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**INDIANA UTILITY  
REGULATORY COMMISSION**

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

**DIRECT TESTIMONY  
OF  
MATTHEW A. RICE  
DIRECTOR OF INDIANA ELECTRIC REGULATORY AND RATES**

**ON**

**SECURITIZATION RATES TARIFFS, AND CUSTOMER BILL IMPACT**

**SPONSORING PETITIONER'S EXHIBIT NO. 8,  
ATTACHMENTS MAR-1 THROUGH MAR -2**

**DIRECT TESTIMONY OF MATTHEW A. RICE**

1 **I. INTRODUCTION**

2

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

4 A. My name is Matthew A. Rice. My business address is 211 NW Riverside Drive,  
5 Evansville, Indiana, 47708.

6

7 **Q. By whom are you employed?**

8 A. I am employed by CenterPoint Energy Service Company, LLC ("Service Company"),  
9 a wholly owned subsidiary of CenterPoint Energy, Inc. The Service Company provides  
10 centralized support services to CenterPoint Energy, Inc.'s operating units, one of  
11 which is Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy  
12 Indiana South ("Petitioner", "CEI South", or "Company").

13

14 **Q. On whose behalf are you submitting this direct testimony?**

15 A. I am submitting testimony on behalf of CEI South, which is an indirect subsidiary of  
16 CenterPoint Energy, Inc.

17

18 **Q. What is your role with respect to Petitioner CEI South?**

19 A. I am Director of Indiana Electric Regulatory and Rates.

20

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

22 A. I received a Bachelor of Science degree in Business Administration from the University  
23 of Southern Indiana in 1999. I also received a Master of Business Administration from  
24 the University of Southern Indiana in 2008.

25

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

27 A. Prior to working for CEI South, I worked as a Market Research Analyst for American  
28 General Finance for six years working primarily on customer segmentation,  
29 demographic analysis, and site location analysis. In 2007, I joined the Company as a  
30 Market Research Analyst, and have held various positions, of increasing responsibility,  
31 to include Senior Analyst, Manager of Market Research, and Director of Research and  
32 Energy Technologies. Since 2009, I have been responsible for long-term energy

1 forecasting for the Company's Integrated Resource Plans ("IRP"), helping to manage  
2 the Company's 2011, 2014, 2016, and 2019/2020 IRPs in addition to managing its IRP  
3 stakeholder process since 2014. My duties have also included conducting economic  
4 analysis, primary and secondary customer research (including surveying, focus  
5 groups, segmentation, and demographic analysis), customer satisfaction research,  
6 housing market research, and monitoring industry research. In February 2019, I  
7 became Manager of Resource Planning with responsibility for internal and external  
8 generation analysis and reporting. I was named to my current position of Director of  
9 Regulatory and Rates in October 2020. With it, I maintained my prior responsibilities  
10 related to the Company's IRP and added regulatory and rates functions for Petitioner's  
11 Indiana Electric service territory.

12  
13 **Q. What are your present duties and responsibilities as Indiana Director of Electric**  
14 **Regulatory and Rates?**

15 A. I am responsible for electric regulatory and rate matters of CEI South in regulated  
16 proceedings before the Indiana Utility Regulatory Commission (the "Commission"). I  
17 also have responsibility for resource planning and reporting for CEI South, including  
18 the Company's IRP.

19  
20 **Q. Have you ever testified before any state regulatory commission?**

21 A. Yes. I have testified before the Commission on behalf of CEI South for a Certificate  
22 of Public Convenience and Necessity in Cause Nos. 45052, 45501, and 45564. I have  
23 also testified in support of Petitioner's request to enter into a purchase power  
24 agreement related to solar projects in Cause No. 45600 and in and Petitioner's request  
25 for approval of a tariff rate for Excess Distributed Generation in Cause No. 45378.  
26 Additionally, I have testified in Cause Nos. 44910-TDSIC-8, TDSIC-9, and TDSIC-10,  
27 in Cause Nos. 44909-CECA 3 and CECA 4, in Cause Nos. 45052-ECA 2 and ECA 3,  
28 and in Cause No. 43405 DSMA 19.

29  
30  
31  
32  
33

1 **II. PURPOSE & SCOPE OF TESTIMONY**

2

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

4 A. I will briefly describe the Securitization Charges to be imposed, collected, and  
5 received; the methodology for allocating the Securitization Charges and the removal  
6 of applicable Qualified Costs from rate base; as well as an Accumulated Deferred  
7 Income Tax ("ADIT") Credit. My testimony further proposes rates for these and  
8 describes the associated true-up mechanisms. Finally, I support three new tariffs; one,  
9 Securitization of Coal Plants ("SCP") to facilitate the Securitization Charges; two, the  
10 Securitization ADIT Credit ("SAC"), and three, the Securitization Rate Reduction  
11 ("SRR"), which is a temporary tariff, to facilitate removal of applicable Qualified Costs  
12 from rate base.

13

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

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

- 16 • Petitioner's Exhibit No. 8, Attachment MAR-1: CEI South Electric Tariff  
17 Securitization (clean and redline)
- 18 • Petitioner's Exhibit No. 8, Attachment MAR-2: CEI South Description of Cash  
19 Flow Model

20

21 **Q. Were these attachments prepared by you or under your supervision?**

22 A. Yes, they were.

23

24

25 **III. OVERVIEW OF QUALIFIED COSTS AND SECURITIZATION CHARGES**

26

27 **Q. Are you familiar with the requirements set forth in Ind. Code ch. 8-1-40.5?**

28 A. Yes, Indiana Code ch. 8-1-40.5 (the "Securitization Act") enables a public utility, that  
29 meets certain criteria, to use securitization to recover "Qualified Costs" associated with  
30 the planned retirement of an electric generation facility.

31

32 **Q. What is considered a Qualified Cost within Ind. Code ch. 8-1-40.5?**

33 A. As described by Petitioner's Witness Brett A. Jerasa, Qualified Costs include the net

1 original cost of the electric generation facility to be retired and associated investments  
2 as adjusted for the depreciation to be incurred until the facility is retired together with  
3 costs of removal and restoration, applicable investment tax credits, costs to issue,  
4 support and service securitization bonds, income tax effects of securitization  
5 payments, and any costs associated with retiring debt and equity securities in  
6 connection with the issuance of the securitization bonds.

7

8 **Q. Please briefly describe the Securitization Charges pursuant to Ind. Code ch. 8-**  
9 **1-40.5.**

10 A. The Securitization Act allows for these Qualified Costs to be recovered via  
11 Securitization Charges, which are charges approved by the Commission. The  
12 Securitization Charges are irrevocable, meaning they are not subject to reduction,  
13 impairment, or adjustment by further action of the Commission, another rule or statute,  
14 except as otherwise provided for in the Securitization Act. In addition, the  
15 Securitization Charges are nonbypassable. That is, pursuant to Ind. Code §§ 8-1-40.5-  
16 8 and 8-1-40.5-12(b), the Securitization Charges are to be paid by all existing and  
17 future electric customers and customer classes; and may not be avoided by CEI  
18 South's customers, except by completely isolating from the grid or moving out of CEI  
19 South's service territory. The right to impose, collect, and receive Securitization  
20 Charges and the requirement for customers to pay such Securitization Charges  
21 extends until the securitization bonds and ongoing costs are paid in full.

22

23

24 **IV. DETERMINATION OF THE SECURITIZATION CHARGES**

25

26 **Q. Please describe the components of the Securitization Charges.**

27 A. As shown in Witness Jerasa's Table BAJ-1 Summary of Qualified Costs, there are two  
28 components included in the Qualified Costs, the Total Qualified Costs subject to the  
29 securitization at issuance and the estimated ongoing costs. Witness Jerasa provided  
30 a forecast of the annual revenue requirement to collect Qualified Costs from customers  
31 over the expected life of the securitization bonds. He goes on to say that the proposed  
32 revenue requirement will include revenues to retire principal, pay interest on the  
33 outstanding principal amount, and pay related ongoing costs. In addition, the revenue

1 requirement will include any projected over- or under-recovery of costs in the collection  
2 period that will be completed at the time of the true-up adjustment, discussed later in  
3 my testimony.

4

5 **Q. What is the estimated first-year revenue requirement for the annual**  
6 **Securitization Charge?**

7 A. As shown in Petitioner's Exhibit No. 2, Attachment BAJ-2, the revenue requirement is  
8 expected to be \$32,862,558 in the first year.

9

10 **Q. Please explain the requirements, in the Securitization Act, related to how the**  
11 **Securitization Charges are to be allocated among utility customers.**

12 A. Indiana Code § 8-1-40.5-10(b) provides: “[s]ubject to subsection (c), qualified costs . .  
13 . . shall be allocated to the electric utility's customer classes using the same cost  
14 allocation methodology approved by the [C]ommission in the electric utility's most  
15 recent base rate proceeding.” Section 10(c) of the Securitization Act allows for the  
16 Commission “in the financing order . . . [to] adjust allocations of qualified costs to avoid  
17 unreasonable rates to customers in customer classes that have experienced material  
18 changes in electric load or in the number of customers.”

19

20 **Q. Please explain how Petitioner will allocate the revenue requirement for the**  
21 **Securitization Charge to each tariff class.**

22 A. As explained by Petitioner's Witness Jessica L. Thayer, the Petitioner's last base rate  
23 case was in Cause No. 43839, with the Commission issuing an Order in April 2011  
24 (the “43839 Order”). Petitioner proposes, however, to allocate the revenue  
25 requirement for the Securitization Charges based on the four coincident peak (“4CP”)  
26 allocation factor percentages approved after the 43839 Order in the Commission's  
27 September 2020 Order in Cause No. 43354-MCRA 21 S1 (“MCRA 21 S1 Order”). The  
28 4CP allocation factor percentages<sup>1</sup> were approved following a large customer's  
29 migration to another schedule within Petitioner's Electric Service Tariff.

30

31 Pursuant to a Stipulation and Settlement Agreement (the “MCRA 21 S1 Settlement

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<sup>1</sup> 43354-MCRA21-S1 Settlement Agreement for RCRA

1 Agreement”) among Petitioner, the Office of Utility Consumer Counselor, the  
2 CenterPoint Indiana Industrial Group, and SABIC Innovative Plastics Mt. Vernon, LLC  
3 (the 4CP Settling Parties), approved by the Commission in the MCRA 21 S1 Order,  
4 Petitioner applies the 4CP allocation factor percentages to its Electric Adjustment  
5 Mechanisms until further changes are authorized by the Commission within the  
6 Company’s next base rate proceeding. The Electric Adjustment Mechanisms include,  
7 but are not limited to CECA and ECA, both of which are utilized for timely recovery of  
8 costs for generation assets.

9

10 **Q. Please discuss why use of the 4CP allocation percentages is consistent with**  
11 **Ind. Code ch. 8-1-40.5.**

12 A. The Securitization Act allows for adjustments to allocations outside of base rate  
13 proceedings to “avoid unreasonable rates to customers in customer classes that have  
14 experienced material changes in electric load or in the number of customers.” Ind.  
15 Code § 8-1-40.5-10(c). The 4CP allocation factor percentages proposed for the  
16 Securitization Charges were approved following Petitioner’s last base rate case  
17 (43839 Order) due to “material changes in electric load or the number of customers”  
18 in one of Petitioner’s customer classes; and apply to Petitioner’s Electric Adjustment  
19 Mechanisms until the allocation factors are examined in Petitioner’s next base rate  
20 case. As such, application of the 4CP allocation factor percentages approved in the  
21 MCRA 21 S1 Order to allocate the Securitization Charges revenue requirement is  
22 appropriate and consistent with Ind. Code ch. 8-1-40.5.

23

24 **Q. Under what conditions would allocations for the Securitization Charge be**  
25 **changed?**

26 A. As part of any base rate proceeding initiated during the period over which the  
27 Securitization Charges are to be collected, the Commission shall, if the Commission  
28 orders a change to cost allocation, adjust the allocation of Qualified Costs among the  
29 Company’s customer classes to reflect the cost allocation approved in that base rate  
30 proceeding. An allocation adjustment made under this subsection:

31 (1) must ensure that the adjustment of the allocation of Securitization Charges:  
32 (A) will preserve the rating of the securitization bonds; and (B) will not impair  
33 or reduce the total Securitization Charges; and

(2) must be just and reasonable.

Ind. Code § 8-1-40.5-10(c). This subsection does not prohibit the Commission from approving tariff language as part of a financing order that addresses the conditions upon which allocation adjustments are to be made, including the establishment of a process by which such allocation adjustments must be revised as necessary to preserve the rating of the securitization bonds. Our proposed tariff provides that changes in the allocation can be addressed in future base rate cases or other docketed proceedings, provided the allocation adjustment satisfies the requirements of Section 10(c). Any changes in allocation would be reflected in future true-ups.

**Q. Please describe the estimated revenue requirement for the Securitization Charges by each tariff class under Petitioner's allocation methodology.**

A. Petitioner's Witness Ralph N. Zarumba describes the approach used to derive the Securitization Charges for street lighting customers, which have a zero percent allocation under 4CP. The remaining revenue requirement for the Securitization Charges is then allocated to each tariff class utilizing 4CP allocations as shown in Table MAR-1 below.

