

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

**OFFICIAL
EXHIBITS**

IURC CAUSE NO. 44910-TDSIC-10

**IURC
PETITIONER'S**
EXHIBIT NO. 3
4-28-22 AT
DATE REPORTER

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

ON

PROPOSED TDSIC RATES AND CHARGES

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

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 Dr.,
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 includes Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy
12 Indiana South ("Petitioner", "CEI South", or "Company")¹.

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 Petitioner, I worked as a Market Research Analyst for American
28 General Finance for six years working primarily on customer segmentation,

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

1 demographic analysis, and site location analysis. In 2007, I joined the Company as a
2 Market Research Analyst, and I have held various positions of increasing
3 responsibilities, including Senior Analyst, Manager of Market Research, and Director
4 of Research and Energy Technologies. Since 2009, I have been responsible for long-
5 term energy forecasting for the Company's Integrated Resource Plans ("IRP"),
6 assisting with the management of Petitioner's 2011, 2014, 2016, and 2019/2020 IRPs.
7 I have also managed its IRP stakeholder process since 2014. My duties have also
8 included conducting economic analysis, primary and secondary customer research
9 (including surveying, focus groups, segmentation, and demographic analysis),
10 customer satisfaction research, housing market research, and monitoring industry
11 research. In February 2019, I became Manager of Resource Planning with
12 responsibility for internal and external generation analysis and reporting. I was named
13 to my current position of Director of Regulatory and Rates in October 2020. With it, I
14 maintained my prior responsibilities and added regulatory and rates functions for CEI
15 South's 's Indiana electric territory.
16

17 **Q. What are your present duties and responsibilities as Director, Indiana**
18 **Regulatory and Rates?**

19 A. I am responsible for the electric regulatory and rate matters of CEI South in regulated
20 proceedings before the Indiana Utility Regulatory Commission (the "Commission"). I
21 also have responsibility for resource planning and reporting for CEI South, including
22 the IRP.
23

24 **Q. Have you previously testified before the Commission?**

25 A. Yes. Most recently, I testified in support of Petitioner's request to enter in a purchase
26 power agreement related to Solar Projects in Cause No. 46500, Cause No. 43405
27 DSMA 19, a Demand Side Management Adjustment ("DSMA") proceeding and Cause
28 No. 45564 in support of Petitioner's request for a Certificate of Public Convenience
29 and Necessity ("CPCN") to construct two natural gas combustion turbines ("CTs"). I
30 have also testified in Cause Nos. 45501, 45052 ECA, 45378, prior 44910 TDSIC cases
31 and 44909 CECA.

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

2 A. I will support Petitioner's request to implement a Transmission, Distribution, and
3 Storage Improvement Charge ("TDSIC") as previously approved by the Commission
4 in Cause No. 44910 ("TDSIC Plan Case") on September 20, 2017, under Ind. Code
5 ch. 8-1-39 ("TDSIC Statute"). I will provide a brief description of the Stipulation and
6 Settlement Agreement ("the 44910 Settlement Agreement") in the TDSIC Plan Case
7 and how this filing ("TDSIC 10") adheres to the terms of the 44910 Settlement
8 Agreement. I will support Petitioner's request to (1) recover 80% of the calculated
9 revenue requirement of the 7-year infrastructure plan ("TDSIC Plan"), and (2) defer
10 20% of the calculated TDSIC revenue requirement for recovery in Petitioner's next
11 general rate case.

12
13 Finally, I will support the updated TDSIC rates and charges and request approval for
14 the costs incurred through October 31, 2021, to be recovered in the TDSIC, with such
15 rates and charges approved in this proceeding implemented no earlier than May 1,
16 2022, and remaining in effect until replaced in a subsequent TDSIC filing.

17
18 **Q. Are you sponsoring any exhibits in this proceeding?**

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

- 20 • Petitioner's Exhibit No. 3, Attachment MAR-1: TDSIC rate derivation, Schedules
21 1-4
22 • Petitioner's Exhibit No. 3, Attachment MAR-2: Proposed TDSIC Tariff Sheet,
23 Pages 1 and 2.
24 • Petitioner's Exhibit No. 3, Attachment MAR-3: Projected Rates and Charges and
25 Yearly Revenue Percentage Change
26

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

28 A. Yes, they were.

1 **II. BACKGROUND**

2
3 **Q. Please summarize the statutory authority that allows Petitioner to seek approval**
4 **of a rate adjustment mechanism associated with projects within the TDSIC Plan.**

5 A. Petitioner is requesting approval and subsequent timely recovery and deferred
6 accounting treatment of the costs of the TDSIC Plan, under the TDSIC Statute. The
7 44910 Settlement Agreement approved by the Commission on September 20, 2017,
8 and agreed to by Petitioner, the Indiana Office of Utility Consumer Counselor
9 ("OUCC"), and then Vectren Industrial Group (collectively, the "Settling Parties") in the
10 TDSIC Plan Case addresses new or replacement capital investment required for
11 safety, reliability, and system modernization. Commensurate with the approval of the
12 TDSIC Plan, Ind. Code § 8-1-39-9(a) states:

13
14 [A] public utility that provides electric or gas utility service may file with
15 the commission rate schedules establishing a TDSIC that will allow the
16 periodic automatic adjustment of the public utility's basic rates and
17 charges to provide for timely recovery of eighty percent (80%) of
18 approved capital expenditures and TDSIC costs.
19

20 Additionally, Ind. Code § 8-1-39-9(c) provides that:

21
22 A public utility that recovers capital expenditures and TDSIC costs
23 under subsection (a) shall defer the remaining twenty percent (20%) of
24 approved capital expenditures and TDSIC costs, including
25 depreciation, allowance for funds used during construction, and post in
26 service carrying costs, and shall recover those capital expenditures and
27 TDSIC costs as part of the next general rate case that the public utility
28 files with the commission.
29

30 TDSIC costs, as defined under Ind. Code § 8-1-39-7, include among others, a pre-tax
31 return on equity, other financing costs, depreciation, and property tax expenses.
32 Petitioner will utilize the TDSIC to recover 80% of the revenue requirement capturing
33 these costs, and to defer and recover the remaining 20% of the revenue requirement
34 as part of the next base rate case filed with the Commission.

