

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. 3
5-3-23 AT
DATE REPORTER

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

ON

PROPOSED TDSIC RATES AND CHARGES

SPONSORING
ATTACHMENTS MAR-1 THROUGH MAR-4

DIRECT TESTIMONY OF MATTHEW A. RICE

INTRODUCTION

Q. Please state your name and business address.

A. My name is Matthew A. Rice. My business address is 211 NW Riverside Dr., Evansville, Indiana 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, one of which includes Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South")¹.

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.

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

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

Q. Please describe your educational background.

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

Q. Please describe your professional experience.

A. Prior to working for CEI South, I worked as a Market Research Analyst for American General Finance for six years working primarily on customer segmentation, demographic analysis, and site location analysis. In 2007, I joined CEI South as a Market Research

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 or CenterPoint Energy, Inc.'s predecessor companies.

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

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

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

Q. Have you previously testified before the Commission?

A. Yes. I have testified before the Commission on behalf of CEI South for a certificate of public convenience and necessity in Cause Nos. 45052, 45501, 45564, 45600, 45754, 45786, 45836 and 45839. I have also testified in support of CEI South's request for approval of a tariff rate for Excess Distributed Generation in Cause No. 45378 and in support of CEI South's Securitization request in Cause No. 45722. Additionally, I have testified in various proceedings under Cause No. 43405 DSMA, Cause No. 44909 CECA, Cause No. 45052 ECA, and this Transmission, Distribution and Storage Improvement Charge ("TDSIC") proceeding under Cause No. 44910.

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

A. I will support CEI South's request to implement a Transmission, Distribution, and Storage Improvement Charge ("TDSIC") as previously approved by the Commission in Cause No.

44910 ("TDSIC Plan Case") on September 20, 2017, under Ind. Code ch. 8-1-39 ("TDSIC Statute"). I will provide a brief description of the Stipulation and Settlement Agreement ("the 44910 Settlement Agreement") in the TDSIC Plan Case and how this filing ("TDSIC 10") adheres to the terms of the 44910 Settlement Agreement. I will support CEI South's request to (1) recover 80% of the calculated revenue requirement of the 7-year infrastructure plan ("TDSIC Plan"), and (2) defer 20% of the calculated TDSIC revenue requirement for recovery in CEI South's next general rate case.

Finally, I will support the updated TDSIC rates and charges and request approval for the costs incurred through October 31, 2022, to be recovered in the TDSIC, with such rates and charges approved in this proceeding implemented no earlier than May 1, 2023, and remaining in effect until replaced in a subsequent TDSIC filing.

Q. Are you sponsoring any exhibits in this proceeding?

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

- **Attachment MAR-1:** TDSIC rate derivation, Schedules 1-4
- **Attachment MAR-2:** Proposed TDSIC Tariff Sheet, Pages 1 and 2.
- **Attachment MAR-3:** Projected Rates and Charges and Yearly Revenue Percentage Change.
- **Attachment MAR-4:** Sample A.B. Brown EADIT Post-Securitization Amortization.

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

A. Yes, they were.

BACKGROUND

Q. Please summarize the statutory authority that allows CEI South to seek approval of a rate adjustment mechanism associated with projects within the TDSIC Plan.

A. CEI South is requesting approval and subsequent timely recovery and deferred accounting treatment of the costs of the TDSIC Plan, under the TDSIC Statute. The 44910 Settlement Agreement approved by the Commission on September 20, 2017, and agreed to by CEI South, the Indiana Office of Utility Consumer Counselor ("OUCC"), and then Vectren Industrial Group (collectively, the "Settling Parties") in the TDSIC Plan Case

addresses new or replacement capital investment required for safety, reliability, and system modernization. Commensurate with the approval of the TDSIC Plan, Ind. Code § 8-1-39-9(a) states:

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

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

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

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

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

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

- A maximum of gross capital investment of \$446.5 million eligible for TDSIC ratemaking treatment. Annual capital investment for the TDSIC Plan recoverable in the TDSIC mechanism shall not exceed the defined caps for the respective year, established initially in the 44910 Settlement and updated most recently in TDSIC 11².

² See Cause No. 44910-TDSIC 11, Petitioner's Exhibit No. 1, Attachment SRR-2.

- 1 • Any amount below the annual cap in a given year may be rolled over as an increase
- 2 to the cap for the following year within a three-year rolling period. The annual caps are
- 3 subject to a 5% tolerance for each year of the TDSIC Plan.
- 4 • Project contingency factors shall not exceed 15% for years 1-3 of the TDSIC Plan and
- 5 25% for years 4-7.
- 6 • Capital Overheads, specifically Engineering and Supervision (E&S) and Administrative
- 7 and General (A&G) costs, are not to exceed 18% of the direct capital cost.
- 8 • Cost of removal associated with projects in the TDSIC Plan shall not be included as
- 9 recoverable in the TDSIC mechanism.
- 10 • Within the TDSIC rate adjustment mechanism, for residential and small general
- 11 service Rate Schedules, distribution-related costs will be recovered in a fixed charge
- 12 per customer, with TDSIC 1 capped at \$0.50 per customer per month, and with the
- 13 fixed charge cap in each subsequent TDSIC filing growing by \$0.50 per customer per
- 14 month (such that in TDSIC 14 the fixed TDSIC charge will not exceed \$7.00 per
- 15 customer per month). Distribution-related TDSIC costs exceeding the applicable cap
- 16 and all transmission-related TDSIC costs will be recovered via a volumetric (energy)
- 17 charge. For Street Lighting and Outdoor Lighting Rate Schedules, all TDSIC costs will
- 18 be recovered via a per light monthly charge. For all other Rate Schedules, all TDSIC
- 19 costs will be recovered via a demand charge.
- 20 • The return on equity included in the weighted average cost of capital WACC will be
- 21 10.4%.
- 22 • TDSIC Plan development costs of \$3,798,684 million will be amortized and recovered
- 23 over a period of three years commencing with TDSIC 1.
- 24 • Cost will be allocated to the rate schedules as filed by CEI South in its direct testimony
- 25 in Cause No. 44910 Transmission and Distribution Revenue-based allocations and
- 26 adjusted for the migration of a large customer.

