

CENTERPOINT'S OUTRAGEOUS RATE HIKE

What You Need To Know to Fight Back!

February 18, 2024

 CITIZENS **ACTION** COALITION
— turning on citizen power www.citact.org

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CITIZENS ACTION COALITION

- CAC is Indiana's oldest and largest consumer and environmental advocacy organization.
- Since our inception in 1974, we've helped to save Hoosiers more than \$10 billion in excess utility charges.
- CAC advocates on behalf of Hoosiers on issues regarding energy policy, utility reform, health care, pollution prevention, and family farms.
- CAC is not funded by utility rates or tax dollars.

AGENDA

- Regulating monopolies
- Key rate case concepts
- Overview of CenterPoint's electric rate case
- How you can take action
- Q/A



REGULATING MONOPOLIES

REGULATING MONOPOLIES

- **Monopoly utilities don't have any competition** – they are the only company allowed to sell you power in a geographic area.
- **Because utilities have no competitors, their prices are regulated.** To change their prices, a utility must first receive approval.
- The **Indiana Utility Regulatory Commission (IURC)** is the state agency that oversees monopoly utilities.

Issue	Rate Case	Tracker / Rider
Type of rate change	Permanent	Temporary
Issues Covered	Broad	Narrow
Procedural Schedule	Longer (10 months)	Shorter
Rates Impacted	Base Rates	Tracker / Rider Rates

INDIANA LAWS UNDERMINING EFFECTIVE REGULATION (1/2)

- **Blank Check for Grid Spending:** SEA 560 (2013) and HEA 1470 (2019) allowed utilities to recover *billions* in grid spending through the Transmission, Distribution, and Storage System Improvement Charges (TDSIC) bill tracker.
- **Blank Check for Power Plants:** SEA 29 (2002), SEA 271 (2022), and HEA 1421 (2023) allow utilities to charge ratepayers for power plants while they are under construction, before they are producing any electricity, and even if they NEVER produce any electricity.
- **Reduced IURC Authority:** SEA 251 (2011) and SEA 9 (2023) shifted all costs of complying directly or indirectly with any federal mandate onto consumers.

INDIANA LAWS UNDERMINING EFFECTIVE REGULATION (2/2)

- **Energy Efficiency Program Replaced:** SEA 340 (2014) and SEA 412 (2015) repealed Indiana's energy efficiency program and replaced it with a far worse policy.
- **Gutted Rooftop Solar:** SEA 309 (2017) phased out solar net metering, making rooftop solar much less affordable for households.



KEY RATE CASE CONCEPTS

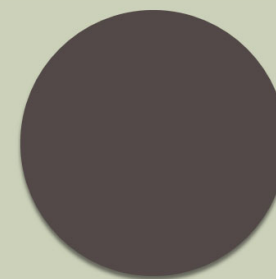
KEY RATE CASE CONCEPTS

Revenue Requirement

Total amount of money the utility plans to collect from customers through its rates each year



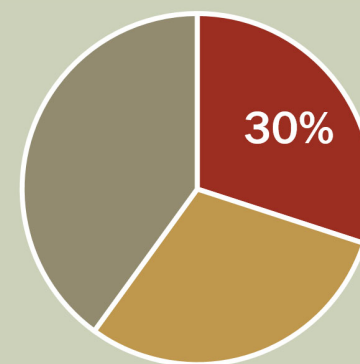
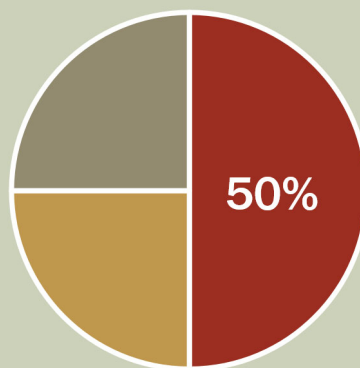
\$119 million increase