**Table MAR-1: Preliminary Securitization Charges Allocated to Tariff Classes**

<b>Tariff Class</b>	<b>4CP Allocator for Non-Street Lighting</b>	<b>Securitization Charges Allocated to Each Tariff Class</b>
RS	40.61600%	\$ 13,287,685
B	0.13070%	\$ 42,759
SGS	1.82340%	\$ 596,533
DGS	27.90430%	\$ 9,129,002
OSS	2.15560%	\$ 705,213
LP/Other Large	24.62580%	\$ 8,056,428
BAMP-Auxiliary	1.84950%	\$ 605,071
HLF	0.89470%	\$ 292,705
<b>Total Non-Street Lighting Securitization Charges</b>	<b>100.00000%</b>	<b>\$ 32,715,394</b>
<b>Total Street Lighting Securitization Charges</b>		<b>\$ 147,164</b>
<b>Total Securitization Charges (all Classes)</b>		<b>\$ 32,862,558</b>



1 **Q. Once the securitization bonds are issued, how will CEI South recover**  
2 **Securitization Charges?**

3 A. As described by Witnesses Jerasa and Chang, CEI South will be responsible for  
4 imposing, collecting, and receiving the nonbypassable Securitization Charges from all  
5 CEI South customers. To enable this, CEI South proposes to establish a new tariff,  
6 the Securitization of Coal Plants ("SCP"), to recover Securitization Charges, which is  
7 attached to my testimony as Petitioner's Exhibit No. 8, Attachment MAR-1. Allocations  
8 and rates will be consistent with the methodology described above.

9

10 **Q. Are customers that participate in net metering, a distributed generation**  
11 **program, or feed-in-tariff program able to bypass Securitization Charges?**

12 A. No. As described in Section 12(b), the Securitization Act specifically says that  
13 customers participating in a net metering program under 170 IAC 4-4.2, a distributed  
14 generation program under IC 8-1-40, or a feed in tariff program are subject to the  
15 nonbypassable Securitization Charges.

16

17 **Q. How will you minimize the potential for customers to bypass, or avoid paying,**  
18 **the Securitization Charges?**

19 A. As described by Witness Zarumba, Residential ("RS"), Small General Service ("SGS"),  
20 and Demand General Service ("DGS") customers will be required to pay a Minimum  
21 Bill. These three customer classes contain the majority of Petitioner's Rider Net  
22 Metering ("Rider NM") and Rider Excess Distributed Generation ("Rider EDG")  
23 customers. Petitioner's proposed Minimum Bill mechanism would place a floor on the  
24 level of consumption to which the Securitization Charges are applied to ensure the  
25 Securitization Charges are nonbypassable and applicable to Petitioner's customers  
26 who participate in Rider NM and Rider EDG tariffs. Witness Zarumba explains the  
27 recommended threshold for these groups is the 10<sup>th</sup> percentile of average annual  
28 customer usage, which for monthly Minimum Bills, approximates to 369 kWh for  
29 Residential, 17 kWh for SGS, and 431 kWh for DGS customers. Rate OSS, which is  
30 very similar to DGS and closed to new customers, currently has 8 customers under  
31 Rider NM. CEI South proposes that Rate OSS also receive a Minimum Bill equal to  
32 the DGS Minimum Bill.

33

1 **Q. Are any adjustments required to establish effective rates for the RS, SGS, OSS**  
2 **and DGS customer classes?**

3 A. Yes. Because approximately 10% of customers in each of these classes will likely  
4 receive a Minimum Bill, an adjustment is necessary to create a lower effective rate for  
5 these classes to help ensure that CEI South does not over collect from these customer  
6 classes.

7  
8 **Q. What adjustment is necessary?**

9 A. Witness Zarumba describes the necessary Rate Divisor Gross-up Factors for RS,  
10 SGS, and DGS customer classes. He notes that expected metered sales for these  
11 classes, along with OSS, need to be grossed up to account for the additional revenue  
12 generated by the Minimum Bill. The grossed-up sales ("effective sales") lower  
13 effective rates for each of these customer classes.

14  
15 **Q. Is the Minimum Bill approach reasonable?**

16 A. Yes. The amount of Minimum Bills issued each month is minimized with the Minimum  
17 Bill mechanism, while ensuring that all customers pay the Securitization Charges.  
18 Minimum Bill thresholds are also well below average usage levels for all four affected  
19 customer classes. Additionally, the effective rates help ensure that these customers  
20 classes only pay their allocated portions of the revenue requirement associated with  
21 the Securitization Charges.

22  
23 **Q. Please explain how the Company's proposed SCP tariff and Securitization**  
24 **Charges are consistent with the requirements of Ind. Code ch. 8-1-40.5.**

25 A. Ind. Code § 8-1-40.5-12(b) requires the Securitization Charges be nonbypassable.  
26 Witness Zarumba describes Petitioner's proposed methodology to ensure all  
27 customers and customer classes, to include street lighting, RS, SGS, OSS and DGS,  
28 are subject to the Securitization Charges and therefore nonbypassable. In addition to  
29 discussing the specific treatment of street lighting customers, Witness Zarumba  
30 describes the proposed Minimum Bill mechanism and why it is appropriate for  
31 Petitioner's Residential, SGS, OSS and DGS customer classes, explaining those four  
32 classes contain the majority of Petitioner's NM and EDG customers and application of  
33 a floor on the level of consumption ensures the Securitization Charges are

1 nonbypassable for these classes in compliance with the Securitization Act.

2

3 **Q. How will the rate for the Securitization Charges be calculated for each tariff**  
4 **class?**

5 A. Conceptually, the initial allocated revenue requirement for each class would be divided  
6 by the forecasted kWh sales for each tariff class, with the exception of RS, SGS, OSS  
7 and DGS, which were divided by effective sales in kWh as described above. Table  
8 MAR-2 below provides an illustrative example of these calculations to establish a  
9 volumetric rate. As noted by Witness Zarumba, it is typical to utilize a volumetric rate  
10 to collect securitization charges.

**Table MAR-2: Proposed Securitization Charges<sup>2</sup>**

Tariff Class	Securitization Charges Allocated to Each Tariff Class	Apr 2023-Mar 2024 <sup>3</sup> Effective kWh Sales Forecast	Proposed Securitization Charges (\$/kWh)
RS	\$ 13,287,685	1,393,886,832	\$ 0.0095
B	\$ 42,759	7,491,229	\$ 0.0057
SGS	\$ 596,533	68,871,677	\$ 0.0087
DGS	\$ 9,129,002	1,064,518,568	\$ 0.0086
OSS	\$ 705,213	87,218,297	\$ 0.0081
LP/Other Large	\$ 8,056,428	1,935,638,550	\$ 0.0042
BAMP-Auxiliary	\$ 605,071		
HLF	\$ 292,705		
Street Lighting	\$ 147,164	20,846,871	\$ 0.0071
<b>Total</b>	<b>\$32,862,558</b>	<b>4,682,088,311</b>	

11

12 **Q. The kWh Sales Forecast and the proposed Securitization Charge for two classes**  
13 **is shown as being confidential information. Why is the actual Proposed**  
14 **Securitization Charge to these two classes confidential, and how do you**  
15 **propose this charge be kept confidential in connection with approval of a tariff?**

16 A. The forecasted and actual usage for these two classes is confidential information; one

<sup>2</sup> The shown initial proposed securitization charges are calculated using the average annualized effective sales for illustrative purposes; the eventual securitization charges will be assessed for each semi-annual payment period, based on projected sales forecasts to completely cover all securitization charges for each payment period, and adjusted accordingly using true-ups.

<sup>3</sup> Forecast period estimate will be synced with bond issuance date when securitization bonds are priced.

1 of which is pursuant to an agreement with the customer that has previously been  
2 approved by the Commission. Unfortunately, with the 4 CP allocation (which is public)  
3 and the total revenues to be recovered through the Securitization Charge (which will  
4 also be public), one could easily back into the confidential usage information from  
5 these two customers if the actual rate were public. What we propose is to file a  
6 Confidential Rate Calculation Workpaper (to be identified as "MAR WP-1  
7 (Confidential)") when the initial Securitization Charge tariff is submitted following the  
8 issuance of the securitization bonds. Then the tariff will include as the "Rate" for these  
9 two classes "See MAR WP-1 (Confidential)." We would propose to follow this method  
10 for all subsequent adjustments to the Securitization Charge until such time as there is  
11 more than one customer in either of these customer classes. The same issue is  
12 present with the ADIT Credit and the Securitization Rate Reduction Tariffs that I will  
13 describe later. Those two tariff sheets will also reference MAR WP-1 (Confidential).  
14

15 **Q. How will CEI South ensure that customers do not pay rates recovering costs of**  
16 **investments related to Brown Units 1 & 2 via the ECA and also within the**  
17 **securitization charge?**

18 A. As described below in my testimony, the Securitization Rate Reduction tariff will be  
19 put into place at the same time as the Securitization Charge. This will remove AB  
20 Brown plant from rates when the securitization bonds are issued. ECA 4, which will  
21 be filed in May of 2023, will include AB Brown plant through the end of 2022, and ECA  
22 5, which will be filed in May of 2024, will include AB Brown plant between January 1,  
23 2023 and the effective date of the Securitization Charge.  
24

25  
26 **V. DETERMINATION OF THE SECURITIZATION RATE REDUCTION**

27  
28 **Q. What does Ind. Code ch. 8-1-40.5 provide with respect to rates upon the receipt**  
29 **of the securitization bonds proceeds?**

30 A. The Securitization Act requires the utility reflect a reduction in rate base associated  
31 with the receipt of proceeds from the securitization bonds, and that such reduction will  
32 be reflected in retail rates when the securitization bonds are issued.  
33

1 **Q. How do you plan to effectuate this removal from rate base?**

2 A. Petitioner's Witness Ryan P. Harper describes how applicable Qualified Costs will be  
3 removed from the Petitioner's rate base. To effectuate this removal from rate base,  
4 Petitioner is proposing to create a new tariff, the Securitization Rate Reduction  
5 ("SRR"), which is attached to my testimony as Petitioner's Exhibit No. 8, Attachment  
6 MAR-1.

7  
8 **Q. Please explain the basis for the allocation of revenue requirements to each rate  
9 schedule for the Securitization Rate Reduction.**

10 A. As described by Witness Zarumba, CEI South proposes to first allocate a portion of  
11 the revenue requirement for street lighting, equal to the net amount of the  
12 Securitization Charges and Securitization ADIT Credit, described later in my  
13 testimony. Then CEI South will allocate the remaining revenue requirement in the  
14 SRR based on the same 4CP allocation factor percentages used to develop the  
15 Securitization Charges discussed earlier.

16  
17 **Q. What is the estimated first year revenue requirement for the Securitization Rate  
18 Reduction that will be implemented if approved by the Commission?**

19 A. As described by Petitioner's Witness Harper, the estimated first year revenue  
20 requirement for the SRR is \$48,344,368.

21  
22 **Q. What is the proposed Securitization Rate Reduction allocation for each class?**

23 A. The proposed SRR allocation by class for each class is provided in Table MAR-3  
24 below.

**Table MAR-3: Preliminary Securitization Rate Reduction Allocated to Tariff  
Classes**

<b>Tariff Class</b>	<b>4CP Allocator For Non- Street Lighting</b>	<b>Securitization Rate Reduction Allocated to Each Tariff Class</b>
RS	40.61600%	\$ (19,583,291)
B	0.13070%	\$ (63,018)
SGS	1.82340%	\$ (879,165)
DGS	27.90430%	\$ (13,454,255)

Tariff Class	4CP Allocator For Non-Street Lighting	Securitization Rate Reduction Allocated to Each Tariff Class
OSS	2.15560%	\$ (1,039,338)
LP/Other Large	24.62580%	\$ (11,873,503)
BAMP-Auxiliary	1.84950%	\$ (891,749)
HLF	0.89470%	\$ (431,386)
<b>Total Non-Street Lighting</b>	<b>100.00000%</b>	<b>\$ (48,215,706)</b>
<b>Total Street Lighting</b>		<b>\$ (128,662)</b>
<b>Total Securitization Rate Reduction (all Classes)</b>		<b>\$ (48,344,368)</b>

1

2 **Q. After the Securitization Rate Reduction is allocated to each of the tariff classes,**  
3 **how should the rate be calculated for each tariff class?**

4 A. The rate reduction amount allocated to each tariff class is divided by that class's April  
5 2023-March 2024 budgeted annual kWh which produces the \$/kWh rate. The  
6 calculation is consistent with the approach proposed for the Securitization Charges.  
7 Table MAR-4 below provides the rate calculations for each class.

**Table MAR-4: Securitization Rate Reduction rate by Tariff Class**

Tariff Class	Securitization Rate Reduction Allocated to Each Tariff Class	Apr 2023-Mar 2024 Budgeted kWh Sales Forecast	Proposed Securitization Rate Reduction (\$/kWh)
RS	\$ (19,583,291)	1,371,275,099	\$ (0.01428)
B	\$ (63,018)	7,491,229	\$ (0.00841)
SGS	\$ (879,165)	65,111,507	\$ (0.01350)
DGS	\$ (13,454,255)	1,064,027,990	\$ (0.01264)
OSS	\$ (1,039,338)	87,218,297	\$ (0.01192)
LP/Other Large	\$ (11,873,503)	1,935,638,550	\$ (0.00613)
BAMP-Auxiliary	\$ (891,749)		
HLF	\$ (431,386)		
Street Lighting	\$ (128,662)	20,846,871	\$ (0.00617)
<b>Total</b>	<b>\$ (48,344,368)</b>	<b>4,655,225,831</b>	

8

9 **Q. How will the Securitization Rate Reduction be determined after the subsequent**  
10 **rate request in CEI South's next general rate case?**

11 A. Any reduction in the Company's revenue requirement associated with A.B. Brown  
12 Units 1 & 2 will be reflected in the revenue requirement request by the Company. The

1           Securitization Rate Reduction will no longer be required and therefore will be  
2           discontinued following a final true up after an order is received.

3

4   **VI.   DETERMINATION OF THE SECURITIZATION ADIT CREDIT**

5

6   **Q.    What is the Securitization ADIT Credit?**

7   A.    As described by Witness Harper, as applicable Qualified Costs are removed from rate  
8       base, customers will be owed an annual credit for the remaining ADIT balance  
9       associated with A.B. Brown Units 1&2.