1 **Q. Please summarize the terms of the 44910 Settlement approved in the TDSIC Plan**
2 **Case.**

3 **A.** The following terms were agreed upon by the Settling Parties and approved by the
4 Commission on September 20, 2017 (the "Order"):

- 5 • A maximum of gross capital investment of \$446.5 million eligible for TDSIC
6 ratemaking treatment. Annual capital investment for the TDSIC Plan recoverable
7 in the TDSIC mechanism shall not exceed the defined caps for the respective year,
8 established initially in the 44910 Settlement and updated most recently in TDSIC-
9 9².
- 10 • Any amount below the annual cap in a given year may be rolled over as an
11 increase to the cap for the following year within a three-year rolling period. The
12 annual caps are subject to a 5% tolerance for each year of the TDSIC Plan.
- 13 • Project contingency factors shall not exceed 15% for years 1-3 of the TDSIC Plan
14 and 25% for years 4-7.
- 15 • Capital Overheads, specifically Engineering and Supervision ("E&S") and
16 Administrative and General ("A&G") costs, are not to exceed 18% of the direct
17 capital cost.
- 18 • Cost of removal associated with projects in the TDSIC Plan shall not be included
19 as recoverable in the TDSIC mechanism.
- 20 • Within the TDSIC rate adjustment mechanism, for residential and small general
21 service Rate Schedules, distribution-related costs will be recovered in a fixed
22 charge per customer, with TDSIC-1 capped at \$0.50 per customer per month, and
23 with the fixed charge cap in each subsequent TDSIC filing growing by \$0.50 per
24 customer per month (such that in TDSIC-14 the fixed TDSIC charge will not exceed
25 \$7.00 per customer per month). Distribution-related TDSIC costs exceeding the
26 applicable cap and all transmission-related TDSIC costs will be recovered via a
27 volumetric (energy) charge. For Street Lighting and Outdoor Lighting Rate
28 Schedules, all TDSIC costs will be recovered via a per light monthly charge. For
29 all other Rate Schedules, all TDSIC costs will be recovered via a demand charge.

² See Cause No. 44910-TDSIC-9, Petitioner's Exhibit No. 1, Attachment SRR-2.

- 1 • The return on equity ("ROE") included in the weighted average cost of capital
- 2 ("WACC") will be 10.4%.
- 3 • TDSIC Plan development costs of \$3,798,684 million will be amortized and
- 4 recovered over a period of three years commencing with TDSIC-1.
- 5 • Cost will be allocated to the rate schedules as filed by Petitioner in its direct
- 6 testimony in Cause No. 44910 Transmission and Distribution Revenue-based
- 7 allocations and adjusted for the migration of a large customer.
- 8

9 Petitioner has prepared this TDSIC-10 filing consistent with the terms of the 44910
10 Settlement.

11
12
13 **III. RATEMAKING TREATMENT**

14
15 **Q. Please summarize the Commission's findings in the Order related to ratemaking**
16 **and the applicable statutory authority.**

17 A. Pursuant to the Order, Petitioner was authorized accounting authority starting January
18 1, 2017, for, and subsequent recovery of, costs specific to the proposed TDSIC Plan.
19 The accounting authority approved includes the timely recovery within the TDSIC of
20 eighty percent (80%) of the revenue requirement associated with the Plan capital
21 investments and Operations and Maintenance ("O&M") expenses, and deferral of the
22 remaining twenty percent (20%) of the revenue requirement until Petitioner's next
23 electric base rate case.

24
25 **Q. Please explain the specific ratemaking treatment Petitioner is requesting in this**
26 **case.**

27 A. Consistent with the terms of the 44910 Settlement, Petitioner is proposing the following
28 ratemaking treatment in accordance with the statutes previously discussed:

- 29 1. Recovery via the TDSIC of 80% of eligible revenue requirement amounts, as
- 30 supported by Petitioner Witness Chrissy M. Behme, as of October 31, 2021.
- 31 2. Deferral of 20% of eligible revenue requirement amounts as of October 31, 2021,
- 32 for subsequent recovery in a base rate case.

1 **IV. VARIANCES, ALLOCATIONS, AND RATE DERIVATION**

2
3 **Q. Please describe Schedule 1 (Actual Variances by Rate Schedule).**

4 A. Page 1 of Schedule 1 calculates the over- or under-recovery variance by comparing
5 actual recoveries, exclusive of Indiana Utility Receipts Tax ("IURT"), to the approved
6 recoveries from the TDSIC for the same time period. Actual recoveries represent billed
7 TDSIC revenues from the Company's customer billing system by month and by Rate
8 Schedule for this period. The over- or under-recovery variance is determined by month
9 and by Rate Schedule. The specific identification of the variance by Rate Schedule
10 ensures that customers are paying for only the costs allocated to and approved for
11 recovery from that Rate Schedule.
12

13 **Q. How were the approved recoveries determined for the TDSIC-10 reconciliation**
14 **period (May 2021 through October 2021)?**

15 A. The approved recoveries for the TDSIC-10 reconciliation period represent the TDSIC-
16 8 approved amounts for May 2021 through October 2021, noted in TDSIC-8
17 Attachment MAR-1, Schedule 4.
18

19 **Q. How was the variance calculated for the TDSIC-10 reconciliation period?**

20 A. The Total Variance, noted on line 22 of Schedule 1, was calculated by subtracting the
21 actual recoveries for the reconciliation period, exclusive of IURT (lines 8 through 14),
22 from the approved recoveries (line 15 through 21). The resulting variance is an under
23 recovery of \$1,622,737 and will be collected from customers in the TDSIC-10 rates
24 and charges over a six-month period.
25

26 **Q. How will the approved recoveries be determined for TDSIC-10 to be reconciled**
27 **in TDSIC-12?**

28 A. As reflected on Schedule 4, approved recoveries represent the amounts the Company
29 expects to collect each month. These approved recoveries are calculated by
30 multiplying the billing determinants by month by the applicable rates and charges for
31 the TDSIC period. Any under-recoveries resulting from instances in which TDSIC
32 rates and charges are not in place for a full month will be recovered as an under-
33 recovery variance in a subsequent TDSIC proceeding.

1 **Q. Please describe Schedule 2 (Allocation and Rate Derivation).**

2 A. Schedule 2 shows the allocation of the TDSIC Transmission and Distribution revenue
3 requirement, supported by Ms. Behme, and the derivation of TDSIC rates and charges
4 by Rate Schedule for each component (Transmission and Distribution). The schedule
5 is divided into three sections to reflect the different allocation percentages applicable
6 to TDSIC costs to derive the proposed TDSIC charges by Rate Schedule.

