ORIGINAL

Commissioner	Yes	No	Not Participating
Swinger			√
Bain		√	
Deig	√		
Jerrells	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC FOR APPROVAL OF: (1) ITS DEMAND SIDE MANAGEMENT AND ENERGY EFFICIENCY PLAN FOR 2027–2029, INCLUDING ENERGY EFFICIENCY PROGRAMS AND DEMAND RESPONSE PROGRAMS; AND (2) ACCOUNTING AND RATEMAKING TREATMENT, INCLUDING TIMELY RECOVERY OF ASSOCIATED PROGRAM COSTS, INCLUSIVE OF LOST REVENUES AND FINANCIAL INCENTIVES, THROUGH RIDERS 66 AND 74, AND AUTHORITY TO DEFER COSTS.	)	**CAUSE NO. 46319**
	)	**APPROVED: OCT 28 2026**

ORDER OF THE COMMISSION ON RECONSIDERATION

Presiding Officers:
Bob Deig, Commissioner
Steve Henke, Administrative Law Judge

On September 2, 2026, the Indiana Office of Utility Consumer Counselor ("OUCC") and Citizens Action Coalition of Indiana, Inc. ("CAC") each filed a Petition for Reconsideration (together, "Reconsideration Motions"), requesting the Indiana Utility Regulatory Commission ("Commission") reconsider its August 13, 2026 Order ("46319 Order") that, with limited exceptions, approved 2027–2029 Demand Side Management ("DSM") and Energy Efficiency ("EE") Plan (the "DSM/EE Plan") proposed by Duke Energy Indiana, LLC ("Duke"). In addition, the OUCC requested a rehearing.

The OUCC argued that the differences between Duke's DSM/EE Plan are too great to be considered consistent with its 2024 Integrated Resource Plan ("2024 IRP"), and that the Commission must have confirmed that the 2024 IRP would have selected the DSM/EE Plan. The OUCC argued that any use of discretionary spending approved by the Duke Oversight Board ("OSB") should result in increased savings goals to reduce the risk of increased shareholder incentive. The OUCC also generally reasserted to its prior positions regarding the age and reliability of data supporting portions of the DSM/EE Plan, concerns regarding the income-qualified portions of the DSM/EE Plan, the need for direct access to Duke's the Evaluation, Measurement, and Verification ("EM&V") vendors to ensure transparency, that each measure within the DSM/EE Plan must meet the Utility Cost Test, that shareholder incentive structure should be lower, that the lost revenue recovery should be capped at three years, that Indiana law prohibits the Commission from approving a demand response ("DR") program within a DSM/EE Plan, and that DR program costs should be allocated across all customer classes. CAC joined portions of the OUCC's arguments and provided additional briefing regarding inconsistencies between Duke's DSM/EE Plan and the 2024 IRP and the need for Duke's savings goals to be higher.

On September 14, 2026, Duke filed a response to the Reconsideration Motions, and argued that the 46319 Order reflected thorough consideration, appropriate comparisons between the DSM/EE Plan and the 2024 IRP, the advancement of affordability and cost-effectiveness objectives considering the applicable evidence and law, and a rejection of proposed revisions to the DSM/EE Plan without adequate support in the record. Duke further noted that rehearing was inappropriate under 170 IAC 1-1.1-22(e)(1), as the OUCC had not identified any additional evidence warranting rehearing nor filed a verified affidavit to support rehearing.

On September 21, 2026, the OUCC and CAC replied in support of the Reconsideration Motions, and reiterated arguments made in the underlying case.

The Commission has considered the matter and affirms its findings that Duke's DSM/EE Plan is reasonable as modified in the 46319 Order. It further notes that neither the OUCC nor CAC addressed how eliminating existing programs operated by Duke would affect Duke's obligation to provide energy service. Accordingly, the Commission declines to reconsider its decision, and the Reconsideration Motions are denied.

