

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)
SERVICE, IN ACCORDANCE WITH INDIANA CODE)
§8-1-2-42, INDIANA CODE §8-1-2-42.3 AND VARIOUS)
ORDERS OF THE INDIANA UTILITY)
REGULATORY COMMISSION)

CAUSE NO. 38707

FAC-135

IURC
PUBLIC'S

EXHIBIT NO.

3-17-23

DATE

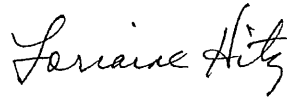
REPORTER

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC'S EXHIBIT NO. 2

TESTIMONY OF OUCC WITNESS MICHAEL D. ECKERT

March 7, 2023



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

I. INTRODUCTION

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 **Q: Have you previously testified before the Indiana Utility Regulatory Commission**
7 **("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 OUCC

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**
4 **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 **Q: Please describe the review and analysis you conducted in order to prepare your**
9 **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. ANCILLARY SERVICES MARKET

17 **Q: Does DEI's treatment of ASM charges follow the treatment ordered by the**
18 **Commission in its Phase II Order in Cause No. 43426, dated June 30, 2009?**

19 A: Yes.

III. HEDGING TRANSACTIONS

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 2nd
9 and 3rd 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.

IV. **REGULATION, SPINNING, AND SUPPLEMENTAL RESERVES**
 CHARGES

19 **Q: Did DEI report the monthly average ASM cost distribution amounts for**
20 **regulation, spinning, and supplemental reserves it paid for each of the ancillary**
21 **service products?**

1 A: Yes. Per the Commission's Order,¹ DEI reported² the average monthly ASM cost
2 distribution amounts for regulation, spinning, and supplemental reserves charge
3 types.

V. BENTON COUNTY WIND FARM

4 **Q: Were there any new developments related to the Benton County Wind Farm?**

5 A: No.

VI. COAL INVENTORY

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
10 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
14 shortages and other railroad resource constraints which moved the Company's
15 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 **Q: Is DEI in contact with its coal transportation providers in an attempt to increase**
5 **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 106,546⁵ 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	2,501,786	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. COAL INCREMENT PRICING

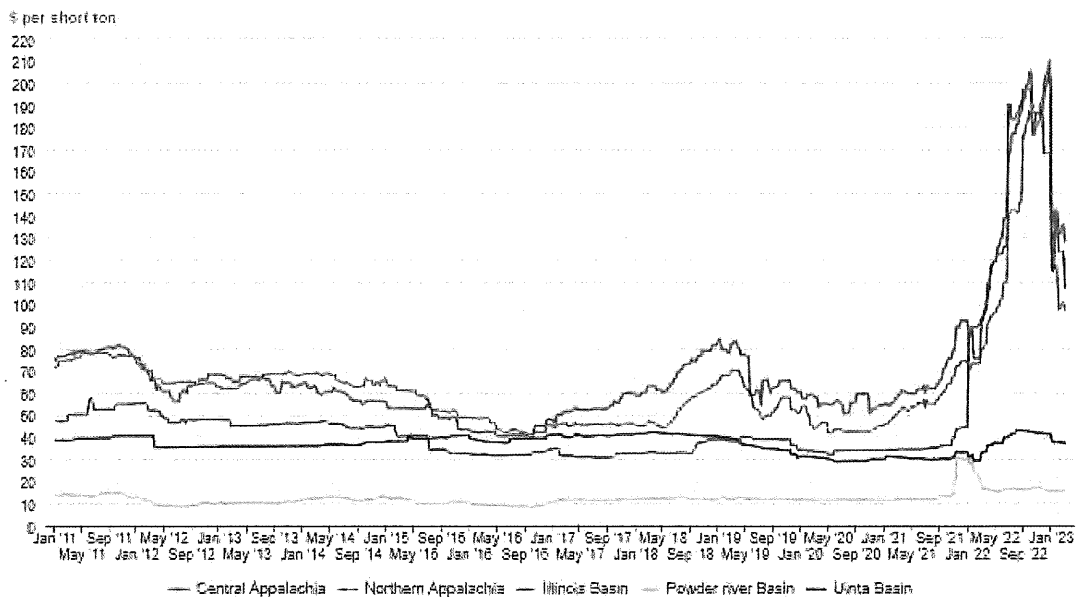
Q: Is DEI using a coal supply offer price adjustment (“increment”)?

