

ORIGINAL

Commissioner	Yes	No	Not Participating
Zay	√		
Deig	√		
Swinger	√		
Veleta	√		
Ziegner	√		

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) CAUSE NO. 46326 TAR 1
RATES THROUGH ITS TAX ADJUSTMENT RIDER)
(“TAR”) RATE SCHEDULE IN ACCORDANCE WITH) APPROVED: MAR 11 2026
THE COMMISSION’S ORDER DATED FEBRUARY 3,)
2025 IN CAUSE NO. 45990)**

ORDER OF THE COMMISSION

**Presiding Officers:
Anthony F. Swinger, Commissioner
Sean Gorman, Administrative Law Judge**

On November 17, 2025, Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South (“Petitioner”) filed its petition and case-in-chief with the Indiana Utility Regulatory Commission (“Commission”), requesting approval for pass back via its Tax Adjustment Rider (“TAR”) mechanism of eligible federal and state excess accumulated deferred income tax (“EADIT”) and production tax credits (“PTC”) associated with its eligible renewable energy projects. Petitioner’s case-in-chief consisted of the direct testimony and attachments of Matthew A. Rice, Petitioner’s Director of Indiana Electric Regulatory and Rates.

On January 16, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief, which consisted of direct testimony from Michael D. Eckert, Chief Technical Advisor in the OUCC’s Electric Division.

On January 23, 2026, Petitioner filed its Notice of Intent Not to File Rebuttal Testimony.

On February 9, 2026, the Commission issued a Docket Entry in this Cause requesting additional information from Petitioner. On February 11, 2026, Petitioner filed its response to the Commission’s Docket Entry.

The Commission held an evidentiary hearing at 1:30 p.m. on February 13, 2026, in Room 222, PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC participated in the evidentiary hearing by counsel, during which their respective evidence was admitted into the record without objection.

Based upon the applicable law and evidence presented, the Commission finds:

1. Notice and Commission Jurisdiction. Notice of the hearing in this Cause was given and published by the Commission as required by law. Petitioner is a public utility as that term is defined in Ind. Code § 8-1-2-1(a). Under Ind. Code § 8-1-2-42, the Commission has jurisdiction over changes to Petitioner’s rates and charges. Thus, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. Petitioner’s Characteristics. Petitioner is a public utility incorporated under the laws of the State of Indiana. Petitioner has its principal office at 211 NW Riverside Drive, Evansville, Indiana 47708. Petitioner has charter power and authority to engage in, and is engaged in, the business of rendering retail electric service within the State of Indiana under duly acquired indeterminate permits, franchises, and necessity certificates. Petitioner owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities that are used and useful for the production, storage, transmission, distribution, and furnishing of electric service to approximately 150,000 electric consumers in Pike, Gibson, Dubois, Posey, Vanderburgh, Warrick, and Spencer counties.

3. Background and Requested Relief. In the Commission’s final order in Cause No. 45990 (“45990 Order”), the Commission granted approval to Petitioner to track federal and state EADIT credits and the difference between actual and estimated PTC credits through the TAR mechanism. In this Cause, Petitioner requests approval of an adjustment to its TAR for the twelve-month period of March 2026 through February 2027 (“the Projection Period”). Petitioner also seeks authority to utilize the Commission’s 30-day filing process under 170 IAC 1-6 for future annual updates to its TAR whereby on or about November 1 of each year, Petitioner will submit to the Commission an update to Petitioner’s TAR to reflect the projected federal and state EADIT credits and PTCs for the following calendar year. Each annual TAR filing would include a reconciliation of actual credits to authorized credits for the twelve-month period ending August 31. Petitioner proposes that its requested change to using the 30-day filing process be ordered by the Commission to take effect for the next annual TAR update to be filed on or around November 1, 2026 using projections for the calendar year commencing January 2027.

4. Evidence Presented.

A. Petitioner’s Case-in-Chief. Mr. Rice testified in support of Petitioner’s request to update the TAR mechanism as approved in the 45990 Order for timely issuance of federal and state EADIT credits and PTCs realized from approved wind and solar projects.

Mr. Rice testified that the reconciliation period in this TAR is September 2024 through August 2025 (the “Reconciliation Period”). He testified that in this TAR proceeding, there are no reconciliations between September 1, 2024, and February 13, 2025, as Petitioner’s TAR was initially implemented on February 13, 2025, in Petitioner’s Phase 1 compliance filing in accordance with the 45990 Order.

Mr. Rice testified that, as approved in the 45990 Order, Petitioner’s TAR is calculated on an annual basis for each rate schedule and includes the following:

- (1) Credits associated with the accelerated amortization of EADIT associated with the issuance of securitization bonds related to the retirement of A.B. Brown Units 1 and 2.
- (2) Credits associated with the amortization of EADIT liability resulting from the Tax Cuts and Jobs Act of 2017.
- (3) PTCs from renewable resources that are a result of the Inflation Reduction Act (“IRA”).
- (4) Credits associated with the regulatory liability for state EADIT, resulting from the implementation of a gradual period decrease of the Indiana corporate income tax by the Indiana General Assembly between 2012 and 2021.

Mr. Rice testified that the following Rate Schedule Allocation Percentages represent the portion of the TAR amount applicable to each Rate Schedule and will be applied to the TAR as follows:

Rate Schedule	Allocation Percentages
RS	43.85%
B	0.25%
SGS	1.81%
DGS/MLA	24.29%
OSS	1.01%
LP	26.63%
BAMP-Base	0.95%
HLF	0.59%
SL/OL	0.62%

He testified that the Rate Schedule Quantities are the estimated billing determinants for each Rate Schedule for the Projection Period. The actual TAR amounts passed back to or received from customers for each period are reconciled with TAR amounts intended for pass back to or recovery from customers during such period, with any variance reflected in a subsequent TAR filing.

