

**DIRECT TESTIMONY OF CHRISTA L. GRAFT  
DIRECTOR, RATES & REGULATORY PLANNING  
DUKE ENERGY INDIANA, LLC  
CAUSE NO. 42061 ECR 45  
BEFORE THE INDIANA UTILITY REGULATORY COMMISSION**

**I. INTRODUCTION**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

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

A. My name is Christa L. Graft, and my business address is 1000 East Main Street,  
Plainfield, Indiana.

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

A. I am employed by Duke Energy Indiana, LLC (“Duke Energy Indiana” or  
“Company”), as Director, Rates & Regulatory Planning. Duke Energy Indiana is a  
wholly owned subsidiary of Duke Energy Indiana Holdco, LLC.

**Q. PLEASE DESCRIBE YOUR DUTIES AS DIRECTOR, RATES &  
REGULATORY PLANNING.**

A. I am responsible for the preparation of financial and accounting data used in Company  
rate filings, including petitions for changes in fuel cost adjustment factors and other  
tracking mechanisms.

**Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL AND  
PROFESSIONAL BACKGROUND.**

A. I graduated from Indiana University in May 1998 with a Bachelor of Science degree in  
Business with a major in Accounting. I have been employed by the Company since  
June 1998 and have held various financial and accounting positions supporting the  
Company and its affiliates. My first position was as an Analyst in the External

1 Reporting department, where my responsibilities included various quarterly and  
2 annual Securities and Exchange Commission and Federal Energy Regulatory  
3 Commission filings. In 2000, I was promoted to a Senior Analyst position in the  
4 Accounting Research department, where I researched the appropriate accounting for  
5 various business transactions and reviewed new accounting guidance for applicability  
6 to the Company. I was promoted to a Lead Analyst position in 2005 and joined the  
7 Financial Planning and Analysis department in 2006, where I provided accounting and  
8 budgeting support to various business operational groups. I joined the Rates  
9 department as a Lead Rates & Regulatory Strategy Analyst in 2010, was promoted to  
10 manager in 2020, and was promoted to director in July 2024. I am a Certified Public  
11 Accountant (“CPA”) and a member of the Indiana CPA Society.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 A. The purpose of my testimony is to: 1) explain the removal from rates of Cause No.  
14 45940 costs incurred prior to the March 22, 2023 effective date of the revised federal  
15 mandate statute (Ind. Code ch. 8-1-8.4); 2) update the Commission on the Company’s  
16 proportional sharing of coal ash insurance settlement proceeds the Company has  
17 received, in accordance with the Commission’s Order in Cause No. 46038 (“46038  
18 Order”) and the Orders in Cause Nos. 42061 ECR 43 (“ECR 43”) and 42061 ECR 44  
19 (“ECR 44”); and 3) support the calculation of the resulting revenue requirement for  
20 costs that will continue to be tracked in this proceeding per the Commission’s Orders  
21 in Cause No. 45253 S1, Cause No. 45940, and Cause No. 46038.



- 1           1) Recovery in ECR of 80% of the retail jurisdictional federally mandated costs,  
2           including return on unamortized closure investment and unamortized carrying  
3           cost balances, in addition to the recovery of operating expenditures, including  
4           amortization of closure expenditures, post-closure maintenance (coal ash  
5           management) expenditures, taxes, and financing costs.
- 6           2) Construction work in progress (“CWIP”) ratemaking treatment, which  
7           provides for recovery of a cash return on the retail jurisdictional portion of  
8           costs incurred as of the ECR filing cutoff date for closure projects, with  
9           accrued financing costs. Amounts earning a return will reflect a reduction for  
10          accumulated amortization amounts as of each ECR filing cutoff date. This  
11          ratemaking treatment would continue until the projects are included in base  
12          rates.
- 13          3) Accrual as a regulatory asset of 80% of the retail jurisdictional federally  
14          mandated costs that are eligible for ECR recovery until they can be included in  
15          retail rates.
- 16          4) Amortization of the coal ash project costs deferred in the regulatory asset such  
17          that the closure costs are recovered by 2038 and the coal ash management costs  
18          are recovered every six months.
- 19          5) Accrual as a regulatory asset of financing costs at the most recently approved  
20          weighted average cost of capital (“WACC”) on any portion of the 80% of the  
21          retail jurisdictional federally mandated expenditures not yet earning a CWIP  
22          ratemaking return until the costs are included in retail rates.

- 1           6) Accrual as a regulatory asset of 20% of the retail jurisdictional federally  
2           mandated costs that are not eligible for tracker recovery plus financing costs at  
3           the most recently approved WACC until the costs are included in retail base  
4           rates.
- 5           7) Deferral accounting for the retail jurisdictional portion of costs which exceed  
6           the estimate by more than 25%, until the time the costs are presented for  
7           recovery and reviewed in a retail rate case.
- 8           8) Deferral of the expenditures associated with the compliance projects on an  
9           interim basis until the costs are recovered in retail rates.
- 10          9) Allocation of the resulting revenue requirement to rate groups based on the  
11          most recently approved production demand allocators and development of the  
12          rates on kWh sales, except for customers served under Rate HLF which will  
13          use non-coincident peak KW demands.

14   **Q.    PLEASE EXPLAIN YOUR UNDERSTANDING OF THE COMMISSION'S**  
15   **MAY 8, 2024 ORDER IN CAUSE NO. 45940 ("45940 ORDER") SPECIFIC TO**  
16   **ECR MATTERS.**

17   A.    In the 45940 Order, the Commission found that the incurred and proposed closure,  
18   post-closure, and coal ash related compliance projects<sup>3</sup> will allow the Company to  
19   comply with federally mandated requirements<sup>2</sup>, approved the compliance projects and  
20   the associated incurred and projected federally mandated costs, and issued the

---

<sup>3</sup> The costs approved for recovery in Cause No. 45940 were the Company's incurred and estimated future (2019 – 2030) federally mandated ash pond closure costs for just those ash management areas outlined, along with ongoing post-closure maintenance and non-basin closure costs through 2030.

1 Company a CPCN under the federal mandate statute. (Order at 21). The compliance  
2 projects were approved as recoverable under the federal mandate statute, and the  
3 Commission found the costs appropriate to recover through rates. (Order at 21).

4 For the ratemaking, the Commission found that 80% of the approved federally  
5 mandated costs were authorized for recovery in ECR, including carrying costs, with  
6 deferral of the remaining 20% of the approved federally mandated costs until its next  
7 rate case, more specifically:

- 8 1) Recovery in ECR of 80% of the retail jurisdictional federally mandated costs,  
9 including return on unamortized closure investment and unamortized carrying  
10 cost balances, in addition to the recovery of operating expenditures, including  
11 amortization of closure expenditures, post-closure maintenance (coal ash  
12 management) expenditures, taxes and financing costs.
- 13 2) CWIP ratemaking treatment, which provides for recovery of a cash return on  
14 the retail jurisdictional portion of costs incurred as of the ECR filing cutoff  
15 date for closure projects, with accrued financing costs. Amounts earning a  
16 return will reflect a reduction for accumulated amortization amounts as of each  
17 ECR filing cutoff date. This ratemaking treatment would continue until the  
18 projects are included in base rates.
- 19 3) Accrual as a regulatory asset of 80% of the retail jurisdictional federally  
20 mandated costs that are eligible for ECR recovery until they can be included in  
21 retail rates.

- 1           4) Amortization of the coal ash project costs deferred in the regulatory asset such  
2           that the closure costs are recovered by 2035 and the coal ash management costs  
3           are recovered every six months.
- 4           5) Accrual as a regulatory asset of financing costs at the most recently approved  
5           WACC on any portion of the 80% of the retail jurisdictional federally  
6           mandated expenditures not yet earning a CWIP ratemaking return until the  
7           costs are included in retail rates.
- 8           6) Accrual as a regulatory asset of 20% of the retail jurisdictional federally  
9           mandated costs that are not eligible for tracker recovery plus financing costs at  
10          the most recently approved WACC until the costs are included in retail base  
11          rates.
- 12          7) Deferral accounting for the retail jurisdictional portion of costs which exceed  
13          the estimate by more than 25%, until the time the costs are presented for  
14          recovery and reviewed in a retail rate case.
- 15          8) Deferral of the expenditures associated with the compliance projects on an  
16          interim basis until the costs are recovered in retail rates.
- 17          9) Allocation of the resulting revenue requirement to rate groups based on the  
18          most recently approved production demand allocators and development of the  
19          rates on kWh sales, except for customers served under Rate HLF which will  
20          use non-coincident peak KW demands.

21   **Q.   PLEASE EXPLAIN THE IMPACT OF THE 46038 ORDER ON COAL ASH**  
22   **CLOSURE COSTS RECOVERED THROUGH ECR.**

1 A. In Cause No. 46038, the Company was approved to move recovery of the return on  
2 December 31, 2025 forecasted net book value (original cost investment less  
3 accumulated amortization) and related amortization of coal ash closure costs  
4 associated with those ash management areas approved for cost recovery in Cause No.  
5 45253 S1 and Cause No. 45940 from ECR to base rates. This includes the 80% that  
6 was eligible for tracker recovery and the 20% that was previously deferred for future  
7 rate case recovery.

8 For January 2026 and forward, 80% of coal ash closure costs (return on net  
9 investment and related amortization) associated with those ash management areas  
10 approved for cost recovery in Cause No. 45253 S1 and Cause No. 45940 will be  
11 included for recovery in ECR, with 20% being deferred as a regulatory asset for future  
12 rate case recovery. The 80% of coal ash closure costs will be amortized through May  
13 2038 (the retirement date of the Company's last remaining coal unit per the  
14 depreciation rates approved in the 46038 Order), rather than over the amortization  
15 periods previously approved in Cause No. 45253 S1 and Cause No. 45940.

16 **Q. PLEASE EXPLAIN THE IMPACT OF THE 46038 ORDER ON COAL ASH**  
17 **MANAGEMENT COSTS RECOVERED THROUGH ECR.**

18 A. In Cause No. 46038, the Company was approved to continue recovering the 80%  
19 portion of coal ash management costs through 2025 associated with those ash  
20 management areas approved for cost recovery in Cause No. 45253 S1 and Cause No.  
21 45940 in ECR. Coal ash management costs for 2026 and forward will be recovered  
22 through the Company's depreciation rates approved in the 46038 Order.

1 Q. PLEASE EXPLAIN THE IMPACT OF THE 46038 ORDER ON THE  
2 RECOVERY OF THE 80% PORTION OF CARRYING COSTS ON THE  
3 COAL ASH CLOSURE AND MANAGEMENT COSTS RECOVERED  
4 THROUGH ECR.

5 A. In Cause No. 46038, the Company was approved to continue recovering the 80%  
6 portion of carrying costs on the coal ash closure and management costs associated  
7 with those ash management areas approved for cost recovery in Cause No. 45253 S1  
8 and Cause No. 45940 in ECR.

9 Q. ARE THERE ANY OTHER IMPACTS OF THE 46038 ORDER ON COSTS  
10 RECOVERED THROUGH ECR?

11 A. Yes. The 46038 Order approved the continued tracking of certain reagent costs  
12 compared to the level in base rates in ECR. It also approved completion of the  
13 remaining amortization of the Edwardsport deferred expense regulatory asset in ECR.

14 **III. INDIANA COURT OF APPEALS OPINION IN CAUSE NO. 45940**

15 Q. WHAT IS YOUR UNDERSTANDING OF THE COURT OF APPEALS  
16 OPINION IN CAUSE NO. 45940?

17 A. While I am not an attorney, my understanding is that the Indiana Court of Appeals'  
18 August 26, 2025 opinion in *Citizens Action Coal. Of Ind. v. Duke Energy Ind., LLC*  
19 268 N.E.3d 785 (Ind. Ct. App. 2025) found in favor of the Citizens Action Coalition  
20 of Indiana's ("CAC") position.

21 Q. WHAT WAS THE CAC'S POSITION?

1 A. The CAC's position was that recovery of Cause No. 45940 costs incurred prior to the  
2 March 22, 2023 effective date of the revised federal mandate statute should not be  
3 allowed. In Appellant's Reply Brief (Case No. 24A-EX-01348), CAC stated, "Any  
4 cost recovery allowed prior to the effective date of SEA 9 is contrary to law,  
5 constituting impermissible retroactive ratemaking." (Appellant's Br. at 5). "Regardless  
6 of when Duke's application was filed, the costs incurred prior to the effective date of  
7 SEA 9 cannot be recovered." *Id.* at 11. In Appellant's Response in Opposition to  
8 Petitions to Transfer, CAC cited to the Indiana Court of Appeals' August 26, 2025,  
9 opinion, stating, "While 'there is no dispute that the amended Federal Mandate  
10 Statutes reflect a legislative intent to allow an energy utility to recover some measure  
11 of already-incurred costs prior to the IURC's approval of a compliance project', Duke  
12 cannot recover costs incurred prior to the Amended Statutes' effective date."  
13 (Appellant's Response at 6).

14 **Q. HAS THE COURT OF APPEALS OPINION BEEN CERTIFIED?**

15 A. Yes. The Court of Appeals opinion was certified on February 2, 2026, following the  
16 denial of petitions by Duke Energy Indiana and the Commission to transfer the case to  
17 the Indiana Supreme Court. Now that the Court of Appeals opinion has been certified,  
18 the Commission may take action in reliance on it.<sup>4</sup>

19 **Q. WHERE HAS DUKE ENERGY INDIANA RECOVERED CAUSE NO. 45940**  
20 **COSTS INCURRED FROM JANUARY 2019 THROUGH MARCH 2023?**

---

<sup>4</sup> Indiana Rule of Appellate Procedure 65.E states that the Commission "shall not take any action in reliance upon the opinion or memorandum decision until the opinion or memorandum decision is certified."

1 A. Costs incurred from January 2019 through March 2023 began being recovered in  
 2 January 2025 via ECR rates. Upon the implementation of base rates from Cause No.  
 3 46038 effective with services rendered February 27, 2025, most of that cost recovery  
 4 shifted to base rates with some remaining in ECR rates, as illustrated in Table 1 below.

