

STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

JOINT APPLICATION OF INDIANA GAS )  
COMPANY, INC. D/B/A VECTREN ENERGY )  
DELIVERY OF INDIANA, INC. ("VECTREN )  
NORTH") AND SOUTHERN INDIANA GAS )  
AND ELECTRIC COMPANY D/B/A VECTREN )  
ENERGY DELIVERY OF INDIANA, INC. )  
("VECTREN SOUTH") FOR CERTIFICATES )  
OF PUBLIC CONVENIENCE AND NECESSITY )  
AUTHORIZING THEM TO RENDER NATURAL )  
GAS SERVICE TO THE PUBLIC IN CERTAIN )  
AREAS OF ADAMS, ALLEN, )  
BARTHOLOMEW, BLACKFORD, BOONE, )  
BROWN, CLARK, CLINTON, DECATUR, )  
DELAWARE, FAYETTE, FLOYD, FOUNTAIN, )  
GIBSON, GRANT, HAMILTON, HANCOCK, )  
HENDRICKS, HENRY, HOWARD, )  
HUNTINGTON, JEFFERSON, JOHNSON, )  
KNOX, LAWRENCE, MADISON, MIAMI, )  
MONROE, MONTGOMERY, MORGAN, )  
OWEN, PARKE, POSEY, PUTNAM, )  
RANDOLPH, RUSH, SHELBY, SPENCER, )  
SWITZERLAND, TIPPECANOE, TIPTON, )  
VERMILLION, VIGO, WARREN, WAYNE, )  
WELLS AND WHITE COUNTIES )

FILED  
APRIL 28, 2017  
INDIANA UTILITY  
REGULATORY COMMISSION

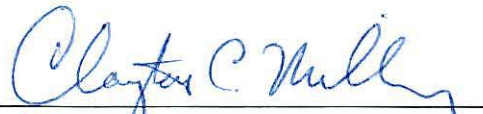
CAUSE NO. 44894

**SUBMISSION OF SETTLEMENT TESTIMONY**

Intervenors Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.  
submit the attached testimony of Scott A. Williams in support of the settlement  
of certain issues raised in Vectren's amended petition in this cause.

Respectfully submitted,

OHIO VALLEY GAS CORPORATION  
and OHIO VALLEY GAS, INC.

  
\_\_\_\_\_  
By their attorney

Date: April 28, 2017

Clayton C. Miller, Att'y No. 17466-49  
Bamberger, Foreman, Oswald & Hahn, LLP  
201 N. Illinois Street, Suite 1225  
Indianapolis, IN 46204  
Phone: (317) 464-1591  
Fax: (317) 464-1592  
Email: [cmiller@bamberger.com](mailto:cmiller@bamberger.com)

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing Application was served via electronic mail transmission or by depositing a copy thereof in the United States mail, first class postage prepaid, addressed to:

Scott Franson  
Indiana Office of Utility Consumer  
Counselor  
PNC Center  
115 West Washington Street, Suite 1500  
South Indianapolis, Indiana, 46204  
[sfranson@oucc.in.gov](mailto:sfranson@oucc.in.gov)  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

Robert E. Heidorn  
P. Jason Stephenson  
Goldie T. Bockstruck  
Vectren Corporation  
One Vectren Square  
211 NW Riverside Drive  
Evansville, Indiana 47708  
[rheidorn@vectren.com](mailto:rheidorn@vectren.com)  
[jstephenson@vectren.com](mailto:jstephenson@vectren.com)  
[gbockstruck@vectren.com](mailto:gbockstruck@vectren.com)

Robert Glennon  
Robert Glennon and Assoc. PC  
3697 N. 500 E.  
Danville, IN 46122  
[glennon@iquest.net](mailto:glennon@iquest.net)

Christopher C. Earle  
Timothy R. Caister  
NiSource Corporate Services  
Company  
150 W. Market Street, Suite 600  
Indianapolis, Indiana 42604  
[cearle@nisource.com](mailto:cearle@nisource.com)  
[tcaister@nisource.com](mailto:tcaister@nisource.com)

This 28th day of April 2017.

  
\_\_\_\_\_  
Clayton C. Miller

INTERVENORS' EXHIBIT SAW  
SETTLEMENT TESTIMONY OF  
SCOTT A. WILLIAMS  
ON BEHALF OF  
OHIO VALLEY GAS CORPORATION and  
OHIO VALLEY GAS, INC.

APRIL 28, 2017

OHIO VALLEY GAS CORPORATION  
OHIO VALLEY GAS, INC.