10

11   **Q.    How do you plan to effectuate the Securitization ADIT Credit?**

12   A.    To effectuate this credit, Petitioner is proposing to create a new tariff, the Securitization  
13       ADIT Credit ("SAC"), which is attached to my testimony as Petitioner's Exhibit No. 8,  
14       Attachment MAR-1.

15

16   **Q.    Please explain the basis for the allocation ADIT Credit to each rate schedule.**

17   A.    As described by Witness Zarumba, CEI South proposes to first allocate a portion of  
18       the Securitization ADIT Credit for street lighting based on 0.45% of expected sales.  
19       Then CEI South will allocate the remaining revenue requirement in the SAC based on  
20       the same 4CP allocation factor percentages used to develop the Securitization  
21       Charges discussed earlier.

22

23   **Q.    What is the estimated first year ADIT credit for the Securitization ADIT Credit  
24       that will be implemented if approved by the Commission?**

25   A.    As described by Petitioner's Witness Harper, the estimated ADIT Credit in the first year  
26       for the SAC is \$4,131,567.

27

28   **Q.    What is the proposed Securitization ADIT Credit allocation for each class?**

29   A.    The proposed SAC allocation by class for each class is provided in Table MAR-5  
30       below.

**Table MAR-5: Preliminary Securitization ADIT Credit Allocated to Tariff Classes**

Tariff Class	4CP Allocator For Non-Street Lighting	Securitization ADIT Credit Allocated to Each Tariff Class
RS	40.61600%	\$ (1,670,563)
B	0.13070%	\$ (5,376)
SGS	1.82340%	\$ (74,998)
DGS	27.90430%	\$ (1,147,722)
OSS	2.15560%	\$ (88,661)
LP/Other Large	24.62580%	\$ (1,012,875)
BAMP-Auxiliary	1.84950%	\$ (76,071)
HLF	0.89470%	\$ (36,800)
<b>Total Non-Street Lighting</b>	<b>100.00000%</b>	<b>\$ (4,113,065)</b>
<b>Total Street Lighting</b>		<b>\$ (18,502)</b>
<b>Total Securitization Rate Reduction (all Classes)</b>		<b>\$ (4,131,567)</b>

1

2 **Q.** After the Securitization ADIT Credit is allocated to each of the tariff classes, how  
3 should the rate be calculated for each tariff class?

4 **A.** The ADIT credit amount allocated to each tariff class is divided by that class's April  
5 2023-March 2024 budgeted annual kWh which produces the \$/kWh rate. The  
6 calculation is consistent with the approach proposed for the Securitization Charges.  
7 Table MAR-6 below provides the rate calculations for each class.

**Table MAR-6: Securitization ADIT Credit rate by Tariff Class**

Tariff Class	Securitization ADIT Credit Allocated to Each Tariff Class	Apr 2023-Mar 2024 Budgeted kWh Sales Forecast	Proposed Securitization ADIT Credit (\$/kWh)
RS	\$ (1,670,563)	1,371,275,099	\$ (0.0012)
B	\$ (5,376)	7,491,229	\$ (0.0007)
SGS	\$ (74,998)	65,111,507	\$ (0.0012)
DGS	\$ (1,147,722)	1,064,027,990	\$ (0.0011)
OSS	\$ (88,661)	87,218,297	\$ (0.0010)
LP/Other Large	\$ (1,012,875)	1,935,638,550	\$ (0.0005)
BAMP-Auxiliary	\$ (76,071)		
HLF	\$ (36,800)		
Street Lighting	\$ (18,502)	20,846,871	\$ (0.0009)
<b>Total</b>	<b>\$ (4,131,567)</b>	<b>4,655,225,831</b>	



1

2 **Q. How long will the Securitization ADIT Credit be in place?**3 A. The SAC tariff will be in place for the duration of the Securitization Charge until the  
4 remaining ADIT balance is fully amortized.

5

6

7 **VII. PROPOSED SECURITIZATION COAL PLANTS, SECURITIZATION ADIT CREDIT**  
8 **AND SECURITIZATION RATE REDUCTION TARIFFS, TRUE-UP ADJUSTMENTS**  
9 **AND EXPECTED NET BILL IMPACT**

10

11 **Q. Please describe the “true-up mechanism” or “true-up adjustment” as it relates**  
12 **to the collection of Securitization Charges.**13 A. As explained by Witnesses Chang and Jerasa, the Securitization Act includes several  
14 key features unique to utility securitizations, one of which is the statutorily authorized  
15 “true-up mechanism” or “true-up adjustment”, which is a form of credit enhancement.  
16 The true-up mechanism periodically adjusts the Securitization Charges billed to the  
17 utility’s customers based on projected electric consumption, collections, and expected  
18 delinquencies and charge-offs; and ensures the estimated Securitization Charges  
19 collections match the scheduled payments on the securitization bonds and related  
20 ongoing costs.

21

22 **Q. Please describe the requirements set forth in the Securitization Act related to**  
23 **the true-up mechanism.**24 A. Section 12(c) of the Securitization Act requires the Financing Order to include a  
25 mechanism requiring that the Securitization Charges be reviewed and adjusted at  
26 least annually to correct any over or under collections of Securitization Charges during  
27 the prior twelve (12) months and ensure the expected recovery of amounts sufficient  
28 to provide timely payments of debt service (on the securitization bonds) and other  
29 required amounts and charges in connection with the securitization bonds. Under the  
30 Securitization Act, Petitioner must submit an application to the Commission each year,  
31 not earlier than forty-five days before the anniversary of the issuance of the  
32 securitization bonds under the Financing Order, and not later than the anniversary  
33 date of the issuance of the securitization bonds. In addition to the annual true-up

1 application, or mechanism, the Securitization Act authorizes Petitioner, on its own  
2 initiative and at any time in the year, to file additional applications with the Commission  
3 for over or under collections of Securitization Charges or to ensure the expected  
4 recovery of amounts sufficient for timely payments of debt service and other required  
5 amounts and charges in connection with the securitization bonds.

6

7 **Q. Please describe some of the key mechanics of the true-up calculation.**

8 A. Customer sales will be projected for the next two payment periods and considered to  
9 ensure sufficient funds are available for semi-annual securitization bond debt service  
10 payments and other ongoing costs. To account for billing cycles, a collection curve  
11 percentage, adjusted for write-offs, is then applied. In determining the adjusted  
12 Securitization Charge, dollars expected to be collected over the period will be  
13 compared to the Securitization Bond debt service payments and ongoing qualified  
14 costs. For a detailed description of the cash flow model, please see Petitioner's Exhibit  
15 No. 8, Attachment MAR-2: CEIS Description of Cash Flow Model.

16

17 **Q. Please describe how variances will be treated in the SCP tariff.**

18 A. The over- or under-recovery variance will be determined by comparing actual  
19 recoveries to the approved recoveries from the SCP for the same period. Actual  
20 recoveries represent billed SCP revenues from the Company's customer billing  
21 system by month and by Rate Schedule for this period. The over- or under-recovery  
22 variance will be determined by month and by Rate Schedule. The specific identification  
23 of the variance by Rate Schedule will be monitored; however, any over collection will  
24 be given back to customers based on 4CP allocation, regardless of how each rate  
25 class contributed to the over collection. Likewise, any under collection will be charged  
26 to all rate classes based on 4CP, regardless of how each rate class contributed to the  
27 under collection. As mentioned by Witness Chang, delinquencies in one class of  
28 customers are a cost that should be shared by all customers, creating cross-  
29 collateralization of the debt service burden among all customer classes. He notes that  
30 this practice is viewed favorably by the rating agencies, enhancing the chance for the  
31 highest possible ratings on the securitization bonds. With respect to cross-  
32 collateralization, the SRR and SAC are treated in the same manner.

33

1 **Q. How will the approved recoveries be determined for SCP to be reconciled in a**  
2 **future SCP?**

3 A. Approved recoveries represent the amounts the Company expects to collect each  
4 month. These approved recoveries are calculated by multiplying the billing  
5 determinants by month by the applicable rates and charges for the SCP period. Any  
6 under recoveries resulting from instances in which SCP rates and charges are not in  
7 place for a full month will be recovered as an under-recovery variance in a subsequent  
8 SCP proceeding.

9

10 **Q. How often will adjustments be made to the SCP rate?**

11 A. As stated in Ind. Code ch. 8-1-40.5, corrections for any over collections or under  
12 collections must occur at least one time per year. As I noted previously, CEI South  
13 may also file additional applications for adjustments as provided in Section 12(c). CEI  
14 South will closely monitor SCP revenues and project the amount needed to pay debt  
15 service on the securitization bonds and other ongoing costs; interest and principal  
16 payments on the securitization bonds will be made semi-annually. If necessary, CEI  
17 South will file an application with the Commission to adjust the SCP rate to ensure  
18 enough funds will be collected to make timely securitization bond payments and pay  
19 ongoing costs. True-up adjustments will occur more than one time in the last year the  
20 securitization bonds are expected to be outstanding.

21

22 **Q. How long will the SCP tariff be in effect?**

23 A. The SCP tariff will remain in effect until legal maturity of the securitization bonds, as  
24 described by Witness Jerasa.

25

26 **Q. Please describe how variances will be treated in the SRR and SAC tariffs.**

27 A. The over- or under-recovery variance will be determined by comparing actual rate  
28 reduction provided to customers, to the approved rate reduction from the SRR for the  
29 same period. Actual rate reduction represents returned SRR proceeds from the  
30 Company's customer billing system by month and by Rate Schedule for this period.  
31 The over- or under-recovery variance will be determined by month and by Rate  
32 Schedule. The specific identification of the variance by Rate Schedule will be tracked;  
33 however, if the rate reduction to customers does not meet the revenue requirement in

1 the prior period, the difference will be collected from all customer classes in the true-  
2 up period based on 4CP allocation regardless of how each rate class contributed to  
3 the exceedance in rate reduction. Likewise, if less rate reduction is provided to  
4 customers than what was owed in the prior period's revenue requirement, the  
5 difference will be returned to all rate classes based on 4CP, regardless of how each  
6 class was affected. The same process will be followed for the SAC tariff.

7

8 **Q. What are the expected impacts to customer bills by class?**

9 A. Table MAR-7 below shows expected monthly bill impacts by customer class using  
10 expected April 2023-March 2024 customer sales by class. Note that there will not be  
11 an impact to street lighting customers initially, and all other customer classes are  
12 expected to receive a benefit through securitization. Residential customers are  
13 expected to receive a benefit of approximately \$5 per month when applying average  
14 monthly usage by customer group to the proposed SRR, SAC, and SCP tariffs.  
15 Following the order in the next general rate case, customers will further benefit from  
16 removing O&M<sup>4</sup> savings associated with these units and will further benefit from  
17 inclusion of regulatory assets that were included in the Securitization Charges as a  
18 Qualified Cost that would have otherwise been charged to customers through  
19 traditional utility financing. This is described further by Witness Jerasa.

**Table MAR-7: Monthly Net Customer Bill Impact**

Tariff Class	SRR	SCP Charge	SAC	Net Securitization Charge/ (Credit)	Monthly AUPC	Monthly Net Impact
RS	(\$0.0143)	\$0.0095	(\$0.0012)	(\$0.0060)	863	(\$5)
B	(\$0.0084)	\$0.0057	(\$0.0007)	(\$0.0034)	170	(\$1)
SGS	(\$0.0135)	\$0.0087	(\$0.0012)	(\$0.0060)	533	(\$3)
DGS	(\$0.0126)	\$0.0086	(\$0.0011)	(\$0.0051)	10,683	(\$55)
OSS	(\$0.0119)	\$0.0081	(\$0.0010)	(\$0.0048)	9,902	(\$48)
LP/Other Large	(\$0.0061)	\$0.0042	(\$0.0005)	(\$0.0025)	1,390,545	(\$3,470)
BAMP-Auxiliary						(\$30,229)
HLF						(\$14,623)
Lighting	(\$0.0062)	\$0.0071	(\$0.0009)	(\$0.0000)		(\$0)

20

21 **Q. Is CEI South requesting approval of the proposed SRR, SCP, and SAC tariff**

<sup>4</sup> A.B. Brown Units 1 & 2 are projected to remain in operation until October 15, 2023, after securitization bonds are issued

1           **sheets in this proceeding?**

2    A.    Yes. Attachment MAR-1 includes the proposed CEI South Tariff Sheet No. 70  
3           Securitization of Coal Plants (SCP), Sheet No. 71 Securitization Rate Reduction  
4           (SRR), and Sheet No. 72 Securitization ADIT Credit (SAC), respectively.

5

6    **Q.    Are any changes required to the Rate Schedules in the Tariff?**

7    A.    Yes. The Rate Schedules must be updated to reflect both the SRR, SCP, and SAC  
8           once the securitization bonds are issued. Clean and redline versions of the Tariff  
9           Sheet Index and Rate Schedules, reflecting this change, are shown in Attachment  
10          MAR-1.

11

12

13   **VIII.   OTHER ISSUES**

14

15   **Q.    Since A.B. Brown Units 1 & 2 will continue to be in operation after the**  
16           **securitization bonds are issued, how do you plan to recover capital**  
17           **expenditures made between bond issuance and ceased operations of the plant?**

18    A.    No capital investment, beyond what is described by Witness Thayer, is contemplated  
19           for the remaining useful life of the plant between the date of issuance of the  
20           securitization bonds and ceased operations of the plant. Should a situation arise  
21           where prudent capital expenditures are required to keep the plant operating, CEI South  
22           would evaluate the necessity and if warranted capitalize such costs until Brown Units  
23           1 and 2 are removed from service or otherwise seek deferral of costs incurred until  
24           rate relief.