5 **Table 1: Recovery of Cause No. 45940 Costs Incurred January 2019 – March 2023**

| <u>Recovery Mechanism</u> | <u>January – February 26, 2025</u>                              | <u>February 27, 2025 – forward</u>                               |
|---------------------------|---|--|
| ECR                       | 80% Closure Costs<br>80% Management Costs<br>80% Carrying Costs | 80% Management Costs<br>80% Carrying Costs                       |
| Base Rates                | none  | 100% Closure Costs<br>20% Management Costs<br>20% Carrying Costs |

6 **Q. HOW IS DUKE ENERGY INDIANA PROPOSING TO ADDRESS THE**  
 7 **COURT OF APPEALS OPINION?**

8 A. Duke Energy Indiana is proposing to reflect in rates the removal of recovery of costs  
 9 that have been deemed ineligible for recovery pursuant to the federal mandate statute  
 10 as a result of the Court of Appeals opinion. The Company is proposing a refund to  
 11 customers of the amounts that have been recovered through rates in reliance on the  
 12 45940 Order which was reversed by the Court of Appeals. I would note that the CAC  
 13 did not appeal the 46038 Order to raise the same arguments it raised at the Court of  
 14 Appeals in Cause No. 45940, even though there have been costs reflected in base rates  
 15 since approval of the Step 1 compliance filing in Cause No. 46038 that would not have  
 16 been included had the parties and the Commission known the ultimate results of the  
 17 appeal in Cause No. 45940. Because CAC did not appeal the 46038 Order, I am not

1 certain that Duke Energy Indiana is required to reflect the impact of the Cause No.  
2 45940 appeal on base rates or to refund any amounts that have been collected to date  
3 through Cause No. 46038 base rates. Nevertheless, in the spirit of cooperation and  
4 transparency, Duke Energy Indiana has determined to also refund the impact of the  
5 Court of Appeals' opinion on the final revenue requirement and rates in Cause No.  
6 46038.

7 More specifically, in this ECR proceeding, Duke Energy Indiana is proposing  
8 the following for amounts collected through ECR rates for Cause No. 45940 costs  
9 incurred March 2023 and prior:

- 10 1) A refund of actual amounts collected from January 2025 – June 2025 through  
11 ECR 42 rates, with simple interest at the Company's embedded cost of debt;  
12 and
- 13 2) A refund of actual amounts collected through ECR 43 rates from July 2025 –  
14 December 2025 by way of the standard ECR reconciliation process (estimated  
15 costs in ECR 43 are being reconciled to actual in ECR 45).
- 16 3) An estimated refund of amounts to be collected through ECR 44 rates from  
17 January 2026 through June 2026.<sup>5</sup> This estimated refund will be trued up as  
18 part of the standard reconciliation process in the next ECR proceeding (ECR  
19 46, where estimated costs from ECR 44 will be reconciled to actual costs).

---

<sup>5</sup> Assumes rates in this proceeding will be effective July 2026.

1           Additionally, in this ECR proceeding, Duke Energy Indiana is proposing the  
2 following for amounts collected through base rates for Cause No. 45940 costs incurred  
3 March 2023 and prior:

- 4           1) A refund of actual amounts collected from February 27, 2025 – February 2026  
5           and of estimated amounts to be collected from March 2026 – June 2026; and
- 6           2) Inclusion of an ongoing credit for the amount of recovery in base rates. This  
7           credit will continue until such time as the Company implements new base rates  
8           that exclude these costs.

9   **Q.   PLEASE SUMMARIZE ATTACHMENT 3-A (CLG).**

10   A.   Attachment 3-A (CLG) is a series of schedules calculating (1) actual amounts  
11 collected from January 2025 – June 2025 under ECR 42 rates (page 2) and (2) actual  
12 amounts collected from February 27, 2025 through February 2026 and estimated  
13 amounts to be collected from March 2026 – June 2026 through base rates (page 4)  
14 associated with Cause No. 45940 costs incurred from January 2019 through March  
15 2023 that the Company is proposing to refund to customers. The refund is calculated  
16 by determining rates by rate class associated with the Cause No. 45940 costs incurred  
17 from January 2019 through March 2023 included in ECR rates or base rates, as  
18 applicable, and multiplying it by the actual or projected usage from January 2025  
19 through June 2026. For amounts collected via Cause No. 46038 base rates, separate  
20 credit rates were calculated and applied to usage for the period of time Step 1 rates and  
21 Step 2 rates were in effect (see pages 5 and 6 of Attachment 3-A (CLG)).

22   **Q.   HOW DOES THE COMPANY PROPOSE TO PROVIDE THIS REFUND?**

1 A. As shown on page 1 of Attachment 3-A (CLG), the Company has estimated a refund  
2 of approximately \$30 million for the period January 2025 through June 2026.<sup>6</sup> The  
3 Company is proposing to refund the amount collected from each rate class to the  
4 respective rate class over the six-month period ECR 45 rates will be in effect.

5 **Q. HOW MUCH ARE THE COSTS AT ISSUE AND WHY ISN'T THE REFUND**  
6 **EQUAL TO THE COSTS AT ISSUE?**

7 A. The costs at issue for January 2019 through March 2023 are approximately \$65  
8 million; however, as I outlined previously in my testimony, these costs have different  
9 time periods for recovery. As an example, closure costs were being amortized through  
10 2035 prior to the implementation of Cause No. 46038 base rates but are now being  
11 amortized through 2038. Therefore, not all of the \$65 million has been recovered  
12 through rates.

13 **Q. IS THE COMPANY INCLUDING INTEREST IN ITS PROPOSED REFUND**  
14 **AMOUNT?**

15 A. The Company has only included simple interest on the portion of the refund applicable  
16 to amounts collected under ECR 42 rates at its December 31, 2025 embedded cost of  
17 long-term debt of 4.78% (see Attachment 3-C (CLG), page 10). The interest  
18 calculation is on Attachment 3-A (CLG), page 3.

19 The Company has not included interest on the amount to be refunded in this  
20 proceeding under the standard ECR reconciliation process (reconciliation of ECR 43

---

<sup>6</sup> Excluding the amount collected through ECR 43 rates that is being refunded by way of the standard ECR reconciliation process (estimated costs in ECR 43 are being reconciled to actual in ECR 45, and those actual amounts exclude January 2019 – March 2023 Cause No. 45940 costs).

1 estimated costs to actual costs in ECR 45), nor has it included interest on the estimated  
2 ECR 44 refund.

3 No party disputed recovery of these costs via base rates in Cause No. 46038.  
4 However, the Company believes it should refund amounts collected via base rates for  
5 consistency with the Court of Appeals opinion. The Company should not be further  
6 penalized by a requirement to include interest on the portion of the refund applicable  
7 to amounts collected under base rates.

8 **Q. PLEASE EXPLAIN THE ONGOING CREDIT TO BE INCLUDED IN THIS**  
9 **AND FUTURE ECR PROCEEDINGS.**

10 A. The Company will include an ongoing credit related to the amount being recovered in  
11 base rates associated with Cause No. 45940 costs incurred from January 2019 through  
12 March 2023. This ongoing credit is the \$7,245,809 differential in Step 2 revenues  
13 calculated on Attachment 3-A (CLG), page 6, and will continue to be reflected in ECR  
14 rate development until such time as the Company implements new base rates that  
15 exclude Cause No. 45940 costs incurred from January 2019 through March 2023.

16 **IV. COAL ASH INSURANCE SETTLEMENT PROCEEDS**

17 **Q. PLEASE UPDATE THE COMMISSION ON THE STATUS OF THE**  
18 **COMPANY'S COAL ASH INSURANCE SETTLEMENTS.**

19 A. All potential coal ash insurance litigation settlements have been completed, and the  
20 Company has updated the coal ash insurance proceeds allocation to reflect the final  
21 amount for costs incurred to achieve these settlements.

1 **Q. PLEASE SUMMARIZE THE COMPANY'S PROPORTIONATE SHARING**  
2 **MECHANISM FOR COAL ASH INSURANCE SETTLEMENT PROCEEDS.**

3 A. As described in my ECR 43 and ECR 44 testimony, the Company first calculates the  
4 net amount of coal ash insurance settlement proceeds by removing the Company's  
5 costs incurred to achieve those settlements from the settlement amounts. Second, the  
6 Company credits retail customers and Gibson Unit 5 joint owners as applicable for the  
7 cost of related insurance policy premiums paid. Lastly, the remaining balance of coal  
8 ash insurance settlement proceeds is allocated among retail customers, Gibson Unit 5  
9 joint owners, wholesale customers, and Company shareholders based upon pro-rata  
10 share of coal ash closure-related costs each group has incurred through December  
11 2024. The Commission approved the Company's sharing mechanism, finding<sup>7</sup>:

12           Petitioner's proposed proportionate sharing of the coal ash insurance litigation  
13           proceeds required by the 46038 Order, as explained in the testimony of Ms.  
14           Graft, is reasonable and approved. We also find that refunding the settlement  
15           proceeds over a one-year period as recommended by Ms. Baker and agreed to  
16           by Petitioner on rebuttal, is reasonable and approved. Accordingly, beginning  
17           with this proceeding, Petitioner shall refund the amount applicable to retail  
18           customers over a one-year period through the ECR, and work with Joint  
19           Owners and Petitioner's existing wholesale customers to refund those  
20           applicable amounts. Should Petitioner reach additional coal ash insurance  
21           settlements in the future, Petitioner shall share those net proceeds using the  
22           same proportionate sharing mechanism, subject to the outcome of the pending  
23           appeal in Cause No. 45940.

24 **Q. HAVE YOU MADE ANY ADJUSTMENTS TO THE ALLOCATION OF COAL**  
25 **ASH INSURANCE SETTLEMENT PROCEEDS IN THIS FILING BASED ON**

---

<sup>7</sup> Commission Order in Cause No. 42061 ECR 43 at page 6.

1       **THE OPINION OF THE INDIANA COURT OF APPEALS IN CAUSE NO.**  
2       **45940?**

3    A.    Yes. As I discussed in ECR 44, because the outcome of the appeal in Cause No. 45940  
4       has resulted in more coal ash closure-related costs incurred through December 2024  
5       being borne by Company shareholders than what was previously reflected in the  
6       proportional sharing calculation, the allocation of the coal ash insurance settlement  
7       proceeds has changed. As a result, more of the coal ash insurance settlement proceeds  
8       will be retained by the Company rather than being refunded to retail customers,  
9       wholesale customers, and Gibson Unit 5 joint owners because Company shareholders  
10      are bearing more of the underlying costs. The Commission's Order in ECR 43  
11      contemplated the potential for this to occur, and the Commission's Order in ECR 44  
12      found, "Similarly, should the allocation of coal ash insurance proceeds change based  
13      upon the outcome of the pending appeal in Cause No. 45940, Petitioner shall reflect  
14      the effects of such allocation change in a future ECR proceeding." Order at 6.

15   **Q.    PLEASE ELABORATE ON HOW ECR 45 RATES ARE IMPACTED BY THE**  
16   **CHANGE IN THE SHARING OF COAL ASH INSURANCE SETTLEMENT**  
17   **PROCEEDS.**

18   A.    The Company is including a charge in ECR 45 for the amount of coal ash insurance  
19       settlement proceeds initially refunded to retail customers under ECR 43 and ECR 44  
20       rates but reallocated to Company shareholders to reflect the change in pro-rata share of  
21       coal ash closure-related costs incurred through December 2024.

1   **Q.   PLEASE SUMMARIZE DUKE ENERGY INDIANA'S FINAL ALLOCATION**  
2       **OF THE COAL ASH INSURANCE SETTLEMENT PROCEEDS.**

3   A.   The final calculation and final summary allocation of the coal ash insurance settlement  
4       proceeds are shown in Confidential Workpaper 1-CLG, as supported by revised coal  
5       ash closure-related cost data compiled in Confidential Workpaper 2-CLG. The  
6       Company proposes to recover the incremental portion of the coal ash insurance  
7       settlement proceeds it is to retain per the final allocation over the same six-month  
8       period as the refund of amounts collected for Cause No. 45940 costs incurred from  
9       January 2019 through March 2023. Pursuant to the ECR 43 and ECR 44 Orders, the  
10      final distribution of the coal ash insurance settlement proceeds is as follows:



1 A. Attachment 3-B (CLG) represents an update of Tariff No. 62 – Environmental  
2 Compliance Adjustment, the rates of which were most recently approved by the  
3 Commission on December 30, 2025, in Cause No. 42061 ECR 44.

4 **Q. PLEASE EXPLAIN WHAT IS SHOWN IN ATTACHMENT 3-B (CLG).**

5 A. Pages 1 and 2 outline the components of the formula that are used to develop the  
6 Environmental Compliance Adjustment factors in accordance with provisions of  
7 Indiana law. Page 3 details the proposed Environmental Compliance Adjustment  
8 factors by retail rate group. Pages 4 and 5 present the retail allocation factors used to  
9 allocate the applicable retail jurisdictional revenue requirement to various rate groups  
10 as approved in the Company's retail rate case in Cause No. 46038. Page 6 shows the  
11 billing cycle kilowatt-hour ("kWh") and non-coincident peak demands, as applicable,  
12 used to develop the proposed Environmental Compliance Adjustment factors.

13 **Q. WHAT AMENDMENTS TO THE RATE SCHEDULES ARE BEING**  
14 **PROPOSED TO REFLECT THE RATEMAKING TREATMENT**  
15 **REQUESTED IN THIS PROCEEDING?**

16 A. The Company is proposing an update as IURC No. 16, Third Revised Tariff No. 62,  
17 pages 1 through 6. Upon approval and upon the Company's filing of the updated tariff  
18 with the Commission's Energy Division, the proposed factors will be billed to  
19 customers as set forth in the petition in this proceeding.

20 **VI. REVENUE REQUIREMENT EXHIBITS**

21 **Q. WHAT RATEMAKING TREATMENT IS THE COMPANY REQUESTING**  
22 **FOR THE RETURN ON THE INVESTMENT IN ENVIRONMENTAL**

1           **COMPLIANCE PROJECTS AS SHOWN ON ATTACHMENT 3-C (CLG),**  
2           **PAGE 1?**

3    A.    The Company is requesting that the Commission approve the retail jurisdictional  
4           investment amount as of December 31, 2025, on which the Company is authorized to  
5           earn a return in accordance with the Orders in Cause No. 45253 S1 and Cause No.  
6           45940, as modified by the 46038 Order, and that Tariff No. 62 rates be adjusted to  
7           include the revenue effect of the investment.

