

ORIGINAL

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

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) CAUSE NO. 46011
AND CHARGES FOR GAS UTILITY SERVICE, (2))
APPROVAL OF NEW SCHEDULES OF RATES AND)
CHARGES, (3) APPROVAL OF DECOUPLING) APPROVED: NOV 06 2024
THROUGH A NEW SALES RECONCILIATION)
COMPONENT RIDER, AND (4) APPROVAL OF)
NECESSARY AND APPROPRIATE ACCOUNTING)
RELIEF AND OTHER REQUESTS.)**

ORDER OF THE COMMISSION

Presiding Officers:

Wesley R. Bennett, Commissioner

Jennifer L. Schuster, Senior Administrative Law Judge

On February 7, 2024, Ohio Valley Gas Corporation (“OVGC”) and its wholly-owned subsidiary, Ohio Valley Gas Inc. (“OVGI”) (collectively, “Joint Petitioners” or “OVG”) filed its Joint Petition for a general rate increase seeking (1) authority to increase its rates and charges; (2) approval of new schedules of rates and charges; (3) approval of decoupling through a new sales reconciliation component (“SRC”) rider; (4) approval of necessary and appropriate accounting relief; and (5) other requests described in Joint Petitioners’ case-in-chief. On that same day OVG also filed its case-in-chief, which included testimony and exhibits from the following witnesses:

- Scott A. Williams, Executive Vice President and Chief Executive Officer of OVG
- Gregory A. Bailey, Vice President and Chief Engineer of OVG
- Gregory P. Roach, Chief Financial and Regulatory Officer of OVG
- Scott L. Ingram, Director of Human Resources of OVG
- Emily H. Harlow, Senior Manager of Finance and Regulatory Services of OVG¹
- Gary M. VerDouw, Owner/CEO of VerDouw Regulatory Services LLC
- Ann E. Bulkley, Principal at The Brattle Group

Pursuant to Ind. Code § 8-1-2-61(b), a public field hearing was conducted on April 18, 2024 in Connersville, Indiana, which is the largest municipality in Petitioner’s service area. No members of the public provided oral and/or written testimony during the public field hearing.

¹ On March 21, 2024, the proof of publication of the legal notice required by Ind. Code § 8-1-2-61 and a copy of the notice provided to residential customers required by 170 IAC 5-1-18 were late-filed, attached to Ms. Harlow’s testimony.

On May 15, 2024, the Indiana Office of Utility Consumer Counselor (“OUCC”) submitted its case-in-chief including the testimony and attachments from the following witnesses, all of whom work in the OUCC’s Natural Gas Division, except where noted:

- Zachary Leinheiser, Utility Analyst in the Natural Gas Division
- Dr. David Dismukes, Consulting Economist with the Acadian Consulting Group
- Mohab Noureldin, Utility Analyst in the Natural Gas Division
- Jason Kohlmann, Assistant Director of the Natural Gas Division
- LaCresha Vaulx, Utility Analyst in the Natural Gas Division
- Leja Courter, Chief Technical Advisor of the Natural Gas Division
- Brien Krieger, Utility Analyst in the Natural Gas Division
- Jared Hoff, Utility Analyst in the Natural Gas Division

On June 12, 2024, Joint Petitioners filed its rebuttal testimony, attachments, and workpapers for witnesses Roach, Ingram, Harlow, VerDouw, and Bulkley.

On July 10, 2024, Joint Petitioners and the OUCC filed their Stipulation and Settlement Agreement, including supporting schedules (“Settlement Agreement”), and testimony. A copy of the Settlement Agreement (sans the separately filed Appendix A thereto) is attached to this order.

The Commission held a hearing on the Settlement Agreement on August 14, 2024, at 9 a.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Joint Petitioners and the OUCC were present and participated through counsel. During the hearing, the Settlement Agreement was offered and admitted into evidence without objection. The parties’ cases-in-chief, rebuttal, and settlement testimony were also offered and admitted into the record without objection.

