OFFICIAL EXHIBITS

FILED
March 7, 2023
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

APPLICATION OF DUKE ENERGY INDIANA, LLC)	
FOR APPROVAL OF A CHANGE IN ITS FUEL COST)	
ADJUSTMENT FOR ELECTRIC SERVICE AND FOR)	
APPROVAL OF A CHANGE IN ITS FUEL COST)	
ADJUSTMENT FOR HIGH PRESSURE STEAM)	CAUSE NO. 38707
SERVICE, IN ACCORDANCE WITH INDIANA CODE)	FAC-135
§8-1-2-42, INDIANA CODE §8-1-2-42.3 AND VARIOUS)	IURC
ORDERS OF THE INDIANA UTILITY)	PUBLIC'S
REGULATORY COMMISSION)	EXHIBIT NO.
	•	3-17-23 41
		PATE REPORTER

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC'S EXHIBIT NO. 2

TESTIMONY OF OUCC WITNESS MICHAEL D. ECKERT

March 7, 2023

Lorraine Hitz

Attorney No. 18006-29

Deputy Consumer Counselor

Foriaine Hitz

TESTIMONY OF OUCC WITNESS MICHAEL D. ECKERT CAUSE NO. 38707 FAC-135 DUKE ENERGY INDIANA, LLC.

I. <u>INTRODUCTION</u>

1	Q:	Please state your name, business address and employment capacity.
2	A:	My name is Michael D. Eckert, and my business address is 115 W. Washington St.,
3		Suite 1500 South, Indianapolis, Indiana 46204. I am employed by the Indiana Office of
4		Utility Consumer Counselor ("OUCC") as Director of the Electric Division. My
5		qualifications are set forth in Appendix A of this document.
6 7	Q:	Have you previously testified before the Indiana Utility Regulatory Commission ("Commission")?
8	A:	Yes.
9	Q:	What is the purpose of your testimony?
10	A:	I address Duke Energy Indiana, LLC's ("DEI"): (1) purchased power over the
11		benchmark; (2) Ancillary Services Market ("ASM") Order; (3) hedging transactions;
12		(4) monthly average regulation, spinning, and supplemental reserves; (5) Benton
13		County Wind Farm ("Benton County); (6) coal inventory; (7) coal
14		increment/decrement pricing; (8) coal inventory impacts; (9) bill analysis; (10) actual
15		cost of fuel (Mills/kWh) comparison; (11) net operating income analysis; and (12)
16		commitment status. Ultimately, the OUCC recommends the Commission require
17		DEI to provide the actual and forecasted 2023 projected coal burns; the inputs to its
18		calculation of and reasons for any use of the coal price increment/decrement pricing
19		and to update the Commission in its next FAC filing on its coal inventory and
20		transportation situation (as further described in my testimony below). The OUCO

1		further recommends the Commission approve DEI's proposed fuel cost factors as
2		calculated by OUCC witness Gregory T. Guerrettaz.
3	Q:	To the extent you do not address a specific item in your testimony, should it be construed to mean you agree with Petitioners' proposals?
5	A:	No. My silence on any topics, issues, or items Petitioner proposes does not indicate
6		my approval of these topics, issues, or items. Rather, the scope of my testimony is
7		limited to the specific topics discussed herein.
8 9	Q:	Please describe the review and analysis you conducted in order to prepare your testimony.
10	A:	I read DEI's prefiled testimony and petition in this proceeding as well as relevant
11		Commission Orders. I reviewed DEI's workpapers and responses to the OUCC's
12		data requests, pertinent sections of Title 8 of Indiana Code, and Title 170 of the
13		Indiana Administrative Code. Additionally, the OUCC performed its field audit on
14		Thursday, February 16, 2023, and Friday, February 17, 2023. I also participated in
15		meetings with other OUCC staff members and DEI personnel in developing issues
16		identified in this Cause.
		II. <u>ANCILLARY SERVICES MARKET</u>
17 18	Q:	Does DEI's treatment of ASM charges follow the treatment ordered by the Commission in its Phase II Order in Cause No. 43426, dated June 30, 2009?
19	A:	Yes.
		III. <u>HEDGING TRANSACTIONS</u>
20	Q:	Do you have any concerns related to hedging transactions in this FAC?
21	A:	Yes. DEI incurred a large hedging loss of \$24,297,152. Mr. Guerrettaz's testimony
22		provides more information and analysis on the hedging transactions.
23	Q:	Have you reviewed the purchased power and natural gas hedges since

1		December 2013?
2	A:	Yes. I have attached the purchased power and natural gas hedging gains/losses, by
3		month for the period December 2013 through November 2022 as Attachment MDE-
4		3. The data shows that in general, hedging gains and losses for the period December
5		2013 through January 2021 were relatively consistent. Beginning in February 2021,
6		DEI experienced its largest hedging gain of \$17,524,071, and with the exception of
7		March 2021, continued to experience large gains through November 2021. Then in
8		December 2021, DEI experienced its largest hedging loss ever, followed by its 2 nd
9		and 3 rd largest hedging losses in January 2022 and February 2022. In this FAC period
10		(September 2022 through November 2022), DEI experienced large losses in all three
11		months.
12	Q:	Is DEI currently reviewing its hedging practices?
13	A:	Yes.
14	Q:	Has the OUCC asked DEI to provide the results of its informal review?
15	A:	Yes. The OUCC asked DEI to update the OUCC and Commission on the findings of
16		this internal review and recommends DEI file testimony on the results of this
17		informal review in its next FAC. The OUCC met with DEI and the Industrial Group
18		on Wednesday November 30, 2022 to discuss hedging issues.
	1	V. REGULATION, SPINNING, AND SUPPLEMENTAL RESERVES CHARGES
19 20	Q:	Did DEI report the monthly average ASM cost distribution amounts for regulation, spinning, and supplemental reserves it paid for each of the ancillary

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service products?

1 A: Yes. Per the Commission's Order, DEI reported the average monthly ASM cost distribution amounts for regulation, spinning, and supplemental reserves charge types.

