OFFICIAL EXHIBITS

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

IURC CAUSE NO. 44910 TDSIC 12

IURC
PETITIONER'S
EXHIBIT NO. 2
5-3-23 AT
DATE REPORTER

DIRECT TESTIMONY
OF
CHRISSY M. BEHME
MANAGER, REGULATORY REPORTING

ON

PROPOSED TDSIC REVENUE REQUIREMENT
THROUGH OCTOBER 31, 2022

SPONSORING ATTACHMENT CMB-1

DIRECT TESTIMONY OF CHRISSY M. BEHME

INTRODUCTION

Q. Please state your name and business address.

A. My name is Chrissy M. Behme. My business address is 211 NW Riverside Drive, Evansville, IN 47708.

Q. By whom are you employed?

A. I am employed by CenterPoint Energy Service Company, LLC ("Service Company"), a wholly owned subsidiary of CenterPoint Energy, Inc. The Service Company provides centralized support services to CenterPoint Energy, Inc.'s operating units, including Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South").

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

A. I am submitting testimony on behalf of CEI South, which is an indirect subsidiary of CenterPoint Energy, Inc.[1]

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

A. I am Manager of Regulatory Reporting for CEI South.

Q. Please describe your educational background.

A. I graduated from the University of Evansville in 2015 with a Bachelor of Science Degree in Accounting.

Q. Please describe your professional experience.

A. I began working for the Service Company in 2014 as an Accounting Analyst and have held various accounting and reporting positions with increasing responsibility within the company since that time. Those positions include Senior Accounting Analyst,

[1] For the sake of clarity, my testimony refers to CenterPoint Energy, Inc. and CEI South, even though in certain situations, I may be referring to one of CenterPoint Energy, Inc.'s or CEI South's predecessor companies.

Senior External Reporting and Accounting Research Analyst, Senior Utility Accounting Analyst, and Lead Regulatory Reporting Analyst. In October 2021, I was named to my current position as Manager of Regulatory Reporting.

Q. What are your present duties and responsibilities as Manager of Regulatory Reporting?

A. I am responsible for the financial analysis and implementation of regulatory initiatives for CenterPoint Energy, Inc.'s regulated utility operations in Indiana and Ohio, including CEI South. These duties include preparation of accounting exhibits submitted in various regulatory proceedings for the utility operations.

Q. Are you familiar with the books, records, and accounting procedures of CEI South?

A. Yes, I am.

Q. Are CEI South's books and records maintained in accordance with the Federal Energy Regulatory Commission ("FERC") Uniform System of Accounts ("USOA") and generally accepted accounting principles ("GAAP")?

A. Yes.

Q. Have you previously testified before the Indiana Utility Regulatory Commission ("Commission")?

A. Yes. I have presented testimony before the Commission on behalf CEI South in its Gas Cost Adjustment ("GCA") proceeding, Cause No. 37366; its Fuel Adjustment Clause ("FAC") proceeding, Cause No. 38708; its Environmental Cost Adjustment ("ECA") proceeding, Cause No. 45052; its Clean Energy Cost Adjustment ("CECA") proceeding, Cause No. 44909; its Electric Transmission, Distribution, and Storage System Improvement Charge ("TDSIC") proceeding, Cause No. 44910; its Compliance and System Improvement Adjustment ("CSIA") proceeding, Cause No. 45612; its request for a certificate of public convenience and necessity ("CPCN") for the F.B. Culley East Ash Pond compliance filing, Cause No. 45795; and its request for a CPCN to purchase and acquire, indirectly through a build transfer agreement, a wind facility in MISO's Central Region, Cause No. 45836. Most recently, I have testified on behalf of CEI South, in Cause No. 45839, in its request to enter into certain amendments to Power Purchase Agreements ("PPAs") relating to solar projects in Counties of Vermillion and Warrick. I have also presented testimony before the Commission on behalf of Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North ("CEI North") in its GCA proceeding, Cause No. 37394, and its CSIA proceeding, Cause No. 45611.

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

A. I will explain and support CEI South's electric transmission, distribution, and storage improvements charge ("TDSIC") revenue requirement calculations for costs incurred under the Stipulation and Settlement Agreement approved in Cause No. 44910 ("44910 Settlement") seven-year plan ("TDSIC Plan") through October 31, 2022.

I will discuss the evaluation of the change in the TDSIC Revenue Requirement compared to the cap of two percent (2%) of total annual revenues in a 12-month period, as required by the Ind. Code ch. 8-1-39 ("TDSIC Statute").

I will discuss the proposed adjustment to the authorized return amount utilized in the Fuel Adjustment Clause ("FAC") net operating income ("NOI") earnings tests (Ind. Code §§ 8-1-2-42(d) and 8-1-2-42.3) as a result of the proposed TDSIC, consistent with the TDSIC Statute.

Finally, I will discuss the impacts to the TDSIC proposed in this proceeding as a result of the Stipulation and Settlement Agreement reached in Cause No. 45032 S21 ("Tax Reform Settlement"). The Tax Reform Settlement, approved by the Commission on August 29, 2018, addresses the treatment of customer impacts as a result of the December 22, 2017, Tax Cuts and Jobs Act of 2017 ("TCJA").

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring **Attachment CMB-1**: TDSIC Revenue Requirement, Schedules 1-10

Q. Was this attachment prepared and filed pursuant to your direction or under your supervision?

A. Yes.

ACCOUNTING TREATMENT

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

A. Consistent with the terms of the 44910 Settlement, CEI South is proposing the following accounting treatment in accordance with the statutes discussed by CEI South's witness Matthew Rice.

- Authorization of the eligible revenue requirement amounts as of October 31, 2022, for the TDSIC plan inclusive of the amounts associated with:
  - financing costs on projects under construction;
  - post-in-service carrying costs ("PISCC"); and
  - deferred TDSIC Plan-related expenses, projected incremental depreciation, and property tax expenses.

