



Received On: April 29, 2014  
IURC 30-Day Filing No.: 3238  
Indiana Utility Regulatory Commission

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April 29, 2014

Brenda Howe  
Indiana Utility Regulatory Commission  
101 W. Washington St.  
Suite 1500 East  
Indianapolis, IN 46204-3407

Dear Ms. Howe:

Duke Energy Indiana, Inc. (Company) hereby submits, in compliance with the Settlement Agreement and Indiana Utility Regulatory Commission ("Commission") Order in Cause No. 42873, as approved by the Commission on March 15, 2006, its adjustment to rates to remove the amortization of the costs associated with the Cinergy Corporation merger. Attachment A is Standard Contract Rider No. 67 ("Rider 67") – Credits to Remove Annual Amortization of Cinergy Merger Costs. These costs were included in base rates pursuant to the Company's Retail Electric Rate Case – Cause No. 42359.

The Company is submitting this filing under Section 3 of the Thirty-Day Administrative Filing Procedures and Guidelines (170 IAC 1-6). Section 3 (5) (B) allows changes to rates and charges so long as the change results in an overall decrease in revenue of the utility and is done for all classes of customers. Rider 67 accomplishes this by reducing the Company's revenue by \$11,552,000 each year (adjusted by the "true-up" from the prior year) by Retail Rate Group.

Attachment B contains the workpapers that show the development of the Rider rates, by Retail Rate Group, that are anticipated to go into effect with June 2014 Cycle-1. Legal notices were published in the Indianapolis Star on April 25, 2014, and the Hamilton County Current on April 29, 2014 (Attachment C). I am awaiting the proofs of publication and will submit them as Attachment D as soon as they are received.

The calculation of the Rider 67 rates for June 2014 through May 2015 is done by allocating the annual amortization amount (\$11,552,000) by the Operation and Maintenance ("O&M") Expense Excluding Fuel and Purchased Power from Cause No. 42359, by Retail Rate Group. These credits are then adjusted by an annual reconciliation amount to "true-up" the prior year. The reconciliation amounts are calculated by comparing the actual amounts credited in the prior calendar year to the previous year's approved revenue requirement by Retail Rate Group. The difference, by Retail Rate Group, will then be added to, or subtracted from, the current year's annual amortization amount, by Retail Rate Group, to find the total credit amounts. The

total credit amounts are divided by the prior calendar year's kWh Sales to determine the per kWh credit rate for each Retail Rate Group.

We are filing this rider, associated worksheets and legal notice via the Commission's electronic filing system and sending via email a copy to the Office of Utility Consumer Counselor.

We would appreciate the return of a file-stamped copy for our files.

If there are any questions concerning this filing, please contact me at 317.838.1423.

Sincerely,



Roger Allan Flick II

Attachments

cc: J. R. Bailey  
M. T. Diaz  
B. P. Davey  
K. A. Karn  
M. D. Price  
M. N. Smith  
D. L. Smotherman  
Dr. B. Borum (IURC)  
M. Gallagher (IURC)  
S. C. Wilde

Service List from Cause No. 42873

Robert Mork – Office of Utility Consumer Counselor  
Randall C. Helmen – Office of Utility Consumer Counselor  
Robert K. Johnson, Esq.  
Damon E. Xenopoulos, Esq. (BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.)  
Peter J. Mattheis (BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.)  
Shaun C. Mohler (BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.)  
Fred O. Towe (FILLENWARTH DENNERLINE GROTH & TOWE)  
Geoffrey S. Lohman (FILLENWARTH DENNERLINE GROTH & TOWE)  
Don F. Morton (PARR RICHEY OBREMSKEY & MORTON)  
Kerwin L. Olson (Citizens Action Coalition)  
Jennifer Washburn (Citizens Action Coalition)  
Bette J. Dodd (LEWIS & KAPPES, P.C.)  
Timothy L. Stewart (LEWIS & KAPPES, P.C.)  
Christopher M. Goffinet (Huber & Goffinet)

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# Attachment A

**Standard Contract Rider No. 67  
Credits to Remove Annual Amortization of  
Cinergy Merger Costs**

**Availability**

The applicable energy charges for service to the Company's retail electric customers shall be decreased monthly to remove the annual amortization of the 1994 Cinergy merger costs as approved by the Commission in Cause No. 42873. The application of this rider shall begin with billing cycle 1 for June 2008 and shall remain in effect until the effective date of the setting of new rates and charges in the Company's next retail base rate case.

