

**STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF SOUTHERN INDIANA GAS AND)
ELECTRIC COMPANY D/B/A CENTERPOINT ENERGY)
INDIANA SOUTH (“CEI SOUTH”) FOR (1) AUTHORITY)
TO MODIFY ITS RATES AND CHARGES FOR ELECTRIC)
UTILITY SERVICE THROUGH A PHASE-IN OF RATES,)
(2) APPROVAL OF NEW SCHEDULES OF RATES AND)
CHARGES, AND NEW AND REVISED RIDERS,)
INCLUDING BUT NOT LIMITED TO A NEW TAX)
ADJUSTMENT RIDER AND A NEW GREEN POWER)
RIDER (3) APPROVAL OF A CRITICAL PEAK PRICING)
 (“CPP”) PILOT PROGRAM, (4) APPROVAL OF REVISED)
DEPRECIATION RATES APPLICABLE TO ELECTRIC) **CAUSE NO. 45990**
AND COMMON PLANT IN SERVICE, (5) APPROVAL OF)
NECESSARY AND APPROPRIATE ACCOUNTING)
RELIEF, INCLUDING AUTHORITY TO CAPITALIZE AS)
RATE BASE ALL CLOUD COMPUTING COSTS AND)
DEFER TO A REGULATORY ASSET AMOUNTS NOT)
ALREADY INCLUDED IN BASE RATES THAT ARE)
INCURRED FOR THIRD-PARTY CLOUD COMPUTING)
ARRANGEMENTS, AND (6) APPROVAL OF AN)
ALTERNATIVE REGULATORY PLAN GRANTING CEI)
SOUTH A WAIVER FROM 170 IAC 4-1-16(f) TO ALLOW)
FOR REMOTE DISCONNECTION FOR NON-PAYMENT)**

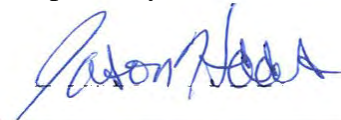
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC’S EXHIBIT NO. 8-S

SETTLEMENT TESTIMONY OF OUCC WITNESS BRIAN A. WRIGHT

July 19, 2024

Respectfully submitted,



T. Jason Haas
Deputy Consumer Counselor
Attorney No. 34983-29

**SETTLEMENT TESTIMONY OF OUCC WITNESS BRIAN WRIGHT
CAUSE NO. 45990
SOUTHERN INDIANA GAS AND ELECTRIC COMPANY D/B/A
CENTERPOINT ENERGY INDIANA SOUTH**

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Brian A. Wright, and my business address is 115 W. Washington St.,
3 Suite 1500 South, Indianapolis, IN, 46204.

4 **Q: Are you the same Brian A. Wright who filed direct testimony in this cause?**

5 A: Yes.

6 **Q: Have you reviewed the Settlement Agreement, settlement testimony, and**
7 **rebuttal testimony in this proceeding?**

8 A: Yes.

9 **Q: What is the purpose of your testimony?**

10 A: The purpose of my settlement testimony is to address issues and concerns with the
11 pending Settlement Agreement between Southern Indiana Gas and Electric
12 Company d/b/a CenterPoint Energy Indiana South's ("Petitioner," "CEI South,"
13 or "Company"), SABIC, and the CenterPoint Industrial Group.¹ . In addition, I
14 will address issues and concerns with the rebuttal testimony. Specifically, I
15 address the Aggregation Demand Response Rider ("Rider ADR") and Green
16 Energy Rider ("Rider GE").

17 **Q: Did the Settlement Agreement address Rider ADR and Rider GE?**

18 A: Yes, Section 7.a of the Settlement Agreement states:

19 Critical Peak Pricing Pilot, Rider ADR, and Green Energy Rider.
20 The Settling Parties stipulate and agree that CEI South's Critical

¹ Consolidated Grain and Barge, Country Mark Refining and Logistics, LLC, Marathon Petroleum Company, and Toyota Motor Manufacturing of Indiana, Inc.

1 Peak Pricing Pilot, Rider ADR, and Green Energy Rider should be
2 approved as proposed by CEI South. CEI South commits to
3 providing all parties to this Cause a copy of the contract with the
4 demand response aggregator after it has been signed.