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

1. The Reconsideration Motions are denied.

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

DEIG, JERRELLS, AND ZIEGNER CONCUR; BAIN DISSENTING WITH OPINION; SWINGER ABSENT:

APPROVED: OCT 28 2026

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

Regina K Joyner Digitally signed by Regina K Joyner Date: 2026.10.28 10:38:39 -04'00' on behalf of

Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC FOR APPROVAL OF: (1) ITS DEMAND SIDE MANAGEMENT AND ENERGY EFFICIENCY PLAN FOR 2027-2029, INCLUDING ENERGY EFFICIENCY PROGRAMS AND DEMAND RESPONSE PROGRAMS; AND (2) ACCOUNTING AND RATEMAKING TREATMENT, INCLUDING TIMELY RECOVERY OF ASSOCIATED PROGRAM COSTS, INCLUSIVE OF LOST REVENUES AND FINANCIAL INCENTIVES, THROUGH RIDERS 66 AND 74, AND AUTHORITY TO DEFER COSTS.	)	**CAUSE NO. 46319** **APPROVED: OCT 28 2026**

DISSENTING OPINION OF COMMISSIONER JOSHUA A. BAIN

I respectfully dissent from the Commission's decision to deny reconsideration of the August 13, 2026, Order approving the petitioner's 2027–2029 Demand Side Management (DSM) and Energy Efficiency (EE) Plan. While I recognize the importance of cost-effective EE and Demand Response (DR) programs, I believe several concerns warrant modification of the underlying Order in three areas.

First, discretionary spending authority should be eliminated. Although the Commission reduced the petition's requested 20% spending flexibility to 10%, I believe the evidence, as well as state code, warrants reducing this amount to zero. Indiana Code § 8-1-8.5-10(h) requires the Commission to review program budgets and costs. The Commission, not an oversight board (OSB), should approve all expenditures beyond those specifically authorized in this Order. There is little evidence to demonstrate that the OSB process has been beneficial. While the original intent behind establishing these boards is understandable, the Commission has effectively outsourced its regulatory responsibility without achieving its intended outcomes. Should additional funding be needed to support additional programs over the plan period, the petitioner may petition the Commission for approval to determine whether additional funding is just and reasonable. I also agree with the Office of Utility Consumer Counselor (OUCC) that additional spending should not be authorized without corresponding adjustments for additional savings.

Second, programs demonstrating inadequate cost-effectiveness should not be approved without better justification. According to Petitioner's Exhibit 1, Attachment 1-B, pages 3 and 5, the Income Qualified Neighborhood and Income Qualified Weatherization programs have Utility Cost Test ("UCT") ratios of just .34 and .19. While these programs may provide benefits beyond those captured by the UCT, I do not believe the record sufficiently justifies their continued approval at the proposed expenditures. Indiana Code § 8-1-8.5-10(j) requires consideration of the program costs and benefits, and I believe affordability to all ratepayers should be central to that

determination. While these low-income programs are undoubtedly worthwhile, their narrow eligibility guardrails mean costs are spread across all ratepayers, including many who cannot access the benefits but are still struggling with increasing utility bills. Therefore, instead of general rate recovery, I believe these initiatives should be largely funded through the Petitioner's shareholder contributions to protect system-wide affordability. Alternatively, broad energy efficiency programs and goals of this nature are potentially better suited for a statewide legislative program framework rather than localized utility riders.

Third, shareholder incentives should be more reflective of the limited risk borne by the petitioner's shareholders. OUCC witness Brittany Baker testified that the petitioner's approved weighted average cost of capital was 6.19% and recommended a reduced incentive schedule. I believe the OUCC's recommendation was directionally correct, although its proposed reductions went somewhat further than I would support. An adjusted recovery structure would continue rewarding successful program administration while better aligning shareholder returns with the limited financial risks associated with this DSM/EE Plan.

For these reasons, I would grant reconsideration in part to modify the previously approved Order. I respectfully dissent from the Commission's decision not to do so.