Petitioner’s Exhibit No. 1, Attachment MAR-1 provides the schedules that show the calculation of the proposed TAR rates and charges and the associated residential bill impacts. Mr. Rice provided explanation for the calculations and information included in the schedules of Attachment MAR-1.

Petitioner’s Exhibit No. 1, Attachment MAR-2 is Petitioner’s proposed TAR tariff sheet, Sheet No. 76, Appendix L, containing the TAR rates and charges.

Mr. Rice testified that, if the Commission approves Petitioner’s proposed TAR Adjustment, the TAR credit adjustment applicable to residential customers would increase by \$0.003073 per kWh, from \$0.005619 to \$0.008692 per kWh. He stated that the monthly bill during

the TAR period for a residential customer using 1,000 kWh would decrease by \$3.07 under Petitioner's proposal.

Mr. Rice testified in support of Petitioner's request to use the Commission's 30-day filing process for future annual updates to Petitioner's TAR in order to simplify the process for updating its TAR and reduce administrative burden. Mr. Rice testified that Petitioner proposes to submit to the Commission, on or about November 1 of each year, an update to Petitioner's TAR to reflect the projected federal and state EADIT credits and PTCs for the following calendar year. He stated that each annual TAR filing would include a reconciliation of actual credits to authorized credits for the twelve-month period ending August 31. Mr. Rice testified that Petitioner seeks authorization to utilize the 30-day filing process for the next annual TAR update to be filed on or around November 2026, using projections for the calendar year commencing January 2027, and for future annual updates thereafter. Mr. Rice stated that the projections in this Cause include projected credits for January and February 2027, and that Petitioner proposes to use the projections for those months included in the calendar year projection in its proposed November 2026 30-day filing application.

Petitioner's Exhibit No. 1, Attachment MAR-3 contains illustrative schedules of Petitioner's next TAR update should the Commission grant Petitioner's request to use the Commission's 30-day filing procedures for future annual TAR updates.

B. OUCC's Case-in-Chief. Mr. Eckert testified that he reviewed Petitioner's prefiled testimony and petition regarding its request to pass back eligible federal and state EADIT and PTC associated with its eligible renewable energy projects through the TAR mechanism; use the Commission's 30-day filing procedures under 170 IAC 1-6 for future updates to the TAR; reconciliation of actual credits to authorized credits for the twelve-month period ending August 31, 2025; and annual TAR updates to be filed around November 1 of each year using projections for the upcoming calendar year. He testified that he recommends that the Commission approve Petitioner's request.

Regarding Petitioner's future 30-day TAR filings, Mr. Eckert testified that he recommends the Commission require Petitioner to provide at the time of its TAR filing all schedules, workpapers, and documentation, including Excel spreadsheets with working formulas that support the TAR filing in order to allow sufficient time for the OUCC to verify all information provided and ensure transparency in a timely manner.

5. Commission's Discussion and Findings. The Commission's 45990 Order approved Petitioner's TAR mechanism, which authorizes Petitioner to pass back to customers federal and state EADIT and PTC realized from eligible renewable energy projects. Specifically, the 45990 Order authorizes Petitioner to pass back (1) credits associated with the accelerated amortization of EADIT associated with the issuance of securitization bonds related to the retirement of A.B. Brown Units 1 and 2; (2) credits associated with the amortization of EADIT liability resulting from the Tax Cuts and Jobs Act of 2017; (3) PTCs from renewable resources that are a result of IRA; and (4) credits associated with the regulatory liability for state EADIT, resulting from the implementation of a gradual period decrease of the Indiana corporate income tax by the Indiana General Assembly between 2012 and 2021.

We find that Petitioner’s methodology and calculations used in its proposed TAR mechanism are consistent with the settlement agreement and the terms of the 45990 Order. We further find that the proposal is in the best interest of Petitioner’s customers, noting that Mr. Rice testified that the TAR credit adjustment would result in a monthly bill decrease of \$3.07 for a residential customer using 1,000 kWh. Accordingly, we approve Petitioner’s proposed TAR mechanism in this filing for the twelve-month period of March 2026 through February 2027.

We further authorize Petitioner to use the Commission’s 30-day filing procedures under 170 IAC 1-6 for future annual updates to the TAR. When submitting each TAR 30-day filing, Petitioner shall file with the Commission all supporting schedules, workpapers, and documentation related to the 30-day filing. Consistent with Petitioner’s response to the Commission’s February 9, 2026 Docket Entry, Petitioner shall concurrently provide the OUCC with all supporting schedules, workpapers, and documentation related to each future 30-day TAR proceeding when filed.

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

1. The proposed TAR rates as set forth in Petitioner’s case-in-chief are approved and will remain in effect until replaced by rates in a subsequent Commission proceeding;
2. Petitioner is authorized to use the Commission’s 30-day filing procedures under 170 IAC 1-6 for future annual updates to Petitioner’s TAR, to be filed with the Commission on or about November 1 of each year. Petitioner shall file all supporting schedules, workpapers, and documentation related to the 30-day filing at the time each future TAR 30-day filing is submitted for the Commission’s consideration.
3. This Order shall be effective on and after the date of its approval.

ZAY, DEIG, SWINGER, VELETA, AND ZIEGNER CONCUR:

APPROVED: MAR 11 2026

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

_____ on behalf of
Dana Kosco
Secretary of the Commission