REVENUE REQUIREMENT

Q. Please generally explain how the TDSIC revenue requirement was calculated in this filing.

A. CEI South calculated a revenue requirement for the TDSIC mechanism for costs incurred through October 31, 2022. I have included schedules supporting the calculation in my Attachment CMB-1, Schedules 1-10. The revenue requirement is shown on Schedule 1 and includes the return on new capital investments, property tax, and depreciation expenses associated with TDSIC Plan investments, as well as recovery of the regulatory assets recorded through the interim deferral of depreciation expense and PISCC. The revenue requirement is divided between Transmission and Distribution investments, consistent with FERC USOA guidelines, to align with CEI South's TDSIC allocation. CEI South has multiplied the Transmission and Distribution annual revenue requirements by 80% to achieve the recoverable portion of the revenue requirement for Transmission and Distribution investments. As described in greater detail by Mr. Rice, the recoverable amounts for Transmission and Distribution investments were utilized to derive semi-annual TDSIC rates and charges based on annualized billing determinants.

Q. Please describe Schedule 1 (Revenue Requirement) of Attachment CMB-1.

A. This schedule includes the calculation of the proposed revenue requirement CEI South is seeking to recover in TDSIC 12. The revenue requirement calculation is divided on this schedule between "Return on New Capital Investment," which calculates the pre-tax return on total net new investment (lines 1 through 8), and "Incremental Expenses," which calculates the recoverable expenses, both projected and amortized from previously deferred balances (lines 9 through 14). All items on this schedule are recoverable as eligible costs under the TDSIC Statute, divided between Transmission and Distribution, consistent with FERC USOA guidelines, and are supported by the schedules that follow.

In addition, this schedule defines the accounting that will result with the implementation of the TDSIC rates and charges. This information is required to ensure CEI South receives the return on its investments granted by the TDSIC Statute in accordance with Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 980. The manner of recovery set forth in the schedule is required by accounting rules to recognize the full return on investment, but it does not impact the statutory recovery via the TDSIC or the amount deferred for future recovery in a base rate proceeding. The collection priority noted in the schedule shows that the first dollar collected will represent the full return (Line 8) and remaining amount covering a portion of the incremental expense (Line 14).

For TDSIC 12, the total revenue requirement is $38,811,252, of which $31,049,002 (80%) will be included for recovery in the TDSIC, and $7,762,250 (20%) will be deferred for recovery in CEI South's next base rate case.

The total on line 16, Column C of Schedule 1 is used to derive TDSIC rates and charges.

Q. Please describe Schedule 2 (New Capital Investment).

A. This schedule supports the Gross New Capital Investment, Accumulated Depreciation attributed to the new capital investment, and capital work in progress ("CWIP") balances related to new capital investments as of the filing date, segregated between Transmission and Distribution investments. These cumulative amounts will be reflected on lines 1, 2, and 4 on Schedule 1, and utilized in the return on new capital investment calculation. Detail is provided to show these balances by FERC Plant Account, to allow for linkage directly to approved depreciation rates.

Q. Has CEI South prepared work paper schedules showing the work order details that support these summarized amounts?

A. Yes. TDSIC 12 includes work paper support by work order, which agrees to the summarized amounts listed on this schedule. A working model of the TDSIC-12 Revenue Requirement calculations, including work paper support, will be provided to the Indiana Office of the Utility Consumer Counselor ("OUCC") with each semi-annual filing.

Q. What is included in new capital investment?

A. New capital investment includes gross plant, both in-service and CWIP, specific to investments under the TDSIC Plan. The accumulated depreciation on these new capital investments is included as a reduction to the gross plant balance. All of these amounts represent actual balances as of October 31, 2022.

Q. Please explain the process used to segregate and record the capital costs of the TDSIC Plan during and at completion of construction.

A. To ensure proper accumulation of construction costs related to the TDSIC Plan investments, a unique project number was assigned to the capital work order. All project construction costs were recorded as incurred to the assigned project number and maintained in CEI South's Financial Information System ("FIS") Projects Accounting module. The project number is required for the recording of all project construction costs into any of the FIS feeder systems. Each of the feeder systems, which include payroll, accounts payable, and material inventory, interface with the Projects Accounting module. Total incurred project construction costs are accurately reported by the project number throughout the life cycle of the project. Each project has been sub-categorized in the system as recoverable pursuant to the TDSIC Plan to help exclude any capital investment made that did not qualify for recovery under the approved mechanism.

Q. Were the requirements of the FERC USOA followed in recording of project construction costs?

A. Yes. Costs incurred during the construction phase were reflected in FERC Account 107, CWIP. When each project was completed, meaning the assets are now used and useful in providing utility service, the costs were moved to FERC Account 106, Completed Construction Not Classified ("CCNC"). At the point where the final project costs were captured, and the project manager formally defines the assets installed and removed, the costs were transferred to FERC Account 101, Electric Plant In-Service. Any existing assets retired as a result of the projects resulted in a reduction to FERC Account 101, with an offsetting entry to FERC Account 108, Accumulated Provision for Depreciation of Electric Utility Plant.

Q. What types of costs have been included as eligible utility plant?

A. Eligible utility plant includes the construction costs of the projects, including engineering and project management, permitting, contractor costs, site preparation, equipment and installation, and other costs approved by the Commission.

Q. What capitalized overheads have been included in the construction costs?

A. An allocation for general oversight, management, and administrative costs has been included, consistent with CEI South policy. Costs associated with accounting, legal services, human resource management, insurance, and other similar costs are included as overhead costs that are allocated to construction projects. Within the supporting work papers, CEI South has broken out the construction costs into categories to identify both direct and indirect (Administrative and General ("A&G") and Engineering and Supervision ("E&S")) costs. Consistent with the terms of the 44910 Settlement, capitalized overheads were limited to no more than 18% of total project charges.

Q. Has allowance for funds used during construction ("AFUDC") been recorded on the project construction costs?

A. Yes, CEI South has recorded AFUDC in accordance with GAAP requirements, under the formula specified by FERC accounting procedures. On those projects that have been completed, AFUDC ceased at the date the project was placed in service. On those projects that are still in CWIP and included for recovery in TDSIC 12, AFUDC will cease on the effective date of TDSIC rates in TDSIC 12.

