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June 17, 2021
INDIANA UTILITY
REGULATORY COMMISSION

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
(CENTERPOINT INDIANA SOUTH)**

IURC CAUSE NO. 45564

**DIRECT TESTIMONY
OF
RINA H. HARRIS
DIRECTOR OF ENERGY SOLUTIONS AND BUSINESS SERVICES**

ON

ELECTRIC DEMAND SIDE MANAGEMENT

SPONSORING PETITIONER'S EXHIBIT NO. 10

ATTACHMENT RHH-1

DIRECT TESTIMONY OF RINA H. HARRIS

1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Rina H. Harris. My business address is 211 NW Riverside Dr, Evansville,
5 Indiana 47708.

6

7 **Q. On whose behalf are you submitting this direct testimony?**

8 A. I am submitting testimony on behalf of Southern Indiana Gas and Electric Company d/b/a
9 CenterPoint Energy Indiana South ("Petitioner", "CenterPoint Indiana South", or
10 "Company"), which is an indirect subsidiary of CenterPoint Energy, Inc.

11

12 **Q. What position do you hold with Petitioner?**

13 A. I am the Director of Energy Solutions and Business Services.

14

15 **Q. Please describe your educational and professional experience.**

16 A. I received a Bachelor of Science degree in Public Affairs from Indiana University in 2005.
17 I also received a Master of Science degree in Public Affairs from Indiana University in
18 2007.

19

20 I have been employed by Petitioner since 2008 in a few different positions. Previously, I
21 was the Manager of Gas Conservation and Demand Side Manage ("DSM") with
22 responsibility for the management of all aspects of the gas conservation portfolio for
23 CenterPoint Energy, Inc.'s Indiana and Ohio regulated utilities and oversight over all
24 Evaluation and Planning activities. Prior to that, I was the Supervisor of DSM Evaluation
25 and Planning with responsibility for management of all electric and gas evaluation
26 activities, program planning, and conservation related market research. I have also
27 worked in Market Research with a focus on conservation initiatives related to demographic
28 analysis, segmentation, targeted marketing, and other special projects.

1 **Q. What are your duties and responsibilities as Director of Energy Solutions and**
2 **Business Services?**

3 A. I am responsible for managing all aspects of large account management, economic
4 development, and gas and electric energy efficiency ("EE") and DSM programs for
5 CenterPoint Energy, Inc.'s Indiana and Ohio regulated utilities. In this position, I oversee
6 all aspects of strategic customer consultation around energy management and cost
7 savings. My responsibilities also include interfacing with customers to respond to their
8 natural gas and electric service needs and keeping abreast of potential economic
9 development opportunities within Petitioner's service territories.

10

11 **Q. Have you previously testified before the Indiana Utility Regulatory Commission**
12 **("Commission")?**

13 A. Yes. Most recently, I testified in Cause No. 45501 in support of Petitioner's request: (i) for
14 a Certificate of Public Convenience and Necessity ("CPCN") to purchase and acquire,
15 indirectly through a Build Transfer Agreement ("BTA"), a solar facility in Posey County,
16 Indiana; and (ii) to enter into a Power Purchase Agreement ("PPA") to purchase energy
17 and capacity from a 100 megawatts alternating current ("MWac") solar project in Warrick
18 County. I am also testifying on behalf of Petitioner and Indiana Gas Company, Inc. in their
19 respective general gas rate case proceedings, Cause Nos. 45447 and 45468. I testified in
20 Cause No. 45387, where Petitioner sought approval to continue its electric EE programs,
21 and in Cause No. 43405-DSMA17, where Petitioner sought approval to recover costs
22 associated with customer participation in Company sponsored EE and demand response
23 (including direct load control) programs, and lost revenues resulting from implementation
24 of approved programs. I testified in Cause No. 45222, where Petitioner requested an
25 extension of its EE Gas Programs and the Energy Efficiency Rider ("EER") rate
26 mechanism as part of its general rate case. I also testified in Cause No. 45052, where
27 Petitioner proposed to construct a combined cycle gas turbine. In addition, I testified in
28 Cause No. 44927, where Petitioner sought approval of its 2018 – 2020 EE Plan. I have
29 testified in Petitioner's Cause No. 44645 remand case, where Petitioner received approval
30 to recover lost revenues associated with the Petitioner's 2016 – 2017 Electric DSM Plan.
31 And, I testified in Cause No. 44598, where Petitioner sought approval for its Indiana gas
32 EE programs, including integrated gas and electric programs.

