

**DIRECT TESTIMONY OF
MELODY BIRMINGHAM-BYRD
STATE PRESIDENT, INDIANA
ON BEHALF OF DUKE ENERGY INDIANA, LLC
CAUSE NO. 44734 BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION**

I. INTRODUCTION

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Melody Birmingham-Byrd and my business address is 1000 East Main Street, Plainfield, IN 46168.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am President of Duke Energy Indiana, LLC (“Duke Energy Indiana” or “Company”), an indirect subsidiary of Duke Energy Corporation. (“Duke Energy”).

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I hold a Bachelor of Science degree in organizational leadership and management from Purdue University and Masters of Business Administration degree from Strayer University. I have over 20 years of leadership and managerial experience in the electric and automotive industries. I began my career in the electric industry with Progress Energy, serving in roles of General Manager of Distribution Maintenance and Construction, Director of Resource Management and Construction, Manager of Transmission Maintenance and Resource Management and Superintendent of Maintenance at the Robinson fossil plant. Prior to the merger between Duke Energy and Progress Energy in July 2012, I served as Vice President of the Southern Region for

1 Progress Energy Carolinas. After the merger, I was named Senior Vice President,
2 Midwest Delivery Operations for Duke Energy until assuming my current position of
3 President of Duke Energy Indiana in 2015.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 A. My testimony will present an overview of the Company's proposal to construct an
6 approximately 17 MWac solar powered generating facility on land leased to Duke Energy
7 Indiana by Naval Support Activity Crane ("NSA Crane") in southern Indiana. The
8 proposed 17 MWac solar powered generating facility will be referred to as the "Crane
9 Solar Facility". I will describe Duke Energy Indiana's existing resource portfolio and
10 explain why it is important to add the Crane Solar Facility to our resource mix. I will
11 explain what Duke Energy Indiana is requesting in this proceeding, the statutory
12 backdrop for approval, and how this project fits with Duke Energy Indiana's commitment
13 to growing the number of solar energy projects within its service territory. I will also
14 explain how the public convenience and necessity will be served by the construction of
15 the Crane Solar Facility. Finally, I will explain why Duke Energy Indiana is seeking
16 expedited review and approval in this proceeding.

17 **Q. PLEASE DESCRIBE THE RELIEF SOUGHT BY DUKE ENERGY INDIANA IN**
18 **THIS PROCEEDING.**

19 A. Duke Energy Indiana is requesting that the Indiana Utility Regulatory Commission
20 ("Commission") approve its proposal to construct the Crane Solar Facility on land leased
21 to Duke Energy Indiana by the NSA Crane base. Duke Energy Indiana is seeking a
22 Certificate of Public Convenience and Necessity ("CPCN") for the Crane Solar Facility

1 under Indiana Code 8-1-8.5, and also requests that the Commission approve its proposed
2 accounting and rate treatment related to constructing, owning, and operating the Crane
3 Solar Facility, as more fully described in the testimony of Ms. Suzanne E. Sieferman.

4 **Q. PLEASE PROVIDE AN OVERVIEW OF THE CASE-IN-CHIEF TESTIMONY**
5 **BEING PRESENTED BY DUKE ENERGY INDIANA IN THIS PROCEEDING.**

6 A. In addition to my testimony, Duke Energy Indiana is also presenting the testimony of Mr.
7 Vann K. Stephenson, Mr. Scott Park and Ms. Suzanne E. Sieferman. Mr. Stephenson
8 will provide testimony regarding the Company's cost estimate and construction schedule
9 for the Crane Solar Facility. Mr. Park will discuss how the proposed Crane Solar Facility
10 is consistent with the Company's 2015 Integrated Resource Plan ("IRP") and the CPCN
11 statutory requirements. Ms. Sieferman will provide testimony explaining the Company's
12 proposal to include the Crane Solar Facility in the Company's existing Environmental
13 Cost Rider ("ECR") (specifically, Riders 62 and 71) in order to timely recover the costs
14 to construct and operate it.

