

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC PURSUANT)
TO IND. CODE §§ 8-1-2-42.7 AND 8-1-2-61, FOR (1))
AUTHORITY TO MODIFY ITS RATES AND CHARGES FOR)
ELECTRIC UTILITY SERVICE THROUGH A MULTI-STEP)
RATE IMPLEMENTATION OF NEW RATES AND CHARGES)
USING A FORECASTED TEST PERIOD; (2) APPROVAL OF)
NEW SCHEDULES OF RATES AND CHARGES, GENERAL)
RULES AND REGULATIONS, AND RIDERS; (3) APPROVAL)
OF REVISED ELECTRIC DEPRECIATION RATES)
APPLICABLE TO ITS ELECTRIC PLANT IN SERVICE, AND)
APPROVAL OF REGULATORY ASSET TREATMENT UPON)
RETIREMENT OF THE COMPANY'S LAST COAL-FIRED)
STEAM GENERATION PLANT; (4) APPROVAL OF AN)
ADJUSTMENT TO THE COMPANY'S FAC RIDER TO TRACK)
COAL INVENTORY BALANCES; AND (5) APPROVAL OF)
NECESSARY AND APPROPRIATE ACCOUNTING RELIEF,)
INCLUDING AUTHORITY TO: (A) DEFER TO A)
REGULATORY ASSET EXPENSES ASSOCIATED WITH THE)
EDWARDSPORT CARBON CAPTURE AND)
SEQUESTRATION STUDY, (B) DEFER TO A REGULATORY)
ASSET COSTS INCURRED TO ACHIEVE ORGANIZATIONAL)
SAVINGS, AND (C) DEFER TO A REGULATORY ASSET OR)
LIABILITY, AS APPLICABLE, ALL CALCULATED INCOME)
TAX DIFFERENCES RESULTING FROM FUTURE CHANGES)
IN INCOME TAX RATES.)

CAUSE NO. 46038

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC'S EXHIBIT NO. 2

PUBLIC REDACTED TESTIMONY OF OUCC WITNESS MARK E. GARRETT

July 11, 2024

Respectfully submitted,

Thomas R. Harper
Atty. No. 16735-53
Deputy Consumer Counselor

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I. INTRODUCTION AND PURPOSE OF TESTIMONY

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Mark E. Garrett. My business address is 4028 Oakdale Farm Circle, Edmond,
3 Oklahoma 73013.

4
5 **Q: WHAT IS YOUR PRESENT OCCUPATION?**

6 A: I am the President of Garrett Group Consulting, Inc., a firm specializing in public utility
7 regulation, litigation and consulting services.

8
9 **Q: WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND
10 AND YOUR PROFESSIONAL EXPERIENCE RELATED TO UTILITY
11 REGULATION?**

12 A: I received my bachelor's degree from The University of Oklahoma and completed post
13 graduate hours at Stephen F. Austin State University and the University of Texas at
14 Arlington and Pan American. I received my juris doctorate degree from Oklahoma City
15 University Law School and was admitted to the Oklahoma Bar in 1997. I am a Certified
16 Public Accountant licensed in the States of Texas and Oklahoma with a background in
17 public accounting, private industry, and utility regulation. In public accounting, as a staff
18 auditor for a firm in Dallas, I primarily audited financial institutions in the State of Texas.
19 In private industry, as controller for a mid-sized corporation in Dallas, I managed the
20 company's accounting function, including general ledger, accounts payable, financial
21 reporting, audits, tax returns, budgets, projections, and supervision of accounting

1 personnel. In utility regulation, I served as an auditor in the Public Utility Division of the
2 Oklahoma Corporation Commission (“Corporation Commission”) from 1991 to 1995. In
3 that position, I managed the audits of major gas and electric utility companies in
4 Oklahoma.

5 Since leaving the Corporation Commission, I have worked on numerous rate cases
6 and other regulatory proceedings on behalf of various consumers, consumer groups, public
7 utility commission staffs, and attorney general’s offices. My clients primarily include
8 industrial customers, hospitals and hospital groups, universities, municipalities, and large
9 commercial customers. I have also testified on behalf of the commission staff in Utah and
10 the offices of attorneys general in Oklahoma, Washington, Nevada, and Florida. I have
11 also served as a presenter at the NARUC subcommittee on Accounting and Finance on the
12 issue of incentive compensation, and as a regular instructor at the New Mexico State
13 University’s Center for Public Utilities course on basic utility regulation.

14
15 **Q: HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS ON**
16 **UTILITY RATES?**

17 **A:** Yes. I have provided testimony before the public utility commissions in the states of
18 Alaska, Arizona, Arkansas, Colorado, Florida, Indiana, Massachusetts, Nevada, New
19 Mexico, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, and Washington. My
20 qualifications were accepted in each of those states. A description of my qualifications
21 and a list of the proceedings in which I have been involved are attached as Attachment
22 MEG-1.

1 **Q: ON WHOSE BEHALF ARE YOU APPEARING IN THESE PROCEEDINGS?**

2 A: I am appearing on behalf of the Indiana Office of Utility Consumer Counselor (“OUCC”).

3

4 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 A: The purpose of my testimony is to address various revenue requirement issues identified
6 in the rate case application filed by Duke Energy Indiana, LLC (“Duke” or “Company”).

7 In my testimony, I provide recommendations and adjustments to the Company’s requested

8 revenue requirement. My adjustments include several recommendations for the sharing

9 of certain costs between ratepayers and shareholders, rather than recovering them solely

10 from ratepayers. I sponsor the OUCC’s revenue requirement accounting schedules, and

11 my testimony also presents a summary of the adjustments proposed by other OUCC

12 witnesses.

13

14 **Q: PLEASE PROVIDE AN OVERVIEW OF THE COMPANY’S REQUESTED**
15 **REVENUE REQUIREMENT IN THIS APPLICATION.**

16 A: In this filing, Duke is requesting a \$491.5 million increase in rates, which is an overall

17 system increase of 16.2%.¹ The Company is proposing a two-step implementation of the

18 increase to avoid having ratepayers paying for assets that are not yet used and useful.²

19

20 **Q: PLEASE DESCRIBE THE COMPANY’S PROPOSED TIMING OF ITS RATE**

¹ See Petition at p. 7.

² *Id.*

1 **INCREASES.**

2 A: The Company proposes to phase in the rate increases in two steps as follows:

3 Step 1: Step 1 would increase revenue by approximately \$355.4
4 million for plant in-service by June 30, 2024. Step 1 would
5 represent an approximate 12% increase and take effect soon after
6 an order is issued in this case.

7 Step 2: Step 2 would increase rates by another \$136.1 million for
8 plant in-service by the end of the forward looking test year,
9 December 31, 2025. Step 2 represents an additional 4%
10 incremental increase and would take effect as soon as possible after
11 December 31, 2025.

12 Taken together, these two steps will increase rates by 16.2%.

13

14 **Q: PLEASE DESCRIBE THE ACCOUNTING SCHEDULES THAT ACCOMPANY**
15 **YOUR TESTIMONY.**

16 A: The accounting schedules that accompany my testimony present my findings and
17 recommendations and also include the recommendations and proposed adjustments
18 sponsored by other OUCC witnesses. The accounting schedules are presented in two
19 parts, which correspond to the Company's proposed Step 1 and Step 2 revenue
20 requirement calculations. The accounting schedules in Exhibits MEG-2 through MEG-
21 2.13 reflect OUCC adjustments to the combined Step 1 and Step 2 increases. The
22 accounting schedules in MEG-2.14(S1) through MEG-2.20(S1) show the OUCC
23 adjustments to the interim rate increase for the Step 1 accounting period ended June 30,
24 2024.

25

26 **Q: TO THE EXTENT YOU DO NOT ADDRESS A SPECIFIC ITEM OR**

1 **ADJUSTMENT, SHOULD THAT BE CONSTRUED TO MEAN YOU AGREE**
2 **WITH THE COMPANY’S PROPOSAL FOR THAT ITEM?**

3 A: No. Exclusion from my testimony of any specific adjustments or amounts proposed by the
4 Company does not indicate my approval of those adjustments or amounts, but rather, that
5 the scope of my testimony is limited to the specific items addressed herein.

II. REVENUE REQUIREMENT ADJUSTMENTS

II. A. INCENTIVE COMPENSATION EXPENSE ADJUSTMENT

6 **Q: WHAT DID THE COMPANY INCLUDE IN THE REVENUE REQUIREMENT**
7 **FOR INCENTIVE COMPENSATION?**

8 A: Duke included a total of \$29.559 million for incentive compensation in the 2025 revenue
9 requirement but did not identify the breakdown of this amount between long-term stock-
10 based incentives or short-term cash incentives.³

11
12 **Q: WHAT TYPES OF INCENTIVE COMPENSATION PLANS DOES DUKE**
13 **PROVIDE FOR ITS EMPLOYEES?**

³ See Duke’s response to OUCC Data Request (“DR”) 19.5, Attachment 19.10-A.xlsx, which reflects total incentive compensation of \$29.559 million. This is slightly different than Duke’s response to OUCC 3.06 which shows the components of incentive compensation as: Non-Union \$14,266,862 + Union \$2,221,719 + Executive \$13,442,940 = \$29,931,520.

1 A: The Company provides both short-term incentives (“STI”) and long-term incentives
2 (“LTI”) that vary based upon the employees’ positions within the Company.⁴ All
3 employees are eligible for STI.⁵ LTI is limited to employees in leadership positions.⁶
4

5 **Q: PLEASE DESCRIBE THE STI PLAN.**

6 A: The STI plan covers all employees, with union employees being covered by a Union
7 Employee Incentive Plan (“UEIP”).⁷ Each year corporate level goals are set for the non-
8 union employees and are reflected in a corporate scorecard. Separate scorecards are
9 developed for leadership employees and non-leadership employees.⁸ The UEIP awards are
10 based on corporate and business unit goals, including financial results, safety, and
11 customer satisfaction.⁹ The non-union plans are summarized in Table 1 in the Direct
12 Testimony of Shannon A. Caldwell and reproduced below.

⁴ See Petitioner’s Exhibit No.16, Direct Testimony of Shannon A. Caldwell, p. 8, lines 6-16.

⁵ *Id.*, p. 9, lines 7-8.

⁶ *Id.*, p. 9, lines 14-15.

⁷ *Id.*, p. 14, lines 9-12.

⁸ *Id.*, p. 14, line 19 – p. 16, line 6.

⁹ *Id.*, p. 17, lines 15-18.

TABLE 1: SUMMARY 2023 STI PLAN

Goals	Senior Management Committee (SMC) Weight	Leadership (Other than SMC) Weight	Non-Leadership Weight	Payout range
EPS	50%	50%	50%	0-200%
O&M Expense	12.5%	10%	5%	0-175%
Operational Excellence	12.5%	10%	10%	0-175%
CSAT	12.5%	10%	10%	0-175%
Climate	12.5%	N/A	N/A	0-175%
Team	N/A	N/A	25%	0-175%
Individual	N/A	20%	N/A	0-175%

1 As shown in the table above, the Company’s plan goals are defined and weighted for three
2 employment categories: Senior Management Committee (“SMC”), Leadership other than
3 SMC, and Non-Leadership. For every employment category within the STI plan, the
4 earnings per share (“EPS”) metric constitutes 50% of the total incentive compensation
5 goal. Another financially based metric, O&M expense, is weighted between 12.5% to 5%
6 of the total depending on the employment category. O&M Expense is weighted 12.5%
7 for Senior Management Committee (“SMC”) positions, 10% for leadership positions other
8 than SMC, and 5% for non-leadership positions.

9
10 **Q: PLEASE DESCRIBE THE LTI PLANS OFFERED TO LEADERSHIP**
11 **EMPLOYEES.**

12 A: The LTI plans provide stock awards to executive and leadership-level employees.¹⁰ The
13 Executive LTI Plan includes performance shares and Restricted Stock Units (“RSU”).¹¹

¹⁰ *Id.*, p. 21, lines 6-7.

¹¹ *Id.*, p. 22, lines 5-9.

1 Duke’s RSUs are 100% based on Duke’s performance.¹² The performance metrics of
 2 Duke’s Executive Incentive Plan are summarized on Table 2, excerpted from page 25 of
 3 the Direct Testimony of Shannon A. Caldwell, and reproduced below:

TABLE 2: SUMMARY EXECUTIVE INCENTIVE PLAN

Incentive Plan	Incentive Plan Components	Weighting
Executive LTI	Restricted stock units	30%
	Performance shares (70%)	
	• Total Shareholder Return (TSR) relative to that of the companies in the Philadelphia Utility Index	17.5%
	• Cumulative adjusted Earnings Per Share (EPS)	35%
	• Absolute Total Incident Case Rate (TICR)	17.5%
Duke Energy Indiana Executive LTI	Performance Based Restricted stock units (30%)	
	• Regulatory Business Plan	15%
	• Funds from Operations	3%
	• O&M	3%
	• Capital Expenditures	4.5%
	• TICR	4.5%
	Performance shares (70%)	
	• Annual Budget Targets	17.5%
	• Regulatory Filings	31.5%
	• Net Promoter Score	7%
• Composite Net Promoter Score	14%	

4 As shown in this table, Duke’s executive LTI plan is primarily based upon financial
 5 performance metrics, with only a very small proportion of the executive LTI compensation
 6 tied to the Total Incident Case Rate (“TICR”) safety metric.

7 The Company’s second LTI plan (for employees in Leadership positions other than
 8 SMC) is limited to the performance based RSU awards. The metrics of this second RSU
 9 based LTI plan are summarized in Table 3 on page 27 of Ms. Caldwell’s Direct Testimony
 10 as follows.

¹² *Id.*, p. 22, lines 21-22.

TABLE 3: SUMMARY RSU PLAN

Incentive Plan	Incentive Plan Components	Weighting
Other Duke Energy non-executive LTI	Restricted stock units	100%
Duke Energy Indiana non-executive LTI	Performance Based Restricted stock units (100%) <ul style="list-style-type: none">• Regulatory Business Plan• Funds from Operations• O&M• Capital Expenditures• TCR	50% 10% 10% 15% 15%

1 As shown in Table 3, the LTI plan for Leadership RSU awards is based primarily on
2 financial performance measures. Only a small proportion of the plan (15%) is based on
3 the TCR safety metric.

4

5 **Q: WHAT ARE YOUR RECOMMENDATIONS REGARDING DUKE’S INCENTIVE**
6 **COMPENSATION PLANS?**

7 A: First, I recommend that Duke’s proposed total incentive plan cost of \$29.559 million be
8 prorated between its STI and LTI plans based on the actual plan costs for the year ended
9 August 31, 2023.¹³ Second, I recommend that the prorated STI and LTI costs be limited
10 to the plan metrics that directly benefit ratepayers. These two recommendations are
11 explained further in the testimony below.

12

13 **Q: PLEASE EXPLAIN THE RECOMMENDATION TO PRORATE THE**
14 **REQUESTED INCENTIVE LEVELS AMONG THE SHORT-TERM AND LONG-**
15 **TERM INCENTIVE COMPENSATION PLANS.**

¹³ See Duke’s response to OUCC Data Request (“DR”) 19.10, Attachment 19.10-A.xlsx.

1 A: The costs must be apportioned among the various plans because the payment metrics for
2 each plan are different. From a ratemaking perspective, incentive compensation plan
3 metrics that provide benefits to ratepayers are generally includible in rates, such as metrics
4 to promote safety and reliability, while other metrics are not includible in rates, such as
5 metrics to promote shareholder wealth. Therefore, the total requested cost for incentive
6 compensation must be apportioned between the various plans to properly evaluate the
7 incentive award amounts associated with each plan’s specific metrics.

8 Ms. Caldwell explains in her Direct Testimony that the Company’s 2025 plans
9 should be similar to the current plan design.¹⁴ This means a proration of the 2025 plan
10 costs in accordance with the allocation of 2023 plan costs should be acceptable. This
11 proration method results in assigning the total plan cost as follows: 66% to STI, 15% to
12 performance shares, and 19% to RSUs. This proration approach is also very similar to the
13 average percentages for these plans for the five-year period 2019 – 2023, as shown on
14 Exhibit MEG-2.5.

15
16 **Q: PLEASE EXPLAIN YOUR SECOND RECOMMENDATION TO LIMIT**
17 **RECOVERY OF INCENTIVE PLAN COSTS TO ONLY THOSE PLAN METRICS**
18 **THAT BENEFIT RATEPAYERS.**

19 A: Based on a review of the plans, as set forth in the tables above, I recommend that 50% of
20 the STI plan costs be recovered from ratepayers and that shareholders should be
21 responsible for the 50% tied directly to the earnings per share metric. I also recommend

¹⁴ See Direct Testimony of Shannon A. Caldwell, p. 21, lines 3-4 and p. 27, lines 6-7.

1 that 17.5% of the performance shares and 15.0% of the RSUs be included in rates because
2 these are the portions of the LTI plans related to TICR safety metrics. I recommend the
3 remaining 82.5% of the performance shares and 85% of the RSUs, respectively, be paid
4 by shareholders. Finally, I recommend that all of the Company's union incentive plan
5 costs be recovered in rates.

6
7 **Q: WHAT IS THE TOTAL AMOUNT OF THE ADJUSTMENT YOU RECOMMEND**
8 **FOR INCENTIVE COMPENSATION EXPENSE?**

9 A: I recommend the incentive compensation expense be reduced by \$16.9 million. This
10 adjustment is described further below and is set forth on Exhibit MEG-2.5.

11
12 **Q: PLEASE DISCUSS THE COMMISSION'S STANDARD FOR THE RECOVERY**
13 **OF INCENTIVE COMPENSATION COSTS IN RATES.**

14 A: The Commission uses a three-part test for evaluating the amount of incentive
15 compensation cost to be included in rates.¹⁵ The Commission recognized this established
16 standard in Cause No. 42359, stating:

17 The criteria for the recovery of incentive compensation plan costs
18 is well established. We will allow recovery in rates when: (1) the
19 incentive compensation plan is not a pure profit-sharing plan, but
20 rather incorporates operational as well as financial performance
21 goals; (2) the incentive compensation plan does not result in
22 excessive pay levels beyond what is reasonably necessary to attract

¹⁵ *In re Indiana Michigan Power Co.*, Cause No. 45235, Final Order p. 62. (Ind. Util. Regul. Comm'n Mar. 11, 2020).

1 a talented workforce; and (3) shareholders are allocated part of the
2 cost of the incentive compensation programs.¹⁶

3 **Q: HAS THE COMMISSION PREVIOUSLY APPLIED ITS THREE-PART TEST IN**
4 **EVALUATING INCENTIVE COMPENSATION PLANS?**

5 A: Yes. The Commission addressed the recovery of incentive compensation costs in NIPSCO
6 Cause No. 43526. In that case, the Industrial Group witness proposed all of NIPSCO's
7 incentive plan costs be disallowed based on the existence of a financial trigger; however,
8 the Commission determined a 50%-50% sharing of the *target* level of incentive
9 compensation expense was the appropriate treatment, stating:

10 Under our criteria, once an incentive compensation plan is found to
11 provide benefits to shareholders and ratepayers and not be
12 excessive, an appropriate level of costs should be recovered from
13 ratepayers who are benefited by these programs. Mr. Campbell
14 explained that NiSource's shareholders are already allocated a
15 portion of the incentive plan costs *because NIPSCO's adjustment*
16 *only includes incentive compensation at the trigger level which is*
17 *50% below the target amount, leaving shareholders to cover the*
18 *target and stretch levels.* Thus, NIPSCO's adjustment reduces
19 electric test year incentive compensation expense by \$916,264.¹⁷

20 The treatment the Commission adopted included only 50% of the target level in rates. The
21 Commission left the remaining 100% "target" and 150% "stretch" levels to be paid by
22 shareholders, if achieved.

¹⁶ *In re PSI Energy, Inc.*, Cause No. 42359, Final Order p. 89 (Ind. Util. Regul. Comm'n May 18, 2004), ("42359 Order"); *see also, In re S. Ind. Gas and Elec. Co., d/b/a Vectren Energy Delivery of Ind. Inc.*, Cause No. 43839, Final Order p.50 (Ind. Util. Regul. Comm'n Apr. 27, 2011).

¹⁷ *In re N. Ind. Pub. Serv. Co.* ("NIPSCO"), Cause No. 43526, Final Order p. 63 (Ind. Util. Regul. Comm'n Aug. 25, 2010) ("43526 Order") (emphasis added).

1 **Q: DID THE COMPANY FOLLOW THE TREATMENT DESCRIBED IN THE**
2 **COMMISSION’S CAUSE NO. 43526 ORDER?**

3 A: No. In more recent cases, the Commission has approved 100% recovery of incentive
4 compensation costs. In the last litigated I&M rate case,¹⁸ and the last litigated Duke rate
5 case,¹⁹ the Commission allowed recovery of the utilities’ incentive costs. This level of
6 inclusion of incentive costs in rates is unusual when compared with the treatment of these
7 costs in other jurisdictions and is not consistent with the prior treatment of these costs in
8 Indiana. For these reasons, I would ask that the Commission reconsider its recent
9 treatment and find a middle ground that assigns a portion of the incentive compensation
10 costs to shareholders, particularly costs associated with the EPS metric that are directly
11 related to increasing shareholder wealth. To accomplish a reasonable sharing of the
12 incentive plan costs, I recommend the Commission adopt the treatment followed in Cause
13 No. 43526 to allow recovery of 50% of the short-term incentive costs and that portion of
14 long-term incentive costs related to safety measures.

15
16 **Q: DOES THE COMPANY’S PROPOSED RECOVERY OF 100% OF THE**
17 **PROJECTED INCENTIVE COMPENSATION SATISFY THE THREE**
18 **COMPONENTS OF THE COMMISSION’S STANDARD?**

19 A: No. In my view, the Company’s request for full recovery of projected incentives does not
20 constitute a legitimate *sharing* of costs between shareholders and ratepayers as required

¹⁸ *Indiana Michigan Power*, Cause No. 45235, Final Order, p. 63 (Ind. Util. Reg. Comm’n Mar. 11, 2020).

¹⁹ *Duke Energy Indiana*, Cause No. 45253, Final Order p. 104 (Ind. Util. Reg. Comm’n Jun. 29, 2020).

1 by the third prong of the Commission’s standard recognized in Cause No. 42359:

2 The criteria for the recovery of incentive compensation plan costs
3 is well established. We will allow recovery in rates when: (1) the
4 incentive compensation plan is not a pure profit-sharing plan, but
5 rather incorporates operational as well as financial performance
6 goals; (2) the incentive compensation plan does not result in
7 excessive pay levels beyond what is reasonably necessary to attract
8 a talented workforce; and (3) shareholders are allocated part of the
9 cost of the incentive compensation programs.²⁰

10 Moreover, the first prong of the standard clearly disfavors financial-based incentives;
11 therefore, I recommend a sharing be drawn along the same lines as required by the
12 Commission in NIPSCO Cause No. 43526.²¹

13
14 **Q: DO INCENTIVE PLANS WITH SIGNIFICANT FINANCIAL PERFORMANCE**
15 **METRICS PRIORITIZE THE INTERESTS OF SHAREHOLDERS OVER THE**
16 **INTERESTS OF CUSTOMERS?**

17 A: Yes. Plans heavily weighted on EPS targets (such as the Duke plans) provide incentives
18 to maximize shareholders’ earnings. Under the Company’s plans, employees may
19 underperform in operational metrics such as safety or customer satisfaction but still receive
20 significant rewards based on the EPS metric. Conversely, if the EPS metrics are
21 insufficient, the employee awards may be reduced or eliminated entirely, regardless of
22 how well employees may perform in operational metrics. In this manner, the EPS and

²⁰ *In re PSI Energy, Inc.*, Cause No. 42359, Final Order p. 89 (Ind. Util. Regul. Comm’n May 18, 2004), (emphasis added)(“42359 Order”); *see also, In re S. Ind. Gas and Elec. Co., d/b/a Vectren Energy Delivery of Ind. Inc.*, Cause No. 43839, Final Order p. 50 (Ind. Util. Regul. Comm’n Apr. 27, 2011).