1 **II. PURPOSE & SCOPE OF TESTIMONY**

2
3 **Q. What is the purpose of your testimony in this proceeding?**

4 A. My testimony supports Petitioner's proposal to construct two simple cycle combustion
5 turbines ("CTs"). My testimony describes how part of the Company's load obligation is
6 met through Conservation and Demand Side Management ("DSM") initiatives (e.g., EE
7 and demand response ("DR")). I explain that CenterPoint Indiana South has significant
8 experience implementing EE programs; the target level of EE that CenterPoint Indiana
9 South's modeling has indicated is the most economic; and that CenterPoint Indiana South
10 worked diligently with the Indiana Office of Utility Consumer Counselor ("OUCC") and
11 Citizens Action Coalition of Indiana, Inc. ("CAC") to collaboratively model DSM in its
12 Integrated Resource Plan ("IRP") and through Settlement of its 2021 – 2023 DSM Action
13 Plan. My testimony also describes how the construction of two CT's is responsive to large
14 customer (current and prospective) demands for reliable and affordable energy.

15
16 **Q. Are you sponsoring any attachments in this proceeding?**

17 A. Yes. I am sponsoring the following attachment:

- 18 • Petitioner's Exhibit No. 10, Attachment RHH-1: 2021-2023 DSM Settlement
19 Agreement approved in Cause No. 45387

20
21
22 **III. CENTERPOINT INDIANA SOUTH'S DSM INITIATIVES**

23
24 **Q. Did CenterPoint Indiana South consider DSM as a resource in its 2019/2020 IRP?**

25 A. Yes. CenterPoint Indiana South considered EE and associated DR as a resource in its
26 2019/2020 IRP. These two components are part of a balanced utility resource plan and
27 thus were evaluated in the 2019/2020 IRP.

28
29 **Q. Please describe the difference between EE and DR resources.**

30 A. EE helps to reduce energy utilized in homes and buildings and results in fewer kilowatt-
31 hours used while DR reduces kilowatts of demand during peak hours of the day.
32 CenterPoint Indiana South continues to offer a portfolio of DSM programs that helps to
33 achieve both EE and DR savings.

- 1 **Q. Please describe CenterPoint Indiana South's experience in offering DSM programs.**
 2 A. CenterPoint Indiana South first began offering electric DSM programs in 1992 through a
 3 Direct Load Control ("DLC") program that was designed to reduce peak demand. The DLC
 4 program has been continuously offered by CenterPoint Indiana South since 1995.
 5 CenterPoint Indiana South began expanding available DSM programs in 2010 pursuant
 6 to a Commission Order in Cause No. 43427, introducing EE programs. CenterPoint
 7 Indiana South has expanded and added to its DSM portfolio over the years. Pursuant to
 8 the Commission's February 3, 2021 Order in Cause No. 45387, CenterPoint Indiana South
 9 includes 13 residential, and 5 commercial and industrial ("C/I") programs in its 2021 DSM
 10 portfolio. See Table RHH-1 below for a listing of DSM programs as approved in Cause
 11 No. 45387.

