

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

| Commissioner | Yes | No | Not Participating |
|--------------|-----|----|-------------------|
| Huston | √ | | |
| Bennett | √ | | |
| Freeman | √ | | |
| Veleta | √ | | |
| Ziegner | | | √ |

APPLICATION OF SOUTH EASTERN INDIANA)
NATURAL GAS COMPANY, INC. FOR)
AUTHORITY TO INCREASE RATES AND) CAUSE NO. 46074 U
CHARGES THROUGH THE SMALL UTILITY)
PROCEDURE PURSUANT TO IND. CODE § 8-1-) APPROVED: DEC 11 2024
2-61.5 AND 170 IAC 14-1-1 ET SEQ.)

ORDER OF THE COMMISSION

Presiding Officers:
Sarah E. Freeman, Commissioner
Loraine L. Seyfried, Chief Administrative Law Judge

On May 17, 2024, South Eastern Indiana Natural Gas Company, Inc. (“South Eastern” or “Applicant”) filed a Small Utility Rate Application (“Application”) with the Indiana Utility Regulatory Commission (“Commission”) under Ind. Code § 8-1-2-61.5 and 170 IAC 14-1. On May 30, 2024, South Eastern filed its Submission of Proofs of Notice.

On September 20, 2024, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its Report on the Application and related consumer comments the OUCC received.¹

On September 27, 2024, Applicant filed a Notice of Intent to Respond to the OUCC’s Report.

On October 25, 2024, Applicant file a Notice of Settlement in Principle, notifying the Commission that rather than filing a reply to the OUCC’s Report, South Eastern now intended to file a settlement agreement reached with the OUCC. On November 8, 2024, South Eastern filed the parties’ Stipulation and Settlement Agreement (“Settlement Agreement”) with supporting schedules.

Under Ind. Code § 8-1-2-61.5, a formal public hearing is not required in rate cases involving small utilities with fewer than 8,000 customers unless requested by at least 10 customers, a public or municipal corporation, or the OUCC. The Commission did not receive such a request for a hearing; accordingly, no hearing was held.

Based on applicable law and the evidence presented, the Commission finds as follows:

1. Notice and Jurisdiction. South Eastern is a public utility as defined in Ind. Code § 8-1-2-1(a) and qualifies for treatment as a small utility under Ind. Code § 8-1-2-61.5. The Commission has authority to approve Applicant’s rates for utility service under Ind. Code §§ 8-1-2-42 and -61. South Eastern published legal notice of filing this small utility rate case as required by 170 IAC 14-1-2(b); therefore, the Commission finds notice of this Cause was given and published as required by

¹ The OUCC’s Report addressed a revised Application provided by South Eastern to the OUCC on August 15, 2024, which was included as an attachment to the Report. Further references to South Eastern’s Application in this Order are to the revised Application.

law. The Commission also finds the Application satisfies the requirements of Ind. Code § 8-1-2-61.5 and 170 IAC 14-1. Accordingly, the Commission has jurisdiction over South Eastern and the subject matter of this proceeding.

2. Applicant's Characteristics. South Eastern is a corporation organized and existing under Indiana law with its principal office located at 312 West Carr Street, Milan, Indiana. Applicant renders natural gas utility service to the public in the Indiana counties of Dearborn and Ripley. Applicant owns, operates, manages, and controls plant and equipment for the distribution and furnishing of such service.

3. Existing Rates and Relief Requested. The Commission approved South Eastern's current rates and charges on October 3, 2018, in Cause No. 45027. Applicant's base rates were subsequently amended to amortize excess accumulated income tax resulting from the Tax Cuts and Jobs Act, remove energy efficiency costs, and remove the repealed utility receipts tax through 30-day filing case numbers 50264, 50385, and 50554, respectively. Applicant's base rates were also updated in September 2023 through a compliance filing in Cause No. 45027 to remove rate case expense.

In its Application, South Eastern requested authority to increase its rates across-the-board by approximately 33.09% to produce an additional \$404,599 of operating revenue.

4. Test Period. Under the Settlement Agreement, the test year for determining South Eastern's actual and pro forma operating revenues, expenses and operating income under present and proposed rates is the 12 months ended June 30, 2024, adjusted for changes that are fixed, known and measurable for ratemaking purposes and that occur within 12 months following the end of the test year. The Commission finds this test period is sufficiently representative of South Eastern's normal operations to provide reliable data for ratemaking purposes.

5. OUCR Report. Mark Grosskopf, Senior Utility Analyst in the OUCR's Natural Gas Division prepared the OUCR's Report. The Report indicated the OUCR analyzed South Eastern's Application, reviewed the utility's books and records, analyzed responses to discovery, and discussed various issues with Applicant. As a result, the OUCR accepted certain pro forma adjustments proposed by South Eastern, did not dispute Applicant's cost of equity and capital structure, and proposed several adjustments to the revenue requirement. The OUCR proposed a rate increase of 21.81%, or \$267,806 of additional revenue for South Eastern.

6. Settlement Agreement. South Eastern filed a Settlement Agreement reached with the OUCR that resolves all issues with the pro forma adjustments and rate base discussed in the OUCR's Report. The parties agree South Eastern should be authorized a rate of return of 8.27% on an original cost rate base of \$2,688,357, a 10.10% return on equity, and an increase in revenues of \$300,787.

7. Commission Discussion and Findings. Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

In addition, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. of Ind. v. Pub. Serv. Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, the Commission must determine whether the evidence in this Cause sufficiently supports the conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2 and that it serves the public interest. We find the parties have presented substantial evidence from which we can assess the reasonableness of the terms of the Settlement Agreement.

In its Application, South Eastern requested an increase in its rates reflecting a used and useful rate base of \$2,691,967, calculated on an original cost basis as of June 30, 2024. The OUCC's Report and accompanying schedules proposed a rate base of \$2,682,852. In the Settlement Agreement, the parties agreed to a rate base of \$2,688,357. The divergence between the two rate base amounts resulted from differing calculations of pro forma adjustments from underground gas storage and working capital. South Eastern accepted the OUCC's position regarding the normalization of revenues, as well as many of the OUCC's proposed adjustments for distribution and customer expense. The parties compromised on other issues, including rate case expense, which will be amortized over three years, for an annual amortization of \$27,333. The Settlement Agreement also provided for changes to Applicant's customer service charges and certain tariff language changes.

The following table reflects the parties' initial positions and the revenue requirements agreed by the parties under the Settlement Agreement.

| Description | South Eastern Revised Application | OUCC Report | Settlement Agreement |
|---|--|--------------------|-----------------------------|
| Original Cost Rate Base | \$2,691,967 | \$2,682,852 | \$2,688,357 |
| Times: Weighted Average Cost of Capital | 8.27% | 8.27% | 8.27% |
| Net Operating Income Required | \$222,626 | \$221,872 | \$222,327 |
| Less: Adjusted Net Operating Income | (\$80,889) | \$20,973 | (\$3,312) |
| Net Revenue Increase Required | \$303,515 | \$200,899 | \$225,639 |
| Gross Revenue Conversion Factor | 133.3044% | 133.3044% | 133.3044% |
| Recommended Revenue Increase | \$404,599 | \$267,806 | \$300,787 |
| Percentage Increase (Net of Gas Cost) | 33.09% | 21.81% | 24.26% |

Based upon our review of the record and consideration of the Settlement Agreement and supporting appendices, the Commission finds that the Settlement Agreement is just, reasonable, in the public interest. The Settlement Agreement will result in the production of sufficient revenues necessary to allow South Eastern to continue providing safe and reliable natural gas utility service to its customers while also providing the utility with a fair return on its utility property investment. Accordingly, we approve the Settlement Agreement.

8. **Effect of Settlement Agreement.** The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849 at *7-8 (IURC March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Settlement Agreement, a copy of which is attached to this Order, is approved.
2. South Eastern is authorized to increase its rates and charges as described in the Settlement Agreement to generate additional revenues of \$300,787.
3. Prior to implementing the rates and charges authorized in this Order, South Eastern shall file new rate schedules under this Cause for approval by the Commission's Energy Division. The rates approved in this Order shall be effective on and after the Order date, subject to the Division's review and agreement with the amounts reflected, and shall be implemented on a services rendered basis.
4. This Order shall be effective on and after the date of its approval.

HUSTON, BENNETT, FREEMAN, AND VELETA, CONCUR; ZIEGNER ABSENT:

APPROVED: DEC 11 2024

I hereby certify that the above is a true and correct copy of the Order as approved.

_____ on behalf of
Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

APPLICATION OF SOUTH EASTERN)
INDIANA NATURAL GAS COMPANY, INC.)
FOR AUTHORITY TO INCREASE RATES) CAUSE NO. 46074 U
AND CHARGES THROUGH THE SMALL)
UTILITY PROCEDURE PURSUANT TO IND.)
CODE § 8-1-2-61.5 AND 170 IAC 14-1-1 ET)
SEQ.

STIPULATION AND SETTLEMENT AGREEMENT

South Eastern Indiana Natural Gas Company, Inc. (“South Eastern” or “Applicant”) and the Indiana Office of Utility Consumer Counselor (“OUCC”), (collectively the “Settling Parties”), solely for purposes of compromise and settlement, stipulate and agree that the terms and conditions set forth below represent a fair, just, and reasonable resolution of the matters set forth below, subject to their incorporation by the Indiana Utility Regulatory Commission (“Commission”) into a final, non-appealable order (“Final Order”) without modification or further condition that may be unacceptable to either Settling Party. If the Commission does not approve this Stipulation and Settlement Agreement (“Settlement Agreement”), in its entirety, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed in writing by the Settling Parties.

I. TERMS AND CONDITIONS.

A. Requested Relief - The Settling Parties agree that matters for which South Eastern requested relief in its application that are not addressed herein are resolved as South Eastern proposed, without waiving the right to challenge such resolution prospectively. When referring to “as proposed by Applicant,” the Settling Parties

mean the proposals as reflected in South Eastern's revised case-in-chief attached to the OUCC's report, filed on September 20, 2024.

- B. Settlement Schedules** – The Settling Parties agree to and incorporate herein the settlement schedules in Appendix A, which are representative of the terms agreed upon in this Settlement Agreement.
- C. Revenues** – The Settling Parties agree to the following adjustments to revenue, which differ from the adjustments South Eastern proposed:
- i. Weather Normalized Sales Adjustment: \$7,878; and
 - ii. Normalization Adjustment: (\$17,147).
- D. Expenses** – The Settling Parties agree to the following adjustments to expenses, which differ from the adjustments South Eastern proposed:
- i. Distribution Expense: (\$10,702), consisting of \$22,551 for salaried payroll expense, (\$6,947) for hourly payroll expense, (\$25,860) for 401K Contribution and Health Insurance, and (\$446) for FICA tax;
 - ii. Customer Expense: (\$35,304), consisting of (\$23,946) for hourly payroll expense, (\$11,166) for 401K Contribution and Health Insurance, and (\$192) for FICA tax;
 - iii. Administrative and General Expense: (\$23,184), consisting of (\$14,816) for rate case expense, (\$2,399) for miscellaneous and general expense, (\$3,200) for outside services fees, (\$3,100) for energy efficiency rebates, \$475 for insurance expense, and (\$145) for lobbying expense. Referring to rate case expense, the total rate case expense of \$83,200 will be amortized over three years, for an annual amortization of \$27,333. Removing the \$42,549 test

year expense agreed to in settlement results in a (\$14,816), as noted above. South Eastern will file a revised tariff if new base rates have not gone into effect at the end of the three-year amortization period to remove rate case expense from South Eastern's base rates;

- iv. Taxes Other Than Income Taxes: \$6,293, consisting of (\$2,975) for the IURC Fee and \$9,268 for property taxes;
- v. State and Federal Income Tax: The Settling Parties agree applicable expense adjustments will flow through to arrive at the appropriate state and federal income tax expense; and
- vi. Below the Line Other Income and Expenses: (\$3,196).

E. Rate Base – The Settling Parties agree the net gas plant in service should be \$2,301,489, materials and supplies should be \$92,534, gas stored underground should be \$160,254, and working capital should be \$134,080, all as of June 30, 2024. The resulting overall rate base, as agreed by the Settling Parties, is \$2,688,357, as shown in Appendix A.

F. Capital Structure – The Settling Parties agree to the capital structure as of June 30, 2024 shown in Appendix A, including:

- i. an overall weighted average cost of capital of 8.27%;
- ii. a 0.36% weighted cost of debt for synchronized interest of \$9,678;
- iii. Common Equity amount of \$1,426,271 and cost of 10.10%;
- iv. Customer Deposit amount of \$108,875, with a deposit rate of 6.00%; and
- v. Deferred Income Tax amount of \$286,016 at a cost of 0.00%.

G. Revenue Requirement – The Settling Parties agree to a recommended revenue increase of \$300,787, as set forth in Table 1 below:

Table 1 - Agreed Revenue Requirement

| Description | Applicant's Revised Case-in-Chief | OUCC Case-in-Chief | Final Settlement | Difference (Applicant's Revised Case-in-Chief and Final Settlement) |
|---|--|---------------------------|-------------------------|--|
| Original Cost Rate Base | \$2,691,967 | \$2,682,852 | \$2,688,357 | (\$3,610) |
| Times: Weighted Cost of Capital | 8.27% | 8.27% | 8.27% | 0.00% |
| Net Operating Income Required | \$222,626 | \$221,872 | \$222,327 | \$299 |
| Less: Adjusted Net Operating Income | (\$80,889) | \$20,973 | (\$3,312) | (\$77,577) |
| Net Revenue Increase Required | \$303,515 | \$200,899 | \$225,639 | \$77,876 |
| Gross Revenue Conversion Factor | 133.3044% | 133.3044% | 133.3044% | 0% |
| Recommended Revenue Increase | \$404,599 | \$267,806 | \$300,787 | \$103,812 |
| Percentage Increase (Net of Gas Cost Revenue) | 33.09% | 21.81% | 24.26% | (8.83%) |

Additional detail regarding the derivation of the agreed revenue requirement is provided in the settlement schedules included in Appendix A.

H. Customer Service Charges – The customer service charges shall be approved as set forth below:

- i. Rate RS: Residential Sales Service: \$14.50;
- ii. Rate GS: General Sales Service 250 cfh and below: \$14.50;
- iii. Rate GS: General Sales Service 251 cfh to 800 cfh: \$26.76;
- iv. Rate GS: General Sales Service over 800 cfh: \$89.24;
- v. Rate STS: School Transportation Service 250 cfh and below: \$14.50;

- vi. Rate STS: School Transportation Service 251 cfh to 800 cfh: \$26.76; and
- vii. Rate STS: School Transportation Service over 800 cfh: \$89.24.

- I. **Allocation of Rate Increase** – The Settling Parties agree the increase in revenue requirement will be allocated to all rate classes such that the total revenues of each rate class are increased by the same percentage.
- J. **Tariff Changes** – The Settling Parties agree to South Eastern’s proposal to change its Tariff language relating to rate class numbering, dates, meter designations, improved size designation and a change to use the more recent 30-year NOAA data in Appendix D – NTA. A final revenue proof and an updated tariff (clean and redlined) that includes all tariff changes are attached as Appendices B and C.

