

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND )  
ELECTRIC COMPANY D/B/A CENTERPOINT ENERGY )  
INDIANA SOUTH (“CEI SOUTH”) FOR (1) AUTHORITY )  
TO MODIFY ITS RATES AND CHARGES FOR ELECTRIC )  
UTILITY SERVICE THROUGH A PHASE-IN OF RATES, (2) )  
APPROVAL OF NEW SCHEDULES OF RATES AND )  
CHARGES, AND NEW AND REVISED RIDERS, )  
INCLUDING BUT NOT LIMITED TO A NEW TAX )  
ADJUSTMENT RIDER AND A NEW GREEN POWER )  
RIDER (3) APPROVAL OF A CRITICAL PEAK PRICING )  
 (“CPP”) PILOT PROGRAM, (4) APPROVAL OF REVISED )  
DEPRECIATION RATES APPLICABLE TO ELECTRIC )  
AND COMMON PLANT IN SERVICE, (5) APPROVAL OF )  
NECESSARY AND APPROPRIATE ACCOUNTING RELIEF, )  
INCLUDING AUTHORITY TO CAPITALIZE AS RATE )  
BASE ALL CLOUD COMPUTING COSTS AND DEFER TO )  
A REGULATORY ASSET AMOUNTS NOT ALREADY )  
INCLUDED IN BASE RATES THAT ARE INCURRED FOR )  
THIRD-PARTY CLOUD COMPUTING ARRANGEMENTS, )  
AND (6) APPROVAL OF AN ALTERNATIVE )  
REGULATORY PLAN GRANTING CEI SOUTH A WAIVER )  
FROM 170 IAC 4-1-16(f) TO ALLOW FOR REMOTE )  
DISCONNECTION FOR NON-PAYMENT )

**CAUSE NO. 45990**

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

**PUBLIC’S EXHIBIT NO. 3**

**TESTIMONY OF OUCC WITNESS KALEB G. LANTRIP**

**MARCH 12, 2024**

Respectfully submitted,



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T. Jason Haas  
Deputy Consumer Counselor  
Attorney No. 34983-29

**TESTIMONY OF OUCC WITNESS KALEB G. LANTRIP**  
**CAUSE NO. 45990**  
**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY D/B/A**  
**CNETERPOINT ENERGY INDIANA SOUTH**

**I. INTRODUCTION**

1 **Q: Please state your name, business address, and employment capacity.**

2 A: My name is Kaleb G. Lantrip and my business address is 115 W. Washington St.,  
3 Suite 1500 South, Indianapolis, Indiana 46204. I am employed as a Utility  
4 Analyst in the Indiana Office of Utility Consumer Counselor's ("OUCC") Electric  
5 Division. A summary of my educational background and experience is included in  
6 Appendix A attached to my testimony.

7 **Q: What is the purpose of your testimony?**

8 A: I address Southern Gas and Electric Company D/B/A CenterPoint Energy Indiana  
9 South's ("CEI South" or "Petitioner") rate case requests to embed base rate  
10 inclusion of investments in its Clean Energy Cost Allocation ("CECA") tracker;  
11 Transmission, Distribution, Storage System Improvement Charge ("TDSIC")  
12 tracker; and Reliability Cost and Revenue Adjustment ("RCRA") tracker.  
13 Ultimately, I recommend the Indiana Utility Regulatory Commission ("IURC" or  
14 "Commission") disallow Petitioner's request to include \$219,348 of costs from  
15 the CECA's Urban Living Research Center ("ULRC") in excess of the Cause No.  
16 44909 CECA-5 IURC order's determination limiting the project's approved  
17 recovery to \$1.15 Million. Furthermore, I recommend Petitioner's TDSIC project  
18 costs placed in rate base be restricted to the 20% deferred portion amounts as  
19 confirmed and approved through plan updates filed through the rider. I

1 recommend the RCRA rider's embedded costs not include Petitioner's proposed  
2 adjustments to Interruptible Sales billing credits and Emissions Allowances  
3 balances. Additionally, I discuss the proposed treatment of CEI South's affiliate  
4 company arrangements with CenterPoint Energy Service Company, LLC  
5 ("CenterPoint Shared Services") and Vectren Utility Holdings, Inc ("VUH").

6 **Q: Please describe the review and analysis you conducted in order to prepare**  
7 **your testimony.**

8 A: I read Petitioner's relevant testimony, attachments, work papers, and responses to  
9 data requests from intervenors. I participated in a tech-to-tech meeting with  
10 Citizens Action Coalition and CenterPoint Energy on January 31, 2024.  
11 Additionally, I reviewed Petitioner's currently approved rate case order, Cause  
12 No. 43839, Cause No. 44909 CECA-5 and pending CECA-6, Cause No. 43406  
13 RCRA-21, Cause No. 44910 ("Electric Plan 1"), and Cause No. 45894 ("2024-  
14 2028 TDSIC Plan").

15 **Q: To the extent you do not address a specific item, does this mean you agree**  
16 **with those portions of CEI South's proposal?**

17 A: No. Excluding any specific adjustments or amounts CEI South proposes does not  
18 indicate my approval of those adjustments or amounts. Rather, the scope of my  
19 testimony is limited to the specific items addressed herein.

## II. CECA RIDER

20 **Q: What projects are currently included in Petitioner's Clean Energy Cost**  
21 **Adjustment Rider?**

22 A: Petitioner has two pilot solar projects capable of 2.5 MW peak production, which  
23 were put in service in November 2018. The first, "Evansville Urban Facility"  
24 features only the solar array, while the "Highway 41 Facility" includes an on-site

1 Battery Energy Storage System. Petitioner completed a third project, the ULRC in  
2 December 2022, which is a 105 kW rooftop solar facility attached to the Post  
3 House in downtown Evansville.

4 In Cause No. 45086, Petitioner was approved to use the CECA rider to  
5 recover its Troy Solar Project costs. This 50 MW facility was placed into service  
6 in December 2020 and uses a levelized rate of recovery schedule over a 35-year  
7 expected period.

8 **Q: What projects have been approved to be recovered through the CECA rider,**  
9 **but are not yet in service?**

10 A: In Cause No. 45754, Petitioner was approved to use the CECA rider to recover  
11 costs for its Crosstrack Solar facility, which is expected to be in service in 2026.

12 In Cause No. 45836, Petitioner was approved to use the CECA rider to  
13 recover the costs of a \$636 Million Wind Project, which is currently expected to  
14 have a commercial operation date of December 31, 2026, according to its most  
15 recently filed project report update.

16 In Cause No. 45847, Petitioner was approved to use the CECA rider to  
17 recover costs of the Posey Solar Project, which is expected to be online by  
18 February 14, 2025. Petitioner's witness Chrissy M. Behme testifies about  
19 Petitioner's approval to use the CECA rider for recovery to the extent that project  
20 costs are not included in rate base through this filing.<sup>1</sup>

21 **Q: Do you have any recommendations regarding Petitioner's CECA**  
22 **adjustments in this Cause?**

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<sup>1</sup> Petitioner's Exhibit No. 2, Direct Testimony of Witness Ms. Chrissy M. Behme, p. 22, ll. 12-16.

1 A: Yes. I recommend Petitioner's request to include \$219,348<sup>2</sup> of net project costs  
2 related to the ULRC be denied. The Commission's most recent order in Cause  
3 No. 44909 CECA-5 found ratemaking recovery should be limited to the \$1.15M  
4 project estimate given in CECA-4, due to the project's changes in scope from the  
5 previous approved cost in CECA-2. This regulatory history of the ULRC project  
6 is addressed more comprehensively in OUCC witness Cynthia Armstrong's  
7 testimony. Cause No. 44909 CECA-5 also required Petitioner to update the  
8 Commission on the outcome of Petitioner's Department of Energy ("DOE")  
9 reimbursement request for \$60,000.<sup>3</sup>

10 **Q: Has Petitioner provided an update regarding its reimbursement request to**  
11 **the DOE?**

12 A: Yes. Petitioner received \$56,407 of its \$60,000 reimbursement request from the  
13 DOE.<sup>4</sup>

14 **Q: Has the Petitioner provided any other updates regarding ULRC related**  
15 **adjustments?**

16 A: Yes. Petitioner's witness F. Shane Bradford testified to an overhead adjustment,  
17 removing costs of \$37,195 which had been incorrectly assessed to the ULRC  
18 project.<sup>5</sup>

19 **Q: What is your recommendation regarding these updates to CECA**  
20 **offsets?**

21 A: I recommend these adjustments be addressed and implemented in Petitioner's  
22 pending CECA-6 rider as one-time offsets to the tariff. Petitioner confirmed there  
23 have been no significant changes to the scope of the ULRC since CECA-5 when

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<sup>2</sup> Petitioner Exhibit No. 7, Direct Testimony of Witness Mr. F. Shane Bradford, p. 21, l. 17 – p. 23, l. 5.

<sup>3</sup> *In re Southern Indiana Gas and Electric Company dba CenterPoint Energy Indiana South*. Cause No. 44909, Final Order pp. 13-14 (Ind. Util. Regul. Comm'n May 30, 2023).

<sup>4</sup> Bradford Direct, p. 21, ll. 19-20

<sup>5</sup> Bradford Direct, p. 21, ll. 20-23.

1           responding to an OUCC data request.<sup>6</sup> The Commission's May 30, 2023, CECA-  
2           5 order states:

3                       Since DOE is, apparently, continuing to evaluate the extent to  
4                       which this research will continue, the Commission directs CEI  
5                       South to promptly update the Commission and the OUCC via a  
6                       filing in this Cause when a decision is made upon the DOE/ORNL  
7                       [Oak Ridge National Laboratory] funding and also when DOE  
8                       makes a decision upon the \$60,000 of additional reimbursement  
9                       CEI South has requested.<sup>7</sup>

10   **Q:    What is Petitioner proposing for rate base adjustments to its CECA rider?**

11   A:    According to Ms. Behme, and as illustrated in Petitioner's financial exhibit, CEI  
12           South is proposing to include \$18M<sup>8</sup> in post-in-service carrying costs ("PISCC")  
13           from its CECA investments in its Phase 2 adjustment. Petitioner removes the  
14           impact of Troy Solar and Crosstrack Solar in its Exhibit No. 20, Schedule B2.1,  
15           page 4 adjustment removing \$388.8M, as the facilities costs are to be recovered  
16           through a levelized rate schedule through the CECA rider rather than through  
17           inclusion in rate base.

18   **Q:    What is Petitioner proposing for revenue requirement adjustments to its**  
19           **CECA rider?**

20   A:    Petitioner is proposing to remove the revenue requirement effect of its non-utility  
21           property solar projects of its Troy Solar<sup>9</sup> and Crosstrack Solar<sup>10</sup> facilities, as their  
22           recovery is through a levelized cost schedule which will be tracked and updated  
23           through the CECA rider instead. Petitioner's Exhibit No. 20 details the following  
24           adjustments in its schedules: Schedule C3.17 removes \$1.53M of Troy's  
25           operating expenses from the test year and Schedule C3.18 regards the removal

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<sup>6</sup> Attachment KGL-1: Petitioner's response to OUCC DR 1-38.

<sup>7</sup> IURC Cause No. 44909 CECA-5, p. 14.

<sup>8</sup> Petitioner's Exhibit No. 20, Financial Exhibit, Schedule B-4, line 8.

<sup>9</sup> Behme Direct, p. 15, ll. 17-25.

<sup>10</sup> Behme Direct, p. 15, l. 28 – p. 16, l. 12.

1 \$1.56M of Crosstrack Solar expenses. Petitioner's Schedule C3.22 proposes to  
2 increase CECA's PISCC and deferred depreciation balances over an amortization  
3 period of 27 years (\$495.6K) and CECA's deferred operations and maintenance  
4 ("O&M") expenses increase of \$497.8K over seven years, for a total amortization  
5 expense increase of \$994.4K.

6 Petitioner's Schedule C3.3 proposes the CECA rider synchronization  
7 adjustment to the rate case's Phase 2 period at the end of its 2025 test year will be  
8 a \$20.4M increase in rate case revenue requirement.

9 **Q: What do you recommend regarding CEI South's proposed CECA Rider**  
10 **adjustments to its rate base and revenue requirements?**

11 A: Petitioner's proposed CECA Rider adjustments for the additional \$219,348 ULRC  
12 costs should be denied.

13 **Q: Do other OUCC witnesses also address recommendations which affect the**  
14 **CECA Rider's tariff in this case?**

15 A: Yes. Ms. Armstrong addresses the appropriateness of Petitioner's request to  
16 recover the excess ULRC costs through this Cause. Additionally, OUCC witness  
17 Brian Wright addresses Petitioner's proposed treatment of RECs through the  
18 Green Power Rider, for which CEI South petitioned approval in this Cause.  
19 Petitioner has historically sold off its REC inventory and passed back the  
20 proceeds from the sales as a ratepayer credit through the CECA rider.

21 **Q: Does Petitioner plan to continue its practice of using its CECA mechanism as**  
22 **a means of distributing proceeds from its sales of Renewable Energy Credits**  
23 **("RECs").**

1 A: Yes. According to Petitioner's witness Matthew A. Rice, CEI South is proposing  
2 to continue using the CECA Rider to flow back the proceeds of REC sales.<sup>11</sup>

### III. TDSIC RIDER

3 **Q: What is a TDSIC plan?**

4 A: A utility may file a petition under Indiana Code § 8-1-39 for a five to seven year  
5 plan for executing transmission and distribution projects to address its systems'  
6 needs. If the Commission approves this plan, the utility creates a rider tariff and  
7 files petitions to update its progress on its approved projects and cost recovery on  
8 at least an annual basis.<sup>12</sup> The utility is permitted to recover 80% of its costs  
9 through the subsequent updates, with the remaining 20% of investment to be  
10 deferred for recovery until the petitioner's next base rate case(s).

11 **Q: What is Petitioner's history with TDSIC plans?**

12 A: The Commission has approved two consecutive TDSIC plans for CEI South's  
13 electric utility. The first one, Cause No. 44910, was approved through a  
14 settlement agreement for the seven-year span of 2017-2023. Petitioner filed its  
15 final TDSIC rider update on February 1, 2024, including a request for a \$7.00  
16 residential fixed charge component and an energy charge which includes a  
17 variance reconciliation. At the end of 2023, the Commission approved Petitioner's  
18 second TDSIC plan, Cause No. 45894, for the five-year period of 2024-2028.  
19 Petitioner is planning to file its first plan update in that cause in August 2024.<sup>13</sup>

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<sup>11</sup> Petitioner's Exhibit No. 19, Direct Testimony of Witness Mr. Matthew A. Rice, p. 9, ll. 13-16.

<sup>12</sup> Indiana Code § 8-1-39-9.

<sup>13</sup> *In re Southern Indiana Gas and Electric Company dba CenterPoint Energy Indiana South*. Cause No. 45894, Final Order p. 35 (Ind. Util. Regul. Comm'n Dec. 27, 2023).



