Settlement Agreement, Duke may not make any substantive changes to the Your FixedBill Program without Commission approval. In addition, Duke must notify the OUCC of any proposed substantive changes prior to filing for Commission approval. The Settlement Agreement also requires Duke to continue to file a confidential Your FixedBill Annual report. We find that these provisions of the Settlement Agreement provide the Commission with sufficient ability to continue to monitor the Your FixedBill program, and we retain our authority to investigate the program under Ind. Code § 8-1-2-58 and to modify or rescind this Order under Ind. Code § 8-1-2-72.

Based on our approval of the Your FixedBill program and our discussion above, we find that the terms of the Settlement Agreement are reasonable and just, are consistent with the purpose of Indiana Code ch. 8-1-2, and serve the public interest. Therefore, we approve the Settlement Agreement.

The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 Ind. PUC LEXIS 459, at *19-22 (IURC March 19, 1997).

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

1. The Settlement Agreement between Duke and the OUCC is approved without modification.

2. Duke's request for an ARP to continue to offer the Your FixedBill program is approved indefinitely subject to Duke's compliance with the terms of the Settlement Agreement and the Commission's retention of authority discussed above.

3. Duke shall file its confidential Annual Report under this Cause as required by the Settlement Agreement and Cause Nos. 42721 and 43439. This requirement shall continue for the duration of the Your FixedBill program.

4. Duke shall treat the profits and losses from the Your FixedBill program as below-the-line for regulatory purposes.

5. Duke shall submit its revised Standard Contract Rider 20, Your FixedBill, to the Commission's Electricity Division. The Rider shall take effect on approval by the Electricity Division.

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

MAYS-MEDLEY, HUSTON, AND ZIEGNER CONCUR; STEPHAN AND WEBER ABSENT:

APPROVED: JUN 10 2015

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

Brenda A. Howe

Brenda A. Howe
Secretary to the Commission

SETTLEMENT AGREEMENT CAUSE NO. 44586

This Settlement Agreement, dated as of the 11th day of March, 2015, is made and entered into by and between the duly authorized representatives of Duke Energy Indiana, Inc. ("Duke Energy Indiana") and the Indiana Office of the Utility Consumer Counselor ("OUCC") (individually referred to as "any Party" and collectively referred to as "Parties").

WITNESSETH:

WHEREAS Duke Energy Indiana obtained an Order from the Indiana Utility Regulatory Commission ("IURC") in Cause No. 42721 on August 3, 2005, approving Duke Energy Indiana's Alternative Regulatory Plan ("ARP") for three (3) years to offer an alternative voluntary customer billing option, the *Your FixedBill* Program, including the flexibility for Duke Energy Indiana to determine the individual customer's fixed bill amount including the program fee; and

WHEREAS Duke Energy Indiana, through a Settlement Agreement with the OUCC, obtained an Order from the IURC in Cause No. 43439 on June 11, 2008, approving Duke Energy Indiana's Alternative Regulatory Plan for up to seven (7) years, to offer an alternative voluntary customer billing option, the *Your FixedBill* Program, including the flexibility for Duke Energy Indiana to determine the individual customer's fixed bill amount including the program fee, with additional consumer notice and protection provisions; and

WHEREAS Duke Energy Indiana has filed with the IURC a Verified Petition in this Cause No. 44586 seeking minor modification to and continuation of the *Your FixedBill* Program and the continued approval as an Alternative Regulatory Plan; and

WHEREAS the Parties to this Cause have engaged in collaborative discussions, to improve upon and extend the *Your FixedBill* Program and participated in good faith negotiations and exchanged information to amicably resolve all issues or concerns; and

WHEREAS subject to the conditions set forth in this Settlement Agreement, including the approval and acceptance by the IURC of this Settlement Agreement, in its entirety, without any change or condition that is unacceptable to any Party to this Settlement Agreement, and with the understanding that each and every term of this Settlement Agreement is in consideration and support of each and every other term, the Parties hereto have agreed as follows:

I. SUBSTANTIVE TERMS

A. Pricing Flexibility. The Parties agree Duke Energy Indiana will continue to have the ability to offer *Your FixedBill* ARP pursuant to Ind. Code § 8-1-2.5-5 and 6, without any predetermined program expiration date, without having to seek further IURC approval, so long as there are no substantive changes to the program from the terms agreed to herein. Duke Energy Indiana shall retain the flexibility to determine individual customer's *Your FixedBill* amounts. Said amounts include capped program fees and, during participating customers' first two (2) years of service, limited agreed usage adders. Duke Energy Indiana agrees to keep the program fee cap at nine percent (9%) *per annum* for all years of participation, and to use a program fee of no more than seven and one-half percent (7.5%) *per annum* whenever economically feasible. Similarly, Duke Energy Indiana will keep the current approved usage adders of three and six-tenths of a percent (3.6%) for the first year of program participation and eight-tenths of a percent (0.8%) for first time renewals.

B. Comparative Bill Quotes. Duke Energy Indiana and the OUCC have again collaboratively discussed and agree to continue use of the comparative billing quotes that will be provided to potential *Your FixedBill* participants before they decide to become *Your FixedBill* customers and before any future annual renewals. (A sample of the agreed upon comparative billing quotes is included as Attachment 1 to this Settlement Agreement.)

C. Automatic Renewal. The Parties agree that automatic renewal should continue as it exists now. *Your FixedBill* voluntary participants will be timely advised of their new annual quote and the comparative billing quote discussed above at least forty-five (45) days before annual renewal. A customer's *Your FixedBill* participation will automatically renew unless the customer notifies Duke Energy Indiana of its decision to withdraw from the *Your FixedBill* Program. Such notice may be sent via internet, telephone, or mail. However, to eliminate the chance for inadvertent renewal, Duke Energy Indiana will continue to allow participants to withdraw without any additional administrative fee for up to thirty (30) days from their date of renewal.

D. Time to Modify Consumption Habits Before Removal. To continue to provide *Your FixedBill* participants a reasonable opportunity to modify their consumption habits before removal and to accommodate what may be excess usage due to a temporary customer behavior, Duke Energy Indiana will continue the threshold for program removal of two (2) instances of excess usage fifteen percent (15%) higher than was projected in the participant's *Your FixedBill* price quote and two (2) warning letters and then removal for the third instance.

E. Enrollment In *Your FixedBill*. The participant enrollment process for the *Your FixedBill* Program will remain the same, except that those customers who have authorized Duke Energy Indiana to communicate with them by email, may be given the option of receiving their *Your FixedBill* notice of automatic renewal, submitting any notice of withdrawal, and handling any other communications, including solicitation related to the *Your FixedBill* Program by email, which may include a link to a *Your FixedBill* Program web page.

F. Time of Use and Energy Efficiency Material. Customers who receive *Your FixedBill* offerings will continue to be provided with educational material on the nature of and benefits from time of use and energy efficiency. As a result of the collaborative efforts, the Parties agree that the attached or similar educational material and time of use information will continue to be provided to customers with *Your FixedBill* solicitation materials. (See Attachment 2.) Also, Duke Energy Indiana agrees to survey *Your FixedBill* participants to determine the extent to which they participate in Energy Efficiency programs. If *Your FixedBill* participants' participation is materially below Duke Energy Indiana's overall residential participation level, Duke Energy Indiana will make additional, reasonable effort to market Energy Efficiency programs to *Your FixedBill* participants.

G. Data Collection. Duke Energy Indiana will continue to solicit on a voluntary basis from *Your FixedBill* participants, the approximate square footage of their homes, the year the residence was built, the type of heat source, and at their exit from the program, their reason(s) for leaving the program.

H. Detailed Monthly Bill. The Parties agree that customers will continue to be offered detailed billing as part of the *Your FixedBill* as part of the solicitation/enrollment process and in subsequent annual advance notices of automatic renewal.