25

26   **Q.    CEI South is proposing the SRR tariff to remove A.B. Brown Units 1 & 2 net plant**  
27           **from customer rates when the securitization bonds are issued, ahead of the next**  
28           **general rate case. Please describe how you ensure that the customers are**  
29           **credited with the proper amount for A.B. Brown 1 & 2.**

30    A.    CEI South will true up the SRR tariff annually to assess the over / under rate reduction  
31           as described above. Following the next general rate case, CEI South will review  
32           proceeds that were refunded to customers over the course of the SRR tariff in  
33           comparison to what was recovered as a Qualified Cost. Should there be a difference

1 in what is owed to the customer or to CEI South, CEI South would credit or charge  
2 customers via the SRR tariff until the difference is resolved. Once the difference is  
3 resolved, the SRR tariff will be closed.  
4

5 **Q. How will partial securitization payments be applied to Securitization Charges?**

6 A. CEI South is moving to a new billing system, SAP by the end of 2023. SAP has the  
7 capability of prioritizing customer payments to apply to Securitization Charges before  
8 other charges. CEI South will ensure customer payments are prioritized to pay for  
9 Securitization Charges ahead of other charges on the customers' bill. Prior to this  
10 system going in place, CEI South's old billing system, Banner, will be programed to  
11 also prioritize payments ahead of other charges.  
12

13 **Q. If actual costs for removal and restoration differ from those included as a**  
14 **Qualified Cost, will CEI South seek recovery for the difference?**

15 A. Yes. As permitted in Ind. Code ch. 8-1-40.5, if CEI South incurs more costs than were  
16 included as a Qualified Cost, Petitioner will seek deferral of costs incurred until a  
17 general rate relief request.  
18

19

20

21 **IX. CONCLUSION**

22

23 **Q. Does this conclude your prepared direct testimony?**

A. Yes, it does.

**VERIFICATION**

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

SOUTHERN INDIANA GAS AND ELECTRIC  
COMPANY D/B/A CENTERPOINT ENERGY  
INDIANA SOUTH



---

Matthew A. Rice  
Director, Regulatory and Rates

5-10-22

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Date





Southern Indiana Gas and Electric Company D/B/A  
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## TARIFF SHEET INDEX

(Continued)

<u>TARIFF SHEET NO.</u>	<u>DESCRIPTION</u>	
	<u>RIDER</u>	<u>RIDERS</u>
50		RESERVED FOR FUTURE USE
51	IP-2	INTERRUPTIBLE POWER SERVICE
52	NM	NET METERING RIDER
53	EDG	EXCESS DISTRIBUTED GENERATION RIDER
54	DLC	DIRECT LOAD CONTROL RIDER
55	IC	INTERRUPTIBLE CONTRACT RIDER
56	IO	INTERRUPTIBLE OPTION RIDER
57	AFS	ALTERNATE FEED SERVICE RIDER
58	ED	ECONOMIC DEVELOPMENT RIDER
59	AD	AREA DEVELOPMENT RIDER
60	TS	TEMPORARY SERVICE RIDER
61	SAS	STANDBY OR AUXILIARY SERVICE RIDER
62	DR	MISO DEMAND RESPONSE RIDER
63-64		RESERVED FOR FUTURE USE
	<u>APPENDIX</u>	<u>ADJUSTMENTS</u>
65	A	FUEL ADJUSTMENT CLAUSE (FAC)
66	B	DEMAND SIDE MANAGEMENT ADJUSTMENT (DSMA)
67	C	CLEAN ENERGY COST ADJUSTMENT (CECA)
68	D	OTHER CHARGES
69	E	ENVIRONMENTAL COST ADJUSTMENT (ECA)
70	F	SECURITIZATION OF COAL PLANTS (SCP)
71	G	SECURITIZATION RATE REDUCTION (SRR)
72	H	SECURITIZATION ADIT CREDIT (SAC)
73	I	MISO COST AND REVENUE ADJUSTMENT (MCRA)
74	J	RELIABILITY COST AND REVENUE ADJUSTMENT (RCRA)
75	K	TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
76-78		RESERVED FOR FUTURE USE
	<u>RATE</u>	<u>PURCHASE RATES</u>
79	CSP	COGENERATION AND SMALL POWER PRODUCTION

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## **RATE RS** **RESIDENTIAL SERVICE**

(Continued)

### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge.

### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

### **Riders:**

The following Riders are available to qualified Customers:

- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider

### **Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

## **TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

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Southern Indiana Gas and Electric Company D/B/A  
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## **RATE B** **WATER HEATING SERVICE**

### **AVAILABILITY**

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and power supplies, which determinations shall be within Company's reasonable discretion.

### **APPLICABILITY**

This Rate Schedule shall be applicable to Customers electing service hereunder for separately metered service used for water heating, subject to the conditions set forth below. This Rate Schedule is closed to new Customers.

### **CHARACTER OF SERVICE**

Service provided hereunder shall be alternating current, sixty hertz, Single Phase, three-wire 120/240 or 120/208 nominal volts, or any other mutually agreed upon voltages.

### **RATES AND CHARGES**

The monthly Rate and Charges for service hereunder shall be:

**Customer Facilities Charge:**

\$ 5.00 per month

**Energy Charge:**

\$0.04688 per kWh for all kWh used per month

**Fuel Charge:**

\$0.03889 per kWh for all kWh used per month

**Variable Production Charge:**

\$0.00475 per kWh for all kWh used per month

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge.

**Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Riders:**

The following Rider is available to qualified Customers:

- Rider DLC – Direct Load Control Rider

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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## **RATE SGS** **SMALL GENERAL SERVICE**

### **AVAILABILITY**

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and power supplies, which determinations shall be within Company's reasonable discretion.

### **APPLICABILITY**

This Rate Schedule shall be applicable to any Non-Residential Customer with a Prior Year Maximum Demand or, if new Customer, an estimated Maximum Demand, of 10kW, or less electing service hereunder. Company shall determine Customer's estimated Maximum Demand by review of the connected load or other suitable means.

### **CHARACTER OF SERVICE**

Service provided hereunder shall be alternating current, sixty hertz, Single Phase, three-wire 120/240 or 120/208 nominal volts, or any other mutually agreed upon voltages.

### **RATES AND CHARGES**

The monthly Rates and Charges for service hereunder shall be:

#### **Customer Facilities Charge:**

\$11.00 per month

#### **Energy Charge:**

\$0.08811 per kWh for the first 1,000 kWh used per month  
\$0.06686 per kWh for the next 1,000 kWh used per month  
\$0.03687 per kWh for all over 2,000 kWh used per month

#### **Fuel Charge:**

\$0.03889 per kWh for all kWh used per month

#### **Variable Production Charge:**

\$0.00475 per kWh for all kWh used per month

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge.

#### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution and Storage System Improvement Charge

#### **Riders:**

The following Riders are available to qualified Customers:

- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider

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## **RATE DGS** **DEMAND GENERAL SERVICE**

(Continued)

### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge plus the Demand Charge.

### **Transformer Ownership Discount:**

Customers with a Maximum Demand of 100 kW or greater and receiving service at Company's available Primary Voltage may own, operate and maintain all transformer facilities. A discount of forty-five and one-tenth cents (\$0.451) for each kW of Billing Demand will apply to such customers.

### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

### **Riders:**

The following Riders are available to qualified Customers:

- Rider IP-2 – Interruptible Power Service
- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider
- Rider TS – Temporary Service Rider
- Rider DR – MISO Demand Response

**Other Charges:** Other Charges set forth in Appendix D shall be charged to Customer.

### **DETERMINATION OF BILLING DEMAND**

The Billing Demand for the current month shall be the Maximum Demand, but not less than 60% of the highest Maximum Demand for the Prior Year.

### **SEPARATE METERING**

When the lighting and power demands are metered separately, the Maximum Demand of the Month shall be the arithmetical sum of the Maximum Demand of each meter. The energy use of the lighting and power meters shall also be added.

### **TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
I.U.R.C. No. E-13

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**RATE OSS**  
**OFF-SEASON SERVICE**

(Continued)

**Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Riders:**

The following Riders are available to qualified Customers:

- Rider IP-2 – Interruptible Power Service
- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider DR – MISO Demand Response

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**DETERMINATION OF BILLING DEMAND**

The Billing Demand for the current month shall be the highest Maximum Demand established during the previous months of June, July, August or September, but not less than 10 kW.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

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**RATE LP**  
**LARGE POWER SERVICE**  
(Continued)

**Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Riders:**

The following Riders are available to qualified Customers:

- Rider IP-2 – Interruptible Power Service
- Rider DLC – Direct Load Control Rider
- Rider IC – Interruptible Contract Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider
- Rider DR – MISO Demand Response

**Other Charges:** Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**DETERMINATION OF BILLING DEMAND**

Unless otherwise specified in the Contract, the Billing Demand for the current month shall be the Maximum Demand, but not less than 60% of the highest Maximum Demand for the Prior Year and in no event less than 300 kVa.

Off-peak demands which will be disregarded in determining the Billing Demand shall be those demands created on Saturdays, Sundays, and holidays designated by Company and between 8:00 P.M. and 7:00 A.M. on any other day, provided that the Billing Demand for the month shall never be less than 50% of the Maximum Demand during such month regardless of when such Maximum Demand occurred.

Company reserves the right, upon thirty-day notice to Customer, to change the off-peak demand periods when peak load conditions on Company's system make such modification necessary. Company shall not be required to increase the capacity of any service facilities in order to furnish off-peak demands.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than three (3) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

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## **RATE HLF** **HIGH LOAD FACTOR SERVICE**

### **AVAILABILITY**

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and power supplies, which determinations shall be within Company's reasonable discretion. This service is available only from facilities operating at Transmission Voltage.

### **APPLICABILITY**

This Rate Schedule shall be applicable to any Non-Residential Customer supplied at a single point of delivery with a Contract Demand of not less than 4,500 kVa electing service hereunder.

This Rate Schedule is not applicable to Customer where 1) an alternate source of power is used, 2) for resale to others, or 3) as a supplement to service furnished under any other Rate Schedule.

### **CHARACTER OF SERVICE**

Service provided hereunder shall be alternating current, sixty hertz, Three Phase, nominal voltages 69,000, 138,000 volts or any other mutually agreed upon voltages. Customer shall furnish and maintain all necessary transforming, controlling and protective equipment.

### **RATES AND CHARGES**

The monthly Rates and Charges for service hereunder shall be:

#### **Demand Charge:**

\$19.482 per kVa per month for all kVa of Billing Demand

#### **Fuel Charge:**

\$0.03644 per kWh for all kWh used per month

#### **Variable Production Charge:**

\$0.00445 per kWh for all kWh used per month

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Demand Charge, but not less than \$87,669.00 per month.

#### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

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## **RATE MLA** **MUNICIPAL LEVEE AUTHORITY SERVICE**

### **Transformer Ownership Discount:**

This discount is available to any Customer electing service under this Rate Schedule, when Customer owns, operates and maintains all transformer facilities and receives service at Company's available Primary Voltage. Customer's current monthly bill will be decreased by forty-five and one-tenth cents (\$0.451) for each kW of Billing Demand.

### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

### **Riders:**

The following Riders are available to qualified Customers:

- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider ED – Economic Development Rider
- Rider TS – Temporary Service Rider
- Rider DR – MISO Demand Response

**Other Charges:** Other Charges set forth in Appendix D be charged to Customer.

### **DETERMINATION OF BILLING DEMAND**

Billing Demand shall be the higher of Maximum Demand and Monthly Contract Demand.  
The Monthly Contract Demand shall be the demand amount agreed upon between Customer and Company in a Contract.

### **SEPARATE METERING**

When the lighting and power demands are metered separately, the Maximum Demand of the Month shall be the arithmetical sum of the Maximum Demand of each meter. The energy use of the lighting and power meters shall also be added.

### **CONTRACT**

For service hereunder, a written contract is required for an initial term of not less than two (2) years and such contract shall continue for annual successive terms unless cancelled. The contract may be cancelled by either party by giving written notice to the other party not less than one (1) year prior to the date of termination.

### **TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

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**RATE SL-1**  
**STREET LIGHTING SERVICE**  
(Continued)

In lieu of the annual rates herein set forth for underground service, Customer may elect to pay to Company prior to the installation of such underground service, the difference between the amount of investment required for the underground system and the amount required for a comparable overhead system. In the event Customer makes such election and payment, the rates herein provided for comparable overhead service shall apply.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

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**RATE SL-2**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Post Top Lantern Type Luminaire)**  
(Continued)

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

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**RATE SL-3**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Contemporary Spherical)**  
(Continued)

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

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**RATE SL-5**  
**EXPRESSWAY LIGHTING SERVICE**  
(Continued)

Twin 400 Watt high pressure sodium lamps and fixtures with an approximate 40 foot mounting height (Frangible Construction)	\$646.95
400 Watt high pressure sodium lamp and fixture with an approximate 40 foot mounting height (Non-Frangible Construction)	\$456.85
<u>(C) Light Emitting Diode (LED) Street Lighting Rates</u>	
<u>Underground Construction – Metal Poles</u>	
210 Watt LED lamp and fixture with an approximate 40 foot mounting height (Frangible Construction)	\$485.39
Twin 210 Watt LED lamps and fixtures with an approximate 40 foot mounting height (Frangible Construction)	\$660.92
210 Watt LED lamp and fixture with an approximate 40 foot mounting height (Non-Frangible Construction)	\$463.84

This Rate Schedule is restricted to installation at Company expense of not more than an average of 175 feet of underground feeder per unit. Under this Rate Schedule, Company will not be required at its expense to break and replace concrete or to bore under pavement and/or sidewalk. Customer will pay to Company in advance of installation the estimated cost of all underground feeder in excess of an average of 175 feet per unit and the estimated cost of breaking, replacing, and boring under pavement and/or sidewalk. The average length of the underground feeder per unit shall be determined by dividing the total length of underground feeder necessary for installation by the number of units installed pursuant to any one request order.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

Effective:

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**RATE SL-7**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Turn of the Century)**  
(Continued)

This Rate Schedule is restricted to installation at Company expense of not more than an average of 45' of underground feeder per unit. Under this Rate Schedule, Company will not be required at its expense to break and replace concrete or to bore under pavement and/or sidewalk. Customer will pay to Company in advance of installation the estimated cost of all underground feeder in excess of an average of 45' per unit and the estimated cost of breaking, replacing, and boring under pavement and/or sidewalk. The average length of the underground feeder per unit shall be determined by dividing the total length of underground feeder necessary for installation by the number of units installed pursuant to any one request order.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

Effective:

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**RATE SL-8**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Post Top Lighting Service)**  
(Continued)

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

The Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of costs associated with replacement facilities.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

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**RATE OL**  
**OUTDOOR LIGHTING SERVICE (DUSK TO DAWN)**  
(Continued)

When other new facilities are installed by Company, Customer will in addition to the above Monthly Facilities Charge, pay in advance of installation, the cost for the new overhead facilities extending from the nearest or most suitable pole of Company to the point designated by Customer for the installation of said lamp. Company, at its option, may permit Customer to pay for such additional facilities in equal monthly installments extending over a period not to exceed twelve (12) months.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of the Monthly Facilities Charges for all outdoor lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**CONTRACT**

A Customer requesting service under this Rate Schedule, shall make and enter into a contract with Company in accordance with the following provisions:

- 1) The term of contract for Residential Customers will be for not less than one (1) year.
- 2) The term of contract for Non-Residential Customers will be for not less than three (3) years.
- 3) The term of contract for all Customers renting additional facilities on a monthly basis will be for not less than five (5) years.

