

**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**

**I. INTRODUCTION**

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

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

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

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

**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, 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 Vectren South (and other utility subsidiaries in Indiana and Ohio), as well as the 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 Adjustment ("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  
22 and red-lined.
- 23 • Petitioner's Exhibit No. 1, Attachment KJT-2: Detailed calculation of the proposed  
24 MCRA charges for the annual period January 2021 through December 2021.
- 25 • Petitioner's Exhibit No. 1, Attachment KJT-3: Estimated incremental MCRA  
26 amounts, as required by the Commission's order in Cause No. 43111, for the  
27 period January 2022 through December 2022 (MCRA25).

28  
29  
30 **II. FILING DATES AND RECONCILIATION PERIOD IN MCRA24**

31  
32 **Q. What is the projection period proposed in this MCRA?**

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

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

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

### **III. DESCRIPTION OF MCRA**

**Q. Please describe the MCRA.**

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

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

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

NFC = MISO Charges minus Base Rate Amount where:

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

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

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

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

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

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.

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.

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%                       |

**V. PROPOSED MCRA**

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

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.

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

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.

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

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. Theg 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.

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*

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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<br/>Schedule</u> | <u>Allocation<br/>Percentage<sup>1</sup></u> | <u>Charge<br/>Adjusted</u> | <u>MCRA Rate<br/>(\$ per kW or<br/>kVa)</u> | <u>MCRA Rate<br/>(\$ 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

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

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Effective: January 1, ~~2021~~

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<sup>1</sup> 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<br>(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<br>(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<br>(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<br>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<br>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<br>No. | Rate<br>Schedule |   | Modified<br>Allocation<br>Percentages <sup>(1)</sup> |
|-------------|------------------|---|--|
| 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          | <b>TOTAL</b>     |   | <b>100.0000%</b>                                     |

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

**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)<br>(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        | <b>Total MCRA Revenues (Net of IURT) (Line 2 - 3)</b>                                   | 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<br>(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        | <b>Total MCRA Variance to Base Level NFC (Line 5 - 6)</b>                               | 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        | <b>Additional Non-RECB Transmission Revenue Credits</b>                                 | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 9        | <b>MCRA Under/(Over) Recovery</b><br>(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<br>(Schedule 4, Page 3, Line 15)   |             |             |             |             |             |             |             |             |             | -           |             |             | -           |
| 11       | Ending Balance of MCRA Regulatory Asset<br>(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)**  
**Actual Non-Fuel Costs and MISO Revenue Amount**  
**July 1, 2019 through June 30, 2020**