7

8 Lines 1 through 10 show the derivation of the Transmission revenue requirement
9 component of the TDSIC. The allocation percentages listed in Column A reflect the
10 44910 Settlement allocation percentages, shown in the table below, representing the
11 functionalized transmission revenues by Rate Schedule from the Company's Cost of
12 Service Study in the last electric base rate case:

<u>Rate Schedule</u>	<u>Transmission Allocators</u>
Rate RS	42.62%
Rate B	0.13%
Rate SGS	1.82%
Rate DGS/MLA	27.33%
Rate OSS	2.12%
Rate LP	25.33%
Rate HLF	0.65%
Rate SL/OL	0.00%
Total	100.00%

13 These allocation percentages are applied to the total Transmission revenue
14 requirement from Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1, Line 16,
15 to determine the amounts recoverable from each Rate Schedule (Column B). The
16 amounts allocated to each Rate Schedule are divided by the estimated billing
17 determinants in Columns C through E (customers, energy (kWh), or Demand
18 (kW/kVa)) to determine the per unit TDSIC rates and charges excluding IURT in
19 Columns F through H. These rates and charges are then grossed up for IURT to
20 determine the rates proposed in the Tariff in Columns I through K. For the small
21 customer Rate Schedules—Residential Service ("Rate RS"), Water Heating Service
22 ("Rate B"), Small General Service ("Rate SGS")—the Transmission component is
23 recovered via a per-kWh rate. For the Street Lighting ("Rate SL") and Outdoor Lighting
24 ("Rate OL") Rate Schedules, the Transmission component is recovered via a per-

customer (or per-light) charge. For all other Rate Schedules—Demand General Service (“Rate DGS”), Municipal Levee Authority Service (“Rate MLA”), Off-Season Service (“Rate OSS”), Large Power Service (“Rate LP”), and High Load Factor Service (“Rate HLF”)—the Transmission component is recovered via a per-kW or per-kVa demand charge.

Lines 11 through 23 show the derivation of the Distribution revenue requirement component of the TDSIC rate. The allocation percentages listed in Column A reflect the 44910 Settlement allocation percentages, shown in the table below, representing the functionalized distribution revenues by Rate Schedule from the Company's Cost of Service Study in the last electric base rate case:

Rate Schedule	Distribution Allocators
Rate RS	58.44%
Rate B	1.12%
Rate SGS	4.10%
Rate DGS/MLA	22.53%
Rate OSS	2.32%
Rate LP	10.59%
Rate HLF	0.01%
Rate SL/OL	0.89%
Total	100.00%

These allocation percentages are applied to the total Distribution revenue requirement from Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1, Line 16, to determine the amounts recoverable from each Rate Schedule (Column B). The calculation of the distribution rate (or charge) per unit follows the same methodology previously explained for the Transmission component. For the small customer Rate Schedules—Rate RS, Rate B, Rate SGS—the Distribution component is recovered via a fixed per-customer, monthly charge, capped in this filing at \$5.00 per customer per month. Any amount in excess of this cap is recovered in the energy charge. As noted in the schedule (lines 15-17, Column I), the calculated per-customer monthly rate would exceed the \$5.00 cap for TDSIC-10 for Rate RS and Rate SGS. As such, the amount in excess of the customer charge cap has been included in the energy charge (Column J). For Rate SL and Rate OL, the Distribution component is recovered via a per-customer (or per-light) charge. For all other Rate Schedules—Rate DGS, Rate MLA,

Rate OSS, Rate LP, and Rate HLF—the Distribution component is recovered via a per-kW or per-kVa demand charge.

Lines 24 through 34 of Schedule 2 show the derivation of the Excess Accumulated Deferred Income Tax Credit “(EADIT Credit)” component of the TDSIC rate. The allocation percentages listed in Column A reflect allocation percentages agreed to in the Stipulation and Settlement Agreement reached in Cause No. 45032 S21 (“Tax Reform Settlement”), shown in the table below, representing the taxable income by Rate Schedule from the Company’s Cost of Service Study in the last electric base rate case:

Rate Schedule	EADIT Credit Allocators
Rate RS	42.67%
Rate B	0.20%
Rate SGS	1.16%
Rate DGS/MLA	30.15%
Rate OSS	2.11%
Rate LP - Transmission	8.79%
Rate LP - Distribution	13.18%
Rate HLF	0.93%
Rate SL/OL	0.81%
Total	100.00%

These allocation percentages are applied to the total EADIT Credit projected for November 2021 through October 2022³ to determine the credit amounts to each Rate Schedule (Column B). In accordance with the Tax Reform Settlement, the calculation of the EADIT Credit rate (or charge) per unit follows the same methodology previously explained for the Transmission component. For the small customer Rate Schedules—Rate RS, Rate B, Rate SGS—the EADIT Credit component is passed back to customers via a per-kWh rate. For Rate SL and Rate OL, the EADIT Credit component is passed back via a per-customer (or per-light) charge. For all other Rate Schedules—Rate DGS, Rate MLA, Rate OSS, Rate LP, and Rate HLF—the EADIT

³ The Tax Reform Settlement approved in Cause No. 45032 S21 defines the annual amortization for Petitioner, revised as reflected on Attachment JCS-4 in TDSIC-3. The annual amounts are grossed up using the revenue conversion factor from Cause No. 45032 S21 and evenly divided by month to determine the credit applicable to the TDSIC-9 and TDSIC-10 rate effective period.

1 Credit component is passed back via a per-kW or per-kVa demand charge. For Rate
2 LP, the EADIT Credit is allocated between Transmission and Distribution using the
3 percentage of total Transmission and Distribution investments from Petitioner's
4 approved TDSIC Plan.

5
6 Lines 35 through 45 of Schedule 2 show the derivation of the Variance component of
7 the TDSIC rate, using the specific variance amounts by Rate Schedule from Schedule
8 1. The variance is recovered (or passed back) consistent with the methodology
9 previously explained for the Transmission and EADIT Credit components. For the
10 small customer Rate Schedules—Rate RS, Rate B, Rate SGS—the Variance
11 component is recovered from (or passed back to) customers via a per-kWh rate. For
12 Rate SL and Rate OL, the Variance component is recovered (or passed back) via a
13 per-customer (or per-light) charge. For all other Rate Schedules—Rate DGS, Rate
14 MLA, Rate OSS, Rate LP, and Rate HLF—the Variance component is recovered (or
15 passed back) via a per-kW or per-kVa demand charge. For Rate LP, the variance is
16 allocated between Transmission and Distribution using the percentage of total
17 Transmission and Distribution revenue requirements authorized in TDSIC-8.

18
19 The calculated rates in Columns F through H are grossed up for IURT to determine
20 the proposed Tariff rates and charges in Columns I through K.

