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April 1, 2021
INDIANA UTILITY
REGULATORY COMMISSION

Petitioner's Exhibit No. 4
Cause No. 44430-TDSIC-14
CEI North
Page 1 of 11

INDIANA GAS COMPANY, INC.
d/b/a CENTERPOINT ENERGY INDIANA NORTH
(CEI NORTH)

IURC CAUSE NO. 44430-TDSIC-14

DIRECT TESTIMONY
OF
KATIE J. TIEKEN
MANAGER, REGULATORY AND RATES

ON

PROPOSED CSIA RATES AND CHARGES

SPONSORING PETITIONER'S EXHIBIT NO. 4,
ATTACHMENTS KJT-1 THROUGH KJT-3

DIRECT TESTIMONY OF KATIE J. TIEKEN

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Katie J. Tieken. My business address is 211 N. W. Riverside Drive, Evansville, Indiana, 47708.

Q. By whom are you employed?

A. I am employed by CenterPoint Energy, Inc. ("CenterPoint"). Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North ("CEI North", "the Company" or "Petitioner") is an indirect subsidiary of CenterPoint.

Q. What position do you hold with Petitioner CEI North?

A. I am Manager, Regulatory and Rates for CenterPoint, the ultimate parent company of CEI North. I hold the same position with two other utility subsidiaries of CenterPoint – Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South") and Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio ("CEOH").

Q. Please describe your educational background.

A. I am a 2001 graduate of the University of Evansville with a Bachelor of Science degree in Business Administration with double majors in finance and mathematics.

Q. Please describe your professional experience.

A. From 2002 to 2007, I was employed by EG&G Technical Services as a financial analyst and contract administrator. Since October 2007, I have been employed with Vectren Corporation ("Vectren") and CenterPoint in various regulatory capacities. In 2015, I was named Manager, Regulatory and Rates. I was named to my current position in February 2019.

Q. What are your present duties and responsibilities as Manager, Regulatory and Rates?

A. I am responsible for the Indiana and Ohio regulatory and rate matters of the regulated utilities within CenterPoint in proceedings before the Indiana and Ohio utility regulatory commissions. I also have responsibility for the implementation of all regulatory initiatives of CEI North (and other utility subsidiaries in Indiana and Ohio), as well as the preparation of regulatory and

1 rates exhibits submitted in various regulatory proceedings.
2

3 **Q. Have you ever testified before any state regulatory commission?**

4 A. Yes. I have testified before the Indiana Utility Regulatory Commission ("IURC" or
5 "Commission") on behalf of CEI North in its Gas Cost Adjustment ("GCA"), Cause No. 37394
6 beginning with GCA 147. I have also testified before the Indiana Utility Regulatory
7 Commission ("IURC" or "Commission") on behalf of CEI South in its Fuel Adjustment Clause
8 ("FAC"), Cause No. 38708, beginning with FAC126. I have also testified on behalf of CEI
9 South in Cause No. 43354 (MISO Cost and Revenue Adjustment ("MCRA"), MCRA23 and
10 MCRA24 and in Cause No. 43406 (Reliability Cost and Revenue Adjustment ("RCRA"),
11 RCRA18. I have also testified on behalf of CEI South in its Gas Cost Adjustment ("GCA")
12 proceeding Cause No. 37366, beginning in GCA 147. Most recently, I have testified on behalf
13 of CEI South and CEI North in their general gas base rate case proceedings, Cause No. 45447
14 and Cause No. 45468, respectively.
15

16 **Q. What is the purpose of your testimony in this proceeding?**

17 A. I will support CEI North's request to implement a Compliance and System Improvement
18 Adjustment ("CSIA") as previously approved by the Commission on August 27, 2014 in Cause
19 No. 44429 ("44429 Order" or "Order"), which will include both a Compliance Component
20 ("Compliance Component") under Ind. Code Ch. 8-1-8.4 ("Compliance Statute") and a TDSIC
21 Component ("TDSIC Component") under Ind. Code Ch. 8-1-39 ("TDSIC Statute"). I will
22 support certain aspects of CEI North's request to (1) recover 80% of the calculated combined
23 revenue requirements of the Compliance and TDSIC Components, and (2) defer 20% of the
24 calculated combined revenue requirements of the Compliance and TDSIC Components for
25 future recovery in CEI North's pending general rate case, Cause No. 45468.
26

27 I will discuss the impacts to the TDSIC proposed in this proceeding as a result of the
28 Stipulation and Settlement Agreement approved in Cause No. 45032-S21 ("Tax Reform
29 Order"). The Tax Reform Order, approved by the Commission on August 29, 2018, addressed
30 the impacts on Indiana utilities and customers resulting from the December 22, 2017 Tax Cuts
31 and Jobs Act of 2017 ("TCJA").
32

Finally, I will support the updated CSIA rates and charges, and request approval of the costs incurred through December 31, 2020 to be recovered in the CSIA, with such rates and charges to be approved in this proceeding and implemented on July 1, 2021 and remaining in effect until replaced by rates as approved in Petitioner's pending base rate case, Cause No. 45468.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring the following exhibits in this proceeding:

- Petitioner's Exhibit No. 4, Attachment KJT-1: CSIA Rate Derivation, Schedules 1-3.
- Petitioner's Exhibit No. 4, Attachment KJT-2: CSIA Tariff Sheet, Pages 1-2.
- Petitioner's Exhibit No. 4, Attachment -KJT-3: CSIA Projected Year-Over-Year Revenue Percentage Change, Schedules 1-2.

