

**STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION**

VERIFIED PETITION OF SOUTHERN INDIANA GAS )  
AND ELECTRIC COMPANY d/b/a VECTREN ENERGY )  
DELIVERY OF INDIANA, INC., FOR: (1) AUTHORITY )  
TO CONSTRUCT, OWN AND OPERATE A SOLAR )  
ENERGY PROJECT AND A FINDING THAT SUCH )  
PROJECT CONSTITUTES A CLEAN ENERGY )  
PROJECT PURSUANT TO IND. CODE CH. 8-1-8.8; (2) )  
ISSUANCE OF A CERTIFICATE OF PUBLIC ) CAUSE NO. 45086  
CONVENIENCE AND NECESSITY FOR THE )  
CONSTRUCTION OF THE SOLAR ENERGY PROJECT )  
PURSUANT TO IND. CODE CH. 8-1-8.5; AND (3) )  
AUTHORITY TO TIMELY RECOVER COSTS )  
INCURRED DURING CONSTRUCTION AND )  
OPERATION OF THE PROJECT IN ACCORDANCE )  
WITH IND. CODE § 8-1-8.5-6.5 AND IND. CODE § 8-1- )  
8.8-11. )

**VERIFIED PETITION**

Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Petitioner" or "Vectren South") respectfully petitions the Indiana Utility Regulatory Commission ("Commission") for an Order: (1) authorizing Vectren South to construct, own and operate a solar energy facility and finding such facility constitutes a clean energy project pursuant to Ind. Code § 8-1-8.8-11; (2) issuing a Certificate of Public Convenience and Necessity ("CPCN") for the solar energy facility pursuant to Ind. Code ch. 8-1-8.5; and (3) authorizing Petitioner to timely recover costs incurred during the construction and operation of the project in accordance with Ind. Code § 8-1-8.5-6.5 and Ind. Code § 8-1-8.8-11. In support of this Petition, Petitioner submits the following information:

1. **Petitioner's Corporate and Operational Status.** Vectren South is an operating public utility incorporated under the laws of the State of Indiana, and has its principal office at One Vectren Square, Evansville, Indiana. Petitioner has charter power and authority to engage in, and is engaged in the business of rendering retail electric service solely within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly

acquired. It owns, operates, manages, and controls, among other things, plant, property equipment, and facilities which are used and useful for the production, storage, transmission, distribution, and furnishing of electric service to approximately 145,000 electric consumers in southwestern Indiana. Its service territory is spread throughout seven counties: Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick, and Spencer counties.

2. **Petitioner's Regulated Status.** Petitioner is a "public utility" within the meaning of Ind. Code §§ 8-1-2-1 and Ind. Code ch. 8-1-8.5. Petitioner is an "eligible business" as defined in Ind. Code § 8-1-8.8-6. Petitioner is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

3. **Proposed Solar Generating Facility.** Petitioner requests approval to construct, own and operate a solar energy project (the "Solar Project") totaling approximately 50 megawatts of alternating current ("MWac") within its service territory. This project is a clean energy project as defined in Ind. Code § 8-1-8.8-2(2). The proposed Solar Project will be located on approximately 300 acres of land within Spencer County, Indiana. The Solar Project will be located in Vectren South's assigned service territory and interconnected to the Midcontinent System Operator ("MISO") transmission system.

4. A subsidiary of Orion Renewable Energy Group LLC ("Orion") began developing the Solar Project in Petitioner's service territory independent of Vectren South, including taking steps to acquire the land on which the Solar Project will be constructed, as well as necessary permits and certain tax incentives.

5. Given the unique opportunity presented by an established developer of renewable resources undertaking a solar project in its service territory, Vectren South entered into an agreement to acquire from Orion the rights and assets that Orion acquired to complete the Solar Project subject to Vectren South's obtaining approvals requested in this proceeding. In addition, Vectren South entered into an agreement to secure solar panels, as well as,

engineering, procurement and construction services from First Solar Electric, LLC. The agreement included a fixed price for solar panels prior to tariffs being established for solar panel imports. The 50 MWac Project is consistent with Vectren South's 2016 Integrated Resources Plan.

6. **Benefits of the Proposed Solar Project.** Development of solar generation offers environmental benefits and diversity in supply resources. It also provides customers more access to renewable energy. Location of the Solar Project within Vectren South's "assigned service area" in Indiana provides a "home grown" solar energy resource. The Solar Project also provides additional benefits, including the creation of jobs, tax revenue and economic development.

7. Vectren South has several large customers that have expressed an interest in solar power. In making decisions whether to locate in a particular area, a number of corporations have adopted policies that place emphasis on their operations obtaining a certain percentage of power from "green" or renewable resources, such as solar energy. As such, Vectren South believes the Solar Project will support economic growth within its service area.

8. **Powerplant Construction Act.** A request for approval under Ind. Code § 8-1-8.8-1 does not relieve a public utility of the obligation to obtain a CPCN under Ind. Code § 8-1-8.5. Ind. Code § 8-1-8.5-2 requires that a public utility must obtain a CPCN prior to constructing, purchasing or leasing a facility for the generation of electricity.

