

**ORIGINAL**

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

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED APPLICATION OF DUKE )  
ENERGY INDIANA, LLC FOR APPROVAL ) CAUSE NO. 46193 GCT 1  
OF AN ADJUSTMENT TO ITS ELECTRIC )  
SERVICE RATES THROUGH RETAIL ) APPROVED:  
ELECTRIC TARIFF NO. 75 – GENERATION ) MAR 25 2026  
COST TRACKER )**

**ORDER OF THE COMMISSION**

**Presiding Officers:**

**Anthony F. Swinger, Commissioner**

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

On November 25, 2025, Duke Energy Indiana, LLC (“DEI” or “Petitioner”) filed its Verified Petition for Indiana Utility Regulatory Commission (“Commission”) approval of Generation Cost Tracker (“GCT”) factors through its Retail Electric Tariff No. 75 (“GCT Tracker”). Also on November 25, 2025, Petitioner pre-filed its case-in-chief, which consisted of the testimony and attachments of:

- Kelley A. Karn, Vice President, Regulatory Affairs & Policy for DEI;
- John Robert Smith, Jr., General Manager for New Gas Generation Development for Duke Energy Business Services, LLC; and
- Stacie R. Gruca, Director, Rates & Regulatory Planning for DEI.

On December 5, 2025, Duke Industrial Group (“Industrial Group”) filed its Petition to Intervene in this proceeding, which was subsequently granted on December 30, 2025.

On January 23, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony of Kaleb G. Lantrip, Senior Utility Analyst in the Electric Division.

The Commission held an evidentiary hearing in this Cause at 10:30 a.m. on February 17, 2026, in Hearing Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner, OUCC, and Industrial Group, by counsel, participated in the evidentiary hearing. At the hearing, the prefiled testimony and exhibits of Petitioner and OUCC were admitted without objection.

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

**1. Notice and Jurisdiction.** Due, legal, and timely notice of the evidentiary hearing was given and published by the Commission. Petitioner is a public utility as defined in Ind. Code § 8-1-2-1. Pursuant to Ind. Code § 8-1-2-42, the Commission has jurisdiction over

Petitioner's rates and charges for utility service, including tracking mechanisms. Therefore, the Commission has jurisdiction over DEI 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 46168. 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. Background and Requested Relief.** The Commission's October 29, 2025, Order in Cause No. 46193 ("46193 Order"), approved, among other things, DEI's request for: (1) a Certificate of Public Convenience and Necessity for the construction of two combined cycle ("CC") natural gas units at the existing Cayuga Generating Station ("Cayuga CC Project"); (2) approval of the estimated total cost of the Cayuga CC Project, plus actual allowance for funds used during construction ("AFUDC"); (3) timely cost recovery through forward-looking construction work in progress ("CWIP") ratemaking under Ind. Code ch. 8-1-8.8 through the GCT mechanism; and (4) approval of ongoing review of the Cayuga CC Project.

The 46193 Order also approved the settlement agreement between Petitioner and Reliable Energy, Inc. ("REI") ("REI Settlement") and the settlement agreement between Petitioner and the Industrial Group ("IG Settlement"). As part of the REI Settlement, Petitioner agreed to perform an engineering study (the "Feasibility Study") to evaluate the technical feasibility of extending the lives of the Cayuga coal units, for the benefit of third parties that may be interested in purchasing the coal unit(s). DEI will then use the results of the Feasibility Study to inform a request for proposals ("RFP") process, administered by an independent third party, to solicit market interest in the potential purchase of the coal units. As part of the IG Settlement, DEI agreed to provide additional testimony or evidence in future GCT proceedings if certain conditions for the Cayuga CC Project were met. These conditions relate to the projected actual construction costs of the Cayuga CC Project and, following execution of the engineering, procurement, and construction ("EPC") contract, the level of contingency included in the updated cost estimate, whether the best estimate of costs exceeds a defined cost threshold, and any increases to the total EPC contract price.

