



# Regulatory Information – Electric

April 2026



# Recovery Mechanisms<sup>(1)(2)</sup> Houston Electric – T&D

Authorized Capital Structure	Authorized ROE	Rate Case Test Year	Estimated Year-End 2025 Rate Base <sup>(3)</sup>
43.25% Equity	9.65%	2023	\$16,137 (Millions)

Mechanism	Definition/Description
Interim Transmission Cost of Service adjustment (TCOS)	Mechanism, which can be used twice per year, that allows a transmission service provider to update their wholesale transmission rates to reflect changes in invested capital, depreciation, federal income tax and other associated taxes as well as changed loads.
Transmission Cost Recovery Factor (TCRF)	Semi-annual mechanism where a distribution service provider charges or credits their customers for the amount of approved wholesale transmission cost changes billed by a transmission service provider. Includes an adjustment provision which serves as a "true-up" by matching expenses to revenues. New TCRF charges take effect on March 1 <sup>st</sup> and September 1 <sup>st</sup> .
Distribution Cost Recovery Factor (DCRF)	Mechanism, which can be used twice per year, that provides for the adjustment of an electric utility's rates for changes in certain distribution costs such as distribution plant, distribution intangible plant, and distribution communication equipment and networks. Capital investments may not include generation, transmission, or indirect corporate costs, or capitalized O&M. Prudence/reasonableness of investment determined in next rate case unless a good cause exception is requested and approved. A filing will be denied if an electric utility is earning more than its authorized rate of return using weather-normalized data.
Temporary Emergency Electric Energy Facilities (TEEEF)	During the 87 <sup>th</sup> Regular Session, the Texas Legislature passed and on June 15, 2021, the Governor of Texas signed, H.B. 2483, which created a new statute, PURA §39.918 addressing use of temporary emergency electric energy facilities (i.e., mobile generation). The statute permits a utility to request cost recovery of the reasonable and necessary costs of leasing or procuring, owning, and operating facilities under this section, including any deferred expenses, through a proceeding under Section 36.210 (i.e., DCRF) or in another ratemaking proceeding. On January 8, 2025, the Commission adopted 16 Texas Administrative Code ("TAC") § 25.56 which requires that a utility obtain preapproval for any renewal or new lease of TEEEF.
Energy Efficiency Cost Recovery Factor (EECRF)	Annual mechanism that allows timely recovery of the reasonable costs of providing energy efficiency programs. This mechanism will give a utility the opportunity to recover revenues equal to the sum of the utility's forecasted efficiency program costs, the EE incentive amount that it earned for the prior year, any adjustment for past over- or under-recovery of energy efficiency revenues, previous year's proceeding rate case expenses, and the allocated share of the Evaluations, Measurement, and Verification (EM&V) costs. The EE incentive equals 1% of the net benefits for every 2% that the demand reduction goal has been exceeded, with a maximum incentive of 5%.
System Restoration Cost (SRC)	Securitization financing can be used for system restoration costs of \$100 million or more, incurred by an electric utility following weather-related events or natural disasters.
Rate Case (Future)	Texas law mandates a base rate proceeding no later than every four years from the date of their last base rate proceeding final order. The company's most recent base rate proceeding order was approved by the PUCT on March 13, 2025, in Docket No. 56211. Therefore, CenterPoint Energy is required to file its next base rate proceeding no later than March 13, 2029.

**Note:** CenterPoint Electric T&D Tariff (Houston) webpage: <http://www.centerpointenergy.com/en-us/Corp/Pages/rates-and-tariffs-electric.aspx?sa=ho&au=res>

(1) Pension expense deferral allowed for variance between actual pension expense and the amount reflected in rates; reconciled in current rate cases and based on a calendar year 2023 test year

(2) Bad debt deferral allowed for defaults by Retail Electric Providers (REPs); reconciled in Docket No. 56211

(3) Projected year-end rate base is the total rate base for the year and not just the amount that has been reflected in rates; Amounts shown may differ from regulatory filings

# Recovery Mechanisms and Filings Indiana Electric - Integrated

Authorized Capital Structure	Authorized ROE	Rate Case Test Year	Estimated Year-End 2025 Rate Base <sup>(2)</sup>
<b>Ratemaking: 48.28% Equity<sup>(1)</sup></b>	<b>9.8%</b>	<b>2025</b>	<b>\$2,770 (Millions)</b>