5 **Q: Did the Settlement Agreement address the issues you raised in your initial**
6 **testimony?**

7 A: No. Because the Settlement Agreement states the Rider ADR and Rider GE
8 should be approved as proposed by CEI South, I also address rebuttal testimony
9 regarding these issues.

10 **Q: Has anything in the Settlement Agreement, settlement testimony, and/or**
11 **rebuttal testimony changed your positions or the recommendations you**
12 **testified to in your direct testimony?**

13 A: No. My recommendations remain the same as I stated in my direct testimony. I
14 still recommend denial of the proposed Rider ADR due to a lack of basic
15 information provided on the budget and functioning of the program. I also
16 recommend the "Rider GE" consider multiple REC marketplaces when setting
17 REC prices for the program in order to maximize the benefit of the RECs for all
18 rate classes.

19 **Q: If you do not address a specific topic, issue, or item in your testimony, should**
20 **it be construed to mean you agree with Duke's proposal?**

21 A: No. My silence on any issue should not be construed as an endorsement. Also, my
22 silence in response to any actions or adjustments stated or implied by Petitioner
23 should not be construed as an endorsement.

II. RIDER ADR

24 **Q: What was your recommendation regarding Rider ADR?**

25 A: I recommended the proposed Rider ADR be denied because CEI South did not
26 provide sufficient information on the program, including the program budget, how

1 the program would be funded, how MISO-qualified energy and demand
2 reductions from the program would be credited, or how success or failure of the
3 program would be evaluated.

4 **Q: How did Petitioner's Witness Justin Forshey respond to the OUCC's**
5 **comments on the lack of basic information on the Rider ADR in the case in**
6 **chief?**

7 A: In his rebuttal testimony, Mr. Forshey states that information on the pricing and
8 implementation plans for aggregation were included in the 2022/2023 All Source
9 Request for Proposal ("RFP").²

10 **Q: Was the RFP referenced in CEI South's direct testimony (or attachments) in**
11 **this Cause?**

12 A: No.

13 **Q: Was the additional information CEI South provided in rebuttal testimony**
14 **sufficient to address your concerns?**

15 A: No. While Mr. Forshey and CEI South witness Matthew Rice provided additional
16 information, it was not sufficient to address the concerns raised in my direct
17 testimony.³

18 **Q: Does CEI South's reliance on a confidential RFP not referenced in its case-**
19 **in-chief to supply basic information on the proposed Rider ADR meet the**
20 **burden of proof for requested relief as required by the Commission?**

21 A: No. In his rebuttal testimony, Mr. Forshey states: "To the extent the OUCC
22 believed the IRP NDA prevented its use of that information in this case, it could
23 have requested that same information in discovery in this case."⁴ However, it is
24 not the responsibility of the OUCC to seek out information to support CEI

² Petitioner's Exhibit No. 17-R, Rebuttal Testimony of Justin Forshey, p. 3, ll.26-29.

³ Forshey Rebuttal, p. 2, l. 22 to p. 5, l. 19; Petitioner's Exhibit 19-R, Rebuttal Testimony of Matthew Rice, p. 24, l. 4 to p. 28, l. 18.

⁴ Forshey Rebuttal, p. 4, ll. 28-30.

1 South's positions. Petitioner attempts to inappropriately shift the burden to the
2 OUCC. In Cause No. 45073, the Commission stated that "[The Petitioner] is
3 reminded that it bears the burden of proof in demonstrating it is entitled to its
4 requested relief. The OUCC should not have to request or otherwise seek basic
5 supporting documentation that should have been provided with Petitioner's case-
6 in-chief to support its requested relief."⁵ CEI South did not supply basic
7 supporting documentation on the program in its case-in-chief, and this is not
8 changed by CEI South's attempt to state after the fact that this documentation was
9 in an unassociated confidential document that is not referenced in the case-in-
10 chief or included as an attachment. Approving this program when essential
11 information is not included in CEI South's case-in-chief would set the precedent
12 that utilities no longer bear the burden of proof in demonstrating the need for
13 requested relief.