27
28 CEI South has prepared this TDSIC 12 filing consistent with the terms of the 44910
29 Settlement.
30

RATEMAKING TREATMENT

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

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

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

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

1. Recovery via the TDSIC of 80% of eligible revenue requirement amounts, as supported by CEI South Witness Chrissy M. Behme, as of October 31, 2022.
2. Deferral of 20% of eligible revenue requirement amounts as of October 31, 2022, for subsequent recovery in a base rate case.

VARIANCES, ALLOCATIONS, AND RATE DERIVATION

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

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

1 **Q. How were the approved recoveries determined for the TDSIC-12 reconciliation**
2 **period (May 2022 through October 2022)?**

3 A. The approved recoveries for the TDSIC-12 reconciliation period represent the TDSIC-10
4 approved amounts for May 2022 through October 2022, noted in TDSIC 10 Attachment
5 MAR-1, Schedule 4.
6

7 **Q. How was the variance calculated for the TDSIC 12 reconciliation period?**

8 A. The Total Variance, noted on line 22 of Schedule 1, was calculated by subtracting the
9 actual recoveries for the reconciliation period, exclusive of IURT (lines 8 through 14), from
10 the approved recoveries (line 15 through 21). The resulting variance is an over recovery
11 of \$56,810 and will be credited to customers in the TDSIC-12 rates and charges over a
12 six-month period.
13

14 **Q. How will the approved recoveries be determined for TDSIC 12 to be reconciled in**
15 **TDSIC 14?**

16 A. As reflected on Schedule 4, approved recoveries represent the amounts CEI South
17 expects to collect each month. These approved recoveries are calculated by multiplying
18 the billing determinants by month by the applicable rates and charges for the TDSIC
19 period. Any under-recoveries resulting from instances in which TDSIC rates and charges
20 are not in place for a full month will be recovered as an under-recovery variance in a
21 subsequent TDSIC proceeding.
22

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

24 A. Schedule 2 shows the allocation of the TDSIC Transmission and Distribution revenue
25 requirement, supported by Ms. Behme, and the derivation of TDSIC rates and charges by
26 Rate Schedule for each component (Transmission and Distribution). The schedule is
27 divided into three sections to reflect the different allocation percentages applicable to
28 TDSIC costs to derive the proposed TDSIC charges by Rate Schedule.
29

30 Lines 1 through 10 show the derivation of the Transmission revenue requirement
31 component of the TDSIC. The allocation percentages listed in Column A reflect the 44910
32 Settlement allocation percentages, shown in the table below, representing the

functionalized transmission revenues by Rate Schedule from CEI South's Cost of Service Study in the last electric base rate case:

Rate Schedule	Transmission Allocators
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%

These allocation percentages are applied to the total Transmission 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 amounts allocated to each Rate Schedule are divided by the estimated billing determinants in Columns C through E (customers, energy (kWh), or Demand (kW/kVa)) to determine the per unit TDSIC rates and charges excluding IURT in Columns F through H. For the small customer Rate Schedules—Residential Service ("Rate RS"), Water Heating Service ("Rate B"), Small General Service ("Rate SGS")—the Transmission component is recovered via a per-kWh rate. For the Street Lighting ("Rate SL") and Outdoor Lighting ("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 following table, representing the functionalized distribution revenues by Rate Schedule from CEI South'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 \$6.00 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 \$6.00 cap for TDSIC 12 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 following table, representing the taxable income by Rate Schedule from CEI South'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 2022 through October 2023³ 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 Credit component is passed back via a per-kW or per-kVa demand charge. For Rate LP, the EADIT Credit is allocated between Transmission and Distribution using the percentage of total Transmission and Distribution investments from CEI South's approved TDSIC Plan.

Lines 35 through 45 of Schedule 2 show the derivation of the Variance component of the TDSIC rate, using the specific variance amounts by Rate Schedule from Schedule 1. The variance is recovered (or passed back) consistent with the methodology previously explained for the Transmission and EADIT Credit components. For the small customer Rate Schedules—Rate RS, Rate B, Rate SGS—the Variance component is recovered from (or passed back to) customers via a per-kWh rate. For Rate SL and Rate OL, the Variance component is recovered (or passed back) via a per-customer (or per-light)

³ The Tax Reform Settlement approved in Cause No. 45032 S21 defines the annual amortization for CEI South, 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-11 and TDSIC-12 rate effective periods.

charge. For all other Rate Schedules—Rate DGS, Rate MLA, Rate OSS, Rate LP, and Rate HLF—the Variance component is recovered (or passed back) via a per-kW or per-kVa demand charge. For Rate LP, the variance is allocated between Transmission and Distribution using the percentage of total Transmission and Distribution revenue requirements authorized in TDSIC 10.

