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CAC Urges IURC to Reject Settlement in CenterPoint Rate Case Unbalanced, Unfair, NOT in the Public Interest

INDIANAPOLIS – Citizens Action Coalition (“CAC”) filed the expert testimony of Ben Inskeep, CAC Program Director, and Justin Barnes, President of EQ Research LLC, declaring its strident opposition to the proposed settlement filed before the Indiana Utility Regulatory Commission (“IURC”) in the pending electric rate case of CenterPoint Energy. The settlement was agreed to only by CenterPoint Energy, SABIC Innovative Plastics, and the CenterPoint Energy Indiana South Industrial Group, which includes Consolidated Grain & Barge, CountryMark Refining and Logistics, LLC, Marathon Petroleum Company, and Toyota Motor Manufacturing of Indiana, Inc. The case is docketed before the IURC as Cause No. 45990.

“It is notable that the Office of Utility Consumer Counselor (“OUCC”) and the Common Council of the City of Evansville, in addition to CAC, have not joined the settlement and that the only parties beyond CenterPoint to join the Settlement Agreement are large industrial customers,” stated Ben Inskeep, CAC Program Director. “The lack of a majority of parties and the lack of any non-industrial consumer party joining the Settlement Agreement are indications to the Commission that the Settlement Agreement is unbalanced and not in the public interest.”

If the IURC approves the settlement as filed, the average CenterPoint residential customer using 799 kWh would see their bill increase from \$154.02 to \$189.05, or an increase of \$35.03 (22.74%). The impact on residential customers with electric heat who remain on CenterPoint’s transitional rate would be even more severe, with the settlement proposing to raise the monthly bills on those customers from \$178.48 to \$230.81, or an increase of \$52.33 (29.33%).

“The Settlement Agreement would result in rate shock going forward for residential customers because it would produce significant increases in a short amount of time,” stated Mr. Inskeep. “This proposed increase far outpaces the rate of inflation and the growth rate of average household income. This is an unreasonable increase that fails to consider the key ratemaking principle of gradualism.”

Mr. Barnes’ testimony displays that the proposed settlement actually shifts a higher percentage of the rate increase to residential customers than what CenterPoint initially proposed when they filed the rate case in December of 2023, and what CenterPoint proposed in rebuttal testimony filed in April. As Mr. Barnes notes in his testimony, this is despite CenterPoint’s suggestion “that it negotiated effectively on behalf of non-industrial customers (i.e., including residential customers) when reaching its agreement with the industrial customers.”

The settlement agreement would produce a 14.7% revenue increase for residential customers, compared to far more modest revenue increases of 3.6% for High Load Factor Service industrial

customers and 8.1 % for Large Power Service commercial and industrial customers, as well as increases below 9% for smaller commercial and general service customers.

“Essentially, the proposed Settlement amounts to an agreement between a small number of industrial customers and CenterPoint to limit industrial class rate increases and place a greater share of cost responsibility on residential customers,” stated Mr. Barnes. “It is objectively self-serving from the standpoint of the non-CenterPoint signatories and does not reflect a balance of the interests of most customers. Accordingly, it is not reasonable and does not warrant adoption.”

Mr. Inskeep writes that the proposed settlement flies in face of recently adopted State energy policy: “The affordability pillar of Indiana’s electricity policy specifies the inclusion of ***‘ratemaking constructs that result in retail electric utility service that is affordable and competitive across residential, commercial, and industrial customer classes’***. In other words, affordability does not only pertain to lowering or mitigating the cost of electric service to one customer class at the expense of making electric service unaffordable and uncompetitive for other customer classes.”

“The extreme magnitude of the residential bill increase under the Settlement Agreement - exceeding \$50 per month for electric heating customers and \$35 per month for other residential customers - while large industrial customers see only small bill increases should induce strong skepticism from the Commission as to whether the Settlement Agreement is consistent with the statutory directive of affordability across the customer classes or otherwise in the public interest,” concluded Mr. Inskeep.

Evidentiary hearings regarding the proposed settlement before the IURC begin September 3rd.

The testimony from CAC is available upon request [and is available here](#).