21
22 **Q. Please describe Schedule 3 (Proposed Rates and Charges).**

23 A. Schedule 3 presents the TDSIC rates and charges by Rate Schedule Petitioner is
24 requesting approval for in TDSIC-10, using information from Schedule 2. Additionally,
25 Schedule 3 has been expanded to include the rates and charges by Rate Schedule
26 approved in the TDSIC-9 filing. These rates and charges are used to calculate a
27 percentage change in the rate by Rate Schedule, included in the Petition in compliance
28 with the Commission's General Administrative Order ("GAO") 2020-05 issued
29 December 29, 2020.

1 **Q. Please explain how the TDSIC rates and charges proposed for Transmission**
2 **Voltage Discount (“TVD”) applicable to Rate LP were derived from the**
3 **calculations on Schedule 2.**

4 **A.** The TVD in the Company's current electric base rates reflects a credit to customers
5 receiving service under Rate LP (as well as Backup, Auxiliary, and Maintenance Power
6 Service, or “Rate BAMP”) that are directly served from the transmission system (69 kV
7 or higher). Petitioner currently has nine (9) customers that are eligible for this credit
8 under Rate LP and Rate BAMP. The TVD represents a credit for the amount of
9 distribution costs, for which these customers should not be responsible, built into the
10 Rate LP and Rate BAMP TDSIC Demand Charge. As such, the TDSIC rates and
11 charges applicable to these customers should reflect only the Transmission revenue
12 requirement, EADIT Credit, and Variance components of the TDSIC. The TDSIC TVD
13 reflected on Schedule 3, Line 7 is the credit associated with the Distribution revenue
14 requirement component (line 20), the Distribution EADIT Credit component (line 31),
15 and the Distribution variance component (line 42) for Rate LP on Schedule 2.

16
17 **Q. Please explain how the TDSIC rates and charges proposed for Rate BAMP were**
18 **derived from the calculations on Schedule 2.**

19 **A.** Rate BAMP customers receive firm transmission capacity to support their firm or non-
20 firm generation capacity requirements. Petitioner currently has one customer served
21 under Rate BAMP. This customer owns and operates a cogeneration facility, which is
22 receiving non-firm generation backup services from Petitioner. The approved Rate
23 BAMP rates and charges represent the cost of firm transmission services. As such,
24 the TDSIC rates and charges applicable to Rate BAMP should capture only the
25 Transmission revenue requirement, EADIT Credit, and Variance components of the
26 rate, which synchronize to the nature of their service requirements. The Rate BAMP
27 TDSIC rate shown on Schedule 3, Line 8 is the sum of the Transmission revenue
28 requirement component (line 7), the Transmission EADIT Credit component (line 30),
29 and the Transmission Variance component (line 41) for Rate LP on Schedule 2.

30
31 **Q. Please describe Schedule 4 (Projected Recoveries by Month).**

32 **A.** Schedule 4 calculates the TDSIC recoveries by month. These are the expected
33 monthly recoveries of the approved TDSIC revenue requirement to which actual

1 TDSIC revenues will be compared for reconciliation purposes. Starting in November
2 2022, the authorized TDSIC recoveries exclude the variance component, as the
3 variance component will be recovered (or passed back) over the six-month period May
4 2022 through October 2022.

5
6
7 **V. TARIFF PROPOSAL AND MODIFICATIONS**

8
9 **Q. Please describe Petitioner's Exhibit No. 3, Attachment MAR-2.**

10 A. Attachment MAR-2 is the proposed Petitioner Tariff Sheet, Sheet No. 75 – Appendix
11 K, containing the TDSIC rates and charges proposed herein. Both redlined and clean
12 versions of Sheet No. 75 are included.

13
14
15 **VI. PROJECTED CUSTOMER IMPACTS**

16
17 **Q. Please describe Petitioner's Exhibit No. 3, Attachment MAR-3.**

18 A. Attachment MAR-3 summarizes the estimated year-over-year impact that the costs
19 associated with the TDSIC Plan will have on customer rates, in total and by rate
20 schedule, over the life of the TDSIC Plan. In order to align the customer impacts to
21 the TDSIC Plan investments, these impacts exclude the EADIT Credits to be reflected
22 in future TDSIC rates and charges.

