

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SOUTHERN INDIANA GAS
AND ELECTRIC COMPANY D/B/A
CENTERPOINT ENERGY INDIANA SOUTH
("CEI SOUTH") FOR APPROVAL OF A
CHANGE IN ITS FUEL COST ADJUSTMENT
FOR ELECTRIC SERVICE IN
ACCORDANCE WITH THE ORDER OF THE
COMMISSION IN CAUSE NO. 37712
EFFECTIVE JUNE 18, 1986, AND SENATE
BILL NO. 529 EFFECTIVE APRIL 11, 1979

CAUSE NO. 38708 FAC 139

IURC
PETITIONER'S
EXHIBIT NO. 5
7-10-23 JR
DATE REPORTER

VERIFIED PETITION

Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South") requests that the Indiana Utility Regulatory Commission ("Commission") approve a change in CEI South's fuel cost adjustment ("FAC") for electric service. In support of this petition, CEI South states the following.

1. CEI South is a public electric generating utility corporation organized and existing under the laws of the State of Indiana and has its principal office at 211 NW Riverside Drive, Evansville, Indiana 47708. CEI South has charter power and authority to engage in, and is engaged in the business of, rendering retail electric service solely within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly acquired. CEI South owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities within the State of Indiana, which are used and useful for the production, storage, transmission, distribution, and furnishing electric service to approximately 150,000 electric consumers in southwestern Indiana. Its service territory is spread throughout seven counties: Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick,

OFFICIAL
EXHIBITS

and Spencer counties. CEI South is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act and other laws of the State of Indiana.

2. The names and addresses of CEI South's attorneys in this matter, who are authorized to accept service of papers in this Cause on behalf of CEI South are:

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Jeffery A. Earl, Atty. No. 27821-64
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3. This Petition is filed pursuant to provisions of the Public Service Commission Act, Ind. Code § 8-1-2-42(b), Senate Bill No. 529, which became effective April 11, 1979, as well as Ind. Code § 8-1-2-42(a) to the extent applicable, for the purpose of securing authorization for and approval of a change in the fuel cost adjustment and the reconciliation of the incremental fuel cost billed and the incremental fuel cost actually experienced during June – August 2022 (the "reconciliation period").

4. CEI South received approval on April 27, 2011, in its most recent electric base rate case, Cause No. 43839, to utilize line-loss-adjusted fuel adjustment charges (“FAC”) for the various voltage-level rate classes. The various rate classes have base costs of fuel that vary according to their line losses, and their fuel cost adjustments are based on the same line loss adjustments.
5. CEI South’s cost of fuel per kilowatt-hour supplied, based upon the three-month average for the months of August, September, and October 2023 (the “FAC period”) is estimated to be \$36.817, including the reconciliation of the incremental fuel cost billed and the incremental fuel cost actually incurred during the reconciliation period. The line-loss-adjusted fuel adjustment charges, modified for the estimated cost of Company Use, in mills per kilowatt-hour billed during the FAC period by Rate Schedule are as follows:

	RS, B, SGS, OSS, OL, and SL					DGS/ MLA	LP	HLF	Special Contracts
Line-Loss Adjusted Fuel Cost per kWh Sold	50.900	50.878	49.530	48.086	30.095				
Est. cost of Company Use	<u>0.088</u>	<u>0.088</u>	<u>0.088</u>	<u>0.088</u>	<u>0.088</u>				
Total Fuel Cost per kWh Sold	50.988	50.966	49.618	48.174	30.183				
Less Base Cost of Fuel	<u>38.295</u>	<u>38.275</u>	<u>37.123</u>	<u>35.883</u>					
FAC per kWh Sold	12.693	12.691	12.495	12.291	30.183				

The estimated cost data supporting the estimated fuel cost adjustment and the actual reconciliation period cost data supporting the fuel cost variance amount are set forth in Petitioner’s Exhibit No. 2, Attachment RMW-2. Such fuel cost charges are calculated in

accordance with the fuel cost adjustment formula set forth in this Commission's Orders in Cause No. 37712 and in Cause No. 43839.

