Commissioner	Yes	No	Not Participating
Swinger	√		
Bain	√		
Deig	√		
Jerrells	√		
Ziegner			√

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND ELECTRIC COMPANY d/b/a CENTERPOINT ENERGY INDIANA SOUTH FOR: (1) APPROVAL OF AN ADJUSTMENT TO ITS ELECTRIC SERVICE RATES THROUGH ITS TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM IMPROVEMENT CHARGE ("TDSIC") RATE SCHEDULE; (2) APPROVAL OF CAPITAL EXPENDITURES AND TDSIC COSTS; (3) AUTHORITY TO DEFER 20% OF THE APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS FOR RECOVERY IN PETITIONER'S NEXT GENERAL RATE CASE; (4) APPROVAL OF PETITIONER'S UPDATED 5-YEAR ELECTRIC PLAN, ALL PURSUANT TO IND. CODE § 8-1-39-9; (5) AUTHORIZATION TO DEFER AND RECOVER ON AN INTERIM BASIS 80% OF ELIGIBLE AND APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS WITH THE UPDATED TDSIC 1 PLAN AND TO DEFER 20% OF ELIGIBLE AND APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS FOR RECOVERY IN CEI SOUTH'S NEXT RATE CASE; (6) AUTHORIZATION TO RECOVER THE REMAINING UNRECOVERED VARIANCE FROM 44910 TDSIC 14; AND (7) APPROVAL OF AN ADJUSTMENT TO CEI SOUTH'S AUTHORIZED NET OPERATING INCOME.	)	CAUSE NO. 45894 TDSIC 2 APPROVED: SEP 22 2026

ORDER OF THE COMMISSION

Presiding Officers:
David E. Ziegner, Commissioner
Kristin E. Kresge, Administrative Law Judge

On February 5, 2026, Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South") filed its Verified Petition with the Indiana Utility Regulatory Commission ("Commission"), initiating this Cause. CEI South also filed the direct testimony and attachments of the following witnesses:

- Stephen R. Rawlinson, Director, Electric Engineering for CEI South;
- Chrissy M. Behme, Manager, Regulatory Reporting for CEI South; and
- Matthew A. Rice, Director, Indiana Electric Regulatory and Rates for CEI South.

On April 6, 2026, the Indiana Office of Utility Consumer Counselor ("OUCC") filed the direct testimony and attachments of the following witnesses:

- Kaleb G. Lantrip, Utility Analyst in the OUCC's Electric Division; and
- Roopali Sanka, Utility Analyst in the OUCC's Electric Division.

On April 20, 2026, CEI South filed a Motion to Extend Rebuttal Filing Date. On April 23, 2026, the Presiding Officers issued a docket entry granting the motion and continuing the evidentiary hearing in this Cause to May 14, 2026. On April 24, 2026, CEI South filed a Motion for Interim Order and to Stay the Procedural Schedule, which the Presiding Officers granted on April 29, 2026.

On May 11, 2026, CEI South filed a Joint Stipulation for Implementation of Proposed Rates in an Interim Order.

The Commission held an evidentiary hearing in this Cause at 10:00 a.m. on May 14, 2026, in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. CEI South and the OUCC appeared at and participated in the hearing by counsel, and the direct testimony and attachments of CEI South were admitted into the record without objection. On May 27, 2026, the Commission issued an interim order authorizing CEI South to implement the rates as shown in Petitioner's Exhibit No. 3, Attachment MAR-2 on an interim basis until the Commission issues a Final Order in this Cause.

On June 11, 2026, CEI South filed an Unopposed Motion for continuance of the evidentiary hearing. The Presiding Officers granted that Motion on June 15, 2026.

On July 24, 2026, CEI South filed a Joint Stipulation and Settlement Agreement supported by the settlement testimony of Mr. Rawlinson.

The Commission held a second evidentiary hearing in this Cause at 10:00 a.m. on August 14, 2026, in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. CEI South and the OUCC appeared at and participated in the hearing by counsel, and the testimony and exhibits of CEI South and the OUCC were admitted into the record without objection.

Based on the applicable law and the evidence of record, the Commission finds:

1. <u>Notice and Jurisdiction</u>. Notice of the hearing in this Cause was given and published by the Commission as required by law. CEI South is a public utility as that term is defined in Ind. Code §§ 8-1-2-1(a) and 8-1-39-4. Under Ind. Code ch. 8-1-39, the Commission has jurisdiction over a public utility's petition to approve rate schedules establishing a Transmission, Distribution, and Storage System Improvement Charge ("TDSIC") that will allow for the periodic adjustment of the public utility's basic rates and charges to provide for timely recovery of 80% of approved capital expenditures and TDSIC costs. Therefore, the Commission has jurisdiction over CEI South and the subject matter of this proceeding.

2. **CEI South's Characteristics.** CEI South is a corporation organized and existing under Indiana law with its principal office located at 211 NW Riverside Drive, Evansville, Indiana. CEI South provides retail electric service to the public and owns and operates electric generating plant and distribution system facilities for the production, storage, transmission, distribution, and furnishing of electric service to approximately 150,000 electric consumers in southwestern Indiana. Its service territory is spread throughout seven counties: Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick, and Spencer.

3. **Background.** On December 27, 2023, the Commission issued an Order in Cause No. 45894 ("45894 Order"), approving the utility's five-year TDSIC plan. In the 45894 Order, the Commission: (1) approved CEI South's 2024 – 2028 TDSIC Plan ("45894 TDSIC Plan"); (2) found the projects identified in the 45894 TDSIC Plan are "eligible transmission, distribution, and storage system improvements"; (3) approved CEI South's proposed method of calculating a pretax return; (4) authorized deferral of post-in-service TDSIC Plan costs, including carrying costs, on an interim basis until such costs are recovered via the TDSIC mechanism or base rates through its next general rate case; (5) authorized deferral of depreciation expense on TDSIC Plan investments on an interim basis until such costs are recovered via the TDSIC mechanism or base rates through its next general rate case; (6) authorized amortization and recovery of TDSIC plan development costs over a five-year period; (7) authorized allocation of costs associated with the TDSIC Plan in accordance with their findings set for in the 45894 Order; (8) authorized to continue recovering TDSIC Plan distribution charges via a fixed monthly charge from residential customers; (9) authorized deferral and later recovery as part of its next two general rate cases of 20% of eligible and approved capital expenditures and TDSIC costs; (10) authorized CEI South to file semiannual adjustments to its TDSIC Plan under this Cause No. 45894; and (11) authorized CEI South to adjust its authorized return to reflect any approved, incremental earnings associated with the TDSIC.

