FILED May 15, 2024 INDIANA UTILITY REGULATORY 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) APPROVAL OF DECOUPLING THROUGH A NEW SALES RECONCILIATION COMPONENT RIDER, AND (4) APPROVAL OF NECESSARY AND APPROPRIATE ACCOUNTING RELIEF AND OTHER REQUESTS.

**CAUSE NO. 46011** 

# INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

## PUBLIC'S EXHIBIT NO. 8 – PUBLIC REDACTED TESTIMONY OF OUCC WITNESS JARED J. HOFF

May 15, 2024

Respectfully submitted,

Lorraine Hitz Attorney No. 18006-29 Deputy Consumer Counselor

# OHIO VALEY GAS CORPORATION AND OHIO VALLEY GAS, INC. CAUSE NO. 46011 PUBLIC (REDACTED) TESTIMONY OF OUCC WITNESS JARED J. HOFF

# NOTE: INDICATES CONFIDENTIAL INFORMATION

# I. <u>INTRODUCTION</u>

1	Q:	Please state your name and business address.
2	A:	My name is Jared J. Hoff, and my business address is 115 West Washington Street,
3		Suite 1500 South, Indianapolis, Indiana 46204.
4	Q:	By whom are you employed and in what capacity?
5	A:	I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a
6		Utility Analyst for the Natural Gas Division. My educational background, experience,
7		and preparation for this Cause are detailed in Appendix JJH-1 attached to this
8		testimony. Also detailed in Appendix JJH-1 is the background of my testimony analysis
9		for this case.
10	0	
10	Q:	What is the purpose of your testimony?
11	<b>Q:</b> A:	What is the purpose of your testimony? The purpose of my testimony is to analyze Ohio Valley Gas Corporation and Ohio
	_	
11	_	The purpose of my testimony is to analyze Ohio Valley Gas Corporation and Ohio
11 12	_	The purpose of my testimony is to analyze Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.'s ("OVG's") proposed movement to single tariff pricing structure,
11 12 13	_	The purpose of my testimony is to analyze Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.'s ("OVG's") proposed movement to single tariff pricing structure, including tariff additions and language changes, and changes to reconnection and
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> </ol>	A:	The purpose of my testimony is to analyze Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.'s ("OVG's") proposed movement to single tariff pricing structure, including tariff additions and language changes, and changes to reconnection and facilities charges. Please summarize your recommendations concerning OVG's rate design, facilities

1 2		• Approve OVG's movement from eight rate blocks to three rate blocks for Grandview, or tariff rate S81, customers.
3 4 5 6 7 8		• Approve the creation of the proposed tariff rate class 9T subject to the condition the tariff is modified to specify that customers seeking to end service under this tariff rate class must give notice of cancellation at least six months in advance. OVG should correct its revenue calculations in its cost of service study and revenue proof for customers taking service under 9T to properly calculate and charge the monthly facilities charges these customers will pay.
9 10 11		• Order OVG to develop a plan to evaluate the safety and serviceability of the equipment between the property line and the meter, previously described as 'yard lines'.
12 13		• Order OVG to develop a set of criteria to determine when a change in the Budget (Level) Plan review period is needed based on market volatility.
14 15 16		• Require OVG to record the number of customer reconnections per rate class at the same location occurring each year, the length of each period of disconnection, and to file such information in OVG's next base rate case.
17 18		• Approve prorating the facilities charge for customers receiving service under tariff rate 4S.
19 20		• Deny OVG's proposed increase to the monthly facilities charge for customers receiving service under all tariff rate classes except 9T.
21		• Approve the monthly facilities charge as proposed for tariff rate class 9T.
22	Q:	Are you sponsoring any attachments in this proceeding?
23	A:	Yes. I am sponsoring thirteen (13) attachments:
24 25 26		• Attachment JJH-1-C is OVG's response to OUCC data requests ("DRs") regarding the revenue calculation for Grandview customers, including the reduction from eight rate classes to three;
27 28		• Attachment JJH-2 is OVG's DR response regarding proposed changes to its Rules and Regulations;
29 30		• Attachments JJH-3-C, JJH-4, JJH-5-C, and JJH-6-C are OVG's DR responses regarding special contract customers and proposed tariff rate class 9T;

1 2		• Attachment JJH-7 is OVG's DR response regarding changes to the definition of a Yard Line;
3 4		• Attachment JJH-8 is OVG's DR response regarding changes to the review period for the Budget (Level) Plan;
5 6		• Attachments JJH-9 and JJH-10 are OVG's DR responses concerning changes in language to the Reconnection Charge;
7 8		• Attachment JJH-11 is OVG's DR response regarding the proposed proration of the facilities charge;
9		• Attachment JJH-12 is OVG's DR responses concerning customer numbers; and
10 11		• Attachment JJH-13 is OVG's DR response regarding the allocated fixed cost for tariff rate 4S.
12 13	Q:	If you do not address a specific issue, subject, or item in your testimony, does that mean you agree with OVG's position on that issue, subject, or item?
14	A:	No. My silence regarding any topics, issues, or items OVG proposes does not indicate
15		my approval of these topics, issues, or items. Rather the scope of my testimony is
16		limited to the specific items addressed herein.

# II. SINGLE TARIFF PRICING

17 Q: Please briefly describe OVG's history regarding a single tariff pricing structure.
18 A: In Cause Nos. 43208 and 43209, OVG sought to implement a single facilities charge
19 across all service areas and make distribution charges consistent where possible,
20 meaning that some but not all areas had the same charge. (OVG's Exhibit No. 6, page

16, lines 15-17.) In Cause No. 44891, OVG received Commission approval to apply
common Rules and Regulations across all service areas. (OVG's Exhibit No. 6, page
16, line 17 to page 17, line 3.) OVG made the changes incrementally to avoid rate
shock.

#### 1 Q: Please describe OVG's proposed changes to its single tariff pricing structure.

2 A: OVG proposes to move from separate distribution charges for many service area tariff 3 rates to a single price for each tariffed rate. (OVG's Exhibit No. 6, page 17, lines 7-9.) 4 The exception to this movement to a single price tariff is the Grandview, or S81, tariff 5 rate. (OVG's Exhibit No. 6, page 17, line 7-9.) In his testimony, OVG witness Mr. 6 Verdouw says one of the reasons for moving toward a single price tariff is because "of 7 the basic notion that within a single company, customers should pay the same amount 8 for the same service." (OVG's Exhibit No. 6, page 16, lines 10-11.) The application of 9 a single tariff pricing structure enables OVG to reduce rate shock for individual service 10 areas by spreading the costs of projects that benefit OVG customers across customers 11 in all OVG service areas. (OVG's Exhibit No. 6, page 16, lines 5-7.)

OVG states the reason for exempting tariff rate S81 customers from the single tariff pricing structure is due to OVG's recent acquisition of the Town of Grandview's municipal gas utility, and OVG's effort to avoid rate shock to those customers. (OVG's Exhibit No. 6, page 17, lines 7-15.) While not moving to a single tariff pricing structure in this case, the process of including these customers has begun with the proposed restructuring of tariff rate S81. (OVG's Exhibit No. 6, page 17, lines 7-15.) Grandview customers will be the only OVG customers not paying single tariff pricing rates.

19Rate S81 in the current Commission approved Tariff has eight consumption20blocks and a distinct facilities charge. (OVG's Exhibit No. 6, Attachment GMV-6,21Original Sheet No. 1.) The proposed restructuring of the distribution rate blocks for22tariff rate S81will include three distribution rate blocks. (OVG's Exhibit No. 6, page2317, lines 9-11.) OVG states, "[t]he total revenue to be generated through the proposed

1		three rate blocks is identical to what would have been generated via eight rate blocks."
2		(OVG's Exhibit No. 6, page 17, lines 11-13.) OVG's calculation process was explained
3		as an adjustment factor to the cost of service rate design for the Town of Grandview.
4		(Confidential Attachment JJH-1-C; OVG's Response to OUCC DR Nos. 2-11 and 8-
5		5.)
6	Q:	Do you support the change to a single tariff pricing structure?
7	A:	Yes, I support OVG's move to a single tariff pricing structure at this time for all non-
8		Grandview customers and the steps toward a single tariff pricing structure for
9		Grandview customers. This move could have benefits beyond those provided by OVG.
10		Some benefits are difficult to quantify, like the distribution charges being easier for
11		customers to understand.
12 13	Q:	Do you have any concerns regarding OVG's proposed change to a single tariff pricing structure?
	<b>Q:</b> A:	
13		pricing structure?
13 14		<b>pricing structure?</b> No. OVG's responses to OUCC data requests and an informal tech to tech discussion on March 19, 2024, resolved any OUCC concerns.
13 14 15	A:	<ul> <li>pricing structure?</li> <li>No. OVG's responses to OUCC data requests and an informal tech to tech discussion</li> <li>on March 19, 2024, resolved any OUCC concerns.</li> <li>III. <u>ANALYSIS OF PROPOSED TARIFF CHANGES</u></li> </ul>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> </ol>		<b>pricing structure?</b> No. OVG's responses to OUCC data requests and an informal tech to tech discussion on March 19, 2024, resolved any OUCC concerns.
13 14 15	A: <b>Q:</b>	pricing structure?         No. OVG's responses to OUCC data requests and an informal tech to tech discussion         on March 19, 2024, resolved any OUCC concerns.         III. <u>ANALYSIS OF PROPOSED TARIFF CHANGES</u> Please describe the tariff and monthly service charges OVG is proposing.
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> </ol>	A: <b>Q:</b>	<ul> <li>pricing structure?</li> <li>No. OVG's responses to OUCC data requests and an informal tech to tech discussion on March 19, 2024, resolved any OUCC concerns.</li> <li>III. <u>ANALYSIS OF PROPOSED TARIFF CHANGES</u></li> <li>Please describe the tariff and monthly service charges OVG is proposing.</li> <li>OVG proposes several tariff changes:</li> <li>Creation of Tariff Rate 9T, Pipeline Direct Buy Service. (OVG's Exhibit No.</li> </ul>

- 1 2
- Addition of Tariff Appendix G, the Excess Deferred Federal Income Tax (EDIT) Rider. (OVG's Exhibit No. 6, page 22, lines 15-22.)
- 3
- 4

# • Addition of Tariff Appendix H, Revenue Decoupling, Sales Reconciliation Component Rider. (OVG's Exhibit No. 6, page 23, lines 1-4.)

