

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

**DIRECT TESTIMONY
OF
CHRISSEY M. BEHME
MANAGER, REGULATORY REPORTING**

ON

**PROPOSED ACCOUNTING TREATMENT AND CALCULATION OF PROJECTED
REVENUE REQUIREMENT**

**SPONSORING PETITIONER'S EXHIBIT NO. 4,
ATTACHMENT CMB-1**

DIRECT TESTIMONY OF CHRISSY M. BEHME

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

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

5 **Q. BY WHOM ARE YOU EMPLOYED?**

6 A. I am employed by CenterPoint Energy Service Company, LLC (“Service Company”),
7 a wholly owned subsidiary of CenterPoint Energy, Inc. The Service Company provides
8 centralized support services to CenterPoint Energy, Inc.’s operating units, one of
9 which includes Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy
10 Indiana South (“Petitioner”, “CEI South”, or “Company”), an indirect subsidiary of
11 CenterPoint Energy, Inc.

12 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?**

13 A. I am submitting testimony on behalf of CEI South.

14 **Q. WHAT IS YOUR ROLE WITH RESPECT TO PETITIONER?**

15 A. I am Manager, Regulatory Reporting.

16 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
17 **PROFESSIONAL EXPERIENCE.**

18 A. I graduated from the University of Evansville in 2015 with a Bachelor of Science in
19 Accounting. I joined CenterPoint Energy, Inc. in 2014 as an Accounting Analyst and
20 have held various accounting and reporting positions with increasing responsibility
21 with Petitioner or one of its affiliates¹ since that time. Those positions include Senior
22 Accounting Analyst, Senior External Reporting and Accounting Research Analyst,
23 Senior Utility Accounting Analyst, and Lead Regulatory Reporting Analyst. In October
24 2021, I was promoted to my current role as Manager, Regulatory Reporting and have
25 been supporting CEI South since that time.

¹ For the sake of clarity, my testimony refers to CEI South or one of its affiliates even though in certain situations, I may be referring to a predecessor company of CEI South or one of its affiliates.

1 **Q. WHAT ARE YOUR PRESENT DUTIES AND RESPONSIBILITIES AS MANAGER**
2 **REGULATORY REPORTING?**

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

7 **Q. ARE YOU FAMILIAR WITH THE BOOKS, RECORDS, AND ACCOUNTING**
8 **PROCEDURES OF PETITIONER?**

9 A. Yes, I am.

10 **Q. ARE CEI SOUTH'S BOOKS AND RECORDS MAINTAINED IN ACCORDANCE**
11 **WITH THE FERC UNIFORM SYSTEM OF ACCOUNTS ("USOA") AND**
12 **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")?**

13 A. Yes.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE INDIANA UTILITY**
15 **REGULATORY COMMISSION (THE "COMMISSION")?**

16 A. Yes. I have presented testimony before the Commission on behalf of CEI South in its
17 Gas Cost Adjustment ("GCA") proceeding, Cause No. 37366; its Fuel Adjustment
18 Clause ("FAC") proceeding, Cause No. 38708; its Environmental Cost Adjustment
19 ("ECA") proceeding, Cause No. 45052; its Clean Energy Cost Adjustment ("CECA")
20 proceeding, Cause No. 44909; its Electric Transmission, Distribution, and Storage
21 System Improvement Charge ("TDSIC") proceeding, Cause No. 44910; its
22 Compliance and System Improvement Adjustment ("CSIA") proceeding, Cause No.
23 45612; and its request for a certificate of public convenience and necessity ("CPCN")
24 for the F.B. Culley East Ash Pond compliance filing, Cause No. 45795. I have also
25 presented testimony before the Commission on behalf of Indiana Gas Company, Inc.
26 d/b/a CenterPoint Energy Indiana North ("CEI North") in its GCA proceeding, Cause
27 No. 37394, and its CSIA proceeding, Cause No. 45611.

