STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF BOONVILLE NATURAL GAS CORPORATION FOR AUTHORITY TO CHANGE ITS RATES, CHARGES, TARIFFS, RULES, AND REGULATIONS	))))	**CAUSE NO. 45215**

OUCC'S NOTICE OF WITNESS SUBSTITUTION

The Indiana Office of Utility Consumer Counselor ("OUCC"), by counsel, hereby give notice that Leja D. Courter is being substituted for and is adopting the settlement testimony previously prefiled in this Cause by Jennifer L. Reed on June 28, 2019.

For purposes of convenience, attached hereto are (1) a redline version of Mr. Courter's Settlement testimony showing the changes from the previously prefiled versions of Ms. Reed's testimony, and (2) a clean copy of Mr. Courter's settlement testimony. At the evidentiary hearing, the clean version of Mr. Courter's settlement testimony will be offered into evidence.

Respectfully submitted,

T. Jason Haas
Attorney No. 34983-29
Deputy Consumer Counselor

SETTLEMENT TESTIMONY OF OUCC WITNESS ~~JENNIFER L. REED~~LEJA D. COURTER
CAUSE NO. 45215
BOONVILLE NATURAL GAS CORPORATION

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is ~~Jennifer L. Reed~~Leja D. Courter, and my business address is 115 W. Washington Street, Suite 1500 South, Indianapolis, Indiana, 46204.

Q: By whom are you employed and in what capacity?

A: I am ~~a Utility Analyst in the Natural Gas Division~~ employed by ~~of~~ the Indiana Office of Utility Consumer Counselor ("OUCC") as the Director of the Natural Gas Division. For a summary of my educational and professional experience, as well as my preparation for this case, please see ~~the~~ Appendix LDC-1 attached to my testimony ~~(Appendix JLR-1)~~.

Q: What are your recommendations?

A: I recommend approval of the Stipulation and Partial Settlement Agreement on Cost of Equity Capital ("Partial Settlement") entered into by Boonville Natural Gas Corporation ("Petitioner" or "Boonville") and the OUCC. The OUCC and Boonville collectively are referred to in this Partial Settlement as "the Parties." The Partial Settlement is limited only to the issue of setting Boonville's cost of common equity ("cost of equity" or "ROE"). The Parties have agreed on an ROE of 10.10% for Boonville in this Cause.

II. SETTLEMENT AGREEMENT ON COST OF EQUITY

Q: What cost of equity did Petitioner indicate it would have sought in this case?

A: Petitioner's witness, Earl L. Ridlen, III, indicated Petitioner should be authorized at least 10.25% return on its equity capital. (Direct Testimony of Earl L. Ridlen, III, p. 3, lines 21 – 22.) Through the Partial Settlement, the Parties agree that a cost of equity of 10.10% is appropriate in this Cause. (Partial Settlement, p. 1.)

Q: What is Petitioner's currently authorized cost of equity?

A: Petitioner's currently authorized ROE is 10.10%, which was established by the Commission's Final Order in Cause No. 44129 issued on November 7, 2012.

Q: If this cost of equity had been litigated, would you have recommended a return of 10.10%?

A: No. In recent natural gas rate cases, the OUCC has recommended an ROE in the 9.0% range. The OUCC recommended an ROE of 9.1% in both the South Eastern Indiana Natural Gas Company ("South Eastern"), Cause No. 45027 and in the Switzerland County Natural Gas Co. ("Switzco"), Cause No. 45117 rate cases. Settling the ROE eliminates a difficult issue and allows the Parties to negotiate other issues arising in the base rate case.

Q: Do you believe a 10.10% ROE is a reasonable resolution in this Cause?

A: Yes. Given the relative stances of each party on ROE, the ROE agreed to in the Partial Settlement of 10.10% is a reasonable compromise between the likely litigation positions of the Parties in this case.

Q: Do you believe the settled ROE of 10.10% is in the public interest?

A: Yes. While I would have recommended an ROE below 10.10% in litigation, I also recognize that litigation carries risk, and ratepayers benefit from keeping litigation

costs low. Settling ROE avoids the cost to litigate this issue, which is traditionally a contentious topic. Removing ROE as an issue in this Cause allows the Parties to concentrate on resolving other difficult issues.

III. OUCC RECOMMENDATIONS

Q: Please summarize your recommendations to the Commission in this Cause.

A: I recommend the Commission approve the Partial Settlement, and the agreed 10.10% ROE therein for use in Petitioner's capital structure in this Cause.

Q: Does this conclude your testimony?

A: Yes.

APPENDIX ~~JLR-1~~ TO TESTIMONY OF
OUCC WITNESS LEJA D. COURTER~~JENNIFER L. REED~~

Q: Please describe your educational background and experience.