Q. Were these exhibits prepared by you or under your supervision?

A. Yes, they were.

II. BACKGROUND

Q. Please describe the CSIA approved in Cause No. 44429.

A. On November 25, 2013, CEI North and CEI South separately petitioned the Commission in Cause No. 44430 and Cause No. 44429, respectively. The Commission subsequently consolidated the two proceedings into Cause No. 44429. In that consolidated proceeding, CEI North and CEI South requested the following relief:

(1) Approval and granting of a Certificate of Public Convenience and Necessity ("CPCN") for Compliance Projects (and the associated costs) designed both to comply with federally mandated requirements and to improve the safety, reliability, and integrity of CEI North's and CEI South's transmission and distribution pipeline systems, with such costs to be recovered in the Compliance Component of the CSIA;

(2) Approval of a Seven Year Plan undertaken for purposes of safety, reliability, system modernization, or economic development, with such costs to be recovered via a TDSIC

Component of the CSIA;

(3) Approval of the Company's Seven Year TDSIC Plans (and any Compliance Projects, in the event and to the extent that the Commission concludes that any such project does not meet the requirements of the Compliance Statute), including a process for annual updates to the TDSIC Plans and the Compliance Projects;

(4) Approval of a rate adjustment mechanism for timely recovery of 80% of the costs of the Compliance Projects and the TDSIC Plans (collectively referred to herein as the "7 Year Plan"), including financing costs incurred during construction;

(5) Authorization of the deferral of 20% of the costs of the 7 Year Plan, and interim deferrals of such costs, until such costs are reflected in CEI North's and CEI South's retail rates; and

(6) Approval of other related ratemaking relief and tariff proposals.

The above requested relief was approved in the Commission's August 27, 2014 Order in Cause No. 44429.

III. RATEMAKING TREATMENT

Q. Please summarize the Commission's findings in the Order related to ratemaking and accounting and the applicable statutory authority.

A. Pursuant to the Order, CEI North was authorized accounting authority starting January 1, 2014 for, and subsequent recovery of, costs specific to the proposed Federally Mandated Projects ("Compliance Projects") and 7-Year infrastructure plan ("TDSIC Plan", collectively "the Plan"). The Plan approved in the Order was modified in TDSIC-9 and approved by the Commission in the TDSIC-9 Order. The modified Plan is supported by the testimony of CEI North witness Steven A. Hoover. The accounting authority approved includes the timely recovery within the CSIA of eighty percent (80%) of the revenue requirement associated with the Plan capital investments and Operations and Maintenance ("O&M") expenses, and

deferral of the remaining twenty percent (20%) of the revenue requirement in CEI North's pending base rate case, Cause No. 45468.

Q. Please explain the specific ratemaking treatment CEI North is requesting in this case.

A. CEI North is proposing the following ratemaking treatment in accordance with the Order:

1. Recovery, via the CSIA, of 80% of the eligible revenue requirement amounts as of December 31, 2020
2. Deferral of 20% of the eligible revenue requirement amounts as of December 31, 2020 for recovery in the pending base rate case, Cause No. 45468

IV. TAX REFORM ORDER

Q. Please describe the Tax Reform Order and how it impacts the CSIA mechanism.

A. The Tax Reform Order represents an agreement between CEI North, the OUCC, and the Indiana Industrial Group (collectively, "the Settling Parties") on the treatment of cost savings and other credits attributed to the TCJA. In Cause No. 45032, the Commission opened an investigation into the impacts of the TCJA on Indiana utilities and customers, subsequently dividing the investigation into two phases. Phase I was to address the immediate impact on customer rates and charges associated with the reduction in the federal income tax rate from 35% to 21%. Consistent with the terms of the Tax Reform Order, CEI North's revised base rates and charges were approved effective June 1, 2018.¹

Phase II addressed all other issues, specifically (1) the treatment and subsequent credits to customers of Excess Accumulated Deferred Income Tax ("EADIT") liability balances arising from the revaluation of Accumulated Deferred Income Tax balances at the lower federal tax rate ("EADIT Credit"), and (2) the treatment of the accrued regulatory liability established to capture the difference in collections between the 35% effective Federal tax rate reflected in base rates and charges and the revised 21% Federal tax rate effective January 1, 2018 ("Tax Refund Credit"). The Tax Reform Order specifies that these components, the EADIT Credit

¹ Thirty Day Filing Pursuant to Cause No. 45032, identified by the Commission as #50170 (approved May 30, 2018).