II. PURPOSE AND SCOPE

28 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

29 A. The purpose of my testimony is to provide a brief description of CEI South's proposed
30 wind project ("Wind Project" or the "Project") and how it qualifies as a "Clean Energy

1 Project” under Ind Code Ch. 8-1-8.8 (the “Statute”). In particular, I support the
2 projected revenue requirement for the Wind Project and discuss how CEI South
3 proposes to calculate it. In addition, I propose the initial depreciation accrual rate for
4 the Project. I also explain the accounting treatment CEI South proposes for the Wind
5 Project, including deferral of depreciation expense and operation and maintenance
6 (“O&M) expenses, and accrual of post in-service carrying costs (“PISCC”). Lastly, I
7 detail the adjustment to the authorized net operating income (“NOI”) utilized in the FAC
8 earnings tests, in accordance with Ind. Code § 8-1-2-42(d) and § 8-1-2-42.3, to the
9 extent the Company recovers the return on the Project through the CECA mechanism.

10 **Q. ARE YOU SPONSORING ANY ATTACHMENTS TO THIS PROCEEDING?**

11 A. Yes, I am sponsoring the following attachment in this proceeding:

- 12 • Petitioner’s Exhibit No. 4, Attachment CMB-1 (CONFIDENTIAL): Illustrative
13 CECA Total Annual Revenue Requirement, reflecting an illustrative filing cut-
14 off date of December 31, 20XX.

15 **Q. WAS THIS ATTACHMENT PREPARED BY YOU OR UNDER YOUR**
16 **SUPERVISION?**

17 A. Yes, it was.

18 **III. PROJECT OVERVIEW**

19 **Q. PLEASE BRIEFLY DESCRIBE THE WIND PROJECT CEI SOUTH HAS**
20 **PROPOSED IN THIS PROCEEDING.**

21 A. As explained in more detail by Petitioner’s Witness F. Shane Bradford, CEI South is
22 requesting a CPCN to purchase and acquire, indirectly through a Build Transfer
23 Agreement (“BTA”), a wind facility outside the state of Indiana. The Wind Project’s
24 Commercial Operation Date (“COD”) is expected to be on or before January 1, 2025.
Witness Bradford explains the transaction in greater detail.

25 **Q. WHAT IS THE ESTIMATED COST FOR CEI SOUTH TO ACQUIRE THE WIND**
26 **PROJECT?**

27 A. The estimated cost to acquire the Wind Project is expected to be \$636 million. As
28 described by Witness Bradford, this includes the purchase of the wind turbines under

1 the BTA, interconnection cost, owner project management and engineering costs,
2 administrative and general overhead, and other various project related costs.

IV. ACCOUNTING AND RATEMAKING TREATMENT

3 **Q. PLEASE SUMMARIZE CEI SOUTH’S PROPOSED RATEMAKING TREATMENT.**

4 A. The Statute provides for financial incentives including the timely recovery of costs and
5 expenses incurred during the construction and operation of clean energy projects. Ind.
6 Code § 8-1-8.8-2(2) defines clean energy projects as those “to develop alternative
7 energy sources, including renewable energy projects or coal gasification facilities.” Ind.
8 Code § 8-1-8.8-10(1) defines renewable energy resources as those listed in Ind. Code
9 § 8-1-37-4(a)(1) through 4(a)(16) — with the pertinent item in this case being 4(a)(1)
10 “energy from wind.” Since the Project is for wind generation, it complies as a
11 “renewable energy project” that is eligible for timely recovery and other financial
12 incentives provided in Ind. Code § 8-1-8.8-11 (“Section 11”). In accordance with the
13 Statute, CEI South requests the Commission authorize timely recovery of costs
14 associated with the Wind Project. As I will explain, this may be through the Company’s
15 CECA mechanism approved in Cause No. 44909, although in all likelihood, it will be
16 through base rates in the Company’s next general rate case. Specifically, CEI South
17 proposes approval and recovery of the eligible revenue requirement amounts
18 associated with the Wind Project to be included in the CECA or base rates, as the
19 case may be, including costs associated with:

- 20 (a) Capital investment to complete the acquisition;
- 21 (b) Deferred PISCC;
- 22 (c) Deferred depreciation expense;
- 23 (d) Deferred O&M expense;
- 24 (e) O&M expenses, depreciation, property tax, and income taxes; and
- 25 (f) Credits related to Renewable Energy Certificates (“RECs”).

26 If approved, CEI South will include these costs in its next general rate case or, if not
27 there, in the Company’s annual CECA filing. To the extent the Wind Project is not
28 included in rate base in the next rate case and the revenue requirement is recovered
29 through the CECA, annual updates to the Wind Project revenue requirement will be
30 filed as a sub-docket of Cause No. 44909.