Contracts for service hereunder may also contain other appropriate terms and conditions including annual payment in advance in cases where Company may deem it necessary to insure payment of Bills throughout the term of the contract.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

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## **APPENDIX F** **SECURITIZATION OF COAL PLANTS (SCP)**

### **APPLICABILITY**

This Tariff sets out the rates and terms and conditions under which the Securitization of Coal Plants (SCP) charges will be billed and collected by Company, any successor servicer(s) or collection agents billing or collecting SCP on behalf of CenterPoint Energy Transition Bond Company \_\_\_\_, LLC (SPE). The SCP charge was authorized by the Financing Order (Order) approved by the Commission in Cause No. \_\_\_\_ on \_\_\_\_\_, 2022. Pursuant to terms of the Order and the requirements of Ind. Code § 8-1-40.5-1 *et. seq.*, all of the Company's rights under the Order, including the right to bill and collect the SCP, were transferred to the SPE in connection with the issuance of transition bonds. The rights transferred to the SPE are securitization "property" of the SPE (as defined in Ind. Code 8-1-40.5 9). On the effective date of SCP, the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust SCP charges imposed pursuant to SCP. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with the terms and subject to the conditions of the Servicing Agreements and the Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under SCP. As used in SCP, the term "Servicer" includes any successor servicer. All actions by the Company under this SCP, including collection of SCP charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated as of \_\_\_\_\_, 2023.

The SCP charge shall apply to all Customer metered consumption for existing and future Company Tariff Rates located within the certificated service area of Company as such service area existed on May 10, 2022. Existing and future Tariff Rates are inclusive of the Tariff's General Terms and Conditions Applicable to Electric Service.

### **CHARACTER OF SCP CHARGES**

SCP Charges are non-bypassable. Individual end-use retail customers are responsible for paying SCP Charges billed to them in accordance with the terms of SCP whether the charges are billed directly by Servicer or are included in the bills submitted to the customer by another entity. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Order. The billing entity may be the Company or a successor servicer.

The SCP Charges are separate charges to be paid in addition to any other applicable charges for services received. Although the SCP Charges are separate charges, they may be included within other charges of the billing entity.

Servicer will remit collections to the SPE in accordance with the terms of the Servicing Agreement.

Effective:

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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**  
(Continued)

**TERM**

SCP is effective beginning on the date the transition bonds are issued. SCP will remain in effect as provided in the Order until the SCP Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the transition bonds (as due over the 15-year term of the transition bonds) and to pay all other qualified costs as provided in the Order. However, in no event with the SCP Charges be billed for service after 17 years from issuance of the transition bonds, or sooner if the transition bonds are paid in full at an earlier date. This SCP is irrevocable.

**SCP ALLOCATION FACTORS**

The initial Generation Demand Allocation Percentage ("SCP Allocations") for each Rate are set out below. These initial SCP Allocation factors will remain in effect throughout the life of the transition bonds unless a modification is made pursuant to the allocation adjustment provisions set forth below in this SCP:

<u>Rate</u>	
Lighting (SL & OL)	0.45% Sales
	Generation Demand Allocation <u>Percentage</u> <sup>1</sup>
RS	40.6160%
B	0.1307%
SGS	1.8234%
DGS/MLA	27.9043%
OSS	2.1556%
LP	24.6258%
BAMP	1.8495%
HLF	0.8947%

**SCP ALLOCATION ADJUSTMENT**

The SCP Allocations will be subject to adjustment using the procedures in this Section. The SCP Allocations may be revised as part of a base rate proceeding to reflect the cost allocations approved as part of the base rate proceeding. The SCP Allocations may also be revised in a separately docketed proceeding when necessary to avoid unreasonable rates to customers in customer classes that have experienced material changes in electric load or in the number of customers. Any changes to the SCP Allocations must ensure that the SCP charge (a) preserves the rating of the securitization bonds; and (b) does not impair or reduce the total securitization charges.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**  
(Continued)

**SCP CHARGES**

Each year, not earlier than forty-five (45) days before the date (or subsequent anniversary) of the issuance of securitization bonds under the Order, and not later than the date (or subsequent anniversary) of the issuance of the securitization bonds, Company or successor servicer shall submit to the Commission an application to do the following: (1) Correct any over collections or under collections of securitization charges during the twelve (12) months preceding the date of the filing of Company's application under Ind. Code § 8-1-40.5-12(c). For the annual review, the electric utility shall correct for any over collections or under collections of securitization charges during those months: (A) that precede the date of the filing of the Company's application under Ind. Code § 8-1-40.5-12(c); and (B) in which securitization charges were collected. (2) Ensure, through proposed securitization charges, as set forth by the electric utility in the application, the expected recovery of amounts sufficient to timely provide all payments of debt service of securitization bonds and other required amounts and charges in connection with the securitization bonds (the "True-Up").

All annual and interim adjustments will be designed to cause (i) the outstanding principal balance of the transition bonds to be equal to the scheduled balance on the expected amortization schedule; (ii) the amount in the capital subaccount to be equal to the required capital plus any investment earnings on amounts in the capital subaccount to the extent that the investment earnings have not been released to the SPE and (iii) the reserve subaccount to be zero by the payment date immediately preceding the next adjustment or by the final payment date, if the next payment date is the final payment date.

In addition, True-Ups are permitted more frequently at any time the Company or subsequent servicer determines that a True-Up is needed for this purpose. The True-Up beginning period will be the date immediately subsequent to the previous True-Up ending period. SCP charges shall be calculated in the manner set forth below in accordance with the terms of the Order:

	True-Up Period's Actual SCP Revenue Requirement	
Less	True-Up Period's Actual SCP Revenue	
	True-Up Period's Actual SCP (Over)/Under Recovery	
Equals		
Plus	Next Period Securitization's SCP Revenue Requirement	
Equals	Next Period's Total SCP Charge	

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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**

(Continued)

The Next Period's Total Securitization Charge is first allocated to dedicated current and any future lighting rates (currently rates SL and OL) based on their kWh to the Company's total kWh. The remaining Next Period's Total Securitization Charge is then allocated to individual rates based on the Generation Demand Allocation. The resultant Next Period's Total Securitization Charge is divided by the Next Period's Effective Forecast Sales to arrive at SCP per kWh Charge.

**SCP CHARGE**

<u>Rate</u>	<u>Charge</u>	<u>SCP Rate (\$ per kWh)</u>
Lighting (SL & OL)	Energy	\$0.0000
	Generation Demand Allocation <u>Percentage <sup>1</sup></u>	
RS	40.6160%	Energy \$0.0000
B	0.1307%	Energy \$0.0000
SGS	1.8234%	Energy \$0.0000
DGS/MLA	27.9043%	Energy \$0.0000
OSS	2.1556%	Energy \$0.0000
LP	24.6258%	Energy \$0.0000
BAMP	1.8495%	Energy **
HLF	0.8947%	Energy **

\*\* Confidential – source Cause No. \_\_\_\_\_, workpaper MAR WP-1

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**

(Continued)

**SCP MINIMUM CHARGE**

The SCP per kWh will be applied to the Customer's metered kWh for the billing period to arrive at the Initial SCP Charge. For those applicable rates the Actual SCP Charge will be the greater of the Initial SCP Charge and the SCP Minimum Charge designated below.

	SCP Minimum Monthly Charge
RS	\$0.00
B	n/a
SGS	\$0.00
DGS/MLA/OSS	\$0.00
LP	n/a
BAMP	n/a
HLF	n/a

**GENERAL**

In the event that any Order of the Commission relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Effective:

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## **APPENDIX G** **SECURITIZATION RATE REDUCTION (SRR)**

### **APPLICABILITY**

The Securitization Rate Reduction (SRR) refund shall apply to all Customers on existing and future Company Tariff Rates while Appendix G is in effect. Existing and future Tariff Rates are inclusive of the Tariff's General Terms and Conditions Applicable to Electric Service.

### **DESCRIPTION**

The Rate per kWh amounts of the SRR was determined in the \_\_\_\_\_, 20\_\_ Financing Order (Order), issued by the Commission in Cause No. \_\_\_\_\_. The SRR refund shall commence on Customer's bills in accordance with the timing contained in the Order, \_\_\_\_\_, 20\_\_ through the end of the Tariff for Electric Service, I.U.R.C No. E-13.

### **TRUE UP FOR SECURITIZATION RATE REDUCTION**

CEI South shall submit to the Commission a SRR application in conjunction with the Appendix F, Securitization of Coal Plants (SCP) application. The SRR application shall (1) Correct any over collections or under collections of SRR during the twelve (12) months preceding the date. For the annual review, the electric utility shall correct for any over collections or under collections of SRR during those months: (A) that precede the date of the application and (B) in which SRR were collected. (2) Ensure, through the proposed SRR, as set forth by the electric utility in the application, the expected recovery of amounts (the "True-Up").

In addition, True-Ups are permitted more frequently than annually, at any time for which the SCP application is filed. The SRR True-Up beginning period will be the date immediately subsequent to the previous True-Up ending period. SRR charges shall be calculated in the manner set forth below in accordance with the terms of the Order:

	True-Up Period's Actual SRR Revenue Requirement	
Less	True-Up Period's Actual SRR Revenue	
	<hr/>	
Equals		True-Up Period's Actual SRR (Over)/Under Recovery
Plus		Next Period Securitization's SRR Revenue Requirement
Equals		<hr/> <hr/> Next Period's Total SRR

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**APPENDIX G**  
**SECURITIZATION RATE REDUCTION (SRR)**  
(Continued)

The Next Period's Total SRR is first allocated to dedicated current and any future lighting rates (currently rates SL and OL) based on their kWh to the Company's total kWh. The resultant rate's Next Period's Total SRR is then allocated to individual rates based on the Generation Demand Allocation. The resultant rate's Next Period's Total SRR is divided by the rate's Next Period's Forecast Sales to arrive at rate's SRR per kWh Charge.

**SRR REFUND**

<u>Rate</u>	<u>Charge</u>	<u>SRR Rate (\$ per kWh)</u>
Lighting (SL & OL)	Energy	\$0.0000
	Generation Demand Allocation Percentage <sup>1</sup>	
RS	40.6160%	Energy \$0.0000
B	0.1307%	Energy \$0.0000
SGS	1.8234%	Energy \$0.0000
DGS/MLA	27.9043%	Energy \$0.0000
OSS	2.1556%	Energy \$0.0000
LP	24.6258%	Energy \$0.0000
BAMP	1.8495%	Energy **
HLF	0.8947%	Energy **

\*\* Confidential – source Cause No. \_\_\_\_\_ , workpaper MAR WP-1

**GENERAL**

In the event that any Order of the Commission relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

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## **APPENDIX H** **SECURITIZATION ADIT CREDIT (SAC)**

### **APPLICABILITY**

The Securitization ADIT Credit (SAC – Securitization “Accumulated Deferred Income Tax” Credit) shall apply to all Customer metered energy for existing and future Company Tariff Rates beginning with and through the term of the Securitization of Coal Plants, Appendix F. The Securitization ADIT Credit is defined in the \_\_\_\_\_, 20\_\_ Financing Order (Order), issued by the Commission in Cause No. \_\_\_\_\_. Existing and future Tariff Rates are inclusive of the Tariff’s General Terms and Conditions Applicable to Electric Service.

### **SAC ALLOCATION FACTORS**

The initial Generation Demand Allocation Percentage (“SAC Allocations”) for each Rate are set out below. These initial SAC Allocation factors will remain in effect throughout the life of the securitization bonds unless a modification is made pursuant to the allocation adjustment provisions set forth below in this SAC:

<u>Rate</u>	<u>Generation Demand Allocation Percentage <sup>1</sup></u>
Lighting (SL & OL)	0.45% Sales
RS	40.6160%
B	0.1307%
SGS	1.8234%
DGS/MLA	27.9043%
OSS	2.1556%
LP	24.6258%
BAMP	1.8495%
HLF	0.8947%

### **SAC ALLOCATION ADJUSTMENT**

The SAC Allocations will be subject to adjustment using the procedures in this Section. The SAC Allocations may be revised as part of a base rate proceeding to reflect the cost allocations approved as part of the base rate proceeding. The SAC Allocations may also be revised in a separately docketed proceeding when necessary to avoid unreasonable rates to customers in customer classes that have experienced material changes in electric load or in the number of customers. Any changes to the SAC Allocations must ensure that the SAC charge (a) preserves the rating of the securitization bonds; and (b) does not impair or reduce the total securitization charges.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.