No increase

Cost Allocation

How the revenue requirement is split up between different groups of customers

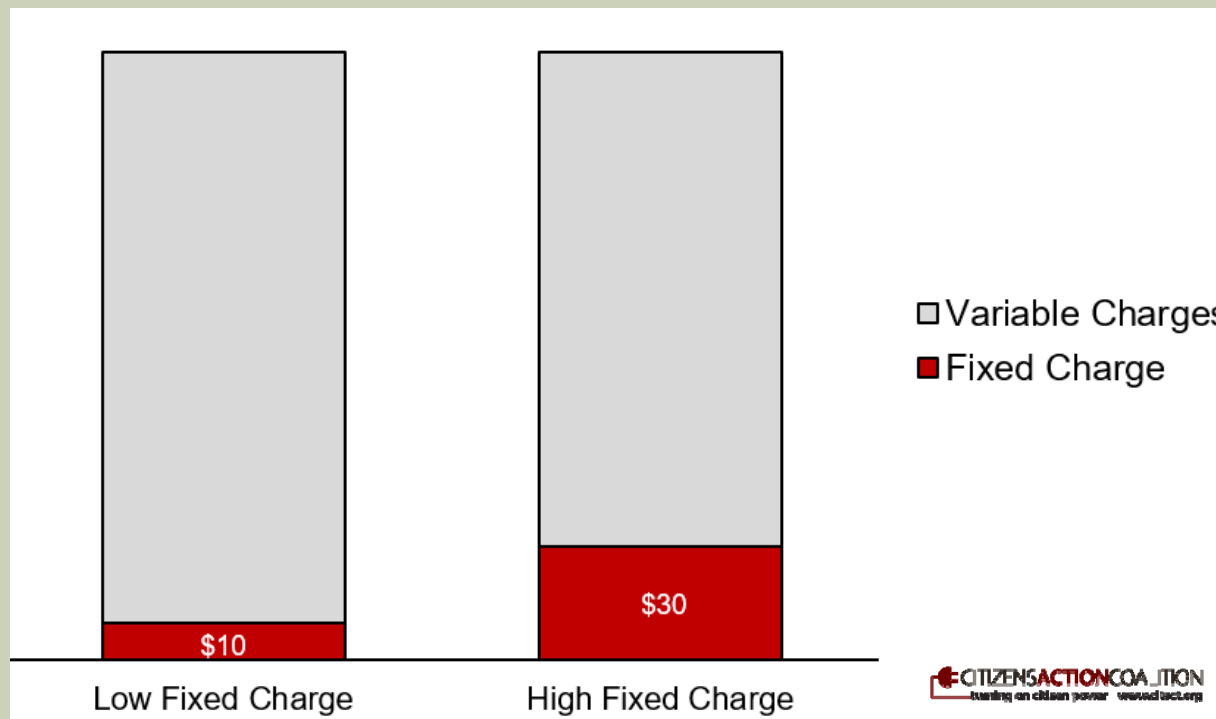


■ Residential ■ Commercial ■ Industrial

KEY RATE CASE CONCEPTS

Rate Design

How much you pay CenterPoint in a fixed charge (\$ per month) vs. variable energy charges (\$ per kWh)



CENTERPOINT ELECTRIC RATE CASE OVERVIEW

Slyngstad
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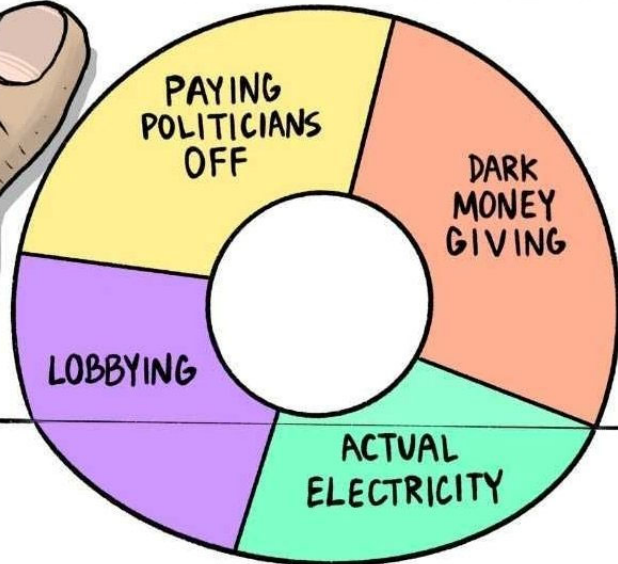
OH DEAR!
HOW HAS MY
UTILITY BILL
GOTTEN SO
HIGH!?



NAME: Green - tree
ACCT NUM: 64.6-n - - 4

Due date: 10/1/23

WHERE YOUR MONEY IS REALLY GOING



questions?

TOTAL:

\$\$\$

■ - \$ - ■ - \$ - ■ - \$ - ■ - \$ -

Detailed Account Activity

Electric Service

Meter Number	Service Period From To	Number of Days	Meter Readings		Multiplier	Electric Rate	Category	kWh Used This Period
			Beginning	Ending				
[REDACTED]	12/15/23 01/19/24	35	27014A	28394A	1	RS	KWH	1380

Current Electric Charges \$252.88
(Includes a Service Charge of \$10.84)

State Sales Tax	\$17.72
Total Electric Charges	\$270.60

This rate case is only about electric rates.



Natural Gas Service

Meter Number	Service Period From To	Number of Days	Meter Readings		CCF Used	Therm Conversion	Pressure Factor	Gas Rate	Therms Used This Period
			Beginning	Ending					
[REDACTED]	12/15/23 01/19/24	35	1040A	1210A	170	1.031900	1.000000	Res 110	175.423

Multiplier : 1

Distribution and Service Charges	\$126.84	State Sales Tax	\$12.10
Gas Cost Charge	\$46.33	Total Gas Charges	\$185.27

It will not impact your gas rates



CenterPoint Energy.

ss or phone?
Service at



to use information from
ur bank account or to

Date Due:	Feb 11, 2024
Amount Due:	\$455.87
Amount Enclosed	\$ _____
Amount Due After Feb 11, 2024	\$468.86
Allow 8 business days for mailing and processing	

Write account number on check and mail to:

CenterPoint Energy
P.O. Box 2006

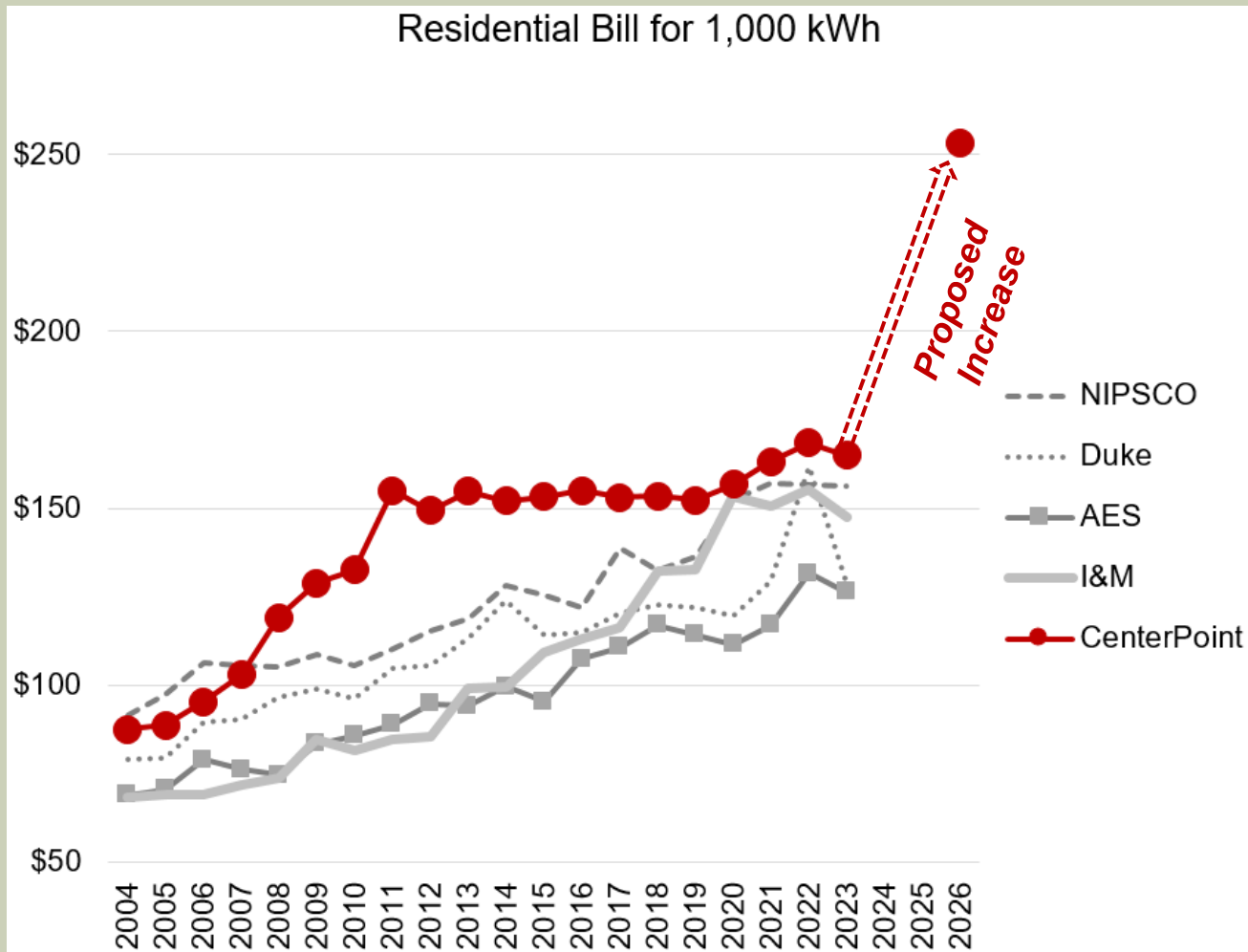
Houston, TX 77252-2006



RATE CASE OVERVIEW

- CenterPoint filed a rate case in December 2023 in requesting that the Indiana Utility Regulatory Commission (IURC) increase its electric rates.
- CenterPoint is requesting:
 - A \$118.8 million (16.02%) increase in its annual revenue requirement
 - A residential bill increase of **\$47.24 per month** (30.7%) for 799 kWh of usage, compared to December 2023 rates.
 - An average transitional (electric heating) residential customer bill increase of **\$63.33 per month** for 1,129 kWh of usage.
 - New rates would be phased in over 3 step increases by 2026