A: Yes. DEI continued to implement a supply offer adjustment (“increment”) on a per MWh during this FAC period, which was applied to the Gibson and Cayuga Stations.

Q: Have coal prices increase dramatically over the last 12 months?

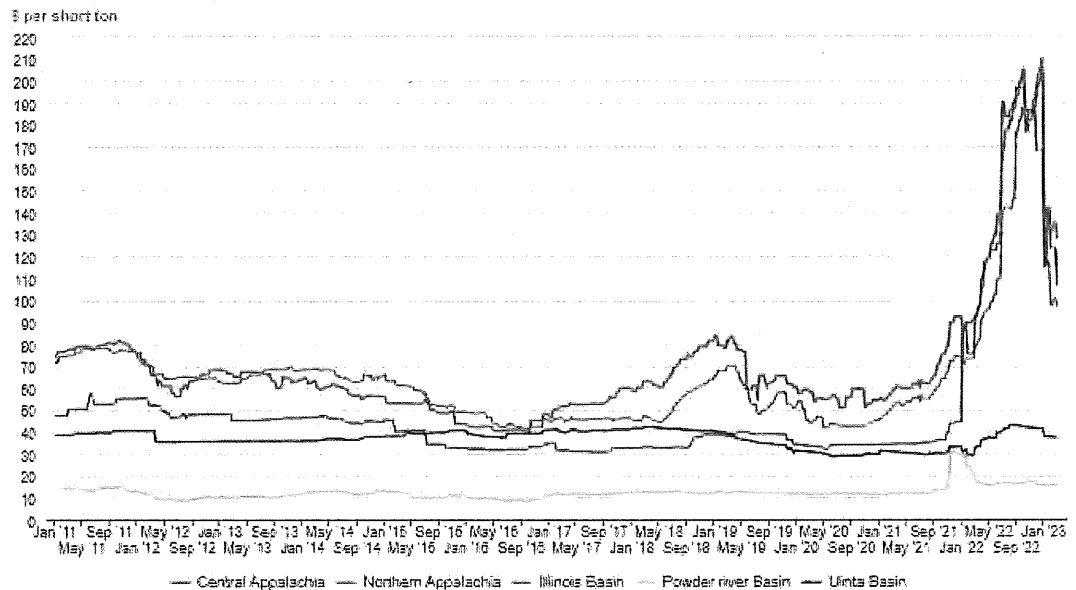
A: Yes. I have enclosed two charts from EIA that shows historical coal prices by region, by dollars per short ton, and by dollars per mmbtu.

Historic coal prices by region, 2011 - current data



Source: EIA Energy

Historic coal prices by region, 2011 - current data



eia Source: EIA Energy

- 1 **Q: Does DEI expect coal supply issues to continue into 2023?**
- 2 **A:** Yes. Even though DEI has been able to secure additional coal for 2023, the Company
- 3 remains concerned and continues to monitor the viability of future supply due to the
- 4 financial and labor constraints facing its suppliers and rail transportation providers.⁷
- 5 **Q: As a result of these coal supply chain issues, has DEI altered its Day-Ahead**
- 6 **Offer price?**
- 7 **A:** Yes. DEI used an increment/adder adjustment to its supply offers to MISO to reduce
- 8 the dispatch frequency of its coal generation (Gibson and Cayuga). Even though the
- 9 OUCC does not like the use of a coal increment, the OUCC understands that DEI
- 10 needed to have a reasonable level of coal inventory for the winter peaking season to
- 11 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. BILL ANALYSIS

20 **Q: Have you calculated the bill impact on a typical residential customer’s bill using**
21 **500, 1,000, 1,500, and 2,000 kWhs at DEI’s proposed rate and compared that to**
22 **the same typical customer’s bill using the currently approved rate?**

23 A: Yes, I did, as reflected in the table below.

	<u>Consumption</u>	Proposed Bill at FAC	Current Bill at FAC	Dollar Inc/(Dec)
1	500	\$4.77	\$18.07	(\$13.30)
2	1,000	\$9.55	\$36.15	(\$26.60)
3	1,500	\$14.32	\$54.22	(\$39.90)
4	2,000	\$19.10	\$72.30	(\$53.20)

8 **Q: Have you calculated the bill impact on a typical residential customer's bill using**
9 **500, 1,000, 1,500, and 2,000 kWhs at the OUCC's proposed rate and compared**
10 **that to the same typical customer's bill using the currently approved rate?**

