ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE JOINT PETITION OF DUKE ENERGY INDIANA, LLC AND INDIANA MUNICIPAL POWER AGENCY, FOR THE TRANSFER OF ASSETS FROM DUKE ENERGY INDIANA, LLC TO INDIANA MUNICIPAL POWER AGENCY PURSUANT TO INDIANA CODE § 8-1-2-84.	)))))))	**CAUSE NO. 46398** **APPROVED: JUL 15 2026**

ORDER OF THE COMMISSION

Presiding Officers:
Anthony F. Swinger, Chairman
Kristin E. Kresge, Administrative Law Judge

On April 27, 2026, Duke Energy Indiana, LLC ("Duke Energy Indiana") and Indiana Municipal Power Agency ("IMPA") (together, "Joint Petitioners" and/or "Parties") filed their Verified Joint Petition with the Indiana Utility Regulatory Commission ("Commission") for approval of the transfer of certain assets from Duke Energy Indiana to IMPA. Contemporaneously, Joint Petitioners also prefiled the direct testimony of Timothy J. Hohenstatt, Duke Energy Indiana's Director of Power Grid Planning.

On May 21, 2026, the Indiana Office of Utility Consumer Counselor ("OUCC") filed its Notice of Intent Not to File Testimony.

The Commission held an evidentiary hearing in this Cause on June 11, 2026, at 1:30 p.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, the testimony and exhibits of Joint Petitioners were admitted into the record without objection.

Having considered the evidence and applicable law, the Commission finds:

1. <u>Commission Notice and Jurisdiction</u>. Due legal and timely notice of the evidentiary hearing was given and published by the Commission. Duke Energy Indiana is a public utility organized and existing under the laws of Indiana and has its principal office at 1000 East Main Street, Plainfield, Indiana. It is a wholly-owned subsidiary of Duke Energy Indiana Holdco, LLC and an affiliate of Duke Energy Business Services LLC and Duke Energy Corporation. Duke Energy Indiana provides electric service in 69 counties of Indiana, is a "public utility" as that term is used in Ind. Code § 8-1-2-1, and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of Indiana, including Ind. Code ch. 8-1-2.

IMPA is a joint agency within the meaning of Ind. Code ch. 8-1-2.2 and is a political subdivision of Indiana. IMPA provides all of the electric power and energy requirements of its 61 municipal members. IMPA's principal office is located at 11610 N. College Avenue, Carmel, Indiana 46032. IMPA is not a "public utility" as that term is used in Ind. Code § 8-1-2-1, but subject to the jurisdiction of the Commission for limited matters in the manner and to the extent provided in Ind. Code ch. 8-1-2.2.

The Commission has jurisdiction over transfers of utility property under Ind. Code § 8-1-2-84. Therefore, the Commission has jurisdiction over Joint Petitioners and the subject matter of this proceeding.

2. Requested Relief. Joint Petitioners seek Commission approval of the transfer of certain assets from Duke Energy Indiana to IMPA in order to maintain the joint ownership, operation, and maintenance of certain transmission and other facilities located in Duke Energy Indiana's local balancing area (the "JTS") through a Transmission and Local Facilities Ownership, Operation, and Maintenance Agreement ("T&LF Agreement"), as amended January 1, 2015, and originally approved by this Commission in Cause No. 37888 on November 27, 1985. Duke Energy Indiana owns a Transmission Capacitor Bank and related equipment, a part of the JTS, located in Clinton County, Indiana, and Joint Petitioners believe that it would be functionally prudent for the Transmission Capacitor Bank and related equipment to be owned and operated by IMPA.

3. Joint Petitioners' Case-In-Chief. Mr. Hohenstatt testified that Duke Energy Indiana and IMPA agreed to the joint ownership, operation, and maintenance of certain transmission and other facilities through the T&LF Agreement in 1985. He explained that pursuant to the T&LF Agreement, Duke Energy Indiana and IMPA may, from time to time, transfer assets amongst themselves so that their individual degree of transmission facility ownership remains at the levels specified in the T&LF Agreement. He noted that the terms of the T&LF Agreement allow property transfers only when the affected parties have agreed that the transfers are appropriate. Thus, when these agreed T&LF transfers are submitted to the Commission, the affected parties have already agreed to the terms, eliminating controversy and simplifying the approval process.

Mr. Hohenstatt explained that on October 29, 2008, in Cause No. 43509, the Commission approved the expedited asset transfer process between Duke Energy Indiana and IMPA. He noted that the expedited procedure requires the Joint Petitioners to provide the OUCC with continuing property records, vintage year, accumulated costs, and the quantity of the individual components to be transferred.

Mr. Hohenstatt provided a description of the procedural mechanism used for the review and approval of the proposed asset transfer. Within 30 days after Joint Petitioners file their petition and testimony, the OUCC shall file its testimony. Thereafter, the parties shall jointly seek a hearing within 15 days from the Commission. Mr. Hohenstatt testified that the Joint Petitioners utilize this expedited procedure because the transfers occur only by mutual agreement of the parties and are only intended to balance the parties' ownership interests pursuant to the terms of the T&LF Agreement. He explained that the Joint Petitioners will make any appropriate internal accounting adjustments and record keeping entries concerning any approved asset transfer.

Mr. Hohenstatt testified that the total net book value cost of these assets, as of March 31, 2026, is $205,466.53. Joint Petitioner's Exhibit No. 1 Attachment 1-A (TJH), Page 2 shows the journal entry to record the transfer in Duke Energy Indiana's records. This total will be adjusted, if needed, for any additional accumulated depreciation at the time of the final closing and transfer of the assets. The impact of this proposed asset transfer on Duke Energy Indiana ratemaking is de minimis and Duke Energy Indiana will appropriately remove the book value of the transferred asset from its accounting records and end any further depreciation accruals thereon. The removed asset value and any accumulated depreciation will not be taken into consideration in Duke Energy Indiana's next base rate case.

Mr. Hohenstatt testified that the sale and transfer of these assets is in the public interest and will be used in the provision of electric service by IMPA. As such, Joint Petitioners agree its maintenance, operation, and capital investment need not be the responsibility of Duke Energy Indiana.

4. **Commission Discussion and Findings.** Ind. Code § 8-1-2-84 provides that any public utility may sell its used or useful property, plant, or business, or any part thereof, to any other public utility at a price and on terms approved by the Commission.

The evidence confirms that the agreed asset transfer is being made pursuant to the T&LF Agreement, which was approved by the Commission in Cause No 37888 on November 27, 1985, and amended January 1, 2015, and the expedited process for such transfers which was approved by the Commission in Cause No. 43509. The evidence demonstrates that the proposed asset transfer serves to maintain the proportional ownership interest of Duke Energy Indiana and IMPA, as required by the terms of the T&LF Agreement. The evidence indicates that the net book value of the assets proposed for transfer is $205,466.53, that the impact of the proposed asset transfer on Duke Energy Indiana ratemaking is de minimis, and that Joint Petitioners will make appropriate and related internal accounting changes.

Based on the foregoing, we approve Joint Petitioners' proposed transfer of assets pursuant to the terms of the Commission-approved T&LF Agreement.

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

1. The proposed transfer of assets from Duke Energy Indiana to IMPA is approved.

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

SWINGER, DEIG, VELETA, AND ZAY CONCUR; ZIEGNER ABSENT:

APPROVED: JUL 15 2026

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

Dana Kosco Digitally signed by Dana Kosco
Date: 2026.07.15 10:12:21
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Dana Kosco
Secretary of the Commission