15 **II. THE CRANE SOLAR FACILITY**

16 **Q. PLEASE DESCRIBE THE PROPOSED CRANE SOLAR FACILITY.**

17 A. The proposed Crane solar generating facility will be approximately 17 MW_{ac}/24 MW_{dc}
18 and will be located on land leased to Duke Energy Indiana from the NSA Crane facility.
19 The NSA Crane facility is the third largest U.S. naval installation in the world at over 98
20 square miles and is located approximately 40 miles southwest of Bloomington, Indiana.
21 The Crane Solar Facility will interconnect to Duke Energy Indiana's 69 kV transmission

1 line located nearby and will be bid into the Midcontinent Independent System Operator
2 (“MISO”) in the same way as other Duke Energy Indiana owned generation.

3 **Q. HOW WAS THE PROPOSED CRANE SOLAR PROJECT DEVELOPED?**

4 A. NSA Crane, one of Duke Energy Indiana’s largest customers, approached the Company
5 to discuss the Department of the Navy’s goals regarding renewable energy and energy
6 security, which were compatible with Duke Energy Indiana’s goals for fuel diversity and
7 the desire to add utility–owned solar to its resource portfolio. Duke Energy Indiana and
8 the Department of the Navy then developed a working relationship in which each party
9 agreed to cooperate on developing long-term cost-effective renewable energy generation
10 to help Duke Energy Indiana meet state, national or climate action goals and the
11 Department of the Navy to improve energy security, operational capability, strategic
12 flexibility and resource availability. The Crane Solar Facility is the first outcome of
13 those collaborative efforts.

14 **Q. HOW DOES THE CRANE SOLAR FACILITY HELP FURTHER THE NAVY’S**
15 **GOAL OF ENERGY SECURITY?**

16 A. There are two ways the Crane Solar Facility will help further the Navy’s energy security
17 goals. First, in lieu of cash payments for the fair market value of the site lease, Duke
18 Energy Indiana has agreed to install a remote operable switch on the 69 kV line that
19 serves NSA Crane and to study the feasibility of incorporating future grid-tied energy
20 storage technologies for the purpose of maintaining electric services for critical loads,
21 benefiting NSA Crane, as well as customers throughout the region during an outage
22 event. Second, under certain circumstances such as under a significant regional outage

1 event, NSA Crane may purchase the solar power at Crane Solar Facility to the extent it
2 has the technical ability.

3 **Q. DOES DUKE ENERGY INDIANA'S AGREEMENT TO PERFORM A**
4 **FEASIBILITY STUDY MEAN THAT THERE COULD BE ADDITIONAL**
5 **INVESTMENT AT OR NEAR NSA CRANE?**

6 A. Possibly. The feasibility study led by Duke Energy Indiana and implemented with its
7 partners, contractors, and NSA Crane, will provide an assessment of energy security
8 options for NSA Crane, including possible integration of new and existing distributed
9 energy resources, control and communications equipment, and other distribution
10 equipment. While Duke Energy Indiana may evaluate future, grid-tied electrical
11 infrastructure investments at NSA Crane, including energy storage, the Company has not
12 yet committed to any additional investment outside of the proposed Crane Solar Facility.

13 **Q. HOW DOES THE CRANE SOLAR PROJECT HELP FURTHER DUKE**
14 **ENERGY INDIANA'S GOALS FOR FUEL DIVERSITY AND THE DESIRE TO**
15 **ADD UTILITY-OWNED SOLAR TO ITS RESOURCE PORTFOLIO?**

16 A. The Crane Solar Project will provide additional renewable energy to the Company's
17 resource portfolio. As discussed below, Duke Energy Indiana is interested in diversifying
18 its portfolio and the Crane Solar Project is an important step in that direction.
19 Furthermore, Duke Energy, as a corporation, has experience in developing and
20 maintaining utility-owned solar, but Duke Energy Indiana does not. This project
21 provides the Company the opportunity to develop the expertise needed to meet future
22 resource needs.

1 **Q. PLEASE DESCRIBE PETITIONER'S EXHIBITS 1-A AND 1-B.**

2 A. Petitioner's Exhibit 1-A is a copy of a letter that the Department of the Navy sent
3 expressing its support for the Crane Solar Facility. Petitioner's Exhibit 1-B is the
4 Verified Petition filed in this proceeding on January 7, 2016.