1 **Q. UNDER WHAT CIRCUMSTANCES WOULD THE COMPANY NOT USE THE**
2 **EXISTING CECA TO RECOVER THE REVENUE REQUIREMENT ASSOCIATED**
3 **WITH THE PROJECT?**

4 A. Section 11 provides for “timely recovery.” As explained by Petitioner’s Witness
5 Matthew A. Rice, given the unique circumstances of the timing of this Project and the
6 timing of the Company’s next general rate case, the Company expects that including
7 the Project in rate base in that rate case will provide a more timely recovery than the
8 CECA. If the timing occurs as currently planned, we would expect to recover the
9 revenue requirement through base rates in that case rather than the CECA. It is only
10 to the extent the Project is not included in rate base in one of the phases of that case
11 that I would anticipate using the CECA to recover the revenue requirement. That said,
12 even to the extent the Project is included in rate base in that case, the Company will
13 still use CECA to reflect the Production Tax Credit (“PTC”) and Renewable Energy
14 Certificates (“RECs”) generated by the Project, to the extent actual PTC and RECs
15 differ from the amounts reflected in base rates. Also and as has traditionally been
16 reflected in the Company’s TDSIC filings, CEI South proposes that any deferred O&M
17 and property taxes be recovered through the CECA.

18 **Q. WILL CEI SOUTH RECORD AN ALLOWANCE FOR FUNDS USED DURING**
19 **CONSTRUCTION (“AFUDC”) ON COSTS OF THE PROPOSED PROJECT IN THIS**
20 **PROCEEDING?**

21 A. As described in more detail by Witness Bradford, CEI South will not make payment
22 under the BTA or take ownership of the Project until it is substantially complete. Once
23 substantially complete, CEI South will make payment and take ownership, and the
24 Project will be placed into service. Therefore, we would expect any AFUDC to be a
25 small percentage of the total cost. If AFUDC were to become a material amount, CEI
26 South would consider using Construction Work in Progress (“CWIP”) treatment
27 through the CECA to address it.

28 **Q. HOW DOES THE COMPANY PROPOSE TO ACCOUNT FOR THE COST TO**
29 **COMPLETE THE ACQUISITION?**

30 A. The costs associated with the Wind Project include all costs the Company incurs to
31 negotiate and close the acquisition as described by Witness Bradford. As I noted, the
32 Company currently estimates \$636 million to acquire the Wind Project. As explained
33 by Witness Bradford, when the Wind Project reaches substantial completion, CEI

1 South will acquire 100% of the membership interests in the entity that is developing
2 the Wind Project. At or about that same time, the separate corporate structure will be
3 collapsed and CEI South will then own the generating facility directly. The total cost to
4 acquire the Wind Project will ultimately be recorded to FERC Account 101 – Electric
5 Plant in Service and reallocated to the appropriate utility plant in service accounts.

6 **Q. WILL CAPITALIZED OVERHEADS BE INCLUDED IN THE CONSTRUCTION**
7 **COSTS?**

8 A. An allocation for general oversight, management, and administrative costs will be
9 included, consistent with Company policy. Costs associated with accounting, legal
10 services, human resource management, insurance and other similar costs are
11 included as overhead costs that are allocated to construction projects. As described
12 by Witness Bradford, the Wind Project will be managed by the Developer, with
13 appropriate overheads directly charged to the Project and thereby limiting the amount
14 of overhead expected as a result. The work papers in the CECA or the general rate
15 case filing, as the case may be, will segregate the applicable Project costs included
16 for recovery into categories of direct costs and indirect capital overheads.

17 **Q. WILL CEI SOUTH INCUR CAPITAL COSTS ON THE PROJECT AFTER ITS IN-**
18 **SERVICE DATE?**

19 A. Yes. After new plant is placed in-service, CEI South will incur capital costs, which it
20 will not recover until the new plant is included in rate base in the derivation of rates,
21 whether as part of base rates or the CECA. At that point, this cost is recovered through
22 the opportunity to earn a fair return on the value of that plant investment. Moreover,
23 once the project is placed in-service, depreciation will commence. The depreciation
24 relating to the Project qualifies for inclusion in the utility's recoverable operating
25 expenses for ratemaking purposes, but again this recovery will begin only after the
26 amounts are included for recovery in rates.

