

ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	√		
Freeman	√		
Krevda	√		
Veleta	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF SOUTHERN INDIANA GAS)
AND ELECTRIC COMPANY D/B/A)
CENTERPOINT ENERGY INDIANA SOUTH)
(“CEI SOUTH”) FOR APPROVAL OF A)
CHANGE IN ITS FUEL COST ADJUSTMENT)
FOR ELECTRIC SERVICE IN ACCORDANCE)
WITH THE ORDER OF THE COMMISSION)
IN CAUSE NO. 37712 EFFECTIVE JUNE 18,)
1986, AND SENATE BILL NO. 529 EFFECTIVE)
APRIL 11, 1979)**

CAUSE NO. 38708 FAC 137

APPROVED: JAN 25 2023

ORDER OF THE COMMISSION

Presiding Officers:

David E. Ziegner, Commissioner

Greg S. Loyd, Administrative Law Judge

On November 16, 2022, in accordance with Ind. Code § 8-1-2-42, Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South (“CEI South” or “Petitioner”) filed its Verified Petition (“Petition”) with the Indiana Utility Regulatory Commission (“Commission”) for approval of a change in its fuel adjustment charge (“FAC”). In support of its Petition, CEI South filed the testimony of Wayne D. Games, Petitioner’s Vice President, Power Generation Operations; Ryan M. Wilhelmus, Petitioner’s Manager of Regulatory and Rates; and Chrissy M. Behme, Manager of Regulatory Reporting of CenterPoint Energy, Inc., the ultimate parent company of CEI South.

On November 29, 2022, Sierra Club filed its Petition to Intervene. In this petition, Sierra Club stated that some of its members are CEI South residential customers and it seeks to intervene to investigate and offer evidence as to whether the outage at Culley Unit 3 is the result of Petitioner’s imprudence. On December 2, 2022, CEI South filed a response to the Petition to Intervene indicating that it did not object to the Petition to Intervene, but that CEI South was not waiving its right to challenge Sierra Club’s standing to participate in this proceeding, or any subsequent appeal.

On December 6, 2022, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its Motion for Subdocket to Investigate the Forced Outage of CEI South’s Culley Generating Unit. The OUCC requested a subdocket to provide the Commission and parties sufficient time to examine whether and how the forced outage of Culley Unit 3 impacts Petitioner’s fuel procurement, contracting and hedging and whether modifications should be made to Petitioner’s proposed and future fuel factors. On December 8, 2022, Petitioner filed a response to the OUCC’s request for a subdocket indicating Petitioner did not object to the OUCC’s motion, but requesting the Commission grant Sierra Club’s request to intervene in the OUCC requested subdocket as

opposed to the general FAC proceeding. On December 9, 2022, Sierra Club filed a reply stating that it did not object to the Commission granting its intervention solely in the proposed subdocket.

On December 21, 2022, the OUCC filed its report and the testimony of Gregory Guerrettaz, a Certified Public Accountant; and Michael D. Eckert, Director of the OUCC's Electric Division. On December 21, 2022, the OUCC also filed consumer comments. On December 28, 2022, CEI South filed the rebuttal testimony of Ryan M. Wilhelmus.

On January 3, 2023, the Presiding Officers issued a Docket Entry creating a subdocket for the purpose of considering whether and how the forced outage of Culley Unit 3 impacts CEI South's fuel procurement, contracting and hedging and whether modifications should be made to CEI South's proposed and future fuel factors. The Commission further granted Sierra Club leave to intervene in the subdocket proceeding.

The Commission held an evidentiary hearing at 9:30 a.m. on January 9, 2023, in Hearing Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, Petitioner and the OUCC appeared by counsel, and their respective evidence was admitted into the record without objection.

Based upon the applicable law and the evidence presented, 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. Petitioner is a public utility as defined in Ind. Code § 8-1-2-1. Under Ind. Code § 8-1-2-42, the Commission has jurisdiction over changes to Petitioner's rates and charges related to adjustments in fuel costs. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. Petitioner's Characteristics. CEI South is a corporation organized and existing under the laws of the State of Indiana with its principal office located at 211 NW Riverside Drive in Evansville, Indiana. CEI South renders electric utility service to the public and owns and operates electric generating, transmission, and distribution plant, property, and equipment and related facilities for the production, transmission, delivery, and furnishing of this service. CEI South serves customers in seven Indiana counties, including Vanderburgh County.