Table RHH-1: 2021-2023 Approved Programs

Residential Programs
Residential Specialty Lighting
Residential Prescriptive
Residential New Construction
Home Energy Assessment
Income Qualified Weatherization
Community Based - LED Specialty Bulb Distribution
Energy Efficient Schools
Residential Behavioral Savings
Appliance Recycling
CVR Residential
Smart Cycle (DLC Change Out)
BYOT (Bring Your Own Thermostat)
Home Energy Management Systems
C&I Programs
Commercial Prescriptive
Commercial Midstream
Commercial Custom
Small Business Energy Solutions
CVR Commercial

1 **Q. Have CenterPoint Indiana South's DSM programs been successful?**

2 A. Yes. CenterPoint Indiana South has offered EE programs that have proven to be cost-
3 effective and successful in terms of program performance, as determined through our
4 implementation and evaluation process. CenterPoint Indiana South has achieved and
5 exceeded its overall savings goal, specifically for Company managed programs, over the
6 past 11 years. CenterPoint Indiana South also integrates program offerings where
7 applicable with its gas EE programs to gain both gas and electric savings while in customer
8 homes or businesses to maximize cost effectiveness and customer experience.
9

10

11 **IV. CENTERPOINT INDIANA SOUTH IRP MODELING OF EE**

12

13 **Q. How did CenterPoint Indiana South model EE as a resource in its 2019/2020 IRP?**

14 A. CenterPoint Indiana South included a predetermined level of EE within its forecast for year
15 2019 and 2020 based on its 2018 – 2020 approved EE Plan; and allowed the IRP model
16 to select additional EE over and above the predetermined level for years 2021 and
17 beyond. In its 2019/2020 IRP, like its 2016 IRP, CenterPoint Indiana South allowed EE to
18 compete on equal footing with all other supply side resources beginning in 2021. This
19 methodology aligns with the legislative enactment of Ind. Code § 8-1-8.5-10 ("Section 10"),
20 which requires the IRP to determine the optimal balance of resources to meet CenterPoint
21 Indiana South's energy needs.
22

23 The Company made available for selection up to 1.75% of eligible retail sales as an EE
24 resource option in the IRP process beginning in 2021; this represents the level of retail
25 sales after reduction for the level of load that has opted out¹. This amount is consistent
26 with the realistic achievable potential indicated in CenterPoint Indiana South's 2020 –
27 2025 Market Potential Study ("MPS")². CenterPoint Indiana South also allowed the model

¹ SEA 340, codified at Ind. Code § 8-1-8.5-9 ("Section 9"), allows industrial customers taking over 1 MW of capacity from its electric provider to opt-out or remove themselves from participation in energy efficiency programs.

² The Market Potential Study includes primary market research and a comprehensive review of current program historical savings and projected energy savings opportunities to develop estimates (cost and savings) of technical, economic, and achievable potential.

1 to include a predetermined level of energy savings associated with its low-income
2 programs.

3
4 To facilitate the IRP resource selection process, up to 1.75% of selectable eligible retail
5 sales was broken into seven bins of 0.25% through 2039. The IRP model selected a cost-
6 effective level of EE of 1.25% in years 2021 – 2023 (including both selectable EE and
7 income qualified programs). The IRP model only selects cost-effective levels of energy
8 efficiency; therefore, no restrictions were imposed as to how much EE was selected of the
9 1.75%. Furthermore, CenterPoint Indiana South made several improvements, outlined
10 further below, showcasing the model's ability to make multiple decisions over the 20-year
11 evaluation period.

12
13 **Q. Please describe the planning process CenterPoint Indiana South engaged in to**
14 **develop the DSM inputs and assumptions for the Company's 2019/2020.**

15 A. There were many steps involved in developing the 2019/2020 IRP inputs. The DSM
16 modeling assumptions discussion was facilitated by CenterPoint Indiana South staff,
17 guided by its 2020 – 2025 Market Potential Study, with input and feedback from its
18 Oversight Board throughout the planning process. The objective was to develop inputs
19 and assumptions based on market-specific information for CenterPoint Indiana South,
20 which could be successfully implemented utilizing realistic assessments of achievable
21 market potential.

22
23 **Q. Why was 1.75% of eligible retail sales included as an option for selection in the IRP**
24 **model?**

25 A. For the DSM Reference case of the IRP analysis, CenterPoint Indiana South used the
26 1.75% realistic achievable potential identified in the 2020 – 2025 Market Potential Study
27 as the starting point for developing blocks of energy efficiency to be modeled in the IRP.