8                   More specifically, the Company is requesting to earn a return on the  
9           December 31, 2025 unamortized carrying cost balance of \$3,335,293 associated with  
10          the 80% of the federally mandated coal ash closure and management costs approved in  
11          Cause No. 45253 S1 and Cause No. 45940 (line 2), which will be amortized over the  
12          next three years.<sup>8</sup>

13   **Q.    PLEASE CONTINUE DESCRIBING THE RESULTING CALCULATION OF**  
14           **THE RETAIL JURISDICTIONAL REVENUE REQUIREMENTS ON**  
15           **ATTACHMENT 3-C (CLG), PAGE 1.**

16    A.    The return on investment is calculated by multiplying the retail jurisdictional  
17           investment of \$3,335,293 shown on line 3 by the Company's overall weighted average  
18           cost of capital of 6.19% as of December 31, 2025. The return on investment is  
19           converted to revenue requirements using the applicable revenue conversion factor on

---

<sup>8</sup> Beginning in ECR 46, the retail jurisdictional investment will also include 80% of the unamortized coal ash closure expenditures for 2026 and forward associated with ash management areas approved in Cause No. 45253 S1 and Cause No. 45940. These expenditures will be amortized through May 2038.

1 line 6, resulting in an annual revenue requirement amount of \$256,060 to be recovered  
2 from retail customers.

3 **Q. PLEASE DESCRIBE THE DETERMINATION OF THE REVENUE**  
4 **CONVERSION FACTORS ON ATTACHMENT 3-C (CLG), PAGE 1.**

5 A. Separate revenue conversion factors are developed for the debt and equity components  
6 of the after-tax return to reflect the different tax treatments for each component. An  
7 effective rate is included for applicable state and federal taxes, public utility fee, and  
8 uncollectible accounts expense. The calculation of the revenue conversion factors is  
9 presented at the bottom of page 1.

10 **Q. WHAT RATEMAKING TREATMENT IS THE COMPANY REQUESTING**  
11 **FOR ATTACHMENT 3-C (CLG), PAGE 2?**

12 A. The Company is requesting that the Commission approve the recovery of the  
13 following:

14 1) estimated amortization of December 2026 balances for 80% of coal ash  
15 closure costs over remaining years (through June 2038), recovery of which was  
16 approved in Cause No. 45253 S1 and Cause No. 45940;

17 2) estimated amounts for the period covering July 2026 through December 2026  
18 for 80% of federally mandated coal ash management costs, recovery of which was  
19 approved in Cause No. 45253 S1 and Cause No. 45940;

20 3) actual carrying costs through December 2025 for the 80% of the coal ash  
21 closure costs amortized over three years, recovery of which was approved in Cause  
22 No. 45253-S1 and Cause No. 45940;

1           4) actual carrying costs through December 2025 for the 80% of the coal ash  
2 management costs amortized over three years, recovery of which was approved in  
3 Cause No. 45253-S1 and Cause No. 45940;

4           5) Refund to retail customers of actual amounts collected under ECR 42 rates  
5 from January – June 2025, actual amounts collected under base rates from February  
6 27, 2025 through February 2026, estimated amounts to be collected under base rates  
7 for March-June 2026 for January 2019 – March 2023 Cause No. 45940 costs, and  
8 estimated amounts to be collected under ECR 44 rates for January 2026 – June 2026;

9           6) An adjustment to the sharing of coal ash insurance proceeds resulting from the  
10 refund;

11           7) Inclusion of an ongoing credit for January 2019 – March 2023 Cause No.  
12 45940 costs in base rates;

13           8) estimated incremental operating expenses for July through December 2026;  
14 and

15           9) that Tariff No. 62 rates be adjusted to include the revenue effect of these net  
16 costs in accordance with the Orders in Cause Nos. 45253 S1, 45940, and 46038.

17           Witness Hill provides details on the federally mandated coal ash closure and  
18 management costs applicable to this proceeding in his testimony, and Witness Luke  
19 provides details on the environmental reagent costs applicable to this proceeding in his  
20 testimony.

21 **Q. PLEASE EXPLAIN ATTACHMENT 3-C (CLG), PAGE 2.**

1 A. Included in the jurisdictional revenue requirements are: \$572,650 for the equity  
2 component and \$1,073,829 for the debt component for the sum of the coal ash closure  
3 estimated amortization (line 1) and its carrying costs (line 3) and estimated coal ash  
4 management costs (line 2) and its carrying costs (line 4), after the application of the  
5 revenue conversion factors.

6 Line 8 shows the refund to retail customers of January 2019 – March 2023 Cause  
7 No. 45940 costs (from Attachment 3-A (CLG), page 1), line 9 shows the adjustment to  
8 the allocated portion of coal ash insurance proceeds resulting from the refund (from  
9 Confidential Workpaper 1-CLG), line 10 shows the ongoing credit for January 2019 –  
10 March 2023 Cause No. 45940 costs in base rates (from Attachment 3-A (CLG), page  
11 6), and line 12 shows the incremental estimated operation and maintenance expense  
12 sourced from page 3.

13 **Q. PLEASE CONTINUE EXPLAINING THE CONVERSION OF COSTS TO**  
14 **REVENUE REQUIREMENTS ON ATTACHMENT 3-C (CLG), PAGE 2, PER**  
15 **THE TREATMENT PREVIOUSLY APPROVED IN CAUSE NO. 42061-ECR**  
16 **22.**

17 A. The coal ash closure costs, coal ash management costs, and operation and maintenance  
18 expense were converted to revenue requirements using the revenue conversion factor  
19 shown in the “Debt” column (1.00576) from footnote 2 in Attachment 3-B (CLG),  
20 page 1, the calculation of which assumes the expenses are deductible for both state and  
21 federal income tax purposes. Carrying costs were separated into two components  
22 before converting to revenue requirements: (1) the portion related to equity costs and

1 (2) the portion related to all other costs comprising the investment being depreciated  
 2 or amortized. The portion of carrying costs applicable to equity costs was converted to  
 3 revenue requirements using the revenue conversion factor shown in footnote 2 in  
 4 Attachment 3-B (CLG), page 1 in the "Equity" column (1.33872), the calculation of  
 5 which includes a provision for both state and federal income taxes, reflecting that  
 6 under current income tax regulations, the equity component of financing costs is not a  
 7 deductible item when computing income taxes; therefore, utility revenues representing  
 8 the recovery of the equity component of financing costs are not offset by a deductible  
 9 expense item, which causes the utility to incur an income tax liability. The remainder  
 10 of the carrying costs was converted to revenue requirements using the same revenue  
 11 conversion factor used for the other expenses (1.00576), because these costs are  
 12 assumed to be deductible for state and federal income tax purposes.

13 After application of the respective revenue conversion factors, the total of the  
 14 revenue requirements for the estimated costs for this filing is \$6,790,305 on Line 14.

15 The revenue requirement related to the environmental investment and the  
 16 refund of coal ash insurance proceeds were allocated to retail rate groups based on  
 17 production demand, as shown on page 8 of Attachment 3-C (CLG). The revenue  
 18 requirement for operation and maintenance expense was allocated to retail rate groups  
 19 using the production energy allocator, as shown on page 9 of Attachment 3-C (CLG).

20 **Q. PLEASE EXPLAIN THE INFORMATION INCLUDED ON ATTACHMENT 3-**  
 21 **C (CLG), PAGE 3.**

1 A. Page 3 shows the calculation of estimated jurisdictional operation and maintenance  
2 expense for July through December 2026, related to certain environmental reagents  
3 compared to approved amounts in the recent retail rate case. The amount included for  
4 recovery of \$8,716,305 is shown on line 2, which is before the application of the retail  
5 allocation and revenue conversion factors.

6 **Q. PLEASE EXPLAIN ATTACHMENT 3-C (CLG), PAGE 4.**

7 A. Page 4 calculates the actual expenses for the July through December 2025 timeframe.

8 Lines 1 through 10 outline the amortization of coal ash expenditures for the six  
9 months ended December 2025. The amounts on lines 4 and 5 have been adjusted as  
10 shown in Workpaper 16-CLG to remove January 2019 – March 2023 Cause No.  
11 45940 costs. Line 9 is the first installment of coal ash insurance proceeds that was  
12 refunded to customers. Also included, in accordance with the 46038 Order, is  
13 amortization of the regulatory asset for Edwardsport deferred expenses.

14 Line 11 is reagent expenses for the six months ended December 2025 of  
15 \$19,404,655 compared to the total Company amount used in establishing base rates in  
16 Cause No. 46038 resulting in a net amount of \$5,705,255 before the application of the  
17 retail allocation and revenue conversion factors.

18 **Q. PLEASE EXPLAIN ATTACHMENT 3-C (CLG), PAGE 5.**

19 A. Page 5 calculates the revenue applicable to the costs being reconciled in this  
20 proceeding by removing the former reconciliations in Columns B and C from the  
21 revenues collected and then allocating the remaining revenues to the respective  
22 allocation types shown in Columns E, F, and G.

1 **Q. PLEASE EXPLAIN ATTACHMENT 3-C (CLG), PAGE 6.**

2 A. Page 6 calculates the revenue requirement to be reconciled in this proceeding by rate  
3 group compared to the revenues collected for July through December 2025 with the  
4 difference representing the reconciliation amounts starting on line 25. Column B is the  
5 amortizations sourced from page 4 (which have been adjusted to remove January 2019  
6 – March 2023 Cause No. 45940 costs) and allocated to the rate groups based on the  
7 allocation factors in Column A from Cause No. 46038. Column D is the net expenses  
8 sourced from page 4 and allocated to the rate groups based on the allocation factors in  
9 Column C from Cause No. 46038. Column E is the return on investment based on  
10 ECR 43 as modified in Workpaper 16-CLG to remove January 2019 – March 2023  
11 Cause No. 45940 costs.

12 **Q. PLEASE EXPLAIN ATTACHMENT 3-C (CLG), PAGE 7.**

13 A. Page 7 shows the calculation of the Environmental Compliance Adjustment factors by  
14 retail rate group for the return on investment portion of Tariff No. 62 sourced from  
15 page 1. The revenue requirement of \$1,256,060 in Column B was allocated to the  
16 retail rate groups based on the allocation factors in Column A approved in Cause No.  
17 46038. The Rate HLF adjustment factor is based upon the non-coincident peak  
18 demands for the 12-month period ended December 2025. The total revenue  
19 requirement for the other rate groups was divided by kWh sales for the 12-month  
20 period ended December 2025 to arrive at the adjustment factors per kWh.

21 **Q. PLEASE EXPLAIN THE INFORMATION INCLUDED ON ATTACHMENT**  
22 **3-C (CLG), PAGE 8.**

1 A. Page 8 shows the calculation of the Environmental Compliance Adjustment factors by  
2 retail rate group for the expenditures allocated on a demand basis. Column B of the  
3 revenue requirement was sourced from page 2 and was allocated to the retail rate  
4 groups based on the demand allocation factors in Column A approved in the 46038  
5 Order. Column C is the refund of January 2019 – March 2023 Cause No. 45940 costs  
6 sourced from Attachment 3-A (CLG), page 1. Column D is the adjustment to  
7 insurance proceeds sharing resulting from the refund and has been allocated to retail  
8 rate groups based on the refund amounts in column C as a percentage of total. Column  
9 E is the ongoing credit for January 2019 – March 2023 Cause No. 45940 costs  
10 included in base rates sourced from Attachment 3-A (CLG), page 6. Column F of the  
11 revenue requirement is the sum of the reconciliation amounts from page 6, Columns K  
12 and M. The summarization of the revenue requirement in Column G of (\$18,231,299)  
13 when divided by actual kilowatt-hour sales for the six-month period ending December  
14 2025, results in the factors for each rate group. The Rate HLF adjustment factor used  
15 the non-coincident peak demands for the applicable period to arrive at the factor.

16 **Q. PLEASE EXPLAIN THE INFORMATION INCLUDED ON ATTACHMENT**  
17 **3-C (CLG), PAGE 9.**

18 A. Page 9 shows the calculation of the Environmental Compliance Adjustment factors by  
19 retail rate group for the rest of the expenses which are allocated on an energy basis.  
20 Column B of the revenue requirement is sourced from page 2 and allocated to the  
21 retail rate group based on the energy allocation factors in Column A approved in the  
22 46038 Order. Column C of the revenue requirement is sourced from page 6, Column L

1 by rate group. The total revenue requirement in Column D of \$3,702,492 divided by  
2 actual kilowatt-hour sales for the six-month period ended December 2025, results in  
3 the factors for each rate group. The Rate HLF adjustment factor used the non-  
4 coincident peak demands for the applicable period to arrive at the factor.

5 **Q. PLEASE EXPLAIN PAGE 10 OF ATTACHMENT 3-C (CLG).**

6 A. Page 10 compiles the adjustment factors from the preceding pages 7, 8, and 9 in  
7 Columns A, B, and C, respectively, to derive a Total Rate Adjustment factor by rate  
8 group.

9 **Q. PLEASE EXPLAIN THE WEIGHTED AVERAGE COST OF CAPITAL  
10 DERIVED ON ATTACHMENT 3-C (CLG), PAGE 11.**

11 A. The weighted average cost of capital has been calculated in accordance with 170  
12 I.A.C. 4-6-14. This rule provides that the utility's weighted average cost of capital  
13 shall be based on the amount, ratio, and cost rates of the utility's long-term debt and  
14 preferred equity capital; the amount, ratio, and cost rates of the utility's common  
15 equity capital, with the stipulation that the cost rate for common equity capital shall be  
16 the cost rate last approved by the Commission in the utility's most recent general retail  
17 rate case (*i.e.*, Cause No. 46038 of 9.75%); and the amount, ratio, and cost rates for  
18 deferred income taxes, customer deposits (5.00%) and components of investment tax  
19 credits.

20 The Company's accumulated deferred income tax balances include the  
21 unamortized balance of the regulatory liability for excess deferred income taxes  
22 ("EDIT") resulting from the 2017 Tax Cuts and Jobs Act. Customers will continue to

1 get the benefit of the EDIT in the calculation of the weighted average cost of capital  
 2 until the EDIT amounts are returned to customers per the Commission's orders in  
 3 Cause No. 45032-S2, Cause No. 45253, and Cause No. 46038. The Company's  
 4 accumulated deferred income tax balance excludes the net impact of any tax benefits  
 5 or liabilities associated with the portion of the IGCC plant shareholders will pay for  
 6 under the terms of the 2012 Settlement in Cause No. 43114 IGCC 4S1.