27 **Q. WHAT SPECIFIC RELIEF IS CEI SOUTH SEEKING WITH RESPECT TO THE**
28 **ACCRUAL OF PISCC AND DEFERRAL OF DEPRECIATION FOR THE WIND**
29 **PROJECT?**

30 A. CEI South proposes to accrue PISCC at the Company's pre-tax Weighted Average
31 Cost of Capital ("WACC") on capital investment for the Wind Project beginning with
32 the month after the investment is placed in service until the date the investment is

1 included for recovery in CECA rates or base rates, as the case may be. The Company
2 also proposes to defer any depreciation expense associated with the Project until such
3 expense is included for recovery in the CECA or base rates. Both the accrued PISCC
4 and deferred depreciation will be recorded as regulatory assets in FERC account
5 182.3 until such time that they can be included for recovery in rates. We would begin
6 amortization of the regulatory asset as a recoverable expense for ratemaking
7 purposes over the estimated life of the Wind Project commencing on the date CEI
8 South's rates include recovery of a return and depreciation on the Wind Project.
9 Finally, CEI South seeks to include the unamortized balance of the regulatory asset in
10 CEI South's rate base upon which it is permitted to earn a return.

11 **Q. WHY IS CEI SOUTH REQUESTING THAT THE COMMISSION AUTHORIZE THE**
12 **PROPOSED ACCOUNTING TREATMENT WITH RESPECT TO THE DEFERRAL**
13 **OF PISCC AND DEPRECIATION ON THE PROJECT?**

14 A. Given the Wind Project is expected to have a capital cost of approximately \$636
15 million, the associated financing costs and depreciation costs would also be
16 significant. Annually, financing costs are approximately \$36.6 million² and the
17 associated depreciation expense is approximately \$21.9 million. These combined
18 annual costs of \$58.5 million represent over 40% of CEI South's 2021 electric net
19 operating income of \$132.7 million. Accordingly, the absence of this proposed
20 accounting treatment could have a material adverse financial consequence to CEI
21 South.

22 **Q. WILL THE COMPANY'S REQUESTED ACCOUNTING TREATMENT ALLOW THE**
23 **COMPANY TO MITIGATE THE NEGATIVE IMPACT?**

24 A. Yes. The requested treatment would allow CEI South the opportunity to immediately
25 offset the negative financial impact to monthly pre-tax earnings by approximately \$4.9
26 million (due to the deferral of the \$21.9 million of depreciation expense and the accrual
27 of \$36.6 million of financing costs).

28 **Q. WHY IS THE COMPANY'S PROPOSED ACCOUNTING TREATMENT ON THE**
29 **WIND PROJECT SO IMPORTANT?**

² Based on the Company's WACC of 6.08% for Petitioner's CECA-4 in Cause No. 44909.

1 A. In addition to the capital investments to be made in the Wind Project, CEI South is
2 making other large investments. This amplifies the importance of the proposed
3 accounting treatment to mitigate the negative financial impacts to the Company during
4 this period of increased investments.

5 **Q. OVER WHAT TIMEFRAME DOES CEI SOUTH PROPOSE TO RECOVER THE**
6 **ACCRUED PISCC AND DEFERRED DEPRECIATION REGULATORY ASSETS?**

7 A. As I indicated, the Company proposes the accrued PISCC and deferred depreciation
8 balances be amortized over the life of the assets that generated the amounts.

9 **Q. WHAT IS THE EXPECTED LIFE OF THE WIND PROJECT ASSETS?**

10 A. As stated in direct testimony of Petitioner's Witness Bradford, the Company believes
11 the Wind Project assets will have an expected life of approximately 30 years based on
12 expectations of the project developer.

13 **Q. WHAT INITIAL DEPRECIATION RATE DOES CEI SOUTH PROPOSE FOR THE**
14 **WIND PROJECT?**

15 A. Currently, the Company does not have an existing Commission-approved depreciation
16 rate for wind assets such as those contemplated by the Wind Project. Accordingly, the
17 Company proposes that investments made in the Wind Project be depreciated over
18 the expected life of the assets of 30 years using an annual depreciation rate of
19 approximately 3.33%. This rate does not take into consideration costs of removal.
20 Therefore, CEI South proposes to evaluate adjustments to this depreciation rate and
21 include proposed depreciation rates for these assets in a formal depreciation study as
22 part of its next applicable base rate case.

