

**ORIGINAL**

Commissioner	Yes	No	Not Participating
Zay	√		
Deig	√		
Swinger	√		
Veleta	√		
Ziegner	√		

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF DUKE ENERGY INDIANA, )  
 LLC, SEEKING (1) APPROVAL OF AN )  
 ONGOING REVIEW PROGRESS REPORT )  
 PURSUANT TO IND. CODE CHAPTER 8-1- )  
 8.5 AND THE FINAL ORDERS IN CAUSE )  
 NOS. 44734, 44767, AND 45002; AND (2) )  
 AUTHORITY TO REFLECT COSTS )  
 INCURRED FOR THE CRANE SOLAR )  
 FACILITY, THE MARKLAND HYDRO )  
 UPRATE PROJECT, THE CAMP )  
 ATTERBURY MICROGRID, AND NABB )  
 BATTERY PROJECT, THROUGH ITS )  
 RENEWABLE ENERGY PROJECT RIDER, )  
 STANDARD CONTRACT RIDER NO. 73 )  
 PURSUANT TO IND. CODE CHAPTER 8-1- )  
 8.8 )**

**CAUSE NO. 44932 REP 8**

**APPROVED: JUN 17 2026**

**ORDER OF THE COMMISSION**

**Presiding Officers:**

**Bob Deig, Commissioner**

**Kristin E. Kresge, Administrative Law Judge**

On January 30, 2026, Duke Energy Indiana, LLC (“Petitioner”) filed a Petition with the Indiana Utility Regulatory Commission (“Commission”) initiating this Cause. Petitioner requests approval of its operational updates for the Markland Hydro Uprate Project (“Markland Uprate Project”), and approval of an adjustment to its rates through its Renewable Energy Project Rider, Standard Contract Rider No. 73 (“Rider 73”). Contemporaneously, Petitioner filed its direct testimony and exhibits.

On April 16, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief testimony.

On May 7, 2026, the Commission issued a Docket Entry requesting additional information from Petitioner, which Petitioner responded to on May 11, 2026.

The Commission held an evidentiary hearing on May 18, 2026, at 10:00 a.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC participated in the hearing, by counsel, the parties’ respective prefiled evidence as admitted into evidence.

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

**1. Notice and Jurisdiction.** Notice of the hearing in this Cause was given and published by the Commission as required by law. Petitioner is a “public utility” as defined in Ind. Code § 8-1-2-1. Pursuant to Ind. Code ch. 8-1-8.8, the Commission has jurisdiction over Petitioner’s clean energy projects and their associated cost recovery. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

**2. Petitioner’s Characteristics.** Petitioner is a public utility organized and existing under the laws of Indiana and has its principal office at 1000 East Main Street, Plainfield, Indiana. Petitioner is engaged in rendering electric utility service in Indiana and owns, operates, manages, and controls plant, properties, and equipment within Indiana used for the production, transmission, delivery, and furnishing of such electric service to the public.

**3. Relief Sought in this Proceeding.** Petitioner makes its ninth filing for rates and charges to be approved under Rider 73. Petitioner requests that the Commission approve: (1) its operational updates for the Markland Uprate Project; (2) recovery of the costs for certain renewable energy projects using the same ratemaking and accounting treatment that was approved in the respective orders approving the renewable energy projects; (3) the amounts included in Rider 73 for recovery of the renewable energy project costs; (4) the value of the renewable energy project investments as of September 30, 2025 (“Cutoff Date”), on which Petitioner is authorized to earn a return; (5) the adjustment of the Petitioner’s retail electric rates via Rider 73 to include the revenue effect of such investment and cost recovery; and (6) an adjustment to Petitioner’s authorized return for purposes of Ind. Code § 8-1-2-42(d)(3) to reflect the incremental earnings that will result from this Rider 73 filing upon Commission approval.

**4. Background to this Proceeding.**

**A. Crane Solar Facility.** In its Order in Cause No. 44734, issued on July 6, 2016, the Commission found the Crane Solar Facility to be a clean energy project as defined under Ind. Code § 8-1-8.8-2 and issued a Certificate of Public Convenience and Necessity (“CPCN”). The Commission approved timely recovery of the costs and expenses incurred during the construction and operation of the Crane Solar Facility via Rider 73, including construction work in progress (“CWIP”) ratemaking treatment, to be computed consistent with the methodology used at that time to compute Petitioner’s Standard Contract Rider Nos. 62 and 71; recovery of the costs of the investments via depreciation; and recovery of associated operating expenses, including operation and maintenance (“O&M”), payroll taxes, property taxes and property insurance costs. The Commission also authorized Petitioner to accrue post-in-service carrying costs (“PISCC”) (including accrual on previously computed PISCC, compounded monthly on the retail jurisdictional portion) of the Crane Solar Facility’s capital expenditures at Petitioner’s allowance for funds used during construction (“AFUDC”) rates once the project was placed in service until such expenditures and PISCC were recovered in Petitioner’s retail rates. Further, the Commission approved a new depreciation rate of 3.33% based on the expected 30-year life of the Crane Solar Facility, to remain in effect until such time as a new depreciation rate is approved by the Commission in a future proceeding.

