

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) CAUSE NO. 37418 GCA 164
ADJUSTMENT IN ACCORDANCE WITH IND. CODE)
§8-1-2-42(g))

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

PUBLIC'S EXHIBIT NO. 1 –TESTIMONY OF OUCC WITNESS
SARA F. MARICHAL

PUBLIC'S EXHIBIT NO. 2 – GCA 164 FACTOR CALCULATIONS

PUBLIC'S EXHIBIT NO. 3 – GCA 164 STATISTICAL CALCULATIONS

Respectfully submitted,

Indiana Office of Utility Consumer Counselor



Adam J. Kashin, Attorney No. 37960-49
Deputy Consumer Counselor

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PUBLIC'S EXHIBIT NO. 1
TESTIMONY OF OUCC WITNESS SARA F. MARICHAL

CAUSE NO. 37418 GCA 164
INDIANA NATURAL GAS CORPORATION

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EXHIBIT NO. 1-16-25
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**INDIANA NATURAL GAS CORPORATION
CAUSE NO. 37418 GCA 164
TESTIMONY OF OUCC WITNESS SARA F. MARICHAL**

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

2 A: My name is Sara F. Marichal, and my business address is 115 West Washington
3 Street, 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
6 a Utility Analyst. I have worked as a member of the OUCC's Natural Gas Division
7 since September 2024.

8 **Q: Have you previously testified before the Commission?**

9 A: Yes. I have testified in a Transmission, Distribution, and Storage System
10 Improvement Charge tracker filing involving a gas utility.

11 **Q: What is the purpose of your testimony?**

12 A: The purpose of my testimony is to confirm the accuracy of calculations used to
13 establish the proposed Gas Cost Adjustment ("GCA") factors presented in Indiana
14 Natural Gas Corporation's ("Indiana Natural" or "Petitioner") Petition for
15 Approval of its proposed Gas Cost Adjustment in Cause No. 37418 GCA 164, to
16 be applicable in the billing cycles of February through April 2025.

17 **Q: Please describe the review and analysis you conducted to prepare your
18 testimony.**

19 A: I reviewed the Petition, Cody Osmon's Direct Testimony, Schedules, Revised
20 Schedules, Exhibits and Workpapers. I reviewed Indiana Natural's four most recent
21 GCA filings, and prepared Public's Exhibit Nos. 2 and 3.

1 **Q: Please identify and explain Public's Exhibit No. 2.**

2 A: Public's Exhibit No. 2 (GCA 164 Factor Calculations) presents numerical
3 information Indiana Natural provided and used in calculating the proposed GCA
4 164 monthly factors. This Exhibit consists of the following schedules:

- 5 • Schedule 1: Determination of Gas Cost Adjustment Charge;
- 6 • Schedule 2: Net Operating Income Statement (audited);
- 7 • Schedule 3: Calculation of Excess Earnings Bank;
- 8 • Schedule 4: Calculation of Excess Earnings and Total Gas Cost Variance;
- 9 and
- 10 • Schedule 5: Calculation of Actual Gas Cost Variance.

11 **Q: Please identify and explain Public's Exhibit No. 3.**

12 A: Public's Exhibit No. 3 (GCA 164 Statistical Calculations) presents certain data used
13 in calculating Indiana Natural's GCA 164 proposed factors and the results of
14 performing certain statistical calculations on that data. Indiana Natural provided the
15 data for these calculations in this and prior GCA petitions. The calculations
16 reflected in Public's Exhibit No. 3 address the following areas:

- 17 • Estimation information;
- 18 • Effects on typical residential customers; and
- 19 • Comparison of Indiana Natural's variances with actual gas costs.

20 **Q: Have you conducted an examination of Petitioner's books and records during**
21 **this GCA, in accordance with Indiana Code § 8-1-2-42(g)(2)?**

22 A: No. Petitioner's GCA 164 quarterly filing falls between annual reviews; as such,
23 the OUCC has not performed examination or review procedures on this data. Since
24 those additional procedures have not yet been performed, it is important that

Petitioner's GCA rates only be finalized after gas costs have been reconciled and the books and records have been examined in accordance with Ind. Code § 8-1-2-42(g)(2). The OUCC's next scheduled examination or review of data for Petitioner's GCAs 163-166 will be performed during GCA 166.

Q: Were there any discrepancies in Indiana Natural's original petition and exhibits for GCA 164, as filed on November 26, 2024?