²¹ *In re N. Ind. Pub. Serv. Co. (“NIPSCO”)*, Cause No. 43526, Final Order p. 63 (Ind. Util. Regul. Comm’n Aug. 25, 2010) (“43526 Order”).

1 financial performance metrics may control the ultimate payout of the incentive
2 compensation plan.

3
4 **Q: DO FINANCIAL PERFORMANCE METRICS CONTROL THE PAYOUT OF**
5 **THE COMPANY’S INCENTIVE COMPENSATION PLAN?**

6 A: Yes. In response to IG 10.9-A, the Company provided its incentive compensation payouts
7 compared to its annual budgeted levels for the five year period from 2019 - 2023. In 2023,
8 the Company paid substantially less than the amount budgeted for incentive pay.

Table 4: Company’s Actual v. Budgeted 2023 Incentive Compensation Payout²²			
Year	Actual	Budgeted	Difference
2023	\$20,412,107	\$30,004,728	\$(9,592,621)

9 In the footnotes to that data response, the Company explained how its actual payout levels
10 are determined, as follows:

11 Note 1: EPS achievement was between the minimum EPS goal level
12 and the "circuit breaker" level. The EPS circuit breaker is an
13 achievement level between the minimum and target EPS
14 performance level and **is designed to align incentive payouts with**
15 **Duke Energy’s financial performance** during challenging years
16 when financial results need to be taken into consideration for funding
17 incentive payouts. It is applied differently depending on EPS results
18 and the performance level of the other non-EPS goals. In general:

19
20 -- If the minimum EPS goal level is not met, **no STI payout for any**
21 **metric will occur.**

22
23 -- If EPS achievement is below the circuit breaker, **payouts for all**
24 **measures will be reduced and capped at the EPS achievement.**
25

²² See Company’s response to IG 10.9-A.

1 -- If EPS achievement is above the circuit breaker, no adjustments
2 will be made to the scorecard payout.²³

3 In essence, the Company's explanation in Note 1 indicates that the EPS achievement
4 markers are designed to align incentive payments with financial performance. Moreover,
5 if the required levels of earnings are not met, money earmarked for incentive pay can be
6 redirected to help make up the shortfall.

7
8 **Q: FROM A RATEMAKING PERSPECTIVE, WHY IS THIS A CONCERN?**

9 A: A discretionary plan that caps all payout metrics based on EPS performance, or prevents
10 any payout below certain EPS metrics, results in the possibility that amounts collected
11 from ratepayers to make incentive payments to employees instead may be retained by the
12 Company and be diverted to shareholders at the discretion of Company management if
13 earnings are low in a given year. In this instance, \$9.6 million of budgeted incentive pay
14 was diverted to shareholders to make up for weak earnings in 2023. This demonstrates
15 one of the main reasons the costs of discretionary incentive plans tied to financial-
16 performance measures are generally shared between ratepayers and shareholders to some
17 degree in most jurisdictions.

18
19 **Q: ARE THERE OTHER EXAMPLES OF INSTANCES IN WHICH MANAGEMENT**
20 **DIVERTED INCENTIVE PAYMENTS TO SUPPORT EARNINGS?**

21 A: Yes. In 2020, the Company diverted \$11.1 million from incentives to cover other costs in

²³ See Company's response to IG 10.9-A (Emphasis added).

1 an effort to help protect earnings. In response to IG 10.9-A, the Company provided the
2 STI payment results for 2020:

Year	Actual	Budgeted	Difference
2020	\$17,864,155	\$28,985,079	\$(11,120,924)

3 In the footnotes to that data response, the Company explained the reason for the variance
4 between its budgeted incentive compensation and its actual payout level as follows:

5 Note 2: For 2020, Duke Energy responded to the significant
6 challenges faced in 2020 by implementing aggressive cost mitigation
7 efforts while continuing our strong focus on delivering safe and
8 reliable service to our customers. We avoided layoffs, base pay cuts
9 and furloughs that occurred at many other companies. Consistent
10 with prior years, the 2020 **STI Plan allows** the Compensation and
11 People Development Committee, in conjunction with the Incentive
12 Plan Committee and the Senior Management Committee, to use
13 **discretion when determining the incentive payout.** Most employees
14 received 75% of their target payout, and some non-union employees,
15 union craft teammates, and craft frontline supervisors received 85%
16 of their target payout. Executive leadership received the lowest
17 payouts at 51% to 65% of their target payout.²⁵

18 In other words, the Company acknowledges that in 2020 management used its discretion
19 to divert incentive payments away from employees to cover other financial shortfalls in
20 an effort to protect earnings.

21
22 **Q: WHAT WERE THE LONG-TERM INCENTIVE PAYOUTS TO UPPER**
23 **MANAGEMENT AND EXECUTIVE EMPLOYEES DURING 2020 AND 2023?**

²⁴ See Company's response to IG 10.9-A.

²⁵ See Response to IG 10.9-A (Emphasis added).

1 A: The long-term incentive compensation levels were paid in full in both 2020 and 2023.²⁶

2

3 **Q: HOW DO DISCRETIONARY INCENTIVE COMPENSATION PLANS TIED TO**
4 **FINANCIAL PERFORMANCE SPECIFICALLY BENEFIT SHAREHOLDERS?**

5 A: Discretionary plans that are conditioned on meeting predetermined financial goals create
6 uncertainty regarding the actual level of incentive payments from year to year. If rates are
7 established based on 100% of incentive plan levels, but annual plan goals are not met, the
8 incentive payments may be reduced at management’s discretion, and the amounts
9 collected in rates would then be transferred to help with shareholder profits rather than
10 employee compensation. As such, incentive payments embedded in rates can be used to
11 shelter the utility’s shareholders against the risk of earnings erosion.

12 When regulators allow full recovery of incentive plans in rates, those funds are
13 available not only to make incentive payments when financial performance goals are met,
14 but also to supplement earnings in years that a utility’s financial performance falls short.
15 As such, embedded incentive compensation payments can be used as a financial hedge to
16 shelter the financial performance of the company.

17

18 **Q: WHEN REGULATORS EXCLUDE A PORTION OF A UTILITY’S INCENTIVE**
19 **PLAN TIED TO FINANCIAL PERFORMANCE MEASURES, DOES THE**
20 **UTILITY STOP OFFERING INCENTIVE COMPENSATION TO HELP**
21 **ACHIEVE ITS FINANCIAL GOALS?**

²⁶ See Response to IG 10.9-A.

1 A: No. Even though regulators generally disallow incentive compensation tied to financial
2 performance for ratemaking purposes, utilities continue to include financial performance
3 as a key component of their plans. In my opinion, utilities continue to tie incentive
4 payments to financial performance because by doing so they achieve the primary objective
5 of the incentive plans: to increase corporate earnings and, thereby, EPS. However, since
6 the utility retains the increased earnings these plans help achieve, payments for these plans
7 should be made from a portion of these increased earnings, and these plans should not be
8 subsidized by ratepayers.

9
10 **Q: WHY DO YOU SAY THAT REGULATORS GENERALLY DISALLOW**
11 **INCENTIVE COMPENSATION TIED TO FINANCIAL PERFORMANCE?**

12 A: This statement is based on more than 30 years of experience in numerous jurisdictions
13 testifying in regulatory proceedings involving incentive compensation plans. In
14 conjunction with my work in this area, I conducted Incentive Compensation Surveys of
15 the 24 Western States in 2007, 2009, 2011, 2015, and 2018.²⁷ I also survey several states
16 in the Eastern United States. The results of these surveys show that a clear majority of the
17 states surveyed exclude financial incentives. While some states disallow incentive pay
18 using other criteria, none of the jurisdictions surveyed allow full recovery of incentive
19 compensation through rates as a general rule, as shown in Table 4 below:

²⁷ The Garrett Group incentive compensation surveys were telephonic surveys of commission staff responsible for, or with knowledge of, the treatment of incentive compensation in those states. Commission staff responses to survey questions about incentive compensation treatment in each jurisdiction were transcribed, summarized, and returned to the commission staff member for approval.

Table 6: Garrett Group LLC Incentive Survey Results (28 States Surveyed)²⁸			
Incentive Costs Disallowed in Rates	Financial Performance Excluded	Other Sharing Approach	Incentive Plans Not at Issue
Hawaii			
	Arizona		
	Arkansas		
	California		
	Idaho		
	Illinois ²⁹		
	Kansas		
	Kentucky ³⁰		
	Louisiana		
	Michigan ³¹		
	Minnesota		
	Missouri		
	Nebraska		
	Nevada		
	New Mexico		
	North Dakota		
	Oklahoma		
	Oregon		
	South Dakota		
	Texas ³²		
	Utah		
	Washington ³³		
	Wisconsin ³⁴		
	Wyoming		
		Alaska ³⁵	
		Colorado ³⁶	
			Iowa
			Montana

²⁸ This table reflects the responses to the Garrett Group LLC Incentive Compensation Survey, which was last updated in 2018. Although the public utility commissions in some of these jurisdictions may have adopted different approaches in subsequent dockets, the principle that some portion of financial incentives should be disallowed remains the majority rule.

²⁹ See *Commonwealth Edison*, Docket No. 05-0597, pp. 95-97 (affirmed on appeal); *North Shore Gas/Peoples Gas*, Docket Nos. 09-0166 and 09-0167, (affirmed on appeal); and *Illinois-American Water Co.*, Order No. 16-0093, p. 37.

1 As shown in the table above, most states disallow incentive compensation costs tied to
2 financial measures.

3
4 **Q: DO YOU AGREE WITH THE CLAIM THAT INCENTIVE COMPENSATION**
5 **PROGRAMS ARE NECESSARY TO ATTRACT AND RETAIN QUALIFIED**
6 **PERSONNEL TO PROVIDE SAFE AND RELIABLE SERVICE?**

7 A: Not entirely. Utilities often claim their incentive compensation plans are necessary for
8 attracting talent to provide safe and reliable service. However, much of the electricity in
9 this country is provided by municipal electric providers that do not pay short-term
10 incentives, yet they are able to attract talent sufficient to deliver safe and reliable service.³⁷
11 Electric cooperatives also provide a substantial amount of the electricity used in this
12 country but many do so without the use of short-term incentives.³⁸ Likewise, many state-

³⁰ See also KPC 14-00396 20150622_PSC_ORDER, pp. 24-26.

³¹ In the U-20162 Order, the Commission cites Staff's Initial Brief (pp. 67-68) in which Staff lists 11 prior cases in which the Commission disallowed financially-based incentive compensation which does not benefit ratepayers.

³² During the years of the Garrett Group LLC survey, all financial-based incentives were excluded in Texas. In 2023, the legislature passed a statute that allows all market-based incentives, except for the financial-based incentives of executive employees.

³³ Washington has generally excluded a portion of financial-based incentives.

³⁴ See *Northern States Power Co.*, Docket 4220-UR-123, issued December 21, 2017, p. 16.

³⁵ Incentive compensation has not been an issue in the past, partly because most utilities in Alaska are municipalities and co-ops. In one recent case, however, the Commission approved incentives in rates, which may turn out to be an anomaly.

³⁶ Colorado followed the financial performance rule in the past. In one recent case, however, the Colorado Commission approved another approach, which may also be an anomaly.

³⁷ See e.g., Oklahoma Corp. Comm'n, Docket No. PUD 2018-00140, OG&E response to OIEC 9-8.

³⁸ *Id.*

1 run electric systems also provide electric service without the use of short-term incentives,³⁹
2 as do some federally-owned utilities.⁴⁰ So, it is inaccurate to say that incentives are
3 **necessary** for the provision of electric service. Incentives, especially those tied to financial
4 performance, are very useful, however, in helping increase stock prices of investor-owned
5 utilities.

6 The other problem with this argument is that virtually all utilities have the same
7 need to attract qualified employees, but most of these other utilities are **not** recovering the
8 full amount of their incentive pay in rates. Most cooperative and municipal utilities do not
9 offer financial-based incentives, and most investor-owned utilities have their financial-
10 based incentives excluded for ratemaking purposes.

11
12 **Q: ARE YOU RECOMMENDING DUKE ELIMINATE ITS SHORT-TERM**
13 **INCENTIVES?**

14 **A:** No. The question for ratemaking purposes is not whether the utility should offer short-
15 term incentives to its employees; the question is, who should pay for these. My point is
16 that the metrics of many incentive compensation plans are focused more heavily on
17 increasing shareholder wealth than on enhancing the safety and reliability of their electric
18 service. The consensus view is that financial-based incentives benefit shareholders more
19 than they do ratepayers and, as a result, should be paid for by the shareholders.

20

³⁹ *Id.*

⁴⁰ *Id.*

1 **Q: WHAT ADJUSTMENTS DO YOU RECOMMEND?**

2 A: For short-term incentive compensation, I recommend the Commission adopt the treatment
3 used in NIPSCO's Cause No. 43526, a **50% - 50% sharing approach**, which allocates the
4 annual incentive plan costs evenly between shareholders and ratepayers. A 50% -50%
5 sharing approach is a reasonable approach that recognizes the Company's plan is based on
6 both financial and operational performance measures and that it benefits both shareholders
7 and ratepayers.

8 For long-term stock-based incentive compensation to executives and select
9 employees in leadership positions, I recommend the portion of their stock-based payments
10 related to safety measures be included in rates. In many jurisdictions, stock-based LTI is
11 excluded from rates entirely. My approach, however, allows a portion of LTI to be
12 included in rates in recognition of the Commission's third prong that requires a sharing of
13 incentive costs. My adjustments reduce the Company's requested \$29.6 million total
14 incentive compensation to \$12.7 million, an adjustment of \$16.9 million as set forth in
15 Exhibit MEG-2.5.

II. B. OTHER POST RETIREMENT BENEFITS EXPENSE

16 **Q: PLEASE EXPLAIN THE COMPANY'S PROPOSED TREATMENT OF OTHER**
17 **POST RETIREMENT BENEFITS ("OPRB").**

18 A: Duke has a post-retirement benefit plan covering legacy employees.⁴¹ The Company
19 established a Grantor Trust for these benefits as a result of a Commission order requiring

⁴¹ See Direct Testimony of Shannon A. Caldwell, p. 33, lines 16-19.

1 the trust be established as a condition to use accrual accounting for the OPRB expenses
2 being recovered in base rates.⁴² The Grantor Trust is expected to exceed future benefit
3 payments so Duke is proposing to refund \$75 million of the trust balance to ratepayers
4 over a two year period. The Company is also proposing to eliminate the negative expense
5 of the OPRB of \$5.85 million.

6
7 **Q: DO YOU AGREE WITH THE COMPANY'S PROPOSAL TO BOTH REFUND**
8 **PART OF THE EXCESS TRUST BALANCE AND TO RESET THE OPRB**
9 **EXPENSE TO ZERO?**

10 A: I agree with the Company's proposal to refund the excess trust balance through a rider
11 over a two-year period; however I disagree with eliminating the OPRB expense credit
12 because the refund will not necessarily eliminate the trust earnings in excess of the plan's
13 cost. The Company only proposed to refund approximately half of the excess trust
14 balance.⁴³ This is not likely to eliminate the net negative cost of the trust.

15
16 **Q: WHAT IS YOUR PROPOSAL FOR THE OPRB EXPENSES, THE PARTIAL**
17 **TRUST REFUND, AND THE PROPOSED REFUND RIDER?**

18 A: I recommend the \$5.85 million negative expense be restored, the partial refund be
19 distributed to ratepayers over a two-year period, and the costs and refunds be reviewed

⁴² *Id.*, p. 34, l. 22 – p. 35, l. 11.

⁴³ *Id.*, p. 48, line 18 – p. 49, line 3.

1 and trued up at the end of the two-year period. This will protect the Company and its
2 ratepayers from the eventual over or under recovery of these costs and benefits.

3
4 **Q: WHAT IS YOUR PROPOSED ADJUSTMENT TO RESTORE THE NON-**
5 **SERVICE COST EXPENSE CREDIT IN THE REVENUE REQUIREMENT?**

6 A: The adjustment to restore the OPRB expense reduces pension and benefits expense by
7 \$5.85 million. This adjustment is set forth on Exhibit MEG-2.10.

II. C. INDUSTRY ASSOCIATION DUES

8 **Q: IS DUKE SEEKING TO RECOVER INDUSTRY ASSOCIATION DUES FROM**
9 **RATEPAYERS IN THIS PROCEEDING?**

10 A. Yes. Duke requests recovery of \$430,000 in industry association membership dues
11 incurred by or allocated to the Company during the test year.⁴⁴

12
13 **Q. PLEASE DESCRIBE THE ISSUE REGARDING UTILITY COMPANIES**
14 **SEEKING TO RECOVER INDUSTRY ASSOCIATION DUES IN RATES.**

15 A. In recent years, a number of regulatory commissions and legislators across the country
16 have raised legitimate concerns that more stringent protections are needed to stop utilities
17 from passing along the costs of political activities and industry self-promotion to their
18 captive utility customers.⁴⁵ An article published August 23, 2023, by the Energy and

⁴⁴ Petitioner’s Exhibit 26, Attachment 26-C, Schedule OM1, line 177.

⁴⁵ See e.g., Joseph, Brian, “State Lawmakers Look to Keep Utilities Out of Politics, LexisNexis State Net Insights, Mar. 18, 2024.

1 Policy Institute, discussed regulatory and legislative efforts to increase transparency and
2 fairness to utility customers regarding utility industry association dues.⁴⁶ The article
3 stated:

4 Regulated utilities have every right to engage in outreach to
5 influence public opinion on political issues. Presumptively,
6 however, they do not have the right to pass through the costs of this
7 outreach to their customers' bills," said Commissioner Allison
8 Clements at the time. "At a minimum it is a good housekeeping
9 exercise to ensure that customers are not inappropriately left footing
10 the bill for their utility providers' political aims simply because they
11 were taken on by a trade association instead of the regulated entities
12 themselves.⁴⁷

13
14 There is a growing sense that regulators should limit recovery of industry association
15 dues so these expenses are paid by investors rather than captive customers.

16 [N]othing keeps the monopoly from spending money on First
17 Amendment protected speech, including lobbying legislators and
18 related public-relations activities, but its investors should pay those
19 costs, not captive customers. That is the issue implicated by this
20 NOI, which seeks to better understand whether costs permitted to
21 be "above the line" (chargeable to customers) and those required to
22 be "below the line" (chargeable to investors) for privately-owned
23 companies are being treated as such on a transparent and consistent
24 basis.⁴⁸

25 The concern is industry associations, such as the Edison Electric Institute ("EEI"), use
26 significant portions of member utilities' dues to engage in political activities, lobbying
27 efforts, and other promotion of the electric industry that are not necessarily in customers'
28 interests.

⁴⁶ Kasper, Mark "Legislation Introduced by Rep. Kathy Castor Instructs FERC to Ban Utilities from Using Ratepayer Dollars for Political Activities," Energy and Policy Institute (Aug. 2, 2023).

⁴⁷ *Id.*

⁴⁸ *Id.*

1 **Q. IS IT CLEAR HOW MUCH OF THE ANNUAL MEMBERSHIP DUES ARE**
2 **SPENT TO INFLUENCE LEGISLATION AND PROMOTE THE INTERESTS OF**
3 **THE ELECTRIC INDUSTRY AS OPPOSED TO PUBLIC SERVICE EFFORTS?**

4 A. No. Industry associations, such as EEI, provide members an array of services with
5 significant overlap between those services which advocate for their members' private
6 interests and other services which serve the public interest. Because EEI dues are used in
7 part to conduct advocacy efforts that advance their members' private interests, I
8 recommend the Commission disallow recovery of 50% of the membership dues through
9 rates.

10
11 **Q. PLEASE DESCRIBE THE EDISON ELECTRIC INSTITUTE.**

12 A. Organized in 1933, the EEI is the industry association that represents all U.S. investor-
13 owned electric companies. Its members provide electricity for nearly 250 million
14 Americans and operate in all 50 states and the District of Columbia. In addition to U.S.
15 members, EEI has more than 70 international electric companies as International Members
16 and hundreds of industry suppliers and related organizations as Associate Members.

17
18 **Q. DOES EEI SELF-REPORT THE PERCENTAGE OF A MEMBER'S DUES THAT**
19 **THESE ORGANIZATIONS ATTRIBUTE TO LOBBYING EXPENSES?**

1 A. Yes. EEI is required to self-report the portion attributable to lobbying expense by the
2 Internal Revenue Service (IRS), because for tax purposes, the amount an organization
3 under 501(c)(6) spends on lobbying is not deductible.⁴⁹
4

5 **Q. DOES THE NOMINAL AMOUNT SELF REPORTED AS “LOBBYING”**
6 **DISCLOSE THE ENTIRE RANGE OF ACTIVITIES THAT PROMOTE THE**
7 **PRIVATE INTERESTS OF THE UTILITY INDUSTRY AND ITS OWNERS?**

8 A. No. The percentage of industry associations’ dues allocated to lobbying, as shown on their
9 invoices, is predicated on a very narrow definition for “lobbying,” as defined by IRS
10 regulations. This allocation method may be appropriate for tax reporting purposes, but the
11 IRS lobbying definition is not sufficient to determine how much of EEI’s efforts are more
12 appropriately described as advocating for its members’ private interests to federal, state,
13 and local officials and policymakers.
14

15 **Q. HAS THE U.S. FEDERAL ENERGY REGULATORY COMMISSION (“FERC”)**
16 **TAKEN ACTION REGARDING THE REGULATORY TREATMENT FOR**
17 **INDUSTRY ASSOCIATION DUES?**

18 A. Yes. Although the FERC has not clearly drawn a distinction between recoverable public
19 outreach/educational expenses and unrecoverable lobbying/advocacy expenses, it has
20 opened an investigatory docket to address the concern that captive customers should not

⁴⁹ IRC § 162(e).

1 be required to pay industry association dues.⁵⁰ The FERC’s Notice of Inquiry (“NOI”)
2 requested input to better understand the nature of industry association expenses included
3 in Account 930.2 and to consider other potential Uniform System of Accounts (“USoA”)
4 amendments to protect consumers from paying for activities that principally serve private,
5 not public interest.⁵¹ An appellate court recently found that *indirect* influence expenses
6 (e.g., industry associations that provide public policy advocacy services on behalf of dues-
7 paying members) should be recorded in Account 426.4, an expenditure paid for by
8 shareholders rather than ratepayers.⁵² In their comments, several customer groups, non-
9 utility competitors, and issue advocates asserted that customer-financed legislative and
10 regulatory advocacy provides an unlevel playing field that promotes private interests over
11 the public interest.

12
13 **Q. DID CONSUMER ADVOCATES SUBMIT COMMENTS TO THE FERC’S NOI?**

14 A. Yes. Consumer advocates in at least 16 jurisdictions filed comments regarding the lack of
15 transparency in the delineation between industry associations serving their members’
16 private interests and the public interest. For example, in a joint filing, consumer advocates
17 from California, Connecticut, Delaware, Maryland, Massachusetts, Michigan, Minnesota,

⁵⁰ Federal Energy Regulatory Commission. Docket No. RM22-5-000. Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses. Notice of Inquiry. 86 Fed. Reg. 72,958 (2021) (“NOI”) at p. 5.

⁵¹ Expenses recorded in FERC Account Number 930.2 for “Dues - Industry association dues for company memberships,” are customarily “above the line” expenses and presumed recoverable from its customers. Expenses recorded in FERC Account 426.4, are typically considered “below the line” expenses which are presumed not recoverable from customers.