28
29 In addition, to allow DSM to be modeled as a selectable resource, costs associated with
30 delivering the modeled energy and demand savings were also included in the IRP model.
31 Again, the 2020 – 2025 Market Potential Study informed the estimated costs related to
32 the realistic achievable savings potential.

33

1 **Q. Have stakeholders generally accepted CenterPoint Indiana South's approach?**

2 A. Yes. CenterPoint Indiana South worked with its Oversight Board for DSM input and
3 feedback for IRP planning purposes. Furthermore, CenterPoint Indiana South entered into
4 a Settlement Agreement for its 2021 – 2023 Plan attached to my testimony as Petitioner's
5 Exhibit No. 10, Attachment RHH-1, which was recently approved by the Commission in
6 Cause 45387, with no changes related to IRP DSM modeling inputs resulting in the DSM
7 selection.

8

9 **Q. Did the 2019/2020 IRP Reference Case scenario modeling select any EE over the**
10 **planning horizon?**

11 A. EE was selected at .75% in its Reference Case. Alternate scenarios were evaluated with
12 varying resource options and pricing and many of those scenarios did select a higher level
13 of EE, at 1.25% of eligible sales most often. CenterPoint Indiana South's preferred
14 portfolio included 1.25% EE over the planning period, as it was determined that the
15 portfolio net present value ("NPV") impact between .75% and 1.25% was minimal.
16 CenterPoint Indiana South believes that offering a reasonable level of EE to our customers
17 helps them manage their energy bills while also helping to diversify the Preferred Portfolio.
18 Additionally, it aligns with the need demonstrated in its MPS. The proper level of EE to
19 offer to customers will be evaluated every three years in subsequent IRPs.

20

21 **Q. Given the uncertainty associated with long term energy efficiency costs, did CNP's**
22 **Market Potential Study Consultant consider developing sensitivities to assess the**
23 **impact of higher or lower EE costs?**

24 A. Yes, one should recognize that there is uncertainty associated with any forecast, including
25 a forecast of the cost to implement energy efficiency programs. To that end, high and low
26 DSM resource cost trajectories were developed by leveraging CenterPoint Indiana South's
27 2011 – 2018 historical DSM spend per first-year kWh saved and calculating one standard
28 deviation from the mean to develop high and low DSM spend scenarios. This approach
29 uses the actual variation in CenterPoint Indiana South's energy efficiency resource
30 acquisition costs to define upper and lower bounds on future DSM costs per first-year
31 kWh-saved. The result is an 11.9% increase or reduction in estimated annual DSM costs
32 relative to the IRP Reference Case.

1 The optimization module model selected between 0.50% and 1.50% energy efficiency,
2 based on the modeling inputs and the scenario being optimized. Scenarios evaluated
3 included variations in technology, regulatory, and carbon assumptions. The EE selection
4 for these scenarios does not materially change the portfolio selection or the need for CTs.
5 Additionally, while EE is a flexible resource and can serve to fill various capacity needs, it
6 cannot replace the need for CTs.

7
8 Furthermore, sensitivity analysis was performed to compare 1.25% of energy efficiency to
9 the 0.75% energy efficiency selected in the Reference Case. The sensitivity showed that
10 increasing the near-term energy efficiency to 1.25% from 0.75% only increased the 20-
11 year portfolio cost (net present value revenue requirement (“NPVRR”)) by 0.15%.

12
13 **Q. Please describe the improvements to DSM block modeling that were included in**
14 **the 2021-2023 Plan.**

15 A. CenterPoint Indiana South reviewed stakeholder comments from the 2016 IRP and had
16 robust stakeholder discussion prior to the 2019/2020 IRP that led to several improvements
17 to DSM modeling for the 2019/2020 IRP. Below is a list of improvements:

- 18 ○ The 2019 model has been allowed to make multiple decisions over the 20-year
19 period. The model selects DSM for two three-year periods beginning in 2021 and
20 2024 and then evaluates the remaining years beginning in 2027 as one collective
21 group. This allows the model to select the appropriate level of DSM based on cost-
22 effectiveness differences between the short and long run.
- 23 ○ In the 2016 IRP, DSM was modeled using equal blocks of DSM based on a
24 regression cost approach using Energy Information Administration (“EIA”) data per
25 CenterPoint Indiana South’s DSM consultant in the 2018 – 2020 DSM plan. DSM
26 block modeling has been updated to allow the MPS to inform the amount of savings
27 to be allocated to each block by assuring the least cost measures fill the first block,
28 assuring that least cost measures are selected first.
- 29 ○ Bin specific load shapes have been included in the model to differentiate between
30 end use measures while also recognizing that blocks can contain both residential
31 and non-residential measures.
- 32 ○ Further, DR bundles have been added to the model.