II. PRESENTATION OF THE SETTLEMENT AGREEMENT TO THE COMMISSION.

- A. The Settling Parties agree this Settlement Agreement is evidence of their support thereof before the Commission and request the Commission to expeditiously accept and approve the Settlement Agreement.
- B. If the Commission fails to approve this Settlement Agreement in its entirety without any change or approves it with condition(s) that are unacceptable to either Settling Party, the Settlement Agreement and any supporting evidence shall be withdrawn, and the Commission will continue the processing of South Eastern’s application, resuming at the point that consideration of the application on the merits was suspended by the filing of this Settlement Agreement. Supporting evidence withdrawn as provided above shall not thereafter be quoted, cited, or otherwise referenced.

- C. A Commission Order approving this Settlement Agreement shall be effective immediately, and the agreements contained herein shall be unconditional, effective, and binding on all Settling Parties as a Final Order of the Commission. Rates shall be effective on a services-rendered basis after the entry of the Final Order.
- D. The Settling Parties acknowledge a significant motivation for Applicant to enter into this Settlement Agreement is the expectation that the Final Order will be issued promptly by the Commission authorizing increases in South Eastern's rates and charges consistent with this Settlement Agreement and the agreed positions of the Settling Parties as reflected by the evidence in this Cause. The Settling Parties have spent significant time and effort resolving the issues raised in this case.
- E. The Settling Parties believe South Eastern's revised case-in-chief, the OUCC's report, and this Settlement Agreement, including the appendices attached hereto, constitute substantial evidence that is sufficient to support this Settlement Agreement and provide an adequate evidentiary basis upon which the Commission may make the findings of fact and conclusions of law necessary to issue a Final Order adopting and approving this Settlement Agreement.

III. SETTLEMENT EFFECT, SCOPE, AND APPROVAL.

- A. The Settling Parties also acknowledge and agree as follows:
 - i. The Settlement Agreement is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without change or condition that is unacceptable to Applicant or the OUCC. Each term of the Settlement Agreement is in consideration and support of each and every other term.

- ii. The Settlement Agreement is the result of compromise by the Settling Parties within the settlement process. Neither the making of this Settlement Agreement nor any of the individual provisions or stipulations herein shall constitute an admission or waiver by either Settling Party in any other proceeding nor shall they constitute an admission or waiver in this proceeding if the Settlement Agreement is not approved by the Commission. The Settlement Agreement and the Final Order approving this Settlement Agreement shall not be used as precedent or offered as an admission in any other proceeding or for any other purpose except to the extent necessary to implement or enforce its terms. In the event this Settlement Agreement or the resulting Final Order is offered for any purpose prohibited by this Settlement Agreement, the Settling Parties agree that objections by the non-offering party are proper and should be sustained.
- iii. The communications, negotiations, and discussions between the Settling Parties, along with the materials produced and exchanged during the negotiation of this Settlement Agreement, all relate to offers of settlement and compromise, and as such, are privileged and confidential. Such material shall not be used in this or any other proceeding without the written agreement of the Settling Parties.
- iv. The undersigned represent and agree they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will hereafter be bound by this Settlement Agreement except to the extent otherwise agreed above.

- v. The Settling Parties will support and not oppose on rehearing, reconsideration, and/or appeal, a Final Order accepting and approving this Settlement Agreement in accordance with its terms.

ACCEPTED and AGREED this 8th day of November 2024.

South Eastern Indiana Natural Gas
Company, Inc.

By: Clayton C. Miller
Clayton C. Miller,
Counsel of Record

Indiana Office of Utility Consumer Counselor

By: T. Jason Haas
T. Jason Haas,
Senior Deputy Consumer Counselor

SETTLEMENT APPENDIX A

SETTLEMENT SCHEDULES

IURC Cause No. 46074-U

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2023

| Line Number | Description | Account Number | Column A As of 12/31/2022 | Column B As of 12/31/2023 | Column C As of 6/30/2024 |
|---------------------------------------|--|----------------|---------------------------------|---------------------------------|--------------------------------|
| ASSETS AND OTHER DEBITS | | | | | |
| UTILITY PLANT | | | | | |
| 1 | Utility plant in service | 101 | \$ 5,202,346 | \$ 5,477,426 | \$ 5,516,749 |
| 2 | Accumulated provision for depreciation, amortization, & depletion | 108 | (2,986,803) | (3,136,777) | \$ (3,215,260) |
| 3 | Net utility plant in service | | <u>\$ 2,215,543</u> | <u>\$ 2,340,649</u> | <u>\$ 2,301,489</u> |
| 4 | Utility plant leased to other | 104 | \$ - | \$ - | \$ - |
| 5 | Property held for future use | 105 | - | - | - |
| 6 | Production property held for future use | 105.1 | - | - | - |
| 7 | Completed construction not classified | 106 | 209,864 | - | - |
| 8 | Construction work in progress | 107 | 28,073 | 73,634 | 156,617 |
| 9 | Utility plant acquisition adjustments | 114 | - | - | - |
| 10 | Other utility plant adjustments | 116 | - | - | - |
| 11 | Gas stored underground-noncurrent | 117 | - | - | - |
| 12 | Accumulated provision for depreciation, amortization, & depletion | 109 -115 | - | - | - |
| 13 | Total Utility Plant | | <u>\$ 2,453,480</u> | <u>\$ 2,414,283</u> | <u>\$ 2,458,106</u> |
| OTHER PROPERTY AND INVESTMENTS | | | | | |
| 14 | Nonutility property | 121 | \$ - | \$ - | \$ - |
| 15 | Accumulated provision for depreciation & amortization on nonutility property | 122 | - | - | - |
| 16 | Investment in associated companies | 123 | - | - | - |
| 17 | Investment in subsidiary companies | 123.1 | - | - | - |
| 18 | Other investments | 124 | - | - | - |
| 19 | Special funds | 125,126,128 | - | - | - |
| 20 | Total Other Property And Investments | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2023

| Line Number | Description | Account Number | Column A | Column B | Column C |
|-----------------------------------|---|----------------|---------------------|---------------------|---------------------|
| | | | As of 12/31/2022 | As of 12/31/2023 | As of 6/30/2024 |
| CURRENT AND ACCRUED ASSETS | | | | | |
| 21 | Cash | 131 | \$ 399,527 | \$ 133,021 | \$ 406,720 |
| 22 | Special deposits | 132, 133, 134 | - | - | - |
| 23 | Working funds | 135 | 8,781 | 15,182 | 10,816 |
| 24 | Temporary cash investments | 136 | - | - | - |
| 25 | Notes receivable | 124 | - | - | - |
| 26 | Accounts receivable | 142,143 | 190,979 | 38,732 | (117,780) |
| 27 | Accumulated provision for uncollectible accounts - credit | 144 | 3,201 | 6,205 | 7,621 |
| 28 | Receivables from associated companies | 146 | (62) | (62) | (62) |
| 29 | Materials and supplies | 151-156, 163 | 60,146 | 113,347 | 137,373 |
| 30 | Gas stored underground-current | 164 | - | - | - |
| 31 | Liquified natural gas stored | 165 | - | - | - |
| 32 | Prepayments | 166 | - | 7,654 | - |
| 33 | Advance payment for gas development and production | 167 | - | - | - |
| 34 | Other advance payments for gas | 168 | - | - | - |
| 35 | Interest and dividends receivable | 171 | - | - | - |
| 36 | Rent receivable | 172 | - | - | - |
| 37 | Accrued utility revenues | 173 | 71,661 | 37,415 | 5,429 |
| 38 | Miscellaneous Current and Accrued Assets | 174 | - | - | - |
| 39 | Total Current and Accrued Assets | | <u>\$ 734,232</u> | <u>\$ 351,495</u> | <u>\$ 450,117</u> |
| DEFERRED DEBITS | | | | | |
| 40 | Unamortized debt discount and expense | 181 | \$ - | \$ - | \$ - |
| 41 | Extraordinary property losses | 182 | - | 72 | 32,643 |
| 42 | Preliminary survey and investment charges | 183.1, 183.2 | - | - | - |
| 43 | Clearing accounts | 184 | - | - | - |
| 44 | Temporary facilities | 185 | - | - | - |
| 45 | Miscellaneous deferred debits | 186 | 81,322 | 3,942 | - |
| 46 | Research and development expenditures | 187 | - | - | - |
| 47 | Total Deferred Debits | | <u>\$ 81,322</u> | <u>\$ 4,014</u> | <u>\$ 32,643</u> |
| 48 | Total Assets and Other Debits | | <u>\$ 3,269,035</u> | <u>\$ 2,769,791</u> | <u>\$ 2,940,866</u> |

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COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2023

| Line Number | Description | Account Number | Column A As of 12/31/2022 | Column B As of 12/31/2023 | Column C As of 6/30/2024 |
|--|--|-------------------|---------------------------------|---------------------------------|--------------------------------|
| LIABILITIES AND OTHER CREDITS | | | | | |
| PROPRIETARY CAPITAL | | | | | |
| 1 | Common stock | 201 | \$ 162,400 | \$ 162,400 | \$ 162,400 |
| 2 | Preferred Stock | 204 | - | - | - |
| 3 | Capital stock subscribed | 202, 205 | - | - | - |
| 4 | Stock liability on conversion | 203, 206 | - | - | - |
| 5 | Premium on capital stock | 207 | - | - | - |
| 6 | Other paid-in capital | 208, 211 | - | - | - |
| 7 | Installments received on capital stock | 212 | - | - | - |
| 8 | Discount on capital stock | 213 | - | - | - |
| 9 | Capital stock expense | 214 | - | - | - |
| 10 | Unappropriated undistributed subsidiary earnings | 215.1 | - | - | - |
| 11 | Unappropriated retained earnings | 216 | (18,054) | (631,191) | (553,223) |
| 12 | Reacquired capital stock | 217 | - | - | - |
| 13 | Appropriated retained earnings | 218 | 1,817,094 | 1,817,094 | 1,817,094 |
| 14 | Total Proprietary Capital | | <u>\$ 1,961,440</u> | <u>\$ 1,348,304</u> | <u>\$ 1,426,271</u> |
| LONG-TERM DEBT | | | | | |
| 15 | Bond (221) Less \$0.00 reacquired | 222 | \$ - | \$ - | \$ - |
| 16 | Advances from associated companies | 223 | - | - | - |
| 17 | Other long-term debt | 224 | - | - | - |
| 18 | Total Long-Term Debt | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| CURRENT AND ACCRUED LIABILITIES | | | | | |
| 19 | Notes payable | 231 | \$ - | \$ - | \$ - |
| 20 | Accounts payable | 232 | 183,228 | 114,166 | 386,870 |
| 21 | Payable to associated companies | 234 | 385,666 | 73,654 | 75,486 |
| 22 | Customer deposits | 235 | 128,850 | 122,990 | 108,875 |
| 23 | Taxes accrued | 236 | 18,490 | (175,726) | (145,625) |
| 24 | Interest accrued | 237 | 20,599 | 21,384 | 20,399 |
| 25 | Dividends declared | 238 | - | - | - |
| 26 | Matured long-term debt | 239 | - | - | - |
| 27 | Matured interest | 240 | - | - | - |
| 28 | Tax collections payable | 241 | 3,817 | 2,137 | 2,137 |
| 29 | Miscellaneous current and accrued liabilities | 242 | 25,464 | 681,757 | 519,680 |
| 30 | Total Current And Accrued Liabilities | | <u>\$ 766,115</u> | <u>\$ 840,362</u> | <u>\$ 967,822</u> |

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|--|--|-------------------|---------------------|---------------------|---------------------|
| | | | As of 12/31/2022 | As of 12/31/2023 | As of 6/30/2024 |
| DEFERRED CREDITS | | | | | |
| 31 | Unamortized premium on debt | 251 | \$ - | \$ - | \$ - |
| 32 | Customer advances for construction | 252 | - | - | - |
| 33 | Other deferred credits | 253.1 | 121,732 | 122,414 | 117,930 |
| 34 | Accumulated deferred investment tax credits | 253.2 | 140,492 | 172,696 | 142,827 |
| 35 | Total Deferred Credits | | <u>\$ 262,224</u> | <u>\$ 295,110</u> | <u>\$ 260,757</u> |
| OPERATING PROVISIONS | | | | | |
| 36 | Accumulated provision for property insurance | 261 | \$ - | \$ - | \$ - |
| 37 | Accumulated provision for injuries and damages | 262 | - | - | - |
| 38 | Accumulated provision for pensions and benefits | 263 | - | - | - |
| 39 | Accumulated provision for operating provisions | 265 | - | - | - |
| 40 | Total Operating Provisions | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| ACCUMULATED DEFERRED INCOME TAXES | | | | | |
| 41 | Accumulated deferred income taxes-accelerated amortization | 281 | \$ - | \$ - | \$ - |
| 42 | Accumulated deferred income taxes-liberal depreciation | 282 | 279,256 | 286,016 | 286,016 |
| 43 | Accumulated deferred income taxes-other | 283 | - | - | - |
| 44 | Total Accumulated Deferred Income Taxes | | <u>\$ 279,256</u> | <u>\$ 286,016</u> | <u>\$ 286,016</u> |
| 45 | Total Liabilities and Other Credits | | <u>\$ 3,269,035</u> | <u>\$ 2,769,791</u> | <u>\$ 2,940,866</u> |
| 16 | Total Difference - Assets versus Liabilities | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 0</u> |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

ANALYSIS OF UTILITY PLANT IN SERVICE
FROM JANUARY 1, 2022 TO JUNE 30, 2024

| Line Number | Description | Account Number | Column A. | Column B. | Column C. | Column D. | Column E. | Column F. | Column G. | Column H. | Column I. | Column J. | Column K. | Column L. | Column M. |
|---------------------------|---|----------------|--------------------------------|-----------|-------------|-----------|------------------------|-----------|-------------|-----------|------------------------|-----------|-------------|-----------|-----------------------|
| | | | Beginning Balance (1) 1/1/2022 | Additions | Retirements | Other (*) | Balance (2) 12/31/2022 | Additions | Retirements | Other (*) | Balance (3) 12/31/2023 | Additions | Retirements | Other (*) | Balance (4) 6/30/2024 |
| OTHER STORAGE | | | | | | | | | | | | | | | |
| 64 | Land and land rights | (360) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 65 | Structures and improvements | (361) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 66 | Gas holders | (362) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 67 | Other equipment | (363) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 68 | Total Other Storage | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TRANSMISSION PLANT | | | | | | | | | | | | | | | |
| 69 | Land and land rights | (365.1) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70 | Rights-of-way | (365.2) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 71 | Structures and improvements | (366) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 72 | Mains | (367) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 73 | Compressor station equipment | (368) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 74 | Measuring & regulating station equipment | (369) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 75 | Communication equipment | (370) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 76 | Other equipment | (371) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 77 | Total Transmission Plant | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| DISTRIBUTION PLANT | | | | | | | | | | | | | | | |
| 78 | Land and land rights | (374) | \$ 9,359 | \$ - | \$ - | \$ - | \$ 9,359 | \$ - | \$ - | \$ - | \$ 9,359 | \$ - | \$ - | \$ - | \$ 9,359 |
| 79 | Structures and improvements | (375) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 80 | Mains | (376) | 2,148,502 | - | - | - | 2,148,502 | 145,036 | - | - | 2,293,537 | 3,407 | - | - | 2,296,944 |
| 81 | Compressor station equipment | (377) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 82 | Equipment General | (378) | 41,978 | - | - | - | 41,978 | - | - | - | 41,978 | 793 | - | - | 42,771 |
| 83 | Measuring & regulating station equipment-city gate check stations | (379) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 84 | Services | (380) | 1,494,407 | - | - | - | 1,494,407 | 122,865 | - | - | 1,617,271 | 13,012 | - | - | 1,630,283 |
| 85 | Meters | (381) | 581,473 | 54,246 | - | - | 635,719 | - | - | - | 635,719 | - | - | - | 635,719 |
| 86 | Meter installation | (382) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 87 | House regulators | (383) | 166,012 | - | - | - | 166,012 | 7,181 | - | - | 173,193 | - | - | - | 173,193 |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

