

**ORIGINAL**

**STATE OF INDIANA**

Commissioner	Yes	No	Not Participating
Huston	√		
Veleta	√		
Ziegner	√		

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF SOUTHERN INDIANA GAS AND )  
ELECTRIC COMPANY D/B/A CENTERPOINT )  
ENERGY INDIANA SOUTH. (“CEI SOUTH”) FOR )  
APPROVAL OF (1) TIME OF USE (“TOU”) AND ) CAUSE NO. 46263  
CRITICAL PEAK PRICING (“CPP”) RATES FOR CEI )  
SOUTH’S CPP PILOT PROGRAM; (2) ) APPROVED: DEC 10 2025  
MODIFICATION OF THE TOU SUMMER PERIOD )  
FOR THE CPP PILOT PROGRAM; AND (3) CEI )  
SOUTH’S RATE RS-CPP TARIFF. )**

**ORDER OF THE COMMISSION**

**Presiding Officers:**

**David E. Veleta, Commissioner**

**Sean M. Gorman, Administrative Law Judge**

On June 20, 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 of: (1) time of use (“TOU”) and critical peak pricing (“CPP”) rates for Petitioner’s CPP Pilot Program; (2) modification of the TOU summer period for the CPP Pilot program; and (3) Petitioner’s Rate RS-CPP Tariff. Petitioner’s case-in-chief consisted of direct testimony, attachments and workpapers from Matthew A. Rice, Director of Indiana Electric Regulatory and Rates for Petitioner, and Cynthia S. Fang, Director with Atrium Economics LLC.

On August 27, 2025, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief, which consisted of direct testimony from Roopali Sanka, Utility Analyst in the OUCC’s Electric Division.

On September 17, 2025, Petitioner filed its rebuttal testimony and attachments from Mr. Rice and Ms. Fang.

On October 8, 2025, the OUCC filed a submission of stipulated responses from Petitioner to certain data requests from the OUCC.

An evidentiary hearing was held in this matter at 9:30 a.m. on October 10, 2025, in Room 222, PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the evidentiary hearing, Petitioner and the OUCC submitted their prefiled evidence 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). The Commission has authority to approve rates and charges for utility service under Ind. Code § 8-1-2-42. Thus, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

**2. Petitioner's Characteristics.** Petitioner is an Indiana operating 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 indeterminate permits, franchises, and necessity certificates heretofore duly acquired. 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 Cause No. 45990, Petitioner proposed, and the Commission approved, a new TOU rate with a CPP Pilot Program to allow for more efficient utilization of Petitioner's system by implementing a tool to help manage peak loads during the hours of highest usage and providing customers with an opportunity to lower their bills. The CPP Pilot Program includes a residential pilot limited to 500 participants. The CPP Pilot Program was proposed as a pilot program so that Petitioner can better understand potential benefits of a full program and build effective communication tools to help ensure the future success of the program. In Cause No. 45990, Petitioner presented indicative tariffs with the understanding that following Commission approval of the CPP Pilot Program, Petitioner would file a request in a separate proceeding for approval of updated TOU and CPP rates.

In Cause No. 45990, Petitioner proposed, and the Commission approved, a Rate RS-CPP tariff that included separate non-summer and summer rates.

Pursuant to the Order in Cause No. 45990 and the Settlement approved therein, Petitioner requests by its Petition in this Cause the following relief:

- (1) Approval of updated TOU and CPP rates for Petitioner's CPP Pilot Program;
- (2) Approval of certain modifications to the TOU summer season; and
- (3) Approval of Petitioner's Rate RS-CPP Tariff.