3. Efforts to Acquire Fuel and Generate or Purchase Power to Provide Electricity at the Lowest Reasonable Cost (Ind. Code § 8-1-2-42(d)(1)). As a condition of receiving its requested fuel adjustment cost, Petitioner must demonstrate it complied with the statutory requirements of Ind. Code § 8-1-2-42(d)(1) by making every reasonable effort to acquire fuel and generate or purchase power, or both, so as to provide electricity to its retail customers at the lowest fuel cost reasonably possible. As discussed below, we find Petitioner has satisfied these requirements except with respect to the matters subject to review in the Cause No. 38703 FAC 137 S1 subdocket.

A. Efforts to Acquire Fuel. Petitioner utilizes coal and natural gas for its electric generation and incurs the costs of purchasing those fuels, including fuel related transportation and storage costs. Petitioner utilizes Indiana coal as its primary fuel source for

electric generation. Petitioner's generating units are offered into the Midcontinent Independent System Operator's ("MISO") Day Ahead and Real Time markets and are dispatched by MISO on an economic basis. Petitioner has contracted through competitive processes to purchase its coal requirements from nearby mines, which helps minimize transportation costs. Petitioner has made specific data concerning its coal purchases available to the auditors for the OUCC.

Mr. Games described CEI South's coal inventory position and the on-going steps it has taken to manage its coal inventory. Mr. Games testified that CEI South has a coal inventory reserve target to ensure reliability. He noted that the current reserve falls below the target range because calendar year 2022 was an exceptionally strong year for coal burn. He provided a summary of the steps CEI South undertook to address this shortage. He further testified about CEI South's 2022 and 2023 coal supply plans, including an update on its projected coal burn, coal purchases, and coal inventory. Mr. Games also provided a detailed calculation of Petitioner's expected coal inventory. Mr. Games noted that Petitioner's need for coal was reduced in 2022 because Culley Unit 3 went off-line on June 24, 2022. Mr. Games explained that Culley Unit 3 is expected to be unavailable into early 2023.

Petitioner's witness Mr. Games and OUCC witness Mr. Eckert testified that as of October 31, 2022, CEI South's coal inventory was 345,343 tons, which is approximately 91,972 tons higher than what was reported in FAC 136. Mr. Eckert added that CEI South has taken actions to increase its coal inventory. He recommended that CEI South continue to provide inputs to its calculation of the coal inventory, as well as update the Commission on its projected coal burn, coal purchases, and coal inventory.

Mr. Eckert testified that CEI South is not currently using coal decrement pricing. He stated that the OUCC recommends CEI South file testimony, schedules, and workpapers to justify any actual or anticipated need for coal decrement pricing in future FAC filings. He added that CEI South's steam generation costs are comparable to or lower than its Indiana peer utilities.

Mr. Games explained Petitioner's hedging strategy to procure natural gas. Gas Supply took responsibility for Petitioner's gas purchases for peaking units starting in April 2022, during which time Gas Supply has implemented incremental changes to the processes that it inherited from the Wholesale Power Group. Mr. Guerrettaz testified that the OUCC and CEI South discussed future winter hedges, and CEI South is keeping the OUCC informed.

Based on the evidence presented and except with respect to the matters subject to review in Cause No. 38708 FAC 137 S1, the Commission finds that Petitioner has made every reasonable effort to acquire fuel so as to provide electricity to its retail customers at the lowest fuel cost reasonably possible. We also find Mr. Eckert's recommendations to be reasonable. As such, we direct CEI South to continue providing inputs to its coal inventory calculation and to update the Commission on its 2022 and 2023 projected coal burn and coal purchases. Additionally, CEI South is directed to file testimony, schedules, and workpapers to justify any actual or anticipated need for coal decrement pricing or any other type of pricing in future FAC filings.

