

**TESTIMONY OF KRISTA K. MARKEL**  
**ACCOUNTING MANAGER II**  
**DUKE ENERGY BUSINESS SERVICES LLC**  
**ON BEHALF OF**  
**DUKE ENERGY INDIANA, LLC**  
**CAUSE NO. 38707-FAC140**  
**BEFORE THE INDIANA UTILITY REGULATORY COMMISSION**

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Krista K. Markel, and my business address is 525 S. Tryon Street,  
4 Charlotte, NC 28202.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed as Accounting Manager II by Duke Energy Business Services  
7 LLC, a service company subsidiary of Duke Energy Corporation and a non-utility  
8 affiliate of Duke Energy Indiana, LLC (“Duke Energy Indiana” or “Company”).

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND**  
10 **AND BUSINESS EXPERIENCE.**

11 A. I received a Bachelor’s Degree in Accounting and Marketing from Carthage  
12 College in 2002. I started full time with Duke Energy Business Services, LLC in  
13 2013 working in Wholesale and Asset Accounting and assumed my role as  
14 Accounting Manager II in 2021.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. The purpose of my testimony is two-fold: (1) to provide an overview of the  
2 Midcontinent Independent System Operator, Inc. ("MISO") settlements process  
3 for those charges and credits that Duke Energy Indiana incurs as a result of its  
4 participation in MISO's day-ahead and real-time electric energy and ancillary  
5 services markets; and (2) to describe how Duke Energy Indiana diligently  
6 monitors such charges and credits and takes actions to assure that such charges  
7 and credits are accurate.

8 **II. MISO SETTLEMENTS PROCESS**

9 **Q. MS. MARKEL, ARE YOU FAMILIAR WITH THE SETTLEMENTS**  
10 **PROCESS UTILIZED BY MISO TO SETTLE CHARGES AND CREDITS**  
11 **WITH THE COMPANY?**

12 A. Yes. As Accounting Manager, I share responsibility for verifying the accuracy of  
13 the charges and credits applicable to Duke Energy Indiana as a participant in the  
14 MISO markets. I also share responsibility for disputing any errors related to  
15 MISO's settlement of those charges and credits pursuant to MISO's dispute  
16 resolution procedures.

17 **Q. PLEASE GENERALLY DESCRIBE THE SETTLEMENTS PROCESS**  
18 **UTILIZED BY MISO TO SETTLE CHARGES AND CREDITS WITH**  
19 **THE COMPANY.**

20 A. The Company retrieves from the MISO website portal a settlement statement for  
21 each operating day for its participation in the energy and ancillary services  
22 markets that sets forth day-ahead market charges and credits, real-time market

1 charges and credits, and charges and credits related to Financial Transmission  
2 Rights (“FTRs”). Charges and credits applicable to Duke Energy Indiana are set  
3 forth separately on those settlement statements. The settlement statements set  
4 forth each charge type along with the underlying billing determinants used to  
5 calculate the charge. MISO’s settlements process is described in detail in MISO’s  
6 *Business Practices Manual for Market Settlements*, which is available at  
7 [https://www.misoenergy.org/legal/rules-manuals-and-agreements/business-](https://www.misoenergy.org/legal/rules-manuals-and-agreements/business-practice-manuals/)  
8 [practice-manuals/](https://www.misoenergy.org/legal/rules-manuals-and-agreements/business-practice-manuals/).

9 **Q. WHAT IS THE TIMELINE FOR ISSUANCE OF THE MISO**  
10 **SETTLEMENT STATEMENTS?**

11 A. Charges and credits for the day-ahead market, the real-time market (for both  
12 energy and ancillary services), and FTRs are settled for each operating day a  
13 minimum of four times. MISO issues a preliminary settlement statement  
14 (commonly referred to as the “S7”) for an operating day seven calendar days after  
15 that operating day. Market participants are expected to verify the accuracy of the  
16 S7 prior to the issuance of the second settlement statement, which is issued 14  
17 calendar days after the operating day (commonly referred to as the “S14”). The  
18 S14 fully recalculates the charges and credits for the applicable operating day and  
19 displays differences between the charges and credits as calculated on the  
20 applicable S7. Additional settlement statements that again fully recalculate an  
21 operating day’s charges and credits are issued 55 and 105 days after the operating

1 day to reflect updates to meter data submitted by market participants. Those  
2 settlement statements are referred to as the “S55” and “S105,” respectively.

3 As mentioned above, I share responsibility for verifying the accuracy of  
4 the charges and credits set forth on all of the settlement statements described  
5 above that are applicable to the Company and, if necessary, disputing any errors  
6 pursuant to MISO’s dispute resolution procedures. As a general rule, the further  
7 out in time that a daily settlement statement is issued from the trading date in  
8 question, the fewer the changes from the previous settlement statement for the  
9 same trading date. However, regardless of the timing of the issuance of the  
10 statement, every daily settlement statement received from MISO pertaining to  
11 Duke Energy Indiana is reviewed utilizing the computer software tools described  
12 below.

13 **Q. HOW DOES THE COMPANY VERIFY THE ACCURACY OF THE MISO**  
14 **SETTLEMENT STATEMENTS FOR THE ENERGY AND ANCILLARY**  
15 **SERVICES MARKETS?**

16 A. Trading information for each trading day is input into a software program (called  
17 “CXL”) on behalf of the Company. The Company data is then compared with the  
18 applicable MISO settlement statement for discrepancies. Duke Energy Indiana  
19 utilizes sophisticated software tools to essentially “shadow” the MISO settlements  
20 systems and verify the charges and credits that appear on MISO’s settlement  
21 statements and invoices. The primary tool utilized is Adapt 2.

