

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

Commissioner	Yes	No	Not Participating
Huston	✓		
Bennett	✓		
Freeman	✓		
Veleta	✓		
Ziegner	✓		

**VERIFIED PETITION OF DUKE ENERGY INDIANA,)
LLC FOR APPROVAL OF AN ELECTRIC VEHICLE) CAUSE NO. 46069
MAKE-READY CREDIT TARIFF, AND APPROVAL OF)
ALTERNATIVE REGULATORY PLAN (“ARP”) AND) APPROVED: APR 16 2025
DECLINATION OF JURISDICTION TO THE EXTENT)
REQUIRED UNDER IND. CODE 8-1-2.5-1 ET SEQ.)**

ORDER OF THE COMMISSION

Presiding Officers:

David E. Veleta, Commissioner

Ann S. Pagonis, Administrative Law Judge

On May 14, 2024, Duke Energy Indiana, LLC (“Duke Energy Indiana” or “Petitioner”) filed its Verified Petition and its direct testimony, attachments, and workpapers requesting the Indiana Utility Regulatory Commission (“Commission”) approve its proposed Electric Vehicle (“EV”) Make-Ready Credit Program (“MRC Program” or “Program”) as an Alternative Regulatory Plan (“ARP”) or otherwise decline jurisdiction and associated cost recovery, if applicable. Petitioner’s case-in-chief included the direct testimony of Jean V. Perez, Director, Regulatory Strategy and Collaboration, and Roger A. Flick, II, Director of Jurisdictional Rate Administration.

On August 30 and September 25, 2024, the OUCC filed the direct testimony of John E. Haselden, Consultant for the OUCC, and Brian R. Latham, Electric Division Utility Analyst. On September 13, 2024, Petitioner filed the rebuttal testimony of Jean V. Perez and Roger A. Flick, II.

On October 16, 2024, the Presiding Officers issued a Docket Entry requesting additional information from Petitioner to which Petitioner filed its response on October 23, 2024.

A public evidentiary hearing was held on October 30, 2024, at 9:00 a.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC appeared at the hearing by counsel and offered their respective pre-filed testimony and exhibits into the evidentiary record without objection. Duke Energy Indiana witness Ms. Perez was cross-examined by the OUCC.

Based on the applicable law and evidence of record, the Commission now finds as follows:

1. Notice and Commission Jurisdiction. Notice of the hearing held in this Cause was given and published as required by law. Duke Energy Indiana is a public utility under Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission as provided in the Public Service Commission Act, as amended. In its Verified Petition, Duke Energy Indiana indicated that it has elected to be subject to the provisions of Ind. Code §§ 8-1-2.5-5 and 8-1-2.5-6 for purposes of

seeking approval of an Electric Vehicle Make-Ready Credit Tariff (“Tariff No. 30”) to facilitate its proposed MRC Program. Accordingly, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

2. **Petitioner’s Corporate Status.** Duke Energy Indiana is a public utility corporation organized and existing under Indiana law with its principal office at 1000 E. Main Street, Plainfield, Indiana, and is a wholly owned subsidiary of Duke Energy Indiana Holdco, LLC. It has the corporate power and authority to engage in the business of supplying electric utility service to the public in Indiana.

3. **Petitioner’s Electric Utility Service.** Duke Energy Indiana owns, operates, manages, and controls plant, property, and equipment used and useful for the production, transmission, distribution, and furnishing of electric utility service to the public in Indiana. It directly supplies electric energy throughout its 23,000-square-mile service area to approximately 900,000 customers located in 69 counties in Indiana and supplies steam service to one customer from its Cayuga Generating Station and to another customer via a combined heat and power facility. Petitioner also sells electric energy for resale to other electric utilities that in turn supply electric utility service to numerous customers in areas not served directly by Petitioner.

4. **Relief Requested.** Duke Energy Indiana requests approval of its MRC Program as an ARP, which includes the Commission declining jurisdiction over certain, limited aspects of the Program, approval of Tariff No. 30, and authorizing Petitioner to charge market-based rates for the services provided under the proposed Program. The proposed MRC Program will provide credits to qualifying participants to defray costs associated with the wiring and circuitry necessary for installation of Level 2 EV charging hardware for residential customers and also provide incentives for low-income customers and homebuilders.