Based on the applicable law and evidence of record, the Commission now finds:

1. Notice and Jurisdiction. Due, legal, and timely notice of the Petition filed in this Cause was given and published by OVG as required by law. Proper and timely notice was given by OVG to its customers summarizing the nature and extent of the proposed changes in its rates and charges for gas service. Joint Petitioners are both a “public utility” and a “gas utility” as defined in Ind. Code § 8-1-2-1. Pursuant to Ind. Code §§ 8-1-2-42 and 8-1-2-42.7, the Commission has jurisdiction over Joint Petitioners’ rates and charges for utility service. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. Joint Petitioners’ Organization and Business. Joint Petitioners are affiliated public utility corporations with their principal place of business located at 111 Energy Park Drive, Winchester, Indiana. They are engaged in rendering gas utility service in Indiana and own, operate, manage, and control, among other things, plant and equipment in Indiana used for the distribution and furnishing of such service to the public.

OVGI is a wholly owned subsidiary of OVGC. The Commission’s order in Cause No. 44147 (Dec. 5, 2012) authorized OVGC and OVGI to combine their previously separate costs of service and tariffs and to make other changes reflecting their common operations, including use of a single tariff and General Rules and Regulations Applicable to Gas Service. OVGI maintains and

holds its own set of small gas company contracts and provides gas supply to OVGI customers at a lower rate that is not available to OVG on a wider basis. OVGI operates its own plant and equipment to provide gas service and is maintained as a separate corporate entity. For all other purposes, OVGC and OVGI are operated as a single consolidated entity.

OVG is engaged in the business of purchasing, transporting, distributing, storing, and selling natural gas to the public in Indiana and Ohio. OVG owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities within Indiana which are used and useful for the production, transmission, distribution, and furnishing of natural gas service to serve approximately 28,576 residential, commercial, and industrial customers in east central and southern Indiana and approximately 623 residential customers in west central Ohio. OVG renders such gas utility service by means of utility plant, property, equipment and related facilities owned, leased, operated, managed, and controlled by it (collectively referred to as OVG's "Utility Properties") that are used and useful for the convenience of the public in the production, treatment, transmission, distribution and sale of gas.

3. Existing Rates and Test Year. OVG's current base rates, charges, and tariffs, except as may have been amended from time to time by various gas cost adjustment ("GCA") proceedings, or amended tariffs including those related to the repeal of the Utility Receipts Tax and related to Cause No. 45032 (the investigation into the impacts on Indiana utilities and customers resulting from the December 22, 2017, Tax Cuts and Jobs Act of 2017 ("TCJA")) and subdockets, for gas service were last approved by this Commission in the October 17, 2017 order in Cause No. 44891. The Joint Petition initiating Cause No. 44891 was filed on December 15, 2016. In accordance with Ind. Code § 8-1-2-42(a), more than 15 months have passed since the filing of OVG's most recent request for a general increase in its basic rates and charges.

As authorized by Ind. Code § 8-1-2-42.7(d) ("Section 42.7"), OVG proposed a forward-looking test year using projected data. The test year to be used for determining Petitioner's projected operating revenues, expenses, and operating income shall be the 12-month period ended September 30, 2025 ("Test Year"), and the historical base period is the 12-month period ended September 30, 2023 ("Base Year").

4. The Parties' Evidence.

A. Joint Petitioners' Case-in-Chief. Mr. Williams explained that OVG is seeking an overall revenue increase of \$12,062,051, or approximately 35.37% over current rates and charges.

Mr. Bailey discussed the significant capital improvements OVG has undertaken since its last rate case that are unrelated to its transmission, distribution, and storage system improvement charge ("TDSIC") Plan and forecasted capital improvement expenditures from 2023 through the end of the Test Year.

Mr. Roach testified as to OVG's development of its minimum standard filing requirements, its proposed forecasted test year, its revenue requirement, its pro forma income statements for the 12 months ended September 30, 2025, its capital structure and weighted average cost of capital ("WACC"), its usage per customer forecast for the Test Year, and its financial statements for the

period ended September 30, 2025.

Mr. Ingram testified regarding OVG's current and forecasted medical expenses and other labor-related costs. He stated that OVG provides health, dental, and vision benefits (collectively referred to as "medical insurance benefits") to its employees and has seen an increase in medical insurance benefits expense since its last rate case. He explained that OVG's medical benefit expense is determined based on the plan design, past participant medical expenses, healthcare trends, and the rates and terms of vendor contracts that are in place. He stated that OVG goes to market annually through a broker in order to find providers.

