

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
(CEI SOUTH)**

IURC CAUSE NO. 44429-TDSIC-14

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

ON

PROPOSED CSIA RATES AND CHARGES

**SPONSORING PETITIONER'S EXHIBIT NO. 4,
ATTACHMENTS KJT-1 THROUGH KJT-3**

DIRECT TESTIMONY OF KATIE J. TIEKEN

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Katie J. Tieken. My business address is 211 N. W. Riverside Drive, Evansville, Indiana, 47708.

Q. By whom are you employed?

A. I am employed by CenterPoint Energy, Inc. ("CenterPoint"), Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South"), "the Company" or "Petitioner") is an indirect subsidiary of CenterPoint.

Q. What position do you hold with Petitioner CEI South?

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

Q. Please describe your educational background.

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

Q. Please describe your professional experience.

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

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

A. I am responsible for the Indiana and Ohio regulatory and rate matters of the regulated utilities within CenterPoint in proceedings before the Indiana and Ohio utility regulatory commissions. I also have responsibility for the implementation of all regulatory initiatives of CEI South (and other utility subsidiaries in Indiana and Ohio), as well as the preparation of regulatory and

1 rates exhibits submitted in various regulatory proceedings.
2

3 **Q. Have you ever testified before any state regulatory commission?**

4 A. Yes. I have testified before the Indiana Utility Regulatory Commission ("IURC" or
5 "Commission") on behalf of CEI South in its Gas Cost Adjustment ("GCA"), Cause No. 37366
6 beginning with GCA 147. I have also testified before the Indiana Utility Regulatory
7 Commission ("IURC" or "Commission") on behalf of CEI South in its Fuel Adjustment Clause
8 ("FAC"), Cause No. 38708, beginning with FAC126. I have also testified on behalf of CEI
9 South in Cause No. 43354 (MISO Cost and Revenue Adjustment ("MCRA"), MCRA23 and
10 MCRA24 and in Cause No. 43406 (Reliability Cost and Revenue Adjustment ("RCRA"),
11 RCRA18. I have also testified on behalf of CEI North in its Gas Cost Adjustment ("GCA")
12 proceeding Cause No. 37394, beginning in GCA 147. Most recently, I have testified on behalf
13 of CEI South and CEI North in their general gas base rate case proceedings, Cause No. 45447
14 and Cause No. 45468, respectively.
15

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

17 A. I will support CEI South's request to implement a Compliance and System Improvement
18 Adjustment ("CSIA") as previously approved by the Commission on August 27, 2014 in Cause
19 No. 44429 ("44429 Order" or "Order"), which will include both a Compliance Component
20 ("Compliance Component") under Ind. Code Ch. 8-1-8.4 ("Compliance Statute") and a TDSIC
21 Component ("TDSIC Component") under Ind. Code Ch. 8-1-39 ("TDSIC Statute"). I will
22 support certain aspects of CEI South's request to (1) recover 80% of the calculated combined
23 revenue requirements of the Compliance and TDSIC Components, and (2) defer 20% of the
24 calculated combined revenue requirements of the Compliance and TDSIC Components for
25 recovery in CEI South's pending base rate case, Cause No. 45447.
26

27 I will discuss the impacts to the TDSIC proposed in this proceeding as a result of the
28 Stipulation and Settlement Agreement approved in Cause No. 45032-S21 ("Tax Reform
29 Order"). The Tax Reform Order, approved by the Commission on August 29, 2018, addressed
30 the impacts on Indiana utilities and customers resulting from the December 22, 2017 Tax Cuts
31 and Jobs Act of 2017 ("TCJA").
32

Finally, I will support the updated CSIA rates and charges, and request approval of the costs incurred through December 31, 2020 to be recovered in the CSIA, with such rates and charges to be approved in this proceeding and implemented on July 1, 2021 and remaining in effect until replaced by rates as approved in Petitioner's pending base rate case, Cause No. 45447.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring the following exhibits in this proceeding:

- Petitioner's Exhibit No. 4, Attachment KJT-1: CSIA Rate Derivation, Schedules 1-3.
- Petitioner's Exhibit No. 4, Attachment KJT-2: CSIA Tariff Sheet, Pages 1-2.
- Petitioner's Exhibit No. 4, Attachment KJT-3: CSIA Projected Year-Over-Year Revenue Percentage Change, Schedules 1-2.