⁵² *Newman v. FERC*, No. 20-1324, 22 F.4th 189, 2021 U.S. App. LEXIS 38373 (D.C. Cir. Dec. 28, 2021).

1 Oregon, and Rhode Island indicated each advocate has an interest in “ensuring that captive
2 ratepayers [in their respective states] are not charged for political and public advocacy
3 expenses that do not provide ratepayer benefits and that may be contrary to ratepayer
4 interests.”⁵³ The joint filing called for a more detailed, transparent review of the activities
5 that industry association dues fund to ensure rates are just and reasonable. At a minimum,
6 a utility should substantiate its requests for recovery of industry association dues with
7 categorical breakdowns of industry associations’ activities and clear connections between
8 the items for which the utilities seek recovery and ratepayer benefits.⁵⁴

9
10 **Q: IS THIS COMMISSION BOUND BY ANY FERC DETERMINATION**
11 **REGARDING THE RECOVERY OF INDUSTRY ASSOCIATION DUES FROM**
12 **CAPTIVE UTILITY CUSTOMERS?**

13 A: No. Each public utility regulatory commission has authority to determine whether its
14 ratepayers will be required to fund the utility’s elective industry association dues. The
15 information regarding the FERC’s NOI proceedings merely highlights the growing
16 concern as to whether it is appropriate for captive customers to be required to fund the
17 elective association activities that promote the interests of the utility industry and its
18 shareholders.

19

⁵³ See FERC Docket No. RM22-5-000, Comments of State Agencies, p. 8.

⁵⁴ *Id.* at 20.

1 **Q. HAVE OTHER STATE PUBLIC UTILITY COMMISSIONS DISALLOWED**
2 **INDUSTRY ASSOCIATION DUES ASSOCIATED WITH ADVOCACY**
3 **ACTIVITIES?**

4 A. Yes. Kentucky,⁵⁵ Minnesota,⁵⁶ and California⁵⁷ have disallowed all or part of a utility's
5 trade or industry association dues expenses because the utility could not show that such
6 expenses were required or necessary for the provision of utility service. Although
7 Michigan allowed recovery for these expenses, that Commission reiterated to the utility
8 "the need to continually justify that [membership] fees are truly required and/or are in the
9 interests of ratepayers," and "of its continuing obligation to identify, describe, and explain
10 projected costs associated with membership fees in future rate cases."⁵⁸ In addition,
11 Louisiana has recently opened an investigation to determine whether recovery of such
12 costs is appropriate.⁵⁹

13

⁵⁵ *Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates*, Case No. 2020-00349, Order at 28 (Ky. Pub. Serv. Comm'n June 30, 2021) (KYPSC KU Order); *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates*, Case No. 2020-00350, Order at 30.

⁵⁶ *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E-017/GR-20-719, Findings of Fact, Conclusions, and Order (Minn. Pub. Util. Comm'n Feb. 1, 2022).

⁵⁷ *Application of Southern California Edison Company (U338E) for Authority to Increase its Authorized Revenues for Electric Service in 2021, among other things, and to Reflect that Increase in Rates*, Application 19-08-013, Decision on Test Year 2021 General Rate Case for Southern California Edison Company, Decision 21-08-036 (Cal. Pub. Util. Comm'n Aug. 20, 2021).

⁵⁸ *In the Matter of the Application of DTE Electric Company for Authority to Increase Its Rates, Amend Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority*, Case No. U-20561, Order at p. 200 (Mich. Pub. Util. Comm'n May 8, 2020).

⁵⁹ Minutes Of June 7, 2023, Open Session of Louisiana Public Service Commission.

1 **Q. HAS FEDERAL LEGISLATION BEEN INTRODUCED THAT WOULD DIRECT**
2 **THE FERC TO PROHIBIT UTILITIES FROM RECOVERING DUES AND FEES**
3 **PAID TO TRADE AND INDUSTRY ASSOCIATIONS FROM CUSTOMERS?**

4 A. Yes. In 2023, federal legislation was introduced that would direct the FERC to promulgate
5 regulations that would, *inter alia*, prohibit a utility from recovering direct or indirect
6 expenses associated with political influence activities from its customers. If enacted, the
7 FERC would also be directed to amend the Uniform System of Accounts to instruct
8 utilities to record such expenses as presumptively not recoverable from customers. The
9 legislation specifically identifies “dues or fees paid to trade associations or industry
10 associations” as a political influence activity.⁶⁰

11
12 **Q. HAS THERE BEEN STATE LEGISLATION ENACTED THAT PROHIBITS THE**
13 **RECOVERY OF TRADE OR INDUSTRY ASSOCIATIONS’ DUES?**

14 A. Yes. Colorado,⁶¹ Connecticut,⁶² New York,⁶³ and Maine⁶⁴ have each enacted legislation
15 prohibiting jurisdictional utilities from recovering the expenses for trade or industry
16 association dues from retail customers.

17
18 **Q. WHAT IS YOUR RECOMMENDATION?**

⁶⁰ H.R. Bill 5075, “Ethics in Energy Act of 2023.”

⁶¹ Colorado Revised Statutes 40-3-114(2)(g).

⁶² Connecticut Statutes §16-243p(b)(3).

⁶³ New York Statutes § 334-114-a.

⁶⁴ 35-A MRSA §302(2)(B).

1 A: I recommend the Commission exclude 50% of industry association dues. Absent a
2 thorough audit of Duke’s industry associations’ expenses, the Commission and
3 stakeholders will find it extremely challenging to distinguish between expenditures for the
4 general public’s interests versus advocacy of members’ private interests. Industry
5 associations engage in advocacy for the utility industries and their owners. Until the
6 Company can demonstrate its request for recovery of industry association membership
7 dues relates to customer interests rather than lobbying and broader industry advocacy
8 efforts, it is recommended the Commission disallow the Company’s requested recovery
9 of \$215,000 of industry association dues, as shown on Exhibit MEG-2.7.

II. D. BOARD OF DIRECTORS’ COMPENSATION

10 Q: **PLEASE DESCRIBE DUKE ENERGY CORPORATION’S BOARD OF**
11 **DIRECTORS.**

12 A: Duke Energy Corporation, (“Duke Energy”) the parent company of Duke, is comprised of
13 regulated electric utility operations in Florida, South Carolina, North Carolina, Indiana,
14 and Ohio and regulated gas utility operations in North Carolina, South Carolina, Ohio,
15 Kentucky, and Tennessee.⁶⁵ Its Board of Directors (“Board”) is comprised of 14 members
16 that meet periodically throughout the year to set broad, strategic direction for Duke Energy.
17 The Chairman of the Board and Chief Executive Officer (“CEO”) positions are currently,
18 but are not required to be, united.⁶⁶ Excluding the Chair and CEO, the remaining Board

⁶⁵ 2023 Form 10-K at 5, 10.

⁶⁶ 2024 Proxy Statement, p. 24.

1 members meet the independence standards set by the New York Stock Exchange.⁶⁷ The
2 Board also maintains five standing committees⁶⁸ comprised of independent directors to
3 provide oversight over specific corporate functions. In addition, under the leadership of
4 the lead independent director, the independent directors regularly meet in executive
5 session outside the presence of the Chair and CEO.⁶⁹

6

7 **Q: HOW IS DUKE ENERGY'S BOARD CHOSEN?**

8 A: Each member of Duke Energy's Board is chosen by its shareholders on an annual basis to
9 serve a one year term.⁷⁰

10

11 **Q: DOES DUKE ENERGY MANDATE THAT THE INDEPENDENT DIRECTORS**
12 **TAKE ACTION TO ALIGN THEIR INTERESTS WITH THE SHAREHOLDERS'**
13 **INTEREST?**

14 A: Yes. Each independent director is expected to own Duke Energy shares equal in value to
15 at least five (5) times the equity portion of their retainer or retain 50% of his or her vested
16 annual equity retainer during their Board tenure. All directors were in compliance with
17 these guidelines as of December 31, 2023.⁷¹

⁶⁷ *Id.*, at 25.

⁶⁸ The Board's current standing committees are: 1) Audit; 2) Compensation and People Development; 3) Corporate Governance; 4) Finance and Risk Management; and 5) Operations and Nuclear Oversight.

⁶⁹ 2024 Proxy Statement, p. 24.

⁷⁰ *Id.*, at 14.

⁷¹ 2024 Proxy Statement, p. 38.

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Q: DO DUKE’S CUSTOMERS HAVE ANY ROLE IN THE NOMINATION AND ELECTION OF DUKE ENERGY’S BOARD MEMBERS?

A: No. Customers have no role in the nomination and election of Duke Energy’s Board members.

Q: HOW ARE MEMBERS OF DUKE ENERGY’S BOARD OF DIRECTORS COMPENSATED?

A: Members receive an annual retainer fee, payable in cash and Duke Energy shares. For the 2024 and 2025 test years, the Company expects to be allocated \$411,548 in total compensation for Duke Energy’s Board members with \$182,910 in cash compensation and \$228,638 in stock-based compensation.⁷²

Q: WHAT IS YOUR RECOMMENDATION REGARDING THE RECOVERY OF THE BOARD MEMBERS’ COMPENSATION ALLOCATED TO THE COMPANY?

A: I propose the Board of Directors’ compensation expense be shared between shareholders and ratepayers. Specifically, I recommend the Commission disallow 50% of the Board members’ cash compensation and 100% of stock-based compensation allocated to the Company in this proceeding.

⁷² See Duke’s response to OUCC DR 9.07.

1 **Q: WHY IS THE SHARING OF BOARD MEMBERS' COMPENSATION**
2 **APPROPRIATE?**

3 A: A portion of the Board's compensation should come from shareholders because the Board
4 is selected by Duke Energy's shareholders and represents shareholders' interests. Board
5 members have fiduciary duties of care and loyalty to shareholders that supersede any
6 responsibility the Board may have to Duke's customers. The Board spends a significant
7 portion of its time and efforts maximizing long term earnings potential for shareholders,
8 and, therefore, it is appropriate that a portion of the Board's compensation be paid by
9 shareholders. Additionally, as shareholders themselves, the Board's Directors are
10 motivated to take actions that will increase the value of their holdings, which may have a
11 marginal, if any, impact on the provision of service to customers. My recommendations
12 result in a revenue requirement reduction of \$320,093, as set forth on Exhibit MEG-2.9.

II. E. INVESTOR RELATIONS

13 **Q: WHAT COSTS DID DUKE ENERGY ALLOCATE TO DUKE FOR INVESTOR**
14 **RELATIONS EXPENSE IN THIS PROCEEDING?**

15 A: Duke Energy allocated \$709,569 to the Company during the base year to maintain the
16 communication channels with its existing and potential shareholders. In its response to
17 OUCC 9.01, the Company indicated it expects Duke Energy will allocate approximately
18 \$504,000 in the 2024 forecast period and \$507,000 in the 2025 forecast period.⁷³

19

⁷³ Company response to Data Request OUCC 9.01.

1 **Q: PLEASE DESCRIBE INVESTOR RELATIONS EXPENDITURES.**

2 A: Duke Energy is a publicly traded company headquartered in Charlotte, North Carolina. As
3 discussed above, it is a holding company that includes vertically integrated electric utilities
4 in five states and local natural gas distribution utilities in five states.⁷⁴ As a publicly traded
5 company, Duke Energy must be responsive to the needs and expectations of thousands of
6 shareholders which collectively own nearly 771 million shares outstanding.

7
8 **Q: HOW DOES DUKE ENERGY DISTRIBUTE INFORMATION TO ITS**
9 **SHAREHOLDERS?**

10 A: Duke Energy competes in global capital markets with companies within and outside the
11 utility industry. Duke Energy maintains an investor relations unit to provide publicly
12 available information in various formats to existing and potential shareholders in the
13 investing community. These practices promote transparency between Duke Energy and
14 the public and help Duke Energy build and maintain a positive reputation that encourages
15 trust and promotes integrity. For example, Duke Energy's website⁷⁵ contains news
16 releases, investor presentations, and regulatory filings with the U.S. Securities and
17 Exchange Commission. An existing or potential shareholder can also download
18 documents related to its Environmental, Social, and Governance ("ESG") reports. An
19 individual may also access information of unique relevance to a shareholder, such as
20 historical share prices and dividend dates.

⁷⁴ Duke Energy Corporation Form 10-K for the fiscal period ended December 31, 2023, pp. 5-10.

⁷⁵ [Duke Energy Corporation - Investor Relations \(duke-energy.com\)](https://www.duke-energy.com).

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Q: ARE THERE OTHER MEANS IN WHICH DUKE ENERGY COMMUNICATES WITH THE INVESTMENT COMMUNITY?

A: Yes. After Duke Energy publishes its earnings results from the prior quarter, Duke Energy will host a conference call with equity analysts to provide a summary of the prior quarter earnings results as well as respond to questions regarding how specific actions or decisions may impact its market value. In addition, Duke Energy often participates in investor conferences that foster further communication with the investment community.

Q: HOW DO DUKE ENERGY’S SHAREHOLDERS BENEFIT FROM INVESTOR RELATIONS EXPENSES?

A: When global capital markets have access to timely, relevant, and accurate financial and operational data regarding Duke Energy and its subsidiaries, the underlying value of Duke Energy should be more closely reflected in its market capitalization, allowing existing and potential shareholders to make better informed decisions regarding share ownership.

Q: IS DUKE A PUBLICLY TRADED COMPANY?

A: No. Duke is a subsidiary of Duke Energy. It is accountable to its parent company and a private equity firm,⁷⁶ but Duke does not directly engage in investor relations activities.

⁷⁶ Since 2022, a private equity firm has held a minority interest in Duke. See, Duke Energy, Inc. Form 10-K for the fiscal period ended December 31, 2023, p. 5.

1 **Q: ARE INVESTOR RELATIONS EXPENSES A NECESSARY AND REQUIRED**
2 **COST TO PROVIDE ELECTRIC UTILITY SERVICE?**

3 A: No. Duke Energy, not Duke, is the party responsible for communicating timely, relevant,
4 and accurate financial and operational data regarding all of its subsidiaries to the global
5 capital markets. As evidenced by the hundreds of local electric utilities nationwide owned
6 by cities, counties, and tribal nations that do not maintain an investor relations function,
7 these expenses are not a necessary cost for the provision of electric utility service.

8
9 **Q: WHAT IS THE RECOMMENDED REGULATORY TREATMENT FOR THE**
10 **COMPANY'S ALLOCATED INVESTOR RELATIONS EXPENSES?**

11 A: For reasons listed previously, I recommend the Commission disallow 50% of these
12 investor relations expenses. These expenses should not be recovered exclusively from the
13 Company's customers because the responsibility to communicate with the global capital
14 markets ultimately falls upon Duke Energy, not Duke or its customers. As a result, this
15 expense item should be shared between shareholders and ratepayers. As shown in Exhibit
16 MEG-2.8, I recommend a reduction in the amount of \$254,000 to reflect this sharing of
17 investor relations expense.

II. F. STORM DAMAGE EXPENSE

18 **Q: PLEASE DESCRIBE DUKE'S PROPOSAL FOR STORM DAMAGE EXPENSE.**

19 A: The Company is requesting that the Commission approve the continuation of its Major
20 Storm Damage Restoration Reserve ("Major Storm Reserve") established in Cause No.

1 45253. The accrual for the reserve is based on a five-year average of major storm expenses.
2 Duke is proposing the base rate amount be updated to \$15.6 million based on the five-year
3 average for the years 2019 through 2023. The Company also requests that over-recovered
4 or under recovered amounts be accrued as a regulatory asset or liability until Duke's next
5 rate case.⁷⁷

6
7 **Q: DO YOU AGREE WITH THE COMPANY'S PROPOSAL?**

8 A: I agree with the request to continue tracking the major storm costs and the recording of a
9 regulatory asset or liability for future recovery. I do not agree with the requested \$15.6
10 million amount the Company proposed for major storm costs to be recovered in base rates.

11
12 **Q: WHY DO YOU DISAGREE WITH THE AMOUNT DUKE PROPOSED FOR**
13 **CURRENT RECOVERY IN BASE RATES?**

14 A: I disagree with this amount because one year, 2023, included an extraordinarily large
15 storm, as discussed by both myself and OUCC witness Roopali Sanka. In fact, the major
16 storm costs for 2023 totaled \$39.993 million, compared to \$34.938 million for the prior
17 four years combined.⁷⁸ The year 2023 included a single storm with a distribution
18 restoration cost of \$26.5 million and another storm with a cost of \$7.1 million.⁷⁹ Both
19 storms cost more than any other single storm in the five-year period. Including the

⁷⁷ See Direct Testimony of Suzanne E. Sieferman, p. 39, lines 1-17.

⁷⁸ See WP OM3- Storm, lines 1-5.

⁷⁹ See Duke's response to OUCC DR 7.12.

1 extraordinarily high storm costs experienced in 2023 significantly distorts Duke’s normal
2 storm restoration costs.

3
4 **Q: WHAT IS THE OUCC’S RECOMMENDATION FOR THE AMOUNT TO**
5 **INCLUDE IN BASE RATES FOR STORM RESTORATION COSTS?**

6 A: OUCC Witness Roopali Sanka recommends using four-year averages for both distribution
7 and transmission storms instead of a five-year average due to the extraordinary nature of
8 the 2023 storm costs. This results in an adjustment of \$6.4 million as shown on Exhibit
9 MEG 2.6.

III. DEPRECIATION EXPENSE

10 **Q: DOES THE OUCC PROPOSE DEPRECIATION EXPENSE ADJUSTMENTS?**

11 A: Yes. Mr. David Garrett proposes changes to the Company’s depreciation study on behalf
12 of the OUCC. His recommendations result in new proposed depreciation rates for several
13 of the Company’s asset accounts, as set forth in Exhibit MEG-2.12, and in Exhibit MEG-
14 2.19(S1) for the Step 1 Depreciation rate adjustments.

IV. COST OF CAPITAL

15 **Q: DOES THE OUCC PROPOSE COST OF CAPITAL RECOMMENDATIONS?**

16 A: Yes. Mr. David Garrett provides testimony on behalf of the OUCC regarding cost of
17 capital issues. The impacts of his cost of capital recommendations on Duke’s revenue
18 requirement are set forth in Exhibit MEG-2.13, and in Exhibit MEG-2.20(S1).

V. **SUMMARY OF THE OUCC’S ADJUSTMENTS**

1 **Q: DO YOUR SCHEDULES INCLUDE ADJUSTMENTS SPONSORED BY OTHER**
 2 **OUCC WITNESSES?**

3 **A:** Yes. The accounting schedules in Exhibits MEG-2 through MEG-2.13 include proposed
 4 adjustments from all the OUCC’s witnesses, as summarized below:

**Table 7: Summary of OUCC Adjustments
 (\$ Thousands)**

Issue	OUCC Witness	Proposed Adjustment
<u>Rate Base</u>		
Regulatory Assets from Gallagher Closure	Eckert	\$ (663)
Cayuga Restricted Waste Site II, Landfill Cell 3	Armstrong	(165)
Depreciation Reserve	M. Garrett	11,155
<u>Cost of Capital</u>		
Return on Equity	D. Garrett	(109,648)
<u>O&M Adjustments</u>		
Incentive Compensation Expense	M. Garrett	(15,451)
Storm Damages	Sanka	(6,466)
Industry Association Dues	M. Garrett	(197)
Investor Relations Expense	M. Garrett	(232)
Board of Directors’ Compensation	M. Garrett	(293)
Other Post Retirement Benefits Expense	M. Garrett	(5,348)
Revenue Rate Migration Adjustment	Hanks	(2,546)
Payment Navigators Program	Hanks	(320)
Credit Card Fees	Latham	(2,377)
Restructuring Costs	Latham	
CCR Disposal	Armstrong	
Depreciation Expense	D. Garrett	
Amortization of Regulatory Assets	Eckert	
Fuel Cost	Eckert	
Total OUCC Adjustments		\$306,848

VI. CONCLUSION

1 **Q: DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

2 **A: Yes, it does.**

CONTACT INFORMATION:

4028 Oakdale Farm Circle
Edmond, OK 73013
(405) 203-5415

EDUCATION:

Juris Doctor Degree, With Honors, Oklahoma City University Law School, 1997
Post Graduate Hours in Accounting, Finance and Economics, 1984-85:
University of Texas at Arlington; University of Texas at Pan American;
Stephen F. Austin State University
Bachelor of Arts Degree, University of Oklahoma, 1978

CREDENTIALS:

Member Oklahoma Bar Association, 1997, License No. 017629
Certified Public Accountant in Oklahoma, 1992, Certificate No. 11707-R
Certified Public Accountant in Texas, 1986, Certificate No. 48514

WORK HISTORY:

GARRETT GROUP CONSULTING, INC. – Regulatory Consulting Practice (1996 - Present)

Participates as a consultant and expert witness in gas and electric regulatory proceedings and other matters before regulatory agencies in rate case proceedings to determine just and reasonable rates. Reviews management decisions of regulated utilities regarding the reasonableness of prices paid for electric plant, gas plant, purchased power, renewable energy projects, natural gas supplies and transportation, and coal supplies and transportation. Participates in legislative advisory role regarding regulated utilities. Participates as an Instructor at NMSU Center for Public Utilities and as a Speaker at NARUC Staff Subcommittee on Accounting and Finance.

OKLAHOMA CORPORATION COMMISSION - Coordinator of Accounting and Financial

Analysis (1991 - 1994) Planned and supervised the audits of major public utility companies doing business in Oklahoma for the purpose of determining revenue requirements. Presented both oral and written testimony as an expert witness for Staff in defense of numerous accounting and financial recommendations related to cost-of-service based rates. Audit work and testimony covered all areas of rate base and operating expense. Supervised, trained and reviewed the audit work of numerous Staff CPAs and auditors. Promoted from Supervisor of Audits to Coordinator in 1992.

FREEDOM FINANCIAL CORPORATION - Controller (1987 - 1990)

Responsible for all financial reporting including monthly and annual financial statements, cash flow statements, budget reports, long-term financial planning, tax planning and personnel development. Managed the General Ledger and Accounts Payable departments and supervised a staff of seven CPAs and accountants. Reviewed all subsidiary state and federal tax returns and facilitated the annual independent financial audit and all state or federal tax audits. Received promotion from Assistant Controller in September 1988.

SHELBY, RUCKSDASHEL & JONES, CPAs - Auditor (1986 - 1987)

Audited the financial statements of businesses in the state of Texas, with an emphasis in financial institutions.

Experience Related to Cost-of-Service, Rate Design, Pricing and Energy-Related Issues

1. **NV Energy, 2024 (Nevada), (Docket No. 24-03006)** – Participating as an expert witness on behalf of the Southern Nevada Gaming Group, Nevada Resorts Association, MGM Resorts International, and Caesars Enterprise Services before the Nevada PUC to provide written and oral testimony in Cost Recovery Phase of the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
2. **Public Service Company of New Mexico, 2024 (New Mexico), (Case No. 24-00089-UT)** – Participating as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various ratemaking issues in PNM’s rate case application.
3. **NV Energy, 2024 (Nevada), (Docket No. 24-08015)** – Participating as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission. Sponsoring written and oral testimony in the 2024 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the Companies’ requested resource plan.
4. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 56511)** – Participating as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s distribution cost recovery factor (“DCRF”) case.
5. **Oklahoma Natural Gas Company, 2024 (Oklahoma), (Case No. PUD 2024-000010)** – Participating as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in ONGs performance based rate change plan for twelve months ending December 31, 2023, addressing transportation service charges.
6. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 55155)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to address a potential refund of imprudent amounts included in rate base from 2013 forward associated with the Turk plant after remand from the Court of Appeals.
7. **Duke Energy Indiana, 2024 (Indiana), (Docket No. 46038)** – Participating as an expert witness on behalf of the Office of Utility Consumer Counselor in Duke’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
8. **Chugach Electric Association, 2024 (Alaska), (Docket No. U-24-002)** – Participated as an expert witness on behalf of Providence Health and Services before the Alaska Regulatory Commission. Sponsoring testimony to address Chugach’s application to revise the Beluga River Unit (“BRU”) rebate to former Municipal Light and Power (“ML&P”) customers.
9. **CenterPoint Energy Houston Electric, 2024 (Texas) (Docket No. 56211)** – Participating as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s rate case application to provide testimony on various revenue requirement issues.
10. **Doyon Utilities, 2024 (Alaska)** – Participated as an expert witness on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort

Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.