I. Term of and Future Modification of the *Your FixedBill* Program. The Parties agree *Your FixedBill* ARP should be approved without any predetermined expiration date. However, should Duke Energy Indiana choose to make substantive changes to the *Your FixedBill* Program that would change any of the terms and flexibilities in this Settlement Agreement, such substantive changes will require Commission approval of a Petition to modify the current terms of the *Your FixedBill* Program. Duke Energy Indiana agrees to discuss proposed changes with the OUCC before making any future IURC filings or submissions purporting to change this agreed ARP.

J. Annual Reports. Duke Energy Indiana agrees to continue to file its confidential *Your FixedBill* Annual Reports as currently configured. The Parties agree that the OUCC may retain copies of the confidential Annual Reports for as long as Duke Energy Indiana offers this *Your FixedBill* Program.

K. Other Aspects of Your *FixedBill* Remain as Approved in Cause No. 43439. Except as otherwise modified by the terms of this Settlement Agreement, the *Your FixedBill* Program will remain as previously approved by the Commission in Cause No. 43439 and offered for reapproval in this Cause.

II. GENERAL CONDITIONS

This Settlement Agreement is expressly conditioned upon and subject to the following general conditions:

A. The communications and discussions had, and materials produced and exchanged, concerning this settlement all relate to offers of settlement, are privileged and without prejudice to or waiver of any positions any Party might take in other proceedings. Information relating to settlement negotiations, this Settlement Agreement and the supporting Testimony shall not be used for any purpose or offered as evidence in any other proceeding, except as required to enforce the terms of this Settlement Agreement.

B. The making of this Settlement Agreement and the supporting Testimony shall not constitute an admission by any Party to this Settlement Agreement.

C. It is understood that this Settlement Agreement is reflective of a compromise and negotiated settlement. The Parties agree that all issues concerning this Cause are resolved by this Settlement Agreement.

D. This Settlement Agreement shall not be used as precedent in any other proceeding or used for any other purpose, except to the extent necessary to implement or enforce this Settlement Agreement.

E. This Settlement Agreement is conditioned upon and subject to IURC acceptance and approval in its entirety, without any change or condition that is unacceptable to any Party to this Settlement Agreement.

F. If this Settlement Agreement is not accepted and approved by the IURC in accordance with its terms, the Settlement Agreement will be considered null and void, and the Settlement Agreement and all supporting Testimony will be deemed withdrawn from the record of this proceeding and shall not be offered or considered as evidence in this or any other proceeding or used for any other purpose.

III. PROCEDURAL TERMS

A. The Parties will request IURC acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any Party to this Settlement Agreement.

B. The Parties may introduce into evidence in this Cause, Testimony and Exhibits in support of the terms of this Settlement Agreement.

C. The Parties agree to waive cross-examination of witnesses testifying in favor of this Settlement Agreement in these proceedings.

D. Duke Energy Indiana and the OUCC shall work together to finalize and file an agreed upon Proposed Order with the IURC as soon as possible. The Parties will support the Proposed Order in the proceeding and will request that the IURC issue an Order promptly accepting and approving the same in accordance with its terms.

E. The Parties will either support or not oppose on rehearing, reconsideration and/or appeal an IURC Order accepting and approving this Settlement Agreement in accordance with its terms, including the submission of any applicable briefs and pleadings. The Parties will also either support or not oppose the relief outlined in this Settlement Agreement in any other forum.

F. Duke Energy Indiana and OUCC agree that each of them will refrain from issuing any news releases concerning this Settlement Agreement until each has consulted with the other, provided that Duke Energy Indiana shall be able to issue such releases as necessary to comply with disclosure requirements.

Agreed To And Accepted this 11th Day of March, 2015:

Duke Energy Indiana Energy, Inc.

By: ______________________________
Robert M. Glennon
(Attorney No. 8321-49)

Agreed To And Accepted this 11th Day of March, 2015:

Indiana Office of the Utility Consumer Counselor

By: ______________________________
Karol H. Krohn, Deputy Consumer Counselor
(Attorney No. 5566-82))

[This is a signature page to a Settlement Agreement between Duke Energy Indiana, Inc. and the Indiana Office of the Utility Consumer Counselor in Cause No. 44586. The remainder of this page has intentionally been left blank.]