1 **Q: What accounting treatment approval did the Commission approve in Cause**  
2 **No. 45894?**

3 A: The Commission's order in Cause No. 45894 approved Petitioner's request for a  
4 second TDSIC plan and its requested treatment to defer the 20% portion of its  
5 TDSIC investment over its next two general rate cases. This proceeding is the first  
6 rate case in which these costs are being considered. The Commission Order at  
7 page 37, finding 9 specifically addresses the requested treatment of the 20% as  
8 includable in this rate case and the next. But Petitioner's request for timeliness of  
9 the remaining 80% of its TDSIC investment could be met by its inclusion in the  
10 rider updates and resulting factors, which already include the prioritized amounts.  
11 Page 33 of the 45894 order reads:

12 We find that Petitioner's proposed prioritization of the 80%  
13 recovery through the rider in terms of accounting, as described by  
14 Ms. Behme in direct and not opposed by the OUCC or the CAC,  
15 should be approved. As Ms. Behme explained, this prioritization is  
16 needed to assure Petitioner receives the return granted by Ind.  
17 Code § 8-1-39-9(c) in accordance with the Financial FASB ASC  
18 Topic 980 and is consistent with the recovery prioritization  
19 approved in Cause No. 44910.<sup>14</sup>

20 While I am not a lawyer, a plain language reading of this order would  
21 indicate Petitioner is approved to collect 80% of its TDSIC investment through  
22 the rider updates with the approved prioritization and, also, experience shorter  
23 regulatory lag on the 20% deferred portion of its investment through the  
24 Commission's finding that the 20% deferral is eligible for inclusion in this Cause.

25 **Q: Do you have any concerns with Petitioner's proposed TDSIC treatment in**  
26 **this Cause?**

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<sup>14</sup> *In re Southern Indiana Gas and Electric Company dba CenterPoint Energy Indiana South*, Cause No. 45894, Final Order p. 33, (Ind. Util. Regul. Comm'n Dec. 27, 2023).

1 A: Yes. As CEI South has already been approved for filing a semi-annual TDSIC  
2 rider update, it would be more administratively efficient to have the 80% portion  
3 of TDSIC investment be tracked and remain recovered through the rider until the  
4 completion of the Plan and the rate case filing required to be filed before its  
5 expiration. Under the TDSIC statute, this 80% portion is permitted through  
6 Indiana Code § 8-1-39-9(a), while the 20% portion is deferred for recovery,  
7 specifically through the rate case(s). As mentioned above, the Commission  
8 granted Petitioner's request to allow for the 20% TDSIC investment portion to be  
9 recovered through the timing of this rate case and the next.

10 As I understand Petitioner's request to place 100% of its completed  
11 TDSIC projects into rate base as of the rate base cutoff date of the 2025 test  
12 year,<sup>15</sup> it would create an administrative inefficiency to adjust and reconcile the  
13 TDSIC tariff at each phase to clear the billing charge for completed projects  
14 through compliance filings and in the TDSIC trackers. Any unidentified errors  
15 could result in double recovery as to individual completed projects. However, the  
16 20% deferred portion of TDSIC investment is not billed under the tariff and  
17 would not require such adjustments or reconciliations.

18 Furthermore, TDSIC riders serve a unique function as capital  
19 infrastructure trackers for specific transmission and distribution asset  
20 improvements. I am concerned at the prospect of CEI South's accountability if  
21 Petitioner receives approval in the rate case for inclusion of 100% rate base of its  
22 completed TDSIC investment.

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<sup>15</sup> Rice Direct, p. 36, ll. 20-31.

1 **Q: Do you have concerns with the timing of Petitioner's rate case proposal to**  
2 **move 100% of its completed TDSIC projects into rate base?**

3 A: Yes. The Cause No. 45894 TDSIC plan has a five-year effective period, and this  
4 proposal would equate to cover 40% of the total plan's duration. Additionally,  
5 Petitioner has not yet received Commission approval for its first TDSIC plan's  
6 (Cause No. 44910) final update, which was filed on February 1, 2024.

7 I am concerned about CEI South's requested 100% of rate base inclusion  
8 of its completed projects,<sup>16</sup> because this testimony date is before the Commission  
9 has approved the last update of the first plan and the first update of the latest plan.

10 **Q: What is your recommendation regarding Petitioner's TDSIC recovery in this**  
11 **rate case?**

12 A: I recommend Petitioner's rate base recovery be limited to the extent of the 20%  
13 deferred investment that has been approved through the rider prior to the Phase 2  
14 cutoff date of December 31, 2025, with the 80% investment recovery to be  
15 separately recovered through the TDSIC rider, until the next rate case to be filed  
16 before the Plan's expiration.

17 **Q: What is your alternative recommendation regarding Petitioner's TDSIC**  
18 **recovery in this rate case?**

19 A: If the Commission approves the inclusion in rate base of the non-deferred portion  
20 of the completed TDSIC investment, I recommend Petitioner's TDSIC investment  
21 included in base rates be capped at the lesser of 1) Petitioner's estimated  
22 investment as presented in its proposals in this cause, 2) the amounts approved by  
23 the Commission in the 45894 rider updates, or 3) the amounts approved by the  
24 Commission in its Final Order in this case.

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<sup>16</sup> Rice Direct, p. 36, ll. 20-31.

1 **Q: If the Commission does not find this ratemaking proposal equitable, do you**  
2 **have an alternative proposal?**

3 A: Yes. If in its rate case order the Commission finds the 80% portion of TDSIC  
4 investments are eligible to be included in rate base, rather than being tracked  
5 separately, I propose the inclusion of these projects in base rates not occur until  
6 the end of Phase 2 in 2025. This treatment would hold Petitioner accountable for  
7 confirming and verifying its estimated project costs as prudent and reasonable in  
8 executing the plan as well as its ability to deliver the proposed benefits to its  
9 system and its customers.

10 **Q: What is Petitioner's proposed amortization expense for its two TDSIC plans'**  
11 **program expenses?**

12 A: According to Petitioner's Exhibit No. 20, Schedule C-3.21, the December 31,  
13 2025, forecasted it proposes amortizing the first and second plan balances for  
14 20% deferred depreciation and PISCC over 34 years. Its 20% deferred revenue  
15 balances will be amortized over seven years. These calculate to \$6,278,981 in  
16 total combined pro-forma amortization expense.<sup>17</sup>

17 **Q: What is Petitioner's proposed adjustment for the 80% portion of TDSIC**  
18 **PISCC?**

19 A: Petitioner's Ex. 20, Schedule B1.1, sponsored by Ms. Behme, details a forecasted  
20 effect in test year 2025 of PISCC equaling \$16,517,144 from Cause No. 44910  
21 and \$5,433,980 from the recently approved Cause No. 45894 TDSIC Plan 2.0, for  
22 a total effect of \$21,951,124 of Post-In-Service AFUDC in base rates. (Schedule  
23 B-1.1).

24 **Q: What is Petitioner's TDSIC recovery synchronization adjustment?**

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<sup>17</sup> Petitioner's Exhibit No. 20: Financial Exhibit, Sch. C3.21.

1 A: According to Petitioner's Schedule C-3.2, the total amount forecasted as  
2 includable as of December 31, 2025, is a revenue requirement expense adjustment  
3 of \$2,163,733.

4 **Q: What is Petitioner's proposed annualized depreciation expense adjustment**  
5 **for TDSIC?**

6 A: As part of the Petitioner's Schedule C-3.16 total adjustment of \$9,946,645, the  
7 TDSIC adjustment contributed an annual reduction amount of \$4,004,864.

8 **Q: What is your recommendation regarding Petitioner's proposed rate base and**  
9 **revenue requirement adjustments?**

10 A: I recommend Petitioner's Cause No. 45894 recovery through rate base be limited  
11 to the 20% deferred portion which was approved in the December 27, 2023, order,  
12 with the remaining 80% portion being recovered through the schedule of the rider  
13 updates.<sup>18</sup> The 20% rate base recovery should be held to the extent the  
14 Commission has reviewed and approved the underlying project spending in  
15 completed Electric Plan 1 investment and the Cause No. 45894 (Current Electric  
16 Plan).

#### IV. RCRA RIDER

17 **Q: What changes is the Petitioner proposing to make to the RCRA rider?**

18 A: According to Petitioner's Exhibit No. 19, Attachment MAR-1, page 117, CEI  
19 South is requesting the following embedded amounts be the new default base rate  
20 standard against which RCRA updates are compared:

- 21 • Non-Fuel Purchased Power costs: \$20,583,262
- 22 • Interruptible Sales billing credits: \$725,000

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<sup>18</sup> *In re* Cause No. 45894 order, dated Dec. 27, 2023, p. 33.

- 1           • Environmental Emissions Allowance expenses: \$3,519,952
- 2           • Wholesale Power Marketing (“WPM”) margin sales revenues:
- 3                 \$21,723,254
- 4           • BAMP Backup Generation Capacity Services revenues: \$201,960.

5           The last entry on this list would be a new part of the RCRA rider, which  
6           Petitioner is proposing through this rate case to add to the tariff. Part of the WPM  
7           adjustment above is due to CEI South’s proposal to change its WPM sales  
8           margins sharing to flow 100% to customers, from the 50/50% customer/company  
9           split as is currently approved.<sup>19</sup> Petitioner’s witness Matthew A. Rice testifies that  
10          this change would be a \$7.1M proposed benefit to customers, starting in 2025.<sup>20</sup>

11   **Q:   Were you able to confirm Petitioner’s proposed embedded amounts?**

12   A:   Yes. Petitioner provided supporting spreadsheets in response to OUCC DR set 26  
13          for its projected Ohio Valley Electric Corporation demand, NOx emissions  
14          allowances, WPMs, Rate BAMP, and forecasted PJM costs.<sup>21</sup>

15   **Q:   What is your recommendation regarding Petitioner’s proposal to embed**  
16   **Emission Allowances amounts into rate base?**

17   A:   In coordination with Ms. Armstrong, I am recommending the IURC deny the  
18          Emissions Allowance portion of costs in base rates, as Petitioner has not  
19          demonstrated prudence regarding the management of its allowance inventory. I  
20          recommend embedding a zero balance in base rates and Petitioner’s approval of  
21          its Emissions Allowance inventory variance be contingent upon an improvement  
22          of its practices, as demonstrated through updates of less volatility in inventory

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<sup>19</sup> Rice Direct, p. 8, ll. 6-14. Also, Attachment KGL-2: Petitioner’s response to OUCC DR 1, p. 2.

<sup>20</sup> Rice Direct, p. 31, ll. 17-18.

<sup>21</sup> Attachment KGL-4: Petitioner’s Response to OUCC DR 26-8.

1 levels presented in its RCRA rider testimony. This recommendation would  
2 remove from the test year \$1,282,707<sup>22</sup> of rate base and \$3,519,952<sup>23</sup> of Emission  
3 Allowance O&M costs.

4 **Q: What is your recommendation regarding Petitioner's request to embed**  
5 **\$725,000 in interruptible sales billing credits into base rates?**

6 A: In coordination with OUCC Witness Brian Wright, I am recommending denial of  
7 these embedded credits due to lack of substantive support, even when  
8 supplemented by Petitioner's response to OUCC DR-42.1<sup>24</sup>, which references its  
9 response to OUCC DR-26.8b<sup>25</sup>, which in turn references its response to OUCC  
10 DR-22.2(c)(I)<sup>26</sup>.

#### V. SHARED SERVICES

11 **Q: How many related entities does Petitioner mention in its testimony?**

12 A: According to Petitioner, there are two related entities: CenterPoint Shared  
13 Services and VUH. Additionally, there are CEI South common assets, which are  
14 split between the electric and gas utility segments.

15 **Q: What are Petitioner's forecasted test year amounts for affiliate O&M**  
16 **expenses?**

17 A: As Petitioner's witness Christopher G. Wood testifies, CenterPoint Shared  
18 Services and VUH have a joint total forecasted O&M expense of \$52.2M.<sup>27</sup> Mr.  
19 Wood states the amount is calculated by the final approved 2023 plan amounts in  
20 the SAP ("Systems, Applications, and Products in Data Processing") accounting

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<sup>22</sup> Petitioner's Exhibit No. 20, Sch. B-4, line 3.

<sup>23</sup> Petitioner's Exhibit No. 19, Attachment MAR-1, p. 117.

<sup>24</sup> Attachment KGL-9: Petitioner's Response to OUCC DR 42-1.

<sup>25</sup> Attachment KGL-4: Petitioner's Response to OUCC DR 26.8.

<sup>26</sup> Attachment KGL-10: Petitioner's Response to OUCC DR 22-2(c)(I).

<sup>27</sup> Petitioner's Exhibit No. 9, Direct Testimony of Mr. Christopher G. Wood, p. 12, ll. 18-19.

1 system. CEI South escalated these costs by 3% for 2024 and again by 3% for the  
2 2025 test year.<sup>28</sup>

3 **Q: What is Petitioner's forecasted total affiliate billings for work on capital and**  
4 **deferred activities in the test year?**

5 A: Mr. Wood testifies to \$4.3M of affiliate capital billings to CEI South in test year  
6 2025.<sup>29</sup>

7 **Q: Is Petitioner proposing any adjustments related to its Shared Services?**

8 A: Yes. In its Exhibit No. 20, Schedule C3.19, Petitioner is proposing a \$38,459  
9 increase to revenue requirement for its forecasted VUH common asset charge.<sup>30</sup>

10 Ms. Behme testifies to this schedule as a centralization of the assets which service  
11 multiple utility jurisdictions and the subsequent charging via lease or rental  
12 charge as operating expense to the utilities.<sup>31</sup>

13 **Q: Does Petitioner have any other adjustments regarding its service companies**  
14 **during the test year?**

15 A: According to Ms. Behme's testimony, Petitioner is only proposing the Schedule  
16 C3.19 adjustment of \$38,459.<sup>32</sup>

17 **Q: Was the OUCC able to confirm Petitioner's proposed adjustment?**

18 A: No. The OUCC submitted multiple data requests to Petitioner for more context as  
19 to how its shared services expenses were derived and forecasted. My attachments  
20 KGL-2 and KGL-5 contain multiple discovery requests the OUCC sent to  
21 Petitioner to clarify its case-in-chief regarding the composition of these costs.  
22 Petitioner provided a service company trial balance in response to OUCC DR-

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<sup>28</sup> Wood Direct, p. 12, ll. 20-25.

<sup>29</sup> Wood Direct, p. 13, ll. 19-22.

<sup>30</sup> Wood Direct, p. 13, ll. 11-14.

<sup>31</sup> Behme Direct, p. 26, ll. 10-15.

<sup>32</sup> Behme Direct, p. 26, ll. 10-15.