B. Purchased Power Costs for June, July, and August 2022 ("Reconciliation Period"). Mr. Games testified that a Settlement Agreement approved by the

Commission in Cause No. 43414 established daily benchmarks to assess the reasonableness of purchased power costs. As Mr. Games explained, the benchmark consists of using a generic gas-fired turbine (“GT”) heat rate of 12,500 BTU/kWh and the NYMEX Henry Hub Gas day-ahead price plus \$0.60/MMBTU gas transport charge for a generic GT. Petitioner’s Exhibit No. 1, Attachment WDG-1, Schedule 2 illustrates the calculation of the daily benchmarks. Applying the daily benchmarks to individual power purchase transactions in this proceeding, Petitioner requests the recovery of certain purchased power costs in excess of the Daily Benchmarks for the Reconciliation Period. As the Commission previously noted, the standard to evaluate a utility’s purchase that exceeds the benchmark is the “reasonableness of the decisions under the circumstances which were known (or which reasonably should have been known) at the time the purchases were made, not an after the fact focus using hindsight judgment . . .” *Treatment of Purchased Power Costs*, Cause No. 41363 (IURC Aug. 18, 1999).

Mr. Games stated that Petitioner incurred purchased power costs in excess of the daily benchmarks in the amount of \$634,651.73 in June 2022, \$1,418,554.10 in July 2022, and \$990,743.08 in August 2022. Mr. Games stated that the over-benchmark purchases were incurred pursuant to MISO’s security constrained economic dispatch across its footprint because MISO elected to utilize other generation when CEI South needed additional power. Petitioner’s Exhibit No. 1, Attachment WDG-1, Schedule 3 provided evidence regarding CEI South’s purchased power that included purchased power volumes, costs, the reasons for the purchases, and the sum of hourly purchased power costs in excess of the applicable benchmarks for the Reconciliation Period. The schedule indicates these power purchases were made due to generation facilities being on outage or reserve shutdown. Mr. Games testified that without the purchased power, Petitioner could not have met its retail customers’ demand while complying with MISO dispatch instructions. Mr. Games added that recovery of these power purchases only reimburses CEI South for costs incurred to meet the demand of retail customers. OUC witness Eckert agreed that Petitioner should be allowed to recover \$3,043,948.91 of purchased power costs that exceeded the benchmark.

Based on the evidence presented and except with respect to the matters subject to review in Cause No. 38708 FAC 137 S1, we find that Petitioner’s identified purchased power costs were reasonable under the circumstances at the time of the purchases. As such, these purchased power costs are properly included in the fuel cost reconciliation.

C. Culley Unit 3 Outage. On October 26, 2022, we ordered CEI South to provide an update on the repairs to Culley Unit 3, including any root cause analysis (“RCA”) regarding this failure, in its next FAC filing. *Southern Indiana Gas and Electric Company*, Cause No. 38708 FAC 136 (IURC Oct. 26, 2022).

CEI South provided the testimony of Mr. Games, who testified that on June 24, 2022, the boiler feed pump turbine (“BFPT”) on Culley Unit 3 failed, resulting in the unit being unavailable for the remainder of 2022 and into early 2023. He provided an overview of how the unit failure occurred, the damage caused by the failure, including damage to the boiler feed pump (“BFP”) and the steps CEI South and two original equipment manufacturers undertook to develop a plan to repair/replacement the unit. As for the BFPT, he explained that the quickest and lowest cost option was to locate and purchase a replacement BFPT from another facility, which has been identified. In regard to the BFP, it was determined that the quickest and lowest cost option was to replace the

primary element and perform some minor machining repair work. The remaining work to the foundation, electrical and pipe repairs have been contracted out to individual contractors.

Mr. Games sponsored a copy of the RCA in Petitioner's Exhibit 1-C, Attachment WDG-2. He noted that this document includes a more detailed summary of the incident as well as follow-up actions and lessons learned. Mr. Games provided the estimated cost of the work to return Culley Unit 3 service.

Mr. Eckert testified that the Culley Unit 3 Outage impacted or will impact portions of FAC 137, 138, 139, and 140, depending on when the unit comes back on-line. He stated that the OUC issued a data request regarding the outage, to which CEI South responded, but that the OUC plans to issue follow-up discovery requests.

We note that we will consider in the subdocket created at the OUC's request (Cause No. 38708 FAC 137 S1) whether and how the forced outage of Culley 3 impacts CEI South's fuel procurement, contracting and hedging and whether modifications should be made to CEI South's proposed and future fuel factors.

4. Fuel Cost and Other Operating Expenses (Ind. Code § 8-1-2-42(d)(2)). To recover its requested fuel adjustment cost, Ind. Code § 8-1-2-42(d)(2) requires Petitioner to establish that "the actual increases in fuel cost through the latest month for which actual fuel costs are available since the last order of the commission approving basic rates and charges of the electric utility have not been offset by actual decreases in other operating expenses." Actual increases in Petitioner's fuel cost in the current case for the Reconciliation Period have not been offset by actual decreases in other operating expenses.