11. **Avista Utilities, 2024 (Washington), (Docket Nos. UE-240006)** – Participating as an expert witness on behalf of Public Counsel in Avista’s general rate case. Sponsoring testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
12. **Atmos Mid Tex, 2024 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
13. **Sierra Pacific Power Company, 2024 (Nevada), (Docket No. 24-02026 and 24-02027)** – Participating as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
14. **Southwestern Electric Power Company, 2024 (Texas), (PUC Docket No. 55438)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s transmission cost recovery factor (“TCRF”) case.
15. **Oklahoma Gas and Electric Company, 2023 (Oklahoma), (Cause No. PUD 202300087)** – Participating as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s general rate case application addressing various revenue requirement and rate design issues.
16. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 202300086)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
17. **CenterPoint Energy Resources Corp., 2023 (Texas) (Docket No. OS-23-00015513)** – Participated as an expert witness for the City of Houston before the Texas Rail Road Commission in a general rate case proceeding for the gas utility.
18. **NV Energy, 2023 (Nevada), (Docket No. 23-08015)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission. Sponsoring written and oral testimony in the 2021 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) Fifth Amendment to provide analysis of the Companies’ request for Critical Facility designation of the Sierra Solar PV and BESS project.
19. **Southwest Gas Corporation, 2023 (Nevada) (Docket No. 23-09012)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
20. **Nevada Power Company, 2023 (Nevada), (Docket No. 23-06007)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues Nevada Power’s general rate case application.
21. **Atmos Pipeline Texas 2023 (Texas), (Docket No. 13758)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in APT’s General Rate Case

application, sponsoring testimony to address various revenue requirement proposals.

22. **Oklahoma Gas and Electric Company, 2023 (Oklahoma), (Cause No. PUD 2023000038)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s application for pre-approval of new generation costs.
23. **NV Energy, 2023 (Nevada), (Docket No. 23-03003)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
24. **NV Energy, 2023 (Nevada), (Docket No. 23-03004)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in Cost Recovery Phase of the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
25. **SiEnergy, LP (Texas) 2023 (Docket No. OS-23-00013504)** - Participated as an expert witness on behalf of the Cities Served by SiEnergy (Cities) in SiEnergy’s application to increase gas utility rates.
26. **CSWR-Texas Utility Operating Company, LLC (CSWR-Texas), 2023 (Docket No. 54565)** Participated as an expert witness on behalf of the Office of Public Utility Counsel (“OPUC”) in CSWR-Texas’ application for authority to change rates.
27. **Denton Municipal Electric (DME), 2023 (Texas) (Docket No. 52715)** Participated as an expert witness on behalf of the Office of Public Utility Counsel (“OPUC”) in DME’s application to change rates for wholesale transmission service.
28. **NV Energy, 2023 (Nevada), (Docket No. 22-09006)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsoring written and oral testimony in the 2021 Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) Third Amendment to provide analysis of the proposed Transportation Electrification Plan to accelerate the roll out of electric vehicle charging facilities.
29. **Atmos MidTex, 2023 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
30. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 202200093)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
31. **Montana-Dakota Utilities Co., 2023 (Montana), Docket No. 2022.11.099)** – Participating as an expert witness on behalf of the Montana Office of Consumer Council in MDU’s general rate case application to provide testimony on various revenue requirement issues.
32. **Public Service Company of Oklahoma, 2023 (Oklahoma) (Cause No. PUD 202200021)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for pre-approval of renewable generation additions and the ratemaking treatment of the costs of those additions.

33. **Public Service Company of New Mexico, 2023 (New Mexico), (Case No. 22-00270-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various ratemaking issues in PNM’s rate case application.
34. **Entergy Texas Inc., 2022 (Texas) (PUC Docket No. 53719)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
35. **Oklahoma Gas and Electric Company, 2022 (Oklahoma), (Cause No. PUD 202200097)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in PUD’s show cause investigation into OG&E’s fuel and purchased power under-recovered balance.
36. **Northern Indiana Public Service Company, 2022 (Indiana), (Docket No. 45772)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in NIPSCO’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
37. **Oncor Electric Delivery Company (Texas), 2022 (PUC Docket No. 53601)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
38. **York Waterworks (2022) (Pennsylvania), (Docket No. 061522)** – Participated as an expert witness on behalf of Office of Consumer Advocate (“OCA”) before the Pennsylvania Public Utility Commission to address various revenue requirement issues in York rate case.
39. **Sierra Pacific Power Company, 2022 (Nevada), (Docket No. 22-06)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
40. **NV Energy, 2022 (Nevada), (Docket No. 22-003028)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various issues in the merger application of Sierra Pacific Power Company and Nevada Power Company.
41. **Atmos MidTex (Texas), 2022 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
42. **CenterPoint Energy Resources Corp., 2022 (Texas) (Docket No. 53442)** – Participated as an expert witness for the City of Houston before the Texas Public Utility Commission the Company’s Distribution Cost Recovery Factor sponsoring testimony on various cost recovery issues.
43. **Cascade Natural Gas, 2021 (Washington)** – Participated as an expert witness on behalf of Public Counsel in Cascade’s limited issue rate case application, sponsoring Public Counsel’s revenue requirement schedules and testimony to address various revenue requirement and tax issues.
44. **Oklahoma Gas and Electric Company, 2021 (Oklahoma), (Cause No. PUD 202100164)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”)

before the Oklahoma Corporation Commission in OG&E's general rate case application addressing various revenue requirement and rate design issues.

45. **Southwestern Electric Power Company, 2021 (Texas), (PUC Docket No. 52397)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s application to recover Uri storm costs.
46. **Southwestern Public Service Co., 2021 (Texas) (Docket No. 52210)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) before the Texas Public Utility Commission in SWEPCO’s application to recover Uri storm costs.
47. **CenterPoint Energy Resources Corp., 2021 (Texas) (Docket No. OS—00007061)** – Participated as an expert witness for the City of Houston before the Texas Rail Road Commission in a consolidated application from the large natural gas distribution utilities in Texas to securitize and recover URI storm costs from February 2021.
48. **Indiana Michigan Power, 2021 (Indiana), (Docket No. 45576)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
49. **Chugach Electric Association, 2021 (Alaska), (Docket No. U-21-059)** – Participated as an expert witness on behalf of Providence Health and Services before the Alaska Regulatory Commission. Sponsoring testimony to address Chugach’s application to address a shortfall in revenues after its acquisition of Municipal Light and Power.
50. **Southwestern Public Service Co., 2021 (Texas) (Docket No. 51802)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues.
51. **El Paso Electric Company, 2021 (Texas), (Docket No. 52195)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company general rate case to provide recommendations to the Texas Public Utility Commission regarding rate base and operating expense issues.
52. **NV Energy, 2021 (Nevada), (Docket No. 21-06001)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsoring written and oral testimony in the Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the proposed generation additions and cost allocations.
53. **Summit Utilities Arkansas (Arkansas), (Docket No. 21-060-U)** – Participated as an expert witness on behalf of Arkansas Gas Consumers and the Hospitals and Higher Education Group before the Arkansas Public Service Commission in Summit’s proposed acquisition of CenterPoint Energy’s Arkansas assets. Sponsoring testimony regarding the acquisition premium, ratepayer benefits and affiliate transactions.
54. **Doyon Utilities, 2021 Alaska (Regulatory Commission of Alaska)** – Participated as an expert witness on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.

55. **NV Energy, 2021 (Nevada), (Docket No. 21-03040)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC to provide written and oral testimony in the Nevada Power and Sierra Pacific Joint Natural Disaster Protection Plan (“NDPP”).
56. **Public Service Company of Oklahoma, 2021 (Oklahoma) (Cause No. PUD 202100022)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
57. **Oklahoma Gas and Electric Company, 2021 (Oklahoma), (Cause No. PUD 202100072)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s application for securitization of its winter storm costs.
58. **Southwestern Electric Power Company, 2021 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPCO’s Formula Rate Plan review and extraordinary winter storm cost recovery plan.
59. **Atmos MidTex (Texas), 2021 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
60. **Atmos MidTex, 2023 (Texas), (Dallas Annual Rate Review)** – Participating as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
61. **PNM Resources / Avangrid Merger, 2021 (New Mexico), (Case No. 20-00222-UT)** – Participated as an expert witness for the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”) before the New Mexico Public Regulation Commission to address various merger-related issues.
62. **Oklahoma Gas & Electric Co., 2020 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on cost of service issues.
63. **Public Service Company of Oklahoma, 2020 (Oklahoma) (Cause No. PUD 202000097)** – Participating as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval of facilities proposed for Fort Sill to address cost recovery and rate design issues.
64. **El Paso Electric Company, 2020 (Texas), (Docket No. 51348)** – Participated as an expert witness on behalf of the City of El Paso in the El Paso Electric Company annual Distribution Cost Recovery Factor (“DCRF”) application to provide recommendations to the Texas Public Utility Commission regarding the Company’s requested DCRF increase.
65. **NV Energy, 2020 (Nevada), (Docket No. 20-07023)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group (“SNGG”) before the Nevada PUC. Sponsoring written and oral testimony in the Nevada Power and Sierra Pacific Joint Integrated Resource Plan (“IRP”) to provide analysis of the proposed transmission additions and cost allocations.

66. **Southwestern Electric Power Company, 2020 (Texas), (PUC Docket No. 51415)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s general rate case application to provide testimony on various revenue requirement issues.
67. **Dominion Energy South Carolina, 2020 (South Carolina), (Docket No. 2020-125-E)** – Participated as an expert witness on behalf of DOD/FEA in DESC’s rate case application, sponsoring testimony to address various revenue requirement, rate design and tax issues.
68. **Cascade Natural Gas, 2020 (Washington), (NG-UG-200568)** – Participated as an expert witness on behalf of Public Counsel in Cascade’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
69. **Nevada Power Company, 2020 (Nevada) (Docket No. 20-06003)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues in the case.
70. **El Paso Electric Company, 2020 (New Mexico), (Docket RC-20-00104-UT)** – Participated as an expert witness on behalf of the City of Las Cruces and Dona Ana County in EPE’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
71. **Oklahoma Gas and Electric Company, 2020 (Oklahoma), (Cause No. PUD 202000021)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s Grid Enhancement Plan application. Sponsoring testimony to address the utility’s proposed cost recovery mechanism and cost of service allocations.
72. **Philadelphia Gas Works, 2020 (Pennsylvania), (Docket No. R-2020-3017206)** – Participated expert witness on behalf of Office of Consumer Advocate (“OCA”) before the Pennsylvania Public Utility Commission to address various revenue requirement issues in PGW’s rate case.
73. **Atmos MidTex (Texas), 2020 (Texas), (Dallas Annual Rate Review)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring recommendations on various revenue requirement issues.
74. **Southwest Gas Corporation, 2020 (Nevada) (Docket No. 20-02023)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
75. **El Paso Electric Company, 2019 (Texas), (Docket No. 49849)** – Participated as an expert witness on behalf of the City of El Paso in the merger of El Paso Electric Company with Sun Jupiter Holdings LLC and IIF US Holdings 2 LLP to provide recommendations to the Texas Public Utility Commission regarding the treatment of tax issues in the proposed merger agreement.
76. **Nevada Senate Bill 300 Rulemaking, 2019 (Nevada), (Docket No. 19-069008)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC to assist with the development of alternative ratemaking regulations under SB 300.
77. **Entergy Arkansas, 2019 (Arkansas), (Docket No. 19-020-TF)** – Participated as an expert witness on behalf of the Arkansas industrial consumer group to review EAI’s application to allocate its

perceived under-recovery of off-system sales margins to Arkansas customers.

78. **Public Service Company of Oklahoma, 2019 (Oklahoma) (Cause No. PUD 201900201)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s application for approval for the cost recovery of selected wind facilities.
79. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 15-034-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Act 310 Environmental Compliance Plan (“ECP”) Rider case to provide testimony on whether OG&E can apply for an ECP rider now that it has elected to utilize an annual Formula Rate Plan with a 4% annual cap.
80. **Oklahoma Gas & Electric Co., 2019 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.
81. **Southwestern Public Service Co., (“SPS”) 2019 (Texas), (Docket No. 49831)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
82. **Southwestern Electric Power Company, 2019 (Arkansas), (Docket No. 19-008-U)** – Participated as an expert witness on behalf of Western Arkansas Large Energy Consumers (“WALEC”) before the Arkansas Public Service Commission in SWEPCO’s rate case to address various revenue requirement and rate design issues.
83. **Anchorage Municipal Light and Power and Chugach Electric Association, 2019 (Alaska), (Docket No. U-19-020)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on pending acquisition of ML&P by Chugach to address the proposed acquisition premium and other issues associated with the public interest.
84. **Sierra Pacific Power Company, 2019 (Nevada), (Docket No. 19-06002)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
85. **Air Liquide Hydrogen Energy U.S., 2019 (Nevada), (704B Exit Application, Docket No. 19-02002)** – Participated as an expert witness on behalf of Air Liquide before the Nevada PUC. Sponsoring written and oral testimony in Air Liquide’s application to purchase energy and capacity from a provider other than NV Energy.
86. **Empire District Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800133)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s general rate case to address various revenue requirement, rate design and tax issues.
87. **Indiana Michigan Power, 2019 (Indiana), (Docket No. 45235)** – Participated as an expert witness on behalf of the Office of Utility Consumer Counselor in I&M’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.

88. **Puget Sound Energy, 2019 (Washington), (Docket No. 190529-30)** – Participated as an expert witness on behalf of Public Counsel in PSE’s rate case application, sponsoring testimony to address various revenue requirement and tax issues.
89. **Anchorage Municipal Light and Power, 2019 (Alaska), (Docket No. U-18-102)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P’s acquired interest in the Beluga River Unit gas field with ratepayer funds.
90. **Oklahoma Gas and Electric Company, 2019 (Oklahoma), (Cause No. PUD 201800140)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
91. **Cascade Natural Gas, 2019 (Washington) (Docket No. 190210)** – Participated as an expert witness on behalf of Public Counsel in Cascade’s rate case application. Sponsoring testimony to address various revenue requirement and tax issues.
92. **CenterPoint Energy Houston Electric, 2019 (Texas) (Docket No. 49421)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in CenterPoint Energy’s rate case application to provide testimony on various revenue requirement issues.
93. **Oklahoma Gas & Electric Co., 2018 (Arkansas) (Docket No. 18-046-FR)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Formula Rate Plan application to provide testimony on various revenue requirement, cost of service and rate design issues.
94. **Southwest Gas Corporation, 2018 (Nevada) (Docket No. 18-05031)** – Participated as an expert witness on behalf of Bureau of Consumer Protection (“BCP”) before the Nevada Public Utility Commission to address various revenue requirement issues.
95. **Puget Sound Energy, 2018 (Washington) (Docket No. UE 18089)** - Participated as an expert witness on behalf of Public Counsel in PSE’s Emergency Rate Relief proceeding. Sponsoring testimony to address the application itself and various revenue requirement and TCJA issues.
96. **Public Service Company of Oklahoma, 2018 (Oklahoma) (Cause No. PUD 201800097)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
97. **Entergy Texas Inc., 2018 (Texas) (PUC Docket No. 48371)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
98. **Atmos Energy Corp., Mid-Tex Division, 2018 (Texas) (Docket No. GUD No. 10779)** – Participated as an expert witness on behalf of the Atmos Texas Municipalities to review the utility’s requested revenue requirement including TCJA adjustments.
99. **CenterPoint Energy Houston Electric, LLC, 2018 (Texas) (Docket No. 48226)** – Participated as an expert witness on behalf of City of Houston before the Public Utility Commission of Texas in

CenterPoint Energy's application for approval to amend its distribution cost recovery factor (DCRF) to address the utility's treatment of the Tax Cuts and Jobs Act of 2017 ("TCJA").

100. **NV Energy, 2018 (Nevada) (Docket No. 17-10001)** – Participated as an expert witness on behalf of the Energy Choice Initiative ("ECI") before the Governor's Committee on Energy Choice, in an investigatory docket of an Issue of Public Importance Regarding the Pending Energy Choice Initiative and the Possible Restructuring of Nevada's Energy Industry.
101. **Southwestern Electric Power Company, 2018 (Texas) (PUC Docket No. 48233)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation ("CARD Cities") before the Texas Public Utility Commission in SWEPCO's application to implement base rate reductions as result of the Tax Cuts and Jobs Act of 2017 ("TCJA").
102. **Oncor Electric Delivery Company (Texas), 2018 (PUC Docket No. 48325)** – Participated as an expert witness before the Texas Public Utility Commission in Oncor's application for authority to decrease rates based on the Tax Cuts and Jobs Act of 2017 ("TCJA").
103. **Public Service Company of Oklahoma ("PSO") (Oklahoma), 2018 (Cause No. PUD 201800019)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO's application regarding ADIT under the Tax Cuts and Jobs Act of 2017 ("TCJA").
104. **Oklahoma Natural Gas Company, 2018 (Cause No. PUD 201800028)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG's Performance Based Rate Change Tariff, to address issues involving the impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA").
105. **Oklahoma Gas & Electric Co. (Arkansas), 2018 (Docket No. 18-006-U)** – Participated as an expert on behalf of the Arkansas River Valley Energy Consumers ("ARVEC") before the Arkansas Public Service Commission in the matter of an Investigation of the Effect on Revenue Requirements Resulting from Changes to Corporate Income Tax Rates under the Tax Cuts and Jobs Act of 2017 ("TCJA").
106. **Texas Gas Service, 2018** – Participated as a consulting expert on behalf of the City of El Paso regarding implementation of rate changes related to the Tax Cuts and Jobs Act of 2017 ("TCJA").
107. **Sierra Pacific Power Company (Nevada), 2018 (Docket No. 18-02011 and 18-02015)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers¹ before the Nevada PUC in SPPC's application related to the Tax Cuts and Jobs Act of 2017 ("TCJA").
108. **Nevada Power Company (Nevada), 2018 (Docket No. 18-02010 and 18-02014)** – Participated as an expert witness on behalf of the Southern Nevada Gaming Group before the Nevada PUC in NPC's application related to the Tax Cuts and Jobs Act of 2017 ("TCJA").
109. **Public Service Company of Oklahoma ("PSO") (Oklahoma), 2017 (Cause No. PUD 201700572)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO's application to examine the impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA").
110. **Empire District Electric Company ("EPE") (Oklahoma), 2018 (Cause No. PUD 201700471)** –

¹ The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s application to add 800MW of wind. Sponsoring testimony to address the various ratemaking and tax issues.

111. **Oklahoma Gas and Electric Company (“OG&E”), (Oklahoma), 2018 (Cause No. PUD 201700496)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
112. **Public Service Company of Oklahoma (“PSO”) (Oklahoma), 2017 (Cause No. PUD 201700276)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s Wind Catcher case to provide testimony on various ratemaking and tax issues.
113. **Southwestern Public Service Co. (“SPS”) (Texas), 2017 (PUC Docket No. 47527)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
114. **Southwestern Electric Power Company, (“SWEPCO”) (Texas), 2017 (PUC Docket No. 47461)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO’s Wind Catcher case proceeding to provide testimony on various ratemaking and tax issues.
115. **Atmos MidTex (Texas), 2017 (Docket No. 10640)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in Atmos’s Dallas Annual Rate Review (“DARR”) proceeding. Sponsoring testimony on various revenue requirement issues.
116. **Avista Utilities (Washington), 2017 (Docket Nos. UE-170485/UG-170486)** – Participated as an expert witness on behalf of Public Counsel in Avista’s general rate case proceeding. Sponsoring testimony to address various revenue requirement issues and Avista’s requested attrition adjustments.
117. **Nevada Power Company (Nevada), 2017 (Docket No. 17-06003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC in NPC’s general rate case. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.
118. **Anchorage Municipal Light and Power (Alaska), 2017 (Docket No. U-17-008)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony in ML&P’s General Rate Case on various revenue requirement and rate design issues.
119. **Public Service Company of Oklahoma (Oklahoma), 2017 (Cause No. PUD 201700151)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various revenue requirement and rate design issues.
120. **Oncor Electric Delivery Company (Texas), 2017 (PUC Docket No. 46957)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Public Utility Commission in Oncor’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
121. **EverSource (Massachusetts), 2017 (DPU Docket No. 17-05)** – Participated as an expert witness before the Massachusetts Department of Public Utilities EverSource’s General Rate Case application

on behalf of Energy Freedom Coalition of America to provide testimony to address various revenue requirement issues.

122. **El Paso Electric Company (Texas), 2017 (PUC Docket No. 46831)** – Participated as an expert witness on behalf of the City of El Paso before the Texas Public Utility Commission in El Paso’s General Rate Case proceeding to provide testimony on various revenue requirement issues.
123. **Atmos Pipeline Texas (Texas), 2017 (Docket No. 10580)** – Participated as an expert witness on behalf of the City of Dallas before the Texas Railroad Commission in APT’s General Rate Case application, sponsoring testimony to address various revenue requirement proposals.
124. **Empire District Electric Company (Oklahoma), 2017 (Cause No. PUD 201600468)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in Empire’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
125. **Caesars Enterprise Service, LLC (Nevada), 2016 (704B Exit Application)** – Participated as an expert witness on behalf of Caesars before the Nevada PUC. Sponsoring written and oral testimony in Caesar’s application to purchase energy and capacity from a provider other than Nevada Power.
126. **Southwestern Electric Power Company (Texas), 2016 (PUC Docket No. 46449)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPSCO’s general rate case proceeding to provide testimony on various revenue requirement issues.
127. **CenterPoint Texas, 2016 (Docket No. 10567)** – Participated as an expert witness on behalf of City of Houston before the Texas Railroad Commission in CenterPoint’s general rate case application, sponsoring testimony to address the utility’s overall revenue requirement and various rate design proposals.
128. **Entergy Texas, Inc., 2016 (Docket No. 46357)** – Participated as an expert witness on behalf Cities Served by Applicant before the Texas PUC in ETI’s application to amend its Transmission Cost Recovery Factor.
129. **Anchorage Municipal Light and Power, 2016 (Docket No. U-16-060)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on the ratemaking treatment of ML&P’s acquired interest in the Beluga River Unit gas field with ratepayer funds.
130. **Arizona Public Service Company, 2016 (Docket No. E-01345A-16-0036)** – Participated as an expert witness before the Arizona Corporation Commission in APS’s General Rate Case application on behalf of Energy Freedom Coalition of America to provide written and oral testimony to address various revenue requirement issues.
131. **Oklahoma Gas & Electric Co. (Arkansas), 2016 (Docket No. 16-052-U)** – Participated as an expert witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
132. **Sierra Pacific Power Company (Nevada), 2016 (Docket No. 16-06006)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers before the Nevada PUC in SPPC’s

general rate case proceeding. Sponsored testimony on various revenue requirement, depreciation, and rate design issues.