Q. Please describe Schedule 3 (Post In-Service Carrying Costs (PISCC)).

A. This schedule summarizes the calculation of the PISCC balance on investments placed in service but not yet captured for recovery under previous TDSIC filings. This schedule supports line 5 of Schedule 1 and is utilized in the return on new capital investment calculation. In addition, Schedule 3 determines the recoverable amortization expense on the cumulative deferred PISCC balance, included on line 13 of Schedule 1. The rates utilized to calculate PISCC on eligible investments will be discussed later in my testimony.

Q. Please describe Schedule 4 (Pre-Tax Rate of Return).

A. Schedule 4 contains two pages. Page 1 calculates the Pre-Tax return used in the return on calculation on line 7 of Schedule 1. Page 2 calculates the After-Tax return used in the PISCC calculation on eligible investments applicable to the TDSIC Plan from May 1, 2022, through October 31, 2022.

Page 1 calculates the Pre-Tax return used in the return on calculation on line 7 of Schedule 1. As agreed to in the 44910 Settlement, the TDSIC will utilize the actual capital structure at October 31, 2022, inclusive of the items captured in CEI South's base rate case capital structure: (1) long-term debt, (2) common equity, (3) customer deposits, (4) cost-free capital, including deferred income taxes, and (5) investment tax credits. The balances and cost of debt are based on the actual amounts as of October 31, 2022, and the cost of equity has been set at 10.4% as approved in CEI South's most recent Rate Case Order in Cause No. 43839 and agreed to in the 44910 Settlement. The equity component is grossed up for recovery of income taxes, both state and federal, at current statutory tax rates. In addition, the October 31, 2022, weighted average cost of capital ("WACC") will be utilized to calculate PISCC for investments made from November 1, 2022, through April 30, 2023.

Page 2 reflects the WACC based upon the actual April 30, 2022, capital structure. This rate is used on Schedule 3 to calculate the PISCC on eligible TDSIC investments starting May 1, 2022, through October 31, 2022.

Q. Please describe Schedule 5 (Annualized Depreciation Expense on New Capital Investment).

A. This schedule supports the annualized depreciation expense utilized on line 10 of Schedule 1. It is calculated by multiplying the gross new capital investment balance as of October 31, 2022, from Schedule 2, net of retirements, by the depreciation rate applicable to the respective classes of plant. The depreciation rates are set by FERC USOA Plant Account, which is the basis for the amounts included in the Transmission and Distribution revenue requirements. As reflected on Schedule 5, lines 4-5, the weighted average depreciation rates applicable to the respective classes of plant are based on actual costs incurred through October 31, 2022, multiplied by the individual depreciation rate applicable to each FERC utility plant account. Supporting work papers for the calculated depreciation expense will be provided to the OUCC with each filing.

Q. Please describe Schedule 6 (Amortization of Deferred Expense).

A. This schedule calculates the annualized level of deferred amortization expense included for recovery on line 11 of Schedule 1. The total deferred expense balance was set prior to the initial TDSIC filing and was amortized over 3 years. As of TDSIC-6, this balance has been fully recovered through rates and not included on Schedule 1 for recovery.

Q. Please describe Schedule 7 (Amortization of Deferred Depreciation).

A. This schedule calculates the annualized level of deferred depreciation amortization expense included for recovery on line 12 of Schedule 1. It is calculated by multiplying the cumulative deferred depreciation balance as of October 31, 2022, divided between Transmission and Distribution plant based on the actual TDSIC investment categorization, by the annual depreciation rate applicable to the respective classes of plant. This rate is based on the remaining amortization life of plant, in years, as of December 31, 2016. CEI South will continue to utilize these same annual depreciation rates in future filings. As agreed to in the 44910 Settlement, depreciation will be deferred on any in-service work order not yet included for recovery in a TDSIC filing.

Q. Please describe Schedule 8 (Deferred Revenue Requirement (20%)).

A. This schedule captures a summary of the amounts that have been deferred in accordance with the TDSIC Statute. As previously discussed, 20% of the revenue requirement calculated on Schedule 1 will be deferred until such time as the costs can be recovered as part of CEI South's next general rate case. Line 17 of Schedule 1 calculates the 20% deferral for the current filing, which is allocated by month on Petitioner's Exhibit 3, Attachment MAR-1, Schedule 4. CEI South will defer $3,744,211 for the TDSIC during the semi-annual period (May 2023 through October 2023), as reflected on line 12 of Schedule 8.

Q. Please describe Schedule 9 (2% TDSIC Annual Retail Revenue Cap Test).

A. Schedule 9 compares the increase in the TDSIC revenue requirement to the prior 12-month retail revenues for CEI South, to ensure that the amounts included for recovery in TDSIC 12 adhere to the statutory requirements. As defined in the TDSIC Statute, "[t]he commission may not approve a TDSIC that would result in an average aggregate increase in a public utility's total retail revenues of more than two percent (2%) in a twelve (12) month period." (Ind. Code § 8-1-39-14(a)). The increase in the TDSIC revenue requirement will be calculated as the recoverable TDSIC revenue requirement (line 16 of Schedule 1) in the current TDSIC, less the prior recoverable portion of the TDSIC revenue requirement in the prior TDSIC. This amount will be compared to 2% of the retail revenues from the prior 12-month period. "Retail revenues" used in this calculation will be calculated consistent with CEI South's Operating Revenues, inclusive of TDSIC revenues, from the FAC net operating income ("NOI") earnings test. If the increase in the TDSIC revenue requirement exceeds the 2% threshold, then the recoverable increase will be limited to the amount equal to 2% of retail revenues. Any amount in excess (line 12) will be deferred consistent with the TDSIC Statute and included with the 20% deferral previously discussed. The amount reflected on Schedule 9 does not exceed 2% of CEI South's retail revenues during the previous 12 months.