V. BENTON COUNTY WIND FARM

- 4 Q: Were there any new developments related to the Benton County Wind Farm?
- 5 A: No.

VI. <u>COAL INVENTORY</u>

- 6 Q: How has DEI's coal inventory changed since its last FAC petition?
- 7 A: DEI witness John A. Verderame testified that since August 31, 2022, DEI's coal
- 8 inventory at its generating stations has increased from approximately 1,685,739 tons
- 9 (33 days) to 2,169,549 tons (42 days) as of November 30, 2022. DEI is actively
- trying to maintain a minimum inventory through the next FAC period.³
- 11 Q: Why is DEI struggling to maintain its coal supply inventory at target levels?
- 12 A: DEI has experienced coal supply and transportation issues over the last year. Mr.
- 13 Verderame confirmed the on-going problems with "delivery constraints due to labor
- shortages and other railroad resource constraints which moved the Company's
- impacted coal deliveries into the future. The Company remains concerned and
- 16 continues to monitor the viability of future supply due to the financial and labor
- 17 constraints facing its suppliers and rail transportation providers."⁴
- 18 Q: Is DEI actively trying to manage its coal purchases and coal inventory?
- 19 A: Yes. DEI indicated through its prefiled testimony and discussions with the OUCC

¹ See the Commission's Order in Cause No. 43426, Phase II, p. 41.

² See DEI Witness Scott Burnside's testimony, p. 7.

³ See DEI Witness John A. Verderame's testimony, p. 12.

⁴ See Schultz, p. 10.

1		that it is actively looking into options to manage its coal inventory. DEI has been
2		able to secure additional coal for 2023 but is still working to maintain adequate
3		transportation to get the coal to its stations.
4 5	Q:	Is DEI in contact with its coal transportation providers in an attempt to increase transportation (number of trains)?
6	A:	Yes.
7	Q:	Does DEI have any coal at its interim coal storage sites or Gallagher Station?
8	A:	Yes. DEI has a total of 106,546 ⁵ tons of coal at one interim coal storage site as of
9		November 30, 2022.
10	Q:	How have DEI's coal inventory levels changed since January 2019?
11	A:	The following table depicts DEI's coal inventory levels,6 including interim coal
12		storage sites, since January 2019.

⁵ See DEI's Witness John A. Verderame's testimony, page 13. ⁶ Amount including interim off-site storage.

Month/Year	Amount (Tons)	Month/Year	Amount (Tons)
January 2019	2,287,084	February 2021	2,740,955
February 2019	2,205,048	March 2021	2,732,008
March 2019	2,388,139	April 2021	2,736,182
April 2019	2,501786	May 2021	2,655,615
May 2019	2,775,470	June 2021	2,294,261
June 2019	2,877,755	July 2021	1,324,997
July 2019	2,931,160	August 2021	970,858
August 2019	3,014,727	September 2021	1,208,424
September 2019	3,253,250	October 2021	1,496,386
October 2019	3,573,122	November 2021	1,665,175
November 2019	3,988,798	December 2021	1,946,528
December 2019	4,349,934	January 2022	1,856,258
January 2020	4,561,990	February 2022	1,727,549
February 2020	4,878,345	March 2022	1,932,194
March 2020	4,902,847	April 2022	2,073,592
April 2020	5,028,141	May 2022	2,128,469
May 2020	5,127,370	June 2022	2,038,627
June 2020	5,324,271	July 2022	1,863,357
July 2020	5,095,264	August 2022	1,829,810
August 2020	4,708,754	September 2022	1,981,034
September 2020	4,455,434	October 2022	2,193,158
October 2020	4,331,538	November 2022	2,276,095
November 2020	4,069,248	December 2022	2,266,510
December 2020	3,816,974	January 2023	2,595,199
January 2021	3,324,146		

1 Q: Should DEI continue to update the Commission on its coal inventory?

- 2 A: Yes. As ordered by the Commission in Cause No. 38707 FAC-96 and subsequent
- 3 FAC proceedings, DEI should continue to provide information regarding its coal

inventory. DEI should also update the Commission on its 2022 projected coal burn and coal purchases. In addition, DEI should update the Commission on how it is addressing its coal transportation issues. The OUCC will continue to review and monitor DEI's projected burns and purchases for reasonableness.

VII. <u>COAL INCREMENT PRICING</u>

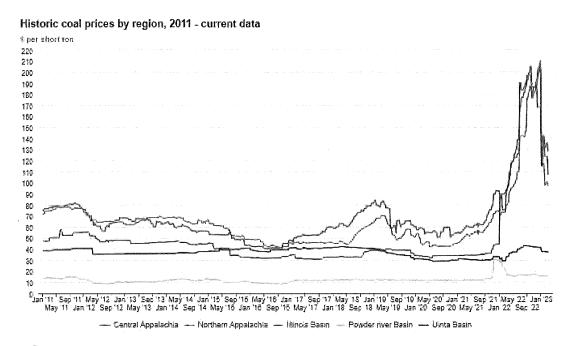
- 5 Q: Is DEI using a coal supply offer price adjustment ("increment")?
- 6 A: Yes. DEI continued to implement a supply offer adjustment ("increment") on a per
- 7 MWh during this FAC period, which was applied to the Gibson and Cayuga Stations.
- 8 Q: Have coal prices increase dramatically over the last 12 months?
- 9 A: Yes. I have enclosed two charts from EIA that shows historical coal prices by region,
- by dollars per short ton, and by dollars per mmbtu.

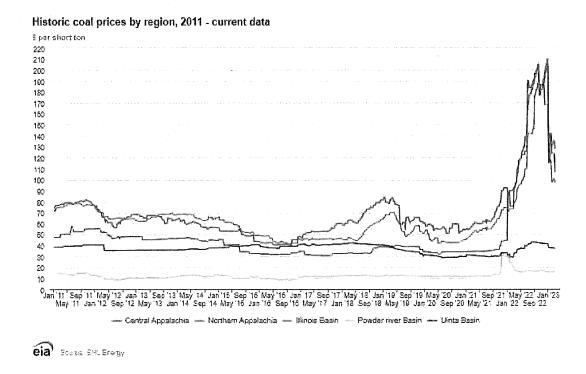
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Q: Does DEI expect coal supply issues to continue into 2023?
 A: Yes. Even though DEI has been able to secure additional coal for 2023, the Company

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A:

remains concerned and continues to monitor the viability of future supply due to the financial and labor constraints facing its suppliers and rail transportation providers.⁷

Q: As a result of these coal supply chain issues, has DEI altered its Day-Ahead Offer price?