III. RIDER GE

14 **Q: What was your concern in your direct testimony regarding Rider GE?**

15 A: I was concerned that the language in Rider GE was ambiguous. I recommended
16 the language be edited to ensure the process functions as CEI South has testified,
17 and to ensure ratepayers receive the full benefits of the REC sales as credited
18 through the CECA rider.

19 **Q: How does Witness Rice respond to the OUCC's request that CEI South**
20 **maximize the value of RECs sold through the Rider GE in order to ensure**
21 **the best benefit for all rate classes?**

⁵ *City of Evansville, Indiana*, Cause No. 45073, Order of the Commission at p. 8 (December 19, 2018).

1 A: Mr. Rice states that CEI South is currently selling RECs for what the market will
2 bear, and that monitoring multiple REC marketplaces would place a significant
3 administrative burden and increased administrative costs on CEI South.⁶

4 **Q: Does Mr. Rice provide any evidence to support these assertions?**

5 A: No. Mr. Rice admits in his rebuttal that CEI South has recently sold RECs outside
6 of the M-RETs marketplace,⁷ so it is already selling in multiple different
7 marketplaces. This leads me to question how continuing to sell in different
8 marketplaces would increase administrative burden and cost.

9 **Q: Does the failure to maximize REC revenues impact the affordability of**
10 **renewable energy products?**

11 A: In a number of petitions for approval of renewable energy projects, such as Cause
12 Nos. 45836 and 46058, CEI South has stated that the sale of RECs will contribute
13 to the affordability of its proposed renewable projects.⁸ If instead of this, CEI
14 South chose to retire its RECs, it would be prioritizing its own goals over
15 ratepayer affordability. CEI South even points to the sale of RECs as evidence of
16 the affordability of one of its pending projects.⁹ By failing to maximize the
17 revenue from the sale of these RECs (or failure to sell all of the available RECs),
18 CenterPoint negatively affects the affordability of renewable projects, and
19 therefore, the affordability of its rates. If CEI South does not sell its RECs at the
20 highest reasonable price, or if it doesn't sell them at all, then CEI South would
21 necessarily pass higher costs onto its ratepayers than those contemplated in cases

⁶ Rice Rebuttal, p. 23, ll. 3, 16-20.

⁷ Rice Rebuttal, p. 23, ll. 20-22.

⁸ Cause No. 45836, Petitioner's Exhibit No. 4, Verified Direct Testimony of Chrissy M. Behme, p. 9, ll. 18-20; Cause No. 46058, Petitioner's Exhibit No. 1, Verified Direct Testimony of F. Shane Bradford, p. 13, ll. 6-8.

⁹ Cause No. 46058, Bradford Direct, p. 13, ll. 6-8.

1 such as Cause Nos. 45836 and 46058. By limiting sales of the RECS to M-RETS
2 instead of the best available price for the benefit of large industrial customers,
3 CEI South is turning the proposed Rider GE into an interclass subsidy.

4 **Q: Does the OUCC agree with Mr. Rice's assertion that large industrial**
5 **customers will relocate or build behind the meter generation¹⁰ if the program**
6 **does seek the best possible cost of RECs?**

7 A: No. For any business, such a major decision as relocation or building behind the
8 meter generation will be based on a number of factors such as land availability,
9 cost of construction, labor costs, etc. The assertion that large industrial customers
10 would base this decision solely on the availability of low-cost RECs through the
11 Rider GE is speculation and Rice's rebuttal testimony provides no support for this
12 statement.

IV. RECOMMENDATIONS

13 **Q: What is the OUCC's recommendation in this Cause?**

14 A: I recommend the Commission adopt my recommendations as filed in my direct
15 testimony.

16 **Q: Does this conclude your settlement testimony?**

17 A: Yes.

¹⁰ Rice Rebuttal Testimony, p. 23, ll. 11-13.

AFFIRMATION

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



Brian A. Wright
Utility Analyst
Indiana Office of Utility Consumer Counselor
Cause No.45990
CenterPoint Energy Indiana South

07-19-2024
Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following counsel of record in the captioned proceeding by electronic service on July 19, 2024.

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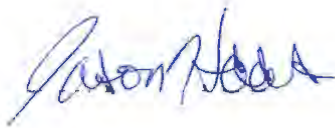
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