Ms. Harlow discussed the development of OVG's Test Year and sponsored Attachment EMH-1 showing the Federal Reserve inflationary factors. She stated that OVG's Test Year is comprised of projections from the Base Year (the 12 months ended September 30, 2023), the year October 1, 2023 and ending September 30, 2024 (the "Link Year"), and a forecast for the Test Year.

Mr. VerDouw discussed OVG's cost-of-service study and recommended including the proposed revenue decoupling mechanism in the company's proposed rate design. He explained that the cost-of-service study was created by using prior income statement and balance sheet data based on OVG's accounting books and records from the Base Year. He explained the purpose of the cost-of-service study was to evaluate how appropriately the rates for OVG's customer classes reflected the cost of providing service to each respective class and to determine what adjustments would be appropriate if needed. He also explained that OVG in this Cause is continuing its transition towards single tariff pricing, which would be applicable to all customer classes and provide better price stability for all customers.

Ms. Bulkley recommended 11% as the appropriate return on equity ("ROE") for OVG. She explained the methodology behind her analysis and conclusions, proxy group selections, and the effects of projected capital market conditions on OVG's cost of equity.

B. OUCG's Case-in-Chief. OUCG witnesses made various adjustments to OVG's case-in-chief proposals. OUCG witness Leinheiser explained that the two drivers of OVG's proposed rate increase are major medical costs and investments in rate base. He stated that the OUCG calculated the proposed revenue requirement as \$10,124,289 and recommends it be allocated to the customer rate classes based on OUCG witness Krieger's cost-of-service recommendations. He added that the OUCG recommends a ROE of 9.00% with a resulting return on original cost rate base of \$5,279,780. He stated that the OUCG does not dispute OVG's methodology for calculating its state and federal income tax calculations or for calculating the public utility fee; however, he opined that OVG's public utility fee calculation is derived from incorrect numbers. He testified that the OUCG also recommends approval of OVG's new excess deferred federal income taxes ("EDIT") Appendix, as it is a simpler calculation than the alternative method for providing a credit back to customers.

OUCG witness Dismukes explained why he recommends the Commission disallow OVG's proposed revenue decoupling mechanism, the SRC Rider. He testified that the SRC rider would reduce risk associated with revenue recovery for Petitioner but provide no corresponding benefit to ratepayers.

OUCG witness Nouredin recommended: an increase of \$139,246 to credit card fee revenue; an increase of \$5,138 to forfeited discounts; and an increase of \$12,080 to miscellaneous service revenues. He stated that, when OVG customers pay by credit card, OVG incurs a credit card processing fee, which it passes along to its customers; however, only around 24% of OVG's customers pay with credit card. He recommended that OVG add language in its tariff allowing it to charge customers for credit card fees and an increase of \$139,246 to its credit card fee revenue.

OUCG witness Kohlmann recommended OVG reduce its distribution expense by \$67,190, which he calculated by applying the OUCG's inflation factors. He recommended that: 1) OVG develop a travel and meal plan policy and submit it to the Commission and OUCG within 90 days of the final order; 2) OVG develop a written credit card policy to include clear and concise guidance to its employees on what are considered to be justified business expenses and submit the policy to the Commission and OUCG within 90 days of the final order; 3) decreasing administrative and general expense by \$256,489; and 4) increasing OVG's proposed regulatory expense by \$97,710. He stated that, if new base rates have not gone into effect at the end of the five-year amortization period, OVG file a revised tariff to remove the rate case expense from OVG's base rates.

Mr. Kohlmann testified that he did not agree with the amount OVG proposed to recover for outside services, noting numerous legal invoices where detailed descriptions of services provided were redacted. He also noted an invoice for microfilm transfer where the service was provided and billed prior to the Base Year, and no additional fees were paid for this service in the Base Year. He proposed a reduction of \$134,950 to outside expenses on the basis that the evidence provided by OVG does not provide detailed explanations as to what these legal services were for, and OVG's customers should not be responsible for expenses that did not occur in the base year.

Mr. Kohlmann also disagreed with OVG's proposal to amortize its total regulatory expense of \$488,277 over a three-year period, resulting in a total regulatory adjustment of \$162,759, noting certain errors in how the regulatory expense was calculated. He recommended an amortization period of five years because of OVG's history of filing prior rate cases (seven years ago, and then five years before that). He opined that a three-year amortization period is inconsistent with OVG's history of filing rate cases.