A: Yes. I noted the following discrepancies:

- Referring to the Schedule 3 WACOG, the ANR Area Index Price for April 2025 did not match the Henry Hub workpaper plus the applicable adder.
- Referring to Schedule 6, the \$2.5490 GCA Factor Billed for July 2024 did not match the \$2.8724 GCA factor approved in the flex filing for July 2024.

The OUCC contacted Indiana Natural via email and Indiana Natural filed revised schedules on December 11, 2024 to correct the discrepancies.

Q: Were there any discrepancies in Indiana Natural's revised schedules for GCA 164, as filed on December 11, 2024?

A: No. Indiana Natural's revised schedules updated the spot price of gas on Schedule 3 and corrected the discrepancies noted above.

Q: Do you agree with Indiana Natural's calculation of the proposed GCA 164 factors, as revised on December 11, 2024?

A: Yes. Based on the information Petitioner provided in its revised filing, the OUCC found nothing to indicate Indiana Natural has not correctly calculated the proposed GCA 164 factors in accordance with applicable requirements.

Q: Does this conclude your testimony?

A: Yes.

**PUBLIC'S EXHIBIT NO. 2
GCA 164 FACTOR CALCULATIONS**

**CAUSE NO. 37418 GCA 164
INDIANA NATURAL GAS CORPORATION**

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PUBLIC'S EXHIBIT NO. 2
CAUSE NO. 37418 GCA 164
SCHEDULE 1

INDIANA NATURAL GAS CORPORATION
CAUSE NO. 37418 GCA 164
DETERMINATION OF GAS COST ADJUSTMENT CHARGE

<u>Line No.</u>		<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>
1	Commodity Cost of Gas to be Recovered	\$661,917	\$426,753	\$261,333
2	Add: Gas Cost Variance	6,722	6,722	6,722
3	Less: Excess Return Reduction	0	0	0
4	Less: Refunds	0	0	0
5	Total Cost to be Recovered through GCA	\$668,639	\$433,475	\$268,055
6	Sales Subject to GCA in Dth	159,000	109,000	66,000
7	Total Variable Cost to be Recovered per Dth	\$4.2053	\$3.9768	\$4.0614
8	Fixed Cost per Dth	0.2079	0.2079	0.2079
9	Total Cost to be Recovered per Dth	\$4.4132	\$4.1848	\$4.2694

PUBLIC'S EXHIBIT NO. 2
CAUSE NO. 37418 GCA 164
SCHEDULE 2

INDIANA NATURAL GAS CORPORATION
CAUSE NO. 37418 GCA 164
NET OPERATING INCOME STATEMENT
FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2024
(Unaudited)

<u>Line No.</u>		
1	OPERATING REVENUES	\$7,579,185
2	OPERATING EXPENSES	
3	Natural Gas Purchased	3,272,797
4	Operation Expense	3,038,086
5	Depreciation Expense	681,384
6	Taxes Other Than Fed	243,597
7	Federal Income Tax	37,792
8	Deferred Income Tax	<u>112,591</u>
9	TOTAL OPERATING EXPENSES	<u>7,386,247</u>
10	NET OPERATING INCOME	<u><u>\$192,938</u></u>

PUBLIC'S EXHIBIT NO. 2
CAUSE NO. 37418 GCA 164
SCHEDULE 3

INDIANA NATURAL GAS CORPORATION
CAUSE NO. 37418 GCA 164
CALCULATION OF EXCESS EARNINGS BANK

Line No.	Month	Year	GCA No.	Net Operating Income	Authorized	Differential
1	September	2024	164	\$ 192,938	\$ 653,068	\$ (460,130)
2	June	2024	163	286,663	653,068	(366,405)
3	March	2024	162	187,396	653,068	(465,672)
4	December	2023	161	97,510	410,038	(312,528)
5	September	2023	160	207,222	410,038	(202,816)
6	June	2023	159	184,764	410,038	(225,274)
7	March	2023	158	234,044	410,038	(175,994)
8	December	2022	157	272,233	410,038	(137,805)
9	September	2022	156	332,206	410,038	(77,832)
10	June	2022	155	528,137	410,038	118,099
11	March	2022	154	479,160	410,038	69,122
12	December	2021	153	446,797	410,038	36,759
13	September	2021	152	404,881	410,038	(5,157)
14	June	2021	151	459,255	410,038	49,217
15	March	2021	150	493,464	410,038	83,426
16	December	2020	149	562,896	410,038	152,858
17	September	2020	148	527,522	410,038	117,484
18	June	2020	147	464,556	410,038	54,518
19	March	2020	146	472,304	410,038	62,266
20	December	2019	145	524,458	410,038	114,420
21	Total					<u>\$ (1,571,444)</u>

