

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 RATES THROUGH ITS)
 CLEAN ENERGY COST ADJUSTMENT)
 (“CECA”) RATE SCHEDULE IN ACCORDANCE) **CAUSE NO. 44909 CECA 8**
 WITH ORDERS OF THE COMMISSION IN)
 CAUSE NO. 44909 DATED AUGUST 16, 2017,) **APPROVED: MAY 27 2026**
 CAUSE NO. 45086 DATED MARCH 20, 2019, AND)
 CAUSE NO. 45086-S1 DATED JANUARY 29, 2020;)
 AND (2) APPROVAL OF AN ADJUSTMENT TO)
 ITS AUTHORIZED NET OPERATING INCOME)
 TO REFLECT ANY APPROVED EARNINGS FOR)
 PURPOSES OF IND. CODE § 8-1-2-42(D)(3))**

ORDER OF THE COMMISSION

**Presiding Officers:
 Bob Deig, Commissioner
 Kristin E. Kresge, Administrative Law Judge**

On February 3, 2026, Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South (“CEI South” or “Petitioner”) filed a Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) seeking approval of an adjustment to its electric service rates through its Clean Energy Cost Adjustment (“CECA”) and approval of an adjustment to its authorized net operating income to reflect approved earnings related to the solar projects approved in Cause No. 44909 for purposes of Ind. Code § 8-1-2-42(d)(3). CEI South concurrently prefiled the direct testimony and attachments of Joshua A. Swanson, Director of Power Supply Services; Chrissy M. Behme, Manager of Regulatory Reporting; and Matthew A. Rice, Director of Indiana Electric Regulatory and Rates. On March 2, 2026, CEI South filed corrections to the direct testimony of Mr. Swanson.

On April 15, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the direct testimony and attachments of Kaleb G. Lantrip, Senior Utility Analyst in the OUCC’s Electric Division.

The Commission held an evidentiary hearing in this Cause at 1:30 p.m. on May 7, 2026 in Room 222, 101 West Washington Street, Indianapolis, Indiana. CEI South and the OUCC appeared, by counsel, and participated in the hearing. At the hearing, the testimony and exhibits of CEI South and the OUCC were admitted without objection.

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

1. Notice and Commission Jurisdiction. Notice of the evidentiary hearing in this Cause was given and published as required by law. CEI South is a public utility, an energy utility, and an eligible business as defined in Ind. Code §§ 8-1-2-1(a), 8-1-2.5-2, and 8-1-8.8-6. The Commission has jurisdiction to approve CEI South's requested CECA rates under Ind. Code ch. 8-1-8.8. Therefore, the Commission has jurisdiction over CEI South and the subject matter of this proceeding.

2. CEI South's Organization and Business. CEI South is a public utility incorporated under Indiana law with its principal office in Evansville, Indiana. CEI South has authority to engage in and is engaged in rendering electric service within Indiana. CEI South 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 utility service to approximately 150,000 customers in southwestern Indiana.

3. Background to this Proceeding. On August 16, 2017, the Commission issued an Order in Cause No. 44909 ("44909 Order") approving three clean energy projects under Ind. Code ch. 8-1-8.8. As originally approved, these projects included a 2 megawatt alternating current ("MWac") ground-mounted solar facility located at U.S. Highway 41 north of Evansville with a 4 megawatt-hour ("MWh") battery energy storage system ("BESS") ("Highway 41 Facility"); a 2 MWac ground-mounted solar facility on land CEI South leased from the City of Evansville ("Evansville Urban Facility"); and a 0.3 MWac rooftop solar generating facility with approximately 400 kilowatt-hour ("kWh") BESS at the Urban Living Resource Center ("ULRC") Project (collectively, "44909 Solar Projects"). In the 44909 Order, the Commission also approved timely cost recovery through CEI South's CECA filings, with depreciation rates of 10 years for CEI South's BESS investments and 25 years for the other investments, consistent with their anticipated service lives. CEI South's CECA rates and charges are to be based on the annual revenue requirement calculation on all approved investments placed in service, along with an annualized level of operation and maintenance costs.