5. **Petitioner’s Direct Evidence.** Ms. Perez described Duke Energy Indiana’s proposed MRC Program, explaining it is a voluntary offering that will be available to participating Duke Energy Indiana residential customers that need make-ready infrastructure at their premises to prepare for the installation of Level 2 EV customer-owned or third-party owned charging equipment. Ms. Perez said that the MRC Program supports the competitive EV charging market by providing funding irrespective of the installation, hardware, and software providers the customer chooses. She said the customer may choose any EV charger model and may buy or lease equipment. Ms. Perez testified that a residential customer may receive credits for make-ready infrastructure either through a reduction in the cost charged by a contractor that has been approved by Petitioner (the “Contractor Credit Option”) or through a direct application submitted to Petitioner by the customer (the “Customer Credit Option”).

Ms. Perez testified these credits would not exceed the estimate of the aggregate increase in electric revenue for the two and a half years following installation of the newly installed charger. For a customer who is simultaneously receiving revenue credits that account for the anticipated EV charging load as an offset to Petitioner’s costs to deliver or expand service under the terms of Petitioner’s Line Extension – Advance Deposit (“LEAD”) plan, the make-ready infrastructure credits will not exceed Petitioner’s expected increase in revenue in the first year. The credit provided to the customer would be the lesser of the two and a half years revenue associated with

the incremental EV consumption (one year if the customer is participating in the LEAD plan) or the demonstrated cost of the invoice provided by the customer or the contractor.

Ms. Perez stated that the MRC Program is available to Duke Energy Indiana residential customers who install on their own premises the wiring and circuitry required for a Level 2 EV charger. Each Level 2 station installed on the customer's premise must feature at least one charging plug meeting all applicable safety and reliability standards. The work to install the make-ready infrastructure must be performed by a licensed electrician or a business employing licensed electricians. Duke Energy Indiana would offer higher credits to defined low-income customers based on the Indiana Housing and Community Development Authority Low-Income Home Energy Assistance Program definition. Low-income customers are at or below 60% of the state median income. Ms. Perez testified this would provide benefits to Duke Energy Indiana's most vulnerable customers and encourage electrification among this customer subset. The MRC Program would also be available to pre-approved homebuilders for residential new construction homes that are served by Petitioner, where the homebuilder is installing make-ready infrastructure. Ms. Perez testified that Petitioner will not own the make-ready infrastructure associated with the MRC Program and either the customer or a third party will own and be responsible for maintaining the infrastructure.

Ms. Perez testified that if an approved homebuilder demonstrates, through an application and satisfactory documentation, that it has installed make-ready infrastructure in new homes within Duke Energy Indiana's distribution system per the MRC Program, Petitioner will provide an incentive of \$150 per home. MRC Program new home builder credits are predicated solely on the cost of installing make-ready infrastructure. She said that installing the infrastructure during construction should be less expensive than installing infrastructure on existing residences.

Ms. Perez testified that a typical residential customer using 1,000 kilowatt hours ("kWh"), without benefit of a prior LEAD credit, would be eligible for the maximum credit of \$662 (\$994 for defined low-income participants) or the demonstrated cost of the invoice, whichever is less. This amount is supported by the additional revenue associated with the incremental 2,700 kWh a year of EV charging, as explained by witness Flick.

Ms. Perez said that growth in EV adoption is evident in Duke Energy Indiana's territory. At the end of 2020, there were approximately 4,000 registered EVs in Duke Energy Indiana's territory. By the end of 2022, she said that number more than doubled to approximately 9,000. As of the end of 2023, she said there were nearly 12,000 registered EVs in Duke Energy Indiana's territory, and she expects there to be nearly 120,000 by the end of 2030. She said this represents an annual growth rate of 40% from 2020 to 2030.