4. **Relief Requested.** Pursuant to Ind. Code § 8-1-39-9(a) and (b) and the terms of the 45894 Order, CEI South requests: (1) approval of new TDSIC factors to effectuate the timely recovery of 80% of approved capital expenditures and TDSIC costs to be applicable and made effective for bills during the first billing cycle starting June 1, 2026, or as soon thereafter as practicable and remaining in effect until replaced by TDSIC factors approved in a subsequent filing; (2) approval of the capital expenditures and TDSIC costs incurred through October 31, 2025, upon which the proposed factors are based; (3) authority to defer, as a regulatory asset, 20% of eligible and approved capital expenditures and TDSIC costs for recovery in CEI South's next general rate case; (4) approval of the Updated TDSIC Plan filed with the Petition; (5) interim deferral and recovery of 80% of eligible and approved capital expenditures and TDSIC costs in connection with its Updated TDSIC Plan through the TDSIC and deferral of 20% of eligible and approved capital expenditures and TDSIC costs, including depreciation and allowance for funds used during construction ("AFUDC") in connection with the Updated TDSIC Plan for recovery in CEI South's next general rate case; and (6) approval to recover the remaining unrecovered variance from the Cause No. 44910 TDSIC 14 ("44910 TDSIC 14"); and (7) approval of an adjustment to its authorized net operating income ("NOI") to reflect any approved earnings for purposes of Ind. Code § 8-1-2-42(d)(3).

5. **<u>CEI South's Evidence</u>.**

A. <u>Stephen Rawlinson</u>. Mr. Rawlinson provided background on CEI South's Five-Year TDSIC Plan approved in the 45894 Order and covering the period of January 1, 2024, through December 31, 2028. He testified that the Five-Year TDSIC Plan includes 319 projects with an estimated total cost of $454 million and includes 114 Potential Substitution Projects ("PSPs") available to substitute into the Plan as required by system or operational needs. Mr. Rawlinson testified to how CEI South is managing TDSIC-eligible investment to remain consistent with the approved Plan amount by deferring planned projects or including approved PSP projects when unforeseeable conflicts, conditions, or increased efficiencies result in adjustments to work order estimates.

Mr. Rawlinson testified that CEI South's filing in this Cause is consistent with the requirements under Ind. Code § 8-1-39-9(d) because it has been more than nine months since the Commission's order in CEI South's most recent rate case, Cause No. 45990.

Mr. Rawlinson testified concerning CEI South's TDSIC 2 Plan updates and presented it for approval in this filing. He testified that since CEI South's last semi-annual TDSIC filing (Cause No. 45894 TDSIC 1), CEI South has cancelled or suspended four projects and moved 22 projects to a different plan year. He testified that all the projects are undertaken for the purposes of safety, reliability, or system modernization, and all projects, including the PSPs, were included in CEI South's TDSIC Plan as initially approved in Cause No. 45894. Mr. Rawlinson testified that TDSIC-eligible investment that was completed and placed in-service before December 31, 2025, either has already been, or will soon be, moved to CEI South's jurisdictional rate base and included in CEI South's base rates following the Commission's approval in Cause No. 45990; and is, therefore, with the exception of Construction Work in Progress ("CWIP") not included in this filing for recovery.

Mr. Rawlinson testified that because of the timing of CEI South's last rate case in Cause No. 45990, there are several semi-annual TDSIC filing periods included in this filing: (1) May 1, 2024 through October 31, 2024; (2) November 1, 2024, through April 30, 2025; and (3) May 1, 2025, through October 31, 2025. He stated the CWIP balance for the first two periods (i.e., May 1, 2024 through April 30, 2025) is $12,451,152; the amount for the most recent period (i.e., from May 1, 2025, through October 31, 2025) is $11,619,560. Mr. Rawlinson stated that approximately 25 projects are still in CWIP from May 1, 2024 through April 30, 2025.

Mr. Rawlinson testified that CEI South incurred $3,322,404 in costs to assist in development of the TDSIC, including engineering and cost estimating, incremental benefit analysis, and case support; which will be amortized and recovered through the TDSIC over a period of five years.

Mr. Rawlinson testified that CEI South moved two PSPs into the TDSIC 2 Plan Update in this filing period, and four projects from the Five-Year TDSIC Plan were cancelled. He also testified to the project estimates that have been revised since CEI South's TDSIC 1 filing, explaining that estimates were revised because of three main factors: (1) completion of detailed engineering – in turn, resulting in updates from Class 4 to Class 2 estimates; (2) adjustments made based upon information learned from construction of 2024 and 2025 projects; and (3) performance of a competitive bid process to gain insight into cost of material and construction labor. Mr. Rawlinson provided further detail as to why updates from Class 4 to Class 2 estimates result in changes to the estimates in the TDSIC 2 Plan Update. Mr. Rawlinson testified that estimate variance commentary is provided in Petitioner's Exhibit No. 1-C Attachment SRR-3 (CONFIDENTIAL) for current project estimates that vary from previously filed and approved estimates by 20% or greater, or more than $100,000. Mr. Rawlinson testified that 27 project estimates have been revised from those approved in CEI South's last semi-annual filing and provided examples of some of the most significant variance from the previously filed and approved project estimates in his testimony. Mr. Rawlinson testified that the Petitioner's Exhibit No. 1-C Attachment SRR-3 (CONFIDENTIAL) also shows variances between estimate and actual project costs. Mr. Rawlinson testified that the estimates provided in Petitioner's Exhibit No. 1-C Attachment SRR-3 (CONFIDENTIAL) constitute CEI South's best estimate of the costs for the projects in the TDSIC Plan at this time. Mr. Rawlinson testified that the estimates provided in Petitioner's Exhibit No. 1-C Attachment SRR-3 (CONFIDENTIAL) include project contingency factors, and the contingency factors for project estimates for Year Three of CEI South's Five-Year TDSIC Plan have been updated to Class estimates with 12.5% contingency; contingency remains at 17.5% for Years 4-5 of the TDSIC Plan as those remain Class 4 estimates.