7 **VII. RATE IMPACT AND CONCLUSION**

8 **Q. PLEASE DESCRIBE ATTACHMENT 3-D (CLG).**

9 A. Attachment 3-D (CLG) shows the impact of the proposed ratemaking treatment on the  
 10 monthly bill of a typical residential customer using 1,000 kilowatt-hours. The bill of a  
 11 residential customer using 1,000 kilowatt-hours will increase by \$2.22, or  
 12 approximately 1.3%, when compared to the currently approved factor, if this filing is  
 13 approved. Workpaper 13-CLG was filed supporting the changes for residential and  
 14 other customer groups.

15 **Q. WHY IS THE RATE IMPACT AN INCREASE WHEN THE COMPANY IS**  
 16 **REFUNDING AMOUNTS COLLECTED FOR JANUARY 2019 – MARCH 2023**  
 17 **CAUSE NO. 45940 COSTS?**

18 A. The ECR rates proposed in this proceeding are a credit, but not as much of a credit as  
 19 in ECR 44. ECR 44 rates included a credit of approximately \$40 million for the refund  
 20 of coal ash insurance proceeds. ECR 45 rates include a refund of approximately \$30  
 21 million for amounts collected or estimated to be collected for January 2019 – March  
 22 2023 Cause No. 45940 costs and an ongoing credit of approximately \$7 million for

1 January 2019 – March 2023 Cause No. 45940 costs embedded in base rates, but these  
2 credits are partially offset by a \$20 million charge to reflect a change in the sharing of  
3 coal ash insurance proceeds because the Company is bearing more of the underlying  
4 costs as a result of the Court of Appeals Opinion.

5 **Q. WERE ATTACHMENTS 3-A (CLG) THROUGH 3-D (CLG) PREPARED**  
6 **UNDER YOUR SUPERVISION?**

7 A. Yes.

8 **Q. DOES THIS CONCLUDE YOUR PREPARED TESTIMONY IN THIS**  
9 **PROCEEDING?**

10 A. Yes.

**DUKE ENERGY INDIANA, LLC**  
**Calculation of Refund**

| Line No. | Retail Rate Group   | ECR 42 Refund (1)      | Simple Interest on ECR 42 Refund (2) | Refund of Amounts Collected through Base Rates (3) | Estimate of Amount to Be Collected Through ECR 44 Rates (4) | Total Refund<br>(E) = sum (A):(D) | Line No. |
|----------|---------------------|------------------------|--------------------------------------|--|---|-----------------------------------|----------|
|          |                     | (A)                    | (B)                                  | (C)  | (D)   |                                   |          |
| 1        | Rate RS             | \$ (7,468,899)         | \$ (543,626)                         | \$ (4,574,336)                                     | \$ (1,240,351)  | \$ (13,827,212)                   | 1        |
| 2        | Rate CS             | (878,173)              | (63,918)                             | (547,925)  | (154,013)   | (1,644,029)                       | 2        |
| 3        | Rate LLF            | (3,510,475)            | (255,510)                            | (2,010,230)  | (592,744)   | (6,368,959)                       | 3        |
| 4        | Rate HLF            | (4,523,500)            | (329,244)                            | (1,934,749)  | (748,644)   | (7,536,137)                       | 4        |
| 5        | Customer L          | (45,648)               | (3,322)                              | (20,563)   | (7,742)   | (77,275)                          | 5        |
| 6        | Customer O          | (64,415)               | (4,688)                              | (44,350)   | (11,988)  | (125,441)                         | 6        |
| 7        | Rate WP             | (73,107)               | (5,321)                              | (40,575)   | (13,459)  | (132,462)                         | 7        |
| 8        | Rate SL             | (2,225)                | (162)                                | (5,661)  | (860)   | (8,908)                           | 8        |
| 9        | Rate MHLS           | (294)                  | (21)                                 | (715)  | (111)   | (1,141)                           | 9        |
| 10       | Rates MOLS and UOLS | (23,309)               | (1,697)                              | (52,144)   | (4,634)   | (81,784)                          | 10       |
| 11       | Rates FS, TS and MS | (2,766)                | (201)                                | (1,692)  | (472)   | (5,131)                           | 11       |
| 12       | <b>Total</b>        | <b>\$ (16,592,811)</b> | <b>\$ (1,207,710)</b>                | <b>\$ (9,232,940)</b>                              | <b>\$ (2,775,018)</b>                                       | <b>\$ (29,808,479)</b>            | 12       |

(1) See Page 2 of this Attachment.

(2) See Page 3 of this Attachment.

(3) See Page 4 of this Attachment.

(4) See Workpaper 17-CLG. Allocated to rate group based on production demand allocators from Cause No. 46038.

| Description                 | Billed at Step 1 Rates |               |               | Billed at Step 1 Rates |               |               | Apr-25        | May-25        | Jun-25        |
|-----------------------------|------------------------|---------------|---------------|------------------------|---------------|---------------|---------------|---------------|---------------|
|                             | Jan-25                 | Feb-25        | Feb-25        | Mar-25                 | Mar-25        | Mar-25        |               |               |               |
|                             | Billed kWh/KW          | Billed kWh/KW | Billed kWh/KW | Billed kWh/KW          | Billed kWh/KW | Billed kWh/KW | Billed kWh/KW | Billed kWh/KW | Billed kWh/KW |
| <b>KWH by Rate Category</b> |                        |               |               |                        |               |               |               |               |               |
| Rate RS                     | 1,081,980,434          | 956,314,710   | 226,436       | 321,409,361            | 550,748,356   | 617,123,479   | 565,572,396   | 651,803,073   |               |
| Rate CS                     | 104,508,527            | 98,427,278    | 118,143       | 36,037,654             | 56,297,613    | 77,232,781    | 76,821,286    | 81,912,487    |               |
| Rate LLF                    | 471,148,867            | 437,587,258   | 3,306,327     | 157,448,930            | 300,492,179   | 433,995,181   | 446,802,586   | 476,646,323   |               |
| Rate HLF                    | 730,153,192            | 623,067,553   | 2,481,754     | 232,053,804            | 482,995,270   | 773,378,359   | 698,173,359   | 828,584,208   |               |
| Customer L                  | 7,431,934              | 7,342,833     | -             | 6,159,587              | 473,814       | 8,916,000     | 8,640,000     | 8,928,000     |               |
| Customer O                  | 13,392,000             | 13,392,000    | -             | -                      | -             | 25,466,183    | 12,960,000    | 13,392,000    |               |
| Rate WP                     | 14,410,835             | 13,765,532    | 63,775        | 4,857,857              | 8,552,484     | 12,693,444    | 13,162,912    | 11,517,787    |               |
| Rate SL                     | 1,776,670              | 707,562       | 17,561        | 131,353                | 2,350,298     | 1,522,584     | 1,067,407     | 1,432,299     |               |
| Rate MHLS                   | 421,748                | 253,231       | 293           | 61,059                 | 368,911       | 305,685       | 258,303       | 232,901       |               |
| Rates MOLS and UOLS         | 8,062,241              | 6,533,256     | 22,770        | 2,574,235              | 6,957,561     | 8,299,513     | 7,780,879     | 7,927,927     |               |
| Rates FS, TS and MS         | 534,141                | 394,900       | 4,535         | 109,309                | 537,298       | 515,902       | 399,540       | 479,480       |               |
|                             | 2,433,820,588          | 2,157,786,113 | 6,241,593     | 760,843,148            | 1,409,773,785 | 1,959,449,110 | 1,831,638,668 | 2,082,856,485 |               |

|                  |           |           |       |         |           |           |           |           |
|------------------|-----------|-----------|-------|---------|-----------|-----------|-----------|-----------|
| <b>KW Demand</b> |           |           |       |         |           |           |           |           |
| Rate HLF         | 1,369,334 | 1,146,694 | 5,267 | 405,247 | 1,018,999 | 1,509,115 | 1,361,969 | 1,572,428 |

| Description                   | Workpaper 14-CLG |               | Workpaper 15-CLG |               | Workpaper 15-CLG |               | Workpaper 15-CLG |               | Workpaper 15-CLG |               |
|-------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                               | Jan-25           | Feb-25        | Feb-25           | Mar-25        | Mar-25           | Apr-25        | May-25           | Jun-25        |                  |               |
| <b>Credit Rate per kWh/KW</b> |                  |               |                  |               |                  |               |                  |               |                  |               |
| Rate RS                       | \$ (0.001667)    | \$ (0.001667) | \$ (0.001482)    | \$ (0.001667) | \$ (0.001482)    | \$ (0.001482) | \$ (0.001482)    | \$ (0.001482) | \$ (0.001482)    | \$ (0.001482) |
| Rate CS                       | \$ (0.001749)    | \$ (0.001749) | \$ (0.001574)    | \$ (0.001749) | \$ (0.001574)    | \$ (0.001574) | \$ (0.001574)    | \$ (0.001574) | \$ (0.001574)    | \$ (0.001574) |
| Rate LLF                      | \$ (0.001401)    | \$ (0.001401) | \$ (0.001214)    | \$ (0.001401) | \$ (0.001214)    | \$ (0.001214) | \$ (0.001214)    | \$ (0.001214) | \$ (0.001214)    | \$ (0.001214) |
| Rate HLF (1)                  | \$ (0.651108)    | \$ (0.651108) | \$ (0.479433)    | \$ (0.651108) | \$ (0.479433)    | \$ (0.479433) | \$ (0.479433)    | \$ (0.479433) | \$ (0.479433)    | \$ (0.479433) |
| Customer L                    | \$ (0.001077)    | \$ (0.001077) | \$ (0.000857)    | \$ (0.001077) | \$ (0.000857)    | \$ (0.000857) | \$ (0.000857)    | \$ (0.000857) | \$ (0.000857)    | \$ (0.000857) |
| Customer O                    | \$ (0.000834)    | \$ (0.000834) | \$ (0.000812)    | \$ (0.000834) | \$ (0.000812)    | \$ (0.000812) | \$ (0.000812)    | \$ (0.000812) | \$ (0.000812)    | \$ (0.000812) |
| Rate WP                       | \$ (0.000935)    | \$ (0.000935) | \$ (0.000918)    | \$ (0.000935) | \$ (0.000918)    | \$ (0.000918) | \$ (0.000918)    | \$ (0.000918) | \$ (0.000918)    | \$ (0.000918) |
| Rate SL                       | \$ (0.000025)    | \$ (0.000025) | \$ (0.000338)    | \$ (0.000025) | \$ (0.000338)    | \$ (0.000338) | \$ (0.000338)    | \$ (0.000338) | \$ (0.000338)    | \$ (0.000338) |
| Rate MHLS                     | \$ -             | \$ -          | \$ (0.000253)    | \$ -          | \$ (0.000253)    | \$ (0.000253) | \$ (0.000253)    | \$ (0.000253) | \$ (0.000253)    | \$ (0.000253) |
| Rates MOLS and UOLS           | \$ (0.000419)    | \$ (0.000419) | \$ (0.000520)    | \$ (0.000419) | \$ (0.000520)    | \$ (0.000520) | \$ (0.000520)    | \$ (0.000520) | \$ (0.000520)    | \$ (0.000520) |
| Rates FS, TS and MS           | \$ (0.001236)    | \$ (0.001236) | \$ (0.000766)    | \$ (0.001236) | \$ (0.000766)    | \$ (0.000766) | \$ (0.000766)    | \$ (0.000766) | \$ (0.000766)    | \$ (0.000766) |

| Description              |                |                |            |                |                |                |                |                |                | Total           |
|--------------------------|----------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
|                          | Jan-25         | Feb-25         | Feb-25     | Mar-25         | Mar-25         | Apr-25         | May-25         | Jun-25         |                |                 |
| <b>Credit per kWh/KW</b> |                |                |            |                |                |                |                |                |                |                 |
| Rate RS                  | \$ (1,803,661) | \$ (1,594,177) | \$ (336)   | \$ (535,789)   | \$ (816,209)   | \$ (914,577)   | \$ (838,178)   | \$ (965,972)   | \$ (965,972)   | \$ (7,468,899)  |
| Rate CS                  | (182,785)      | (172,149)      | (186)      | (63,030)       | (88,612)       | (121,564)      | (120,917)      | (128,930)      | (128,930)      | (878,173)       |
| Rate LLF                 | (660,080)      | (613,060)      | (4,014)    | (220,586)      | (364,798)      | (526,870)      | (542,418)      | (578,649)      | (578,649)      | (3,510,475)     |
| Rate HLF                 | (891,585)      | (746,622)      | (2,525)    | (263,860)      | (488,542)      | (723,519)      | (652,973)      | (753,874)      | (753,874)      | (4,523,500)     |
| Customer L               | (8,004)        | (7,908)        | -          | (6,634)        | (406)          | (7,641)        | (7,404)        | (7,651)        | (7,651)        | (45,648)        |
| Customer O               | (11,169)       | (11,169)       | -          | -              | -              | (20,679)       | (10,524)       | (10,874)       | (10,874)       | (64,415)        |
| Rate WP                  | (13,474)       | (12,871)       | (59)       | (4,542)        | (7,851)        | (11,653)       | (12,084)       | (10,573)       | (10,573)       | (73,107)        |
| Rate SL                  | (44)           | (18)           | (6)        | (3)            | (794)          | (515)          | (361)          | (484)          | (484)          | (2,225)         |
| Rate MHLS                | -              | -              | -          | -              | (93)           | (77)           | (65)           | (59)           | (59)           | (294)           |
| Rates MOLS and UOLS      | (3,378)        | (2,737)        | (12)       | (1,079)        | (3,618)        | (4,316)        | (4,046)        | (4,123)        | (4,123)        | (23,309)        |
| Rates FS, TS and MS      | (660)          | (488)          | (3)        | (135)          | (412)          | (395)          | (306)          | (367)          | (367)          | (2,766)         |
| Total                    | \$ (3,574,840) | \$ (3,161,199) | \$ (7,141) | \$ (1,095,658) | \$ (1,771,335) | \$ (2,331,806) | \$ (2,189,276) | \$ (2,461,556) | \$ (2,461,556) | \$ (16,592,811) |

1/ Factor for HLF is \$ / KW.