Ms. Perez testified that Petitioner conducted a non-participant cost test known as a Rate Impact Measure ("RIM") test to show the customer benefits associated with the MRC Program. Using the RIM test, the Program resulted in a positive net benefit ratio of 1.41. She opined that a RIM test score of greater than 1.0 indicates that the benefits realized will exceed the costs incurred, and over time cause downward pressure on rates. She stated that the ongoing increase in energy consumption will continue to add revenue to the system beyond two and a half years without adding cost to the system. She stated that the MRC Program would yield a positive net present value over the life of the installation, which provides overall system benefits to customers for both

participants and non-participants. As such, she states that non-participating customers are not negatively impacted.

Ms. Perez testified Petitioner considered the Commission's findings in Cause No. 45816 related to the impact on economically distressed areas when it designed the MRC Program to minimize the Contribution in Aid of Construction burden on low-income customers. Under the MRC Program, defined-low income residential customers seeking to install Level 2 charging infrastructure will receive an additional incentive calculated using a one and a half multiplier. Petitioner estimates up to seven percent of the forecasted residential participants will qualify for the low-income credit, according to customer data.

Ms. Perez testified that Petitioner forecasts approximately 3,655 participants in the MRC Program by the end of 2028. Petitioner estimated participation for the residential MRC Program using the Guidehouse Vehicle Analytics and Simulation Tool's modeling of increased EV adoption resulting from the MRC Program incentives, as well as actual participation rates relative to adoption forecasts in other Duke Energy jurisdictions.

Ms. Perez testified Petitioner has estimated the total cost for the MRC Program to be approximately \$3.24 million, which includes both the forecasted credit or incentive and third-party administrative and operational costs. She said the incentive spend was calculated by utilizing the Vehicle Analytics and Simulation Tool forecast for the Level 2 charger totals and allocating the forecast to the residential segment, in addition to an allocation for the low-income segment. The specific charger allocations were then multiplied by the one-time credit to arrive at the total incentive forecast. Ms. Perez sponsored Attachment 1-A (JVP) to Petitioner's Exhibit 1, a breakdown of the financial estimates for the MRC Program.

Ms. Perez opined that the proposed MRC Program supports the competitive EV charging market because it provides funding irrespective of the installation, hardware, and/or software provider chosen by a participating customer. A participating customer has the option to buy their own equipment or lease equipment from a third party.

Mr. Flick discussed the \$150 new home builder credit, the \$994 defined low-income credit, and the \$662 residential credit. He stated these credits are based on estimated revenue at current rates and will be updated periodically. For example, after a rate case order, the credits will be updated to reflect estimated revenues at approved rates and then submitted to the Commission for approval. Mr. Flick also explained the modeling necessary to develop the proposed credits was performed under his oversight by Petitioner's EV team. He said the proposed credits leverage similar rationale underpinning Petitioner's Tariff 52 LEAD plan including offering residential customers a credit based on two and a half years of estimated revenue. Mr. Flick testified that Petitioner considered the Commission's Order in Cause No. 45616 in offering a higher incentive to low-income EV customers.

Mr. Flick testified that Petitioner used consumption data from several Duke Energy residential EV charging programs to estimate residential EV charging annual energy consumption. Based on that data, it is estimated that customers utilize an average of approximately 2,700 kWh per year (or 225 kWh per month) to charge an EV at home. The MRC Program's external third-party administrative cost estimates were informed by Petitioner's vendors and experience. Mr.

Flick added that Petitioner used a conservative pricing assumption by using Tariff No. 6.0, Rate RS - Residential Electric Service lowest priced energy block to value the new EV charging revenue for proposed EV Make-Ready Credit development.

Mr. Flick testified Petitioner proposes to defer the costs associated with the MRC Program, made up of the customer credits and third-party administrative costs, with carrying costs calculated at the weighted average cost of capital rate, as a regulatory asset to be held for recovery in Petitioner's next base rate case.

Mr. Flick opined that the proposed MRC Program provides benefits to all customers and that it is reasonable and prudent to allow Petitioner to recover the associated costs. He stated that deferring these costs in a regulatory asset until they can be included in retail base rates is appropriate from a ratemaking perspective, and such treatment will minimize the timing differences between cost recognition on Petitioner's books and cost recovery.