PUBLIC'S EXHIBIT NO. 2
CAUSE NO. 37418 GCA 164
SCHEDULE 4

INDIANA NATURAL GAS CORPORATION
CAUSE NO. 37418 GCA 164
CALCULATION OF EXCESS EARNINGS AND TOTAL GAS COST VARIANCE

<u>Line</u> <u>No.</u>		
1	Net Operating Income (Loss) For the Twelve Months Ending September 30, 2024	\$192,938
2	Net Operating Income Granted in Cause No. 45889	<u>653,068</u>
3	Excessive Earnings (Deficit)	(\$460,130)
4	Cumulative Excess (Deficit) Earnings GCA 163	<u>(1,111,314)</u>
5	Cumulative Excess (Deficit) Earnings GCA 164	<u>(\$1,571,444)</u>
6	Excess Earnings Returned This Application	\$0
7	Conversion Factor	<u>1.3345</u>
8	Adjusted Excess Earnings	\$0
9	25% of Excess To Be Returned In This GCA	\$0
10	Add:	
11	Variance From Cause No. 37418 GCA 161	1,717
12	Variance From Cause No. 37418 GCA 162	7,663
13	Variance From Cause No. 37418 GCA 163	(203)
14	Variance From Cause No. 37418 GCA 164	<u>10,989</u>
15	Total Gas Cost Variance	<u><u>\$20,166</u></u>

PUBLIC'S EXHIBIT NO. 2
CAUSE NO. 37418 GCA 164
SCHEDULE 5

INDIANA NATURAL GAS CORPORATION
CAUSE NO. 37418 GCA 164
CALCULATION OF ACTUAL GAS COST VARIANCE

Line No.		Jul-24	Aug-24	Sep-24	Total
1	Actual Cost of Gas Incurred	\$74,087	\$72,897	\$115,171	\$262,155
2	Less Cost of Unaccounted for Gas	1,511	(853)	(18)	639
3	Incremental Cost of Gas to be Recovered Through GCA	\$72,576	\$73,750	\$115,189	\$261,516
4	Actual Incremental Cost of Gas Billed Excluding Utility Receipts Tax	\$49,015	\$52,705	\$101,577	\$203,297
5	Dollar Amount of Gas Cost Variance From Cause No. 37418, GCA 161	(17,721)	0	0	(17,721)
6	From Cause No. 37418, GCA 162	0	(4,022)	(4,022)	(8,044)
7	Refund Dollars From Cause No. 37418, GCA 161	1,350	0	0	1,350
8	From Cause No. 37418, GCA 162	0	0	0	0
9	Excess Earnings From Cause No. 37418, GCA 161	0	0	0	0
10	From Cause No. 37418, GCA 162	0	0	0	0
11	Incremental Gas Cost Charge Revenues to be Reconciled with Incremental Cost of Gas Incurred	\$68,086	\$56,727	\$105,599	\$230,411
12	Total Gas Cost Variance	\$4,491	\$17,024	\$9,590	\$31,105
13	Variance Allocated to GCA 164				\$10,989
14	Variance Allocated to GCA 165				2,563
15	Variance Allocated to GCA 166				3,997
16	Variance Allocated to GCA 167				13,555
17	Total Variance Allocation				\$31,105

PUBLIC'S EXHIBIT NO. 3
GCA 164 STATISTICAL CALCULATIONS

CAUSE NO. 37418 GCA 164
INDIANA NATURAL GAS CORPORATION

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ESTIMATION INFORMATION:

<u>February-25</u>	Volumes in Dth	Commodity Cost per Dth	Percent of Total
Fixed Purchases	55,000	\$4.4455	34.6%
Spot Gas Purchases	62,400	\$2.9753	39.2%
Storage Gas - Withdrawals	41,600	\$3.1421	26.2%
Total Purchases and Withdrawals	159,000	\$3.5275	100.0%
Storage Gas - Injections	0	\$0.0000	
Net Gas Available	159,000	\$3.5275	
 <u>March-25</u>			
Fixed Purchases	40,000	\$4.4613	36.7%
Spot Gas Purchases	52,500	\$2.7391	48.2%
Storage Gas - Withdrawals	16,500	\$3.1442	15.1%
Total Purchases and Withdrawals	109,000	\$3.4324	100.0%
Storage Gas - Injections	0	\$0.0000	
Net Gas Available	109,000	\$3.4324	
 <u>April-25</u>			
Fixed Purchases	20,000	\$4.4525	30.3%
Spot Gas Purchases	46,000	\$2.7493	69.7%
Storage Gas - Withdrawals	0	\$0.0000	0.0%
Total Purchases and Withdrawals	66,000	\$3.2654	100.0%
Storage Gas - Injections	0	\$0.0000	
Net Gas Available	66,000	\$3.2654	
 <u>Quarterly Total</u>			
Fixed Purchases	115,000	\$4.4522	34.4%
Spot Gas Purchases	160,900	\$2.8336	48.2%
Storage Gas - Withdrawals	58,100	\$3.1427	17.4%
Total Purchases and Withdrawals	334,000	\$3.4447	100.0%
Storage Gas - Injections	0	\$0.0000	
Net Gas Available	334,000	\$3.4447	

Estimated Quarterly Sales (Dth): 334,000

BILL COMPARISONS
PROPOSED VS. CURRENTLY APPROVED GCA FACTORS

February 2025

Petitioner's Requested GCA Factor (\$/Dth) - February 2025	\$4.4132
Current Commission Approved GCA Factor (GCA 164 - November 2024)	4.0136
Increase (Decrease)	<u>\$0.3996</u>

Consumption Dth	Bill at Proposed Factor	Bill at Current Factor	Increase (Decrease)	Percent Change
5	\$54.25	\$52.26	\$1.99	3.81%
10	\$90.82	\$86.82	\$4.00	4.61%
15	\$127.38	\$121.39	\$5.99	4.93%
20	\$163.94	\$155.95	\$7.99	5.12%
25	\$200.50	\$190.52	\$9.98	5.24%

March 2025

Petitioner's Requested GCA Factor (\$/Dth) - March 2025	\$4.1848
Current Commission Approved GCA Factor (GCA 164 - November 2024)	4.0136
Increase (Decrease)	<u>\$0.1712</u>

Consumption Dth	Bill at Proposed Factor	Bill at Current Factor	Increase (Decrease)	Percent Change
5	\$53.11	\$52.26	\$0.85	1.63%
10	\$88.53	\$86.82	\$1.71	1.97%
15	\$123.95	\$121.39	\$2.56	2.11%
20	\$159.37	\$155.95	\$3.42	2.19%
25	\$194.79	\$190.52	\$4.27	2.24%

April 2025

Petitioner's Requested GCA Factor (\$/Dth) - April 2025	\$4.2694
Current Commission Approved GCA Factor (GCA 164 - November 2024)	4.0136
Increase (Decrease)	<u>\$0.2558</u>

Consumption Dth	Bill at Proposed Factor	Bill at Current Factor	Increase (Decrease)	Percent Change
5	\$53.53	\$52.26	\$1.27	2.43%
10	\$89.38	\$86.82	\$2.56	2.95%
15	\$125.22	\$121.39	\$3.83	3.16%
20	\$161.07	\$155.95	\$5.12	3.28%
25	\$196.91	\$190.52	\$6.39	3.35%

BILL COMPARISONS
PROPOSED VS. PRIOR YEAR APPROVED GCA FACTORS

February 2025

Petitioner's Requested GCA Factor (\$/Dth) - February 2025	\$4.4132
Prior Year Commission Approved GCA Factor (GCA 160 - February 2024)	3.3673
Increase (Decrease)	<u>\$1.0459</u>

Consumption Dth	Bill at Proposed Factor	Bill at Prior Year Factor	Increase (Decrease)	Percent Change
5	\$54.25	\$49.02	\$5.23	10.67%
10	\$90.82	\$80.36	\$10.46	13.02%
15	\$127.38	\$111.69	\$15.69	14.05%
20	\$163.94	\$143.02	\$20.92	14.63%
25	\$200.50	\$174.36	\$26.14	14.99%

March 2025

Petitioner's Requested GCA Factor (\$/Dth) - March 2025	\$4.1848
Prior Year Commission Approved GCA Factor (GCA 160 - March 2024)	2.2541
Increase (Decrease)	<u>\$1.9307</u>

