

FILED
September 18, 2020
INDIANA UTILITY
REGULATORY COMMISSION

Petitioner's Exhibit No. 1
Cause No. 43354-MCRA24
Vectren South
Page 1 of 11

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC.
A CENTERPOINT ENERGY COMPANY
(VECTREN SOUTH)**

IURC CAUSE NO. 43354 MCRA24

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

ON

**MIDCONTINENT INDEPENDENT SYSTEM OPERATOR COST
AND REVENUE ADJUSTMENT (MCRA)**

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

DIRECT TESTIMONY OF KATIE J. TIEKEN

1 **I. INTRODUCTION**

2

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

4 A. Katie J. Tieken
5 One Vectren Square
6 Evansville, Indiana 47708

7

8 **Q. What position do you hold with Petitioner Southern Indiana Gas and Electric
9 Company d/b/a Vectren Energy Delivery of Indiana, Inc., a CenterPoint Energy
10 Company (“Vectren South”, “Petitioner”, or “the Company”)?**

11 A. I am Manager, Regulatory and Rates for CenterPoint, the immediate parent company
12 of Vectren South. I hold the same position with two other utility subsidiaries of
13 CenterPoint – Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
14 (“Vectren North”) and Vectren Energy Delivery of Ohio, Inc. (“Vectren Ohio”).

15

16 **Q. Please describe your educational background.**

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

19

20 **Q. Please describe your professional experience.**

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

25

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

28 A. I am responsible for the Indiana and Ohio regulatory and rate matters of the regulated
29 utilities within CenterPoint in proceedings before the Indiana and Ohio utility regulatory
30 commissions. I also have responsibility for the implementation of all regulatory initiatives
31 of Vectren South (and other utility subsidiaries in Indiana and Ohio), as well as the
32 preparation of regulatory and rates exhibits submitted in various regulatory proceedings.

1

2 **Q. Have you previously testified before this Commission?**

3 A. Yes. I have testified before the Indiana Utility Regulatory Commission ("IURC" or
4 "Commission") on behalf of Vectren South in its Fuel Adjustment Clause ("FAC"), Cause
5 No. 38708, beginning in FAC126. I have also testified on behalf of Vectren South in
6 Cause No. 43354 (Midcontinent Independent System Operator ("MISO") Cost and
7 Revenue Adjustment ("MCRA"), MCRA23 and in Cause No. 43406 (Reliability Cost and
8 Revenue Adjusttment ("RCRA"), RCRA18. In addition, I have testified on behalf of
9 Vectren South in its Gas Cost Adjustment ("GCA") proceeding Cause No. 37366,
10 beginning in GCA 147 and on behalf of Vectren North in its GCA proceeding Cause No.
11 37394, GCA 147.

12

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

14 A. My testimony supports (1) Vectren South's proposed tariff sheet revisions reflecting the
15 proposed Adjustments and (2) the calculation and the content of the MCRA to be
16 applicable from January 1, 2021 through December 31, 2021 ("the MCRA period").

17

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

19 A. Yes. I am sponsoring, and will discuss in greater detail below, the following attachments
20 in this proceeding:

21

- Petitioner's Exhibit No. 1, Attachment KJT-1: Proposed tariff, Sheet No. 73, clean
and red-lined.

22

- Petitioner's Exhibit No. 1, Attachment KJT-2: Detailed calculation of the proposed
MCRA charges for the annual period January 2021 through December 2021.

23

24

- Petitioner's Exhibit No. 1, Attachment KJT-3: Estimated incremental MCRA
amounts, as required by the Commission's order in Cause No. 43111, for the
period January 2022 through December 2022 (MCRA25).

25

26

27

28

29

30 **II. FILING DATES AND RECONCILIATION PERIOD IN MCRA24**

31

32 **Q. What is the projection period proposed in this MCRA?**

1 A. The proposed MCRA24 period is January 1, 2021 through December 31, 2021.

2

3 **Q. What months are included in the reconciliation in this MCRA?**

4 A. The reconciliation period in this MCRA is July 2019 through June 2020 (the
5 "Reconciliation Period").

6

7

8 **III. DESCRIPTION OF MCRA**

9

10 **Q. Please describe the MCRA.**

11 A. The MCRA results from the Settlement Agreement and final Order in Cause No. 43111,
12 Vectren South's electric rate case approved by the Commission on August 15, 2007, as
13 amended by the Commission's Order in Cause No. 43354-MCRA 4 ("MCRA 4 Order")
14 dated May 27, 2009 for treatment of revenues associated with projects not approved by
15 MISO under its Regional Expansion and Criteria Benefit ("RECB") process ("non-RECB
16 transmission revenues"), and further modified by the Commission's Order in Cause No.
17 43839 ("Rate Order") dated April 27, 2011. As proposed herein, the MCRA is calculated
18 on an annual basis for each rate schedule as follows:

19

20
$$\text{MCRA} = \frac{[(\text{NFC} - \text{MRA}) \times \text{Rate Schedule Allocation Percentage}]}{\text{Rate Schedule Quantities}}$$

21

22

23
24 The Non-Fuel Costs ("NFC") consists of the applicable MISO charges minus the base
25 rate amount as follows:

26

26
$$\text{NFC} = \text{MISO Charges minus Base Rate Amount where:}$$

27

28 MISO Charges are the amount of the recoverable MISO costs, calculated as
29 follows:

30

- 31 (a) Schedule 1 - Scheduling, System Control, and Dispatch
32 Services, or a successor provision, of the MISO Open Access
33 Transmission Tariff ("OATT"), or any successor tariff for MISO;
34 plus
35

- 1 (b) Schedule 2 – Reactive Power costs charged by independent
2 generators in Vectren South’s control area; plus
3
- 4 (c) Schedule 9 - Network Integration Transmission Service, or a
5 successor provision, of the MISO OATT, or any successor tariff
6 for MISO; plus
7
- 8 (d) Schedule 10 – ISO Cost Recovery Adder and Schedule 10-
9 FERC – FERC Annual Charges Recovery, or successor
10 provisions, of the Midwest OATT, or successor tariff for MISO;
11 plus
12
- 13 (e) Schedule 16 – Financial Transmission Rights Administrative
14 Service Cost Recovery Adder, or a successor provision, of the
15 MISO OATT, or any successor tariff for MISO; plus
16
- 17 (f) Schedule 17 – Energy Market Support Cost Recovery Adder, or
18 a successor provision of the MISO OATT, or any successor tariff
19 for MISO; plus
20
- 21 (g) Schedule 24 - Control Area Operator Cost Recovery, or a
22 successor provision of the MISO OATT, or any successor tariff
23 for MISO; plus
24
- 25 (h) Schedule 26 – Network Upgrade Charge from the Transmission
26 Expansion Plan; plus
27
- 28 (i) Costs that are not otherwise recovered by MISO through other
29 charges and are socialized for recovery from all market
30 participants including Company (“uplift costs”), including the Real
31 Time Revenue Neutrality Uplift Amount, and the Real Time
32 Miscellaneous Amount billed by MISO.
33

34 Base Rate Amount is \$3,231,252.
35

36 The MISO Revenues Amount (“MRA”), as revised pursuant to the Rate Order, is
37 calculated as follows:

38
39 The MISO Revenues Amount shall be the transmission revenues
40 received for the period from the application of MISO’s transmission rates
41 to wholesale loads that sink within Company’s control area less a
42 prorated portion of the base level of such transmission revenues (annual
43 amount of \$2,037,741). If actual annual transmission revenues are less
44 than \$2,037,741, the Company shall not recover the shortfall and the
45 MRA shall be zero.
46

47 The Rate Schedule Allocation Percentage is the proportion of the MCRA amount

1 applicable to each Rate Schedule, as discussed later in my testimony.
2

3 The Rate Schedule Quantities are the estimated billing determinants for each Rate
4 Schedule for the projection period. Once calculated, the MCRA rates are modified to
5 provide for the recovery of the Indiana Utility Receipts Tax and similar revenue-based
6 taxes. The actual MCRA amounts passed back to or received from customers for each
7 period are reconciled with MCRA amounts intended for pass back to or recovery from
8 customers during such period, with any variance reflected in a subsequent MCRA filing.
9

10
11 **IV. ALLOCATION OF THE MCRA**

12
13 **Q. Please explain the basis for the allocation of MCRA costs and revenues to each
14 rate schedule.**

15 A. Vectren South allocates costs and revenues recoverable in the MCRA based on the four
16 (4) coincident peak ("4CP") allocation percentages as approved in Cause No. 43354-
17 MCRA 21 S1.
18