Yes. DEI used an increment/adder adjustment to its supply offers to MISO to reduce the dispatch frequency of its coal generation (Gibson and Cayuga). Even though the OUCC does not like the use of a coal increment, the OUCC understands that DEI needed to have a reasonable level of coal inventory for the winter peaking season to meet the reliability concerns in MISO. The increment has the effect of making the

⁷ See DEI's Witness John A. Verderame's testimony, page 10.

1		offered units more expensive, thus reducing the likelihood that certain units will be
2		"picked up" to run by MISO.
3	Q:	Why did DEI use the increment?
4	A:	DEI used the increment to deal with the fact that it had a lower-than-average coal
5		inventory. By raising the offer price, DEI's incremented units were less likely to be
6		picked up and coal inventory would not be depleted. DEI wanted to maintain the
7		ability to run the units if needed for reliability during periods of high demand.
8	Q:	How does use of the coal increment/decrement impact DEI's customers?
9	A:	If DEI implements the coal decrement and puts its units into the market below cost,
10		DEI then seeks recovery from customers of the entire cost. If DEI implements the
11		coal increment and puts its units into the market above cost, DEI then seeks recovery
12		from customers of the entire cost. Under either scenario, Duke seeks recovery of the
13		actual cost incurred; under a coal increment, DEI's units run less and under a coal
14		decrement, DEI's units run more. DEI requests recovery of the actual cost of running
15		the unit, not the cost at which DEI put the units into the market.
16	Q:	What does the OUCC recommend?
17	A:	The OUCC recommends DEI file testimony, schedules, and workpapers to justify
18		any actual need for, or use of, coal increment/decrement pricing in its next FAC
19		filing.
		VIII. <u>BILL ANALYSIS</u>
20 21 22	Q:	Have you calculated the bill impact on a typical residential customer's bill using 500, 1,000, 1,500, and 2,000 kWhs at DEI's proposed rate and compared that to the same typical customer's bill using the currently approved rate?

Yes, I did, as reflected in the table below.

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A:

						C
1 2 3 4 5 6 7		Consumption 500 1,000 1,500 2,000	Proposed Bill at FAC \$4.77 \$9.55 \$14.32 \$19.10	Current Bill at FAC \$18.07 \$36.15 \$54.22 \$72.30	Dollar Inc/(Dec) (\$13.30) (\$26.60) (\$39.90) (\$53.20)	
8 9 10	Q:	Have you calculate 500, 1,000, 1,500, a that to the same ty	nd 2,000 kWh	s at the OUC	C's proposed rat	e and compared
11	A:	Yes, I did, as reflect	ted in the table	below.		
12 13 14 15 16 17 18		Consumption 500 1,000 1,500 2,000	Proposed Bill at <u>FAC</u> \$3.75 \$7.50 \$11.25 \$15.00	Current Bill at FAC \$18.07 \$36.15 \$54.22 \$72.30	Dollar <u>Inc/(Dec)</u> (\$14.33) (\$28.65) (\$42.98) (\$57.30)	
19	Q:	What assumptions	did you make	in this calcula	ntion?	
20	A:	In making this calcu	·			base rates, other
21 22		trackers, and taxes. the FAC factor.	Therefore, this	calculation ref	flects only the pro	oposed change to
23 24	Q:	Have you provided March 2023, using		• •		ng 1,000 kWh in
25	A:	Yes. See Attachmen	nt MDE-2. A 1	typical resident	tial customer usin	ng 1,000 kWh in
26		March 2023 will pa	y \$167.35 exc	luding taxes. T	his amount consi	sts of \$130.99 in
27		base charges that we	ere set in DEI's	s last rate case	(Cause No. 4525)	3), \$36.15 in fuel
28		adjustment clause cl	harges, and \$1.	21 in non-FAC	trackers and ride	ers.
		IX. <u>ACTUAL</u>	COST OF FU	UEL (MILLS/I	KWH) COMPA	RISON
29 30	Q:	Did you do a comp five large Indiana				ills/kWh) for the

Yes. I did. DEI's actual cost of fuel is higher than the other IOUs in the State of

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A:

1 Indiana (See Attachment MDE-I).

X. <u>NET OPERATING INCOME ANALYSIS</u>

Q: Have you reviewed DEI's calculation of the authorized net operating income 2 3 amount for earnings test purposes? 4 A: Yes, I have. DEI calculates its authorized net operating income for earnings test 5 purposes by adding the authorized jurisdictional return on fair value and original cost 6 depreciated rate base to the tracked amounts attributable to its Construction Work in 7 Progress ("CWIP"), Environmental Compliance Rider ("ECR") and Renewable 8 Energy Projects ("REP") projects. The table below reflects DEI's calculation of the 9 authorized net operating income for earnings test purposes.

Proceeding	Earnings Amount	Phase-In Total
45253 Base Rate ⁸	\$579,310,000	\$579,310,000
42061 ECR-35 ⁹	166,000	20,000
42061 ECR-36 ¹⁰	83,000	58,000
42061 ECR-37 ¹¹	4,382,000	792,000
44932 REP-3 ¹²	1,543,000	896,000
44932 REP-4 ¹³	2,200,000	922,000
44720 TDSIC-11 ¹⁴	9,636,000	792,000
Total (December 1, 2021 through November 30, 2022)		\$582,790,000
Actual Jurisdictional Earned Return ¹⁵		451,609,000
Over-Earning/ (Under-Earning)		(\$131,181,000)

10 Q: Did DEI over-earn during the 12-month period covered by this Petition?

11 A: No. DEI did not over-earn during the 12-month period covered by this Petition.

⁸ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 2 of 3, Column C.