| Line No. |                | Beginning Balance (A) | Collected (1)/ (Refunded) (B) | 50% of Collected/ (Refunded) (2) (C) | Basis for Interest (D)=(A)+(C) | Interest Rate (3) 4.78% (E) | Ending Balance (F)=(A)+(B) | Line No. |
|----------|----------------|-----------------------|-------------------------------|--------------------------------------|--------------------------------|-----------------------------|----------------------------|----------|
| 1        | January 2025   | \$ -                  | \$ 3,574,840                  | \$ 1,787,420                         | \$ 1,787,420                   | \$ 7,120                    | \$ 3,574,840               | 1        |
| 2        | February 2025  | 3,574,840             | 3,168,340                     | 1,584,170                            | 5,159,010                      | 20,550                      | 6,743,180                  | 2        |
| 3        | March 2025     | 6,743,180             | 2,866,993                     | 1,433,497                            | 8,176,677                      | 32,570                      | 9,610,173                  | 3        |
| 4        | April 2025     | 9,610,173             | 2,331,806                     | 1,165,903                            | 10,776,076                     | 42,925                      | 11,941,979                 | 4        |
| 5        | May 2025       | 11,941,979            | 2,189,276                     | 1,094,638                            | 13,036,617                     | 51,929                      | 14,131,255                 | 5        |
| 6        | June 2025      | 14,131,255            | 2,461,556                     | 1,230,778                            | 15,362,033                     | 61,192                      | 16,592,811                 | 6        |
| 7        | July 2025      | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 7        |
| 8        | August 2025    | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 8        |
| 9        | September 2025 | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 9        |
| 10       | October 2025   | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 10       |
| 11       | November 2025  | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 11       |
| 12       | December 2025  | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 12       |
| 13       | January 2026   | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 13       |
| 14       | February 2026  | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 14       |
| 15       | March 2026     | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 15       |
| 16       | April 2026     | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 16       |
| 17       | May 2026       | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 17       |
| 18       | June 2026      | 16,592,811            | -                             | -                                    | 16,592,811                     | 66,095                      | 16,592,811                 | 18       |
| 19       | July 2026      | 16,592,811            | (2,765,469)                   | (1,382,734)                          | 15,210,077                     | 60,587                      | 13,827,343                 | 19       |
| 20       | August 2026    | 13,827,343            | (2,765,469)                   | (1,382,734)                          | 12,444,609                     | 49,571                      | 11,061,874                 | 20       |
| 21       | September 2026 | 11,061,874            | (2,765,469)                   | (1,382,734)                          | 9,679,140                      | 38,555                      | 8,296,406                  | 21       |
| 22       | October 2026   | 8,296,406             | (2,765,469)                   | (1,382,734)                          | 6,913,672                      | 27,539                      | 5,530,937                  | 22       |
| 23       | November 2026  | 5,530,937             | (2,765,469)                   | (1,382,734)                          | 4,148,203                      | 16,524                      | 2,765,469                  | 23       |
| 24       | December 2026  | 2,765,469             | (2,765,469)                   | (1,382,734)                          | 1,382,735                      | 5,508                       | -                          | 24       |
| 25       |                |                       |                               |                                      |                                | <u>\$ 1,207,710</u>         |                            | 25       |

(1) Amounts per page 2 of this Attachment. Assumes refund over 6 months beginning in July 2026.  
 (2) Assumes amounts are collected from or refunded to customers throughout the month.  
 (3) Reflects embedded cost of long-term debt at December 31, 2025.



**DUKE ENERGY INDIANA, LLC**  
**Step 1 Credit Rate Calculation for Refund**

| Line No.           | Retail Rate Group              | Step 1 Retail  |                                     | Step 1 Retail Revenue Reduction | 2025 Projected Retail KWH Sales (3) | Step 1 Credit Rate<br>(E)=(C)/(D) | Line No. |
|--------------------|--------------------------------|--|-------------------------------------|---------------------------------|-------------------------------------|-----------------------------------|----------|
|                    |                                | Revenues Excluding January 2019-March 2023 Cause No. 45940 Costs (1) | Step 1 Retail Revenues As Filed (2) |                                 |                                     |                                   |          |
|                    |                                | (A)  | (B)                                 | (C)                             | (D)                                 | (E)=(C)/(D)                       |          |
|                    |                                | (A)-(B)  |                                     |                                 |                                     |                                   |          |
| <b>Base Rates:</b> |                                |  |                                     |                                 |                                     |                                   |          |
| 1                  | Rate RS                        | \$ 1,419,575,064   | \$ 1,423,071,120                    | \$ (3,496,056)                  | 9,253,714,346                       | \$ (0.000378)                     | 1        |
| 2                  | Rate CS                        | 156,005,108  | 156,408,325                         | (403,217)                       | 1,027,994,918                       | \$ (0.000392)                     | 2        |
| 3                  | Rate LLF                       | 681,091,177  | 682,591,515                         | (1,500,338)                     | 5,654,844,756                       | \$ (0.000265)                     | 3        |
| 4                  | Rate HLF                       | 966,884,432  | 968,533,903                         | (1,649,471)                     | 9,987,757,246                       | \$ (0.000165)                     | 4        |
| 5                  | Customer L                     | 7,975,962  | 7,991,945                           | (15,983)                        | 104,681,458                         | \$ (0.000153)                     | 5        |
| 6                  | Customer O                     | 18,768,494   | 18,799,661                          | (31,167)                        | 157,680,000                         | \$ (0.000198)                     | 6        |
| 7                  | Rate WP                        | 18,710,892   | 18,746,708                          | (35,816)                        | 180,162,320                         | \$ (0.000199)                     | 7        |
| 8                  | Rate SL                        | 6,892,231  | 6,902,296                           | (10,065)                        | 33,320,064                          | \$ (0.000302)                     | 8        |
| 9                  | Rate MHLS                      | 424,631  | 425,230                             | (599)                           | 4,093,997                           | \$ (0.000146)                     | 9        |
| 10                 | Rates MOLS and UOLS            | 14,925,007   | 14,954,352                          | (29,345)                        | 92,630,661                          | \$ (0.000317)                     | 10       |
| 11                 | Rates FS, TS and MS            | 937,195  | 938,621                             | (1,426)                         | 6,476,068                           | \$ (0.000220)                     | 11       |
| 12                 | <b>Total Retail Base Rates</b> | <b>\$ 3,292,190,193</b>  | <b>\$ 3,299,363,676</b>             | <b>\$ (7,173,483)</b>           | <b>26,503,355,834</b>               |                                   | 12       |

(1) See: Confidential Workpaper 3-CLG, Confidential Workpaper COSS-16 - MTD

(2) See: Cause No. 46038 Step 1 Compliance Filing - Confidential Attachment D, Confidential Workpaper COSS-16 - MTD

(3) See: Cause No. 46038 Step 1 Compliance Filing - Attachment A, Schedule RA1

**DUKE ENERGY INDIANA, LLC**  
**Step 2 Credit Rate Calculation for Refund**

| Line No.           | Retail Rate Group              | Step 2 Retail  | Step 2 Retail           | Step 2 Retail         | 2025                           | Step 2        | Line No. |  |
|--------------------|--------------------------------|--|-------------------------|-----------------------|--------------------------------|---------------|----------|--|
|                    |                                | Revenues Excluding January 2019-March 2023 Cause No. 45940 Costs (1) | Revenues As Filed (2)   | Revenue Reduction     | Projected Retail KWH Sales (3) | Credit Rate   |          |  |
|                    |                                | (A)  | (B)                     | (C)                   | (D)                            | (E)=(C)/(D)   |          |  |
|                    |                                | (A)-(B)  |                         |                       |                                |               |          |  |
| <b>Base Rates:</b> |                                |  |                         |                       |                                |               |          |  |
| 1                  | Rate RS                        | \$ 1,472,661,631   | \$ 1,476,195,227        | \$ (3,533,596)        | 9,253,714,346                  | \$ (0.000382) | 1        |  |
| 2                  | Rate CS                        | 161,915,956  | 162,323,681             | (407,725)             | 1,027,994,918                  | \$ (0.000397) | 2        |  |
| 3                  | Rate LLF                       | 702,300,802  | 703,812,580             | (1,511,778)           | 5,654,844,756                  | \$ (0.000267) | 3        |  |
| 4                  | Rate HLF                       | 987,601,604  | 989,255,315             | (1,653,711)           | 9,987,757,246                  | \$ (0.000166) | 4        |  |
| 5                  | Customer L                     | 8,082,294  | 8,096,961               | (14,667)              | 104,681,458                    | \$ (0.000140) | 5        |  |
| 6                  | Customer O                     | 19,865,066   | 19,896,808              | (31,742)              | 157,680,000                    | \$ (0.000201) | 6        |  |
| 7                  | Rate WP                        | 19,232,641   | 19,268,673              | (36,032)              | 180,162,320                    | \$ (0.000200) | 7        |  |
| 8                  | Rate SL                        | 6,577,293  | 6,580,536               | (3,243)               | 33,320,064                     | \$ (0.000097) | 8        |  |
| 9                  | Rate MHLS                      | 434,852  | 435,479                 | (627)                 | 4,093,997                      | \$ (0.000153) | 9        |  |
| 10                 | Rates MOLS and UOLS            | 17,292,458   | 17,343,684              | (51,226)              | 92,630,661                     | \$ (0.000553) | 10       |  |
| 11                 | Rates FS, TS and MS            | 959,419  | 960,881                 | (1,462)               | 6,476,068                      | \$ (0.000226) | 11       |  |
| 12                 | <b>Total Retail Base Rates</b> | <b>\$ 3,396,924,016</b>  | <b>\$ 3,404,169,825</b> | <b>\$ (7,245,809)</b> | <b>26,503,355,834</b>          |               | 12       |  |

(1) See: Confidential Workpaper 4-CLG, Confidential Workpaper COSS-16 - MTD

(2) See: Cause No. 46038 Step 2 Compliance Filing - Confidential Attachment BB, Confidential Workpaper COSS-16 - MTD

(3) See: Cause No. 46038 Step 2 Compliance Filing - Attachment AA, Schedule RA1

Duke Energy Indiana, LLC  
1000 East Main Street  
Plainfield, IN 46168

IURC No. 16  
Third Revised Tariff No. 62  
Cancels and Supersedes  
Second Revised Tariff No. 62

Page 1 of 6

## TARIFF NO. 62 – ENVIRONMENTAL COMPLIANCE ADJUSTMENT

The applicable charges for electric service to the Company's retail electric customers shall be increased or decreased to reflect rate base treatment for environmental compliance projects, defined as qualified pollution control property, clean energy projects, and other federally-mandated environmental compliance projects in accordance with I.C. 8-1-2-6.6, I.C. 8-1-2-6.8, I.C. 8-1-8.4, I.C. 8-1-8.8 and 170 IAC 4-6, and to reflect recovery of clean energy and other federally-mandated environmental compliance project operating costs, including the cost of environmental reagents and emission allowances applicable to native load customers net of realized gains and losses from sales, in accordance with Ind. Code 8-1-8.8 and Ind. Code 8-1-8.4. The revenue adjustment to the applicable charges for electric service will be determined under the following provision:

### Calculation of Adjustment

The Environmental Compliance Adjustment shall be determined no more often than every six months by multiplying the Environmental Compliance Adjustment Factor, as determined to the nearest 0.001 mill (\$0.000001) per kilowatt-hour in accordance with the following formula, by the monthly billed kilowatt-hours for the billing cycle months in the case of customers receiving metered service and by the estimated monthly kilowatt-hours used for rate determination in the case of customers receiving unmetered service.

Environmental Compliance Adjustment Factor =

$$\frac{(a \times b \times c \times h)}{i} + \frac{((d + e + f) \times g)}{k} \times j$$

where:

1. "a" is the jurisdictional cost of the Company's net invested capital applicable to environmental compliance projects and the net balance of post-in-service carrying costs, if any. For purposes of determining the value of such capital projects for this rate mechanism, the Company's costs as recorded in its books of account in accordance with the Uniform System of Accounts prescribed for Public Utilities and Licensees subject to the provisions of the Federal Power Act shall be used.
2. "b" is the Company's weighted cost of capital as of the date of valuation of the environmental compliance projects.
3. "c" is the revenue conversion factor to be used to convert return to operating revenues.
4. "d" is the Company's forecasted incremental jurisdictional operation and maintenance expense applicable to environmental compliance projects, including the cost of environmental reagents and emission allowances applicable to native load customers net of realized gains and losses from sales.
5. "e" is the Company's forecasted jurisdictional depreciation expense applicable to the investment in environmental compliance projects.

Issued: Pending

Effective: Pending

**Duke Energy Indiana, LLC**  
1000 East Main Street  
Plainfield, IN 46168

**IURC No. 16**  
Third Revised Tariff No. 62  
Cancels and Supersedes  
Second Revised Tariff No. 62

Page 2 of 6

**TARIFF NO. 62 – ENVIRONMENTAL COMPLIANCE ADJUSTMENT**

6. “f” is the Company’s other incremental jurisdictional expense applicable to environmental compliance projects such as plan development costs, amortization of post-in-service carrying costs, and other costs or credits approved by the Commission for inclusion in this rider.
7. “g” is the revenue conversion factor used to convert operating expenses to operating revenues.
8. “h” is the individual retail rate group’s production demand allocator used for allocation purposes in the cost of service study last approved by the Commission as adjusted for migrations approved by the Commission.
9. “i” is the individual retail rate group’s adjusted billing cycle kilowatt-hour sales for the twelve months ending as of the date of valuation of the environmental compliance projects for all retail rate groups other than industrial customers served under Rate HLF. The revenue adjustment for industrial customers served under Rate HLF shall be based on demands within the HLF customer group such that “i” shall be the sum of kilowatts billed for the applicable twelve month period.
10. “j” is the individual retail rate group’s kilowatt-hour sales allocator used for allocation purposes in the cost of service study last approved by the Commission as adjusted for migrations approved by the Commission.
11. “k” is the individual retail rate group’s adjusted billing cycle kilowatt-hour sales for the applicable six month period for all retail rate groups other than industrial customers served under Rate HLF. The revenue adjustment for retail customers served under Rate HLF shall be based on demands within the HLF customer group such that “k” shall be the sum of kilowatts billed for the applicable six month period.

This factor shall be further modified to reflect the difference between estimated costs billed and costs actually experienced during the period such estimated costs were billed.