In the 44909 Order, the Commission approved cost estimates of \$8.8 million for the Highway 41 Facility, \$5.4 million for the Evansville Urban Facility, and \$2 million for the ULRC Project, for a total cost estimate of \$16.2 million for the 44909 Solar Projects. The Commission found the estimated cost for each of the 44909 Solar Projects to be reasonable and the best cost estimate available and required CEI South to seek approval for any increases from the approved cost estimates for each of the three projects. CEI South was also required to notify the Commission of any deviation from the number or size of solar and BESS installations approved in the 44909 Order.

In its March 20, 2019 Order in Cause No. 45086 ("45086 Order"), the Commission approved a Stipulation and Settlement Agreement modifying the CECA to also include recovery of CEI South's costs associated with constructing, owning, and operating a 50 MWac solar project north of Troy, Indiana, in Spencer County ("Troy Solar Facility").

On May 15, 2019, in Cause No. 44909 CECA 1, the Commission approved an updated cost estimate for the Evansville Urban Facility, reflecting an increase from \$5.4 million to \$5.9 million. On May 13, 2020, in Cause No. 44909 CECA 2, the Commission approved a revised cost estimate

of \$1.5 million for the ULRC Project, reducing the previously authorized amount of \$2.0 million. In Cause No. 44909 CECA 3, CEI South notified the Commission of a modification to the ULRC Project based on as-built design modifications. In Cause No. 44909 CECA 4, CEI South provided updates regarding the ULRC Project design and estimated the final project cost would be approximately \$1.15 million. CEI South did not request approval of, nor did the Commission approve, any revisions to the cost estimate of \$1.5 million that was approved in CECA 2. In Cause No. 44909 CECA 5, the Commission approved recovery of \$1.15 million out of the \$1,465,288 final cost of the ULRC Project, finding that, although the final project cost was within the \$1.5 million approved in CECA 2, CEI South had not established that the remaining costs were reasonable or appropriate for a project with significantly less capacity than was projected in CECA 2.

Consistent with the 45086 Order, on February 1, 2021, CEI South notified the Commission that the Troy Solar Facility was placed in service on January 22, 2021, with 100% of the panels producing energy; consequently, Cause No. 44909 CECA 3 was the first CECA filing in which Petitioner requested recovery of costs associated with the Troy Solar Facility.

On September 6, 2023, the Commission issued an Order in Cause No. 45847 (“45847 Order”) authorizing the inclusion of eligible revenue requirement amounts associated with Petitioner’s purchase and acquisition of an approximately 191 MWac solar power electric generating facility located in Posey County (“Posey Solar Facility”) either in base rates in CEI South’s next general rate case or in its CECA mechanism.

On February 3, 2025, the Commission issued an Order in Cause No. 45990 (“45990 Order”), which approved embedding Petitioner’s 44909 Solar Projects and the Posey Solar Facility investments previously included for recovery in its CECA mechanism into base rates and moving the pass back of production tax credits from the CECA mechanism to the Tax Adjustment Rider mechanism. Additionally, the 45990 Order approved Petitioner’s request for a Green Energy Rider (“Rider GE”) for the purpose of tracking renewable energy credits (“RECs”) sales to Petitioner’s participating large customers, the net recoveries from which will be passed back via the CECA mechanism. Investment tax credits (“ITCs”) and REC sales proceeds associated with the 44909 Solar Projects will continue to be passed back via the CECA mechanism.

4. Relief Requested. In its Verified Petition, CEI South stated that as of December 31, 2025, the 44909 Solar Projects; the Troy Solar Facility; and the Posey Solar Facility are in service. CEI South requests approval of revised CECA rates and charges to effectuate the: (1) pass back of ITCs through December 31, 2025, associated with two of the three 44909 Solar Projects; (2) pass back of REC sales proceeds through December 31, 2025, associated with the 44909 Solar Projects, the Posey Solar Facility, and the Troy Solar Facility; and (3) timely recovery of the revenue requirement, to include the levelized rate for the period of June 1, 2026, through May 31, 2027, associated with the Troy Solar Facility.