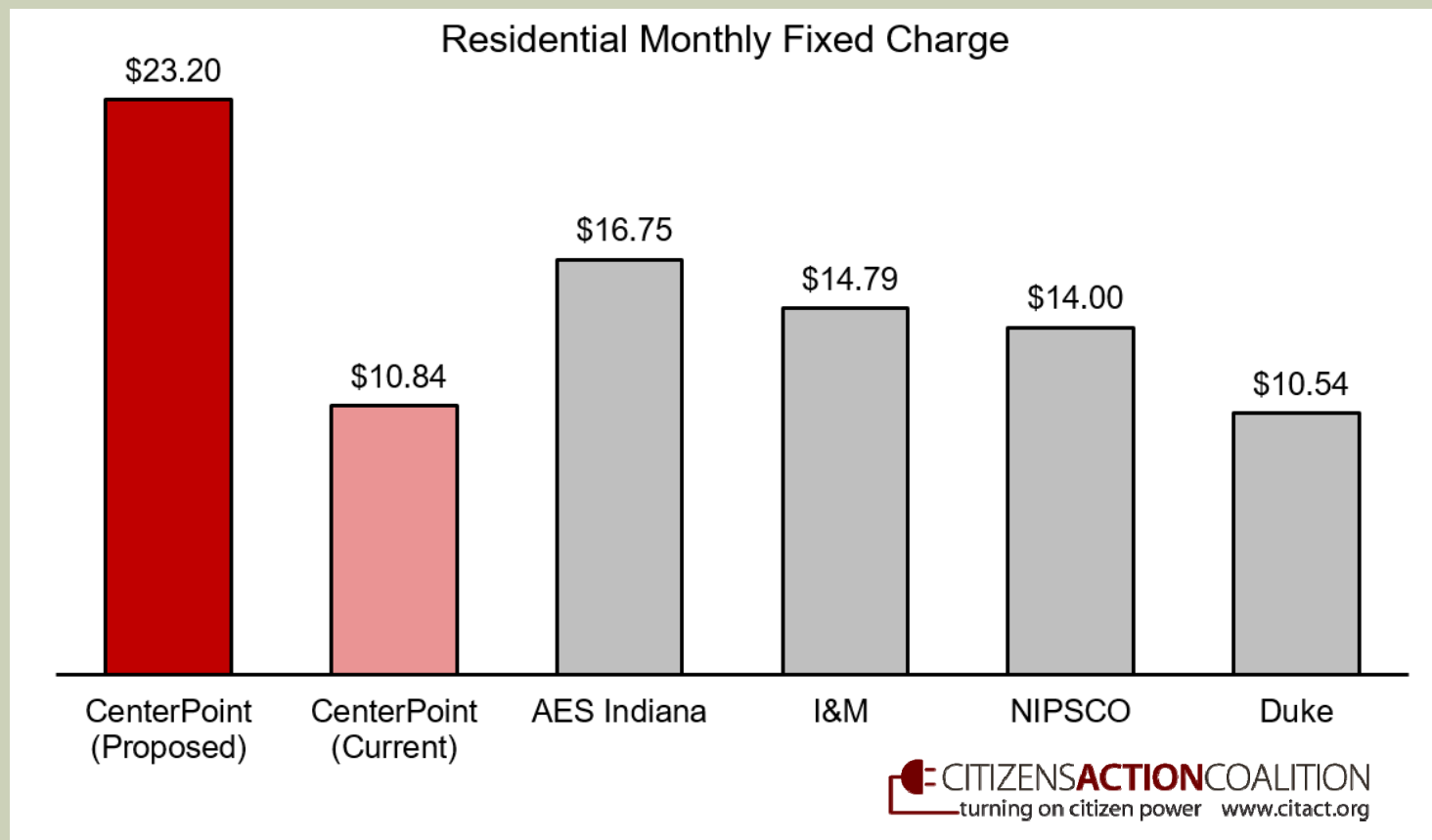
AFFORDABILITY CRISIS FOR CENTERPOINT CUSTOMERS



- Current:**
 Highest electric bills in the state (\$165 per month in Summer 2023)
- Proposed:**
 \$88 per month (54%) bill increase from Summer 2023 to Spring 2026

