

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF BOONVILLE NATURAL GAS)
CORPORATION FOR AUTHORITY TO) CAUSE NO.: 45215
CHANGE ITS RATES, CHARGES, TARIFFS,)
RULES, AND REGULATIONS)**

SETTLEMENT TESTIMONY OF PAUL M. LEWELLYN

On Behalf of

BOONVILLE NATURAL GAS CORPORATION

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Q. 1: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: Paul M. Lewellyn, Boonville Natural Gas Corporation, 1425 North Rockport Road,
Boonville, Indiana.

**Q. 2: MR. LEWELLYN WHAT IS YOUR AFFILIATION WITH BOONVILLE
NATURAL GAS CORPORATION, THE PETITIONER IN THIS CAUSE?**

A: I am Vice President of the Petitioner.

Q. 3: HAVE YOU PREVIOUSLY OFFERED TESTIMONY IN THIS CAUSE?

A: Yes I have.

**Q. 4: ARE YOU FAMILIAR WITH THE STIPULATION AND SETTLEMENT
AGREEMENT (SETTLEMENT AGREEMENT) WHICH WAS FILED
PREVIOUSLY IN THIS CAUSE?**

A: Yes. I reviewed initial drafts of the Settlement Agreement. I discussed those drafts with
counsel of record. I also discussed the terms set out in the Settlement Agreement with our
outside accountants at LWG CPAs and Advisors. Finally I met with the President and the
Treasurer of the Petitioner to discuss the terms of the Settlement Agreement. Based on that
review and those discussions, I advised our counsel of record to execute the Settlement
Agreement on Petitioner's behalf.

**Q. 5: DO YOU BELIEVE THAT THE SETTLEMENT AGREEMENT IS
REASONABLE?**

A: Yes I do. The Petitioner's revenue requirement and base rates were last established by this
Commission in 2012. Since 2012, various operating expenses have increased. Since 2012,

1 our utility plant has increased which in turn increases our rate base. The rate of return on
2 our equity investment pursuant to the Settlement Agreement remains the same as that used
3 in the 2012 base rate case. This new revenue requirement, absent some unique expense,
4 will permit the Petitioner to continue to provide service to our customers for the next few
5 years. Thus I believe that the Settlement Agreement is a reasonable compromise based on
6 the information currently known.

7 **Q. 6: DO YOU BELIEVE THAT REMOVING THE ISSUES RELATED TO THE SRC,**
8 **THE EEFC, AND THE CUTOFF OF ADMINISTRATIVE COSTS OF THE**
9 **ENERGY EFFICIENCY PROGRAM, FOR FURTHER DISCUSSION AMONG**
10 **THESE PARTIES AND OTHER SMALL GAS UTILITIES WHO PREVIOUSLY**
11 **PARTICIPATED IN CAUSE NO. 43995, IS A REASONABLE COMPROMISE?**

12 **A:** Yes I do. The Energy Efficiency Program was initiated by this Petitioner and 7 other small
13 gas utilities who worked collaboratively with the Office of Utility Consumer Counselor to
14 attempt to set up an Energy Efficiency Program which would be beneficial to all of our
15 customers, and to the small gas utilities. While we were unable to reach a settlement on
16 these issues for this Petitioner in this rate case; I believe continuing to use that collaborative
17 process will permit these Parties, and the other small gas utilities to wind up the Energy
18 Efficiency Program. Further, to the extent that those discussions do not lead to winding up
19 the Energy Efficiency Program, the Parties here have the opportunity to request assistance
20 from the Commission to help guide us towards a resolution of the Energy Efficiency
21 Program. The alternative to removing these issues is to litigate these issues separately, and
22 solely for Boonville in this rate case.

1 **Q. 7: DO YOU RECOMMEND THAT THE COMMISSION APPROVE THE**
2 **SETTLEMENT AGREEMENT?**

3 A: Yes I do. Further I have asked one of our accountants to prepare settlement schedules which
4 would numerically reflect the results of the resolution of issues as outlined in the Settlement
5 Agreement.

6 **Q. 8: DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?**

7 A: Yes it does.

VERIFICATION

I affirm under the penalties of perjury that the foregoing is true to the best of my knowledge,
information and belief as of the date here filed.

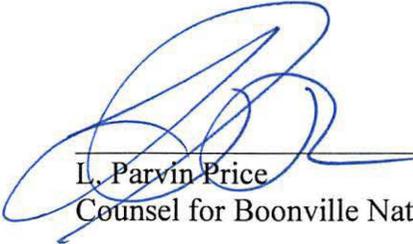


Paul M. Lewellyn

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following counsel of record electronically or by hand delivery this 16th day of September 2019:

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