ANALYSIS OF UTILITY PLANT IN SERVICE
FROM JANUARY 1, 2022 TO JUNE 30, 2024

| Line Number | Description | Account Number | Column A. | Column B. | Column C. | Column D. | Column E. | Column F. | Column G. | Column H. | Column I. | Column J. | Column K. | Column L. | Column M. |
|----------------------|---|----------------|-----------------------------------|-------------------|-------------|-------------|---------------------------|-------------------|-------------|-------------|---------------------------|------------------|-------------|-------------|--------------------------|
| | | | Beginning Balance (1) 1/1/2022 | Additions | Retirements | Other (*) | Balance (2) 12/31/2022 | Additions | Retirements | Other (*) | Balance (3) 12/31/2023 | Additions | Retirements | Other (*) | Balance (4) 6/30/2024 |
| 88 | House regulator installation | (384) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 89 | Industrial measuring regulating station equipment | (385) | 5,041 | - | - | - | 5,041 | - | - | - | 5,041 | - | - | - | 5,041 |
| 90 | Other property on customer's premises | (386) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 91 | Other equipment | (387) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 92 | Total Distribution Plant | | <u>\$ 4,446,772</u> | <u>\$ 54,246</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,501,018</u> | <u>\$ 275,081</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,776,098</u> | <u>\$ 17,212</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,793,310</u> |
| GENERAL PLANT | | | | | | | | | | | | | | | |
| 93 | Land and land rights | (389) | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 |
| 94 | Structures and improvements | (390) | 187,357 | - | - | - | 187,357 | - | - | - | 187,357 | - | - | - | 187,357 |
| 95 | Office furniture and equip. | (391) | 11,377 | - | - | - | 11,377 | - | - | - | 11,377 | - | - | - | 11,377 |
| 96 | Transportation equipment | (392) | 192,673 | 52,796 | - | - | 245,470 | - | - | - | 245,470 | - | - | - | 245,470 |
| 97 | Stores equipment | (393) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 98 | Tools, ship and garage equip. | (394) | 23,777 | 15,378 | - | - | 39,155 | - | - | - | 39,155 | 22,111 | - | - | 61,266 |
| 99 | Laboratory equipment | (395) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100 | Power operated equipment | (396) | 58,118.61 | - | - | - | 58,118.61 | - | - | - | 58,119 | - | - | - | 58,119 |
| 101 | Communication equipment | (397) | 17,936 | - | - | - | 17,936 | - | - | - | 17,936 | - | - | - | 17,936 |
| 102 | Miscellaneous equipment | (398) | 3,433 | - | - | - | 3,433 | - | - | - | 3,433 | - | - | - | 3,433 |
| 103 | Other equipment including computer equipment | (399) | 75,071 | 3,411 | - | - | 78,482 | - | - | - | 78,482 | - | - | - | 78,482 |
| 104 | Total General Plant | | <u>\$ 619,743</u> | <u>\$ 71,585</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 691,328</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 691,328</u> | <u>\$ 22,111</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 713,439</u> |
| 105 | Total Utility Plant In Service | | <u>\$ 5,076,515</u> | <u>\$ 125,831</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,202,346</u> | <u>\$ 275,081</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,477,426</u> | <u>\$ 39,323</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,516,749</u> |
| | | | | | | | (4) | | | | (5) | | | | (6) |

(1) This should be the date of the beginning of the first year.
 (2) This should be the date of the end of the first year.
 (3) This should be the date of the end of the test year.
 (4) This amount should agree with the amount on page 1, column A, line 1.
 (5) This amount should agree with the amount on page 1, column B, line 1.
 (6) This amount should agree with amount on page 1, column C, line 1
 * Please detail.

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Analysis of Accumulated Provision for Depreciation
 From January 1, 2022 to June 30, 2024

| Line Number | Description | Amount |
|-------------|--|----------------------------|
| 1 | <u>Year Ending December 31, 2022:</u> | |
| 2 | Beginning Balance - January 1, 2022 | \$ 2,844,140 |
| 3 | Accruals | 142,662 |
| 4 | Retirements | - |
| 5 | Transportation expenses-clearing | - |
| 6 | Other * | - |
| 7 | Ending Balance - December 31, 2022: | <u>\$ 2,986,803</u> |
| 8 | <u>Year Ending December 31, 2023:</u> | |
| 9 | Beginning Balance - January 1, 2023 | \$ 2,986,803 |
| 10 | Accruals | 149,975 |
| 11 | Retirements | - |
| 12 | Transportation expenses-clearing | - |
| 13 | Other * | - |
| 14 | Ending Balance - December 31, 2023: | <u>\$ 3,136,777</u> |
| 15 | Year Ending June 30, 2024 | |
| 16 | Beginning Balance - January 1, 2024 | \$ 3,136,777 |
| 17 | Accruals | \$ 78,482.76 |
| 18 | Retirements | - |
| 19 | Transportation expenses-clearing | - |
| 20 | Other * | - |
| 21 | Ending Balance - June 30, 2024: | <u>\$ 3,215,260</u> |

* Please detail

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Analysis of Unappropriated Retained Earnings
From January 1, 2022 to June 30, 2024

| Line Number | Description | Account Number | Amount |
|-------------|--|----------------|---------------------|
| 1 | <u>Year Ending December 31, 2022:</u> | | |
| 2 | Beginning Balance - January 1, 2022 | 216 | \$ 33,687 |
| 3 | Balance transferred from income | 435 | 3,259 |
| 4 | Appropriations of retained earnings | 436 | - |
| 5 | Dividends declared-preferred stock | 437 | - |
| 6 | Dividends declared | 438 | (55,000) |
| 7 | Adjustments to retained earnings | 439 | - |
| 8 | Ending Balance - December 31, 2022: | 216 | <u>\$ (18,054)</u> |
| 9 | <u>Year Ending December 31, 2023:</u> | | |
| 10 | Beginning Balance - January 1, 2023 | 216 | \$ (18,054) |
| 11 | Balance transferred from income | 435 | (476,777) |
| 12 | Appropriations of retained earnings | 436 | - |
| 13 | Dividends declared-preferred stock | 437 | - |
| 14 | Dividends declared-preferred stock | 438 | (136,360) |
| 15 | Adjustments to retained earnings | 439 | - |
| 16 | Ending Balance - December 31, 2023: | 216 | <u>\$ (631,191)</u> |
| 17 | <u>Year Ending June 30, 2024:</u> | | |
| 18 | Beginning Balance - January 1, 2024 | 216 | \$ (631,191) |
| 19 | Balance transferred from income | 435 | 101,968 |
| 20 | Appropriations of retained earnings | 436 | - |
| 21 | Dividends declared-preferred stock | 437 | - |
| 22 | Dividends declared-preferred stock | 438 | (24,000) |
| 23 | Adjustments to retained earnings | 439 | - |
| 24 | Ending Balance - June 30, 2024: | 216 | <u>\$ (553,223)</u> |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|--|-------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 1 | OPERATING REVENUES | | | | |
| 2 | Sales of gas | 400-601 - 400-608 | \$ 2,436,673 | \$ 2,051,384 | \$ 1,704,754 |
| 3 | Other operating revenues | 400-487,400-488 | 36,777 | 20,438 | 18,197 |
| 4 | Total Operating Revenues | | <u>\$ 2,473,450</u> | <u>\$ 2,071,822</u> | <u>\$ 1,722,950</u> |
| 5 | OPERATING EXPENSES | | | | |
| 6 | Purchased Gas Costs | 401-803 - 401-805 | \$ 1,165,466 | \$ 1,373,880 | \$ 1,210,465 |
| 7 | Distribution Expense | 401-870 - 401-894 | 292,571 | 415,882 | 381,102 |
| 8 | Customer Expense | 401-901 - 401-907 | 163,985 | 179,294 | 150,581 |
| 9 | Sales Expense | 401-914 - 401-915 | (3,216) | - | - |
| 10 | Administrative and General Expense | 920-001 - 932-001 | 599,434 | 546,656 | 442,564 |
| 11 | Depreciation expense | 403-000 | 147,966 | 153,071 | 158,097 |
| 12 | Amortization of limited-term and other utility plant | 404-001, 405-001 | - | - | - |
| 13 | Amortization of utility plant acquisition adjustments | 406-001 | - | - | - |
| 14 | General Taxes Other Than Income Tax | 408-003 - 408-712 | 58,687 | 36,086 | 34,101 |
| 15 | State and Federal Income Taxes | 409-001, 409-002 | 2,716 | (166,227) | (201,076) |
| 16 | Deferred Income Taxes | 410-001 - 410-010 | 37,627 | 6,761 | 6,761 |
| 17 | Provision for deferred income taxes utility operating income | 411-001 | - | - | - |
| 18 | Income taxes deferred in prior years - credit utility operating | 412-001 | - | - | - |
| 19 | Investment tax credits, utility operations deferred to future | 412-002 | - | - | - |
| 20 | Investment tax credits, utility operations restored to operating | 412-003 | - | - | - |
| 21 | Total Operating Expenses | | <u>\$ 2,465,236</u> | <u>\$ 2,545,403</u> | <u>\$ 2,182,594</u> |
| 22 | Net Operating Income (Loss) | | <u>\$ 8,169</u> | <u>\$ (473,581)</u> | <u>\$ (459,644)</u> |
| 23 | OTHER INCOME | | | | |
| 24 | Costs and expenses of merchandising, jobbing, and contract | 416-001 | \$ - | \$ - | \$ - |
| 25 | Income from nonutility operations | 417-001 | - | - | - |
| 26 | Nonoperating rental income | 418-001 | - | - | - |
| 27 | Interest and dividend income | 419-001 | (181) | (731) | (1,602) |
| 28 | Allowance for funds used during construction | 420-000 | (167) | - | - |
| 29 | Miscellaneous nonoperating income | 421-001 - 421-009 | (1,322) | (2,058) | (12,271) |
| 30 | Gains (loss) from disposition of property | 422-001 | - | - | - |
| 31 | Total Other Income | | <u>\$ (1,670)</u> | <u>\$ (2,789)</u> | <u>\$ (13,874)</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|---|-------------------|--------------------------------|--------------------------------|-------------------------------|
| 28 | OTHER INCOME DEDUCTIONS | | | | |
| 29 | Miscellaneous amortization | 425-001 | \$ - | \$ - | \$ - |
| 30 | Miscellaneous income deductions | 426-000 | 160 | 52 | 3,314 |
| 31 | Taxes for non-operating income | 408-200 | - | - | - |
| 32 | Interest on long-term debt | 427-001 | - | - | - |
| 33 | Amortization of debt discount and expense | 428-001 | - | - | - |
| 34 | Amort. of premium on debt-credit | 429-001 | - | - | - |
| 35 | Interest on debt to associated companies | 430-001 | - | - | - |
| 36 | Other interest expense | 431-001 | 6,420 | 5,933 | 5,541 |
| 37 | Interest Expense on Loans Outstanding | 431-003 | - | - | 37,764 |
| 38 | Total Other Income Deductions | | <u>\$ 6,580</u> | <u>\$ 5,986</u> | <u>\$ 46,619</u> |
| 39 | Net Income (Loss) | | <u>\$ 3,259</u> | <u>\$ (476,777)</u> | <u>\$ (492,390)</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|----------------|---|----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 1 | <u>OPERATING REVENUES</u> | | | | |
| 2 | SALES OF GAS | | | | |
| 3 | Residential sales | 400-601, 400-602 | \$ 1,502,384 | \$ 1,328,236 | \$ 1,113,213 |
| 4 | Commercial sales | 400-603, 400-604 | 492,134 | 409,088 | 318,411 |
| 5 | Industrial Sales | 400-605 | 418,083 | 348,306 | 268,997 |
| 6 | Other sales of public authorities | 400-607 | - | - | - |
| 7 | Net Unbilled Revenue | 400-608 | 24,072 | (34,246) | 4,133 |
| 8 | Total Sales of Gas | | <u>\$ 2,436,673</u> | <u>\$ 2,051,384</u> | <u>\$ 1,704,754</u> |
| 9 | OTHER OPERATING REVENUES | | | | |
| 10 | Forfeited discounts | 400-487 | \$ 12,133 | \$ 11,483 | \$ 9,652 |
| 11 | Miscellaneous service revenues | 400-488 | 24,644 | 8,955 | 8,544 |
| 12 | Revenues from transportation of gas of others | 400-489 | - | - | - |
| 13 | Sales of products extracted from natural gas | 400-490 | - | - | - |
| 14 | Revenues from natural gas processed by others | 400-491 | - | - | - |
| 15 | Incidental gasoline and oil sales | 400-492 | - | - | - |
| 16 | Rent from gas property | 400-493 | - | - | - |
| 17 | Interdepartmental rents | 400-494 | - | - | - |
| 18 | Other gas revenue | 400-495 | - | - | - |
| 19 | Total Other Operating Revenues | | <u>\$ 36,777</u> | <u>\$ 20,438</u> | <u>\$ 18,197</u> |
| 20 | Total Operating Revenues | | <u>\$ 2,473,450</u> | <u>\$ 2,071,822</u> | <u>\$ 1,722,950</u> |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|---|-------------------|--------------------------------|--------------------------------|-------------------------------|
| 1 | PRODUCTION EXPENSES | | | | |
| 2 | MANUFACTURED GAS PRODUCTION EXPENSES | | | | |
| 3 | STEAM PRODUCTION | | | | |
| 4 | OPERATION | | | | |
| 5 | Operation supervision and engineering | 401-700 | \$ - | \$ - | \$ - |
| 6 | Operation labor | 401-701 | - | - | - |
| 7 | Boiler fuel | 401-702 | - | - | - |
| 8 | Miscellaneous | 401-703 | - | - | - |
| 9 | Steam transferred-credit | 401-704 | - | - | - |
| 10 | Total Operation | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 11 | MAINTENANCE | | | | |
| 12 | Maintenance supervision and engineering | 401-705 | \$ - | \$ - | \$ - |
| 13 | Maintenance of structures and improvements | 401-706 | - | - | - |
| 14 | Maintenance of boiler plant equipment | 401-707 | - | - | - |
| 15 | Maintenance of other steam plant | 401-708 | - | - | - |
| 16 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 17 | Total Steam Production | | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |
| 18 | MANUFACTURED GAS PRODUCTION | | | | |
| 19 | OPERATION | | | | |
| 20 | Operation supervision and engineering | 401-710 | \$ - | \$ - | \$ - |
| 21 | Steam expenses | 401-711 | - | - | - |
| 22 | Other power expenses | 401-712 | - | - | - |
| 23 | Coke oven expenses | 401-713 | - | - | - |
| 24 | Producer gas expenses | 401-714 | - | - | - |
| 25 | Water gas generating expenses | 401-715 | - | - | - |
| 26 | Oil gas generating expenses | 401-716 | - | - | - |
| 27 | Liquefied petroleum gas expenses | 401-717 | - | - | - |
| 28 | Other process production expenses | 401-718 | - | - | - |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|----------------|---|----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 29 | PRODUCTION EXPENSES (Continued) | | | | |
| 30 | MANUFACTURED GAS PRODUCTION (Continued) | | | | |
| 31 | OPERATION (Continued) | | | | |
| 32 | GAS FUELS | | | | |
| 33 | Fuel under coke ovens | 401-719 | \$ - | \$ - | \$ - |
| 34 | Producer gas fuel | 401-720 | - | - | - |
| 35 | Water gas generator fuel | 401-721 | - | - | - |
| 36 | Fuel for oil gas | 401-722 | - | - | - |
| 37 | Fuel for liquefied petroleum gas process | 401-723 | - | - | - |
| 38 | Other gas fuels | 401-724 | - | - | - |
| 39 | GAS RAW MATERIALS | | | | |
| 40 | Coal carbonized in coke ovens | 401-725 | \$ - | \$ - | \$ - |
| 41 | Oil for water gas | 401-726 | - | - | - |
| 42 | Oil for oil gas | 401-727 | - | - | - |
| 43 | Liquefied petroleum gas | 401-728 | - | - | - |
| 44 | Raw materials for other gas processes | 401-729 | - | - | - |
| 45 | Residuals expenses | 401-730 | - | - | - |
| 46 | Residuals produced-credit | 401-731 | - | - | - |
| 47 | Purification expenses | 401-732 | - | - | - |
| 48 | Gas mixing expenses | 401-733 | - | - | - |
| 49 | Duplicate charges-credit | 401-734 | - | - | - |
| 50 | Miscellaneous production expenses | 401-735 | - | - | - |
| 51 | Rents | 401-736 | - | - | - |
| 52 | Total Operation | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 53 | MAINTENANCE | | | | |
| 54 | Maintenance supervision and engineering | 401-740 | \$ - | \$ - | \$ - |
| 55 | Maintenance of structures and improvements | 401-741 | - | - | - |
| 56 | Maintenance of production equipment | 401-742 | - | - | - |
| 57 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 58 | Total Manufactured Gas Production Expenses | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