Q. Please describe Schedule 10 (NOI Adjusted for FAC Earnings Test).

A. In accordance with the 44910 Settlement, CEI South will adjust its statutory NOI earnings test by increasing its authorized NOI by incremental earnings from approved TDSIC filings. This calculates the after-tax return on investment that will be added to the authorized NOI by multiplying the net new capital investment from line 6 of Schedule 1 by the after-tax WACC on line 5 of Schedule 4. Effective with the approved rates in this Cause, CEI South will adjust its authorized NOI by $22,524,937, as denoted on line 3 of Schedule 10.

TAX REFORM SETTLEMENT

Q. Please describe the Tax Reform Settlement approved in Consolidated Cause Nos. 45032 S14 and 45032 S21 (August 29, 2018) and how it impacts the TDSIC mechanism.

A. The Tax Reform Settlement represents an agreement between CEI South, the OUCC, and the Indiana Industrial Group (collectively, "the Settling Parties") on the treatment of cost savings and other credits attributed to the TCJA. In Cause No. 45032, the Commission opened an investigation into the impacts of the TCJA on Indiana utilities and customers, subsequently dividing the investigation into two phases. Phase I was to address the immediate impact on customer rates and charges associated with the reduction in the federal income tax rate from 35% to 21%. Consistent with the terms of the Tax Reform Settlement, CEI South's revised base rates and charges were approved effective June 1, 2018[2].

Phase II was to address all other issues, specifically (1) the treatment and subsequent credits to customers of Excess Accumulated Deferred Income Tax ("EADIT") liability balances arising from the revaluation of Accumulated Deferred Income Tax balances at the lower federal tax rate ("EADIT Credit"), and (2) the treatment of the accrued

[2] Thirty Day Filing Pursuant to Cause No. 45032, identified by the Commission as #50171 (approved May 30, 2018).

regulatory liability established to capture the difference in collections between the 35% effective Federal tax rate reflected in base rates and charges and the revised 21% Federal tax rate effective January 1, 2018 ("Tax Refund Credit"). The Tax Reform Settlement specifies that these components, the EADIT Credit and the Tax Refund Credit, are to be included within CEI South's TDSIC proceedings.

The EADIT Credit will be included annually in CEI South's fall TDSIC filing, beginning with TDSIC 3, allocated consistent with the rate case allocations defined in the Tax Reform Settlement and noted later in my testimony, and credited to customers over a 12-month period. This credit represents amortization of the EADIT liability using the Average Rate Assumption Method ("ARAM") for the normalized or protected[3] balance, and a straight-line 10-year amortization period for the unprotected balance.

The Tax Refund Credit, representing the excess collections from January 1, 2018, through May 31, 2018, was included in the TDSIC beginning in TDSIC 3 as a component of the over- or under-recovery variance, and credited to customers over a six-month time period.

Q. Did CEI South include the provisions of the Tax Reform Settlement in the TDSIC?

A. Yes, CEI South reflected the provisions of the Tax Reform Settlement beginning in TDSIC 3. As explained further below, CEI South has included the EADIT Credit as a component of the TDSIC rate in TDSIC 12 on Schedule 2 of Petitioner's Exh. 3, Attachment MAR-1, separately allocated using the Tax Reform Settlement allocation percentages. The Tax Refund Credit for the period January 2018 through April 2018 was included in TDSIC 3. The Tax Refund Credit for May 2018 was included in TDSIC 4.

Q. Was the EADIT Credit revised in TDSIC-4?

A. Yes. As noted within Attachment A to the Tax Reform Settlement, the total EADIT

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

balance and annual amortization amounts were subject to change pending finalization of CenterPoint Energy, Inc's tax return, which was to be filed no later than October 15, 2018. The filed tax return reflected changes to the EADIT balance driven by (1) the systematic calculation of ARAM within CEI South's tax system, Power Tax, which aligned the plant-related deferred taxes and associated EADIT liability to the asset-specific life; (2) the finalizing of 2017 tax results, including incorporation of guidance on the accounting for TCJA impacts, issued by the Internal Revenue Service in August 2018; and (3) the impacts of the change in the Federal income tax rate on Indiana State tax deferrals.

In TDSIC 4, CEI South adjusted the EADIT Credit to match the annual amortization amounts from the finalized tax return. The annual amortization schedule presented in TDSIC 4 is unchanged, and CEI South has used this annual amortization schedule to support the EADIT Credit in TDSIC 12.

Q. Has CEI South made any adjustments from the annual amortization described above to the EADIT Credit in TDSIC 12?

A. Yes. CEI South has calculated an adjustment to the EADIT Credit for the portion credited to transmission customers through the Attachment O and GG rates under the Midcontinent Independent System Operator ("MISO") tariff.

Q. Can you explain the methodology of the adjustment to the EADIT Credit?

A. Yes. As noted above, the adjustment to the EADIT Credit is based on the portion credited to transmission customers within the 2023 Attachment O and GG projection filing submitted to MISO for the 2023 projected transmission rates. The credit to transmission customers is allocated to both MISO Schedule 26 revenues for Regional Expansion Criteria and Benefits ("RECB") customers and MISO Schedule 9 revenues for municipal customers.

The credit allocated to MISO Schedule 26 revenues is based on the RECB portion of the total net transmission plant, applied at the percentage of transmission sales to third parties. The credit allocated to MISO Schedule 9 revenues is based on the non-RECB portion of the total net transmission plant, applied at the percentage of municipal load to relative to the total CEI South load.