19 **Q. Please explain the allocation changes approved in MCRA 21-S1.**

20 A. On December 12, 2019, Vectren South filed a Motion to create a sub-docket in Cause
21 No. 43354-MCRA 21 for the purposes of submitting a 4CP Demand Study in accordance
22 with the Order approving the Allocation Settlement. The Commission's Order dated
23 September 2, 2020 approved a Stipulation and Settlement Agreement (the "MCRA21-
24 S1 Settlement Agreement") among Petitioner, the Indiana Office of Utility Consumer
25 Counselor ("OUCC"), the Indiana Industrial Group, and SABIC Innovative Plastics Mt.
26 Vernon, LLC (collectively the "Settling Parties") for allocation factors the MCRA, the
27 RCRA, the Environmental Cost Adjustment ("ECA"), the Clean Energy Cost Adjustment
28 ("CECA") and the Demand Side Management Adjustment ("DSMA") mechanisms
29 (collectively the "Electric Adjustment Mechanisms"), as outlined in the MCRA21-S1
30 Settlement Agreement. The Settling Parties agree the following allocation percentages
31 for Vectren South's MCRA proceedings beginning with the next annual proceeding (this
32 MCRA-24 proceeding) and until further changes are authorized by the Commission
33 within the Company's next base rate proceeding.

1
2
3

These percentages are as follows:

MCRA	
Rate Schedule	Proposed Allocation Percentages
RS	40.3626%
B	0.1235%
SGS	1.7231%
DGS/MLA	26.1523%
OSS	2.0370%
LP	22.1111%
BAMP-Auxiliary	1.8911%
BAMP-Backup	4.7539%
HLF	0.8454%
	100.0000%

4
5

V. PROPOSED MCRA

7

Q. Please describe Petitioner's Exhibit No. 1, Attachment KJT-1.

9

A. Petitioner's Exhibit No. 1, Attachment KJT-1 is the MCRA tariff sheet, reflecting the proposed MCRA rates and charges in this proceeding. A clean and redline version is included in this attachment.

12

Q. Please describe Petitioner's Exhibit No. 1, Attachment KJT-2.

14

A. Petitioner's Exhibit No. 1, Attachment KJT-2 consists of schedules prepared under my direction that show the calculation of the proposed MCRA rates and charges and the associated residential bill impacts.

17

18

Schedule 1 presents the derivation of the MCRA rates and charges for each Rate Schedule. MCRA amounts are allocated to the Rate Schedules based on the modified 4CP allocation percentages discussed previously, which are shown on Schedule 2. The Rate Schedule amounts are then divided by the estimated kWh and kW sales for the

19

20

21

1 MCRA period to determine the MCRA rates and charges applicable to each Rate
2 Schedule. Once calculated, the MCRA rates and charges are modified to provide for the
3 recovery of the Indiana Utility Receipts Tax.

4
5 Schedule 3 includes the estimation of the NFC (estimated MISO Charges less the base
6 rate amount) for the MCRA Period.

7
8 Schedule 4, page 1 of 3 includes the components of the under and over recovery
9 calculations for the Reconciliation Period, referred to as the Reconciliation Period.
10 These calculations are supported by the workpapers provided to the OUCC. Page 2 of
11 3 identifies the components of the NFC. Amounts shown on line 11 of page 2 for the
12 Reconciliation Period are carried forward to line 5 of page 1. Page 3 of 3 identifies
13 actual non-RECB transmission revenues by month compared to the total annual
14 transmission revenues included in base rates, as discussed later in my testimony.

15
16 Schedule 5 reflects the impact of the proposed MCRA on the bill of a Residential-
17 Standard customer using 1,000 kWh per month. As shown, the estimated bill impact for
18 such customer is a decrease of \$0.09 from the currently effective MCRA.

19
20 **Q. Does this MCRA filing include any costs related to the MISO Ancillary Services**
21 **Market (“ASM”)?**

22 A. Yes. Consistent with the Commission's Order dated June 30, 2009 in Cause No. 43426,
23 Vectren South has included for recovery in this MCRA costs related to new and modified
24 MISO charge types resulting from ASM. Vectren South witness Justin M. Joiner
25 discusses these ASM costs in detail.

26
27 **Q. Does this MCRA include any projected costs related to MISO Multi-Value Projects**
28 **(“MVP”)?**

29 A. Yes. Witness Joiner discusses the projected MVP costs associated with MISO
30 Schedule 26A.

31
32 **Q. Does this MCRA include any new or modified MISO charge types?**

1 A. No.

2

3

4 **VI. TRANSMISSION REVENUES**

5

6 **Q. How are transmission revenues treated pursuant to the Rate Order?**

7 A. The Rate Order provides that customers will receive all actual transmission revenues
8 from Schedules 1, 2, and 24, and from Alcoa. If the actual level of the Schedule 1, 2, 24,
9 and Alcoa revenues exceeds the annual level included in base rates (\$2,037,741),
10 customers will receive the amount in excess in a future MCRA. If such actual revenues
11 are less than \$2,037,741, the Company will not recover the shortfall.