1 and the Tax Refund Credit, are to be included within CEI North's CSIA proceedings.

2
3 The EADIT Credit has been included annually in CEI North's fall (October 1) CSIA filing,
4 allocated consistent with the allocations defined in the Tax Reform Order and noted later in
5 my testimony, and credited to customers over a 12-month period. This credit represents
6 amortization of the EADIT liability using the Average Rate Assumption Method ("ARAM") for
7 the normalized or protected² balance, and a straight-line 10-year amortization period for the
8 unprotected balance.

9
10 The Tax Refund Credit, representing the excess collections from January 1, 2018 through
11 May 31, 2018, was included in TDSIC-9 as a component of the over or under-recovery
12 variance, and credited to customers over a six-month time period.

13
14 **Q. Did CEI North include the provisions of the Tax Reform Order in the CSIA?**

15 A. Yes, CEI North reflected the provisions of the Tax Reform Order beginning in TDSIC-9. As
16 explained further below, CEI North has included the EADIT Credit as a component of the CSIA
17 rates and charges on Schedule 1 of Attachment KJT-1, separately allocated on Schedule 2
18 of Attachment KJT-1 using the Tax Reform Order allocation percentages. The Tax Refund
19 Credit for the period January 2018 through May 2018 was included in TDSIC-9, approved and
20 effective January 30, 2019.

21
22 **Q. Was the EADIT Credit revised in TDSIC-10?**

23 A. Yes. As noted within Attachment A to the Tax Reform Settlement, the total EADIT balance
24 and annual amortization amounts were subject to change pending finalization of CEI North's
25 tax return, which was to be filed no later than October 15, 2018. The filed tax return reflected
26 changes to the EADIT balance driven by:

27 (1) The systematic calculation of ARAM within CEI North's tax system, Power Tax, which
28 aligned the plant-related deferred taxes and associated EADIT liability to the asset-specific
29 life;

² Normalized or protected, as defined by Internal Revenue Service requirements, are those balances associated with property, plant, and equipment. ARAM results in the amortization over the remaining regulatory life of the assets, which is approximately 30-years for CEI North.

(2) The finalizing of 2017 tax results, including incorporation of guidance on the accounting for TCJA impacts, issued by the Internal Revenue Service in August 2018; and

(3) The impacts of the change in the Federal income tax rate on Indiana State tax deferrals.

Within TDSIC-10, CEI North adjusted the EADIT Credit to match the annual amortization amounts from the finalized tax return. The annual amortization schedule presented in TDSIC-10 is unchanged, and CEI North has used this annual amortization schedule to support the EADIT Credit in this filing ("TDSIC-14").

V. RATE DESIGN AND DERIVATION OF CSIA RATES AND CHARGES

Q. Please describe the rate design applicable to the CSIA.

A. As approved in the 44429 Order, customers receiving service under Rate 210 (Residential Sales Service) pay a fixed CSIA charge each month. Customers receiving service under all other Rate Schedules pay a volumetric (per therm) CSIA rate.

Q. How are costs in the CSIA allocated to the Rate Schedules?

A. As approved in the 44429 Order, Compliance Component costs are allocated based on the margin allocation percentages from CEI North's most recent base rate case in Cause No. 43298. As modified by the order in TDSIC-4 and pursuant to the TDSIC Statute, TDSIC Component costs are allocated based on revenue allocation percentages from CEI North's most recent base rate case in Cause No. 43298.

Q. Is CEI North requesting a revision to the Allocation Percentages as approved in the TDSIC-5 Order?

A. No.

Q. Is CEI North still compliant with the TDSIC Statute, as related to a revenue-based allocation of costs?

A. Yes. The TDSIC Component continues to be allocated amongst the Rate Schedules using the customer class revenue allocation factors from the Company's most recent base rate case order (Cause No. 43298).

1
2 **Q. Please describe Petitioner's Exhibit No. 4, Attachment KJT-1, CSIA Rate Derivation**
3 **Schedules.**

4 A. This attachment contains the schedules which support the derivation of the Company's
5 proposed CSIA rates and charges.
6