# A. Proposed Tariff Changes and Tariff Additions

5 Q: What tariff changes or additions is OVG proposing?

6 A: OVG proposes two new appendices and one new tariff rate class. Appendix G 7 consolidates the annual distribution charge adjustment as directed by the Commission 8 in Cause No. 45032 S-12, which requires the refund of accumulated deferred income 9 tax due to the Tax Cuts and Jobs Act of 2017. OVG's proposed Appendix G is 10 discussed in OUCC Witness Zachary Leinheiser's testimony. (OVG's Exhibit No. 6, 11 page 22, lines 15-22.) Appendix H is a revenue decoupling mechanism modeled on 12 CenterPoint Energy Indiana North's mechanism. (OVG's Exhibit No. 6, page 33, lines 13 4-9.) OVG's proposed Appendix H is discussed in OUCC Witness Dr. David 14 Dismukes' testimony. Dr. Dismukes recommends the Commission deny OVG's 15 revenue decoupling request.

OVG is also proposing changes that were part of a thirty-day filing ("TD") 50687, which removed the definition of a yard line, requested quality standard changes for natural gas suppliers, and sought changes to the review period of the Budget (Level) Plan. The Commission approved TD 50687 on January 17, 2024. These changes were approved in the Rules and Regulations portion of OVG's Tariff in TD 50687 but were not submitted as changes in the tariff rate portion.

OVG does not propose any changes to the amounts of the non-recurring charges
(i.e. the late payment charge, the collection charge, the returned check charge, etc.).

1	(OVG's Exhibit No. 6, Attachment GMV-6.) OVG also confirmed no changes were
2	proposed in the Rules and Regulations portion of the Tariff. (Attachment JJH-2; OVG's
3	response to OUCC DR No. 6-1.)

#### 1. Pipeline Direct Buy Service (Tariff Rate Class 9T)

# 4 Q: Please describe OVG's proposal for the Pipeline Direct Buy Service tariff (9T).

5 A: OVG proposes to create the Pipeline Direct Buy Service tariff rate class 9T. OVG 6 provided the contracts for Cardinal Ethanol and Premier Ethanol, the two customers 7 currently receiving service under a special contract rate. (Confidential Attachment JJH-8 3-C; OVG's response to OUCC DR No. 1-43 and 6-28, pages 1-23.) Creating the 9T 9 tariff class will bring Cardinal Ethanol and Premier Ethanol out of special contracts to 10 a tariffed rate class, as both companies are due to have rates renegotiated. (OVG's 11 Exhibit No. 6, page 15, lines 5-10.) The distribution charge or the monthly facilities 12 charge last changed for Cardinal Ethanol and Premier Ethanol on <Confidential 13 Confidential> and <Confidential Confidential> 14 respectively. (Confidential Attachment JJH-3-C; OVG's response to OUCC DR Nos. 15 1-43 and 6-28, pages 21-22.)

16

#### Q: Why is OVG creating tariff rate 9T?

A: This rate class is being created to bring the special contract customers to an established
tariff. (OVG's Exhibit No. 6, page 15, lines 7-14.) One of the special contract customers
currently continues to receive special contract rates despite its special contract having
expired. The other customer's special contract allows for continued renewals after the
initial contract term. (OVG's Exhibit No. 6, Page 15, lines 3-5.) Creation of the tariff

1		rate recognizes "[t]he two special contract customers are currently purchasing gas
2		directly from ANR and are using OVG's system to deliver that purchased gas to their
3		location." (OVG's Exhibit No. 6, page 15, lines 10-12.) OVG states "[t]he designation
4		of a separate rate class to recognize that the customers in this rate class are of such a
5		size that they have direct contracts to purchase gas from the pipeline suppliers is
6		appropriate." (OVG's Exhibit No. 6, page 15, lines 12-14.) The two special contract
7		customers use <confidential %="" confidential=""> of OVG's total throughput. (OVG's</confidential>
8		Exhibit No. 6, Attachment GMV-7.)
9	Q:	Did OVG discuss any benefits from creating tariff rate 9T?
10	A:	No. In its prefiled testimony, attachments, and workpapers, OVG does not discuss or
11		identify benefits from moving its special contract customers to a tariffed rate, such as
12		proposed rate 9T. When asked specifically for any benefits from the creation of rate
13		9T, OVG explained the benefit to the two special contract customers will be a rate
14		increase of 35.70% under 9T, as opposed to 280.23% if these customers were moved
15		to tariff rate 5T. (Attachment JJH-4; OVG's response to OUCC DR No. 6-13.) No
16		benefits to the rest of OVG's customers were identified in prefiled testimony,
17		attachments, workpapers, or DR responses. OUCC witness Brien Krieger further
18		discusses the 9T tariff.
19 20 21	Q:	Has OVG communicated with the special contract customers regarding the proposed creation of tariff rate class 9T, and if yes, what were the results of these communications?
22	A:	Yes. OVG communicated with the special contract customers, Cardinal Ethanol and
23		Premier Ethanol, on or after February 9, 2024. (Confidential Attachment JJH-6-C;
24		OVG's response to DR No. 9-18 to 9-19.) My understanding is that when OVG

1		representatives met with the special contract customers about creating the new rate
2		class, OVG provided a document characterizing the customers' current and proposed
3		bills under proposed rate class 9T. (Confidential Attachment JJH-6-C; OVG's response
4		to DR No. 9-18 to 9-19.) My review shows the monthly bills (present and proposed)
5		OVG provided to each of the contract customers are inaccurate. (Confidential
6		Attachment JJH-6-C; OVG's response to DR No. 9-18 to 9-19.) As described in the
7		proposed tariff rate class 9T, customers will be charged the proposed facilities charge
8		of \$1,199.83 per meter, per month. (OVG's Exhibit No. 6, Attachment GMV-6, Tariff
9		Sheet No. 9b.) The monthly bill as characterized in the documents provided to the
10		contract customers shows the monthly bill includes the \$1,199.83 charge as
11		<confidential confidential="">.</confidential>
12		(Confidential Attachment JJH-6-C; OVG's response to DR No. 9-18 to 9-19.)
13	Q:	Do you have any concerns about the terms of Tariff 9T?
14	A:	Yes. As written, proposed rate 9T will not require the customers to provide any notice
15		other than the 90 days required in the "Eligibility" section of the proposed tariff.
16		(OVG's Exhibit No. 6, Attachment GMV-6, Tariff Sheet No. 9.) Given the magnitude
17		of the quantities of gas these two customers use on an annual basis, 90 days is not

enough notice for an intent to end service. I recommend customers on the 9T tariff
provide at least six months' notice before discontinuing service. I also have concerns
about errors in the application of the proposed tariff. With the charges as proposed in
rate 9T, OVG will see annual revenues of \$1,216,111.24. (OVG's Exhibit No. 6,
Attachment GMV-6, page 9b, number of meters in Attachment JJH-4; OVG's response
to OUCC DR No. 6-13.) As set forth in the Present and Proposed Rates, OVG is

1		projecting revenues of <confidential \$="" confidential="">. (OVG's Exhibit</confidential>
2		No. 6, Attachment GMV-7.) With just two customers, the proposed tariff rate class 9T
3		will generate <confidential %confidential=""> of OVG's proposed revenue. (OVG's</confidential>
4		Exhibit No. 6, Attachment GMV-7.)
5 6	Q:	Do you have a concern regarding OVG's revenue calculations for the 9T customers?
7	A:	Yes. OVG has incorrectly calculated the monthly facilities charges applicable to
8		Cardinal Ethanol and Premier Ethanol, resulting in understated revenue. Reviewing
9		proposed tariff rate 9T, I found that the monthly facilities charges are to be applied per
10		meter per month. (OVG's Exhibit No. 6, Attachment GMV-6, Tariff Sheet No. 9b.)
11		However, in the Present and Proposed Rates as filed by OVG, the revenues from the
12		monthly facilities charge is calculated as the proposed facilities charge of \$1,199.83
13		times 24 (the number of customers times months in a year). This confirmed that OVG
14		is applying the 9T facilities charge as a single monthly charge and not per meter as
15		described in the tariff. (OVG's Exhibit No. 6, Attachment GMV-7.)
16	Q:	What is your revenue calculation for Rate 9T?
17	A:	With five meters installed and in use for tariff rate 9T, the revenue calculation in the
18		Present and Proposed Rates is understated by \$3,599.49 per month, or \$43,193.88 per
19		year. (Attachment JJH-4; OVG's response to OUCC DR No. 6-13.) OVG also
20		presented both Cardinal Ethanol and Premier Ethanol with a projected bill under the
21		proposed rates showing the monthly facilities charge <confidential< td=""></confidential<>
		Confidential> and not a per meter per month basis as described in the
23		proposed tariff. (Confidential Attachment JJH-6-C; OVG's response to DR No. 9-18

24 to 9-19.)

# 1Q:What are your recommendations regarding the proposed creation of tariff rate29T?

A: I recommend approval of proposed tariff rate 9T – Pipeline Direct Buy Service on the condition the customers receiving service under tariff rate 9T be required to give at least six months' notice before ending service or changing to another tariff rate. I also recommend OVG correct its revenue calculations in its cost of service study and revenue proof for customers taking service under 9T to properly record the monthly facilities charges these customers will pay.

# 2. <u>Yard Line Definition Change</u>

# 9 Q: Please describe the yard line definition change.

10 A: Prior to OVG filing TD 50687, OVG defined a yard line as "consisting of gas piping 11 from the Customer's property line to OVGC's meter setting. The Yard Line shall not 12 be run under or through any portion of any building." (TD 50687, Ohio Valley Gas 30 13 day Initial Filing, red-lined Tariff sheet No. 0-6.) In TD 50687, OVG requested and 14 received Commission approval to remove the yard line definition and add the material 15 and equipment formerly defined as a yard line to the equipment and material for which 16 OVG is responsible. "OVG will own and maintain all service lines from the main to 17 the meter installation, even when the customer is required to contribute to the cost of 18 the original installation." (TD 50687, Ohio Valley Gas 30 day- Day Initial Filing, red-19 lined Tariff sheet Nos. 0-4 to 0-5.)