In its June 29, 2020 Order in Cause No. 45253, the Commission approved the addition of battery energy storage system assets to the Crane Solar Facility. Petitioner integrated a five

megawatt battery energy storage system with the Crane Solar Facility and placed it in service in December 2020.

**B. Markland Uprate Project.** In the Commission’s Order in Cause No. 44767, issued on December 14, 2016, the Commission found the Markland Uprate Project at the Markland Hydroelectric Generating Facility to be a clean energy project as defined in Ind. Code § 8-1-8.8-2 and issued a CPCN. The Commission authorized Petitioner to receive timely recovery of the associated construction expenses (capped at the \$152 million initial estimate plus a 20% contingency, for a total of \$182.4 million) and operating expenses via Rider 73, including CWIP ratemaking treatment, recovery of the costs of the investment via depreciation, and recovery of associated operating costs. The Commission also approved the deferral of costs in excess of the cost cap, excluding carrying costs, for consideration in a future retail base rate proceeding; the reduction of annual depreciation expense recovered on the Markland Uprate Project by the amount of depreciation expense discontinued on corresponding components as retired; and a new depreciation rate of 2.5% based on the expected 40-year life of the Markland Hydroelectric Generating Facility until such time as a new depreciation rate is approved in a future proceeding.

**C. Atterbury Microgrid and Nabb Battery.** In its Order in Cause No. 45002, issued on May 30, 2018, the Commission approved a settlement agreement between Petitioner and the OUCC and determined the Camp Atterbury Microgrid and Nabb Battery Project were Clean Energy Projects, as that term is defined in Ind. Code § 8-1-8.8-2. The Commission authorized Petitioner to timely recover the jurisdictional portion of the actual costs of constructing, owning, and operating the Camp Atterbury Microgrid and Nabb Battery Project, through Rider 73. The Commission also approved the deferral and accrual of a regulatory asset for PISCC, until the approved costs are recovered through a future retail base rate proceeding; approved the inclusion of the retail jurisdictional portion of depreciation expense and operating expenses; and authorized the use of a depreciation rate of 3.33% for the solar component of the Camp Atterbury Microgrid. For the battery storage plant portions, a depreciation rate of 8.33% was authorized for the cells and monitoring equipment, based on a 12-year expected life, and a depreciation rate of 4.00% was authorized for the other battery related equipment, based on a 25-year expected life. The Commission established project caps of \$14.5 million (excluding AFUDC) for the Camp Atterbury Microgrid and \$9.1 million (excluding AFUDC) for the Nabb Battery Project.

**5. Petitioner’s Direct Testimony.** Petitioner presented the testimony and exhibits of Mark D. Sager, Manager Generation Engineering, Regional Services for Duke Energy Business Services LLC; James A. Hummel, II, Regulatory Affairs Manager for Petitioner; and Cheryl L. Dunchak, Manager, Rates and Regulatory Strategy for Petitioner.

**A. Mark D. Sager.** Mr. Sager described Petitioner’s reporting requirements for the Markland Uprate Project. He explained that Petitioner is required to provide testimony in its annual Rider 73 filings on the status of the utilization of investment tax credits, the renewable energy credit (“REC”) market, and Petitioner’s attempts to maximize the benefits of RECs for customers.

Mr. Sager explained that the Markland Uprate Project was proposed to overhaul and upgrade each of the three units with more modern and efficient options, and the uprate and

overhaul on all three units is complete. Mr. Sager testified that items following various inspections were addressed, including completion of the fire detection system installation, site infrastructure improvements, and replacement of the security camera system. It was determined that full replacement of the fuel oil tank is no longer necessary. He testified that Petitioner's efforts are continuing towards completion of the gate guide refurbishment to take place in 2026-2027. Mr. Sager testified that Petitioner expects the changes will result in a 10% increase in energy output. He testified that Petitioner also expects capacity to increase, but how much will be determined over the three years following installation of the upgraded turbines.