The Environmental Compliance Adjustment factor applicable to retail rate groups is as follows:

Duke Energy Indiana, LLC  
 1000 East Main Street  
 Plainfield, Indiana 46168

IURC No. 16  
 Third Revised Tariff No. 62  
 Cancels and Supersedes  
 Second Revised Tariff No. 62  
 Page 3 of 6

**TARIFF NO. 62 - ENVIRONMENTAL COMPLIANCE ADJUSTMENT**  
**APPLICABLE TO RETAIL RATE GROUPS**

| Line<br>No. | <u>Retail Rate Group</u> | Environmental<br>Compliance<br>Adjustment<br>Factor Per KWH<br>(A) | Environmental<br>Compliance<br>Adjustment<br>Factor Per<br>Non-Coincident KW<br>(B) | Line<br>No. |
|-------------|--------------------------|--|---|-------------|
| 1           | Rate RS                  | (\$0.001401)   |   | 1           |
| 2           | Rates CS and FOC         | (0.001462)   |   | 2           |
| 3           | Rate LLF                 | (0.000976)   |   | 3           |
| 4           | Rate HLF                 |  | (\$0.416850)  | 4           |
| 5           | Customer L               | (0.000960)   |   | 5           |
| 6           | Customer O               | (0.000571)   |   | 6           |
| 7           | Rate WP                  | (0.000857)   |   | 7           |
| 8           | Rate SL                  | (0.000104)   |   | 8           |
| 9           | Rate MHLS                | (0.000095)   |   | 9           |
| 10          | Rates MOLS and UOLS      | (0.001375)   |   | 10          |
| 11          | Rates TS, FS and MS      | (0.000821)   |   | 11          |

**Issued: Pending**

**Effective:**

**Pending**

Duke Energy Indiana, LLC  
1000 East Main Street  
Plainfield, Indiana 46168

IURC No. 16  
Third Revised Tariff No. 62  
Cancels and Supersedes  
Second Revised Tariff No. 62  
Page 4 of 6

**TARIFF NO. 62 - ENVIRONMENTAL COMPLIANCE ADJUSTMENT**  
**APPLICABLE TO RETAIL RATE GROUPS**

**ALLOCATED SHARE OF SYSTEM PEAK DEMAND FOR RETAIL CUSTOMERS**  
**BY RATE GROUP EXPRESSED AS A PERCENTAGE OF THE COMPANY'S**  
**TOTAL RETAIL SYSTEM PEAK DEMAND AS DEVELOPED FOR COST OF**  
**SERVICE PURPOSES IN CAUSE NO. 46038**

| Line<br>No. | <u>Rate Groups</u>  | KW Share of<br>System Peak<br>(12CP) Per<br><u>Cause No. 46038</u><br>(A) | Percent<br>Share Of<br><u>System Peak</u><br>(B) | Line<br>No. |
|-------------|---------------------|---|--|-------------|
| 1           | Rate RS             | 1,915,283   | 44.697%  | 1           |
| 2           | Rates CS and FOC    | 237,833   | 5.550%   | 2           |
| 3           | Rate LLF            | 915,302   | 21.360%  | 3           |
| 4           | Rate HLF            | 1,156,042   | 26.978%  | 4           |
| 5           | Customer L          | 11,937  | 0.279%   | 5           |
| 6           | Customer O          | 18,516  | 0.432%   | 6           |
| 7           | Rate WP             | 20,804  | 0.485%   | 7           |
| 8           | Rate SL             | 1,336   | 0.031%   | 8           |
| 9           | Rate MHLS           | 158   | 0.004%   | 9           |
| 10          | Rates MOLS and UOLS | 7,170   | 0.167%   | 10          |
| 11          | Rates TS, FS and MS | 746   | 0.017%   | 11          |
| 12          | TOTAL RETAIL        | <u>4,285,127</u>  | <u>100.000%</u>                                  | 12          |

**Issued: Pending**

**Effective: Pending**

Duke Energy Indiana, LLC  
 1000 East Main Street  
 Plainfield, Indiana 46168

IURC No. 16  
 Third Revised Tariff No. 62  
 Cancels and Supersedes  
 Second Revised Tariff No. 62  
 Page 5 of 6

**TARIFF NO. 62 - ENVIRONMENTAL COMPLIANCE ADJUSTMENT**  
**APPLICABLE TO RETAIL RATE GROUPS**

**ALLOCATED SHARE OF MWH PLANT OUTPUT FOR RETAIL CUSTOMERS**  
**BY RATE GROUP EXPRESSED AS A PERCENTAGE OF THE COMPANY'S**  
**TOTAL RETAIL AS DEVELOPED FOR COST OF**  
**SERVICE PURPOSES IN CAUSE NO. 46038**

| Line No. | Rate Groups         | MWH Plant Output<br>Cause No. 46038<br>(A) | Percent Share Of<br>System Peak<br>(B) | Line No. |
|----------|---------------------|--|--|----------|
| 1        | Rate RS             | 9,073,568                                  | 35.992%                                | 1        |
| 2        | Rates CS and FOC    | 1,069,117                                  | 4.241%                                 | 2        |
| 3        | Rate LLF            | 5,437,313                                  | 21.568%                                | 3        |
| 4        | Rate HLF            | 9,054,742                                  | 35.917%                                | 4        |
| 5        | Customer L          | 106,189                                    | 0.421%                                 | 5        |
| 6        | Customer O          | 159,885                                    | 0.634%                                 | 6        |
| 7        | Rate WP             | 164,182                                    | 0.651%                                 | 7        |
| 8        | Rate SL             | 35,880                                     | 0.142%                                 | 8        |
| 9        | Rate MHLS           | 4,418                                      | 0.018%                                 | 9        |
| 10       | Rates MOLS and UOLS | 97,829                                     | 0.388%                                 | 10       |
| 11       | Rates TS, FS and MS | 6,957                                      | 0.028%                                 | 11       |
| 12       | TOTAL RETAIL        | 25,210,080                                 | 100.000%                               | 12       |

**Issued: Pending**

**Effective: Pending**

**Duke Energy Indiana, LLC**  
 1000 East Main Street  
 Plainfield, Indiana 46168

IURC No. 16  
 Third Revised Tariff No. 62  
 Cancels and Supersedes  
 Second Revised Tariff No. 62  
 Page 6 of 6

**TARIFF NO. 62 - ENVIRONMENTAL COMPLIANCE ADJUSTMENT**  
**APPLICABLE TO RETAIL RATE GROUPS**

**BILLING CYCLE KWH SALES FOR THE COMPANY'S**  
**RETAIL CUSTOMERS BY RATE GROUP BASED**  
**ON PERIOD ENDED DECEMBER 31, 2025**

| Line No. | Rate Groups         | Twelve Months Ended Billing Cycle<br>KWH Sales<br>(A) | Twelve Months Sum Of Monthly Non-Coincident Peak Demands<br>(B) | Six Months Ended Billing Cycle<br>KWH Sales<br>(C) | Six Months Sum Of Monthly Non-Coincident Peak Demands<br>(D) | Line No. |
|----------|---------------------|---|---|--|--|----------|
| 1        | Rate RS             | 9,559,031,700   |   | 4,813,853,455                                      |  | 1        |
| 2        | Rates CS and FOC    | 1,097,550,953   |   | 566,195,184  |  | 2        |
| 3        | Rate LLF            | 5,798,360,815   |   | 3,070,933,164                                      |  | 3        |
| 4        | Rate HLF            | 8,905,906,649   | 16,993,509  | 4,535,019,150                                      | 8,604,456  | 4        |
| 5        | Customer L          | 110,821,597   |   | 62,929,429   |  | 5        |
| 6        | Customer O          | 157,589,905   |   | 78,987,723   |  | 6        |
| 7        | Rate WP             | 157,457,815   |   | 78,433,190   |  | 7        |
| 8        | Rate SL             | 18,167,069  |   | 9,161,334  |  | 8        |
| 9        | Rate MHLS           | 3,619,121   |   | 1,716,990  |  | 9        |
| 10       | Rates MOLS and UOLS | 97,444,703  |   | 49,286,322   |  | 10       |
| 11       | Rates TS, FS and MS | <u>5,656,101</u>                                      |   | <u>2,680,996</u>                                   |  | 11       |
| 12       | TOTAL RETAIL        | <u><u>25,911,606,427</u></u>                          |   | <u><u>13,269,196,936</u></u>                       |  | 12       |

**Issued: Pending**

**Effective: Pending**

**DUKE ENERGY INDIANA, LLC**

**CALCULATION OF REVENUE REQUIREMENTS APPLICABLE TO  
RETURN ON INVESTMENT IN ENVIRONMENTAL COMPLIANCE PROJECTS  
AS OF DECEMBER 31, 2025**

| Line No.   | <u>Rate Of Return</u> |               |                  | Amount            | Line No. |
|--|-----------------------|---------------|------------------|-------------------|----------|
|  | <u>Debt</u>           | <u>Equity</u> | (C)              |                   |          |
|  | (A)                   | (B)           |                  |                   |          |
| 1 Unamortized Coal Ash Closure - 80% <sup>1/</sup>                   |                       |               | \$ -             |                   | 1        |
| 2 Unamortized Closure & Management Carrying Cost - 80% <sup>1/</sup> |                       |               | <u>3,335,293</u> |                   | 2        |
| 3 Retail Investment  |                       |               | \$ 3,335,293     |                   | 3        |
| 4 Rate of Return (Page 11)   | 1.83%                 | 4.36%         |                  | <u>6.19%</u>      | 4        |
| 5 Annual Return on Investment  |                       |               |                  | 206,455           | 5        |
| 6 Revenue Conversion Factor <sup>2/</sup>                            | 1.00576               | 1.33872       |                  | <u>1.24027</u>    | 6        |
| 7 Jurisdictional Revenue Requirements (Line 5 x Line 6)              |                       |               |                  | <u>\$ 256,060</u> | 7        |

<sup>1/</sup> See Workpaper 1-CLG.

<sup>2/</sup> Components of revenue conversion factor:

|                                 | Statutory<br>Rate | <u>Effective Rate</u> |                |    |
|---------------------------------|-------------------|-----------------------|----------------|----|
|                                 |                   | <u>Debt</u>           | <u>Equity</u>  |    |
| Uncollectible Accounts Expense  | 0.427%            | 0.427%                | 0.427%         |    |
| Public Utility Fee              | 0.146%            | 0.146%                | 0.146%         |    |
| State Income Tax                | 4.900%            | 0.000%                | 4.872%         | a/ |
| Federal Income Tax              | 21.000%           | <u>0.000%</u>         | <u>19.857%</u> | b/ |
| Effective Rate                  |                   | 0.573%                | 25.302%        |    |
| Complement (1 - Effective Rate) |                   | <u>99.427%</u>        | <u>74.698%</u> |    |
| Revenue Conversion Factor       |                   |                       |                |    |
| 1 ÷ Complement                  |                   | <u>1.00576</u>        | <u>1.33872</u> |    |

a/ Effective tax rate for equity for state income tax reflects deductibility of uncollectible accounts expense and public utility fee.

b/ Effective tax rate for equity for federal income tax reflects deductibility of uncollectible accounts expense, public utility fee and state income tax.



**DUKE ENERGY INDIANA, LLC**

**ESTIMATED EXPENSES APPLICABLE TO ENVIRONMENTAL COMPLIANCE PROJECTS  
JULY-DECEMBER 2026**

| Line No. | Total Expenses<br>(A) | Retail 1/    |   |   | Line No. |
|----------|-----------------------|--------------|---|---|----------|
|          |                       | Total<br>(B) | 6 Months Amount<br>in Base Rates<br>(C) | Amount<br>for Current<br>Recovery<br>(D) =<br>(B)-(C) |          |

**Operation and Maintenance Expense**

|   |          |                      |                      |                      |                     |   |
|---|----------|----------------------|----------------------|----------------------|---------------------|---|
| 1 | Reagents | \$ 22,943,846        | \$ 21,633,752        | \$ 12,917,447        | \$ 8,716,305        | 1 |
| 2 | Total    | <u>\$ 22,943,846</u> | <u>\$ 21,633,752</u> | <u>\$ 12,917,447</u> | <u>\$ 8,716,305</u> | 2 |

1/ Retail allocation percentage per Cause No. 46038  
Production Energy Allocator 94.29%

**DUKE ENERGY INDIANA, LLC**

**DETERMINATION OF THE REVENUE REQUIREMENTS APPLICABLE TO ACTUAL  
EXPENSES ASSOCIATED WITH THE ENVIRONMENTAL COMPLIANCE PROJECTS  
JULY-DECEMBER 2025**

| Line No. | Amounts Applicable To Retail                    |                   |                        | Line No. |
|----------|---|-------------------|------------------------|----------|
|          | (A)   | (B)               | (C)                    |          |
|          | Applicable to                                   |                   |                        |          |
|          | <u>Equity AFUDC</u>                             |                   | <u>All Other</u>       |          |
| 1        | \$ -  | \$ -              |                        | 1        |
| 2        | -   | 2,236,128         |                        | 2        |
| 3        | -   | 4,765,334         |                        | 3        |
| 4        | 668,828   | 276,883           |                        | 4        |
| 5        | <u>16,195</u>                                   | <u>6,653</u>      |                        | 5        |
| 6        | 685,023   | 7,284,998         |                        | 6        |
| 7        | <u>1,33878</u>                                  | <u>1,00580</u>    |                        | 7        |
| 8        | 917,095   | 7,327,251         | \$ 8,244,346           | 8        |
| 9        |   |                   | <u>(40,245,572)</u>    | 9        |
| 10       |   |                   | (32,001,226)           | 10       |
| <br>     |   |                   |                        |          |
|          | <b><u>Operating Expenses (Jul-Dec 2025)</u></b> |                   |                        |          |
| 11       |   | 19,404,955        |                        | 11       |
| 12       |   | <u>13,699,700</u> |                        | 12       |
| 13       |   | 5,705,255         |                        | 13       |
| 14       |   | 92.20%            |                        | 14       |
| 15       |   | <u>1,00580</u>    |                        | 15       |
| 16       |   |                   | <u>5,290,755</u>       | 16       |
| 17       |   |                   | <u>\$ (26,710,471)</u> | 17       |

<sup>1/</sup> Allocated on production demand basis.

<sup>2/</sup> See ECR 43 Attachment 4-B (CLG), page 2.

<sup>3/</sup> See Workpaper 16-CLG. Amounts reflect removal of January 2019 - March 2023 Cause No. 45940 costs.