Q. Were these exhibits prepared by you or under your supervision?

A. Yes, they were.

II. BACKGROUND

Q. Please describe the CSIA approved in Cause No. 44429.

A. On November 25, 2013, CEI South and CEI North separately petitioned the Commission in Cause No. 44429 and Cause No. 44430, respectively. The Commission subsequently consolidated the two proceedings into Cause No. 44429. In that consolidated proceeding, CEI South and CEI North requested the following relief:

(1) Approval and granting of a Certificate of Public Convenience and Necessity ("CPCN") for Compliance Projects (and the associated costs) designed both to comply with federally mandated requirements and to improve the safety, reliability, and integrity of CEI South's and CEI North's transmission and distribution pipeline systems, with such costs to be recovered in the Compliance Component of the CSIA;

(2) Approval of a Seven Year Plan undertaken for purposes of safety, reliability, system modernization, or economic development, with such costs to be recovered via a TDSIC

Component of the CSIA;

(3) Approval of the Company's Seven Year TDSIC Plans (and any Compliance Projects, in the event and to the extent that the Commission concludes that any such project does not meet the requirements of the Compliance Statute), including a process for annual updates to the TDSIC Plans and the Compliance Projects;

(4) Approval of a rate adjustment mechanism for timely recovery of 80% of the costs of the Compliance Projects and the TDSIC Plans (collectively referred to herein as the "7 Year Plan"), including financing costs incurred during construction;

(5) Authorization of the deferral of 20% of the costs of the 7 Year Plan, and interim deferrals of such costs, until such costs are reflected in CEI South's and CEI North's retail rates; and

(6) Approval of other related ratemaking relief and tariff proposals.

The above requested relief was approved in the Commission's August 27, 2014 Order in Cause No. 44429.

III. RATEMAKING TREATMENT

Q. Please summarize the Commission's findings in the Order related to ratemaking and the applicable statutory authority.

A. Pursuant to the Order, CEI South was authorized accounting authority starting January 1, 2014 for, and subsequent recovery of, costs specific to the proposed Federally Mandated Projects ("Compliance Projects") and 7-Year infrastructure plan ("TDSIC Plan", collectively "the Plan"). The Plan approved in the Order was modified in TDSIC-9 and approved by the Commission in the TDSIC-9 Order. The modified Plan is supported by the testimony of CEI South witness Steven A. Hoover. The accounting authority approved includes the timely recovery within the CSIA of eighty percent (80%) of the revenue requirement associated with the Plan capital investments and Operations and Maintenance ("O&M") expenses, and

deferral of the remaining twenty percent (20%) of the revenue requirement until CEI South's pending base rate case, Cause No. 45447.

Q. Please explain the specific ratemaking treatment CEI South is requesting in this case.

A. CEI South is proposing the following ratemaking treatment in accordance with the Order:

1. Recovery, via the CSIA, of 80% of the eligible revenue requirement amounts as of December 31, 2020
2. Deferral of 20% of the eligible revenue requirement amounts as of December 31, 2020 in CEI South's pending base rate case, Cause No. 45447

IV. TAX REFORM ORDER

Q. Please describe the Tax Reform Order and how it impacts the CSIA mechanism.

A. The Tax Reform Order represents an agreement between CEI South, the OUCC, and the Indiana Industrial Group (collectively, "the Settling Parties") on the treatment of cost savings and other credits attributed to the TCJA. In Cause No. 45032, the Commission opened an investigation into the impacts of the TCJA on Indiana utilities and customers, subsequently dividing the investigation into two phases. Phase I was to address the immediate impact on customer rates and charges associated with the reduction in the federal income tax rate from 35% to 21%. Consistent with the terms of the Tax Reform Order, CEI South's revised base rates and charges were approved effective June 1, 2018.¹

Phase II addressed all other issues, specifically (1) the treatment and subsequent credits to customers of Excess Accumulated Deferred Income Tax ("EADIT") liability balances arising from the revaluation of Accumulated Deferred Income Tax balances at the lower federal tax rate ("EADIT Credit"), and (2) the treatment of the accrued regulatory liability established to capture the difference in collections between the 35% effective Federal tax rate reflected in base rates and charges and the revised 21% Federal tax rate effective January 1, 2018 ("Tax Refund Credit"). The Tax Reform Order specifies that these components, the EADIT Credit

¹ Thirty Day Filing Pursuant to Cause No. 45032, identified by the Commission as #50172 (approved May 30, 2018).