6. The bill for a residential customer using 1,000 kilowatt-hours of electricity in any month under CEI South's Rate RS, without adjustments, is \$144.10. CEI South's estimated cost of fuel for Rate RS during the FAC period of 50.988 mills per kWh is 12.693 mills per kWh higher than the base cost of fuel of 38.295 mills per kWh. Thus, the estimated monthly bill during the FAC period for a Residential-Standard customer using 1,000 kWh will include an incremental fuel cost charge of \$12.69, which is 8.81% of such bill at base rates. The requested fuel cost adjustment is an increase of 11.259 mills per kWh from the currently approved fuel cost adjustment.
7. CEI South represents that: (a) CEI South has made every reasonable effort to acquire fuel and generate and/or purchase power so as to provide electricity to its retail customers at the lowest fuel cost reasonably possible; (b) the actual increases in fuel cost through the latest month for which actual fuel costs are available since the last order of the Commission approving CEI South's basic rates, in said Cause No. 43839, have not been offset by actual decreases in CEI South's other operating expenses as set forth in Petitioner's Exhibit No. 3, Attachment CMB-1; (c) the fuel cost charge applied for will not result in CEI South earning a return in excess of the return authorized by the Commission in the last proceeding in which the basic rates and charges of the electric utility were approved as set forth in Petitioner's Exhibit No. 3, Attachment CMB-2; and (d) the estimate of its prospective average fuel costs for the FAC period are reasonable after taking into consideration the reconciliation of its actual fuel cost recoveries for the reconciliation period.

8. In Cause No. 43414, CEI South agreed in an approved settlement, that remains in effect, that a Daily Benchmark is used to evaluate the reasonableness of purchased power costs. The Daily Benchmark is based upon a generic GT, using a generic GT heat rate of 12,500 btu/kWh, using the NYMEX Henry Hub Gas day ahead natural gas price plus \$0.60 gas transport charge for a generic gas-fired GT. The calculations supporting the applicable benchmarks for the reconciliation period is set forth in Petitioner's Exhibit No. 1, Attachment FSB-1, attached hereto and made a part thereof.
9. Pursuant to the settlement approved in Cause No. 43672, a Daily Benchmark has been established to determine whether CEI South incurred any Contestable Revenue Sufficiency Guarantee ("RSG") amounts from the Midcontinent Independent System Operator ("MISO"). This Daily Benchmark is based upon a generic GT, using a generic GT heat rate of 12,500 btu/kWh, using the NYMEX Henry Hub Gas day ahead price plus \$0.60 gas transport charge for a generic gas-fired GT. The calculations supporting the applicable benchmarks for the reconciliation period are set forth in Petitioner's Exhibit No. 1, Attachment FSB-1, attached hereto and made a part thereof. Pursuant to the Commission's Order in Cause No. 42962, CEI South identifies for informational purposes the amount of Contestable RSG in the testimony of Mr. Ryan M. Wilhelmus in this Cause. However, recovery of Contestable RSG amounts is addressed in CEI South's MISO Cost and Revenue Adjustment ("MCRA").
10. CEI South's fuel cost adjustment includes a request for recovery of certain MISO charge types, as authorized in the Commission's Order in Phase II of Cause No. 43426 dated June 30, 2009 ("Phase II Order"). The charge types result from participation in the MISO Ancillary Services Market ("ASM"). The Commission also found that all other MISO

charge types should continue to be treated for ratemaking purposes as they were on the date of the Phase II Order. Pursuant to the Phase II Order, CEI South will report the monthly average ASM Cost Distribution Amounts for Regulation, Spinning and Supplemental Reserves in the testimony of Mr. F. Shane Bradford. CEI South's fuel cost adjustment includes recovery of modified charge types and one new charge type that became effective on June 12, 2012, as a result of FERC Order 719 and FERC Order 745. FERC Order 719 reforms aspects of the operation of organized wholesale electric markets in the area of demand response. FERC Order 745 addresses the demand response compensation in the organized wholesale Energy Markets.