⁹ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 2 of 3, Columns D and E.

¹⁰ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 2 of 3, Columns F and G.

 $^{^{11}}$ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 2 of 3, Column H and I.

¹² Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 2 of 3, Columns J and K.

¹³ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 3 of 3, Columns L and M.

¹⁴ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 2 of 3, Columns N and O.

¹⁵ Cause No. 38707 FAC 135, Exhibit 6-B (SES), page 3of 3, Column D, Line 20.

XI. <u>UNIT COMMITMENT STATUS</u>

1	Q:	Does the OUCC review DEI's unit commitment status during its FAC audit?						
2	A:	Yes. The OUCC generally reviews DEI's unit commitment status and Mr.						
3		Guerrettaz's testimony details some of the analysis done by the OUCC during its						
4		FAC audit. In general, the OUCC's FAC audit process has focused more on the cost						
5		of fuel and the cost of purchased power.						
		XII. <u>OUCC RECOMMENDATIONS</u>						
6	Q:	Please summarize your recommendations to the Commission in this cause.						
7.	A:	The OUCC recommends the Commission require DEI to provide the following						
8		information:						
9 10		1) Update the Commission on DEI's current coal inventory situation and 2023 projected coal burn and coal purchases;						
11		2) Update the Commission on the coal transportation issues;						
12		3) Update the Commission on DEI's coal hedging policy; and						
13 14 15		4) As ordered in Cause No. 38707 FAC-96 and subsequent FAC proceedings, continue to provide the inputs to its calculation of and the reasons for any use of the coal price increment/decrement.						
16		The OUCC recommends the Commission approve DEI's proposed fuel cost factors,						
17		as calculated by Mr. Guerrettaz.						
18	Q:	Does this conclude your testimony?						
19	A:	Yes, it does.						

APPENDIX A – QUALIFICATIONS OF MICHAEL D. ECKERT

1 Q: Please describe your educational background and experience.

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A:

I graduated from Purdue University in West Lafayette, Indiana in December 1986, with a Bachelor of Science degree, majoring in Accounting. I am licensed in the State of Indiana as a Certified Public Accountant. Upon graduation, I worked as a Field Auditor with the Audit Bureau of Circulation in Schaumburg, Illinois until October 1987. In December 1987, I accepted a position as a Staff Accountant with the OUCC. In May 1995, I was promoted to Principal Accountant and in December 1997, I was promoted to Assistant Chief Accountant. As part of the OUCC's reorganization, I accepted the position of Assistant Director of its Telecommunications Division in July 1999. From January 2000 through May 2000, I was the Acting Director of the Telecommunications Division. During an OUCC reorganization, I accepted a position as a Senior Utility Analyst and in September 2017, I was promoted to Assistant Director of the Electric Division. In February 2022, I was promoted to the Director of the Electric Division. As part of my continuing education, I have attended the National Association of Regulatory Utility Commissioner's ("NARUC") twoweek seminar in Lansing, Michigan. I attended NARUC's Spring 1993 and 1996 seminar on system of accounts. In addition, I attended several CPA sponsored courses and the Institute of Public Utilities Annual Conference in December 1994 and December 2000.