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**APPENDIX H**  
**SECURITIZATION ADIT CREDIT (SAC)**

(Continued)

**TRUE UP FOR SECURITIZATION ADIT CREDIT**

CEI South shall submit to the Commission a SAC application in conjunction with the Appendix F, Securitization of Coal Plants (SCP) application. The SAC application shall (1) Correct any over collections or under collections of SAC during the twelve (12) months preceding the date. For the annual review, the electric utility shall correct for any over collections or under collections of SAC during those months: (A) that precede the date of the application and (B) in which SAC were collected. (2) Ensure, through the proposed SAC, as set forth by the electric utility in the application, the expected recovery of amounts (the "True-Up").

In addition, True-Ups are permitted more frequently than annually, at any time for which the SCP application is filed. The SAC True-Up beginning period will be the date immediately subsequent to the previous True-Up ending period. SAC charges shall be calculated in the manner set forth below in accordance with the terms of the Order:

	True-Up Period's Actual SAC Revenue Requirement	
Less	True-Up Period's Actual SAC Revenue	
	<hr style="width: 50%; margin: 0 auto;"/>	
Equals		True-Up Period's Actual SAC (Over)/Under Recovery
Plus		Next Period Securitization's SAC Revenue Requirement
Equals		<hr style="width: 50%; margin: 0 auto;"/> Next Period's Total SAC

The Next Period's Total Securitization ADIT Credit is first allocated to dedicated current and any future lighting rates (currently rates SL and OL) based on their kWh to the Company's total kWh. The resultant rate's Next Period's Total SAC is then allocated to individual rates based on the Generation Demand Allocation. The resultant rate's Next Period's Total SAC is divided by the rate's Next Period's Forecast Sales to arrive at rate's SAC per kWh Charge.

Effective:

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**APPENDIX H**  
**SECURITIZATION ADIT CREDIT (SAC)**  
(Continued)

**SECURITIZATION ADIT CREDIT (SAC)**

<u>Rate</u>		<u>Credit</u>	<u>SAC Rate (\$ per KWh)</u>
Lighting (SL & OL)		Energy	\$0.0000
	<u>Generation Demand Allocation Percentage <sup>1</sup></u>		
RS	40.6160%	Energy	\$0.0000
B	0.1307%	Energy	\$0.0000
SGS	1.8234%	Energy	\$0.0000
DGS/MLA	27.9043%	Energy	\$0.0000
OSS	2.1556%	Energy	\$0.0000
LP	24.6258%	Energy	\$0.0000
BAMP	1.8495%	Energy	**
HLF	0.8947%	Energy	**

\*\* Confidential – source Cause No. \_\_\_\_\_ , workpaper MAR WP-1

**GENERAL**

In the event that any Order of the Commission relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

Securitization Tariff - Redline

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## TARIFF SHEET INDEX

(Continued)

<u>TARIFF SHEET NO.</u>	<u>DESCRIPTION</u>	
	<u>RIDER</u>	<u>RIDERS</u>
50		RESERVED FOR FUTURE USE
51	IP-2	INTERRUPTIBLE POWER SERVICE
52	NM	NET METERING RIDER
53	EDG	EXCESS DISTRIBUTED GENERATION RIDER
54	DLC	DIRECT LOAD CONTROL RIDER
55	IC	INTERRUPTIBLE CONTRACT RIDER
56	IO	INTERRUPTIBLE OPTION RIDER
57	AFS	ALTERNATE FEED SERVICE RIDER
58	ED	ECONOMIC DEVELOPMENT RIDER
59	AD	AREA DEVELOPMENT RIDER
60	TS	TEMPORARY SERVICE RIDER
61	SAS	STANDBY OR AUXILIARY SERVICE RIDER
62	DR	MISO DEMAND RESPONSE RIDER
63-64		RESERVED FOR FUTURE USE
	<u>APPENDIX</u>	<u>ADJUSTMENTS</u>
65	A	FUEL ADJUSTMENT CLAUSE (FAC)
66	B	DEMAND SIDE MANAGEMENT ADJUSTMENT (DSMA)
67	C	CLEAN ENERGY COST ADJUSTMENT (CECA)
68	D	OTHER CHARGES
69	E	ENVIRONMENTAL COST ADJUSTMENT (ECA)
<u>70</u>	<u>F</u>	<u>SECURITIZATION OF COAL PLANTS (SCP)</u>
<u>71</u>	<u>G</u>	<u>SECURITIZATION RATE REDUCTION (SRR)</u>
<u>72</u>	<u>H</u>	<u>SECURITIZATION ADIT CREDIT (SAC)</u>
73	I	MISO COST AND REVENUE ADJUSTMENT (MCRA)
74	J	RELIABILITY COST AND REVENUE ADJUSTMENT (RCRA)
75	K	TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
76-78		RESERVED FOR FUTURE USE
	<u>RATE</u>	<u>PURCHASE RATES</u>
79	CSP	COGENERATION AND SMALL POWER PRODUCTION

Effective:

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## **RATE RS** **RESIDENTIAL SERVICE**

(Continued)

### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge.

### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

### **Riders:**

The following Riders are available to qualified Customers:

- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider

### **Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

### **TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

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## RATE B WATER HEATING SERVICE

### AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and power supplies, which determinations shall be within Company's reasonable discretion.

### APPLICABILITY

This Rate Schedule shall be applicable to Customers electing service hereunder for separately metered service used for water heating, subject to the conditions set forth below. This Rate Schedule is closed to new Customers.

### CHARACTER OF SERVICE

Service provided hereunder shall be alternating current, sixty hertz, Single Phase, three-wire 120/240 or 120/208 nominal volts, or any other mutually agreed upon voltages.

### RATES AND CHARGES

The monthly Rate and Charges for service hereunder shall be:

**Customer Facilities Charge:**

\$ 5.00 per month

**Energy Charge:**

\$0.04688 per kWh for all kWh used per month

**Fuel Charge:**

\$0.03889 per kWh for all kWh used per month

**Variable Production Charge:**

\$0.00475 per kWh for all kWh used per month

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge.

**Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Riders:**

The following Rider is available to qualified Customers:

- Rider DLC – Direct Load Control Rider

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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## RATE SGS SMALL GENERAL SERVICE

### AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and power supplies, which determinations shall be within Company's reasonable discretion.

### APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer with a Prior Year Maximum Demand or, if new Customer, an estimated Maximum Demand, of 10kW, or less electing service hereunder. Company shall determine Customer's estimated Maximum Demand by review of the connected load or other suitable means.

### CHARACTER OF SERVICE

Service provided hereunder shall be alternating current, sixty hertz, Single Phase, three-wire 120/240 or 120/208 nominal volts, or any other mutually agreed upon voltages.

### RATES AND CHARGES

The monthly Rates and Charges for service hereunder shall be:

#### **Customer Facilities Charge:**

\$11.00 per month

#### **Energy Charge:**

\$0.08811 per kWh for the first 1,000 kWh used per month  
\$0.06686 per kWh for the next 1,000 kWh used per month  
\$0.03687 per kWh for all over 2,000 kWh used per month

#### **Fuel Charge:**

\$0.03889 per kWh for all kWh used per month

#### **Variable Production Charge:**

\$0.00475 per kWh for all kWh used per month

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge.

#### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution and Storage System Improvement Charge

#### **Riders:**

The following Riders are available to qualified Customers:

- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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**RATE DGS**  
**DEMAND GENERAL SERVICE**  
(Continued)

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Facilities Charge plus the Demand Charge.

**Transformer Ownership Discount:**

Customers with a Maximum Demand of 100 kW or greater and receiving service at Company's available Primary Voltage may own, operate and maintain all transformer facilities. A discount of forty-five and one-tenth cents (\$0.451) for each kW of Billing Demand will apply to such customers.

**Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Riders:**

The following Riders are available to qualified Customers:

- Rider IP-2 – Interruptible Power Service
- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider
- Rider TS – Temporary Service Rider
- Rider DR – MISO Demand Response

**Other Charges:** Other Charges set forth in Appendix D shall be charged to Customer.

**DETERMINATION OF BILLING DEMAND**

The Billing Demand for the current month shall be the Maximum Demand, but not less than 60% of the highest Maximum Demand for the Prior Year.

**SEPARATE METERING**

When the lighting and power demands are metered separately, the Maximum Demand of the Month shall be the arithmetical sum of the Maximum Demand of each meter. The energy use of the lighting and power meters shall also be added.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:



Southern Indiana Gas and Electric Company D/B/A  
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## **RATE OSS** **OFF-SEASON SERVICE**

(Continued)

### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

### **Riders:**

The following Riders are available to qualified Customers:

- Rider IP-2 – Interruptible Power Service
- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider DLC – Direct Load Control Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider DR – MISO Demand Response

### **Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

### **DETERMINATION OF BILLING DEMAND**

The Billing Demand for the current month shall be the highest Maximum Demand established during the previous months of June, July, August or September, but not less than 10 kW.

### **TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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**RATE LP**  
**LARGE POWER SERVICE**  
(Continued)

**Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Riders:**

The following Riders are available to qualified Customers:

- Rider IP-2 – Interruptible Power Service
- Rider DLC – Direct Load Control Rider
- Rider IC – Interruptible Contract Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider
- Rider DR – MISO Demand Response

**Other Charges:** Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**DETERMINATION OF BILLING DEMAND**

Unless otherwise specified in the Contract, the Billing Demand for the current month shall be the Maximum Demand, but not less than 60% of the highest Maximum Demand for the Prior Year and in no event less than 300 kVa.

Off-peak demands which will be disregarded in determining the Billing Demand shall be those demands created on Saturdays, Sundays, and holidays designated by Company and between 8:00 P.M. and 7:00 A.M. on any other day, provided that the Billing Demand for the month shall never be less than 50% of the Maximum Demand during such month regardless of when such Maximum Demand occurred.

Company reserves the right, upon thirty-day notice to Customer, to change the off-peak demand periods when peak load conditions on Company's system make such modification necessary. Company shall not be required to increase the capacity of any service facilities in order to furnish off-peak demands.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than three (3) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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## RATE HLF HIGH LOAD FACTOR SERVICE

### AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and power supplies, which determinations shall be within Company's reasonable discretion. This service is available only from facilities operating at Transmission Voltage.

### APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer supplied at a single point of delivery with a Contract Demand of not less than 4,500 kVa electing service hereunder.

This Rate Schedule is not applicable to Customer where 1) an alternate source of power is used, 2) for resale to others, or 3) as a supplement to service furnished under any other Rate Schedule.

### CHARACTER OF SERVICE

Service provided hereunder shall be alternating current, sixty hertz, Three Phase, nominal voltages 69,000, 138,000 volts or any other mutually agreed upon voltages. Customer shall furnish and maintain all necessary transforming, controlling and protective equipment.

### RATES AND CHARGES

The monthly Rates and Charges for service hereunder shall be:

#### **Demand Charge:**

\$19.482 per kVa per month for all kVa of Billing Demand

#### **Fuel Charge:**

\$0.03644 per kWh for all kWh used per month

#### **Variable Production Charge:**

\$0.00445 per kWh for all kWh used per month

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Demand Charge, but not less than \$87,669.00 per month.

#### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
I.U.R.C. No. E-13

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## RATE MLA MUNICIPAL LEVEE AUTHORITY SERVICE

### **Transformer Ownership Discount:**

This discount is available to any Customer electing service under this Rate Schedule, when Customer owns, operates and maintains all transformer facilities and receives service at Company's available Primary Voltage. Customer's current monthly bill will be decreased by forty-five and one-tenth cents (\$0.451) for each kW of Billing Demand.

### **Adjustments:**

The following Adjustments shall be applied monthly:

- Appendix A – Fuel Adjustment Clause
- Appendix B – Demand Side Management Adjustment
- Appendix C – Clean Energy Cost Adjustment
- Appendix E – Environmental Cost Adjustment
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- ~~[Appendix H – Securitization ADIT Credit](#)~~
- Appendix I – MISO Cost and Revenue Adjustment
- Appendix J – Reliability Cost and Revenue Adjustment
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

### **Riders:**

The following Riders are available to qualified Customers:

- Rider NM – Net Metering Rider
- Rider EDG – Excess Distributed Generation Rider
- Rider IO – Interruptible Option Rider
- Rider AFS – Alternate Feed Service Rider
- Rider ED – Economic Development Rider
- Rider TS – Temporary Service Rider
- Rider DR – MISO Demand Response

**Other Charges:** Other Charges set forth in Appendix D be charged to Customer.

### **DETERMINATION OF BILLING DEMAND**

Billing Demand shall be the higher of Maximum Demand and Monthly Contract Demand. The Monthly Contract Demand shall be the demand amount agreed upon between Customer and Company in a Contract.

### **SEPARATE METERING**

When the lighting and power demands are metered separately, the Maximum Demand of the Month shall be the arithmetical sum of the Maximum Demand of each meter. The energy use of the lighting and power meters shall also be added.

### **CONTRACT**

For service hereunder, a written contract is required for an initial term of not less than two (2) years and such contract shall continue for annual successive terms unless cancelled. The contract may be cancelled by either party by giving written notice to the other party not less than one (1) year prior to the date of termination.