1           2.48 and OUCC DR-13.10,<sup>33</sup> neither of which provide a clear outline for how  
2           Petitioner's testimonial figures were derived. In OUCC DR 2.27, the OUCC  
3           asked for support for the VUH O&M expense for the base year and future test  
4           year.<sup>34</sup> In response, CEI South directed attention to its set of MSFRs under 170  
5           IAC 1-5-8(a)(17)(A-C). The underlying MSFRs for the historical and future test  
6           year indicate the VUH costs were all expensed but does not clearly define to  
7           Petitioner's stated testimonial totals for how the respective accounts were  
8           escalated from the base year to the forecasted test year. The OUCC followed up  
9           with a request in its DR 24.6 for whether there were adjustments to VUH's level  
10          of O&M expense for the years 2023 and 2024 to arrive at Petitioner's forecasted  
11          2025. In response, CEI South stated there were not adjustments made to the  
12          historical base year to arrive at the forecasted test year.<sup>35</sup> Petitioner's response to  
13          OUCC DR 36.24 illustrates the difficulty in discerning how Petitioner has defined  
14          shared services.<sup>36</sup> In this three-part response regarding the flowthrough of  
15          Petitioner's Exhibit No. 20, Schedules C-3.19 and C-2.1, CEI South explains in  
16          part a) why VUH's test year adjustment is characterized under the term "shared  
17          services expense" and charged under FERC Account 931 under "Rents." In part  
18          b), Petitioner confirms that VUH is indeed the correct entity underlying the  
19          "Shared Service Expense" charge. And in part c), which asked whether "Shared  
20          Services" could be considered the same as "VUH", Petitioner responds "Shared  
21          Services and Vectren Utility Holdings are not the same." While this line of

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<sup>33</sup> Attachment KGL-6: Petitioner's Response to OUCC DR 13-10.

<sup>34</sup> Attachment KGL-5: Petitioner's Response to OUCC DR Set 2, p. 7.

<sup>35</sup> Attachment KGL-11: Petitioner's Response to OUCC DR 24-6.

<sup>36</sup> Attachment KGL-7: Petitioner's response to OUCC DR 36-24.

1 inquiry was not deliberately attempting to conflate CenterPoint Shared Services  
2 with VUH, Petitioner's classification of a VUH cost through two other categories  
3 which do not feature "VUH" in the title of the line items made final confirmation  
4 of shared services expense difficult even after reading through the response.  
5 Furthermore, Petitioner provided its Service Company billing data through  
6 responses to OUCC DR 35.7 and 35.8,<sup>37</sup> rather than in its initial case-in-chief.  
7 Petitioner's 2023 and forecasted 2024 Service Company billing data was essential  
8 in the comparison to the estimated rates for the test year ended 2025. Having this  
9 information provided in the case-in-chief would have significantly aided in the  
10 efficiency of the discovery process when determining the reasonableness of  
11 Petitioner's projected billings.

12 Therefore, due to Petitioner's lack of support in its case-in-chief and its  
13 responses to OUCC DRs, I recommend disallowing Petitioner's \$38,459  
14 testimonial figure as unsupported by its case-in-chief workpaper calculation  
15 evidence.

## VI. OUCC RECOMMENDATIONS

16 **Q: Please summarize your recommendations in this cause.**

17 A: I recommend the following Commission findings:

- 18
- Petitioner's \$219,348 request for additional ULRC costs be denied;
  - The 20% deferred portion of Petitioner's TDSIC project costs to be included  
20 in this rate case be subject to confirmation of the actual costs realized at the  
21 end of Phases 1 and 2;

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<sup>37</sup> Attachment KGL-8: Petitioner's Response to OUCC DR 35-7 and 35-8.

1           • The 80% portion of Petitioner's TDSIC project costs be recovered according  
2           to the schedule of plan updates, as approved by the Commission in its Cause  
3           No. 45894 order. If the Commission determines it will revise its ordered  
4           approval and allow the 80% portion of TDSIC investments to be recovered  
5           through the two compliance period phases, I recommend the 80% portion  
6           placed in rate base be restricted to the amounts approved through plan updates  
7           filed through the rider;

8           • Petitioner's request to embed the following RCRA items be disallowed:  
9           \$1,282,707 of Emissions Allowance rate base, \$3,519,952 in Emissions  
10          Allowance O&M costs, and \$725,000 of Interruptible Sales billing credits;  
11          and

12          • Petitioner's \$38,459 shared services adjustment for VUH common asset  
13          charges be denied due to lack of support in the Petitioner's case in chief.

14   **Q: Does this conclude your testimony?**

15   **A: Yes.**

**APPENDIX A**

1 **Q: Please describe your educational background and experience.**

2 A: I graduated from the Kelley School of Business of Indianapolis in 2014 with a  
3 Bachelor of Science in Business with majors in Accounting and Finance. I am  
4 licensed in the State of Indiana as a Certified Public Accountant. I attended the  
5 National Association of Regulatory Utility Commissioners ("NARUC") Spring  
6 2018 Conference held by New Mexico State University and the Intermediate  
7 Course Fall 2019 conference held by the Institute of Public Utilities at Michigan  
8 State University. In September 2019, I attended the annual Society of  
9 Depreciation Professionals ("SDP") conference held in Philadelphia and the  
10 Basics of Depreciation course. In April 2022 and 2023, I attended the 53<sup>rd</sup> and  
11 54<sup>th</sup> Society of Utility Regulatory and Financial Analyst ("SURFA") Forums,  
12 both held in Richmond, Virginia.

13 **Q: Have you previously testified before the Commission?**

14 A: Yes.

15 **Q: Please describe your duties and responsibilities at the OUCC.**

16 A: I review Indiana utilities' requests for regulatory relief filed with the Indiana  
17 Utility Regulatory Commission. My scope of review is typically focuses on  
18 accounting and utility ratemaking issues. This involves reading testimony of  
19 Petitioners and Intervenors, previous orders issued by the Commission, and any  
20 appellate opinions to inform my analyses. I prepare and present testimony based  
21 on these analyses and make recommendations to the Commission on behalf of  
22 Indiana utility consumers.

**Q 1.38:** In regard to the Urban Research Living Center, have there been any significant changes made to the project and/or energy output and savings from the project since the Commission’s order on Cause No. 44909 CECA 5?

**Response:** There have been no significant changes made to the project scope since the Commission’s Order in Cause No. 44909 CECA 5; please refer to p.21 of CEI South’s Ex. No. 7 – the Direct Testimony of Witness Bradford, which explains the Urban Research Living Center “was completed and placed into service on December 2, 2022, with a final, installed solar array output of 105 kWac.” With respect to savings, please refer to p 21 of Witness Bradford’s direct testimony, CEI South, which reads: “CEI South received a \$56,407 additional reimbursement for the ULRC project from the U.S. Department of Energy (“DOE”) of the \$60,000 requested. In addition, CEI South made a \$37,195 overhead adjustment to remove costs that had been incorrectly charged to the project.”

**Q 1.50:** Regarding the direct testimony of Mr. Matthew A. Rice, page 5, line 28 through page 6, line 2. Please elaborate on the definition of “average residential customer” and “average large customer” in terms of respective billing class categories and usage levels as used in this statement.

**Response:** Please see CEI South’s Response to 45990 OUCC DR01 Q 1.31 (above). A residential customer using an average 899 kWh<sup>6</sup> and an average customer kWh based on usage for LP, BAMP, HLF, and Section 24 Contracts at 1,541,293 kWh.

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<sup>6</sup> AUPC amounts included in the bill impact estimates in the securitization issuance advice letter in Cause No. 45722. Residential AUPC includes both Residential Standard and Residential Transitional customers.

**Q 1.51:** Regarding the direct testimony of Mr. Matthew A. Rice, page 8, lines 6-14. Is the \$7.1 million benefit to customers derived from the newly proposed 100% Wholesale Power Marketing margin? Is this \$7.1 million proposed benefit based on the incremental difference in the proposed benefit to customers if CEI South had continued its current treatment of 50/50 splitting of WPM margins?

**Response:** The \$7.1M benefit is the incremental benefit that customers are expected to see from receiving 100% of WPM sales margin in 2025 versus continuation of splitting WPM sales margin with customers 50/50.

**Q 1.53:** Regarding the direct testimony of Mr. Christopher G. Wood, page 9, Table CGW-1: Service Company Forecasted O&M Expense.

- a. Please elaborate on the reasons why CEI South Electric is forecasted to be responsible for approximately 29% of the Total Billings of the Service Company in the category of Government Affairs.
- b. Please elaborate on the reasons why CEI South Electric is forecasted to be responsible for approximately 15% of the Total Billings of the Service Company in the category of Regulatory.

**Response:**

- a. Services provided by Government Affairs are primarily comprised of employee labor and third-party costs which are directly charged based on work performed. Government Affairs costs are billed from and/or managed by four cost centers. Two of these cost centers support only the Indiana and Ohio service territory. When combined with the other two Government Affairs cost centers that support all service territories, the CEI South Electric proportion of all Government Affairs O&M expense is approximately 29% of the forecasted test year total.
- b. Services provided by Rates & Regulatory are primarily comprised of employee labor and third-party costs which are directly charged based on work performed. Rates & Regulatory costs are billed from and/or managed by twelve cost centers. Three of these cost centers support only the Indiana and Ohio service territory, four cost centers provide support to all service territories, and five cost centers provide no support to CEI South Electric. When all twelve Rates & Regulatory cost centers are combined, the CEI South Electric proportion of all Rates & Regulatory O&M expense is approximately 15% of the forecasted test year total.



**Q 1.54:** Regarding the direct testimony of Mr. Christopher G. Wood, Attachment CGW-4: O&M Expenses for the Historical Base Year Ended December 31, 2022.

- a. Please elaborate on the reasons why CEI South Electric was responsible for approximately 21% of the Total Billings of the Service Company in the category of Government Affairs.
- b. Please elaborate on the reasons why CEI South Electric was responsible for approximately 14% of the Total Billings of the Service Company in the category of Regulatory.

**Response:**

- a. Services provided by Government Affairs are primarily comprised of employee labor and third-party costs which are directly charged based on work performed. Government Affairs costs are billed from and/or managed by four cost centers. Two of these cost centers support only the Indiana and Ohio service territory. When combined with the other two Government Affairs cost centers that support all service territories, the CEI South Electric proportion of all Government Affairs O&M expense is approximately 21% of the historical base year total.
- b. Services provided by Rates & Regulatory are primarily comprised of employee labor and third-party costs which are directly charged based on work performed. Rates & Regulatory costs are billed from and/or managed by twelve cost centers. Three of these cost centers support only the Indiana and Ohio service territory, four cost centers provide support to all service territories and five cost centers provide no support to CEI South Electric. When all twelve Rates & Regulatory cost centers are combined, the CEI South Electric proportion of all Rates & Regulatory O&M expense is approximately 14% of the historical base year total.

**Q 1.55:** Regarding the direct testimony of Mr. Christopher G. Wood, page 18, line 25 through page 19, line 4. Please give an example of how this composite ratio formula allocates costs among the respective CenterPoint companies.

**Objection:** CEI South objects to the Request on the grounds and to the extent it is vague and ambiguous and provides no basis from which CEI South can determine what information is sought in that the Request uses the phrase “CenterPoint companies” without defining that phrase as used in the Request, whereas the general instructions to the OUCC Data Request Set 1 define “CenterPoint” as referring to CEI South. CEI South does not know what is meant by “CenterPoint companies” as used in the Request.

**Response:** Subject to and without waiver of the foregoing objection, CEI South responds as follows: Please see attachment “45990 OUCC DR01 Q1.54\_Composite Ratio Example.xlsx” for analysis of CNP Service Company cost center 125100 CAO. This analysis shows the 2025 forecasted costs incurred in and allocated from this cost center. Allocated costs are broken out between CEI South Electric and Other receivers with percentage to each indicated and footnote explanation included.

**Q 1.56:** Regarding the direct testimony of Mr. Christopher G. Wood, Attachment CGW-2, page 3. Please provide support for the capital charges on the Sr. Executive, Finance, and Legal categories for 2023 planned billings. Additionally, please clarify how these CEI South planned billings were assessed and allocated on this page.

**Response:** Please see attachment “45990 OUCC DR01 Q 1.55\_2023 Planned Billing.xlsx” for support for the capital charges included in the 2023 Service Level Agreement (SLA) for the Executive Management, Finance and Legal Functions.

Planned billings included in the SLA are based on data within the SAP Accounting System using the billing methodologies and processes described in the testimony of Mr. Wood.

**Cost Center 125100 CAO  
 Jan-Dec 2025 Projection**

**Incurring costs**

Direct Labor	\$	836,517	
Benefits		213,170	
Total Labor and Benefits		<u>1,049,687</u>	
Employee Expenses		45,100	
Materials and Supplies		8,400	
Contract Services		35,780	
Other Direct Expenses		2,022	
Total Direct Expenses		<u>1,140,989</u>	
Building Rent		116,801	
Total O&M		<u>1,257,789</u>	
Depreciation and Amortization		<u>3,963</u>	
Total Incurred	\$	<u><u>1,261,753</u></u>	

**Allocated Costs**

CEI South Electric			
Labor	\$	64,049	
Benefits		16,309	
Misc Non Recoverable		775	
Non Labor Other		15,659	
Total CEI South Electric	\$	96,791	7.67% [A]
Other Receivers			
Labor	\$	772,468	
Benefits		196,861	
Misc Non Recoverable		9,225	
Non Labor Other		186,408	
Total Other Business Units	\$	1,164,962	92.33% [A]
Total Allocated	\$	<u><u>1,261,753</u></u>	100.00%

[A] Cost center 125100 CAO utilizes Statistical Key Figure (SKF) "YCOMP" or composite ratio to allocate costs. In this example, the CEI South proportion of allocated costs is 7.67% of the total allocated costs. The result is produced systematically based on the YCOMP SKF values assigned to each of the receivers of cost allocations from cost center 125100.

- Q 9.02.** Regarding the testimony of Matthew A. Rice, page 36, lines 7-31,
- a. Please confirm Petitioner’s requested treatment includes only up to Cause No. 44910 TDSIC-12 update in base rates. If not confirmed, please explain.
  - b. Please confirm Petitioner is proposing to include the Cause No. 44910 TDSIC-13 and TDSIC-14 TDSIC spending in Phase 2 and Phase 3 rates. If not confirmed, please explain.

**Objection:** CEI South objects to the Request on the grounds and to the extent that subpart a is vague and ambiguous. The referenced testimony addresses treatment of rates pursuant to two TDSIC Plans. CEI South objects to subpart (b) on the grounds and to the extent “TDSIC spending” is undefined and vague and ambiguous.

**Response:** Subject to and without waiver of the foregoing objection, CEI South responds as follows:

- a. No. The plan approved in Cause No. 44910 concluded December 31, 2023. All projects pursuant to that plan will be included in base rates beginning with Phase 1 rates (which rates are based upon a rate base cutoff of December 31, 2023). All projects included in the plan approved in Cause No. 45894 that are in service by December 31, 2024, will be included in base rates in Phase 2 rates. Projects placed in service by December 31, 2025, will be included in base rates in Phase 3 rates.
- b. No. See Response to subpart a.

**Q 26.8:** Regarding the direct testimony of Matthew A. Rice, Pet.’s Ex. No. 19, Attachment MAR-1, page 117-118, please provide calculation support for the following proposed amounts.

- a) Reliability costs for the non-fuel related purchase power of \$20,583,262.
- b) Interruptible Sales billing credit of \$725,000
- c) Environmental Emission Allowances of \$3,519,952.
- d) Wholesale power marketing sales of \$21,723,254.
- e) BAMP Rate Backup generation capacity services revenue of \$201,960.