OUCG witness Vaulx stated that OVG listed \$744,760 for replacement services and \$505,000 for new services in the Link Year, and, in the Test Year, OVG listed \$816,000 for replacement services and \$587,500 for new services. She recommended reducing the rate base for new services by \$77,500 for the Link Year and by \$185,000 for the Test Year, resulting in an overall utility plant in service amount of \$138,517,712. She stated that, overall she recommends a total rate base of \$67,827,751, comprised of \$138,517,712 of utility plant in service, \$78,086,238 of accumulated depreciation, \$1,848,472 of gas stored underground, \$2,595,920 of working capital, and \$2,951,885 of materials and supplies. She recommended the September 2025 rate base forecast as approved in the final order serve as a cap on OVG's Step 2 base rate compliance filing. She also recommended a decrease in depreciation expense of \$7,665 for the Test Year and for OVG to update any incorrect customer deposit account data in its general ledger.

OUCG witness Courter stated that a 9.00% cost of equity (“COE”) was more reasonable than OVG’s proposed 11.00%. He explained that his calculation puts OVG’s COE between a range of 8.1% to 10%. He recommended OVG’s COE be reduced if the Commission either approved OVG’s inclusion of \$325,000 of internal labor cost in its rate case expense or the SRC Rider.

OUCG witness Krieger recommended OVG’s cost-of-service study be updated in the Step 1 Compliance filing to account for actual Rate 9T information. He also recommended that OVG allocate 50% of the FERC transmission main account to rate class Design Day Demand and the other 50% to Annual Throughput of each customer class. He also recommended that OVG not include transmission plant-in-service cost in its Zero-Interception Main Study (“ZIS”) methodology.

OUCG witness Hoff explained that OVG will continue to move towards single tariff pricing for all customers, except its Town of Grandview (“Grandview”) customers to avoid rate shock. He testified that the OUCG supports OVG’s move towards a single tariff pricing structure and stated that the transition may produce benefits beyond those expressed by OVG. He recommended the Commission approve the new rate blocks for rate class S81 and OVG’s proposal to create tariff rate 9T on the condition the customers give at least six months’ notice if they intend to discontinue service. He also recommended OVG correct its revenue calculation in its cost-of-service study and revenue proof for customers under tariff 9T to properly record the monthly facilities charge.

He recommended that OVG develop a plan to evaluate all sections of service lines that were formally yard lines, giving priority to the locations with service connected earliest. He stated that OVG has not provided a clear definition on what constitutes “volatile market gas prices” and recommended they develop a set of criteria regarding market volatility and the amount of time the market must show these characteristics to qualify for “volatile market gas prices.” He also recommended that OVG record the customer reconnections occurring at the same location each year and the tariff rate and length of disconnection period for each instance.

He recommended the Commission not approve OVG’s monthly facilities charge for rates S11, S41, and S91 as it would be the highest monthly residential customer service charge among Commission-regulated natural gas utilities. He recommended the Commission hold the customer service charges for all classes at their current level. He also recommended the Commission approve the \$1,199.83 facilities charge for T19, T49, and T99.

C. Joint Petitioners’ Rebuttal. In response to Mr. Kohlmann’s criticism of the redacted legal invoices provided by OVG, Mr. Roach opined that it should be apparent that the total amounts requested are reasonable for the four categories of legal expenses: general regulatory, TDSIC filings, GCA filings, and a recent financing case. He stated that the microfilm transfer service invoice the OUCG noted is part of a digitization effort by OVG to modernize its record keeping and it anticipates similar expenses going forward to execute its commitment to a fully digital future.

Mr. Roach agreed with the OUCG’s recommendation for a total adjustment to distribution expense by a reduction of \$64,140, consisting of a reduction of \$1,140 to professional dues allocated to lobbying, and a reduction of \$63,000 to customer install expense, which, after applying

the OUCC's inflation factors, results in a total reduction of \$67,190.

Regarding the OUCC's recommendation rejecting OVG's three-year amortization of its regulatory expense, Mr. Roach stated that lengthening the amortization period may reduce rates in the short-term but compounds the impact in the long term. He testified that OVG proposed a three-year amortization period as that is the period it anticipates rates to be in effect, not based on historical practices, which are being revised by OVG. He stated that OVG management is currently committed to a 36-month general rate case filing frequency going forward.