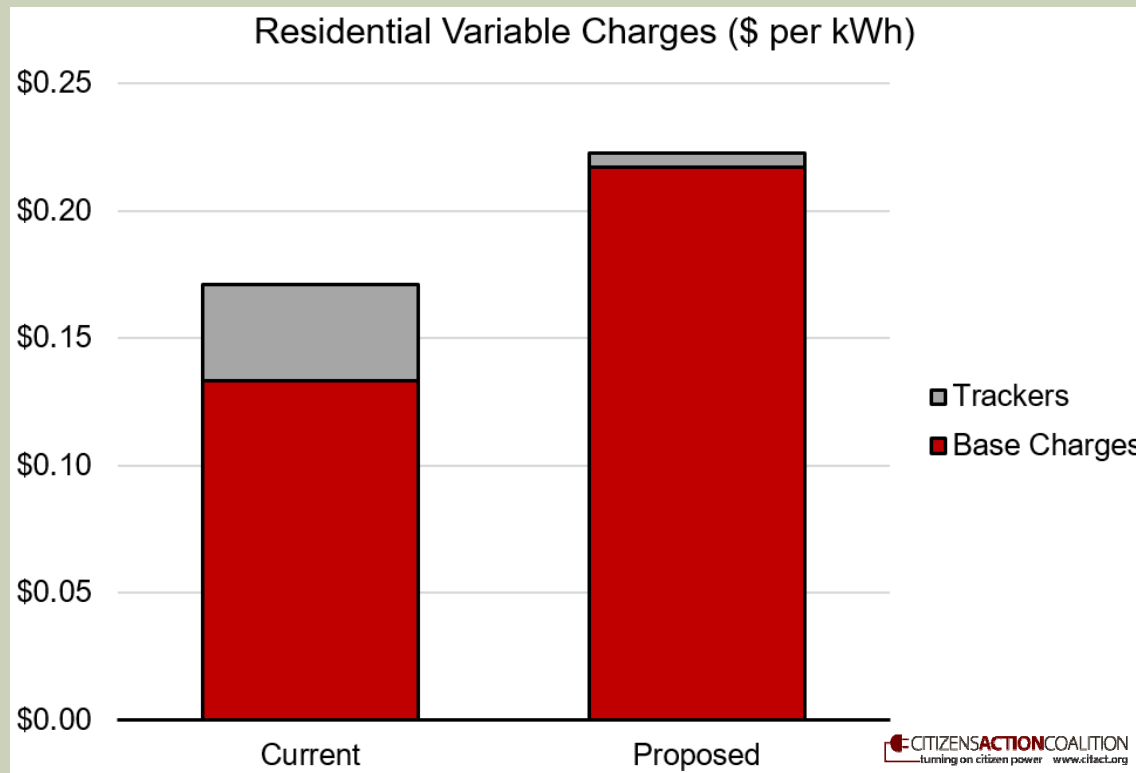
CENTERPOINT PROPOSALS

- **Highest residential fixed charge** of any investor-owned electric utility in Indiana and one of the highest of any investor-owned electric utility in the U.S.



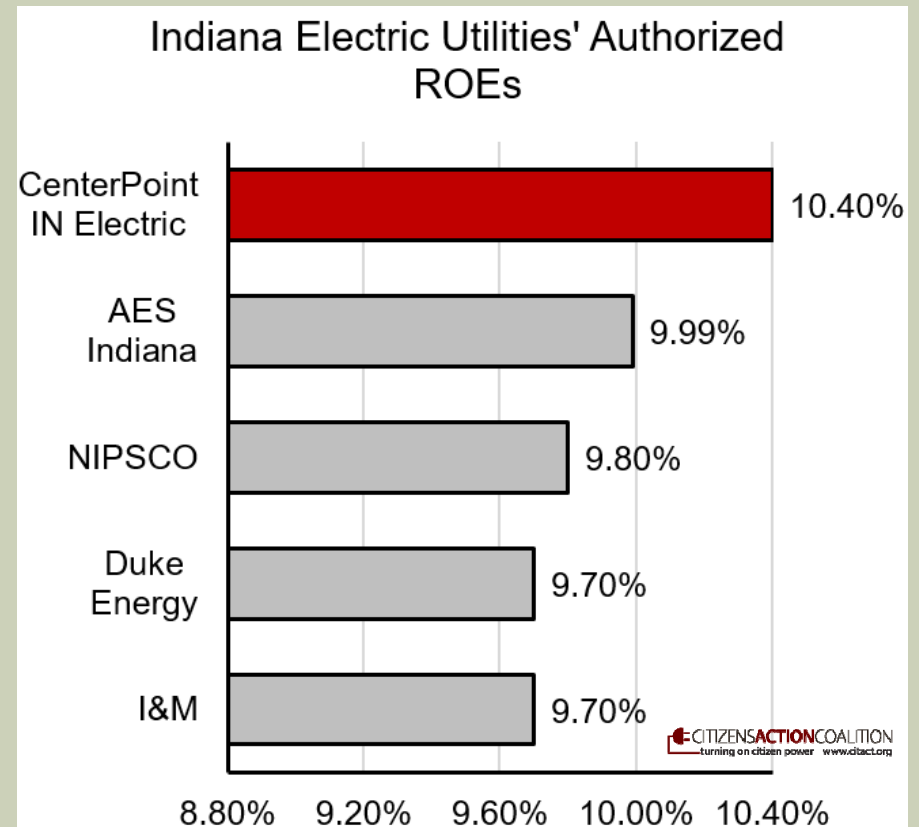
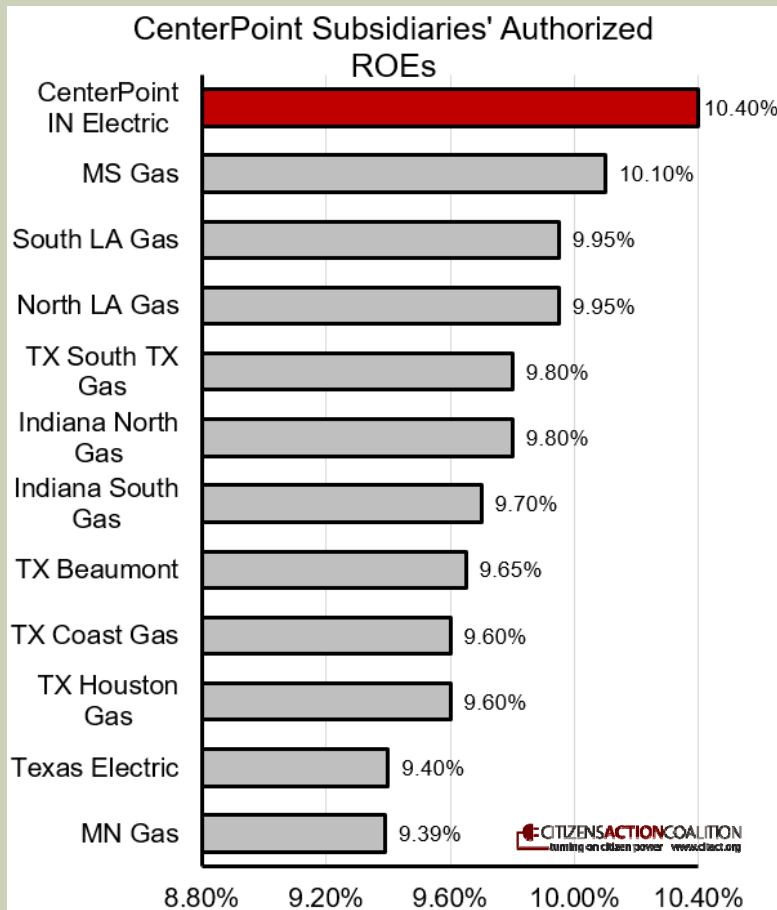
CENTERPOINT PROPOSALS