12

13 **Q. How was the \$2,037,741 base level (that is subject to tracking in the MCRA)
14 identified above determined?**

15 A. The Rate Order provides that transmission revenues of \$5,371,424 are included as a
16 credit in Vectren South's base rates. The Rate Order also provides that the Company
17 may retain increases in the transmission revenues from MISO Schedules 7, 8, and 9
18 ("MISO Attachment O Revenues") in excess of the base rate level of \$3,333,683 (i.e.
19 those revenues are not tracked). The base rate level of transmission revenues subject
20 to tracking (\$2,037,741) is simply the total transmission revenues (\$5,371,424) less the
21 MISO Attachment O Revenues (\$3,333,683).

22

23 **Q. How is the annual base rate MRA amount (\$2,037,741) allocated to each month?**

24 A. The base level of MRA from the Rate Order was derived from revenues received for the
25 twelve (12) months ended December 31, 2009. Monthly variances are determined by
26 comparing actual MRA to the Rate Case test year level for the applicable month.
27 However, the annual reconciliation of transmission revenues in the MCRA compares the
28 total actual transmission revenues tracked in the MCRA (Schedules 1, 2, 24, and Alcoa)
29 for the 12 months ending April to the annual level included in base rates of \$2,037,741.
30 If the actual level exceeds the annual level included in base rates, customers will receive
31 the amount via a credit to the MCRA.

32

1 **Q. Has the Company included actual transmission revenues for reconciliation in this**
2 **MCRA?**

3 A. Yes. Vectren South has included a schedule, Schedule 4, page 3 of 3, in this MCRA for
4 the twelve (12) months ending April 30, 2020. The Company will include a similar
5 schedule in each future annual MCRA filing. Customers have already received a credit
6 of \$2,037,741 through base rates.

7
8 **Q. Please describe Schedule 4, page 3 of 3 of this filing.**

9 A. Schedule 4, page 3 of 3 is shown in the format suggested by the OUCC in MCRA10
10 which illustrates (in two separate columns: one column for non-RECB transmission
11 revenues subject to tracking (Schedules 1, 2, 24, and Alcoa) and one column for non-
12 RECB transmission revenues from MISO Attachment O (Schedules 7, 8, and 9))
13 information related to the actual non-RECB transmission revenues by month compares
14 to the total annual transmission revenues included in base rates. Lines 1 through 12
15 show the actual non-RECB transmission revenues (tracked and non-tracked) by month
16 for the period May 2019 through April 2020. The total annual amount of actual non-
17 RECB transmission revenues is shown on Line 13, which is then compared to the annual
18 amount included in base rates (Line 14).

19

20 **Q. What are the actual non-RECB transmission revenues to be tracked through the**
21 **MCRA (Schedules 1, 2, 24, and Alcoa) for the 12 months ending April 30, 2020?**

22 A. Actual non-RECB transmission revenues tracked through the MCRA for the 12 months
23 ending April 30, 2020 were \$1,810,727. If actual annual transmission revenues are less
24 than \$2,037,741, the Company shall not recover the shortfall and the MCRA, as shown
25 on Schedule 4, page 1 of 3, Line 10, shall be zero. Customers have already received a
26 credit of \$2,037,741, through base rates.

27

28

29 **VII. MCRA FORECAST**

30

31 **Q. Has Vectren South estimated the MCRA for future periods?**

32 A. Yes. Petitioner's Exhibit No. 1, Attachment KJT-3 includes the estimated incremental
33 MCRA amounts for the annual period January through December 2022 (MCRA25), as

1 required by the Commission's order in Cause No. 43111.

2

3

4 **VIII. CONCLUSION**

5

6 **Q. Does this conclude your direct testimony?**

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

VERIFICATION

The undersigned, Katie J. Tieken, being duly sworn under penalties of perjury affirms that the foregoing Direct Testimony in Cause No. 43354-MCRA 24 is true to the best of her knowledge, information and belief.