6. OUC's Evidence. Mr. Haselden testified that Petitioner skewed multiple dependent variables to derive a favorable RIM ratio value of 1.41. Mr. Haselden opined that any benefits of increased sales from the MRC Program will accrue solely to Petitioner until implementation of new base rates in its next rate case. Mr. Haselden also stated that Petitioner incorrectly included these new revenues as benefits in its RIM analysis. He noted Petitioner declined to net the increased revenue margins during this period against the cost of the regulatory asset.

Mr. Haselden noted that the average demand increase to Petitioner's system per participant in the MRC Program was estimated to be 3.3 kW, which Petitioner confirmed in response to OUC Data Request 3.01. Petitioner explained this value was a weighted average of 2.52 kW for existing residential customers and 6.4 kW for new construction. However, Mr. Haselden noted Petitioner later stated none of these numbers quantifying the demand impact to the Duke Energy Indiana system were used in the RIM modeling. Rather, Petitioner applied a 24-hour load shape to the assumed 2,700 kWh/year consumption to impute demand at each hour. Mr. Haselden testified that Petitioner stated in response to discovery, it was relying on a load shape derived in a 2020 report produced for Duke Energy Florida ("Charge FL").

Mr. Haselden testified the data collected in the Charge FL report was contaminated by the inclusion of other types of chargers and vehicles and pronounced off-peak charging behavior, which is what the Charge FL study was intended to analyze. Consequently, Mr. Haselden concluded that it is not appropriate to assign these behaviors to Petitioner's Indiana customers, and that use of the Charge FL study is concerning because there are many differences in parameters of Charge FL and the program Petitioner is proposing here. Mr. Haselden further noted that costs to incentivize off-peak charging, which were present in the Charge FL study, were not included in the RIM analysis. Therefore, he opined that Petitioner's use of the load shape from the Charge FL study for the EV MRC Program was inappropriate.

Mr. Haselden suggested an alternative method of determining the demand impact to the Duke Energy Indiana system. He recommended starting with a realistic nameplate demand of 10.5 kW and decreasing the amount to 2.5 kW to recognize the diversity in charging behaviors, because not all chargers are in use on system peak. After Mr. Haselden used Petitioner's model provided

in response to OUC Data Request 3.4. Confidential Attachment 3.4 A, and holding all other assumptions the same, the RIM ratio dropped to 0.48.

Mr. Haselden expressed concern about the avoided generation capacity price Petitioner used in its RIM analysis. He noted the price recently presented by Petitioner in Thirty-Day Filing No. 50722 was \$79.08/kW-year but Petitioner used a lower number in the Demand-Side Management modeling in this Cause. He testified that using the lower number underestimates the annual capacity costs and exaggerates the net present value of the RIM test.

Mr. Haselden also expressed concern over Petitioner's steep year-over-year participation increases as modeled in Petitioner's estimates in the MRC Program. He pointed out that Petitioner's overstated participation led to Petitioner similarly overstating benefits in the RIM test results. Mr. Haselden noted that Petitioner could not produce reports or memos documenting its estimates. He also expressed concern with Petitioner's assumption there will be no free ridership, and that all incentivized make-ready installations always had chargers connected each day.

In summary, Mr. Haselden testified the MRC Program fails the RIM test by a wide margin, when the average demand per participant is revised to a reasonable number. The RIM ratio analysis is further diminished by excluding revenue margins in years when customers see no benefits, using the updated generation capacity price, and checking the sensitivity of the analysis to participation levels. Mr. Haselden recommended that approval of the MRC Program be denied. If the Commission approves the MRC Program, he recommends the Commission deny the accumulation and deferral of the regulatory asset costs of the MRC Program as OUC Witness Latham discussed.

Mr. Latham testified that the OUC opposes the proposed cost recovery method in Petitioner's MRC Program, arguing that it unfairly allocates costs among residential ratepayers and benefits EV owners without charging them for the full cost of the infrastructure. He recommended the Commission deny Petitioner's proposed regulatory asset. If the Commission approves the MRC Program, he recommended Petitioner's incremental revenue offset its regulatory asset to reduce costs to residential ratepayers.