- **Highest residential variable charges** of any investor-owned electric utility in Indiana.
 - Total rate would increase from 17.1 cents/kWh to 22.3 cents/kWh by 2026, a 30% increase



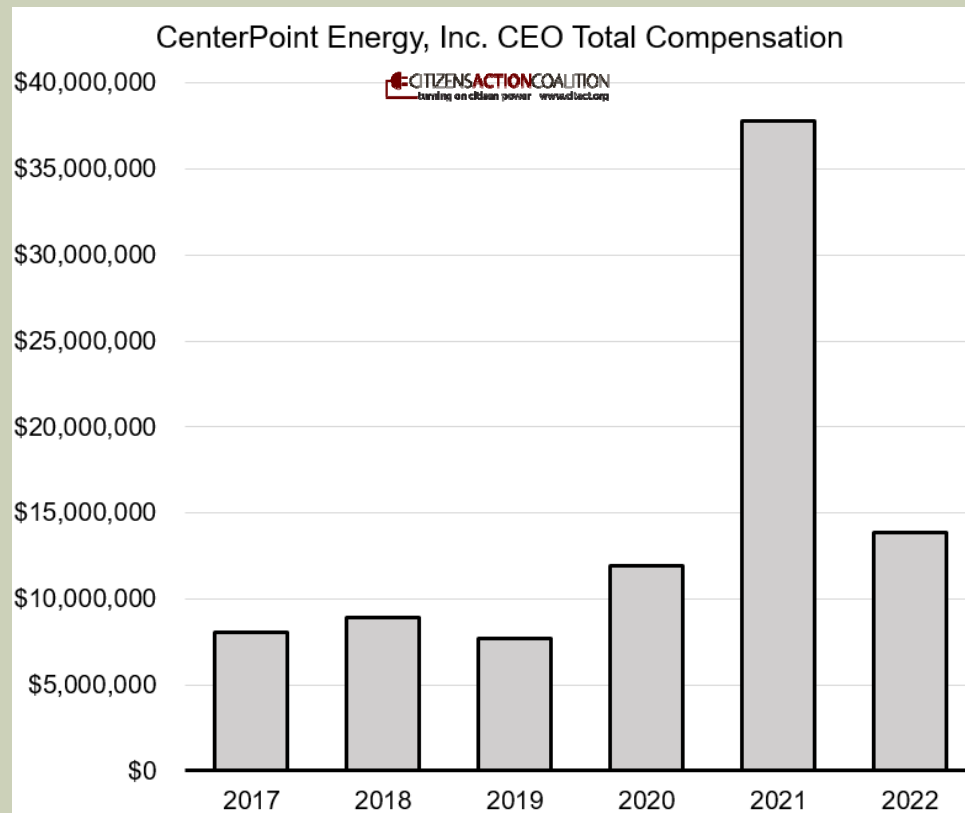
CENTERPOINT PROPOSALS

- **Highest regulator-authorized profit margin (“return on equity” or “ROE”) of any investor-owned utility in Indiana and of any CenterPoint subsidiary utility**