23
24
25 **VII. CONCLUSION**

26
27 **Q. Does this conclude your prepared direct testimony?**

28 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

1-31-22

Date

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
ACTUAL VARIANCES BY RATE SCHEDULE THROUGH OCTOBER 31, 2021

Line	Description	A	B	C	D	E	F	G	H	I	J
		Rate Schedule								Total	Reference
	Actual Recoveries (Inclusive of IURT)	RS	B	SGS	DGS / MLA	OSS	LP / BAMP	HLF	SL/OL		
1	May-21	\$ 603,247	\$ 10,705	\$ 43,547	\$ 280,713	\$ 26,793	\$ (26,816)	\$ 3,253	\$ 6,966	\$ 948,408	(A)
2	Jun-21	\$ 697,221	\$ 11,626	\$ 50,869	\$ 330,695	\$ 27,552	\$ 129,314	\$ (5,522)	\$ 6,772	\$ 1,248,528	(A)
3	Jul-21	\$ 809,784	\$ 12,474	\$ 52,498	\$ 375,835	\$ 30,210	\$ 163,065	\$ (5,487)	\$ 6,733	\$ 1,445,112	(A)
4	Aug-21	\$ 805,798	\$ 12,357	\$ 54,224	\$ 379,570	\$ 30,552	\$ 164,556	\$ (5,490)	\$ 6,738	\$ 1,448,305	(A)
5	Sep-21	\$ 818,596	\$ 12,361	\$ 55,418	\$ 385,069	\$ 30,130	\$ 81,630	\$ (5,497)	\$ 6,736	\$ 1,384,444	(A)
6	Oct-21	\$ 726,619	\$ 12,209	\$ 53,522	\$ 368,077	\$ 29,960	\$ 75,953	\$ (5,449)	\$ 6,733	\$ 1,267,625	(A)
7	Total Actual Recoveries Inclusive of IURT	\$ 4,461,266	\$ 71,733	\$ 310,078	\$ 2,119,959	\$ 175,198	\$ 587,702	\$ (24,192)	\$ 40,678	\$ 7,742,422	Sum Lines 1-6
	Actual Recoveries (Exclusive of IURT)	RS	B	SGS	DGS / MLA	OSS	LP / BAMP	HLF	SL/OL		
8	May-21	\$ 594,380	\$ 10,548	\$ 42,907	\$ 276,586	\$ 26,399	\$ (26,422)	\$ 3,205	\$ 6,863	\$ 934,466	Line 1 x 0.9853
9	Jun-21	\$ 686,972	\$ 11,455	\$ 50,122	\$ 325,834	\$ 27,147	\$ 127,413	\$ (5,441)	\$ 6,672	\$ 1,230,175	Line 2 x 0.9853
10	Jul-21	\$ 797,880	\$ 12,291	\$ 51,726	\$ 370,310	\$ 29,766	\$ 160,668	\$ (5,406)	\$ 6,634	\$ 1,423,869	Line 3 x 0.9853
11	Aug-21	\$ 793,953	\$ 12,175	\$ 53,426	\$ 373,990	\$ 30,103	\$ 162,137	\$ (5,410)	\$ 6,639	\$ 1,427,015	Line 3 x 0.9853
12	Sep-21	\$ 806,563	\$ 12,180	\$ 54,603	\$ 379,409	\$ 29,688	\$ 80,430	\$ (5,416)	\$ 6,637	\$ 1,364,093	Line 3 x 0.9853
13	Oct-21	\$ 715,938	\$ 12,029	\$ 52,735	\$ 362,666	\$ 29,520	\$ 74,837	\$ (5,369)	\$ 6,634	\$ 1,248,990	Line 3 x 0.9853
14	Total Actual Recoveries Exclusive of IURT	\$ 4,395,686	\$ 70,678	\$ 305,520	\$ 2,088,796	\$ 172,622	\$ 579,062	\$ (23,837)	\$ 40,080	\$ 7,628,608	Sum Lines 8-13
	Approved Recoveries (Exclusive of IURT)	RS	B	SGS	DGS / MLA	OSS	LP / BAMP	HLF	SL/OL		
15	May-21	\$ 672,536	\$ 13,170	\$ 51,190	\$ 308,122	\$ 28,243	\$ 365,649	\$ (5,353)	\$ 6,014	\$ 1,439,571	(B)
16	Jun-21	\$ 747,785	\$ 13,184	\$ 53,504	\$ 331,421	\$ 24,743	\$ 376,944	\$ (5,309)	\$ 6,014	\$ 1,548,286	(B)
17	Jul-21	\$ 817,506	\$ 13,087	\$ 55,048	\$ 326,872	\$ 23,813	\$ 381,607	\$ (5,374)	\$ 6,014	\$ 1,618,572	(B)
18	Aug-21	\$ 793,269	\$ 13,006	\$ 54,117	\$ 372,683	\$ 26,606	\$ 380,672	\$ (5,384)	\$ 6,014	\$ 1,640,983	(B)
19	Sep-21	\$ 702,309	\$ 12,999	\$ 51,942	\$ 354,831	\$ 26,587	\$ 376,168	\$ (5,443)	\$ 6,014	\$ 1,525,407	(B)
20	Oct-21	\$ 650,175	\$ 13,026	\$ 51,081	\$ 358,578	\$ 27,663	\$ 377,246	\$ (5,257)	\$ 6,014	\$ 1,478,525	(B)
21	Total Approved Recoveries Exclusive of IURT	\$ 4,383,580	\$ 78,472	\$ 316,884	\$ 2,052,507	\$ 157,655	\$ 2,258,286	\$ (32,120)	\$ 36,081	\$ 9,251,345	Sum Lines 15-20
22	Total Variance (C)	<u>\$ (12,106)</u>	<u>\$ 7,793</u>	<u>\$ 11,364</u>	<u>\$ (36,289)</u>	<u>\$ (14,967)</u>	<u>\$ 1,679,224</u>	<u>\$ (8,283)</u>	<u>\$ (3,999)</u>	<u>\$ 1,622,737</u>	Line 21 - Line 14
	Under/(Over) Recovery										

(A) Actual Recoveries represent billed TDSIC revenues from the company's customer billing system by month and by rate schedule.

(B) Based on prior TDSIC approvals.

(C) To Attachment MAR-1, Schedule 2

(A) Represents revenue requirement over cumulative Rate RS, B, SGS cap of \$5.00 per customer per month, including IURT
(B) Represents rate over cumulative Rate RS cap of \$5.00 per customer, per month, including IURT

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
PROPOSED RATES AND CHARGES**

Line No.	Rate Schedule	Description	A <i>Combined Rates and Charges - Excluding IURT (Proposed)</i>			D <i>Combined Rates and Charges - Including IURT (Proposed)</i>			G <i>Combined Rates and Charges - Including IURT (Current) [1]</i>			J <i>Percentage Change - Including IURT [3]</i>		
			Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa	Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa	Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa	Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa
1	Rate RS	Residential Service	\$ 4.92	\$ 0.002178		\$ 5.00	\$ 0.002212		\$ 4.50	\$ 0.001991		11.11%	11.09%	
2	Rate B	Water Heating Service	\$ 4.04	\$ 0.002498		\$ 4.10	\$ 0.002537		\$ 3.59	\$ 0.001437		14.18%	76.55%	
3	Rate SGS	Small General Service	\$ 4.92	\$ 0.002611		\$ 5.00	\$ 0.002652		\$ 4.50	\$ 0.002621		11.11%	1.18%	
4	Rate DGS/MLA	Demand General Service / Municipal Levee Authority			\$ 1.407			\$ 1.429			\$ 1.071			33.45%
5	Rate OSS	Off-Season Service			\$ 1.368			\$ 1.390			\$ 1.716			-19.04%
6	Rate LP	Large Power Service			\$ 2.255			\$ 2.291			\$ 1.296			76.69%
7	Rate LP - TVD	Large Power Service - Transmission Voltage Discount	[4]		\$ (1.528)			\$ (1.552)			\$ (0.886)			-75.15%
8	Rate BAMP	Backup, Auxiliary, and Maintenance Power Services	[5]		\$ 0.728			\$ 0.739			\$ 0.411			80.01%
9	Rate HLF	High Load Factor Service			\$ (0.039)			\$ (0.039)			\$ 0.372			-110.53%
10	Rate SL/OL	Street Lighting / Outdoor Lighting	\$ 0.31			\$ 0.32			\$ 0.28			15.47%		
Line No.	Rate Schedule	Description	<i>Combined Rates and Charges, without Variance - Excluding IURT (Proposed)</i>			<i>Combined Rates and Charges, without Variance - Including IURT (Proposed)</i>			<i>Combined Rates and Charges, without Variance - Including IURT (Current) [2]</i>			<i>Percentage Change - Including IURT [3]</i>		
			Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa	Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa	Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa	Rate per Customer Per Month	Rate per kWh	Rate per kW/kVa
11	Rate RS	Residential Service	\$ 4.92	\$ 0.002194		\$ 5.00	\$ 0.002229		\$ 4.50	\$ 0.001898		11.11%	17.42%	
12	Rate B	Water Heating Service	\$ 4.04	\$ 0.000185		\$ 4.10	\$ 0.000188		\$ 3.59	\$ (0.000033)		14.18%	663.63%	
13	Rate SGS	Small General Service	\$ 4.92	\$ 0.002272		\$ 5.00	\$ 0.002307		\$ 4.50	\$ 0.002169		11.11%	6.36%	
14	Rate DGS/MLA	Demand General Service / Municipal Levee Authority			\$ 1.429			\$ 1.452			\$ 1.078			34.63%
15	Rate OSS	Off-Season Service			\$ 1.466			\$ 1.489			\$ 1.423			4.62%
16	Rate LP	Large Power Service			\$ 0.958			\$ 0.973			\$ 0.557			74.60%
17	Rate LP - TVD	Large Power Service - Transmission Voltage Discount	[6]		\$ (0.507)			\$ (0.515)			\$ (0.305)			-68.98%
18	Rate BAMP	Backup, Auxiliary, and Maintenance Power Services	[7]		\$ 0.450			\$ 0.457			\$ 0.252			81.40%
19	Rate HLF	High Load Factor Service			\$ 0.097			\$ 0.098			\$ 0.029			243.59%
20	Rate SL/OL	Street Lighting / Outdoor Lighting	\$ 0.34			\$ 0.35			\$ 0.31			12.29%		