Mechanism	Definition/Description
Transmission, Distribution, and Storage System Improvement Charge (TDSIC)	Recovers approved capital investments (return on and of) and related costs associated with Company's TDSIC capital investment plan as provided by Indiana statute for the purposes of safety, reliability, system modernization, or economic development. Filings are made semi-annually to recover historical investments. Indiana statute provides for rate recovery of 100% of the costs, inclusive of return, related to these capital investments and related operating expenses, with 80% of the costs, including a return, recovered via tracking mechanism and 20% of the costs deferred and recovered in the next base rate proceeding. The adjustment mechanism is capped at an annual increase in retail revenues of not more than 2%. The rate of return utilized in the TDSIC reflects the actual capital structure as of the end of each semi-annual period, and the Authorized ROE from the last base rate case.
Clean Energy Cost Adjustment (CECA)	Annual filing to recover capital investments (return on and of) and related costs associated with solar investments. Filings made annually to include historical investments. The rate of return utilized in the CECA reflects the actual capital structure as of the end of the annual period, and the Authorized ROE from the last base rate case.
Demand Side Management (DSM) / Lost Revenue Adjustment Mechanism (LRAM)	Energy Efficiency program that provides for cost recovery of program and administrative expenses, as well as performance incentives for reaching energy savings goals. The program includes recovery of lost margin associated with approved conservation programs.
Federal Mandates under Indiana Senate Bills 251 and 29	Federally mandated compliance capital investments (SB 251) and certain environmental capital investments (SB 29 or Environmental Cost Adjustment (ECA)) can be recovered outside of a base rate proceeding via tracking mechanisms authorized by Indiana statute, inclusive of return, as well as related operating expenses. The ECA is filed annually to recover historical investments and related operating expenses, inclusive of return, with 80% of the costs recovered via tracking mechanism and 20% deferred and recovered in the next base rate proceeding. The rate of return utilized in the ECA reflects the actual capital structure as of the end of the annual period, and the Authorized ROE from the last base rate case.
Fuel Adjustment Clause (FAC)	Incurred fuel and purchased power cost is a pass-through expense that is fully recovered in customer rates.
Rate Case (Future)	Statute mandates are base rate case prior to the end of the TDSIC Plan, which was a 7-year plan. CenterPoint Energy filed a rate case on December 05, 2023. The recent enactment of House Bill (H.B.) 1002 requires the state's electric utilities to seek IURC approval of a multi year rate plan. H.B. 1002 requires Indiana Electric's next rate case be filed in January 2028.

**Note:** CenterPoint Electric T&D Tariff (Indiana) webpage: <https://www.vectren.com/assets/downloads/rates/in-south-electric-tariff.pdf>

(1) The Indiana Commission historically utilizes a ratemaking capital structure to determine the utility's capitalization. Certain liabilities that are deducted from rate base under the traditional approach of calculating the rate of return are included in the capital structure in Indiana. These liabilities include accumulated deferred income taxes, customer deposits, and pension and post-retirement benefits liabilities

(2) Projected year-end rate base is the total rate base for the year and not just the amount that has been reflected in rates; Amounts shown may differ from regulatory filings

# Regulatory Estimated Filing Timeline – Electric Operations

Jurisdiction	2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Houston Electric T&D	TCOS		TCOS		TCOS		TCOS		TCOS		TCOS		TCOS		TCOS	
	DCRF		DCRF		DCRF		DCRF		DCRF		DCRF		DCRF		DCRF	
	GRC															
Indiana Electric Integrated	TDSIC-2-2		TDSIC-2-3		TDSIC-2-4		TDSIC-2-5		TDSIC 2-6		TDSIC 2-7					
	CECA-8						CECA-9		CECA-1				CECA-2			
	ECA-7				ECA-8				ECA-9				ECA-1			
									GRC (Multi-Year Rate Plan)				GRC MYRP (Phs. I)			

Rate Case Proceedings (GRC)
Interim Mechanisms
Other Filings

**Note:** Rate filings and timelines are subject to change and may be impacted by factors such as regulatory, legislative and economic factors; TCOS – Transmission Cost of Service. TCOS filings are anticipated to require approximately 60 days and can be filed twice per year; DCRF – Distribution Cost Recovery Factor; TDSIC – Transmission, Distribution and Storage System Improvement Charge; CECA – Clean Energy Cost Adjustment; CPCN – Certificate of Public Convenience and Necessity; ECA – Federal Mandates under Indiana Senate Bills 251 and 29 (or Environmental Cost Adjustment).