133. **Tucson Electric Power, 2016 (Docket No. E-01933A-15-0322)** – Participated as an expert witness before the Arizona Corporation Commission in TEP’s General Rate Case application, on behalf of Energy Freedom Coalition of America providing written and oral testimony to address the utility’s cost of service study and rate design proposals.
134. **Texas Gas Service, 2016 (Docket No. 10506)** – Participated as an expert witness on behalf of El Paso before the Texas Railroad Commission in TGS’s General Rate Case application, sponsoring testimony to address the utility’s overall revenue requirement and various rate design proposals.
135. **Texas Gas Service, 2016 (Docket No. 10488)** – Participated as an expert witness on behalf of South Jefferson County Service Area (“SJCSA”) before the Texas Railroad Commission in TGS’s General Rate Case application, sponsoring testimony to address the utility’s overall revenue requirement and various rate design proposals.
136. **Oklahoma Gas and Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) before the Oklahoma Corporation Commission in OG&E’s General Rate Case application. Sponsoring testimony to address the utility’s overall revenue requirement and rate design proposals.
137. **Oklahoma Gas & Electric Company, 2016 (Cause No. PUD 201500273)** – Participated as an expert witness on behalf of The Alliance for Solar Choice (“TASC”) before the Oklahoma Corporation Commission to address OG&E’s proposed Distributed Generation (“DG”) rates for solar DG customers.
138. **Anchorage Municipal Light and Power, 2016 (Docket No. U-13-097)** – Participated as an expert witness before the Regulatory Commission of Alaska on behalf of Providence Health and Services to provide testimony on rates and tariffs proposed for customer-owned combined heat and power plant generation.
139. **Oklahoma Natural Gas Company, 2015 (Cause No. PUD 201500213)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission in ONG’s General Rate Case application. Sponsored testimony to address the utility’s overall revenue requirement and rate design proposals.
140. **Oklahoma Gas & Electric Company, 2015 (Cause No. PUD 201500274)** – Participated as an expert witness on behalf of The Alliance for Solar Choice (“TASC”) before the Oklahoma Corporation Commission to address OG&E’s proposed Distributed Generation (“DG”) rates for solar DG customers.
141. **Nevada Power Company, 2015 (Docket No. 15-07004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”)² before the Nevada PUC. Sponsoring written and oral testimony in NPC’s 2015 Integrated Resource Plan to provide analysis of the On Line transmission line allocation, the Siverhawk plant acquisition, and the Griffith contract termination.
142. **Oklahoma Gas & Electric Company, 2015 (Docket No. 15-034-U)** – Participated as an expert

² The Southern Nevada Hotel Group is comprised of Boyd Gaming, Caesars Entertainment, MGM Resorts, Station Casinos, Venetian Casino Resort, and Wynn Las Vegas.

witness on behalf of the Arkansas River Valley Energy Consumers (“ARVEC”) before the Arkansas Public Service Commission in OG&E’s Act 310 application to implement a rider to recover environmental compliance costs.

143. **MGM Resorts, LLC, 2015 (Docket No. 15-05017)** – Participated as an expert witness on behalf of the MGM Resorts, LLC before the Nevada PUC. Sponsoring written and oral testimony in MGM’s application to purchase energy and capacity from a provider other than Nevada Power.
144. **Entergy Arkansas, 2015 (Docket No. 15-015-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy’s general rate case to provide testimony on various revenue requirement issues.
145. **Public Service Company of Oklahoma, 2015 (Cause No. PUD 201500208)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
146. **Nevada Power Company, 2014 (Docket No. 14-05003)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored written and oral testimony in NPC environmental compliance case, called the Emissions Reduction and Capacity Replacement case. The main focus of our testimony was our recommendation to eliminate the \$438M Moapa solar project from the compliance plan.
147. **Nevada Power Company, 2014 (Docket No. 14-05004)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC to sponsor written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
148. **Oklahoma Gas and Electric Co., 2014 (Cause No. PUD 201400229)** – Participated as an expert witness on behalf of Oklahoma Industrial Energy Consumers (“OIEC”) in OG&E’s Environmental Compliance and Mustang Modernization Plan before the Oklahoma Corporation Commission to provide testimony addressing the economics and rate impacts of the plan.
149. **Sourcegas Arkansas, Inc., 2014 (Docket No. 13-079-U)** Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”), an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in SGA’s general rate case to provide testimony on various revenue requirement issues.
150. **Anchorage Municipal Light and Power, 2014 (Docket No. U-13-184)** – Participated as an expert witness before the Alaska Regulatory Utility Commission on behalf of Providence Health and Services to provide testimony on various revenue requirement and cost of service issues.
151. **Public Service Company of Oklahoma, 2014 (Cause No. PUD 201300217)** – Participated as an expert witness on behalf of OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
152. **Entergy Texas Inc., 2013 (PUC Docket No. 41791)** – Participated as an expert witness on behalf of

the Cities³ in ETI's general rate case to provide testimony on various cost of service issues and on the utility's overall revenue requirement.

153. **MidAmerican/NV Energy Merger, 2013 (Docket No. 13-07021)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored testimony to address various issues raised in the proposed acquisition of NV Energy by MidAmerican Energy Holdings Company, including capital structure and acquisition premium recovery issues.
154. **Entergy Arkansas, 2013 (Docket No. 13-028-U)** – Participated as an expert witness on behalf of the Hospital and Higher Education Group (“HHEG”) an intervener group that includes the University of Arkansas and several hospitals before the Arkansas PSC in Entergy's general rate case to provide testimony on various revenue requirement issues.
155. **Sierra Pacific Power Company, 2013 (Docket No. 13-06002)** – Participated as an expert witness on behalf of the Northern Nevada Utility Customers⁴ before the Nevada PUC in SPPC's general rate case proceeding to provide testimony on various cost of service and revenue requirement issues. Sponsored written and oral testimony in the depreciation phase, the revenue requirement phase and the rate design phase of these proceedings.
156. **Gulf Power Company, 2013 (Docket No. 130140-EI)** – Participated as an expert witness on behalf of the Office of Public Counsel before the Florida Commission in Gulf Power's general rate case proceeding to provide testimony on various revenue requirement issues.
157. **Public Service Company of Oklahoma, 2013 (Cause No. PUD 201200054)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission (“OCC”) to provide testimony in PSO's application seeking Commission approval of its settlement agreement with EPA.
158. **Southwestern Electric Power Company, 2012 (PUC Docket No. 40443)** – Participated as an expert witness on behalf of Cities Advocating Reasonable Deregulation (“CARD Cities”) before the Texas Public Utility Commission in SWEPCO's general rate case proceeding to provide testimony on various cost of service issues and on the utility's overall revenue requirement.
159. **Doyon Utilities, 2012 Alaska Rate Case (Docket No. TA7-717)** – Participated as an expert witness consultant on behalf of the Department of Defense to provide expert testimony in twelve rate case reviews for the utility systems of Fort Wainwright, Fort Greely and Joint Base Elmendorf-Richardson before the Regulatory Commission of Alaska.
160. **University of Oklahoma, 2012** – Participated as an expert witness on behalf of the University of Oklahoma to provide expert testimony on various revenue requirement issues in the University's general rate case with the Corix Group, which provides utility services to the University.
161. **Public Service Company of Oklahoma, 2012 (Cause No. PUD 201200079)** – Participated as an expert witness on behalf of the OIEC before the Oklahoma Corporation Commission to provide expert testimony addressing the utility's request to earn additional compensation on a 510MW purchased power agreement with Exelon.

³ The Cities include Beaumont, Conroe, Groves, Houston, Huntsville, Orange, Navasota, Nederland, Pine Forest, Pinehurst, Port Arthur, Port Neches, Rose City, Shenandoah, Silsbee, Sour Lake, Vidor, and West Orange.

⁴ The Northern Nevada Utility Consumers is a group of large commercial and industrial customers in the SPPC service territory.

162. **Centerpoint Energy Texas Gas, 2012 (Docket No. GUD 10182)** – Participated as an expert witness on behalf of the Steering Committee of Cities before the Texas Railroad Commission to provide expert testimony on various revenue requirement issues.
163. **Entergy Texas Inc., 2012 (PUC Docket No. 39896)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
164. **Oklahoma Natural Gas Company, 2012 (Cause No. PUD 2012-029)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG’s Performance Based Rate (“PBR”) application seeking Commission approval of a requested rate increase based upon formula results for 2011.
165. **University of Oklahoma, 2012** – Assisted the University of Oklahoma with an audit of the costs associated with its six utility operations and its contract with the Corix Group to provide utility services to the university.
166. **Oklahoma Gas and Electric Company, 2012 (Cause No. PUD 2011-186)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking Commission approval of a special contract with Oklahoma State University and a wind energy purchase agreement in connection therewith.
167. **Empire Electric Company, 2011, (Cause No. PUD 11-082)** – Participated as an expert witness on behalf of Enbridge before the OCC in Empire’s rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
168. **Nevada Power Company, 2011, (Docket No. 11-04010)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC. Sponsored written and oral testimony to address proposed changes to the Company’s customer deposit rules.
169. **Nevada Power Company, 2011, (Docket No. 11-06006)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
170. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2011-106)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking rider recovery of third party SPP transmission costs and fees.
171. **Oklahoma Gas and Electric Company, 2011 (Cause No. PUD 2011-087)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case to provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
172. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-109-U)** – Participated as an expert witness on behalf of Gerdau Macsteel before the Arkansas Public Service Commission in OG&E’s application to recover Smart Grid costs to make recommendations regarding the allocation of the Smart Grid costs.

173. **Oklahoma Gas & Electric Company, 2011 (Cause No. PUD 2011-027)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking to include retiree medical expense in the Company’s pension tracker mechanism.
174. **Public Service Company of Oklahoma, 2011 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of OIEC before the Oklahoma Corporation Commission in AEP/PSO’s application to recover ice storm O&M expenses through a regulatory asset/rider mechanism to address tax impact and return issues in the proposed rider.
175. **Public Service Company of Colorado, 2011 (Docket No. 10AL-908E)** – Participated as an expert witness on behalf of the Colorado Retail Council (“CRC”) before the Colorado Public Utilities Commission providing written and live testimony to address PSCo’s proposed Environmental Tariff.
176. **Oklahoma Gas & Electric Company, 2011 (Docket No. 10-067-U)** – Participated as an expert witness on behalf of the Northwest Arkansas Industrial Energy Consumers (“NWIEC”)⁵ before the Arkansas Public Service Commission in OG&E’s general rate case application to provide testimony on various revenue requirement, cost of service and rate design issues.
177. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-146)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking rider recovery of third party SPP transmission costs and SPP administration fees.
178. **Massachusetts Electric Co. & Nantucket Electric Co. d/b/a National Grid, 2010 (Docket No. DPU 10-54)** – Participated as an expert witness providing both written and live testimony before the Massachusetts Department of Public Utilities on behalf of the Associated Industries of Massachusetts (“AIM”) to address the Company’s proposed participation in the 438MW Cape Wind project in Nantucket Sound.
179. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-50)** – Participated as an expert witness on behalf of the OIEC before the OCC in AEP/PSO’s general rate case application to provide testimony on various cost-of-service issues and on the utility’s overall revenue requirement and rate design proposals.
180. **Texas-New Mexico Power Co., 2010 (Docket 38480)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
181. **Southwestern Public Service Co., 2010 (PUCT Docket No. 38147)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities (“AXM”) in the SPS general rate case application to provide testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsor the AXM Accounting Exhibits.
182. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-37)** – Participated as an expert witness on behalf of OIEC before the OCC to address the preapproval and ratemaking treatment of OG&E’s 220MW self-build wind project.
183. **Oklahoma Gas & Electric Company, 2010 (Cause No. PUD 2010-29)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking pre-approval of

⁵ NWIEC is an association of industrial manufacturing facilities in northwest Arkansas.

deployment of smart-grid technology and rider-recovery of the associated costs. Sponsored written testimony to address smart-grid deployment and time-differentiated fuel rates.

184. **Public Service Company of Oklahoma, 2010 (Cause No. PUD 2010-01)** – Participated as an expert witness on behalf of the OIEC before the OCC in the Company’s proposed Green Energy Choice Tariff. Sponsored testimony to address the pricing and ratemaking treatment of the Company’s proposed wind subscription tariff.
185. **Nevada Power Company, 2010 (Docket No. 10-02009)** – Participated as an expert witness on behalf of the Southern Nevada Hotel Group (“SNHG”) before the Nevada PUC to provide testimony in NPC’s Internal Resource Plan to address the ratemaking treatment of the proposed ON Line transmission line.
186. **Entergy Texas Inc., 2010 (PUC Docket No. 37744)** – Participated as an expert witness on behalf of the Cities in ETI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
187. **El Paso Electric Company, 2010 (PUC Docket No. 37690)** – Participated as an expert witness on behalf of the City of El Paso in the EPI general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
188. **Public Service Company of Oklahoma, 2009 (Cause No. 09-196)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application for approval of DSM programs and cost recovery. Sponsored testimony to address program costs, lost revenue recovery, cost allocations and incentives.
189. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 09-230 and 09-231)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
190. **Oklahoma Gas and Electric Company, 2009 (Cause No. PUD 08-398)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s rate case. Provided testimony in both the revenue requirement and rate design phases of the proceedings to establish prospective cost-of-service based rates for the power company.
191. **Nevada Power Company, 2009, (Docket No. 08-12002)** - Participated as an expert witness on behalf of the Southern Nevada Hotel Group before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
192. **Public Service Company of Oklahoma, 2009 (Cause No. 09-031)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application to add wind resources from two purchased power contracts. Sponsored written testimony to address the proper ratemaking treatment of the contract costs and the renewable energy certificates.
193. **Oklahoma Natural Gas Co., 2009 (Cause No. PUD 08-348)** – Participated as an expert witness on witness on behalf of the OIEC before the OCC in ONG’s application to establish a Performance Based Rate tariff. Sponsored both written and oral testimony to address the merits of the utility’s proposed PBR.

194. **Rocky Mountain Power, 2009 (Docket No. 08-035-38)** – Participated as an expert witness on behalf of the Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on various revenue requirement issues.
195. **Texas-New Mexico Power Co., 2008 (Docket 36025)** – Participated as an expert witness on behalf of the Alliance of Texas Municipalities (“ATM”) before the Texas PUC in TMNP’s general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
196. **Public Service Company of Oklahoma, 2008 (Cause No. 08-144)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s general rate case application to address revenue requirement and rate design issues to establish prospective cost-of-service based rates.
197. **Public Service Company of Oklahoma, 2008 (Cause No. 08-150)** – Participated as an expert witness on behalf of the OIEC before the OCC to address PSO’s calculation of its Fuel Clause Adjustment for 2008.
198. **Oklahoma Gas and Electric Company, 2008 (Cause No. PUD 08-059)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
199. **Entergy Gulf States, 2008 (PUC Docket No. 34800, SOAH Docket No. 473-08-0334)** – Participated as an expert witness on behalf of the Cities in EGSI’s general rate case to provide testimony on various cost of service issues and on the utility’s overall revenue requirement.
200. **Public Service Company of Oklahoma, 2008 (Cause No. 07-465)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application to recover the pre-construction costs of the cancelled Red Rock coal generation facility.
201. **Oklahoma Gas and Electric Company, 2008 (Cause No. 07-447)** – Participated as an expert witness on behalf of the OIEC before the OCC in OG&E’s application seeking authorization to recover the pre-construction costs of the cancelled Red Rock coal generation facility using proceeds from sales of excess SO₂ allowances.
202. **Rocky Mountain Power, 2008 (Docket No. 07-035-93)** – Participated as an expert witness on behalf of Division of Public Utilities (Staff) in PacifiCorp’s general rate case to provide testimony on various revenue requirement issues.
203. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-449)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO’s application seeking authorization of its Demand Side Management (“DSM”) programs and the establishment of a DSM Rider to recover program costs, lost revenues and utility incentives.
204. **Public Service Company of Oklahoma, 2008 (Cause No. PUD 07-397)** – Participated as an expert witness on behalf of OIEC before the OCC in PSO’s application seeking authorization to defer storm damage costs in a regulatory asset account and to recover the costs using the proceeds from sales of excess SO₂ allowances.
205. **Oklahoma Gas & Electric Co., 2007 (Cause No. PUD 07-012)** – Participated as an expert witness on behalf of OIEC before the OCC in OG&E’s application seeking pre-approval to construct the Red

Rock coal plant to address the Company's proposed rider recovery mechanism.

206. **Oklahoma Natural Gas Co., 2007 (Cause No. PUD 07-335)** – Participated as an expert witness on behalf of the OIEC before the OCC in ONG's application proposing alternative cost recovery for the Company's ongoing capital expenditures through the proposed Capital Investment Mechanism Rider ("CIM Rider"). Sponsored testimony to address ONG's proposal.
207. **Public Service Company of Oklahoma, 2007 (Cause No. PUD 06-030)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's application seeking a used and useful determination for its planned addition of the Red Rock coal plant to address the Company's use of debt equivalency in the competitive bidding process for new resources.
208. **Public Service Company of Oklahoma, 2006 (Cause No. PUD 06-285)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
209. **Nevada Power Company, 2007, (Docket No. 07-01022)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
210. **Nevada Power Company, 2006, (Docket No. 06-11022)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
211. **Southwestern Public Service Co., 2006 (PUCT Docket No. 37766)** – Participated as an expert witness on behalf of the Alliance of Xcel Municipalities ("AXM") in the SPS general rate case application. Provided testimony before the Texas Public Utility Commission regarding rate base and operating expense issues and sponsored the Accounting Exhibits on behalf of AXM.
212. **Atmos Energy Corp., Mid-Tex Division, 2006 (Texas GUD 9676)** – Participated as an expert witness in the Atmos Mid-Tex general rate case application on behalf of the Atmos Texas Municipalities ("ATM"). Provided written and oral testimony before the Railroad Commission of Texas regarding the revenue requirements of Mid-Tex including various rate base, operating expense, depreciation and tax issues. Sponsored the Accounting Exhibits for ATM.
213. **Nevada Power Company, 2006 (Docket No. 06-06007)** – Participated as an expert witness on behalf of the MGM MIRAGE in the Sinatra Substation Electric Line Extension and Service Contract case. Provided both written and oral testimony before the Nevada Public Utility Commission to provide the Commission with information as to why the application is consistent with the line extension requirements of Rule 9 and why the cost recovery proposals set forth in the application provide a least cost approach to adding necessary new capacity in the Las Vegas strip area.
214. **Public Service Co. of Oklahoma, 2006 (Cause No. PUD 05-00516)** - Participated as an expert witness on behalf of the OIEC to review PSO's application for a "used and useful" determination of its proposed peaking facility.
215. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 06-00041)** – Participated as an expert witness on behalf of the OIEC in OG&E's application to propose an incentive sharing mechanism for SO₂ allowance proceeds.

216. **Chermac Energy Corporation, 2006 (Cause No. PUD 05-00059 and 05-00177)** – Participated as an expert witness on behalf of the OIEC in Chermac’s PURPA application. Sponsored written responsive and rebuttal testimony to address various rate design issues arising under the application.
217. **Oklahoma Gas and Electric Co., 2006 (Cause No. PUD 05-00140)** – Participated as an expert witness on behalf of the OIEC in OG&E’s 2003 and 2004 Fuel Clause reviews. Sponsored written testimony to address the purchasing practices of the Company, its transactions with affiliates, and the prices paid for natural gas, coal and purchased power.
218. **Nevada Power Company, 2006, (Docket No. 06-01016)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written testimony in NPC’s deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
219. **Oklahoma Gas and Electric Co., 2005 (Cause No. PUD 05-151)** – Participated as an expert witness on behalf of the OIEC in OG&E’s general rate case application. Sponsored both written and oral testimony before the OCC to address various revenue requirement and rate design issues for the purpose of setting prospective cost-of-service based rates.
220. **Oklahoma Natural Gas Co., 2005 (Cause No. PUD 04-610)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma. Sponsored written and oral testimony to address numerous rate base, operating expense and depreciation issues for the purpose of setting prospective cost-of-service based rates.
221. **CenterPoint Energy Arkla, 2004 (Cause No. PUD 04-0187)** – Participated as an expert witness on behalf of the Attorney General of Oklahoma: Sponsored written testimony to provide the OCC with analysis from an accounting and ratemaking perspective of the Co.’s proposed change in depreciation rates from an Average Life Group to an Equal Life Group methodology. Addressed the Co.’s proposed increase in depreciation rates associated with increased negative salvage value calculations.
222. **Public Service Co. of Oklahoma, 2004 (Cause No. PUD 02-0754)** – Participated as an expert witness on behalf of the OIEC. Sponsored written testimony (1) making adjustments to PSO’s requested recovery of an ICR programming error, (2) correcting errors in the allocation of trading margins on off-system sales of electricity from AEP East to West and among the AEP West utilities and (3) recommending an annual rather than a quarterly change in the FAC rates.
223. **PowerSmith Cogeneration Project, 2004 (Cause No. PUD 03-0564)** - Participated as an expert witness on behalf of the OIEC to provide the OCC with direction in setting an avoided cost for the PowerSmith Cogeneration project under PURPA requirements. Provided both written and oral testimony on the provisions of the proposed contract under PURPA:
224. **Electric Utility Rules for Affiliate Transactions, 2004 (Cause No. RM 03-0003)** – Participated as a consultant on behalf of the OIEC to draft comments to assist the OCC in developing rules for affiliate transactions. Assisted in drafting the proposed rules. Successful in having the Lower of Cost or Market rule adopted for affiliate transactions in Oklahoma.
225. **Nevada Power Company, 2003, (Docket No. 03-10001)** - Participated as an expert witness on behalf of the MGM MIRAGE properties before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.

226. **Nevada Power Company, 2003, (Docket No. 03-11019)** - Participated as an expert witness on behalf of the MGM MIRAGE before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power.
227. **Public Service Company of Oklahoma, 2003 (Cause No. PUD 03-0076)** – Participated as an expert witness on behalf of the OIEC before the OCC in PSO's general rate case application to address various revenue requirement and rate design issues to establish prospective cost-of-service based rates.
228. **Oklahoma Gas & Electric Co., 2003 (Cause No. PUD 03-0226)** – Participated as an expert witness on behalf of the OIEC. Provided both written and oral testimony before the OCC to determine the appropriate level to include in rates for natural gas transportation and storage services acquired from an affiliated company.
229. **Nevada Power Company, 2003 (Docket No. 02-5003-5007)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony to calculate the appropriate exit fee in MGM Mirage's 661 Application to leave the system.
230. **McCarthy Family Farms, 2003** – Participated as a consultant to assist McCarthy Family Farms in converting a biomass and biosolids composting process into a renewable energy power producing business in California.
231. **Bice v. Petro Hunt, 2003 (ND, Supreme Court No. 20030306)** - Participated as an expert witness in a class certification proceeding to provide cost-of-service calculations for royalty valuation deductions for natural gas gathering, dehydration, compression, treatment and processing fees in North Dakota.
232. **Nevada Power Company, 2003 (Docket No. 03-11019)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power. Provided written and oral testimony on the reasonableness of the cost allocations to the utility's various customer classes.
233. **Wind River Reservation, 2003 (Fed. Claims Ct. No. 458-79L, 459-79L)** – Participated as a consulting expert on behalf of the Shoshone and Arapaho Tribes to provide cost-of-service calculations for royalty valuation deductions for gathering, dehydration, treatment and compression of natural gas and the reasonableness of deductions for gas transportation.
234. **Oklahoma Gas & Electric Co., 2002 (Cause No. PUD 01-0455)** – Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored written and oral testimony on numerous revenue requirement issues including rate base, operating expense and rate design issues to establish prospective cost-of-service based rates.
235. **Nevada Power Company, 2002 (Docket No. 02-11021)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy docket to determine the level of prudent company expenditures for fuel and purchased power and to make recommendations with respect to rate design.
236. **Nevada Power Company, 2002 (Docket No. 01-11029)** - Participated as a consulting expert on behalf of the MGM Mirage before the Nevada PUC in Nevada Power Company's deferred energy

docket to determine the level of prudent company expenditures for fuel and purchased power included in the Company's \$928 million deferred energy balances.