Mr. Ingram stated that OVG disagreed with the OUCC's recommendations to require a formal written policy to support its meal expense and miscellaneous expense, noting that every purchase is reviewed by OVG's comptroller for reasonableness. He disagreed with the OUCC's recommendation to reduce the meal and miscellaneous expenses and maintained OVG should not be precluded from recovering prudently incurred expenses. However, he testified that, to reduce controversy in this proceeding only, OVG will agree to the OUCC's adjustments and will work to update its policies to aid ease of review in future filings. He stated that OVG will work to develop written credit card, travel, and meal policies and provide them to the Commission and OUCC within 90 days after the final order is issued. He stated that OVG's new policies will not have a fixed per diem rate, as a fixed per diem rate is insufficient to address all the various travel needs of OVG's team members from the different district offices and corporate offices. He noted that OVG's rural service area requires various longer travel times, and a per diem system is not well suited to this type of travel without constant reevaluation, which will create unnecessary administrative waste.

Ms. Harlow explained that OVG does not agree with the OUCC's recommended reduction of \$1,937,762 to OVG's originally requested revenue increase. She stated that OVG disagrees with multiple adjustments proposed by the OUCC, including the removal of travel expenses, the removal of non-recurring expenses, the removal of remaining contested outside services, adding a credit card fee, increasing forfeited discounts, increasing miscellaneous revenue, the removal of internal cost in rate case expense, and adjusting plant and accumulated depreciation for new services. She testified that she also disagrees with the OUCC's recommendations regarding 30-Day Filing 50687, opining that the OUCC has no basis to re-litigate issues addressed in that decided filing.

Ms. Harlow stated that OVG agrees with the OUCC that OVG should have added the accumulated deferred 20% from its TDSIC filings in Cause No. 45400 to rate case expenses instead of removing the deferred 20%. She also testified that OVG agrees it should not have reduced its amortized deferred TDSIC Regulatory Asset by \$189,845, but instead should have added its total TDSIC Regulatory Asset of \$569,535 to its rate case expense of \$1,057,812 to arrive at a total regulatory expense of \$1,627,347. She stated that the \$379,690 increase in the corrected total regulatory expense of \$1,627,347 over the total regulatory expense stated in OVG's initial filing was due to a subtraction error.

Mr. VerDouw agreed with OUCC witness Krieger that OVG's cost-of-service study should be updated in the Step 1 compliance filing to account for actual Rate 9T information when calculating the Derivation of Customer Class Peak Day Demands (Design Day Demands). He disagreed with Mr. Krieger's recommendation to change the Transmission Mains allocation to

eliminate the use of the number of customers for allocating transmission mains, as all customers use and derive benefit from the transmission mains in place at OVG. He disagreed with Mr. Krieger's recommendation to approve only using Annual Throughput for allocation of 50% of transmission mains and using Design Day Demand for allocation of the remaining 50% of transmission mains. He also disagreed with the proposal to eliminate transmission mains and keep distribution mains in the ZIS.

Mr. VerDouw agreed with OUCC witness Hoff's recommendation that the facilities charge calculated in preparing the cost-of-service study for Rate 9T, Pipeline Direct Buy, be approved. However, he disagreed with Mr. Hoff that the proposed increases in facilities charges for all other rate classes be denied.

Ms. Bulkley noted that OUCC witness Courter accepted OVG's proposed capital structure. She stated there were fundamental errors in Mr. Courter's discounted cash flow ("DCF") and capital asset pricing model ("CAPM") analyses rendering his cost-of-equity models inconsistent with financial theory. She stated the cost-of-equity results of those analyses and his recommended ROE cannot be relied upon for establishing the ROE in this proceeding.

D. Settlement Agreement and Settlement Testimony. The Settlement Agreement presents OVG's and the OUCC's (collectively, the "Parties") resolution of all issues in this Cause. Mr. Roach, on behalf of OVG, and Ms. Poole, on behalf of the OUCC, offered settlement testimony supporting the Settlement Agreement as a fair and reasonable resolution of the issues in this Cause.

Mr. Roach discussed the terms of the Settlement Agreement. He explained that Section I.A. of the Settlement Agreement recognizes the parties' agreement that OVG's proposal as set forth in its case-in-chief shall be approved except as modified by the Settlement Agreement.