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

A. Schedule 3 presents the TDSIC rates and charges by Rate Schedule CEI South is requesting approval for in TDSIC 12, using information from Schedule 2. Additionally, Schedule 3 has been expanded to include the rates and charges by Rate Schedule approved in the TDSIC 11 filing. These rates and charges are used to calculate a percentage change in the rate, by Rate Schedule, included in the Petition in compliance with the Commission's General Administrative Order ("GAO") 2020-05 issued December 29, 2020.

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

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

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

3 A. Rate BAMP customers receive firm transmission capacity to support their firm or non-firm
4 generation capacity requirements. CEI South currently has one customer served under
5 Rate BAMP. This customer owns and operates a cogeneration facility, which is receiving
6 non-firm generation backup services from CEI South. The approved Rate BAMP rates and
7 charges represent the cost of firm transmission services. As such, the TDSIC rates and
8 charges applicable to Rate BAMP should capture only the Transmission revenue
9 requirement, EADIT Credit, and Variance components of the rate, which synchronize to
10 the nature of their service requirements. The Rate BAMP TDSIC rate shown on Schedule
11 3, Line 8 is the sum of the Transmission revenue requirement component (line 7), the
12 Transmission EADIT Credit component (line 30), and the Transmission Variance
13 component (line 41) for Rate LP on Schedule 2.
14

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

16 A. Schedule 4 calculates the TDSIC recoveries by month. These are the expected monthly
17 recoveries of the approved TDSIC revenue requirement to which actual TDSIC revenues
18 will be compared for reconciliation purposes. Starting in November 2023, the authorized
19 TDSIC recoveries exclude the variance component, as the variance component will be
20 recovered (or passed back) over the six-month period May 2023 through October 2023.
21

22 **TARIFF PROPOSAL AND MODIFICATIONS**

23

24 **Q. Please describe Attachment MAR-2.**

25 A. Attachment MAR-2 is the proposed CEI South Tariff Sheet, Sheet No. 75 – Appendix K,
26 containing the TDSIC rates and charges proposed herein. Both redlined and clean
27 versions of Sheet No. 75 are included.
28

29 **Q. Has CEI South removed the Utility Receipts Tax (“URT”) gross up from its rate**
30 **calculations in compliance with Indiana House Enrolled Act 1002 (“HEA 1002”)?**

31 A. Yes. On June 28, 2022, the Commission approved CEI South’s 30-day filing, which
32 removed the URT gross-up in all applicable rates in compliance with HEA 1002. The
33 revised TDSIC 10 rate excluding URT went into effect July 1, 2022. Additionally, the URT

gross-up factor has been removed from the calculations on Attachment MAR-1, Schedule 2.

Q. What did the order in Cause No. 45722 ("45722 Order") require with respect to EADIT?

A. Ordering paragraph 29 in the 45722 Order requires CEI South to make a compliance filing on or before February 3, 2023, in that Cause with an updated tariff for the 44910 TDSIC tracker reflecting the shorter amortization period for excess ADIT related to the retirement and securitization of CEI South's A.B. Brown generation Units 1 and 2. The EADIT related to A.B. Brown Units 1 and 2 is currently protected under IRS normalization rules but will become unprotected after the securitization bonds are issued. As a result, the 45722 Order requires CEI South to update its TDSIC tariff to reflect a shorter amortization period for the A.B. Brown Units 1 and 2 EADIT ending with the scheduled maturity date of the securitization bonds.

Q. Has CEI South updated its schedules in this filing to account for the EADIT adjustment required in the 45722 Order?

A. No, the 45722 Order states that the revised tariff shall not become effective until the closing of the securitization bonds. CEI South will not know the actual amount of remaining EADIT or the final maturity date of the securitization bonds until the bonds are closed. Therefore, CEI South cannot provide the updated schedules at this time. However, I have provided Attachment MAR-4, which shows a sample post-securitization A.B. Brown Units 1 and 2 EADIT amortization schedule that assumes securitization bonds are issued on May 1, 2023, and have a final maturity date in 2041 (18 years). Attachment MAR-4 also includes a comparison to the current amortization of the A.B. Brown Units 1 and 2 EADIT.

Q. How will CEIS implement the change in schedule?

After the securitization bonds are issued, CEIS will file an updated tariff and supporting schedules in this Cause to reflect the required adjustment taking into account the closing date and final maturity date of the securitization bonds. The resulting new TDSIC rates will take effect on the next billing cycle after the securitization bonds are issued and Commission staff approves the updated tariff.

