



Indiana Office of Utility Consumer Counselor

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Duke Energy infrastructure case: Consumer comments invited November 12 public hearing scheduled in Bloomington

The Indiana Office of Utility Consumer Counselor (OUCC) continues to encourage Duke Energy customers to comment on the utility's pending \$1.87 billion infrastructure improvement case. Consumers may comment by:

- Speaking at the Indiana Utility Regulatory Commission (IURC) public field hearing in Bloomington on Wednesday, November 12, 2014, or
- Sending written comments to the OUCC in advance of the hearing.

The November 12 IURC public field hearing will be held at the Bloomington/Monroe County Convention Center (302 S. College Avenue in Bloomington), with public comments accepted starting at 6:00 p.m. local time.

- Sworn oral and written comments regarding the case will be accepted during the field hearing.
- Oral and written consumer comments carry equal weight and will become part of the case's evidentiary record.
- Commissioners are not allowed to answer questions during the field hearing. However, OUCC and IURC staff will be available before, during and after the hearing.

The OUCC will conduct an informational session on the regulatory process immediately before the field hearing, at 5:30 p.m. local time.

In IURC Cause No. 44526, Duke Energy is seeking IURC approval of a seven-year infrastructure improvement plan in order to make investments in eligible transmission and distribution system facilities. Duke Energy is also seeking IURC permission to implement a new rate adjustment mechanism (or tracker) that will allow it to recover costs of the infrastructure projects as they are incurred.

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Duke Energy's request is being made under a 2013 state law (Indiana Code 8-1-39):

- The law allows electric and natural gas utilities to submit seven-year infrastructure improvement plans to the IURC for approval.
- If the plan is approved, the utility may then adjust rates every six months, subject to OUCC review and IURC approval, to recover project costs as they are incurred.
- The rate increases – under a new Transmission, Distribution, and Storage System Improvement Charge (TDSIC) mechanism – may not exceed two percent of the utility's total retail revenues each year.
- Recovery of 20 percent of the costs must be deferred until the utility's next base rate case, which must be filed before the end of the seven-year period.

According to Duke Energy's testimony, the proposed projects throughout its Indiana service territory would start in 2015 and continue through 2022:

- Projects would include advanced metering and communications devices, breaker and relay replacements, replacement of aging infrastructure (including transformers, substations, poles, and lines), vegetation management, and other proposals.
- Duke Energy plans to file its first semi-annual TSDIC rate increase request in September 2015.
- If the seven-year plan receives IURC approval, Duke Energy's first TDSIC rate increase of approximately 0.9 percent would take effect in 2016. The estimated rate increases from 2017 through 2022 would vary annually, ranging from 0.8 percent to 1.3 percent each year, and would average 1 percent each year over the seven-year term.

The law requires the IURC to issue an order on a seven-year plan within 210 days of the utility's filing. In this case, the IURC must issue its final order by March 27, 2015.

The new tracker rate increases requested in this case are in addition to Duke Energy's current Indiana base rates, which were approved in 2004, and also in addition to various other trackers through which the utility currently adjusts its rates subject to OUCC review and IURC approval. All Indiana investor-owned electric utilities use trackers, with Duke Energy using them to recover costs for generating fuel, environmental compliance, regional transmission, energy efficiency programs, critical infrastructure protection, its integrated gasification combined cycle (IGCC) generation plant at Edwardsport, and other costs.

The OUCC – the state agency representing consumer interests in cases before the IURC – is reviewing Duke Energy's request. The OUCC's testimony is due on November 14, 2014.

A number of additional parties have intervened in this case and are also scheduled to file testimony on November 14, 2014. They include the Citizens Action Coalition of Indiana, the Environmental Defense Fund, Hoosier Energy Rural Electric Cooperative, Inc., Wabash Valley Power Association, Inc., Indiana Municipal Power Agency, The Kroger Co., Nucor Steel, Steel Dynamics, Inc., Companhia Siderurgica Nacional, LLC, and the Duke Energy Industrial Group (including Eli Lilly and Company, Haynes International, Inc., Marathon Petroleum Company LP, Tate & Lyle Ingredients Americas, Inc, and USG Corporation).

More information on this case is available at www.in.gov/oucc/2802.htm.

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Consumers who wish to submit written comments in this case may do so via the OUCC's website at www.in.gov/oucc/2361.htm, or by mail, email or fax:

- **Mail:** Consumer Services Staff
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204
- **email:** uccinfo@oucc.IN.gov
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Written comments the OUCC receives in advance of the public field hearing will be filed with the Commission and included in the case's formal evidentiary record. Comments should include the consumer's **name, mailing address**, and a reference to "**IURC Cause No. 44526.**"

Consumers with questions about submitting written comments can contact the OUCC's consumer services staff toll-free at 1-888-441-2494.

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(IURC Cause No. 44526)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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