**4. Evidence Presented.**

**A. Petitioner's Case-in-Chief.** Mr. Rice provided an overview of the CPP Pilot Program. He explained that critical peak pricing could allow for more efficient utilization of Petitioner's system, providing a tool to help manage peak loads during hours of highest usage and provide customers with an opportunity to lower their bills. He explained that the program includes multiple tiers of pricing during summer months with lower prices at off-peak times and higher prices at on-peak times. He stated that this structure provides an economic incentive for customers

to shift load from peak to off-peak hours. Mr. Rice stated that during times when usage is expected to be at its highest, the utility will communicate with customers that a critical peak event will occur on the following day. During the event, the cost of energy will be elevated above the typical on-peak period pricing to provide more incentive for customers to shift load. He described a CPP event as a demand response-like component of the program that requires the customer to respond to the elevated price to be successful.

Ms. Fang testified that Petitioner's CPP Pilot Program will offer participating customers rates that better align with their cost of service, are expected to promote more efficient use of resources and encourage conservation while avoiding undue restriction of economic use, while providing customers with more opportunities to save.

Mr. Rice stated that the CPP Pilot Program is designed to evaluate price-responsive behavior under time-varying and critical peak pricing conditions. Ms. Fang stated that residential customers must have at least one year of automated meter data at the time of registration and must not be enrolled in an existing demand response program.

Mr. Rice testified that the filing in this Cause does not include any proposals to make substantive changes to the program structure, goals, eligibility, event rules or customer protections approved in Cause No. 45990. He stated that this filing solely provides the updated tariffed rates and updated TOU months consistent with operational load data.

Ms. Fang testified that TOU rates will provide customers with price signals that will provide them with opportunities to save if they shift usage from the average high-cost hours during summer weekdays. For TOU rates, Ms. Fang explained that customers will see a four to one peak to off-peak ratio on weekdays during the summer and continue to maintain the flat energy rate in all other hours excluding CPP. She stated that CPP rates will provide customers with price signals that will provide them with opportunities to save if they are able to reduce or shift usage from the high-cost hours. The rates for CPP price are set at a two to one ratio of the summer peak TOU price, meaning CPP rates will be twice that of the summer peak TOU rates and eight times the summer off-peak rate.

Ms. Fang testified that critical peak events may be called year-round and shall not exceed four consecutive hours per day and 16 events per calendar year subject to additional seasonal constraints consistent with Midcontinent Independent System Operator ("MISO") Demand Response Business Practices Manual BPM-026-r12. She listed the additional seasonal constraints as follows: (1) no more than five events during the months of June, July, and August; (2) no more than five events during the months of December, January, and February; (3) no more than three events during the months of March, April, and May; and (4) no more than three events during the months of September, October, and November.

Mr. Rice described three main modifications to the previously submitted indicative tariff: (1) updated CPP and TOU rates; (2) TOU season change; and (3) exclusion of net metering customers. He explained that the indicative rates filed in Cause No. 45990 have been updated to reflect the rates Petitioner intends to apply during the pilot. He testified that the proposed rates preserve the approved rate relationships and ratios presented in prior testimony and align with cost-

based calculations. Ms. Fang presented the updated rates and described how they were developed. Mr. Rice explained that the rates in Ms. Fang's analysis are based on updated Phase One rates implemented under the Commission's Order in Cause No. 45990, and that Petitioner proposes to include updated TOU-CPP Pilot Program rates in the Phase Two compliance filing in the first quarter of 2026, which corresponds with the time the pilot is planned to be implemented. He stated that Petitioner plans to begin the pilot in the second quarter of 2026.

Ms. Fang testified that the rates for the -CPP Pilot Program are designed to be revenue neutral, meaning they are designed to collect the same revenues as on the current flat energy rate. She noted, however, that time variant rates like the TOU and CPP are designed to provide price signals to customers to incent shifting usage out of high-cost hours to provide both customer and system benefits. Ms. Fang testified that the utility will experience a revenue deficiency if customers respond as intended and there is not some revenue adjustment mechanism to provide for recovery of that deficiency. She recommended that before expanding the CPP Pilot Program beyond a pilot, such mechanisms should be carefully considered to allow for recovery of some of the difference between forecasted and actual revenues due to changes in customer usage, while still maintaining incentives for energy efficiency or customer conservation. Ms. Fang testified that Petitioner does not at this time request such a mechanism for the CPP Pilot Program.

