

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND)
ELECTRIC COMPANY D/B/A CENTERPOINT ENERGY INDIANA)
SOUTH (“CENTERPOINT INDIANA SOUTH”) FOR AN ORDER:)
(1) AUTHORIZING CENTERPOINT INDIANA SOUTH TO ENTER)
INTO A POWER PURCHASE AGREEMENT (“PPA”) TO)
PURCHASE ENERGY AND CAPACITY FROM A 185 MW SOLAR)
PROJECT IN VERMILLION COUNTY, INDIANA (THE)
“VERMILLION COUNTY SOLAR PROJECT”), AND FINDING THE)
TERMS OF THE PPA REASONABLE AND NECESSARY; (2))
AUTHORIZING CENTERPOINT TO ENTER INTO A PPA TO)
PURCHASE ENERGY AND CAPACITY FROM A 150 MW SOLAR)
PROJECT IN KNOX COUNTY, INDIANA (THE “KNOX COUNTY)
SOLAR PROJECT”), AND FINDING THE TERMS OF THE PPA)
REASONABLE AND NECESSARY; (3) DETERMINING THE)
VERMILLION COUNTY SOLAR PROJECT AND KNOX COUNTY)
SOLAR PROJECT TO BE ELIGIBLE CLEAN ENERGY)
PROJECTS FOR PURPOSES OF IND. CODE CH. 8-1-8.8; (4))
AUTHORIZING THE FULL RECOVERY OF THE POWER)
PURCHASE COSTS UNDER THE PPAS FROM CUSTOMERS)
THROUGH FUEL ADJUSTMENT CLAUSE (“FAC”))
PROCEEDINGS OVER THE ENTIRE TERM OF THE PPAS; (5))
APPROVING RATEMAKING TREATMENT TO ACCOUNT FOR)
INCREASED COST OF DEBT ASSOCIATED WITH THE PPAS)
AND AUTHORIZING EXPENSES ASSOCIATED WITH ENTERING)
INTO THE PPAS BE DEFERRED AS A REGULATORY ASSET)
FOR RECOVERY THROUGH THE FAC; (6) APPROVING)
CONFIDENTIAL TREATMENT OF THE PPA PRICING AND)
OTHER NEGOTIATED COMMERCIAL TERMS AND RELATED)
CONFIDENTIAL INFORMATION.)

CAUSE NO. 45600

SUBMISSION OF TESTIMONY AND ATTACHMENTS

Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South (“Petitioner” or “CenterPoint Indiana South”), by counsel, hereby submits its case-in-chief, consisting of the testimony and attachments of the witnesses listed below. In accordance with GAO 2020-05, Petitioner also submits, as Appendix “A,” an index of issues in this proceeding and the witnesses addressing those issues.

- Petitioner’s Exhibit No. 1 – Steven C. Greenley, Senior Vice President of Generation Development, provides an overview of the relief requested in this proceeding and the witnesses supporting the requested relief. Mr. Greenley summarizes Petitioner’s request to diversify its generation portfolio with the addition of Power Purchase

Agreements (“PPAs”) to purchase all product and attributes from two new solar projects: the Vermillion County Solar Project and the Knox County Solar Project.

- Petitioner’s Exhibit No. 2 – Roland A. Rosario, Market Development Manager, provides an overview of the Request for Proposals (“RFP”) process and CenterPoint Indiana South’s decision to: (1) enter into a PPA with Oriden LLC affiliate, Vermillion Rise Solar LLC (“Oriden”), to purchase all product and attributes from the 185 megawatt alternating current (“MWac”) Vermillion County Solar Project over a 15-year term; and (2) enter into a PPA with Origis Energy affiliate, IN Solar 1, LLC (“Origis”), to purchase all product and attributes from the 150 MWac Knox County Solar Project over a 20-year term. Mr. Rosario also describes the terms of the two PPAs and their impact on CenterPoint Indiana South’s MISO Planning Reserve Margin Requirement.
- Petitioner’s Exhibit No. 3 – Matthew A. Rice, Director, Rates & Regulatory Indiana Electric, describes the analysis and results of Petitioner’s 2019/2020 Integrated Resource Plan (“2019/2020 IRP”) and how the relief requested in this proceeding supports the goals and conclusions of the 2019/2020 IRP and its short-term action plan. Mr. Rice also describes how the cost of the PPAs will be recovered through the fuel adjustment clause (“FAC”) mechanism, including recovery of the debt equivalency factor and a regulatory asset created for costs associated with entering into the PPAs.
- Petitioner’s Exhibit No. 4 – Brett A. Jerasa, Assistant Treasurer, describes Petitioner’s current credit ratings, rating agency treatment of PPAs, the potential impact of the proposed PPAs on Petitioner’s credit metrics, and a proposed mechanism to mitigate the potential impact of cost of debt increases attributable to the PPAs.
- Petitioner’s Exhibit No. 5 – Kara R. Gostenhofer, Director & Assistant Controller, explains why the PPAs do not qualify as leases as well as the accounting means for recovery of costs incurred in entering into the PPAs.
- Petitioner’s Exhibit No. 6 – Rina H. Harris, Director, Energy Solutions and Business Services, explains the increased importance of renewable energy to large customers and other customer classes.