Mr. Rawlinson testified that CEI South has many robust processes in place to provide program, project, and construction management of its Five-Year TDSIC Plan and described the collaborative work of CEI South's Electric Program Management team, Program Manager, Project Managers, and CEI South's Engineering, Supply Chain, Outside Contractors, Customers, Land Services, and the Construction Management groups.

Mr. Rawlinson provided a summary of the Five-Year TDSIC Plan expenditures through October 31, 2025. He testified that CEI South adjusted the annual estimates in that attachment. He testified that planned construction years for certain projects have been updated, increasing and decreasing annual estimates for the Five-Year TDSIC Plan while maintaining a total consistent with that approved in Cause No. 45894 for the Five-Year TDSIC Plan of approximately $454 million.

Mr. Rawlinson testified that the TDSIC Plan will preserve the reliability, resiliency, and integrity of the transmission and distribution systems in CEI South's service territory and Indiana, while improving deliverability and modernizing portions of the transmission and distribution systems. He stated that key reliability benefits include a reduction in number and duration of unplanned outages, as well as maintaining system reliability through the replacement of aging, poor-performing assets, and enhanced abilities to monitor real-time system performance. Mr. Rawlinson testified that all the programs included in the TDSIC 2 Plan Update presented in this filing are designed to strengthen CEI South's system and prepare the system to meet customers' future expectations.

B. **Chrissy Behme.** Ms. Behme provided testimony in support of CEI South's TDSIC revenue requirement calculations for costs incurred under the Five-Year TDSIC Plan through October 31, 2025. Ms. Behme testified that, consistent with the 45894 Order, CEI South is proposing the following accounting treatment: (1) authorization of the eligible revenue requirement amounts as of October 31, 2025, for the TDSIC plan inclusive of the amounts associated with capital investment in eligible projects, both completed and under construction; financing costs on projects under construction [i.e., AFUDC]; post-in-service carrying costs ("PISCC"); projected and annualized property tax and depreciation expense; amortization of deferred TDSIC Plan-related expenses (i.e., deferred depreciation expense, PISCC, and plan development costs); (2) recovery, via a rate adjustment mechanism, of 80% of the eligible TDSIC revenue requirement amounts as of October 31, 2025; (3) deferral of 20% of the eligible TDSIC revenue requirement amounts as of October 31, 2025, in a regulatory asset for recovery in CEI South's next base rate case.

Ms. Behme testified that for TDSIC 2, the total revenue requirement is $2,084,355, of which $1,667,484 (80%) will be included for recovery in the TDSIC, and $416,871 (20%) will be deferred for recovery in CEI South's next base rate case. Ms. Behme also testified to the schedules and calculations included in Petitioner's Exhibit No. 2 Attachment CMB-1.

C. **Matthew Rice.** Mr. Rice testified in support of CEI South's updated TDSIC rates and charges and request for approval for costs incurred through October 31, 2025, to be recovered in the TDSIC.

He testified that per the settlement agreement in Cause No. 45990, the settling parties agreed to a new Tax Adjustment Rider mechanism for continued pass back to customers of CEI South's Excess Accumulated Deferred Income Tax ("EADIT") Credit, which was previously credited via the TDSIC mechanism. Because of this, the semi-annual filings under this Cause will no longer include the EADIT component. The 45990 Order also approved new allocation percentages to be used in CEI South's TDSIC filings.

Mr. Rice testified that CEI South is seeking to modify its procedural schedule in this and future TDSIC proceedings by shifting the projection periods and reconciliation periods forward by one month, i.e., shifting its rate effective dates in its semi-annual filings to June 1 and December 1, instead of May 1 and November 1. Mr. Rice testified that for this filing, CEI South is reconciling the 18-month period of May 1, 2024 through October 31, 2025, due to the timing of the 45990 Order. Mr. Rice testified that the approved recoveries for the period May 1, 2024 through October 31, 2024, come from Cause No. 44910 TDSIC 14; the approved recoveries for the period November 1, 2024, through January 31, 2025, come from Cause No. 45894 TDSIC 1. He testified that since the base rates approved in Cause No. 45990 became effective February 13, 2025, the approved recoveries for February 2025 are prorated between the amounts in Cause No. 45894 TDSIC 1 (12 of 28 days) and the amounts in Cause No. 45990 Phase 1 Compliance Filing. Approved recoveries for the period March 1, 2025, through October 31, 2025, come from Cause No. 45990 Phase 1 Compliance Filing, 4 Attachment I-P1.

Mr. Rice testified that the total variance from the reconciliation period for TDSIC 2 is an over-recovery of $853,855 and will be passed back to customers in the TDSIC 2 rates and charges over a six-month period.

6. <u>OUCC's Evidence</u>.

A. <u>Kaleb Lantrip</u>. Mr. Lantrip testified that he was unable to determine whether CEI South's TDSIC project spending was supported by its filing, and therefore, did not recommend approval of the cost recovery requested by CEI South. Mr. Lantrip testified to his review of CEI South's filing, discovery responses, and related Commission orders, and that he attended a tech-to-tech conference call with CEI South staff on February 26, 2026.

Mr. Lantrip stated that CEI South had discontinued its practice of hosting a pre-filing meeting with the OUCC. He testified to the effect of the timing of CEI South's last TDSIC tracker order (November 27, 2024) and CEI South's most recent rate cause order on CEI South's reconciliation period for this filing in TDSIC 3. Mr. Lantrip testified that during the February 26, 2026 tech-to-tech conference call, CEI South staff indicated that substantive requests for further detail on the projects would be more fruitfully supplemented through formal discovery. Mr. Lantrip stated that the OUCC served three sets of discovery on CEI South.