He explained Section I.B. states that the 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 Parties stipulate and agree that this increase is calculated to produce a 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 Parties agree to the settlement schedules submitted as Appendix A to the Settlement Agreement, which are an updated version of OVG's Exhibit No. 8, Exhibit REVREQ7.2, and are representative of the settlement terms. Ms. Poole explained that the total net operating income of \$5,862,415 calculated from the Settlement Agreement provided a fair return.

According to Mr. Roach, Section I.C. of the Settlement Agreement addresses revenue and the Parties' agreement on OVG's pro forma revenues at present rates as presented in OVG's rebuttal evidence. Under the settlement agreement, OVG is not required to revise its tariff to pass credit card fees on to customers; however, the OUCC has not waived its right to argue in future cases that any such fees not passed on should be imputed to OVG's revenues.

Under Section I.D. of the Settlement Agreement, the Parties agree that OVG's pro forma operating expenses shall be as set forth in Exhibit 8, Exhibit REVREQ7.2, Schedule of Present and Proposed Rates, as the same has been modified in OVG's rebuttal case, including the following changes and adjustments:

Non-Recurring Expense: The Parties agree to the OUCC's proposed adjustment for non-recurring expenses of (\$33,721).

Inflation: The Parties agree to the OUCC's proposed adjustments for inflation for distribution expense of (\$3,050) and for administrative and general expense of (\$15,357).

Travel Expense: In exchange for the generic expense adjustment described herein, the OUCC withdraws its adjustment to travel expense (\$5,088).

Outside Service Expense: The Parties agree that the adjustment for outside services shall be (\$118,155). This reflects the removal of expenses incurred outside the base year of \$25,469, 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.

Amortization Expense: The Parties agree to a total regulatory asset of \$1,302,347, comprising TDSIC costs of \$569,535 and rate case expense of \$732,812. 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 Parties agree the unamortized amount shall be recovered in that general rate case.

Depreciation Expense: The OUCC withdraws its proposed depreciation expense adjustment of (\$7,665).

Generic Expense Adjustment: In return for the compromises on credit card fee revenues and travel expense, the Parties stipulate and agree to a generic expense adjustment of (\$100,000).

Mr. Roach explained that the generic expense adjustment was necessary and reasonable because OVG and the OUCC could not agree regarding certain aspects of such expenses extending beyond the actual dollar amount of the expense. He noted that, for example, the generic expense adjustment allows OVG to still offer payment by credit card and capture the associated cost savings, but recognizes the OUCC's concern that other customers may be subsidizing those that use credit cards.

Mr. Roach explained that Section I.E.1. states the Parties agree 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).

Mr. Roach discussed Section I.E.2. of the Settlement Agreement, addressing OVG's capital structure. He explained that the Parties have agreed to a 10.0% COE. The Parties have also agreed that OVG will update its customer deposit amount in its general ledger for the Link Year and the Test Year to the correct amounts and include the correct amounts in its Step 1 and Step 2 compliance filings. Finally, the 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. Mr. Roach and Ms. Poole explained why they found that a 10.0% COE is appropriate for a small gas utility like OVG.

Ms. Poole also explained that the Parties have agreed to a WACC of 8.6079% and agree that the WACC resulting from Joint Petitioners' capital structure multiplied by Joint Petitioners' net original cost rate base yields a fair return of no more than \$5,862,415.

According to Mr. Roach, in Section I.E.3 the Parties agree OVG will withdraw the proposed Sales Reconciliation Component Rider (decoupling) presented in its case-in-chief. The Parties also agree that 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. The Parties agree OVG will record annually the number of times there are customers disconnecting and reconnecting at the same location, the tariff rate for each such customer, and the duration of each disconnection. The Parties also agree OVG will include this information in its next general rate case. Finally, the Parties agreed that other recommendations made by Mr. Hoff related 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.

In Section I.F of the Settlement Agreement, the Parties have agreed 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 after an order approving the Settlement Agreement, and the submission and approval of the tariff and compliance filing will be based upon actual rate base and capital structure as of the beginning of the Test Year. Step 1 rates will be effective for service rendered after the date of Commission approval. 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. The Parties agree that, 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 upon approval on an interim subject to refund basis pending the period for review by the OUCC described herein. The 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.

Ms. Poole explained that the Parties have agreed that 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.