# Q: What are your concerns with the change to the yard line and service line definitions in TD50687 and the impact on test year revenue in this case? A: I agree with and support OVG's move to be responsible for maintenance of the existing

23 service lines and installation and maintenance of future service lines from the main to

11 12	Q:	What are your recommendations regarding the change of definition of the yard lines to service lines?
10		standards.
9		service areas now obligates OVG to ensure the lines meet or exceed appropriate safety
8		responsibility for the maintenance and safety of former yard lines across all OVG
7		lines continue to adhere to all applicable safety standards. Assuming control and
6		standards, there is nothing in OVG's Tariff requiring OVG to inspect or ensure the yard
5		should not provide service if the 'yard lines' do not meet or exceed applicable safety
4		JJH-7; OVG's response to OUCC DR No. 2-5.) While OVG is correct in stating that it
3		requirements, OVG would require compliance before providing service." (Attachment
2		to be completed. If the 'Yard Line' did not apply to applicable safety standards and
1		the meter. However, OVG stated "[n]o evaluations have been completed or expected

A: I recommend OVG develop a plan to evaluate all sections of service lines formerly
 defined as yard lines, with priority given to the locations with service connected
 earliest. This project will provide OVG with the information needed to remediate or
 replace lines to ensure the same level of service quality across OVG's service areas.

#### 3. Budget (Level) Plan Review Period

# Q: Please describe the change to the Budget (Level) Plan review period as requested by OVG in Cause No. TD50687. A: OVG requested and received Commission approval to change the frequency of review for the Budget (Level) Plan from a semi-annual to an annual review. (TD 50687, Ohio Valley Gas 30 day- Day Initial Filing, red-lined Tariff sheet No. 0-18.) In addition, OVG added, "OVG reserves the right to perform a semi-annual review, effective with

1		the January billing cycle, in the event of unforeseen extreme conditions impacting
2		customer bills, such as, but not limited to, volatile market gas prices and other extreme
3		market conditions." (TD 50687, Ohio Valley Gas 30 day- Day Initial Filing, red-lined
4		Tariff sheet No. 0-18.)
5 6	Q:	What are your concerns with OVG's plan to change the review period of the Budget (Level) Plan in response to "volatile market gas prices"?
7	A:	When asked to provide the definition of "volatile market gas prices," OVG explained
8		there is no definition of a price change which would constitute "volatile market gas
9		prices." (Attachment JJH-8; OVG's response to OUCC DR No. 2-7.) OVG further
10		stated, "[t]he definition of 'volatile market gas prices' is a significant change in market
11		gas prices," and there is not a defined percent price change to designate if the market
12		prices are volatile or stable. (Attachment JJH-8; OVG's response to OUCC DR No. 2-
13		7.)
14		Without a framework designating when the review period change is triggered,
15		there is no way for the Commission, the OUCC, or other interested parties to provide
16		oversight on the application of this aspect of OVG's Tariff.
17 18	Q:	What are your recommendations regarding the change of the Budget (Level) Plan review period?
19	A:	I recommend the Commission order OVG to develop a set of criteria regarding market
20		volatility and the amount of time the market must exhibit these characteristics to be
21		considered so.

### B. <u>Reconnection Charge Changes</u>

#### 1 Q: What change to the Reconnection Charge is OVG proposing?

2 A: OVG proposes to change the Reconnection Charge from the greater of \$80.00 or the 3 sum of the facilities charge of the months where service was disconnected up to 12 months. (OVG's Tariff, Tariff Sheet Nos. 1a, 2a, 4a, 5c, 6c, and 8d.) OVG proposes to 4 5 replace the "greater of" language with a requirement for the \$80.00 reconnection charge 6 and the sum of the facilities charge for each month where service was disconnected up 7 to 12 months. (OVG's Exhibit No. 6, Attachment GMV-6, Tariff Sheet Nos. 1a, 2a, 4a, 8 5c, 6c, 8e, and 9c.) In TD50687, OVG received Commission approval for this change 9 in the Rules and Regulations portion of the Tariff. In OVG's filing in TD50687, no 10 change was shown as being proposed for the specific tariff rate class sections of the 11 Tariff, only in the general portions of the Tariff. OVG confirmed the customers 12 receiving service under tariff rate 8T will also see this change in the reconnection 13 section and indicated an updated Tariff Sheet 8e will be submitted. (Attachment JJH-14 9; OVG's response to OUCC DR No. 2-9.)

15 Q: What reasons did OVG provide for the change to the Reconnection Charge?

A: OVG did not explain what prompted the reconnection charge language changes in
either TD 50687 or in this case. (TD 50687, 30-Day Initial Filing.) OVG simply stated
the change to the reconnection charge language was to keep heating only customers
from disconnecting service during the non-heating months of the year. (Attachment
JJH-9; OVG's response to OUCC DR No. 2-9.)

1 2	Q:	Do any utilities regulated by the Commission have any language in the respective tariffs similar to that proposed by OVG?
3	A:	I reviewed the tariffs for the 13 gas utilities and 13 electric utilities listed on the OUCC
4		website on February 14, 2024. In my review of the 26 tariffs, there were a total of five
5		gas utilities and two electric utilities that have any mention of the facilities charge, or
6		the monthly customer service charge, included in the reconnection of service to the
7		same customer at the same location.
8 9 10		• CenterPoint Energy Indiana North's ("CEI North") (Gas) reconnection charge is \$59.12 and up to nine months of the monthly customer service charge. (CEI N Tariff, Appendix C.)
11 12 13		• CenterPoint Energy Indiana South's ("CEI South") (Gas) Reconnection charge is \$54.19 and up to nine months of the monthly customer service charge. (CEI S Tariff, Appendix C.)
14 15 16 17		• Citizens Gas of Westfield's reconnection charge is the greater of \$44.00 or up to 12 months of the monthly customer service charge. (Citizen's Gas of Westfield Tariff, Tariff Rule 6.10 and Citizen's Gas or Westfield Tariff, Appendix C.)
18 19 20		• Northern Indiana Public Service Company's ("NIPSCO") (Gas) base reconnection charge is \$90.00 and up to nine months of the monthly customer service charge. (NIPSCO Tariff, Tariff Rules 12.4 and 17.1.)
21 22		• Sycamore Gas Company reconnection charge is up to 12 months of the monthly customer service charge. (Sycamore Gas Company Tariff, Appendix C.)
23 24		• Citizens Thermal's reconnection charge is up to 12 months of the monthly customer service. (Citizens Thermal Tariff, Tariff Rule 6.2, and Appendix A.)
25 26 27		• NIPSCO's (Electric) base reconnection charge is \$90.00 and up to nine months of the monthly customer service charge. (NIPSCO Tariff, Tariff Rules 12.4 and 15.)
28	Q:	Does the proposed language change apply to all customers?
29	A:	The initial red-lined and clean proposed tariff changes did not include the reconnection
30		charge language change for tariff rate 8T. (OVG's Exhibit No. 6, Attachments GMV-

- 6 and GMV-7.) As noted above, OVG indicated Tariff Sheet No. 8e will be updated to
   reflect the proposed reconnection charge language change. (Attachment JJH-9; OVG's
   response to OUCC DR No. 2-9.)
- 4 Q: What are your recommendations regarding the proposed Reconnection Charge 5 language change?
- 6 A: I recommend OVG record the number of same customer reconnections at the same 7 location occurring each year, the length of each period of disconnection, including the 8 tariff rate class for each reconnecting customer, and file the information in OVG's next 9 base rate case. This information would allow for all parties to determine if the number 10 of customers reconnecting at the same location, specifically the heating only customers, 11 is as large of a concern as described by OVG. OVG has stated the reason for the change 12 in the Reconnection Charge was because of heating-only customers who were taking 13 advantage of a loophole in the tariff to reduce their bills and cause the rest of the 14 customers to subsidize their actions. However, OVG was unable to provide details 15 showing the number of heating-only customers or the length of the disconnections. By 16 gathering this information and presenting it in the next rate case, all parties will be able 17 to determine whether the issue is as severe as OVG has stated.

# C. Proration of Monthly Facilities Changes

18

# Q: What changes to the monthly facilities charge is OVG proposing?

A: OVG proposes to prorate the monthly facilities charge by each day the customer
 receives service at each location. (OVG's Exhibit No. 6, page 22, lines 4-13.) The
 proposed language change is from the facilities charge being applied per meter per
 month, to "[t]he monthly Facilities Charge per meter is \$XX.XX and will be equally

1		divided and applied on a daily basis." (OVG's Exhibit No. 6, page 22, lines 9-13, with
2		the \$XX.XX to be replaced with the appropriate facilities charge.)
3	Q:	Why does OVG want to prorate the monthly facilities charge?
4	A:	While OVG does not explain the proposed language change, OVG describes it as a
5		customer benefit because the customer will not have to pay the entire month's facilities
6		charge for the first and last month of service at each location. (OVG's Exhibit No. 6,
7		page 22, lines 6-9.)
8 9	Q:	Do any utilities regulated by the Commission have any language in the respective tariffs similar to that proposed by OVG?
10	A:	OVG did not review other regulated utilities in Indiana in preparation for the proposed
11		facilities charge proration language change. (Attachment JJH-11; OVG's response to
12		OUCC DR No. 2-8.) I reviewed the approved tariffs for all regulated gas and electric
13		utilities listed on the OUCC website while conducting the tariff review for the proposed
14		reconnection charge language change discussed earlier in testimony. The only mention
15		of proration in a regulated gas and electric utility's tariff was for AES Indiana Rate
16		CGS. (AES Indiana's Tariff, Tariff Sheet Nos. 121 and 123.1.)
17 18	Q:	Does the proposed language change apply to all customers receiving service under all tariffs?
19	A:	OVG's proposed language includes proration for all tariff rates except tariff rate 4S,
20		Firm Grain Drying Sales Service. (OVG's Exhibit No. 6, Attachments GMV-7 and
21		GMV-8, Tariff sheet Nos. 1, 2, 5, 6, 8, and 9.) OVG confirms the proposed proration
22		would not apply to those customers receiving service under tariff rate 4S. (Attachment
23		JJH-11; OVG's response to OUCC DR No. 2-8.)