1 and the Tax Refund Credit, are to be included within CEI South's CSIA proceedings.

2
3 The EADIT Credit has been included annually in CEI South's fall (October 1) CSIA filing,
4 allocated consistent with the allocations defined in the Tax Reform Order and noted later in
5 my testimony, and credited to customers over a 12-month period. This credit represents
6 amortization of the EADIT liability using the Average Rate Assumption Method ("ARAM") for
7 the normalized or protected² balance, and a straight-line 10-year amortization period for the
8 unprotected balance.

9
10 The Tax Refund Credit, representing the excess collections from January 1, 2018 through
11 May 31, 2018, was included in TDSIC-9 as a component of the over or under-recovery
12 variance, and credited to customers over a six-month time period.

13
14 **Q. Did CEI South include the provisions of the Tax Reform Order in the CSIA?**

15 A. Yes, CEI South reflected the provisions of the Tax Reform Order beginning in TDSIC-9. As
16 explained further below, CEI South has included the EADIT Credit as a component of the
17 CSIA rates and charges on Schedule 1 of Attachment KJT-1, separately allocated on
18 Schedule 2 of Attachment KJT-1 using the Tax Reform Order allocation percentages. The
19 Tax Refund Credit for the period January 2018 through May 2018 was included in TDSIC-9,
20 approved and effective January 30, 2019.

21
22 **Q. Was the EADIT Credit revised in TDSIC-10?**

23 A. Yes. As noted within Attachment A to the Tax Reform Settlement, the total EADIT balance
24 and annual amortization amounts were subject to change pending finalization of CEI South's
25 tax return, which was to be filed no later than October 15, 2018. The filed tax return reflected
26 changes to the EADIT balance driven by:

27 (1) The systematic calculation of ARAM within CEI South's tax system, Power Tax, which
28 aligned the plant-related deferred taxes and associated EADIT liability to the asset-
29 specific life;

² Normalized or protected, as defined by Internal Revenue Service requirements, are those balances associated with property, plant and equipment. ARAM results in the amortization over the remaining regulatory life of the assets, which is approximately 30-years for CEI South.

(2) The finalizing of 2017 tax results, including incorporation of guidance on the accounting for TCJA impacts, issued by the Internal Revenue Service in August 2018; and

(3) The impacts of the change in the Federal income tax rate on Indiana State tax deferrals.

Within TDSIC-10, CEI South adjusted the EADIT Credit to match the annual amortization amounts from the finalized tax return. The annual amortization schedule presented in TDSIC-10 is unchanged, and CEI South has used this annual amortization schedule to support the EADIT Credit in this filing ("TDSIC-14").

V. RATE DESIGN AND DERIVATION OF CSIA RATES AND CHARGES

Q. Please describe the rate design applicable to the CSIA.

A. As approved in the 44429 Order, customers receiving service under Rate 110 (Residential Sales Service) pay a fixed CSIA charge each month. Customers receiving service under all other Rate Schedules pay a volumetric (per therm) CSIA rate.

Q. How are costs in the CSIA allocated to the Rate Schedules?

A. As approved in the 44429 Order, Compliance Component costs are allocated based on the margin allocation percentages from CEI South's most recent base rate case in Cause No. 43112. As modified by the order in TDSIC-4 and pursuant to the TDSIC Statute, TDSIC Component costs are allocated based on revenue allocation percentages from CEI South's most recent base rate case in Cause No. 43112.