5. CEI South’s Case-in-Chief.

A. Joshua A. Swanson. Mr. Swanson provided updates on the Troy Solar Facility, as required by the 45086 Order; and the 200 MW Wind Project approved by the Commission in Cause No. 45836 (“45836 Wind Project”).

With respect to the Troy Solar Facility, Mr. Swanson summarized the approvals and reporting requirements included in the 45086 Order. He stated that CEI South has provided quarterly updates on the Troy Solar Facility and filed notice of its in-service date as directed in the 45086 Order. Mr. Swanson testified that the facility was placed in service on January 22, 2021, with 100% of the panels producing energy. He included a table showing the monthly generation output, which in 2025 totaled 94,892 MWh. Mr. Swanson provided the actual production compared to baseline for the rolling three-year period of 2023 to 2025. He explained that actual production fell below the 90% threshold of 96,808,118 kWh by 4,074,785 kWh, or approximately 4.2%.

Mr. Swanson testified to the factors that contributed to actual production at the Troy Solar Facility, including improved inverter reliability and direct current health, which contributed to performance improvements in 2025 as compared to 2024. Mr. Swanson testified that CEI South continues to proactively work with the inverter manufacturer to try to replace certain components that have been failing prematurely. He testified the number of long duration failures was less frequent in 2025 than in 2024, but short duration events continue to impact system reliability. He testified that production levels increased relative to baseline production expectations, but the increase did not offset the lower production levels realized in 2023 from the low irradiance levels experienced in 2024 from the inverter reliability issues.

Mr. Swanson also testified that MISO’s new Uninstructed Deviation Enhancement (“UDE”) Flag impacted production of the Troy Solar Facility. He testified that the UDE Flag is MISO’s first step in a multi-pronged initiative to address perceived reliability issues by managing the potential volume of dispatchable intermittent resources; when MISO sends the UDE Flag, CEI South must comply by reducing production at the relevant site. Mr. Swanson testified that when MISO issues the UDE Flag for the Troy Solar Facility, CEI South must reduce its production to a set point dictated by MISO; therefore, complying with the UDE Flag affects the total actual production of the Facility. He stated that in 2025, the UDE Flag was issued 17 times by MISO.

Mr. Swanson testified that CEI South has increased the frequency of in-person inspections and drone inspections to improve site reliability of the Troy Solar Facility. He stated that a sample of photovoltaic (“PV”) modules were tested to verify PV module performance and degradation rate, the results of which will be utilized by CEI South to further understand and improve site reliability.

Mr. Swanson provided a table with the Troy Solar Facility solar irradiance, or the amount of light energy received from the sun at the Troy Solar Facility, for calendar years 2023, 2024, and 2025.

Mr. Swanson summarized the Commission's Order in Cause No. 45836, in which the Commission granted a certificate of public convenience and necessity for CEI South's acquisition of the 45836 Wind Project through a Build Transfer Agreement ("BTA"). Mr. Swanson testified that CEI South has complied with the reporting requirements included in that Order. He stated that on December 4, 2025, CEI South filed a Notice of Termination in Cause No. 45836, which provided that, due to market dynamics, the BTA negotiations between CEI South and the developer have terminated and did not culminate in an executed contract. He stated that due to termination of the project, CEI South does not intend to file additional progress reports under Cause No. 45836 or provide any further updates in future CECA filings.

Mr. Swanson stated CEI South sold 3,236 RECs from the Highway 41 Facility, with net proceeds of \$8,733; 3,369 RECs from the Evansville Urban Facility, with net proceeds of \$9,245; 147 RECs from the ULRC Project with net proceeds of \$382; and 142,148 RECs from the Posey Solar Facility with net proceeds of \$499,074. In addition, CEI South sold 86,831 RECs from the Troy Solar Facility, generating \$238,209 that CEI South used to offset the revenue requirement it seeks to recover in this filing. CEI South currently has 23,365 Troy Solar Facility 2025 RECs, 146 Highway 41 Facility 2025 qualified RECs, 134 Evansville Urban Facility 2025 qualified RECs, 11 ULRC Project 2025 qualified RECs, and 103,430 Posey Solar Facility qualified RECs remaining in its portfolio.