### **TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
I.U.R.C. No. E-13

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## **RATE SL-1** **STREET LIGHTING SERVICE**

(Continued)

In lieu of the annual rates herein set forth for underground service, Customer may elect to pay to Company prior to the installation of such underground service, the difference between the amount of investment required for the underground system and the amount required for a comparable overhead system. In the event Customer makes such election and payment, the rates herein provided for comparable overhead service shall apply.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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**RATE SL-2**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Post Top Lantern Type Luminaire)**  
(Continued)

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- [Appendix A – Fuel Adjustment Clause](#)
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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**RATE SL-3**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Contemporary Spherical)**  
(Continued)

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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**RATE SL-5**  
**EXPRESSWAY LIGHTING SERVICE**  
(Continued)

Twin 400 Watt high pressure sodium lamps and fixtures with an approximate 40 foot mounting height (Frangible Construction)	\$646.95
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400 Watt high pressure sodium lamp and fixture with an approximate 40 foot mounting height (Non-Frangible Construction)	\$456.85
---	----------

(C) Light Emitting Diode (LED) Street Lighting Rates

Underground Construction – Metal Poles

210 Watt LED lamp and fixture with an approximate 40 foot mounting height (Frangible Construction)	\$485.39
--	----------

Twin 210 Watt LED lamps and fixtures with an approximate 40 foot mounting height (Frangible Construction)	\$660.92
---	----------

210 Watt LED lamp and fixture with an approximate 40 foot mounting height (Non-Frangible Construction)	\$463.84
--	----------

This Rate Schedule is restricted to installation at Company expense of not more than an average of 175 feet of underground feeder per unit. Under this Rate Schedule, Company will not be required at its expense to break and replace concrete or to bore under pavement and/or sidewalk. Customer will pay to Company in advance of installation the estimated cost of all underground feeder in excess of an average of 175 feet per unit and the estimated cost of breaking, replacing, and boring under pavement and/or sidewalk. The average length of the underground feeder per unit shall be determined by dividing the total length of underground feeder necessary for installation by the number of units installed pursuant to any one request order.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- Appendix F – Securitization of Coal Plants
- Appendix G – Securitization Rate Reduction
- Appendix H – Securitization ADIT Credit
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

Effective:



Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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**RATE SL-7**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Turn of the Century)**  
(Continued)

This Rate Schedule is restricted to installation at Company expense of not more than an average of 45' of underground feeder per unit. Under this Rate Schedule, Company will not be required at its expense to break and replace concrete or to bore under pavement and/or sidewalk. Customer will pay to Company in advance of installation the estimated cost of all underground feeder in excess of an average of 45' per unit and the estimated cost of breaking, replacing, and boring under pavement and/or sidewalk. The average length of the underground feeder per unit shall be determined by dividing the total length of underground feeder necessary for installation by the number of units installed pursuant to any one request order.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of one-twelfth of the applicable Annual Facilities Charges for all Street Lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
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**RATE SL-8**  
**ORNAMENTAL STREET LIGHTING SERVICE**  
**(Post Top Lighting Service)**  
(Continued)

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**PAYMENT**

Bills are payable monthly on or before the fifteenth day of the month following the calendar month during which service was supplied.

**HOURS OF USE**

Service shall extend from approximately one-half hour after sunset until one-half hour before sunrise, each and every night of the year, a total of approximately 4,000 hours each year.

**CONTRACT**

For service hereunder, a written Contract is required for an initial term of not less than ten (10) years or for a longer period where unusual expenditures by Company may be necessary to provide service, and such Contract shall continue for annual successive terms unless cancelled. The Contract may be cancelled by either party by providing written notice to the other party not less than one (1) year prior to the date of termination.

The Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of costs associated with replacement facilities.

**TERMS AND CONDITIONS OF SERVICE**

Service under this Rate Schedule shall be governed by Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
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**RATE OL**  
**OUTDOOR LIGHTING SERVICE (DUSK TO DAWN)**  
(Continued)

When other new facilities are installed by Company, Customer will in addition to the above Monthly Facilities Charge, pay in advance of installation, the cost for the new overhead facilities extending from the nearest or most suitable pole of Company to the point designated by Customer for the installation of said lamp. Company, at its option, may permit Customer to pay for such additional facilities in equal monthly installments extending over a period not to exceed twelve (12) months.

**Fuel Charge:**

\$0.03889 per kWh per month determined based on Hours of Use

**Variable Production Charge:**

\$0.00475 per kWh per month determined based on Hours of Use

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the sum of the Monthly Facilities Charges for all outdoor lights installed for Customer.

**Adjustments:**

The following Adjustments shall be applied monthly to kWh determined based on Hours of Use:

- Appendix A – Fuel Adjustment Clause
- [Appendix F – Securitization of Coal Plants](#)
- [Appendix G – Securitization Rate Reduction](#)
- [Appendix H – Securitization ADIT Credit](#)
- Appendix K – Transmission, Distribution, and Storage System Improvement Charge

**Other Charges:**

The Other Charges set forth in Appendix D shall be charged to Customer, if applicable.

**CONTRACT**

A Customer requesting service under this Rate Schedule, shall make and enter into a contract with Company in accordance with the following provisions:

- 4) The term of contract for Residential Customers will be for not less than one (1) year.
- 5) The term of contract for Non-Residential Customers will be for not less than three (3) years.
- 6) The term of contract for all Customers renting additional facilities on a monthly basis will be for not less than five (5) years.

Contracts for service hereunder may also contain other appropriate terms and conditions including annual payment in advance in cases where Company may deem it necessary to insure payment of Bills throughout the term of the contract.

Company will not replace functioning fixtures with new facilities at the request of Customer without specific Contract terms or addendums addressing the reimbursement of associated costs.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
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## **APPENDIX F** **SECURITIZATION OF COAL PLANTS (SCP)**

### **APPLICABILITY**

This Tariff sets out the rates and terms and conditions under which the Securitization of Coal Plants (SCP) charges will be billed and collected by Company, any successor servicer(s) or collection agents billing or collecting SCP on behalf of CenterPoint Energy Transition Bond Company \_\_\_\_\_, LLC (SPE). The SCP charge was authorized by the Financing Order (Order) approved by the Commission in Cause No. \_\_\_\_\_ on \_\_\_\_\_, 2022. Pursuant to terms of the Order and the requirements of Ind. Code § 8-1-40.5-1 et. seq., all of the Company's rights under the Order, including the right to bill and collect the SCP, were transferred to the SPE in connection with the issuance of transition bonds. The rights transferred to the SPE are securitization "property" of the SPE (as defined in Ind. Code 8-1-40.5 9). On the effective date of SCP, the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust SCP charges imposed pursuant to SCP. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with the terms and subject to the conditions of the Servicing Agreements and the Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under SCP. As used in SCP, the term "Servicer" includes any successor servicer. All actions by the Company under this SCP, including collection of SCP charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated as of \_\_\_\_\_, 2023.

The SCP charge shall apply to all Customer metered consumption for existing and future Company Tariff Rates located within the certificated service area of Company as such service area existed on May 10, 2022. Existing and future Tariff Rates are inclusive of the Tariff's General Terms and Conditions Applicable to Electric Service.

### **CHARACTER OF SCP CHARGES**

SCP Charges are non-bypassable. Individual end-use retail customers are responsible for paying SCP Charges billed to them in accordance with the terms of SCP whether the charges are billed directly by Servicer or are included in the bills submitted to the customer by another entity. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Order. The billing entity may be the Company or a successor servicer.

The SCP Charges are separate charges to be paid in addition to any other applicable charges for services received. Although the SCP Charges are separate charges, they may be included within other charges of the billing entity.

Servicer will remit collections to the SPE in accordance with the terms of the Servicing Agreement.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**  
(Continued)

**TERM**

SCP is effective beginning on the date the transition bonds are issued. SCP will remain in effect as provided in the Order until the SCP Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the transition bonds (as due over the 15-year term of the transition bonds) and to pay all other qualified costs as provided in the Order. However, in no event with the SCP Charges be billed for service after 17 years from issuance of the transition bonds, or sooner if the transition bonds are paid in full at an earlier date. This SCP is irrevocable.

**SCP ALLOCATION FACTORS**

The initial Generation Demand Allocation Percentage ("SCP Allocations") for each Rate are set out below. These initial SCP Allocation factors will remain in effect throughout the life of the transition bonds unless a modification is made pursuant to the allocation adjustment provisions set forth below in this SCP:

<u>Rate</u>	<u>0.45% Sales</u>
<u>Lighting (SL &amp; OL)</u>	<u>Generation Demand Allocation Percentage <sup>1</sup></u>
<u>RS</u>	<u>40.6160%</u>
<u>B</u>	<u>0.1307%</u>
<u>SGS</u>	<u>1.8234%</u>
<u>DGS/MLA</u>	<u>27.9043%</u>
<u>OSS</u>	<u>2.1556%</u>
<u>LP</u>	<u>24.6258%</u>
<u>BAMP</u>	<u>1.8495%</u>
<u>HLF</u>	<u>0.8947%</u>

**SCP ALLOCATION ADJUSTMENT**

The SCP Allocations will be subject to adjustment using the procedures in this Section. The SCP Allocations may be revised as part of a base rate proceeding to reflect the cost allocations approved as part of the base rate proceeding. The SCP Allocations may also be revised in a separately docketed proceeding when necessary to avoid unreasonable rates to customers in customer classes that have experienced material changes in electric load or in the number of customers. Any changes to the SCP Allocations must ensure that the SCP charge (a) preserves the rating of the securitization bonds; and (b) does not impair or reduce the total securitization charges.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**  
(Continued)

**SCP CHARGES**

Each year, not earlier than forty-five (45) days before the date (or subsequent anniversary) of the issuance of securitization bonds under the Order, and not later than the date (or subsequent anniversary) of the issuance of the securitization bonds, Company or successor servicer shall submit to the Commission an application to do the following: (1) Correct any over collections or under collections of securitization charges during the twelve (12) months preceding the date of the filing of Company's application under Ind. Code § 8-1-40.5-12(c). For the annual review, the electric utility shall correct for any over collections or under collections of securitization charges during those months: (A) that precede the date of the filing of the Company's application under Ind. Code § 8-1-40.5-12(c); and (B) in which securitization charges were collected. (2) Ensure, through proposed securitization charges, as set forth by the electric utility in the application, the expected recovery of amounts sufficient to timely provide all payments of debt service of securitization bonds and other required amounts and charges in connection with the securitization bonds (the "True-Up").

All annual and interim adjustments will be designed to cause (i) the outstanding principal balance of the transition bonds to be equal to the scheduled balance on the expected amortization schedule; (ii) the amount in the capital subaccount to be equal to the required capital plus any investment earnings on amounts in the capital subaccount to the extent that the investment earnings have not been released to the SPE and (iii) the reserve subaccount to be zero by the payment date immediately preceding the next adjustment or by the final payment date, if the next payment date is the final payment date.

In addition, True-Ups are permitted more frequently at any time the Company or subsequent servicer determines that a True-Up is needed for this purpose. The True-Up beginning period will be the date immediately subsequent to the previous True-Up ending period. SCP charges shall be calculated in the manner set forth below in accordance with the terms of the Order:

	<u>True-Up Period's Actual</u>	
	<u>SCP Revenue</u>	
	<u>Requirement</u>	
<u>Less</u>	<u>True-Up Period's Actual</u>	
	<u>SCP Revenue</u>	
	<hr/>	
<u>Equals</u>		<u>True-Up Period's Actual</u>
		<u>SCP (Over)/Under</u>
		<u>Recovery</u>
<u>Plus</u>		<u>Next Period Securitization's</u>
		<u>SCP Revenue Requirement</u>
		<hr/>
<u>Equals</u>		<u>Next Period's Total SCP</u>
		<u>Charge</u>
		<hr/>

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
Tariff for Electric Service  
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## APPENDIX F

### SECURITIZATION OF COAL PLANTS (SCP)

(Continued)

The Next Period's Total Securitization Charge is first allocated to dedicated current and any future lighting rates (currently rates SL and OL) based on their kWh to the Company's total kWh. The remaining Next Period's Total Securitization Charge is then allocated to individual rates based on the Generation Demand Allocation. The resultant Next Period's Total Securitization Charge is divided by the Next Period's Effective Forecast Sales to arrive at SCP per kWh Charge.

#### SCP CHARGE

<u>Rate</u>		<u>Charge</u>	<u>SCP Rate (\$ per kWh)</u>
<u>Lighting (SL &amp; OL)</u>		<u>Energy</u>	<u>\$0.0000</u>
	<u>Generation Demand Allocation Percentage <sup>1</sup></u>		
<u>RS</u>	<u>40.6160%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>B</u>	<u>0.1307%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>SGS</u>	<u>1.8234%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>DGS/MLA</u>	<u>27.9043%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>OSS</u>	<u>2.1556%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>LP</u>	<u>24.6258%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>BAMP</u>	<u>1.8495%</u>	<u>Energy</u>	<u>**</u>
<u>HLF</u>	<u>0.8947%</u>	<u>Energy</u>	<u>**</u>

\*\* Confidential – source Cause No. \_\_\_\_\_, workpaper MAR WP-1

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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**APPENDIX F**  
**SECURITIZATION OF COAL PLANTS (SCP)**  
(Continued)

**SCP MINIMUM CHARGE**

The SCP per kWh will be applied to the Customer's metered kWh for the billing period to arrive at the Initial SCP Charge. For those applicable rates the Actual SCP Charge will be the greater of the Initial SCP Charge and the SCP Minimum Charge designated below.

	<u>SCP Minimum</u> <u>Monthly</u> <u>Charge</u>
<u>RS</u>	<u>\$0.00</u>
<u>B</u>	<u>n/a</u>
<u>SGS</u>	<u>\$0.00</u>
<u>DGS/MLA/OSS</u>	<u>\$0.00</u>
<u>LP</u>	<u>n/a</u>
<u>BAMP</u>	<u>n/a</u>
<u>HLF</u>	<u>n/a</u>

**GENERAL**

In the event that any Order of the Commission relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Effective:



Southern Indiana Gas and Electric Company D/B/A  
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## APPENDIX G

### SECURITIZATION RATE REDUCTION (SRR)

#### APPLICABILITY

The Securitization Rate Reduction (SRR) refund shall apply to all Customers on existing and future Company Tariff Rates while Appendix G is in effect. Existing and future Tariff Rates are inclusive of the Tariff's General Terms and Conditions Applicable to Electric Service.

