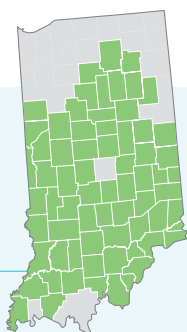


# Duke Energy Indiana:

## Rate case at a glance



● Duke Energy Indiana

- 840,000 customers served
- Overall requested increase of 15.49%
- Typical 1,000-kWh residential monthly bill would increase approximately \$23, or approximately 77 cents per day, which includes both steps of the increase.

More information at:

[duke-energy.com/IndianaRates](http://duke-energy.com/IndianaRates)

Customer class	Average rate increase percentage
Residential	19.0
Commercial	16.7
Industrial HLF	11.3
Industrial LLF	16.3

This table shows the average impact proposed for each customer class. The specific increase for individual customers will vary, depending on the rate they pay.

On July 2, 2019, Duke Energy Indiana made a request before the Indiana Utility Regulatory Commission to increase the company's rates. Our continued work to generate cleaner power, invest to serve a growing customer base, and improve reliability and service to approximately 840,000 customers in Indiana is the primary reason behind this request. The company is asking for an overall average rate increase of about 15% across all customer groups. The new rates would be phased in over two years, with a proposed 13% increase in 2020 and a 2% increase in 2021.



### Accommodating growth

- The largest part of the increase covers core utility investments such as adding miles of new power lines and substations to serve the more than 100,000 customers we have added to our customer base since just prior to our last full-scale rate review.



### Transitioning to cleaner power

- Nearly 90% of the power Duke Energy produced in 2018 was generated from coal. While the company has reduced its carbon dioxide emissions, more is needed to prepare for the likelihood of future carbon regulations. Duke Energy is accelerating the retirement dates for some of its Indiana coal-fired power units in a reasonable way that spreads out coal plant retirements over time. The company also is upgrading its Markland Hydroelectric plant on the Ohio River to increase the amount of low-cost, carbon-free power it can generate.
- Federal rules require changes to the way the company manages coal ash stored at power plant sites. Duke Energy is closing ash basins at its power plants responsibly and in compliance with stricter regulations.



### Making the system more reliable to reduce power outages and improve plant performance

- Trees are a primary cause of power outages, and the cost to trim trees per mile on our system has more than tripled, mostly in the last two years.
- Duke Energy is replacing and upgrading equipment to reduce power outages and modernize the electric grid for the type of information and services consumers have come to expect, such as better communication during power outages. These improvements include line sensors that detect problems, reduce power outages, and limit the number of customers affected when outages do occur.
- The company has made investments in power plants to improve plant performance and reliability.



### Providing customers with more convenience

- Duke Energy has been installing smart meters for its more than 800,000 customers. Smart meters are read automatically – not manually – so they significantly reduce the need for estimated bills when meters can't be easily accessed, such as in severe weather. They also provide customers the ability to view their previous day's usage and make adjustments before their bill arrives as well as select their billing date.
- The company is proposing the elimination of convenience charges for residential customers when they use a credit or a debit card to make a bill payment.



## New rate options

The company is also offering alternative electric rate proposals for state regulators to consider.

- Due to factors such as more energy-efficient appliances and the success of energy efficiency programs, customer power usage has been declining, but the fixed costs to deliver power continue to rise. Duke Energy is proposing a five-year program for residential and commercial customers that would tie company revenues to the number of customers served, instead of the amount of power they use. It's a model that better aligns customer interests with the utility and is similar to what many natural gas companies use. The amount customers are charged would adjust annually.
- Smart meters provide access to new services that help manage energy usage. To help customers save on their electric bill, the company is proposing a pilot program with time-of-use rates where customers can shift their power use on days of high electric demand to times of day when energy is less expensive.

## What is a rate case?

A rate case is a public regulatory review process in which a utility must demonstrate to the Indiana Utility Regulatory Commission why a proposed increase in rates is needed. This independent public process helps ensure transparency and fair rates based on the costs to serve our customers.

## Who sets the rates customers pay for electricity?

Duke Energy Indiana is obligated to provide every customer in our service area with reliable electricity at rates approved by the Indiana Utility Regulatory Commission. In exchange, the utility is allowed the opportunity (not a guarantee) to earn a fair return for investors. Even though our regulators will ultimately determine any changes to customer rates, we pledge to do our part to keep rates as reasonable as possible.

## What is the process? Will customers have a chance to share input?

First, Duke Energy Indiana must demonstrate to state utility regulators why the rate increase is needed. The Office of Utility Consumer Counselor and other interested stakeholders review our filings and vet the company's request. The commission then thoroughly reviews our request and holds public hearings to allow customers to comment.

## What is Duke Energy Indiana doing to help customers reduce their energy use and manage their bills?

It's important to us to give customers more options to help them better manage energy and ultimately save money – so we're connecting with customers through new tools like usage updates, free home energy audits and a menu of energy-saving tips, programs and incentives for every budget.

To find the right energy-saving program for your household, visit [duke-energy.com/home/savings](https://duke-energy.com/home/savings).

Duke Energy has programs to help customers manage their electricity costs and their bills. We also have assistance for low-income customers and work with our state's network of community action agencies to provide help.

For more information, visit [duke-energy.com/home/billing/special-assistance](https://duke-energy.com/home/billing/special-assistance).

For more information about your rates, visit [duke-energy.com/rates](https://duke-energy.com/rates).