Q. Is CEI South requesting a revision to the Allocation Percentages as approved in the TDSIC-4 Order?

A. No.

Q. Is CEI South still compliant with the TDSIC Statute, as related to a revenue-based allocation of costs?

A. Yes. The TDSIC Component continues to be allocated amongst the Rate Schedules using the customer class revenue allocation factors from the Company's most recent base rate case order (Cause No. 43112).

1
2 **Q. Please describe Petitioner's Exhibit No. 4, Attachment KJT-1, CSIA Rate Derivation**
3 **Schedules.**

4 A. This attachment contains the schedules which support the derivation of the Company's
5 proposed CSIA rates and charges.
6

7 Attachment KJT-1, Schedule 1, shows the allocation of the CSIA revenue requirement and
8 the derivation of CSIA charges by Rate Schedule. The schedule is divided into sections to
9 reflect the different approaches utilized to allocate the CSIA revenue requirement, the EADIT
10 Credit, and the CSIA variance and to derive the proposed CSIA charges by Rate Schedule.
11 Lines 1 through 4 show the derivation of the revenue requirement component of the CSIA
12 rate, using the allocation from Attachment KJT-1, Schedule 2. Lines 6 through 9 show the
13 derivation of the EADIT Credit component of the CSIA rate, using the allocation from
14 Attachment KJT-1, Schedule 2. For residential (Rate 110) customers, the allocated amounts
15 are divided by the projected number of customers in Rate 110, and then divided by 12, to
16 determine the monthly charge or credit applicable to residential customers. For all other rate
17 schedules (Rates 120/125/129/145, 160, and 170), the allocated amounts are divided by
18 projected annual billing quantities for each Rate Schedule to determine the charge or credit
19 per therm applicable to those Rate Schedules. For convenience, a subtotal of the revenue
20 requirement and EADIT Credit by Rate Schedule is provided on lines 11 through 14.
21

22 Lines 16 through 19 of Schedule 1 show the derivation of the variance component of the CSIA
23 rate, using the specific variance amounts by Rate Schedule from page 1 of Attachment JRM-
24 1, Schedule 2. The variance component of the CSIA will be collected over a six-month period,
25 as the total variance represents the over or under recovery of authorized amounts over a six-
26 month period. For residential (Rate 110) customers, the variance is divided by the projected
27 number of customers in Rate 110 for the six-month period, and then divided by 6, to determine
28 the monthly charge or credit for the variance component applicable to residential customers.
29 For all other Rate Schedules (Rates 120/125/129/145, 160, and 170), the variance is divided
30 by projected billing quantities for the six-month period for each Rate Schedule to determine
31 the charge or credit per therm for the variance component applicable to those Rate Schedules.
32

For all Rate Schedules, the total applicable CSIA rates and charges are summarized on lines 21 through 24 of Schedule 1 before being modified for recovery of IURT. The total CSIA for each Rate Schedule inclusive of IURT is listed on lines 26 through 29 of Schedule 1.

Lines 1 through 3 of Attachment KJT-1, Schedule 2 list the revenue requirement without variance by component and in total from Attachment JRM-1, Schedule 1. Line 4 shows the applicable EADIT Credit³. The allocation percentages used to determine the revenue requirement and EADIT Credit for each rate schedule are shown in columns C, E, and G⁴. The rate schedule allocation percentages are multiplied by the respective amounts to determine the allocated revenue requirement and EADIT Credit by rate schedule.

Attachment KJT-1, Schedule 3, shows the average of CEI South's projected twelve-month residential customer count, the projected volumes in therms for all other Rate Schedules, the applicable rates, and projected recoveries by month, by Rate Schedule. The proposed rates and charges in TDSIC-14 will be in effect from July through December 2021. Starting in July 2021, the authorized recoveries on Schedule 3 exclude the variance component of the CSIA, as the variance component of the CSIA will be collected from July through December 2021.

Q. Please describe Petitioner's Exhibit No. 4, Attachment KJT-2.

A. Attachment KJT-2 is the proposed CEI South Tariff Sheet, Sheet No. 40 – Appendix K, containing the CSIA rates and charges proposed herein. Both redlined and clean versions of Sheet No. 40 are included.