**Objection:** CEI South objects to the Request on the grounds and to the extent the Request seeks information that is trade secret or other proprietary, confidential, and competitively sensitive business information of CEI South, its customers, or third parties. CEI South has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers, or third parties. The responses are “trade secret” under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to nondisclosure agreements between Petitioner and the receiving parties. “HIGHLY CONFIDENTIAL – FOR ATTORNEYS’ EYES ONLY” information is provided pursuant to non-disclosure agreements between CEI South and the receiving parties and is solely for the receiving parties’ attorneys to review.

**Response:** Subject to and without waiver of the foregoing objection, CEI South responds as follows:

- a) Please see the attachments listed below: \$2,026,462 is located on the RCRA 21-PJM Forecast tab in the first attachment; \$5,697,000 is included for OVEC Capacity (see the second attachment); and \$12,859,800 is included for capacity purchases (see the third attachment).
- b) Please see CEI South’s Response to 45990 OUCC DR 22.2(c)(I). There is not a calculation to support this amount. There is an estimated [REDACTED] of available DR, and CEI South received a bid for DR aggregation as a part of its most recent IRP for [REDACTED] per MW. \$725,000 is [REDACTED].
- c) Please see the attachment listed below.
- d) Please see the confidential attachment provided in CEI South’s Response to SABIC DR03 3.12: 45990 SABIC DR03 Q3.12 (HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY)\_WPM.xlsx<sup>2</sup>.
- e) Please see Schedule E-4.1, Confidential,<sup>3</sup> page 5, line 14 column (G). [REDACTED] backup kW times 9.8 days of backup times \$0.297 CONE per kw per day.

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<sup>2</sup> This file contains information designated as “Highly Confidential – Attorneys’ Eyes Only” and, pursuant to the Nondisclosure Agreement between CEI South and certain parties to this case must be restricted from any disclosure to anyone outside of attorneys for those parties who have signed the agreement to be bound.

<sup>3</sup> The Confidential Revenue Model Workpaper contains information designated as “Highly Confidential – Attorneys’ Eyes Only” and, pursuant to the Nondisclosure Agreement between CEI South and certain parties to this case must be restricted from any disclosure to anyone outside of attorneys for those parties who have signed the agreement to be bound.

**Attachments:**

- 45990 OUCC DR 26 26.08a\_RCRA 21 PJM Forecast through 2028.xlsx
- 45990 OUCC DR26 26.08a (CONFIDENTIAL)\_2025 OVEC Demand Projection.xlsx
- 45990 OUCC DR26 26.08a\_IE Capacity Forecast 2025.xlsx
- 45990 OUCC DR26 26.08c\_NOX Costs 2025.xlsx

**Q 2.18:** Does the 2022 Service Company employee count provided under MSFR 170 IAC 1-5-8(a)(9) (pp 111 – 113) reflect only the full-time equivalent head count directly charged or allocated to Petitioner? Or does it reflect all employees of the Service Company? Please explain.

**Response:** The 2022 Service Company employee count provided under MSFR 170 IAC 1-5-8(a)(9) reflects all employees of the Service Company.



**Q 2.19:** Please explain the entities involved in charging Service Company costs to Petitioner. Does the Service Company directly charge or allocate costs to CEI South Electric? Or are these costs charged to another entity (such as Vectren Utility holdings or CEI South Common)) first and then charged or allocated to Petitioner? Please explain.

**Response:** Please see the discussion regarding billings from Service Company beginning on page 15 of the direct testimony of Petitioner’s Witness Wood. Service Company costs incurred to support the electric operations/business unit within CEI South (“CEI South Electric”) are charged or allocated directly to electric operations within CEI South by Service Company. There are no Service Company costs that are first allocated to Vectren Utility Holdings (“VUH”) and then re-allocated to CEI South Electric.

Please also refer to page 20 of the direct testimony of Petitioner’s Witness Wood, which describes the billing associated with CEI South common. As explained therein, CEI South “is a combination gas and electric company”; to the extent CEI South collects and allocates costs as overhead that are shared by both gas and electric operations within CEI South, Service Company allocations are initially recorded by CEI South common. As indicated on page 20, “These common costs are referred to as CEI South common and allocated to electric and gas operations” as part of the CEI South overhead allocation process. Page 21 further explains: “CEI South common cost allocations utilize the same system process and billing methodologies previously described in my testimony. Despite being intra-company versus affiliate, the same guiding principles apply with respect to cost allocations. This includes the decision to direct bill or allocate and the specific allocation factors based on cost causation.”

**Q 2.22:** Does the CenterPoint Service Company provide services to any unregulated subsidiaries? If so, please identify.

**Response:** Yes, the Service Company provides services to Home Services, an unregulated subsidiary with operations in Texas, Mississippi, Indiana, and Ohio and to Home Service Plus with operations in Minnesota.

**Q 2.23:** Does CenterPoint Service Company allocate charges to unregulated subsidiaries using the same formulas applied to regulated subsidiaries? If not, please explain how costs are allocated to unregulated subsidiaries.

**Response:** Service Company utilizes the same billing methods and allocation process for services provided to all subsidiaries, including subsidiaries operating in unregulated business.

**Q 2.24:** Does the Service Company allocate any asset costs (computers, furniture, etc.) to subsidiaries, including Petitioner?

- a) If so, what is the basis for the allocation of these Service Company assets to affiliates?
- b) Is Petitioner's share of any Service Company assets included in its rate base in this Cause?
- c) Do the asset costs allocated by the Service Company include depreciation expense, property taxes, and return? Please explain.

**Response:** Yes, Service Company allocates costs related to Service Company assets to affiliates, including CEI South.

- a) This cost is allocated as expense and is based on the cost centers associated with the underlying assets in the fixed asset subledger.
- b) No, the cost related to Service Company assets is allocated as expense and CEI South records this cost as expense.
- c) The Service Company allocation of cost related to Service Company assets is composed of depreciation and return.

**Q 2.26:** According to the direct testimony of Christopher G. Wood, page 11, lines 15-28, the total “asset charge” billed from VUH Services was \$4.8 million in 2022 and forecasted to be \$4.7 million in 2025. Please explain specifically what costs are included in the “asset charge,” the amount of each type of cost, and whether these costs are capitalized or expensed.

**Response:** Please refer to page 10, beginning at line 25 of the direct testimony of Petitioner’s Witness Wood, wherein he describes the components that comprise the VUH Asset Charge: (1) asset cost, (2) depreciation, and (3) property tax.

The 2025 forecasted asset cost of \$1,408,385 includes buildings and facilities, equipment, and software. The 2025 forecasted depreciation of \$2,740,703 and property tax of \$502,868 components are based on the asset cost components. The Asset Charge allocated from VUH is recorded as expense by CEI South.

**Q 2.27:** According to the direct testimony of Mr. Wood, page 11, lines 15 – 28, the total operations and maintenance (“O&M”) expense for VUH Services was \$17.8 million in 2022 and forecasted to be \$23.0 million in 2025. Please explain specifically what costs are included in O&M expense, the amount of each type of cost, and the amount, if any, of each cost that is capitalized.

**Response:** Please refer to Section IV beginning on page 9 of the direct testimony of Mr. Wood for a discussion of the services provided by VUH to CEI South.

Please also refer to MSFR 170 IAC 1-5-8(a)(17)(A-C) 2025 Vectren Utility Holdings, LLC (VUH) Allocations to CEI South. This schedule identifies the costs by type and by sender that total \$23 million in 2025. All of these costs are recorded as expense by CEI South.

**Q 2.28:** How is the return on shared assets (VUH, CEI South Common, Service Company) billed to an affiliate?

- a) Is the return included as a rate base charge or an operating expense?
- b) If an operating expense, what account is this cost charged to?

**Objection:** CEI South objects to OUCC Request 2.28 on the grounds and to the extent “shared assets” is vague and ambiguous.

**Response:** Subject to and without waiver of the foregoing objection, CEI South states:

- a) The VUH asset charge, including return (asset cost) is recorded as O&M expense by CEI South.
- b) CEI South records the asset charge from VUH to cost element 550020 Admin & General Exp-Miscellaneous and FERC Account 9310 Rents.

**Q 2.29:** Please state the amount for each of the following shared asset costs billed by VUH or CEI South Common to Petitioner in each of the calendar years 2020, 2021, 2022, and 2023:

- a) Capital costs (rate base)
- b) Depreciation expense
- c) Property tax expense

**Objection:** CEI South objects to the Request on the grounds and to the extent it is vague and ambiguous and provides no information from which CEI South can determine what information is sought. The phrase “shared asset costs billed by VUH or CEI South Common to Petitioner” is not defined and CEI South does not know how it is used in the Request. In addition the phrase “capital costs (rate base)” is not defined and misstates how costs are billed. The VUH asset charge described by Mr. Wood is not capitalized as part of CEI South’s rate base. See CEI South’s Response to 45990 OUCC Request 2.28.

**Response:** Subject to and without waiver of the foregoing objections, CEI South responds as follows: To the extent this Request is seeking information related to the VUH asset charge as described in Mr. Wood’s direct testimony beginning at line 18 on page 10, there are no asset charge amounts billed by CEI South Common. In addition, information for 2023 is limited to Jan-Sep, since Oct-Dec books have not yet been closed. Information for Oct-Dec 2023 can be provided upon request after books have closed.

a) The VUH asset charge includes a component for asset cost, which relates to return on the underlying assets. The asset cost component of asset charge billed for the requested time periods is:

2020	\$3,387,585
2021	\$1,037,400
2022	\$1,037,399
Jan-Sep 2023	\$1,050,939

b) The depreciation component of asset charge allocations for the requested periods is:

2020	\$6,698,178
2021	\$2,257,662
2022	\$3,675,693
Jan-Sep 2023	\$2,659,013

c) The property tax component of asset charge allocations for the requested time periods is:

2020	\$497,460
2021	\$594,747
2022	\$683,364
Jan-Sep 2023	\$372,225



**Q 2.30:** Please state the amount of each of the following asset costs billed by the Service Company to Petitioner in each of the calendar years 2020, 2021, 2022, and 2023.

- a) Capital costs (rate base)
- b) Depreciation expense
- c) Property tax expense

**Objection:** CEI South objects to the Request on the grounds and to the extent it is vague and ambiguous and provides no information from which CEI South can determine what information is sought. The phrase “asset costs billed by the Service Company to Petitioner” is not defined and CEI South does not know how it is used in the Request.

**Response:** Subject to and without waiver of the foregoing objection, CEI South responds as follows: Information for 2023 is limited to Jan-Sep, since Oct-Dec books have not yet been closed. Information for Oct-Dec 2023 can be provided upon request after books have closed.

- a) CEI South understands the term “Capital costs (rate base)” as used in the question as the asset cost or return component of asset charges billed by Service Company. Based on that understanding, the return component billed by Service Company to CEI South Electric for the requested time periods is:

2020	\$850
2021	\$359,417
2022	\$239,128
Jan-Sep 2023	\$24,917

- b) The depreciation component of asset charges billed by Service Company for the requested time periods is:

2020	\$10,378
2021	\$699,387
2022	\$432,322
Jan-Sep 2023	\$56,619

- c) There is no property tax component of asset charges billed by Service Company.

**Q 2.31:** Does Petitioner charge or allocate any costs to affiliates? Please explain.

**Response:** Yes. CEI South Electric has one employee residing in cost center 162230 that manages GIS Data Management activities performed at CenterPoint Energy Houston Electric (CEHE). The labor and benefit costs attributable to this management oversight activity is allocated from cost center 162230 to the appropriate CEHE cost center.

**Q 2.32:** Does Petitioner capitalize any of the operating expenses billed to it by the service company, VUH, or any other affiliate? If yes, who makes the decision whether a cost is expensed or capitalized on Petitioner's books?

**Response:** In general, cost allocations to CEI South from Service Company, VUH or another affiliate are identified as either expense or capital at the time of allocation. The Company's capitalization policy is followed in determining whether a cost may be capitalized.

Certain allocations to CEI South relate to stores and/or transportation overhead. These costs are allocated to either expense or capital work orders following the CEI South overhead allocation process.

**Q 2.33:** Please state the amount of operating expenses directly charged or allocated from the Service Company that were capitalized in each calendar year 2020, 2021, 2022, and 2023.

**Response:** Information for 2023 is limited to Jan-Sep, since Oct-Dec books have not yet been closed. Information for Oct-Dec 2023 can be provided upon request after books have closed.

2020	\$0
2021	\$0
2022	\$0
Jan-Sep 2023	\$0

**Q 2.24 [sic](2)<sup>1</sup>:** Please state the amount of operating expenses directly charged or allocated from VUH that were capitalized in each calendar year 2020, 2021, 2022, and 2023.

**Response:** Information for 2023 is limited to Jan-Sep, since Oct-Dec books have not yet been closed. Information for Oct-Dec 2023 can be provided upon request after books have closed.

2020	\$0
2021	\$0
2022	\$0
Jan-Sep 2023	\$0

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<sup>1</sup> The correct numbering should have been, “2.34.” For the DRs 2.24(2) through 2.34(2), CEI South has edited the data request number to preserve OUCC’s numbering convention while still distinguishing the duplicate numbers from previous questions.

**Q 2.25 [sic](2)<sup>2</sup>:** Please state the amount of operating expenses directly charged or allocated from CEI South Common that were capitalized in each calendar year 2020, 2021, 2022, and 2023.

**Response:** CEI South Common was created in July 2021 as a series of cost objects when CEI South moved to the SAP Accounting System. Prior to July 2021, the Oracle Accounting System was used with cost allocations unique to that system that did not require CEI South Common cost objects. CEI South Common does not charge or allocate operating expenses to CEI South Electric. Costs included in the CEI South Common cost objects may initially be denoted as expense until they are allocated. The information below consists of costs initially included in CEI South Common cost objects that were ultimately allocated and capitalized to CEI South Electric.

Information for 2023 is limited to Jan-Sep, since Oct-Dec books have not yet been closed. Information for Oct-Dec 2023 can be provided upon request after books have closed. Cost allocations from CEI South Common include overhead costs related to benefits, stores, transportation, engineering & supervision and administrative & general activities.

Jul-Dec 2021	\$28,775,265
2022	\$56,842,018
Jan-Sep 2023	\$42,494,559

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<sup>2</sup> For the DRs 2.24(2) through 2.34(2), CEI South has edited the data request number to preserve OUCC's numbering convention while still distinguishing the duplicate numbers from previous questions.

**Q 2.26 [sic](2)<sup>3</sup>:** Are monthly Service cost billings based on actuals or budgets? If actuals, is it billed in the same month incurred or one month in arrears? Please explain.

**Response:** Monthly billings from Service Company are based on actual incurred costs. Costs are billed in the same month as incurred.

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<sup>3</sup> For the DRs 2.24(2) through 2.34(2), CEI South has edited the data request number to preserve OUCC's numbering convention while still distinguishing the duplicate numbers from previous questions.

**Q 2.27 [sic](2)<sup>4</sup>:** Please explain the difference between VUH cost allocations and CEI South Common allocations.