SETTLEMENT TESTIMONY OF SCOTT A. WILLIAMS

1. **Q. Please state your name and business address.**

A. Scott A. Williams, 111 Energy Park Drive, Winchester, Indiana.

2. **Q. By whom are you employed and in what capacity?**

A. I am the Executive Vice President and General Manager of Ohio Valley Gas Corporation (OVGC), which is one of the intervenors in this proceeding and is the parent of another intervenor, its wholly owned subsidiary, Ohio Valley Gas, Inc. (OVGI).

3. **Q. When did you begin your employment with the OVGC?**

A. On April 15, 2013.

4. **Q. Please summarize your educational background.**

A. I hold a Bachelor of Science Degree in Mechanical Engineering from Rose-Hulman Institute of Technology.

5. **Q. What is your employment history?**

A. Prior to joining the management of OVGC, I had been continuously employed in a variety of capacities by Delphi Automotive Corporation since my graduation from Rose-Hulman in 1984.

6. **Q. Have you previously testified before the Indiana Utility Regulatory Commission?**

A. Yes.



21 A. Not quite. The settlement contemplates no change in any current  
22 customer's gas service provider. The settlement asks the  
23 Commission to authorize the continued provision of service by

1 Vectren to customers it is already serving in territory currently  
2 assigned to OVGC in Randolph County or assigned to OVGI in Vigo  
3 County. OVGC would in exchange for this concession receive from  
4 Vectren and the Commission authority to provide gas service to  
5 potential new customers who are not currently receiving gas service  
6 from any utility in a portion of Wayne County. As described in our  
7 settlement with Vectren ("Settlement Agreement"), the locations of the  
8 eighteen (18) customers identified in Vectren's amended petition that  
9 it is serving in OVGI's assigned territory in Vigo County would be  
10 removed from OVGI's assigned territory and added to Vectren's  
11 assigned territory. Also, Vectren's authorization to provide gas  
12 service in Randolph County would be expanded to include its  
13 continued provision of farm tap service to the thirty (30) farm tap  
14 customers and their successors in those same locations in OVGC's  
15 assigned territory. In exchange, Vectren has consented to the  
16 transfer to OVGC of certain territory currently assigned to Vectren in  
17 Wayne County as described in the Settlement Agreement, along with  
18 the expansion of OVGC's assigned territory to an adjacent area not  
19 currently assigned to any gas utility. While the areas proposed to be  
20 added to OVGC's authorized territory ("Expansion Area") have  
21 several residents, none currently receives gas utility service and it is  
22 not known if or when anyone residing in these areas might request to  
23 receive such service.

1 12. **Q. Is OVGC prepared to extend service to customers who request it**  
2 **in the Expansion Area?**

3 A. Yes. While no one currently receives gas utility service in the  
4 Expansion Area, and the terms for accommodating any particular  
5 request for an extension of service will depend on the specific  
6 circumstances of such a request, OVGC is already serving customers  
7 from its facilities in immediately adjacent territory directly north of the  
8 Expansion Area. Adding the Expansion Area to OVGC's assigned  
9 service territory would be a natural extension for OVGC's existing gas  
10 utility infrastructure.

11 13. **Q. Does OVGC possess the requisite technical and managerial**  
12 **expertise and corporate authority to construct the distribution**  
13 **system facilities necessary provide service to potential**  
14 **customers in the Expansion Area?**

15 A. Yes. In addition to OVGC's in-house managerial and technical  
16 engineering personnel, OVGC engages Utility Safety & Design, Inc.,  
17 a well-respected engineering services and design firm specializing in  
18 gas utility operations and construction, to provide OVGC with  
19 additional engineering and construction assistance as necessary.

20 14. **Q. Does OVGC's financial condition enable it to render gas service**  
21 **in the Expansion Area?**

22 A. Yes. Attachment SAW-1 contains OVGC's Balance Sheet at  
23 December 31, 2016 and Income Statement for the twelve months



1 ended December 31, 2016, which demonstrate OVGC's financial  
2 capability to expand its distribution system to serve customers in the  
3 Expansion Area.

4 15. **Q. Does OVGC anticipate any adverse impact from serving potential**  
5 **additional customers in the Expansion Area on OVGC's ability to**  
6 **fully serve all of its existing customers?**

7 A. No. OVGC's arrangements with its gas supplier and its transportation  
8 services pipeline that would serve the Expansion Area are more than  
9 sufficient to include the potential additional customers who may elect to  
10 receive gas service from OVGC, without impacting OVGC's existing  
11 customers.

12 **Q. Have other gas utilities been informed of OVGC's request to add**  
13 **the Expansion Area to its authorized gas service territory?**

14 A. Yes. OVGC is not aware of any nearby gas utilities other than the  
15 petitioner in this cause, Vectren, which is a party to this settlement.