5 **Q. WILL DUKE ENERGY INDIANA OWN THE RENEWABLE ENERGY**
6 **CREDITS OR "RECs" ASSOCIATED WITH THIS PROJECT?**

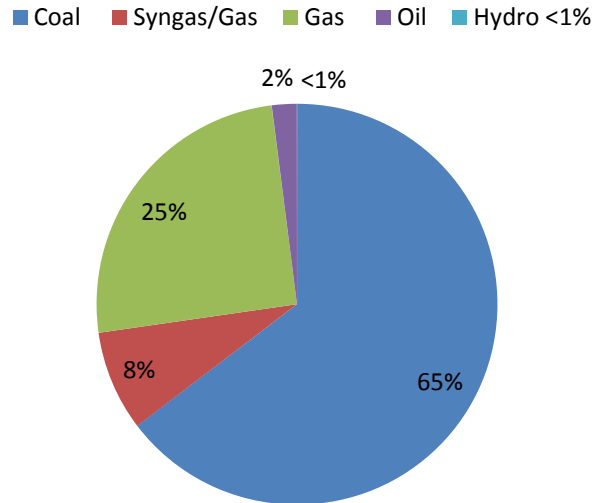
7 A. Yes, Duke Energy Indiana will own the RECs associated with the Crane Solar Facility.
8 The Company will likely seek to sell the RECs until such time as they are needed for a
9 regulatory requirement. Any net proceeds associated with the sale of those RECs will be
10 credited to customers through our FAC Rider.

11 **III. DUKE ENERGY INDIANA'S RESOURCE PORTFOLIO**

12 **Q. PLEASE DESCRIBE DUKE ENERGY INDIANA'S CURRENT RESOURCE**
13 **PORTFOLIO.**

14 A. In addition to coal and natural gas, Duke Energy Indiana also meets its resource needs
15 with hydroelectric power and has purchased power contracts for wind and solar. The
16 chart below, from Duke Energy Indiana's most recent summer preparedness presentation,
17 illustrates the current resource mix by capacity:

Fuel Type



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Additionally, customers can choose to participate in energy efficiency programs, demand response offerings, and purchase RECs to meet some of their electric needs.

Q. IS IT IMPORTANT TO HAVE A DIVERSE PORTFOLIO OF GENERATION RESOURCES?

A. Yes. By using a diverse generation portfolio, Duke Energy Indiana is able to respond to customer demand and to provide customers with cost-effective resources that help to insulate against risks in the marketplace.

Q. HOW DOES THE CRANE SOLAR PROJECT FIT INTO THIS RESOURCE MIX?

A. As President of Duke Energy Indiana, I know that customers are interested in a diverse portfolio of options to serve their energy needs. As part of the Company's IRP process, as well as in other forums, Duke Energy Indiana receives regular feedback from its

1 customers that they are interested in expanding the renewable generation options
2 available to them.

3 Recent advancements in solar energy make it an attractive option to add to our
4 resource portfolio. Furthermore, with the Clean Power Plan on the horizon, Duke Energy
5 Indiana needs to explore a greenhouse gas emission strategy that includes renewable
6 resources, such as solar energy. Although the Commission recently approved Power
7 Purchase Agreements (“PPAs”) for Duke Energy Indiana to purchase up to 20 MWs of
8 solar, the Company does not currently have a utility-owned solar project in its portfolio.
9 The Crane Solar Facility provides a great opportunity for Duke Energy Indiana to
10 construct, own and operate a solar facility and develop the expertise needed to meet a
11 greenhouse gas constrained future.

12 The Crane Solar Project is an important collaboration between Duke Energy
13 Indiana and the Department of the Navy to develop, operate and maintain a solar facility
14 in southern Indiana for the benefit of our customers.

15 **Q. ARE THERE OTHER CONSIDERATIONS THAT LED DUKE ENERGY**
16 **INDIANA TO PROPOSE THE CRANE SOLAR FACILITY?**

17 A. Yes. Duke Energy Indiana provides a service to its customers, and to the extent our
18 customers are interested in more generation from renewable sources, we want to be
19 responsive to that interest. At the same time, we also know that our customers are also
20 interested in keeping their rates low. To that end, a Duke Energy Indiana investment on
21 NSA Crane land, represents a modest investment in renewable energy in a way that
22 attempts to balance those interests – the State of Indiana and Duke Energy Indiana

1 customers benefit from 17 MW of solar energy generation, while the impact on customer
2 rates is kept to a minimum given the relatively small size of the investment. Recent
3 advances in solar energy technology have allowed gains in the efficiency and cost-
4 effectiveness of solar energy.