In this proceeding, Petitioner requests Commission approval of GCT factors to be applicable and made effective for bills rendered by DEI during the first billing cycle of April 2026. Upon becoming effective, the GCT factors shall remain in effect for approximately six months or until replaced by different factors approved in a subsequent filing.

**4. Petitioner's Direct Testimony.** Ms. Karn provided an overview of the REI Settlement and status of the Feasibility Study. She testified that to ensure the study remains on track for completion within eight months, DEI engaged Projects Associates Inc. ("PAI") to provide management support for the Feasibility Study by refining its scope, retaining an external engineering firm, and coordinating efforts to ensure robust results to inform the subsequent RFP process for the potential sale of the coal units. She testified that the PAI project manager is a former Duke Energy employee with extensive knowledge of the Cayuga Station site and prior experience on similar projects. She testified Petitioner is on schedule to competitively bid and award the Feasibility Study contract before the end of 2025. Ms. Karn testified DEI will retain a third-party

administrator to assist in conducting the RFP process for the potential sale of the coal units and to provide guidance on the RFP's terms and conditions prior to requesting bids from qualifying firms. Ms. Karn provided the estimated costs for the Feasibility Study and RFP process, noting that DEI will defer these costs and recover them only if a sale of the Cayuga coal units yields positive net proceeds, and only up to the amount of those proceeds. She testified that Petitioner expects the Feasibility Study to be completed by June 29, 2026. After completion of the Feasibility Study, DEI will complete discussions with REI and interested stakeholders for 30 days and prepare to issue the RFP by end of September 2026. RFP bid submittals will be due within 90 days (end of December 2026), with a review period and eventual negotiations with potential purchaser(s) occurring through the third quarter of 2027. She testified that if a sale agreement is reached, Petitioner would seek Commission approval of the sale, associated accounting, and ratemaking likely sometime in the fourth quarter of 2027 or early 2028. Ms. Karn testified that Petitioner will continue to provide updates on the progress of the Feasibility Study and the RFP process in future GCT proceedings. Ms. Karn provided an overview of the IG Settlement and noted that no additional evidence as contemplated by the IG Settlement is required at this time.

Mr. Smith provided the forecasted Cayuga CC Project construction costs included in the proposed GCT factors. He confirmed that, as noted in Petitioner's Initial Compliance Filing in Cause No. 46193, the contingency amount provided in DEI's updated cost estimate was not less than the amount in the IG Settlement and the best estimate was not higher than the current estimate, plus AFUDC. He also provided the updated confidential cost estimate for the Cayuga CC Project, reflecting changes to date from the estimate approved in the 46193 Order. He testified that, in addition to finalizing the EPC agreement, the purchase orders for all major equipment have been finalized with pricing and delivery consistent with the original estimate and leaving contingency at the appropriate level for successful project implementation. He also noted a minor change in the estimate to reflect a required December 2025 deposit with the Midcontinent Independent System Operator for the Definitive Planning Phase process to interconnect the incremental 500 megawatts to the grid, which caused a cash flow adjustment and impacted the AFUDC amount.

Mr. Smith testified that Petitioner continues to target in-service dates for CC 1 and CC 2, respectively, for September 2029 and May 2030. He testified a full notice to proceed was issued to the EPC contractor on October 31, 2025. The contractor has since mobilized on-site and begun erosion control measures, tree clearing, and initial site grading. Engineering is underway, as well as the bidding, evaluating and awarding various components, construction facilities, material and equipment, with a high priority on longer lead time material and those necessary to support early construction activities beginning in 2026. He testified the contractor is positioning to begin initial foundation activities in early spring 2026. Mr. Smith testified that there are no impacts from tariffs or shifts in government policy to report, although Petitioner continues to discuss potential impacts with the EPC contractor and major equipment suppliers and will provide any updates or impacts in future GCT proceedings.