1 **PROJECTED CUSTOMER IMPACTS**

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

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

9
10 **CONCLUSION**

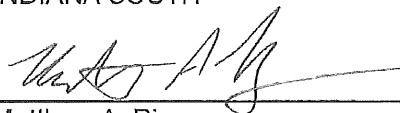
11
12 **Q. Does this conclude your prepared direct testimony?**

13 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

2-1-23

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, 2022

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-22	\$ 766,176	\$ 13,486	\$ 59,332	\$ 341,920	\$ 42,457	\$ 240,076	\$ 2,808	\$ 7,874	\$ 1,474,129	(A)
2	Jun-22	\$ 886,296	\$ 14,790	\$ 58,497	\$ 432,549	\$ 30,045	\$ 486,354	\$ (387)	\$ 8,880	\$ 1,917,024	(A)
3	Jul-22	\$ 1,005,708	\$ 15,763	\$ 65,122	\$ 513,470	\$ 32,964	\$ 526,594	\$ (392)	\$ 8,942	\$ 2,168,171	(A)
4	Aug-22	\$ 986,607	\$ 15,482	\$ 63,959	\$ 500,270	\$ 32,546	\$ 538,397	\$ (396)	\$ 8,882	\$ 2,145,747	(A)
5	Sep-22	\$ 974,605	\$ 15,546	\$ 66,840	\$ 503,341	\$ 32,295	\$ 523,666	\$ (393)	\$ 8,882	\$ 2,124,782	(A)
6	Oct-22	\$ 856,380	\$ 15,284	\$ 59,098	\$ 479,922	\$ 32,149	\$ 482,665	\$ (395)	\$ 8,867	\$ 1,933,971	(A)
7	Total Actual Recoveries Inclusive of IURT	\$ 5,475,771	\$ 90,350	\$ 372,849	\$ 2,771,472	\$ 202,456	\$ 2,797,751	\$ 847	\$ 52,327	\$ 11,763,822	Sum Lines 1-6
	Actual Recoveries (Exclusive of IURT)	RS	B	SGS	DGS / MLA	OSS	LP / BAMP	HLF	SL/OL		
8	May-22	\$ 754,377	\$ 13,278	\$ 58,419	\$ 336,654	\$ 41,803	\$ 236,378	\$ 2,765	\$ 7,753	\$ 1,451,427	Line 1 x 0.9846
9	Jun-22	\$ 872,647	\$ 14,562	\$ 57,596	\$ 425,888	\$ 29,583	\$ 478,864	\$ (381)	\$ 8,743	\$ 1,887,502	Line 2 x 0.9846
10	Jul-22	\$ 1,005,708	\$ 15,763	\$ 65,122	\$ 513,470	\$ 32,964	\$ 526,594	\$ (392)	\$ 8,942	\$ 2,168,171	Line 3
11	Aug-22	\$ 986,607	\$ 15,482	\$ 63,959	\$ 500,270	\$ 32,546	\$ 538,397	\$ (396)	\$ 8,882	\$ 2,145,747	Line 4
12	Sep-22	\$ 974,605	\$ 15,546	\$ 66,840	\$ 503,341	\$ 32,295	\$ 523,666	\$ (393)	\$ 8,882	\$ 2,124,782	Line 5
13	Oct-22	\$ 856,380	\$ 15,284	\$ 59,098	\$ 479,922	\$ 32,149	\$ 482,665	\$ (395)	\$ 8,867	\$ 1,933,971	Line 6
14	Total Actual Recoveries Exclusive of IURT	\$ 5,450,323	\$ 89,914	\$ 371,034	\$ 2,759,545	\$ 201,340	\$ 2,786,564	\$ 809	\$ 52,069	\$ 11,711,599	Sum Lines 8-13
	Approved Recoveries (Exclusive of IURT)	RS	B	SGS	DGS / MLA	OSS	LP / BAMP	HLF	SL/OL		
15	May-22	\$ 926,124	\$ 16,243	\$ 64,749	\$ 353,658	\$ 36,248	\$ 491,764	\$ (393)	\$ 7,918	\$ 1,896,309	(B)
16	Jun-22	\$ 1,008,228	\$ 16,162	\$ 66,443	\$ 378,009	\$ 35,555	\$ 512,373	\$ (392)	\$ 7,918	\$ 2,024,296	(B)
17	Jul-22	\$ 976,340	\$ 16,134	\$ 65,366	\$ 373,304	\$ 34,060	\$ 531,102	\$ (399)	\$ 7,918	\$ 2,003,826	(B)
18	Aug-22	\$ 872,779	\$ 16,148	\$ 63,136	\$ 423,816	\$ 36,414	\$ 533,930	\$ (393)	\$ 7,918	\$ 1,953,749	(B)
19	Sep-22	\$ 813,278	\$ 16,094	\$ 62,286	\$ 402,916	\$ 33,617	\$ 530,743	\$ (394)	\$ 7,918	\$ 1,866,460	(B)
20	Oct-22	\$ 858,345	\$ 16,173	\$ 63,437	\$ 403,568	\$ 33,622	\$ 527,480	\$ (394)	\$ 7,918	\$ 1,910,149	(B)
21	Total Approved Recoveries Exclusive of IURT	\$ 5,455,093	\$ 96,953	\$ 385,417	\$ 2,335,271	\$ 209,516	\$ 3,127,392	\$ (2,364)	\$ 47,510	\$ 11,654,789	Sum Lines 15-20
22	Total Variance (C)	\$ 4,770	\$ 7,039	\$ 14,383	\$ (424,273)	\$ 8,176	\$ 340,828	\$ (3,174)	\$ (4,559)	\$ (56,810)	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.

2022 HB 1002 repealed IURT effective 7/1/2022. Recoveries on Lines 3 through 6 are exclusive of IURT.

(B) Based on prior TDSIC approvals.