Q. Please describe Petitioner's Exhibit No. 4, Attachment KJT-3, Projected Year-Over-Year Revenue Percentage Change.

A. Attachment KJT-3, Schedule 1 summarizes the estimated year-over-year impact the costs

³ Tax Reform Order in Cause No. 45032-S21 defines the annual amortization of the EADIT Credit for CEI South. The annual amounts are grossed up using the revenue conversion factor from Cause No. 45032-S21 and evenly divided by month to determine the credit applicable to the TDSIC-13 and TDSIC-14 rate effective period.

⁴ The allocation percentages shown in Column G reflect the Tax Reform Order allocation percentages. These allocation percentages are applied to the total EADIT Credit projected for January 2021 through December 2021 to determine the credit amounts to each Rate Schedule. In accordance with the Tax Reform Order, the calculation of the EADIT Credit rate (or charge) per unit follows the same methodology used to determine the CSIA revenue requirement.

1 associated with the Compliance Projects will have on customer rates, in total and by rate
2 schedule.

3
4 Attachment KJT-3, Schedule 2 summarizes the estimated year-over-year impact the costs
5 included in the TDSIC plan will have on customer rates as required by the TDSIC Statute, in
6 total and by Rate Schedule.

7
8 In order to align the customer impacts to the plan investments, these impacts exclude the
9 EADIT Credits to be reflected in future CSIA rates and charges.


10
11
12 **VI. CONCLUSION**

13
14 **Q. Does this conclude your prepared direct testimony?**

15 **A.** Yes, it does.

VERIFICATION

The undersigned, Katie J. Tieken, affirms under the penalties of perjury that the answers in the foregoing Direct Testimony in Cause No. 44429-TDSIC-14 are true to the best of her knowledge, information and belief.


Katie J. Tieken

SOUTHERN INDIANA GAS & ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT (CSIA)
RATE DERIVATION
FOR THE PERIOD OF JULY 1, 2021 THROUGH DECEMBER 31, 2021

	Rate Schedule	Amount	Projected Customer Count	Projected Billing Quantities (therms)	(Per Month)	(Per therm)	Reference
CSIA Allocated Revenue Requirement (A)							
1	110	\$ 17,118,574	102,968 (E)		\$ 13.85		
2	120/125/129/145	\$ 5,808,771		60,718,333 (E)		\$ 0.0957	
3	160	\$ 1,909,348		49,099,130 (E)		\$ 0.0389	
4	170	\$ 697,864		231,743,330 (E)		\$ 0.0030	
5	Total	<u>\$ 25,534,557</u>					
CSIA Allocated EADIT Credit (B)							
6	110	\$ (706,573)	102,968 (E)		\$ (0.57)		
7	120/125/129/145	\$ (230,580)		60,718,333 (E)		\$ (0.0038)	
8	160	\$ (84,048)		49,099,130 (E)		\$ (0.0017)	
9	170	\$ (30,716)		231,743,330 (E)		\$ (0.0001)	
10	Total	<u>\$ (1,051,917)</u>					
Subtotal – Annual Allocated Revenue Requirement and EADIT Credit							
11	110	\$ 16,412,001			\$ 13.28		Line 1 + 6
12	120/125/129/145	\$ 5,578,191				\$ 0.0919	Line 2 + 7
13	160	\$ 1,825,300				\$ 0.0372	Line 3 + 8
14	170	\$ 667,148				\$ 0.0029	Line 4 + 9
15	Total	<u>\$ 24,482,640</u>					
CSIA Allocated Variances Under/(Over) Recovery (C)							
16	110	\$ 114,402	102,493 (F)		\$ 0.19		
17	120/125/129/145	\$ 509,979		23,801,721 (F)		\$ 0.0214	
18	160	\$ 103,556		24,255,210 (F)		\$ 0.0043	
19	170	\$ (19,434)		126,259,800 (F)		\$ (0.0002)	
20	Total	<u>\$ 708,503</u>					
Total Excluding IURT							
21	110	\$ 16,526,404			\$ 13.47		Line 11 + 16
22	120/125/129/145	\$ 6,088,170				\$ 0.1133	Line 12 + 17
23	160	\$ 1,928,856				\$ 0.0414	Line 13 + 18
24	170	\$ 647,714				\$ 0.0027	Line 14 + 19
25	Total	<u>\$ 25,191,143</u>					
Total Including IURT (D)							
26	110				\$ 13.67		Line 21 / 0.9853
27	120/125/129/145					\$ 0.1150	Line 22 / 0.9853
28	160					\$ 0.0421	Line 23 / 0.9853
29	170					\$ 0.0028	Line 24 / 0.9853

