



CenterPoint Energy's Responses to CAJE's Questions

May 2, 2022

1. Will you provide itemized bills for all CenterPoint customers beginning no later than 7/1/22?

CenterPoint Energy provides an itemized breakdown of the bill to any customer who requests a breakdown of the charges. Year-to-date, we have received fewer than 30 requests for an itemized billing statement.

Customers can access this information by calling CenterPoint Energy Customer Service at 1-800-227-1376 or requesting it online at [CenterPointEnergy.com/itemizedbill](https://www.CenterPointEnergy.com/itemizedbill). The details on how a customer may request an itemized breakdown of the bill is also included on each billing statement.

CenterPoint Energy's customer bills comply with the Indiana Utility Regulatory Commission (IURC) requirements. CenterPoint Energy continues to explore options for enhancing the customer experience, including evaluating providing additional detail to customer bills in the future.

2. Will you lower your rates to \$.36/therm, the original rate you asked of the IURC in 2021?

The increase to base rates implemented at the end of 2021 was the first in 14 years and followed the completion of CenterPoint Energy's 7-year modernization plan. These significant investments included critical infrastructure upgrades to continue to deliver safe, reliable natural gas service to our customers, meet the needs of the region's economic growth, and comply with federal regulations.

CenterPoint Energy Indiana South (CEI South) proposed to implement its rate change to customers by assessing a fixed monthly rate charge for residential customers of \$35 with a volumetric rate increase of \$0.36/ therm. This structure helps make bills less volatile from month to month.

The Office of Utility Consumer Counselor (OUCC) advocated for a lower fixed charge and a higher volumetric charge in the rate case. CEI South and the OUCC agreed in a settlement to increase the volumetric charge and decrease the fixed charge, resulting in an increase to the volumetric distribution charge to \$0.60/therm. This modification led to a larger portion of customers' bills being dependent on the amount of natural gas used (or volumetric charge) than would have been realized if CenterPoint Energy's initial request for a larger fixed charge had been approved.

Citizens Action Coalition (CAC) participated in this proceeding and did not oppose the settlement. CEI South cannot change this settlement agreement without the consent of the OUCC and other parties and would not agree to such a change without increasing the fixed charge to appropriately recover the costs of serving customers.

3. Will you abandon your plan to build two unneeded and expensive gas fueled plants and pipelines in Southwestern Indiana?

CenterPoint Energy needs to include two new combustion turbines as part of a portfolio of resources to replace coal-fired generation that needs to be retired. A thorough review of our generation portfolio demonstrated customers will pay less over the next 20 years by replacing some of our coal generation facilities — requiring significant capital investments in the near term to comply with environmental regulations — with new and more efficient technologies, such as renewable resources.

By replacing much of the coal-fired generation with significant renewables, including a large percentage of universal solar, we can achieve our goal of Net Zero carbon emissions by 2035 and save customers more than \$320 million over a 20-year period, when compared to our current generation methods.

The combustion turbines will enable CenterPoint Energy to continue serving customers when the wind doesn't blow or the sun isn't shining and help protect customers from reliance on market volatility to ensure reliability. Traditionally, there has been an abundance of generating resources in the region to meet the expected load. However, as utilities continue to retire aging coal generators and transition to different generation sources, including renewables, the expected load continues to put downward pressure on the reserve margin (amount of generating resources needed to maintain reliability).

Extensive research and analysis performed as part of the 2020/2021 Integrated Resource Plan, which included a request for proposals on potential energy generation options, demonstrated that including the two combustion turbines along with other portfolios promotes low price and price stability for our customers over the next 20 years. As we continue to invest in our long-term plan for powering southwestern Indiana, we will continue to identify opportunities to minimize the impact of these investments on customers' bills. We remain committed to delivering a balanced, cleaner and reliable energy mix, which will promote growth and vitality and best serve our region.