

ORIGINAL

Commissioner	Yes	No	Not Participating
Swinger	√		
Deig	√		
Veleta	√		
Zay			√
Ziegner			√

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF DUKE ENERGY INDIANA, LLC)
FOR APPROVAL UNDER IND. CODE § 8-1-39-11 OF) CAUSE NO. 45647 TDSIC 6 S1
TARGETED ECONOMIC DEVELOPMENT)
PROJECTS) APPROVED: JUN 30 2026**

ORDER OF THE COMMISSION

**Presiding Officers:
David E. Veleta, Commissioner
Kristin E. Kresge, Administrative Law Judge**

On April 30, 2026, in accordance with Ind. Code ch. 8-1-39, Duke Energy Indiana, LLC (“Duke Energy Indiana” or “Petitioner”) filed a Verified Petition (“Petition”) with the Indiana Utility Regulatory Commission (“Commission”) seeking: (1) approval of an adjustment to its electric service rates through its Transmission, Distribution and Storage System Improvement Charge (“TDSIC”) Rate Schedule via Tariff No. 65 (“TDSIC Tracker”); (2) authority to defer 20% of the approved capital expenditures and TDSIC costs for recovery in Petitioner’s next general rate case; and (3) approval of updates to its six-year plan for eligible transmission, distribution, and storage system improvements (“TDSIC 2.0 Plan”). In the Petition, Duke Energy Indiana requested the Commission establish a subdocket to address approval of the SK Hynix project as a targeted economic development (“TED”) project (“Proposed TED Project”). Also on April 30, 2026, Duke Energy Indiana prefiled the testimony of Erin Schneider, Managing Director of Economic Development for Duke Energy Indiana, constituting Duke Energy Indiana’s case-in-chief for purposes of the subdocket.

On May 14, 2026, a docket entry was issued establishing the above-captioned subdocket for review of Petitioner’s Proposed TED Project. On May 15, 2026, Duke Energy Indiana prefiled, in this subdocket, the direct testimony of Ms. Schneider supporting its request for approval of the Proposed TED Project.

The Commission scheduled this matter for an evidentiary hearing on June 15, 2026, at 9:30 a.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Duke Energy Indiana and the Indiana Office of Utility Consumer Counselor (“OUCC”), by counsel, participated in the hearing, and Petitioner’s testimony was admitted without objection.

Based upon the applicable law and the evidence, the Commission finds:

1. Notice and Jurisdiction. Notice of the hearing in this Cause was given and published by the Commission as required by law. Duke Energy Indiana is a public utility as defined in Ind. Code §§ 8-1-2-1(a) and 8-1-39-4. Under Ind. Code §§ 8-1-39-10 and -11, the Commission has jurisdiction over Petitioner’s six-year plan for eligible transmission, distribution, and storage improvements, including TED projects. Under Ind. Code ch. 8-1-39 and Ind. Code § 8-1-2-42, the

Commission also has authority over certain changes to Duke Energy Indiana's rates and charges; therefore, the Commission has jurisdiction over Duke Energy Indiana and the subject matter of this subdocket.

2. Petitioner's Characteristics. Duke Energy Indiana is a public utility corporation organized under Indiana law with its principal office at 1000 East Main Street in Plainfield, Indiana. Petitioner is a wholly-owned subsidiary of Duke Energy Indiana Holdco, LLC and has corporate power and authority to supply electric utility service to the public within Indiana. Duke Energy Indiana owns, operates, manages, and controls plant, property, and equipment for the production, transmission, distribution, and furnishing of electric utility service and directly supplies electric energy to approximately 928,000 customers located in 69 Indiana counties, and supplies steam service to Purdue University via a combined heat and power facility. Petitioner also sells electric energy for resale to other public utilities that, in turn, supply electric utility service to customers in areas Petitioner does not directly serve.

3. Background and Relief Requested. Ind. Code ch. 8-1-39 includes provisions that are intended to promote the implementation of TED projects by Indiana electric or gas utilities. Ind. Code § 8-1-39-2(a)(3) defines an eligible transmission, distribution, and storage system improvement to include new or replacement electric transmission, distribution, or storage projects that are approved as TED projects under Ind. Code § 8-1-39-11. Consistent with Ind. Code § 8-1-39-10(c), a request for approval of a TED project may be presented in a utility's initial petition for approval of the public utility's proposed TDSIC plan under Ind. Code § 8-1-39-10(a) or in an update proceeding filed under Ind. Code § 8-1-39-9(b)(1). In this instance, Duke Energy Indiana is requesting approval of the Proposed TED Project in its Petition seeking approval of its updated TDSIC 2.0 Plan.

Approval of a TED project renders 80% of the associated capital expenditures eligible for recovery through the utility's TDSIC tracker proceeding and the remaining 20% of expenditures eligible for deferral. Additionally, Ind. Code § 8-1-39-11(b) requires approval by the Indiana Economic Development Corporation ("IEDC") to treat costs associated with a TED project as TDSIC costs.

In this proceeding, Duke Energy Indiana seeks approval of the Proposed TED Project and authority to recover the costs of the Proposed TED Project as TDSIC costs. Upon filing the Petition, Duke Energy Indiana applied to the IEDC for approval to treat the costs associated with the Proposed TED Project as TDSIC costs.