- 1 ○ Lastly, the modeled savings were aligned to the latest MPS and price sensitivities
2 were conducted. The addition of price sensitivities guided our understanding of
3 energy savings potential as costs might vary.
4

5 **Q. Based on your experience with EE in CenterPoint Indiana South's service territory,**
6 **would EE be a reasonable alternative to the CT's CenterPoint Indiana South seeks**
7 **authority to construct?**

- 8 A. No. The 2019/2020 IRP modeling demonstrates that EE will be an important part of
9 CenterPoint Indiana South's resource options in the future. EE will be particularly
10 important to help mitigate against the need to build new generation to serve incremental
11 load, as EE will ensure that some incremental load will be satisfied through energy savings
12 rather than new generation resources. However, CenterPoint Indiana South's modeling
13 indicates that the most economical option for customers over the long term is to execute
14 on its Preferred Portfolio, including, but not limited to, adding 460 MW of natural gas
15 combustion turbines, adding renewables, and retiring coal generation. Based on the MPS
16 conducted by CenterPoint Indiana South and my experience with EE initiatives in the past,
17 CenterPoint Indiana South could not derive sufficient energy savings from EE to replace
18 this generation.
19
20

21 **III. IMPORTANCE OF A BALANCED PORTFOLIO FOR ECONOMIC DEVELOPMENT**
22

23 **Q. Is having a diverse portfolio a factor in terms of attracting new large customers to**
24 **locate in CenterPoint Indiana South's territory?**

- 25 A. Yes. Large customers (current and prospective) are prioritizing communities that have
26 diverse, sustainable, reliable, and affordable energy portfolio. Industrial customers and
27 investors are striving to meet Environmental, Social, and Governance ("ESG") initiatives,
28 which deliver sustainable products to the consumer market. CenterPoint Indiana South
29 must remain deliberate in our strategy to diversify generation and maintain a competitive
30 advantage to secure projects in the future. To meet this expectation, we must provide both
31 sustainable and reliable power (at all hours). Large customers, site-selectors, and
32 potential customers are asking for, and need, both, it is not one or the other. The

1 construction of the CT's, in addition to the transition to renewables, allows CenterPoint
2 Indiana South and its communities to be competitive and attract/retain large customers.

3

4

5 **IV. CONCLUSION**

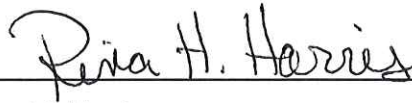
6

7 **Q. Does this conclude your direct testimony in this proceeding?**

8 **A.** Yes, at the present time.

VERIFICATION

I, Rina H. Harris, Director, Energy Solutions and Business Services for Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South, under the penalty of perjury, affirm that the answers in the foregoing Direct Testimony are true to the best of my knowledge, information and belief.

A handwritten signature in black ink that reads "Rina H. Harris". The signature is written in a cursive style and is positioned above a solid horizontal line.