Mr. Roach stated Section I.G. sets forth the agreed upon Facilities Charges and other tariff and rate design components by the Parties as follows:

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

See Jt. Pet. Ex. 14 at 10.

Ms. Poole explained that the Parties agreed to monthly customer charges for all current rate classes be set at the rates in effect prior to the repeal of the utility receipts tax.

Mr. Roach explained that Section I.G. also sets forth the Parties' agreement that OVG will update its cost-of-service study to account for the actual calculations attributed to Rate 9T in its Step 1 compliance filing. It also includes the Parties' agreement that no changes will be made to OVG's proposed transmission allocation presented in its case-in-chief and that the Parties agree no changes will be made to the proposed ZIS presented in OVG's case-in-chief.

Mr. Roach and Ms. Poole both opined that, taken as a whole, the Settlement Agreement represents the result of extensive, good faith, arm's-length negotiations reflecting a fair and balanced outcome of the sub-docket issues reached between the Parties. They both also testified that the Settlement Agreement represented a compromise reached in the settlement negotiation process, with give and take by all Parties.

Mr. Roach and Ms. Poole also both opined that the Settlement Agreement is in the public interest and should be approved. Mr. Roach stated that, as a general matter, negotiated resolutions to complex issues are consistent with the public interest because the result is a byproduct of input and compromise by the various parties that are directly impacted by the outcome. He stated that OVG was able to reach an agreement that provides it with rates and charges sufficient to allow it to recover the cost of providing service to its customers and to a return of and on its investments in plant and equipment needed to serve its customers. He testified that the Agreement was supported by substantial evidence and the resolution of the various issues addressed in the

Agreement are well within the boundaries of the evidence submitted by OVG and the OUCC, including detailed ratemaking and accounting schedules that document the agreed upon result.

Ms. Poole also stated that the Parties each made material concessions when they entered into the proposed Settlement Agreement. She testified that the terms of the Settlement Agreement demonstrate the give and take of settlement negotiations in resolving multiple contested issues in a manner acceptable to the Parties, and the Settlement Agreement also reduces the risk and expense of litigation of multiple issues. The Settlement Agreement, considered in its entirety, serves the public interest and the ratepayers of OVG by guaranteeing ratepayer savings of approximately \$1 million annually compared to Joint Petitioners' case as initially filed. She opined that the Settlement Agreement promotes judicial and administrative efficiency, and the OUCC considers the Settlement Agreement to be both reasonable and in the public interest.

5. Commission Discussion and Findings. Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana 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. v. PSI Energy*, 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.

Furthermore, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. v. Pub. Serv. Co.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 I.A.C. 1-1.1-17(d). Therefore, before the Commission can approve a Settlement, we must determine whether the evidence in this cause sufficiently supports the conclusions that the Settlement is reasonable, just, and consistent with the purpose of Ind. Code § 8-1-2-1, *et seq.*, and that such agreement serves the public interest.

The Commission has before it substantial evidence from which to determine the reasonableness of the terms of the Settlement. Our review of the reasonableness of the Settlement Agreement is aided by the parties' supporting settlement testimony. Based on our review of the evidence of record as described above, we find the Settlement Agreement is reasonable and in the public interest and should be approved.

The Settlement Agreement and the evidence of record supports a finding that Joint Petitioners' current rates and charges are insufficient and must be increased. Settlement Appendix A, which was incorporated by reference in the Settlement Agreement, is the revenue requirement schedules reflecting the terms of the Agreement. The schedules indicate that Joint Petitioners' base rates will be designed to produce additional operating revenue of \$11,059,420 and to provide an opportunity to earn a net operating income of \$5,862,415. This reflects the opportunity for Joint Petitioners to earn an overall rate of return of 8.61% on their net original cost rate base of \$68,078,161.

Having considered the evidence of record, including the Settlement Agreement, we find Joint Petitioners' current rates and charges are insufficient to allow Joint Petitioners appropriate funds for the safe and reliable operation of the utility and to earn a reasonable return on its investment in utility rate base.

The following table details the settled-upon net original cost rate base. Both Step 1 and Step 2 rates will be based upon the actual utility plant in service as of the date of their implementation, provided that the forecasted net original cost rate base shall serve as a cap on the total net original cost rate base throughout all steps.