7. Petitioner's Rebuttal Evidence. Ms. Perez discussed the reasons Mr. Haselden's assessment was flawed and further explained the rationale behind the assumptions and the reason Mr. Haselden's recommendation to deny approval of the Program based on the forecast of EVs available in the market is unfounded and inaccurate.

Ms. Perez argued that Mr. Haselden's starting point for determining the capacity cost attributable to the proposed MRC Program at the value of the Level 2 EV charger is fundamentally incorrect for several reasons. First, she stated that Mr. Haselden started his RIM analysis using an inaccurate kW output of the Level 2 EV charger because the kW output of the charger does not account for the revenue impacts that the proposed MRC Program will have on rates, which is a key component of the RIM analysis. She stated that the kW output of the Level 2 EV charger, as a stand-alone number, has no relationship to the RIM analysis.

Ms. Perez also opined that using a nameplate demand of 10.5 kW is a simplistic approach to the demand of the home and does not account for how residential EV charging behavior impacts a household's incremental capacity. This value assumes that the premise's existing capacity is at its maximum such that using the Level 2 EV charger would require an additional 10.5 kW rather than the more reasonable approach that only accounts for the use of the incremental capacity that the EV charging has on existing household capacity needs. She characterized these as highly unlikely assumptions that were provided without any supporting data or information.

Ms. Perez also argued that Mr. Haselden grossly overstated the peak maximum kW attributed to the load shape for residential EV charging. She opined that Mr. Haselden's rationale in the application of the maximum kW does not account for any diversity in residential EV charging, differences in charging times by EV type, or total household energy usage. She stated that utilizing an absolute number based on one Level 2 EV charger data and inputting this number at Hour 16, multiplied by the forecasted participants, will result in an overstated maximum kW for the proposed MRC Program.

Ms. Perez opined that Mr. Haselden updated only one value in the RIM analysis without looking at the other factors in the equation, such as whether the annual kWh consumption and the supply-side cost of energy aligns with the capacity number input. She argued that this approach erodes the reasonableness and applicability of the analysis and will result in an incorrect calculation of the RIM analysis because it does not accurately reflect the true energy and capacity impacts of residential EV charging.

Ms. Perez stated that Mr. Haselden's starting point of 10.5 kW compared to Petitioner's 3.3 kW is not an apples-to-apples comparison. She said that 3.3 kW is the anticipated billed demand (revenue) from the proposed MRC Program based on the kW expected from the Program, and not the nameplate Level 2 EV charger. She testified that the kW in the RIM analysis is associated with the supply side capacity cost that the proposed MRC program impacts on the household incremental peak, and not the demand of one Level 2 EV charger. Therefore, she said this makes Mr. Haselden's reference to the 3.3 kW and his use of the 10.5 kW in the RIM analysis incorrect.

Ms. Perez noted Duke Energy Indiana used a Level 2 EV charger with a nameplate rating of approximately 40 amps at 240 volts as referenced in the RIM analysis. Ms. Perez also addressed Mr. Haselden's concern about Petitioner using a generation capacity price lower than the price approved in its recent Thirty-Day Filing No. 50722. Ms. Perez noted approval of the generation capacity price in that filing did not occur until April 3, 2024, and was not available for the analysis of the MRC Program. However, Ms. Perez argued, holding all things constant, using the updated supply-side price identified in Thirty-Day Filing No. 50722 still showed a positive RIM test value of 1.38.

Mr. Flick testified that Petitioner proposed a residential time-of-use rate in its pending rate case (Cause No. 46038), which included both Off-Peak and Discount periods. He opined that those rates, if approved, should be attractive to EV charging customers and help manage EV charging off-peak. He opined that, while Petitioner agrees with the OUCC's objective of ensuring program benefits accrue to both participating and non-participating customers, the MRC Program design and cost-effectiveness tests as presented in Ms. Perez's testimony satisfactorily address those

concerns and ensure the Program is beneficial for all customers, and denial of the proposed Program would negate Petitioner's ability and efforts to cater to customers' electrification needs given the increase in EV sales.