A: I graduated from Ball State University in Muncie, Indiana with Bachelor of Science degrees in Finance and Economics. I received my Juris Doctorate from the University of Dayton. In previous years, I have been engaged in the private practice of law, and I also served as an in-house counsel at Indiana Gas Company. I have been an attorney at the OUCC for over twenty-three years. I became Director of the OUCC's Natural Gas Division in October 2009. ~~I graduated from the Kelley School of Business, Indiana University in Indianapolis, Indiana in May 2002 with a Bachelor of Science Degree with a major in Finance and a minor in Economics. I have an extensive career in the banking industry including over 16 years of experience in commercial credit. I served in various roles during my banking career including senior commercial credit analyst, senior commercial underwriter, portfolio manager and credit department manager. I am skilled in credit risk, financial risk, risk management, analyzing financial statements, business plans and financial projections. In April 2018, I began my employment at the OUCC as a Utility Analyst II in the Natural Gas Division. My responsibilities include~~

~~reviewing, analyzing, and preparing testimony for rate cases, finance cases and other proceedings for Indiana natural gas utilities.~~

Q: Have you previously testified before the Indiana Utility Regulatory Commission?

A: Yes. ~~Yes, I have testified in base rate cases, financing cases and special contract cases.~~

Q: Please describe the review and analysis you conducted in order to prepare your testimony.

A: I reviewed Petitioner's testimony and exhibits submitted in this Cause. I reviewed Petitioner's data responses. In addition, I reviewed the OUCC's testimony submitted in this Cause. ~~I reviewed Boonville Natural Gas Corporation's ("Boonville") Petition, Direct Filed Testimony, and Partial Settlement Agreement. I researched Boonville's previous base rate case, Cause No. 44129 filed December 5, 2011, and reviewed the Commission's November 7, 2012 Final Order for the same Cause.~~

SETTLEMENT TESTIMONY OF OUCC WITNESS LEJA D. COURTER
CAUSE NO. 45215
BOONVILLE NATURAL GAS CORPORATION

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Leja D. Courter, and my business address is 115 W. Washington Street, Suite 1500 South, Indianapolis, Indiana, 46204.

Q: By whom are you employed and in what capacity?

A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as the Director of the Natural Gas Division. For a summary of my educational and professional experience, as well as my preparation for this case, please see Appendix LDC-1 attached to my testimony.

Q: What are your recommendations?

A: I recommend approval of the Stipulation and Partial Settlement Agreement on Cost of Equity Capital ("Partial Settlement") entered into by Boonville Natural Gas Corporation ("Petitioner" or "Boonville") and the OUCC. The OUCC and Boonville collectively are referred to in this Partial Settlement as "the Parties." The Partial Settlement is limited only to the issue of setting Boonville's cost of common equity ("cost of equity" or "ROE"). The Parties have agreed on an ROE of 10.10% for Boonville in this Cause.

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A: I recommend the Commission approve the Partial Settlement, and the agreed 10.10% ROE therein for use in Petitioner's capital structure in this Cause.

Q: Does this conclude your testimony?

A: Yes.

AFFIRMATION

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

Leja D. Courter

Leja D. Courter
Director-Natural Gas Division
Indiana Office of
Utility Consumer Counselor
45215
Boonville Natural Gas Corp.

9/17/19

Date

APPENDIX TO TESTIMONY OF
OUCC WITNESS LEJA D. COURTER

Q: Please describe your educational background and experience.

A: I graduated from Ball State University in Muncie, Indiana with Bachelor of Science degrees in Finance and Economics. I received my Juris Doctorate from the University of Dayton. In previous years, I have been engaged in the private practice of law, and I also served as an in-house counsel at Indiana Gas Company. I have been an attorney at the OUCC for over twenty-three years. I became Director of the OUCC's Natural Gas Division in October 2009.

Q: Have you previously testified before the Indiana Utility Regulatory Commission?

A: Yes.

Q: Please describe the review and analysis you conducted in order to prepare your testimony.

A: I reviewed Petitioner's testimony and exhibits submitted in this Cause. I reviewed Petitioner's data responses. In addition, I reviewed the OUCC's testimony submitted in this Cause.

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing ***OUCC'S NOTICE OF WITNESS SUBSTITUTION*** has been served upon the following counsel of record in the captioned proceeding by electronic service on September 17, 2019.

L. Parvin Price
Jeffrey M. Peabody
Barnes & Thornburg LLP
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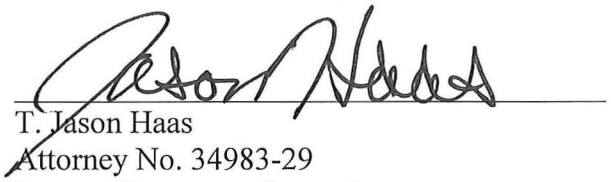
Email: jpeabody@btlaw.com



T. Jason Haas
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