Mr. Rice described the proposed change to shorten the summer TOU season from March through September to June through September to better reflect observed system peaks and to align customer price signals with actual operational needs. Ms. Fang presented the residential and system weekday average hourly usage per month for 2021 through 2024. She noted that while energy prices may differ from customer load, because customer load defines energy needs, it can provide information regarding price expectations. She stated that TOU rates provide customers with more accurate price signals if peak prices reflect the hours when cost of service is higher and off-peak prices reflect the hours when cost of service is lower. Ms. Fang testified that based on the 2021-2024 data, the months of March, April, and May see less difference in load over the average day, similar to non-summer months. She explained that based on this analysis, Petitioner is proposing to change the definition of summer to be June through September for TOU. She testified that for customers participating in the pilot, this would reduce the number of months during which they would be managing their usage from seven to four. In addition, the TOU rates on the Rate RS-CPP tariff are designed to have a four to one on-peak to off-peak ratio during the summer.

Ms. Fang testified that Petitioner's proposed TOU rates define the peak period as 1 p.m. to 7 p.m. during summer months, which continues to be supported by review of the 2021-2024 system and residential average monthly weekday load. According to Ms. Fang, the reduction from seven summer months to four summer results in an approximate 19% increase in percentage of non-summer usage, from 39% to 59%, with a compensating decrease in the percentage of summer usage from 61% to 41%. She explained that this reduction in summer usage results in a slight decrease to summer rates of 5.2% while maintaining revenue neutrality to current rates and the CPP rates also decrease by 5.2% because their design is tied to summer rates. Ms. Fang testified that the summer off-peak rate continues to provide customers with opportunities to save with a rate that is approximately 50% of the otherwise applicable rate.

Mr. Rice explained that Petitioner is also proposing to exclude net metering customers from participating in the CPP Pilot Program. He stated that under Ind. Code § 8-1-40-11(1), Petitioner may not modify how net metering is calculated. He explained that summer consumption in the CPP Pilot Program will fall to three buckets: on-peak, off-peak, and CPP. The net metering calculation is predicated on the fact that a kWh consumed at any time costs the same amount. Mr. Rice testified that allowing net metering customers to participate would change the way the net metering bills are calculated and would require Petitioner to choose what kWh bucket production would be netted against.

**B. OUCC's Case-in-Chief.** Ms. Sanka addressed Petitioner's request for approval of CPP and TOU rates for the CPP Pilot program. Ms. Sanka presented the OUCC's recommendation that the Commission explicitly define the two-year pilot term as Petitioner proposed in Cause No. 45990, and that the Commission require Petitioner to establish additional evaluation criteria to determine the success of the pilot program. The OUCC further recommended that new enrollment under the pilot cease at the end of the two-year pilot term. Ms. Sanka testified that under the OUCC's recommendation, customers already enrolled may remain on the tariff through the conclusion of the pilot while Petitioner collects data for the final evaluation report. Ms. Sanka testified that this ensures the program does not expand beyond its intended scope, while still providing the Commission with sufficient evidence to evaluate whether continuation or expansion is warranted through a subsequent regulatory filing.

Ms. Sanka described the changes being made in this filing compared to the pilot as originally described in Cause No. 45990. She first noted that Petitioner proposes adjusting the summer on-peak season to June through September, as opposed to the March through November time approved by the Commission in Cause No. 45990. Second, Ms. Sanka stated that Petitioner has refined its event rules to allow up to 16 CPP events per year, with seasonal limits and both day-ahead and emergency event notifications. Third, Ms. Sanka testified that Petitioner proposes specific rate ratios: summer peak prices are set at four times off-peak, and critical peak prices are double the summer peak rate, or eight times the off-peak rate. Finally, Ms. Sanka testified that Petitioner proposed to incorporate the current Phase 1 base rates approved in Cause No. 45990 and stated that rates will be updated again in the Phase 2 compliance filing to maintain revenue neutrality before program launch in 2026.