Mr. Sager explained that the overall cost estimate, provided on Petitioner's Confidential Attachment 1-A to Petitioner's Exhibit No. 1, has not changed, but some of the anticipated in-service dates have been updated since the most recent schedule was provided in Cause No. 44932 REP 7. He testified that he expects to see minor changes from ongoing impacts and refinements to the projects as a normal part of an ongoing construction program.

Mr. Sager testified that as of the Cutoff Date, actual costs were \$133.8 million, exclusive of AFUDC.

Mr. Sager testified that effective December 4, 2024, the Public Utilities Commission of Ohio approved Petitioner's application for the Markland Hydroelectric Generating Facility to be certified as a Renewable Energy Resource Generating Facility.

**B. James A. Hummel, II.** Mr. Hummel provided the annual operational update on the Crane Solar Facility.

Mr. Hummel testified that the Crane Solar Facility has been producing power to the grid, and he provided the facility's generation output for 2025. He stated that during this reporting period, no energy was directly purchased by Naval Support Activity Crane from the Crane Solar Facility.

**C. Cheryl L. Dunchak.** Ms. Dunchak testified regarding the recovery of costs associated with the renewable energy projects. She listed the ratemaking treatment approved by the Commission in Cause No. 44734 for Rider 73 and the impact of Petitioner's retail base rate case in Cause No. 46038 on Rider 73. In Cause No. 46038, the recovery of a return on the net book value of Petitioner's renewable energy projects that were in-service as of December 31, 2025 was moved into base rates, along with the associated depreciation expense and O&M costs.

In developing the proposed Rider 73 factors, Ms. Dunchak included the retail jurisdictional costs of: (1) the capital investment in the renewable energy projects remaining in Rider 73 as of the Cutoff Date, which will be recovered via depreciation; (2) 12 months of the return on the net book value (original investment less accumulated depreciation) of the included renewable energy projects as of the Cutoff Date; (3) the depreciation and operating expenses incurred for the remaining renewable energy projects through the Cutoff Date; (4) the depreciation and operating expenses forecasted to be incurred from July 1, 2026 through June 30, 2027, when the proposed factors will likely be in place; and (5) PISCC accrued for the Markland Uprate Project and the

other in-service projects remaining in Rider 73. In addition, a credit for the net proceeds from sales of RECs from the Crane Solar Facility has been included.

Ms. Dunchak explained that Petitioner used the Cutoff Date pursuant to its commitment in the settlement agreement approving the Crane Solar Facility. The settlement agreement established the annual ongoing filings would use a September 30 cutoff with filings to be made no later than January 31 of the subsequent year. For purposes of this filing, it is assumed that rates will be in effect beginning July 1, 2026, and the calculations have been adjusted accordingly.

Ms. Dunchak discussed the proposed Rider 73 tariff, including adjustments by retail rate group pursuant to Petitioner's recent retail base rate case in Cause No. 46038.

Ms. Dunchak sponsored Petitioner's Attachment 3-B to Petitioner's Exhibit No. 3 and provided testimony regarding the capital investment in the remaining components of the renewable energy projects. Ms. Dunchak described the determination of the revenue conversion factors used to develop the revenue requirements.

Ms. Dunchak testified that, should the Commission approve the proposed Rider 73 ratemaking, the bill of a typical residential customer using 1,000 kilowatt-hours ("kWh") will decrease by \$0.08 as compared to the total bill reflecting the rider rates effective January 1, 2026.

Ms. Dunchak further testified that, as previously approved, Petitioner continues to request authority to defer costs on an interim basis until the costs are included in retail rates and to accrue PISCC for its renewable energy projects. She explained that this proposed deferred accounting treatment is in accordance with U.S. Generally Accepted Accounting Principles and is provided for in Ind. Code § 8-1-8.8-11. Ms. Dunchak asserted that deferral and subsequent recovery of the retail jurisdictional portion of the renewable energy projects costs until they can be included in Rider 73 or base rates is reasonable and appropriate from both a ratemaking and an accounting perspective. She explained that such treatment will minimize the timing difference between cost recognition on Petitioner's books and cost recovery and will recognize the fact that the plant will be in service for the benefit of retail customers. She noted that for Petitioner to defer the expenses and reflect the costs as a regulatory asset, it must be probable that such costs will be recovered through rates in future periods. Ms. Dunchak stated that Petitioner believes such deferral is probable of future recovery as it is permitted in the statutes and is consistent with the Commission's previous approval in its orders issued in Cause Nos. 44734, 44767, and 45002.