Duke Energy Indiana, LLC
Came No. 38707 FAC - 135

Actual Cost of Fuel (AllisvkWh) Computison

										A	rtual Cos	of Fuel (Allife	vkWh) Comp	arison									
Mouth January February March	Yest 2007 2007 2007	Dide Energy 18.974 20.526 16.663	FAC # 72 73	Indiana Michapan Power 12.337 11.853 11.358	FAC # 59 59 59	tralimapoli # Power &: Little 16.730 18.388 18.436	75 76 76	NIPSCO 26.497 33.278 26.336	75 75 75 75	23.258 22.609 25.221	75 75 76	Month January February March	Yenr 2015 2015 2015	Duke Energy 30.854 32.468 27.298	FAC # 164 165	Indiana Michigan Power 17.009 17.573 16.500	FAC # 75 75 75	Indianapoli e Power & Light 32.323 35.110 33.821	107 108 108	NIPSCO 27,708 28,799 27,126	107 107 107	CosterPoint Seeds 29,391 29,554 30,336	107 107 107 108
April May June	2007 2007 2007 2007	20,748 21,021	73 73 74	12.022 11.225 11.088	59 59 68	17.626 17.807 15.599	76 77 77	25.958 30.934 32.563	76 76 76	23.808 22.858 18.872	76 76 77	Arril May	2015 2015 2015	28.062 29.738 28.414	105 105 106	20.400 14 035 21.581	75 75 76	31.806 32.544 32.135	108 109	26.642 30.567 29.840	108 108 108	30.921 28.615 28.365	103 103 109
July August	2007 2007 2007	17.418 21.455 26.428	74 74 74	11.088 11.943 12.454	69 69	15.589 17.772 21.676	77 77 78	32,563 35,423 35,433	76 77 77			June July Angust	2015 2015 2015	28.414 27.835 26.964	106 106	21.461 16.383	76 76 76	32,135 29,603 30,592	109 109 110	29.840 30.308 29.217	109 109	27.887 26.355	109 109
Amenet September	2007	18.147	75	13.895	64	18.446	78	26.007	77	24,456 29,769 28,697 22,298	77 77 77 78	September	2015	25.864	107	13.252	76	32.514	110	27.402	109	27,100	10
October November December	2007 2007 2007	21.620 16.620 18.545	75 75 76	14.564 13.773 11.834	60 61	21.142 17.269 17.212	78 79 79	24,368 24,781 40,363	78 78 78	25.574 19.199 23.509	78 78 79	October November December	2015 2015 2015	24.907 25.149 24.158	167 167 168	15.709 15.995	76 76 77	33,759 33,194 33,830	111	29.567 29.567 25.701	110 110	30,239 29,121	110 110 111
Juneary February Match	2008 2008 2008	21.946 22.933 29.699	76 76 77	12.156 13.413 14.311	61 61	18.146 18.902 19.380	79 80 80	28.367 32.597 33.271	79 79 79	23,349 25,213 27,944	79 79 80	January February March	2016 2016	26.742 25.444 21.266	168 168 169	16.819 15.968 14.427	77 77	31.911 31.384 31.872	111 112 112	28.094 27.173 28.645	111 111 111	29.836 30.855 30.488	111 111 112
April May June	2008 2008 2008	24.034 20.159 30.286	77 77 78	16.399 14.082 15.185	61 61 62	18,572 16,300 23,130	21 21	28.619 28.679 33.815	8D 8D	27.651 21.578 32.326	80 81	Arril May June	2016 2016 2016	26.465 25.192 28.079	109 109 110	20.311 14.554 15.382	77 77 78	34.113 31.826 32.695	112 113 113	29.993 27.892 29.012	112 112 113	29,950 29,771 28,265	112 112 113
July Avgust September	2008 2008 2008	25.296 25.728 24.964	78 78 79	15.569 17.520 16.509	62 62 62	24.171 20.897 20.038	81 82 82	32.511 28.751 28.292	81 81 81	26.389 23.701 25.788	81 81 82	Juby Amenst September	2016 2016 2016	27.782 27.651 27.841	110 110 111	18.104 16.533 15.273	78 78 78	33,373 32,393 33,792	113 114 114	29.637 30.723 26.647	113 113 113	26.712 29.685 30.603	113 113 114
October November December	2016 2016 2018	24,546 24,389 23,936	79 79 80	20,783 20,375 18,698	62 63	20.981 19.596 19.337	82 83 83	26,998 23,261 25,457	82 82 82	29 726 22,083 31,687	82 82 83	October November December	2016 2016 2016	29.245 27.750 30.778	111 111 112	20.381 21.278 22.101	78 78 79	36.193 33.237 34.630	114 115 115	29.456 25.671 31.266	114 114 114	27.882 31.710 28.482	114 114 115
January February March	2009 2009 2009	27.448 24.684 24.590	80 80 81	17 482 17 523 15 505	ន ន ន	20.815 19.347 18.589	23 84 84	30.202 29.775 27.307	83 83	30.813 28.921 31.281	83 83 84	January February March	2017 2017 2017	26 384 24 410 24 557	112 112 113	15.457 14.017 12.664	79 79 79	32,794 33,628 33,489	115 116 116	28.030 25.559 29.281	115 115 115	28,530 35,215 30,258	115 115 116
April May June	2009 2009 2009	24,759 22,499 27,280	#1 #1 #2	19.811 16.054 16.643	63 64	19.739 20.030 19.840	84 85 85	29,287 27,833 29,152	84 84 84	34,661 36,723 31,368	84 84 85	April May June	2017 2017 2017	25.677 27.259 26.843	113 113 114	13,343 13,208 14,564	79 79 80	35.914 34.165 31.957	116 117 117	27.979 40,776 38,270	116 116 116	30,792 31,200 27,976	116 116 117
July Angust September	2009 2009 2009	26.289 25.006 22.959	82 83	15.337 15.482 14.044	e e e	18.466 18.198 18.897	25 26 26	27.687 27.712 26.666	85 85 85	33.719 29.665 32.274	85 85 86	July Angust September	2017 2017 2017	25.285 24.613 25.109	114 114 115	14.677 14.294 19.375	80 80 80	30,707 30,919 34,909	117 118 118	30,394 27,890 30,863	117 117 117	26.568 27.277 28.353	117 117 118
October November December	2009 2009 2009	24.637 23.395 19.885	83 83 84	14.412 14.699 16.357	92 61 61	17.674 18.659 18.259	86 87 87	26.106 26.635 30.148	86 86	33,583 29,872 33,634	86 86 87	October November December	2017 2017 2017	25.602 24.737 25.806	115 115 116	17,582 21,123 14,732	85 85 81	35,980 34,357 34,259	118 119 119	26,716 28,242 27,849	118 118 118	29.896 30.349 30.329	118 118 119
January February Merch	2010 2010 2010	25.965 25.727 24.621	84 84 85	16,738 16 056 18 985	65 65	19.873 21.275 22.269	37 38 38	28,790 28,178 26,411	87 87	39.151 31.902 33.092	87 87 88	January February Marcia	2018 2018 2018	31.497 24.675 24.377	116 116 117	15,784 14,173 19,081	81 81 81	40.410 31.217 32.695	119 120 120	28.257 24.417 26.439	119 119 119	28.025 29.460 29.580	119 119 120
April May June	2010 2010 2010	25.886 25.060 26.848	#5 #5	17.165 16.887 17.196	65 65 66	22,762 25,530 25,690	88 89	31.716 32.805 31.756	22 22 28	39 423 32.517 35.331	88 88 89	April May June	2018 2018 2018	24.283 30.197 27.354	117 117 118	21.01% 15.786 13.872	R1 R1 R2	32,296 31,038 30,336	120 121 121	28.143 33.338 27.222	120 120 120	30 418 30,170 27,684	120 120 121
July August September	2010 2010 2010	26.317 27.218 24.990	86 86 87	18.178 18.703 19.171	66 66 66	25.909 26.035 24.232	\$9 40 90	31.182 28.523 24.429	39 89 89	39.798 31.924 35.523	89 89	July Amout September	2018 2018 2018	26.688 27.940 29.008	118 118 119	13.917 14.113 12.953	82 82 82	29.239 31.372 34.948	121 122 122	29.397 30.370 30.804	121 121 121	27,415 27,448 27,542	121 121 122
Cotober November December	2010 2010 2010	26.407 26.666 27.022	87 87 88	20.662 21.777 19.573	66 66 67	24.893 25.345 25.683	90 91 91	27.117 29.378 29.331	90 90 90	37.109 34.065 38.433	50 50 91	October November December	2018	26.435 27.691 24.204	119 119 120	10.789 12.686 12.918	82 82 83	32,335 36,584 31,266	122 123 123	30,741 29,687 28,404	122 122 122	29.599 29.551 28.584	122 122 123