Ms. Sanka testified that the proposed RS-CPP tariff specifies the program parameters, enrollment cap, and event design but does not include a hard sunset or automatic termination date for the pilot. She stated that the tariff requires that participants remain enrolled for a minimum of one year, but it does not specify when the pilot itself will conclude. She expressed concern that the absence of a temporal limit on the pilot program creates the risk that the program could continue indefinitely without clear Commission review, which she stated limits accountability and complicates evaluating whether the pilot is achieving its objectives. It also creates uncertainty for customers who may not know how long they are enrolled, whether they may opt out after the first year, and what rate they will default to at the end of the pilot. Ms. Sanka testified that in Cause No. 45990, Petitioner had proposed a defined two-year duration for the CPP Pilot Program as delineated in the cost estimate presented in that Cause. Ms. Sanka testified that the Rate RS-CPP Tariff should specify that participants may opt out after completing at least one year of enrollment

and should state that all participants will return to the otherwise-applicable residential service rate (Rate RS) at the CPP Pilot Program's end absent a Commission-approved extension.

In addition to the recommendation to explicitly establish a two-year CPP Pilot Program term as described above, Ms. Sanka presented the OUCC's recommendation that the Commission require Petitioner to file a mid-term status report after the first program year, including participation rates, event performance (kW and kWh reductions per event), customer satisfaction results, and any revenue variances relative to forecast. Ms. Sanka testified that this requirement is necessary to prevent the CPP Pilot Program from operating indefinitely without evidence that it is producing measurable benefits. She stated that this will allow the Commission to identify under-performance (e.g., CPP events producing negligible load reductions), verify whether projected revenue neutrality remains, and detect whether non-participants are bearing higher costs due to program design. She recommended that Petitioner be required to report bill impacts for both participants and non-participants. Ms. Sanka stated that this could be accomplished by grouping customers into ten equal segments from the lowest to highest bill changes. She stated that this approach ensures the Commission can see the average impact on Petitioner's customers, and whether some customers are experiencing larger or smaller bill changes than others. Ms. Sanka described this requirement as critical because aggregate averages can mask inequities and that a small subgroup of customers could face significant bill increases even if the systemwide average appears within range. She testified that without this information, the Commission would have limited evidence to determine whether the CPP Pilot Program is creating hidden cross-subsidies, disproportionately impacting low-income customers, or producing outcomes inconsistent with Petitioner's forecast. Ms. Sanka testified that this reporting is not "extra" evaluation but the minimum necessary to enable the Commission to decide whether the program should be extended, modified, or terminated at the end of the CPP Pilot Program's two-year term.

The OUCC also recommended that Petitioner be required to file a final evaluation report consistent with the evaluation framework approved in Cause No. 45990, within one year of the CPP Pilot Program's conclusion. Ms. Sanka indicated the Petitioner include in its CPP Pilot Program final evaluation report the Petitioner's conclusion regarding whether the program should be continued, expanded, or discontinued based on the results of additional cost-effectiveness tests the OUCC recommended. Ms. Sanka testified that the cost-effectiveness can be determined using established benefit/cost tests commonly applied to demand-side management ("DSM") programs, including the Utility Cost Test ("UCT") also known as the Program Administrator Test, Ratepayer Impact Measure ("RIM") Test, Participant Cost Test ("PCT"), and the Total Resource Cost ("TRC") Test. Ms. Sanka stated that a score above 1.0 on each test would establish the program passed the benefit/cost tests. She testified that these benefit/cost tests collectively measure whether the CPP Pilot reduces system costs, avoids unfair cost-shifting to non-participants, and delivers net bill savings to participants, which she said would provide the Commission with a complete view of whether the program is equitable and justified. Ms. Sanka walked through each test, what it measures and why it is important. She testified that it is in the public interest to establish these evaluation criteria and that requiring objective cost-effectiveness testing and reporting will provide the Commission the data it needs to determine whether the pilot should be extended, modified or expanded, rather than allowing it to continue indefinitely without evidence of performance. Ms. Sanka testified that the CPP Pilot Program need not pass all of the tests recommended by the OUCC to be successful.

