

TESTIMONY OF MARY ANN AMBURGEY
ACCOUNTING MANAGER
DUKE ENERGY BUSINESS SERVICES LLC
ON BEHALF OF
DUKE ENERGY INDIANA, LLC
CAUSE NO. 38707-FAC128
BEFORE THE INDIANA UTILITY REGULATORY COMMISSION

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Mary Ann Amburgey, and my business address is 550 S. Tryon Street, Charlotte, NC 28202.

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

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

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A. I received an Associate Degree in Business Administration from Cincinnati State in 1987. I started full time with The Cincinnati Gas & Electric Company in June of 1987. Through subsequent mergers, I have worked in various departments of that company or its affiliates including Treasury, Accounts Payable and Trading. I assumed my role as Accounting Manager for Duke Energy Business Services in 2015.

MARY ANN AMBURGEY

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

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

9 **II. MISO SETTLEMENTS PROCESS**

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

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

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

21 A. The Company retrieves from the MISO website portal a settlement statement for
22 each operating day for its participation in the energy and ancillary services

1 markets that sets forth day-ahead market charges and credits, real-time market
2 charges and credits, and charges and credits related to Financial Transmission
3 Rights (“FTRs”). Charges and credits applicable to Duke Energy Indiana are set
4 forth separately on those settlement statements. The settlement statements set
5 forth each charge type along with the underlying billing determinants used to
6 calculate the charge. MISO’s settlements process is described in detail in MISO’s
7 *Business Practices Manual for Market Settlements*, which is available at
8 <http://www.misoenergy.org/Legal/Business-Practice-Manuals/>.

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

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

IURC CAUSE NO. 38707-FAC128
DIRECT TESTIMONY OF MARY ANN AMBURGEY
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day to reflect updates to meter data submitted by market participants. Those settlement statements are referred to as the “S55” and “S105,” respectively.

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

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

A. Trading information for each trading day is input into a software program (called “CXL”) on behalf of the Company. The Company data is then compared with the applicable MISO settlement statement for discrepancies. Duke Energy Indiana utilizes sophisticated software tools to essentially “shadow” the MISO settlements systems and verify the charges and credits that appear on MISO’s settlement statements and invoices. The primary tools utilized are nMarket and the Market and Data Analysis reporting tool (“DAT”) software packages developed by The

1 Structure Group ("Structure"), a leading developer and provider of energy-related
2 software and consulting products and services throughout North America and
3 Europe.

4 Using those tools, analysts in the Settlements group are able to download
5 MISO settlements data and perform a detailed comparison by charge type and
6 charge component against Duke Energy Indiana's internal data. The tools
7 highlight discrepancies that are immediately corrected or disputed depending on
8 the source of the error. For charges and credits that are based solely on Duke
9 Energy Indiana data, analysts can identify errors at the lowest level of granularity.
10 A report that graphically displays hourly results of volumes and dollars providing
11 a pictorial view to further identify erroneous charge data is also used for
12 evaluations that are more thorough.

13 The ancillary services market started on January 6, 2009. We continue to
14 use the same processes and tools to settle the charges and credits under the
15 ancillary services markets as we do with the energy markets.

16 **Q. ARE THERE EVER ANY CHARGES OR CREDITS IN THE MISO**
17 **SETTLEMENT STATEMENTS THAT ARE DISPUTED BY DUKE**
18 **ENERGY INDIANA?**

19 A. Yes, there are. Because changes in what one market participant in MISO pays or
20 receives can affect what another market participant pays or receives, disputes
21 frequently give rise to changes in the daily settlement statements for a particular
22 day, such as changes between the S55 and S105 statement dates. Because market

1 participants have up to 120 days from the operating day to submit disputes,
2 sorting out the net result for all interested parties with respect to these charges can
3 take some time.

4 **Q. HOW WILL THE RESOLUTION OF DISPUTED CHARGES AND**
5 **CREDITS BE REFLECTED IN FUTURE FUEL COST ADJUSTMENT**
6 **FILINGS?**

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

15 **Q. HAVE THERE BEEN ANY CHANGES IN SETTLEMENT STATEMENTS**
16 **FROM MISO IN RECENT MONTHS THAT IMPACT THE OUCC'S**
17 **AUDIT OF THE COMPANY'S PROPOSED FUEL COST ADJUSTMENT**
18 **FACTOR?**

19 A. No.

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

1 A. No.

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

3 A. No.

4 **Q. WHY IS THE COMPANY NOW INCLUDING PJM SETTLEMENT**
5 **STATEMENTS IN THE FAC?**

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

9 **Q. PLEASE GENERALLY DESCRIBE THE SETTLEMENTS PROCESS**
10 **FOR PJM TO SETTLE CHARGES AND CREDITS WITH THE**
11 **COMPANY.**

12 A. The Company retrieves from the PJM website the weekly and monthly invoices.
13 The process is similar to MISO where trading information for each trading day is
14 input into a software program (called "CXL") on behalf of the Company. The
15 Company data is then compared with the PJM invoices for discrepancies.

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

17 A. Duke Energy Indiana receives weekly invoices on Tuesdays for the previous
18 Thursday-Wednesday operating days. For example, on October 20th, we received
19 an invoice for operating days of October 8th – October 14th. We then receive a
20 monthly invoice on the 5th business day of the next month.

21 **Q. HOW DOES THE COMPANY VERIFY THE ACCURACY OF THE PJM**
22 **INVOICES?**

1 A. Duke Energy Indiana utilizes sophisticated software tools to essentially “shadow”
2 the PJM settlements systems and verify the charges and credits that appear on the
3 PJM invoices. The primary tools utilized are nMarket and the Market and Data
4 Analysis reporting tool (“DAT”) software packages developed by The Structure
5 Group (“Structure”), a leading developer and provider of energy-related software
6 and consulting products and services throughout North America and Europe.

7 Using those tools, analysts in the Settlements group are able to download
8 PJM settlements data and perform a detailed comparison by charge type and
9 charge component against Duke Energy Indiana’s internal data. The tools
10 highlight discrepancies that are immediately corrected or disputed depending on
11 the source of the error. For charges and credits that are based solely on Duke
12 Energy Indiana data, analysts can identify errors at the lowest level of granularity.

13 **III. CONCLUSION**

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

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

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

22 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: Mary Ann Amburgey Dated April 28, 2021
Mary Ann Amburgey