7 Attachment KJT-1, Schedule 1, shows the allocation of the CSIA revenue requirement and
8 the derivation of CSIA charges by Rate Schedule. The schedule is divided into sections to
9 reflect the different approaches utilized to allocate the CSIA revenue requirement, the EADIT
10 Credit, and the CSIA variance and to derive the proposed CSIA charges by Rate Schedule.
11 Lines 1 through 6 show the derivation of the revenue requirement component of the CSIA
12 rate, using the allocation from Attachment KJT-1, Schedule 2. Lines 8 through 13 show the
13 derivation of the EADIT Credit component of the CSIA rate, using the allocation from
14 Attachment KJT-1, Schedule 2. For residential (Rate 210) customers, the allocated amounts
15 are divided by the projected number of customers in Rate 210, and then divided by 12, to
16 determine the monthly charge or credit applicable to residential customers. For all other rate
17 schedules (Rates 220/229, 225, 240, 245, 260/270), the allocated amounts are divided by
18 projected annual billing quantities for each Rate Schedule to determine the charge or credit
19 per therm applicable to those Rate Schedules. For convenience, a subtotal of the revenue
20 requirement and EADIT Credit by Rate Schedule is provided on lines 15 through 20.
21

22 Lines 22 through 27 of Schedule 1 show the derivation of the variance component of the CSIA
23 rate, using the specific variance amounts by Rate Schedule from page 1 of Attachment JRM-
24 1, Schedule 2. The variance component of the CSIA will be collected over a six-month period,
25 as the total variance represents the over or under recovery of authorized amounts over a six-
26 month period. For residential (Rate 210) customers, the variance is divided by the projected
27 number of customers in Rate 210 for the six-month period, and then divided by 6, to determine
28 the monthly charge or credit for the variance component applicable to residential customers.
29 For all other Rate Schedules (Rates 220/229, 225, 240, 245, and 260/270), the variance is
30 divided by projected billing quantities for the six-month period for each Rate Schedule to
31 determine the charge or credit per therm for the variance component applicable to those Rate
32 Schedules.
33

For all Rate Schedules, the total applicable CSIA rates and charges are summarized on lines 29 through 34 of Schedule 1 before being modified for recovery of IURT. The total CSIA for each Rate Schedule inclusive of IURT is listed on lines 36 through 41 of Schedule 1.

Lines 1 through 3 of Attachment KJT-1, Schedule 2 list the revenue requirement without variance by component and in total from Attachment JRM-1, Schedule 1. Line 4 shows the applicable EADIT Credit³. The allocation percentages used to determine the revenue requirement and EADIT Credit for each rate schedule are shown in columns C, E, and G⁴. The rate schedule allocation percentages are multiplied by the respective amounts to determine the allocated revenue requirement and EADIT Credit by rate schedule.

Attachment KJT-1, Schedule 3, shows the average of CEI North's projected twelve-month residential customer count, the projected volumes in therms for all other Rate Schedules, the applicable rates, and projected recoveries by month, by Rate Schedule. The proposed rates and charges in TDSIC-14 will be in effect from July through December 2021. Starting in July 2021, the authorized recoveries on Schedule 3 exclude the variance component of the CSIA, as the variance component of the CSIA will be collected from July through December 2021.

Q. Please describe Petitioner's Exhibit No. 4, Attachment KJT-2.

A. Attachment KJT-2 is the proposed CEI North Tariff Sheet, Sheet No. 40 – Appendix K, containing the CSIA rates and charges proposed herein. Both redlined and clean versions of Sheet No. 40 are included.

Q. Please describe Petitioner's Exhibit No. 4, Attachment KJT-3, Projected Year-Over-Year Revenue Percentage Change.

³ Tax Reform Order in Cause No. 45032-S21 defines the annual amortization of the EADIT Credit for CEI North. The annual amounts are grossed up using the revenue conversion factor from Cause No. 45032-S21 and evenly divided by month to determine the credit applicable to the TDSIC-13 and TDSIC-14 rate effective period.

⁴ The allocation percentages shown in Column G reflect the Tax Reform Order allocation percentages. These allocation percentages are applied to the total EADIT Credit projected for January 2021 through December 2021 to determine the credit amounts to each Rate Schedule. In accordance with the Tax Reform Order, the calculation of the EADIT Credit rate (or charge) per unit follows the same methodology used to determine the CSIA revenue requirement.

1 A. Attachment KJT-3, Schedule 1 summarizes the estimated year-over-year impact the costs
2 associated with the Compliance Projects will have on customer rates, in total and by rate
3 schedule.

4
5 Attachment KJT-3, Schedule 2 summarizes the estimated year-over-year impact the costs
6 included in the TDSIC plan will have on customer rates as required by the TDSIC Statute, in
7 total and by Rate Schedule.

8
9 In order to align the customer impacts to the plan investments, these impacts exclude the
10 EADIT Credits to be reflected in future CSIA rates and charges.

11
12
13 **VI. CONCLUSION**

14
15 **Q. Does this conclude your prepared direct testimony?**

16 A. Yes, it does.

VERIFICATION

The undersigned, Katie J. Tieken, affirms under the penalties of perjury that the answers in the foregoing Direct Testimony in Cause No. 44430-TDSIC-14 are true to the best of her knowledge, information and belief.