**C. Petitioner's Rebuttal.** Mr. Rice and Ms. Fang responded to the OUCC's recommendations in Ms. Sanka's testimony.

In response to Ms. Sanka's testimony that Petitioner should explicitly define a two-year pilot term to ensure the program does not expand beyond its intended scope, Mr. Rice explained the timeline of the pilot as presented in Attachment MAR-R6 from his rebuttal testimony in Cause No. 45990, showing that, if needed, year two of the pilot begins in Q2 2027, and the official end to the pilot is in Q1 2028. He stated that Petitioner will not enroll customers beyond Q4 2027. He stated that the purpose of including an optional year two is to ensure sufficient data, though ideally the customers would be enrolled before year one ends.

Mr. Rice disagreed with the OUCC's recommendation that all participants return to the otherwise applicable residential service rate (Rate RS) at the pilot's end. He stated that the CPP Pilot Program offers an optional rate being made available to customers and participating customers will have the option to return to their otherwise applicable rate. However, he stated that eliminating customers' option to remain on the rate after the pilot period ends, but before a determination is made as to the future of the Rate RS-CPP tariff, would result in a poor customer experience and be unnecessarily punitive for customers who see savings from shifting usage. Further, Mr. Rice testified this could discourage potential participation in a future roll out of a wider program should the pilot be successful.

Mr. Rice testified that Petitioner proposes a two-year period to gather the data, which will then be evaluated and a decision made regarding whether the data supports proposing a broader program in the next general rate case. He stated that Petitioner proposes allowing customers to remain on Rate RS-CPP following the conclusion of the pilot until a decision on whether to eliminate or extend the pilot rate is made in the next general rate case. Mr. Rice testified that at that time, Petitioner will report to the Commission its findings of the pilot, including how the program performed, using evaluation criteria outlined in Table MAR-R9 in Pet's Ex. No. 19-R in Cause No. 45990, including but not limited to kW impact analysis, energy savings analysis, bill savings analysis, customer experience, expected cost, and expected participation rate. Petitioner's proposed evaluation criteria were also included with Mr. Rice's rebuttal in Petitioner's Exhibit 1-R, Attachment MAR-R2: Evaluation Criteria. Mr. Rice noted that if expansion of Rate RS-CPP is proposed, potential modifications to the CPP Pilot Program may be made based on the findings from this pilot. Mr. Rice testified that the pilot is a "behavioral program," and customer engagement is critical to the goal of the program, which is to lower usage on peak and lower costs for all customers in the long run. He stated that customers that have participated in the CPP Pilot Program will have benefited from educational materials and will potentially provide a good base of existing CPP Pilot Program participants with good energy usage habits. Mr. Rice expressed concern that there is risk that Petitioner could be unsuccessful in attracting participants back if they were to be required to leave the rate following the conclusion of the CPP Pilot Program's two-year term. Mr. Rice also clarified that participants are not required to remain enrolled for a minimum of one year, but rather the proposed Rate RS-CPP tariff states that "customers are expected to remain on this schedule for a minimum of one (1) year" (emphasis in original). The tariff goes on to say, "If the customer terminates service under this schedule, the customer will not be eligible to receive service under this schedule for a period of one (1) year from termination date." Mr. Rice reiterated that this is a voluntary program, and a customer is not required to remain on the CPP

Pilot Program. He presented a clarification in the proposed tariff to read, “The Critical Peak Pricing pilot is expected to last one (1) to two (2) years.”

