



Indiana Office of Utility Consumer Counselor

115 West Washington St.
Suite 1500 South
Indianapolis, IN 46204
uccinfo@oucc.IN.gov
www.IN.gov/OUCC

Toll-free: 1-888-441-2494
Voice/TDD: 1-317-232-2494
Fax: 1-317-232-5923

For Immediate Release
September 17, 2014

Contact: Anthony Swinger
1-317-233-2747

Duke Energy \$1.87 billion infrastructure replacement plan: Consumer comments on proposed rate increases invited

The Indiana Office of Utility Consumer Counselor (OUCC) is inviting written comments from Duke Energy customers on the utility's \$1.87 billion plan for electric transmission, distribution and storage system improvements. This includes Duke Energy's request for incremental electric rate recovery of the costs as the projects proceed, through a new semi-annual rate adjustment mechanism (or "tracker").

The OUCC – the state agency representing consumer interests in cases before the Indiana Utility Regulatory Commission (IURC) – is reviewing the utility's plan and has not yet taken a position in the pending case. The OUCC is scheduled to complete its review and file testimony on November 12, 2014.

Duke Energy has filed its request under a 2013 Indiana law (Senate Enrolled Act 560).

- The law allows an investor-owned electric or natural gas utility to seek IURC approval of a seven-year infrastructure improvement plan.
- If the plan is approved, the utility may then adjust rates every six months, subject to OUCC review and IURC approval, to recover project costs as they are incurred.
- The rate adjustments – under a new Transmission, Distribution, and Storage System Improvement Charge (TDSIC) mechanism – may not exceed two percent of the utility's total retail revenues each year.
- Recovery of 20 percent of the costs must be deferred until the utility's next base rate case, which must be filed before the end of the seven-year period.

Duke Energy's testimony and exhibits in IURC Cause No. 44526 state that:

- The proposed projects throughout its Indiana service territory would be built from 2015 through 2022.
- Projects would include automated metering and communications devices, breaker and relay replacements, replacement of aging infrastructure (including transformers, substations, poles, and lines), vegetation management, and other proposals.
- Duke Energy plans to file its first semi-annual TDSIC rate increase request in September 2015.
- If the seven-year plan is approved by the IURC, Duke Energy's first TDSIC rate increase of approximately 0.9 percent would take effect in 2016. The estimated rate increases from 2017 through 2022 would vary annually, ranging from 0.8 percent to 1.3 percent each year. The estimated average annual percentage increase over the seven-year term is 1 percent.
- Under the law's timing requirements, the IURC must issue a final order no later than March 27, 2015.

The new tracker rate increases requested in this case are in addition to Duke Energy's current Indiana base rates, which were approved in 2004, and also in addition to various other trackers through which the utility currently adjusts its rates subject to OUCC review and IURC approval. All Indiana investor-owned electric utilities use trackers, with Duke Energy using them to recover costs for generating fuel, environmental compliance, regional transmission, energy efficiency programs, critical infrastructure protection, its integrated gasification combined cycle (IGCC) generation plant at Edwardsport, and other costs.

(Continued)

A number of additional parties have formally intervened in this case and are also expected to file testimony on November 12, 2014. They include the Citizens Action Coalition of Indiana and several of Duke Energy's industrial customers (Nucor Steel, Steel Dynamics, Inc., Eli Lilly and Company, Haynes International, Inc., Marathon Petroleum Company, LP, Tate & Lyle Ingredients Americas, Inc., and USG Corporation).

An IURC technical evidentiary hearing in this case is scheduled to start on December, 18, 2014 at the PNC Center (101 W. Washington St.) in Indianapolis. While evidentiary hearings are open to the public, participation is typically limited to attorney and Commission questioning of expert witnesses who have filed technical testimony on behalf of the case's formal parties.

For more information on this case and the 2013 law, please visit www.in.gov/oucc/2802.htm.

Consumers who wish to submit written comments may do so via the OUCC's Website at www.in.gov/oucc/2361.htm, or by mail, email or fax:

- **Mail:** Consumer Services Staff
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204
- **email:** uccinfo@oucc.IN.gov
- **Fax:** (317) 232-5923

Written comments the OUCC receives by November 5, 2014 will be filed with the Commission and included in the case's formal evidentiary record. Comments should include the consumer's **name, mailing address**, and a reference to "**IURC Cause No. 44526.**"

Consumers with questions about submitting written comments can contact the OUCC's consumer services staff toll-free at 1-888-441-2494.

###

(IURC Cause No. 44526)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

Visit us at www.IN.gov/OUCC, www.twitter.com/IndianaOUCC, or www.facebook.com/IndianaOUCC.