**Rate**

The following are the monthly credit rider rates:

Line No.	Retail Rate Group	Rate per kWh	Line No.
1	Rate RS	(\$0.000584)	1
2	Rates CS and FOC	(\$0.000618)	2
3	Rate LLF	(\$0.000342)	3
4	Rate HLF	(\$0.000334)	4
5	Customer L - Supp	(\$0.000085)	5
6	Customer D	(\$0.000485)	6
7	Customer O	(\$0.000086)	7
8	Rate WP	(\$0.000303)	8
9	Rate SL	(\$0.001694)	9
10	Rate MHLS	(\$0.000441)	10
11	Rates MOLS and UOLS 1/	(\$0.000923)	11
12	Rates FS, TS and MS	(\$0.000642)	12

1/ Reflects the transition of Rates OL & AL to UOLS effective May 1, 2014 in accordance with Cause No. 42359.

These rates will be adjusted annually (billing cycle 1 each June) to reflect changes in energy usage. Also, an annual reconciliation to true-up the credit total will be done on a calendar year basis and included in the annual rate adjustments. The Company plans to file an updated Rider 67 each year in April for implementation by June 1.

**ISSUED:**

**EFFECTIVE:**

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# Attachment B

**Duke Energy Indiana, Inc.**

**Credits to Remove Annual Amortization of  
1994 Cinergy Merger Costs Established In Cause No. 42359 <sup>1/</sup>**

Line No.	Retail Rate Group	Operation & Maintenance Expense Excluding Fuel & Purchased Power (\$ 000's) <sup>2/</sup>	Percentage of Total	Annual Amortization Removal Credits (Actual \$)	Prior Calendar Year True-Up (Actual \$)	Total Credits (Actual \$)	2013 Sales (kWh)	2014 / 2015 Removal of Annual Amortization of 1994 Merger Costs Credit Rider Rate (\$ / kWh)
		(A)	(B)	(C)			(D)	(E)
1	Rate RS	\$ 175,327	45.75%	\$ (5,285,042)	\$ (41,210)	\$ (5,326,252)	9,126,809,859	\$ (0.000584)
2	Rates CS and FOC	22,572	5.89%	(680,413)	(9,962)	(690,375)	1,117,539,810	(0.000618)
3	Rate LLF	49,179	12.83%	(1,482,122)	2,408	(1,479,714)	4,330,500,779	(0.000342)
4	Rate HLF	124,628	32.52%	(3,756,710)	(69,728)	(3,826,438)	11,469,334,695	(0.000334)
5	Customer L - Supp	647	0.17%	(19,638)	8,003	(11,635)	136,709,235	(0.000085)
6	Customer D	600	0.16%	(18,483)	981	(17,502)	36,060,865	(0.000485)
7	Customer O	3,023	0.79%	(91,261)	(6,394)	(97,655)	1,137,799,924	(0.000086)
8	Rate WP	1,433	0.37%	(42,742)	1,221	(41,521)	137,057,944	(0.000303)
9	Rate SL	2,321	0.61%	(70,467)	(286)	(70,753)	41,761,870	(0.001694)
10	Rate MHLS	83	0.02%	(2,310)	(155)	(2,465)	5,589,810	(0.000441)
11	Rates MOLS and UOLS <sup>3/</sup>	3,186	0.84%	(97,036)	(5,849)	(102,885)	111,478,658	(0.000923)
12	Rates FS, TS and MS	179	0.05%	(5,776)	(558)	(6,334)	9,860,114	(0.000642)
13	Total Retail	\$ 383,178	100.00%	\$ (11,552,000)	\$ (121,529)	\$ (11,673,529)	27,660,503,563	\$ (0.000422)

Revenue Requirement for 2013 \$ (12,134,115)  
Actual Credits Issue in 2013 (12,012,586)  
Over / (Under) Issued Credits \$ (121,529)

<sup>1/</sup> An annual credit of \$11,552,000 was approved on March 15, 2006 in Cause No. 42873  
<sup>2/</sup> O&M expense from the last general rate case, Cause No. 42359  
<sup>3/</sup> Reflects the transition of Rates OL & AL to UOLS effective May 1, 2014, in accordance with Cause No. 42359

Duke Energy Indiana, Inc.