Rina H. Harris
Director, Energy Solutions and Business Services

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF SOUTHERN INDIANA)
GAS AND ELECTRIC COMPANY d/b/a VECTREN)
ENERGY DELIVERY OF INDIANA, INC., A)
CENTERPOINT ENERGY COMPANY)
REQUESTING THE INDIANA UTILITY)
REGULATORY COMMISSION TO APPROVE)
CERTAIN DEMAND SIDE MANAGEMENT)
PROGRAMS AND GRANT COMPANY)
AUTHORITY TO RECOVER COSTS, INCLUDING)
PROGRAM COSTS, INCENTIVES AND LOST)
MARGINS, ASSOCIATED WITH THE DEMAND)
SIDE MANAGEMENT PROGRAMS VIA THE)
COMPANY'S DEMAND SIDE MANAGEMENT)
ADJUSTMENT**

CAUSE NO. 45387

**STIPULATION AND SETTLEMENT AGREEMENT AMONG
VECTREN SOUTH, INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR,
AND CITIZENS ACTION OF COALITION OF INDIANA, INC.**

This Stipulation and Settlement Agreement (the "Settlement Agreement") is entered into by and among Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc., a CenterPoint Energy Company ("Company" or "Vectren South"), the Indiana Office of Utility Consumer Counselor ("OUCC"), and Citizens Action Coalition of Indiana, Inc. ("CAC") (collectively the "Settling Parties" and individually "Settling Party"). The Settling Parties, solely for purposes of compromise and settlement and having been duly advised by their respective staff, experts, and counsel, stipulate and agree that the terms and conditions set forth in this Settlement Agreement represent a fair, just, and reasonable resolution of all matters raised in this proceeding, subject to their incorporation by the Indiana Utility Regulatory Commission ("Commission") into a final, non-appealable order without modification or further condition that is unacceptable to any Settling Party ("Final Order"). The Settling Parties agree that this Settlement Agreement resolves all disputes, claims, and

issues arising from the Commission proceeding currently pending in Cause No. 45387 as between the Settling Parties. The Settling Parties agree that Vectren South's requested relief in this Cause should be granted in its entirety except as expressly modified herein.

I. TERMS AND CONDITIONS. The Settling Parties agree to Commission approval of the Company's 2021-2023 Demand Side Management ("DSM") Plan ("2021-2023 Plan" or "Plan") and associated accounting and ratemaking treatment modified as follows:

A. DSM Programs and Implementation

1. Lighting

a. Effective Useful Life ("EUL") for General Service Light ("GSL") Bulbs.

The Settling Parties agree that the EUL for LED GSL bulbs (i.e. standard, pear-shared, screw-based bulbs) associated with the Company's 2021-2023 Plan shall be two years from the date of installation when replacing halogen or incandescent bulbs.

b. Baseline for Residential LED GSL. The Settling Parties agree that, except

for the Income Qualified Weatherization ("IQW") Program and Modified School Education Program (defined below), the Company will remove LED GSLs from all of its programs in its 2021-2023 Plan. The Company will adopt a non-Energy Star baseline for the GSL measures in its IQW Program. The Energy Star baseline for GSL measures in the Modified School Education Program is not applicable as the Modified School Education Program will be offered through Marketing and Outreach efforts and no savings will be captured.

2. Overall Savings Goal. Due to the program changes contained herein, the Settling Parties agree to work collaboratively, in good faith, through the Company's OSB, and use best efforts to achieve the overall energy savings projections (1.3% of eligible sales) of the Company's filed 2021-2023 Plan.
3. Income Qualified Weatherization ("IQW") Program Eligibility. The Settling Parties agree Vectren South will remove its proposal to expand IQW program eligibility to 201-300% of federal poverty level ("FPL") guideline and instead retain its up to 200% FPL guideline program eligibility. The Settling Parties agree that the Company's Oversight Board ("OSB") will explore ways to improve IQW program reach and participation by expanding the eligibility and verification requirements of the program in other ways. The Company will transfer the funds (a total of \$343,352 over the 2021-2023 Plan) aimed at acquiring customers between 201-300% FPL ("IQW Transferred Funds") to the Company's Marketing Budget for its 2021-2023 Plan for use in the Modified School Education Program. Vectren South will use best efforts to still meet the originally filed energy savings projections of the IQW program.
4. Filed and Modified School Education Programs. The Settling Parties agree that Vectren South will remove the filed School Education Program from the 2021-2023 Plan due to the change in cost-effectiveness after the revised EUL for GSL bulbs and baseline are implemented as discussed above in Section I(A)(1) ("Filed School Education Program"). Vectren South will move the funding previously assigned to the Filed School Education Program under the