Notes:

- (A) From KJT-1, Schedule 2, Column D + Column F
(B) From KJT-1, Schedule 2, Column H
(C) From JRM-1, Schedule 2, Page 1, Line 22 – amount to be recovered from or passed back to customers over 6-months.
(D) IURT gross up factor of 0.9853 effective January 1, 2021

SOUTHERN INDIANA GAS & ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT (CSIA)
ALLOCATION OF REVENUE REQUIREMENT EXCLUDING VARIANCES

<u>Line</u>	<u>Revenue Requirement</u>
1 Compliance Component - Annual Revenue Requirement	\$ 23,364,350 (A)
2 TDSIC Component - Annual Revenue Requirement	\$ 2,170,207 (B)
3 CSIA Costs to be Recovered	\$ 25,534,557 (C)
4 EADIT Credit Component	\$ (1,051,917) (D)

			A	B	C	D	E	F	G	H
					Compliance Allocation Percentage	Compliance Allocated Revenue Requirement (Line 1 x Column C)	TDSIC Allocation Percentage	TDSIC Allocated Revenue Requirement (Line 2 x Column E)	EADIT Credit Allocation Percentage	EADIT Credit Allocated Amount (Line 4 x Column G)
4	110	Residential Sales Service			67.17%	\$ 15,693,833	65.65%	\$ 1,424,741	67.17%	\$ (706,573)
5	120/125/129/145	General Sales/General Transportation Service			21.92%	\$ 5,121,466	31.67%	\$ 687,305	21.92%	\$ (230,580)
6	160	Large Volume Sales Service			7.99%	\$ 1,866,812	1.96%	\$ 42,536	7.99%	\$ (84,048)
7	170	Contract Transportation Service			2.92%	\$ 682,239	0.72%	\$ 15,625	2.92%	\$ (30,716)
						<u>\$ 23,364,350</u>		<u>\$ 2,170,207</u>		<u>\$ (1,051,917)</u>

Notes:

(A) From JRM-1, Schedule 1, Line 1, Col. C

(B) From JRM-1, Schedule 1, Line 2, Col. C

(C) Line 1 + Line 2

(D) From WP JRM-1-2.2 EADIT Credit

**SOUTHERN INDIANA GAS & ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT (CSIA)
PROJECTED RECOVERIES BY MONTH**

Line	Rate Schedule		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Annual Total	
Projections (A)																
1	110 - Residential Sales Service	Count	102,214	102,110	102,032	102,196	102,996	103,411	103,623	103,757	103,761	103,510	103,186	102,827	102,968	12 Mos Avg
2	120/125/129/145 - General Sales/General Transportation Service	Therms	1,920,910	1,958,924	2,427,730	2,728,588	5,151,416	9,614,154	11,650,828	9,612,024	6,210,965	4,470,130	2,696,018	2,276,647	60,718,333	
3	160 - Large Volume Sales Service	Therms	4,449,070	3,722,290	3,403,380	3,717,670	4,485,070	4,477,730	4,908,450	4,436,160	4,235,100	4,030,740	3,494,680	3,738,790	49,099,130	
4	170 - Contract Transportation Service	Therms	12,732,390	20,175,210	17,234,640	27,762,750	14,338,570	34,016,240	18,488,530	15,832,260	15,351,850	15,377,970	18,921,740	21,511,180	231,743,330	
Applicable Rates (B)																
5	110 - Residential Sales Service	Count	\$ 13.47	\$ 13.47	\$ 13.47	\$ 13.47	\$ 13.47	\$ 13.47	\$ 13.28	\$ 13.28	\$ 13.28	\$ 13.28	\$ 13.28	\$ 13.28		
6	120/125/129/145 - General Sales/General Transportation Service	Therms	\$ 0.1133	\$ 0.1133	\$ 0.1133	\$ 0.1133	\$ 0.1133	\$ 0.1133	\$ 0.0919	\$ 0.0919	\$ 0.0919	\$ 0.0919	\$ 0.0919	\$ 0.0919		
7	160 - Large Volume Sales Service	Therms	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0414	\$ 0.0372	\$ 0.0372	\$ 0.0372	\$ 0.0372	\$ 0.0372	\$ 0.0372		
8	170 - Contract Transportation Service	Therms	\$ 0.0027	\$ 0.0027	\$ 0.0027	\$ 0.0027	\$ 0.0027	\$ 0.0027	\$ 0.0029	\$ 0.0029	\$ 0.0029	\$ 0.0029	\$ 0.0029	\$ 0.0029		
Projected Recoveries																
9	110 - Residential Sales Service	Line 1 x Line 5	\$ 1,376,661	\$ 1,375,258	\$ 1,374,208	\$ 1,376,414	\$ 1,387,196	\$ 1,392,778	\$ 1,376,363	\$ 1,378,138	\$ 1,378,194	\$ 1,374,856	\$ 1,370,550	\$ 1,365,787	\$ 16,526,404	
10	120/125/129/145 - General Sales/General Transportation Service	Line 2 x Line 6	\$ 217,632	\$ 221,938	\$ 275,052	\$ 309,138	\$ 583,635	\$ 1,089,246	\$ 1,070,361	\$ 883,056	\$ 570,601	\$ 410,671	\$ 247,683	\$ 209,155	\$ 6,088,170	
11	160 - Large Volume Sales Service	Line 3 x Line 7	\$ 184,393	\$ 154,271	\$ 141,054	\$ 154,080	\$ 185,885	\$ 185,581	\$ 182,476	\$ 164,918	\$ 157,443	\$ 149,846	\$ 129,918	\$ 138,993	\$ 1,928,856	
12	170 - Contract Transportation Service	Line 4 x Line 8	\$ 34,695	\$ 54,975	\$ 46,963	\$ 75,651	\$ 39,071	\$ 92,691	\$ 53,225	\$ 45,578	\$ 44,195	\$ 44,270	\$ 54,472	\$ 61,927	\$ 647,714	
13	Total Recoveries including Variances during first six months		\$ 1,813,380	\$ 1,806,443	\$ 1,837,277	\$ 1,915,283	\$ 2,195,788	\$ 2,760,296	\$ 2,682,425	\$ 2,471,690	\$ 2,150,434	\$ 1,979,643	\$ 1,802,623	\$ 1,775,862	\$ 25,191,143	
14	20% Deferred (based on Revenue Requirement piece only)		\$ 452,805	\$ 451,891	\$ 457,519	\$ 476,263	\$ 534,337	\$ 657,250	\$ 699,195	\$ 644,304	\$ 560,660	\$ 516,187	\$ 470,089	\$ 463,140	\$ 6,383,639	

Notes:

- (A) Based on 2021-22 budgeted annual customer count and volumes
(B) First six months Per KJT-1, Sch 1, Lines 21 - 24. Second six months Per KJT-1, Sch 1, Lines 11 - 14. All rates exclude IURT.

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

Sheet No. 40
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Cancels Thirteenth Revised Page 1 of 1

APPENDIX K

COMPLIANCE AND SYSTEM IMPROVEMENT ADJUSTMENT

APPLICABILITY

The Compliance and System Improvement Adjustment ("CSIA") shall be applicable to all Customers on the Rate Schedules set forth in the CSIA Charges section below.

DESCRIPTION

The CSIA shall include, as approved by the Commission:

- (1) In Cause No. 44429, recovery of costs incurred pursuant to Federally Mandated Projects ("Compliance") as provided for in Ind. Code Ch. 8-1-8.4;
- (2) In Cause No. 44429, recovery of costs associated with Company's TDSIC Plan ("TDSIC") as provided for in Ind. Code Ch. 8-1-39 for the purposes of safety, reliability, system modernization, or economic development; and
- (3) In Cause No. 45032-S21, credits associated with the amortization of Excess Accumulated Deferred Income Tax ("EADIT Credits") liability resulting from the Tax Cuts and Jobs Act of 2017.