Katie J. Tieken

Katie J. Tieken

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Electric Service
I.U.R.C. No. E-13

Sheet No. 73
Seventeenth Revised Page 3 of 3
Cancels Sixteenth Revised Page 3 of 3

APPENDIX I
MISO COST AND REVENUE ADJUSTMENT
(Continued)

MISO REVENUES AMOUNT (MRA)

The MISO Revenues Amount shall be the transmission revenues received for the period from the application of MISO's transmission rates to wholesale loads that sink within Company's control area less a prorated portion of the base level of such transmission revenues (annual amount of \$2,037,741). If actual annual transmission revenues are less than \$2,037,741, the Company shall not recover the shortfall and the MRA shall be zero.

MCRA RATES

<u>Rate Schedule</u>	<u>Allocation Percentage¹</u>	<u>Charge Adjusted</u>	<u>MCRA Rate (\$ per kW or kVa)</u>	<u>MCRA Rate (\$ per kWh)</u>
RS	40.3626%	Energy		\$0.003950
B	0.1235%	Energy		\$0.002069
SGS	1.7231%	Energy		\$0.003552
DGS/MLA	26.1523%	Energy		\$0.003254
OSS	2.0370%	Energy		\$0.002996
LP/BAMP	22.1111%	Demand	\$0.857	
BAMP - Auxiliary	1.8911%	Demand	\$0.682	
BAMP - Backup	4.7539%	Demand	\$0.611	
HLF	0.8454%	Demand	\$0.933	

Effective: January 1, 2021

¹ Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement.

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Electric Service
I.U.R.C. No. E-13

Sheet No. 73
~~Seventeenth~~ Revised Page 3 of 3
Cancels ~~Sixteenth~~, Revised Page 3 of 3

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APPENDIX I
MISO COST AND REVENUE ADJUSTMENT
(Continued)

MISO REVENUES AMOUNT (MRA)

The MISO Revenues Amount shall be the transmission revenues received for the period from the application of MISO's transmission rates to wholesale loads that sink within Company's control area less a prorated portion of the base level of such transmission revenues (annual amount of \$2,037,741). If actual annual transmission revenues are less than \$2,037,741, the Company shall not recover the shortfall and the MRA shall be zero.

MCRA RATES

Rate Schedule	Allocation Percentage ¹	Charge Adjusted	MCRA Rate (\$ per kW or kVa)	MCRA Rate (\$ per kWh)
RS	40.3626%	Energy		\$0.003950
B	0.1235%	Energy		\$0.002069
SGS	1.7231%	Energy		\$0.003552
DGS/MLA	26.1523%	Energy		\$0.003254
OSS	2.0370%	Energy		\$0.002996
LP/BAMP	22.1111%	Demand	\$0.857	
<u>BAMP - Auxiliary</u>	<u>1.8911%</u>	<u>Demand</u>	<u>\$0.682</u>	
<u>BAMP - Backup</u>	<u>4.7539%</u>	<u>Demand</u>	<u>\$0.611</u>	
HLF	0.8454%	Demand	\$0.933	

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Effective: January 1, ~~2021~~

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¹ Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement.

VECTREN SOUTH
Determination of MISO Cost and Revenue Adjustment (MCRA)
For the 12 Months Ending December 2021

Line No.		Rate RS	Rate B	Rate SGS	Rate DGS/MLA	Rate OSS	Rate LP	Rate BAMP - Auxiliary	Rate BAMP - Backup	Rate HLF	Total
1	Estimated Retail Sales (kWh)	1,360,479,616	7,946,703	64,581,625	1,070,089,483	90,522,381					2,593,619,809
2	Estimated Demand (kW/kVa)						3,437,119	369,067	1,035,600	120,719	4,962,506
3	MCRA Allocation Percentages (Sch 2)	40.3626%	0.1235%	1.7231%	26.1523%	2.0370%	22.1111%	1.8911%	4.7539%	0.8454%	100.0000%
4	Incremental MCRA Amounts (Line 3 X Sch 3, Line 21)	\$ 6,185,305	\$ 18,925	\$ 264,054	\$ 4,007,669	\$ 312,157	\$ 3,388,382	\$ 289,799	\$ 728,504	\$ 129,552	\$ 15,324,347
5	Under/(Over) Recovery (Line 3 X Sch 4, Page 1, Line 11)	\$ (889,960)	\$ (2,724)	\$ (37,993)	\$ (576,636)	\$ (44,914)	\$ (487,531)	\$ (41,697)	\$ (104,819)	\$ (18,640)	\$ (2,204,914)
6	MCRA Amount plus Variance (Line 4 + Line 5)	\$ 5,295,345	\$ 16,201	\$ 226,061	\$ 3,431,033	\$ 267,243	\$ 2,900,851	\$ 248,102	\$ 623,685	\$ 110,912	\$ 13,119,433
7	MCRA Excl. Utility Receipts Tax Energy - per kWh (L6 ÷ L1)	\$ 0.003892	\$ 0.002039	\$ 0.003500	\$ 0.003206	\$ 0.002952					
8	Demand - per kW/kVa (L6 ÷ L2)						\$ 0.844	\$ 0.672	\$ 0.602	\$ 0.919	
9	MCRA Incl. Utility Receipts Tax Energy - per kWh (L7 ÷ 0.9853)	\$ 0.003950	\$ 0.002069	\$ 0.003552	\$ 0.003254	\$ 0.002996					
10	Demand - per kW/kVa (L8 ÷ 0.9853)						\$ 0.857	\$ 0.682	\$ 0.611	\$ 0.933	