(C) To Attachment MAR-1, Schedule 2

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

Line No.	A	B	C	D	E	F	G	H
1	Transmission Revenue Requirement	\$ 11,334,426	Attachment CMB-1, Schedule 1, Line 16					
	Rate Schedule	Transmission Allocators	Transmission Revenue Requirement	Customers or Services	Energy (kWh)	Demand (kW)	Rate Per Customer Per Month	Rate per kWh Rate per kW/kVa
2	Rate RS	42.62%	\$ 4,830,732		1,426,717,218		\$ 0.003386	
3	Rate B	0.13%	\$ 14,735		7,472,703		\$ 0.001972	
4	Rate SGS	1.82%	\$ 206,287		61,599,379		\$ 0.003349	
5	Rate DGS/MLA	27.33%	\$ 3,097,699			3,558,865		\$ 0.870
6	Rate OSS	2.12%	\$ 240,290			297,966		\$ 0.806
7	Rate LP	25.33%	\$ 2,871,010			5,533,538		\$ 0.519
8	Rate HLF	0.65%	\$ 73,674			111,904		\$ 0.658
9	Rate SL/OL	0.00%	\$ -	25,169			\$ -	
10	Total	100.00%	\$ 11,334,426					
11	Distribution Revenue Requirement	\$ 19,714,576	Attachment CMB-1, Schedule 1, Line 16					
12	Amount Over Rate RS Cap (A)	\$ 2,002,976						
13	Amount Over Rate B Cap (A)	\$ -						
14	Amount Over Rate SGS Cap (A)	\$ 86,138						
	Rate Schedule	Distribution Allocators	Distribution Revenue Requirement	Customers or Services	Energy (kWh)	Demand (kW)	Rate Per Customer Per Month	Rate per kWh Rate per kW/kVa
15	Rate RS	58.44%	\$ 11,521,198	132,198	1,426,717,218		\$ 6.00	\$ 0.001404
16	Rate B	1.12%	\$ 220,803	3,581	7,472,703		\$ 5.14	\$ -
17	Rate SGS	4.10%	\$ 808,298	10,030	61,599,379		\$ 6.00	\$ 0.001398
18	Rate DGS/MLA	22.53%	\$ 4,441,694			3,558,865		\$ 1.248
19	Rate OSS	2.32%	\$ 457,378			297,966		\$ 1.535
20	Rate LP	10.59%	\$ 2,087,774			3,559,192		\$ 0.587
21	Rate HLF	0.01%	\$ 1,971			111,904		\$ 0.018
22	Rate SL/OL	0.89%	\$ 175,460	25,169			\$ 0.58	
23	Total	100.00%	\$ 19,714,576					
24	EADIT Credit - TDSIC-11/TDSIC-12	\$ (4,888,294)	November 2022 - October 2023					
	Rate Schedule	EADIT Credit Allocators	EADIT Credit	Customers or Services	Energy (kWh)	Demand (kW)	Rate Per Customer Per Month	Rate per kWh Rate per kW/kVa
25	Rate RS	42.67%	\$ (2,085,835)		1,426,717,218		\$ (0.001462)	
26	Rate B	0.20%	\$ (9,777)		7,472,703		\$ (0.001308)	
27	Rate SGS	1.16%	\$ (56,704)		61,599,379		\$ (0.000921)	
28	Rate DGS/MLA	30.15%	\$ (1,473,821)			3,558,865		\$ (0.414)
29	Rate OSS	2.11%	\$ (103,143)			297,966		\$ (0.346)
30	Rate LP - Transmission	8.79%	\$ (429,583) [1]			5,533,538		\$ (0.078)
31	Rate LP - Distribution	13.18%	\$ (644,375) [1]			3,559,192		\$ (0.181)
32	Rate HLF	0.93%	\$ (45,461)			111,904		\$ (0.406)
33	Rate SL/OL	0.81%	\$ (39,595)	25,169			\$ (0.13)	
34	Total	100.00%	\$ (4,888,294)					
35	(Over)/Under Recovery Variance	\$ (56,810)	Schedule 1, Page 1, Line 22					
	Rate Schedule	(Over)/Under Recovery Variance		Customers or Services	Energy (kWh)	Demand (kW)	Rate Per Customer Per Month	Rate per kWh Rate per kW/kVa
36	Rate RS	\$ 4,770			741,290,871		\$ 0.000006	
37	Rate B	\$ 7,039			3,116,097		\$ 0.002259	
38	Rate SGS	\$ 14,383			31,551,937		\$ 0.000456	
39	Rate DGS/MLA	\$ (424,273)				1,945,019		\$ (0.218)
40	Rate OSS	\$ 8,176				130,605		\$ 0.063
41	Rate LP - Transmission	\$ 117,125 [2]				2,717,720		\$ 0.043
42	Rate LP - Distribution	\$ 223,704 [2]				1,694,730		\$ 0.132
43	Rate HLF	\$ (3,174)				60,602		\$ (0.052)
44	Rate SL/OL	\$ (4,559)		25,169			\$ (0.03)	
45	Total	\$ (56,810)	Schedule 1, Line 22					

[1] EADIT Credit split between Transmission and Distribution for LP for determination of the TVD Component and ultimate BAMP rates and charges. Transmission and Distribution percentages based on the total TDSIC Plan approved in this proceeding - 40% Transmission, 60% Distribution.

