

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF OHIO VALLEY GAS )  
CORPORATION AND OHIO VALLEY GAS, INC. )  
FOR (1) AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR GAS UTILITY SERVICE, (2) )  
APPROVAL OF NEW SCHEDULES OF RATES ) CAUSE NO. 46011  
AND CHARGES, (3) APPROVAL OF )  
DECOUPLING THROUGH A NEW SALES )  
RECONCILIATION COMPONENT RIDER, AND )  
(4) APPROVAL OF NECESSARY AND )  
APPROPRIATE ACCOUNTING RELIEF AND )  
OTHER REQUESTS. )

**SUBMISSION OF SETTLEMENT AGREEMENT**

Ohio Valley Gas Corporation (“OVGC”) and its wholly-owned subsidiary, Ohio Valley Gas, Inc. (“OVGI”) (collectively “Joint Petitioners” or “OVG”), by counsel, hereby submits to the Indiana Utility Regulatory Commission (“Commission”) a Settlement Agreement reached with the Indiana Office of the Utility Consumer Counselor (“OUCC”). Please note the Settlement Agreement includes an Appendix A, which is in excel format and filed separately.

Respectfully submitted,



Nicholas K. Kile (Atty. No. 15203-53)  
Hillary J. Close (Atty. No. 25104-49)  
Lauren M. Box (Atty. No. 32521-49)  
Lauren Aguilar (Atty. No. 33943-49)  
Barnes & Thornburg LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204  
(317) 231-7768 (Kile)  
(317) 231-7785 (Close)  
(317) 231-7289 (Box)  
(317) 231-6474 (Aguilar)  
Fax: (317) 231-7433

Email: [Nicholas.kile@btlaw.com](mailto:Nicholas.kile@btlaw.com)  
[hillary.close@btlaw.com](mailto:hillary.close@btlaw.com)  
[lauren.box@btlaw.com](mailto:lauren.box@btlaw.com)  
[lauren.aguilar@btlaw.com](mailto:lauren.aguilar@btlaw.com)

Clayton C. Miller (Atty No. 17466-49)  
CLAYTON MILLER LAW, P.C.  
P.O. Box 441159  
Indianapolis, IN 46244  
(317) 220-8154  
[clay@claytonmillerlaw.com](mailto:clay@claytonmillerlaw.com)

Attorneys for Joint Petitioners  
Ohio Valley Gas Corporation and  
Ohio Valley Gas, Inc.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was served this 10<sup>th</sup> day of July, 2024, by electronic transmission to the following:

Carol Sparks Drake  
Lorraine Hitz  
Heather Poole  
Matthew Kappus  
Indiana Office of Utility Consumer Counselor  
PNC Center  
115 W. Washington Street, Suite 1500 South  
Indianapolis, Indiana 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)  
[CaDrake@oucc.IN.gov](mailto:CaDrake@oucc.IN.gov)  
[lhitz@oucc.in.gov](mailto:lhitz@oucc.in.gov)  
[hpoole@oucc.in.gov](mailto:hpoole@oucc.in.gov)  
[mkappus@oucc.in.gov](mailto:mkappus@oucc.in.gov)



---

Lauren Aguilar

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**JOINT PETITION OF OHIO VALLEY GAS )  
CORPORATION AND OHIO VALLEY GAS, )  
INC. FOR (1) AUTHORITY TO INCREASE )  
ITS RATES AND CHARGES FOR GAS )  
UTILITY SERVICE, (2) APPROVAL OF NEW )  
SCHEDULES OF RATES AND CHARGES, (3) ) CAUSE NO. 46011  
APPROVAL OF DECOUPLING THROUGH A )  
NEW SALES RECONCILIATION )  
COMPONENT RIDER, AND (4) APPROVAL )  
OF NECESSARY AND APPROPRIATE )  
ACCOUNTING RELIEF AND OTHER )  
REQUESTS. )**