At the time of the filing of this Petition, the latest month for which Petitioner's actual fuel costs were available was August 2022, and the latest three months for which such figures were available were June, July, and August 2022.

The Order in Petitioner's most recent electric base rate case, Cause No. 43839 approved the cost of fuel per kWh sold to be determined for the various voltage-level sales groups based on the line loss characteristics of each voltage group. These changes were effective May 3, 2011. The average cost of fuel per kWh supplied for the Reconciliation Period was \$0.041055 as reflected in Petitioner's Exhibit No. 2, Attachment RMW-2, Schedule 5, Page 4, Line 31. The fuel cost at approved rates in Cause No. 43839 totaled \$222,189,000 and the actual fuel costs were \$206,527,000, a difference of \$15,662,000. Petitioner's Exhibit No. 3, Attachment CMB-1, Page 1, Line 17.

As shown in Petitioner's Exhibit No. 3, Attachment CMB-1, Page 1, Line 16, the authorized operation and maintenance expense, excluding fuel cost, for the 12 months ended

August 31, 2022, was \$271,038,000, while the actual operating and maintenance expense, excluding fuel, amounted to \$359,594,000, a difference of \$88,556.

Based on the evidence, the Commission finds Petitioner has met the requirement of Ind. Code § 8-1-2-42(d)(2) that increases in fuel costs have not been offset by decreases in other operating expenses.

5. Return Earned (Ind. Code § 8-1-2-42(d)(3)). Subject to Ind. Code § 8-1-2-42.3, Ind. Code § 8-1-2-42(d)(3) requires the Petitioner to demonstrate that the requested FAC will not result in the electric utility earning a return in excess of the applicable authorized return. Should the FAC result in Petitioner earning a return in excess of the applicable authorized return, the Commission must, in accordance with the provisions of Ind. Code § 8-1-2-42.3, determine if the sum of the differentials between the actual earned return and the authorized return for each of the 12-month periods considered during the relevant period is greater than zero. If the sum is greater than zero, then the Commission shall reduce the FAC. Ind. Code § 8-1-2-42.3(b).

The authorized return from Cause No. 43839 applicable in this Cause is \$94,450,297. The Commission's Orders in Cause Nos. 44910, 45052, and 44909 including sub-dockets, authorized a return of \$25,338,019. The proration for purposes of this FAC is determined on a daily basis as shown in Petitioner's Exhibit No. 3, Attachment CMB-3 (Cause No. 44910 TDSIC 8 of \$3,263,182, Cause No. 44910 TDSIC 9 of \$7,788,096, Cause No. 44910 TDSIC 10 of \$4,762,942, Cause No. 45052 ECA 1 of \$391,113, Cause No. 45052 ECA 2 of \$8,347,908, Cause No. 45052 ECA 3 of \$27,200, Cause No. 44909 CECA 3 of \$574,833, and Cause No. 44909 CECA 4 of \$182,746). Therefore, Petitioner's authorized return for this FAC proceeding is \$119,788,316. Petitioner's Exhibit No. 3, Attachment CMB-1, Page 1, Line 15 shows net electric operating income applicable to retail customers for the 12 months ended August 31, 2022, of \$96,542,000. Petitioner based its net operating income on its actual financial statements for this period.

Petitioner did not exceed its authorized return in the current period as reflected in Petitioner's Exhibit No. 3, Attachment CMB-2, Line 1. In accordance with Ind. Code § 8-1-2-42.3, a refund is only appropriate if the sum of the differentials (both positive and negative) between the determined return and the authorized return during the relevant period is greater than zero. The overall earnings bank (sum of the differentials) for the relevant period is a negative \$ 316,252,882.

6. Estimation of Fuel Cost (Ind. Code § 8-1-2-42(d)(4)). Ind. Code § 8-1-2-42(d)(4) sets forth an additional requirement that must be found in order for an electric utility to recover its requested FAC. Specifically, it requires a finding that a utility's estimate of its prospective average fuel costs for each month of the estimated three calendar months is reasonable after taking into consideration the actual fuel costs experienced and the estimated fuel costs for the three calendar months for which actual fuel costs are available.