**Response:** VUH is an affiliate of CEI South with a separate SAP Company code; a separate set of books (general ledger); and separate operating activities. The employees at VUH provide operational support for the operating activities in Indiana and Ohio and cost allocations follow those support activities. Please refer to the Direct Testimony of Petitioner’s Witness Christopher G. Wood on pages 9-12 for examples and the description of these activities.

Please refer to CEI South’s Response to 45990 OUCC DR02.19. which explains CEI South common billings as well as CEI South’s Response to 45590 OUCC DR02.25[sic](2). CEI South Common is primarily a collection of cost objects within the CEI South general ledger. As explained on page 20 of Mr. Wood’s testimony, CEI South Common cost objects collect and allocate costs that are shared only between the Gas and Electric operating activities within the CEI South general ledger. CEI South Common does not support operating activities outside of CEI South. For examples of these activities, please refer to the Direct Testimony of Petitioner’s Witness Wood, pages 20-21. CEI South Common does not support operating activities outside of CEI South.

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<sup>4</sup> For the DRs 2.24(2) through 2.34(2), CEI South has edited the data request number to preserve OUCC’s numbering convention while still distinguishing the duplicate numbers from previous questions.



**Q 2.48:** Please provide a Service Company detailed trial balance for the base period (calendar year 2022).

**Response:** Please see 45990 – Attachment OUCC DR02 Q2.48\_Trial Balance.xlsx for the 2022 Trial Balance for SAP Company Code 0002 CNP Service Company.

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	102010	Chase Texas	USD		21,462.60	-	1,895,740,486.59	1,891,879,213.40	3,882,735.79
2	102480	Chase 0002	USD		5,232.13	-	16,112,163.20	16,114,895.33	2,500.00
2	102536	Chase- Disb Payroll	USD		300,000.00	-	21,157,719.37	21,157,719.37	300,000.00
2	111999	Gen Fund Rcpt Clrg	USD		(72,678.93)	-	1,932,149,534.29	1,936,109,941.55	(4,033,086.19)
2	114015	Oth Special Dep - LT	USD		7,083,790.94	-	17,166.08	-	7,100,957.02
2	120001	Interco A/R-Man Sett	USD		845,237.84	-	11,840,512.46	12,182,205.52	503,544.78
2	120010	Accts Rec-Assoc Co	USD		139,512,761.64	-	1,611,618,825.50	1,616,204,499.63	134,927,087.51
2	121056	A/R - Vectren	USD		-	-	14,979,379.89	14,979,379.89	-
2	121060	A/R-Other	USD		145,973.76	-	40,131,409.08	35,420,660.33	4,856,722.51
2	121068	A/R-Oth Manual Post	USD		214,667.52	-	43,640,316.56	43,591,973.69	263,010.39
2	127010	ST N/R-Assoc Co	USD		103,153,642.51	-	984,686,235.29	742,255,917.83	345,583,959.97
2	129010	Int Rec-Assoc Co	USD		25,647.56	-	6,524,405.83	5,177,223.89	1,372,829.50
2	139010	Prepay-Insurance	USD		511,705.73	-	48,411,012.42	48,388,345.83	534,372.32
2	144010	Prepay-Other	USD		15,367,551.33	-	109,332,836.88	100,973,357.00	23,727,031.21
2	157010	CSV-Split \$ Life Ins	USD		30,009,209.12	-	2,844,532.24	2,369,425.34	30,484,316.02
2	163010	Plant in Service	USD		389,172,352.57	-	8,451,390.95	358,358,156.49	39,265,587.03
2	170010	Construction WIP	USD		45,977,987.41	-	58,790,506.85	90,377,230.04	14,391,264.22
2	171010	Acc Depr-Plnt in Svc	USD		(50,124,155.65)	-	52,429,406.36	7,480,989.04	(5,175,738.33)
2	172010	Acc Amort-Plnt Svc	USD		(87,072,769.62)	-	88,797,743.67	7,383,016.46	(5,658,042.41)
2	175020	Clrg-Payroll & Ben	USD		-	-	13,228,726.19	13,228,726.19	-
2	176965	Asset IC Trns NonSAP	USD		-	-	91,212,766.19	91,212,766.19	-
2	176981	TempSuspense-Anybill	USD		-	-	13,160,851.78	13,160,851.78	-
2	176986	Temporary Suspense	USD		-	-	59,277,857.13	59,277,857.13	-
2	176989	Asset Transfers In	USD		-	-	1,016,682.31	1,016,682.31	-
2	176990	Asset Transfers Out	USD		-	-	177,497,369.13	177,497,369.13	-
2	176991	P/R Doc Split Acct	USD		-	-	1,919,919.72	1,919,919.72	-
2	176995	Salvg/Cst of Removal	USD		(53,710.08)	-	76,679,976.66	78,191,419.64	(1,565,153.06)
2	176999	Suppl Disc-Net Metho	USD		119.62	-	11,973.12	11,945.12	147.62
2	179064	RegAsset-AOCI Offst	USD		6,091,996.00	-	5,424.00	7,592,420.00	(1,495,000.00)
2	188010	Misc Def DR-Other	USD		2,147,690.39	-	2,447,084.78	2,772,598.52	1,822,176.65
2	188085	Ann Settle Rec -Asso	USD		2,419,705.24	-	8,196,653.96	8,974,844.30	1,641,514.90
2	188130	Relocation Program	USD		-	-	182,509.98	182,509.98	-
2	188400	Operating Right-of-U	USD		1,468,383.02	-	-	-	1,468,383.02

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	188410	Operating ROU Accumu	USD		(899,148.76)	-	26,242.53	347,200.53	(1,220,106.76)
2	194010	Def Inc Tax-Fed	USD		74,206,762.00	-	1,774,681.00	-	75,981,443.00
2	194030	Def Inc Tax-St/Loc	USD		(288,949.00)	-	192.00	-	(288,757.00)
2	200010	A/P-Trade-Assoc Co	USD		(46,256,572.59)	-	700,284,780.99	719,213,210.54	(65,185,002.14)
2	201010	A/P-Trade	USD		(23,033,119.88)	-	807,347,813.71	807,968,457.75	(23,653,763.92)
2	204020	A/P-Savings Aft-Tax	USD		185.11	-	2,765,833.68	2,766,018.79	-
2	204030	A/P-United Way	USD		(20,094.71)	-	364,924.56	361,264.67	(16,434.82)
2	204050	A/P-Child Support	USD		-	-	235,385.27	235,385.27	-
2	204110	A/P-Health Care FSA	USD		-	-	529,682.90	529,682.90	-
2	204115	Emp W/H - HSA	USD		(566.66)	-	798,110.59	832,406.10	(34,862.17)
2	204220	A/P-FSA Dependent	USD		-	-	167,425.90	167,425.90	-
2	204230	A/P-Savings Pre-Tax	USD		(4,735.63)	-	13,881,817.39	13,877,303.34	(221.58)
2	204240	A/P-Union dues	USD		-	-	54,804.60	54,804.60	-
2	204260	A/P-Student Loans	USD		-	-	23,324.39	23,675.80	(351.41)
2	204270	A/P-Savings Plus Loa	USD		(1,090.16)	-	2,241,803.50	2,240,713.34	-
2	204290	A/P-IRS Levies	USD		-	-	21,450.34	21,450.34	-
2	204320	A/P-PAC	USD		-	-	158,057.54	158,057.54	-
2	204330	A/P-Empl Bankruptcy	USD		-	-	82,431.08	82,431.08	-
2	204410	A/P-Regency Gar Pkg	USD		-	-	234,579.50	234,579.50	-
2	204430	Accrued Lease Payabl	USD		32,086.25	-	440,320.87	438,454.62	33,952.50
2	213890	AP-Disb Clearing VC	USD		(1,243,138.04)	-	11,185,080.63	11,496,290.25	(1,554,347.66)
2	213967	A/P-O/S Ck Chse 0002	USD		(698,671.35)	-	16,575,826.48	16,351,625.50	(474,470.37)
2	213994	A/P-Accrued Liab	USD		(18,599,543.45)	-	118,921,322.34	115,654,434.32	(15,332,655.43)
2	213995	A/P - Gen Disb Clrg	USD		338,117.63	-	2,060,791,479.90	2,060,925,718.47	203,879.06
2	213999	A/P-Gds Rec/Inv Rec	USD		(7,263,818.01)	-	355,758,940.69	352,328,740.10	(3,833,617.42)
2	217010	Curr LT Debt	USD		(3,788,750.00)	-	3,788,750.00	3,778,406.65	(3,778,406.65)
2	220010	Accr-Fed Inc Tax	USD		(173,630,552.55)	-	184,461,158.55	23,563,123.00	(12,732,517.00)
2	220020	Accr-Inc Tax-St/Loc	USD		(21,393.00)	-	2,113,652.77	2,117,332.77	(25,073.00)
2	221050	Accr-Auditing Fees	USD		(835,397.68)	-	2,822,768.88	2,652,418.50	(665,047.30)
2	231010	Accr-Salaries/Payrol	USD		(50,159.86)	-	143,994,997.08	143,944,837.22	-
2	231011	Accr-Sal/Payr Accr	USD		(1,683,302.91)	-	52,267,168.42	56,699,096.65	(6,115,231.14)
2	232001	Accr - Severance	USD		(554,409.91)	-	2,512,926.59	9,055,456.25	(7,096,939.57)
2	232010	Accr-Miscellaneous	USD		(55,749.00)	-	1,852,497.67	1,852,497.37	(55,748.70)

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	232400	Current Operating Le	USD		(327,126.68)	-	85,237.43	14,044.70	(255,933.95)
2	240035	Accr-Health & Welfar	USD		(4,842,709.51)	-	39,787,378.74	36,521,673.33	(1,577,004.10)
2	240060	Accr-Other Benefits	USD		(5,228,000.00)	-	156,000.00	393,723.12	(5,465,723.12)
2	240065	Accr-Supp-Emp.Bnfts	USD		(1,081,768.79)	-	1,081,788.21	510,020.21	(510,000.79)
2	240066	Accr-Split \$ Prem-CV	USD		(2,249,000.00)	-	-	278,000.00	(2,527,000.00)
2	240067	Accr-Split \$ Paid Ta	USD		(431,000.00)	-	-	90,000.00	(521,000.00)
2	240080	Accr-Annual Inc Comp	USD		(23,937,912.86)	-	169,297,971.57	185,480,732.93	(40,120,674.22)
2	242010	Accr-Taxes (FICA)	USD		(4,554,668.42)	-	32,637,671.82	31,053,870.30	(2,970,866.90)
2	242020	Accr-Taxes-Unempl	USD		(27,053.45)	-	934,043.78	964,126.00	(57,135.67)
2	244020	Accr-Use Taxes-Purch	USD		(1,227,544.06)	-	15,315,363.01	15,556,320.67	(1,468,501.72)
2	245010	Accr-Property Taxes	USD		(1,589,104.15)	-	2,086,721.81	1,517,645.00	(1,020,027.34)
2	254010	Empl W/h-FIT	USD		25,000.00	-	33,150,858.17	33,245,011.38	(69,153.21)
2	254020	Empl W/h-SIT	USD		(137,502.04)	-	2,110,502.79	2,090,852.41	(117,851.66)
2	254030	Empl W/h-FICA	USD		-	-	14,570,732.16	14,571,313.24	(581.08)
2	258030	Workers' Compensatio	USD		(360,249.51)	-	957,074.01	776,773.54	(179,949.04)
2	259020	Svngs RestorationPln	USD		(2,610,008.39)	-	799,809.54	1,168,935.25	(2,979,134.10)
2	259040	Ben Restor-ASC 715	USD		-	-	3,919,082.48	3,919,082.48	-
2	259042	PostRetire-ASC 715	USD		(53,709,295.64)	-	13,968,250.69	3,230,278.61	(42,971,323.56)
2	259043	Postemploy-ASC 712	USD		(484,763.25)	-	446,283.91	1,808,047.16	(1,846,526.50)
2	259044	Split \$ Prems - CVA	USD		(18,316,963.53)	-	4,737,796.83	682,833.30	(14,262,000.00)
2	259045	Split \$ Paid Tax GU	USD		(9,316,544.21)	-	2,455,849.79	313,455.87	(7,174,150.29)
2	265010	ODC-Empl Related	USD		(18,430.90)	-	18,430.90	-	-
2	265020	ODC-Def Comp	USD		(22,193,996.00)	-	9,022,138.37	2,077,252.97	(15,249,110.60)
2	265025	ODC-Defer Comp-Misc	USD		(6,889,766.39)	-	702,386.72	153,225.84	(6,340,605.51)
2	265030	ODC-LT Incentives	USD		(5,397,431.00)	-	3,615,810.00	1,883,990.00	(3,665,611.00)
2	265035	ODC-Dir Ben Plan	USD		-	-	12,000.00	12,000.00	-
2	269010	ODC-Misc	USD		(4,389,374.62)	-	2,194,687.31	-	(2,194,687.31)
2	269013	ODC-Esheat Pay	USD		(64,637.83)	-	1,290.00	214,910.46	(278,258.29)
2	269085	Ann Sett Pay - Assoc	USD		(171,860.84)	-	477,802.14	312,988.74	(7,047.44)
2	269400	Non-current Operatin	USD		(255,933.98)	-	283,964.63	28,030.70	(0.05)
2	277010	LT Debt-Others	USD		(3,644,281.05)	-	3,664,629.03	20,347.98	-
2	285020	DFIT-Accel Depr	USD		(33,806,030.00)	-	-	-	(33,806,030.00)
2	285030	DFIT-Fed-Other	USD		(76,193,005.71)	-	40,752,336.00	12,337,563.00	(47,778,232.71)

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	285050	DIT-St/Loc-Acc Depr	USD		(4,112.00)	-	-	-	(4,112.00)
2	285060	DIT-St/Loc-Other	USD		304,910.69	-	18,880.00	19,377.00	304,413.69
2	290010	CS-Shares Issued	USD		(1,000.00)	-	-	-	(1,000.00)
2	295010	Addl Paid-In Capital	USD		(11,090,035.18)	-	1,786,852.35	163,267,988.84	(172,571,171.67)
2	297992	R/E-Adjustments	USD		8,897,141.54	-	-	-	8,897,141.54
2	297994	Retained Earnings FE	USD		(161,256.44)	-	-	-	(161,256.44)
2	297999	Retained Earnings	USD		(95,298,359.16)	-	-	-	(95,298,359.16)
2	298012	AOCI-ASC715BenPlans	USD		2,935,026.92	-	5,342,329.82	11,532,839.08	(3,255,482.34)
2	298022	APIC Share Based Com	USD		-	-	19,955,510.72	19,955,510.72	-
2	298030	APIC - CORP Tax Allo	USD		(2,359,167.00)	-	-	-	(2,359,167.00)
2	298031	APIC - ASC 718 I/C	USD		(22,591,977.05)	-	-	-	(22,591,977.05)
*	2		USD		-	-	12,307,321,075.53	12,301,419,325.13	5,901,750.40

**Q 13.10:** Please provide a detailed trial balance, including all balance sheet and income statement accounts, for the Service Company for the 12 months ended 12/31/2022. This trial balance should include balances before income statement accounts are closed to retained earnings.