Mr. Rice responded to a statement in Ms. Sanka’s testimony that Petitioner had redefined its event rules to allow up to 16 CPP events per year, with seasonal limits and both day-ahead and emergency event notifications. He noted that this was not a change from the indicative tariff filed in Cause No. 45990 where the CPP Pilot Program was first approved.

Mr. Rice noted that Petitioner will organize stakeholder discussions occurring every six months, which will include the OUCC. He testified that Petitioner will provide timely updates on the pilot and its progress at these meetings and that Commission staff will be welcomed and encouraged to attend. He reiterated that Petitioner received approval to conduct the pilot for up to two years and does not have the authority to operate the pilot indefinitely. Ms. Fang disagreed with the OUCC’s recommendation for a mid-term status report after the first program year. She stated that reporting after the first year would be premature and potentially administratively burdensome and that reporting after the end of the pilot in the first quarter of 2028 will be more informative.

Mr. Rice further disagreed with Ms. Sanka that a final evaluation report within one year of the pilot’s conclusion is necessary. He reiterated testimony from Petitioner’s Exhibit 19-R in Cause No. 45990: “Information gathered in this pilot will be direct inputs into future [Integrated Resource Plans (“IRP”)] IRPs to evaluate the cost of a full CPP program versus the demand reductions, like any other resource option.” He stated that requiring a report within one year of the pilot’s conclusion would preclude including the cost / benefit analysis that is to be conducted within the IRP.

He further testified that the cost effectiveness tests Ms. Sanka recommends are used primarily to assess the costs and benefits of energy efficiency investments, but this pilot is not designed to produce energy savings. He testified that it is designed to shift load by providing economic incentives to customers to avoid using energy during peak hours. Mr. Rice stated that the value of this type of program is better evaluated like a demand response program within an IRP.

In response to the OUCC’s recommendation that Petitioner be required to report bill impacts for both participating and non-participating customers, Mr. Rice and Ms. Fang explained that the Rate RS-CPP pilot rate is designed to be revenue neutral to the otherwise applicable rate, Rate RS. Therefore, non-participating customers will continue to receive service on Rate RS and are not impacted by the introduction of the pilot.

**D. Additional Evidence.** Prior to the hearing and in lieu of cross-examination, the OUCC offered certain of CEI South’s data request responses into the record, as stipulated by the parties. In those data request responses, CEI South responded to the question “[h]ow specifically does CEI South define success of the TOU/CPP pilot program?” as follows:



CEI South will evaluate available quantitative and qualitative data to form a judgement on whether or not the pilot is successful. There is not a score or measure to define success. As described in 45990, the pilot is set up for maximum flexibility. Some evaluation criteria have not been developed, but in general if the pilot produces meaningful demand or bill savings relative to the costs necessary to expand the voluntary program to the majority of its residential customers, it will be deemed successful. CEI South will also consider customers' ability to save money on rate RS-CPP compared to the standard rate, customer satisfaction of the program, and potential participation rates in its determination. On the other hand, if customers generally do not like the rate, do not see bill savings relative to their amount of effort to achieve savings, or if the program is not cost effective relative to other resources in an upcoming IRP the program would likely be deemed unsuccessful and expansion not be pursued. *Public's Exhibit 2, Q. 3.1.*

CEI South went on to explain that there is no specific level of the measured evaluation criteria listed in Petitioner's Exhibit 1-R, Attachment MAR-R2 that would meet the definition of success. Rather, "CEI South will use judgement given all of the information it has to decide if it will seek authority to open the Rate RS-CPP [tariff] to all eligible customers in its next general rate case." *Id.*

The OUCC also asked how CEI South would specifically evaluate the TOU and CPP pricing in the IRP. In response, CEI South indicated the following:

CEI South plans to utilize data derived from the pilot to inform cost of the program, likely participation level, demand reduction on peak per customer, and, if identified, energy savings. Utilizing stakeholder feedback, CEI South will then run optimization modeling to create portfolios under various future states. If modeling selects Rate RS-CPP [tariff] as part of a resource portfolio, it is projecting that the program is economic and expansion should be considered. CEI South will also develop alternate portfolios, some with and some without Rate RS-CPP [tariff] and run them through production cost modeling to determine the long-term cost of expanding the rate to all eligible customers under reference case conditions. CEI South will then consider other factors learned in the pilot, including but not limited to projected bill savings and customer satisfaction, relative to the long-term term costs of expanding the program. CEI South will make a judgement on inclusion within the IRP preferred portfolio. *Id. Q. 3.3.*

## **5. Commission Discussion and Findings.**

**A. Petitioner's Proposed CPP Pilot Modifications.** We approved the CPP Pilot Program in connection with the Settlement Agreement approved in Cause No. 45990, finding the program is in the public interest. In this proceeding, we are asked to approve the updated rates and modifications to the time of use summer period, as well as clarifications to the Rate RS-CPP tariff to exclude net metering customers. The OUCC asks that we impose additional evaluation criteria and require explicit limitation of the CPP Pilot Program to two years.

The updated Rate RS-CPP tariff rates are designed to be revenue neutral to the otherwise applicable rates, Rate RS, and preserve the approved rate relationships and ratios presented in Cause No. 45990 and align with cost-based calculations. They have been updated based on currently effective rates. As changes to the effective rates occur in Petitioner's Phase Two compliance filing under Cause No. 45990, Petitioner proposes to update to maintain revenue neutrality. This proposed update to the CPP Pilot Program rates will maintain the same relationship to the otherwise applicable residential tariff. No objection was raised with respect to the calculation of the rates or the proposal to further update the rates using the same methodology following Petitioner's Phase Two compliance filing in Cause No. 45990. Accordingly, we approve Petitioner's updated Rate RS-CPP tariff rates and find Petitioner should further update the rates with its Phase Two compliance filing in Cause No. 45990. Those updated rates should then be used at the time of the pilot launch.

The modification to the summer period for purposes of the CPP Pilot Program to reduce the period to June through September (instead of March through September) better aligns with the 2021-2024 data which shows that the months of March, April and May see less difference in load over the average day, similar to the other non-summer months. No objection was raised with respect to the proposed modification, and we find it is a reasonable modification for purposes of the pilot.

Ind. Code § 8-1-40-11(a) provides that prior to July 1, 2047, (1) an electricity supplier may not seek to change the terms and conditions of the electricity supplier's net metering tariff; and (2) the Commission may not approve changes to an electricity supplier's net metering tariff. Petitioner's witness Mr. Rice explained that the net metering calculation is predicated on the fact that a kWh consumed at any time costs the same amount. In contrast, summer consumption in the CPP Pilot Program is divided into three categories at different costs: on peak, off peak, and CPP. We find Petitioner's proposed exclusion of net metering customers from the CPP Pilot Program is appropriate to avoid a change in the way net metering is calculated that would be contrary to Ind. Code § 8-1-40-11(a).

**B. OUC Recommendations.** The OUC raised two issues in which it disagrees with the Petitioner's position on aspects of the CPP Pilot Program, which concern the eligibility of participants to continue to elect the Rate CPP-RS tariff following the conclusion of the two-year term of the CPP Pilot Program and details regarding the evaluation criteria to be used and the most appropriate reporting of the evaluation of the CPP Pilot Program.

In his rebuttal testimony, Mr. Rice noted the two-year timeline for the CPP Pilot Program as proposed in Cause No. 45990, indicating the pilot will officially end in the first quarter of 2028. Petitioner would utilize the two-year period beginning with the first quarter of 2026 to gather data to evaluate the pilot. Mr. Rice also clarified that Petitioner would like to allow customers the option of remaining on the Rate RS-CPP tariff after the end of the CPP Pilot Program's two-year term until a determination is made by the Petitioner following its evaluation as to whether Rate RS-CPP tariff should be offered to new participants. Mr. Rice reasoned that removing existing participants from the rate would result in a poor customer experience and potentially discourage participation in a future roll out of the wider program, should continuation of the program be determined prudent.