Mr. Lantrip opined that in his seven years of experience reviewing TDSIC plans of peer utilities in the electric space, this filing stands apart for its lack of support and resistance experienced. Mr. Lantrip provided a list of information peer utilities have provided with their respective case-in-chief filings as comparison. Mr. Lantrip testified that CEI South objected to the OUCC's request for a categorical cost breakdown He testified that CEI South's case-in-chief and discovery responses had insufficient support for his analysis to know whether its projects actual capital expenditures met the required specific justification by the utility for specific approval by the Commission. Mr. Lantrip testified that this was CEI South's second update in its TDSIC plan and that he was not able to raise the need earlier for more substantive support from the utility prior to this filing.

Mr. Lantrip testified to the changes to CEI South's TDSIC filings caused by the 45990 Order. He also testified that CEI South has calculated the monthly bill impact for this filing on a residential customer using 1,000 kWh would be a $(1.81) decrease. Mr. Lantrip testified that he would make an additional adjustment to reduce the CWIP balance and property tax by the under-supported, overspend CWIP project variance of $1,469,769 to arrive at his recommend rate impact of a ($1.84) decrease.

B. <u>Roopali Sanka</u>. Ms. Sanka testified that she was unable to properly assess the prudency of CEI South's TDSIC projects and associated costs and was unable to conclude that CEI South's TDSIC Project spending was adequately supported by the filing, and therefore, did not recommend approval of the requested recovery.

Ms. Sanka testified that CEI South did not provide a cost benefit analysis under Ind. Code § 8-1-39(b)(3), stating that other peer utilities, such as Duke Energy Indiana, have provided in other filings, consistent with the requirements of Ind. Code § 8-1-39-10. Ms. Sanka testified that CEI South's responses to the OUCC's data requests were unresponsive, included objections and references to materials previously provided, and claimed some of the information requested was not relevant to the proceeding. Ms. Sanka stated that CEI South objected to providing information on projects in rate base, a designation for which she opined did not make project-level cost, scope, or information regarding variance irrelevant particularly in a TDSIC proceeding. Ms. Sanka testified that the OUCC requested a cost breakdown for each project in the TDSIC Plan in the format of a peer utility, which CEI South did not provide. Ms. Sanka stated that CEI South's responses did not comply with Ind. Code § 8-1-39-10.

7. **Evidence Supporting Settlement Agreement.**

A. **CEI South's Testimony in Support of the Settlement Agreement.** Mr. Rawlinson testified CEI South and the OUCC (the "Settling Parties") have agreed that CEI South's requested relief should be granted in its entirety, subject to certain terms and conditions as specifically set forth in the Settlement Agreement. Mr. Rawlinson testified that the Settling Parties agree that the rates proposed in CEI South's case-in-chief, as reflected in Petitioner's Exhibit No. 3, Attachment MAR-2, and implemented through the Commission's May 27, 2026 Interim Order, should be approved without modification as the final TDSIC rates in this Cause. These rates provide a bill decrease for customers.

Mr. Rawlinson testified that the Settling Parties have agreed to participate in pre-filing meetings before CEI South files its future semi-annual TDSIC updates to better facilitate the OUCC's review and support communication between the Settling Parties. The purpose of such meetings will be to discuss project status, supporting documentation, and other matters relevant to CEI South's forthcoming filing. Mr. Rawlinson testified that the Settling Parties have already held a pre-filing meeting in advance of CEI South's TDSIC 3 filing on July 20, 2026; he stated the meeting was well-attended and productive.

Mr. Rawlinson testified that CEI South agrees to make reasonable efforts to provide supporting documentation to the OUCC in a manner that enhances transparency and facilitates the OUCC's review of project expenditures and cost recovery requests. He stated the Settling Parties acknowledge that the nature and extent of supporting documentation provided may vary depending on the circumstances of a project or program and shall be subject to reasonable limitations regarding burden, volume, and practical availability.

Mr. Rawlinson testified that CEI South has committed to working with the OUCC to improve the overall cost category breakdown of its TDSIC programs to enhance the presentation of CEI South's case-in-chief and assist the OUCC in evaluating project expenditures and cost recovery. Mr. Rawlinson testified that CEI South discussed proposed changes with the OUCC during the July 20 pre-filing meeting and plans to implement those changes when it files TDSIC 4 in February 2027. If the OUCC has any additional feedback, the Settling Parties commit to discussing that feedback to have a mutually agreed-upon format, to the extent reasonably practicable within the next three semi-annual TDSIC filings (by Cause No. 45894 TDSIC 5).

Mr. Rawlinson testified that, for the purposes of promoting transparency and ongoing collaboration with the OUCC, CEI South commits to continuing to provide, in its February semi-annual filings under this Cause, updated cost estimates for projects for which a more refined estimate has been developed (e.g., AACE Class 4 estimate updated to Class 2 estimate) and for which the updated estimate has a variance that is +/-10% of the estimate originally provided in Cause No. 45894.

Mr. Rawlinson testified that the Settlement Agreement is a result of compromise, and represents a fair, just, and reasonable resolution of all matters raised in this proceeding; and states the Settling Parties agree the relief requested by CEI South in this proceeding should be granted, subject to the terms and conditions of the Settlement Agreement. Mr. Rawlinson testified that the Settlement Agreement is the result of compromise reached during the settlement process, and that neither the making of the Settlement Agreement nor any of its provisions shall constitute an admission or waiver by any Settling Party in any other proceeding other than this proceeding, now or in the future; nor shall it be cited as precedent. Mr. Rawlinson testified that the Settlement Agreement is supported by and is within the scope of the evidence; taken as a whole, the Settlement Agreement represents the result of good faith, arm's-length negotiations reflecting a fair and balanced outcome of the issues between the Settling Parties in this case.

8. <u>Commission Discussion and Findings</u>. Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co*., 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

In addition, any Commission decision, ruling or order, including approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Pub. Serv. Co. of Ind., Inc.*, 582 N.E.2d 330 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine whether the evidence in this Cause sufficiently supports a conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and that it serves the public interest. Here, substantial evidence has been presented from which we can assess the reasonableness of the terms of the Settlement Agreement.

The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849 at *7-8 (IURC March 19, 1997).