5 Additionally, Duke Energy Indiana's customers benefit from the federal investment
6 tax credit ("ITC"), which allows utilities, among others, to claim a 30% credit for
7 investing in certain renewable technologies such as solar. Ms. Sieferman will explain
8 how customers will receive the benefit of the ITC.

9 **IV. STATUTORY CONSIDERATIONS**

10 **Q. IS THE CRANE SOLAR FACILITY A "CLEAN ENERGY PROJECT" UNDER**
11 **INDIANA LAW?**

12 A. Yes. Indiana Code § 8-1-8.8-2 defines a "clean energy project" as including "projects to
13 develop alternative energy sources, including renewable energy projects." In addition,
14 "solar energy" is specifically listed as one of the clean energy resources in Indiana Code
15 § 8-1-37-4(a)(1) through Indiana Code § 8-1-37-4(a)(16), thus making it a "renewable
16 energy resource" under Indiana Code § 8-1-8.8-10.

17 The proposed Crane solar generating facility also promotes a "robust and diverse
18 portfolio of energy production or generating capacity, including . . . the use of renewable
19 energy resources . . . if Indiana is to continue to be successful in attracting new
20 businesses and jobs." Indiana Code § 8-1-8.8-1.

1 **Q. IN YOUR OPINION, IS THE CRANE SOLAR PROJECT BEING PROPOSED**
2 **FOR THE COMMISSION'S CONSIDERATION REASONABLE AND**
3 **NECESSARY AND IN THE PUBLIC INTEREST?**

4 A. Yes, it is. Duke Energy Indiana believes that investing in solar energy resources is
5 reasonable and appropriate at this time and will benefit Indiana and Duke Energy Indiana
6 customers. The Crane Solar Facility serves to diversify the Company's generation
7 portfolio, provides additional solar generation located in Indiana, encourages economic
8 development and meets our customers' increasing desire to have renewable energy
9 options available to serve their needs. Duke Energy Indiana respectfully requests that the
10 Commission approve Duke Energy Indiana's proposed Crane Solar Facility and
11 requested rate relief.

12 **V. REQUEST FOR EXPEDITED REVIEW**

13 **Q. IS DUKE ENERGY INDIANA SEEKING EXPEDITED REVIEW IN THIS**
14 **PROCEEDING?**

15 A. Yes. The Department of the Navy is eager to start and complete this project. At the time
16 the Department of the Navy approached Duke Energy Indiana personnel about the Crane
17 Solar Facility, both parties agreed that it was important to have the project in-service by
18 December 31, 2016, to take advantage of the 30% ITC, which was scheduled to expire on
19 January 1, 2017. On December 18, 2015, that deadline was extended to December 31,
20 2019.

21 Although the ITC is no longer driving Duke Energy Indiana's request for
22 expedited consideration of the Crane Solar Facility, its contracts contain dates for vendor

1 and contractor action that support a December 31, 2016 in-service date. Therefore, Duke
2 Energy Indiana is requesting that this Commission timely review and consider the
3 Company's proposal for the Crane Solar Facility to allow the Company to proceed under
4 its existing contracts. Specifically, for example, the Company's EPC contractor needs to
5 begin construction no later than June of 2016, in order to support a 2016 project delivery.
6 As Indiana law requires a CPCN prior to beginning construction, Duke Energy Indiana
7 hopes to facilitate prompt regulatory review in order to prevent contractor and vendor
8 delays and potential increased costs.

9 **VI. CONCLUSION**

10 **Q. DO YOU HAVE ANY FINAL THOUGHTS REGARDING THE CRANE SOLAR**
11 **FACILITY?**

12 A. Yes. The Crane Solar Facility is an important addition to Duke Energy Indiana's
13 generating portfolio. I believe that pursuing utility-owned solar is in the best interests of
14 the customers and it will produce benefits for all stakeholders. The project will
15 encourage economic development in southern Indiana and it will provide an opportunity
16 for Duke Energy Indiana, its customers and all stakeholders to learn more about the use
17 renewable resources.