Utility Plant in Service as of September 30, 2025	\$138,780,212
Less: Accumulated Depreciation as of September 30, 2025	<u>(\$78,096,166)</u>
Net Utility Plant in Service	\$60,684,046
Add: Gas Stored Underground, Working Capital, and Materials & Supplies	<u>\$7,394,115</u>
Total Original Cost Rate Base	<u>\$68,078,161</u>

The following table details the settled-upon capital structure, which for both Step 1 and Step 2 rates will be based upon the actual capital structure as of that date.

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	\$60,293,779	83.18%	10.00%	8.32%
Long Term Debt	\$3,617,331	4.99%	4.5%	0.22%
Customer Deposits	\$886,848	1.22%	6.00%	0.07%
Deferred Income Taxes	\$7,688,749	10.61%	0.00%	0.00%
Total Capital	\$72,486,707	100.00%		8.61%

The following table details the settled-upon revenue requirement and revenue increase:

Revenue Requirement	Amount
Total Original Cost Rate Base	\$68,078,161
Rate of Return	<u>8.61%</u>
Authorized Net Operating Income	\$5,862,415
Net Operating Income at Pro-Forma Present Rates	<u>(\$2,407,844)</u>
Increase in Revenues Required	\$8,270,259
Effective Incremental Revenue NOI Conversion Factors	<u>133.7252%</u>
Increase in Revenue Requirement (Based on Net Original Cost Rate Base)	<u>\$11,059,420</u>

The Settlement Agreement resolves all contested issues between the parties in this case. Based on our review of the evidence of record as described above, particularly the Settlement Agreement terms and supporting testimony, the Commission finds the Settlement Agreement is within the range of potential outcomes and represents a just and reasonable resolution of the issues. Accordingly, the Settlement Agreement, which is incorporated by reference into this Order, is approved.

6. Effect of Settlement Agreement. Consistent with the terms of the Settlement Agreement, the Settlement is not to be used as precedent in any other proceeding or for any other purpose except to the extent necessary to implement or enforce its terms. With regard to future citation of the Settlement or of this order, we find our approval of the Settlement Agreement should be treated in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434.

7. Confidentiality. On February 7, 2024 and May 22, 2024, Joint Petitioners filed Motions for Protection and Nondisclosure of Confidential and Proprietary Information in this Cause (“Motions”), both of which were supported by affidavits showing that certain information to be submitted to the Commission was trade secret information as defined in Ind. Code § 24-2-3-2 and should be treated as confidential in accordance with Ind. Code §§ 5-14-3-4 and 8-1-2-29. In docket entries dated February 21, 2024 and June 4, 2024, the Presiding Officers found the information should be held confidential on a preliminary basis. After reviewing the information and affidavits, we find that the information is trade secret information as defined in Ind. Code § 24-2-3-2, is exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29 and shall be held as confidential and protected from public access and disclosure by the Commission.

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

1. The Parties' Settlement Agreement, a copy of which is attached to and incorporated into this order by reference, is approved in its entirety.

2. Joint Petitioners are authorized to increase, in two steps, its operating revenues exclusive of the cost of gas by \$11,059,420 and are authorized to earn a net operating income of \$5,862,415 on a rate base of \$68,078,161.

3. Joint Petitioners shall file a revised tariff if new rates have not gone into effect at the end of the four-year amortization period to remove TDSIC costs and rate case expense.

4. Joint Petitioners shall file under this Cause within 90 days of this order a written policy regarding travel expenses, meal expenses, and credit card usage.

5. Joint Petitioners shall 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. OVG shall include this information in their next general rate case.

6. Joint Petitioners shall update their cost-of-service study to account for the actual calculations attributed to Rate 9T, including the agreed-upon Facilities Charge of \$1,199.83, in their Step 1 compliance filing.

7. Joint Petitioners shall file a revised tariff at each step consistent with our findings above with the Energy Division of the Commission under this Cause. The rates and charges and terms and conditions set forth therein shall be effective for service rendered on and after the date of approval by the Energy Division.

8. The information submitted under seal in this Cause pursuant to Joint Petitioners' Motions is determined to be confidential trade secret information pursuant to Ind. Code §§ 5-14-3-4 and 24-2-3-2 and shall continue to be held as confidential and exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29.

9. This order shall be effective on and after the date of its approval.

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

APPROVED: NOV 06 2024

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

Dana Kosco
Secretary of the Commission

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 10th 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