**STIPULATION AND SETTLEMENT AGREEMENT**

Ohio Valley Gas Corporation (“OVGC”) and its wholly-owned subsidiary, Ohio Valley Gas, Inc. (“OVGI”) (collectively “Joint Petitioners” or “OVG”), and the Indiana Office of Utility Consumer Counselor (“OUCC”), (collectively the “Settling Parties”, individually, “Settling Party”), 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 in this proceeding, 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 any 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 to in writing by the Settling Parties. This Settlement Agreement has been entered following the submission of the OUCC’s case-in-chief testimony and OVG’s rebuttal testimony and so is informed by the respective positions of the parties. This Settlement Agreement resolves all remaining issues in dispute following the submission of OVG’s rebuttal evidence.

**I. TERMS AND CONDITIONS.**

- A. Requested Relief** - The Settling Parties agree that matters for which OVG requested relief in its Petition that are not addressed herein, but were expressly supported by testimony, are resolved as OVG proposed, without waiving the right to challenge such resolution prospectively.
- B. Rate Increase and Settlement Schedules** – The Settling Parties stipulate and agree that OVG’s rates and charges should be increased to produce additional revenue of \$11,059,420, which represents a 47.51% increase over pro forma margin (revenues net of gas cost) and a total revenue increase (including gas cost) of 26.81%. The Settling Parties stipulate and agree that this increase is calculated to produce total net operating income of \$5,862,415, which represents an overall rate of return of 8.61% on a net original cost rate base of \$68,078,161. The Settling Parties agree to and incorporate herein the settlement schedules in Appendix A which are an updated version of OVG’s Exhibit No. 8, Exhibit REVREQ7.2 and are representative of the settlement terms agreed to herein.
- C. Revenue** – The Settling Parties agree that OVG’s pro forma revenues at present rates are as presented in OVG’s rebuttal evidence. The OUCC agrees to withdraw its adjustments to revenue which were opposed in OVG’s rebuttal in return for the generic expense adjustment described herein. OVG shall not be required to revise its tariff to pass credit card fees on to customers; however, the OUCC does not waive its ability in future cases to contend that any such fees not passed on should be imputed to OVG’s revenues.

**D. Expenses** – The Settling Parties stipulate and agree that OVG’s pro forma Operating Expenses shall be as set forth in Exhibit No. 8, Exhibit REVREQ7.2, Schedule of Present and Proposed Rates, as the same has been modified in OVG’s rebuttal case, except for the following changes:

1. Non-Recurring Expense: The OUCC’s proposed adjustment for non-recurring expenses of (\$33,721) shall be accepted.
2. Inflation: The OUCC’s methodology of calculating inflation on the settlement adjustments for distribution expense of (\$3,050) and for administrative and general expense of (\$15,357) shall be accepted.
3. Travel Expense: In exchange for the generic expense adjustment described herein, the OUCC withdraws its proposed adjustment to travel expense (\$5,088).
4. Outside Service Expense: The parties stipulate and agree that the adjustment for outside services shall be (\$118,155). This reflects removal of expenses incurred outside the base year of \$25,469 and removal of all TDSIC costs of \$55,845 and Martin Energy Consulting Fees of \$36,841. The resulting outside service expense includes \$53,636 in attorney fees for General Regulatory services and GCA representation.
5. Amortization Expense: The Settling Parties agree to a total Regulatory Asset of \$1,302,347, comprised of adding regulatory assets for TDISC Costs (i.e., deferred revenues) and Rate Case Expense, as shown below. The regulatory asset will be amortized over a four year period at a rate of \$325,587 annually. At the end of the four year amortization period, OVG shall file a new tariff to remove the amortization expense agreed to herein. If OVG files a rate case such that new rates would go into effect before the expiration of the four year amortization period, the Settling Parties agree the unamortized amount shall be recovered in that general rate case. The Settling Parties additionally agree the regulatory assets are as follows:
  - i. TDSIC Costs: \$569,535.
  - ii. Rate Case Expense: \$732,812.
6. Depreciation Expense: The OUCC withdraws its proposed depreciation expense adjustment of \$7,665.
7. Generic Expense Adjustment: In return for the compromises herein with regard to credit card fee revenues and travel expense, the Settling Parties stipulate and agree to a generic expense adjustment of (\$100,000).