We find the Settlement Agreement to be a reasonable resolution to the issues raised in this proceeding. The Settlement Agreement is supported by substantial evidence, falls within the range of reasonable outcomes supported by the record, and provides benefits to customers while avoiding the expense and uncertainty of continued litigation. Therefore, we approve the Settlement Agreement in its entirety and adopt its terms as discussed below.

A. <u>Past and Future Rate Case Timing and TDSIC Timing</u>. Ind. Code § 8-1-39-9(d) states that "[e]xcept as provided in section 15 of this chapter, a public utility may not file a petition under subsection (a) within nine (9) months after the date on which the commission issues an order changing the public utility's basic rates and charges with respect to the same type of utility service." At the time of filing CEI South's most recent retail electric base rate order was issued February 3, 2025, in Cause No. 45990. The Commission finds that CEI South's request in this Cause was filed more than nine months after CEI South's last general rate case in accordance with Ind. Code § 8-1-39-9(d).

Indiana Code § 8-1-39-9(f) states that "[a] public utility may file a petition under this section not more than one (1) time every six (6) months." CEI South filed its Verified Petition in this Cause consistent with the 45894 Order and not within six months of a previous TDSIC adjustment filing. Mr. Rawlinson and Mr. Rice testified that CEI South updates its TDSIC project costs on a semi-annual basis through tracker filings and has shifted its procedural schedule forward by one month to be consistent with Ind. Code § 8-1-39-12(a). Therefore, beginning this year, the rate implementation for the August tracker will be December 1 and the rate implementation for the February tracker will be June 1. The Commission finds that CEI South's timeline for TDSIC filings is consistent with Ind. Code § 8-1-39-9(f).

B. <u>CEI South's Updated TDSIC Plan</u>. Ind. Code § 8-1-39-9(a) requires a utility to update its TDSIC Plan annually at a minimum. Mr. Rawlinson testified that the TDSIC Plan has been updated to reflect changes to planned construction years for certain projects. The Commission finds that this TDSIC Plan filing that CEI South submitted is in accordance with the statute.

C. <u>Revenue Requirement</u>. The 45894 Order granted CEI South accounting authority for, and subsequent recovery of, costs associated with its approved TDSIC Plan. The accounting authority includes the timely recovery within the TDSIC of 80% of the revenue requirement associated with the Plan capital investments and expenses, and deferral of the remaining 20% of the revenue requirement in a regulatory asset for recover as part of CEI South's next base rate case.

CEI South proposes the following ratemaking and accounting treatment, in accordance with the 45894 Order:

(1). Authorization of the eligible revenue requirement amounts as of October 31, 2025, inclusive of the amounts associated with:
   a. Capital investment in eligible projects, both completed and under construction;
   b. Financing costs incurred on projects during construction;
   c. PISCC on eligible completed projects; and
   d. Deferred expenses, projected incremental depreciation, and property taxes expense.

(2). Recovery, via the TDSIC, of 80% of the eligible revenue requirement amounts as of October 31, 2025, which is $1,667,484 (Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1, Page 1, Line 16, Column C).

(3). Deferral of 20% of the eligible revenue requirement amounts as of October 31, 2025, which is $416,871 (Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1, Page 1, Line 17, Column C), for subsequent recovery in a base rate case.

CEI South filed its Verified Petition and case-in-chief in support of its request for approval of TDSIC rates and charges on February 5, 2026. The Settlement Agreement indicates that the OUCC agrees with CEI South's calculation of its revenue requirement and recommends approval of the TDSIC factors. The Commission finds the annual revenue requirement of $2,084,355 as calculated in Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1, Page 1, Line 15, Column C is correct, and such revenue requirement is approved.

We further find CEI South's proposed total revenue requirement has been calculated in compliance with the tracker methodology approved in the 45894 Order and is approved. Pursuant to Ind. Code ch. 8-1-39, only 80% of this revenue requirement is recoverable in CEI South's TDSIC mechanism. We approve the recovery of 80% of the total revenue requirement amounts, $1,667,484, as noted in Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1, Page 1. We also approve the deferral for subsequent recovery in CEI South's next base rate proceeding of 20% of the total revenue requirement amounts, $416,871, as noted in Petitioner's Exhibit No. 2, Attachment CMB-1, Page 1, Schedule 1. In addition, the collection of 80% of the revenue requirement is, in order of priority, the full return on the investments, including the full equity and debt return and then eligible operating expenses. The collection priority will not impact the total amount authorized by the Commission in this Order for immediate recovery in the TDSIC or the amount deferred and authorized for future recovery in a base rate proceeding as noted in Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 1. In the event the authorized revenue requirement in a TDSIC proceeding is not fully recovered in the applicable TDSIC, the unrecovered amount becomes a variance that is recoverable in the subsequent reconciliation process. In the event there is recovery of more than the authorized revenue requirement in a TDSIC proceeding for the applicable TDSIC, the over-recovered amount becomes a variance that is returned in the subsequent reconciliation process.

D. <u>Approved Capital Expenditures and TDSIC Costs</u>. CEI South's total capital investment of $24,754,806 for its TDSIC projects through October 31, 2025, was below the total TDSIC Plan capital expenditure of $454,000,000 as set forth in the 45894 Order. Mr. Rawlinson testified that, from May 1, 2024 through October 31, 2025, approximately 58 projects were initiated and approximately seven projects were completed. He stated that construction resources have steadily been increased in order to execute the TDSIC Plan while maintaining adequate project management, construction management, and cost controls over all activities. Mr. Rawlinson also testified that, based on progress to date, CEI South's project timeline and cost projections indicate the overall TDSIC Plan target will be achieved.

The Settlement Agreement indicates that the OUCC does not object to CEI South's Updated 5-Year TDSIC Plan or the costs requested for recovery in this proceeding. Based upon the evidence presented and Settlement Agreement, the Commission finds that CEI South should be authorized to recover 80% of these eligible and approved capital expenditures and TDSIC costs and approves the forecasted TDSIC costs upon which the proposed factors are based.

E. <u>TDSIC Factors</u>. Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 2, Pages 1 shows how the TDSIC rates and charges are calculated.