filed Plan¹ to other programs based on OSB guidance; and the Settling Parties agree to work collaboratively, in good faith, through the Company's OSB to identify programs for which the reallocated funds could be used and that have the potential to produce reasonably achievable, cost-effective energy savings.² Due to significant and intangible benefits previously realized through the Filed School Education Program, including cross-promotion of the Company's other DSM programs, the Company will fund a modified School Education Program ("Modified School Education Program") with the IQW Transferred Funds that were shifted to the Company's Marketing Budget. The Modified School Education Program may contain LED GSLs. Savings from this program will not be recognized as within the Plan, and the Company will not earn performance incentives or lost revenues from the Modified School Education Program.

5. Home Energy Assessment ("HEA") Program. Vectren South will remove the HEA Program from its 2021-2023 Plan due to the change in cost-effectiveness after the revised EUL for GSL bulbs and baseline are implemented as discussed above in Section I(A)(1). Vectren South will reallocate the funding previously assigned to the HEA Program under the filed Plan³ to other programs based on OSB guidance; and, the Settling Parties agree to work collaboratively, in good faith, through the Company's OSB to identify programs for which the

¹ 2021-2023 Annual School Education Program Budget – \$118,451, \$122,451, \$102,451, respectively.

² Such efforts of the Company's OSB may result in new measures, new programs, and/or the redesign of existing programs.

³ 2021-2023 Annual HEA Budget – \$240,000, \$257,000, \$297,000, respectively.

reallocated funds could be used and that have the potential to produce reasonably achievable, cost-effective energy savings.⁴ The Settling Parties also agree to work collaboratively, in good faith, through the Company's OSB to continue evaluating and exploring the potential for: (1) a revised HEA channel; and (2) instituting the HEA's blower door test measure in one or more non-IQW residential program(s).

B. Lost Revenues. The Settling Parties agree:

1. Given Vectren South's planned electric base rate case in 2023, the Settling Parties agree to Commission approval of the lost revenues for measures installed during the DSM Plan (2021-2023) Period which will be recovered through Vectren South's Demand Side Management Adjustment ("DSMA") Rider for: (a) the life of the measure; (b) four (4) years from implementation of any measure installed in 2021, three (3) years from the implementation of any measure installed in 2022, and two (2) years from the implementation of any measure installed in 2023; or (c) until new electric base rates are effective post rate case, whichever occurs earlier. Subsequent to approval of new base rates in Vectren South's next base rate case proceeding, Vectren South will zero out, in its DSMA Rider, all lost revenue recovery approved for the DSM Program years up to, and including, the test year adopted for the setting of base rates in the Company's next base rate case proceeding.
2. Commercial and Industrial ("C&I") Program Review. During the 2021-2023 Plan Period, at the end of each calendar year, Vectren South will review the

⁴ Such efforts of the Company's OSB may result in new measures, new programs, and/or the redesign of existing programs.

account status for each C&I customer that enrolls, and begins participating, in rebate programs that are associated with programs under the Company's 2021-2023 Plan to determine whether any such customer account is "inactive". For those C&I accounts identified as "inactive" during the year-end review, Vectren South will re-evaluate the account status prior to filing the Company's next DSMA Rider. If the account status remains "inactive", Vectren South will adjust the useful life of measure(s) rebate(s) for purposes of net lost revenue tracking and recovery.

C. Opportunity to Earn Financial Incentive.

1. The Settling Parties agree that Vectren South will continue its current shared savings approach tied to the implementation and encouragement of cost-effective programs. The Settling Parties further agree that Vectren South's proposed financial incentive shall be approved with the following modification:

Performance Incentives	
Achievement Level (kWh)	Incentive Level (Net Present Value of net benefits of Utility Cost Test)
110%	13%
100 - 109.99%	8%
90 - 99.99%	7%
80 - 89.99%	6%
75 - 79.99%	5%
0 - 74.99%	0%

2. During the Plan Period, prior to filing its annual DSMA Rider, Vectren South will exclude \$129,679 per year from the base calculation of the annual performance incentives. If the Company reaches the 110% achievement level, Vectren South will reduce its performance incentive an additional \$129,679 per year, during the Plan Period prior to filing its annual DSMA Rider. In addition, Vectren South will further reduce its proposed performance incentives by \$60,000 per year, regardless of the incentive level achieved. Each of these three annual reductions only apply to the calculation of performance incentives; the reductions do not apply to the calculation of cost-effectiveness of the Company's programs in the 2021-2023 Plan.

