



For Immediate Release

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News Media Contact:

Anthony Swinger, (317) 233-2747 or

aswinger@oucc.IN.gov

Settlement Agreement Approved in CenterPoint Energy Rate Case

Natural gas base rates for customers of CenterPoint Energy Indiana North will be reduced under a settlement agreement that has received Indiana Utility Regulatory Commission (IURC) approval.

This month's order will reduce the utility's annual base rates by nearly \$6 million. The agreement was reached by the Indiana Office of Utility Consumer Counselor (OUCC), a group of the utility's industrial customers (General Motors, Honda of America Manufacturing, Tate & Lyle Ingredients, and USG Corporation), the Citizens Action Coalition of Indiana, Direct Energy Business Marketing, and CenterPoint Energy.

Under the approved agreement:

- Monthly fixed charges on a residential natural gas bill will decrease from \$18.49 to \$16.50.
 - The residential natural gas customer service charge will rise from \$11.25 to \$16.50.
 - The utility's fixed, monthly charge for infrastructure improvements and federal pipeline safety mandates – which was \$7.24 prior to the rate case order – will reset to \$0.00 in January. The charge has been assessed over the last several years as allowed by state law, to recover most costs of aging infrastructure improvements as they were incurred.
- The natural gas utility's authorized return on equity will be set at 9.8 percent. CenterPoint Energy had proposed a 10.15 percent return.
- A tax savings credit rider will be available, with specific parameters, for potential future rate adjustments due to changes in federal income tax law.
- Bills will include new language noting that a customer may request itemized breakdowns of charges.
- CenterPoint Energy will review customer deposits annually to ensure they are refunded to eligible customers in a timely manner.

"We appreciate the Commission's approval of this agreement and are grateful for the parties' collaborative efforts to reach a fair resolution," said Indiana Utility Consumer Counselor Bill Fine. "Significant investments the utility has made in recent years will improve the gas distribution system's reliability and safety. At the same time, this case provided the opportunity to identify savings offsetting the needed infrastructure costs."

Base distribution rates comprise approximately 55 percent of a typical CenterPoint Energy Indiana North residential bill. They cover "non-gas" costs such as operating and maintenance expenses and capital infrastructure improvements. The remaining 45 percent of a typical monthly bill pays for the natural gas itself, which the utility recovers on a dollar-for-dollar basis subject to OUCC review and IURC approval every three months.

The newly approved agreement does not affect wholesale gas costs, which have been projected to increase bills for all major Indiana gas utilities this winter. All consumers should prepare now for higher heating bills, including improving the energy efficiency of their homes, considering utility budget billing options, and contacting utilities to make payment arrangements if necessary.

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CenterPoint Energy's Indiana North territory includes more than 620,000 customers in 51 Indiana counties. It covers the former "Vectren North" region that was served by Indiana Gas Co.

A separate natural gas rate settlement agreement for CenterPoint Energy's Indiana South territory, which includes the former "Vectren South" and Southern Indiana Gas & Electric Co. (SIGECO) region in southwestern Indiana, received IURC approval in October.

CenterPoint Energy's electric utility's request regarding the A.B. Brown Generating Station is pending in a separate docket and is not affected by the gas rate orders.

(IURC Cause No. 45468)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.