January Felmory	2011	29.136 25.958 29.082	88 88 89	16.798 16.740 17.381	ត ត ត	27.062 27.910 26.976	91 92 92	28.619 28.461 30.975	91 91 91	40.515 34.433	91 91 92	January February March	2019 2019 2019	30,530 36,123 26,897	120 120 121	14.366 14.762 17.431	83 83 83	31.347 28.457 31.421	123 124	29.419 26.500	123 123 123	29.326 30.169 28.991	123 123 124
March April May June	2011 2011 2011	29.339 28.250 27.832	89 89 80	17.181 15.747 16.369 17.305	67 67 68	26.946 24.905 29.536	92 93 93	30.774 31.881 31.557	92 92 92	36,973 43,978 34,593 36,617	92 92 93	April May June	2019 2019 2019 2019	25.594 27.571 27.335	121 121 121 122	19,356 14,822 11,564	83 83 84	34.101 29.268	124 124 125	27.621 25.467 28.110 26.717	124 124 124	28.693 28.448	124 124 125
June July Angust September	2011 2011 2011	31.451 28.949	50 50 91	17.568 17.986	68 68 68	29.255 28.442	93 94 94	36.825 31.232	93 93 93	37.800 35.610 35.023	93 93 94	July	2019 2019 2019 2019	27.335 28.209 25.731 26.562	122	14.454 12.032	84 84 84	28.508 26.575 25.729 28.648	125 125 126 126	28.479 26.392 27.152	125 125 125 125	27.533 25.998 26.539 26.291	125 125 126
October November	2011	28.408 27.358 28.766	91 91 91 92	20.142 19.416 17.589	68 68 69	27.791 28.766 30.566	94 95 95	27.128 30.278 28.628	93 94 94 94	35,823 34,156 34,567 35,743	94 94 95	September October November	2019 2019 2019 2019	24.114 21.544	123 123 124	19.518 17.722 11.409	84 84 84 85	29.860 29.860 26.835	126 127 127	26.212 27.676	126 126 126 126	28.829 28.011	126 126 126 127
December Junuary February	2011	26.691 30.394 29.462	92 92 92 93	17.589 17.181 16.920	69 69 69	28.416 28.597 29.297 29.722	95 95 96 96	29.004 28.343 24.878	94 95 95 95	35,743 29,573 27,723 27,919	95 95 96	December January February	2019 2020 2020 2020	26.864 24.757	124 124 124 125	11.409 10.987 10.919	85 85 85 85	26.835 25.755 27.098 26.905	127 127 128 128	25,833 24,481 23,630 21,374	126 127 127 127	28.896 26.646 26.672	127 127 127 128
March April May June	2012 2012 2012	28.690 30.379 30.401	93 93 93 94	19.052 19.120	69 69 70	29,722 31,524 30,213 29,701	96 97 97	27.186 28.242 30.838 29.793	96 96 96	27.919 28.861 27.456 26.781	96 96 97	Afrill Aprill May June	2020 2020 2020 2020	24.927 23.371 22.549 24.115	125 125 125 126	8587 11.337 11.961 11.477	85 85 85	26,252 25,356 26,005	128 128 129 129	21,374 21,644 24,953 26,501	128 128 128 128	26,941 26,945 26,714 25,925	128 128 128 129
July	2012	30 005 39,599 29,883 29,848		14.828 16.243 17.145 16.517 15.550		29.701 35.113 29.341 27.939		29.793 33.010 27.818 25.748	96 47 97 97	26.781 28.243 28.784 28.926		June July August September	2020 2020 2020 2020 2020	2000		11.477 11.665 10.864 13.659	86 86 86			26.501 27.977 25.991 19.097			
August September October	2012 2012 2012 2012	26.226	94 94 95	16.000	70 70 70		98 98			21.676	97 97 98	October		25.440 22.303 23.768	126 126 127	13.60**		23,987 26,124 26,131 29,929	130 130	20.241	129 129 129	25.437 24.632 24.619 26.318	129 129 130
November Decamber January	2012	30.373 34.198 30.711	95 95 96	16.195 16.430 17.914	70 70 71	30.855 30.706 29.430 29.732	98 99 99	27.643 29.119 28.481 28.891	98 98 98	30.425 31.466 32.678	98 98 99	November December January	2020 2020 2020 2020	24.622 22.877 27.127	127 128 128	11.624 10.072 10.156	86 87 87	31.287 27.119 26.626	131	29.694 30.029 27.361	130 130	30,687 27,405 27,194	130 130 131
January February Metch	2013	29.757 32.416 31.695	96 97 97	17 0 17 17 671 20 385	71 71 71	29,732 29,298 28,759 30,248	99 100 100	28.891 27.503 29.276 30.441	99 99 100	30.967 31.333 32.486	99 99 100	February March April	2021 2021 2021 2021	29.441 26.233 28.873	128 129	12.965 11.377 14.976	87 87 87	39.622 30.181	132 132	32.801 28.966 31.601	131	26.828 30.896 30.087	131 132 132
April - May June July	2013	31.786 33.334 33.399	97 97 98	19.934 17.433 18.668	71 72 72	29.122 29.588	101 101	31,942 32,265	100	33,775 29,553 29,274	101	May June July	2021 2021	27.83T 28.65T	129 130 130	16.225 14.631 17.345	87 87 88	33.832 33.744	133	32.142 36.472	132 132	26,700 27,332	132 132 133
July August September October	2013 2013 2013	32.052 31.190 31.548	58 58 59	17.363 15.683	72 72 72	30.085 30.182 30.331	102 102 102	32,283 32,861 27,120 31,098	101 101 101	28.817	101 102 102	Angust September October	2021 2021 2021 2021	30.329 33.622 35.364 40.804	130 131 131	17.545 13.616 12.272 8.267	85 88 88	33.754 33.114 38.295 48.759	134 134 134	32.928 32.903 27.616 30.620	133 133 133	26,960 27,180 27,722 28,672	133 134
November December	2013 2013	31.975 32.863	99 99 100	20.324 18.467	22 22 23	30.725 33.44E	103	32,053 32,062	102	29.709 28.584	103	November December	2021 2021	47.159 50.993	131 132	10.201 11.366	88 88 89	72.563 47.423	135	31.678 31.671	134 134	32,950 34,560	04 04 05
January February March	2014 2014 2014	43.923 38.863 35.381	100 100 101	17.821 18.468 14.478	73 73 73	38 669 33.548 31.913	103 104 104	34.595 36.066 37.834	103 103 103	31,372 28,691 34,157	103 103 104	January February March	2022 2022 2022	45.864 37.817 43.511	132 132 133	10.511 12.908 10.087	89 89	45.097 43.933 41.158	135 136 136	39.166 34.127 42.118	135 135 135	30,303 28,774 29,605	135 135 136
May May	2014 2014 2014	31.730 33.277 32.242	101 101 102	16.280 15.244 16.754	73 73 74	34.215 32.795 30.676	104 105 105	33.398 35.651 33.714	104 104 104	29,794 27,875 27,178	104 104 105	April May June	2022 2022 2022	47.522 54.588 49.535	133 133 134	21.966 26.788 13.542	89 89 90	52.704 64.502 59.533	136 137 137	44.910 36.351 62.717	136 136 136	36.817 31.429 37.781	136 136 137
July Angus September	2014 2014 2014	32.587 34.960 29.212	102 102 103	16 282 16 243 14 864	74 74 74	30.751 28 445 30.773	106 105	29,863 32,375 30,605	105 105 105	26,598 26,957 28,667	105 105 106	July Angust September	2022 2022 2022	56.127 59.565 54.641	134 134 135	15.107 14.396 20.414	90 90 90	50.36 50.383 48.399	137 138 138	57.563 53.303	137 137 137	42.010 43.217	137 137 138
October November December	2014 2014 2014	32.201 36.849 31.889	163 163 164	19.319 20.385 14.991	74 74 75	32,176 33,967 30,310	186 107 107	32.872 31.478 28.582	106 106	28.895 32.155 29.112	105 105 107	Cetober November December	2022 2022 2022	51.9 43.255	135 135	34.969 20.236	90 90	44.535	138	43.405 41.813 44.549	138 138 139		138 138