237. **Nevada Power Company, 2002 (Docket No. 01-10001)** - Participated as an expert witness on behalf of the MGM Mirage before the Nevada PUC. Sponsored written and oral testimony in both the revenue requirement phase and the rate design phase of the proceedings to establish prospective cost-of-service based rates for the power company.
238. **Chesapeake v. Kinder Morgan, 2001 (CIV-00-397L)** - Participated as an expert witness on behalf of Chesapeake Energy in a gas gathering dispute. Sponsored testimony to calculate and support a reasonable rate on the gas gathering system. Performed necessary calculations to determine appropriate levels of operating expense, depreciation and cost of capital to include in a reasonable gathering charge and developed an appropriate rate design to recover these costs.
239. **Southern Union Gas Company, 2001** - Participated as a consultant to the City of El Paso in its review of SUG's gas purchasing practices, gas storage position, and potential use of financial hedging instruments and ratemaking incentives to devise strategies to help shelter customers from the risk of high commodity price spikes during the winter months.
240. **Nevada Power Company, 2001** - Participated as an expert witness on behalf of the MGM-Mirage, Park Place and Mandalay Bay Group before the Nevada Public Utility Commission to review NPC's Comprehensive Energy Plan (CEP) for the State of Nevada and make recommendations regarding the appropriate level of additional costs to include in rates for the Company's prospective power costs associated with natural gas and gas transportation, coal and coal transportation and purchased power.
241. **Bridenstine v. Kaiser-Francis Oil Co. et al., 2001 (CJ-95-54)** - Participated as an expert witness on behalf of royalty owner plaintiffs in a valuation dispute regarding gathering, dehydration, metering, compression, and marketing costs. Provided cost-of-service calculations to determine the reasonableness of the gathering rate charged to the royalty interest. Also provided calculations as to the average price available in the field based upon a study of royalty payments received on other wells in the area.
242. **Klatt v. Hunt et al., 2000 (ND)** - Participated as an expert witness and filed report in United States District Court for the District of North Dakota in a natural gas gathering contract dispute to calculate charges and allocations for processing, sour gas compression, treatment, overhead, depreciation expense, use of residue gas, purchase price allocations, and risk capital.
243. **Oklahoma Gas and Electric Co., 2000 (Cause No. PUD 00-0020)** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Generation Efficiency Performance Rider (GEPR). Provided a list of criteria with which to measure a utility's proposal for alternative ratemaking. Recommended modifications to the Company's proposed GEPR to bring it within the boundaries of an acceptable alternative ratemaking formula.
244. **Oklahoma Gas and Electric Co., 1999** - Participated as an expert witness on behalf of the OIEC before the OCC. Sponsored testimony on OG&E's proposed Performance Based Ratemaking (PBR) proposal including analysis of the Company's regulated return on equity, fluctuations in the capital investment and operating expense accounts of the Company and the impact that various rate base, operating expense and cost of capital adjustments would have on the Company's proposal.
245. **Nevada Power Company, 1999 (Docket No. 99-7035)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and

oral testimony addressing the appropriate ratemaking treatment of the Company's deferred energy balances, prospective power costs for natural gas, coal and purchased power and deferred capacity payments for purchased power.

246. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to unbundle the utility services of the NPC and to establish the appropriate cost-of-service allocations and rate design for the utility in Nevada's new competitive electric utility industry.
247. **Nevada Power Company, 1999 (Docket No. 99-4005)** - Participated as an expert witness on behalf of the Mirage, Park Place and Mandalay Bay Group before the Nevada PUC. Sponsored written and oral testimony to establish the cost-of-service revenue requirement of the Company.
248. **Nevada Power/Sierra Pacific Merger, 1998 (Docket No. 98-7023)** - Participated as an expert witness on behalf of the Mirage and MGM Grand before the Nevada PUC. Sponsored written and oral testimony to establish (1) appropriate conditions on the merger (2) the proper sequence of regulatory events to unbundle utility services and deregulate the electric utility industry in Nevada (3) the proper accounting treatment of the acquisition premium and the gain on divestiture of generation assets. The recommendations regarding conditions on the merger, the sequence of regulatory events to unbundle and deregulate, and the accounting treatment of the acquisition premium were specifically adopted in the Commission's final order.
249. **Oklahoma Natural Gas Company, 1998 (Cause No. PUD 98-0177)** - Participated as an expert witness in ONG's unbundling proceedings before the OCC. Sponsored written and oral testimony on behalf of Transok, LLC to establish the cost of ONG's unbundled upstream gas services. Substantially all of the cost-of-service recommendations to unbundle ONG's gas services were adopted in the Commission's interim order.
250. **Public Service Company of Oklahoma, 1997 (Cause No. PUD 96-0214)** - Audited both rate base investment and operating revenue and expense to determine the Company's revenue requirement and cost-of-service. Sponsored written testimony before the OCC on behalf of the OIEC.
251. **Oklahoma Natural Gas /Western Resources Merger, 1997 (Cause No. PUD 97-0106)** - Sponsored testimony on behalf of the OIEC regarding the appropriate accounting treatment of acquisition premiums resulting from the purchase of regulated assets.
252. **Oklahoma Gas and Electric Co., 1996 (Cause No. PUD 96-0116)** - Audited both rate base investment and operating income. Sponsored testimony on behalf of the OIEC for the purpose of determining the Company's revenue requirement and cost-of-service allocations.
253. **Oklahoma Corporation Commission, 1996** - Provided technical assistance to Commissioner Anthony's office in analyzing gas contracts and related legal proceedings involving ONG and certain of its gas supply contracts. Assignment included comparison of pricing terms of subject gas contracts to portfolio of gas contracts and other data obtained through annual fuel audits analyzing ONG's gas purchasing practices.
254. **Tenkiller Water Company, 1996** - Provided technical assistance to the Attorney General of Oklahoma in his review of the Company's regulated cost-of-service for the purpose of setting prospective utility rates.
255. **Arkansas Oklahoma Gas Company, 1995 (Cause No. PUD 95-0134)** - Sponsored written and oral

testimony before the OCC on behalf of the Attorney General of Oklahoma regarding the price of natural gas on AOG's system and the impact of AOG's proposed cost of gas allocations and gas transportation rates and tariffs on AOG's various customer classes.

256. **Enogex, Inc., 1995 (FERC 95-10-000)** - Analyzed Enogex's application before the FERC to increase gas transportation rates for the Oklahoma Independent Petroleum Association and made recommendations regarding revenue requirement, cost-of-service and rate design on behalf of independent producers and shippers.
257. **Oklahoma Natural Gas Company, 1995 (Cause No. PUD 94-0477)** - Analyzed a portfolio of ONG's gas purchase contracts in the Company's Payment-In-Kind (PIC) gas purchase program and made recommendations to the OCC Staff on behalf of Terra Nitrogen, Inc. regarding the inappropriate profits made by ONG on the sale of the gas commodity through the PIC program pricing formula. Also analyzed the price of gas on ONG's system, ONG's cost-of-service based rates, and certain class cross-subsidizations in ONG's existing rate design.
258. **Arkansas Louisiana Gas Company, 1994 (Cause No. PUD 94-0354)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of the other auditors on the case. Sponsored cost-of-service testimony on cash working capital and developed policy recommendations on post test year adjustments.
259. **Empire District Electric Company, 1994 (Cause No. PUD 94-0343)** - Planned and supervised the rate case audit for the OCC Staff and reviewed the workpapers and testimony of other auditors. Sponsored cost-of-service testimony on rate base investment areas including cash working capital.
260. **Oklahoma Natural Gas Company, 1992 through 1993 (Cause No. PUD 92-1190)** - Planned and supervised the rate case audit of ONG for the OCC Staff. Reviewed all workpapers and testimony of the other auditors on the case. Sponsored written and oral testimony on numerous cost-of-service adjustments. Analyzed ONG's gas supply contracts under the Company's PIC program.
261. **Oklahoma Gas and Electric Company, 1991 through 1992 (Cause No. PUD 91-1055)** - Audited the rate base, operating revenue and operating expense accounts of OG&E on behalf of the OCC Staff. Sponsored written and oral testimony on numerous revenue requirement adjustments to establish the appropriate level of costs to include for the purpose of setting prospective rates.

Duke Energy Indiana, LLC
Office of Utility Consumer Counsel (OUCC) Summary of Recommendations
IURC Cause No. 46038; Test Year Ending December 31, 2025
(\$ Thousands)

REDACTED PUBLIC VERSION

Exhibit MEG-2

Line	Description	Witness	Reference	Rate Base	Pre-Tax ROR	Rate Increase
					(Note 1)	
1	Requested Amounts		Exh. 26, RR1	\$ 12,482,080	8.7290%	\$ 543,166
2	Less: Present Tracker Revenue		Exh. 26, RR1			17,281
3	Plus: Proposed Tracker Revenue		Exh. 26, RR1			(34,347)
4	Base Rate Deficiency after Trackers		Exh. 26, RR1			\$ 491,538
5	<u>OUCC Rate Base Adjustments</u>					
6	Depreciation Reserve	M. Garrett	MEG-2.3	127,790	8.7290%	11,155
7	Regulatory Assets from Gallagher Closure	Eekert	MEG-2.11	(7,600)	8.7290%	(663)
8	Cayuga Restricted Waste Site II, Landfill Cell 3	Armstrong	MEG-2.11	(1,894)	8.7290%	(165)
9	Total OUCC Rate Base Adjustments			\$ 118,296		\$ 10,326
10	<u>OUCC Cost of Capital Adjustments</u>					
11	Return on Equity	9.00%	D. Garrett	\$ 12,600,376	-0.8702%	(109,648)
12	Total OUCC Cost of Capital Adjustments					\$ (109,648)
13	<u>OUCC Operating Income Adjustments</u>					
14	Incentive Compensation	M. Garrett	MEG-2.4			\$ (15,451)
15	Storm Damages	Sanka	MEG-2.4			(6,466)
16	Industry Association Dues	M. Garrett	MEG-2.4			(197)
17	Investor Relations Expense	M. Garrett	MEG-2.4			(232)
18	Board of Directors Compensation	M. Garrett	MEG-2.4			(293)
19	Other Post Retirement Benefits	M. Garrett	MEG-2.4			(5,348)
20	Revenue Rate Migration Adjustment	Hanks	MEG-2.4			(2,546)
21	Payment Navigators Program	Hanks	MEG-2.4			(320)
22	Credit Card Fees	Latham	MEG-2.4			(2,377)
23	Restructuring Costs	Latham	MEG-2.4			
24	CCR Disposal -- Confidential	Armstrong	MEG-2.4			
25	Depreciation Expense	D. Garrett	MEG-2.4			
26	Amortization of Regulatory Assets	Eekert	MEG-2.4			
27	Fuel Cost	Eekert	MEG-2.4			
28	Total OUCC Operating Income Adjustments					\$ (207,526)
29	Total OUCC Adjustments					\$ (306,848)
30	OUCC Adjusted Revenue Requirement Increase					<u>\$ 184,690</u>

Note 1	Pre-Tax Rate of Return calculation:	Rate of Return	Pre-Tax Factor	Pre-Tax Return
	(Exh. 26, RR1)	6.52%	* 1.33880	= 8.72898%

Note 2 Highlighted Cells Reference Confidential Information

Duke Energy Indiana, LLC
 OUCC - Determination of Revenue Increase/(Decrease)
 IURC Cause No. 46038; For the Test Year Ending December 31, 2025
 (\$ Thousands)

Exhibit MEG-2.1

Line	Description	Reference	Amounts per Petitioner at Present Rates	Amount Per OUCC
1	Recommended Rate Base	Note 1	\$ 12,482,080	\$ 12,600,376
2	Required Rate of Return		<u>6.52%</u>	<u>5.87%</u>
3	Net Operating Income Required		\$ 813,832	\$ 739,642
4	Net Operating Income at Present Rates		<u>408,121</u>	<u>563,130</u>
5	Net Income Surplus/(Deficiency)		\$ 405,711	\$ 176,512
6	Revenue Multiplier	Note 2	<u>1.3388</u>	<u>1.3388</u>
7	Base Rate Revenue Increase		\$ 543,166	\$ 236,314
8	Less: Present Revenue for Ongoing Trackers		17,281	17,281
9	Plus: Proposed Revenue from Ongoing Trackers		<u>(34,347)</u>	<u>(34,347)</u>
10	Total Rate Change Before Phase-In Credit		<u>\$ 491,538</u>	<u>\$ 184,686</u>
11	Pro Forma Revenue at Present Rates		\$ 3,016,950	\$ 3,019,481
12	Present Revenue from Ongoing Trackers		<u>17,281</u>	<u>17,281</u>
13	Pro Forma Revenues at Present Rates Plus Trackers		<u>\$ 3,034,231</u>	<u>\$ 3,036,762</u>
14	Percent Increase		<u>16.20%</u>	<u>6.08%</u>

Note 1 See MEG-2.3 RB Sum, line 30.

Note 2 From 46038_DEI_Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab RR2 - Revenue Conversion, Line 7, column C.

Duke Energy Indiana, LLC
OUCC - Jurisdictional Electric Operating Income
IURC Cause No. 46038; For the Test Year Ending December 31, 2025
(\$ Thousands)

Exhibit MEG-2.2

Line	Description	Petitioner Amounts at Present Rates (A)	OUCC Adjustments (B)	OUCC Amounts at Proposed (C)=(A)+(B)	Revenue Increase/ Decrease (D)	OUCC Amounts After Revenue Increase/Decrease (E)
1	Operating Revenues	\$ 3,016,950	\$ 2,531	\$ 3,019,481	\$ 236,314	\$ 3,255,795
2	Operating Expenses:					
3	Operation & Maintenance Expenses	\$ 1,520,666	\$ (78,408)	\$ 1,442,258	\$ 1,009	\$ 1,443,267
4	Depreciation & Amortization Expense	967,291	(125,384)	841,907		841,907
5	Taxes - Other than Income Taxes	74,799	-	74,799	357	75,156
6	Total Operating Expenses Other Than					
7	Income Taxes	\$ 2,562,756	\$ (203,792)	\$ 2,358,964	\$ 1,366	\$ 2,360,329
8	Net Operating Income Before Income Taxes	\$ 454,194	\$ 206,324	\$ 660,518	\$ 234,948	\$ 895,466
9	Income Taxes					
10	Current Federal Income Taxes	\$ 125,647	\$ 41,205	\$ 166,852	\$ 46,921	\$ 213,773
11	Current State Income Taxes	1,864	10,110	11,974	11,512	23,486
12	Deferred Federal Income Taxes	(84,555)	-	(84,555)		(84,555)
13	Deferred State Income Taxes	3,233	-	3,233		3,233
14	Investment Tax Credits	(116)	-	(116)		(116)
15	Total Income Taxes	\$ 46,073	\$ 51,315	\$ 97,388	\$ 58,434	\$ 155,822
16	Net Utility Operating Income	\$ 408,121	\$ 155,009	\$ 563,130	\$ 176,514	\$ 739,644

Duke Energy Indiana, LLC
OUCC - Summary of Pro Forma Net Original Cost Rate Base
IURC Cause No. 46038; For the Test Year Ending December 31, 2025
(\$ Thousands)

Exhibit MEG-2.3

Line	Description	Reference	Dec. 31, 2025	OUCC	Dec. 31, 2025
			Balance As Adjusted	Adjustments	OUCC Balance As Adjusted
			(A)	(B)	(C)
1	Net Utility Plant In-Service:	Note 1			
2	Production Plant (incl. Acquisition Adjustment)				
3	Plant In-Service	Note 2	\$ 9,058,998	\$ (1,894)	\$ 9,057,104
4	Depreciation Reserve	Note 3	(5,068,793)	97,953	(4,970,840)
5	Net Book Value		\$ 3,990,205	\$ 96,059	\$ 4,086,264
6	Transmission Plant				
7	Plant In-Service		\$ 2,885,631		\$ 2,885,631
8	Depreciation Reserve	Note 3	(351,583)	4,678	(346,905)
9	Net Book Value		2,534,048	4,678	2,538,726
10	Distribution Plant				
11	Plant In-Service		5,514,720		5,514,720
12	Depreciation Reserve	Note 3	(1,450,863)	24,758	(1,426,105)
13	Net Book Value		4,063,857	24,758	4,088,615
14	General Plant				
15	Plant In-Service		810,533		810,533
16	Depreciation Reserve	Note 3	(269,941)	401	(269,540)
17	Net Book Value		540,592	401	540,993
18	Intangible Plant				
19	Plant In-Service		368,847		368,847
20	Depreciation Reserve		(260,444)	-	(260,444)
21	Net Book Value		108,403	-	108,403
22	Total Net Utility Plant In-Service				
23	Plant In-Service		18,638,731	(1,894)	18,636,836
24	Depreciation Reserve		(7,401,626)	127,790	(7,273,836)
25	Net Book Value		11,237,105	125,896	11,363,001
26	Fuel Stock Inventory		130,594		130,594
27	Regulatory Assets	Note 4	529,750	(7,600)	522,150
28	Materials and Supplies	Note 5	363,176		363,176
29	Prepaid Pension Costs		221,455		221,455
30	Total Utility Rate Base		<u>\$ 12,482,080</u>	<u>\$ 118,296</u>	<u>\$ 12,600,376</u>

Note 1 DEI December 31, 2025 Amounts from RB1 - Summary, column E.
Note 2 Adjustments from Exhibit MEG-2.11, lines 4 and 5.
Note 3 Adjustment from Exhibit MEG-2.19(S1).
Note 4 Adjustment from Exhibit MEG-2.11, line 3.

Line	Description	Reference	Revenues	O&M Expenses	Depreciation Expense	Taxes Other Than Income	Current Federal Income Tax	Current State Income Tax	Deferred Federal Income Tax	Deferred State Income Tax	Investment Tax Credits	Net Operating Income	Indiana Retail Factor	Revenue Requirement Impact
1	Net Income per Petitioner (Note 1)	Note 1	\$ 3,016,950	\$ 1,520,666	\$ 967,291	\$ 74,799	\$ 125,647	\$ 1,864	\$ (84,555)	\$ 3,233	\$ (116)	\$ 408,121	(Note 2)	
2	OUCC Adjustments													
3	Incentive Compensation	MEG-2.5		(16,900)			3,375	828				\$ 12,697	0.90893	\$ (15,451)
4	Storm Damages	MEG-2.6		(6,429)			1,284	315				4,830	1.00000	(6,466)
5	Industry Association Dues	MEG-2.7		(215)			43	11				162	0.90893	(197)
6	Investor Relations Expense	MEG-2.8		(254)			51	12				190	0.90893	(232)
7	Board of Directors Compensation	MEG-2.9		(320)			64	16				240	0.90893	(293)
8	Other Post Retirement Benefits	MEG-2.10		(5,850)			1,168	287				4,395	0.90893	(5,348)
9	Revenue Rate Migration Adjustment	MEG-2.11	2,531				506	124				1,902	1.00000	(2,546)
10	Payment Navigators Program	MEG-2.11		(350)			70	17				263	0.90893	(320)
11	Credit Card Fees	MEG-2.11		(2,600)			519	127				1,953	0.90893	(2,377)
12	Restructuring Costs	MEG-2.11											0.90893	
13	CCR Disposal	MEG-2.11											0.90893	
14	Depreciation Rate Adjustment Expense	MEG-2.11			(128,342)		25,631	6,289				96,422	0.96138	(124,104)
15	Amortization of Regulatory Assets	MEG-2.11			(2,079)		415	102				1,562	0.96138	(2,011)
16	Fuel Cost	MEG-2.11											0.90893	
17	Total OUCC Adjustments		\$ 2,531	\$ (85,620)	\$ (130,421)	\$ -	\$ 43,651	\$ 10,710	\$ -	\$ -	\$ -	\$ 164,211		\$ (207,526)
18	Jurisdictional Factor		1.000000	0.908931	0.961378	0.975737								
19	OUCC Jurisdictional Adjustment		\$ 2,531	\$ (78,408)	\$ (125,384)	\$ -	41,205	10,110				155,009		(207,526)
20	OUCC Adjusted Net Income		<u>\$ 3,019,481</u>	<u>\$ 1,442,258</u>	<u>\$ 841,907</u>	<u>\$ 74,799</u>	<u>\$ 166,852</u>	<u>\$ 11,974</u>	<u>\$ (84,555)</u>	<u>\$ 3,233</u>	<u>\$ (116)</u>	<u>\$ 563,130</u>		

Note 1 From 46038_DEI Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab OPIN1 - Juris Oper Inc, column A.

Note 2 From 46038_DEI Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab OPIN1 - Juris Oper Inc, column A divided by item amounts from tab OPIN3 - total comp Oper Inc, column E, lines 21, 25, 29, 32, 33, 34, 35, and 36.

Duke Energy Indiana, LLC
OUCC - Incentive Compensation Expense
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.5

Line	Description	Reference	Short-Term Incentive Plan O&M	Performance Awards O&M	Restricted Stock Units O&M	Total O&M
1	STI O&M Expense 12 Months Ended August 31, 2023	Note 1	\$ 15,728	\$ 3,541	\$ 4,400	\$ 23,669
2	STI O&M Expense 12 Months Ended August 31, 2023 (Percentage)		66%	15%	19%	100%
3	LTI Percentages 12 Months Ended August 31, 2023			45%	55%	100%
4	2025 LTI	Note 2				\$ 9,537
5	2025 LTI Distributed Based on 2023 Results			\$ 4,253	\$ 5,284	\$ 9,537
6	2025 STI	Note 3	\$ 20,022			
7	Less: 2025 Union Incentive Compensation	Note 4	2,222			
8	2025 Non-Union STI		\$ 17,800			17,800
9	Ratepayer (Non-Financial) Plan Metrics Percentages	Note 5	50%	17.50%	15.0%	
10	Ratepayer Non-Union Incentives		\$ 8,900	\$ 744	\$ 793	\$ 10,437
11	2025 Union Incentives		2,222			2,222
12	OUCC Recommended Test Year Incentive Compensation Expense		\$ 11,122	\$ 744	\$ 793	\$ 12,659
13	Company's Requested Incentive Compensation Expense		\$ 20,022	\$ 4,253	\$ 5,284	29,559
14	OUCC Adjustment Amount		\$ (8,900)	\$ (3,509)	\$ (4,492)	\$ (16,900)

Note 1 Response to OUCC 19.5, Performance Awards and Restricted Units from Attachment OUCC 19.3-A.xlsx

Note 2 Attachment to OUCC 19.10-A.xlsx, total of cells E4 - P4.

Note 3 Attachment to OUCC 19.10-A.xlsx, total of cells E3 - P3.

Note 4 Response to OUCC 3.06.

Note 5 Direct Testimony of Shannon A. Caldwell, (STI) p. 16, Table 1 (excluding EPS) 7 1.2 of O&M, PUs p. 25, Table 2 TICR, RSUs p. 27, Table 3 TICR.