B. Chrissy M. Behme. Ms. Behme supported CEI South's request to recover the costs incurred during the operation of the 44909 Solar Projects, costs associated with the Posey Solar Facility, recovery of the agreed levelized rate for the Troy Solar Facility, and approval of the adjustment to CEI South's authorized net operating income used in the fuel adjustment clause earnings tests. Ms. Behme summarized the Commission's prior orders approving cost estimates for the 44909 Solar Projects and the Troy Solar Facility. CEI South has included \$5,333,907 for the period of June 1, 2026 through May 31, 2027 for costs related to the Troy Solar Facility for recovery in this Cause.

Ms. Behme testified that the 44909 Solar Projects and the Posey Solar Facility capital investments and associated incremental expenses were incorporated into CEI South's base rates in Cause No. 45990, and CEI South is not including any annualized return on new capital investment or incremental expenses related to the 44909 Solar Projects or the Posey Solar Facility in this Cause.

Ms. Behme testified that in this Cause, CEI South requests approval and recovery of eligible revenue requirement amounts associated with the 44909 Solar Projects as of December 31, 2025, including costs on projects in service as of December 31, 2025, post-in-service carrying costs ("PISCC"), deferred CECA-related expenses, projected incremental depreciation, property tax expenses, and amortization of ITCs. CEI South also seeks approval and recovery of the eligible revenue requirement amounts associated with the Troy Solar Facility for June 1, 2026 through May 31, 2027, based on a levelized rate of \$0.05452 per kWh multiplied by the baseline production within the year. Additionally, CEI South seeks approval to reduce the revenue requirements for the 44909 Solar Projects and the Troy Solar Facility by the amount of its net proceeds from REC sales made during the reconciliation period.

Ms. Behme testified CEI South does not currently need the RECs from the solar facilities to meet any state or federal renewable portfolio standard or specific customer requirements; therefore, CEI South monetizes the RECs through market sales and all proceeds are passed back to customers as a credit through CEI South's annual CECA filing.

Ms. Behme sponsored Attachment CMB-1 to Petitioner's Exhibit No. 2, which shows the total revenue requirement for the 44909 Solar Projects, the Posey Solar Facility, and the Troy Solar Facility. For the 44909 Solar Projects and the Posey Solar Facility, the revenue requirement includes ITC amortization and REC sales proceeds. For the Troy Solar Facility, the revenue requirement includes the authorized levelized rate multiplied by the projected production for the period and the REC sales proceeds. Ms. Behme confirmed the total revenue requirement CEI South seeks to recover in this Cause is \$4,660,793.

Ms. Behme also provided detailed descriptions of the supporting schedules in Petitioner's Exhibit No. 2, Attachments CMB-1, CMB-2, CMB-3, and CMB-4. Ms. Behme testified that pursuant to the 45990 Order, the capital investments for the 44909 Solar Projects are no longer presented on Schedules 2 through 6 and 9 of Attachment CMB-2. She explained that previously deferred PISCC, annualized depreciation expense, and amortization of deferred depreciation associated with the 44909 Solar Projects will follow the treatment established in the 45990 Order.

Ms. Behme also testified that Schedule 1 of Attachment CMB-3 illustrates the proposed Troy Solar Facility portion of the requested revenue requirement. The schedule incorporates the levelized rate of \$0.05452 per kWh approved in the 45086 Order, multiplied by the projected Troy Solar Facility output, to derive the total revenue requirement. She stated Schedule 2 of Attachment CMB-3 is used to calculate the difference between baseline production and actual production to compute the variance. The variance is compared to a three-year rolling percent of baseline and an adjustment is required if the variance is less than 90% or greater than 110% of actual production. Ms. Behme stated that actual production was below baseline production for the three-year rolling period ending December 31, 2025. She explained that the \$223,581 reduction to the revenue requirement shown on line 6 of Attachment CMB-3, Schedule 1 was calculated by multiplying the production variance by the approved levelized rate.