We find that Petitioner's proposed timeline as presented in Cause No. 45990 and this proceeding is reasonable, and that the proposal to allow CPP Pilot Program participants to remain on the pilot rate until a determination is made in the next general rate case whether to continue, expand or discontinue the program is in the public interest. We find that Petitioner provided sufficient evidence to support the two-year period in which the pilot would operate, that Rate RS-CPP tariff would not continue indefinitely without Commission review, and that Petitioner will either seek authority within its next general rate case to make the Rate RS-CPP tariff available to all eligible customers or remove the rate from its tariff.

Moreover, the proposed Rate RS-CPP tariff is clear that the program is voluntary, and a customer is not required to remain on the rate for any period of time. To address the OUCC's concerns, Petitioner has expressed a commitment to engage with customers regarding the CPP Pilot Program and clearly communicate to participants their options following the conclusion of the pilot.

With respect to the evaluation of the pilot, we find that Petitioner's evidence shows it will evaluate qualitative and quantitative criteria to adequately measure the success or usefulness of the pilot program. Petitioner's rebuttal and responses to OUCC's data requests support the inclusion of data gleaned from the pilot as inputs into the Petitioner's IRP. In this way, the modeling conducted as part of the IRP process will indicate whether the program is economic and whether expansion should be considered. The evidence indicates that Petitioner will develop alternate portfolios, some with and some without Rate RS-CPP tariff, and run them through production cost modeling to determine the long-term cost of expanding the rate to all eligible customers under reference case conditions. Petitioner will consider other factors learned in the pilot, including but not limited to projected bill savings and customer satisfaction, relative to the long-term term costs of expanding the program. The Commission finds that the cost/benefit analysis should be evaluated within the IRP, rather than requiring a report within one year of the CPP Pilot Program's conclusion. If Petitioner seeks to implement or modify program components after the end of the CPP Pilot Program's two-year term, Petitioner will seek Commission approval in its next general rate case. We find this to be a reasonable method for Petitioner to analyze and provide information on the costs and benefits of the program.

Because the Rate RS-CPP pilot rate is designed to be revenue neutral to the otherwise applicable rate, Rate RS, non-participating customers will continue to receive service on Rate RS and, therefore, will not be impacted by the introduction of the pilot. Accordingly, we do not find the bill impact analysis recommended by the OUCC to be necessary at this time.

Additionally, Petitioner reiterated the commitment it made in Cause No. 45990 to include stakeholder discussion every six months during the pilot program, which will include the OUCC. We further find the Petitioner's proposed timeline for the pilot, including stakeholder meetings and the anticipation of a recommendation in Petitioner's next general rate case whether to continue, modify, or discontinue the program, in conjunction with the evaluation within the IRP as discussed above, will adequately provide for the reporting of the CPP Pilot Program results.

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

1. The proposed updates and modifications to CEI South's CPP Pilot Program rates and the TOU summer period for its CPP Pilot program are approved.

2. CEI South's Rate RS-CPP Tariff as modified in Petitioner's Exhibit 1-R, Attachment MAR-R4 is approved. Petitioner shall file for approval by the Commission's Energy Division, in conjunction with its Phase Two compliance filing under Cause No. 45990, an updated Rate RS-CPP Tariff reflecting rates calculated to be revenue neutral with respect to Petitioner's Phase Two compliance filing under Cause No. 45990, consistent with this Order.

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

**HUSTON, VELETA, AND ZIEGNER CONCUR:**

**APPROVED: DEC 10 2025**

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

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**Dana Kosco  
Secretary of the Commission**