[1] Per Cause No. 44910 TDSIC-8, Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 3, Lines 1 - 10

[2] Per Cause No. 44910 TDSIC-8, Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 3, Lines 11 - 20

[3] Calculated by subtracting current rate from proposed rate, then dividing by current rate

[4] Columns C and F calculated from the rates and charges on Schedule 2 - Line 20 (distribution revenue requirement), Line 31 (distribution EADIT Credit), and Line 42 (distribution variance).

[5] Columns C and F calculated from the rates and charges on Schedule 2 - Line 7 (transmission revenue requirement), Line 30 (transmission EADIT Credit), and Line 41 (transmission variance).

[6] Columns C and F calculated from the rates and charges on Schedule 2 - Line 20 (distribution revenue requirement), and Line 31 (distribution EADIT Credit).

[7] Columns C and F calculated from the rates and charges on Schedule 2 - Line 7 (transmission revenue requirement), and Line 30 (transmission EADIT Credit).

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
PROJECTED RECOVERIES BY MONTH**

Line No. Rate Schedule	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	Annual Total
Projected Customer Count (A)													
1 RS - Residential Service	131,256	131,260	131,409	131,444	131,438	131,477	131,619	131,899	132,062	132,157	132,237	132,289	131,712 12 Mos Avg
2 B - Water Heating Service	3,672	3,667	3,661	3,656	3,646	3,639	3,634	3,632	3,713	3,705	3,694	3,684	3,667 12 Mos Avg
3 SGS - Small General Service	10,071	10,076	10,079	10,081	10,090	10,101	10,097	10,108	10,141	10,143	10,152	10,172	10,109
4 SL/OL - Street Lighting / Outdoor Lighting Service	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169
Projected Energy (kWh) (A)													
5 RS - Residential Service	128,563,789	166,258,313	152,847,899	103,187,663	74,718,864	96,200,896	118,985,592	149,250,310	109,673,949	117,472,980	69,996,625	87,048,600	1,374,205,480
6 B - Water Heating Service	570,622	546,294	545,000	558,713	553,128	595,903	697,925	830,747	719,585	658,234	624,106	590,972	7,491,229
7 SGS - Small General Service	5,810,774	6,449,679	6,064,150	5,156,233	4,794,539	5,239,031	5,849,809	6,016,390	5,650,239	5,161,729	4,716,521	4,816,156	65,725,249
Projected Demand (kW)/(kVa) (A)													
8 DGS - Demand General Service / Municipal Levee Authority	251,279	268,580	265,238	301,127	286,278	286,741	256,139	230,336	237,897	235,902	228,732	246,221	3,094,470
9 OSS - Off-Season Service	26,494	25,888	24,895	26,615	24,571	24,575	24,579	24,568	25,664	23,755	24,662	26,895	303,281
10 LP - Large Power Service	227,581	236,866	245,168	246,158	245,478	243,718	216,531	208,276	208,485	208,604	207,361	222,675	2,716,002
11 LP - Large Power Service - Transmission Voltage Discount	55,187	55,555	55,401	55,012	56,094	55,632	53,764	52,146	44,741	44,895	45,306	54,599	628,323
12 BAMP - Backup, Auxiliary, and Maintenance Power Services	86,300	86,300	86,300	86,300	86,300	86,300	86,300	86,300	86,300	86,300	86,300	86,300	1,035,600
13 HLF - High Load Factor Service	10,189	10,160	10,335	10,184	10,213	10,217	10,122	10,129	10,053	10,287	10,315	10,194	122,400
Projected Recoveries (B), (C)													
14 RS - Residential Service	\$ 926,124	\$ 1,008,228	\$ 979,758	\$ 871,796	\$ 809,774	\$ 856,741	\$ 909,051	\$ 976,842	\$ 890,799	\$ 908,382	\$ 804,599	\$ 842,268	\$ 10,784,361
15 B - Water Heating Service	\$ 16,243	\$ 16,162	\$ 16,134	\$ 16,148	\$ 16,094	\$ 16,173	\$ 14,793	\$ 14,810	\$ 15,116	\$ 15,072	\$ 15,021	\$ 14,975	\$ 186,740
16 SGS - Small General Service	\$ 64,749	\$ 66,443	\$ 65,452	\$ 63,092	\$ 62,191	\$ 63,404	\$ 62,996	\$ 63,430	\$ 62,761	\$ 61,661	\$ 60,895	\$ 61,017	\$ 757,890
17 DGS - Demand General Service / Municipal Levee Authority	\$ 353,658	\$ 378,009	\$ 373,304	\$ 423,816	\$ 402,916	\$ 403,568	\$ 368,101	\$ 329,221	\$ 340,027	\$ 337,175	\$ 326,927	\$ 351,924	\$ 4,386,846
18 OSS - Off-Season Service	\$ 36,248	\$ 35,555	\$ 34,060	\$ 36,414	\$ 33,617	\$ 33,622	\$ 36,030	\$ 36,014	\$ 37,621	\$ 34,823	\$ 36,161	\$ 39,425	\$ 429,611
19 LP - Large Power Service	\$ 513,228	\$ 534,439	\$ 552,933	\$ 555,167	\$ 553,634	\$ 549,665	\$ 207,364	\$ 200,416	\$ 197,743	\$ 199,772	\$ 198,582	\$ 213,248	\$ 4,476,230
20 LP-TVD - Large Power Service - Transmission Voltage Discount	\$ (84,305)	\$ (84,867)	\$ (84,632)	\$ (84,037)	\$ (85,691)	\$ (84,985)	\$ (27,278)	\$ (26,457)	\$ (26,700)	\$ (22,703)	\$ (22,966)	\$ (27,701)	\$ (658,412)
21 BAMP - Backup, Auxiliary, and Maintenance Power Services	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 82,801	\$ 1,035,600
22 HLF - High Load Factor Service	\$ (393)	\$ (392)	\$ (399)	\$ (393)	\$ (394)	\$ (394)	\$ 977	\$ 978	\$ 971	\$ 993	\$ 996	\$ 984	\$ 3,536
23 SL/OL - Street Lighting / Outdoor Lighting	\$ 7,918	\$ 7,918	\$ 7,918	\$ 7,918	\$ 7,918	\$ 7,918	\$ 8,585	\$ 8,585	\$ 8,585	\$ 8,585	\$ 8,585	\$ 8,585	\$ 99,019
24 Total Recoveries Including Variances during first six month	\$ 1,896,309	\$ 2,024,296	\$ 2,007,330	\$ 1,952,723	\$ 1,862,861	\$ 1,908,512	\$ 1,617,479	\$ 1,642,700	\$ 1,569,784	\$ 1,582,552	\$ 1,467,461	\$ 1,543,587	\$ 21,075,592
25 20% Deferred (based on Revenue Requirement piece only)	\$ 512,962	\$ 558,952	\$ 547,364	\$ 519,446	\$ 484,782	\$ 504,532	\$ 502,673	\$ 516,526	\$ 484,958	\$ 490,717	\$ 443,616	\$ 471,921	\$ 6,038,448
	9.00%	9.60%	9.52%	9.27%	8.84%	9.06%	7.67%	7.79%	7.45%	7.51%	6.96%	7.32%	