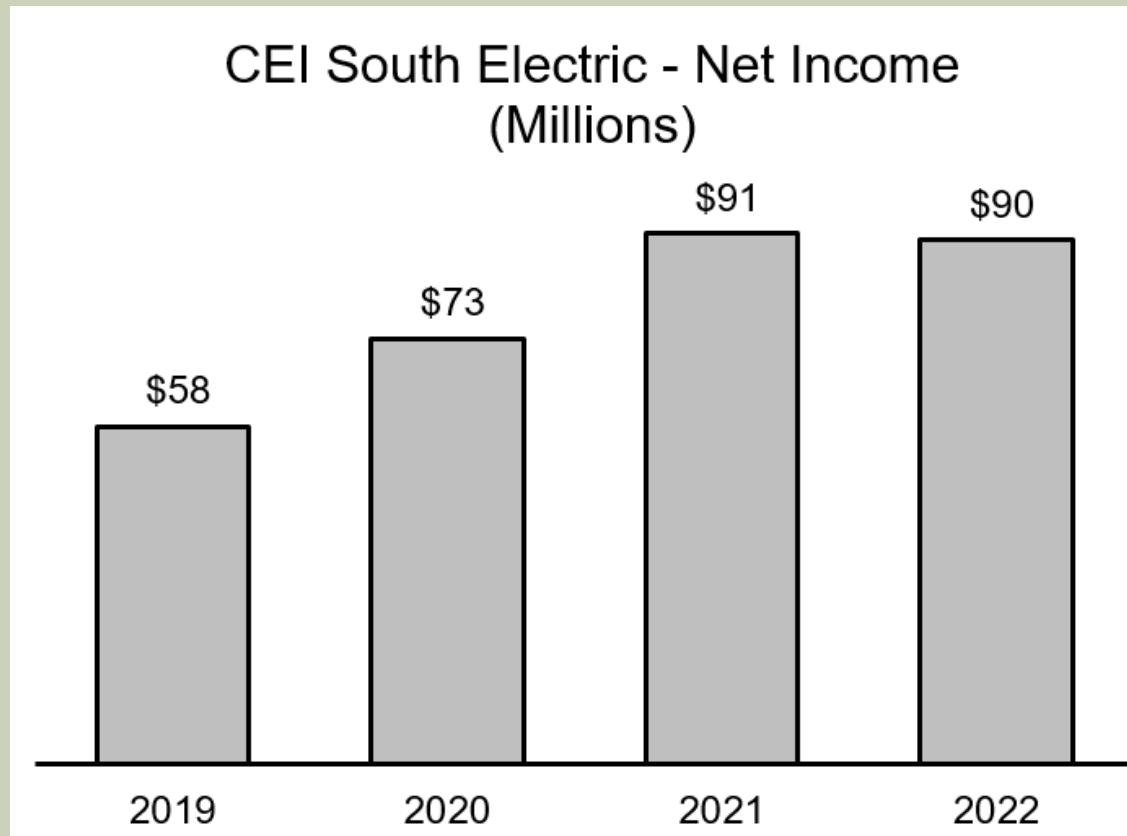
CENTERPOINT PROPOSALS

- **Massive compensation packages for executives:** More than **\$88 million** paid to the CEO of CenterPoint Energy, Inc. between 2017-2022. The CEO's total compensation in 2022 was **\$13.8 million**.



CENTERPOINT PROPOSALS

- **CEI South Electric is already making tens of millions in profit each year:** Much of this net income (profitability) is sent to its parent company, most of which leaves Indiana. CenterPoint is proposing to increase its profit.



ISSUES IMPACTING BILLS

- Large investments in **coal plants**
 - \$506 million in pollution control equipment since 2007
 - \$341 million in costs securitized for retired A.B. Brown Units 1 & 2
 - \$63 million in coal ash clean up 2023-2025
- Two new A.B. Brown **natural gas power plant units and pipeline** that will operate very infrequently, yet will cost residential customers about \$18/month.
 - \$334 million capital cost, plus \$546 million to use the new pipeline for 20 years, plus fuel costs.
- Posey Solar
 - \$429 million investment in a 191 MW **solar facility**, plus additional solar power contracts, starting in 2024-2026

ISSUES IMPACTING BILLS

- Large spending on **transmission and distribution grid**
 - \$454 million for 2024-2028 TDSIC Plan
 - \$447 million for 2017-2023 TDSIC Plan
- **Sweetheart deals** and favorable **cost allocation** for big industrial customers
 - CenterPoint's 4CP cost allocation proposal would force residential customers to subsidize industrial customers' electric bills.
- \$2.1 million cost of CenterPoint's lawyers and experts in this rate case
- Small number of CenterPoint customers



HOW YOU CAN TAKE ACTION

PUBLIC HEARINGS

- Speak out at either of the Public Hearings that will be held on **Thursday, February 29** at **2pm** and **6pm**.



Location: Old National Events Plaza (Locust Room), 715 Locust St., Evansville, Indiana 47708.

PUBLIC HEARINGS – WHAT TO SAY

- **This is your opportunity to tell the Commission what you think about CenterPoint’s rate increase proposal**
 - **Share your story.** It is important for Commissioners to hear how this rate increase impacts CenterPoint customers like you.
 - **You can read written comments aloud.** Consider writing down your comments in advance and reading them aloud so you don’t forget anything important.
 - **Be polite, concise, and stick to your key points.** We want to convince regulators to our point of view – not make them defensive.