Consumption Dth	Bill at Proposed Factor	Bill at Prior Year Factor	Increase (Decrease)	Percent Change
5	\$53.11	\$43.46	\$9.65	22.20%
10	\$88.53	\$69.23	\$19.30	27.88%
15	\$123.95	\$94.99	\$28.96	30.49%
20	\$159.37	\$120.76	\$38.61	31.97%
25	\$194.79	\$146.53	\$48.26	32.94%

April 2025

Petitioner's Requested GCA Factor (\$/Dth) - April 2025	\$4.2694
Prior Year Commission Approved GCA Factor (GCA 160 - April 2024)	1.7045
Increase (Decrease)	<u>\$2.5649</u>

Consumption Dth	Bill at Proposed Factor	Bill at Prior Year Factor	Increase (Decrease)	Percent Change
5	\$53.53	\$40.71	\$12.82	31.49%
10	\$89.38	\$63.73	\$25.65	40.25%
15	\$125.22	\$86.75	\$38.47	44.35%
20	\$161.07	\$109.77	\$51.30	46.73%
25	\$196.91	\$132.79	\$64.12	48.29%

ANALYSIS OF PETITIONER'S SCHEDULE 6 VARIANCE CALCULATIONS

GCA	150	150	150	151	151	151	152	152	152	153	153	153
Month	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Actual Gas Cost	589,876	694,391	341,890	196,527	124,442	71,101	80,064	74,423	152,895	401,750	767,419	621,943
Variance	25,089	44,868	15,380	(19,178)	(8,104)	(11,019)	7,070	578	7,141	107,730	58,058	9,936
Monthly % Variance	4.25%	6.46%	4.50%	-9.76%	-6.51%	-15.50%	8.83%	0.78%	4.67%	26.82%	7.57%	1.60%
12 Mo. Avg.	0.47%	1.78%	2.33%	1.86%	2.16%	1.91%	2.24%	1.95%	1.72%	4.74%	4.68%	5.77%
GCA	154	154	154	155	155	155	156	156	156	157	157	157
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Actual Gas Cost	895,152	1,003,064	504,507	465,157	302,122	285,888	215,760	289,795	484,382	425,455	526,941	789,558
Variance	132,734	176,230	19,435	(5,922)	56,771	79,234	37,575	10,335	28,887	(18,185)	(90,601)	(114,448)
Monthly % Variance	14.83%	17.57%	3.85%	-1.27%	18.79%	27.72%	17.42%	3.57%	5.96%	-4.27%	-17.19%	-14.50%
12 Mo. Avg.	7.81%	10.07%	9.82%	9.57%	10.46%	11.68%	11.94%	11.67%	11.40%	9.35%	7.25%	5.04%
GCA	158	158	158	159	159	159	160	160	160	161	161	161
Month	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Actual Gas Cost	602,434	417,738	378,061	169,004	90,562	68,424	64,738	69,175	142,127	209,641	356,884	471,266
Variance	(153,210)	(227,057)	(103,384)	(88,292)	(35,993)	(1,713)	(3,128)	6,136	(3,292)	6,451	6,123	(7,764)
Monthly % Variance	-25.43%	-54.35%	-27.35%	-52.24%	-39.74%	-2.50%	-4.83%	8.87%	-2.32%	3.08%	1.72%	-1.65%
12 Mo. Avg.	0.44%	-7.10%	-9.65%	-11.92%	-14.44%	-16.96%	-18.50%	-19.60%	-22.25%	-22.91%	-21.20%	-19.91%
GCA	162	162	162	163	163	163	164	164	164	165	165	165
Month	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Actual Gas Cost	822,829	478,683	314,977	181,662	87,986	74,636	74,087	73,750	115,189			
Variance	46,252	(32,387)	7,703	(13,687)	5,262	7,850	4,491	17,024	9,590			
Monthly % Variance	5.62%	-6.77%	2.45%	-7.53%	5.98%	10.52%	6.06%	23.08%	8.33%			
12 Mo. Avg.	-12.44%	-6.35%	-3.07%	-0.77%	0.49%	0.78%	1.01%	1.34%	1.75%			

AFFIRMATION

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

Sara F. Marichal

Sara F. Marichal
Utility Analyst
Indiana Office of
Utility Consumer Counselor
Cause No. 37418 GCA 164
Indiana Natural Gas Corp

12-20-2024
Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the *Indiana Office of Utility Consumer Counselor's Testimony of OUCC Witness Sara F. Marichal* been served upon the following in the above-captioned proceeding by electronic service on December 20, 2024.

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