Mr. Flick addressed Mr. Latham's proposal of alternative bookkeeping and cost recovery treatment if the MRC Program is approved. Mr. Flick opined that Petitioner has proposed an administratively efficient and reasonable approach to addressing cost collection in this proceeding.

8. Commission Discussion and Findings. Duke Energy Indiana's request for approval of the MRC Program as an ARP was submitted under Ind. Code ch. 8-1-2.5. Subsection 2.5-1(1) provides "[t]hat the provision of safe, adequate, efficient, economical retail energy services is a continuing goal of the commission in the exercise of its jurisdiction." Subsection 2.5-1(6) similarly provides "[t]hat the public interest requires the commission to be authorized to issue orders and to formulate and adopt rules and policies that will permit the commission in the exercise of its expertise to flexibly regulate and control the provision of energy services to the public in an increasingly competitive environment, giving due regard to the interests of consumers and the public, and to the continued availability of safe, adequate, efficient, and economical energy service."

Under Ind. Code § 8-1-2.5-6, the Commission may adopt alternative regulatory practices, procedures, and mechanisms proposed by an energy utility that are in the public interest and enhance or maintain the value of the utility's retail energy services or property, "including practices, procedures, and mechanisms focusing on the price, quality, reliability, and efficiency of the service provided by the energy utility." Ind. Code § 8-1-2.5-6(a)(1). Petitioner's proposed MRC Program qualifies as a retail energy service and is presented as benefiting customers by encouraging mutually beneficial EV adoption. The Commission, therefore, has statutory authority under Ind. Code ch. 8-1-2.5 to consider the MRC Program.

In determining whether the public interest will be served by our approval of the proposed ARP, Ind. Code § 8-1-2.5-6(a)(1)(A) requires we consider the following factors as set forth in Ind. Code § 8-1-2.5-5:

- (1) Whether technological or operating conditions, competitive forces, or the extent of regulation by other state or federal regulatory bodies render traditional regulation unnecessary or wasteful,
- (2) Whether the commission's approval of an alternative regulatory plan will be beneficial for the utility, its customers, or the state,
- (3) Whether the commission's declining to exercise, in whole or in part, its jurisdiction will promote energy utility efficiency, and
- (4) Whether the exercise of commission jurisdiction inhibits a utility from competing with other providers of functionally similar services or equipment.

Keeping these considerations in mind, we turn to the specific requests from Duke Energy Indiana in this proceeding.

Regarding the first two factors, we find that Duke Energy Indiana has shown that competitive forces at work in the EV charging market limit the value of traditional regulation over the MRC Program because it is voluntary and allows the customer to choose to buy or lease equipment and can choose who installs the charger and what models to use. Duke Energy Indiana provided testimony supporting the benefits of the Program for Duke Energy Indiana, its customers, and the state of Indiana. Eligible customers will benefit by having multiple program options to ease the installation of EV make-ready infrastructure within their homes necessary to support EV charging. Petitioner's proposal will pay financial credits to participating customers based on the first two and a half years of estimated incremental revenue associated with the customer charging an EV. If the program is successful, the additional load provides a contribution to Petitioner's fixed costs, spreading recovery of those costs over more customers and load, benefiting all customers, including non-participants.

The third factor we must consider is whether approval of the MRC Program will promote energy utility efficiency. We find that it does. As explained above, approval of this ARP will promote utility efficiency by allowing Duke Energy Indiana to serve its customers in a cost-effective way. Adoption of EVs in Indiana is increasing; however, the overall upfront costs are still expensive compared to traditional vehicles and the proposed cost-effective support is designed to advance adoption while providing utility insight into such advance. As we found in *Duke Energy Ind., LLC*, Cause No. 45616 at page 13 (IURC June 1, 2022), understanding the impacts to the electric system resulting from customer use and charging behavior is important for the successful integration of EVs in Indiana.