South Eastern Indiana Natural Gas Company, Inc.
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Comparative Income Statement
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| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|----------------|---|----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 53 | PRODUCTION EXPENSES (Continued) | | | | |
| 54 | NATURAL GAS PRODUCTION EXPENSES | | | | |
| 55 | <u>NATURAL GAS PRODUCTION AND GATHERING</u> | | | | |
| 56 | OPERATING | | | | |
| 57 | Operation supervision and engineering | 401-750 | \$ - | \$ - | \$ - |
| 58 | Production maps and records | 401-751 | - | - | - |
| 59 | Gas wells expenses | 401-752 | - | - | - |
| 60 | Field lines expenses | 401-753 | - | - | - |
| 61 | Field compressor station expenses | 401-754 | - | - | - |
| 62 | Field compressor station fuel and power | 401-755 | - | - | - |
| 63 | Field measuring and regulating station expenses | 401-756 | - | - | - |
| 64 | Purification expenses | 401-757 | - | - | - |
| 65 | Gas wells royalties | 401-758 | - | - | - |
| 66 | Other expenses | 401-759 | - | - | - |
| 67 | Rents | 401-760 | - | - | - |
| 68 | Total Operation | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 69 | MAINTENANCE | | | | |
| 70 | Maintenance supervision and engineering | 401-761 | \$ - | \$ - | \$ - |
| 71 | Maintenance of structures and improvements | 401-762 | - | - | - |
| 72 | Maintenance of producing gas wells | 401-763 | - | - | - |
| 73 | Maintenance of field lines | 401-764 | - | - | - |
| 74 | Maintenance of field compressor station equipment | 401-765 | - | - | - |
| 75 | Maintenance of field measuring and regulatory station equipment | 401-766 | - | - | - |
| 76 | Maintenance of purification equipment | 401-767 | - | - | - |
| 77 | Maintenance of drilling and cleaning equipment | 401-768 | - | - | - |
| 78 | Maintenance of other equipment | 401-769 | - | - | - |
| 79 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 80 | Total Natural Gas Production and Gathering | | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
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Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|----------------|---|----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 81 | PRODUCTION EXPENSES (Continued) | | | | |
| 82 | NATURAL GAS PRODUCTION EXPENSES (Continued) | | | | |
| 83 | <u>PRODUCT EXTRACTION</u> | | | | |
| 84 | OPERATION | | | | |
| 85 | Operation supervision and engineering | 401-770 | \$ - | \$ - | \$ - |
| 86 | Operation labor | 401-771 | - | - | - |
| 87 | Gas shrinkage | 401-772 | - | - | - |
| 88 | Fuel | 401-773 | - | - | - |
| 89 | Power | 401-774 | - | - | - |
| 90 | Materials | 401-775 | - | - | - |
| 91 | Operation supplies and expenses | 401-776 | - | - | - |
| 92 | Gas processed by others | 401-777 | - | - | - |
| 93 | Royalties on products extracted | 401-778 | - | - | - |
| 94 | Marketing expenses | 401-779 | - | - | - |
| 95 | Products purchased for resale | 401-780 | - | - | - |
| 96 | Variation in productions inventory | 401-781 | - | - | - |
| 97 | Extracted products used by the utility-credit | 401-782 | - | - | - |
| 98 | Rents | 401-783 | - | - | - |
| 99 | Total Operation | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 100 | MAINTENANCE | | | | |
| 101 | Maintenance supervision and engineering | 401-784 | \$ - | \$ - | \$ - |
| 102 | Maintenance of structures and Improvements | 401-785 | - | - | - |
| 103 | Maintenance of extraction and refining equipment | 401-786 | - | - | - |
| 104 | Maintenance of pipelines | 401-787 | - | - | - |
| 105 | Maintenance of extracted product storage equipment | 401-788 | - | - | - |
| 106 | Maintenacne of compressor equipment | 401-789 | - | - | - |
| 107 | Maintenance of gas measuring and regulating equipment | 401-790 | - | - | - |
| 108 | Maintenance of other equipment | 401-791 | - | - | - |
| 109 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 110 | Total Products Extraction | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | <u>EXPLORATION AND DEVELOPMENT EXPENSES</u> | | | | |
| 111 | Delay rentals | 401-795 | \$ - | \$ - | \$ - |
| 112 | Nonproductive well drilling | 401-796 | - | - | - |
| 113 | Abandoned leases | 401-797 | - | - | - |
| 114 | Other Exploration | 401-798 | - | - | - |
| 115 | Total Exploration and Development Expenses | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

South Eastern Indiana Natural Gas Company, Inc.
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Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|----------------|--|----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 116 | PRODUCTION EXPENSES (Continued) | | | | |
| 117 | NATURAL GAS PRODUCTION EXPENSES (Continued) | | | | |
| 118 | <u>OTHER GAS SUPPLY EXPENSES</u> | | | | |
| 119 | Natural gas well head purchases | 401-800 | \$ - | \$ - | \$ - |
| 120 | Natural gas field line purchases | 401-801 | - | - | - |
| 121 | Natural gas gasoline plant outlet purchases | 401-802 | - | - | - |
| 122 | Natural gas transmission line purchases | 401-803 | - | - | - |
| 123 | Natural gas city gate purchases | 401-804 | 983,489 | 1,341,676 | 1,330,359 |
| 124 | Other gas purchases | 401-805 | 181,977 | 32,204 | (119,894) |
| 125 | Exchange gas | 401-806 | - | - | - |
| 126 | Purchases gas expenses | 401-807 | - | - | - |
| 127 | Gas withdrawn from storage-debit | 401-808 | - | - | - |
| 128 | Gas delivered to storage-credit | 401-809 | - | - | - |
| 129 | Gas used for copressor station credit | 401-810 | - | - | - |
| 130 | Gas used in product extraction-credit | 401-811 | - | - | - |
| 131 | Gas used for other utility operations-credit | 401-812 | - | - | - |
| 132 | Other gas supply expenses | 401-813 | - | - | - |
| 133 | Total Other Gas Supply Expenses | | <u>\$ 1,165,466</u> | <u>\$ 1,373,880</u> | <u>\$ 1,210,465</u> |
| 134 | Total Natural Gas Production Expenses | | <u>\$ 1,165,466</u> | <u>\$ 1,373,880</u> | <u>\$ 1,210,465</u> |

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Comparative Income Statement
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| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|---|-------------------|--------------------------------|--------------------------------|-------------------------------|
| 135 | NATURAL GAS STORAGE EXPENSES | | | | |
| 136 | <u>UNDERGROUND STORAGE EXPENSES</u> | | | | |
| 137 | OPERATION | | | | |
| 138 | Operation supervision and engineering | 401-814 | \$ - | \$ - | \$ - |
| 139 | Maps and records | 401-815 | - | - | - |
| 140 | Wells and expenses | 401-816 | - | - | - |
| 141 | Lines expenses | 401-817 | - | - | - |
| 142 | Compressor station expenses | 401-818 | - | - | - |
| 143 | Compressor station fuel and power | 401-819 | - | - | - |
| 144 | Measuring and regulating station expenses | 401-820 | - | - | - |
| 145 | Purification expenses | 401-821 | - | - | - |
| 146 | Exploration and development | 401-822 | - | - | - |
| 147 | Gas losses | 401-823 | - | - | - |
| 148 | Other expenses | 401-824 | - | - | - |
| 149 | Storage well royalties | 401-825 | - | - | - |
| 150 | Rents | 401-826 | - | - | - |
| 151 | Total Operation | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 151 | MAINTENANCE | | | | |
| 152 | Maintenance supervision and engineering | 401-830 | \$ - | \$ - | \$ - |
| 153 | Maintenance of structures and Improvements | 401-831 | - | - | - |
| 154 | Maintenance of reservoirs and wells | 401-832 | - | - | - |
| 155 | Maintenance of lines | 401-833 | - | - | - |
| 156 | Maintenance of compressor station equipment | 401-834 | - | - | - |
| 157 | Maintenance of measuring and regulating equipment | 401-835 | - | - | - |
| 158 | Maintenance of purification equipment | 401-836 | - | - | - |
| 159 | Maintenance of other equipment | 401-837 | - | - | - |
| 160 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 161 | Total Underground Storage Expenses | | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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Comparative Income Statement
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| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|---|-------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 162 | NATURAL GAS STORAGE EXPENSES (Cont) | | | | |
| 163 | OTHER STORAGE EXPENSES | | | | |
| 164 | OPERATION | | | | |
| 165 | Operation supervision and engineering | 401-840 | \$ - | \$ - | \$ - |
| 166 | Operation labor and expenses | 401-841 | - | - | - |
| 167 | Rents | 401-842 | - | - | - |
| 168 | Fuel | 401-842.1 | - | - | - |
| 169 | Power | 401-842.2 | - | - | - |
| 170 | Gas losses | 401-842.3 | - | - | - |
| 171 | Total Operation | | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> |
| 172 | MAINTENANCE | | | | |
| 173 | Maintenance supervision and engineering | 401-843 | \$ - | \$ - | \$ - |
| 174 | Maintenance of structures and improvements | 401-844 | - | - | - |
| 175 | Maintenance of gas holders | 401-845 | - | - | - |
| 176 | Maintenance of purification equipment | 401-846 | - | - | - |
| 177 | Maintenance of liquefaction equipment | 401-847 | - | - | - |
| 178 | Maintenance of vaporizing equipment | 401-848 | - | - | - |
| 179 | Maintenance of compressor equipment | 401-848.1 | - | - | - |
| 180 | Maintenance of measuring and regulating equipment | 401-848.2 | - | - | - |
| 181 | Maintenance of other equipment | 401-848.3 | - | - | - |
| 182 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 183 | Total Other Storage Expenses | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 184 | Total Natural Gas Storage Expenses | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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Comparative Income Statement
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| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|---|-------------------|--------------------------------|--------------------------------|-------------------------------|
| 185 | TRANSMISSION EXPENSES | | | | |
| 186 | OPERATION | | | | |
| 187 | Operation supervision and engineering | 401-850 | \$ 45 | \$ - | \$ - |
| 188 | System control and load dispatching | 401-851 | - | - | - |
| 189 | Communications system expenses | 401-852 | - | - | - |
| 190 | Compressor station labor and expenses | 401-853 | - | - | - |
| 191 | Gas for compressor station fuel | 401-854 | - | - | - |
| 192 | Other fuel and power for compressor station | 401-855 | - | - | - |
| 193 | Mains expenses | 401-856 | - | - | - |
| 194 | Measuring and regulating station expenses | 401-857 | - | - | - |
| 195 | Transmission and compression of gas by others | 401-858 | - | - | - |
| 196 | Other expenses | 401-859 | - | - | - |
| 197 | Rents | 401-860 | - | - | - |
| 198 | Total Operation | | <u>\$ 45</u> | <u>\$ -</u> | <u>\$ -</u> |
| 199 | MAINTENANCE | | | | |
| 200 | Maintenance supervision and engineering | 401-861 | \$ - | \$ - | \$ - |
| 201 | Maintenance of structures and Improvements | 401-862 | - | - | - |
| 202 | Maintenance of mains | 401-863 | - | - | - |
| 203 | Maintenance of compressor station equipment | 401-864 | - | - | - |
| 204 | Maintenance of measuring and regulating station equipment | 401-865 | - | - | - |
| 204 | Maintenance of communications equipment | 401-866 | - | - | - |
| 206 | Maintenance of other equipment | 401-867 | - | - | - |
| 207 | Total Maintenance | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 208 | Total Transmission Expenses | | <u>\$ 45</u> | <u>\$ -</u> | <u>\$ -</u> |

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Comparative Income Statement
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| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|---|-------------------|--------------------------------|--------------------------------|-------------------------------|
| 209 | <u>DISTRIBUTION EXPENSES</u> | | | | |
| 210 | OPERATION | | | | |
| 211 | Operation supervision and engineering | 401-870 | \$ 37,311 | \$ 55,814 | \$ 56,985 |
| 212 | Distribution load dispatching | 401-871 | - | - | - |
| 213 | Compressor station labor and expenses | 401-872 | - | - | - |
| 214 | Compressor station fuel and power | 401-873 | - | - | - |
| 215 | Mains and services expenses | 401-874 | 77,611 | 70,385 | 82,618 |
| 216 | Measuring and regulating station expenses - general | 401-875 | 3,731 | 4,035 | 3,464 |
| 217 | Measuring and regulating station expenses - industrial | 401-876 | - | - | - |
| 218 | Measuring and regulating station expenses - city gate check station | 401-877 | - | - | - |
| 219 | Meter and house regulator expense | 401-878 | 16,727 | 50,934 | 55,311 |
| 220 | Customer installations expense | 401-879 | 20,147 | 18,958 | 18,820 |
| 221 | Other expenses | 401-880 | 1,710 | - | - |
| 222 | Rents | 401-881 | 325 | 575 | 325 |
| 223 | Total Operation | | \$ 157,563 | \$ 200,700 | \$ 217,523 |