[1] IURT gross up factor of 0.9853 effective January 1, 2021

**VECTREN SOUTH
 MISO Cost and Revenue Adjustment (MCRA)**

MCRA Allocation Percentages

Line No.	Rate Schedule		Modified Allocation Percentages ⁽¹⁾
1	RS	Residential	40.3626%
2	B	Water Heating	0.1235%
3	SGS	Small General Service	1.7231%
4	DGS/MLA	Demand General Service	26.1523%
5	OSS	Off-Season Service	2.0370%
6	LP	Large Power	22.1111%
7	BAMP-Auxiliary	Backup, Auxiliary and Maintenance Power	1.8911%
8	BAMP-Backup	Backup, Auxiliary and Maintenance Power	4.7539%
9	HLF	Transmission Power	0.8454%
10	TOTAL		<u>100.0000%</u>

(1) Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement.

VECTREN SOUTH
MISO Cost and Revenue Adjustment (MCRA)
Determination of Non-Fuel Component (NFC) and MISO Revenues Amount (MRA)
To Be Recovered or Credited through MCRA
For the 12 Months Ending December 2021

Line No.	Description	Formula Reference (A)	Revised Amount (B)
	Estimated Schedule 1-Scheduling, System Control, and Dispatch Service for the Period		
1	Total Estimated Schedule 1		797
	Estimated Schedule 2-Reactive Supply and Voltage Control for the Period From Generation or Other Source Service		
2	Total Estimated Schedule 2		919,189
	Estimated Schedule 9-Network Integration Transmission Service for the Period		
3	Total Estimated Schedule 9		67,050
	Estimated Schedule 10-FERC-FERC Assessment Fees for the Period		
4	Total Estimated Schedule 10-FERC		356,955
	Estimated Schedule 10-ISO Cost Recovery Adder Charges for the Period		
5	Total Estimated Schedule 10		<u>1,014,361</u>
6	Total Estimated Schedule 10 and 10-FERC	Line 4 + Line 5	<u>1,371,317</u>
	Estimated Schedule 16 - Financial Transmission Rights Administrative Service Cost Recovery Adder Charges for the Period		
7	Total Estimated Schedule 16		10,716
	Estimated Schedule 17- Energy Market Support Administrative Service Cost Recovery Adder Charges for the Period		
8	Total Estimated Schedule 17		951,162
	Estimated Schedule 24- Control Area Operator Cost Recovery Cost Recovery Adder Charges for the Period		
9	Total Estimated Schedule 24		140,959
	Estimated Schedule 26- Network Upgrade Charge from Transmission Expansion Plan Cost Recovery Adder Charges for the Period		
10	Total Estimated Schedule 26 and Schedule 26A		14,265,346
	Estimated Other Midcontinent ISO Standard Market Design and/or Other Government Mandated Costs for the Period		
11	Estimated Real Time Miscellaneous Amount (RT_MISC)		-
12	Estimated Real Time Revenue Neutrality Uplift Amount (RT_RNU)		543,362
13	Estimated Real Time Revenue Neutrality Uplift Amount (2nd Pass RSG)		83,694
14	Estimated Contestable RSG		23,078
15	Estimated Real Time Multi-Value Project Distribution Amount		(29,532)
16	Estimated Real Time Schedule 49 Cost Distribution Amount		<u>208,461</u>
17	Total Estimated Other Midcontinent ISO Costs	Sum (Lines 11-15)	<u>829,063</u>
18	Total Estimated MISO Charges to be Collected from Customers	Line 1+2+3+6+7+8+9+10+16	<u>\$ 18,555,599</u>
19	Less: Annual Amount Included in Base Rates as Authorized in Cause No. 43839		<u>\$ 3,231,252</u>
20	Non-Fuel Costs (NFC)	Line 17 - Line 18	<u><u>\$ 15,324,347</u></u>
	Transmission Revenues (MRA)		
21	MISO Revenue Amount (MRA)		-
22	NFC - MRA	Line 19 - Line 20	<u><u>\$ 15,324,347</u></u>