**Response:** Please see the following attachment.

**Attachment:**

- 45990 OUCC DR13 13.10 Attachment 1\_ServCo Trial Balance.xlsx

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	102010	Chase Texas	USD		21,462.60	-	1,895,740,486.59	1,891,879,213.40	3,882,735.79
2	102480	Chase 0002	USD		5,232.13	-	16,112,163.20	16,114,895.33	2,500.00
2	102536	Chase- Disb Payroll	USD		300,000.00	-	21,157,719.37	21,157,719.37	300,000.00
2	111999	Gen Fund Rcpt Clrg	USD		(72,678.93)	-	1,932,149,534.29	1,936,109,941.55	(4,033,086.19)
2	114015	Oth Special Dep - LT	USD		7,083,790.94	-	17,166.08	-	7,100,957.02
2	120001	Interco A/R-Man Sett	USD		845,237.84	-	11,840,512.46	12,182,205.52	503,544.78
2	120010	Accts Rec-Assoc Co	USD		139,512,761.64	-	1,611,618,825.50	1,616,204,499.63	134,927,087.51
2	121056	A/R - Vectren	USD		-	-	14,979,379.89	14,979,379.89	-
2	121060	A/R-Other	USD		145,973.76	-	40,131,409.08	35,420,660.33	4,856,722.51
2	121068	A/R-Oth Manual Post	USD		214,667.52	-	43,640,316.56	43,591,973.69	263,010.39
2	127010	ST N/R-Assoc Co	USD		103,153,642.51	-	984,686,235.29	742,255,917.83	345,583,959.97
2	129010	Int Rec-Assoc Co	USD		25,647.56	-	6,524,405.83	5,177,223.89	1,372,829.50
2	139010	Prepay-Insurance	USD		511,705.73	-	48,411,012.42	48,388,345.83	534,372.32
2	144010	Prepay-Other	USD		15,367,551.33	-	109,332,836.88	100,973,357.00	23,727,031.21
2	157010	CSV-Split \$ Life Ins	USD		30,009,209.12	-	2,844,532.24	2,369,425.34	30,484,316.02
2	163010	Plant in Service	USD		389,172,352.57	-	8,451,390.95	358,358,156.49	39,265,587.03
2	170010	Construction WIP	USD		45,977,987.41	-	58,790,506.85	90,377,230.04	14,391,264.22
2	171010	Acc Depr-Plnt in Svc	USD		(50,124,155.65)	-	52,429,406.36	7,480,989.04	(5,175,738.33)
2	172010	Acc Amort-Plnt Svc	USD		(87,072,769.62)	-	88,797,743.67	7,383,016.46	(5,658,042.41)
2	175020	Clrg-Payroll & Ben	USD		-	-	13,228,726.19	13,228,726.19	-
2	176965	Asset IC Trns NonSAP	USD		-	-	91,212,766.19	91,212,766.19	-
2	176981	TempSuspense-Anybill	USD		-	-	13,160,851.78	13,160,851.78	-
2	176986	Temporary Suspense	USD		-	-	59,277,857.13	59,277,857.13	-
2	176989	Asset Transfers In	USD		-	-	1,016,682.31	1,016,682.31	-
2	176990	Asset Transfers Out	USD		-	-	177,497,369.13	177,497,369.13	-
2	176991	P/R Doc Split Acct	USD		-	-	1,919,919.72	1,919,919.72	-
2	176995	Salvg/Cst of Removal	USD		(53,710.08)	-	76,679,976.66	78,191,419.64	(1,565,153.06)
2	176999	Suppl Disc-Net Metho	USD		119.62	-	11,973.12	11,945.12	147.62
2	179064	RegAsset-AOCI Offst	USD		6,091,996.00	-	5,424.00	7,592,420.00	(1,495,000.00)
2	188010	Misc Def DR-Other	USD		2,147,690.39	-	2,447,084.78	2,772,598.52	1,822,176.65

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2	188085	Ann Settle Rec -Asso	USD		2,419,705.24	-	8,196,653.96	8,974,844.30	1,641,514.90
2	188130	Relocation Program	USD		-	-	182,509.98	182,509.98	-
2	188400	Operating Right-of-U	USD		1,468,383.02	-	-	-	1,468,383.02
2	188410	Operating ROU Accumu	USD		(899,148.76)	-	26,242.53	347,200.53	(1,220,106.76)
2	194010	Def Inc Tax-Fed	USD		74,206,762.00	-	1,774,681.00	-	75,981,443.00
2	194030	Def Inc Tax-St/Loc	USD		(288,949.00)	-	192.00	-	(288,757.00)
2	200010	A/P-Trade-Assoc Co	USD		(46,256,572.59)	-	700,284,780.99	719,213,210.54	(65,185,002.14)
2	201010	A/P-Trade	USD		(23,033,119.88)	-	807,347,813.71	807,968,457.75	(23,653,763.92)
2	204020	A/P-Savings Aft-Tax	USD		185.11	-	2,765,833.68	2,766,018.79	-
2	204030	A/P-United Way	USD		(20,094.71)	-	364,924.56	361,264.67	(16,434.82)
2	204050	A/P-Child Support	USD		-	-	235,385.27	235,385.27	-
2	204110	A/P-Health Care FSA	USD		-	-	529,682.90	529,682.90	-
2	204115	Emp W/H - HSA	USD		(566.66)	-	798,110.59	832,406.10	(34,862.17)
2	204220	A/P-FSA Dependent	USD		-	-	167,425.90	167,425.90	-
2	204230	A/P-Savings Pre-Tax	USD		(4,735.63)	-	13,881,817.39	13,877,303.34	(221.58)
2	204240	A/P-Union dues	USD		-	-	54,804.60	54,804.60	-
2	204260	A/P-Student Loans	USD		-	-	23,324.39	23,675.80	(351.41)
2	204270	A/P-Savings Plus Loa	USD		(1,090.16)	-	2,241,803.50	2,240,713.34	-
2	204290	A/P-IRS Levies	USD		-	-	21,450.34	21,450.34	-
2	204320	A/P-PAC	USD		-	-	158,057.54	158,057.54	-
2	204330	A/P-Empl Bankruptcy	USD		-	-	82,431.08	82,431.08	-
2	204410	A/P-Regency Gar Pkg	USD		-	-	234,579.50	234,579.50	-
2	204430	Accrued Lease Payabl	USD		32,086.25	-	440,320.87	438,454.62	33,952.50
2	213890	AP-Disb Clearing VC	USD		(1,243,138.04)	-	11,185,080.63	11,496,290.25	(1,554,347.66)
2	213967	A/P-O/S Ck Chse 0002	USD		(698,671.35)	-	16,575,826.48	16,351,625.50	(474,470.37)
2	213994	A/P-Accrued Liab	USD		(18,599,543.45)	-	118,921,322.34	115,654,434.32	(15,332,655.43)
2	213995	A/P - Gen Disb Clrg	USD		338,117.63	-	2,060,791,479.90	2,060,925,718.47	203,879.06
2	213999	A/P-Gds Rec/Inv Rec	USD		(7,263,818.01)	-	355,758,940.69	352,328,740.10	(3,833,617.42)
2	217010	Curr LT Debt	USD		(3,788,750.00)	-	3,788,750.00	3,778,406.65	(3,778,406.65)
2	220010	Accr-Fed Inc Tax	USD		(173,630,552.55)	-	184,461,158.55	23,563,123.00	(12,732,517.00)



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2	220020	Accr-Inc Tax-St/Loc	USD		(21,393.00)	-	2,113,652.77	2,117,332.77	(25,073.00)
2	221050	Accr-Auditing Fees	USD		(835,397.68)	-	2,822,768.88	2,652,418.50	(665,047.30)
2	231010	Accr-Salaries/Payrol	USD		(50,159.86)	-	143,994,997.08	143,944,837.22	-
2	231011	Accr-Sal/Payr Accr	USD		(1,683,302.91)	-	52,267,168.42	56,699,096.65	(6,115,231.14)
2	232001	Accr - Severance	USD		(554,409.91)	-	2,512,926.59	9,055,456.25	(7,096,939.57)
2	232010	Accr-Miscellaneous	USD		(55,749.00)	-	1,852,497.67	1,852,497.37	(55,748.70)
2	232400	Current Operating Le	USD		(327,126.68)	-	85,237.43	14,044.70	(255,933.95)
2	240035	Accr-Health & Welfar	USD		(4,842,709.51)	-	39,787,378.74	36,521,673.33	(1,577,004.10)
2	240060	Accr-Other Benefits	USD		(5,228,000.00)	-	156,000.00	393,723.12	(5,465,723.12)
2	240065	Accr-Supp-Emp.Bnfts	USD		(1,081,768.79)	-	1,081,788.21	510,020.21	(510,000.79)
2	240066	Accr-Split \$ Prem-CV	USD		(2,249,000.00)	-	-	278,000.00	(2,527,000.00)
2	240067	Accr-Split \$ Paid Ta	USD		(431,000.00)	-	-	90,000.00	(521,000.00)
2	240080	Accr-Annual Inc Comp	USD		(23,937,912.86)	-	169,297,971.57	185,480,732.93	(40,120,674.22)
2	242010	Accr-Taxes (FICA)	USD		(4,554,668.42)	-	32,637,671.82	31,053,870.30	(2,970,866.90)
2	242020	Accr-Taxes-Unempl	USD		(27,053.45)	-	934,043.78	964,126.00	(57,135.67)
2	244020	Accr-Use Taxes-Purch	USD		(1,227,544.06)	-	15,315,363.01	15,556,320.67	(1,468,501.72)
2	245010	Accr-Property Taxes	USD		(1,589,104.15)	-	2,086,721.81	1,517,645.00	(1,020,027.34)
2	254010	Empl W/h-FIT	USD		25,000.00	-	33,150,858.17	33,245,011.38	(69,153.21)
2	254020	Empl W/h-SIT	USD		(137,502.04)	-	2,110,502.79	2,090,852.41	(117,851.66)
2	254030	Empl W/h-FICA	USD		-	-	14,570,732.16	14,571,313.24	(581.08)
2	258030	Workers' Compensatio	USD		(360,249.51)	-	957,074.01	776,773.54	(179,949.04)
2	259020	Svngs RestorationPln	USD		(2,610,008.39)	-	799,809.54	1,168,935.25	(2,979,134.10)
2	259040	Ben Restor-ASC 715	USD		-	-	3,919,082.48	3,919,082.48	-
2	259042	PostRetire-ASC 715	USD		(53,709,295.64)	-	13,968,250.69	3,230,278.61	(42,971,323.56)
2	259043	Postemploy-ASC 712	USD		(484,763.25)	-	446,283.91	1,808,047.16	(1,846,526.50)
2	259044	Split \$ Prems - CVA	USD		(18,316,963.53)	-	4,737,796.83	682,833.30	(14,262,000.00)
2	259045	Split \$ Paid Tax GU	USD		(9,316,544.21)	-	2,455,849.79	313,455.87	(7,174,150.29)
2	265010	ODC-Empl Related	USD		(18,430.90)	-	18,430.90	-	-
2	265020	ODC-Def Comp	USD		(22,193,996.00)	-	9,022,138.37	2,077,252.97	(15,249,110.60)
2	265025	ODC-Defer Comp-Misc	USD		(6,889,766.39)	-	702,386.72	153,225.84	(6,340,605.51)

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2	265030	ODC-LT Incentives	USD		(5,397,431.00)	-	3,615,810.00	1,883,990.00	(3,665,611.00)
2	265035	ODC-Dir Ben Plan	USD		-	-	12,000.00	12,000.00	-
2	269010	ODC-Misc	USD		(4,389,374.62)	-	2,194,687.31	-	(2,194,687.31)
2	269013	ODC-Esheat Pay	USD		(64,637.83)	-	1,290.00	214,910.46	(278,258.29)
2	269085	Ann Sett Pay - Assoc	USD		(171,860.84)	-	477,802.14	312,988.74	(7,047.44)
2	269400	Non-current Operatin	USD		(255,933.98)	-	283,964.63	28,030.70	(0.05)
2	277010	LT Debt-Others	USD		(3,644,281.05)	-	3,664,629.03	20,347.98	-
2	285020	DFIT-Accel Depr	USD		(33,806,030.00)	-	-	-	(33,806,030.00)
2	285030	DFIT-Fed-Other	USD		(76,193,005.71)	-	40,752,336.00	12,337,563.00	(47,778,232.71)
2	285050	DIT-St/Loc-Acc Depr	USD		(4,112.00)	-	-	-	(4,112.00)
2	285060	DIT-St/Loc-Other	USD		304,910.69	-	18,880.00	19,377.00	304,413.69
2	290010	CS-Shares Issued	USD		(1,000.00)	-	-	-	(1,000.00)
2	295010	Addl Paid-In Capital	USD		(11,090,035.18)	-	1,786,852.35	163,267,988.84	(172,571,171.67)
2	297992	R/E-Adjustments	USD		8,897,141.54	-	-	-	8,897,141.54
2	297994	Retained Earnings FE	USD		(161,256.44)	-	-	-	(161,256.44)
2	297999	Retained Earnings	USD		(95,298,359.16)	-	-	-	(95,298,359.16)
2	298012	AOCl-ASC715BenPlans	USD		2,935,026.92	-	5,342,329.82	11,532,839.08	(3,255,482.34)
2	298022	APIC Share Based Com	USD		-	-	19,955,510.72	19,955,510.72	-
2	298030	APIC - CORP Tax Allo	USD		(2,359,167.00)	-	-	-	(2,359,167.00)
2	298031	APIC - ASC 718 I/C	USD		(22,591,977.05)	-	-	-	(22,591,977.05)
2	443010	Other Oper Rev	USD		-	-	40.00	2,260.00	(2,220.00)
2	482010	Int Inc-Assoc Co	USD		-	-	5,177,223.89	11,701,629.72	(6,524,405.83)
2	483010	Interest Income	USD		-	-	-	17,189.67	(17,189.67)
2	485010	Gn/Ls-Disp of Prop	USD		-	-	1,562,046.21	1,562,046.21	-
2	491010	Misc Non-Oper Rev	USD		-	-	75.00	825.00	(750.00)
2	491020	Misc Non-Oper Ded	USD		-	-	1,605,354.39	1,605,354.39	-
2	515040	Sal&Wages Exp-STI-Ex	USD		-	-	170,754,379.27	133,923,565.43	36,830,813.84
2	515042	Sal&Wages Exp-STI-No	USD		-	-	13,664,082.29	10,478,775.98	3,185,306.31
2	515044	Sal&Wages Exp-STI-Un	USD		-	-	1,372,237.63	1,056,051.11	316,186.52
2	515050	Non-prod-Exempt	USD		-	-	15,029,632.74	2,215,851.37	12,813,781.37