11 A: Yes, I did, as reflected in the table below.

	<u>Consumption</u>	Proposed Bill at FAC	Current Bill at FAC	Dollar Inc/(Dec)
12	500	\$3.75	\$18.07	(\$14.33)
13	1,000	\$7.50	\$36.15	(\$28.65)
14	1,500	\$11.25	\$54.22	(\$42.98)
15	2,000	\$15.00	\$72.30	(\$57.30)

19 **Q: What assumptions did you make in this calculation?**

20 A: In making this calculation, I did not include any dollar amount for base rates, other
21 trackers, and taxes. Therefore, this calculation reflects only the proposed change to
22 the FAC factor.

23 **Q: Have you provided a calculation of a typical customer's bill using 1,000 kWh in**
24 **March 2023, using DEI's online tariffs as of March 7, 2023?**

25 A: Yes. See Attachment MDE-2. A typical residential customer using 1,000 kWh in
26 March 2023 will pay \$167.35 excluding taxes. This amount consists of \$130.99 in
27 base charges that were set in DEI's last rate case (Cause No. 45253), \$36.15 in fuel
28 adjustment clause charges, and \$1.21 in non-FAC trackers and riders.

IX. ACTUAL COST OF FUEL (MILLS/KWH) COMPARISON

29 **Q: Did you do a comparison of the actual monthly cost of fuel (Mills/kWh) for the**
30 **five large Indiana investor owned utilities ("IOUs")?**

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

1 Indiana (See Attachment MDE-I).

X. NET OPERATING INCOME ANALYSIS

2 **Q: Have you reviewed DEI's calculation of the authorized net operating income**
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 3 of 3, Column D, Line 20.

XI. UNIT COMMITMENT STATUS

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. OUCC RECOMMENDATIONS

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 1) Update the Commission on DEI's current coal inventory situation and 2023
10 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 4) As ordered in Cause No. 38707 FAC-96 and subsequent FAC proceedings,
14 continue to provide the inputs to its calculation of and the reasons for any use of
15 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.**

2 A: I graduated from Purdue University in West Lafayette, Indiana in December 1986,
3 with a Bachelor of Science degree, majoring in Accounting. I am licensed in the State
4 of Indiana as a Certified Public Accountant. Upon graduation, I worked as a Field
5 Auditor with the Audit Bureau of Circulation in Schaumburg, Illinois until October
6 1987. In December 1987, I accepted a position as a Staff Accountant with the OUCC.
7 In May 1995, I was promoted to Principal Accountant and in December 1997, I was
8 promoted to Assistant Chief Accountant. As part of the OUCC's reorganization, I
9 accepted the position of Assistant Director of its Telecommunications Division in
10 July 1999. From January 2000 through May 2000, I was the Acting Director of the
11 Telecommunications Division. During an OUCC reorganization, I accepted a
12 position as a Senior Utility Analyst and in September 2017, I was promoted to
13 Assistant Director of the Electric Division. In February 2022, I was promoted to the
14 Director of the Electric Division. As part of my continuing education, I have attended
15 the National Association of Regulatory Utility Commissioner's ("NARUC") two-
16 week seminar in Lansing, Michigan. I attended NARUC's Spring 1993 and 1996
17 seminar on system of accounts. In addition, I attended several CPA sponsored
18 courses and the Institute of Public Utilities Annual Conference in December 1994
19 and December 2000.

Duke Energy Indiana, LLC
Case No. 2007-PAC-135
Actual Cost of Fuel (¢/kWh) Comparison