VECTREN SOUTH
MISO Cost and Revenue Adjustment (MCRA)
Summation of MCRA Under/(Over) Recovery
July 1, 2019 through June 30, 2020

Line No.	MCRA Under/(Over) Recovery	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Amount
1	Beginning Balance of MCRA Regulatory Asset	(1,906,560)	(1,666,025)	(2,355,799)	(2,336,447)	(2,204,548)	(2,347,710)	(2,346,072)	(2,335,821)	(2,271,221)	(2,360,229)	(2,537,523)	(2,295,329)	(1,906,560)
2	MCRA Revenue Billed (including IURT)	1,431,069	1,350,426	1,338,035	1,080,488	928,652	1,091,153	1,091,536	1,003,394	1,024,713	863,746	987,956	1,186,932	13,378,099
3	Less: Indiana Utility Receipts Tax (IURT) (2018 - Line 2*1.49%, 2019 - Line 2*1.48%)	21,180	19,986	19,803	15,991	13,744	16,149	16,155	14,850	15,166	12,783	14,622	17,567	197,996
4	Total MCRA Revenues (Net of IURT) (Line 2 - 3)	1,409,889	1,330,439	1,318,232	1,064,497	914,908	1,075,004	1,075,381	988,544	1,009,547	850,963	973,335	1,169,366	13,180,103
5	MCRA Actual Level - NFC (Sch. 4, Page 2, Line 11)	1,585,794	1,387,704	1,658,055	1,512,893	1,085,415	1,303,038	1,324,611	1,281,953	1,152,995	889,554	1,427,249	1,503,741	16,113,002
6	MCRA Base Rate Level - NFC	128,772	553,638	320,471	316,497	313,671	226,397	238,979	228,808	232,457	215,885	211,721	243,956	3,231,252
7	Total MCRA Variance to Base Level NFC (Line 5 - 6)	1,457,022	834,066	1,337,584	1,196,396	771,744	1,076,641	1,085,632	1,053,145	920,538	673,669	1,215,528	1,259,785	12,881,750
8	Additional Non-RECB Transmission Revenue Credits	-	-	-	-	-	-	-	-	-	-	-	-	-
9	MCRA Under/(Over) Recovery (Lines 7 - Line 4 - Line 8)	47,132	(496,373)	19,352	131,899	(143,164)	1,637	10,251	64,601	(89,009)	(177,294)	242,193	90,419	(298,354)
10	Variance from Non-RECB Transmission Revenues Credits (Schedule 4, Page 3, Line 15)													-
11	Ending Balance of MCRA Regulatory Asset (Line 1 + Line 9 + Line 10)	(1,859,427)	(2,162,399)	(2,336,447)	(2,204,548)	(2,347,711)	(2,346,073)	(2,335,821)	(2,271,220)	(2,360,230)	(2,537,522)	(2,295,329)	(2,204,910)	(2,204,914)

VECTREN SOUTH
MISO Cost and Revenue Adjustment (MCRA)
Summary of Non-RECB Transmission Revenues Credits Included in MCRA
May 1, 2019 through April 30, 2020

Line No.	Month - Year	Tracked through MCRA Schedules 1, 2, 24, Alcoa Amount	Not Tracked through MCRA Schedules 7, 8, 9 Amount	Reference
1	May-19	\$ 301,295	\$ 497,543	MCRA 24 Accounting WP J5, Lines 5 & 13
2	June-19	\$ 169,864	\$ 582,046	MCRA 24 Accounting WP J5, Lines 5 & 13
3	July-19	\$ 107,999	\$ 560,157	MCRA 24 Accounting WP J5, Lines 5 & 13
4	August-19	\$ 201,191	\$ 574,650	MCRA 24 Accounting WP J5, Lines 5 & 13
5	September-19	\$ 116,027	\$ 576,450	MCRA 24 Accounting WP J5, Lines 5 & 13
6	October-19	\$ 134,081	\$ 442,140	MCRA 24 Accounting WP J5, Lines 5 & 13
7	November-19	\$ 112,387	\$ 444,761	MCRA 24 Accounting WP J5, Lines 5 & 13
8	December-19	\$ 159,758	\$ 457,281	MCRA 24 Accounting WP J5, Lines 5 & 13
9	January-20	\$ 130,080	\$ 481,250	MCRA 24 Accounting WP J5, Lines 5 & 13
10	February-20	\$ 123,051	\$ 453,105	MCRA 24 Accounting WP J5, Lines 5 & 13
11	March-20	\$ 141,015	\$ 449,408	MCRA 24 Accounting WP J5, Lines 5 & 13
12	April-20	<u>\$ 113,980</u>	<u>\$ 308,762</u>	MCRA 24 Accounting WP J5, Lines 5 & 13
13	Twelve (12) Months Ending April 2020	\$ 1,810,727	\$ 5,827,553	Sum of Line 1 through Line 12
14	Annual Transmission Revenue Credits Included in Base Rates	<u>\$ 2,037,742</u>	<u>\$ 3,333,683</u>	Annual Amount Credited through Base Rates
15	Variance: Schedules 1, 2, 24 and Alcoa	<u>\$ (227,014)</u> (A)		Line 13 - Line 14
16	Revenue Difference: Schedules 7, 8 and 9		<u>\$ 2,493,870</u> (B)	Line 13 - Line 14