CONCLUSION

Q. Does this conclude your 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

Chrissy Behme

Chrissy M. Behme
Manager, Regulatory Reporting

2/1/2023
Date

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
ANNUAL REVENUE REQUIREMENT THROUGH OCTOBER 31, 2022

Line	Description	A Transmission	B Distribution	C Total Amount	D Reference	
	Return on New Capital Investment:					
1	Gross New Capital Investment - As of End of Period	$ 88,988,732	$ 197,093,128	$ 286,081,860	Schedule 2, Line 9, Col. G	
2	Accumulated Depreciation - As of End of Period	$ 3,351,748	$ (4,621,514)	$ (1,269,766)	Schedule 2, Line 18, Col. G	
3	Net New Capital Investment - As of End of Period	$ 92,340,480	$ 192,471,615	$ 284,812,095	Line 1 + Line 2	
4	New Captial Investment CWIP - As of End of Period	$ 51,708,633	$ 20,224,290	$ 71,932,923	Schedule 2, Line 21, Col. G	
5	PISCC Deferred Balance - As of End of Period	$ 3,528,960	$ 7,780,554	$ 11,309,514	Schedule 3, Line 20, Col. G	
6	Total New Capital Investment - As of End of Period	$ 147,578,072	$ 220,476,460	$ 368,054,532	Line 3 + Line 4 + Line 5	
7	Pre-Tax Rate of Return	7.71%	7.71%	7.71%	Schedule 4, Page 1, Line 17	
8	Annualized Return on New Capital Investment	$ 11,378,269	$ 16,998,735	$ 28,377,004	Line 6 x Line 7	
	Incremental Expenses					
9	Property Tax Expense - Annualized	$ 678,116	$ 1,303,867	$ 1,981,983	(Line 1 x 0.64%) + (Line 4 x 0.21%)	(A)
10	Depreciation Expense - Annualized	$ 2,012,123	$ 5,986,716	$ 7,998,839	Schedule 5, Line 8	
11	Amortization Expense - Plan Development Costs	$ -	$ -	$ -	Schedule 6, Line 11	
12	Amortization Expense - Deferred Depreciation	$ 24,129	$ 111,310	$ 135,439	Schedule 7, Line 9	
13	Amortization Expense - Deferred PISCC	$ 75,395	$ 242,592	$ 317,987	Schedule 3, Line 23	
14	Total Incremental Expenses	$ 2,789,763	$ 7,644,485	$ 10,434,248	Sum Lines 9-13	
15	**Annual Revenue Requirement - TDSIC**	$ 14,168,032	$ 24,643,220	**$ 38,811,252**	Line 8 + Line 14	
16	**Recoverable TDSIC (80%)**	$ 11,334,426	$ 19,714,576	**$ 31,049,002**	Line 15 x 80%	(B)
17	**To Be Deferred (20%)**	$ 2,833,606	$ 4,928,644	**$ 7,762,250**	Line 15 x 20%	(B)

Notes:

(A) The annualized level of property taxes is calculated using an estimated CEI South rate of 2.12% multiplied by the tax basis of the: (1) plant, estimated to be 30% of the gross new capital investment amount, and (2) CWIP, estimated to be 10% of the new capital investment CWIP amount.

(B) For accounting purposes only, the collection of 80% of the revenue requirement will cover in order of priority the full return on the investments [Line 8 - $28,377,004], including the full equity and debt return, and then eligible operating expenses [Line 16 less Line 8 - $2,671,998]. The collection priority will not impact the total amount authorized by the Commission fo immediate recovery in the TDSIC [Line 16 - $31,049,002], nor the amount deferred and authorized for future recovery in a base rate proceeding [Line 17 - $7,762,250].

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
NEW CAPITAL INVESTMENT

		A	B	C	D	E	F	G
Line	Gross New Capital Investment Balance	Balance at 4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	Balance at 10/31/2022
	Gross Assets							
1	Transmission	$ 71,470,221	$ 71,472,700	$ 71,473,465	$ 71,218,644	$ 71,218,644	$ 97,351,498	$ 97,794,729
2	Distribution	$ 169,753,217	$ 170,807,094	$ 171,170,372	$ 176,711,648	$ 181,501,938	$ 207,303,505	$ 208,366,873
3	**Total Gross Assets**	$ 241,223,437	$ 242,279,794	$ 242,643,837	$ 247,930,293	$ 252,720,582	$ 304,655,003	$ 306,161,602
	Retirements							
4	Transmission	$ (7,049,190)	$ (7,049,190)	$ (7,049,190)	$ (7,049,190)	$ (7,049,190)	$ (8,805,997)	$ (8,805,997)
5	Distribution	$ (9,145,987)	$ (9,182,957)	$ (9,213,815)	$ (9,330,641)	$ (9,469,011)	$ (11,273,745)	$ (11,273,745)
6	**Total Retirements**	$ (16,195,177)	$ (16,232,147)	$ (16,263,005)	$ (16,379,831)	$ (16,518,201)	$ (20,079,742)	$ (20,079,742)
	Gross New Capital Investment Balance							
7	Transmission	$ 64,421,031	$ 64,423,510	$ 64,424,275	$ 64,169,454	$ 64,169,454	$ 88,545,501	$ 88,988,732
8	Distribution	$ 160,607,230	$ 161,624,137	$ 161,956,557	$ 167,381,007	$ 172,032,927	$ 196,029,761	$ 197,093,128
9	**Total Gross New Capital Investment**	**$ 225,028,260**	**$ 226,047,647**	**$ 226,380,832**	**$ 231,550,461**	**$ 236,202,381**	**$ 284,575,261**	**$ 286,081,860**
	= (Gross Assets + Retirements)							**To Schedule 1, Line 1**