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Comparative Income Statement
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| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|-------------|--|-------------------|--------------------------------|--------------------------------|-------------------------------|
| 224 | DISTRIBUTION EXPENSES (Continued) | | | | |
| 225 | MAINTENANCE | | | | |
| 226 | Maintenance supervision and engineering | 402-885 | \$ - | \$ - | \$ 2,099 |
| 227 | Maintenance of structures and improvements | 402-886 | 12,783 | 2,017 | 1,048 |
| 228 | Maintenance of mains | 402-887 | 41,000 | 125,806 | 89,809 |
| 229 | Maintenance of compressor station equipment | 402-888 | - | - | - |
| 230 | Maintenance of measuring and regulating station equipment - general | 402-889 | 945 | 8,322 | 8,445 |
| 231 | Maintenance of measuring and regulating station equipment - industrial | 402-890 | - | 5,238 | 4,542 |
| 232 | Maintenance of measuring and regulating station equipment - city gate check stations | 402-891 | 449 | 1,610 | 699 |
| 233 | Maintenance of service | 402-892 | 48,138 | 52,060 | 12,754 |
| 234 | Maintenance of meters and house regulators | 402-893 | 29,559 | 18,217 | 42,317 |
| 235 | Maintenance of other equipment | 402-894 | 2,134 | 1,912 | 1,868 |
| 236 | Total Maintenance | | <u>\$ 135,008</u> | <u>\$ 215,182</u> | <u>\$ 163,580</u> |
| 237 | Total Distribution Expenses | | <u>\$ 292,571</u> | <u>\$ 415,882</u> | <u>\$ 381,102</u> |
| 238 | <u>CUSTOMER ACCOUNTS EXPENSE</u> | | | | |
| 239 | Supervision | 401-901 | \$ - | \$ 4,803 | \$ 6,063 |
| 240 | Meter reading expense | 401-902 | 13,821 | 13,030 | 12,407 |
| 241 | Customer records and collection expenses | 401-903 | 85,134 | 94,731 | 90,738 |
| 242 | Uncollectible accounts | 401-904 | - | (3,373) | (3,184) |
| 243 | Miscellaneous customer accounts expenses | 401-905 | 3,053 | 2,519 | 1,507 |
| 244 | Billing | 401-907 | 61,977 | 67,585 | 43,050 |
| 245 | Total Customer Accounts Expenses | | <u>\$ 163,985</u> | <u>\$ 179,294</u> | <u>\$ 150,581</u> |

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Comparative Income Statement
For the Twelve Months Ending December 31, 2022 and June 30, 2024

| Line Number | Description | Account Number(s) | Twelve Months Ended 12/31/2022 | Twelve Months Ended 12/31/2023 | Twelve Months Ended 6/30/2024 |
|----------------|---|----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 246 | CUSTOMER SERVICE EXPENSES | | | | |
| 247 | Supervision | 401-909 | \$ - | \$ - | \$ - |
| 248 | Customer assistance expenses | 401-910 | - | - | - |
| 249 | Informational advertising exps | 401-911 | - | - | - |
| 250 | Miscellaneous customer service expenses | 401-912 | - | - | - |
| 251 | Total Customer Service Expenses | | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> |
| 252 | SALES PROMOTION EXPENSES | | | | |
| 253 | M and J Work Reimbursement | 401-914 | \$ (3,216) | \$ - | \$ - |
| 254 | M and J Work Expenses | 401-915 | - | - | - |
| 255 | Promotional advertising exps. | 401-917 | - | - | - |
| 256 | Miscellaneous promotion exps. | 401-918 | - | - | - |
| 257 | Total Sales Promotion Expenses | | <u>\$ (3,216)</u> | <u>\$ -</u> | <u>\$ -</u> |
| 258 | ADMINISTRATIVE AND GENERAL EXPENSES | | | | |
| 259 | OPERATION | | | | |
| 260 | Administrative and general salaries | 920-001 - 920-002 | \$ 18,415 | \$ 33,455 | \$ 33,803 |
| 261 | Office supplies and expenses | 921-001 - 921-023 | 16,871 | 31,869 | 29,772 |
| 262 | Utility services expense | 922-100 | 12,743 | 12,207 | 16,278 |
| 263 | Outside service employed | 923-001 | 231,752 | 92,858 | 60,540 |
| 264 | Property insurance | 924-001 | 1,527 | 1,929 | 1,929 |
| 265 | Injuries and damages | 925-001 - 925-004 | 26,178 | 20,303 | 19,896 |
| 266 | Employee pensions and benefits | 926-001 - 926-026 | 183,825 | 274,153 | 226,676 |
| 267 | Franchise requirements | 927-001 | - | - | - |
| 268 | Regulating commission expenses | 928-000 | 102,049 | 72,963 | 44,869 |
| 269 | Duplicate charges - credit | 929-001 | - | - | - |
| 270 | General advertising expense | 930-001 | 3,182 | 1,448 | 1,608 |
| 271 | Miscellaneous general expenses | 930-002 | 2,894 | 2,362 | 2,263 |
| 272 | Rents | 931-001 | - | - | - |
| 273 | Total Operation | | <u>\$ 599,434</u> | <u>\$ 543,547</u> | <u>\$ 437,634</u> |
| 274 | MAINTENANCE | | | | |
| 275 | Maintenance of general office and property | 932-001 | \$ - | \$ 3,108 | \$ 4,929 |
| 276 | Total Operation and Maintenance Expenses | | <u>\$ 599,434</u> | <u>\$ 546,656</u> | <u>\$ 442,564</u> |

South Eastern Indiana Natural Gas Company, Inc.
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Schedule of Present and Proposed Rates

| Line Number | Description | Column A | Column B | Column C | Column D | Column E | Column F |
|-------------|---|-------------------|-------------|------------------------|----------------|-----------------|------------------|
| | | Present Rates (1) | Roll-In (2) | Adjusted Present Rates | Proposed Rates | Increase Amount | Increase Percent |
| 1 | Rate RS - Residential Sales Service | | | | | | |
| 2 | Customer Charge | \$ 12.33 | \$ - | \$ 12.33 | \$ 14.50 | \$ 2.17 | 17.6% |
| 3 | First 51 therms per month | \$ 0.62747 | \$ - | \$ 0.62747 | #REF! | #REF! | #REF! |
| 4 | Over 51 therms per month | 0.43775 | - | 0.43775 | #REF! | #REF! | #REF! |
| 5 | Rate GS - General Sales Service | | | | | | |
| 6 | Customer Charge - Meter Size 250 cfh and below | \$ 12.33 | \$ - | \$ 12.33 | \$ 14.50 | \$ 2.17 | 17.6% |
| 7 | Customer Charge - Meter Size 251 cfh to 800 cfh | 22.76 | - | 22.76 | 26.76 | 4.00 | 17.6% |
| 8 | Customer Charge - Meter Size greater than 801 cfh | 75.89 | - | 75.89 | 89.24 | 13.35 | 17.6% |
| 9 | First 51 therms per month | \$ 0.51993 | \$ - | \$ 0.51993 | #REF! | #REF! | #REF! |
| 10 | Next 205 therms per month | 0.36753 | - | 0.36753 | #REF! | #REF! | #REF! |
| 11 | Over 256 therms per month | 0.28443 | - | 0.28443 | #REF! | #REF! | #REF! |
| 12 | Rate STS - School Transportation Service | | | | | | |
| 13 | Customer Charge - Meter Size 250 cfh and below | \$ 12.33 | \$ - | \$ 12.33 | \$ 14.50 | \$ 2.17 | 17.6% |
| 14 | Customer Charge - Meter Size 251 cfh to 800 cfh | 22.76 | - | 22.76 | 26.76 | 4.00 | 17.6% |
| 15 | Customer Charge - Meter Size greater than 801 cfh | 75.89 | - | 75.89 | 89.24 | 13.35 | 17.6% |
| 16 | First 51 therms per month | \$ 0.51993 | \$ - | \$ 0.51993 | #REF! | #REF! | #REF! |
| 17 | Next 205 therms per month | 0.36753 | - | 0.36753 | #REF! | #REF! | #REF! |
| 18 | Over 256 therms per month | 0.28443 | - | 0.28443 | #REF! | #REF! | #REF! |
| 19 | Monitoring Charge - per meter: | \$ 40.55 | \$ - | \$ 40.55 | \$ 50.39 | \$ 9.84 | 24.3% |

Note: Rates per Settlement Agreement.

Note: Calculated Rates to keep overall increase at 23.87% (Page 27, Column H, Line 6).

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Schedule of Present and Proposed Rates

| Line Number | Description | Column A Test Year Present Rates as of 12/31/2023 | Column B Pro Forma Adjustments Made | Column C Adjustment Reference Number | Column D Pro Forma Present Rates as of 12/31/2023 | Column E Adjustment for Proposed Rates | Column F Proposed Rates Reference Number | Column G Pro Forma Proposed Rates | Column H Pro Forma Increase Percent |
|-------------|-------------------------------------|--|--|---|--|---|---|--|--|
| 1 | OPERATING REVENUES | | | | | | | | |
| 2 | Sales of gas | \$ 2,051,384 | \$ (811,554) | (1), (2) | \$ 1,239,830 | \$ 300,787 | (A) | \$ 1,540,617 | 24.26% |
| 3 | Other operating revenues | 20,438 | | | 20,438 | | | 20,438 | 0.00% |
| 4 | Other operating revenues | | | | - | | | - | 0.00% |
| 5 | Other operating revenues | | | | - | | | - | 0.00% |
| 6 | Total Operating Revenues | <u>\$ 2,071,822</u> | <u>\$ (811,554)</u> | | <u>\$ 1,260,268</u> | <u>\$ 300,787</u> | | <u>\$ 1,561,055</u> | <u>23.87%</u> |
| 7 | OPERATING EXPENSES | | | | | | | | |
| 8 | Purchased gas costs | \$ 1,373,880 | \$ (1,373,880) | (3) | \$ - | | | \$ - | 0.00% |
| 9 | Distribution expense | 415,882 | (10,702) | (4), (5), (6), (10) | 405,180 | | | 405,180 | 0.00% |
| 10 | Customer expense | 179,294 | (35,304) | (5), (6), (10) | 143,990 | | | 143,990 | 0.00% |
| 11 | Sales expense | - | - | | - | | | - | 0.00% |
| 12 | Administrative and general expense | 546,656 | (23,184) | (7, 7a, 7b, 8, 16) | 523,472 | - | (B) | 523,472 | 0.00% |
| 13 | Depreciation expense | 153,071 | 2,727 | (15) | 155,798 | | | 155,798 | 0.00% |
| 14 | General taxes other than income tax | 36,086 | 6,293 | (9), (11), (12) | 42,379 | 451 | (B), (C), (D) | 42,830 | 1.06% |
| 15 | State and federal income tax | (166,227) | 152,228 | (13), (14) | (13,999) | 74,696 | (E), (F) | 60,697 | -533.58% |
| 16 | Deferred income tax | 6,761 | - | | 6,761 | | | 6,761 | 0.00% |
| 17 | Other items | 3,196 | (3,196) | (16) | - | | | - | 0.00% |
| 18 | Total Operating Expenses | <u>\$ 2,548,599</u> | <u>\$ (1,285,019)</u> | | <u>\$ 1,263,580</u> | <u>\$ 75,147</u> | | <u>\$ 1,338,727</u> | <u>5.95%</u> |
| 19 | Net Operating Income (Loss) | <u>\$ (476,777)</u> | <u>\$ 473,465</u> | | <u>\$ (3,312)</u> | <u>\$ 225,640</u> | | <u>\$ 222,328</u> | <u>-6811.97%</u> |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Test Year Sales to Reflect Normalized Sales Volume due to Abnormal Test Year Weather

NOTE: ADJUSTMENT NOT USED DUE TO NORMAL TEMPERATURE ADJUSTMENT IN USE

| Line Number | Description | Residential Heat Column A | Small Com. Heat Column B | Large Com. Heat Column C | Grand Total Column D |
|---|--|---------------------------|--------------------------|--------------------------|----------------------|
| 1 | Sales Volume: June (A) | 1,352.373 | 995.625 | 1,584.677 | 3,932.675 |
| 2 | July (A) | 904.820 | 721.564 | 1,452.172 | 3,078.556 |
| 3 | August (A) | 960.296 | 755.775 | 1,342.373 | 3,058.444 |
| 4 | Total Sales Volume for Base Load Months: | 3,217.489 | 2,472.964 | 4,379.222 | 10,069.675 |
| 5 | Annualize (x4) | x 4 | x 4 | x 4 | x 4 |
| 6 | Base load | 12,869.956 | 9,891.856 | 17,516.888 | 40,278.700 |
| 7 | Annual sales per class | 99,212.077 | 39,238.052 | 43,350.742 | 181,800.871 |
| 8 | Less: base load | 12,869.956 | 9,891.856 | 17,516.888 | 40,278.700 |
| 9 | Heat sensitive sales | 86,342.121 | 29,346.196 | 25,833.854 | 141,522.171 |
| 10 | Divide by percent from normal -19.30% | (447,374.441) | (152,054.847) | (133,855.943) | (733,285.231) |
| 11 | Normal test year sales (Line 8 + Line 10) | (434,504.485) | (142,162.991) | (116,339.055) | (693,006.531) |
| 12 | Normal Sales (Line 11) | (434,504.485) | (142,162.991) | (116,339.055) | (693,006.531) |
| 13 | Less: Test Year Sales (Line 7) | 99,212.077 | 39,238.052 | 43,350.742 | 181,800.871 |
| 14 | Total difference from normal | (533,716.562) | (181,401.043) | (159,689.797) | (874,807.402) |
| 15 | Times rate (B) | \$ 0.62747 | \$ 0.51993 | \$ 0.51933 | |
| 16 | Adjustment to revenue | \$ (334,891) | \$ (94,316) | \$ (82,932) | \$ (512,139) |
| 17 | Adjustment to Use to revenue | \$ - | \$ - | \$ - | \$ - |
| DETERMINATION OF PERCENT FROM NORMAL | | | | | |
| 18 | Test year actual degree days | | 3,969 | (C) | |
| 19 | - 30 year normal degree days | | 4,918 | (C) | |
| 20 | Percent from normal | | -19.30% | | |

- (A) Monthly volume should be selected by choosing the lowest three consecutive months sales volume as they are related to sales sales revenues booked.
- (B) The rate(s) applied here would be the last most used rate step from the base rate schedule. Some analysis is necessary; do not include tracking rates here.
Degree Day information obtained at <https://www.climate-zone.com/climate/united-states/ohio/greater-cincinnati-airport/#:~:text=Days%20with%20Min%20Temp%20Below%20Freezing%2C%2026.0%2C,0.0%2C%200.0%2C%2051.0%2C%20327%2C%20621%2C%20977%2C%205248.>
- (C) 621%2C%20977%2C%205248.

Note: This adjustment is not used due to the Normal Temperature Adjustment (NTA) in use.