Notes:

(A): Positive Amount = Total excess trackable non-RECB transmission revenue credits passed back to customers

Negative Amount = Total shortfall trackable non-RECB transmission revenue credits absorbed by Petitioner

(B): Variance has no impact to MCRA per Commission's Order in Cause No. 43839.

VECTREN SOUTH
MISO Cost and Revenue Adjustment (MCRA)
Impact of a Change in MISO Cost and Revenue Adjustment (MCRA)
on the Bill of a Typical Residential-Standard Customer Using 1,000 kWh per month

Bill At Proposed MCRA	Bill At Current MCRA	Dollar Increase (Decrease)	Percent Change
\$ 150.19	\$ 150.28	\$ (0.09)	-0.06%

Monthly charges:

	Proposed	Currently Approved
Customer Facilities Charge	\$ 11.00	\$ 11.00
Energy Charge (All kWh)	\$ 0.09160	\$ 0.09160
Fuel Charge	\$ 0.03889	\$ 0.03889
Variable Production Charge	\$ 0.00475	\$ 0.00475
MCRA	\$ 0.003950	\$ 0.004041

VECTREN SOUTH
Determination of MISO Cost and Revenue Adjustment (MCRA)
For the 12 Months Ending December 2022

Line No.		Rate RS	Rate B	Rate SGS	Rate DGS/MLA	Rate OSS	Rate LP	Rate BAMP - Auxiliary	Rate BAMP - Backup	Rate HLF	Total
1	Estimated Retail Sales (kWh)	1,362,940,327	7,946,703	64,469,406	1,068,230,051	90,365,086					2,593,951,573
2	Estimated Demand (kW/kVa)						3,471,035	369,067	1,035,600	239,938	5,115,640
3	MCRA Allocation Percentages (Sch 2)	40.3626%	0.1235%	1.7231%	26.1523%	2.0370%	22.1111%	1.8911%	4.7539%	0.8454%	100.0000%
4	Incremental MCRA Amounts (Line 3 X Sch 3, Line 21)	\$ 6,137,149	\$ 18,778	\$ 261,998	\$ 3,976,468	\$ 309,727	\$ 3,362,001	\$ 287,543	\$ 722,832	\$ 128,543	\$ 15,205,039
5	Under/(Over) Recovery (Line 3 X Sch 4, Page 1, Line 11)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	MCRA Amount plus Variance (Line 4 + Line 5)	\$ 6,137,149	\$ 18,778	\$ 261,998	\$ 3,976,468	\$ 309,727	\$ 3,362,001	\$ 287,543	\$ 722,832	\$ 128,543	\$ 15,205,039
7	MCRA Excl. Utility Receipts Tax Energy - per kWh (L6 ÷ L1)	\$ 0.004503	\$ 0.002363	\$ 0.004064	\$ 0.003722	\$ 0.003428					
8	Demand - per kW/kVa (L6 ÷ L2)						\$ 0.969	\$ 0.779	\$ 0.698	\$ 0.536	
9	MCRA Incl. Utility Receipts Tax Energy - per kWh (L7 ÷ 0.9853)	\$ 0.004570	\$ 0.002398	\$ 0.004125	\$ 0.003778	\$ 0.003479					
10	Demand - per kW/kVa (L8 ÷ 0.9853)						\$ 0.983	\$ 0.791	\$ 0.708	\$ 0.544	

[1] IURT gross up factor of 0.9853 effective January 1, 2022