

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND ELECTRIC COMPANY d/b/a CENTERPOINT ENERGY INDIANA SOUTH FOR: (1) APPROVAL OF AN ADJUSTMENT TO ITS ELECTRIC SERVICE RATES THROUGH ITS CLEAN ENERGY COST ADJUSTMENT (“CECA”) RATE SCHEDULE IN ACCORDANCE WITH ORDERS OF THE COMMISSION IN CAUSE NO. 44909 DATED AUGUST 16, 2017, CAUSE NO. 45086 DATED MARCH 20, 2019, AND CAUSE NO. 45086-S1 DATED JANUARY 29, 2020; AND (2) APPROVAL OF AN ADJUSTMENT TO ITS AUTHORIZED NET OPERATING INCOME TO REFLECT ANY APPROVED EARNINGS FOR PURPOSES OF IND. CODE § 8-1-2-42(D)(3)

IURC
PETITIONER'S 4
EXHIBIT NO. 4-23-24
DATE REPORTER

CAUSE NO. 44909 CECA 6

OFFICIAL
EXHIBITS

VERIFIED PETITION

Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South (“CEI South”) requests that the Indiana Utility Regulatory Commission (“Commission”) approve an adjustment to CEI South’s electric service rates through its clean energy cost adjustment (“CECA”). Specifically, CEI South requests approval for recovery via its CECA mechanism of the eligible revenue requirement amounts associated with the 44909 Solar Projects (defined below) and the Troy Solar Facility. In support of this *Verified Petition*, CEI South states the following:

Jurisdiction, Background, and Relief Requested

1. **CEI South’s corporate and operational status.** CEI South is a public electric utility incorporated under the laws of the State of Indiana with its principal office at 211 NW Riverside Drive, Evansville, Indiana. CEI South has authority to engage in, and is engaged in, the business of rendering retail electric service solely within the State of Indiana under

indeterminate permits, franchises, and necessity certificates previously acquired. CEI South owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities that are used and useful for the production, storage, transmission, distribution, and furnishing of electric service to approximately 150,000 electric consumers in Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick, and Spencer counties.

2. **CEI South's regulated status.** CEI South is a *public utility*, as defined in Ind. Code § 8-1-2-1(a), an *energy utility*, as defined in Ind. Code § 8-1-2.5-2, and an *eligible business* as defined in Ind. Code § 8-1-8.8-6 and is subject to the Commission's jurisdiction in the manner and to the extent provided by Indiana law.

This *Verified Petition* is filed under Ind. Code ch. 8-1-8.8, and under Ind. Code § 8-1-2-42(a), the Commission has jurisdiction over changes to CEI South's rates and charges for electric service. Therefore, the Commission has jurisdiction over CEI South and the subject matter of this Cause.

3. **Background.** On August 16, 2017, the Commission issued an Order in Cause No. 44909 (the "44909 Order") approving three clean energy solar projects under Ind. Code ch. 8-1-8.8: (1) the Highway 41 Facility, which includes a battery energy storage system ("BESS"); (2) the Evansville Urban Facility; and (3) the Evansville ULRC¹, which also includes a BESS² ("44909 Solar Projects"). The Commission also declined to exercise its jurisdiction over the construction of the 44909 Solar Projects under Ind. Code ch. 8-1-2.5 and approved cost estimates for the 44909 Solar Projects totaling \$16.2 million.

¹ The ULRC is part of a larger, mixed-use, multifamily development called the "Post House" which was opened to occupants in mid-2020. Throughout this petition "Post House" refers to the overall developer-owned property and buildings, and "ULRC" refers to CEI South's specific interests within the Post House, although the terms are often used interchangeably.

² The BESS was removed from the ULRC project scope, and the CEI South notified the Commission of such modification in Cause No. 44909 CECA-2.

4. In the 44909 Order, the Commission also authorized the timely recovery of costs incurred during construction and operation of the 44909 Solar Projects through CEI South's annual CECA filings. Costs eligible for recovery during construction of the 44909 Solar Projects include: engineering and project management; management and administration; permitting; contractor; site preparation; equipment, and installation costs. Costs eligible for recovery once the 44909 Solar Projects are in service include: depreciation expense, post-in-service carrying costs ("PISCC"), taxes, and operation and maintenance ("O&M") expenses. The Commission further authorized CEI South to: (1) to calculate the weighted average cost of capital ("WACC") using the most-recent year-end capital structure, which is to be updated annually; (2) add the approved return on equity in the CECA to its net operating income utilized in CEI South's fuel adjustment clause ("FAC") earnings test as set forth in Ind. Code § 8-1-2-42(d)(3) and all subsequent FAC proceedings; (3) depreciate the BESS investments over 10 years, and the 44909 Solar Projects over 25 years; and (4) create a regulatory asset of PISCC, both debt and equity, depreciation expense, taxes, and O&M expense, and to maintain those deferrals until they are recovered through CEI South's next rate case.
5. On March 20, 2019, the Commission issued an Order in Cause No. 45086 (1) approving a Settlement Agreement between CEI South, the Indiana Office of Utility Consumer Counselor ("OUCC"), and Citizens Action Coalition of Indiana, Inc. ("CAC") (the "45086 Settlement Agreement"); (2) granting a Certificate of Public Convenience and Necessity to construct, own, and operate a 50 megawatts of alternating current ("MWac") ground-mounted, solar facility located in Spencer County, Indiana (the "Troy Solar Facility"); (3) approving the Troy Solar Facility as a clean energy project under Ind. Code § 8-1-8.8-2