Duke Energy Indiana, LLC
OUCC - Storm Expense
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.6

Line	Description	Reference	Amount	Adjustment for Large Storm	Amounts for Normalization
1	<u>Distribution</u>				
2	2019	Note 1	\$ 14,681		\$ 14,681
3	2020	Note 1	9,019		9,019
4	2021	Note 1	6,457		6,457
5	2022	Note 1	4,781		4,781
6	2023	Notes 1, 2	39,993	(39,993)	-
7	Adjusted Five Year Average				\$ 8,735
8	<u>Distribution Storm Allocation</u>	Percent	OUCC Amount	DEI Amount	Adjustment
9		(Note 3)		(Note 4)	
10	Distribution Related	94.54%	\$ 8,258	\$ 14,168	\$ (5,910)
11	Transmission Related	0.00%	-	-	-
12	Fringe Benefits	4.25%	371	637	(266)
13	Payroll Taxes	1.21%	106	181	(75)
14	Total		<u>\$ 8,735</u>	<u>\$ 14,986</u>	<u>\$ (6,252)</u>
15	<u>Transmission</u>				
16	2019	Note 5	\$ 520		\$ 520
17	2020	Note 5	967		967
18	2021	Note 5	267		267
19	2022	Note 5	164		164
20	2023	Notes 5, 6	1,366	(1,366)	-
21	Adjusted Five Year Average				\$ 480
22	<u>Transmission Storm Allocation</u>	Percent	OUCC Amount	DEI Amount	Adjustment
23		Note 7		(Note 8)	
23	Distribution Related	11.96%	\$ 57	\$ 79	\$ (22)
24	Transmission Related	77.44%	371	509	(138)
25	Fringe Benefits	8.28%	40	54	(14)
26	Payroll Taxes	2.32%	11	15	(4)
27	Total		<u>\$ 480</u>	<u>\$ 657</u>	<u>\$ (178)</u>
28	Total Major Storm Expense Adjustment				<u>\$ (6,429)</u>
Note 1	WP OM3 - Storm, lines 1 - 5.	Note 5	WP OM3 - Storm, lines 12 - 16.		
Note 2	Large storm from OUCC 7.12	Note 6	Large storm from OUCC 7.12		
Note 3	WP OM3 - Storm, lines 7 - 10.	Note 7	WP OM3 - Storm, lines 18 - 21.		
Note 4	WP OM3 - Storm, lines 7 - 10.	Note 8	WP OM3 - Storm, lines 18 - 21.		

Duke Energy Indiana, LLC
OUCC - Industry Association Dues
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.7

<u>Line</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Industry Association Dues Requested	Note 1	\$ 430
2	Adjustment to Exclude Industry Association Dues		<u>\$ (215)</u>

Note 1- See Exhibit 26, Attachment 26-C, Schedule OM1, Line 177.

Duke Energy Indiana, LLC
OUCC - Investor Relations Expense
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.8

Line	Description	Reference	Amount
1	Investor Relations Expense - Forecasted 2025	OUCC 9.01	\$ 507
2	Recommended Disallowance %		<u>50%</u>
3	Recommended Disallowance		<u>\$ (254)</u>

Duke Energy Indiana, LLC
 OUCC - Board of Directors' Compensation
 IURC Cause No. 46038; Test Year End December 31, 2025
 (\$ Thousands)

Exhibit MEG-2.9

Line	Description	Reference	Amount
1	Cash-based Board of Directors' compensation	OUCC 9.07	\$ 183
2	Recommended Disallowance %		<u>50%</u>
3	Recommended Disallowance		\$ (91)
4	Stock-based Board of Directors' compensation	OUCC 9.07	\$ 229
5	Recommended Disallowance %		<u>100%</u>
6	Recommended Disallowance		<u>\$ (229)</u>
7	Total Recommended Disallowance		<u><u>\$ (320)</u></u>

Exhibit MEG-2.10

Duke Energy Indiana, LLC
OUCC - Other Post Retirement Benefits Expense
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Line	Description	Reference	Amount
1	OPRB Expense Proposed by DEI	Note 1	\$ -
2	Adjustment to Include the Forecasted OPRB Expense		<u>\$ (5,850)</u>

Note 1 See Direct Testimony of Shannon Caldwell, p. 34, l. 22 – p. 35, l. 11.

Duke Energy Indiana, LLC
 OUCC - Adjustments of Other OUCC Witnesses
 IURC Cause No. 46038; Test Year End December 31, 2025
 (\$ Thousands)

Exhibit MEG-2.11

Line	Description	Witness	Amount	Indiana
1	<u>Rate Base</u>			
2	Regulatory Assets from Gallagher Closure	Eckert	(7,600) 1.000000	(7,600)
3	Cayuga Restricted Waste Site II, Landfill Cell 3	Armstrong	(2,000) 0.9472436	(1,894)
4	Total Rate Base Adjustments		<u>\$ (9,600)</u>	<u>\$ (9,494)</u>
5	<u>Operating Income Adjustments</u>			
6	Revenue Rate Migration Adjustment	Hanks		\$ 2,531
7	Payment Navigators Program	Hanks		(350)
8	Credit Card Fees	Latham		(2,600)
9	Restructuring Costs	Latham		
10	CCR Disposal -- Confidential	Armstrong		
11	Amortization of Regulatory Assets	Eckert		
12	Fuel Cost	Eckert		
13	Total Revenue Adjustments			\$ 2,531
14	Total O&M Adjustments			\$ (55,652)
15	Total Depreciation and Amortization Expense Adjustments			\$ (2,079)

Duke Energy Indiana, LLC
OUCC - Depreciation Rate Adjustment
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.12

Line	Description	Reference	DEI Depreciation Expense (Note 1)	OUCC Depreciation Expense (Note 2)	OUCC Depreciation Adjustment	Jurisdictional Factor	OUCC Jurisdictional Adjustment
1	Production Plant	Note 1	\$ 628,410	\$ 528,280	\$ (100,130)		
2	Acquisition Adj. Amortization		<u>163</u>	<u>163</u>	<u>-</u>		
3	Total Production		\$ 628,573	\$ 528,443	\$ (100,130)	0.947243615	\$ (94,848)
4	Transmission Plant		78,152	72,477	(5,675)	0.999049462	(5,670)
5	Distribution Plant		154,516	127,085	(27,431)	1	(27,431)
6	General Plant		40,380	39,971	(409)	0.963512184	(394)
7	Intangible Plant		<u>29,718</u>	<u>29,718</u>	<u>-</u>	0.963513706	<u>-</u>
8	Total		<u>\$ 931,339</u>	<u>\$ 797,694</u>	<u>\$ (133,645)</u>		<u>\$ (128,342)</u>

Note 1 See 46038_DEI_Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab DA1 - Depr Sum, lines 1 - 7, column (H).

Note 2 See WP MG-2.12 Depreciation Rate Adjustment

Line	Description	Projected Capitalization (A)	Pro Forma Adjustments (B)	Proposed Capitalization (C)	Capital Structure Ratio		Cost Rate (F)	Weighted Cost Rate		
					Financial Concept (D)	Regulatory Concept (E)		Financial Concept (G)	Regulatory Concept (H)	Synch. Interest (I)
1	Requested Amounts									
2	Common Equity	\$ 5,959,031	\$ -	\$ 5,959,031	53.03%	43.28%	10.50%	5.57%	4.54%	
3	Preferred Stock		-		0.00%	0.00%	0.00%	0.00%	0.00%	
4	Long-Term Debt (1)	5,278,772	-	5,278,772	46.97%	38.34%	4.87%	2.29%	1.87%	1.89%
5	Total Financial Capitalization	11,237,803	-	11,237,803	100.00%	81.62%		7.86%		
6	Deferred Income Taxes including Excess Deferred Taxes (2)	2,325,599	-	2,325,599		16.89%	0.00%		0.00%	
7	Unamortized ITC - Crane Solar	11,231	-	11,231		0.08%	7.86%		0.01%	
8	Unamortized ITC - 1971 & Later	94	-	94		0.00%	7.86%		0.00%	
9	Unamortized ITC - Markland Hydro	35,947	-	35,947		0.26%	7.86%		0.02%	
10	Unamortized ITC - Camp Atterbury Solar	476	-	476		0.01%	7.86%		0.00%	
11	Unamortized ITC - Advanced Coal (IGCC)	116,978	-	116,978		0.85%	7.86%		0.07%	
12	Unamortized ITC - Purdue CHP	4,055	-	4,055		0.03%	7.86%		0.00%	
13	2025 Forecasted Unamortized ITC -Battery Storage (3)	-	-	-		0.00%	0.00%		0.00%	
14	Customer Deposits	35,929	-	35,929		0.26%	5.00%		0.01%	
15	Total Regulatory Capitalization	\$ 13,768,112	\$ -	\$ 13,768,112		100.00%			6.52%	1.89%
16	Revenue Requirement Conversion Factor									
17	Debt Costs (Synchronized Interest Rate)			1.89%	1.00581	1.9010%				
18	Equity Costs			4.63%	1.33880	6.1986%				
19	Total			6.52%	1.24227	8.0996%				
20	OUCC Recommended Return on Equity									
21	Common Equity	\$ 5,959,031	\$ -	\$ 5,959,031	53.03%	43.28%	9.00%	4.77%	3.90%	
22	Preferred Stock		-		0.00%	0.00%	0.00%	0.00%	0.00%	
23	Long-Term Debt (1)	5,278,772	-	5,278,772	46.97%	38.34%	4.87%	2.29%	1.87%	1.89%
24	Total Financial Capitalization	11,237,803	-	11,237,803	100.00%	81.62%		7.06%		
25	Deferred Income Taxes including Excess Deferred Taxes (2)	2,325,599	-	2,325,599		16.89%	0.00%		0.00%	
26	Unamortized ITC - Crane Solar	11,231	-	11,231		0.08%	7.06%		0.01%	
27	Unamortized ITC - 1971 & Later	94	-	94		0.00%	7.06%		0.00%	
28	Unamortized ITC - Markland Hydro	35,947	-	35,947		0.26%	7.06%		0.02%	
29	Unamortized ITC - Camp Atterbury Solar	476	-	476		0.01%	7.06%		0.00%	
30	Unamortized ITC - Advanced Coal (IGCC)	116,978	-	116,978		0.85%	7.06%		0.06%	
31	Unamortized ITC - Purdue CHP	4,055	-	4,055		0.03%	7.06%		0.00%	
32	2025 Forecasted Unamortized ITC -Battery Storage (3)	-	-	-		0.00%	0.00%		0.00%	
33	Customer Deposits	35,929	-	35,929		0.26%	5.00%		0.01%	
34	Total Regulatory Capitalization	\$ 13,768,112	\$ -	\$ 13,768,112		100.00%			5.87%	1.89%
35										
36										
37										
38	Revenue Requirement Conversion Factor									
39	Debt Costs (Synchronized Interest Rate)			1.89%	1.00581	1.9010%				
40	Equity Costs			3.98%	1.33880	5.3284%				
41	Total			5.87%	1.23158	7.2294%				
42	OUCC Capital Structure Adjustments			-0.65%	1.33877	-0.8702%				

Duke Energy Indiana, LLC
OUCC - Step 1 Recommendation Summary
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.14(S1)

Line	Description	Witness	Reference	Rate Base	Pre-Tax ROR	Rate Increase
1	Requested Amounts		Exh. 26, RA2	\$ 11,905,203	8.4746%	\$ 418,233
2	Less: Present Tracker Revenue		Exh. 26, RA2			17,281
3	Plus: Proposed Tracker Revenue		Exh. 26, RA2			(45,538)
4	Base Rate Deficiency after Trackers		Exh. 26, RA2			<u>\$ 355,414</u>
5	<u>OUCC Rate Base Adjustments</u>					
6	Regulatory Assets from Gallagher Closure	Eckert	MEG-2.11	(7,600)	8.4746%	(644)
7	Cayuga Restricted Waste Site II, Landfill Cell 3	Armstrong	MEG-2.11	(1,894)	8.4746%	(161)
8	Total OUCC Rate Base Adjustments			\$ (9,494)		<u>\$ (805)</u>
9	<u>OUCC Cost of Capital Adjustments</u>					
10	Return on Equity	9.00%	D. Garrett	\$ 11,895,709	-0.8434%	(100,328)
11	Total OUCC Cost of Capital Adjustments					<u>\$ (100,328)</u>
12	<u>OUCC Operating Income Adjustments</u>					
13	Incentive Compensation	M. Garrett	MEG-2.18(S1)			\$ (15,451)
14	Storm Damages	M. Garrett	MEG-2.18(S1)			(6,466)
15	Industry Association Dues	M. Garrett	MEG-2.18(S1)			(197)
16	Investor Relations Expense	M. Garrett	MEG-2.18(S1)			(232)
17	Board of Directors Compensation	M. Garrett	MEG-2.18(S1)			(293)
18	Other Post Retirement Benefits	M. Garrett	MEG-2.18(S1)			(5,348)
19	Revenue Rate Migration Adjustment	Hanks	MEG-2.18(S1)			(2,546)
20	Payment Navigators Program	Hanks	MEG-2.18(S1)			(320)
21	Credit Card Fees	Latham	MEG-2.18(S1)			(2,377)
22	Restructuring Costs	Latham	MEG-2.18(S1)			
23	CCR Disposal-- Confidential	Armstrong	MEG-2.18(S1)			
24	Depreciation Expense	D. Garrett	MEG-2.18(S1)			
25	Amortization of Regulatory Assets	Eckert	MEG-2.18(S1)			
26	Fuel Cost	Eckert	MEG-2.18(S1)			
27	Total OUCC Operating Income Adjustments					<u>\$ (201,923)</u>
28	Total OUCC Adjustments					<u>\$ (303,056)</u>
29	OUCC Adjusted Increase					<u>\$ 52,358</u>

Duke Energy Indiana, LLC
 OUCC - Step 1 Revenue Increase/(Decrease)
 IURC Cause No. 46038; Test Year End December 31, 2025
 (\$ Thousands)

Exhibit MEG-2.15(S1)

Line	Description	References	Amounts per Petitioner at Present Rates	Amount Per OUCC
1	Recommended Rate Base	MEG-2.17(S1)	\$ 11,905,203	\$ 11,895,709
2	Required Rate of Return	MEG-2.20(S1)	6.33%	5.70%
3	Net Operating Income Required		\$ 753,599	\$ 678,055
4	Net Operating Income at Present Rates	MEG-2.16(S1)	441,205	592,029
5	Net Income Surplus/(Deficiency)		\$ 312,394	\$ 86,026
6	Revenue Multiplier		1.3388	1.3388
7	Base Rate Revenue Increase		\$ 418,233	\$ 115,172
8	Less: Present Revenue for Ongoing Trackers		17,281	17,281
9	Plus: Proposed Revenue from Ongoing Trackers		(45,538)	(45,538)
10	Total Rate Change Before Phase-In Credit		\$ 355,414	\$ 52,353
11	Pro Forma Revenue at Present Rates		\$ 3,016,950	\$ 3,019,481
12	Present Revenue from Ongoing Trackers		17,281	17,281
13	Pro Forma Revenues at Present Rates Plus Trackers		\$ 3,034,231	\$ 3,036,762
14	Percentage Increase		11.71%	1.72%

Duke Energy Indiana, LLC
OUCC - Step 1 Jurisdictional Operating Income
IURC Cause No. 46038; For the Test Year Ending December 31, 2025
(\$ Thousands)

Exhibit MEG-2.16(S1)

Line	Description	Petitioner Amounts at Present Rates (A)	OUCC Adjustments (B)	OUCC Amounts at Proposed (C)=(A)+(B)	Revenue Increase/ Decrease (D)	OUCC Amounts After Revenue Increase/Decrease (E)
1	Operating Revenues	\$ 3,016,950	\$ 2,531	\$ 3,019,481	\$ 115,172	\$ 3,134,653
2	Operating Expenses:					
3	Operation & Maintenance Expenses	\$ 1,520,666	\$ (78,408)	\$ 1,442,258	\$ 492	\$ 1,442,750
4	Depreciation & Amortization Expense	916,964	(119,814)	797,150		797,150
5	Taxes - Other than Income Taxes	74,800	-	74,800	174	74,974
6	Total Operating Expenses Other Than Income Taxes	\$ 2,512,430	\$ (198,222)	\$ 2,314,208	\$ 666	\$ 2,314,874
7	Net Operating Income Before					
8	Income Taxes	\$ 504,520	\$ 200,753	\$ 705,273	\$ 114,506	\$ 819,780
9	Income Taxes					
10	Current Federal Income Taxes	\$ 139,483	\$ 40,092	\$ 179,575	\$ 22,868	\$ 202,444
11	Current State Income Taxes	5,258	9,837	15,095	5,611	20,706
12	Deferred Federal Income Taxes	(84,528)	-	(84,528)		(84,528)
13	Deferred State Income Taxes	3,218	-	3,218		3,218
14	Investment Tax Credits	(116)	-	(116)		(116)
15	Total Income Taxes	\$ 63,315	\$ 49,929	\$ 113,244	\$ 28,479	\$ 141,723
16	Net Utility Operating Income	\$ 441,205	\$ 150,824	\$ 592,029	\$ 86,027	\$ 678,056

Duke Energy Indiana, LLC

Exhibit MEG-2.17(S1)

OUCC Step 1 Summary of Pro Forma Net Original Cost Rate Base June 30, 2024

IURC Cause No. 46038

(\$ Thousands)

Line	Description	Reference	Jun. 30, 2024 Jurisdictional Rate Base
1	DEI Rate Base at June 30, 2024	Note 1	\$ 11,905,203
2	OUCG Adjustments to June 30, 2024 Rate Base	Note 2	<u>(9,494)</u>
3	OUCG Recommended Step 1 Rate Base		<u><u>11,895,709</u></u>

Note1 See 46038_DEI_Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab RA2 - Step 1 Proposed Op Rev, line 1, column C.

Note 2 See MEG-2.11 Other OUCG Adj, line 4.

Line	Description	Reference	Revenues	O&M Expenses	Depreciation Expense	Taxes Other Than Income	Current Federal Income Tax	Current State Income Tax	Deferred Federal Income Tax	Deferred State Income Tax	Investment Tax Credits	Net Operating Income	Indiana Retail Factor (Note 2)	Revenue Requirement Impact
1	Net Income per Petitioner	(Note 1)	\$ 3,016,950	\$ 1,520,666	\$ 916,964	\$ 74,800	\$ 139,483	\$ 5,258	\$ (84,528)	\$ 3,218	\$ (116)	\$ 441,205		
2	OUCC Adjustments													
3	Incentive Compensation	MEG-2.5		(16,900)			3,375	828				\$ 12,697	0.90893	\$ (15,451)
4	Storm Damages	MEG-2.6		(6,429)			1,284	315				4,830	1.00000	(6,466)
5	Industry Association Dues	MEG-2.7		(215)			43	11				162	0.90893	(197)
6	Investor Relations Expense	MEG-2.8		(254)			51	12				190	0.90893	(232)
7	Board of Directors Compensation	MEG-2.9		(320)			64	16				240	0.90893	(293)
8	Other Post Retirement Benefits	MEG-2.10		(5,850)			1,168	287				4,395	0.90893	(5,348)
9	Revenue Rate Migration Adjustment	MEG-2.11	2,531				506	124				1,902	1.00000	(2,546)
10	Payment Navigators Program	MEG-2.11		(350)			70	17				263	0.90893	(320)
11	Credit Card Fees	MEG-2.11		(2,600)			519	127				1,953	0.90893	(2,377)
12	Restructuring Costs	MEG-2.11											0.90893	
13	CCR Disposal--Confidential	MEG-2.11											0.90893	
14	Depreciation Rate Adjustment	MEG-2.8(S1)			(122,548)		24,474	6,005				92,069	0.96138	(118,502)
15	Amortization of Regulatory Assets	MEG-2.11			(2,079)		415	102				1,562	0.96138	(2,011)
16	Fuel Cost	MEG-2.11											0.90893	
17	Total OUCC Adjustments		\$ 2,531	\$ (85,620)	\$ (124,627)	\$ -	\$ 42,494	\$ 10,426	\$ -	\$ -	\$ -	\$ 159,858		\$ (201,923)
18	Jurisdictional Factor		1.000000	0.908931	0.961378	0.975737								
19	OUCC Jurisdictional Adjustment		\$ 2,531	\$ (78,408)	\$ (119,814)	\$ -	40,092	9,837				150,824		(201,923)
20	OUCC Adjusted Net Income		\$ 3,019,481	\$ 1,442,258	\$ 797,150	\$ 74,800	\$ 179,575	\$ 15,095	\$ (84,528)	\$ 3,218	\$ (116)	\$ 592,029		

Note 1 See 46038_DEI_Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab RA3 - Step 1 Juris Oper Inc, column A.

Duke Energy Indiana, LLC
OUCC Step 1 Depreciation Rate Adjustment
IURC Cause No. 46038; Test Year End December 31, 2025
(\$ Thousands)

Exhibit MEG-2.19(S1)

Line	Description	Reference	DEI June 2024 Depreciation Expense (Note 1)	OUCC June 2024 Depreciation Expense (Note 2)	OUCC Step 1 Depreciation Adjustment	Jurisdictional Factor (Note 3)	OUCC Step 1 Jurisdictional Adjustment
1	Production Plant	Note 1	\$ 617,544	\$ 519,591	\$ (97,953)		
2	Acquisition Adj. Amortization		163	163	-		
3	Total Production		\$ 617,707	\$ 519,754	\$ (97,953)	0.946675205	\$ (92,730)
4	Transmission Plant		64,361	59,683	(4,678)	0.999137181	(4,674)
5	Distribution Plant		138,425	113,667	(24,758)	1	(24,758)
6	General Plant		39,662	39,261	(401)	0.963512593	(386)
7	Intangible Plant		19,832	19,832	-	0.963512602	-
8	Totals		<u>\$ 879,987</u>	<u>\$ 752,197</u>	<u>\$ (127,790)</u>		<u>\$ (122,548)</u>
<u>Adjustments to December 31, 2025 Accumulated Depreciation</u>							
9	Production				\$ 97,953		\$ 92,730
10	Transmission Plant				4,678		4,674
11	Distribution Plant				24,758		24,758
12	General Plant				401		386
13	Intangible Plant				-		-
14	Total				<u>\$ 127,790</u>		<u>\$ 122,548</u>

Note 1 See 46038_DEI_Petitioner's Exhibit 26 - Revenue Requirement Model_040424.xlsx, tab RA12 - Step 1 Depr Sum, lines 1 - 7, column (B).

Note 2 See WP MG-2.12(S1) for Step 1 Depr Rate Adj.

Note 3 46038_DEI_Confidential Workpaper 4-MTD - COS - 12CP - Step 1_040424.xlsx, tab SS-JS - Rate Base.