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2	515052	Non-prod-Non-Exempt	USD		-	-	6,601,776.61	1,267,700.08	5,334,076.53
2	515054	Non-prod-Union	USD		-	-	1,150,865.89	312,382.90	838,482.99
2	515055	Non-prod- OTJ Union	USD		-	-	6,259.16	1,871.54	4,387.62
2	515058	Nonprod-OT-OTJ Union	USD		-	-	19.80	7.75	12.05
2	515070	Severance	USD		-	-	9,055,456.25	580,709.16	8,474,747.09
2	515080	Other Compensation	USD		-	-	51,945.65	364,637.21	(312,691.56)
2	517987	Commissions	USD		-	-	1,622,401.21	306,584.52	1,315,816.69
2	517988	Other Comp-Union	USD		-	-	102,817.55	-	102,817.55
2	517989	OT Union - Double	USD		-	-	104,253.70	39,184.41	65,069.29
2	517990	Overtime Union-1.5X	USD		-	-	1,004,226.47	340,278.22	663,948.25
2	517991	Regular Union	USD		-	-	7,177,826.83	2,013,667.68	5,164,159.15
2	517992	Oth Comp-Non-Exempt	USD		-	-	425,912.23	253.65	425,658.58
2	517994	OT Non-Exmpt(1.5)	USD		-	-	4,853,703.90	1,153,599.66	3,700,104.24
2	517995	Regular Non-Exempt	USD		-	-	40,364,624.04	10,086,914.16	30,277,709.88
2	517996	Other Comp-Exempt	USD		-	-	3,438,393.33	303,660.18	3,134,733.15
2	517997	OT Non-Exmpt (Dbl)	USD		-	-	5,190.75	1,576.58	3,614.17
2	517998	Overtime Exempt	USD		-	-	1,847.41	841.77	1,005.64
2	517999	Regular Exempt	USD		-	-	145,697,732.22	35,073,846.47	110,623,885.75
2	518011	Pension - Service Co	USD		-	-	5,689,618.00	635,834.00	5,053,784.00
2	518016	Pension NonQualified	USD		-	-	197,162.00	28,166.00	168,996.00
2	518020	Medical	USD		-	-	25,817,786.57	7,346,242.35	18,471,544.22
2	518032	PostRetirement - Ser	USD		-	-	453,996.00	-	453,996.00
2	518070	Savings	USD		-	-	21,501,638.86	4,489,165.80	17,012,473.06
2	518090	Long-Term Disability	USD		-	-	1,667,647.27	40,802.39	1,626,844.88
2	518109	ASC 715 Srvc Cst Ben	USD		-	-	48.24	358.22	(309.98)
2	518111	Workers Comp Benefit	USD		-	-	0.36	2.18	(1.82)
2	518130	Workers Compensation	USD		-	-	571,685.73	157,953.80	413,731.93
2	518160	Oth Sal & Benefits	USD		-	-	2,393,990.00	1,068,326.08	1,325,663.92
2	518161	Split Doll Life Insu	USD		-	-	484,993.03	1,586,847.91	(1,101,854.88)
2	518164	Prfrm Shares & Units	USD		-	-	20,687,109.64	595,629.77	20,091,479.87

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2	518165	Other Equity Awards	USD		-	-	23,476,236.80	2,735,526.85	20,740,709.95
2	518166	Deferred Comp Plan -	USD		-	-	393,725.84	720,886.72	(327,160.88)
2	522010	Employee Travel	USD		-	-	2,269,776.26	314,351.60	1,955,424.66
2	522012	Employee Arcrft Usge	USD		-	-	1,283,293.95	285,428.63	997,865.32
2	522020	Training	USD		-	-	1,087,640.86	204,990.91	882,649.95
2	522030	Registration	USD		-	-	11,492.00	11,625.00	(133.00)
2	522040	Dues & Licenses	USD		-	-	241,116.60	30,005.00	211,111.60
2	522050	Spousa/Non-Employee	USD		-	-	5,206.73	1,698.60	3,508.13
2	522051	Spse/Nonemploy Arcft	USD		-	-	504,336.83	218,382.87	285,953.96
2	522059	Employ Rel Exp-Spous	USD		-	-	1,116.33	-	1,116.33
2	522060	Business Meals	USD		-	-	1,707,245.05	79,976.40	1,627,268.65
2	522062	Entertainment	USD		-	-	1,955,094.68	871,118.59	1,083,976.09
2	522070	Education Exp	USD		-	-	227,686.98	-	227,686.98
2	522080	Park/In-town Travel	USD		-	-	238,717.96	7,589.12	231,128.84
2	522090	Awards/Gifts	USD		-	-	1,829,999.29	323,929.28	1,506,070.01
2	522100	Empl Reloc/Moving	USD		-	-	531,625.20	370,782.50	160,842.70
2	522110	Occ Hlth & Safety	USD		-	-	216,963.42	951.72	216,011.70
2	522120	Books & Subscriptons	USD		-	-	419,310.58	142,235.12	277,075.46
2	522130	Misc Empl Rel Exp	USD		-	-	204,689.74	29,476.40	175,213.34
2	522140	Recruit/Empl Agency	USD		-	-	244,905.95	-	244,905.95
2	523000	Empl Reimburs/Deduct	USD		-	-	503,469.80	506,308.65	(2,838.85)
2	530010	M&S - Non Inv	USD		-	-	850,213.13	145,633.62	704,579.51
2	530020	M&S-Stores,Tools	USD		-	-	2,299.41	12.83	2,286.58
2	530030	M&S-Ofc Furn & Equip	USD		-	-	28,851.77	10,311.35	18,540.42
2	530050	M&S-Salvage	USD		-	-	12,601.00	32,946.00	(20,345.00)
2	530978	M&S-Land Purchases	USD		-	-	26,043.25	-	26,043.25
2	530999	M&S-Inventory Issued	USD		-	-	32,863.87	12,962.67	19,901.20
2	531020	Motor-Veh & Plt	USD		-	-	34,032.69	31,824.69	2,208.00
2	531030	Purch Veh Fuel Exp	USD		-	-	443,210.70	49,951.18	393,259.52
2	531040	Veh&Pwr Op Equip	USD		-	-	148,230.56	-	148,230.56

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	532010	Mat & Supplies Exp	USD		-	-	3,055.93	-	3,055.93
2	532020	M&S-Equipment	USD		-	-	65,987.63	3,794.83	62,192.80
2	532040	M&S-Misc	USD		-	-	5,329,757.81	5,269,057.78	60,700.03
2	533010	Purch-Comp Hdware	USD		-	-	52,034,322.78	59,716,318.74	(7,681,995.96)
2	533020	Pur-Comp Sftw & Upgd	USD		-	-	92,838,150.69	106,579,276.90	(13,741,126.21)
2	533030	Computer Supplies	USD		-	-	1,716.08	-	1,716.08
2	534010	Purch-Comm Eq	USD		-	-	3,477,950.52	3,566,362.48	(88,411.96)
2	535010	Office Supplies	USD		-	-	689,913.58	40,904.14	649,009.44
2	535016	One Pay Card	USD		-	-	31,640,241.61	31,450,298.22	189,943.39
2	540010	Maint Services-Other	USD		-	-	433.00	-	433.00
2	540020	Eng & Tech Services	USD		-	-	310,300.58	219,387.86	90,912.72
2	540050	Construction Svcs	USD		-	-	345,507.65	327,146.41	18,361.24
2	540075	Misc Operating Expen	USD		-	-	-	403,564.00	(403,564.00)
2	540080	Billable Cntrctd Lbr	USD		-	-	853,852.60	1,007,205.39	(153,352.79)
2	540090	Maint Serv-Environme	USD		-	-	62,250.75	43,782.87	18,467.88
2	541530	Motor Veh Reg/Lic	USD		-	-	117,526.30	97,747.85	19,778.45
2	543010	Prof Serv-Ded	USD		-	-	265,932,543.67	245,574,288.15	20,358,255.52
2	543030	Auditing Services	USD		-	-	4,211,691.07	1,203,865.57	3,007,825.50
2	543040	Admin Services	USD		-	-	1,046,545.63	730,364.01	316,181.62
2	543050	Technical Services	USD		-	-	22,789,152.35	14,775,062.36	8,014,089.99
2	543060	Training Services	USD		-	-	578,524.42	204,000.00	374,524.42
2	543070	Storage Services	USD		-	-	501,877.61	34,408.72	467,468.89
2	543080	Media	USD		-	-	62,976.80	13,932.04	49,044.76
2	543090	Wireless Services	USD		-	-	13,418,572.26	10,312,991.98	3,105,580.28
2	543110	Shareholder Related	USD		-	-	210,666.59	181,428.36	29,238.23
2	543120	Subscriptions-Deduct	USD		-	-	2,618,799.12	403,260.26	2,215,538.86
2	543140	Site Restoration	USD		-	-	118,229.58	17,522.38	100,707.20
2	543150	Legal Services	USD		-	-	93,356,978.16	85,209,142.99	8,147,835.17
2	543160	Reimburseable Costs	USD		-	-	6,759.25	172,464.59	(165,705.34)
2	545010	Property Services	USD		-	-	120,427.74	3,687.03	116,740.71

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	545040	Cont/Sv Add/Alt/Rem	USD		-	-	272,603.20	124,275.08	148,328.12
2	545045	Cont/Sv -Bldg Mnt	USD		-	-	286,589.16	18,242.19	268,346.97
2	545050	Cont/Sv-Vending/Ice	USD		-	-	942.45	-	942.45
2	545060	Cont/Sv Elev Serv	USD		-	-	863.68	-	863.68
2	545070	Cont/Sv Jan Serv	USD		-	-	76,485.52	4,599.45	71,886.07
2	545080	Cont/Sv Pest Cont	USD		-	-	1,046.23	-	1,046.23
2	545090	Cont/Sv Sec Elect	USD		-	-	327,342.94	98.50	327,244.44
2	545100	Cont/Sv Sec Owned	USD		-	-	921,392.49	109,789.86	811,602.63
2	545105	Cont/Sv Trash Rem	USD		-	-	65,261.56	18,186.95	47,074.61
2	545110	Cont/Sv Landscap	USD		-	-	375,746.76	874.79	374,871.97
2	545115	Cont/Sv A/C / Heat	USD		-	-	812,191.88	602,758.43	209,433.45
2	545120	Temp Manpower Svc	USD		-	-	64,533,145.61	62,669,840.33	1,863,305.28
2	545127	Contr&Svcs-Core Tech	USD		-	-	7,855,004.80	3,500,193.17	4,354,811.63
2	545140	Ofc Mach Maint	USD		-	-	396,990.56	123,017.12	273,973.44
2	545150	Printing Svcs	USD		-	-	1,274,861.35	83,079.75	1,191,781.60
2	545160	Software Maintenance	USD		-	-	71,241,326.84	31,990,894.95	39,250,431.89
2	545165	IT Data Services	USD		-	-	1,541,103.93	1,788,585.86	(247,481.93)
2	545167	Contr&Svcs-Software	USD		-	-	60,214,610.77	40,518,710.46	19,695,900.31
2	545170	Hardware Maintenance	USD		-	-	12,840,311.36	4,994,616.84	7,845,694.52
2	545177	Contr&Svcs-Infrastru	USD		-	-	907,834.73	241,400.44	666,434.29
2	545510	IT Services	USD		-	-	31,492,194.09	24,410,292.45	7,081,901.64
2	545520	Long Distance/Fax	USD		-	-	37,741.16	297.31	37,443.85
2	546010	Other Services	USD		-	-	3,420,777.59	1,955,587.29	1,465,190.30
2	550020	Misc Adm Expenses	USD		-	-	3,774,998.17	1,792,718.25	1,982,279.92
2	550021	Third Party Bill Exp	USD		-	-	520.00	34,435.74	(33,915.74)
2	550025	Meeting Exp	USD		-	-	281,902.17	9,048.32	272,853.85
2	550030	Dir Fees & Exp	USD		-	-	3,357,905.59	637,700.00	2,720,205.59
2	550040	Postage/Courier	USD		-	-	350,447.23	71,113.96	279,333.27
2	550041	Courier Expense	USD		-	-	265,133.64	22,435.29	242,698.35
2	550050	Bank Charges & Fees	USD		-	-	25,534,136.86	22,061,013.58	3,473,123.28

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	550060	Filing Fees	USD		-	-	877,652.16	432,795.00	444,857.16
2	550070	Mgmt/Consulting Fees	USD		-	-	59,688.80	2.00	59,686.80
2	550080	Club Member & Exp	USD		-	-	233,716.36	162.38	233,553.98
2	550086	Member Dues in Orgn	USD		-	-	801,790.42	152,762.00	649,028.42
2	550087	Dues-Industry	USD		-	-	1,836,100.03	1,135,097.64	701,002.39
2	550100	Freight	USD		-	-	204,687.82	23,034.73	181,653.09
2	550160	Airplane Exp	USD		-	-	1,350,550.18	1,360,062.72	(9,512.54)
2	559950	Cap Labor	USD		-	-	457,292.40	1,044,202.70	(586,910.30)
2	559951	Cap Materials	USD		-	-	67,484,431.46	44,828,704.11	22,655,727.35
2	559954	Cap Other Exp	USD		-	-	97,969.48	55,713.23	42,256.25
2	559957	Cap Contr Costs	USD		-	-	19,990,758.41	12,161,355.46	7,829,402.95
2	559958	A&G Exp-Cap NonS Ben	USD		-	-	5.48	9.62	(4.14)
2	559960	Def Labor	USD		-	-	3,626,765.29	22,312,843.81	(18,686,078.52)
2	559961	Def Materials	USD		-	-	8,657.46	278,835.35	(270,177.89)
2	559964	Def Other Exp	USD		-	-	4,712,598.71	27,035,854.47	(22,323,255.76)
2	559967	Def Contr Costs	USD		-	-	505,998.53	2,068,036.35	(1,562,037.82)
2	559968	A&G Exp-Deferred Non	USD		-	-	219,657.47	865,258.19	(645,600.72)
2	559981	Def Salvage Costs	USD		-	-	20,345.00	-	20,345.00
2	559989	ASC 715 Svc Company	USD		-	-	2,956,545.21	3,414,546.73	(458,001.52)
2	559990	ASC 715 Svc Company	USD		-	-	3,414,546.73	2,956,545.21	458,001.52
2	559999	FI/CO Recon Exp	USD		-	-	192,609,957.67	724,605,858.62	(531,995,900.95)
2	560010	Ins Exp-Fiduciary Li	USD		-	-	492,471.75	-	492,471.75
2	560020	Claims/Settlements	USD		-	-	363,721.22	75,000.00	288,721.22
2	560030	Ins-Blanket Crime	USD		-	-	62,963.51	-	62,963.51
2	560070	Ins-Excess Liab	USD		-	-	1,919,579.40	202,702.04	1,716,877.36
2	560080	Ins-Dir/Ofc Liab	USD		-	-	3,013,163.42	231,873.41	2,781,290.01
2	560090	Ins-Gen Liab	USD		-	-	320,288.68	-	320,288.68
2	560100	Ins-Auto Liab	USD		-	-	58,331.41	-	58,331.41
2	560110	Ins-Property	USD		-	-	1,165,410.74	690.59	1,164,720.15
2	560115	Ins-Other	USD		-	-	697,236.23	10,887.00	686,349.23