such that it qualifies for timely recovery of project costs under Ind. Code § 8-1-8.8-11; (3) approving a cost estimate of \$76.174 million for the Troy Solar Facility; (4) authorizing timely recovery of the costs of the Troy Solar Facility through the Company's CECA mechanism as provided for in the 45086 Settlement Agreement; (5) requiring that net proceeds from any sale of Renewable Energy Credits ("RECs") stemming from the Troy Solar Facility flow back to CEI South's customers through its CECA tracker; and (6) establishing certain reporting requirements related to the Troy Solar Facility.

6. On May 15, 2019, the Commission issued an Order in Cause No. 44909 CECA 1, approving (1) the initial CECA rates and charges for the recovery of eligible costs and investments through December 31, 2018, and (2) a revised estimate of \$5.9 million for the Evansville Urban Facility, resulting in a revised total estimate for each of the three 44909 Solar Projects of \$16.7 million. The CECA-1 rates were effective June 1, 2019.
7. On May 13, 2020, the Commission issued an Order in Cause No. 44909 CECA 2, approving an adjustment to CEI South's initial CECA rates and charges for the recovery of eligible costs and investments through December 31, 2019, in addition to modifications to the project scope and a revised cost estimate of \$1.5 million for the ULRC.
8. On May 19, 2021, the Commission issued an Order in Cause No. 44909 CECA 3, approving an adjustment to CEI South's CECA rates and charges for the recovery of eligible costs and investments through December 31, 2020, in connection with the Highway 41 and Evansville Urban Facilities. Additionally, the Commission approved an adjustment to CEI South's CECA rates and charges for recovery of costs for the period from January 22, 2021, to May 31, 2021, and the period of June 1, 2021, to May 31, 2022, in connection with the Troy Solar Facility.

9. On May 30, 2023, the Commission issued an Order in Cause No. 44909 CECA 5, which limited the total cost recovery for the ULRC to \$1.15 million, based on changes in project scope.
10. **Relief requested.** As of December 31, 2023, the three 44909 Solar Projects are in service: the Highway 41 Facility, the Evansville Urban Facility, and the ULRC. In addition, the Troy Solar Facility went into service on January 22, 2021. CEI South, therefore, requests approval of revised CECA rates and charges to effectuate the timely recovery of costs incurred through December 31, 2023, associated with the three 44909 Solar Projects and the Troy Solar Facility.
11. The proposed CECA rates and charges are being contemporaneously filed as Schedule 2 provided within Petitioner's Exhibit 3, Attachment MAR-1, which includes the revenue requirement for the three 44909 Solar Projects for the period of June 1, 2024, through May 31, 2025, and for the Troy Facility for the period of June 1, 2024, through May 31, 2025.
12. **Notice of modification of ULRC project scope.** The Commission also required CEI South to notify the Commission of any changes in the number or size of solar and BESS installations for any of the three 44909 Solar Projects. Mr. Swanson's testimony in this Cause discusses an anticipated modification to the ULRC project based on as-built design modifications for the Post House.
13. **Applicable law.** CEI South considers the provisions of the Public Service Commission Act, as amended to be applicable to this proceeding, including Ind. Code § 8-1-2-42, Ind. Code § 8-1-2-72, and Ind. Code ch. 8-1-8.8. In compliance with the Commission's General Administrative Order ("GAO") 2020-05 issued December 29, 2020, the following table represents the percentage increase/(decrease) in rates, inclusive of (over)/under recovery

variance and Indiana Utility Receipts Tax:

Rate Schedule	Total Rate (Proposed)	Total Rate (Current)	Percentage Change
Rate RS	\$ 0.002148	\$ 0.001943	10.53%
Rate B	\$ 0.001327	\$ 0.001347	(1.45)%
Rate SGS	\$ 0.002173	\$ 0.002227	(2.45)%
Rate DGS/MLA	\$ 0.002059	\$ 0.002121	(2.92)%
Rate OSS	\$ 0.002048	\$ 0.002130	(3.86)%
Rate LP	\$ 0.000845	\$ 0.000966	(12.49)%
Rate BAMP	\$ 0.000975	\$ 0.000945	3.19%
Rate HLF	\$ 0.001155	\$ 0.001071	7.78%

The calculation of the percentages listed above are shown on Petitioner's Exhibit 3, Attachment MAR-1, Schedule 5. CEI South is proposing a cost recovery of \$7,274,220, as shown on Petitioner's Exhibit 2, Attachment MJJ-1, Schedule 1, Line 3.