Line	Description	Projected Capitalization	Pro Forma Adjustments	Proposed Capitalization	Capital Structure Ratio		Cost Rate	Weighted Cost Rate		
					Financial Concept	Regulatory Concept		Financial Concept	Regulatory Concept	Synch. Interest
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Requested Amounts									
2	Common Equity	\$ 5,328,053	\$ -	\$ 5,328,053	52.72%	41.79%	10.50%	5.54%	4.39%	
3	Preferred Stock	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	
4	Long-Term Debt (1)	4,778,124	-	4,778,124	47.28%	37.48%	4.86%	2.30%	1.82%	1.85%
5	Total Financial Capitalization	10,106,177	-	10,106,177	100.00%	79.27%		7.84%		
6	Deferred Income Taxes including Excess Deferred Taxes (2)	2,427,696	-	2,427,696		19.04%	0.00%		0.00%	
7	Unamortized ITC - Crane Solar	11,231	-	11,231		0.09%	7.84%		0.01%	
8	Unamortized ITC - 1971 & Later	379	-	379		0.00%	7.84%		0.00%	
9	Unamortized ITC - Markland Hydro	35,947	-	35,947		0.28%	7.84%		0.02%	
10	Unamortized ITC - Camp Atterbury Solar	476	-	476		0.01%	7.84%		0.00%	
11	Unamortized ITC - Advanced Coal (IGCC)	126,891	-	126,891		1.00%	7.84%		0.08%	
12	Unamortized ITC - Purdue CHP	4,055	-	4,055		0.03%	7.84%		0.00%	
13	2025 Forecasted Unamortized ITC -Battery Storage (3)	-	-	-		0.00%	0.00%		0.00%	
14	Customer Deposits	35,929	-	35,929		0.28%	5.00%		0.01%	
15	Total Regulatory Capitalization	\$ 12,748,781	\$ -	\$ 12,748,781		100.00%			6.33%	1.85%
16				Weighted		Revenue				
17				Cost	Tax	Conversion				
18				Rate	Gross-up (3)	Factor				
19	Revenue Requirement Conversion Factor									
20	Debt Costs (Synchronized Interest Rate)			1.85%	1.00581	1.8607%				
21	Equity Costs			4.48%	1.33880	5.9978%				
22	Total			6.33%	1.24227	7.8585%				
23	OUCC Recommended Return on Equity						(D. Garrett)			
24	Common Equity	\$ 5,328,053	\$ -	\$ 5,328,053	52.72%	41.79%	9.00%	4.74%	3.76%	
25	Preferred Stock	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	
26	Long-Term Debt (1)	4,778,124	-	4,778,124	47.28%	37.48%	4.87%	2.30%	1.83%	1.85%
27	Total Financial Capitalization	10,106,177	-	10,106,177	100.00%	79.27%		7.04%		
28	Deferred Income Taxes including Excess Deferred Taxes (2)	2,427,696	-	2,427,696		19.04%	0.00%		0.00%	
29	Unamortized ITC - Crane Solar	11,231	-	11,231		0.09%	7.04%		0.01%	
30	Unamortized ITC - 1971 & Later	379	-	379		0.00%	7.04%		0.00%	
31	Unamortized ITC - Markland Hydro	35,947	-	35,947		0.28%	7.04%		0.02%	
32	Unamortized ITC - Camp Atterbury Solar	476	-	476		0.01%	7.04%		0.00%	
33	Unamortized ITC - Advanced Coal (IGCC)	126,891	-	126,891		1.00%	7.04%		0.07%	
34	Unamortized ITC - Purdue CHP	4,055	-	4,055		0.03%	7.04%		0.00%	
35	2025 Forecasted Unamortized ITC -Battery Storage (3)	-	-	-		0.00%	0.00%		0.00%	
36	Customer Deposits	35,929	-	35,929		0.28%	5.00%		0.01%	
37	Total Regulatory Capitalization	\$ 12,748,781	\$ -	\$ 12,748,781		100.00%			5.70%	1.85%
38				Weighted		Revenue				
39				Cost	Tax	Conversion				
40				Rate	Gross-up (3)	Factor				
41	Revenue Requirement Conversion Factor									
42	Debt Costs (Synchronized Interest Rate)			1.85%	1.00581	1.8607%				
43	Equity Costs			3.85%	1.33880	5.1544%				
44	Total			5.70%	1.24227	7.0151%				
45	OUCC Capital Structure Adjustments				-0.63%				-0.8434%	

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 19
Received: May 21, 2024

OUC 19.03

Request:

Incentive Compensation: Please refer to Attachment OUC 3.4-A.xlsx. For each year listed, please provide this information for affiliate costs allocated to or recorded for DEI but also providing the amount of incentives recorded in O&M expenses.

Response:

See Attachment OUC 19.3-A.

Witness: Shannon A. Caldwell

Performance Awards

<u>Year</u>	<u>DEI</u>		<u>DEBS</u>		<u>Affiliates (DEBS)²</u>	
	<u>Participants¹</u>	<u>Participants²</u>	<u>Total Costs</u>	<u>O&M</u>	<u>O&M</u>	
12ME Aug 31, 2019	1	48	\$ 2,811,934	\$ 2,734,154	\$ 2,734,154	
12ME Aug 31, 2020	1	48	3,923,644	3,844,028	3,844,028	
12ME Aug 31, 2021	1	49	3,301,582	3,249,185	3,249,185	
12ME Aug 31, 2022	1	52	3,224,980	3,181,025	3,181,025	
12ME Aug 31, 2023	1	47	3,586,436	3,541,443	3,541,443	

Restricted Stock Units

<u>Year</u>	<u>DEI</u>		<u>DEBS</u>		<u>Affiliates (DEBS)²</u>	
	<u>Participants¹</u>	<u>Participants²</u>	<u>Total</u>	<u>O&M</u>	<u>O&M</u>	
12ME Aug 31, 2019	6	277	\$ 4,091,703	\$ 3,548,763	\$ 3,548,763	
12ME Aug 31, 2020	9	282	4,149,050	3,559,275	3,559,275	
12ME Aug 31, 2021	11	286	4,428,580	3,719,810	3,719,810	
12ME Aug 31, 2022	18	313	5,167,645	4,304,387	4,304,387	
12ME Aug 31, 2023	17	314	5,290,413	4,400,178	4,400,178	

¹ From Attachment OUCC 3.4-A.xlsx.

² Column D reflects the number of Duke Energy Business Services, LLC participants. Affiliate O&M expense in column I reflects DEBS only because the expense and accrual for LTI is initially recorded to the Executive Benefits cost center which is in DEBS. LTI expense is then allocated to FERC accounts and jurisdictions based on how the labor cost for each employee is recorded in the corporate time reporting system. We provide counts for DEBS employees as we can assume that a portion of DEBS employee labor, and therefore LTI which follows labor, is allocated to DEI. However, there are employees assigned to other payroll companies that could have a portion of their costs allocated to DEI to the extent they charge a portion of their time to DEI. The Company is not able to determine employee details for amounts allocated to DEI from employees in other payroll companies and therefore, we do not include counts of employees from other payroll companies.

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 19
Received: May 21, 2024

OUC 19.05

Request:

Incentive Compensation: Please refer to the response to OUC DR 3.05. For each year listed, please provide the total incentives and the incentives recorded in O&M accounts.

Response:

<u>Year</u>	<u>DEI Participants¹</u>	<u>DEBS Participants²</u>	<u>Total</u>	<u>O&M accounts</u>
12ME Aug 31, 2019	1534	8152	25,345,067	16,872,524
12ME Aug 31, 2020	1555	7652	27,275,053	17,684,327
12ME Aug 31, 2021	1483	7587	24,725,805	14,797,929
12ME Aug 31, 2022	1471	7767	28,311,853	15,428,410
12ME Aug 31, 2023	1487	7561	25,363,830	15,727,786

¹ From response to OUC Data Request ("DR") 3.05.

² Number of Duke Energy Business Services, LLC participants.

Witness: Shannon A. Caldwell

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 19
Received: May 21, 2024

SUPPLEMENTAL RESPONSE 6/24/24
SUPPLEMENTAL INFORMATION IS IN BOLD
OUCC 19.10

Request:

Payroll: Please refer to the response to OUCC DR 10.01. Please explain why the Company chose not to provide an additional level of accountability by providing a forecast of incentive costs by incentive plan.

Objection:

Duke Energy Indiana objects to this request on the grounds and to the extent it mischaracterizes the Company's response to OUCC 10.01. Duke Energy Indiana further objects to this request to the extent it seeks a compilation that has not been performed and that Duke Energy Indiana objects to performing.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows: The data request mischaracterizes the Company's response to OUCC 10.01. The Company did not object to providing the forecast of incentive costs by incentive plan in response to OUCC 10.01, however, this level of detail was not available at the time the Company responded to OUCC 10.01 and thus the Company did not provide the data broken-down by incentive plan in that response. This level of detail is now available for the 2024 forecast and the breakdown of incentives by incentive plan is provided in the Company's response to OUCC 19.09.

Supplemental Response (6/24/24):

This level of detail is now available for the 2025 forecast and the breakdown of 2025 incentives by incentive plan is provided as Attachment OUCC 19.10-A.

		Jan-25		Feb-25		Mar-25		Apr-25		May-25
Short-Term Incentive	\$	1,629,723	\$	1,629,723	\$	1,676,213	\$	1,676,213	\$	1,676,213
Long-Term Incentive	\$	783,647	\$	753,541	\$	815,316	\$	794,390	\$	797,613

	Jun-25		Jul-25		Aug-25		Sep-25		Oct-25		Nov-25		Dec-25
\$	1,676,213	\$	1,676,213	\$	1,676,213	\$	1,676,213	\$	1,676,213	\$	1,676,213	\$	1,676,213
\$	795,578	\$	798,847	\$	799,480	\$	797,395	\$	798,617	\$	800,736	\$	802,011

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 3
Received: April 23, 2024

OUC 3.06

Request:

Please state the forecasted amount for each (1) short-term and (2) long-term incentive award for each of the calendar years 2024 and 2025, separately identifying amounts for each employee group (Executive, Non-Union, and Union).

Objection:

Duke Energy Indiana objects to this request to the extent it seeks a compilation that has not already been performed and that Duke Energy Indiana objects to performing.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows:

See below for the requested data. Non-O&M incentive data is not available at a detail level in 2025, therefore the 2025 amounts are O&M only. Additionally, the Company does not split incentives in the forecast between short-term and long-term, therefore this forecast data is not available.

	2024	2025
Non-Union	\$ 24,223,968	\$ 14,266,861
Union	\$ 3,054,649	\$ 2,221,719
Executive	\$ 14,944,216	\$ 13,442,940

Witness: Shannon A. Caldwell

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 7
Received: April 24, 2024

OUC 7.12

Request:

Please refer to table 9 in Ms. McCorkle's direct testimony on p. 31. Please explain and provide a list of the projects behind the large increase in distribution expense in 2023. Please provide the total distribution and transmission cost of restoration of each major event day on average between the years 2019-2023.

- a. Please provide the calculation of how the average cost of restoration for each major event day was derived.

Objection:

Duke Energy Indiana objects to the Request on the grounds and to the extent the Request seeks information that is trade secret or other proprietary, confidential, and competitively sensitive business information of Duke Energy Indiana, its customers, or third parties. Duke Energy Indiana has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Duke Energy Indiana, its customers, or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to nondisclosure agreements between Duke Energy Indiana and the receiving parties.

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows:

For distribution and transmission restoration costs for years 2019 through 2023, please see Confidential Attachment OUC 7.12-A. The increase in 2023 in distribution expense was driven by storm #8 (large tornado event in western Indiana) which was a multiple restoration event.

- a. Please see table below for how the average cost of restoration for each MED was derived.

Capital / O&M (Multiple Items)

Sum of Monetary Amou

Fiscal Year CMD	Storm Number	Project ID CB	Total
2023	2023 Storm #8	ISTM2308	26,466,748
		SIN2308DC	11,981
2023 Total			26,478,729.32
Grand Total			26,478,729.32

Total Cost O&M				
Year	Storm Name	Distribution	Transmission	Total
2019	2019 Storm #2	\$ 1.9	\$ 0.1	\$ 2.0
2019	2019 Storm #3	\$ 2.9	\$ 0.1	\$ 3.0
2019	2019 Storm #5	\$ 1.6	\$ 0.0	\$ 1.6
2019	2019 Storm #6	\$ 1.1	\$ 0.0	\$ 1.2
2019	2019 Storm #8	\$ 1.3	\$ 0.0	\$ 1.4
2019	2019 Storm #9	\$ 1.7	\$ 0.1	\$ 1.8
2019	2019 Storm #10	\$ 1.4	\$ 0.1	\$ 1.5
2019	2019 Storm #11	\$ 1.6	\$ 0.1	\$ 1.7
2019	2019 Storm #14	\$ 1.0	\$ 0.0	\$ 1.1
2019 Total		\$ 14.7	\$ 0.5	\$ 15.2
2020	2019 Storm #14	\$ (0.1)	\$ 0.0	\$ (0.1)
2020	2020 Storm #1	\$ 4.9	\$ 0.5	\$ 5.4
2020	2020 Storm #3	\$ 0.8	\$ 0.1	\$ 0.8
2020	2020 Storm #5	\$ 1.7	\$ 0.3	\$ 2.0
2020	2020 Storm #8	\$ 1.2	\$ 0.1	\$ 1.3
2020	2020 Storm #9	\$ 0.5	\$ 0.0	\$ 0.5
2020 Total		\$ 9.0	\$ 1.0	\$ 10.0
2021	2021 Storm #2	\$ 0.5	\$ 0.0	\$ 0.5
2021	2021 Storm #4	\$ 4.7	\$ 0.2	\$ 4.9
2021	2021 Storm #7	\$ 1.1	\$ 0.1	\$ 1.2
2021 Total		\$ 6.5	\$ 0.3	\$ 6.7
2022	2021 Storm #7	\$ 0.3	\$ 0.0	\$ 0.3
2022	2022 Storm #3	\$ 2.9	\$ 0.0	\$ 3.0
2022	2022 Storm #5	\$ 1.0	\$ 0.1	\$ 1.0
2022	2022 Storm #10	\$ 0.6	\$ 0.0	\$ 0.6
2022 Total		\$ 4.8	\$ 0.2	\$ 4.9
2023	2022 Storm #3	\$ 0.2	\$ -	\$ 0.2
2023	2022 Storm #10	\$ 0.2	\$ 0.0	\$ 0.2
2023	2023 Storm #3	\$ 2.0	\$ 0.1	\$ 2.1
2023	2023 Storm #4	\$ 7.1	\$ 0.4	\$ 7.5
2023	2023 Storm #7	\$ 0.9	\$ 0.1	\$ 1.1
2023	2023 Storm #8	\$ 26.5	\$ 0.6	\$ 27.1
2023	2023 Storm #10	\$ 2.3	\$ 0.1	\$ 2.4
2023	2023 Storm #11	\$ 0.9	\$ 0.0	\$ 0.9
2023 Total		\$ 40.0	\$ 1.4	\$ 41.4
5 Year Average		\$ 15.0	\$ 0.7	\$ 15.6

Witness: Harley McCorkle

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 9
Received: April 26, 2024

OUCC 9.01

Request:

Investor Relations: Please identify and itemize the expenses incurred by the investor relations unit within Duke Energy allocated to Duke Energy Indiana for the historic base period, the 2023 8&4 period, the 2024 forecast period, and the 2025 forecast period as well as the three most recent calendar years. If less than 100 percent of these investor relations expenses are allocated to O&M expense, indicate the allocation of this cost to O&M expense and capital expenditures separately.

Objection:

Duke Energy Indiana objects to this request as overly broad and unduly burdensome, particularly the portion seeking "as well as the three most recent calendar years."

Response:

Subject to and without waiving or limiting its objections, Duke Energy Indiana responds as follows: For the 2023 base period, please see the following:

Service Function		Investor Relations
Resource Type by FERC Account	Resource Type Long Descr CB	Sum of Monetary Amount JD
0408		12,475.55
18250	Allocated Payroll Tax	8,116.08
(blank)	(blank)	4,359.47
0920		210,958.45
11000	Labor	81,983.03
12000	Overtime	508.86
15002	Labor Other	1,013.00
18001	Unproductive Labor Allocated	13,223.48
18400	Incentives Allocated	11,485.85
19500	Service Company Overhead	24,104.12
1E002	Exec Short Term Incent	8,625.60
1E200	Restricted Stock Units	7,700.95
1E202	Performance Award	3,059.74
(blank)	(blank)	59,253.82
0921		372,262.04
30000	Direct Purchases	325,961.00

Attachment MEG-3
Cause No. 46038
Page 11 of 15

31003	INFORMATIONAL ADVERTISING	568.99
33000	Office Supplies & Expenses	173.81
33001	Postage & Freight	260.72
35000	Direct Mat/Purchases Accrual	6,340.17
36002	IT SOFTWARE MAINTENANCE	356.78
40000	Travel Expenses	1,267.36
40001	Air Travel Cost	45.42
40007	PersMobileDevice reimbursement	75.99
41000	Meals and Entertainment (50%)	302.93
60007	Rent	470.62
99810	Accounting Entry	(12,672.36)
(blank)	(blank)	49,110.61
0923		16,735.27
60005	#N/A	7,597.50
69000	Staff Augmentation	1,209.22
69500	Other Contracts	6,641.33
(blank)	(blank)	1,287.22
0926		41,411.92
18350	Allocated Fringes & Non Union	26,164.63
(blank)	(blank)	15,247.29
0930		55,169.26
19500	Service Company Overhead	33,275.80
30000	Direct Purchases	(1,377.97)
(blank)	(blank)	23,271.43
0931		556.74
69500	Other Contracts	129.29
(blank)	(blank)	427.45
Grand Total		709,569.23

For the 2024 forecast period, \$504,355.44:

Account CB	Account CB Description Long	Service Function	2024 Forecast
0920000	A & G Salaries	Investor Relations	126,150.96
0921100	Employee Expenses	Investor Relations	12,060.00
0921200	Office Expenses	Investor Relations	342,102.00
0926600	Employee Benefits-Transferred	Investor Relations	24,042.48

Attachment MEG-3
Cause No. 46038
Page 12 of 15

For the 2025 forecast period, \$507,396.38:

Account CB	Account CB Description Long	Service Function	2025 Forecast (Test Year)
0926600	Employee Benefits- Transferred	Investor Relations	24,042.48
0921200	Office Expenses	Investor Relations	342,102.00
0921100	Employee Expenses	Investor Relations	12,060.00
0920000	A & G Salaries	Investor Relations	129,191.90

Office of Utility Consumer Counselor
IURC Cause No. 46038
Data Request Set No. 9
Received: April 26, 2024

OUCC 9.07

Request:

Board of Directors: Please provide the total Board of Directors compensation for Duke Energy allocated to Duke Energy Indiana for the historic base period, the 2023 8&4 period, the 2024 forecast period, and the 2025 forecast period as well as the three most recent calendar years. In the response, identify separately the following components of compensation: cash; stock awards; and other. If less than 100 percent of this compensation is allocated to O&M expense, indicate the allocation of this compensation to O&M expense and capital expenditures separately.

Response:

See below. 100 percent is allocated to O&M expense.

	Quarter	Cash Compensation	Stock Awards	TOTAL*	DEI Allocation %	
					for OU ENLE	DEI Allocation \$
2021 Actual	1st Quarter	\$ 466,250	\$ -	\$ 466,250	10.13%	\$ 47,231
	2nd Quarter	\$ 413,984	\$ 1,920,000	\$ 2,333,984	10.13%	\$ 236,433
	3rd Quarter	\$ 422,500	\$ -	\$ 422,500	10.13%	\$ 42,799
	4th Quarter	\$ 428,465	\$ 75,165	\$ 503,630	10.13%	\$ 51,018
		\$ 1,731,199	\$ 1,995,165	\$ 3,726,364	10.13%	\$ 377,481
			\$ -			
2022 Actual	1st Quarter	\$ 450,763	\$ 28,571	\$ 479,334	10.32%	\$ 49,467
	2nd Quarter	\$ 452,019	\$ 2,274,999	\$ 2,727,018	10.32%	\$ 281,428
	3rd Quarter	\$ 440,000	\$ -	\$ 440,000	10.32%	\$ 45,408
	4th Quarter	\$ 440,000	\$ -	\$ 440,000	10.32%	\$ 45,408
		\$ 1,782,782	\$ 2,303,571	\$ 4,086,353	10.32%	\$ 421,712
			\$ -			
2023 Actual	1st Quarter	\$ 440,000	\$ -	\$ 440,000	10.13%	\$ 44,572
	2nd Quarter	\$ 441,594	\$ 2,275,000	\$ 2,716,594	10.13%	\$ 275,191
	3rd Quarter	\$ 492,500	\$ -	\$ 492,500	10.13%	\$ 49,890
	4th Quarter	\$ 442,500	\$ -	\$ 442,500	10.13%	\$ 44,825
		\$ 1,816,594	\$ 2,275,000	\$ 4,091,594	10.13%	\$ 414,478
			\$ -			
2024 and 2025 Projection	1st Quarter	\$ 442,500	\$ -	\$ 442,500	10.05%	\$ 44,471
	2nd Quarter	\$ 442,500	\$ 2,275,000	\$ 2,717,500	10.05%	\$ 273,109
	3rd Quarter	\$ 492,500	\$ -	\$ 492,500	10.05%	\$ 49,496
	4th Quarter	\$ 442,500	\$ -	\$ 442,500	10.05%	\$ 44,471
		\$ 1,820,000	\$ 2,275,000	\$ 4,095,000	10.05%	\$ 411,547

Duke Industrial Group
IURC Cause No. 46038
Data Request Set No. 10
Received: June 12, 2024

IG 10.09

Request:

Please provide the actual payouts and budgeted amounts of incentive compensation, by plan, for the past five years. Please describe any variances between actual and budgeted amounts.

Response:

See Attachment IG 10.9-A for actual versus budgeted amounts for the period 2019-2023.

Witness: Shannon A. Caldwell

Short-term Incentive (STI)

	<u>Actual</u>	<u>Budgeted</u>	<u>Difference</u>	<u>Explanation</u>
2023	\$ 20,412,107	\$ 30,004,728	\$ (9,592,621)	<i>Actual less than budget. See Note 1.</i>
2022	32,152,205	31,725,537	426,668	<i>Insignificant variance</i>
2021	49,636,696	30,989,335	18,647,360	<i>Actual achievement greater than budget at target.</i>
2020	17,864,155	28,985,079	(11,120,924)	<i>Actual less than budget. See Note 2.</i>
2019	35,338,032	27,516,023	7,822,009	<i>Actual achievement greater than budget at target.</i>

Note 1: EPS achievement was between the minimum EPS goal level and the "circuit breaker" level. The EPS circuit breaker is an achievement level between the minimum and target EPS performance level and is designed to align incentive payouts with Duke Energy's financial performance during challenging years when financial results need to be taken into consideration for funding incentive payouts. It is applied differently depending on EPS results and the performance level of the other non-EPS goals. In general:

- If the minimum EPS goal level is not met, no STI payout for any metric will occur.
- If EPS achievement is below the circuit breaker, payouts for all measures will be reduced and capped at the EPS achievement.
- If EPS achievement is above the circuit breaker, no adjustments will be made to the scorecard payout.

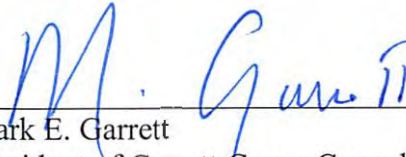
Note 2: For 2020, Duke Energy responded to the significant challenges faced in 2020 by implementing aggressive cost mitigation efforts while continuing our strong focus on delivering safe and reliable service to our customers. We avoided layoffs, base pay cuts and furloughs that occurred at many other companies. Consistent with prior years, the 2020 STI Plan allows the Compensation and People Development Committee, in conjunction with the Incentive Plan Committee and the Senior Management Committee, to use discretion when determining the incentive payout. Most employees received 75% of their target payout, and some non-union employees, union craft teammates, and craft frontline supervisors received 85% of their target payout. Executive leadership received the lowest payouts at 51% to 65% of their target payout.

Long-term Incentive (LTI)

	<u>Actual</u>	<u>Budgeted</u>	<u>Difference</u>	<u>Explanation</u>
2023	\$ 10,173,528	\$ 9,246,448	\$ 927,080	<i>Actual achievement greater than budget at target for performance shares</i>
2022	9,589,404	9,168,970	420,434	<i>Actual achievement greater than budget at target for performance shares</i>
2021	8,523,998	8,403,742	120,255	<i>Insignificant variance</i>
2020	8,067,971	7,496,384	571,588	<i>Actual achievement greater than budget at target for performance shares</i>
2019	8,575,408	7,710,501	864,907	<i>Actual achievement greater than budget at target for performance shares</i>

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Mark E. Garrett
President of Garrett Group Consulting, Inc.
Indiana Office of Utility Consumer Counselor

Cause No. 46038
DEI, LLC

Date: July 11, 2024

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 2 Testimony of OUCC Witness Mark E. Garrett* has been served upon the following counsel of record in the captioned proceeding by electronic service on July 11, 2024.

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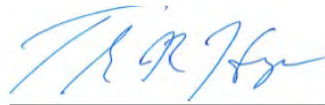
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