D. Vectren South's Interruptible Tariff. Vectren South agrees to use best efforts in working with its OSB to update Vectren South's Interruptible Contract ("IC") Rider by the end of calendar year 2020.

E. Other Matters.

1. Any matters not addressed by this Settlement Agreement will be adopted as proposed by Vectren South in its direct and rebuttal case in this Cause.
2. The Settling Parties agree to work cooperatively to seek Commission approval of this Settlement Agreement so that Vectren South may implement its 2021-2023 DSM Plan (as modified herein) no later than January 1, 2021.

II. Settlement Agreement -- Scope and Approval

1. Neither the making of this Settlement Agreement nor any of its provisions shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. Neither the making of this Settlement Agreement, nor the provisions thereof, nor

the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.

2. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings.

3. The Settling Parties' entry into this Settlement Agreement shall not be construed as a limitation on any position they may take or relief they may seek in pending or future Commission proceedings not specifically addressed in this Settlement Agreement.

4. Authority to Enter Settlement. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Settling Parties on the provisions contained herein.

5. Privileged Settlement Communications. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

6. Conditions of Settlement. This Settlement Agreement is conditioned upon and

subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party.

7. Evidence in Support of Settlement. The Settling Parties may offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party. The Settling Parties hereby waive cross-examination of each other's witnesses.

8. Commission Approval. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party. If the Commission does not approve the Settlement Agreement in its entirety, the Settlement Agreement shall be null and void and deemed withdrawn, upon notice in writing by any Settling Party within fifteen (15) business days after the date of the Final Order that any modifications made by the Commission are unacceptable to it. In the event the Settlement Agreement is withdrawn, the Settling Parties will request that an Attorneys' Conference be convened to establish a procedural schedule for the continued litigation of this proceeding.

9. Proposed Order. The Settling Parties will work together to prepare an agreed-upon proposed order to be submitted in this Cause to address the issues addressed in this Settlement Agreement. The Settling Parties will request Commission acceptance and approval

of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement.

10. The Settling Parties also will work cooperatively on news releases or other announcements to the public about this Settlement Agreement.

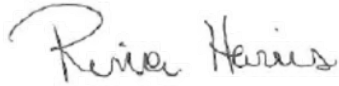
11. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

12. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Accepted and Agreed on this 20th day of October, 2020

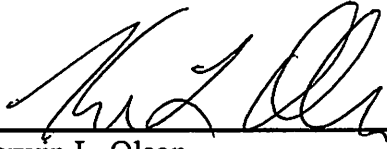
(signature pages follow)

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY D/B/A VECTREN ENERGY
DELIVERY OF INDIANA, INC., A
CENTERPOINT ENERGY COMPANY



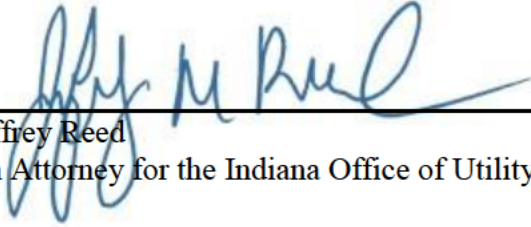
Rina A. Harris
Director, Energy Efficiency
Southern Indiana Gas and Electric Company
d/b/a Vectren Energy Delivery of Indiana,
Inc., a CenterPoint Energy Company

CITIZENS ACTION COALITION OF INDIANA,
INC.

A handwritten signature in black ink, appearing to read 'K. L. Olson', written over a solid horizontal line.

Kerwin L. Olson
Executive Director

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



Jeffrey Reed

An Attorney for the Indiana Office of Utility Consumer Counselor