1           Using this tool, analysts in the Settlements group are able to download  
2           MISO settlements data and perform a detailed comparison by charge type and  
3           charge component against Duke Energy Indiana's internal data. The tool  
4           highlights discrepancies that are immediately corrected or disputed depending on  
5           the source of the error. For charges and credits that are based solely on Duke  
6           Energy Indiana data, analysts can identify errors at the lowest level of granularity.

7           The ancillary services market started on January 6, 2009. The Company  
8           continues to use the same processes and tools to settle the charges and credits  
9           under the ancillary services markets as it does with the energy markets.

10   **Q.    ARE THERE EVER ANY CHARGES OR CREDITS IN THE MISO**  
11   **SETTLEMENT STATEMENTS THAT ARE DISPUTED BY DUKE**  
12   **ENERGY INDIANA?**

13   A.    Yes, there are. Because changes in what one market participant in MISO pays or  
14           receives can affect what another market participant pays or receives, disputes  
15           frequently give rise to changes in the daily settlement statements for a particular  
16           day, such as changes between the S55 and S105 statement dates. Because market  
17           participants have up to 120 days from the operating day to submit disputes,  
18           sorting out the net result for all interested parties with respect to these charges can  
19           take some time.

20   **Q.    HOW WILL THE RESOLUTION OF DISPUTED CHARGES AND**  
21   **CREDITS BE REFLECTED IN FUTURE FUEL COST ADJUSTMENT**  
22   **FILINGS?**

1 A. Given the extended period of the settlements process, adjustments to charges and  
2 credits incurred during a particular period may not be known or reflected in the  
3 Company's books and records at the time of the quarterly fuel cost adjustment  
4 filing for that period. Indeed, adjustments could occur even after the S105 is  
5 issued. Consequently, it would be impractical to retroactively apply the effects of  
6 settlement statement adjustments to past customer bills. For those reasons,  
7 settlement statement adjustments that affect the cost of fuel or purchased power  
8 are reflected as soon as practicable in a subsequent fuel cost adjustment filing.

9 **Q. HAVE THERE BEEN ANY CHANGES IN SETTLEMENT STATEMENTS**  
10 **FROM MISO IN RECENT MONTHS THAT IMPACT THE OUCC'S**  
11 **AUDIT OF THE COMPANY'S PROPOSED FUEL COST ADJUSTMENT**  
12 **FACTOR?**

13 A. No.

14 **Q. ARE YOU AWARE OF ANY NEW MISO CHARGE TYPES**  
15 **INTRODUCED BY MISO THAT MAY IMPACT THE FUEL**  
16 **ADJUSTMENT FACTOR IN THIS PROCEEDING?**

17 A. No.

18 **Q. ARE THERE ANY CHANGES WITH THIS FAC?**

19 A. No.

20 **Q. WHY IS THE COMPANY INCLUDING PJM INTERCONNECTION LLC**  
21 **("PJM") SETTLEMENT STATEMENTS IN THE FAC?**

1 A. In Cause No. 45253, the Commission approved the inclusion of PJM charges and  
2 credits related to its Madison Generating Station in the Company's FAC Rider, its  
3 RTO Rider, or Rider 70, as appropriate.

4 **Q. PLEASE GENERALLY DESCRIBE THE SETTLEMENTS PROCESS**  
5 **FOR PJM TO SETTLE CHARGES AND CREDITS WITH THE**  
6 **COMPANY.**

7 A. The Company retrieves from the PJM website the weekly and monthly invoices.  
8 The process is similar to MISO where trading information for each trading day is  
9 input into a software program (as mentioned above, called "CXL") on behalf of  
10 the Company. The Company data is then compared with the PJM invoices for  
11 discrepancies.

12 **Q. WHAT IS THE TIMELINE FOR ISSUANCE OF THE PJM INVOICES?**

13 A. Duke Energy Indiana receives weekly invoices on Tuesdays for the previous  
14 Thursday-Wednesday operating days. For example, on October 20<sup>th</sup>, the  
15 Company received an invoice for operating days of October 8<sup>th</sup> – October 14<sup>th</sup>.  
16 The Company then receives a monthly invoice on the fifth business day of the  
17 next month.

18 **Q. HOW DOES THE COMPANY VERIFY THE ACCURACY OF THE PJM**  
19 **INVOICES?**

20 A. Duke Energy Indiana utilizes sophisticated software tools to essentially "shadow"  
21 the PJM settlements systems and verify the charges and credits that appear on the  
22 PJM invoices. The primary tool utilized is Adapt2.

1           Using this tool, analysts in the Settlements group can download PJM  
2 settlements data and perform a detailed comparison by charge type and charge  
3 component against Duke Energy Indiana's internal data. The tool highlights  
4 discrepancies that are immediately corrected or disputed depending on the source  
5 of the error. For charges and credits that are based solely on Duke Energy Indiana  
6 data, analysts can identify errors at the lowest level of granularity.

7                                   **III. CONCLUSION**

8   **Q.   ARE YOU CONFIDENT THAT THE AMOUNTS PAID BY DUKE**  
9       **ENERGY INDIANA TO MISO AND PJM, NET OF ANY CREDITS, ARE**  
10      **PROPER AND THAT SUCH AMOUNTS BILLED TO CUSTOMERS**  
11      **THROUGH THE FUEL ADJUSTMENT CLAUSE ARE PROPER?**

12   A.   Yes. I am confident that, at the conclusion of the process for any particular trading  
13       day, the amount paid on behalf of the Company to MISO and PJM will be proper.

14   **Q.   DOES THAT CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

15   A.   Yes, it does.



## VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Signed: Krista K Markel  
Krista K. Markel

Dated: April 30, 2024