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	560117	Ins-Cyber Liability	USD		-	-	1,500,006.32	172,089.50	1,327,916.82
2	560120	Ins-Umbrella Liab	USD		-	-	70,170.25	5,411.10	64,759.15
2	562018	Market Research	USD		-	-	1,169,377.33	303,703.05	865,674.28
2	562140	Advertising-Gen	USD		-	-	479,442.37	29,026.77	450,415.60
2	562141	Customer Communicati	USD		-	-	1,313,399.38	31,982.07	1,281,417.31
2	562142	Advertising-Info	USD		-	-	446,728.85	826.20	445,902.65
2	562143	Safety Communicatio	USD		-	-	2,777,886.30	23,179.14	2,754,707.16
2	562145	Adv-Consumpt Induc	USD		-	-	16,886.20	-	16,886.20
2	562150	Agency Collect Fees	USD		-	-	1,045,593.57	519,219.96	526,373.61
2	562155	CIP Communications	USD		-	-	5,456.13	2,763.52	2,692.61
2	562160	Postage-Cust Bills	USD		-	-	5,788,888.22	180,961.24	5,607,926.98
2	562170	Uniforms	USD		-	-	12,757.22	78.28	12,678.94
2	562210	Environ Disposal	USD		-	-	109.78	7.18	102.60
2	565010	Repairs & Maintenanc	USD		-	-	3,026.87	-	3,026.87
2	565040	Rep & Maint-Vehicles	USD		-	-	280,970.05	128,904.41	152,065.64
2	566010	Donations-Cash	USD		-	-	1,220,169.74	573,125.68	647,044.06
2	566030	Sponsorships/Contrib	USD		-	-	2,679,241.58	698,202.30	1,981,039.28
2	566040	Contrib-R & D	USD		-	-	250,000.00	250,000.00	-
2	571010	Utilities-Electricit	USD		-	-	423,517.90	31,400.00	392,117.90
2	571020	Util-Land-Phones Cir	USD		-	-	5,018,248.05	3,050,382.31	1,967,865.74
2	571030	Utilities-Natural Ga	USD		-	-	353,843.60	2,584.61	351,258.99
2	571031	Utilities Expenses -	USD		-	-	367.43	-	367.43
2	571040	Utilities-Water	USD		-	-	14,731.14	-	14,731.14
2	571050	Utilities-Other	USD		-	-	7,803.65	-	7,803.65
2	572010	Office Rent	USD		-	-	41,560.00	30,000.00	11,560.00
2	572020	Rent-Land & Bldg	USD		-	-	69,839.66	-	69,839.66
2	572025	Rent-Office Equip	USD		-	-	276,046.80	262,600.70	13,446.10
2	572027	Rent-Motor Veh	USD		-	-	104.97	-	104.97
2	572030	Equipment Rent	USD		-	-	3,379.25	-	3,379.25
2	572040	Other Rent	USD		-	-	67,529.93	285.58	67,244.35



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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
2	572051	Bldg Rent-Assoc	USD		-	-	44,361,976.69	21,372,604.87	22,989,371.82
2	572052	Furn/Equip Rent	USD		-	-	2,698,963.45	1,982,317.79	716,645.66
2	574010	ASC 842 Operating Le	USD		-	-	419,073.63	55,113.16	363,960.47
2	574020	ASC 842 Operating Va	USD		-	-	75,182.18	8,819.15	66,363.03
2	702010	Depreciation Exp	USD		-	-	6,295,346.51	93,267.00	6,202,079.51
2	702050	Depr-Transportation	USD		-	-	920,834.74	-	920,834.74
2	704010	Amort-Intangibles	USD		-	-	5,495,556.06	10,805.23	5,484,750.83
2	708010	Int-L/T Debt	USD		-	-	134,125.60	-	134,125.60
2	708115	Int-Facility Fees	USD		-	-	9,110.01	-	9,110.01
2	708140	Int-Other	USD		-	-	7.07	-	7.07
2	717010	Current FIT	USD		-	-	21,957,019.00	6,230,991.00	15,726,028.00
2	717020	Current SIT/Local	USD		-	-	99,964.00	95,216.00	4,748.00
2	717510	Deferred FIT	USD		-	-	8,112,558.00	16,904,472.00	(8,791,914.00)
2	717520	Deferred SIT/Local	USD		-	-	18,288.00	18,845.00	(557.00)
2	718011	Pension - Non-Servic	USD		-	-	17,012,548.12	2,516,909.34	14,495,638.78
2	718016	Pension NonQualified	USD		-	-	2,794,338.08	416,334.00	2,378,004.08
2	718032	Post Retirement Non	USD		-	-	1,893,000.00	379,000.00	1,514,000.00
2	718033	PostRet Split\$ Life	USD		-	-	1,019,541.83	178,049.49	841,492.34
2	718166	Deferred Comp Plan	USD		-	-	1,119,682.21	732,666.00	387,016.21
2	720040	State/Fed Reg Fees	USD		-	-	4,838.70	-	4,838.70
2	722010	Penalties & Fines	USD		-	-	3,500.00	-	3,500.00
2	722080	Sales & Use Tax	USD		-	-	503.50	3.61	499.89
2	722150	Property Tax	USD		-	-	1,517,645.00	519,628.00	998,017.00
2	722160	FICA Tax	USD		-	-	30,292,362.92	16,230,073.58	14,062,289.34
2	722161	Benefits P/R Tax Rec	USD		-	-	19.64	119.07	(99.43)
2	722170	Unemployment Tax	USD		-	-	964,194.82	262,939.42	701,255.40
2	722181	Misc Empl Taxes	USD		-	-	-	53,703.00	(53,703.00)
*	2		USD		-	-	14,223,875,340.69	14,223,875,340.69	-

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CoCd	G/L Acct	Short Text	Crcy	BusA	Balance Carryforward	Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance
CoCd	Crcy	BusA	Balance Carryforward		Balance,prev.periods	Debit rept.period	Credit report per.	Accumulated balance	
*	2 USD		0		0		14,223,875,340.69	14,223,875,340.69	-
	USD		0		0		14,223,875,340.69	14,223,875,340.69	-

**Q 36.24:** Refer to Exhibit No. 20, Schedule C-3.19, Cell D22 links to Schedule C-2.1, cell F173 for unadjusted test year “shared service expense.”

- a. Per Schedule C-2.1, the description of line 173 is “Rents.” Please explain why this adjustment links to rents expense. Is the link incorrect or is the description on line 173 of Schedule C-2.1 incorrect?
- b. Please explain why the description of this adjustment says “Vectren Utility Holdings” but the header and adjustment says “Shared Services Expense.”
- c. Is Shared Services the same as Vectren Utility Holdings? Please explain.

**Response:**

- a. Both the link in cell D22 on Schedule C-3.19 and the description on line 173 in Schedule C-2.1 are correct. Expense associated with shared services is comparable to rent. Vectren Utility Holdings, LLC owns assets including buildings, furniture, etc. that are utilized by or shared with utility jurisdictions including CEI South. Asset cost such as a return, income tax, depreciation, and property tax are charged to the utility jurisdictions as one monthly fee twelve times a year, which is comparable to rent.
- b. “Vectren Utility Holdings” is the entity that owns assets utilized by or “shared” with utility jurisdictions including CEI South. The assets that are shared provide a service. The utility jurisdictions receive a “Shared Service Expense” from Vectren Utility Holdings, LLC for the use of the assets.
- c. Shared Services and Vectren Utility Holdings are not the same. Please see CEI South’s Response to OUCC DR 36.24b.

- Q 35.7:** On page 12, lines 21 – 29 of his direct testimony, Mr. Wood describes the forecasting process for affiliate expenses (Service Company and VUH).
- a. Please provide the 2024 budget by FERC Account for affiliate costs for (1) Service Company and (2) VUH. If this budget was prepared on a monthly basis, please provide this information by month.
  - b. What was the basis for each 2023 affiliate expense budget, (1) Service Company and (2) VUH?
  - c. Please state the assumptions made to prepare each 2023 affiliate expense budget, including the salary related escalation factors, the non-labor expense escalation factors, and any other material assumptions made when preparing that budget.

**Response:**

- a. Please see the attachment<sup>1</sup> listed below.
- b. The 2023 budget for Service Company and VUH were developed following the planning process repeated on an annual basis. This process includes consideration of historical activities and known and measurable forward looking activities. The activities listed below represent the primary components of the normal planning process:
  - Discussion with business unit leaders to understand operational requirements
  - Identification of employee headcount and related salary necessary to achieve operational requirements
  - Allocation of labor activities to either expense or capital cost objects
  - Identification of other operational costs incurred within employee cost centers
  - Identification of third-party costs necessary to achieve operational requirements
- c. The planning process includes an assumption regarding competitive pay increases. The assumption for 2023 was 3.5% increase for exempt and non-exempt employees effective in April. No other escalation factors are used as part of the planning process.

**Attachment:**

- 45990 OUCC DR35 35.07a\_Affiliate Allocations to CEI South - 2024 Budget.xlsx

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<sup>1</sup> The amounts within the attachment are representative of the 2024 budget which may differ from the 2024 forecast included within the subject case due to timing between when information was needed for filing the subject case as compared to when finalized and approved as the 2024 budget. Please refer to CEI South's Response to OUCC DR 15.1 for an explanation between budget and forecast.

**Q 35.8:** Please provide the 2023 actual Service Company costs billed to Petitioner. Please provide these costs by month by FERC account.

**Response:** Please see the attachment listed below. **Attachment:**

- 45990 OUCC DR35 35.08\_Service Company Cost Allocations Jan-Dec 2023.xlsx

- Q 42.1:** Referring to Exhibit 20, Schedule C3.7:
- A. How was the \$725,000 budget calculated for the rider. Please provide a detailed breakdown of what is included in this budget.
  - B. Regarding the \$23,901,572 in WPC\_2.1b calculation used for the C3.7 revenue figure, was this due to an escalation of the 2024 estimated RCRA amount? If the answer is no, please provide a detailed explanation for the breakdown of what is included in this calculation.
  - C. For the calculation made on Schedule WPC\_2.1b in regard to the Rider ADR and RCRA, please elaborate on the nature of the adjustments made in this schedule from the forecasted amounts.
  - D. Is the Rider ADR the only adjustment being made to the RCRA rider?

**Response:**

- A. Please see CEI South's Response to OUCC DR26 26.8b.
- B. The adjustment amounts included in WPC\_2.1b for the RCRA is due to part of the forecast being projected in miscellaneous revenues and then combined with the RCRA revenue line in Schedule C\_3.7. The combined amounts on WPC\_2.1c, lines 33 and 39 in column N plus the amount in the current base rates equals the projected current level of RCRA revenues.
- C. The RCRA revenues were forecasted on more than one line in WPC\_2.1b, the RCRA revenue line within the rate classes and the miscellaneous revenue line. The adjustment of \$23,901,572 in Schedule C3.7 is to move the forecasted amount from miscellaneous revenues to the RCRA revenue lines in the specific rate classes.
- D. The Demand Response Aggregator amount of \$725,000 is the only net revenue adjustment made on Schedule C3.7.

- Q 22.2:** Please reference the description of the Aggregation Demand Response Rider (“Rider ADR”) in Petitioner’s Exhibit 19, on page 29, lines 1-11. Please provide a more detailed description of the Rider ADR. What distinguishes this program from CenterPoint’s current demand response programs? When is the proposed implementation date for the program?
- a. Please provide a copy of the contract between CenterPoint and the program Aggregator used for the Rider ADR. If there currently is no contract, please indicate the date CenterPoint expects to have one executed.
  - b. Will the proposed Rider ADR and Thermostat Load Control Rider (“Rider TLC”) be included in the Demand Side Management (“DSM”) portfolio? If so, please explain why CenterPoint chose to include these programs in the rate case filing instead of CenterPoint’s planned first quarter 2024 DSM filing?
  - c. Please provide the following for the Rider ADR and Rider TLC:
    - I. Total cost by program.
    - II. What are the projected Total Resource Cost (“TRC”) and Utility Cost Test (“UCT”) benefit/cost ratio scores for each program? For each program, please provide (with formulas intact, if possible) the inputs used to calculate these scores including, but not limited to, the projected number of participants, projected demand savings, program participant incentives, etc.
    - III. For purposes of evaluation, measurement & verification (“EM&V”), will CenterPoint use the same EM&V vendor it used to evaluate its demand side management programs? If not, please explain why. If choosing a separate vendor, please indicate whether the vendor has any role in the design or implementation of the program.

**Response:** Please see Witness Forshey’s testimony at page 21 lines 21-33 and page 22, lines 1-2 for what distinguishes an aggregator from CEI South’s current DR offerings. An implementation date for Rider ADR would follow approval of the program in this case and execution of a contract with a DR aggregator.

- a. Please see CEI South’s Response to 45990 OUCC DR 1.45, which explains “CEI South has not selected an aggregator. If Rider ADR is approved by the Commission, CEI South will select and contract with an aggregator following such approval.”
- b. Rider TLC was included in the rate case to formalize a tariff for the existing smart thermostat DR program and to expand the DR months from June through September to March through November as indicated in Witness Forshey’s testimony at page 22 lines 8-13. The energy efficiency programs applicable to the TLC Rider are Smart Cycle and Bring Your Own Thermostat (“BYOT”). Rider ADR was selected in the 2022 IRP Preferred Portfolio; will not be included in CEI South’s DSM portfolio and instead will be included in the RCRA Rider.
- c.
  - I. The payment to a DR aggregator will be contingent on how much demand response the aggregator can sign for the program. As shown in SCH C3.7 of Petitioner’s Exhibit No. 20 CEI South has included \$725,000 in the revenue requirement for the DR Aggregation Tariff. Please see Cause No. 45895 for the 2024 costs for Smart Cycle and BYOT programs applicable to Rider TLC.

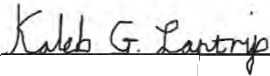
**Q 24.6:** Referring to the direct testimony of Christopher G. Wood on page 11, lines 19 – 28, please provide a detailed explanation, by calendar year, including calculations, and workpapers for each of the multiple adjustments made by the company to VUH’s historical base year expense amount (\$17.8 million) ending December 31, 2022, to arrive at the forecasted test year of December 31, 2025 (\$23 million).

**Response:** No adjustments were made to the historical base year ending December 31, 2022, to arrive at the forecasted test year of December 31, 2025. Please see the direct testimony of Christopher G. Wood beginning on page 12, row 20 for a discussion of how the 2025 forecasted test year amounts were determined for costs allocated to CEI South.



**AFFIRMATION**

I affirm, under the penalties for perjury, that the foregoing representations are true.



Kaleb G. Lantrip  
Utility Analyst II  
Indiana Office of Utility Consumer Counselor

Cause No. 45990  
CenterPoint Energy Indiana South

March 12, 2024  
Date

## CERTIFICATE OF SERVICE

The undersigned counsel for the OUCC certifies that on March 12, 2024 a copy of this *Testimony of Public Exhibit No. 3, Witness Kaleb G. Lantrip* was electronically served, via e-mail, upon all parties of record in this proceeding.

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