Duke Energy Indiana Cause No. 38707 FAC-135

Residential Customer Bill using 1,000 kWh

Description:	Rider	kWh	Rate	\$	% of Bill
Customer Charge	Base			\$10.54	6.30%
Energy Charge	Base	300	\$0.148799	44.64	26,67%
Energy Charge	Base	700	\$0.108297	75.81	45.30%
Coal Gasification Adj.	61	1,000	\$0.000000	0.00	0.00%
Pollution Control Adj.	62	1,000	\$0.000909	0.91	0.54%
Emission Allowance Adj.	63	1,000	\$0.000000	0.00	0.00%
Transmission and Distribution					
Infrastructure Improvement	65	1,000	\$0.000399	0.40	0.24%
Energy Efficiency Adj.	66	1,000	\$0.002529	2.53	1.51%
Credit Adjustment	67	1,000	(\$0.003933)	(3.93)	-2.35%
Regional Transmission Operator Adj	68	1,000	\$0.000174	0.17	0.10%
Reliability Adj	70	1,000	(\$0.000017)	(0.02)	-0.01%
Clean Coal Adj.	71	1,000	\$0.000000	0.00	0.00%
Federal Mandate Rider Adj.	72	1,000	\$0.000000	0.00	0.00%
Renewable Energy Rider	73	1,000	\$0.000153	0.15	0.09%
Sub-Total				131.20	78.40%
FAC Charge	60	1,000	\$0.036148	36.15	21.60%
Total Billing Amount				\$167.35	100.00%
Total billing Alliount				\$107.33	100.00%
Base and Energy Charge				\$130.99	78.27%
Other Trackers				0.21	0.13%
FAC				36.15	21.60%
Total				\$167.35	100.00%