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Weather Normalized (NTA) Sales Adjustment

| Line Number | Month | NOAA Average 1981-2010 for Cincinnati | | | | NOAA Average 1991-2020 for Cincinnati | | | | |
|-------------|----------------|---------------------------------------|-----------------|--------------|------------------------|---------------------------------------|-----------------|--------------|------------------------|---------------|
| | | Actual NOAA Days | 30 Year Average | Variance | Percentage of Variance | Actual NOAA Days | 30 Year Average | Variance | Percentage of Variance | |
| 1 | January | 820 | 1,058 | (238) | -22.50% | January | 820 | 1,043 | (223) | -21.38% |
| 2 | February | 631 | 855 | (224) | -26.20% | February | 631 | 847 | (216) | -25.50% |
| 3 | March | 656 | 666 | (10) | -1.50% | March | 656 | 665 | (9) | -1.35% |
| 4 | April | 326 | 341 | (15) | -4.40% | April | 326 | 328 | (2) | -0.61% |
| 5 | May | - | - | - | 0.00% | May | - | - | - | 0.00% |
| 6 | June | - | - | - | 0.00% | June | - | - | - | 0.00% |
| 7 | July | - | - | - | 0.00% | July | - | - | - | 0.00% |
| 8 | August | - | - | - | 0.00% | August | - | - | - | 0.00% |
| 9 | September | - | - | - | 0.00% | September | - | - | - | 0.00% |
| 10 | October | 283 | 304 | (21) | -6.91% | October | 283 | 296 | (13) | -4.39% |
| 11 | November | 603 | 598 | 5 | 0.84% | November | 603 | 617 | (14) | -2.27% |
| 12 | December | 941 | 958 | (17) | -1.77% | December | 941 | 911 | 30 | 3.29% |
| 13 | | | | | | | | | | |
| 14 | Totals: | <u>4,260</u> | <u>4,780</u> | <u>(520)</u> | <u>-10.88%</u> | Totals: | <u>4,260</u> | <u>4,707</u> | <u>(447)</u> | <u>-9.50%</u> |

| Line Number | Month | Difference in Weather Multiplied by Dth Sales Less Baseload | | | Difference in Weather Multiplied by Dth Sales Less Baseload | | | |
|-------------|----------------|---|--------------------|--------------------------|---|--------------------|--------------------------|----------------|
| | | Residential Sales (RS) | General Sales (GS) | General Sales-Large (GS) | Residential Sales (RS) | General Sales (GS) | General Sales-Large (GS) | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | | | |
| 19 | | | | | | | | |
| 20 | January | (5,053) | (1,935) | (1,444) | January | (4,801) | (1,838) | (1,373) |
| 21 | February | (4,379) | (1,587) | (1,253) | February | (4,262) | (1,544) | (1,219) |
| 22 | March | (225) | (76) | (81) | March | (203) | (68) | (73) |
| 23 | April | (271) | (82) | (109) | April | (38) | (11) | (15) |
| 24 | May | - | - | - | May | - | - | - |
| 25 | June | - | - | - | June | - | - | - |
| 26 | July | - | - | - | July | - | - | - |
| 27 | August | - | - | - | August | - | - | - |
| 28 | September | - | - | - | September | - | - | - |
| 29 | October | (167) | (37) | (37) | October | (106) | (24) | (24) |
| 30 | November | 51 | 16 | 12 | November | (138) | (43) | (33) |
| 31 | December | (271) | (91) | (73) | December | 503 | 168 | 135 |
| 32 | | | | | | | | |
| 33 | Totals: | <u>(10,314)</u> | <u>(3,791)</u> | <u>(2,986)</u> | Totals: | <u>(9,044)</u> | <u>(3,361)</u> | <u>(2,602)</u> |

| Line Number | Month | Baseload Sales | | |
|-------------|-------------------------|------------------------|--------------------|--------------------------|
| | | Residential Sales (RS) | General Sales (GS) | General Sales-Large (GS) |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | July | 919 | 900 | 1,452 |
| 40 | August | 968 | 940 | 1,342 |
| 41 | Totals: | <u>1,888</u> | <u>1,840</u> | <u>2,795</u> |
| 42 | | | | |
| 43 | Monthly Average: | <u>944</u> | <u>920</u> | <u>1,397</u> |

| Line Number | Month | Dth Sales Less Baseload | | | Impact of 30 Year Average Change on Sales | | | |
|-------------|----------------|-------------------------|--------------------|--------------------------|---|--------------------|--------------------------|-----------------|
| | | Residential Sales (RS) | General Sales (GS) | General Sales-Large (GS) | Residential Sales (RS) | General Sales (GS) | General Sales-Large (GS) | |
| 44 | | | | | | | | |
| 45 | | | | | | | | |
| 46 | | | | | | | | |
| 47 | | | | | | | | |
| 48 | | | | | | | | |
| 49 | January | 22,457 | 8,598 | 6,420 | January | 252 | 96 | 72 |
| 50 | February | 16,712 | 6,056 | 4,782 | February | 117 | 42 | 33 |
| 51 | March | 15,020 | 5,074 | 5,418 | March | 23 | 8 | 8 |
| 52 | April | 6,150 | 1,855 | 2,485 | April | 233 | 70 | 94 |
| 53 | May | - | - | - | May | - | - | - |
| 54 | June | - | - | - | June | - | - | - |
| 55 | July | - | - | - | July | - | - | - |
| 56 | August | - | - | - | August | - | - | - |
| 57 | September | - | - | - | September | - | - | - |
| 58 | October | 2,423 | 539 | 538 | October | 61 | 14 | 14 |
| 59 | November | 6,069 | 1,891 | 1,461 | November | (189) | (59) | (45) |
| 60 | December | 15,297 | 5,118 | 4,115 | December | 774 | 259 | 208 |
| 61 | | | | | | | | |
| 62 | Totals: | <u>84,127</u> | <u>29,131</u> | <u>25,219</u> | Total Therms: | <u>1,270</u> | <u>430</u> | <u>384</u> |
| 63 | | | | | Rate/Dth: | <u>4.3775</u> | <u>2.8443</u> | <u>2.8443</u> |
| 64 | | | | | Impact by Category: | <u>\$ 5,561</u> | <u>\$ 1,224</u> | <u>\$ 1,092</u> |
| 65 | | | | | | | | |
| 66 | | | | | Total Adjustment: | | | <u>\$ 7,877</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Normalization Adjustments

| Line Number | Description | | | | |
|-------------|--|--------------|------------------|-------------|------------------------------|
| 1 | Energy Efficiency Rider Refunded in Test Year: | | | | |
| 2 | | <u>Month</u> | <u>Customers</u> | <u>Rate</u> | <u>Revenue</u> |
| 3 | | | | | |
| 4 | January | | 1,855 | \$ (0.83) | \$ (1,539.65) |
| 5 | February | | 1,846 | (0.83) | (1,532.18) |
| 6 | March | | 1,865 | (0.83) | (1,547.95) |
| 7 | April | | 1,844 | (0.83) | (1,530.52) |
| 8 | May | | 1,846 | (0.83) | (1,532.18) |
| 9 | June | | 1,814 | (0.83) | (1,505.62) |
| 10 | July | | 1,806 | (0.83) | (1,498.98) |
| 11 | August | | 1,802 | (0.83) | (1,495.66) |
| 12 | September | | 1,806 | (0.83) | (1,498.98) |
| 13 | October | | 1,836 | (0.83) | (1,523.88) |
| 14 | November | | 1,835 | (0.83) | (1,523.05) |
| 15 | December | | 1,850 | (0.54) | (999.00) |
| 16 | Totals: | | | | <u>\$ (17,727.65)</u> |
| 17 | Rate Case Expense Collected in Test Year: | | | | |
| 18 | | <u>Month</u> | | | <u>Revenue</u> |
| 19 | | | | | |
| 20 | January | | | | \$ 3,875.00 |
| 21 | February | | | | 3,875.00 |
| 22 | March | | | | 3,875.00 |
| 23 | April | | | | 3,875.00 |
| 24 | May | | | | 3,875.00 |
| 25 | June | | | | 3,875.00 |
| 26 | July | | | | 3,875.00 |
| 27 | August | | | | 3,875.00 |
| 28 | September | | | | 3,875.00 |
| 29 | October | | | | - |
| 30 | November | | | | - |
| 31 | December | | | | - |
| 32 | Totals: | | | | <u>\$ 34,875.00</u> |
| 33 | Total Normalization Adjustment | | | | <u><u>\$ (17,147.35)</u></u> |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Operating Revenues to Reflect Normalized Revenue from Tracking

| Line Number | Description | Totals | Notes |
|----------------|--|-----------------------|-------|
| 1 | Adjusted cost of purchased gas | \$ - | (A) |
| 2 | Adjustment (if needed) | (654,784) | |
| 3 | Less: Unaccounted for gas | <u>5,130</u> | (B) |
| 4 | Net cost of gas | <u>\$ 649,654</u> | |
| 5 | Less: Demand cost | <u>-</u> | |
| 6 | Commodity cost (Line 4 - Line 5) | <u>\$ 649,654</u> | |
| 7 | Adjusted Present Rate Sales of Gas (Line 6 less Page 27, Line 2, Column A) | \$ (1,401,730) | |
| 8 | Add: Demand cost/unit sold | <u>-</u> | |
| 9 | Adjusted Present Rate Sales (Line 7 plus Line 8) | \$ (1,401,730) | |
| 10 | Less: Base cost of gas from last rate case | <u>-</u> | |
| 11 | Total Adjusted Present Rate Pro Forma base cost of gas: | <u>\$ (1,401,730)</u> | |
| 12 | Adjusted GCA rate (December, 2023 GCA Factor) | \$ 3.2535 | |
| 13 | Times sales volume (Page 30, Line 1) | 184,246.564 | |
| 14 | Pro-forma annual GCA revenue (Line 12 Times Line 13) | \$ 599,446 | |
| 15 | Less: Test year tracking revenue | <u>0</u> | (C) |
| 16 | Total Pro Forma Annual GCA Revenue (Line 14 Plus Line 15) | <u>\$ 599,446</u> | |
| 17 | Total Gas Revenue Adjustment (Line 11 Plus Line 16): | <u>\$ (802,284)</u> | |

Notes:

- (A) This total should be zero, unless other pro forma adjustments are made.
 (B) Should be the same volume used in Page 30, Line 5, Purchased Gas Adjustment.
 (C) This figure reflects the tracking revenues for the test year as billed to the customers.

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Purchased Natural Gas to Reflect Degree Day Normalization
 and Annualized Current Costs

| Line Number | Description | Totals | Grand Totals | Note |
|-------------|--|--------------------|-----------------------|------|
| 1 | Sales of gas for test year - Therms | 184,246.564 | | (A) |
| 2 | Add: Results from Adjustment (Page 28), Column D, Line 14 | - | | |
| 3 | Net storage activity | 65,004.000 | | |
| 4 | Company use | 77.309 | | (B) |
| 5 | Unaccounted for gas | <u>1,252.000</u> | | |
| 6 | Pro Forma Volume Purchased | <u>250,579.873</u> | | |
| 7 | Total Pro Forma Cost of Purchased Gas (reduced to zero) | <u>\$ -</u> | \$ - | |
| 8 | Less: Test Year Purchased Gas | | <u>1,373,880</u> | |
| 9 | Total Adjustment to Natural Gas Purchase - Increase/(Decrease) | | <u>\$ (1,373,880)</u> | |

Note:

- (A) Actual total test year sales of gas that is consistent with booked revenues.
- (B) Usage as per South Eastern Indiana Natural Gas calculations of company uses for January-December 2023.

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Operation and Maintenance Expense for the Annualization
 of Payroll Wage Increase and Pension Contribution for Salaried Employees

| Line Number | Salaried Employee Title | Column A Proposed Salary | Column B Test Year Salary | Column C Difference (Col. A - Col. B) | Column D Percent Expensed | Column E Adjustment (Col. C X Col. D) |
|----------------|-------------------------|--------------------------------|---------------------------------|---|---------------------------------|---|
| 1 | Superintendent | \$ 96,400 | \$ 69,870 | \$ 26,530 | 85.00% | \$ 22,551 |
| 2 | | | | - | 0.00% | - |
| 3 | | | | - | 0.00% | - |
| 4 | Totals: | <u>\$ 96,400</u> | <u>\$ 69,870</u> | <u>\$ 26,530</u> | | <u>\$ 22,551</u> |
| 5 | | | | Distribution Expense Portion: | | <u>100.00%</u> |

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Operation and Maintenance Expense for the Annualization
 of Payroll Wage Increase for Hourly Paid Employees

| Line Number | Hourly Employee Title | Column A Test Year Regular Hours | Column B Test Year OT Hours | Column C Test Year Regular Rate | Column D Test Year OT Rate | Column E Proposed Regular Hours | Column F Proposed OT Hours | Column G Proposed Regular Rate | Column H Proposed OT Rate | Column I Proposed Wages (Col. E X Col. G) | Column J OT Wages (Col. F X Col. H) | Column K Total Wages (Col. I + Col. J) | Column L Test Year Wages | Column M Difference (Col. K - Col. L) | Column N Percent Expensed | Column O (1) Adjustment (Col. M X Col. N) |
|-------------|---|--|-----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|--------------------------------------|---------------------------------|---|---|--|--------------------------------|---|---------------------------------|---|
| 1 | Field Staff | 1,606.50 | 77.00 | \$ 33.43 | \$ 50.15 | 2,080.00 | 65.00 | \$ 33.43 | \$ 50.15 | \$ 69,534 | \$ 3,259 | \$ 72,793 | \$ 57,566 | \$ 15,227 | 94.00% | \$ 14,313 |
| 2 | Field Staff | 1,796.00 | 48.00 | 23.58 | 35.37 | - | - | - | - | - | - | - | 44,047 | (44,047) | 94.00% | (41,405) |
| 3 | Field Staff | 224.00 | 14.00 | 27.79 | 41.69 | 2,080.00 | 65.00 | 27.81 | 41.72 | 57,845 | 2,711 | 60,556 | 6,809 | 53,747 | 94.00% | 50,523 |
| 4 | Field Staff | 1,269.00 | 62.00 | 26.18 | 39.27 | 2,080.00 | 65.00 | 25.00 | 37.50 | 52,000 | 2,438 | 54,438 | 35,657 | 18,781 | 94.00% | 17,654 |
| 5 | Field Staff | 702.00 | - | 33.45 | 50.18 | - | - | - | - | - | - | - | 23,482 | (23,482) | 94.00% | (22,073) |
| 6 | Superintendent Adjust. | - | - | - | - | - | - | - | - | - | - | - | 27,616 | (27,616) | 94.00% | (25,959) |
| 7 | Customer Service | 2,080.00 | 266.00 | 33.88 | 50.82 | 2,080.00 | 100.00 | 24.00 | 36.00 | 49,920 | 3,600 | 53,520 | 83,989 | (30,469) | 94.00% | (28,640) |
| 8 | Customer Service | 2,078.00 | 91.25 | 22.43 | 33.65 | 2,080.00 | 90.00 | 24.72 | 37.08 | 51,418 | 3,337 | 54,755 | 49,680 | 5,075 | 94.00% | 4,771 |
| 9 | Customer Service | 1,091.50 | - | 13.30 | 19.95 | 1,040.00 | - | 13.88 | 20.82 | 14,435 | - | 14,435 | 14,517 | (82) | 94.00% | (77) |
| 10 | Totals | <u>10,847.00</u> | <u>558.25</u> | | | <u>11,440.00</u> | <u>385.00</u> | | | <u>\$ 295,152</u> | <u>\$ 15,345</u> | <u>\$ 310,497</u> | <u>\$ 343,363</u> | <u>\$ (32,866)</u> | | <u>\$ (30,893)</u> |
| 11 | Distribute to various expense categories in same proportion as test year. | | | | | | | | | | | 60.48% | \$ 195,178 | \$ (7,391) | | \$ (6,947) |
| 12 | | | | | | | | | | | | 39.52% | 148,185 | (25,475) | | (23,946) |
| 13 | | | | | | | | | | | | 100.00% | \$ 343,363 | \$ (32,866) | | \$ (30,893) |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Operation and Maintenance Expense for 401(k) Contribution and Health Insurance