Katie J. Tieken

INDIANA GAS COMPANY, INC. d/b/a CENTERPOINT ENERGY INDIANA NORTH
CEI NORTH
COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT (CSIA)
RATE DERIVATION
FOR THE PERIOD OF JULY 1, 2021 THROUGH DECEMBER 31, 2021

	Rate Schedule	Amount	Projected Customer Count	Projected Billing Quantities (therms)	(Per Month)	(Per therm)	Reference
CSIA Allocated Revenue Requirement (A)							
1	210	\$ 54,415,259	572,056 (E)		\$ 7.93		
2	220/229	\$ 16,442,866		205,504,120 (E)		\$ 0.0800	
3	225	\$ 403,634		19,996,359 (E)		\$ 0.0202	
4	240	\$ 413,915		2,870,279 (E)		\$ 0.1442	
5	245	\$ 2,330,911		138,108,171 (E)		\$ 0.0169	
6	260/270	\$ 4,735,329		667,182,590 (E)		\$ 0.0071	
7	Total	<u>\$ 78,741,914</u>					
CSIA Allocated EADIT Credit (B)							
8	210	\$ (8,253,567)	572,056 (E)		\$ (1.20)		
9	220/229	\$ (2,315,680)		205,504,120 (E)		\$ (0.0113)	
10	225	\$ (71,656)		19,996,359 (E)		\$ (0.0036)	
11	240	\$ (45,382)		2,870,279 (E)		\$ (0.0158)	
12	245	\$ (414,410)		138,108,171 (E)		\$ (0.0030)	
13	260/270	\$ (841,957)		667,182,590 (E)		\$ (0.0013)	
14	Total	<u>\$ (11,942,652)</u>					
Subtotal – Annual Allocated Revenue Requirement and EADIT Credit							
15	210	\$ 46,161,692			\$ 6.72		Line 1 + 8
16	220/229	\$ 14,127,186				\$ 0.0687	Line 2 + 9
17	225	\$ 331,978				\$ 0.0166	Line 3 + 10
18	240	\$ 368,533				\$ 0.1284	Line 4 + 11
19	245	\$ 1,916,501				\$ 0.0139	Line 5 + 12
20	260/270	\$ 3,893,372				\$ 0.0058	Line 6 + 13
21	Total	<u>\$ 66,799,262</u>					
CSIA Allocated Variances Under/(Over) Recovery (C)							
22	210	\$ 1,399,081	566,893 (F)		\$ 0.41		
23	220/229	\$ 2,231,371		77,299,733 (F)		\$ 0.0289	
24	225	\$ 9,318		6,535,894 (F)		\$ 0.0014	
25	240	\$ 12,298		1,627,747 (F)		\$ 0.0076	
26	245	\$ 174,976		62,104,578 (F)		\$ 0.0028	
27	260/270	\$ 79,418		325,654,220 (F)		\$ 0.0002	
28	Total	<u>\$ 3,906,462</u>					
Total Excluding IURT							
29	210	\$ 47,560,772			\$ 7.14		Line 15 + 22
30	220/229	\$ 16,358,557				\$ 0.0976	Line 16 + 23
31	225	\$ 341,296				\$ 0.0180	Line 17 + 24
32	240	\$ 380,831				\$ 0.1360	Line 18 + 25
33	245	\$ 2,091,477				\$ 0.0167	Line 19 + 26
34	260/270	\$ 3,972,790				\$ 0.0061	Line 20 + 27
35	Total	<u>\$ 70,705,723</u>					
Total Including IURT (D)							
36	210				\$ 7.24		Line 29 / 0.9853
37	220/229					\$ 0.0991	Line 30 / 0.9853
38	225					\$ 0.0183	Line 31 / 0.9853
39	240					\$ 0.1380	Line 32 / 0.9853
40	245					\$ 0.0169	Line 33 / 0.9853
41	260/270					\$ 0.0062	Line 34 / 0.9853

Notes:

- (A) From KJT-1, Schedule 2, Column D + Column F
(B) From KJT-1, Schedule 2, Column H
(C) From JRM-1, Schedule 2, Page 1, Line 22 – amount to be recovered from or passed back to customers over 6-months.
(D) IURT gross up factor of 0.9853 effective January 1, 2021
(E) Based on 2021 budgeted annual customer count and volumes
(F) Based on 2020 budgeted semi-annual customer count and volumes

INDIANA GAS COMPANY, INC. d/b/a CENTERPOINT ENERGY INDIANA NORTH
CEI NORTH
COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT (CSIA)
ALLOCATION OF REVENUE REQUIREMENT EXCLUDING VARIANCES

			Revenue Requirement					
Line								
1	Compliance Component - Annual Revenue Requirement		\$	62,356,846	(A)			
2	TDSIC Component - Annual Revenue Requirement		\$	16,385,068	(B)			
3	CSIA Costs to be Recovered		\$	78,741,914	(C)			
4	EADIT Credit Component		\$	(11,942,652)	(D)			