**E. Other Items** – Settling Parties agree to the following adjustments:

1. Rate Base: Projected net original cost rate base at the end of the test year is \$68,078,161. The difference from OVG’s rebuttal position is that working capital shall be adjusted from OVG’s position by (\$30,408).
2. Capital Structure:
  - i. Cost of Equity: Settling Parties agree to a 10.0% Cost of Equity.
  - ii. Customer Deposits: Settling Parties agree OVG will update its customer deposit amount in its general ledger for the link year and test year to the correct amounts and include the correct amounts in its Step 1 and Step 2 compliance filings.
  - iii. Remainder of Capital Structure: Settling Parties agree on all other portions of OVG’s capital structure proposed in its case-in-chief, as adjusted to the actual capital structure for purposes of each phase of implementation.
3. Other:
  - i. Sales Reconciliation Component Rider: Settling Parties agree OVG will withdraw the proposed Sales Reconciliation Component Rider presented in its case-in-chief.
  - ii. Corporate Policies: Settling Parties agree OVG will develop a written policy regarding travel expenses, meal expenses, and credit card usage and submit it to the Commission and OUCC within 90 days of this Cause’s Final Order.
  - iii. Disconnections and Reconnections: Settling Parties agree OVG will record annually the number of times customers disconnect and reconnect at the same location, the tariff rate for each such customer, and the length of each disconnection. Settling Parties agree OVG will include this information in its next general rate case.
  - iv. Other OUCC Recommendations: The other recommendations made by OUCC Witness Jared Hoff with regard to Notice of Cancellation of Rate 9T, evaluation of Yard Lines, development of criteria for changing the Budget (Level) Plan, and proration for Rate 4S are withdrawn.

**F. Implementation.** The Settling Parties stipulate and agree that the rate increase that will be authorized from this Settlement Agreement shall be implemented in two steps. Step 1 shall take effect as soon as possible following the issuance of an Order approving this Settlement and submission and approval of the tariff and compliance filing based upon actual rate base and capital structure as of the beginning of the test year. Step 2 will take effect as soon as possible following approval of the tariff and compliance filing as of end of the test year and based upon the actual rate base and capital structure as of the end of the test year. At each step, OVG shall submit a compliance filing including a certification of actual rate base as of the respective date and the actual capital structure, along with the calculation of the rates at that time. Rates shall take effect for service rendered on or after the effective date of the Commission’s approval, such approval on an interim subject to refund basis pending the period for review by the OUCC described herein. Settling Parties agree the September 2025 rate base forecast approved in this Cause’s Final Order shall serve as a cap for purposes of this case only on OVG’s rate base in each compliance filing. Settling Parties agree OVG will submit its compliance filing in a timely manner to allow the OUCC and any intervenors at least 60 days to review said compliance filing.

**G. Tariff and Rate Design** – Settling Parties agree to the following terms:

- i. Cost-of-Service Study for Rate 9T: Settling Parties agree OVG will update its Cost-of-Service study to account for the actual calculations attributed to Rate 9T in its Step 1 compliance filing.
- ii. Transmission Allocation: Settling Parties agree no changes will be made to OVG’s proposed Transmission Allocation presented in its case-in-chief.
- iii. Zero-Intercept Mains Study: Settling Parties agree no changes will be made to OVG’s proposed Zero-Intercept Mains study presented in its case-in-chief.
- iv. Facilities Charge: Settling Parties agree to increase the Facilities Charge amounts for each rate class as below:

Rate Class	Current Charge Amount	New Charge Amount
Small Volume – S11, S41, S91	\$14.54	\$14.75
Grandview – S81	\$9.38	\$9.51
Medium Volume – S12, S42, S92	\$591.60	\$600.00
Grain Drying – S14, S44, S94 (less than 1,400)	\$517.65	\$525.00
Grain Drying – S14, S44, S94 (over 1,400)	\$902.19	\$915.00



Large Transportation – T15, T45, T95	\$1,380.40	\$1,400.00
Medium Transport – T16, T46, T96	\$591.60	\$600.00
Public Schools Transport – T18, T48, T98 (Less than 675)	\$35.50	\$36.00
Public Schools Transport – T18, T48, T98 (Over 675)	\$55.22	\$56.00
Pipeline Direct – T19, T49, T99	\$0	\$1,199.83

**II. PRESENTATION OF THE SETTLEMENT AGREEMENT TO THE COMMISSION.**

- A. The Settling Parties agree this Settlement Agreement is evidence of its support thereof before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement.
- B. The Settling Parties agree to provide each other with an opportunity to review drafts of testimony supporting the Settlement Agreement to consider the input of the other Settling Party. Such evidence, together with the evidence previously prefiled in this Cause, will be offered into evidence without objection and the Settling Parties hereby waive cross-examination of each other’s witnesses. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and that, if the Commission fails to approve this Settlement Agreement in its entirety without any change or approves it with condition(s) unacceptable to any Settling Party, the Settlement and any supporting evidence shall be withdrawn and the Commission will resume this proceeding at the point it was suspended by the filing of this Settlement Agreement.
- 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 an Order of the Commission.

- D.** The Parties acknowledge a significant motivation for OVG to enter into this Settlement is the expectation that a final order will be issued promptly by the Commission authorizing increases in its rates and charges as reflected by this Settlement and the accepted positions of the Parties as reflected by the evidence in this Cause. The Parties have spent significant time and effort to resolve the issues raised in this case.
- E.** The Parties believe the Parties' direct and/or rebuttal testimony and exhibits and the Parties' settlement testimony and exhibits, along with this Settlement, constitute substantial evidence sufficient to support this Settlement and provide an adequate evidentiary basis upon which the Commission may make findings of fact and conclusions of law necessary to issue a final order adopting and approving this Settlement.

### **III. SETTLEMENT EFFECT, SCOPE, AND APPROVAL.**

- A.** The Parties acknowledge and agree as follows:
- i. The Settlement is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without change or condition that is unacceptable to either OVG or the OUCC. Each term of the Settlement is in consideration and support of each and every other term.
  - ii. The Settlement is the result of compromise by the Parties within the settlement process. Neither the making of this Settlement nor any of the individual provisions or stipulations herein shall constitute an admission or waiver by any Party in any other proceeding; nor shall they constitute an admission or waiver in this proceeding if the Settlement is not accepted by

the Commission. The Parties hereto shall not use this Stipulation or the Order provided by this Stipulation as precedent or offer the same 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 Stipulation or resulting Order is offered for any purpose prohibited by this Agreement, the Parties agree that objections by the non-offering party are proper.

- iii. The communications and discussions among the Parties, along with the materials produced and exchanged during the negotiation of this Settlement, relate to offers of settlement and compromise, and as such, all are privileged and confidential. Such material cannot be used in this or any other proceeding without the agreement of the Parties herein.
- iv. The undersigned represent and agree that they are fully authorized to execute this Settlement on behalf of their designated clients who will thereafter be bound by this Settlement.
- v. The Parties hereto will either support, or not oppose on rehearing, reconsideration, and/or appeal, an IURC order accepting and approving this Settlement in accordance with its terms.

ACCEPTED and AGREED this 10<sup>th</sup> day of July, 2024.

Ohio Valley Gas Corporation and its wholly-owned subsidiary, Ohio Valley Gas, Inc.

By: Lauren Aguilar  
Lauren Aguilar,  
Counsel of Record

Indiana Office of Utility Consumer Counselor

By: Matthew Kappus  
Matthew Kappus  
Counsel of Record