[2] Variance recovery split between Distribution and Transmission based on the split of Revenue Requirement from TDSIC period being recovered. Applies only to Rate LP for determination of the TVD Component and ultimate BAMP rates and charges.

TDSIC-10 Split for use in TDSIC-12 Variance

Distribution Revenue Requirement	\$ 15,853,419	65.64%
Transmission Revenue Requirement	\$ 8,300,372	34.36%
Total	\$ 24,153,791	100.00%

(A) Represents revenue requirement over cumulative Rate RS, B, SGS cap of \$6.00 per customer per month.

(B) Represents rate over cumulative Rate RS cap of \$6.00 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**

			A	B	C	D	E	F	G	H	I
			Combined Rates and Charges - (Proposed)			Combined Rates and Charges - (Current) [1]			Percentage Change [3]		
			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
Line No.	Rate Schedule	Description									
1	Rate RS	Residential Service	\$	6.00	\$ 0.003334	\$	5.50	\$ 0.002767		9.09%	20.50%
2	Rate B	Water Heating Service	\$	5.14	\$ 0.002922	\$	4.43	\$ 0.002691		16.09%	8.59%
3	Rate SGS	Small General Service	\$	6.00	\$ 0.004283	\$	5.50	\$ 0.003033		9.09%	41.22%
4	Rate DGS/MLA	Demand General Service / Municipal Levee Authority			\$ 1.486			\$ 1.555			-4.39%
5	Rate OSS	Off-Season Service			\$ 2.058			\$ 1.961			4.93%
6	Rate LP	Large Power Service			\$ 1.022			\$ 2.262			-54.82%
7	Rate LP - TVD	Large Power Service - Transmission Voltage Discount	[4]		\$ (0.538)			\$ (1.474)			63.54%
8	Rate BAMP	Backup, Auxiliary, and Maintenance Power Services	[5]		\$ 0.484			\$ 0.787			-38.48%
9	Rate HLF	High Load Factor Service			\$ 0.217			\$ 0.284			-23.47%
10	Rate SL/OL	Street Lighting / Outdoor Lighting	\$	0.42		\$	0.35			18.70%	
			Combined Rates and Charges, without Variance - (Proposed)			Combined Rates and Charges, without Variance - (Current) [2]			Percentage Change [3]		
Line No.	Rate Schedule	Description	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	\$	6.00	\$ 0.003328	\$	5.50	\$ 0.002595		9.09%	28.25%
12	Rate B	Water Heating Service	\$	5.14	\$ 0.000664	\$	4.43	\$ 0.000385		16.09%	72.30%
13	Rate SGS	Small General Service	\$	6.00	\$ 0.003827	\$	5.50	\$ 0.002567		9.09%	49.06%
14	Rate DGS/MLA	Demand General Service / Municipal Levee Authority			\$ 1.704			\$ 1.657			2.87%
15	Rate OSS	Off-Season Service			\$ 1.995			\$ 1.678			18.91%
16	Rate LP	Large Power Service			\$ 0.847			\$ 1.120			-24.43%
17	Rate LP - TVD	Large Power Service - Transmission Voltage Discount	[6]		\$ (0.406)			\$ (0.571)			28.94%
18	Rate BAMP	Backup, Auxiliary, and Maintenance Power Services	[7]		\$ 0.441			\$ 0.550			-19.75%
19	Rate HLF	High Load Factor Service			\$ 0.270			\$ 0.161			68.03%
20	Rate SL/OL	Street Lighting / Outdoor Lighting	\$	0.45		\$	0.38			18.21%	

[1] Per Cause No. 44910 TDSIC-11, Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 3, Columns A, B and C, Lines 1 - 10

[2] Per Cause No. 44910 TDSIC-11, Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 3, Columns A, B and C, Lines 11 - 20