		A	B	C	D	E	F	G	H
				Compliance Allocation Percentage	Compliance Allocated Revenue Requirement (Line 1 x Column C)	TDSIC Allocation Percentage	TDSIC Allocated Revenue Requirement (Line 2 x Column E)	EADIT Credit Allocation Percentage	EADIT Credit Allocated Amount (Line 4 x Column G)
5	210	Residential Sales Service		69.11%	\$ 43,094,816	69.09%	\$ 11,320,443	69.11%	\$ (8,253,567)
6	220/229	General Sales Service		19.39%	\$ 12,090,992	26.56%	\$ 4,351,874	19.39%	\$ (2,315,680)
7	225	School/Government Transportation Service		0.60%	\$ 374,141	0.18%	\$ 29,493	0.60%	\$ (71,656)
8	240	Interruptible Sales Service		0.38%	\$ 236,956	1.08%	\$ 176,959	0.38%	\$ (45,382)
9	245	Large General Transportation Service		3.47%	\$ 2,163,783	1.02%	\$ 167,128	3.47%	\$ (414,410)
10	260/270	Large Volume Transportation Service & Long-term Contract Service		7.05%	\$ 4,396,158	2.07%	\$ 339,171	7.05%	\$ (841,957)
					<u>\$ 62,356,846</u>		<u>\$ 16,385,068</u>		<u>\$ (11,942,652)</u>

Notes:

(A) From JRM-1, Schedule 1, Page 1 of 1, Line 1, Col. C

(B) From JRM-1, Schedule 1, Page 1 of 1, Line 2, Col. C

(C) Line 1 + Line 2

(D) From WP JRM-1-2.2 EADIT Credit

INDIANA GAS COMPANY, INC. d/b/a CENTERPOINT ENERGY INDIANA NORTH
CEI NORTH
COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT (CSIA)
PROJECTED RECOVERIES BY MONTH