23 **Q. PREVIOUSLY YOU MENTIONED DEFERRAL OF EXPENSES. PLEASE EXPLAIN**
24 **THE OTHER TYPES OF EXPENSES FOR WHICH THE COMPANY SEEKS**
25 **DEFERRAL AUTHORITY.**

26 A. The Company will incur incremental O&M expenses corresponding to the cost incurred
27 pursuant to an O&M contract with a third party. There will be a period of time after
28 those contract expenses begin and before rate recovery begins. The Company seeks
29 to defer such O&M for future recovery until recovered through base rates or the CECA,
30 as the case may be. In addition, it is possible that the Company would incur other O&M
31 expense or accrue property tax expense associated with the Project before property

1 tax expense is being recovered through base rates or the CECA. To the extent the
2 Company incurs other O&M or accrues such property tax expense before rate
3 recovery, the Company seeks to defer such expense for future recovery.

4 **Q. WILL THE WIND PROJECT BE ELIGIBLE FOR ANY TAX CREDITS?**

5 A. Yes. As described in the direct testimony of Petitioner’s Witness Jennifer K. Story, the
6 Wind Project will be eligible for federal PTCs. As CenterPoint Energy, Inc. realizes the
7 benefits of any PTCs generated, whether by utilizing the credits to reduce CenterPoint
8 Energy Inc.’s federal income tax liability or by selling the credits, those benefits will be
9 passed on to customers as a reduction to the amount recovered through rates
10 associated with this Project. As noted previously, the difference between the actual
11 PTC and any amount that is reflected in base rates will flow through the CECA, even
12 if the Project itself is reflected in base rates.

13 **Q. ARE THERE ANY OTHER ENVIRONMENTAL ATTRIBUTES THAT WOULD**
14 **SERVE TO REDUCE THE REVENUE REQUIREMENT ASSOCIATED WITH THE**
15 **WIND PROJECT?**

16 A. Yes. As described in the direct testimony of Witness Rice, the Wind Project will also
17 be eligible for RECs. RECs associated with the output of the proposed project may be
18 monetized through market sales. To the extent the sale of RECS differs from the
19 amount reflected in base rates, all proceeds from such sales will be reflected as an
20 adjustment to the revenue requirement within the annual CECA filing. In the future, if
21 CEI South becomes subject to a Renewable Portfolio Standard or other regulatory
22 requirement, the RECs may be retained and used by CEI South in order to satisfy such
23 requirements.

24 **Q. WHAT REQUEST DOES CEI SOUTH MAKE IN THE EVENT THE PROJECT**
25 **ASSETS ARE NOT PLACED IN-SERVICE?**

26 A. The Company has incurred significant costs that were required not only to evaluate
27 and plan the resulting proposed Wind Project but also to develop the materials that
28 are required to be submitted in this case. Certain of these costs would be capitalized
29 as part of the Project when placed in-service and are included in the total estimated
30 cost presented by Witness Bradford. In the event that the requested CPCN is not
31 granted, or the Project assets are otherwise not placed in-service, CEI South requests
32 authority to defer costs associated with the Wind Project. Any capitalized costs

1 associated with the Project would be reclassified to FERC account 182.3, Other
2 Regulatory Assets. The recovery of the costs would be sought in a future general rate
3 case or capitalized as a part of an alternative generation project.

4 **Q. IS THE COMPANY SEEKING ANY AUTHORITY TO THE EXTENT FUTURE**
5 **IMPROVEMENTS ARE MADE TO THE WIND PROJECT?**

6 A. No. Any future improvements beyond those that have been described in this Cause
7 are beyond the scope of the relief requested.

8 **Q. WHAT EFFECT WILL INCLUSION OF THE WIND PROJECT IN THE CECA HAVE**
9 **REGARDING THE EARNINGS TEST IN CEI SOUTH'S FAC PROCEEDINGS?**

10 A. This would occur only to the extent the Wind Project is recovered through the CECA.
11 In accordance with Ind. Code § 8-1-2-42 (d)(3), CEI South will adjust for FAC earnings
12 test purposes its statutory NOI by including the operating income associated with Wind
13 Project as part of its authorized NOI. This is also consistent with treatment of earnings
14 associated with CEI South's CECA mechanism from Cause No. 44909³.