#### 1 What are your recommendations regarding the proposed proration of the **Q**: 2 monthly facilities charge? 3 A: I recommend the Commission approve the proration of the monthly facilities charge as 4 proposed by OVG for all tariff rates, including tariff rate 4S. Extending the proposed 5 proration of the monthly facilities charge to customers receiving service under tariff 6 rate 4S would make the application of the tariff consistent for customers receiving 7 service under all tariff rates.

# IV. MONTHLY FACILITIES CHARGES

8 Q: What changes to the facilities charges is OVG proposing?

9 A: OVG is proposing to increase the facility charges for all tariff classes, and to create a
10 standard monthly facilities charge for proposed tariff rate 9T. (OVG's Exhibit No. 6,
11 Attachment GMV-7.)

# 12 Q: Did the OUCC identify differences in OVG's customer count for this case?

13 Yes. OVG used several different customer numbers throughout its prefiled testimony, A: 14 attachments, and workpapers. When asked about the differences, OVG clarified that 15 for the purpose of revenue calculations, the numbers of customers as shown in OVG's 16 Exhibit No. 6, Attachment GMV-7 and GMV-8 are the numbers that should be relied 17 upon. (Attachment JJH-12; OVG's response to OUCC DR Nos. 6-22 to 6-27.) 18 However, OVG Attachments GMV-7 and GMV-8 are identical in the distribution of 19 revenue generated by tariff rates "2S" and "6T". (OVG's Exhibit No. 6, Attachment 20 GMV-7 and GMV-8.) In OVG Attachment GMV-7, each tariff rate is separated and 21 given its own set of calculations, while in OVG Attachment GMV-8, tariff rates "2S" 22 and "6T" are combined into the same set of calculations, with no explanation for, or

5	Q:	Please generally summarize the customers each tariff rate serves.
4		7 for any calculations.
3		8, I used the breakdown of tariff "2S" and "6T" presented in OVG Attachment GMV-
2		Because of the combination of the tariff rates "2S" and "6T" in OVG Attachment GMV-
1		note describing, the decision. (OVG's Exhibit No. 6, Attachment GMV-7 and GMV-8.)

- 6 A: Table 1 below provides a summary of each tariff rate, and the type of customers in each
- 7

rate.

8

# Table 1 – Summary of Customers in Each Tariff Rate Service

Tariff	Description	Rate Classes	Customer Type	Restrictions on Usage
Rate 1S	Firm Small Volume Sales Service	S11, S41, S81, and S91	All residential customers and some small commercial customers	Usage of less than 100,000 therms per year
28	Firm Medium Volume Sales Service	S12, S42, and S92	Commercial customers	Usage of more than 100,000 therms per year but not greater than 500,000 therms per year
45	Firm Grain Drying Sales Service	S14, S44, and S94	Grain dryers	Meter sizes of 1,400 standard cubic feet per hour or less in group 1, and meter sizes of greater than 1,400 standard cubic feet per hour in group 2
5T	Large Volume Transportation Volume Service	T15, T45, and T95	Large Volume Transport	Usage of more than 500,000 therms per year
6T	Medium Volume Transportation Service	T16, T46, and T96	Medium Volume Transport	Usage of more than 100,000 therms per year but not greater than 500,000 therms per year
8T	Public Schools Transportation Service	T18, T48, and T98	Public School Transport	Meter sizes of 675 standard cubic feet per hour or less in group 1, and meter sizes greater

					than 675 standard cubic	
	9T	Pipeline Direct Buy Service	T19, T49, and T98	Pipeline Direct Buy	feet per hour in group 2 Usage of more than 5,000,000 therms per year	
1			All information gather	ed from OVG's Ta	riff	
2	Q: Please summarize the proposed changes to the facilities charges for all			charges for all tariff rates.		
3	A:	OVG's proposed of	changes to the facilitie	es charges for custo	omers across all tariff rates	
4		are summarized in	Table 2 below. OVG did not provide an argument or justification			
5		for the increase in the facilities charge other than stating the amount of the al		he amount of the allocated		
6		fixed costs ("AFC") would be recovered through the proposed facilities charge. W		osed facilities charge. With		
7		no reason or expla	nation of how the AF	Cs were determine	d, I am not able to analyze	
8		the AFC for each t	ariff rate class. OVG	did not provide the	AFC to provide service for	
9		customers subject	to proposed rate 9T.			

10

# TABLE 2 – SUMMARY OF PROPOSED FACILITIES CHARGES

Tariff	Current	Proposed	Increase	AFC Recovered	AFC of	OUCC
Rate	Facilities	Facilities	in	by Proposed	Service	Proposed
Itale	Charge	Charge	Facilities	Facilities Charge	(\$)	Facilities
		(\$)	Charge	U	(Ψ)	Charge (\$)
	(\$)	(\$)	(%)	(%)		Charge (\$)
15	14.54	22.43	54.26	27	84.36	14.54
				27	84.30	
S81	9.38	14.47	54.26			9.38
2S	591.60	898.17	51.82	21	4,188.92	591.60
4S	517.65	736.96	42.37	24	4,235.43	517.65
Group						
4S	902.19	1,284.41	42.37	24	4,235.43	902.19
Group						
2						
5T	1,380.40	1,602.90	16.12	15	10,614.63	1,380.40
6T	591.60	898.17	51.82	21	4,188.92	591.60
8T	35.50	52.68	48.39	5	1,703.25	35.50
Group						
1						

8T	55.22	81.94	48.39	5	1,703.25	55.22
Group						
2						
9T	N/A	1,199.83	100.00	Not included in	Not	Rate to be
				Cost of Service	included	charged per
				Study ("COSS")	in COSS	meter per
						month

\*All information gathered from OVG's Exhibit No. 6, p. 25, l. 12 – p. 32, l. 10. The AFC for
tariff rate 4S was provided in Attachment JJH-13; OVG's response to OUCC DR No. 2-10.

Q: What are the current average monthly bills and proposed average monthly bills
 for each class of customer?

5 A: Table 3 below shows the average monthly bills and proposed average monthly bills for

6 each class of customer. Customers receiving service under tariff rates S11, S41, and

7 S91 use an average of 88.38, 70.81, and 73.10 therms per month respectively. (OVG's

8 Exhibit No. 6, Attachment GMV-7.) Customers receiving service under Tariff Rate

9 S81 use an average 67.4261 therms per month. (OVG's Exhibit No. 6, Attachment

10 GMV-7.) As shown in Table 3 below, the proposed changes to rates and facilities

# 11 charges impacts OVG's service areas in varying amounts.

# **TABLE 3 – TARIFF RATE CHANGES TO MONTHLY BILLS**

Tariff	Current	Current	Current	Proposed	Proposed	Proposed	Increase	Increase
Rate	Rate per	Facilities	Average	Rate per	Facilities	Average	in bill	in bill
	Therm	Charge	Monthly	Therm	Charge	Bill (\$)	(\$)	(%)
	(\$)	(\$)	Bill (\$)	(\$)	(\$)			
S11	0.400822	14.54	49.96	0.716303	22.43	85.73	35.77	71.59
S41	0.454362	14.54	46.71	0.716303	22.43	73.15	26.44	56.60
S91	0.427640	14.54	45.80	0.716303	22.43	74.79	28.99	63.30
S12	0.156401	591.60	1,948.92	0.305064	898.17	3,545.66	1,596.74	81.93
S42	0.156401	591.60	3,306.24	0.305064	898.17	4,833.89	2,224.52	85.25
S92	No Customers receiving service under this tariff rate at this time							
T15	0.034911	1,380.40	4,442.39	0.061105	1,602.90	6,962.32	2,519.93	56.72
T45	0.061340	1,380.40	14,812.38	0.061105	1,602.90	14,983.42	171.04	1.15
T95	0.048775	1,380.40	10,640.15	0.061105	1,602.90	13,203.46	2,563.30	24.09
T16	0.156301	591.60	3,364.15	0.305064	898.17	6,309.55	2,945.40	87.55
T46	0.156301	591.60	4,537.02	0.305064	898.17	8,598.73	4,061.71	89.52

T96	0.136355	591.60	2,879.52	0.305064	898.17	6,016.88	3,137.36	108.95
T18	0.313320	55.22	739.61	0.509348	81.94	1,194.51	454.91	61.51
T48	0.313320	55.22	1,368.83	0.509348	81.94	2,099.19	730.36	53.36
T98	0.313320	55.22	1,000.20	0.509348	81.94	1,533.10	1,039.09	53.28

\*Calculated using the customer numbers and consumption data in OVG's Exhibit No. 6, Attachment GMV-7.

1

#### **Q**: Should the Commission approve OVG's requested facilities charge increases?

2 A: No. Approval of OVG's proposed \$22.43 monthly facilities charge for Rates S11, S41 3 and S91 would make it the highest monthly residential customer service charge among 4 IURC-regulated natural gas utilities. Increasing OVG's monthly facilities charge for all 5 tariffed rates would impose a burden on its customers and substantially impact the 6 affordability of service. As shown in Table 3 above, the proposed changes to rates and 7 facilities charges impact OVG's service areas to varying degrees, but only one class 8 has a percentage increase in the single digits (1.15%), and that is a high use customer 9 (T45, with an average monthly bill of \$14,812). A brief review of the average 10 percentage increase in the monthly facilities charge shows that with the exception of 11 the T95 class (with a 24.09% increase and an average bill of over \$10,000), four other 12 rate classes have 50%+ increases, two have 60%+ increases, one has a 70%+ increase, 13 four have 80%+ increases, and one class has an increase of 108.95%. The percentage 14 increase for the highest volume users, the former special contract customers in 9T, 15 cannot be calculated.