18 **Q. WERE PETITIONER'S EXHIBITS 1-A AND 1-B PREPARED BY YOU OR AT**
19 **YOUR DIRECTION AS EXHIBITS TO YOUR TESTIMONY?**

20 A. Yes.

- 1 **Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY AT THIS**
2 **TIME?**
3 **A. Yes.**

VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Signed: Melody Birmingham-Byrd
Melody Birmingham-Byrd

Dated: 1/14/16



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY
(ENERGY, INSTALLATIONS, & ENVIRONMENT)
Washington, DC

January 8, 2016

Chair Carol A. Stephan
Commissioner Carolene R. Mays-Medley
Commissioner Jim Huston
Commissioner Angela Weber
Commissioner David E. Ziegner

Indiana Utility Regulatory Commission
101 W. Washington Street
Suite 1500 E
Indianapolis, IN 46204

RE: Docket No. 44734

Dear Chair Stephan and Commissioners Mays-Medley, Huston, Weber, and Ziegner:

I am writing to express my full support for Duke Energy's (Duke) proposal to build a 24 MW (DC) solar PV facility at Naval Support Activity (NSA) Crane (Docket No. 44734). By developing a reliable, resilient, and redundant energy source, the proposed solar PV project will increase NSA Crane's strategic value to the State of Indiana and the Department of Defense (DoD) by enabling continuity of mission-critical operations in the event of a grid outage.

On July 22, 2015, the Department of the Navy (DON) issued a competitive solicitation seeking a developer to build, own, operate, and maintain a solar PV facility through a lease arrangement at NSA Crane. DON later selected Duke's proposal. On December 22, 2015, DON signed a 30-year lease with Duke for a 24 MW DC (17 MW (AC)) solar PV facility covering approximately 145 acres. Construction is slated to begin in mid-2016, but is contingent upon Duke receiving approval from the Indiana Utility Regulatory Commission (Commission).

Under Duke's proposal, the electricity generated by the solar PV facility will be routed to Duke's transmission lines to meet its customers' needs. In exchange for using NSA Crane's land, Duke will provide electrical infrastructure upgrades to NSA Crane's distribution grid and conduct a detailed electrical engineering analysis and conceptual design that will aid the future development of a microgrid at the base. Pursuant to 10 U.S.C. § 2667, the costs associated with the upgrades and study will be in lieu of rent and must at least equal the fair market rental value of the leased land over the 30-year term.

Both the electrical infrastructure upgrades and the microgrid study will serve to increase the base's energy security and resiliency. The upgrades will provide necessary components that will later enable NSA Crane to access the electricity generated by the solar PV array during a regional grid outage. The study will guide the transformation of NSA Crane's existing electrical system into a smart microgrid by analyzing how to integrate the solar PV array and future battery storage onto the base's existing electrical distribution network to manage mission critical loads in real-time.

As a world leader in electronic and special warfare weapons research, NSA Crane has a critical need to maintain a dependable and stable power supply to support the Department of Defense's warfighting capabilities. The slightest power fluctuation or power outage can destroy years of sensitive research in support of the elite warfighter. Duke Energy's proposal for a solar PV array, electrical infrastructure upgrades, and a microgrid study will help NSA Crane modernize its electrical distribution grid to maintain continuity of mission-critical operations.

Once the Commission carefully reviews the docket and considers the broader benefits of this project for the warfighter, the State of Indiana, and the Department of Defense, I hope you will agree that the Duke Energy's proposal is just and reasonable and in the public interest.

Very Respectfully,



Mr. Robert Griffin
Executive Director
Department of Navy
Renewable Energy Program Office

FILED
January 7, 2016
INDIANA UTILITY
REGULATORY COMMISSION

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)
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)

CAUSE NO. 44734

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

Elizabeth A. Herriman, Attorney No. 24942-49
Melanie Price, Attorney No. 21786-49
Duke Energy Business Services, LLC
1000 East Main Street
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Telephone: (317) 838-1254
Fax: (317) 838-1842
beth.herriman@duke-energy.com
melanie.price@duke-energy.com

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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