Finally, the fourth factor we must consider is whether denial of the MRC Program would inhibit Duke Energy Indiana from competing with other providers of functionally similar energy services or equipment. We believe it would. The Commission's approval of the ARP will allow Duke Energy Indiana to encourage customer engagement with businesses in the free marketplace that offer EV charging infrastructure installation in a cost-effective way. The MRC Program is open to customers that own or lease their infrastructure. Though customers have the option of seeking a Duke Energy Indiana-approved installer, it is not required. As such, customers have a choice of electricians from the open market, and Duke Energy Indiana would assist the customer if desired. Fostering utility assistance to its customers provides for the addition of a value-added service. If the customer does not have a qualified electrician selected, the Program's provision of funding is fundamentally enabling for the competitive market.

The OUCC raised various arguments in this proceeding about the cost-effectiveness analysis, specifically the RIM analysis, used to evaluate the proposed MRC Program, as well as the program's design, including assumptions used in the RIM test and the proposed credit amounts. As noted by Ms. Perez, the RIM test is a cost-effectiveness analysis traditionally used in demand-side management and energy efficiency programs. However, the RIM test is still relevant for evaluating transportation electrification programs like the MRC Program because it assesses whether the program will increase utility-wide revenues more than costs, which is a benefit to all customers. We find that Duke Energy Indiana has provided sufficient evidence to support the proposed RIM analysis to address the issues raised.

However, we believe the OUCC has raised some valid arguments regarding estimated program participation in the MRC Program. As a result, Duke Energy Indiana shall submit compliance filings every six months to compare the MRC Program's estimated versus actual costs and actual participation numbers. Furthermore, if actual program participation results lags estimated participation at the end of two years, Duke Energy Indiana shall evaluate the cause of participation lag and submit a cost-effective proposal to redesign the Program to incent increased participation or sunset the Program. Additionally, as this program is a load building program, it is important that the program includes a component to build the load in a managed and efficient way. Given that the Commission just approved time of use rates for Petitioner in Cause No. 46038, we find it is reasonable that if Duke Energy Indiana is going to engage in this load building program, that it require participating customers to be on the time of use rate. We recognize that this requirement may be challenging as the Program is currently designed. However, a time of use component is necessary for this Program to be a reasonable load management program.

As we have noted several times, customer participation is optional: customers must choose to opt into it based upon their own determination of value and the program design is offered as a cost-effective, value-added service. This factor and the factors discussed above contribute to us finding the public interest is served by our approving Duke Energy Indiana's proposal as modified above.

Accordingly, the Commission finds Petitioner's request for the approval of the MRC Program should be granted under the Alternative Utility Regulations of Ind. Code and as an ARP as modified above.

9. Confidentiality. On May 14, 2024 and September 23, 2024, Petitioner filed a Motion for Protection and Nondisclosure of Confidential and Proprietary Information in this Cause, which was supported by affidavit showing 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. In Docket Entries dated May 29, 2024, and October 7, 2024, the Presiding Officers found the information should be held confidential on a preliminary basis. After reviewing 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 as confidential and protected from public access and disclosure by the Commission.

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

1. Duke Energy Indiana's requested approval of its MRC Program as an ARP is approved, as modified above. In accordance with Ind. Code § 8-1-2.5-6(e), Duke Energy Indiana shall file, under this Cause and within 20 days of the date of this Order, its acceptance or rejection of the modification to the proposed ARP.

2. If Duke Energy Indiana accepts the Commission's modifications to its proposed ARP, it shall file under this Cause Tariff No. 30 with the modifications discussed above, which shall be effective following review and approval by the Commission's Energy Division.

3. If Duke Energy Indiana accepts the Commission's modifications to its proposed ARP, Duke Energy Indiana shall submit compliance filings under this Cause every six months that compare the MRC Program's estimated versus actual costs and actual participation numbers.

4. The information filed by Petitioner and the OUCC in this Cause pursuant to Motions for Protection and Nondisclosure of Confidential and Proprietary Information is deemed confidential pursuant to Ind. Code § 5-14-3-4, is exempt from public access and disclosure by Indiana law, and shall be held confidential and protected from public access and disclosure by the Commission.

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

HUSTON, BENNETT, FREEMAN, VELETA, AND ZIEGNER CONCUR:

APPROVED: APR 16 2025

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

Dana Kosco
Secretary of the Commission