C. Matthew A. Rice. Mr. Rice testified in support of CEI South's request to update the CECA mechanism and updated rates and charges; and for the pass back of ITCs and REC sales proceeds associated with the 44909 Solar Projects, the Posey Solar Facility, and the Troy Solar Facility.

Mr. Rice summarized the terms of the 45086 Order related to the timely recovery of the Troy Solar Facility costs. He testified that CEI South has included costs related to the Troy Solar Facility within the CECA 8 revenue requirement for recovery in this Cause of \$5,322,450 for the period of June 1, 2026, through May 31, 2027. Mr. Rice also summarized the 45847 Order, which approved the timely recovery of eligible costs.

Mr. Rice testified that Schedule 1 of Attachment MAR-1 to Petitioner's Exhibit No. 3 reflects the over- or under-recovery variance by comparing actual recoveries to approved CECA recoveries for the same period. The variance is determined by month and by rate schedule to ensure

customers pay only the costs allocated to and approved for recovery from their rate schedule. The actual recoveries are used on Schedule 1 to determine the total variance to be included in CECA 8 rates and charges. Mr. Rice stated the resulting variance is an over-recovery of \$264,558 that will be distributed to customers in the CECA over 12 months.

Mr. Rice testified that the allocation basis of CECA revenue requirement is based on four coincident peak allocation percentages approved in the 45990 Order. The approved allocation factors are as follows:

Rate Schedule	Proposed Allocation Percentages
RS	38.3107%
B	0.1295%
SGS	1.4210%
DGS/MLA	23.7110%
OSS	1.4935%
LP	32.6662%
BAMP-Base	1.4112%
HLF	0.8569%
	100.0000%

The proposed CECA rates and charges were attached to Mr. Rice’s testimony as Petitioner’s Exhibit No. 3, Attachment MAR-1.

Mr. Rice stated Schedule 2 of Attachment MAR-1 shows the allocation of the CECA revenue requirement and variances and the derivation of CECA rates and charges by rate schedule. Additionally, he testified that Schedule 3 calculates the CECA recoveries by month, while Schedule 5 calculates the percentage change from the currently effective rate approved in CECA 7, shown by rate schedule.

Mr. Rice testified Attachment MAR-2 of Petitioner’s Exhibit No. 3 is the proposed CECA tariff sheet containing CEI South’s proposed CECA rates and charges. He stated the CECA adjustment proposed for residential customers would decrease by \$0.000218 per kWh, from \$0.001370 per kWh to \$0.001152 per kWh. As proposed, the monthly bill of a residential customer using 1,000 kWh would decrease by \$0.22.

Mr. Rice testified that CEI South invited certain eligible electric customers in southwestern Indiana to participate in its Rider GE program through its website. He stated that one customer signed up to purchase RECs through Rider GE for the period of June 1, 2026 through May 31, 2027. He testified that the historic cost of RECs is \$2.79 per REC, and the quantity of RECs purchased through the program multiplied by the historic price, along with certain necessary costs, will be reconciled with market prices over this period in the following CECA.

6. OUC’s Case-in-Chief. Mr. Lantrip testified that he does not oppose CEI South’s requested cost recovery or the updates to the 45836 Wind Project, the Posey Solar Facility, and the Troy Solar Project.

Mr. Lantrip summarized the approved calculation for the recovery of construction costs related to the Troy Solar Facility. He noted Attachment KGL-1 to Public Exhibit No. 1 shows the rate allocation and derivation of a residential bill, which agrees with CEI South witness Rice's analysis.

Mr. Lantrip summarized CEI South's testimony regarding the Troy Solar Project and testified that he did not have any concerns with the Troy Solar Project update.

Mr. Lantrip also testified regarding the Posey Solar Facility. He testified that the Posey Solar Facility's capital investment and associated incremental expenses were incorporated into CEI South's base rates during its most recent base rate case; however, CEI South proposed to track the REC sales from the project as an offsetting factor to rates requested through this CECA tracker. Mr. Lantrip stated he does not oppose CEI South's proposal.