Proposed TDSIC Charge/Factors Pet. Ex. No. 3, Att. MAR-1, Schedule 3			
Rate Schedule	**$ Per Month**	**$ Per KW or kVa**	**$ Per kWh**
RS	$0.32		$(0.001288)
B	$0.10		$(0.000442)
SGS	$0.21		$(0.001876)
DGS/MLA		$(0.026)	
OSS		$(0.154)	
LP		$0.376	
LP-TVD		$(0.234)	
HLF		$0.197	
SL/OL	$(0.01)		

Mr. Rice testified that Schedule 2, Page 1 is divided into four sections showing the different allocation percentages applicable to the TDSIC costs to derive the TDSIC charges: transmission revenue requirement, distribution revenue requirement, and the prior period reconciliation variance. The allocation percentages used for the transmission and distribution revenue requirement reflect the allocation percentages approved in Cause No. 45990 on February 5, 2026, and noted below:

Rate Schedule	**Transmission Allocation Percentage**	**Distribution Allocation Percentage**
RS	32.30%	53.02%
B	0.07%	0.38%
SGS	1.14%	2.56%
DGS/MLA	23.24%	25.02%
OSS	1.79%	1.92%
LP	39.89%	15.91%
HLF	1.57%	0.17%
SL/OL	0.00%	1.03%

Mr. Rice testified that the allocation percentages are applied separately to transmission and distribution rates and divided by the estimated billing determinants. Consistent with the 45894 Order, the 45894 TDSIC distribution-related costs do not include a semi-annual cap on the fixed monthly charge, as shown on Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 2, Page 1.

The Settlement Agreement indicates that the OUCC does not object to CEI South's calculation of the TDSIC factors. Based on the evidence of record, the Commission finds that the proposed TDSIC factors set forth in Petitioner's Exhibit No. 3, Attachment MAR-1, Schedule 3 were correctly calculated, and such factors should be approved.

F. <u>Billing Period</u>. In the 45894 Order, we authorized CEI South to file its petitions and cases-in-chief every six months, on or before August 1 and February 1 of each year, with new semi-annual TDSIC charges becoming effective on November 1 and May 1, respectively. The August filing recovers costs incurred through April 30, and the February filing recovers costs incurred through October 31. Accordingly, the TDSIC rates and charges approved herein shall become effective immediately following the issuance of this Order and upon filing and approval of Appendix K, the Transmission, Distribution and Storage System Improvement Charge, with the Energy Division of the Commission. In the event the authorized revenue requirement amount of $1,667,484 is not fully recovered during the TDSIC 2 billing period, any unrecovered amount will be a recoverable variance in the subsequent reconciliation process, and in the event the authorized revenue requirement is over-recovered, any over-recovered amount will be a variance returned in the subsequent reconciliation process.

G. <u>Projected Effect on Retail Rates and Charges</u>. Ind. Code § 8-1-39-9(a)(3) requires a utility to identify the projected effects of the plan on retail rates and charges. Petitioner's Exhibit No. 3, Attachment MAR-3 summarizes the estimated year-over-year impact on customer rates for the life of the TDSIC Plan. We find that CEI South identified the projected effects of the TDSIC Plan on retail rates and charges as required by Ind. Code § 8-1-39-9(a)(3).

H. <u>Average Aggregate Increase in Total Retail Revenues</u>. Ind. Code § 8-1-39-14(a) states:

> The commission may not approve a TDSIC that would result in an average aggregate increase in a public utility's total retail revenues of more than two percent (2%) in a twelve (12) month period. For purposes of this subsection, a public utility's total retail revenues do not include TDSIC revenues associated with a target economic development project.

Ms. Behme testified that the increase in the TDSIC revenue requirement is determined by comparing the increase in TDSIC revenue requirement to the 2% of retail revenues from the prior 12-month period. Petitioner's Exhibit No. 2, Attachment CMB-1, Schedule 9 shows that CEI South's retail revenues do not exceed the 2% cap during the previous 12-month period.

The Commission finds that CEI South's annual retail revenues will not result in an average aggregate increase of more than 2% in a 12-month period.

I. <u>Adjustment of Net Operating Income</u>. Consistent with the 45894 Order, CEI South proposes to adjust its statutory NOI earnings test by increasing its authorized NOI by incremental earnings from approved TDSIC filings in the amount of $1,661,047. The OUCC did not note any objections to CEI South's adjustment to its authorized NOI. We find this approach consistent with the 45894 Order and find CEI South's request is reasonable and should be approved.

J. Compliance with 45894 Order. CEI South's witnesses supported CEI South's compliance with the 45894 Order in their testimony.

The 45894 Order set specific limits to CEI South's electric TDSIC project contingency factors at 12.5% for years one and two and 17.5% for years three through five of the TDSIC Plan. Mr. Rawlinson testified that CEI South's project estimates are within the set contingency factors.

K. Reconciliations. Mr. Rice testified that CEI South is including a reconciliation of revenues and costs in this filing. As required by past TDSIC orders, CEI South submitted testimony detailing and supporting the calculation of the variance and provided the OUCC with this calculation during the pre-filing meeting. The variance included totaled $853,855 of over recovery for the period of May 1, 2024 through October 31, 2025 ("Reconciliation Period"). These variances are determined by specific rate schedule and included in the rates and charges proposed in this filing. The OUCC supported CEI South's calculation of the variance. Based on the evidence of record, we find that CEI South has properly calculated the reconciliation variance for the Reconciliation Period.

L. Other Settlement Terms. The Settling Parties have agreed to participate in pre-filing meetings before CEI South files future semi-annual TDSIC updates in order to better facilitate the OUCC's review and support communication between the Settling Parties. Mr. Rawlinson testified that the Settling Parties already held a pre-filing meeting in advance of CEI South's 45894 TDSIC 3 filing, which was made on August 3, 2026. The pre-filing meeting was held virtually on July 20, 2026, and Mr. Rawlinson testified that the conversation between the Settling Parties was very productive.

Additionally, CEI South has agreed to make several modifications to its presentation of case-in-chief evidence and supporting documentation to further aid the OUCC's review including making reasonable efforts to provide supporting documentation to the OUCC in a manner that enhances transparency and facilitates the OUCC's review of project expenditures and costs recovery requests; improving the overall cost category breakdown of its TDSIC programs in its case-in-chief; and continuing to provide in its February semi-annual filings under this Cause, updated cost estimates for projects for which a more refined estimate has been developed.