Line	Rate Schedule		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Annual Total	
Projections (A)																
1	210 - Residential Sales Service	Count	562,785	561,819	562,447	565,370	572,760	576,179	578,191	579,243	579,404	578,038	575,506	572,928	572,056	12 Mos Avg
2	220/229 - General Sales Service	Therms	2,744,893	2,654,529	3,516,758	9,002,552	22,578,790	36,802,210	44,669,288	36,621,086	25,383,881	12,974,749	5,609,275	2,946,109	205,504,120	
3	225 - School/Government Transportation Service	Therms	518,163	533,676	612,102	949,508	1,449,750	2,472,695	3,228,187	3,350,583	2,966,392	1,939,931	1,272,367	703,005	19,996,359	
4	240 - Interruptible Sales Service	Therms	79,585	57,214	61,667	187,697	745,037	496,547	327,277	281,141	262,306	201,356	101,639	68,814	2,870,279	
5	245 - Large General Transportation Service	Therms	6,391,933	6,857,709	8,398,745	10,362,132	12,035,133	18,058,925	17,330,581	18,193,247	11,018,159	12,307,292	9,128,462	8,025,852	138,108,171	
6	260/270 - Large Volume Transportation Service & Long-term Contract Service	Therms	50,223,100	51,274,130	47,981,540	54,229,720	60,197,210	61,748,520	65,545,087	60,169,337	58,037,967	54,399,657	53,451,397	49,924,927	667,182,590	
Applicable Rates (B)																
7	210 - Residential Sales Service	Count	\$ 7.14	\$ 7.14	\$ 7.14	\$ 7.14	\$ 7.14	\$ 7.14	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	
8	220/229 - General Sales Service	Therms	\$ 0.0976	\$ 0.0976	\$ 0.0976	\$ 0.0976	\$ 0.0976	\$ 0.0976	\$ 0.0687	\$ 0.0687	\$ 0.0687	\$ 0.0687	\$ 0.0687	\$ 0.0687	\$ 0.0687	
9	225 - School/Government Transportation Service	Therms	\$ 0.0180	\$ 0.0180	\$ 0.0180	\$ 0.0180	\$ 0.0180	\$ 0.0180	\$ 0.0166	\$ 0.0166	\$ 0.0166	\$ 0.0166	\$ 0.0166	\$ 0.0166	\$ 0.0166	
10	240 - Interruptible Sales Service	Therms	\$ 0.1360	\$ 0.1360	\$ 0.1360	\$ 0.1360	\$ 0.1360	\$ 0.1360	\$ 0.1284	\$ 0.1284	\$ 0.1284	\$ 0.1284	\$ 0.1284	\$ 0.1284	\$ 0.1284	
11	245 - Large General Transportation Service	Therms	\$ 0.0167	\$ 0.0167	\$ 0.0167	\$ 0.0167	\$ 0.0167	\$ 0.0167	\$ 0.0139	\$ 0.0139	\$ 0.0139	\$ 0.0139	\$ 0.0139	\$ 0.0139	\$ 0.0139	
12	260/270 - Large Volume Transportation Service & Long-term Contract Service	Therms	\$ 0.0061	\$ 0.0061	\$ 0.0061	\$ 0.0061	\$ 0.0061	\$ 0.0061	\$ 0.0058	\$ 0.0058	\$ 0.0058	\$ 0.0058	\$ 0.0058	\$ 0.0058	\$ 0.0058	
Projected Recoveries																
13	210 - Residential Sales Service	Line 1 x Line 7	\$ 4,015,954	\$ 4,009,065	\$ 4,013,545	\$ 4,034,400	\$ 4,087,136	\$ 4,111,535	\$ 3,888,063	\$ 3,895,141	\$ 3,896,221	\$ 3,887,033	\$ 3,870,006	\$ 3,852,672	\$ 47,560,772	
14	220/229 - General Sales Service	Line 2 x Line 8	\$ 267,930	\$ 259,110	\$ 343,273	\$ 878,744	\$ 2,203,928	\$ 3,592,283	\$ 3,070,748	\$ 2,517,482	\$ 1,744,991	\$ 891,937	\$ 385,604	\$ 202,527	\$ 16,358,557	
15	225 - School/Government Transportation Service	Line 3 x Line 9	\$ 9,341	\$ 9,621	\$ 11,035	\$ 17,117	\$ 26,136	\$ 44,577	\$ 53,594	\$ 55,626	\$ 49,248	\$ 32,207	\$ 21,124	\$ 11,671	\$ 341,296	
16	240 - Interruptible Sales Service	Line 4 x Line 10	\$ 10,820	\$ 7,778	\$ 8,384	\$ 25,518	\$ 101,289	\$ 67,506	\$ 42,021	\$ 36,097	\$ 33,679	\$ 25,853	\$ 13,050	\$ 8,835	\$ 380,831	
17	245 - Large General Transportation Service	Line 5 x Line 11	\$ 106,709	\$ 114,484	\$ 140,211	\$ 172,988	\$ 200,918	\$ 301,480	\$ 240,493	\$ 252,464	\$ 152,897	\$ 170,786	\$ 126,674	\$ 111,373	\$ 2,091,477	
18	260/270 - Large Volume Transportation Service & Long-term Contract Service	Line 6 x Line 12	\$ 305,327	\$ 311,717	\$ 291,700	\$ 329,685	\$ 365,964	\$ 375,395	\$ 382,491	\$ 351,121	\$ 338,683	\$ 317,451	\$ 311,918	\$ 291,339	\$ 3,972,790	
19	Total Recoveries including variances during first six months		\$ 4,716,081	\$ 4,711,775	\$ 4,808,147	\$ 5,458,452	\$ 6,985,370	\$ 8,492,776	\$ 7,677,410	\$ 7,107,931	\$ 6,215,719	\$ 5,325,267	\$ 4,728,376	\$ 4,478,418	\$ 70,705,723	
20	20% Deferred (based on Revenue Requirement piece only)		\$ 1,291,753	\$ 1,291,135	\$ 1,310,842	\$ 1,451,984	\$ 1,778,461	\$ 2,094,122	\$ 2,256,848	\$ 2,091,000	\$ 1,829,866	\$ 1,570,544	\$ 1,396,135	\$ 1,322,789	\$ 19,685,478	

Notes:

- (A) Based on 2021 budgeted annual customer count and volumes
(B) First six months Per KJT-1, Sch 1, Lines 29 - 34. Second six months Per KJT-1, Sch 1, Lines 15 - 20. All rates exclude IURT.

Indiana Gas Company, Inc. D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren North)
Tariff for Gas Service
I.U.R.C. No. G-19

Sheet No, 40
Fourteenth Revised Page 1 of 1
Cancels Thirteenth Revised Page 1 of 1

APPENDIX K

COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT

APPLICABILITY

The Compliance and System Improvement Adjustment ("CSIA") shall be applicable to all Customers on the Rate Schedules set forth in the CSIA Charges section below.

DESCRIPTION

The CSIA shall include, as approved by the Commission:

- (1) In Cause No. 44429, recovery of costs incurred pursuant to Federally Mandated Projects ("Compliance") as provided for in Ind. Code Ch. 8-1-8.4;
- (2) In Cause No. 44429, recovery of costs associated with Company's TDSIC Plan ("TDSIC") as provided for in Ind. Code Ch. 8-1-39 for the purposes of safety, reliability, system modernization, or economic development; and
- (3) In Cause No. 45032-S21, credits associated with the amortization of Excess Accumulated Deferred Income Tax ("EADIT Credits") liability resulting from the Tax Cuts and Jobs Act of 2017.