Procedural Information and Prayer for Relief

14. **Counsel of record.** CEI South's counsel of record, duly authorized to accept service of papers in this Cause are:

Heather Watts, Atty. No. 35482-82
Jeffery A. Earl, Atty. No. 27821-64
Alyssa N. Allison, Atty. No. 38083-82
Kelly M. Beyrer, Atty. No. 36322-49
Southern Indiana Gas and Electric Co.
d/b/a CenterPoint Energy Indiana South
211 NW Riverside Dr. | 101 West Ohio St. Ste. 450
Evansville, IN 47708 | Indianapolis, IN 46204
(812) 491-5119 | (317) 260-5399
Heather.Watts@CenterPointEnergy.com
Jeffery.Earl@CenterPointEnergy.com
Alyssa.Allison@CenterPointEnergy.com
Kelly.Beyrer@CenterPointEnergy.com

15. **Proposed procedural schedule.** CEI South requests that the Commission approve the following procedural schedule, which is consistent with procedural schedules in prior CECA proceedings and has been agreed to by the OUCC.

Date	Event
April 2, 2024	OUCC/Intervenors File Case-in-Chief
April 9, 2024	CEI South's Rebuttal Testimony
April 23, 2024	Hearing
April 30, 2024	CEI South Submits Proposed Order
May 7, 2024	OUCC/Intervenors Submit Proposed Order
May 14, 2024	CEI South Submits Reply to Proposed Orders

The parties agree that objections or responses to discovery will be due within 10 calendar days until April 2, 2024. After that date, objections or responses to discovery will be due within 5 business days. Discovery received after 5 p.m. on a weekday or after Noon on a Friday or a day before a state holiday will be deemed to have been served on the following business day.

16. Prayer for relief. CEI South requests that the Commission:

- A.** Promptly publish notice, make such investigation, and hold hearings as are necessary or advisable and issue a Final Order in this Cause which:
- B.** Approves the CECA rates, set forth in Appendix C, the Clean Energy Cost Adjustment, to effectuate the timely recovery of costs incurred through December 31, 2023, related to the 44909 Solar Projects to be applicable and made effective for bills rendered during the first billing cycle, beginning June 1, 2024, or as soon thereafter as practicable, and remaining in effect until replaced in a subsequent filing;
- C.** Approves the CECA rates, set forth in Appendix C, the Clean Energy Cost Adjustment, to effectuate the timely recovery of costs associated with Troy Solar Facility (for the period of June 1, 2024, to May 31, 2025) to be applicable and made effective for bills rendered during the first billing cycle, beginning June 1, 2024, or as soon thereafter as practicable, and remain in effect until replaced in a subsequent filing;

- D. Approves CEI South's request for an adjustment to its authorized net operating income to reflect any approved earnings (related to the 44909 Solar Projects) for purposes of Ind. Code § 8-1-2-42(d)(3).

Respectfully submitted,
SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
D/B/A CENTERPOINT ENERGY INDIANA SOUTH

BY: 

Heather Watts, Atty. No. 35482-82

Jeffery A. Earl, Atty. No. 27821-64

Alyssa N. Allison, Atty. No. 38083-82

Kelly M. Beyrer, Atty. No. 36322-49

Southern Indiana Gas and Electric Co.

d/b/a CenterPoint Energy Indiana South

211 NW Riverside Dr. | 101 West Ohio St. Ste. 450

Evansville, IN 47708 | Indianapolis, IN 46204

(812) 491-5119 | (317) 260-5399

Heather.Watts@CenterPointEnergy.com


Jeffery.Earl@CenterPointEnergy.com

Alyssa.Allison@CenterPointEnergy.com

Kelly.Beyrer@CenterPointEnergy.com

VERIFICATION

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.



Joshua A. Swanson
Director Power Supply Services

Dated: February 1, 2024

CERTIFICATE OF SERVICE

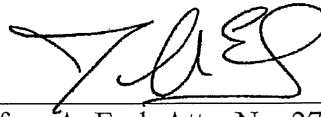
I certify that on February 1, 2024, this *Verified Petition* was filed with the Indiana Utility Regulatory Commission using the Commission's electronic filing system and was served on the parties below by electronic mail.

Indiana Office of Utility Consumer Counselor

Lorraine Hitz

lhitz@oucc.in.gov

infomgt@oucc.in.gov



Jeffery A. Earl, Atty. No. 27821-64