16 16. **Q. Does this conclude your settlement testimony in this Cause?**

17 A. Yes.



**OHIO VALLEY GAS CORPORATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2016**

<b>ASSETS</b>		<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	
UTILITY PLANT IN SERVICE	81,807,536	<b>SHAREHOLDERS' EQUITY</b>	
LESS - DEPRECIATION RESERVE	<u>41,820,409</u>	COMMON STOCK	22,917,668
<b>NET UTILITY PLANT IN SERVICE</b>	39,987,127	TREASURY STOCK	(2,057,412)
CONST. WORK IN PROGRESS	<u>826,587</u>	ADDITIONAL PAID-IN CAPITAL	24,438
<b>TOTAL PLANT</b>	40,813,714	UNAPPROPRIATED RETAINED EARNINGS:	
		BEGINNING OF PERIOD	26,453,553
		NET INCOME	2,221,192
<b>NON UTILITY PROPERTY</b>	874,743	DIVIDENDS	<u>(916,302)</u>
		END OF PERIOD	27,758,444
<b>INVESTMENT IN SUBSIDIARY</b>	5,304,840	RETAINED EARNINGS OF SUBSIDIARY	<u>1,304,840</u>
		<b>TOTAL SHAREHOLDERS' EQUITY</b>	49,947,977
<b>CURRENT ASSETS</b>		<b>CURRENT AND ACCRUED LIABILITIES</b>	
CASH	5,350,910	ACCOUNTS PAYABLE	1,837,262
SPECIAL DEPOSITS	236,874	ACCOUNTS PAY. TO ASSOC. CO.	0
WORKING FUNDS	19,006	CUSTOMER DEPOSITS	1,796,240
ACCOUNTS RECEIVABLE GAS	604,569	TAXES ACCRUED	(459,290)
OTHER ACCOUNTS RECEIVABLE	237,616	INTEREST ACCRUED	517,891
RES. FOR UNCOLLECTIBLE ACCTS.	(84,683)	DIVIDENDS DECLARED	0
ACCTS. REC. FROM ASSOC. CO.	4,663,826	TAX COLLECTIONS PAY.	208,649
FUEL STOCK	1,125	MISC. CUR. AND ACC. LIAB.	<u>801,842</u>
MATERIALS AND SUPPLIES	2,051,037	<b>TOTAL CURRENT LIABILITIES</b>	4,702,593
STORES EXPENSE	288,739		
STORED GAS	955,149	<b>DEFERRED CREDITS</b>	
PREPAYMENTS	223,591	CUST. ADV. FOR CONSTR.	33,348
ACCRUED UTILITY REVENUE	<u>1,871,331</u>	REFUNDABLE GAS COSTS	<u>(879,493)</u>
<b>TOTAL CURRENT ASSETS</b>	16,419,091	<b>TOTAL DEFERRED CREDITS</b>	(846,144)
<b>DEFERRED DEBITS</b>	145,106	<b>RES. FOR DEF. INC. TAX</b>	9,753,067
		<b>TOTAL SHAREHOLDERS' EQUITY AND LIAB.</b>	<u>63,557,493</u>
<b>TOTAL ASSETS</b>	<u>63,557,493</u>		

**OHIO VALLEY GAS CORPORATION**  
**STATEMENT OF INCOME**  
**TWELVE MONTHS ENDED DECEMBER 31, 2016**

**OPERATING REVENUES-**

GAS SALES	22,605,677
FORFEITED DISCOUNTS	107,376
MISC. OPERATING REVENUES	73,636
TRANSPORTATION REVENUES	2,765,728
<b>TOTAL OPERATING REVENUES</b>	<b>25,552,418</b>

**OPERATING EXPENSE-**

PURCHASED GAS	8,592,377
TRANSMISSION	198,154
DISTRIBUTION	3,511,665
CUSTOMERS ACCOUNTING	1,150,978
ADMINISTRATIVE AND GENERAL	4,745,271
<b>TOTAL OPERATING EXPENSE</b>	<b>18,198,445</b>

**NET OPERATING INCOME** 7,353,973

DEPRECIATION	2,296,546
TAXES - GENERAL	1,412,794
TAXES - STATE INCOME	218,838
TAXES - FEDERAL INCOME	350,395
TAXES - DEFERRED INCOME	848,585
<b>TOTAL DEPRECIATION &amp; TAXES</b>	<b>5,127,157</b>

**UTILITY OPERATING INCOME** 2,226,815

**OTHER INCOME (NET)** 14,090

**TOTAL OPERATING INCOME** 2,240,905

**OTHER EXPENSES -**

INTEREST	112,977
MISC. INCOME EXPENSES	10,505
INTEREST CHARGED TO CONSTRUCTION	(103,769)
<b>TOTAL DEDUCTIONS</b>	<b>19,713</b>

**NET INCOME** 2,221,192

The above results exclude OVGC's wholly-owned subsidiary, Ohio Valley Gas, Inc.