<sup>4/</sup> Components of revenue conversion factor:

|                                 | Statutory<br>Rate | Effective Rate |                   |
|---------------------------------|-------------------|----------------|-------------------|
|                                 |                   | Debt           | Equity            |
| Uncollectible Accounts Expense  | 0.427%            | 0.427%         | 0.427%            |
| Public Utility Fee              | 0.150%            | 0.150%         | 0.150%            |
| State Income Tax                | 4.900%            | 0.000%         | 4.872% a/         |
| Federal Income Tax              | 21.000%           | <u>0.000%</u>  | <u>19.856%</u> b/ |
| Effective Rate                  |                   | 0.577%         | 25.305%           |
| Complement (1 - Effective Rate) |                   | <u>99.423%</u> | <u>74.695%</u>    |
| Revenue Conversion Factor       |                   |                |                   |
| 1 ÷ Complement                  |                   | <u>1,00580</u> | <u>1,33878</u>    |

a/ Effective tax rate for equity for state income tax reflects deductibility of uncollectible accounts expense and public utility fee.

b/ Effective tax rate for equity for federal income tax reflects deductibility of uncollectible accounts expense, public utility fee and state income tax.

<sup>5/</sup> Allocated on production energy basis.

<sup>6/</sup> See Workpaper 11-CLG.

**DUKE ENERGY INDIANA, LLC**  
**DETERMINATION OF THE REVENUE APPLICABLE TO ACTUAL**  
**JULY-DECEMBER 2025**

| Line No. | Description         | Adjusted Revenues Billed (A) | Less ECR 43 Demand Reconciliation (B) | Less ECR 43 Energy Reconciliation (C) | Revenue Applicable To Current Rider (D) | Allocation Return of Demand <sup>1/</sup> (E) | Allocation Return of Energy <sup>1/</sup> (F) | Allocation Return On <sup>1/</sup> (G) | Line No. |
|----------|---------------------|------------------------------|---------------------------------------|---------------------------------------|---|---|---|--|----------|
|          |                     |                              |                                       |                                       | (A) - (B) - (C)                         |   |   |  |          |
| 1        | Rate RS             | \$ (8,414,685)               | \$ 352,137                            | \$ 1,018,029                          | \$ (9,784,851)                          | \$ (15,347,547)                               | \$ 5,391,289                                  | \$ 171,407                             | 1        |
| 2        | Rate CS             | (1,121,602)                  | 97,624                                | (19,107)                              | (1,200,119)                             | (1,882,387)                                   | 661,245                                       | 21,023                                 | 2        |
| 3        | Rate LLF            | (3,259,602)                  | 86,750                                | 679,958                               | (4,026,310)                             | (6,315,271)                                   | 2,218,429                                     | 70,532                                 | 3        |
| 4        | Rate HLF            | (2,146,686)                  | (322,234)                             | 1,813,508                             | (3,637,960)                             | (5,706,144)                                   | 2,004,455                                     | 63,729                                 | 4        |
| 5        | Customer L          | (29,827)                     | 17,704                                | (42,836)                              | (4,695)                                 | (7,364)                                       | 2,587   | 82                                     | 5        |
| 6        | Customer O          | 74,083                       | (153,155)                             | 296,485                               | (69,247)                                | (108,614)                                     | 38,154  | 1,213                                  | 6        |
| 7        | Rate WP             | (50,545)                     | (3,063)                               | 19,710                                | (67,192)                                | (105,390)                                     | 37,021  | 1,177                                  | 7        |
| 8        | Rate SL             | 4,700                        | (2,821)                               | 2,139                                 | 5,382                                   | 8,443   | (2,966)                                       | (95)                                   | 8        |
| 9        | Rate MHLS           | 1,203                        | (848)                                 | 1,568                                 | 483                                     | 757   | (266)   | (8)                                    | 9        |
| 10       | Rates MOLS and UOLS | 8,750                        | (12,416)                              | 27,777                                | (6,611)                                 | (10,368)                                      | 3,642   | 115                                    | 10       |
| 11       | Rates TS, FS and MS | (1,004)                      | (400)                                 | 1,545                                 | (2,149)                                 | (3,370)                                       | 1,184   | 37                                     | 11       |
| 12       | Total               | \$ (14,935,214)              | \$ 59,278                             | \$ 3,798,776                          | \$ (18,793,268)                         | \$ (29,477,255)                               | \$ 10,354,774                                 | \$ 329,213                             | 12       |

Workpaper 10-CLG

ECR 43 Attachment 4-B (CLG) Page 8, Column C      ECR 43 Attachment 4-B (CLG) Page 9, Column C

<sup>1/</sup> Allocate Revenue Requirement between categories - for 6 months (excluding Reconciliation)

**ECR 43 Effective 7/01/2025**

|   |              | 6 Months               | Allocation Percentage |
|---|--------------|------------------------|-----------------------|
| Return on (Workpaper 16-CLG) a/                           | \$ 357,402   | \$ 178,701             | -1%                   |
| Return of Demand (Workpaper 16-CLG) a/                    | (32,001,226) | (32,001,226)           | 101%                  |
| Return of Energy (Attachment 4-B (CLG), Page 9, Column B) | 10,354,774   | <u>10,354,774</u>      | Direct assigned       |
|   |              | <u>\$ (21,467,751)</u> |                       |

a/ Amounts reflect removal of January 2019 - March 2023 Cause No. 45940 costs.

**DUKE ENERGY INDIANA, LLC**  
**DETERMINATION OF RECONCILIATION AMOUNTS BY RATE SCHEDULE**

| Line No. | Description         | Coincidental Production Peak Demand Allocators from Cause No. 46038 (A) | Actual Amortization Revenue Requirement (B) | Production Energy Allocators from Cause No. 46038 (C) | Actual Operating Expenses Revenue Requirement (D) | ECR 43 Revenue Requirement for Return on Investment (E) | Total Revenue Requirement to be Reconciled (F) | Line No. |
|----------|---------------------|---|---|---|---|---|--|----------|
|          |                     |   |   |   |   |   | (B) + (D) + (E)                                |          |
| 1        | Rate RS             | 44.697%   | \$ (14,303,589)                             | 35.992%   | \$ 1,904,250                                      | \$ 79,874   | \$ (12,319,465)                                | 1        |
| 2        | Rate CS             | 5.550%  | (1,776,068)                                 | 4.241%  | 224,381   | 9,918   | (1,541,769)                                    | 2        |
| 3        | Rate LLF            | 21.360%   | (6,835,462)                                 | 21.568%   | 1,141,110   | 38,171  | (5,656,181)                                    | 3        |
| 4        | Rate HLF            | 26.978%   | (8,633,291)                                 | 35.917%   | 1,900,280   | 48,210  | (6,684,801)                                    | 4        |
| 5        | Customer L          | 0.279%  | (89,283)                                    | 0.421%  | 22,274  | 499   | (66,510)                                       | 5        |
| 6        | Customer O          | 0.432%  | (138,245)                                   | 0.634%  | 33,543  | 772   | (103,930)                                      | 6        |
| 7        | Rate WP             | 0.485%  | (155,206)                                   | 0.651%  | 34,443  | 867   | (119,896)                                      | 7        |
| 8        | Rate SL             | 0.031%  | (9,920)                                     | 0.142%  | 7,513   | 55  | (2,352)  | 8        |
| 9        | Rate MHLS           | 0.004%  | (1,280)                                     | 0.018%  | 952   | 7   | (321)  | 9        |
| 10       | Rates MOLS and UOLS | 0.167%  | (53,442)                                    | 0.388%  | 20,528  | 298   | (32,616)                                       | 10       |
| 11       | Rates TS, FS and MS | 0.017%  | (5,440)                                     | 0.028%  | 1,481   | 30  | (3,929)  | 11       |
| 12       | Total Retail        | 100.000%  | \$ (32,001,226)                             | 100.000%  | \$ 5,290,755                                      | \$ 178,701  | \$ (26,531,770)                                | 12       |
|          |                     |   | (Page 4)                                    |   | (Page 4)  | (Note 1)  | 178,701  |          |

Note 1 - Return on investment to be reconciled equals 6 months of ECR 43 per footnote 1 on page 5 of Attachment 3-C (CLG).

| Line No. | Description         | Allocated Revenues ECR 43 Filing Return of Demand (G) | Allocated Revenues ECR 43 Filing Return of Energy (H) | Allocated Revenues ECR 43 Filing Return On (I) | Total Revenues Collected from ECR Rider (Jul-Dec 2025) (J) | Line No. |
|----------|---------------------|---|---|--|--|----------|
| 13       | Rate RS             | \$ (15,347,547)                                       | \$ 5,391,289  | \$ 171,407                                     | \$ (9,784,851)   | 13       |
| 14       | Rate CS             | (1,882,387)   | 661,245   | 21,023   | (1,200,119)  | 14       |
| 15       | Rate LLF            | (6,315,271)   | 2,218,429   | 70,532   | (4,026,310)  | 15       |
| 16       | Rate HLF            | (5,706,144)   | 2,004,455   | 63,729   | (3,637,960)  | 16       |
| 17       | Customer L          | (7,364)   | 2,587   | 82   | (4,695)  | 17       |
| 18       | Customer O          | (108,614)   | 38,154  | 1,213  | (69,247)   | 18       |
| 19       | Rate WP             | (105,390)   | 37,021  | 1,177  | (67,192)   | 19       |
| 20       | Rate SL             | 8,443   | (2,966)   | (95)   | 5,382  | 20       |
| 21       | Rate MHLS           | 757   | (266)   | (8)  | 483  | 21       |
| 22       | Rates MOLS and UOLS | (10,368)  | 3,642   | 115  | (6,611)  | 22       |
| 23       | Rates TS, FS and MS | (3,370)   | 1,184   | 37   | (2,149)  | 23       |
| 24       | Total Retail        | \$ (29,477,255)                                       | \$ 10,354,774   | \$ 329,213                                     | \$ (18,793,268)  | 24       |
|          |                     | (Page 5)  | (Page 5)  | (Page 5)                                       |  |          |

| Line No. | Description         | (Demand) Return of Reconciliation (Over)/Under Collected (K) = (B)-(G) | (Energy) Reconciliation (Over)/Under Collected (L) = (D)-(H) | (Demand) Return on Reconciliation (Over)/Under Collected (M) = (E)-(I) | Line No. |
|----------|---------------------|--|--|--|----------|
| 25       | Rate RS             | \$ 1,043,958   | \$ (3,487,039)   | \$ (91,533)  | 25       |
| 26       | Rate CS             | 106,319  | (436,864)  | (11,105)   | 26       |
| 27       | Rate LLF            | (520,191)  | (1,077,319)  | (32,361)   | 27       |
| 28       | Rate HLF            | (2,927,147)  | (104,175)  | (15,519)   | 28       |
| 29       | Customer L          | (81,919)   | 19,687   | 417  | 29       |
| 30       | Customer O          | (29,631)   | (4,611)  | (441)  | 30       |
| 31       | Rate WP             | (49,816)   | (2,578)  | (310)  | 31       |
| 32       | Rate SL             | (18,363)   | 10,479   | 150  | 32       |
| 33       | Rate MHLS           | (2,037)  | 1,218  | 15   | 33       |
| 34       | Rates MOLS and UOLS | (43,074)   | 16,886   | 183  | 34       |
| 35       | Rates TS, FS and MS | (2,070)  | 297  | (7)  | 35       |
| 36       | Total Retail        | \$ (2,523,971)   | \$ (5,064,019)   | \$ (150,512)   | 36       |

**DUKE ENERGY INDIANA, LLC**

**DETERMINATION OF ENVIRONMENTAL COMPLIANCE ADJUSTMENT FACTORS BY RATE SCHEDULE  
FOR RETURN ON INVESTMENT**

| Line No. | Description         | Coincidental Production Peak Demand Allocators from Cause No. 46038<br>(A) | Total Revenue Requirement for Return on Investment<br>(B) | Kilowatt-Hour Sales for the Twelve Months Ended December 31, 2025<br>(C) | Environmental Compliance Rate Adjustment Factors Per KWH by Rate Schedule<br>(D) | Sum of Monthly Non-Coincident Peak Demands for the Twelve Months Ended December 31, 2025<br>(E) | Environmental Compliance Rate Adjustment Factor Per KW for Rate HLF<br>(F) | Line No. |
|----------|---------------------|--|---|--|--|---|--|----------|
| 1        | Rate RS             | 44.697%  | \$ 114,452  | 9,559,031,700  | \$0.000012   |   |  | 1        |
| 2        | Rate CS             | 5.550%   | 14,211  | 1,097,550,953  | \$0.000013   |   |  | 2        |
| 3        | Rate LLF            | 21.360%  | 54,694  | 5,798,360,815  | \$0.000009   |   |  | 3        |
| 4        | Rate HLF            | 26.978%  | 69,080  | 8,905,906,649  |  | 16,993,509  | \$0.004065   | 4        |
| 5        | Customer L          | 0.279%   | 714   | 110,821,597  | \$0.000006   |   |  | 5        |
| 6        | Customer O          | 0.432%   | 1,106   | 157,589,905  | \$0.000007   |   |  | 6        |
| 7        | Rate WP             | 0.485%   | 1,242   | 157,457,815  | \$0.000008   |   |  | 7        |
| 8        | Rate SL             | 0.031%   | 79  | 18,167,069   | \$0.000004   |   |  | 8        |
| 9        | Rate MHLS           | 0.004%   | 10  | 3,619,121  | \$0.000003   |   |  | 9        |
| 10       | Rates MOLS and UOLS | 0.167%   | 428   | 97,444,703   | \$0.000004   |   |  | 10       |
| 11       | Rates TS, FS and MS | <u>0.017%</u>  | <u>44</u>   | <u>5,656,101</u>   | \$0.000008   |   |  | 11       |
| 12       | Total Retail        | <u>100.000%</u>  | <u>\$ 256,060</u>   | <u>25,911,606,427</u>  |  |   |  | 12       |

(Page 1)

(Workpaper 2-CLG)

(Workpaper 3-CLG)