^{*} Online tariffs as of March 7, 2023

Duke EnergyIndiana, LLC Cause No. 38707 FAC-135

Power and Natural Gas Hedging Gains and Losses

FAC	Month/Year	Power Hedging	Gas Hedging	Total Hedging	FAC	Month/Year	Power Hedging	Gas Hedging	Total Hedging
FAC 100	Dec-13	(\$839,153.00)	\$0.00	(\$839,153.00)	FAC 118	Jun-18	(169,656)	(164,636)	(334,292)
	Jan-14	(108,989)		(108,989)		Jul-18	(35,435)	(257,240)	(292,675)
	Feb-14	(308,100)	-	(308,100)		Aug-18	57,469	(394,533)	(337,064)
FAC 101	Mar-14	(111,103)		(111,103)	FAC 119	Sep-18	(30,448)	126	(30,322)
	Apr-14	(49,453)	_	(49,453)		Oct-18	(12,043)	65	(11,978)
	May-14	(528,710)		(528,710)		Nov-18	32,466	34	32,500
FAC 102	Jun-14	(253,055)		(253,055)	FAC 120	Dec-18	41,750	176	41,926
	Jul-14	197,851		197,851	1110 120	Jan-19	(155,302)	84,552	(70,750)
	Aug-14	363,164		363,164		Feb-19	25,645	246,216	271,861
	Sep-14	217,552		217,652	FAC 121	Mar-19	31,590	240,210	31,590
	Oct-14		- :		PAG 121			450	
		17,310		17,310		Apr-19	201,283	459	201,742
	Nov-14	(561,498)		(561,498)		May-19	1,178,491	393	1,178,884
FAC 104	Dec-14	733,946	246	734,192	FAC 122	Jun-19	826,977	160,121	987,098
	Jan-15	352,388	33	352,421		Jul-19	(20,568)	588,397	567,829
	Feb-15	(5,797)	134,680	128,883		Aug-19	354,299	908,478	1,262,777
FAC 105	Mar-15	364,197	46,345	410,542	FAC 123	Sep-19	(155,046)	(315,641)	(470,687)
	Apr-15	423,421	-	423,421		Oct-19	(63,336)	92,149	28,813
	May-15	337,407	261	337,668		Nov-19	(127,797)	(176,809)	(304,606)
FAC 106	Jun-15	795,375	-	795,375	FAC 124	Dec-19	55,128	288,706	343,834
	Jul-15	187,312	33	187,345		Jan-20	8,124	822,164	830,288
	Aug-15	245,336	(68,045)	177,291		Feb-20	167,028	734,375	901,403
	Sep-15	306,660	9,675	316,335	FAC 125	Mar-20	478,268	142,603	621,071
	Oct-15	122,895	5,070	122,895	1710 120	Apr-20	(27,412)	(91,798)	(119,210)
	Nov-15	(11,189)	56	(11,133)		May-20	13,649	98,195	111,844
FAC 108	Dec-15	107,750	275	108,025	FAC 126	Jun-20	(190,687)	207,075	16,388
					FAC 126				
	Jan-16	4,008	(158,971)	(154,963)		Jul-20	145,347	439,678	585,025
	Feb-16	42,303	99,879	142,182		Aug-20	(139,093)	102,727	(36,366)
FAC 109	Mar-16	(10,943)	-	(10,943)	FAC 127	Sep-20	17,764	148,875	166,639
	Apr-16	(73,104)	-	(73,104)		Oct-20	29,555	40,767	70,322
	May-16	210,381	206	210,587		Nov-20	29,142	77,356	106,498
FAC 110	Jun-16	(522,768)	344	(522,424)	FAC 128	Dec-20	39,209	277,476	316,685
	Jul-16	39,637	(380,631)	(340,994)		Jan-21	(66,730)	278,001	211,271
	Aug-16	(49,953)	(319,323)	(369,276)		Feb-21	(793,928)	(16,730,143)	(17,524,071)
FAC 111	Sep-16	(530,972)		(530,972)	FAC 129	Mar-21	597,524	394	597,918
	Oct-16	(590,638)		(590,638)		Apr-21	(1,260,987)	(54,713)	(1,315,700)
	Nov-16	362,017	-	362,017		May-21	(131,366)	(189,882)	(321,248)
FAC 112	Dec-16	(402,267)	275	(401,992)	FAC 130	Jun-21	(612,947)	(313,050)	(925,997)
	Jan-17	171,977	138,618	310,595	1 NO 130	Jul-21	5,581	(945,164)	(939,583)
	Feb-17	96,778	260,250	357,028		Aug-21	(32,084)	(1,183,393)	
	Mar-17	274,890	200,200	274,890	FAC 131			(1,486,458)	(1,215,477)
FAC 113			-		FAC 131	Sep-21	(200,546)		(1,687,004)
	Apr-17	(132,532)		(132,532)		Oct-21	(4,830,659)	(1,587,611)	(6,418,270)
	May-17	(235,223)	183	(235,040)		Nov-21	(6,748,364)	(673,721)	(7,422,085)
FAC 114	Jun-17	177,532	379	177,911	FAC 132	Dec-21	22,063,830	2,417,780	24,481,610
	Jul-17	(112,188)	270,432	158,244		Jan-22	2,369,910	4,395,114	6,765,024
	Aug-17	68,662	295,767	364,429		Feb-22	3,470,198	991,456	4,461,654
FAC 115	Sep-17	(1,890,041)	131	(1,889,910)	FAC 133	Mar-22	(294,580)	486,977	192,397
	Oct-17	50,357	54	50,411		Apr-22	(2,428,064)	(1,564,423)	(3,992,487)
	Nov-17	17,121	242	17,363		May-22	(9,608,794)	(3,027,533)	(12,636,327)
FAC 116	Dec-17	5,769	183	5,952	FAC 134	Jun-22	(12,436,137)	(4,470,574)	(16,906,711)
	Jan-18	(33,934)	(242,387)	(276,321)		Jul-22	24,466	(3,683,153)	(3,658,687)
	Feb-18	(77,500)	145,739	68,239		Aug-22	(58,999)	(6,191,764)	(6,250,763)
FAC 117	Mar-18	3,188	253	3,441	FAC-135	Sep-22	6,180,026	(2,369,316)	
					FAG-133	Oct-22			3,810,710
	Apr-18	(72,267)	409	(71,858)			6,078,867	2,965,207	9,044,074
	May-18	(740,942)	112	(740,830)		Nov-22	6,225,559	5,192,522	11,418,081
						Total	\$8,163,002	(\$23,447,038)	(\$15,284,036

AFFIRMATION

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

By: Michael D. Eckert

Director of the Electric Division

Indiana Office of Utility Consumer Counselor

Cause No. 38707 FAC-135

DEI, LLC

Date: March 7, 2023

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 Michael D. Eckert has been served upon the following counsel of record in the captioned proceeding by electronic service on March 7, 2023.

<u>DEI</u>

Andrew J. Wells
Liane K. Steffes **DUKE ENERGY BUSINESS SERVICES LLC**andrew.wells@duke-energy.com
liane.steffes@duke-energy.com

Lorraine Hitz

Deputy Consumer Counselor

Foriaine Hitz

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

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317/232-2775 – Lorraine's Direct Line

317/232-2494 - Phone

317/232-5923 - Facsimile

INDIANA UTILITY REGULATORY COMMISSION APPEARANCE OF ATTORNEY

DATE: March 17, 2023	CAUSE NO: 38707 FAC 135				
NAME OF ATTORNEY:	Andrew J. Wells, #29545-49				
FIRM NAME:	Duke Energy Indiana, LLC				
ADDRESS:	1000 East Main Street Plainfield, IN 46168				
TELEPHONE:	317.838.2461				
FAX:	317.991.1273				
E-MAIL:	andrew.wells@duke-energy.com				
	OF WHOM APPEARANCE IS MADE: Energy Indiana, LLC				
	APPLICANT RESPONDENT PUBLIC PUBLIC				
If not admitted to practice before state legal authority for eligibility identify by date and nature of proparticipated in the State of Indiana three years. If additional space is	the Supreme Court of the State of Indiana, please to appear as an attorney in these proceedings and oceedings all other proceedings in which you have a as an attorney for a party therein within the past				