Petitioner estimates that its prospective fuel cost for the months of February 2023, March 2023, and April 2023 ("Estimation Period") will be \$29,006,470, as shown on Petitioner's Exhibit No. 2, Attachment RMW-2, Schedule 1, Line 24. Petitioner estimated its weighted average fuel cost for the Reconciliation Period would be \$0.026980 per kWh supply, as shown on Petitioner's Exhibit No. 2, Attachment RMW-2, Schedule 5, Page 4, Line 31. The actual weighted average fuel

cost experienced for this three-month period was \$0.041055 per kWh supply. Thus, the actual weighted average exceeded the estimated amount by \$0.014075 per kWh or 34.28%, as reflected in Petitioner's Exhibit No. 2, Attachment RMW-2, Schedule 5, Page 4, Line 32.

Mr. Wilhelmus explained that this large deviation between the estimated average cost and actual average cost of fuel supplied for the reconciliation period was primarily driven by volatility in fuel costs coupled with a significant increase in purchased power from the MISO network due to the unexpected outage of Culley Unit 3. He added that CEI South's combustion turbine generators were economically dispatched more than what was forecasted.

Based on the evidence presented, the Commission finds that Petitioner's estimating techniques are reasonable, and its estimates for the Estimation Period should be accepted.

7. Actual Incremental Fuel Cost/Actual Incremental Fuel Clause Revenue.

During the Reconciliation Period, Petitioner's actual incremental cost of fuel incurred was \$8,253,611, but its actual incremental fuel adjustment clause revenues to be reconciled with this amount equaled negative \$9,663,139, resulting in an under-recovery for the Reconciliation Period, in the amount of \$17,916,750 as reflected in Petitioner's Exhibit No. 2, Attachment RMW-2, Schedule 4, Pages 1-3, Line 6. Petitioner's reconciliation of the actual incremental fuel cost and the collected fuel costs for the Reconciliation Period is proper and when combined with the Estimation Period, assures that Petitioner is reconciling actual fuel costs applicable to kWh sales.

8. Resulting Fuel Cost Adjustment. The estimated cost of fuel supplied for the Estimation Period in this filing, in the amount of \$0.026315 per kWh as reflected in Petitioner's Exhibit No. 2, Attachment RMW-2, Schedule 1, Line 25, plus the variance of \$0.017638 per kWh (*Id.* at Line 29), yields an adjusted cost of fuel supplied of \$0.043953 per kWh (*Id.* at Line 30). Adjustments for system losses are applied to the rate schedules based on voltage-level losses, as approved in Cause No. 43839.

The OUCC's Witness Mr. Guerrettaz testified that purchased power prices were high during the months of June–August 2022. Mr. Guerrettaz stated the higher power prices affected the weighted average deviation for the three-month reconciliation period, resulting in an overall 34.28% deviation. As such, Mr. Guerrettaz testified that the OUCC believes a variance of this magnitude should be spread over two FACs (six months). Mr. Guerrettaz and Mr. Eckert requested that the Commission approve fuel cost factors as calculated by Mr. Guerrettaz, which would spread the current under-recovery variance over two FAC periods, resulting in a retail variance charge of \$0.008819 per kWh and cost of fuel supplied of \$0.035134 per kWh. The OUCC filed 187 consumer comments (Public Exhibit 3) stating concerns by CEI South's customers over the proposed increase in this case.

In rebuttal, CEI South Witness Wilhelmus testified that CEI South's residential electric bills currently include a \$7.49 credit (based on 1,000 kWh per month usage) approved in the Commission's October 26, 2022, Order in Cause No. 43406 RCRA 20. Mr. Wilhelmus further testified that Petitioner expects to also have under-recovery variances in upcoming FAC filings in addition to higher-than-average fuel and purchased power costs. Accordingly, Mr. Wilhelmus stated Petitioner does not believe spreading the variance from this FAC over two FAC periods is

in customers' long-term best interest. However, Mr. Wilhelmus stated that if the Commission agrees with the OUCC's recommendation, CEI South would not oppose that decision.

Based on the foregoing evidence, the Commission finds the variance for the months of June 2022, July 2022, and August 2022 should be recovered over the upcoming three-month FAC period. We are concerned that should CEI South have under-recovery variances in its upcoming FAC 138 filing, as CEI South anticipates, the under-recovered and deferred variance for the months of June through August 2022 will only serve to increase the impact on customers. The following table illustrates the calculation of the FACs for the voltage-level groups based on their estimated loss percentages and spreading the under-recovery variance over a single FAC (three months).