DUKE ENERGY INDIANA, LLC

DETERMINATION OF ENVIRONMENTAL COMPLIANCE ADJUSTMENT FACTORS BY RATE SCHEDULE FOR EXPENSES

| Line No. | Description         | Coincidental Peak Demand Allocators from Cause No. 46038 (A) | Revenue Requirement for Estimated Amortization (B) | Revenue Requirement for Refund of January 2019-March 2023 Cause No. 45940 Costs (C) | Revenue Requirement for Adjustment to Sharing of Insurance Proceeds <sup>11</sup> (D) | Ongoing Credit for January 2019-March 2023 Cause No. 45940 Costs (E) | (Over)/Under Billed Revenue Requirement (F) | Total Revenue Requirement (G) = sum (B)-(F) | Kilowatt-Hour Sales for the Six Months Ended December 31, 2025 (H) | Environmental Compliance Rate Adjustment Factors Per KWH by Rate Schedule (I) = (G)/(H) | Sum of Monthly Non-Coincident Peak Demands for the Six Months Ended December 31, 2025 (J) | Environmental Compliance Rate Adjustment Factor Per KW for Rate HLF (K) = (G)/(J) | Line No. |
|----------|---------------------|--|--|---|---|--|---|---|--|---|---|---|----------|
| 1        | Rate RS             | 44.697%  | \$ 825,390   | \$ (13,827,212)   | \$ 9,115,404  | \$ (3,533,596)   | \$ 952,425                                  | \$ (6,467,589)                              | 4,813,853,455  | (\$0.001344)  |   |   | 1        |
| 2        | Rate CS             | 5.550%   | 102,488  | (1,644,029)   | 1,083,804   | (407,725)  | 95,214                                      | (770,248)                                   | 566,195,184  | (\$0.001360)  |   |   | 2        |
| 3        | Rate LLF            | 21.360%  | 394,441  | (6,368,959)   | 4,198,651   | (1,511,778)  | (552,552)                                   | (3,840,197)                                 | 3,070,933,164  | (\$0.001250)  |   |   | 3        |
| 4        | Rate HLF            | 26.978%  | 498,184  | (7,536,137)   | 4,968,097   | (1,653,711)  | (2,942,666)                                 | (6,666,233)                                 | 4,535,019,150  |   | 8,604,456   | (\$0.774742)  | 4        |
| 5        | Customer L          | 0.279%   | 5,152  | (77,275)  | 50,943  | (14,667)   | (81,502)                                    | (117,349)                                   | 62,929,429   | (\$0.001865)  |   |   | 5        |
| 6        | Customer O          | 0.432%   | 7,977  | (125,441)   | 82,695  | (31,742)   | (30,072)                                    | (96,583)                                    | 78,987,723   | (\$0.001223)  |   |   | 6        |
| 7        | Rate WP             | 0.485%   | 8,956  | (132,462)   | 87,324  | (36,032)   | (50,126)                                    | (122,340)                                   | 78,433,190   | (\$0.001560)  |   |   | 7        |
| 8        | Rate SL             | 0.031%   | 572  | (8,908)   | 5,872   | (3,243)  | (18,213)                                    | (23,920)                                    | 9,161,334  | (\$0.002611)  |   |   | 8        |
| 9        | Rate MHLS           | 0.004%   | 74   | (1,141)   | 752   | (627)  | (2,022)                                     | (2,964)                                     | 1,716,990  | (\$0.001726)  |   |   | 9        |
| 10       | Rates MOLS and UOLS | 0.167%   | 3,084  | (81,784)  | 53,915  | (51,226)   | (42,891)                                    | (118,902)                                   | 49,286,322   | (\$0.002412)  |   |   | 10       |
| 11       | Rates TS, FS and MS | 0.017%   | 314  | (5,131)   | 3,383   | (1,462)  | (2,077)                                     | (4,973)                                     | 2,680,996  | (\$0.001855)  |   |   | 11       |
| 12       | Total Retail        | 100.000%   | \$ 1,846,632                                       | \$ (29,808,479)   | \$ 19,650,840   | \$ (7,245,809)   | \$ (2,674,483)                              | \$ (18,231,299)                             | 13,269,196,936   |   |   |   | 12       |

(Page 2)

Attachment 3-A (CLG), page 1

(Page 2)

Attachment 3-A (CLG), page 6

(Page 6)

(Worksheet 2-CLG)

(Worksheet 3-CLG)

<sup>11</sup> Allocated by rate class based upon refund amount in column (C) as a percentage of total.

DUKE ENERGY INDIANA, LLC

DETERMINATION OF ENVIRONMENTAL COMPLIANCE ADJUSTMENT FACTORS BY RATE SCHEDULE (ENERGY)

| Line No. | Description         | Production Energy Allocators from Cause No. 46038<br>(A) | Revenue Requirement for Estimated Operating Expenses<br>(B) | Reconciliation Operating Expenses<br>(C) | Total Revenue Requirement<br>(D) = (B)+(C) | Kilowatt-Hour Sales for the Six Months Ended December 31, 2025<br>(E) | Environmental Compliance Rate Adjustment Factors Per KWH by Rate Schedule<br>(F) = (D)/(E) | Sum of Monthly Non-Coincident Peak Demands for the Six Months Ended December 31, 2025<br>(G) | Environmental Compliance Rate Adjustment Factor Per KW for Rate HLF<br>(H) = (D)/(G) | Line No. |
|----------|---------------------|--|---|--|--|---|--|--|--|----------|
| 1        | Rate RS             | 35.992%  | \$ 3,155,242  | \$ (3,487,039)                           | \$ (331,797)                               | 4,813,853,455   | (\$0.000069)   |  |  | 1        |
| 2        | Rate CS             | 4.241%   | 371,788   | (436,864)                                | (65,076)                                   | 566,195,184   | (\$0.000115)   |  |  | 2        |
| 3        | Rate LLF            | 21.568%  | 1,890,761   | (1,077,319)                              | 813,442                                    | 3,070,933,164   | \$0.000265   |  |  | 3        |
| 4        | Rate HLF            | 35.917%  | 3,148,668   | (104,175)                                | 3,044,493                                  | 4,535,019,150   |  | 8,604,456  | \$0.353827   | 4        |
| 5        | Customer L          | 0.421%   | 36,907  | 19,687                                   | 56,594                                     | 62,929,429  | \$0.000899   |  |  | 5        |
| 6        | Customer O          | 0.634%   | 55,580  | (4,611)                                  | 50,969                                     | 78,987,723  | \$0.000645   |  |  | 6        |
| 7        | Rate WP             | 0.651%   | 57,070  | (2,578)                                  | 54,492                                     | 78,433,190  | \$0.000695   |  |  | 7        |
| 8        | Rate SL             | 0.142%   | 12,448  | 10,479                                   | 22,927                                     | 9,161,334   | \$0.002503   |  |  | 8        |
| 9        | Rate MHLS           | 0.018%   | 1,578   | 1,218                                    | 2,796                                      | 1,716,990   | \$0.001628   |  |  | 9        |
| 10       | Rates MOLS and UOLS | 0.388%   | 34,014  | 16,886                                   | 50,900                                     | 49,286,322  | \$0.001033   |  |  | 10       |
| 11       | Rates TS, FS and MS | <u>0.028%</u>  | <u>2,455</u>  | <u>297</u>                               | <u>2,752</u>                               | <u>2,680,996</u>  | <u>\$0.001026</u>  |  |  | 11       |
| 12       | Total Retail        | <u>100.000%</u>  | <u>\$ 8,766,511</u>   | <u>\$ (5,064,019)</u>                    | <u>\$ 3,702,492</u>                        | <u>13,269,196,936</u>   |  |  |  | 12       |
|          |                     |  | (Page 2)  | (Page 6)                                 |  | (Workpaper 2-CLG)   |  | (Workpaper 3-CLG)  |  |          |

DUKE ENERGY INDIANA, LLC

ENVIRONMENTAL COMPLIANCE ADJUSTMENT COMBINED FACTORS BY RATE SCHEDULE

| Line No. | Description            | Environmental Compliance Rate Adjustment Factors Per KWH/KW by Rate Schedule For Investment<br>(A) | Environmental Compliance Rate Adjustment Factors Per KWH/KW by Rate Schedule For Expenses (Demand)<br>(B) | Environmental Compliance Rate Adjustment Factors Per KWH/KW by Rate Schedule For Expenses (Energy)<br>(C) | Total Environmental Compliance Rate Adjustment Factor<br>(D) | Line No. |
|----------|------------------------|--|---|---|--|----------|
| 1        | Rate RS                | \$0.000012   | (\$0.001344)  | (\$0.000069)  | (\$0.001401)   | 1        |
| 2        | Rate CS                | \$0.000013   | (\$0.001360)  | (\$0.000115)  | (\$0.001462)   | 2        |
| 3        | Rate LLF               | \$0.000009   | (\$0.001250)  | \$0.000265  | (\$0.000976)   | 3        |
| 4        | Rate HLF <sup>1/</sup> | \$0.004065   | (\$0.774742)  | \$0.353827  | (\$0.416850)   | 4        |
| 5        | Customer L             | \$0.000006   | (\$0.001865)  | \$0.000899  | (\$0.000960)   | 5        |
| 6        | Customer O             | \$0.000007   | (\$0.001223)  | \$0.000645  | (\$0.000571)   | 6        |
| 7        | Rate WP                | \$0.000008   | (\$0.001560)  | \$0.000695  | (\$0.000857)   | 7        |
| 8        | Rate SL                | \$0.000004   | (\$0.002611)  | \$0.002503  | (\$0.000104)   | 8        |
| 9        | Rate MHLS              | \$0.000003   | (\$0.001726)  | \$0.001628  | (\$0.000095)   | 9        |
| 10       | Rates MOLS and UOLS    | \$0.000004   | (\$0.002412)  | \$0.001033  | (\$0.001375)   | 10       |
| 11       | Rates TS, FS and MS    | \$0.000008   | (\$0.001855)  | \$0.001026  | (\$0.000821)   | 11       |
|          |                        | (Page 7)   | (Page 8)  | (Page 9)  |  |          |

1/ Factor for HLF is \$ / KW.

**DUKE ENERGY INDIANA, LLC**

**WEIGHTED COST OF CAPITAL AS OF DECEMBER 31, 2025  
REFLECTING THE 9.75% RETURN ON COMMON  
EQUITY APPROVED IN IURC CAUSE NO. 46038  
(DOLLARS IN THOUSANDS)**

| Line No. | Capitalization   | Capital Structure Ratio |                    | Cost Rate      | Weighted Cost Rate |                    |                 | Line No.        |
|----------|--|-------------------------|--------------------|----------------|--------------------|--------------------|-----------------|-----------------|
|          |  | Financial Concept       | Regulatory Concept |                | Financial Concept  | Regulatory Concept | Synch. Interest |                 |
|          | (A)  | (B)                     | (C)                | (D)            | (E)                | (F)                | (G)             |                 |
| 1        | Common Equity  | \$5,883,703             | 53.68%             | 43.78%         | 9.75%              | 5.23%              | 4.27%           | 1               |
| 2        | Preferred Stock  | 0                       | 0.00%              | 0.00%          | 0.00%              | 0.00%              | 0.00%           | 2               |
| 3        | Long-Term Debt   | <u>5,077,801</u>        | <u>46.32%</u>      | <u>37.78%</u>  | 4.78%              | <u>2.21%</u>       | 1.83%           | 3               |
| 4        | Total Financial Capitalization                           | 10,961,504              | <u>100.00%</u>     | 81.56%         |                    | <u>7.44%</u>       |                 | 4               |
| 5        | Deferred Income Taxes Including Excess Deferred Taxes 1/ | 2,259,317               |                    | 16.82%         | 0.00%              |                    | 0.00%           | 5               |
| 6        | Unamortized ITC - Crane Solar                            | 11,231                  |                    | 0.08%          | 7.44%              |                    | 0.01%           | 6               |
| 7        | Unamortized ITC - 1971 & Later                           | 94                      |                    | 0.00%          | 7.44%              |                    | 0.00%           | 7               |
| 8        | Unamortized ITC - Markland Hydro                         | 36,011                  |                    | 0.27%          | 7.44%              |                    | 0.02%           | 8               |
| 9        | Unamortized ITC - Camp Atterbury Solar                   | 476                     |                    | 0.00%          | 7.44%              |                    | 0.00%           | 9               |
| 10       | Unamortized ITC - Advanced Coal (IGCC)                   | 130,738                 |                    | 0.97%          | 7.44%              |                    | 0.07%           | 10              |
| 11       | Unamortized ITC - Purdue CHP                             | 4,386                   |                    | 0.03%          | 7.44%              |                    | 0.00%           | 11              |
| 12       | Customer Deposits  | <u>35,791</u>           |                    | <u>0.27%</u>   | 5.00%              |                    | <u>0.01%</u>    | 12              |
| 13       | Total Regulatory Capitalization                          | <u>\$13,439,548</u>     |                    | <u>100.00%</u> |                    |                    | <u>6.19%</u>    | <u>1.83%</u> 13 |

Revenue Requirement Conversion Factor

|        | Weighted Cost Rate | Revenue Conversion Factor |
|--------|--------------------|---------------------------|
| Debt   | 1.83%              | 1.00576                   |
| Equity | <u>4.36%</u>       | <u>1.33872</u>            |
| Total  | <u>6.19%</u>       | <u>1.24027</u>            |

1/ Excess deferred taxes are recorded as a regulatory asset/liability.

**DUKE ENERGY INDIANA, LLC**

**Comparison of the Effect of a Change in the Environmental Compliance  
Adjustment Factor (Tariff No. 62) on the Bill of a Typical Residential Customer Using 1,000 KWHs**

| Line No. | Description     | Revenue Adjustment Factor for Tariff No. 62<br>(A) | Base Bill for Typical Residential Customer <sup>1/</sup><br>(B) | All Other Trackers Excluding Tariff No. 62 as of April 1, 2026<br>(C) | Total Bill for Typical Residential Customer Excluding Tariff No. 62<br>(D) | Tariff No. 62 Revenue Adjustment for 1,000 KWHs<br>(E) | Total Bill Including Tariff No. 62 Revenue Adjustment<br>(F) | Increase/ (Decrease) in Total Bill from Current Factor<br>(G) | % Increase/ (Decrease) in Total Bill from Current Factor<br>(H) | Line No. |
|----------|-----------------|--|---|---|--|--|--|---|---|----------|
| 1        | Proposed Factor | (\$0.001401)                                       | \$164.71  | \$4.13  | \$168.84   | (\$1.40)   | \$167.44   | \$2.22  | 1.3%  | 1        |
| 2        | Current Factor  | (\$0.003619)                                       | \$164.71  | \$4.13  | \$168.84   | (\$3.62)   | \$165.22   | N/A   | N/A   | 2        |

1/ Reflects rates approved in Cause No. 46038.

**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: Christa L. Graft  
Christa L. Graft

Dated: March 30, 2026