16 OVG provided no evidence to explain why an increase in the monthly 17 facilities charge was necessary – only that the increase in facilities charge is the amount 18 of the allocated fixed costs of service for each tariff rate. (OVG's Exhibit No. 6, page 19 25, line 12 to page 32, line 10.) This is similar to a straight fixed variable rate, as

1		discussed below. These increases are not attributable to increases in the cost to serve,
2		but an allocation of total costs over the classes that are more heavily weighted on the
3		fixed charge portion of the customer's bill.
4		Although no customers currently receive service under tariff rate 8T Group 1
5		at this time, it is possible for a customer to begin receiving service under tariff rate 8T
6		Group 1 before OVG files its next general rate case. The facilities charge for this tariff
7		rate group should be subject to the same scrutiny and consideration as tariff rate 8T
8		Group 2.
9	Q:	Please describe how the monthly facilities charges affect conservation efforts.
10	A:	With the monthly facilities charge included in the bill each month, the only portion of
11		the bill which the customer is able to impact is in the variable, or volumetric charge,
12		portion of the bill. As the fixed or monthly facilities charge increases in relation to the
13		volumetric charge, the financial incentive for customers to conserve or invest in more
14		efficient equipment is reduced. These conservation actions may be in the form of higher
15		efficiency appliances, behavioral changes, or both.
16		The National Association of Regulatory Utility Commissioners ("NARUC")
17		acknowledged the movement to a fully straight fixed variable rate design can have the
18		unintended effect of de-incentivizing conservation efforts:
19		Straight Fixed Variable Rate Design. This mechanism eliminated all
20		variable distribution charges and costs are recovered through a fixed
21		delivery services charge or an increase in the fixed customer charge
22		alone. With this approach, it is assumed that a utility's revenues would
23 24		be unaffected by changes in sales levels if all its overhead or fixed costs are recovered in the fixed portion of customers' bills. This approach has
24 25		been criticized for having the unintended effects of reducing customers'
23 26		incentive to use less electricity or gas by eliminating their volumetric
27		charges and billing a fixed monthly rate, regardless of how much

1 2		customers consume. (Decoupling for Electric & Gas Utilities: Frequently Asked Questions (FAQ) page 4.)
3		Beyond decreasing conservation incentives through increasing monthly
4		facilities charges, this same shift in costs from the volumetric charge to the service
5		charge moves the burden more to low-use customers compared to those with higher
6		consumption. The issue of affordability is highlighted by considering research by the
7		U.S. Energy Information Administration, Oak Ridge National Laboratory, and others
8		that have shown there is a correlation between customers with low-use and those in
9		lower income households. By increasing the facilities charge by 54.26%, for non-
10		Grandview customers, OVG is reducing a customers' ability to see the financial
11		benefits of more efficient appliances and behavioral changes.
12	Q:	What are your recommendations for all customer service charges?
	×.	
13	A:	I recommend the Commission hold the customer service charges for all rate classes at
	_	•
13	_	I recommend the Commission hold the customer service charges for all rate classes at
13 14 15	A:	I recommend the Commission hold the customer service charges for all rate classes at the current level. Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99
13 14 15 16	A: <b>Q:</b>	I recommend the Commission hold the customer service charges for all rate classes at the current level. Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99 facilities charge?
13 14 15 16 17	A: <b>Q:</b>	I recommend the Commission hold the customer service charges for all rate classes at the current level. Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99 facilities charge? The proposed increase in the monthly facilities charge is a large change, <confidential< td=""></confidential<>
13 14 15 16 17 18	A: <b>Q:</b>	I recommend the Commission hold the customer service charges for all rate classes at the current level. Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99 facilities charge? The proposed increase in the monthly facilities charge is a large change, <confidential %="" confidential=""> for Cardinal Ethanol and <confidential< td=""></confidential<></confidential>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> </ol>	A: <b>Q:</b>	I recommend the Commission hold the customer service charges for all rate classes at the current level.  Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99 facilities charge?  The proposed increase in the monthly facilities charge is a large change, <confidential %="" confidential=""> for Cardinal Ethanol and <confidential %="" confidential=""> for Premier Ethanol. (Confidential Attachment JJH-3-C; OVG's response to OUCC</confidential></confidential>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>	A: <b>Q:</b>	I recommend the Commission hold the customer service charges for all rate classes at the current level.  Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99 facilities charge?  The proposed increase in the monthly facilities charge is a large change, <confidential %="" confidential=""> for Cardinal Ethanol and <confidential %="" confidential=""> for Premier Ethanol. (Confidential Attachment JJH-3-C; OVG's response to OUCC DR Nos. 1-43 and 6-28, pages 20-23.) The distribution charge and the monthly</confidential></confidential>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	A: <b>Q:</b>	I recommend the Commission hold the customer service charges for all rate classes at the current level.  Should the Commission approve the \$1,199.83 Tariff Rates T19, T49, and T99 facilities charge?  The proposed increase in the monthly facilities charge is a large change, <confidential %="" confidential=""> for Cardinal Ethanol and <confidential %="" confidential=""> for Premier Ethanol. (Confidential Attachment JJH-3-C; OVG's response to OUCC DR Nos. 1-43 and 6-28, pages 20-23.) The distribution charge and the monthly facilities charge have not increased for Cardinal Ethanol and Premier Ethanol in</confidential></confidential>

Public's Exhibit No. 8 Cause No. 46011 Page 25 of 26

- there is a need for an increase to ensure the special contract customers are paying their
   fair share of the cost of receiving natural gas service as the facilities charge was not
- 3 changed in the previous rate case.

# V. <u>RECOMMENDATIONS</u>

4	Q:	What are your recommendations?
5	A:	For the reasons stated above, I recommend the Commission:
6 7 8 9		<ul> <li>Approve OVG's movement to a single tariff pricing structure for all customers other than Grandview, or tariff rate S81, customers.</li> <li>Approve OVG's movement from eight rate blocks to three rate blocks for</li> </ul>
10		Grandview, or tariff rate S81, customers.
11 12 13 14 15 16		• Approve the creation of the proposed tariff rate class 9T subject to the condition the tariff is modified to specify that customers seeking to end service under this tariff rate class must give notice of cancellation at least six months in advance. OVG should correct its revenue calculations in its cost of service study and revenue proof for customers taking service under 9T to properly calculate and charge the monthly facilities charges these customers will pay.
17 18 19		• Order OVG to develop a plan to evaluate the safety and serviceability of the equipment between the property line and the meter, previously described as 'yard lines'.
20 21		• Order OVG to develop a set of criteria to determine when a change in the Budget (Level) Plan review period is needed based on market volatility.
22 23 24 25 26		• Require OVG to annually record the number of times customers are disconnecting and reconnecting at the same location with no other customer receiving service in the disconnection period; the tariff rate class for each customer; the length of the disconnection; and to include this information in OVG's next base rate case.
27 28		• Approve prorating the facilities charge for customers receiving service under tariff rate 4S,
29 30		• Deny OVG's proposed increase to the monthly facilities charge for customers receiving service under all tariff rate classes except 9T.

- Approve the monthly facilities charge as proposed for tariff rate class 9T.
- 2 Q: Does this conclude your testimony?
- 3 A: Yes.

1

# <u>APPENDIX JJH-1 TO THE TESTIMONY OF</u> <u>OUCC WITNESS JARED J. HOFF</u>

#### I. <u>PROFESSIONAL EXPERIENCE</u>

# 1 Q: Please describe your educational background and experience.

A: I graduated from the United States Military Academy at West Point, New York with a
Bachelor of Science Degree in Nuclear Engineering in May 2012. I passed the
Fundamentals of Engineering Exam in Spring 2012.

5 From 2012 to 2017, I worked as an Army Ordnance Officer in several positions 6 as I was promoted through the different types of support units. I worked in several 7 locations, including South Korea, Kuwait, Fort Irwin, California and Fort Riley, 8 Kansas. For the first 3 years, I worked with the direct support aspect for different units 9 focusing on the maintenance personnel and then on the general support (i.e., food, fuel, 10 water, parts, and maintenance personnel). For most of the remaining time in the Army, 11 I ran the maintenance program for 1-63 AR at Fort Riley. This included managing the 12 workflow of the approximately 150 maintenance personnel and coordinating the 13 maintenance of over 6,000 pieces of equipment ranging from individual weapons up to 14 tanks and other armored vehicles.

In 2018 I joined the team at CLEAResult Consulting as a Residential Energy Auditor and Senior Warehouse Technician supporting the Demand Side Management ("DSM") program for AES Indiana. My responsibilities ranged from performing assessments on customer homes to increase energy efficiency to maintaining and developing the inventory maintained and used in the DSM program overseen by AES Indiana. While working with CLEAResult, I maintained my Building Performance

- Institute certification, then attained my Building Analyst certification in 2019, and I
   continue to maintain the certification at this time.
- I began working for the Indiana Office of Utility Consumer Counselor ("OUCC") in February 2023. While working with the OUCC, I have attended professional development seminars such as the Electric Utility Consultants, Inc. ("EUCI") on Pipeline Safety. My current responsibilities include reviewing Transmission, Distribution and Storage System Improvement Charge ("TDSIC") and Federally Mandated Compliance Adjustment ("FMCA") causes with the Natural Gas Division as they are submitted to the Commission.

#### 10 Q: Have you previously filed testimony with the Commission?

11 A: Yes. I have provided written testimony in various FMCA and TDSIC cases. I filed 12 testimony or provided analysis in the following FMCA or TDSIC Plan or Tracker 13 cases: Cause Nos. 45400, 45612, and 45330. I filed testimony or provided analysis in 14 the following bae rate cases: Cause Nos. 45888, 45889, 45933, and 45967.

## II. <u>BACKGROUND OF TESTIMONY ANALYSIS</u>

#### 15 Q: Please describe the review you conducted to prepare for this testimony.

A: I reviewed the previous two rate cases, Cause Nos. 44147 and 44891. I reviewed the
Petition, Testimony, and Attachments for this Cause. I reviewed Joint Petitioners'
direct testimony of Scott A. Williams, Greg A Bailey, Greg P. Roach, Scott L. Ingram,
Emily M. Harlow, and Gary M. Verdouw with my focus on Tariff changes, NonRecurring charges, and Customer Service charges.

