ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, INC. FOR (1) ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ("CPCN") PURSUANT TO INDIANA CODE § 8-1-8.5-1 *ET SEQ.* TO CONVERT COAL FIRED GENERATING FACILITIES TO GAS FIRED GENERATING FACILITIES FOR THE FURNISHING OF ELECTRIC UTILITY SERVICE TO THE PUBLIC AND FOR THE APPROVAL OF THE CONSTRUCTION AND COSTS OF SUCH FACILITIES; (2) AUTHORIZATION OF THE DEFERRAL FOR SUBSEQUENT RECOVERY OF POST-IN-SERVICE CARRYING COSTS AND DEPRECIATION ASSOCIATED WITH THE FACILITIES FOR WHICH THE CPCN IS REQUESTED; (3) RECOVERY OF CAPITAL AND OPERATION AND MAINTENANCE (O&M) COSTS AND DEPRECIATION EXPENSE FOR THE DRY SORBENT INJECTION TECHNOLOGY FOR GALLAGHER GENERATING STATION UNITS 2 AND 4, FOR WHICH PETITIONER HAS RECEIVED A CPCN IN CAUSE NO. 43873, THROUGH STANDARD CONTRACT RIDER NOS. 62 AND 71 AND PURSUANT TO INDIANA CODE §8-1-8.8-1 *ET SEQ.*, INCLUDING INTERIM AUTHORIZATION OF THE DEFERRAL FOR SUBSEQUENT RECOVERY OF ASSOCIATED POST-IN-SERVICE CARRYING COSTS, DEPRECIATION AND O&M FOR THE DRY SORBENT INJECTION TECHNOLOGY UNTIL SUCH COSTS ARE REFLECTED IN RATES VIA STANDARD CONTRACT RIDERS NOS. 62 AND 71; AND (4) TIMELY COST RECOVERY RELATED TO THE SURRENDER OF CERTAIN SULFUR DIOXIDE EMISSION ALLOWANCES THROUGH STANDARD CONTRACT RIDER NO. 63	)	CAUSE NO. 43956 **PREHEARING CONFERENCE ORDER** APPROVED: NOV 18 2010

BY THE COMMISSION:
David E. Ziegner, Commissioner
Jeffery A. Earl, Administrative Law Judge

On September 28, 2010, Duke Energy Indiana, Inc. ("Petitioner") filed its petition with the Indiana Utility Regulatory Commission ("Commission") in this matter.

Pursuant to notice and as provided for in 170 IAC 1-1.1-15, a Prehearing Conference in this Cause was held on November 10, 2010, in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana at 9:30 a.m. Proofs of publication of the notice of the Prehearing Conference have been incorporated into the record and placed in the official files of the Commission. The Petitioner and the Indiana Office of Utility Consumer Counselor ("Public") appeared and participated at the Prehearing Conference. No members of the general public appeared.

Prior to the opening of the record and with the consent of all parties in attendance, an informal discussion was held regarding procedural and scheduling matters in this Cause. The agreement of the parties was then read into the record. Based upon the agreement of the parties, the Commission now enters the following Findings and Order which shall become a part of the record in this proceeding:

1. **Petitioner's Prefiling Date**. The Petitioner shall prefile with the Commission its prepared testimony and exhibits constituting its case-in-chief on or before December 10, 2010. Copies of same shall be served upon all parties of record.

2. **Public's and Intervenors' Prefiling Date**. The Public and any Intervenors shall prefile with the Commission the prepared testimony and exhibits constituting their respective cases-in-chief on or before March 11, 2011. Copies of same shall be served upon all parties of record.

3. **Petitioner's Rebuttal Prefiling**. The Petitioner shall prefile with the Commission its prepared rebuttal testimony on or before April 1, 2011. Copies of same shall be served upon all parties of record.

4. **Evidentiary Hearing on the Parties' Cases-In-Chief**. In the event this Cause is not settled the cases-in-chief of the Petitioner, Public and any Intervenors as well as Petitioner's rebuttal testimony shall be presented in an evidentiary hearing to commence at 9:30 a.m. on April 27, 2011, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana and will continue as needed through April 29, 2011. At such time, the direct evidence of the respective parties should be presented and their respective witnesses examined. Thereafter, Petitioner should present its prefiled rebuttal evidence as well as any additional evidence rebutting evidence adduced on cross-examination of Public's or Intervenors' witnesses. If the parties reach settlement, the agreement and supporting testimony and exhibits shall be submitted to the Commission five (5) business days prior to the Evidentiary Hearing.

5. **Sworn Testimony**. Any witness testimony to be offered into the record of this proceeding shall be made under oath or affirmation. In accordance with 170 IAC 1-1.1-18(h), if the prefiled testimony of a witness is to be offered into evidence at the Evidentiary Hearing, and the witness sponsoring the prefiled testimony is not required to, and does not, attend the Evidentiary Hearing, the prefiled testimony shall be accompanied by the witness's sworn affidavit or written

verification at the time the evidence is offered into the record.

6. **Discovery**. Discovery is available for all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten (10) calendar days of the receipt of such request until January 3, 2011. Between January 3, 2011, and April 1, 2011, any response or objection to a discovery request shall be made within seven (7) working days. Thereafter, any response or objection to a discovery request shall be made within five (5) calendar days. A discovery request received after 5:00 p.m. shall be deemed to have been received on the next working day.

7. **Prefiling of Workpapers**. When prefiling technical evidence with the Commission, each party shall concurrently file copies of the work papers used to produce that evidence. Copies of same shall also be provided to any other party requesting such in writing. When submitting workpapers to the Commission, two (2) copies of each document shall be filed with the Secretary of the Commission.

8. **Number of Copies/Corrections**. With the exception of work papers, the parties shall file with the Commission an original and five (5) copies of all prefiled testimony and exhibits. Any corrections to prefiled testimony shall be made in writing as soon as possible after discovery of the need to make such corrections. Although the Commission's rules require that original copies be one-sided, it is the Commission's preference that duplicate copies use both sides of the paper.

Parties may also elect to file documents with the Commission using the Commission's Electronic Filing System in lieu of filing paper documents. Pursuant to the terms and conditions of the Electronic Filing System, documents filed electronically are deemed filed the date they are submitted, subject to verification and acceptance by the Commission, and will receive an electronic file stamp. For filings greater than thirty (30) pages in length, a party shall file with the Commission an original and one (1) paper copy within two (2) business days of the electronic filing. When supplying such copies, the party must provide a copy of the email reflecting the electronic filing was accepted by the Commission.

9. **Objections to Prefiled Testimony and Exhibits**. Any objections to the admissibility of prefiled testimony or exhibits shall be filed with the Commission and served on all parties of record no less than two (2) business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.

10. **Intervenors**. Any party permitted to become an Intervenor in this Cause shall be bound by the record as it stands at the time its Petition to Intervene is granted, pursuant to 170 IAC 1-1.1-11.

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

1. The determinations of the Prehearing Conference set forth in this Order are made a part of the record in this Cause and shall be binding on all present and future parties of record during the proceedings of this Cause.

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

ATTERHOLT, LANDIS AND ZIEGNER CONCUR; MAYS ABSENT:

APPROVED: NOV 1 8 2010

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