

OFFICIAL
EXHIBITS

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN)
INDIANA GAS AND ELECTRIC)
COMPANY D/B/A CENTERPOINT)
ENERGY INDIANA SOUTH ("CEI)
SOUTH") FOR APPROVAL OF)
CHANGES IN ITS GAS COST)
ADJUSTMENTS IN ACCORDANCE)
WITH I.C. 8-1-2-42(g) and 8-1-2-42.3.)

CAUSE NO. 37366 – GCA151

IURC
PETITIONER'S

EXHIBIT NO.

7-14-21
DATE

LR
REPORTER

VERIFIED PETITION

To The INDIANA UTILITY REGULATORY COMMISSION:

Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("Petitioner", "CEI South" or "the Company") respectfully shows to the Commission the following:

1. Petitioner is an Indiana corporation engaged in business as a gas utility and has its principal office at 211 NW Riverside Drive, Evansville, Indiana 47708. It owns, operates, manages, and controls plant and equipment within the State of Indiana used for the transmission, delivery, and furnishing of gas utility service to the public in Indiana. Petitioner is accordingly subject to the jurisdiction of this Commission in the manner and to the extent provided by the Indiana utility laws.

2. This Petition is filed pursuant to the provisions of I.C. 8-1-2-42(g) and 8-1-2-42.3 to secure approval of a change in Petitioner's rates and charges based upon gas costs.

3. Petitioner's last order from the Commission establishing the return authorized to be used for the purpose of this Cause was approved on August 1, 2007 in Cause No. 43112. Petitioner also has in effect a gas cost adjustment ("GCA") previously approved by the Commission.

4. Petitioner's proposed GCAs for gas service during the three-month period August, September, and October 2021 and the data and calculations supporting the estimated gas costs, are set forth in Schedules attached hereto. Petitioner's proposed tariff sheet, Appendix A, "Gas Cost Adjustment", will be provided as part of Petitioner's filing of revised schedules.

5. Petitioner has made every reasonable effort to acquire long-term gas supplies so as to provide gas service to its retail customers at the lowest gas cost reasonably possible.

6. Petitioner's Statement of Operating Income for the twelve months ended March 31, 2021, as adjusted, is provided as part of Petitioner's prepared direct testimony and exhibits. In addition, as required by I.C. 8-1-2-42.3, Petitioner's return calculation under that provision is provided as part of Petitioner's prepared direct testimony and exhibits.

7. As set forth in its prepared direct testimony and exhibits, in this filing, Petitioner is proposing an alternative approach for recovering the variance due to unique market circumstances that contributed to the variance in gas costs for the month of February 2021. Petitioner proposes to recover fifty (50) percent of the February 2021 variance evenly over the 12-month period August 2021 to July 2022, with the remainder of the variance recovered through a volumetric per-therm allocation over the same 12-month period.

8. If Petitioner's proposed alternative approach is approved, the estimated average monthly bill impact for a typical residential customer using 55

therms per month is a charge of \$47.33. This represents an increase of \$21.85 from the factor currently in effect.

9. Petitioner proposes to continue the monthly flex methodology approved in Cause No. 37366-GCA150 to establish the price to be applicable to market purchases for each GCA month. Petitioner proposes that the Commission approve such a mechanism to timely reflect in monthly GCAs the potentially volatile changes in natural gas purchase prices and thereby minimize resulting gas cost variances and their future reconciliation. The use of this flex mechanism is beneficial to Petitioner's customers since it allows those customers to receive more accurate and timely price signals, which in turn allows the retention of customers who might otherwise decline to utilize Petitioner's service.

10. Petitioner's books and records supporting the proposed GCAs are presently available for inspection and review by the OUCC and the Commission, including the Commission Staff.

11. Petitioner considers that I.C. 8-1-2-42(g) and I.C. 8-1-2-42.3 are applicable to the subject matter of this Petition and believes that such statutes provide the Commission authority to approve the requested relief.

12. The names and addresses of Petitioner's duly authorized representatives, to whom all correspondence and communications concerning this Cause should be sent, are as follows:

Justin C. Hage
Att'y No. 33785-32
SOUTHERN INDIANA GAS AND
ELECTRIC COMPANY
211 NW Riverside Dr.
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(317) 260-5399 (telephone)

Heather A. Watts
Att'y. No 35482-82
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COMPANY
211 NW Riverside Dr.
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(812) 491-5119 (telephone)
(812) 491-4238 (telecopy)

13. Petitioner states:

- (a) That the GCAs requested for the next applicable period are materially accurate.
- (b) That the gas cost variances included within the requested GCAs are materially accurate.
- (c) That the gas costs included within the requested GCAs include reasonable estimates of the costs of gas purchased, given actual cost of gas experienced and actual gas costs recovered by previous adjustments.
- (d) That the current level of net income available is not greater than the level permitted to be earned and retained by the Company under applicable law.
- (e) That the Company has properly applied its gas cost adjustment since its last filed GCA.
- (f) That the books and records under review are being kept according to the Uniform System of Accounts as prescribed by the Commission.

WHEREFORE, Petitioner respectfully prays that the Commission conduct a summary hearing on the matters set forth herein and thereafter make and enter an order:

(a) Approving the Petition, including the GCAs to be proposed herein, and authorizing Petitioner to make such GCAs effective for the months of August, September, and October 2021 until replaced by different gas cost adjustment factors that are approved in a subsequent filing;

(b) Authorizing and approving the alternative approach to recover fifty (50) percent of the February 2021 variance evenly over the 12-month period August 2021 to July 2022, with the remainder of the variance recovered through a volumetric per-therm allocation over the same 12-month period.

(c) Making such further orders and providing such further relief as may be appropriate and proper.

DATED: this 2nd day of June 2021

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



Katie J. Tieken

Director, Regulatory and Rates