9. Conclusion. Based on the evidence presented and consideration of the requirements of Ind. Code § 8-1-39-9, the Commission finds CEI South's updated TDSIC 2 Plan and associated rates and charges are reasonable and should be approved as agreed to in the Settlement Agreement. Additionally, we find that the evidence in this Cause supporting the other settlement terms sufficiently supports the conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of the governing statutory provisions, and that such Settlement Agreement serves the public interest. The Commission encourages the Settling Parties to continue these collaborative efforts and finds that the commitments reflected in the Settlement Agreement will assist in the efficient review of future TDSIC proceedings and advance the public interest through a more informed and transparent regulatory process.

10. <u>Confidential Information</u>. On February 5, 2026, CEI South filed a Motion for Protection and Nondisclosure of Confidential and Proprietary Information in this Cause, which was supported by Mr. Rawlinson's affidavit showing that certain information to be submitted to the Commission was trade secret information as defined in Ind. Code § 24-2-3-2 and should be treated as confidential in accordance with Ind. Code §§ 5-14-3-4 and 8-1-2-29. The Presiding Officers issued a docket entry on March 12, 2026, finding the information should be held confidential on a preliminary basis, after which the information was submitted under seal on March 13, 2026. After review of the information and consideration of Mr. Rawlinson's affidavit, we find the information is trade secret information as defined in Ind. Code § 24-2-3-2, is exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29 and shall be held confidential and protected from public access and disclosure by the Commission.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. CEI South's Updated TDSIC Plan, filed concurrently with this Petition, is approved, and the projects set forth therein constitute "eligible transmission, distribution, and storage system improvements" within the meaning of Ind. Code § 8-1-39-2.

2. CEI South is authorized to recover 80% of the costs incurred in connection with the TDSIC Plan in the amount of $1,667,484 through the TDSIC and to defer 20% of the costs incurred, including ongoing carrying charges on all deferred costs, in the amount of $416,871 for recovery in its next base rate case.

3. CEI South's TDSIC factors are approved as set forth in Appendix K, the Transmission, Distribution and Storage System Improvement Charge, to effectuate the timely recovery of 80% of approved capital expenditures and TDSIC costs to be applicable and made effective immediately following the issuance of this Order and upon the filing of Appendix K with the Commission's Energy Division and shall remain in effect until replaced by different TDSIC factors approved in a subsequent filing.

4. Prior to implementing its TDSIC factors, CEI South shall file under this Cause a revised Appendix K tariff sheet for approval by the Energy Division that reflects the Commission's findings in this Order pursuant to Ind. Code § 8-1-39-9(a) to effectuate the timely recovery of 80% of eligible and approved capital expenditures.

5. CEI South's capital expenditures and TDSIC costs incurred through October 31, 2025, and the forecasted TDSIC costs upon which the proposed factors are based are approved.

6. CEI South is authorized to adjust its authorized NOI to reflect any approved earnings for purposes of Ind. Code § 8-1-2-42(d)(3).

7. The Commission approves the Settlement Agreement, including the specific terms in Paragraph 8.L. above. The Settlement Agreement, a copy of which is attached to this order, is approved.

8. The information submitted under seal in this Cause pursuant to CEI South's request for confidential treatment is determined to be confidential trade secret information as defined in Ind. Code § 24-2-3-2 and shall continue to be held as confidential and exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29.

9. This Order shall be effective on and after the date of its approval.

SWINGER, BAIN, DEIG, AND JERRELLS CONCUR; ZIEGNER ABSENT:

APPROVED: SEP 22 2026

I hereby certify that the above is a true
and correct copy of the Order as approved.

Dana Kosco Digitally signed by Dana Kosco
Date: 2026.09.22 13:41:21
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Dana Kosco
Secretary of the Commission

FILED
July 24, 2026
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND ELECTRIC COMPANY D/B/A CENTERPOINT ENERGY INDIANA SOUTH FOR: (1) APPROVAL OF AN ADJUSTMENT TO ITS ELECTRIC SERVICE RATES THROUGH ITS TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM IMPROVEMENT CHARGE ("TDSIC") RATE SCHEDULE; (2) APPROVAL OF CAPITAL EXPENDITURES AND TDSIC COSTS; (3) AUTHORITY TO DEFER 20% OF THE APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS FOR RECOVERY IN PETITIONER'S NEXT GENERAL RATE CASE; (4) APPROVAL OF PETITIONER'S UPDATED 5-YEAR ELECTRIC PLAN, ALL PURSUANT TO IND. CODE § 8-1-39-9; (5) AUTHORIZATION TO DEFER AND RECOVER ON AN INTERIM BASIS 80% OF ELIGIBLE AND APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS WITH THE UPDATED TDSIC 1 PLAN AND TO DEFER 20% OF THE ELIGIBLE AND APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS FOR RECOVERY IN CEI SOUTH'S NEXT RATE CASE; (6) AUTHORIZATION TO RECOVER THE REMAINING UNRECOVERED VARIANCE FROM 44910 TDSIC 14; AND (7) APPROVAL OF AN ADJUSTMENT TO CEI SOUTH'S AUTHORIZED NET OPERATING INCOME.	**CAUSE NO. 45894 TDSIC 2**

STIPULATION AND SETTLEMENT AGREEMENT BETWEEN CEI SOUTH AND THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

This Stipulation and Settlement Agreement "Settlement Agreement" is between Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South ("CEI South") and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively, the "Settling Parties" and individually, a "Settling Party"). The Settling Parties, solely for purposes of compromise and settlement and having been duly advised by their respective staff, experts, and counsel, stipulate and agree that the terms and conditions set forth in this Settlement Agreement represent a fair, just, and reasonable resolution of all matters raised between them in this proceeding, subject to their incorporation by the Indiana Utility Regulatory Commission ("Commission") into a final, non-appealable order without modification or further condition that is unacceptable to either Settling Party ("Final Order"). The Settling Parties agree that this Settlement Agreement resolves all disputes, claims, and issues arising from the Commission proceeding currently pending in Cause No. 45894 TDSIC 2. The Settling Parties further agree that CEI South's requested relief in this Cause should be granted in its entirety, except as expressly modified or supplemented by this Agreement.