**Credits to Remove Annual Amortization of  
1994 Cinergy Merger Costs Established in Cause No. 42359 1/**

**December 2013  
YTD 7020 By Rate Class**

<u>Description</u>	<u>Billed KWH</u>	<u>Rider 67</u>	<u>Retail Rate Group</u>	<u>Billed KWH</u>	<u>Credits</u>	<u>Credits</u>	<u>True-up</u>
					<u>Issued In</u>	<u>Approved For</u>	
					<u>2013</u>	<u>2013</u>	
AL	5,490,158	\$ (13,472.26)	Rate RS	9,126,809,859	\$ (5,640,232)	\$ (5,681,442)	\$ (41,210)
CS	1,117,539,810	(699,274.37)	Rates CS and FOC	1,117,539,810	(699,274)	(709,236)	(9,962)
FS	457,602	(226.84)	Rate LLF	4,330,500,779	(1,507,263)	(1,504,855)	2,408
HL	14,640	(5.75)	Rate HLF	11,469,334,695	(3,805,016)	(3,874,744)	(69,728)
HLF	20,949,438,124	(3,632,552.28)	Customer L - Supp 2/	136,709,235	(25,829)	(17,826)	8,003
HLS	1,287,469	(508.71)	Customer D	36,060,865	(20,778)	(19,797)	981
LLF	4,330,500,779	(1,507,262.86)	Customer O	1,137,799,924	(95,335)	(101,729)	(6,394)
MHLS	4,287,701	(1,689.25)	Rate WP	137,057,944	(47,019)	(45,798)	1,221
MOLS	2,040,829	(74.25)	Rate SL	41,761,870	(70,321)	(70,607)	(286)
MS	2,510,772	(1,366.32)	Rate MHLS	5,589,810	(2,204)	(2,359)	(155)
OL	77,491,948	(79,408.06)	Rates MOLS and UOLS 4/	111,478,658	(94,006)	(99,855)	(5,849)
RS	9,126,809,859	(5,640,232.38)	Rates FS, TS and MS	9,860,114	(5,309)	(5,867)	(558)
SL	41,761,870	(70,320.64)	Total Retail	27,660,503,563	\$ (12,012,586)	\$ (12,134,115)	\$ (121,529)
TS	6,888,848	(3,714.07)					
UOLS	26,455,723	(1,051.52)					
WHTL	2,892	(1.68)					
WP	137,057,944	(47,018.79)					
Customer D	36,060,865	(20,778.06)					
Customer O Firm	1,137,799,924	(95,335.29)					
Customer O Inter	-	-					
Customer L Firm 2/	136,709,235	(17,947.05)					
Customer L RTP 2/	59,989,261	(7,882.20)					
Customer C - TOU	27,509,091	-					
Customer C - FIRM (HLF)	351,772,700	(116,712.09)					
Customer J (HLF)	168,123,871	(55,751.48)					
<b>Total 7020 Report</b>	<b>27,748,001,915</b>	<b>\$ (12,012,586.20)</b>					
Less:							
Customer L RTP 2/	(59,989,261)	-					
Customer C TOU 3/	(27,509,091)	-					
<b>Total 2013 kWh</b>	<b>27,660,503,563</b>	<b>\$ (12,012,586.20)</b>					

1/ An annual credit of \$11,552,000 was approved on March 15, 2006 in Cause No. 42873.  
2/ Customer L RTP kWh is not included in the calculation of the Rider Factor, but it does receive the credit (per contract)  
3/ Customer C RTP kWh is not used in the calculation of the Rider Factor and does not receive this credit.  
4/ Reflects the transition of Rates OL & AL to UOLS effective May 1, 2014 in accordance with Cause No. 42359

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# Attachment C



**LEGAL NOTICE OF  
DUKE ENERGY INDIANA, INC.'S  
STANDARD CONTRACT RIDER NO. 67  
CREDITS TO REMOVE ANNUAL  
AMORTIZATION OF CINERGY MERGER COSTS**

DUKE ENERGY INDIANA, INC. ("Duke Energy Indiana") hereby provides notice that on April 29, 2014, Duke Energy Indiana will submit its Standard Contract Rider No. 67, Credits to Remove Annual Amortization of Cinergy Merger Costs ("Standard Contract Rider 67") to the Indiana Utility Regulatory Commission ("Commission") for approval under the Commission's thirty-day administrative filing procedures and guidelines. Standard Contract Rider 67 provides the adjustment to rates to remove the amortization of the costs associated with the Cinergy Corp. merger.

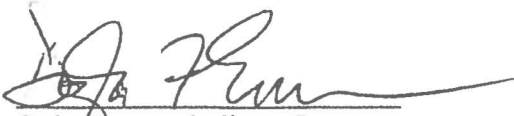
Standard Contract Rider 67 is applicable to all Duke Energy Indiana retail electric customers and will be deemed approved thirty-days from the date of its filing on April 29, 2014, unless an objection is made. Any objections may be made by contacting the Secretary of the Commission, or Tyler Bolinger or Randall C. Helmen of the Indiana Office of Utility Consumer Counselor at the following addresses or phone numbers:

Indiana Utility Regulatory Commission  
101 W. Washington St.  
Suite 1500 East  
Indianapolis, IN 46204-3407  
317-232-2703

Indiana Office of Utility Consumer Counselor  
PNC Center  
115 W. Washington St.  
Suite 1500 South  
Indianapolis, IN 46204  
317-232-2494.

**Duke Energy Indiana, Inc.**  
By: Douglas F Esamann, President

In accordance with 170 IAC 1-6 *et seq.*, I hereby verify under the penalties of perjury that all affected customers have been notified as required under section 6 of the above-referenced rule and pursuant to the attached legal notice, which was published in a newspaper of general circulation in Hamilton County, Indiana to the best of my knowledge, information and belief.



Duke Energy Indiana, Inc.  
Douglas F Esamann, President

Dated: April 29, 2014