Notes:
(A) Source: Vectren South 2021/2022 Budget
(B) Exclusive of IURT
(C) Proposed Rates and Charge, multiplied by Estimated Billing Determinants (A)

Proposed Rates and Charges	With Variance		Without Variance		Without Variance and EADIT Credit	
	Excluding IURT	Including IURT	Excluding IURT	Including IURT	Excluding IURT	Including IURT
Rate RS - Per Customer Per Month	\$ 4.92	\$ 5.00	\$ 4.92	\$ 5.00	\$ 4.92	\$ 5.00
Rate RS - Per kWh	\$ 0.002178	\$ 0.002212	\$ 0.002194	\$ 0.002229	\$ 0.003654	\$ 0.003711
Rate B - Per Customer Per Month	\$ 4.04	\$ 4.10	\$ 4.04	\$ 4.10	\$ 4.04	\$ 4.10
Rate B - Per kWh	\$ 0.002498	\$ 0.002537	\$ 0.000185	\$ 0.000188	\$ 0.001440	\$ 4.098254
Rate SGS - Per Customer Per Month	\$ 4.92	\$ 5.00	\$ 4.92	\$ 5.00	\$ 4.92	\$ 5.00
Rate SGS - Per kWh	\$ 0.002611	\$ 0.002652	\$ 0.002272	\$ 0.002307	\$ 0.003101	\$ 0.003150
Rate DGS/MLA - Per kW/kVa	\$ 1.407	\$ 1.429	\$ 1.429	\$ 1.452	\$ 1.887	\$ 1.917
Rate OSS - Per kW/kVa	\$ 1.368	\$ 1.390	\$ 1.466	\$ 1.489	\$ 1.793	\$ 1.821
Rate LP - Transmission Per kW/kVa	\$ 0.728	\$ 0.739	\$ 0.450	\$ 0.457	\$ 0.560	\$ 0.569
Rate LP - Distribution Per kW/kVa	\$ 1.528	\$ 1.552	\$ 0.507	\$ 0.515	\$ 0.804	\$ 0.817
Rate LP-TVD - Per kW/kVa	\$ (1.528)	\$ (1.552)	\$ (0.507)	\$ (0.515)	\$ (0.804)	\$ (0.817)
Rate BAMP - Per kW/kVa	\$ 0.728	\$ 0.739	\$ 0.450	\$ 0.457	\$ 0.560	\$ 0.569
Rate HLF - Per kW/kVa	\$ (0.039)	\$ (0.039)	\$ 0.097	\$ 0.098	\$ 0.454	\$ 0.461
Rate SL/OL - Per Customer Per Month	\$ 0.31	\$ 0.32	\$ 0.34	\$ 0.35	\$ 0.47	\$ 0.47

APPENDIX K

TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM

IMPROVEMENT CHARGE

APPLICABILITY

The Transmission, Distribution, and Storage System Improvement Charge ("TDSIC") shall be applicable to all Customers on the Rate Schedules set forth in the TDSIC Charges section below.

DESCRIPTION

The TDSIC shall include, as approved by the Commission:

- (1) In Cause No. 44910, recovery of costs associated with Company's TDSIC Plan ("TDSIC") as provided for in Ind. Code Ch. 8-1-39 for the purposes of safety, reliability, system modernization, or economic development.
- (2) In Cause No. 45032-S21, credits associated with the amortization of Excess Accumulated Deferred Income Tax ("EADIT Credits") liability resulting from the Tax Cuts and Jobs Act of 2017.

Reconciliation

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

Allocation Percentages

TDSIC costs and EADIT Credits shall be allocated to the Rate Schedules based on the percentages approved in Cause No. 44910 and Cause No. 45032-S21.

<u>Rate Schedule</u>	<u>Transmission</u>	<u>Distribution</u>	<u>EADIT Credit</u>
	<u>Allocation</u>	<u>Allocation</u>	<u>Allocation</u>
	<u>Percentage</u>	<u>Percentage</u>	<u>Percentage</u>
RS	42.62%	58.44%	42.67%
B	0.13%	1.12%	0.20%
SGS	1.82%	4.10%	1.16%
DGS/MLA	27.33%	22.53%	30.15%
OSS	2.12%	2.32%	2.11%
LP/BAMP	25.33%	10.59%	21.97%
HLF	0.65%	0.01%	0.93%
SL/OL	0.00%	0.89%	0.81%

TDSIC CHARGES

The TDSIC shall be applied to each customer or kW/kVa or kWh of electric usage, as applicable. The current TDSIC rates and charges by Rate Schedule are set forth below:

<u>Rate Schedule</u>	<u>\$ per Month</u>	<u>\$ per kW or kVa</u>	<u>\$ per kWh</u>
RS	\$5.00		\$0.002212
B	\$4.10		\$0.002537
SGS	\$5.00		\$0.002652
DGS/MLA		\$1.429	
OSS		\$1.390	
LP		\$2.291	
LP-TVD		\$(1.552)	
BAMP		\$0.739	
HLF		\$(0.039)	
SL/OL (1)	\$0.32		

- (1) The TDSIC Charge for Rate Schedule SL/OL is stated in \$ per month per lighting fixture.