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

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

[7] Column C 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-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Annual Total
Projected Customer Count (A)														
1	RS - Residential Service	131,669	131,770	131,870	131,971	132,065	132,158	132,251	132,343	132,438	132,527	132,611	132,698	132,198
2	B - Water Heating Service	3,596	3,584	3,579	3,570	3,557	3,545	3,540	3,538	3,624	3,615	3,612	3,606	3,581
3	SGS - Small General Service	9,993	9,987	10,021	10,004	9,992	10,007	10,015	10,008	10,104	10,097	10,078	10,056	10,030
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	90,009,922	129,760,860	174,966,587	144,498,450	113,831,285	88,223,766	76,231,127	147,247,780	154,340,102	113,414,106	121,453,233	72,740,000	1,426,717,218
6	B - Water Heating Service	662,155	558,806	537,742	482,552	404,366	470,476	539,589	903,046	834,005	626,853	782,507	670,606	7,472,703
7	SGS - Small General Service	4,602,224	6,846,023	3,823,564	6,264,054	4,728,860	5,286,213	4,715,506	5,429,630	5,636,727	5,094,878	4,861,402	4,309,298	61,599,379
Projected Demand (kW)/(kVa) (A)														
8	DGS - Demand General Service / Municipal Levee Authority	289,576	318,904	337,512	336,133	338,975	325,918	281,566	269,532	266,048	262,097	266,905	267,699	3,558,865
9	OSS - Off-Season Service	22,893	20,282	22,380	20,962	21,220	22,868	24,102	29,091	28,911	31,303	28,308	25,646	297,966
10	LP - Large Power Service	370,467	367,721	373,349	374,198	360,044	354,141	328,753	327,202	394,840	403,271	405,284	438,668	4,497,938
11	LP - Large Power Service - Transmission Voltage Discount	80,293	86,019	86,490	87,977	80,872	81,540	69,111	69,436	65,765	69,977	69,429	89,838	938,746
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	10,059	10,169	10,105	10,111	10,122	10,035	9,826	9,791	7,752	7,867	7,872	8,194	111,904
Projected Recoveries (B)														
14	RS - Residential Service	\$ 1,090,130	\$ 1,223,279	\$ 1,374,607	\$ 1,273,623	\$ 1,171,933	\$ 1,087,108	\$ 1,047,188	\$ 1,284,076	\$ 1,308,243	\$ 1,172,582	\$ 1,199,842	\$ 1,038,254	\$ 14,270,865
15	B - Water Heating Service	\$ 20,415	\$ 20,051	\$ 19,964	\$ 19,756	\$ 19,461	\$ 19,593	\$ 18,550	\$ 18,781	\$ 19,177	\$ 18,993	\$ 19,081	\$ 18,976	\$ 232,800
16	SGS - Small General Service	\$ 79,665	\$ 89,239	\$ 76,498	\$ 86,851	\$ 80,207	\$ 82,683	\$ 78,133	\$ 80,824	\$ 82,191	\$ 80,076	\$ 79,071	\$ 76,825	\$ 972,263
17	DGS - Demand General Service / Municipal Levee Authority	\$ 430,375	\$ 470,990	\$ 501,617	\$ 499,569	\$ 503,792	\$ 484,387	\$ 479,889	\$ 459,378	\$ 453,440	\$ 446,706	\$ 454,901	\$ 456,254	\$ 5,641,299
18	OSS - Off-Season Service	\$ 47,111	\$ 41,738	\$ 46,055	\$ 43,138	\$ 43,667	\$ 47,059	\$ 48,091	\$ 58,044	\$ 57,688	\$ 62,458	\$ 56,483	\$ 51,170	\$ 602,701
19	LP - Large Power Service	\$ 378,559	\$ 375,753	\$ 381,504	\$ 382,372	\$ 367,909	\$ 361,877	\$ 278,371	\$ 277,057	\$ 334,329	\$ 341,468	\$ 343,173	\$ 371,440	\$ 4,193,811
20	LP-TVD - Large Power Service - Transmission Voltage Discount	\$ (43,161)	\$ (46,239)	\$ (47,567)	\$ (47,291)	\$ (43,472)	\$ (43,831)	\$ (28,027)	\$ (28,159)	\$ (26,670)	\$ (28,158)	\$ (26,438)	\$ (36,438)	\$ (447,385)
21	BAMP - Backup, Auxiliary, and Maintenance Power Services	\$ 41,795	\$ 41,795	\$ 41,795	\$ 41,795	\$ 41,795	\$ 41,795	\$ 38,076	\$ 38,076	\$ 38,076	\$ 38,076	\$ 38,076	\$ 38,076	\$ 479,228
22	HLF - High Load Factor Service	\$ 2,186	\$ 2,210	\$ 2,196	\$ 2,198	\$ 2,200	\$ 2,181	\$ 2,650	\$ 2,641	\$ 2,091	\$ 2,122	\$ 2,123	\$ 2,210	\$ 27,010
23	SL/OL - Street Lighting / Outdoor Lighting	\$ 10,562	\$ 10,562	\$ 10,562	\$ 10,562	\$ 10,562	\$ 10,562	\$ 11,322	\$ 11,322	\$ 11,322	\$ 11,322	\$ 11,322	\$ 11,322	\$ 131,305
24	Total Recoveries including Variances during first six month	\$ 2,057,638	\$ 2,229,380	\$ 2,407,233	\$ 2,312,574	\$ 2,198,055	\$ 2,093,413	\$ 1,974,243	\$ 2,202,039	\$ 2,279,885	\$ 2,145,425	\$ 2,175,917	\$ 2,028,095	\$ 26,103,897
25	20% Deferred (based on Revenue Requirement piece only)	\$ 604,605	\$ 666,310	\$ 730,363	\$ 695,614	\$ 655,925	\$ 618,407	\$ 575,552	\$ 657,807	\$ 683,843	\$ 635,241	\$ 646,194	\$ 592,390	\$ 7,762,251
		7.88%	8.54%	9.22%	8.86%	8.42%	8.02%	7.56%	8.44%	8.73%	8.22%	8.34%	7.77%	

Notes:

(A) Source: CEI South 2022 - 2031 IE Plan

(B) Proposed Rates and Charge, multiplied by Estimated Billing Determinants (A)