Attachment M2-B-1
Page 1 of 1

		Indiana		Indianapolis		MPSO		Crescent		Indiana		Indianapolis		MPSO		Crescent	
Month	Year	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh	Duke ¢/kWh	FAC ¢/kWh
January	2007	18,974	72	12,237	59	16,750	75	20,497	75	23,528	75	19,854	104	17,609	75	32,323	107
February	2007	20,524	72	11,857	59	16,750	75	20,524	75	23,528	75	19,854	104	17,609	75	32,323	107
March	2007	16,663	71	11,358	59	16,750	75	20,524	75	23,528	75	19,854	104	17,609	75	32,323	107
April	2007	20,788	73	12,822	59	17,626	76	20,908	76	23,808	76	20,862	105	20,480	75	31,886	108
May	2007	21,623	73	11,225	59	17,607	77	20,914	76	22,858	76	20,914	106	20,914	75	32,544	108
June	2007	17,418	74	11,088	60	18,849	77	21,543	76	18,872	77	20,914	106	21,543	75	32,544	108
July	2007	21,415	74	11,843	60	17,772	77	20,423	77	21,415	77	20,423	106	21,415	75	32,544	108
August	2007	26,428	74	12,454	60	21,476	78	20,423	77	20,423	77	20,423	106	20,423	75	32,544	108
September	2007	18,147	75	13,895	60	18,446	78	20,423	77	20,423	77	20,423	106	20,423	75	32,544	108
October	2007	21,420	75	14,564	60	21,142	78	21,308	78	21,308	78	21,308	106	21,308	75	32,544	108
November	2007	18,620	75	13,773	60	17,568	79	21,308	78	21,308	78	21,308	106	21,308	75	32,544	108
December	2007	18,545	76	11,834	61	17,212	79	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
January	2008	21,544	76	12,156	61	18,144	79	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
February	2008	20,503	76	12,156	61	18,144	79	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
March	2008	20,497	77	14,311	61	19,389	80	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
April	2008	21,674	77	16,399	61	19,572	80	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
May	2008	20,129	77	14,082	61	18,500	81	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
June	2008	20,386	78	15,185	62	21,130	81	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
July	2008	25,296	78	15,569	62	24,171	81	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
August	2008	25,758	78	17,520	62	20,897	82	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
September	2008	21,694	79	16,509	62	20,538	82	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
October	2008	24,544	79	20,783	62	20,981	82	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
November	2008	24,389	79	20,375	62	19,946	83	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
December	2008	23,936	80	18,618	63	19,337	83	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
January	2009	27,448	80	17,482	63	20,813	83	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
February	2009	24,624	80	17,423	63	19,347	83	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
March	2009	24,580	81	15,565	63	18,589	84	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
April	2009	24,759	81	18,811	63	18,759	84	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
May	2009	22,649	81	16,654	63	20,026	85	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
June	2009	27,280	82	16,643	64	18,844	85	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
July	2009	26,329	82	15,337	64	18,466	85	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
August	2009	25,606	82	15,082	64	18,194	86	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
September	2009	22,559	83	14,644	64	18,897	86	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
October	2009	24,277	83	14,412	64	17,474	86	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
November	2009	23,393	83	14,099	65	18,499	87	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
December	2009	19,885	84	16,357	65	18,259	87	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
January	2010	25,865	84	16,738	65	19,873	87	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
February	2010	24,126	84	16,566	65	18,842	88	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
March	2010	24,621	85	18,985	65	22,269	88	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
April	2010	25,804	85	17,165	65	22,762	88	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
May	2010	23,608	85	16,887	65	23,530	89	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
June	2010	28,844	86	17,146	66	24,660	89	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
July	2010	26,317	86	18,178	66	25,909	89	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
August	2010	27,218	86	18,703	66	26,035	89	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
September	2010	24,990	87	19,171	66	24,222	90	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
October	2010	26,407	87	20,602	66	24,893	90	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
November	2010	26,646	87	21,777	66	25,545	90	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
December	2010	27,822	88	19,575	67	26,683	91	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
January	2011	29,136	88	16,798	67	27,062	91	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
February	2011	25,588	88	16,740	67	27,010	92	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
March	2011	29,487	89	17,381	67	26,976	92	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
April	2011	29,319	89	15,747	67	26,946	92	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
May	2011	28,250	89	16,369	67	21,965	93	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
June	2011	27,892	90	17,365	68	25,554	93	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
July	2011	31,481	90	17,648	68	29,255	93	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
August	2011	28,849	90	17,086	68	28,442	94	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
September	2011	28,408	91	18,269	68	27,791	94	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
October	2011	27,508	91	20,142	68	28,764	94	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
November	2011	29,366	91	19,616	68	29,565	95	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
December	2011	26,691	92	17,889	69	28,416	95	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
January	2012	30,394	92	17,181	69	28,597	95	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
February	2012	29,462	92	16,920	69	29,297	96	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
March	2012	28,650	93	19,652	69	29,752	96	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
April	2012	26,379	93	19,120	69	31,524	96	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
May	2012	30,491	93	14,828	69	30,213	97	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
June	2012	30,085	94	16,243	70	29,791	97	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
July	2012	39,969	94	17,145	70	33,113	97	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
August	2012	29,892	94	16,517	70	29,241	98	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
September	2012	29,848	95	15,550	70	27,939	98	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
October	2012	30,726	95	15,928	70	30,855	98	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
November	2012	30,373	95	16,195	70	30,706	99	20,423	78	20,423	78	20,423	106	20,423	75	32,544	108
December	2012	34,108	96	16,430	71	29,430	99	20,423	78	2							