1. BACKGROUND.

On February 5, 2026, CEI South filed its *Verified Petition* and case-in-chief in this Cause. CEI South's case-in-chief evidence proposes customer credits on the volumetric rate for residential customers and most other customer classes (Petitioner's Exhibit No. 3, Attachment MAR-2).

On May 11, 2026, CEI South filed a *Joint Stipulation for Implementation of Proposed Rates in an Interim Order*, which the Commission granted on May 27, 2026, following an evidentiary hearing on the same day, implementing the TDSIC rates proposed in CEI South's case-in-chief (Petitioner's Ex. No. 3, Attachment MAR-2).

On June 11, 2026, CEI South filed an *Unopposed Motion to Continue Hearing* to allow CEI South and the OUCC to continue discussions regarding issues raised in the OUCC's case-in-chief testimony. The Presiding Officers granted the Motion and continued the evidentiary hearing in this Cause until July 31, 2026.

Subject to Commission approval, the Settling Parties agree that the terms set forth below fully resolve all issues between them in this Cause. Accordingly, the OUCC does not object to the Commission's approval of CEI South's requested relief consistent with this Settlement Agreement.

2. TERMS AND CONDITIONS.

A. Approval of TDSIC Rates. The Settling Parties agree that the TDSIC rates proposed in CEI South's case-in-chief, as reflected in Petitioner's Exhibit No. 3, Attachment MAR-2, and implemented through the Commission's May 27, 2026 Interim Order, should be approved without modification as the final TDSIC rates in this Cause.

B. Pre-Filing Meetings for Future TDSIC Filings. To facilitate the efficient review of future TDSIC filings, CEI South and the OUCC agree to participate in pre-filing meetings before CEI South files its semi-annual TDSIC updates. The purpose of such meetings will be to discuss project status, supporting documentation, and other matters relevant to CEI South's forthcoming filing.

C. Supporting Documentation. CEI South commits to working with the OUCC to improve the quality, organization, and consistency of the presentation of supporting documentation provided in support of future TDSIC filings under this Cause. CEI South will make reasonable efforts to provide supporting documentation in a manner that enhances transparency and facilitates the OUCC's review of project expenditures and cost recovery requests. The parties acknowledge that the nature and extent of supporting documentation provided may vary depending on the circumstances of a project or program and shall be subject to reasonable limitations regarding burden, volume, and practical availability.

D. Cost Category Breakdown. CEI South commits to working with the OUCC to improve the presentation of the overall cost category breakdown of its TDSIC programs (such as labor, materials, etc.). Such updates will be included in CEI South's pre-filed evidence in a mutually agreed-upon format, to the extent reasonably practicable within the next three semi-annual TDSIC filings (by Cause No. 45894 TDSIC 5). These improvements will be designed to enhance the presentation of CEI South's case-in-chief and assist the OUCC in evaluating project expenditures and cost recovery. CEI South will provide an update in each semi-annual TDSIC filing until this provision is implemented.

E. Updated Cost Estimates. To promote transparency and ongoing collaboration with the OUCC, CEI South commits to continuing to provide, in its February semi-annual filings under this Cause, updated cost estimates for projects for which a more refined estimate has been developed (e.g., AACE Class 4 estimate updated to Class 2 estimate) and for which the updated estimate has a variance that is +/-10% of the estimate originally provided in Cause No. 45894. Please see the confidential workpapers provided with Petitioner's Exhibit No. 1, Direct Testimony of Rawlinson, provided under Cause No. 45894 TDSIC 2, for an example of these workpapers.

F. Other Matters. The commitments set forth by these terms are intended to improve information sharing and transparency between the parties under Cause No. 45894 TDSIC XX and do not alter CEI South's burden of proof in future TDSIC proceedings or the Commission's authority to review and approve TDSIC plans, costs, and rates pursuant to Ind. Code ch. 8-1-39. Any matters not expressly addressed by this Settlement Agreement will be adopted as proposed by CEI South in its direct case-in-chief evidence in this Cause.

3. EFFECT OF SETTLEMENT AND PROCEDURAL MATTERS

A. Scope and Effect of Settlement.

1. Neither the making of this Settlement Agreement nor any of its provisions shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.

2. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings.

3. The Settling Parties' entry into this Settlement Agreement shall not be construed as a limitation on any position they may take or relief they may seek in pending or future Commission proceedings not specifically addressed in this Settlement Agreement.

B. Authority to Enter Settlement. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Settling Parties on the provisions contained herein.

C. Privileged Settlement Communications. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

D. Conditions of Settlement. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party.

E. Evidence in Support of Settlement. The Settling Parties may offer their respective direct, rebuttal, and supplemental testimonies supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be offered into evidence without objection by any Settling Party. The Settling Parties hereby waive cross-examination of each other's witnesses.

F. Commission Approval. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party. If the Commission does not approve the Settlement Agreement in its entirety, the Settlement Agreement shall be null and void and deemed withdrawn, upon notice in writing by any Settling Party within 15 business days after the date of the Final Order that any modifications made by the Commission are unacceptable to it. In the event the Settlement Agreement is withdrawn, the Settling Parties will request that an Attorneys' Conference be convened to establish a procedural schedule for the continued litigation of this proceeding.

G. **Proposed Order.** The Settling Parties will work together to prepare an agreed-upon proposed order to be submitted in this Cause. The Settling Parties will request Commission acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement.

H. **Publicity.** The Settling Parties also will work cooperatively on news releases or other announcements to the public about this Settlement Agreement.

I. **Waiver of Opposition.** The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

J. **Counterparts**. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Accepted and Agreed on July 24, 2026

(Signature Pages Follow)

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

Stephen Rawlinson
Director, Electrical Engineering
CenterPoint Energy Indiana South

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

/s/ Phillip Casey
Phillip Casey
Attorney
Indiana Office of Utility Consumer Counselor