Respectfully submitted,



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APPENDIX A

Southern Indiana Gas & Electric Company d/b/a CenterPoint Energy Indiana South Index of Issues, Requests, and Supporting Witnesses¹

Request for Approval of Power Purchase Agreements		
Subject	Witness	Attachment or Exhibit
Overview of Generation Transition Plan and the request to diversify Petitioner's portfolio with the addition of PPAs to purchase product and attributes from the Vermillion County Solar Project and the Knox County Solar Project	<ul style="list-style-type: none"> • Steven Greenley • Roland Rosario • Matthew A. Rice 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 1 • Petitioner's Exhibit No. 2 • Petitioner's Exhibit No. 3
The 2019/2020 IRP, the Preferred Portfolio and short-term actions needed thereunder	<ul style="list-style-type: none"> • Roland Rosario • Matthew A. Rice 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 2 • Petitioner's Exhibit No. 3 <ul style="list-style-type: none"> - Attachment MAR-1 (2019/2020 IRP Vol. 1 of 2) - Attachment MAR-2 (2019/2020 IRP Vol. 2 of 2)
Need for addition of generating capacity	<ul style="list-style-type: none"> • Steven Greenley • Roland Rosario • Matthew A. Rice • Rina H. Harris 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 1, discussing need generally • Petitioner's Exhibit No. 2, discussing how the PPAs meet the need for capacity and energy • Petitioner's Exhibit No. 3, discussing overall need identified in the 2019/2020 IRP • Petitioner's Exhibit No. 6, discussing importance of renewables to customers
Explanation of how the PPAs will help ensure Petitioner has sufficient capacity to meet its MISO Planning Reserve Margin Requirements	<ul style="list-style-type: none"> • Roland Rosario 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 2

¹ This Index of CenterPoint's case-in-chief is intended to highlight issues and is not an exhaustive list of CenterPoint's requests in this proceeding. A complete account of CenterPoint's requested relief can be found in CenterPoint's case-in-chief, including but not limited to its petition, testimony, exhibits, and workpapers.

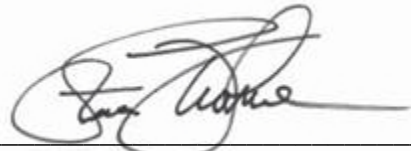
All-Source RFP and RFP for renewable projects, along with the reasons for selecting the Vermillion County Solar Project and Knox County Solar Project PPAs to meet Petitioner's capacity need	<ul style="list-style-type: none"> • Roland Rosario • Matthew A. Rice 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 2 <ul style="list-style-type: none"> - Attachment RAR-3 (2020 RFP) - Attachment RAR-4 (CONFIDENTIAL) (2020 RFP Proposal Scoring Summary) • Petitioner's Exhibit No. 3
Terms of PPAs, including pricing	<ul style="list-style-type: none"> • Roland Rosario • Mathew A. Rice 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 2 <ul style="list-style-type: none"> - Attachment RAR-1 (CONFIDENTIAL) (PPA with Oriden) - Attachment RAR-2 (CONFIDENTIAL) (PPA with Origis) • Petitioner's Exhibit No. 3
Mechanism to mitigate the potential impact of cost of debt increases attributable to PPA	<ul style="list-style-type: none"> • Brett A. Jerasa • Kara Gostenhofer 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 4 and attachments • Petitioner's Exhibit No. 5, describing why the PPAs are not a lease
Proposed regulatory asset for costs incurred in negotiating and seeking approval of PPAs	<ul style="list-style-type: none"> • Kara Gostenhofer 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 5
The impact of the PPAs on customer rates and recovery of costs through the FAC	<ul style="list-style-type: none"> • Matthew A. Rice 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 3 <ul style="list-style-type: none"> - Attachment MAR-3 through -13, which detail low and high end estimated net monthly rate impact by customer class and support therefor²
Customer expectations that Petitioner add renewable resources to its portfolio	<ul style="list-style-type: none"> • Rina H. Harris 	<ul style="list-style-type: none"> • Petitioner's Exhibit No. 6 and attachments thereto

² Attachments MAR-7, 8, 9, 10, 12 and 13 are confidential.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Verified Petition was served via electronic mail transmission or by depositing copy thereof in the United States mail, first class postage prepaid, addressed to:

Indiana Office of Utility Consumer Counselor
PNC Center
115 West Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
infomgt@oucc.in.gov

A handwritten signature in black ink, appearing to read "Steven W. Krohne", is written over a horizontal line.

Steven W. Krohne

Dated: August 25, 2021