Line	Accumulated Depreciation Balance	Balance at 4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	Balance at 10/31/2022
	Depreciation Expense							
10	Transmission	$ 4,606,982	$ 4,740,213	$ 4,873,449	$ 5,006,686	$ 5,139,130	$ 5,271,575	$ 5,454,249
11	Distribution	$ 13,161,170	$ 13,591,089	$ 14,024,485	$ 14,458,682	$ 14,909,050	$ 15,372,624	$ 15,895,259
12	**Total Depreciation Expense**	$ 17,768,152	$ 18,331,302	$ 18,897,933	$ 19,465,368	$ 20,048,180	$ 20,644,199	$ 21,349,507
	Retirements							
13	Transmission	$ (7,049,190)	$ (7,049,190)	$ (7,049,190)	$ (7,049,190)	$ (7,049,190)	$ (8,805,997)	$ (8,805,997)
14	Distribution	$ (9,145,987)	$ (9,182,957)	$ (9,213,815)	$ (9,330,641)	$ (9,469,011)	$ (11,273,745)	$ (11,273,745)
15	**Total Retirements**	$ (16,195,177)	$ (16,232,147)	$ (16,263,005)	$ (16,379,831)	$ (16,518,201)	$ (20,079,742)	$ (20,079,742)
	Total Accumulated Depreciation Balance							
16	Transmission	$ 2,442,208	$ 2,308,977	$ 2,175,741	$ 2,042,504	$ 1,910,060	$ 3,534,422	$ 3,351,748
17	Distribution	$ (4,015,183)	$ (4,408,132)	$ (4,810,670)	$ (5,128,041)	$ (5,440,039)	$ (4,098,880)	$ (4,621,514)
18	**Total Accumulated Depreciation Balance**	**$ (1,572,975)**	**$ (2,099,155)**	**$ (2,634,929)**	**$ (3,085,537)**	**$ (3,529,979)**	**$ (564,457)**	**$ (1,269,766)**
	= - Depreciation Expense - Retirements							**To Schedule 1, Line 2**

Line	CWIP Balance	Balance at 10/31/2022
19	Transmission	$ 51,708,633
20	Distribution	$ 20,224,290
21	**Total CWIP Balance**	**$ 71,932,923**
		To Schedule 1, Line 4

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
POST IN-SERVICE CARRYING COSTS (PISCC)

Line	Description	Reference	A	B	C	D	E	F	G
1	PISCC Rate - Monthly	Schedule 4, Page 2, Line 5 / 12		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
2	Debt - PISCC Rate - Monthly	Schedule 4, Page 2, Lines 1,3-4 / 12		0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
3	Equity - PISCC Rate - Monthly	Schedule 4, Page 2, Line 2 / 12		0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
4	Transmission Amortization Rate - Monthly (A)	Schedule 7, Line 5 / 12		0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
5	Distribution Amortization Rate - Monthly (A)	Schedule 7, Line 6 / 12		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	PISCC Cummulative Deferred Balance - DEBT		Balance at 4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	Balance at 10/31/2022
6	Transmission	(B)	$ 836,805	$ 837,620	$ 838,438	$ 839,256	$ 839,820	$ 840,384	$ 867,081
7	Distribution	(B)	$ 1,783,304	$ 1,794,634	$ 1,807,017	$ 1,819,764	$ 1,838,052	$ 1,861,130	$ 1,910,009
8	PISCC Deferred Balance	(B)	$ 2,620,109	$ 2,632,254	$ 2,645,455	$ 2,659,020	$ 2,677,872	$ 2,701,514	$ 2,777,090
	PISCC Cummulative Deferred Balance - EQUITY		Balance at 4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	Balance at 10/31/2022
9	Transmission	(B)	$ 2,705,403	$ 2,708,684	$ 2,711,976	$ 2,715,271	$ 2,717,540	$ 2,719,810	$ 2,827,264
10	Distribution	(B)	$ 5,828,121	$ 5,873,722	$ 5,923,565	$ 5,974,870	$ 6,048,479	$ 6,141,368	$ 6,338,109
11	PISCC Deferred Balance	(B)	$ 8,533,524	$ 8,582,407	$ 8,635,541	$ 8,690,141	$ 8,766,019	$ 8,861,178	$ 9,165,373
	PISCC Cumulative Deferred Balance - DEBT + EQUITY		Balance at 4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	Balance at 10/31/2022
12	Transmission	Line 6 + Line 9	$ 3,542,207	$ 3,546,304	$ 3,550,414	$ 3,554,528	$ 3,557,361	$ 3,560,194	$ 3,694,344
13	Distribution	Line 7 + Line 10	$ 7,611,426	$ 7,668,356	$ 7,730,582	$ 7,794,634	$ 7,886,530	$ 8,002,498	$ 8,248,118
14	PISCC Deferred Balance	Sum Lines 12-13	$ 11,153,633	$ 11,214,660	$ 11,280,996	$ 11,349,161	$ 11,443,891	$ 11,562,692	$ 11,942,463
	Amortization of PISCC								
15	Less: Amortization of PISCC - Transmission		$ (129,787)	$ (135,720)	$ (141,653)	$ (147,586)	$ (153,519)	$ (159,452)	$ (165,385)
16	Less: Amortization of PISCC - Distribution		$ (362,947)	$ (380,383)	$ (397,819)	$ (415,255)	$ (432,692)	$ (450,128)	$ (467,564)
17	Less: Amortization of PISCC	(C)	$ (492,733)	$ (516,102)	$ (539,472)	$ (562,841)	$ (586,210)	$ (609,579)	$ (632,949)
	Total PISCC Deferred Balance								
18	Transmission	Line 12 + Line 15	$ 3,412,421	$ 3,410,585	$ 3,408,762	$ 3,406,942	$ 3,403,842	$ 3,400,742	$ 3,528,960
19	Distribution	Line 13 + Line 16	$ 7,248,479	$ 7,287,973	$ 7,332,763	$ 7,379,378	$ 7,453,839	$ 7,552,370	$ 7,780,554
20	**Total PISCC Deferred Balance**	Line 14 + Line 17	**$ 10,660,900**	**$ 10,698,558**	**$ 10,741,525**	**$ 10,786,320**	**$ 10,857,681**	**$ 10,953,112**	**$ 11,309,514**
									To Schedule 1, Line 5
	Annualized Amortization Expense								
21	Transmission	Line 4 x Line 12 x 12							$ 75,395
22	Distribution	Line 5 x Line 13 x 12							$ 242,592
23	Total Amortization Expense	Sum Lines 21-22							$ 317,987
									To Schedule 1, Line 13

(A) Based on Amortization Life of Plant as of December 31, 2016. Annual depreciation rate is 1 divided by Number of Years, as shown on Attachment CMB-1, Schedule 7.
(B) Calculated as the PISCC rates (lines 2 & 3) multiplied by the monthly PISCC eligible balances. PISCC eligible balances are based on the gross plant placed in-service not yet captured for recovery in the TDSIC.
(C) Balance at October 31, 2021 in total ties to TDSIC-10, Attachment AMB-1, Schedule 3, Line 17. The allocation between Transmission and Distribution has been revised to include both debt and equity.
Amortization of approximately $23,369 per month beginning in November 2021 is based on annualized amortization expense of $280,432 from TDSIC-10.

