

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF DUKE ENERGY INDIANA,)
LLC FOR ISSUANCE OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY UNDER INDIANA)
CODE 8-1-8.5 FOR THE CONSTRUCTION OF A)
SOLAR-POWERED GENERATING FACILITY TO BE)
LOCATED AT NSA CRANE (“CRANE SOLAR)
FACILITY”); APPROVAL OF THE CRANE SOLAR)
FACILITY AS A CLEAN ENERGY PROJECT UNDER)
INDIANA CODE 8-1-8.8; AUTHORIZATION FOR) CAUSE NO. 44734
TIMELY RECOVERY OF THE ASSOCIATED)
CONSTRUCTION AND OPERATING EXPENSES)
THROUGH THE COMPANY’S EXISTING STANDARD)
CONTRACT RIDER NOS. 62 AND 71; APPROVAL TO)
DEFER COSTS ASSOCIATED WITH THE CRANE)
SOLAR FACILITY UNTIL SUCH COSTS ARE)
REFLECTED IN DUKE ENERGY INDIANA, LLC’S)
RATES AND CHARGES; AND APPROVAL OF A NEW)
DEPRECIATION RATE SPECIFIC TO THE PROPOSED)
CRANE SOLAR FACILITY)**

VERIFIED PETITION

TO THE INDIANA UTILITY REGULATORY COMMISSION:

Duke Energy Indiana, LLC (“Duke Energy Indiana” or the “Company”), respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for: (1) issuance of a Certificate of Public Convenience and Necessity (“CPCN”) under Indiana Code 8-1-8.5 for the proposed Crane Solar Facility; (2) approval of the Crane Solar Facility as a “clean energy project” under Indiana Code 8-1-8.8; (3) authorization to timely recover the Crane Solar Facility’s construction and operating costs through the Company’s existing Standard Contract Rider Nos. 62 and 71; (4) approval to defer costs associated with the Crane Solar Facility until such costs are reflected in Duke Energy Indiana’s rates and charges; (5) approval of a new depreciation rate specific to the proposed Crane Solar Facility; and (6) approval of certain,

limited changes to the Company's existing Standard Contract Rider Nos. 62 and 71 in order to more specifically reflect the types of clean energy projects included therein. In support of this Petition, Duke Energy Indiana provides the following information:

1. **Petitioner's Corporate and Regulated Status.** Petitioner is an Indiana limited liability company with its principal office in the Town of Plainfield, Hendricks County, Indiana. Its address is 1000 East Main Street, Plainfield, Indiana 46168. It has the corporate power and authority, among others, to engage, and it is engaged, in the business of supplying electric utility service to the public in the State of Indiana. Accordingly, Petitioner is a "public utility" within the meaning of that term as used in the Indiana Public Service Commission Act, as amended, and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana. Petitioner is a second tier wholly-owned subsidiary of Duke Energy Corporation.

2. **Petitioner's Electric Utility Service.** Petitioner owns, operates, manages and controls plants, properties and equipment used and useful for the production, transmission, distribution and furnishing of electric utility service to the public in the State of Indiana. Duke Energy Indiana directly supplies electric energy to approximately 810,000 customers located in 69 counties in the central, north central and southern parts of the State of Indiana. Petitioner also sells electric energy for resale to municipal utilities, Wabash Valley Power Association, Inc., Indiana Municipal Power Agency and to other public utilities that in turn supply electric utility service to numerous customers in areas not served directly by Petitioner.

3. **The Proposed Crane Solar Facility.** The proposed Crane Solar Facility will be approximately 17 MW_{ac}/24 MW_{dc} of solar-powered generation, and will be located on land leased to Duke Energy Indiana from the Naval Support Activity - Crane Facility ("NSA Crane").

The NSA Crane Facility is the third largest U.S. naval installation in the world at over 98 square miles, and is located approximately 40 miles southwest of Bloomington, Indiana in Crane, Indiana. The proposed Crane Solar Facility will interconnect to Duke Energy Indiana's 69 kV transmission line located nearby and will be bid into the Midcontinent Independent System Operator, Inc. in the same way as other Duke Energy Indiana owned generation. Duke Energy Indiana will own, operate, and maintain the proposed Crane Solar Facility.

4. **Public Convenience and Necessity.** The proposed Crane Solar Facility is compatible with Duke Energy Indiana's provision of reliable electric utility service and is consistent with Duke Energy Indiana's 2015 Integrated Resource Plan, submitted to the Commission on or about November 1, 2015. It is a reasonable step toward the diversification of Duke Energy Indiana's electric generating portfolio, particularly considering the strong potential for a carbon-constrained future. In addition, by owning and maintaining the proposed facility, the Company will gain valuable insight and experience on reliably and safely integrating resources of this type and size with the transmission grid. The construction of the proposed Crane Solar Facility constitutes a reasonable and necessary option for meeting our customers' interest in renewable energy options. Thus, the public convenience and necessity would be served by the issuance of a CPCN approving the construction of the proposed Crane Solar Facility. In addition, Duke Energy Indiana seeks Commission ongoing review of the construction of the proposed Crane Solar Facility under Indiana Code § 8-1-8.5-6.