1	I analyzed Joint Petitioners' responses to data requests concerning the proposed
2	changes to tariff language, to determine if Joint Petitioners' proposed changes were
3	appropriate and necessary.
4	I analyzed the approved current tariff along with the proposed tariff language
5	changes. I participated in OUCC case team meetings and an informal discussion
6	between OUCC and Joint Petitioners' staff on March 19, 2024.

# Note: Attachment JJH-1, Page 1 is Confidential.

Attachment JJH-1 Cause No. 46011 Page 2 of 3

# Note: Attachment JJH-1, Page 2 is Confidential.

Attachment JJH-1 Cause No. 46011 Page 3 of 3

# Note: Attachment JJH-1, Page 3 is Confidential.

Attachment JJH-2 Cause No. 46011 Page 1 of 1

OUCC DR 6-1

# DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

# Cause No. 46011

# **Information Requested**:

Referring to the Rules and Regulations section of the tariff, please indicate whether any changes to the Rules and Regulations section have been made in this case. If yes, please provide the redlined and clean versions of the Rules and Regulations section.

# **Information Provided**:

OVG is not seeking approval of any changes to the Rules and Regulations section in this case.

Attachment JJH-3 Cause No. 46011 Pages 1-23 of 23

# Note: Attachment JJH-3, Pages 1-23 are Confidential.

Attachment JJH-4 Cause No. 46011 Page 1 of 2

## OUCC DR 6-13

# DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

# Cause No. 46011

# **Information Requested**:

Referring to the proposed tariff rates "T19," "T49," and "T99," please provide:

- a. Any quantified benefit to OVG with the creation of this tariff group. Please provide the quantification and an explanation of the method used to quantify the benefits.
- b. Any quantified benefit to the customers to receive service under this tariff to be seen with the creation of this tariff group. Please provide the quantification and an explanation of the method used to quantify the benefits.
- c. Any benefit to all customers not receiving service under this tariff to be seen with the creation of this tariff group. Please provide the quantification and an explanation of the method used to quantify the benefits.
- d. Explain whether the Rates and Charges section on Original Sheet No. 9b is proposed to use the "T15," "T45," and "T95" designations for the distribution charge. If not, please provide the correct designations to be used on Original Tariff Sheet No. 9b, Rates and Charges section.
- e. The calculation OVG made to determine the proposed monthly service charge of \$1,199.83, with all supporting documentation.
- f. The number of meters installed and currently in use for each of the two (2) customers (Cardinal Ethanol and Premier Ethanol).

# **Information Provided**:

- a. OVG currently has two customers that are on special contract rates that have been previously approved by the Commission. One of these contracts has expired and is no longer eligible for further renewal. The initial term for the other contract has expired, and its ongoing automatic renewals are terminable annually. Given the need to design rates for the first customer, OVG has determined to terminate the contract with the second customer upon the issuance of an Order in this Cause and move both customers to a tariffed rate. Since there is not currently a tariffed rate that would fit the type of customer represented by the two customers on special contracts, a new tariffed rate is being proposed in this Cause.
- b. The two customers would see an increase of 35.70% (Attachment GMV-7, Line 53, Column K) if moved to the rate proposed in this Cause. If these two customers were moved to the closest existing rate currently available (Rate 5T, Large Transportation Service), their increase would have been 280.23%.

- c. See Attachment GMV-4, Line 3, Column F for the benefits that all customers receive by moving these customers to a tariffed rate.
- d. The Distribution Charge per Therm as shown on Original Sheet No. 9b currently reflects an incorrect rate designation. The correct designation for the rate charges should be T19, T49, and T99. This will be corrected in the final rate schedule update.
- e. The proposed Facilities Charge was calculated by taking the average of the current Facilities Charges for the two Special Contract customers to determine the current Facilities Charge, and taking that average rate times the increase percentage proposed by OVG.
- f. Cardinal Ethanol has three meters installed and currently in use, and Premier Ethanol has two meters installed and currently in use.

Attachment JJH-5 Cause No. 46011 Page 1 of 1

# Note: Attachment JJH-5, Page 1 is Confidential.

# Note: Attachment JJH-6, Page 1 is Confidential.

# Note: Attachment JJH-6, Page 2 is Confidential.

# Note: Attachment JJH-6, Page 3 is Confidential.

Attachment JJH-6 Cause No. 46011 Page 4 of 4

OUCC DR 9-19

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Please provide any documentation regarding the special contract customers' intent to be served by Petitioner on the proposed new tariff - Rate 9T Pipeline Direct Buy.

## **Information Provided**:

OVG is not in receipt of any documentation from either customer.

Attachment JJH-7 Cause No. 46011 Page 1 of 1

## OUCC DR 2-5

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Referring to the changes to Tariff Rule 4 as changed in Cause No. TD50687, please provide the following:

- a. Whether the sections of the service lines formerly defined as "Yard lines" and paid for by the Customer have been added to OVG records. If yes, please provide where these sections can be found in the documentation provided in this filing.
- b. Whether OVG has reimbursed the Customer for all sections of service lines formerly defined as "Yard lines" which were furnished, installed, and maintained by Customers. If not, please indicate whether OVG will reimburse Customers for the sections furnished, installed, and maintained by Customers when these sections were defined as "Yard lines".
- c. Whether the sections of the service lines formerly defined as "Yard lines" furnished, installed, and maintained by Customers have been evaluated for compliance with all applicable safety standards and requirements. If yes, please provide the results of the evaluations and the plan to address any instances of non-compliance as well as whether OVG plans to continue to use these existing sections or if the sections formerly defined as "Yard lines" will be replaced. If no, please provide when the evaluations will be complete and when the results of these evaluations will be made available to the Commission and the OUCC.
- d. Whether the change of definition of service lines, and the deletion of the definition of "Yard lines" applies to all service lines formerly defined as "Yard lines" existing prior to Commission approval of Cause No. TD50687. If no, please provide clarification on which sections of service lines formerly defined as "Yard lines" are now defined as service lines and which sections of "Yard lines" are defined as any other term.

- a. OVG's books include quantity and dollars of service lines. Since the "Yard Line" is not an additional quantity and is a contribution (no dollar value), the books did not need to be adjusted. As service lines are replaced, the dollar value of the service installations will increase utility plant in service.
- b. No. OVG has not or will be reimbursing the Customer for the sections formerly defined as "Yard Lines." OVG will be responsible for maintaining and replacing thus a benefit to the customers.
- c. No evaluations have been completed or expected to be completed. If the "Yard Line" did not apply to applicable safety standards and requirements, OVG would require compliance before providing service.
- d. Yes, this applies to all service lines.

Attachment JJH-8 Cause No. 46011 Page 1 of 1

## OUCC DR 2-7

# DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Referring to the changes to Tariff Rule 29 in Cause No. TD50687, please provide the following:

- a. The definition of "volatile market gas prices" as used in OVG Tariff, Original Volume 10, Tariff Rule 29(e) issued January 17, 2024.
- b. Please provide a percentage increase or decrease that defines "volatile market gas prices" as "volatile".
- c. The length of time the market gas prices must be "volatile" as defined above for the annual review of the Budget (Level) Payment Plan to revert to a semi-annual review.
- d. The length of time the market gas prices must be stable, or not volatile as defined above, for the Budget (Level) Payment Plan to revert to an annual review.

- a. The definition of "volatile market gas prices" is a significant change in market gas prices.
- b. OVG does not have a percentage increase or decrease that defines market prices as volatile.
- c. OVG has not defined a length of time. The semi-annual review provision allows OVG to update the level payments mid-year in case of unforeseen extreme conditions impacting customer bills would be detrimental to the customers. "Volatile market gas prices" is one example listed.
- d. OVG is expecting to complete only annual reviews of its Budget (Level) Payment Plan. The semi-annual review would only be used for extreme conditions when waiting for the annual review would be detrimental to the customer by either grossly overpaying or underpaying OVG.

Attachment JJH-9 Cause No. 46011 Page 1 of 2

OUCC DR 2-9

# DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Referring to the "Reconnection Charge" in all tariff rates in OVG's Exhibit No. 6, Attachment GMV-6, Proposed Rate Schedule, please provide:

- a. Whether the reconnection charge of \$80 will be in addition to the total of the facilities charge for all months disconnected from service if service is reconnected in less than 12 months. If not, please indicate if the "Reconnection Charge" sections will be corrected.
- b. Whether the sentence, "[w]hen service is reactive less than twelve (12) months after it was disconnected the Customer will pay an amount equal to the applicable monthly minimum charge times the months service was disconnected, the reconnection charge and any deposits required prior to service being restored" is correct. If not, please indicate whether the "Reconnection Charge" section will be corrected.
- c. Whether the customers receiving service under Tariffs "T18", "T48", and "T98" would have the same change to the Reconnection Charge paragraph as requested on Petitioner's Exhibit No. 6, Attachment GMV-6, Original Sheet Nos. 1a, 2a, 4a, 5c, 6c, and 9c. If yes, please indicate whether OVG will file a correction to Tariffs "T18", "T48", and "T98". If not, please provide the reason customers receiving service under Tariffs T18", "T48", and "T98" would not see this same change.
- d. The amount of revenue generated from the facilities charge for each tariff rate by meter size in 2023.
- e. The amount of revenue projected to be generated from the facilities charge for each Tariff Rate by meter size if the "Reconnection Charge" section is approved as proposed.

An explanation regarding the removal of the Tariff "S14", "S44", and "S94" allowance of one (1) disconnection and reconnection per calendar year without incurring the Reconnection Charge.

- a. Yes, the \$80 disconnection charge will be in addition to the facilities charge. The \$80 is the internal cost to process the disconnect and reconnection. A disconnection and reconnection include two visits to the customer' premise.
- b. Yes, this is correct.
- c. Yes, Tariffs "T18", "T48" and "T98" should have the same Reconnection Charge. A revised Sheet No. 8e will be submitted.
- d. See Joint Petitioners' workpaper GMV-3 Highly Confidential OVG Billing Determinates by month for Test Year Ended 9-30-2023
- e. OVG is projecting no increase in revenue. This provision, approved on January 17, 2024, was written to deter heating only customers from disconnecting during non-heating months. Prior to approval, customers were paying only the \$80 disconnection fee. At current rates

for Small Volume Sales customers staying on during the non-heating months customers would pay less (5 months x 14.54 = 72.70).

f. The \$80 disconnection charge is the internal cost to process the disconnect and reconnection. A disconnection and reconnection include two visits to the customer' premise. This cost should not be borne by other rate payers.