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
PRE-TAX RATE OF RETURN AT OCTOBER 31, 2022

Line	After-Tax (A)	A Amount ($000's)	B Weighting	C Cost	D = B x C WACC	
1	Debt	$ 1,030,943	36.26%	3.60%	1.31%	
2	Equity	$ 1,308,467	46.02%	10.40%	4.79%	
3	Cost Free Capital	$ 492,257	17.31%	0.00%	0.00%	
4	Other	$ 11,425	0.40%	4.59%	0.02%	
5	**Total**	$ 2,843,092			**6.12%**	**(B)**
					To Schedule 10, Line 2	

Line	Pre-Tax Equity Component Calculation			
6	After-Tax Cost of Equity per Line 2	4.79%		Line 2, Col. D
7	One		100.00%	
8	Less State Taxes		4.900%	
9	Federal Taxable		95.10%	Line 7 - Line 8
10	One Less Federal Income Tax		79.00%	1 - 21%
11	Effective Gross-Up Factor		75.13%	Line 9 x Line 10
12	Pre-Tax Equity	6.38%		Line 6 / Line 11

Line	Forecast - Adjusted ROR (fixed ROE) Pre-Tax		
13	Debt	1.31%	from Line 1
14	Equity	6.38%	from Line 12
15	Cost Free Capital	0.00%	from Line 3
16	Other	0.02%	from Line 4
17	**Total Pre-Tax Rate of Return**	**7.71%**	Sum Lines 13-16
		To Schedule 1, Line 7	

(A) All data in Lines 1 through 5 represent the actual balances as of October 31, 2022.

(B)	Proof	Equity	Debt and Other	Total	
18	Total New Capital Investment	$ 368,054,532	$ 368,054,532		from Schedule 1, Line 6
19	Pre-Tax Return	6.38%	1.33%		from Lines 13-16
20	Return	$ 23,466,054	$ 4,895,125		Line 18 x Line 19
21	State Tax	$ 1,149,837			4.900% x Line 20
22	Federal Taxable Return	$ 22,316,218	$ 4,895,125		Line 20 - Line 21
23	Federal Tax	$ 4,686,406			Line 22 x 21%
24	After Tax Return $	$ 17,629,812	$ 4,895,125	$ 22,524,937	Line 20 - Lines 21 and 23
25	After Tax Return %			6.12% equals Line 5	Line 24 / Line 18

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
AFTER TAX PISCC RATE AT APRIL 30, 2022

		A	B	C	D = B x C
Line	After-Tax (A)	Amount ($000's)	Weighting	Cost	WACC
1	Debt	$ 891,593	34.75%	3.40%	1.18%
2	Equity	$ 1,191,217	46.43%	10.40%	4.83%
3	Cost Free Capital	$ 471,234	18.37%	0.00%	0.00%
4	Other	$ 11,689	0.46%	4.52%	0.02%
5	**Total**	$ 2,565,733			**6.03%**

(A) All data in Lines 1 through 5 represent the actual balances as of April 30, 2022 (as presented in TDSIC-11 filing on CMB-1, Sch 4, Pg 1).

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
ANNUALIZED DEPRECIATION EXPENSE ON NEW CAPITAL INVESTMENT

Line	Description		Balance at 10/31/2022	Reference
	Depreciable In-Service Balance			
1	Transmission	$	88,988,732	Schedule 2, Line 7, Col. G
2	Distribution	$	197,093,128	Schedule 2, Line 8, Col. G
3	Total	$	286,081,860	Sum Lines 1-2
	Monthly Depreciation Rates			
4	Transmission		0.19%	**(A)**
5	Distribution		0.25%	**(A)**
	Annualized Depreciation Expense			
6	Transmission	$	2,012,123	Line 1 x Line 4 x 12
7	Distribution	$	5,986,716	Line 2 x Line 5 x 12
8	**Total Annualized Depreciation Expense**	**$**	**7,998,839**	Sum Lines 6-7
			To Schedule 1, Line 10	

(A) Current average of authorized depreciation rates. Supporting work papers will show a detailed calculation of depreciation rates by class of plant.

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
AMORTIZATION OF PLAN DEVELOPMENT COSTS

Line	Description		Transmission	Distribution	Total	Reference
1	Total Plan Development Costs **(A)**		$ 1,516,155	$2,282,529	$3,798,684	
2	Amortization Period (in years)		3	3	3	
3	Annual Amortization		$ 505,385	$ 760,843	**$ 1,266,228**	Line 1 / Line 2
		(B)	40%	60%		
4	Amount Recovered in TDSIC-1		$ 252,693	$ 380,421	$ 633,114	
5	Amount Recovered in TDSIC-2		$ 252,693	$ 380,421	$ 633,114	
6	Amount Recovered in TDSIC-3		$ 252,693	$ 380,421	$ 633,114	
7	Amount Recovered in TDSIC-4		$ 252,693	$ 380,421	$ 633,114	
8	Amount Recovered in TDSIC-5		$ 252,693	$ 380,421	$ 633,114	
9	Amount Recovered in TDSIC-6		$ 252,693	$ 380,421	$ 633,114	
10	Total Recovered **(C)**		$ 1,516,155	$2,282,529	$3,798,684	Sum of Lines 4-9
11	Remaining Balance to be Recovered		$ -	$ -	$ -	Line 1 - Line 10
					To Schedule 1, Line 11	

Notes:
(A) Per Cause No. 44910, TDSIC-1 Petitioner's Exhibit No. 1 (Witness Hoover Direct Testimony)
(B) Percentage split between Transmission and Distribution based on total capital spend in the TDSIC Plan per Cause No. 44910- Petitioner's Exhibit No. 10, Attachment LKW-1
(C) The total Amortization of Plan Development Costs of $3,798,684 have been fully amortized and recovered from TDSIC-1 through TDSIC-6.

