

OFFICIAL
EXHIBITS

FILED
February 24, 2021
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA NATURAL
GAS CORPORATION FOR APPROVAL OF
CHANGES IN ITS GAS RATES THROUGH
A GAS COST ADJUSTMENT IN ACCORDANCE
WITH IND. CODE §8-1-2-42(g)

)
)
) CAUSE NO. 37418-GCA 149
)
)

IURC
PETITIONER'S
EXHIBIT NO. 2
4-9-21 LR
DATE REPORTER

PREFILED DIRECT TESTIMONY

OF

CODY M. OSMON

ON BEHALF OF

INDIANA NATURAL GAS CORPORATION

INDIANA NATURAL GAS CORPORATION
PREFILED DIRECT TESTIMONY OF CODY M. OSMON

1 **Q. 1: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Cody M. Osmon and my business address is 101 S.E. Third Street, Washington,
3 Indiana 47501.

4 **Q. 2: ARE YOU AFFILIATED WITH THE PETITIONER IN THIS CAUSE?**

5 A: Yes, I am an Accountant for the Petitioner.

6 **Q. 3: PLEASE DESCRIBE THOSE EDUCATIONAL AND PROFESSIONAL**
7 **EXPERIENCES WHICH RELATE TO THE MATTERS PRESENTED IN THIS**
8 **GCA.**

9 A: I am a graduate of Hanover College with a B.A. degree in communication, with a
10 concentration in business. I hold a certificate in accounting from the University of
11 Southern Indiana. I have general accounting and financial responsibility for the Petitioner.

12 **Q. 4: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 A: I am offering testimony to support appropriate GCA factors for the upcoming GCA quarter
14 of May 2021 through July 2021.

15 **Q. 5: IS THIS TESTIMONY OFFERED UNDER OATH?**

16 A: Yes. As reflected by the verification attached to this testimony, I am offering this testimony
17 under oath.

18 **Q. 6: MR. OSMON, HAVE YOU PREVIOUSLY FILED TESTIMONY WITH THE**
19 **COMMISSION?**

20 A: Yes, I have.

1 **Q. 7: IS THE INFORMATION CONTAINED IN THE PETITION AND ATTACHED**
2 **SCHEDULES ACCURATE?**

3 A: Yes, I believe it is as of the initiation of the proceedings. However, consistent with past
4 practice, I will continue to review NYMEX pricing, our customers' needs, and where
5 appropriate flex the requested factors.

6 **Q. 8: WERE THE SCHEDULES ATTACHED TO THE PETITION PREPARED IN**
7 **CONFORMANCE WITH THE COMMISSION'S ORDER IN CAUSE NO. 44374?**

8 A: Yes.

9 **Q. 9: WERE WORKPAPERS AND OTHER SUPPORTING DOCUMENTATION**
10 **PROVIDED TO THE OUCC FOLLOWING THE INITIATION OF THIS GCA?**

11 A: Yes.

12 **Q. 10: HAVE YOU PREPARED A ROLLING 12 MONTH AVERAGE COMPARISON**
13 **BETWEEN THE INCREMENTAL COST OF GAS FOR PETITIONER AND ITS**
14 **PRIOR ESTIMATES FOR THE 12 MONTH PERIOD ENDING DECEMBER 31,**
15 **2020?**

16 A: Yes. Please see that comparison attached as Schedule 6.

17 **Q. 11: WHAT IS THE RESULTING VARIANCE?**

18 A: The twelve-month rolling average is (1.73)%

19 **Q. 12: WHAT GCA FACTORS IS PETITIONER REQUESTING IN THIS GCA?**

20 A: Petitioner is requesting GCA factors of \$3.5477 /Dth, \$2.9970 /Dth and \$2.7828/Dth for
21 May 2021, June 2021, and July 2021 respectively.

22 **Q. 13: ARE YOU AWARE OF THE COMMISSION'S HISTORIC CONCERNS**
23 **RELATIVE TO NATURAL GAS PRICE VOLATILITY?**

1 A: Yes. I have reviewed various orders from the Commission regarding price volatility.

2 **Q. 14: IS THE PETITIONER CURRENTLY TAKING STEPS TO MITIGATE**
3 **VOLATILITY?**

4 A: Yes. Petitioner is active in purchasing fixed contracts; purchasing contracts relating to
5 periods well into the future; purchasing appropriately sized contracts; acquiring and using
6 storage; keeping itself apprised of market conditions; flexing GCA factors both up and
7 down as appropriate; and using a normal temperature adjustment mechanism during the
8 heating season.

9 **Q. 15: MR. OSMON, HAS THE COMPANY PURCHASED ANY FIXED CONTRACTS**
10 **FOR THE PERIOD INVOLVED IN THIS GCA?**

11 A: Yes. Those fixed contracts are noted on Schedule 3 and on the Schedule 3 WACOG.

12 **Q. 16: WILL PETITIONER HAVE STORAGE GAS AVAILABLE FOR USE IN THIS**
13 **GCA?**

14 A: No. This upcoming GCA time period represents the non heating season within Petitioner's
15 service area. Petitioner will be refilling storage during this time period for use during the
16 heating season.

17 **Q. 17: MR. OSMON, DO YOU BELIEVE PETITIONER'S CURRENT HEDGING**
18 **EFFORTS ARE REASONABLE FOR THIS GCA PERIOD?**

19 A: Yes, I do.

20 **Q. 18: FOR THE RECONCILIATION PERIOD, DID THE COMPANY HAVE ANY**
21 **HEDGING FACILITIES IN PLACE?**

22 A: Yes.

1 **Q. 19: DO YOU BELIEVE PETITIONER'S ESTIMATING AND PURCHASING**
2 **TECHNIQUES CONTINUE TO BE REASONABLE?**

3 A: Yes, I do. Further I would point out that Petitioner has not changed its estimating and
4 purchasing strategies from that previously described to the Commission.

5 **Q. 20: MR. OSMON IN YOUR OPINION HAS PETITIONER TAKEN ALL**
6 **REASONABLE STEPS TO OBTAIN NATURAL GAS SUPPLY AT THE**
7 **LOWEST COST REASONABLY POSSIBLE?**

8 A: Yes, it has.

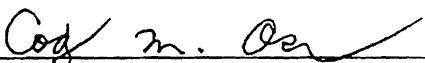
9 **Q. 21: DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY IN THIS**
10 **CAUSE?**

11 A: Yes, it does

VERIFICATION

I affirm under the penalties of perjury that the foregoing is true to the best of my knowledge, information and belief as of the date here filed.

INDIANA NATURAL GAS CORPORATION

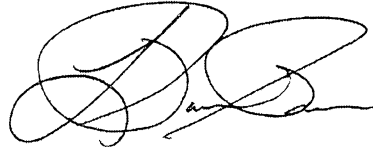


Cody M. Osmon

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following
counsel of record electronically this 24th day of February, 2021:

Scott Franson
Heather Poole
Indiana Office of Utility Consumer Counselor
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A handwritten signature in black ink, appearing to be "S. Franson", is written over a horizontal line.