5. **Ratemaking and Accounting.** In accordance with Indiana Code § 8-1-8.8-11, Duke Energy Indiana requests the Commission approve the proposed Crane Solar Facility as reasonable and necessary, and authorize timely recovery of the costs and expenses incurred during construction and operation of the proposed Crane Solar Facility through the Company's

existing Standard Contract Rider Nos. 62 and 71. The Company proposes to use its existing Rider Nos. 62 and 71 because those two riders are presently used to recover other projects approved by the Commission as clean energy projects. Pursuant to Indiana Code § 8-1-8.5-6, the Company seeks ongoing review of the construction of the proposed Crane Solar Facility as it proceeds, through Rider Nos. 62 and 71, which are currently updated on a semi-annual basis through Duke Energy Indiana's environmental cost recovery or "ECR" Rider proceedings. To facilitate administrative convenience for all interested parties, Duke Energy Indiana proposes to provide construction and operational updates regarding the Crane Solar Facility through this already-existing proceeding.

Duke Energy Indiana also requests the Commission authorize the Company to defer any costs associated with the Crane Solar Facility incurred prior to the time that the Commission issues an Order providing for recovery of such costs. Duke Energy Indiana submits that such ratemaking and accounting treatment should be authorized for any costs associated with this Petition, and continue until such costs are timely recovered by Duke Energy Indiana through its Rider Nos. 62 and 71 or its basic rates and charges. Lastly, the Company requests approval of a depreciation rate specific to the proposed Crane Solar Facility.

6. **Request for Confidential Treatment.** Petitioner respectfully requests that the Commission make a determination that the pricing and other proprietary terms of the cost estimate for the proposed Crane Solar Facility constitutes confidential trade secrets and be excepted from public disclosure. Concurrently with the filing of its case-in-chief testimony, Petitioner will be filing a Motion for Protection for Confidential Material and supporting Affidavit.

7. **Applicable Statutes and Regulations.** Duke Energy Indiana requests that the Commission issue a CPCN to construct the proposed Crane Solar Facility under Indiana Code ch. 8-1-8.5. Duke Energy Indiana also requests that the Commission approve the proposed Crane Solar Facility as a “clean energy project” and find it eligible for timely cost recovery and other financial incentives under Indiana Code ch. 8-1-8.8. Petitioner considers that Indiana Code ch. 8-1-8.5, Indiana Code ch. 8-1-8.8, Indiana Code §§ 8-1-2-19 through 8-1-2-23 and Indiana Code § 8-1-37-4, among others, are or may be applicable to the subject matter of this proceeding.

8. **Petitioner’s Counsel.** Elizabeth A. Herriman and Melanie D. Price at 1000 East Main Street, Plainfield, Indiana 46168 are counsel for Petitioner in this matter and are duly authorized to accept service of papers in this Cause on behalf of Petitioner.

9. **Request for Prehearing Conference and Preliminary Hearing.** In accordance with 170 I.A.C. § 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, Petitioner requests that the Commission schedule a prehearing conference and preliminary hearing for the purpose of fixing a procedural schedule in this proceeding and considering other procedural matters. Further, in accordance with Indiana Code § 8-1-8.8-11(d), Duke Energy Indiana requests the Commission issue a determination of the Crane Solar Facility for financial incentives within 120 days of the filing of Duke Energy Indiana’s case-in-chief.

10. **Relief Requested and Timing Considerations.** Petitioner respectfully requests that the Commission promptly make such investigation and hold such hearings as it may deem necessary and advisable in this Cause, and thereafter make and enter an Order granting Duke Energy Indiana a CPCN for the construction of the proposed Crane Solar Facility, approving the proposed Crane Solar Facility as a clean energy project entitled to certain financial incentives, approving the depreciation rate requested for the proposed Crane Solar Facility, approving the

proposed changes to the Company's Standard Contract Rider Nos. 62 and 71, and for other just and reasonable relief. In addition, Duke Energy Indiana respectfully requests that the Commission complete its review and consideration of this request and issue an order granting the Company a CPCN by June 15, 2016, to help facilitate a planned in-service date for the Crane Solar Facility of December 31, 2016. Duke Energy Indiana commits to working with the OUCC and any other interested parties to help expedite the Commission's review of this proposal to ensure that Duke Energy Indiana is able to meet contractual obligations associated with the construction of this project.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

By: 
Counsel for Duke Energy Indiana, LLC

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VERIFICATION

I, Melody Birmingham-Byrd, President of Duke Energy Indiana, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Dated: January 7, 2016


Melody Birmingham-Byrd

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the foregoing Verified Petition was delivered electronically this 7th day of January, 2016, to the following:

Indiana Office of the Utility Consumer Counselor
National City Center
115 W. Washington Street
Suite 1500 South
Indianapolis, IN 46204

By: 
Counsel for Duke Energy Indiana, LLC

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