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
AMORTIZATION OF DEFERRED DEPRECIATION

Line	Description	A Balance at 4/30/2022	B 5/31/2022	C 6/30/2022	D 7/31/2022	E 8/31/2022	F 9/30/2022	G Balance at 10/31/2022
	Deferred Depreciation Balance (A)							
1	Transmission	$ 1,126,836	$ 1,128,704	$ 1,130,576	$ 1,132,450	$ 1,133,530	$ 1,134,611	$ 1,182,298
2	Distribution	$ 3,461,577	$ 3,490,709	$ 3,523,225	$ 3,556,473	$ 3,605,577	$ 3,667,517	$ 3,784,556
3	Less: Amortization of Deferrals (B)	$ (206,762)	$ (216,554)	$ (226,346)	$ (236,139)	$ (245,931)	$ (255,723)	$ (265,515)
4	Total Deferred Depreciation Balance	$ 4,381,652	$ 4,402,859	$ 4,427,454	$ 4,452,784	$ 4,493,177	$ 4,546,405	$ 4,701,339
	Depreciation Rates (C)							
5	Transmission							2.04%
6	Distribution							2.94%
	Deferred Depreciation Amortization Expense							
7	Transmission						Line 1 x Line 5	$ 24,129
8	Distribution						Line 2 x Line 6	$ 111,310
9	**Deferred Depreciation Amortization Expense**						Sum Lines 7 - 8	**$ 135,439**

To Schedule 1, Line 12

(A) Calculated by taking the gross new plant investment, less retirements, placed in-service but not yet included in TDSIC recovery.
(B) Captures actual recorded amortization expense for PISCC during period.
(C) Based on Amortization Life of Plant as of December 31, 2016. Annual depreciation rate is 1 divided by Number of Years.
Transmission - 49 years
Distribution - 34 years

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
DEFERRED REVENUE REQUIREMENT (20%)

Line	Description	Amount **(A)**	Reference
1	TDSIC-1 - through 04/30/2017 **(B)**	$ 186,995	TDSIC-1, JCS-1, Sch 8, Line 1
2	TDSIC-2 - through 10/31/2017	$ 450,914	TDSIC-2, JCS-1, Sch 8, Line 2
3	TDSIC-3 - through 04/30/2018	$ 715,582	TDSIC-3, JCS-1, Sch 8, Line 3
4	TDSIC-4 - through 10/31/2018	$ 1,002,934	TDSIC-4, JCS-1, Sch 8, Line 4
5	TDSIC-5 - through 04/30/2019	$ 1,358,066	TDSIC-5, JCS-1, Sch 8, Line 5
6	TDSIC-6 - through 10/31/2019	$ 1,877,927	TDSIC-6, JCS-1, Sch 8, Line 6
7	TDSIC-7 - through 04/30/2020	$ 2,009,835	TDSIC-7, AMB-1, Sch 8, Line 7
8	TDSIC-8 - through 10/31/2020	$ 2,501,262	TDSIC-8, AMB-1, Sch 8, Line 8
9	TDSIC-9 - through 4/30/2021	$ 2,631,412	TDSIC-9, BAF-1, Sch 8, Line 9
10	TDSIC-10 - through 10/31/2021	$ 3,128,726	TDSIC-10, CMB-1, Sch 8, Line 10
11	TDSIC-11 - through 04/30/2022	$ 3,297,655	TDSIC-11, CMB-1, Sch 8, Line 11
12	TDSIC-12 - through 10/31/2022	$ 3,971,224	**(C)**
13	**Total Deferred Revenue Requirement**	**$ 23,132,532**	Sum Lines 1 - 12

Notes:

(A) Pending results from 2% TDSIC Annual Retail Revenue Cap Test from Attachment CMB-1, Schedule 9, additional information may be provided for TDSIC Deferred in Excess of 2% Cap.

(B) TDSIC-1 Deferral Adjusted for Tax Reform Beginning January 2018. ($193,084 - $6,089 = $186,995).

(C) Attachment MAR-1, Schedule 4, Line 25, Sum of May 2023 - October 2023

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
2% TDSIC ANNUAL RETAIL REVENUE CAP TEST

Line	Description		Total Amount	Reference
1	Current TDSIC Recoverable	$	31,049,002	Schedule 1, Line 16
2	Prior TDSIC Recoverable	$	27,306,509	TDSIC-11, CMB-1, Schedule 1, Line 16
3	Increase in TDSIC Recoverable	$	3,742,493	Line 1 - Line 2
4	Total Retail Revenues	$	675,671,581	12 Months Ended As of End of Period
5	TDSIC Cap		2%	[Ind. Code § 8-1-39-14(a)]
6	TDSIC Cap - 2% of Retail Revenues	$	13,513,432	Line 4 x Line 5
7	Does Increase in TDSIC Exceed 2% Cap?		No	If Line 3 > Line 6, Yes; If not, No
	<u>If Yes:</u>			
8	TDSIC Cap - 2% of Retail Revenues	$	-	If Yes - Line 6; If No, $0
9	Plus: Prior TDSIC Recoverable	$	-	If Yes - Line 2; If No, $0
10	Total TDSIC Recoverable	$	-	Line 8 + Line 9
11	Current TDSIC Recoverable	$	-	If Yes - Line 1; If No, $0
12	TDSIC Deferred in Excess of 2% Cap	$	-	Line 11 - Line 10
	<u>If No:</u>			
13	Current TDSIC Recoverable	$	31,049,002	If No, Line 1; If Yes, $0

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
NOI ADJUSTED FOR FAC EARNINGS TEST

Line	Description	Total Amount	Reference
1	Total New Capital Investment - As of End of Period	$ 368,054,532	From Schedule 1, Line 6
2	After-Tax Rate of Return	6.12%	From Schedule 4, Page 1, Line 5
3	NOI Adjustment for FAC Earnings Test - TDSIC-12	$ 22,524,937	Line 1 x Line 2