| Line No. | Description  | 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        |
|----------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|---------------|
|          | <b>NFC - Non-Fuel Costs</b>                                    |              |              |              |              |              |              |              |              |              |            |              |              |               |
| 1        | Schedule 10  | \$ 66,126    | \$ 50,498    | \$ 101,594   | \$ 99,222    | \$ 64,684    | \$ 74,340    | \$ 58,294    | \$ 87,693    | \$ 58,444    | \$ 95,141  | \$ 16,683    | \$ 145,056   | \$ 917,775    |
| 2        | Schedule 10 FERC   | \$ 43,032    | \$ 26,327    | \$ 39,276    | \$ 37,939    | \$ 25,857    | \$ 27,789    | \$ 26,611    | \$ 25,652    | \$ 22,523    | \$ 23,111  | \$ 100,672   | \$ (38,235)  | \$ 360,554    |
| 3        | Schedule 16  | \$ 1,355     | \$ 427       | \$ 2,120     | \$ 1,906     | \$ 1,502     | \$ 2,198     | \$ 2,578     | \$ 2,224     | \$ 1,374     | \$ 1,127   | \$ 832       | \$ 732       | \$ 18,375     |
| 4        | Schedule 17  | \$ 83,838    | \$ 51,377    | \$ 83,357    | \$ 79,214    | \$ 68,386    | \$ 69,612    | \$ 86,814    | \$ 72,097    | \$ 47,981    | \$ 63,330  | \$ 70,605    | \$ 100,596   | \$ 877,207    |
| 5        | Schedule 24  | \$ 12,620    | \$ 12,128    | \$ 12,692    | \$ 9,938     | \$ 9,559     | \$ 8,725     | \$ 10,325    | \$ 10,610    | \$ 9,624     | \$ 8,352   | \$ 10,173    | \$ 11,968    | \$ 126,714    |
| 6        | Schedule 26  | \$ 729,354   | \$ 757,321   | \$ 752,919   | \$ 579,894   | \$ 508,237   | \$ 581,094   | \$ 660,799   | \$ 613,996   | \$ 625,135   | \$ 542,565 | \$ 583,632   | \$ 682,910   | \$ 7,617,856  |
| 7        | Schedule 1   | \$ 579,409   | \$ 383,293   | \$ 558,770   | \$ 539,748   | \$ 367,862   | \$ 395,352   | \$ 365,649   | \$ 341,100   | \$ 309,507   | \$ 51,779  | \$ 390,584   | \$ 465,755   | \$ 4,748,808  |
| 8        | Schedule 2   | \$ 595       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ 80        | \$ 78        | \$ 753        |
| 9        | Schedule 9   | \$ (693)     | \$ 46,923    | \$ 70,302    | \$ 67,903    | \$ 46,284    | \$ 83,089    | \$ 82,443    | \$ 79,207    | \$ 69,268    | \$ 71,092  | \$ 88,587    | \$ 102,354   | \$ 806,759    |
| 10       | Miscellaneous/Other  | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ (438)   | \$ (9,323)   | \$ 5,558     | \$ (4,203)    |
| 10a      | Miscellaneous/Other (Contestable RSG Adj. from MCRA2)          | \$ 70,158    | \$ 59,410    | \$ 37,025    | \$ 97,129    | \$ (6,956)   | \$ 60,839    | \$ 31,098    | \$ 49,374    | \$ 9,139     | \$ 33,495  | \$ 174,724   | \$ 26,969    | \$ 642,404    |
| 11       | <b>Total NFC Component</b>                                     | \$ 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 |
|          | <b>MRA - MISO Revenue Amount</b>                               |              |              |              |              |              |              |              |              |              |            |              |              |               |
| 12       | Transmission Revenues - Hoosier Wheeling                       | -            | -            | -            | -            | -            | -            | -            | -            | -            | -          | -            | -            | -             |
| 13       | Transmission Revenues - Alcoa                                  | -            | -            | -            | -            | -            | -            | -            | -            | -            | -          | -            | -            | -             |
| 14       | Transmission Revenues - MISO Member Returns                    | -            | -            | -            | -            | -            | -            | -            | -            | -            | -          | -            | -            | -             |
| 15       | <b>Total MRA Component</b>                                     | -            | -            | -            | -            | -            | -            | -            | -            | -            | -          | -            | -            | -             |
| 16       | <b>Total Actual Level - NFC and MRA</b><br>(Line 11 - Line 15) | \$ 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 |

**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<br>Schedules 1, 2, 24, Alcoa<br>Amount | Not Tracked through MCRA<br>Schedules 7, 8, 9<br>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<br>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><br>(A)                                  |   | Line 13 - Line 14                         |
| 16       | Revenue Difference: Schedules 7, 8 and 9                      |   | <u>\$ 2,493,870</u><br>(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**

| <b>Bill At<br/>Proposed<br/>MCRA</b> | <b>Bill At<br/>Current<br/>MCRA</b> | <b>Dollar<br/>Increase<br/>(Decrease)</b> | <b>Percent<br/>Change</b> |
|--------------------------------------|-------------------------------------|---|---------------------------|
| <u>\$ 150.19</u>                     | <u>\$ 150.28</u>                    | <u>\$ (0.09)</u>                          | <u>-0.06%</u>             |

**Monthly charges:**

Customer Facilities Charge  
Energy Charge (All kWh)  
Fuel Charge  
Variable Production Charge  
MCRA

| <b>Proposed</b> |
|-----------------|
| \$ 11.00        |
| \$ 0.09160      |
| \$ 0.03889      |
| \$ 0.00475      |
| \$ 0.003950     |

| <b>Currently<br/>Approved</b> |
|-------------------------------|
| \$ 11.00                      |
| \$ 0.09160                    |
| \$ 0.03889                    |
| \$ 0.00475                    |
| \$ 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<br>(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<br>(Line 3 X Sch 4, Page 1, Line 11)        | \$ -          | \$ -        | \$ -        | \$ -          | \$ -        | \$ -         | \$ -                  | \$ -               | \$ -       | -             |
| 6        | MCRA Amount plus Variance<br>(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<br>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<br>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