| Line Number | Description | Totals | Grand Totals |
|----------------|--|----------------|--------------------|
| 1 | <u>401(k) Expense Adjustment:</u> | | |
| 2 | Pro Forma Wage Adjustment for Salaried and Hourly Employees | \$ (8,342) | |
| 3 | Employer 401(k) Contribution Percentage | 6.00% | |
| 4 | Pro Forma Adjustment to 401(k) Expense - Increase/(Decrease) | | <u>\$ (501)</u> |
| 5 | Total Pro Forma Adjustment to 401(k) Expense - Increase/(Decrease) | | <u>\$ (501)</u> |
| 6 | <u>Health Insurance Expense Adjustment:</u> | | |
| 7 | Pro Forma Health Insurance Expense | \$ 91,880 | |
| 8 | Test Year Health Insurance Expense | <u>128,405</u> | |
| 9 | Total Adjustment to Health Insurance Expense - Increase/(Decrease) | | <u>\$ (36,525)</u> |
| 10 | Total Adjustment - 401(k) and Health Insurance Expense: | | <u>\$ (37,026)</u> |
| 11 | <u>Distribution to Proper Expense Categories:</u> | | |
| 12 | Distribution Expense Portion (salaried and hourly employees): | 69.84% | \$ (25,860) |
| 13 | Customer Expense Portion (hourly employees): | <u>30.16%</u> | <u>(11,166)</u> |
| 14 | | <u>100.00%</u> | <u>\$ (37,026)</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Operating Revenues for Amortization of Rate Case Expense

| Line Number | Description | Totals | Grand Total |
|-------------|--|-------------------------|--------------------|
| 1 | Legal fees | \$ 40,000 | |
| 2 | HG4 Accountant - Rate Case Preparation | 8,200 | |
| 3 | Engineering fees | - | |
| 4 | Consultant - Rate Case Preparation | 35,000 | |
| 5 | Other | - | |
| 6 | | Total: \$ 83,200 | |
| 7 | Divide by three (3) years | 3.0 | |
| 8 | Annual amortization | <u>\$ 27,733</u> | |
| 9 | Less: Test year expense | <u>\$ 42,549</u> | |
| 10 | | Adjustment: | <u>\$ (14,816)</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Miscellaneous General Expenses

| Line Number | Description | Month/ Year | General Ledger Account | Amount Per Petitioner's General Ledger | Total Deemed Non-Recoverable by OUCC | Amount Deemed Non-Recoverable By South Eastern |
|-------------|---|----------------|------------------------|--|--|--|
| 1 | Retirement Gift for Fred | Feb-23 | 921-002 | \$ 270 | \$ (270) | (270) |
| 2 | Jay C | Jan-23 | 921-003 | 72 | (72) | (72) |
| 3 | Jay C | Mar-23 | 921-003 | 40 | (40) | (40) |
| 4 | Amazon (Grill Access.) | Mar-23 | 921-003 | 27 | (27) | (27) |
| 5 | Amazon (Grill) | Feb-23 | 921-003 | 352 | (352) | (352) |
| 6 | Amazon (Grill Seasoning) | Feb-23 | 921-003 | 11 | (11) | (11) |
| 7 | Lowes (Christmas Décor.) | Nov-23 | 921-003 | 181 | (181) | (181) |
| 8 | Arby's | Jan-23 | 921-021 | 26 | (26) | - |
| 9 | Cracker Barrel | Nov-23 | 921-021 | 33 | (33) | - |
| 10 | Nickelos Pizza | Nov-23 | 921-021 | 11 | (11) | - |
| 11 | Burger King | Dec-23 | 921-021 | 10 | (10) | - |
| 12 | A&B Café | Nov-23 | 921-021 | 43 | (43) | - |
| 13 | Hoppy's Pub & Grill | Dec-23 | 921-021 | 14 | (14) | - |
| 14 | Team Lunch | Jan-23 | 921-021 | 44 | (44) | - |
| 15 | Alejandra's Mexican | Mar-23 | 926-007 | 32 | (32) | - |
| 16 | Jay C | Apr-23 | 926-007 | 31 | (31) | (31) |
| 17 | The Reservation Restaurant | Apr-23 | 926-007 | 26 | (26) | - |
| 18 | The Reservation Restaurant | May-23 | 926-007 | 28 | (28) | - |
| 19 | Jay C | Jun-23 | 926-007 | 64 | (64) | (64) |
| 20 | The Reservation Restaurant | Jul-23 | 926-007 | 36 | (36) | - |
| 21 | The Reservation Restaurant | Aug-23 | 926-007 | 44 | (44) | - |
| 22 | Nickelos Pizza | Aug-23 | 926-007 | 56 | (56) | - |
| 23 | Nickelos Pizza | Aug-23 | 926-007 | 39 | (39) | - |
| 24 | The Reservation Restaurant | Sep-23 | 926-007 | 47 | (47) | - |
| 25 | Nickelos Pizza | Dec-23 | 926-007 | 48 | (48) | - |
| 26 | Nickelos Pizza | Dec-23 | 926-007 | 59 | (59) | - |
| 27 | Donation (Milan County Schools) | Apr-23 | 930-001 | 75 | (75) | (75) |
| 28 | Donation (Milan Cares) | May-23 | 930-001 | 100 | (100) | (100) |
| 29 | Tri-Kappa Hole Sponsorship | May-23 | 930-001 | 50 | (50) | (50) |
| 30 | Ripley County Chamber Dinner | Oct-23 | 930-001 | 120 | (120) | - |
| 31 | Military Holiday Packages | Nov-23 | 930-001 | 268 | (268) | (268) |
| 32 | 2024 Calendar Advert. | Dec-23 | 930-001 | 305 | (305) | - |
| 33 | Universal Avert. Assoc. | May-23 | 930-001 | 410 | (410) | (410) |
| 34 | Military Holiday Packages | Dec-23 | 930-002 | 450 | (450) | (450) |
| 35 | Ripley County Chamber Seminar | Sep-23 | 930-002 | 169 | (169) | - |
| 36 | | | | | | |
| 37 | Total Adjustment Proposed by OUCC and South Eastern: | | | <u>\$ 3,588</u> | <u>\$ (3,588)</u> | <u>\$ (2,399)</u> |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Other Operations and Maintenance Expense for Energy Efficiency Rebates

| <u>Line Number</u> | <u>Description</u> | <u>Totals</u> | <u>Grand Total</u> |
|--------------------|---|---------------|--------------------|
| 1 | Annual Energy Efficiency Rebates for NTA Program (Cause No. 43103) | \$ 3,100 | \$ 3,100 |
| 2 | Total Energy Efficiency Rebate Adjustment - O&M Expense: | | <u>\$ (3,100)</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Operating Revenues for Pro Forma Insurance Expense

| Line Number | Type of Insurance | Column A | Column B | Column C |
|----------------|---|------------------|----------------------|---------------------------------|
| | | Current Cost | Test Year Expense | Adjustment (Col. B - Col. A) |
| 1 | Workman's Compensation | \$ 5,561 | | |
| 2 | Liability | 3,665 | | |
| 3 | Comprehensive | 2,520 | | |
| 4 | Property | 1,929 | | |
| 5 | Vehicle | 3,314 | | |
| 6 | Other - Umbrella Coverage | 2,769 | | |
| 7 | Total Current Insurance Expense: | <u>\$ 19,757</u> | | |
| 8 | Less: Test Year Insurance Expense: | | <u>\$ 19,282</u> | |
| 9 | Pro Forma Adjustment - Insurance Expense: | | | <u><u>\$ 475</u></u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of IURC Fee to Reflect Adjustments to Revenue

| Line Number | Description | Totals | Grand Total |
|-------------|---|---------------------|-------------------|
| 1 | Applicable Revenues at Present Rates | \$ 2,062,552 | |
| 2 | Less: Forfeited Discounts | (11,483) | |
| 3 | Less: Miscellaneous Service Revenue | (8,955) | |
| 4 | Less: Bad Debt Expense | 3,184 | |
| 5 | Pro Forma Revenues Subject to IURC Fee: | <u>\$ 2,045,298</u> | |
| 6 | Current IURC Fee (effective as of 7/1/2024) | <u>0.1500000%</u> | |
| 7 | Total Pro Forma IURC Fee at Present Rates | <u>\$ 3,068</u> | |
| 8 | Less: Test Year IURC Fee | <u>\$ 6,043</u> | |
| 9 | Total Adjustment - IURC Fees: | | <u>\$ (2,975)</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Taxes Other Than Income Taxes for FICA Tax

| Line Number | Description | Totals | Grand Total |
|-------------|---|------------|-----------------|
| 1 | <u>FICA Tax:</u> | | |
| 2 | Pro Forma Salaries and Wages Subject to FICA Limits | \$ (8,342) | |
| 3 | FICA Tax Rate | 7.65% | |
| 4 | Adjustment for FICA Tax (Line 2 * Line 3): | | \$ (638) |
| 5 | <u>Distribution to Proper Expense Categories:</u> | | |
| 6 | Distribution Expense Portion (salaried and hourly employees): | 69.84% | \$ (446) |
| 7 | Customer Expense Portion (hourly employees): | 30.16% | (192) |
| 8 | | 100.00% | \$ (638) |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Taxes Other Than Income Taxes for Gross Receipts Tax

| Line Number | Description | Totals | Grand Total |
|----------------|--|--------------|-------------|
| 1 | Gross Receipts Tax: | | |
| 2 | Pro-forma (present rates) Operating Revenues | \$ 1,260,268 | |
| 3 | Less: Interstate toll | - | |
| 4 | Less: Exemption | 1,000 | |
| 5 | Less: Bad Debts | 3,005 | |
| 6 | Utility Revenues Subject to Gross Receipts Tax | \$ 1,256,263 | |
| 7 | Current Gross Receipts Tax Rate | 0.00% | |
| 8 | Pro-forma (Present Rates) Gross Receipts Tax | \$ - | |
| 9 | Less: Test Year Gross Receipts Tax | - | |
| 10 | Adjustment for Gross Receipts Tax: | | <u>\$ -</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Taxes Other Than Income Taxes - Property Tax

| Line Number | Description | Totals | Grand Total |
|----------------|--|------------------|-----------------|
| 1 | Property Tax: | | |
| 2 | Property Tax Assessment | \$ 1,751,611 | |
| 3 | Weighted Tax Rate | <u>2.2283%</u> | |
| 4 | Pro Forma Property Tax | <u>\$ 39,031</u> | |
| 5 | Property Tax for Plant Additions January 1 - June 30, 2024: | | |
| 6 | Plant Additions Made January 1 - June 30, 2024 | \$ 39,323 | |
| 7 | Times: Average Property Tax Assessment Percentage: | <u>31.98%</u> | |
| 8 | Property Tax Assessment for Plant Additions: | \$ 12,575 | |
| 9 | Weighted Tax Rate | <u>2.2283%</u> | |
| 10 | Pro Forma Property Tax - Plant Additions | <u>\$ 280</u> | |
| 11 | Total Pro Forma Property Tax | <u>\$ 39,311</u> | |
| 12 | Less: Test Year Property Tax Expense | <u>30,043</u> | |
| 13 | Adjustment for Property Tax: | | <u>\$ 9,268</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.

312 West Carr Street

Milan, IN 47031

Adjustment of State Income Tax

| Line Number | Description | Totals | Grand Total |
|----------------|---|----------------|------------------|
| 1 | State Income Tax: | | |
| 2 | Operating Revenues | \$ 1,260,268 | |
| 3 | Less: O&M Expenses | \$ (1,072,641) | |
| 4 | Less: Depreciation Expense | (155,798) | |
| 5 | Less: Taxes Other than Income Tax | (42,379) | |
| 6 | Subtotal: | \$ (10,551) | |
| 7 | Less: Synchronized Interest as of June 30, 2024 | (9,678) | |
| 8 | State Taxable Income | \$ (20,229) | |
| 9 | State Income Tax Rate | 4.90% | |
| 10 | Pro-forma (Present Rates) State Income Tax | (991) | |
| 11 | Less: Test year State Income Tax | (32,516) | |
| 12 | Adjustment for State Income Tax: | | \$ <u>31,525</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Federal Income Tax

| Line Number | Description | Totals | Grand Total |
|----------------|--|----------------|-------------|
| 1 | Federal Income Tax: | | |
| 2 | Operating Revenues | \$ 1,260,268 | |
| | Less: O&M Expenses | \$ (1,072,641) | |
| | Less: Depreciation Expense | (155,798) | |
| | Less: Taxes Other than Income Tax | (42,379) | |
| 3 | Less: Adjusted State Income Tax Expense | 991 | |
| | Subtotal: | \$ (9,560) | |
| | Less: Synchronized Interest as of June 30, 2024 | (9,678) | |
| 4 | Federal Taxable Income | \$ (19,238) | |
| 5 | Federal Income Tax Rate | 21.00% | |
| 6 | Pro-forma (Present Rates) Federal Income Tax Expense | (4,040) | |
| 7 | Less: Amortization of Investment Tax Credit | - | |
| 8 | Less: Excess ADIT | 8,968 | |
| 9 | Adjusted Federal Income Tax Expense | (13,008) | |
| 10 | Less: Test Year Federal Income Tax | (133,711) | |
| 11 | Adjustment for Federal Income Tax: | | \$ 120,703 |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Pro Forma Adjustment of Utility Plant In Service and Depreciation Expense
For Pro Forma Additional Plant Placed in Service From January 1, 2024 to June 30, 2024

| Line Number | Description of Plant Asset Category | Column A Plant Account Number | Column C Additional Plant Added | Column F Depreciation Rate | Column G Pro Forma Depreciation |
|----------------|---|-------------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| 1 | Organization | (301) | \$ - | 0.00% | \$ - |
| 2 | Land and land rights | (374) | - | 0.00% | - |
| 4 | Mains | (376) | 3,407 | 3.00% | 102 |
| 5 | Equipment General | (378) | 793 | 3.00% | 24 |
| 7 | Services | (380) | 13,012 | 3.00% | 390 |
| 8 | Meters | (381) | - | 3.00% | - |
| 9 | House Regulators | (383) | - | 3.00% | - |
| 10 | Regulating Station Equipment | (385) | - | 3.00% | - |
| 11 | Land and land rights | (389) | - | 0.00% | - |
| 12 | Structures and improvements | (390) | - | 3.00% | - |
| 13 | Office Furniture and Equipment | (391) | - | 10.00% | - |
| 14 | Transportation Equipment | (392) | - | 20.00% | - |
| 15 | Tools and Shop Equipment | (394) | 22,111 | 10.00% | 2,211 |
| 16 | Power Operated Equipment | (396) | - | 10.00% | - |
| 17 | Communication equipment | (397) | - | 10.00% | - |
| 18 | Miscellaneous equipment | (398) | - | 10.00% | - |
| 19 | Computer Equipment | (399) | - | 10.00% | - |
| 20 | Total Pro Forma Plant and Depreciation | | <u>\$ 39,323</u> | | <u>\$ 2,727</u> |

