

NEWS RELEASE

INDIANA UTILITY REGULATORY COMMISSION (IURC)

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IURC Issues Order in Duke Energy Indiana Rate Case

INDIANAPOLIS – The Indiana Utility Regulatory Commission (Commission) issued an Order today concluding its year-long review of Duke Energy Indiana, LLC's (Duke) base rate case, Cause No. 45253, lowering the utility's request for a revenue increase by approximately 60 percent.

The Order, which was statutorily required to be issued by July 1, 2020, authorized the utility an additional annual revenue of approximately \$146 million. This is a significant reduction from both the utility's original request of \$395 million and its later revised request of \$362 million. This increase will be implemented in two phases. The utility's prior most recent base rate case was decided in May 2004.

In its decision, the Commission implemented various rate mitigation measures to reduce the impact of Duke's proposed rate increase on Duke customers. These included lowering the utility's authorized return on equity (ROE) from the Duke-requested 10.40 percent to 9.70 percent and changing the investment recovery methodology to reduce the near term impact of Duke's recent investments on customers. The Commission also denied the utility's request to implement an electric decoupling mechanism, which would have separated fixed costs from sales volume for residential and small commercial customers. In its Order, the Commission identified a number of factors which led to this denial, stating that the proposal is "not in the public interest because it would allow the Company to recover revenues for reductions in energy consumption that were not caused by its conservation efforts."

Also, consistent with a settlement agreement approved by the Commission in 2019, the Order transitions the cost recovery of the company's Edwardsport integrated gasification combined cycle from a standalone tracking mechanism into base rates. The Order acknowledges that in the future, "[a]s older coal-fired units reach the end of their useful lives and are largely replaced by non-coal-fired units, Edwardsport will remain in a position to be a meaningful contributor to maintaining a diverse generation portfolio that will benefit customers and the grid as a reliable and non-intermittent energy source."

Additionally, the Order creates a collaborative process to develop performance metrics to monitor trends over time to be presented annually and encourages the utility and stakeholders to build a Low Income Collaborative. Duke's request for a certificate of public convenience and necessity for estimated future federally mandated ash pond closure costs, as well as the utility's request for an

electric vehicle (EV) pilot program, were moved to sub-dockets in this case and are still pending before the Commission.

To review the Commission's Order in Cause Number 45253, as well as all related documents in this case, please visit the Online Services Portal [here](#) and search by the Cause Number.

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The Indiana Utility Regulatory Commission (Commission) is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the Commission is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide safe and reliable service at just and reasonable rates. The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana's utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utilities issues affecting Indiana. For more information, please visit www.in.gov/iurc.