Reconciliation

Company's actual CSIA costs and EADIT Credits shall be reconciled semi-annually with actual CSIA recoveries, with any differences being reflected as a charge or credit in a subsequent CSIA.

Allocation Percentages

CSIA costs and EADIT Credits shall be allocated to the Rate Schedules based on percentages approved in Cause No. 44429-TDSIC-4 and Cause No. 45032-S21.

<u>Rate Schedule</u>	<u>Compliance Allocation Percentage</u>	<u>TDSIC Allocation Percentage</u>	<u>EADIT Credit Allocation Percentage</u>
110	67.17%	65.65%	67.17%
120/125/129/145	21.92%	31.67%	21.92%
160	7.99%	1.96%	7.99%
170	2.92%	0.72%	2.92%

CSIA CHARGES

The CSIA shall be applied to each customer or therm of metered gas usage as applicable. The current CSIA's by Rate Schedule are set forth below:

<u>Rate Schedule</u>	<u>\$ per Month</u>	<u>\$ per Therm</u>
110	\$13.67	
120/125/129/145		\$0.1150
160		\$0.0421
170		\$0.0028

Effective: July 1, 2021

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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~~Fourteenth~~ Revised Page 1 of 1
Cancels ~~Thirteenth~~ Revised Page 1 of 1

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APPENDIX K

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120/125/129/145		\$0.1150
160		\$0.0421
170		\$0.0028

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Effective: ~~July~~ 1, 2021

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
Compliance and System Improvement Adjustment
Projected Year-Over-Year Revenue Percentage Change
Compliance Projects

Year	Investment (1)		Expenses (2)		Total Revenue Change (3)	Revenue Change by Rate Schedule (4)			
						110	120/125/ 129/145	160	170
2014	\$	28,926,269	\$	2,204,930					
2015	\$	24,211,727	\$	3,158,274	1.04%	1.11%	0.78%	2.66%	0.83%
2016	\$	26,891,423	\$	4,201,612	4.48%	4.78%	3.36%	11.25%	3.56%
2017	\$	35,065,818	\$	4,849,460	2.16%	2.30%	1.64%	5.10%	1.73%
2018	\$	36,468,388	\$	8,028,623	2.84%	3.02%	2.17%	6.52%	2.29%
2019	\$	31,077,177	\$	7,958,201	2.91%	3.09%	2.23%	6.45%	2.36%
2020	\$	32,299,857	\$	7,508,091	4.63%	4.91%	3.58%	9.92%	3.77%

Notes:

- (1) Investment as shown in TDSIC-13, Petitioner's Exhibit No. 1, Attachment SAH-3
(2) Expenses as shown in TDSIC-13, Petitioner's Exhibit No. 2, Attachment SJV-3
(3) Based on Total Revenues for the twelve months ended 06/30/2014
(4) Based on Rate Schedule Revenues for the twelve months ended 06/30/2014

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
Compliance and System Improvement Adjustment
Projected Year-Over-Year Revenue Percentage Change
TDSIC Plan

Year	Investment (1)	Total Revenue Change (2)	Revenue Change by Rate Schedule (3)			
			110	120/125/ 129/145	160	170
2014	\$ 7,165,966					
2015	\$ 3,302,751	0.33%	0.35%	0.25%	0.84%	0.26%
2016	\$ 2,993,615	0.43%	0.46%	0.32%	1.09%	0.34%
2017	\$ 4,398,002	0.22%	0.23%	0.16%	0.55%	0.17%
2018	\$ 4,632,964	0.32%	0.34%	0.24%	0.79%	0.25%
2019	\$ 3,368,932	0.07%	0.07%	0.05%	0.18%	0.06%
2020	\$ 1,052,219	0.40%	0.42%	0.30%	0.99%	0.31%

Notes:

- (1) Investment as shown in TDSIC-13, Petitioner's Exhibit No. 1, Attachment SAH-9
(2) Based on Total Revenues for the twelve months ended 06/30/2014
(3) Based on Rate Schedule Revenues for the twelve months ended 06/30/2014