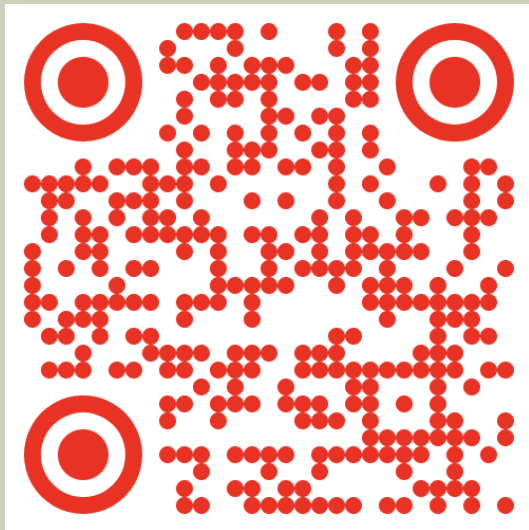
PUBLIC HEARINGS – WHAT TO EXPECT

■ Be prepared for the process:

- **Arrive early** and **fill out an informational sheet** that tells them you want to speak.
- The judge will ask everyone who plans to speak to stand and **give an oath**.
- When it is your turn to speak, your name will be called and you will **go up to the lectern**.
- You will first be asked by the OUCC lawyer or the judge to **spell your name**.
- Then, it is your turn to **speak into a microphone** and give your comments, which will be transcribed by a court reporter.
- Your comments will provide evidence that the Commission will weigh in reaching a decision in this case. **THANK YOU!**

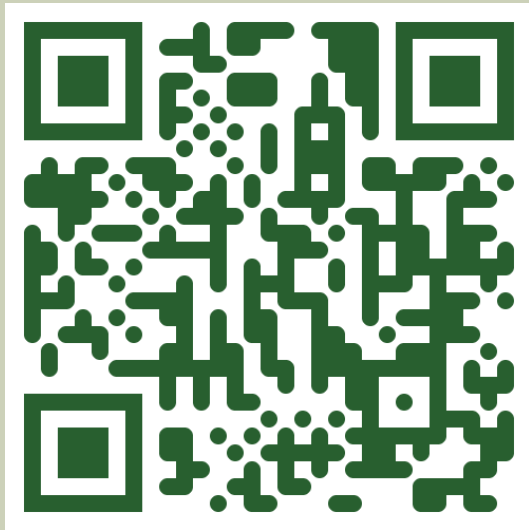
- *Note: CAC will attend, but not speak at, the public hearings because this is an opportunity for CenterPoint ratepayers to give comments. CAC will be filing written expert testimony and legal briefs as a formal intervenor in the case.*

SUBMIT WRITTEN COMMENTS



- You can submit written comments instead of (or in addition to) speaking at a public hearing.
- Use the QR code or visit this website to submit written comments: <https://act.citact.org/clekqnn>
- We encourage you to attend a public hearing even if you don't speak. A large turn-out shows Commissioners that this case matters a lot to customers.

ASK YOUR ELECTED OFFICIALS TO HELP



- **Tell your local and state elected officials why affordable utility bills matter and ask them to testify at the public hearing.** The comments of elected officials carry extra weight. We need them to be vocal on behalf of consumers.
- Use the QR code (left) or visit the website to take action: act.citact.org/t8v2mke

SPREAD THE WORD!

- **Let your friends and neighbors know about this proposed rate increase – and why the public hearings are so important.** Building power to fight powerful monopoly utilities and their rate increases starts in our communities. We need to organize and mobilize!
 - Help spread the word on social media (Facebook, NextDoor, etc.)
 - Make plans with them to attend the public hearing together.

LEARN MORE & STAY INFORMED



- **CAC's webpage has more information on this case.**
- Use the QR code (left) or enter this into a web browser:
<https://www.citact.org/cpt2024>
- Sign up for CAC email action alerts:
<https://www.citact.org/cac-email-sign-up>

What questions or comments do you have?

Speak directly to utility regulators about how this CenterPoint Electric rate hike will impact you and your family!

There will be two public field hearings - one at 2pm CST, and one at 6pm CST, both at the same place on Thursday, February 29, 2024:

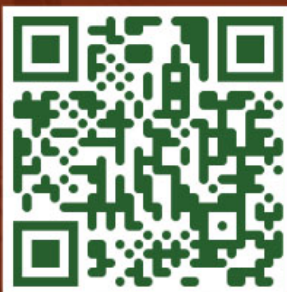
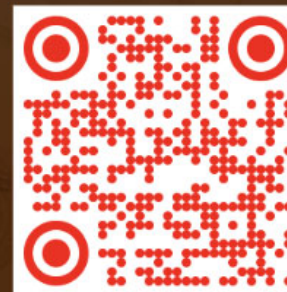
Old National Events Plaza - Locust Room, 715 Locust Street, Evansville, IN 47708

We hope to see you there!



Learn more about the rate hike at citact.org/cpt2024

Submit your written comments and tell regulators to REJECT the rate hike at act.citact.org/clekqnn



Urge local public officials to advocate for their constituents in this rate hike at act.citact.org/t8v2mke