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South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Adjustment of Operating Expenses for Miscellaneous Expense and Other Items Elimination

| Line Number | Description | Totals | Grand Totals |
|----------------|--|-------------------|-------------------|
| 1 | <u>Elimination of IEA Dues Deemed Lobbying Expense:</u> | | |
| 2 | Indiana Energy Association - March 31, 2023 | \$ 97 | |
| 3 | Indiana Energy Association - June 15, 2023 | 287 | |
| 4 | Indiana Energy Association - September 15, 2023 | 287 | |
| 5 | Indiana Energy Association - November 1, 2023 | <u>295</u> | |
| 6 | Total Indiana Energy Association Dues Paid - 2023: | <u>\$ 965</u> | |
| 7 | Portion Considered Non-Deductible (15%): | <u>\$ 145</u> | |
| 8 | Adjustment of 15% of IEA Dues Deemed Lobbying Expense: | | <u>\$ (145)</u> |
| 9 | Adjustment of Indiana Energy Association Dues that OUCC | | |
| 10 | deems to be Lobbying Expense (15% of total dues) | | |
| 11 | <u>Elimination of Other Income and Expenses:</u> | | |
| 12 | Other Income and Expenses (Line 17, Page 27) | <u>\$ (3,196)</u> | |
| 13 | Total Adjustment to Eliminate Other Income and Expenses: | | <u>\$ (3,196)</u> |
| | Adjustment to Other Income and Expenses that OUCC deems to be "Below the line" items | | |
| 14 | <u>Elimination of Outside Services Expense Adjustment:</u> | | |
| 15 | Adjustment to eliminate portion of LWG expenses: | <u>\$ 3,200</u> | |
| 16 | Total Adjustment to Outside Services Expense: | | <u>\$ (3,200)</u> |
| | Adjustment to Outside Services Expense to eliminate a portion of LWG expenses that are not recurring. | | |

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Operating Revenues for Proposed Rate Increase

| Line Number | Description | Totals | Grand Total |
|----------------|---|---------------|-------------------|
| 1 | <u>Operating Revenue Increase:</u> | | |
| 2 | Adjusted Sales of Gas at Present Rates | \$ 1,239,830 | |
| 3 | Add: Requested Rate Increase | <u>24.26%</u> | |
| 4 | Adjustment to Operating Revenue: | | <u>\$ 300,787</u> |

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment to Bad Debt and IURC Fee Expense Items as a Result of Proposed Rate Increase

| Line Number | Description | Totals | Grand Total |
|-------------|--|-------------------|----------------------|
| 1 | <u>Operation and Maintenance Expense - Bad Debt Increase:</u> | | |
| 2 | Proposed Revenue Increase | \$ 300,787 | |
| 3 | Average Bad Debt Percentage | <u>0.0000000%</u> | |
| 4 | Adjustment to O&M Expense - Bad Debt: | | <u><u>\$ -</u></u> |
| 5 | <u>Operation and Maintenance Expense - IURC Fee:</u> | | |
| 6 | Proposed Revenue Increase | 300,787 | |
| 7 | Current IURC Rate | <u>0.150000%</u> | |
| 8 | Adjustment to O&M Expense - IURC Fee: | | <u><u>\$ 451</u></u> |
| 9 | Total Adjustment to O&M Expense - Bad Debt and IURC Fee: | | <u><u>\$ 451</u></u> |

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South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment for Gross Receipts Tax on Proposed Revenue Increase

| Line Number | Description | Totals | Grand Total |
|----------------|--|--------------|--------------------|
| 1 | Gross Receipts Tax: | | |
| 2 | Proposed Revenue Increase | \$ 300,787 | |
| 3 | Less: Bad Debt Expense on Proposed Revenue Increase | <u>-</u> | |
| 4 | Utility Revenues Subject to Gross Receipts Tax | \$ 300,787 | |
| 5 | Current Gross Receipts Tax Rate | <u>0.00%</u> | |
| 6 | Adjustment for Gross Receipts Tax on Proposed Revenue Increase: | | <u><u>\$ -</u></u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment for Property Tax on Proposed Revenue Increase

| Line Number | Description | Totals | Grand Total |
|----------------|--|------------------|-------------|
| 1 | <u>Property Tax:</u> | | |
| 2 | Property Tax Assessment | \$ 1,764,186 | |
| 3 | Weighted Tax Rate | <u>2.2283%</u> | |
| 4 | Pro Forma Property Tax after Proposed Revenue Increase | <u>\$ 39,311</u> | |
| 5 | Less: Pro Forma Property Tax Expense | <u>39,311</u> | |
| 6 | Adjustment for Property Tax on Proposed Revenue Increase: | | <u>\$ -</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of State Income Tax for Proposed Revenue Increase

| Line Number | Description | Totals | Grand Total |
|-------------|--|------------|------------------|
| 1 | State Income Tax: | | |
| 2 | Proposed Revenue Increase | \$ 300,787 | |
| 3 | Less: IURC Fee on Proposed Revenue Increase | 451 | |
| 4 | Less: Bad Debt Expense on Proposed Revenue Increase | - | |
| 5 | State Taxable Income | \$ 300,336 | |
| 6 | State Income Tax Rate | 4.90% | |
| 7 | Adjustment for State Income Tax on Proposed Revenue Increase: | | \$ 14,716 |

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Adjustment of Federal Income Tax on Proposed Revenue Increase

| Line Number | Description | Totals | Grand Total |
|----------------|--|---------------|------------------|
| 1 | Federal Income Tax: | | |
| 2 | Proposed Revenue Increase | \$ 300,787 | |
| 3 | Less: Increase in IURC Fee on Proposed Revenue Increase | 451 | |
| 4 | Less: Increase in Bad Debt Expense on Proposed Revenue Increase | - | |
| 5 | Less: Increase in Utility Receipts Tax on Proposed Revenue Increase | - | |
| 6 | Less: Increase in State Income Tax on Proposed Revenue Increase | <u>14,716</u> | |
| 7 | Federal Taxable Income on Proposed Revenue Increase | \$ 285,620 | |
| 8 | Federal Income Tax Rate | <u>21.00%</u> | |
| 9 | Adjustment for Federal Income Tax on Proposed Revenue Increase: | | <u>\$ 59,980</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Original Cost Rate Base as of December 31, 2023, with updates through June 30, 2024

| Line Number | Description | Column A | Column B | Column C |
|-------------|--|-------------------------------|------------------------------|-----------------------------|
| | | Test Year Ended 12/31/2023 | Test Year Ended 6/30/2024 | Pro Forma Proposed Rates |
| 1 | Utility Plant in Service as of December 31, 2023 | \$ 5,477,426 | \$ 5,477,426 | \$ 5,477,426 |
| 1a | Pro Forma Utility Plant Added in Service - January 1 - June 30, 2024 | | 39,323 | 39,323 |
| 2 | Less: Accumulated Depreciation as of December 31, 2023 | 3,136,777 | 3,136,777 | 3,136,777 |
| 2a | Less: Accumulated Depreciation - January 1 - June 30, 2024 | | 78,483 | 78,483 |
| 3 | Net Gas Plant In Service | <u>\$ 2,340,649</u> | <u>\$ 2,301,489</u> | <u>\$ 2,301,489</u> |
| 4 | Add: Add: Gas stored underground | \$ 288,980 | \$ 160,254 | \$ 160,254 |
| 5 | Add: Working Capital (O&M Expenses / 8) | 134,080 | 134,080 | 134,080 |
| 6 | Add: Material and supplies (13 Month Average) | <u>79,418</u> | <u>92,534</u> | <u>92,534</u> |
| 7 | Total Original Cost Rate Base | <u>\$ 2,843,127</u> | <u>\$ 2,688,357</u> | <u>\$ 2,688,357</u> |
| 8 | Net operating income | | | |
| 9 | (Pro-Forma proposed rates) | <u>\$ (476,777)</u> | <u>\$ (3,312)</u> | <u>\$ 222,327</u> |
| 10 | Rate of return on original cost | | | |
| 11 | (Line 7 divided by Line 6) | <u>-16.77%</u> | <u>-0.12%</u> | <u>8.27%</u> |

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

A. Capital Structure as of December 31, 2023

| Line Number | Class of Capital | Column A Amount as of 12/31/2023 | Column B Percent of Total | Column C Cost Percentage | Column D Weighted Cost |
|-------------|------------------|--|---------------------------------|--------------------------------|------------------------------|
| 1 | Long Term Debt | \$ - | 0.00% | 0.00% | 0.00% |
| 2 | Preferred Equity | - | 0.00% | 0.00% | 0.00% |
| 3 | Common Equity | 1,348,304 | 100.00% | 10.10% | 10.10% |
| 4 | Totals | <u>\$ 1,348,304</u> | <u>100.00%</u> | | <u>10.10%</u> |

B. Capital Structure - For Presentation

| Line Number | Class of Capital | Column A Amount as of 12/31/2023 | Column B Percent of Total | Column C Cost Percentage | Column D Weighted Cost |
|-------------|-------------------|--|---------------------------------|--------------------------------|------------------------------|
| 1 | Long Term Debt | \$ - | 0.00% | 0.00% | 0.00% |
| 2 | Preferred Equity | - | 0.00% | 0.00% | 0.00% |
| 3 | Post-1970 ITC | - | 0.00% | 0.00% | 0.00% |
| 4 | Common Equity | 1,348,304 | 76.73% | 10.10% | 7.75% |
| 5 | Deferred Taxes | 286,016 | 16.28% | 0.00% | 0.00% |
| 6 | Customer Deposits | 122,990 | 7.00% | 6.00% | 0.42% |
| 7 | Totals | <u>\$ 1,757,310</u> | <u>100.00%</u> | | <u>8.17%</u> |

C. Calculation of Synchronized Interest

| Line Number | Class of Capital | Column A Amount as of 12/31/2023 | Column B Percent of Total | Column C Cost Percentage | Column D Weighted Cost |
|-------------|-----------------------|--|---------------------------------|--------------------------------|------------------------------|
| 1 | Long Term Debt | \$ - | 0.00% | 0.00% | 0.00% |
| 2 | Preferred Equity | - | 0.00% | 0.00% | 0.00% |
| 3 | Common Equity | 1,348,304 | 76.73% | 10.10% | 7.75% |
| 4 | Deferred Taxes | 286,016 | 16.28% | 0.00% | 0.00% |
| 5 | Customer Deposits | 122,990 | 7.00% | 6.00% | 0.42% |
| 6 | Totals | <u>\$ 1,757,310</u> | <u>100.00%</u> | | <u>8.17%</u> |
| | Rate Base | | \$ 2,688,357 | | |
| | Weighted cost debt | (x) | 0.42% | | |
| | Synchronized interest | | <u>\$ 11,291</u> | | |

Note: Use total weighted cost rate found in "A" to be shown in "B" line 3.

Apply the Line 1 weighted cost rate in "C" times rate base previously determined on line 6 of the "Rate of Return on Original Cost" page to find the synchronized interest to use for tax calculations.

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

A. Capital Structure as of June 30, 2024

| Line Number | Class of Capital | Column A Amount as of 6/30/2024 | Column B Percent of Total | Column C Cost Percentage | Column D Weighted Cost |
|-------------|------------------|---------------------------------------|---------------------------------|--------------------------------|------------------------------|
| 1 | Long Term Debt | \$ - | 0.00% | 0.00% | 0.00% |
| 2 | Preferred Equity | - | 0.00% | 0.00% | 0.00% |
| 3 | Common Equity | 1,426,271 | 100.00% | 10.10% | 10.10% |
| 4 | Totals | <u>\$ 1,426,271</u> | <u>100.00%</u> | | <u>10.10%</u> |

B. Capital Structure - For Presentation

| Line Number | Class of Capital | Column A Amount as of 6/30/2024 | Column B Percent of Total | Column C Cost Percentage | Column D Weighted Cost |
|-------------|-------------------|---------------------------------------|---------------------------------|--------------------------------|------------------------------|
| 1 | Long Term Debt | \$ - | 0.00% | 0.00% | 0.00% |
| 2 | Preferred Equity | - | 0.00% | 0.00% | 0.00% |
| 3 | Post-1970 ITC | - | 0.00% | 0.00% | 0.00% |
| 4 | Common Equity | 1,426,271 | 78.32% | 10.10% | 7.91% |
| 5 | Deferred Taxes | 286,016 | 15.71% | 0.00% | 0.00% |
| 6 | Customer Deposits | 108,875 | 5.98% | 6.00% | 0.36% |
| 7 | Totals | <u>\$ 1,821,162</u> | <u>100.00%</u> | | <u>8.27%</u> |

C. Calculation of Synchronized Interest

| Line Number | Class of Capital | Column A Amount as of 6/30/2024 | Column B Percent of Total | Column C Cost Percentage | Column D Weighted Cost |
|-------------|-----------------------|---------------------------------------|---------------------------------|--------------------------------|------------------------------|
| 1 | Long Term Debt | \$ - | 0.00% | 0.00% | 0.00% |
| 2 | Preferred Equity | - | 0.00% | 0.00% | 0.00% |
| 3 | Common Equity | 1,426,271 | 78.32% | 10.10% | 7.91% |
| 4 | Deferred Taxes | 286,016 | 15.71% | 0.00% | 0.00% |
| 5 | Customer Deposits | 108,875 | 5.98% | 6.00% | 0.36% |
| 6 | Totals | <u>\$ 1,821,162</u> | <u>100.00%</u> | | <u>8.27%</u> |
| | Rate Base | | | \$ 2,688,357 | |
| | Weighted cost debt | | (x) | 0.36% | |
| | Synchronized interest | | | <u>\$ 9,678</u> | |

Note: Use total weighted cost rate found in "A" to be shown in "B" line 3.

Apply the Line 1 weighted cost rate in "C" times rate base previously determined on line 6 of the "Rate of Return on Original Cost" page to find the synchronized interest to use for tax calculations.

REVISED TO REFLECT SEI RESPONSE TO OUCC REPORT - OCTOBER 2024

South Eastern Indiana Natural Gas Company, Inc.
 312 West Carr Street
 Milan, IN 47031

Calculation of Gross Revenue Conversion Factor

| Line Number | Description | Totals | Grand Total |
|-------------|---|-----------|-------------|
| 1 | Tax Gross-Up Calculation: | | |
| 2 | Gross Revenue Change | 100.0000% | |
| 3 | Less: Uncollectible Expense | 0.000000% | |
| 4 | Total Before Gross Up and IURC Fees | 100.0000% | |
| 5 | | | |
| 6 | Less: IURC Fee | 0.150000% | |
| | Total Before State and Federal Tax Gross Up | 99.8500% | |
| 7 | | | |
| 8 | Less: State Income Tax @ 2021 Rate of 4.9% (effective as of 7/1/2021) | 4.8927% | |
| | Less: Gross Income Tax @ 0.00% (effective as of 7/1/2022) | 0.0000% | |
| 9 | Income Before Federal Income Taxes | 94.9573% | |
| 10 | Less: Federal Income Tax @ 21.0% | 19.9410% | |
| 11 | Income after Income Taxes | 75.0163% | |
| 12 | Gross Revenue Conversion Factor | | 133.3044% |

South Eastern Indiana Natural Gas Company, Inc.
312 West Carr Street
Milan, IN 47031

Revenue Requirement Calculation

| Line Number | Description | Totals | Grand Total |
|----------------|--|--------|-------------------|
| 1 | Total rate base | | \$ 2,688,357 |
| 2 | Total weighted cost of capital | (x %) | <u>8.27%</u> |
| 3 | Pro-Forma net operating income | | <u>\$ 222,327</u> |
| 4 | Less: Pro-forma net operating income (pro forma present rates) | | <u>\$ (3,312)</u> |
| 5 | Difference | | \$ 225,639 |
| 6 | Revenue conversion factor | | <u>133.3044%</u> |
| 7 | Revenue Deficit (Excess) | | <u>\$ 300,787</u> |