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				<u>\$167.35</u>	<u>100.00%</u>
Base and Energy Charge				\$130.99	78.27%
Other Trackers				0.21	0.13%
FAC				36.15	21.60%
Total				<u>\$167.35</u>	<u>100.00%</u>

* Online tariffs as of March 7, 2023

Duke Energy Indiana, LLC
Cause No. 35707 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	(\$33,153.00)	\$0.00	(\$33,153.00)	FAC 118	Jun-18	(169,656)	(164,698)	(334,352)
	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		Jan-19	(155,302)	84,852	(70,750)
	Aug-14	383,164	-	383,164		Feb-19	25,945	246,216	272,161
FAC 103	Sep-14	217,552	-	217,552	FAC 121	Mar-19	31,590	-	31,590
	Oct-14	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	733,346	246	734,192	FAC 122	Jun-19	826,977	100,121	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	(53,336)	92,140	38,803
	May-15	337,407	261	337,668		Nov-19	(127,797)	(176,609)	(304,606)
FAC 106	Jun-15	795,375	-	795,375	FAC 124	Dec-19	55,128	288,706	343,834
	Jul-15	167,312	33	167,345		Jan-20	8,124	822,164	830,288
	Aug-15	245,336	(68,045)	177,291		Feb-20	167,028	734,375	901,403
FAC 107	Sep-15	306,690	9,675	316,335	FAC 125	Mar-20	478,268	142,803	621,071
	Oct-15	122,895	-	122,895		Apr-20	(27,412)	(91,798)	(119,210)
	Nov-15	(11,189)	56	(11,133)		May-20	13,649	89,195	111,844
FAC 108	Dec-15	107,750	276	108,025	FAC 126	Jun-20	(190,687)	297,075	16,388
	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	(49,853)	(519,323)	(569,176)		Feb-21	(793,928)	(16,759,143)	(17,553,071)
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	362,917	-	362,917		May-21	(131,365)	(189,882)	(321,248)
FAC 112	Dec-16	(402,287)	275	(401,992)	FAC 130	Jun-21	(912,947)	(313,050)	(925,997)
	Jan-17	171,977	138,618	310,595		Jul-21	5,581	(945,164)	(939,583)
	Feb-17	96,778	260,250	357,028		Aug-21	(32,084)	(1,183,393)	(1,215,477)
FAC 113	Mar-17	274,890	-	274,890	FAC 131	Sep-21	(200,546)	(1,486,458)	(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	177,632	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	3,470,158	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)	3,810,710
	Apr-18	(72,287)	409	(71,868)		Oct-22	6,078,667	2,965,207	9,044,074
	May-18	(740,942)	112	(740,830)		Nov-22	6,225,559	5,192,622	11,418,081
Total							\$8,163,002	(\$23,447,030)	(\$15,284,036)

AFFIRMATION

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

A handwritten signature in black ink, appearing to read "Michael D. Eckert", is written over a horizontal line.

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.

DEI

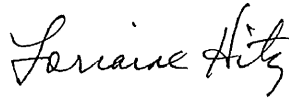
Andrew J. Wells

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Lorraine Hitz

Deputy Consumer Counselor

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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**

NAME OF PARTY ON BEHALF OF WHOM APPEARANCE IS MADE:

Duke Energy Indiana, LLC

THE PARTY IS A:

PETITIONER <u> X </u>	APPLICANT <u> </u>	RESPONDENT <u> </u>
INTERVENOR <u> </u>	PROTESTANT <u> </u>	PUBLIC <u> </u>

If not admitted to practice before the Supreme Court of the State of Indiana, please state legal authority for eligibility to appear as an attorney in these proceedings and identify by date and nature of proceedings all other proceedings in which you have participated in the State of Indiana as an attorney for a party therein within the past three years. If additional space is needed, use reverse side of form.