9. In accordance with the foregoing statute, Petitioner requests that the Commission grant to Vectren South a CPCN pursuant to Ind. Code § 8-1-8.5-1 *et seq.* and maintain ongoing review of the construction of the Solar Project as it proceeds in accordance with Ind. Code § 8-1-8.5-6.

10. **Ratemaking and Accounting.** In accordance with Ind. Code § 8-1-8.5-6.5 and Ind. Code § 8-1-8.8-11, Vectren South requests the Commission authorize necessary accounting and ratemaking treatment to permit Vectren South to timely recover through rates

the costs incurred during construction and operation of the Solar Project. These costs include depreciation expense, post-in-service carrying costs, taxes and other operating expenses. Vectren South will credit the tax benefits achieved as a result of the 30% income tax credit created under the Energy Policy Act of 2005 against such costs to provide the tax benefit to customers.

11. Clean energy projects, like the Solar Project, are specifically encouraged by Ind. Code ch. 8-1-8.8. Therefore, approval of the relief Vectren South seeks is consistent with Indiana energy and regulatory policy.

12. Vectren South requests that timely cost recovery be implemented through Vectren South's Clean Energy Cost Adjustment ("CECA"), which the Commission approved on August 16, 2017 in Cause No. 44909. The CECA is presently used to recover similar costs for other projects approved by the Commission as clean energy projects.

13. Vectren South requests that the Commission authorize Vectren South to depreciate the Solar Project over a period of thirty (30) years.

14. Vectren South requests that the Commission authorize Vectren South to defer the unrecovered Solar Project costs and maintain those deferrals until they are recovered through the ratemaking process.

15. **Applicable Law.** Vectren South considers the provisions of the Public Service Commission Act, as amended, including Ind. Code § 8-1-2-10, -12 and -14, Ind. Code ch. 8-1-8.5 and Ind. Code ch. 8-1-8.8, among others, to be applicable to the subject matter of this proceeding and believes that such statutes provide the Commission authority to approve the requested relief.

16. **Petitioner's Counsel.** Vectren South's counsel of record, duly authorized to accept service of papers in this Cause are:

Robert E. Heidorn, Atty. No. 14264-49  
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17. **Procedural Matters.** To facilitate Vectren South's ability to proceed with the Solar Project, Vectren South requests the Commission promptly conduct a prehearing conference to establish a procedural schedule in this Cause. This request is made in accordance with 170 IAC 1-1.1-15(b). In accordance with 170 IAC 1-1.1-15(e), Vectren South will seek to enter into a stipulation with the Indiana Office of Utility Consumer Counselor, and any intervening parties, regarding a procedural schedule in lieu of a prehearing conference.

WHEREFORE, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. respectfully requests that the Commission promptly publish notice, make such investigation and hold hearings as are necessary or advisable and thereafter, make and enter appropriate orders in this Cause:

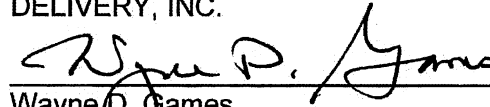
- (a) approving the Solar Project as proposed in this Cause;
- (b) finding that the Solar Project constitutes a clean energy project pursuant to Ind. Code § 8-1-8.8-11;
- (c) granting Petitioner a CPCN to construct the Solar Project pursuant to Ind. Code ch. 8-1-8.5;

(d) authorizing Petitioner to timely recover costs incurred during the construction and operation of the Solar Project as summarized above and further described in Petitioner's case-in-chief; and

(e) granting to Petitioner such additional and further relief as may be deemed necessary or appropriate.

Dated this 4<sup>th</sup> day of May, 2018.

SOUTHERN INDIANA GAS AND ELECTRIC  
COMPANY d/b/a VECTREN ENERGY  
DELIVERY, INC.

A handwritten signature in black ink, appearing to read "Wayne D. Games", is written over a horizontal line.

Wayne D. Games  
Vice President – Power Supply

**VERIFICATION**

I, Wayne D. Games, under penalty of perjury, affirm that the foregoing representations are true and correct to the best of my knowledge, information and belief.

SOUTHERN INDIANA GAS AND ELECTRIC  
COMPANY d/b/a VECTREN ENERGY  
DELIVERY, INC.

  
\_\_\_\_\_  
Wayne D. Games  
Vice President – Power Supply

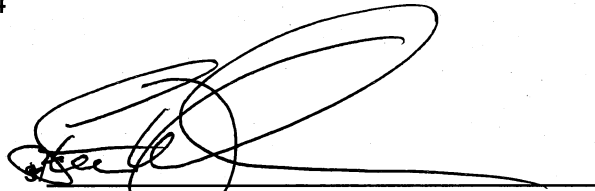
Dated: May 4, 2018



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing Verified Petition was served via electronic mail transmission or by depositing a copy thereof in the United States mail, first class postage prepaid, addressed to:

Indiana Office of Utility Consumer Counselor  
PNC Center  
115 West Washington Street, Suite 1500 South  
Indianapolis, Indiana 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

A handwritten signature in black ink, appearing to read 'Steven W. Krohne', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.

Steven W. Krohne

Dated: May 4, 2018