

**REBUTTAL TESTIMONY OF JAMES J. McCLAY, III**  
**MANAGING DIRECTOR OF NATURAL GAS TRADING**  
**DUKE ENERGY CORPORATION**  
**ON BEHALF OF**  
**DUKE ENERGY INDIANA, LLC**  
**CAUSE NO. 38707-FAC 134 BEFORE THE**  
**INDIANA UTILITY REGULATORY COMMISSION**

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

2   A.     My name is James J. McClay, III, and my business address is 526 South Church  
3           Street, Charlotte, North Carolina 28202.

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

5   A.     I am employed as Managing Director of Natural Gas Trading for Duke Energy  
6           Corporation ("Duke Energy").

7   **Q.     ARE YOU THE SAME JAMES J. MCCLAY WHO SPONSORED DIRECT**  
8           **TESTIMONY IN THIS PROCEEDING?**

9   A.     Yes.

10  **Q.     WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

11  A.     The purpose of my rebuttal is to respond to the testimony filed by Mr. Guerretaz  
12           on behalf of the Indiana Office of Utility Consumer Counselor ("OUCC").

13  **Q.     HAVE YOU READ THE TESTIMONY OF MR. GUERRETTAZ?**

14  A.     Yes, I have.

15  **Q.     MR. GUERRETTAZ STATES THAT ANY NEW DUKE ENERGY**  
16           **INDIANA HEDGING PROGRAM SHOULD "LOWER/ELIMINATE THE**

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FILED DECEMBER 12, 2022

1           **NEED TO FORECAST A COST IMPACT IN THE PROPOSED F÷S**

2           **(SCHEDULE 1, ATTACHMENT A).” HOW DO YOU RESPOND?**

3       A.     The Company has met with the OUCC and other intervenors to discuss potential  
4           changes to its hedging program to ensure that it remains appropriate based on  
5           market conditions and continues to serve its purpose of mitigating fuel and power  
6           price volatility in uncertain market conditions. Prior to finalizing any proposal  
7           discussed with the OUCC and the industrial intervenor, Duke Energy Indiana will  
8           continue to work with the OUCC, the Commission Staff, and our industrial  
9           customers to address the OUCC’s suggestions to ensure that Duke Energy  
10          Indiana’s hedging program serves its purpose of limiting customer exposure to  
11          actual market prices and mitigating fuel and power price volatility in uncertain  
12          markets.

13       **Q.     DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

14       A.     Yes, it does.

## VERIFICATION

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

Signed: \_\_\_\_\_

*James J. McClellan*

Date: December 12, 2022