	<u>RS, B, SGS, OSS, SL, OL</u>	<u>DGS</u>	<u>LP</u>	<u>HLF</u>	<u>Special Contracts</u>
Cost of Fuel Supplied	43.953	43.953	43.953	43.953	26.904
Estimated Loss %	7.246207%	7.225868%	4.707482%	1.858549%	1.179326%
Fuel Cost Adjusted for Losses	47.387	47.376	46.124	44.785	27.225
Estimated Cost of Company Use	0.068	0.068	0.068	0.068	0.068
Total Estimated Cost of Fuel (mills/kWh Sold)	47.455	47.444	46.192	44.853	27.293
Less Base Cost of Fuel Included in Rates (mills/kWh Sold)	38.295	38.275	37.123	35.883	
Fuel Cost Charge per kWh sold (mills/kWh Sold)	9.160	9.169	9.069	8.970	27.293

The FACs shown above will be applied to the usage billed by Petitioner during the Estimation Period.

9. Effect on Customers. Based on CEI South's filing and spreading the retail variance over a single FAC period, a residential customer using 1,000 kWh per month will experience an increase of \$13.20 on his or her electric bill for the Estimation Period compared to the factor presently approved (excluding various tracking mechanisms and sales tax).

10. Interim Rates. The rates approved herein are interim and subject to refund pending final resolution of Cause No. 38708 FAC 137 S1.

11. Confidential Information. On November 16, 2022, Petitioner filed a motion seeking a determination that designated confidential information involved in this proceeding be exempt from public disclosure under Ind. Code § 8-1-2-29 and Ind. Code ch. 5-14-3. The request

was supported by the affidavit of Wayne D. Games, asserting that a portion of his testimony, later admitted into evidence as Petitioner's Exhibit No. 1C, contained trade secret information within the scope of Ind. Code § 5-14-3-4(a)(4) and Ind. Code § 24-2-3-2. On December 6, 2022, the Presiding Officers issued a docket entry finding such information confidential on a preliminary basis, and on that same day, Petitioner submitted its designated confidential information.

After reviewing the designated confidential information, we find all such information qualifies as confidential information pursuant to Ind. Code § 5-14-3-4(a)(3) and (4) and (b)(19). The components of this information either (1) have independent economic value from not being generally known or readily ascertainable by proper means, about which Petitioner has taken reasonable steps to maintain the secrecy of the information and the disclosure of such information would cause harm to Petitioner, (2) are required to be kept confidential by federal law as critical infrastructure information, or (3) include infrastructure records that disclose the configuration of critical infrastructure or electrical systems.

Therefore, we affirm the preliminary ruling and find this information should be exempted from the public access requirements contained in Ind. Code ch. 5-14-3 and Ind. Code § 8-1-2-29 and held confidential and protected from public disclosure by this Commission.

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

1. CEI South's fuel cost factors set forth in Finding Paragraph No. 8 are approved on an interim, subject to refund basis pending final resolution of Cause No. 38708 FAC 137 S1.
2. Prior to implementing the rates authorized herein, CEI South shall file the tariff and applicable rate schedules under this Cause for approval by the Commission's Energy Division. Such rates shall be effective on or after the date of approval subject to Division review and agreement with the amounts reflected.
3. Consistent with the recommendations of the OUCC, CEI South shall continue to provide inputs to its coal inventory calculation and update the Commission; update regarding Petitioner's 2022 and 2023 projected coal burn and coal purchases, and coal inventory; update the OUCC with detailed information on any potential coal or transport contract amendments or price changes; and provide testimony describing the impact that Petitioner's fuel inventory strategy may have on its customers. CEI South shall continue to provide testimony regarding its natural gas hedges for the forecast period and how the strategy evolves. CEI South shall also file testimony, schedules, and workpapers to justify any actual or anticipated need for coal decrement pricing in future FAC filings.
4. The material submitted to the Commission under seal is determined to be confidential under Ind. Code ch. 5-14-3 and exempted from the public access requirements of Ind. Code § 8-1-2-29.
5. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, KREVDA, VELETA, AND ZIEGNER CONCUR:

APPROVED: JAN 25 2023

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

**Dana Kosco
Secretary of the Commission**