Attachment JJH-10 Cause No. 46011 Page 1 of 3

OUCC DR 6-5

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Please provide the number of customers by rate class (i.e. "S11," "S44," "T98," etc.) and meter size reconnecting service at the same location within twelve (12) months of disconnection each year in calendar years 2018-2023.

#### **Information Provided**:

Provided in the table below is the number of reconnections in a calendar year for the same customers. The billing system does not track time disconnected.

Year	Firm Small	Firm Grain
2023	44	
2022	181	3
2021	425	1
2020	238	1
2019	212	

Attachment JJH-10 Cause No. 46011 Page 2 of 3

OUCC DR 6-6

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Please provide the number of customers by rate class (i.e. "S11," "S44," "T98," etc.) and meter size reconnecting service at the same location within nine (9) months of disconnection each year in calendar years 2018-2023.

## **Information Provided**:

See OVG's response to OUCC DR 6.5 for the number of reconnections in a calendar year for the same customers. The billing system does not track time disconnected.

Attachment JJH-10 Cause No. 46011 Page 3 of 3

## **OUCC DR 10-14**

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

#### Cause No. 46011

## **Information Requested**:

Referring to OVG's response to OUCC DR No. 1.38, please provide:

- a. The number of Class 2 Residential Heating customers which are space heating only customers.
- b. The number of Class 4 Commercial Heating customers which are space heating only customers.

#### **Information Provided**:

OVG does not record customer-owned heating equipment details at this level of granularity.

Attachment JJH-11 Cause No. 46011 Page 1 of 2

## OUCC DR 2-8

# DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Referring to OVG's Exhibit No. 6, page 22, lines 4-13, please provide:

- a. Whether OVG is aware of any utilities in Indiana which have any proration of the facilities charge, or any term used by the utility to describe the same. If so, please provide the name of the utility and the cause number approving the use of the proration of the facilities charge, or such term as is used by the utility.
- b. The reason OVG is seeking approval of the proration of the facilities charge.
- c. The number of meters by size and rate class from the beginning of calendar year 2013 to the end of calendar year 2023 which would be affected by the proration of the facilities charge as proposed by OVG.
- d. Whether the proration of the facilities charge would apply to the customers receiving service under Tariff "S14", "S44", and "S94". If yes, please provide whether a correction to OVG's Exhibit No. 6, Attachment GMV-6, clean and red-lined tariff will be filed with the Commission. If no, please provide an explanation explaining the reason customers under Tariff "S14", "S44", and "S94" would not be eligible for the proration of the facilities charge.

- a. OVG has not done an analysis, so OVG is not aware if any utilities in Indiana which have any proration of the facilities charge, or any term used by the utility to describe the same
- b. The reason for this change is explained in Joint Petitioner's Exhibit 6, the direct testimony of Mr. VerDouw, p. 22, lines 5-8.
- c. See OVG's general and specific objections..
- d. Tariffs for Firm Grain Drying Sales Service for Rate Classes S14, S44, and S94, reflect a Facilities Charge that is billed annually rather than monthly. It is for this reason that proration of the Facilities Charge was not considered by OVG.

Attachment JJH-11 Cause No. 46011 Page 2 of 2

## OUCC DR 2-8 (Corrected)

# DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Referring to OVG's Exhibit No. 6, page 22, lines 4-13, please provide:

- a. Whether OVG is aware of any utilities in Indiana which have any proration of the facilities charge, or any term used by the utility to describe the same. If so, please provide the name of the utility and the cause number approving the use of the proration of the facilities charge, or such term as is used by the utility.
- b. The reason OVG is seeking approval of the proration of the facilities charge.
- c. The number of meters by size and rate class from the beginning of calendar year 2013 to the end of calendar year 2023 which would be affected by the proration of the facilities charge as proposed by OVG.
- d. Whether the proration of the facilities charge would apply to the customers receiving service under Tariff "S14", "S44", and "S94". If yes, please provide whether a correction to OVG's Exhibit No. 6, Attachment GMV-6, clean and red-lined tariff will be filed with the Commission. If no, please provide an explanation explaining the reason customers under Tariff "S14", "S44", and "S94" would not be eligible for the proration of the facilities charge.

## **Objection:**

Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. (collectively "OVG") object to the Request on the grounds and to the extent the request seeks a compilation, analysis or study that OVG has not performed and to which OVG objects to performing.

**Information Provided**: Subject to and without waiver of the foregoing general and specific objections OVG responds as follows:

- a. OVG has not done an analysis, so OVG is not aware if any utilities in Indiana which have any proration of the facilities charge, or any term used by the utility to describe the same
- b. The reason for this change is explained in Joint Petitioner's Exhibit 6, the direct testimony of Mr. VerDouw, p. 22, lines 5-8.
- c. See OVG's general and specific objections.
- d. Tariffs for Firm Grain Drying Sales Service for Rate Classes S14, S44, and S94, reflect a Facilities Charge that is billed annually rather than monthly. It is for this reason that proration of the Facilities Charge was not considered by OVG.

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

#### Cause No. 46011

## **Information Requested**:

Refer to the number of customers receiving service under tariff rate 1S. In OVG's Exhibit No. 6, Attachment GMV-7, Attachment GMV-8, and OVG's Exhibit No. 8, page 33, OVG states the number of customers receiving service under tariff rate 1S is approximately 29,473.083 for tariff rates "S11," "S41," and "S91," and 210.083 for tariff rate "S81." In OVG's Exhibit No. 8, Gen Info 1, section B(2), OVG states the number of residential customers is 26,825. In OVG's Exhibit No. 1, page 2, lines 12-14 and Attachment SAW-1, page 2, OVG states the total number of customers is 28,576 in Indiana. In OVG's response to OUCC DR No. 1.38, OVG states the number of residential customers in 2023 is 26,756 for Class 1 and Class 2 customers.

- a. Please explain and reconcile the difference in the number of customers receiving service under tariff rate "1S" as used throughout OVG's testimony and attachments.
- b. Please provide the number of customers receiving service under tariff rate 1S upon which the parties should rely.
- c. Please explain whether a correction to OVG's Exhibit No. 6, Attachment GMV-7, Attachment GMV-8, and OVG's Exhibit No. 8, page 33 is needed.
- d. If yes, please provide the corrected exhibits and when the corrected documents will be filed with the Commission.
- e. If not, please explain the difference in customer counts.
- f. Please explain whether a correction to OVG's Exhibit No. 8, Gen Info 1, section B(2) is needed. If yes, please provide the correction and when the corrected document will be filed with the Commission.
- g. If not, please explain the difference in customer counts.
- h. Please explain whether a correction to OVG's Exhibit No. 1, page 2, lines 12-14 and Attachment SAW-1, page 2 is needed.
- i. If yes, please provide the correction and when the corrected documents will be filed with the Commission.
- j. If not, please explain the difference in customer counts.
- k. Please explain whether a correction to OVG's response to OUCC DR No. 1.38 is needed.
- 1. If yes, please provide the correction and when the corrected documents will be filed with the Commission.
- m. If not, please explain the difference in customer counts.
- n. Please explain whether any and all corrections to the number of customers receiving service under tariff rate 1S will impact the Revenue Requirements and the Present and Proposed Rates. (OVG's Exhibit No. 6, Attachments GMV-7 and GMV-8.) If there are corrections, please provide a corrected Attachment GMV-7 and GMV-8.

Attachment JJH-12 Cause No. 46011 Page 2 of 11

#### **Information Provided**:

a. The difference between customer counts is:

Exhibit No. 6 Attachment GMV-7 and GMV-8 contain the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8. Page 33 contains the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8 Gen Info 1 Section B(2) is the 12-month average of customers for the base year ending September 30, 2023. Tariff rate 1S is a rate used in all classes.

Exhibit No. 1 Page 2 and Attachment SAW-1 has the total customer counts on September 30, 2023 listed by state. This includes all tariffs not just tariff 1S.

OUCC DR 1.38 has total customers by class at December 31<sup>st</sup> for years 2018 through 2023. Tariff rate 1S is used in all classes but is not exclusive.

- b. The parties should rely on Attachment GMV-7 and GMV-8 for billing determinates for calculating revenue.
- c. No correction will be filed.
- d. See response to subpart c above.
- e. See responses to subpart a. above.
- f. No correction is needed.
- g. See response to subparts a. And f. above.
- h. No correction is needed.
- i. See response to subpart h. above.
- j. See response to subpart a. above.
- k. No correction is needed as OVG responded by FERC customer class as asked.
- 1. See response to subpart k above.
- m. See responses to subparts a., k. and l. above.
- n. No corrections are need, see responses to subparts a. through m. above.

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Refer to the number of customers receiving service under tariff rate "2S". In OVG's response to OUCC DR No. 1.38, OVG states the number of residential, commercial, industrial, public authorities, and transport customers from 2018 to 2023, but does not specify the number of customers receiving service under tariff rate "2S".

- a. Please provide and reconcile the number of customers receiving service under tariff rate "2S" used throughout OVG's testimony and attachments.
- b. Please provide the number of customers receiving service under tariff rate "2S" upon which the parties should rely.
- c. Please explain whether a correction to OVG's response to OUCC DR No. 1.38 is needed. If yes, please provide the correction and when the corrected documents will be filed with the Commission. If not, please explain the absence of the number of customers receiving service under tariff rate "2S".
- d. Please explain whether any and all corrections to the number of customers receiving service under tariff rate 2S will impact the Revenue Requirements and the Present and Proposed Rates. (OVG's Exhibit No. 6, Attachments GMV-7 and GMV-8.) If there are corrections, please provide a corrected Attachment GMV-7 and GMV-8.

## **Information Provided**:

a. The difference between customer counts is:

Exhibit No. 6 Attachment GMV-7 and GMV-8 contain the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8. Page 33 contains the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8 Gen Info 1 Section B(2) is the 12-month average of customers for the base year ending September 30, 2023. Tariff rate 2S is one of the rates used in Commercial Heating and Industrial.