Reconciliation

Company's actual CSIA costs and EADIT Credits shall be reconciled semi-annually with actual CSIA recoveries, with any differences being reflected as a charge or credit in a subsequent CSIA.

Allocation Percentages

CSIA costs and EADIT Credits shall be allocated to the Rate Schedules based on percentages approved in Cause No. 44430 TDSIC-5 and Cause No. 45032-S21.

<u>Rate Schedule</u>	<u>Compliance Allocation Percentage</u>	<u>TDSIC Allocation Percentage</u>	<u>EADIT Credit Allocation Percentage</u>
210	69.11%	69.09%	69.11%
220/229	19.39%	26.56%	19.39%
225	0.60%	0.18%	0.60%
240	0.38%	1.08%	0.38%
245	3.47%	1.02%	3.47%
260/270	7.05%	2.07%	7.05%

CSIA CHARGES

The CSIA shall be applied to each customer or therm of metered gas usage as applicable. The current CSIAs by Rate Schedule are set forth below:

<u>Rate Schedule</u>	<u>\$ per Month</u>	<u>\$ per Therm</u>
210	\$7.24	
220/229		\$0.0991
225		\$0.0183
240		\$0.1380
245		\$0.0169
260/270		\$0.0062

Effective: July 1, 2021

Indiana Gas Company, Inc. D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren North)
Tariff for Gas Service
I.U.R.C. No. G-19

Sheet No, 40
~~Fourteenth~~ Revised Page 1 of 1
Cancels ~~Thirteenth~~ Revised Page 1 of 1

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APPENDIX K

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Effective: ~~July~~ 1, 2021

**INDIANA GAS COMPANY, INC. d/b/a CENTERPOINT ENERGY INDIANA NORTH
CEI NORTH**

**Compliance and System Improvement Adjustment
Projected Year-Over-Year Revenue Percentage Change
Compliance Projects**

Year	Investment (1)	Expenses (2)	Total Revenue Change (3)	Revenue Change by Rate Schedule (4)					
				210	220/229	225	240	245	260/270
2014	\$ 56,218,873	\$ 7,264,772							
2015	\$ 70,030,740	\$ 9,759,277	0.69%	0.70%	0.54%	0.68%	0.58%	1.38%	1.51%
2016	\$ 64,045,655	\$ 11,504,307	1.38%	1.41%	1.08%	1.36%	1.16%	2.76%	3.01%
2017	\$ 95,493,095	\$ 20,076,388	1.40%	1.43%	1.10%	1.38%	1.18%	2.76%	3.01%
2018	\$ 107,880,342	\$ 19,864,479	1.57%	1.59%	1.23%	1.54%	1.32%	3.04%	3.31%
2019	\$ 65,186,175	\$ 16,879,824	1.55%	1.57%	1.22%	1.53%	1.31%	2.97%	3.21%
2020	\$ 80,691,799	\$ 13,792,078	1.46%	1.48%	1.15%	1.43%	1.24%	2.75%	2.97%

Notes:

- (1) Investment as shown in TDSIC-13, Petitioner's Exhibit No. 1, Attachment SAH-3
(2) Expenses as shown in TDSIC-13, Petitioner's Exhibit No. 2, Attachment SJV-3
(3) Based on Total Revenues for the twelve months ended 06/30/2014
(4) Based on Rate Schedule Revenues for the twelve months ended 06/30/2014

**INDIANA GAS COMPANY, INC. d/b/a CENTERPOINT ENERGY INDIANA NORTH
CEI NORTH**

**Compliance and System Improvement Adjustment
Projected Year-Over-Year Revenue Percentage Change
TDSIC Plan**

Year	Investment (1)	Total Revenue Change (2)	Revenue Change by Rate Schedule (3)					
			210	220/229	225	240	245	260/270
2014	\$ 32,916,169							
2015	\$ 40,029,771	0.18%	0.18%	0.19%	0.05%	0.43%	0.11%	0.12%
2016	\$ 50,803,952	0.55%	0.56%	0.59%	0.16%	1.32%	0.33%	0.36%
2017	\$ 20,492,255	0.90%	0.91%	0.96%	0.27%	2.13%	0.53%	0.58%
2018	\$ 15,336,328	0.53%	0.54%	0.57%	0.16%	1.24%	0.32%	0.34%
2019	\$ 13,021,433	-0.09%	-0.09%	-0.10%	-0.03%	-0.21%	-0.05%	-0.06%
2020	\$ 11,381,641	0.28%	0.28%	0.30%	0.08%	0.65%	0.17%	0.18%

Notes:

- (1) Investment as shown in TDSIC-13, Petitioner's Exhibit No. 1, Attachment SAH-9
(2) Based on Total Revenues for the twelve months ended 06/30/2014
(3) Based on Rate Schedule Revenues for the twelve months ended 06/30/2014