Proposed Rates and Charges	With Variance	Without Variance	Without Variance and EADIT Credit
Rate RS - Per Customer Per Month	\$ 6.00	\$ 6.00	\$ 6.00
Rate RS - Per kWh	\$ 0.003334	\$ 0.003328	\$ 0.004790
Rate B - Per Customer Per Month	\$ 5.14	\$ 5.14	\$ 5.14
Rate B - Per kWh	\$ 0.002922	\$ 0.000964	\$ 0.001972
Rate SGS - Per Customer Per Month	\$ 6.00	\$ 6.00	\$ 6.00
Rate SGS - Per kWh	\$ 0.004283	\$ 0.003827	\$ 0.004747
Rate DGS/MLA - Per kW/kVa	\$ 1.486	\$ 1.704	\$ 2.118
Rate OSS - Per kW/kVa	\$ 2.058	\$ 1.995	\$ 2.341
Rate LP - Transmission Per kW/kVa	\$ 0.484	\$ 0.441	\$ 0.519
Rate LP - Distribution Per kW/kVa	\$ 0.538	\$ 0.406	\$ 0.587
Rate LP-TVD - Per kW/kVa	\$ (0.538)	\$ (0.406)	\$ (0.587)
Rate BAMP - Per kW/kVa	\$ 0.484	\$ 0.441	\$ 0.519
Rate HLF - Per kW/kVa	\$ 0.217	\$ 0.270	\$ 0.676
Rate SL/OL - Per Customer Per Month	\$ 0.42	\$ 0.45	\$ 0.58

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	\$6.00		\$0.003334
B	\$5.14		\$0.002922
SGS	\$6.00		\$0.004283
DGS/MLA		\$1.486	
OSS		\$2.058	
LP		\$1.022	
LP-TVD		\$(0.538)	
BAMP		\$0.484	
HLF		\$0.217	
SL/OL (1)	\$0.42		

- (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
CenterPoint Energy Indiana South (CEI South)
Tariff for Electric Service
I.U.R.C. No. E-13

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Fourteenth Revised Page 1 of 1
Cancels Thirteenth 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.

Rate Schedule	Transmission	Distribution	EADIT Credit
	Allocation Percentage	Allocation Percentage	Allocation Percentage
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:

Rate Schedule	\$ per Month	\$ per kW or kVa	\$ per kWh
RS	\$6.00		\$0.003334
B	\$5.14		\$0.002922
SGS	\$6.00		\$0.004283
DGS/MLA		\$1.486	
OSS		\$2.058	
LP		\$1.022	
LP-TVD		\$(0.538)	
BAMP		\$0.484	
HLF		\$0.217	
SL/OL (1)	\$0.42		

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

Deleted: 5.50

Deleted: 0.002767

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Deleted: 2.262

Deleted: 1.474

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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%			1.20%			0.83%		
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	\$ 0.004790		\$ 7.00	\$ 0.005892	
4 Rate B		\$ 0.57	\$ 0.000170		\$ 1.25	\$ 0.000452		\$ 2.37	\$ 0.000812		\$ 3.22	\$ 0.001044		\$ 4.10	\$ 0.001463		\$ 5.14	\$ 0.001972		\$ 5.86	\$ 0.002323	
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	\$ 0.004747		\$ 7.00	\$ 0.005150	
6 Rate DGS/MLA			\$ 0.216			\$ 0.502			\$ 0.917			\$ 1.310			\$ 1.917			\$ 2.118			\$ 2.859	
7 Rate OSS			\$ 0.253			\$ 0.586			\$ 1.021			\$ 1.473			\$ 1.821			\$ 2.341			\$ 2.697	
8 Rate LP			\$ 0.130			\$ 0.310			\$ 0.580			\$ 0.768			\$ 1.386			\$ 1.105			\$ 2.071	
9 Rate LP-TVD			\$ (0.081)			\$ (0.190)			\$ (0.354)			\$ (0.479)			\$ (0.817)			\$ (0.587)			\$ (1.168)	
10 Rate BAMP			\$ 0.048			\$ 0.120			\$ 0.226			\$ 0.289			\$ 0.569			\$ 0.519			\$ 0.903	
11 Rate HLF			\$ 0.061			\$ 0.154			\$ 0.275			\$ 0.267			\$ 0.461			\$ 0.676			\$ 0.730	
12 Rate SL/OL		\$ 0.07			\$ 0.16			\$ 0.29			\$ 0.39			\$ 0.47			\$ 0.58			\$ 0.68		

[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)

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

**TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
SAMPLE AB BROWN UNITS 1 & 2 EDIT AMORTIZATION AS OF JANUARY 1, 2023**

	<u>Pre-Securitization</u>	<u>Post-Securitization</u>
2023	(478,414)	(1,376,164)
2024	(389,605)	(1,376,164)
2025	(563,733)	(1,376,164)
2026	(493,802)	(1,376,164)
2027	(519,092)	(1,376,164)
2028	(459,630)	(1,376,164)
2029	(445,813)	(1,376,164)
2030	(463,200)	(1,376,164)
2031	(499,480)	(1,376,164)
2032	(534,615)	(1,376,164)
2033	(587,542)	(1,376,164)
2034	(626,615)	(1,376,164)
2035	(662,178)	(1,376,164)
2036	(696,465)	(1,376,164)
2037	(720,016)	(1,376,164)
2038	(719,763)	(1,376,164)
2039	(849,704)	(1,376,164)
2040	(853,900)	(1,376,164)
2041	(856,142)	-
2042	(858,763)	-
2043	(863,061)	-
2044	(869,004)	-
2045	(870,990)	-
2046	(863,795)	-
2047	(839,192)	-
2048	(788,999)	-
2049	(975,178)	-
2050	(950,234)	-
2051	(897,924)	-
2052	(1,341,573)	-
2053	(1,167,722)	-
2054	(1,167,346)	-
2055	(897,473)	-
	<u>(24,770,961)</u>	<u>(24,770,961)</u>