4. Petitioner's Case-in-Chief. Ms. Schneider testified that SK Hynix is constructing a \$3.87 billion semiconductor packaging facility in West Lafayette. To support the new facility, Ms. Schneider testified that Duke Energy Indiana will install a new 138 kV switching station and 138 kV transmission lines to the site, at an estimated cost of \$20.3 million. She testified that the facility has received local approval and construction is underway. Ms. Schneider stated that Duke Energy Indiana has an obligation to serve SK Hynix, as they are a customer in Petitioner's service territory, and these additional investments are necessary to do so. As a TED Project, any associated increase in Duke Energy Indiana's customers' bills would happen more gradually over time with 80% of the costs recovered via the TDSIC Tracker and the remaining 20% deferred as a regulatory

asset until Petitioner's next general rate case. Furthermore, with the Commission-approved construction work in progress ("CWIP") ratemaking for TED projects included in the TDSIC 2.0 Plan, construction costs are recovered by Petitioner more timely, resulting in lower carrying costs and making the project more affordable to customers by reducing the overall cost of the investment(s). Thus, Ms. Schneider testified these investments are in the public's best interest as a TED project.

Ms. Schneider testified that the Proposed TED Project will not only result in approximately 800 new jobs and capital investment in the region, but will expand manufacturing in Indiana that will continue to attract similar companies to collaborate and grow together. She testified the Proposed TED Project will also allow Petitioner to work with local and regional partners to achieve their goals to diversify their economy and grow a stronger, more resilient community. Ms. Schnieder testified the new jobs created by the Proposed TED Project will positively impact the local communities, and the capital investment will increase the tax base and overall economy within the region and in Indiana.

5. Commission Discussion and Findings. Based on the evidence, we find the Proposed TED Project meets the requirements of Ind. Code ch. 8-1-39. Duke Energy Indiana is the exclusive provider of electric utility services at the Proposed TED Project site and has demonstrated its proposed infrastructure investments will facilitate continued economic development at the site and benefit the areas' economy and welfare.

Duke Energy Indiana provided support that the public convenience and necessity require the improvements to be included in Petitioner's updated six-year TDSIC 2.0 Plan. No party objected to the designation of the Proposed TED Project, as described by Ms. Schneider, as a TED project or questioned the reasonableness of Petitioner's estimated costs; therefore, the Commission finds Petitioner demonstrated its Proposed TED Project is a TED project, that the estimated costs associated with the Proposed TED Project are reasonable and should be approved for inclusion in Petitioner's updated TDSIC 2.0 Plan, and the associated costs merit TDSIC treatment and recovery through Duke Energy Indiana's TDSIC Tracker pursuant to Ind. Code §§ 8-1-39-11 and -12. Petitioner's proposed investments are estimated to create additional jobs in the area and are estimated to be beneficial in facilitating economic development in the region and in Indiana generally. The Commission agrees that this is the type of investment Ind. Code ch. 8-1-39 is intended to encourage.

If the IEDC approves, for purposes of serving economic development in Indiana, the costs of the Proposed TED Project approved in this Order and Duke Energy Indiana desires to proceed with the Project, Petitioner shall file a copy of the IEDC approval letter under this Cause in accordance with GAO 2023-05.

6. Confidential Information. On May 15, 2026, Petitioner filed a motion for protection and nondisclosure of confidential and proprietary Information, supported by Affidavits showing certain information Duke Energy Indiana intended to submit in this subdocket and in Cause No. 45647 TDSIC 6 contains confidential, proprietary, competitively sensitive, and/or trade secret information. The information in this subdocket for which confidential information is requested includes detailed cost estimates for Duke Energy Indiana's prospective TED

transmission projects, detailed actual costs for its TED projects, and the timing of the transmission projects. In a docket entry issued May 29, 2026, the information was found to be preliminarily confidential, after which the information was submitted under seal. Based on our review, the Commission finds the information is trade secret information as defined by Ind. Code § 24-2-3-2, is exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29, and will continue to be held as confidential and protected from public access and disclosure by the Commission.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The SK Hynix project, as proposed, and further conditioned on the approval of the IEDC, is approved as a targeted economic development project for inclusion in Duke Energy Indiana's updated TDSIC 2.0 Plan.

2. Duke Energy Indiana is authorized to use CWIP ratemaking for TED projects included in the TDSIC 2.0 Plan, as previously approved, and recover 80% of the costs incurred in connection with the SK Hynix project through the TDSIC Tracker and to defer 20% of the costs incurred, including ongoing carrying charges on all deferred costs, for recovery in Petitioner's next general rate case.

3. The confidential information filed in this Cause are trade secrets as defined by Ind. Code § 24-2-3-2 and exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29.

4. If the IEDC approves, for purposes of serving economic development in Indiana, the TED Project costs approved in this Order and Petitioner wishes to proceed with the SK Hynix project, Duke Energy Indiana shall promptly file a copy of the IEDC approval letter in this subdocket.

5. This Order shall be effective on and after the date of its approval.

SWINGER, DEIG, AND VELETA CONCUR; ZAY AND ZIEGNER ABSENT:

APPROVED: JUN 30 2026

**I hereby certify that the above is a true
and correct copy of the Order as approved.**

**Dana Kosco
Secretary of the Commission**