11. Applying the benchmarks set forth in paragraph 9 to individual power purchase transactions included in this proceeding, CEI South is requesting recovery of purchased power costs in excess of the Daily Benchmarks in the amount of \$5,795,782.49 in December 2022, \$74,567.49 in January 2023, and \$24,608.51 in February 2023.
12. This Petition is made in conformity with the Commission's Orders in Cause No. 42685, Cause No. 43426 Phase I, and Cause No. 43426 Phase II. In compliance with the Commission's General Administrative Order ("GAO") 2020-05 issued December 29, 2020, the table on the following page represents the percentage increase/(decrease) in rates, inclusive of (over)/under retail variance:

Rate Class	Total Rate	Total Rate	% Change
	Proposed (\$/kWh)	Current (\$/kWh)	
RS, B, SGS, OSS, SL, OL	\$ 0.012693	\$ 0.001434	785.15%
DGS	\$ 0.012691	\$ 0.001441	780.71%
LP	\$ 0.012495	\$ 0.001561	700.45%
HLF	\$ 0.012291	\$ 0.001692	626.42%
Special Contract	\$ 0.030183	\$ 0.027609	9.32%

13. CEI South utilizes Indiana coal as its primary fuel source for electric generation. Coal is purchased both under long term contracts and from spot market sources to maintain a reliable source of low-cost, high-quality coal.
14. The books and records of CEI South supporting such data and calculations are kept in accordance with the Uniform System of Accounts for Electric Utilities prescribed by this Commission and are available for inspection and review by the Indiana Office of Utility Consumer Counselor and this Commission. CEI South is simultaneously pre-filing with the Commission its direct testimony and additional exhibits in support of this Petition.
15. CEI South requests that the Commission approve the following proposed procedural schedule:

Date	Event
June 20, 2023	OUCC/Intervenors File Case-in-Chief
June 27, 2022	CEI South Files Rebuttal Testimony
On or about July 5, 2023	Evidentiary Hearing

WHEREFORE, CEI South respectfully requests that the Indiana Utility Regulatory Commission hold a public hearing pursuant to Senate Bill 529, which became effective April 11, 1979, and Commission Cause No. 37712 effective June 18, 1986, and enter an order in this Cause:

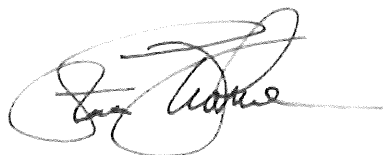
1. authorizing and approving the reconciliation of the incremental fuel cost billed and the incremental fuel cost actually incurred during December 2022–February 2023;
2. authorizing and approving the estimated fuel cost adjustment set forth in Petitioner’s Exhibit No. 2, Attachment RMW-1, to this Petition to become effective August 1, 2023;
3. issuing such orders within twenty (20) days from the date the Commission received the report of the Indiana Office of Utility Consumer Counselor; and

4. making such other and further orders in the premises as the Commission may deem appropriate and proper.

(Signature page follows)

DATED: this 16th day of May 2023.

Respectfully submitted,



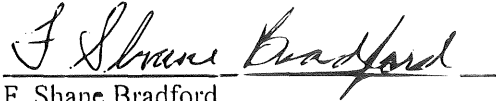
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Attorneys for Southern Indiana Gas and Electric
Company d/b/a CenterPoint Energy Indiana South

VERIFICATION

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

A handwritten signature in cursive script, reading "F. Shane Bradford", is written over a horizontal line.

F. Shane Bradford
Vice President, Power Generation Operations

Dated: May 16, 2023

CERTIFICATE OF SERVICE

I certify that on May 16, 2023, this *Verified Petition* was filed with the Indiana Utility Regulatory Commission using the Commission's electronic filing system and was served on the parties below by electronic mail.

Indiana Office of Utility Consumer Counselor

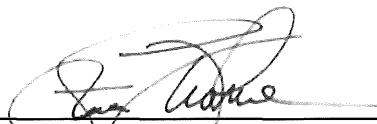
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