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Volatile Fossil Fuels Drive Looming 16% Rate Increase for Duke Ratepayers

Duke must speed transition to renewables and increase investments in energy efficiency

INDIANAPOLIS – On April 28th, Duke Energy Indiana filed its quarterly Fuel Adjustment Clause ("FAC") tracker before the Indiana Utility Regulatory Commission ("IURC"). The FAC tracker is an adjustable-rate mechanism which allows the utilities to adjust the price customers pay to reflect fluctuations in the cost of fuel used, like coal and fossil gas, and the costs of any purchased power used to supply electricity to ratepayers. The proceeding is docketed at the IURC as Cause No. 38707 FAC-132.

Duke Energy states in its filing, "*The [rate] being proposed in this proceeding represents* ***an increase of $22.59 or 16.0% over what such customer is paying today*** *and an increase of $32.39 or 24.6% over what such customer paid for the same period last year*." Should the IURC approve Duke's request, the new rates would take effect in July and remain through September of 2022, when another updated FAC tracker is expected.

"This is just the latest example of how expensive and risky fossil fuels like coal and fossil gas are costing families across Indiana," said Ben Inskeep, Program Director at CAC. "Duke Energy has long delayed action to address the climate crisis, and now Hoosiers are paying for it through skyrocketing energy bills."

In justifying the proposed increase, Duke Energy disclosed, *"As a result of the* ***continued volatility in the fuel markets*** *the Company has been subjected to a* ***significant and prolonged rise in coal, natural gas, and [wholesale power] prices*** *between the times our projections are made and when the rates go into effect."* Additionally, throughout the filing, Duke Energy discusses how high gas prices, coal supply, and fossil fuel transportation constraints significantly impacted how the Company operated its fossil fuel thermal plants and purchased energy and fuel in the marketplace.

"Hoosier ratepayers have already been saddled with unaffordable winter heating bills," said Kerwin Olson, Executive Director of CAC. "Now it appears things will not get any easier as fossil fuels continue to exacerbate the affordability crisis. This underscores the urgency for Duke Energy and all Indiana energy utilities to immediately transition to clean and renewable energy and to increase investments in energy efficiency, neither of which are subject to the regular and ongoing volatility of fuel prices and fuel-supply constraints facing coal and fossil gas."

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Copies of the petition and direct testimony of Duke Energy are available upon request or can be located on the IURC Online Services Portal here.