Exhibit No. 1 Page 2 and Attachment SAW-1 has the total customer counts on September 30, 2023 listed by state. This includes all tariffs not just tariff 2S.

OUCC DR 1.38 has total customers by class at December 31<sup>st</sup> for years 2018 through 2023. Tariff rate 2S is one of the rates used in Commercial Heating and Industrial.

- b. The parties should rely on Attachment GMV-7 and GMV-8 for billing determinates for calculating revenue.
- c. OVG responded to OUCC DR No 1.38 as asked, which was for information by FERC customer class.
- d. No corrections tare necessary, see responses to subparts a through c. above.

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Refer to the number of customers receiving service under tariff rate 4S. In OVG's Exhibit No. 6, Attachment GMV-7, Attachment GMV-8, and OVG's Exhibit No. 8, page 33, OVG states the number of customers receiving service under tariff rate 1S is approximately 3.3 or 40 bills per year for tariff rates "S14," "S44," and "S94." In OVG's Exhibit No. 6, page 13, lines 8-10, OVG states the number of residential customers is 38. In OVG's response to OUCC DR No. 1.38, OVG states the number of residential, commercial, industrial, public authorities, and transport customers from 2018 to 2023, but does not specify the number of customers receiving service under tariff rate "4S".

- a. Please provide and reconcile the number of customers receiving service under tariff rate "4S" used throughout OVG's testimony and attachments.
- b. Please provide the number of customers receiving service under tariff rate 4S upon which the parties should rely.
- c. Will a correction to OVG's Exhibit No. 6, Attachment GMV-7, Attachment GMV-8, and OVG's Exhibit No. 8, page 33 be needed?
- d. If yes, please provide the correction and when the corrected documents will be filed with the Commission. If not, please explain any difference in customer counts.
- e. Will a correction to OVG's Exhibit No. 6, page 13, lines 8-10 be needed?
- f. If yes, please provide the correction and when the corrected document will be filed with the Commission. If not, please explain the difference in customer counts.
- g. Will a correction to OVG's response to OUCC DR No. 1.38 be needed?
- h. If yes, please provide the correction and when the corrected documents will be filed with the Commission. If not, please explain the absence of the number of customers receiving service under tariff rate "4S".
- i. Please explain whether any and all corrections to the number of customers receiving service under tariff rate "4S" will impact the Revenue Requirements and the Present and Proposed Rates. (OVG's Exhibit No. 6, Attachments GMV-7 and GMV-8.) If there are corrections, please provide a corrected Attachment GMV-7 and GMV-8.

## **Information Provided**:

a. The difference between customer counts is:

Exhibit No. 6 Attachment GMV-7 and GMV-8 contain the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

## Attachment JJH-12 Cause No. 46011 Page 6 of 11

Exhibit No 8. Page 33 contains the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8 Gen Info 1 Section B(2) is the 12-month average of customers for the base year ending September 30, 2023. Tariff rate 4S is a rate used in all classes.

Exhibit No. 1 Page 2 and Attachment SAW-1 has the total customer counts on September 30, 2023 listed by state. This includes all tariffs not just tariff 4S.

OUCC DR 1.38 has total customers by class at December 31<sup>st</sup> for years 2018 through 2023. Tariff rate 4S is one of the rates used in Commercial class.

- b. The parties should rely on Attachment GMV-7 and GMV-8 for billing determinates for calculating revenue.
- c. No corrections are necessary, see responses to subparts a. and b. above.
- d. See responses to subparts a. through c. above.
- e. No corrections are necessary, see responses to subparts c. and d. above.
- f. See response to subpart e. above.
- g. No correction is needed as OVG responded by FERC customer class as asked.
- h. See response to subpart g. above.
- i. No corrections are necessary, see responses to subparts a. through h. above.

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Refer to the number of customers receiving service under tariff rate "5T". In OVG's response to OUCC DR No. 1.38, OVG states the number of residential, commercial, industrial, public authorities, and transport customers from 2018 to 2023, but does not specify the number of customers receiving service under tariff rate "5T".

- a. Please provide the number of customers receiving service under tariff rate "5T" used throughout OVG's testimony and attachments.
- b. Please provide the number of customers receiving service under tariff rate "5T" upon which the parties should rely.
- c. Will a correction to OVG's response to OUCC DR No. 1.38 be needed?
- d. If yes, please provide the correction and when the corrected documents will be filed with the Commission. If not, please explain the absence of the specific number of customers receiving service under tariff rate "5T".
- e. Please explain whether any and all corrections to the number of customers receiving service under tariff rate "5T" will impact the Revenue Requirements and the Present and Proposed Rates. (OVG's Exhibit No. 6, Attachments GMV-7 and GMV-8.) If there are corrections, please provide a corrected Attachment GMV-7 and GMV-8.

## **Information Provided**:

a. The difference between customer counts is:

Exhibit No. 6 Attachment GMV-7 and GMV-8 contain the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8. Page 33 contains the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8 Gen Info 1 Section B(2) is the 12 month average customers for the base year ending September 30, 2023. Tariff rate 5T is not included in these numbers.

Exhibit No. 1 Page 2 and Attachment SAW-1 has the total customer counts on September 30, 2023 listed by state. This includes all tariffs not just tariff 5T.

Attachment JJH-12 Cause No. 46011 Page 8 of 11

OUCC DR 1.38 has total customers by class at December 31<sup>st</sup> for years 2018 through 2023. Tariff rate 5T is one of the rates included in Transport Off-System counts.

- b. The parties should rely on Attachment GMV-7 and GMV-8 for billing determinates for calculating revenue.
- c. No correction is needed as OVG responded by FERC customer class as asked.
- d. See response to subpart c.
- e. No corrections are necessary, see responses to subparts a through d. above.

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Refer to the number of customers receiving service under tariff rate "6T". In OVG's response to OUCC DR No. 1.38, OVG states the number of residential, commercial, industrial, public authorities, and transport customers from 2018 to 2023, but does not specify the number of customers receiving service under tariff rate "6T".

- a. Please provide the number of customers receiving service under tariff rate "6T" used throughout OVG's testimony and attachments.
- b. Please provide the number of customers receiving service under tariff rate "6T" upon which the parties should rely.
- c. Will a correction to OVG's response to OUCC DR No. 1.38 be needed?
- d. If yes, please provide the correction and when the corrected documents will be filed with the Commission. If not, please explain the absence of the specific number of customers receiving service under tariff rate "6T".
- e. Please explain whether any and all corrections to the number of customers receiving service under tariff rate "6T" will impact the Revenue Requirements and the Present and Proposed Rates. (OVG's Exhibit No. 6, Attachments GMV-7 and GMV-8.) If there are corrections, please provide a corrected Attachment GMV-7 and GMV-8.

## **Information Provided**:

a. The difference between customer counts is:

Exhibit No. 6 Attachment GMV-7 and GMV-8 contain the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8. Page 33 contains the annual Billing Determinates (number of billing incidents) by cost for the future test year ending September 30, 2025.

Exhibit No 8 Gen Info 1 Section B(2) is the 12 month average customers for the base year ending September 30, 2023. Tariff rate 6T is not included in these numbers.

Exhibit No. 1 Page 2 and Attachment SAW-1 has the total customer counts on September 30, 2023 listed by state. This includes all tariffs not just tariff 6T.

OUCC DR 1.38 has total customers by class at December 31<sup>st</sup> for years 2018 through 2023. Tariff rate 6T is one of the rates included in Transport Off-System counts.

- b. The parties should rely on Attachment GMV-7 and GMV-8 for billing determinates for calculating revenue.
- c. No correction is needed as OVG responded by FERC customer class as asked.
- d. See response to subpart c. above.
- e. Corrections are not necessary, see responses to subparts a through d. above.

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Refer to the number of customers receiving service under tariff rate "8T". In OVG's response to OUCC DR No. 1.38, OVG states the number of residential, commercial, industrial, public authorities, and transport customers from 2018 to 2023, but does not specify the number of customers receiving service under tariff rate "8T". Please provide the number of customers receiving service under tariff rate "8T" used throughout OVG's testimony and attachments.

- a. Please provide the number of customers receiving service under tariff rate 8T upon which the parties should rely.
- b. Will a correction to OVG's response to OUCC DR No. 1.38 be needed?
- c. If yes, please provide the correction and when the corrected documents will be filed with the Commission. If not, please explain the absence of the specific number of customers receiving service under tariff rate "8T".
- d. Please explain whether all corrections to the number of customers receiving service under tariff rate "8T" will impact the Revenue Requirements and the Present and Proposed Rates. (OVG's Exhibit No. 6, Attachments GMV-7 and GMV-8.) If there are corrections, please provide a corrected Attachment GMV-7 and GMV-8.

- a. The parties should rely on Attachment GMV-7 and GMV-8 for billing determinates for calculating revenue.
- b. No correction is needed as OVG responded by FERC customer class as asked.
- c. See response to subpart b. above.
- d. No corrections are necessary, see responses to subparts a. through c. above.

Attachment JJH-13 Cause No. 46011 Page 1 of 1

## OUCC DR 2-10

## DATA INFORMATION REQUEST Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.

## Cause No. 46011

## **Information Requested**:

Referring to OVG's Exhibit No. 6, page 28, line 16 to page 29, line 2, please provide the allocated fixed costs per bill for rates "S14", "S44", and "S94".

## **Information Provided**:

Recovery of fixed costs via the Annual Facilities Charges, as proposed, for Rate 4S – Firm Grain Drying Sales Service, total \$40,428, or an average of \$1,010.70 per annual bill. The allocated fixed costs per bill for Rates S14, S44, and S94 are \$4,235.43. The proposed Facilities Charges represent recovery of only 24% of the allocated fixed costs.

## AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

Jarah J. Holls

Jared J. Hoff Utility Analyst Indiana Office of Utility Consumer Counselor Cause No. 46011 Ohio Valley Gas Corp., Inc.

05/15/2024

Date

#### **CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing has been served upon the following parties of

record in the captioned proceeding by electronic service on May 15, 2024.

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