Effective:

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Electric Service
I.U.R.C. No. E-13

Sheet No. 75
Tenth Revised Page 1 of 1
Cancels Ninth Revised Page 1 of 1

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APPENDIX K **TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM** **IMPROVEMENT CHARGE**

APPLICABILITY

The Transmission, Distribution, and Storage System Improvement Charge ("TDSIC") shall be applicable to all Customers on the Rate Schedules set forth in the TDSIC Charges section below.

DESCRIPTION

The TDSIC shall include, as approved by the Commission:

- (1) In Cause No. 44910, recovery of costs associated with Company's TDSIC Plan ("TDSIC") as provided for in Ind. Code Ch. 8-1-39 for the purposes of safety, reliability, system modernization, or economic development.
- (2) In Cause No. 45032-S21, credits associated with the amortization of Excess Accumulated Deferred Income Tax ("EADIT Credits") liability resulting from the Tax Cuts and Jobs Act of 2017.

Reconciliation

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

Allocation Percentages

TDSIC costs and EADIT Credits shall be allocated to the Rate Schedules based on the percentages approved in Cause No. 44910 and Cause No. 45032-S21.

<u>Rate Schedule</u>	<u>Transmission</u>	<u>Distribution</u>	<u>EADIT Credit</u>
	<u>Allocation</u> <u>Percentage</u>	<u>Allocation</u> <u>Percentage</u>	<u>Allocation</u> <u>Percentage</u>
RS	42.62%	58.44%	42.67%
B	0.13%	1.12%	0.20%
SGS	1.82%	4.10%	1.16%
DGS/MLA	27.33%	22.53%	30.15%
OSS	2.12%	2.32%	2.11%
LP/BAMP	25.33%	10.59%	21.97%
HLF	0.65%	0.01%	0.93%
SL/OL	0.00%	0.89%	0.81%

TDSIC CHARGES

The TDSIC shall be applied to each customer or kW/kVa or kWh of electric usage, as applicable. The current TDSIC rates and charges by Rate Schedule are set forth below:

<u>Rate Schedule</u>	<u>\$ per Month</u>	<u>\$ per kW or kVa</u>	<u>\$ per kWh</u>
RS	\$5.00		\$0.002212
B	\$4.10		\$0.002537
SGS	\$5.00		\$0.002652
DGS/MLA		\$1.429	
OSS		\$1.390	
LP		\$2.291	
LP-TVD		\$(1.552)	
BAMP		\$0.739	
HLF		\$(0.039)	
SL/OL (1)	\$0.32		

- (1) The TDSIC Charge for Rate Schedule SL/OL is stated in \$ per month per lighting fixture.

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Effective:

SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a CENTERPOINT ENERGY INDIANA SOUTH
CEI SOUTH
TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
Estimated Customer Impacts and Annual Revenue Increase

	2017	TDSIC-2 2018			TDSIC-4 2019			TDSIC-6 2020			TDSIC-8 2021			TDSIC-10 2022			TDSIC-12 2023			TDSIC-14 2024		
		Per Customer/ Month	Per kWh	Per kW/kVA	Per Customer/ Month	Per kWh	Per kW/kVA	Per Customer/ Month	Per kWh	Per kW/kVA	Per Customer/ Month	Per kWh	Per kW/kVA	Per Customer/ Month	Per kWh	Per kW/kVA	Per Customer/ Month	Per kWh	Per kW/kVA	Per Customer/ Month	Per kWh	Per kW/kVA
\$ Millions																						
1 Total Annual Investment [1]	\$40.0																					
2 Total Revenue Change [2]			0.64%			0.81%			1.17%			0.86%			0.84%			1.30%			1.22%	
Estimated Rates & Charges [3]																						
3 Rate RS		\$ 0.95	\$ 0.000339		\$ 2.00	\$ 0.000885		\$ 3.00	\$ 0.002320		\$ 4.00	\$ 0.003104		\$ 5.00	\$ 0.003711		\$ 6.00	\$ 0.005361		\$ 7.00	\$ 0.006955	
4 Rate B		\$ 0.57	\$ 0.000170		\$ 1.25	\$ 0.000452		\$ 2.37	\$ 0.000812		\$ 3.22	\$ 0.001044		\$ 4.10	\$ 0.001463		\$ 5.09	\$ 0.002100		\$ 6.24	\$ 0.002566	
5 Rate SGS		\$ 0.85	\$ 0.000307		\$ 1.80	\$ 0.000787		\$ 3.00	\$ 0.002065		\$ 4.00	\$ 0.002811		\$ 5.00	\$ 0.003150		\$ 6.00	\$ 0.004757		\$ 7.00	\$ 0.006461	
6 Rate DGS/MLA			\$ 0.216			\$ 0.502			\$ 0.917			\$ 1.310			\$ 1.917			\$ 2.525			\$ 3.089	
7 Rate OSS			\$ 0.253			\$ 0.586			\$ 1.021			\$ 1.473			\$ 1.821			\$ 2.376			\$ 2.908	
8 Rate LP			\$ 0.130			\$ 0.310			\$ 0.580			\$ 0.768			\$ 1.386			\$ 1.832			\$ 2.241	
9 Rate LP-TVD			\$ (0.081)			\$ (0.190)			\$ (0.354)			\$ (0.479)			\$ (0.817)			\$ (1.015)			\$ (1.243)	
10 Rate BAMP			\$ 0.048			\$ 0.120			\$ 0.226			\$ 0.289			\$ 0.569			\$ 0.817			\$ 0.998	
11 Rate HLF			\$ 0.061			\$ 0.154			\$ 0.275			\$ 0.267			\$ 0.461			\$ 0.659			\$ 0.805	
12 Rate SL/OL		\$ 0.07			\$ 0.16			\$ 0.29			\$ 0.39			\$ 0.47			\$ 0.59			\$ 0.72		

[1] Investments as shown in Petitioner's Exhibit No. 1, Attachment SRR-2.

[2] Based on Total Revenues for the projected period ended December 31, 2017.

[3] Based on Settlement cost allocations, rate design, and revenue requirement calculations.
Excludes the impact of Tax Reform Settlement Credits (Cause No. 45032-S21)