V. REVENUE REQUIREMENT

15 **Q. YOU PREVIOUSLY INDICATED THAT IT IS LIKELY THE PROJECT WOULD BE**
16 **INCLUDED IN RATE BASE IN THE COMPANY'S UPCOMING RATE CASE. TO**
17 **THE EXTENT THE PROJECT IS INCLUDED IN THE NEXT GENERAL RATE CASE,**
18 **IS THE PRESENTATION OF A PROJECTED CECA REVENUE REQUIREMENT**
19 **HELPFUL?**

20 A. Yes. Even if the Project is not reflected in the CECA but is rather included in base
21 rates, the presentation of a CECA revenue requirement still informs as to the overall
22 general anticipated effect on the revenue requirement and resulting rates from the
23 Project. Therefore, I will present a projected CECA revenue requirement for the
24 Project even though we presently expect to include the Project in rate base as of the
25 beginning of the test year in the upcoming rate case.

26 **Q. PLEASE GENERALLY EXPLAIN HOW THE CECA REVENUE REQUIREMENT IS**
27 **CALCULATED?**

³ Ordering Paragraph 4 of the Commissions May 15, 2019 Order in Cause No. 44909 – CECA 1.

1 A. In each annual CECA update, CEI South would calculate a revenue requirement for
2 the CECA mechanism. A summary filing schedule which reflects the illustrative
3 calculation inclusive of the Wind Project is included in Petitioner's Exhibit No. 4,
4 **Attachment CMB-1 (CONFIDENTIAL)**. The Wind Project would be tracked as a
5 unique project separate from the previously approved projects within the CECA filing
6 schedules, and the components of the revenue requirement would be identifiable for
7 each project. The revenue requirement as shown on this schedule as it pertains to the
8 Wind Project includes: (1) the return on capital investment, which includes the
9 unamortized regulatory assets for deferred depreciation and PISCC; (2) an annual
10 level of incremental property taxes, depreciation, and O&M expenses, inclusive of any
11 amounts previously deferred; (3) net PTC and RECs monetized; and (4) recovery of
12 the regulatory assets recorded through the interim deferral of depreciation expense,
13 and PISCC. As described in greater detail by Witness Rice, the recoverable amounts
14 for the approved investments would be aggregated within the total revenue
15 requirement utilized to derive annual CECA rates and charges.

16 **Q. PLEASE DESCRIBE SCHEDULE 1 (ILLUSTRATIVE) REVENUE REQUIREMENT**
17 **OF THE CECA INCLUDED IN PETITIONER'S EXHIBIT NO. 4, ATTACHMENT CMB-**
18 **1 (CONFIDENTIAL).**

19 A. This schedule illustrates the calculation of the proposed revenue requirement by
20 category investment through which CEI South will seek to recover the Wind Project in
21 its CECA filing. The aggregated revenue requirement calculation (line 19) is divided
22 on this schedule between the "Return on New Capital Investment", which calculates
23 the pre-tax return on total net new investment (lines 1 through 7), and the "Incremental
24 Expenses", which calculates the recoverable expenses, both projected and amortized
25 from previously deferred balances (lines 8 through 18).

26 **Q. IS CEI SOUTH PROPOSING A CECA REVENUE REQUIREMENT AMOUNT FOR**
27 **RECOVERY IN THIS PROCEEDING?**

28 A. No. The schedule presented is for illustrative purposes only to reflect how the Wind
29 Project and related costs would be included in future CECA filings. If CECA were to
30 be used for the Project, CEI South would prepare in each annual filing a revenue
31 requirement calculation which would accumulate all eligible costs incurred through
32 December 31 of the prior calendar year.

1 **Q. WILL CEI SOUTH PREPARE WORK PAPER SCHEDULES SHOWING THE WORK**
2 **ORDER DETAILS THAT SUPPORT THE SUMMARIZED AMOUNTS?**

3 A. Yes. In each CECA filing or the general rate case, as the case may be, this information
4 will be available upon request to support the investments made by CEI South,
5 including work paper support by work order, which will agree to the summarized
6 amounts listed on this schedule.

VI. CONCLUSION

7 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

8 A. Yes, at the present time.

VERIFICATION

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

SOUTHERN INDIANA GAS AND ELECTRIC
COMPANY D/B/A CENTERPOINT ENERGY
INDIANA SOUTH



Chrissy M. Behme
Manager, Regulatory Accounting

1/10/2023

Date

Attachment CMB-1 (CONFIDENTIAL) Provided Separately