#### DESCRIPTION

The Rate per kWh amounts of the SRR was determined in the \_\_\_\_\_, 20\_\_\_\_ Financing Order (Order), issued by the Commission in Cause No. \_\_\_\_\_. The SRR refund shall commence on Customer's bills in accordance with the timing contained in the Order, \_\_\_\_\_, 20\_\_\_\_ through the end of the Tariff for Electric Service, I.U.R.C No. E-13.

#### TRUE UP FOR SECURITIZATION RATE REDUCTION

CEI South shall submit to the Commission a SRR application in conjunction with the Appendix F, Securitization of Coal Plants (SCP) application. The SRR application shall (1) Correct any over collections or under collections of SRR during the twelve (12) months preceding the date. For the annual review, the electric utility shall correct for any over collections or under collections of SRR during those months: (A) that precede the date of the application and (B) in which SRR were collected. (2) Ensure, through the proposed SRR, as set forth by the electric utility in the application, the expected recovery of amounts (the "True-Up").

In addition, True-Ups are permitted more frequently than annually, at any time for which the SCP application is filed. The SRR True-Up beginning period will be the date immediately subsequent to the previous True-Up ending period. SRR charges shall be calculated in the manner set forth below in accordance with the terms of the Order:

	<u>True-Up Period's Actual</u>	
	<u>SRR Revenue</u>	
	<u>Requirement</u>	
<u>Less</u>		
	<u>True-Up Period's Actual</u>	
	<u>SRR Revenue</u>	
	<hr/>	
<u>Equals</u>		<u>True-Up Period's Actual</u>
		<u>SRR (Over)/Under</u>
		<u>Recovery</u>
<u>Plus</u>		<u>Next Period Securitization's</u>
		<u>SRR Revenue Requirement</u>
<u>Equals</u>		<u>Next Period's Total SRR</u>
		<hr/>

Effective:

Southern Indiana Gas and Electric Company D/B/A  
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**APPENDIX G**  
**SECURITIZATION RATE REDUCTION (SRR)**  
(Continued)

The Next Period's Total SRR is first allocated to dedicated current and any future lighting rates (currently rates SL and OL) based on their kWh to the Company's total kWh. The resultant rate's Next Period's Total SRR is then allocated to individual rates based on the Generation Demand Allocation. The resultant rate's Next Period's Total SRR is divided by the rate's Next Period's Forecast Sales to arrive at rate's SRR per kWh Charge.

**SRR REFUND**

<u>Rate</u>		<u>Charge</u>	<u>SRR Rate</u> <u>(\$ per kWh)</u>
<u>Lighting (SL &amp; OL)</u>		<u>Energy</u>	<u>\$0.0000</u>
	<u>Generation Demand Allocation Percentage<sup>1</sup></u>		
<u>RS</u>	<u>40.6160%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>B</u>	<u>0.1307%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>SGS</u>	<u>1.8234%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>DGS/MLA</u>	<u>27.9043%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>OSS</u>	<u>2.1556%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>LP</u>	<u>24.6258%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>BAMP</u>	<u>1.8495%</u>	<u>Energy</u>	<u>**</u>
<u>HLF</u>	<u>0.8947%</u>	<u>Energy</u>	<u>**</u>

\*\* Confidential – source Cause No. \_\_\_\_\_, workpaper MAR WP-1

**GENERAL**

In the event that any Order of the Commission relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

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## APPENDIX H

### SECURITIZATION ADIT CREDIT (SAC)

#### APPLICABILITY

The Securitization ADIT Credit (SAC – Securitization “Accumulated Deferred Income Tax” Credit) shall apply to all Customer metered energy for existing and future Company Tariff Rates beginning with and through the term of the Securitization of Coal Plants, Appendix F. The Securitization ADIT Credit is defined in the \_\_\_\_\_, 20\_\_\_\_ Financing Order (Order), issued by the Commission in Cause No. \_\_\_\_\_. Existing and future Tariff Rates are inclusive of the Tariff’s General Terms and Conditions Applicable to Electric Service.

#### SAC ALLOCATION FACTORS

The initial Generation Demand Allocation Percentage (“SAC Allocations”) for each Rate are set out below. These initial SAC Allocation factors will remain in effect throughout the life of the securitization bonds unless a modification is made pursuant to the allocation adjustment provisions set forth below in this SAC:

<u>Rate</u>	<u>0.45% Sales</u>
<u>Lighting (SL &amp; OL)</u>	<u>Generation</u>
	<u>Demand</u>
	<u>Allocation</u>
	<u>Percentage</u> <sup>1</sup>
<u>RS</u>	<u>40.6160%</u>
<u>B</u>	<u>0.1307%</u>
<u>SGS</u>	<u>1.8234%</u>
<u>DGS/MLA</u>	<u>27.9043%</u>
<u>OSS</u>	<u>2.1556%</u>
<u>LP</u>	<u>24.6258%</u>
<u>BAMP</u>	<u>1.8495%</u>
<u>HLF</u>	<u>0.8947%</u>

#### SAC ALLOCATION ADJUSTMENT

The SAC Allocations will be subject to adjustment using the procedures in this Section. The SAC Allocations may be revised as part of a base rate proceeding to reflect the cost allocations approved as part of the base rate proceeding. The SAC Allocations may also be revised in a separately docketed proceeding when necessary to avoid unreasonable rates to customers in customer classes that have experienced material changes in electric load or in the number of customers. Any changes to the SAC Allocations must ensure that the SAC charge (a) preserves the rating of the securitization bonds; and (b) does not impair or reduce the total securitization charges.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

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## APPENDIX H SECURITIZATION ADIT CREDIT (SAC)

(Continued)

### TRUE UP FOR SECURITIZATION ADIT CREDIT

CEI South shall submit to the Commission a SAC application in conjunction with the Appendix F, Securitization of Coal Plants (SCP) application. The SAC application shall (1) Correct any over collections or under collections of SAC during the twelve (12) months preceding the date. For the annual review, the electric utility shall correct for any over collections or under collections of SAC during those months: (A) that precede the date of the application and (B) in which SAC were collected. (2) Ensure, through the proposed SAC, as set forth by the electric utility in the application, the expected recovery of amounts (the "True-Up").

In addition, True-Ups are permitted more frequently than annually, at any time for which the SCP application is filed. The SAC True-Up beginning period will be the date immediately subsequent to the previous True-Up ending period. SAC charges shall be calculated in the manner set forth below in accordance with the terms of the Order:

	<u>True-Up Period's Actual</u> <u>SAC Revenue</u> <u>Requirement</u>	
<u>Less</u>	<u>True-Up Period's Actual</u> <u>SAC Revenue</u>	
	<hr style="width: 50%; margin: 0 auto;"/>	
<u>Equals</u>		<u>True-Up Period's Actual</u> <u>SAC (Over)/Under</u> <u>Recovery</u>
<u>Plus</u>		<u>Next Period Securitization's</u> <u>SAC Revenue Requirement</u>
<u>Equals</u>		<u>Next Period's Total SAC</u>

The Next Period's Total Securitization ADIT Credit is first allocated to dedicated current and any future lighting rates (currently rates SL and OL) based on their kWh to the Company's total kWh. The resultant rate's Next Period's Total SAC is then allocated to individual rates based on the Generation Demand Allocation. The resultant rate's Next Period's Total SAC is divided by the rate's Next Period's Forecast Sales to arrive at rate's SAC per kWh Charge.

Effective:

Southern Indiana Gas and Electric Company D/B/A  
CenterPoint Energy Indiana South (CEI South)  
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## APPENDIX H

### SECURITIZATION ADIT CREDIT (SAC)

(Continued)

#### SECURITIZATION ADIT CREDIT (SAC)

<u>Rate</u>		<u>Credit</u>	<u>SAC</u> <u>Rate</u> <u>(\$ per KWh)</u>
<u>Lighting (SL &amp; OL)</u>		<u>Energy</u>	<u>\$0.0000</u>
	<u>Generation</u> <u>Demand</u> <u>Allocation</u> <u>Percentage <sup>1</sup></u>		
<u>RS</u>	<u>40.6160%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>B</u>	<u>0.1307%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>SGS</u>	<u>1.8234%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>DGS/MLA</u>	<u>27.9043%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>OSS</u>	<u>2.1556%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>LP</u>	<u>24.6258%</u>	<u>Energy</u>	<u>\$0.0000</u>
<u>BAMP</u>	<u>1.8495%</u>	<u>Energy</u>	<u>**</u>
<u>HLF</u>	<u>0.8947%</u>	<u>Energy</u>	<u>**</u>

\*\* Confidential – source Cause No. \_\_\_\_\_, workpaper MAR WP-1

#### GENERAL

In the event that any Order of the Commission relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Effective:

<sup>1</sup> Pursuant to Cause No. 43354-MCRA21-S1 Settlement Agreement for RCRA.

## **Attachment 1**

### **Description of Cash Flow Model**

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY**

**d/b/a CENTERPOINT ENERGY INDIANA SOUTH**

**(CEI SOUTH)**

#### **DESCRIPTION OF THE TRUE-UP MECHANISM AND IMPLEMENTING CASH FLOW MODEL**

##### **Introduction**

The purpose of this attachment is to describe the cash flow model which reflects and implements the true-up mechanism to be used to calculate the Securitization Charges (“SC”) for customers. The SC will be established sufficient, in the aggregate amount, to pay, on a timely basis, the scheduled principal and interest on the Securitization Bonds together with all other ongoing financing costs associated with the Securitization Bonds.

The SCs will be imposed on all retail customers based on customer class based on the allocation factors of each customer class. The SC will be a consumption-based (kWh) charge for each customer class.

A true-up mechanism (or “adjustment mechanism”), as described in Ind. Code § 8-1-40.5-12(c), and as authorized by the Commission in this Financing Order, shall be used to make necessary corrections at least annually, to (a) adjust for the over-collection or under-collection of Securitization Charges, and (b) to ensure the timely and complete payment of the Securitization Bonds and other required amounts and charges in connection with the Securitization Bonds. In addition to the base true-up, periodic true-ups may be performed as necessary to ensure that the amount collected from Securitization Charges is sufficient to service the Securitization Bonds and ensure timely and complete payment of other required amounts and charges in connection with the Securitization Bonds.

The SC established under any true-up mechanism calculation will remain in effect until changed pursuant to the filing of a subsequent true-up mechanism calculation. The remainder of this attachment is organized as follows:

- Overview of the Bond Cash Flow Model; and
- SC rate calculation.

##### **Overview of the Bond Cash Flow Model**

The Bond cash flow model is based upon three basic steps: first, determine the revenue requirement necessary to pay the Securitization Bonds on a payment date; second, allocate this revenue requirement among each customer class based upon the allocation methodology, and third, determine the SC for each SC customer class based upon forecasted consumption by such class during the related payment period (a “Payment Period”), using the most recent sales forecasts.

Each true-up mechanism calculation will show the revenue requirement and resulting SC for each of the next two Payment Periods following the proposed adjustment date. The first Payment

Period means the period commencing on an adjustment date (or, in the case of the initial charge calculations, the Closing Date) and ending on (and including) the first payment date following the adjustment date (the “First Payment Period”); the second Payment Period means the period commencing on the first day of the calendar month of the first payment date following the adjustment date and ending on (and including) the next payment date (the “Second Payment Period”).

The revenue requirement for each Payment Period will include all scheduled (or legally due) payments of principal (including, if any, prior scheduled but unpaid principal payments) and interest on the Securitization Bonds and all other ongoing financing costs payable on such related payment date (collectively, the “Periodic Payment Requirement”). The cash flow model adjusts the Periodic Payment Requirement, using billing uncollectibles and average days sales outstanding data, to determine the “Periodic Billing Requirement” for such Payment Period, which is the amount of SC revenue that must be billed during the Payment Period to ensure that sufficient SC revenues will be received on or prior to the Collection Cut-Off Date to satisfy the Periodic Payment Requirement for such payment date. The Collection Cut-Off Date is the last day of the calendar month immediately preceding the payment date.

Excess funds from prior Payment Periods will be held in an excess funds subaccount.

To take into account cash flow from existing Securitization Charges and any excess funds held under the bond indenture from prior SC collections, the Periodic Payment Requirement is adjusted in two steps:

First, the Periodic Payment Requirement will be decreased taking into account of any funds held or expected to be held by the Trustee in the general collections account or the excess funds subaccount as of date no earlier than fifteen business days prior to the calculation date (the “Calculation Cut-Off Date”).

Second, the Periodic Payment Requirement will be further decreased taking into account the SC collections projected to be collected under the then-current SC rates after the Calculation Cut-Off Date.

### **SC Rate Calculation**

The Bond cash flow model, which reflects the true-up mechanism, will be used to calculate the SC for each customer class.

Step 1: Determine the Periodic Payment Requirement for the First Payment Period, as adjusted as described in the Overview section, as well as the Periodic Billing Requirement for such First Payment Period.

Step 2: Allocate the Periodic Billing Requirement for the First Payment Period using the allocation methodology. For purposes hereof, the Periodic Billing Requirement allocated to each SC customer class will be derived by multiplying the Periodic Billing Requirement for the First Payment Period by the applicable SC allocation factor percentages.

Step 3: Determine a rate per kWh for each customer class for the First Payment Period (a “Clearing Rate”) by dividing each customer classes’ respective portion of the Periodic Billing

Requirement for the First Payment Period by their respective forecasted sales for the First Payment Period.

Step 4: Determine the Periodic Payment Requirement for the Second Payment Period, as adjusted as described in the Overview section, as well as the Periodic Billing Requirement for the Second Payment Period.

Step 5: Repeat Steps 2-4 to allocate the Periodic Billing Requirement and determine the SC Clearing Rate for each SC customer class.

Step 6: Compare the Clearing Rates for each SC customer class in each Payment Period, and the appropriate Clearing Rate will be the SC Rate for the customer class effective upon the next adjustment date. Any excess funds collected in the First or Second Payment Period will be taken into account in the next true-up mechanism calculation.