Ms. Dunchak explained that net proceeds resulting from the sale of any RECs associated with generation from the Crane Solar Facility will be returned to customers as an offset to the revenue requirement amounts in each Rider 73 filing. Petitioner received Ohio certification of the Crane Solar Facility and has been offering the Crane Solar RECs into the Ohio compliance market. Petitioner has also received certification of other Petitioner-owned renewable sites, including the Markland Uprate Project, for which it has monetized some of those RECs for customers' benefit. For the October 2024 through September 2025 period, Petitioner realized proceeds, net of broker fees, totaling \$1,637,322 from the sale of approximately 423,000 RECs. Of that total, \$1,550,554 is being allocated to retail customers.

Ms. Dunchak stated that Petitioner is not currently in a position to utilize the investment tax credits from the Crane Solar Facility, the Markland Uprate Project, or the Atterbury Microgrid. She explained that Petitioner has committed to include the full investment tax credit benefits associated with these projects in the Rider 73 filing over the lives of the associated renewable generation facilities as soon as Petitioner is able to utilize the credits under applicable tax normalization rules, until such benefit is included in Petitioner's retail base electric rates. Ms. Dunchak explained that at this time, Petitioner is unable to determine exactly when it will be able to begin utilizing the investment tax credit benefits associated with these projects but that the current forecast indicates that it is not likely to begin until 2028 for the Crane Solar Facility, and 2028-2029 for the Markland Uprate Project and Atterbury Microgrid. Ms. Dunchak testified that Petitioner would provide an update in its next Rider 73 filing.

**6. OUCC's Evidence.** The OUCC presented the testimony of Ms. Brittany L. Baker, Utility Analyst. Ms. Baker testified that she did not oppose Petitioner's proposed Rider 73 adjustment factors. Ms. Baker noted nothing came to her attention that the calculation was inaccurate or inconsistent with prior Commission orders.

**7. Commission Discussion and Findings.** Based on the evidence presented, we find that Petitioner's requested relief in this proceeding is reasonable, consistent with regulatory requirements and prior Commission Orders, and should be approved. Specifically, costs and expenses through the Cutoff Date for the renewable energy projects shall be included in Petitioner's rates and charges for electric service in accordance with Petitioner's Rider 73, as indicated in the direct testimony and attachments of Ms. Dunchak.

Petitioner is authorized to recover its actual and forecasted O&M costs and depreciation expenses related to the Markland Uprate Project, the Atterbury Microgrid and the Nabb Battery Project, in accordance with Petitioner's Rider 73, as described in the testimony and attachments of Ms. Dunchak.

The proposed rate class-specific factors as presented in Petitioner's Exhibit No. 3, Attachment 3-B, page 7 of 9, are designed to refund \$839,058 to retail customers over a 12-month period. The impact of the proposed factor for Rider 73 on the monthly bill for a typical residential customer using 1,000 kWh will be a decrease of \$0.08, as shown in Petitioner's Exhibit No. 3, Attachment 3-C, from the total bill reflecting rider rates as of January 31, 2026.

**8. Confidential Information.** On January 30, 2026, Petitioner filed a Motion for Protection of Confidential and Proprietary Information with supporting affidavits asserting that certain information to be submitted to the Commission was trade secret information as defined in Ind. Code § 24-2-3-2 and should be treated as confidential in accordance with Ind. Code §§ 5-14-3-4 and 8-1-2-29. A Docket Entry was issued on February 11, 2026, through which the Presiding Officers determined the information should be held confidential on a preliminary basis, after which the information was submitted under seal. After review of the information and consideration of the affidavit, we find the information is trade secret information as defined in Ind. Code § 24-2-3-2, is exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29, and shall be held confidential and protected from public access and disclosure by the Commission.

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

1. Petitioner’s proposed Rider 73, including recovery of O&M and depreciation expenses related to Petitioner’s renewable energy projects, as reflected in the direct testimony and attachments of Petitioner, is approved.

2. Prior to implementing the rates, Petitioner shall file the tariff and applicable rate schedules under this Cause for approval by the Commission’s Energy Division. Such rates shall be effective for the July 2026 – Billing Cycle 1 or on or after the order date subject to the Commission’s Energy Division review and agreement with the amounts reflected, whichever is later.

3. Petitioner’s ongoing review progress reports, including updated plans, cost estimates, and project in-service dates for the renewable energy projects, are approved.

4. The information submitted under seal in this Cause pursuant to Petitioner’s request for confidential treatment is determined to be confidential trade secret information as defined in Ind. Code §24-2-3-2 and shall continue to be held as confidential and exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29.

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

**ZAY, DEIG, SWINGER, VELETA, AND ZIEGNER CONCUR:**

**APPROVED: JUN 17 2026**

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

\_\_\_\_\_ on behalf of  
**Dana Kosco**  
**Secretary of the Commission**