Ms. Gruca provided an overview of Petitioner's semi-annual GCT Tracker. She testified that the GCT will be filed in November (reflecting the forward-looking period of April through September) and May (reflecting the October through March forward-looking period), each with an anticipated 120-day procedural schedule from filing to Commission Order and rate implementation. She testified that pursuant to the 46193 Order, Petitioner is using forward-looking CWIP ratemaking treatment until each part of the Cayuga CC Project is in-service. Once in-

service, Cayuga CC Project costs will continue to be recovered through the GCT Tracker, including a return on net plant in-service balance, return on capital maintenance additions (net of any in-service retirements), carrying costs of new plant materials and supplies inventory, depreciation expense, and operation and maintenance (“O&M”) expense (including property tax and insurance costs). She testified that Petitioner will reconcile within each GCT Tracker any variances between forecasted and actual revenue requirements as historical actual periods are available. The revenue requirement is allocated among the retail rate classes based on Petitioner’s demand allocators approved in Cause No. 46038. She testified that Petitioner will continue tracking and recovering the Cayuga CC Project costs through the GCT Tracker until it is placed in-service and included in base rates.

Ms. Gruca testified that, consistent with the IG Settlement, depreciation and O&M expense accrued on the new Cayuga CC Project prior to retirement of the existing Cayuga coal units will be recovered through the GCT Tracker. At retirement, an envelope will be created around the Cayuga facility (coal units plus the new CC units) encompassing the total book depreciation expense and O&M costs of the facility, adjusted to exclude costs authorized for recovery in other trackers that are not reflected in base rates, with the appropriate recovery from or credit to DEI customers reflected through the GCT Tracker. Consistent with the IG Settlement, a 40-year operating life will be applied to the Cayuga CC Project until a formal depreciation study is performed and new rates approved by the Commission.

Ms. Gruca described how the GCT revenue requirement is calculated and explained the schedules supporting the proposed GCT factors. She explained Petitioner’s Exhibit No. 3 Attachment 3-A (SRG) shows how the six-month \$24,403,895 total revenue requirement applicable to retail customers was calculated and allocated based on demand to derive the proposed GCT factors by rate class. Ms. Gruca testified that the proposed GCT 1 factor for a residential customer represents an increase of \$0.002410 per kWh. A residential customer using 1,000 kWh per month will experience an increase of \$2.41, or 1.56%, on the customer’s total electric bill (excluding sales tax).

**5. OUCC Testimony.** Mr. Lantrip testified that the OUCC had no objection to Petitioner’s proposed GCT factors, subject to any impact resulting from the pending appeal of the 46193 Order.

**6. Commission Discussion and Findings.** The Commission finds that DEI has adequately satisfied the information reporting requirements for purposes of this GCT Tracker proceeding as specified in the 46193 Order. We further find, based on the evidence presented, that DEI’s GCT factors were calculated consistent with the requirements of the 46193 Order and approve Petitioner’s proposed GCT factors for the period of April through September 2026 on an interim basis subject to the outcome of the pending appeal of the 46193 Order. Ms. Gruca sponsored Petitioner’s Exhibit No. 3 Attachment 3-A (SRG) reflecting the GCT factors to be effective for bills rendered in the first billing cycle of April 2026. She testified the proposed factor will add \$2.41 per month to a 1,000 kWh residential bill.

**7. Confidential Information.** Petitioner filed a Motion for Protection of Confidential and Proprietary Information on November 25, 2025, supported by affidavits showing that certain documents to be submitted to the Commission were trade secret information within the scope of

Ind. Code §§ 5-14-3-4 and 24-2-3-2. The Presiding Officers issued a docket entry on December 5, 2025, finding such information to be preliminarily confidential, after which such information was submitted under seal. No party objected to the confidential and proprietary nature of the information submitted under seal in this proceeding. We find the information is confidential pursuant to Ind. Code § 5-14-3-4 and is exempt from public access, disclosure by Indiana law, and shall continue to 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 requested GCT factors to be applicable to bills rendered the first billing cycle of April 2026, as reflected in the direct testimony and attachments of Petitioner, are approved on an interim basis subject to the outcome of the pending appeal of the 46193 Order.

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 on or after the order date subject to the Commission’s Energy Division review and agreement with the amounts reflected.

3. 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.

4. This Order shall be effective for April 2026 – Bill Cycle 1 or on and after the date of its approval, whichever is later.

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

**APPROVED: MAR 25 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**