Mr. Lantrip summarized the Commission's Order in Cause No. 45836 regarding the 45836 Wind Project. Mr. Lantrip stated that CEI South complied with the Commission's Order in that Cause, and he summarized CEI South's Notice of Termination filed on December 4, 2025. Mr. Lantrip testified that the OUCC issued discovery regarding whether CEI South had included any development and/or capital costs associated with the 45836 Wind Project, and CEI South confirmed that it was not requesting recovery of costs associated with the 45836 Wind Project in this proceeding.

Ultimately, Mr. Lantrip stated he does not oppose CEI South's CECA 8 revenue requirement and updates for its Troy Solar Facility levelized cost recovery, ITCs flowthrough, or REC sales.

8. Commission Discussion and Findings. Based on the evidence presented, as discussed above, the Commission finds CEI South's requested relief is reasonable and should be approved. Specifically, the Commission approves CEI South's request for revised CECA rates and charges to effectuate the: (1) pass back of ITCs through December 31, 2025 associated with two of the three 44909 Solar Projects; (2) pass back of REC sales proceeds through December 31, 2025 associated with the 44909 Solar Projects, the Posey Solar Facility, and the Troy Solar Facility; and (3) timely recovery of the revenue requirement, including the Troy Solar Facility levelized rate for the period of June 1, 2026 through May 31, 2027.

CEI South presented adequate evidence supporting its requested CECA rates in its case-in-chief. After reviewing this evidence, OUCC witness Lantrip testified that he did not oppose Commission approval of CEI South's requested revenue requirements and Troy Solar Facility levelized cost recovery, ITCs flowthrough, and REC sales.

Based on the evidence, the 45836 Wind Project has been terminated. The Commission finds that CEI South no longer needs to comply with the ongoing review or reports required under the Order in Cause No. 45836.

Based on the evidence, including the calculations Ms. Behme provided in Petitioner's Exhibit No. 2, Attachments CMB-1, CMB-2, CMB-3, and CMB-4, and our discussion above, we find that CEI South's total annual revenue requirement to be recovered through the CECA is \$4,660,793.

We also find that, based on the evidence, CEI South has properly calculated the reconciliation variance for the CECA 8 period, and the allocation factors set forth in Petitioner's Exhibit No. 3 are consistent with the allocation factors the Commission approved in Cause No. 45990; therefore, we find CEI South's proposed CECA rates, as set forth in Petitioner's Exhibit No. 3, Attachment MAR-2, should be approved.

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

1. CEI South's CECA rates, as set forth in Petitioner's Exhibit No. 3, Attachment MAR-2, are approved to effectuate the recovery of costs incurred, net of ITCs and REC sales proceeds, through December 31, 2025, in connection with the 44909 Solar Projects, to be applicable and made effective no earlier than the billing period beginning June 1, 2026, or as soon thereafter as practicable, and remain in effect until replaced in a subsequent filing.

2. CEI South's CECA rates, as set forth in Petitioner's Exhibit No. 3, Attachment MAR-2, are approved to effectuate the recovery of levelized costs for the period from June 1, 2026 to May 31, 2027, net of REC sales proceeds through December 31, 2025, in connection with the Troy Solar Facility, to be applicable and made effective no earlier than the billing period beginning June 1, 2026, or as soon thereafter as practicable, and remain in effect until replaced in a subsequent filing.

3. CEI South is released from the reporting obligations required in the Order of Cause No. 45836.

4. CEI South's CECA rates, as set forth in Petitioner's Exhibit No. 3, Attachment MAR-2, are approved to effectuate the pass back of REC sales proceeds through December 31, 2025, in connection with the Posey Solar Facility, to be applicable and made effective no earlier than the billing period beginning June 1, 2026, or as soon thereafter as practicable, and remain in effect until replaced in a subsequent filing.

5. Prior to implementing the approved CECA rates, CEI South shall file the tariff and applicable rate schedules under this Cause for approval by the Commission's Energy Division. Such rates shall be effective on or after the Order date subject to Division review and agreement with the amounts reflected.

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

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

APPROVED: MAY 27 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**