

STATE OF INDIANA

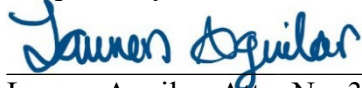
INDIANA UTILITY REGULATORY COMMISSION

APPLICATION OF BOONVILLE NATURAL)
GAS CORPORATION FOR AUTHORITY TO)
INCREASE RATES AND CHARGES) CAUSE NO. 45985 - U
THROUGH THE SMALL UTILITY)
PROCEDURE PURSUANT TO IND. CODE §)
8-1-2-61.5 AND 170 IAC 14-1-1 ET SEQ.)

SUBMISSION OF COMPLIANCE REPORT

Boonville Natural Gas Corporation (“Applicant”), by counsel, and in accordance with Ordering Paragraph 3¹ of the September 18, 2024, Indiana Utility Regulatory Commission (“Commission”) Order in this Cause, submits the attached report which explains and reconciles the discrepancies between the deposit report and the general ledger.

Respectfully submitted,



Lauren Aguilar, Atty. No. 33943-49
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, IN 46204
Telephone: (317) 231-6474
Facsimile: (317) 231-7433
Email: laguilar@btlaw.com

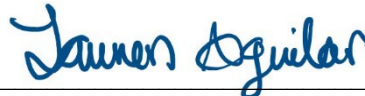
Counsel for Applicant,
Boonville Natural Gas Corporation

¹ Petitioner moved to extend this Compliance deadline on December 16, 2024.

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a copy of the foregoing has been served upon the following via electronic mail this 14th day of February, 2025 to:

Daniel M. Le Vay
Adam J. Kashin
Indiana Office of Utility Consumer Counselor
115 West Washington Street, Suite 1500 South
Indianapolis, IN 46204
infomgt@oucc.in.gov
dlevay@oucc.in.gov
AKashin@oucc.IN.gov



Lauren Aguilar

Lauren Aguilar, Atty. No. 33943-49
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Telephone: (317) 231-6474
Facsimile: (317) 231-7433
Email: laguilar@btlaw.com

Counsel for Applicant,
Boonville Natural Gas Corporation

Boonville Natural Gas Corporation
Cause No. 45985 – U
Compliance Report re
Deposit Report and the General Ledger

Boonville Natural Gas relies on two different pieces of software for most of its business functions. First, we have a utility management software called Alliance made by United Systems. This is purpose built for utilities and is intended for tracking customers and all transactions on a per customer basis. Second, we use Quickbooks Enterprise for general accounting purposes. Quickbooks does not track anything on a per customer basis, rather it tracks things like total revenue or the aggregate of customer deposits using information that comes out of Alliance.

We have verified that Alliance is keeping accurate records of all customer deposits. We have not found any significant errors or omissions on the part of Alliance to track customer payments, deposits, deposit installments, etc. As a result, Alliance also has an accurate number for the total of all customer deposits. Quickbooks, however, does not interface directly with Alliance, and so it does not automatically mirror Alliance in its tracking of all transactions. Because Alliance is a rather old piece of software, the way in which information flows from Alliance to Quickbooks is through printed instructions for journal entries that have to then be manually input into Quickbooks. For example, over the course of a month, three customers might all reach 12 months of on-time payments and hence be eligible for deposit refunds. In Alliance, this will result in a change on each individual customer account to remove the deposit from that customer's record. If, for example, each deposit was \$200, then each customer's account would have that deposit removed and each account credited for \$200 of payment. At the end of the month, Alliance would generate a page of instructions for a journal entry that would move \$600 from customer deposits to a receivables account for early payments. This journal entry would have to be entered manually and would only record the aggregate change without creating or modifying any record for an individual customer's account.

Due to changes over time in the structure of BNG's accounting records, as well as to limitations in the capabilities of Alliance to understand these accounting structures, some of the instructions for journal entries that Alliance generates are known to be partially incorrect. Alliance may instruct for a debit entry to be made to a revenue account instead of to the customer deposits account in Quickbooks. This has been a limitation of the software since its implementation, and has been corrected for with training from United Systems. At the time the software was adopted, there was no way to modify the generation of these instructions, but personnel were carefully trained to correct the shortcomings of the software. However, this does mean that keeping perfectly accurate records in Quickbooks to match the accurate records in Alliance relies on employees consistently correcting the instructions of the utility management software and then carrying out those instructions correctly.

Over the course of examining the records in both Quickbooks and Alliance to search for any causes of deviation, BNG found multiple instances of human error in manual processes. It happens to be the case that many of the changes that have to be made to Alliance Journal entry instruction involve making sure that the customer deposits account, and not some other account, is the one debited in a particular transaction. Because of this, a failure on this correction will consistently inflate the customer deposits account in Quickbooks by, for example, failing to remove a refunded deposit

Boonville Natural Gas Corporation
Cause No. 45985 – U
Compliance Report re
Deposit Report and the General Ledger

from this account. This tendency to err in one direction has caused the customer deposits account to inflate in Quickbooks over the years, despite the fact that it has remained accurate in Alliance.

To correct these errors, BNG is working to modify the procedures that bring data from Alliance into Quickbooks, retrain its employees, and is working with its local accountant to determine what entries can be used to force Quickbooks accounts into agreement with Alliance accounts once it has been determined that processes have been corrected, such that they will not cause the accounts to drift out of agreement in the future.

BNG does emphasize that while the accounting systems that it uses internally have picked up inaccuracies from human error over the course of many years, throughout this time the utility management software that manages individual customer accounts and directly tracks individual deposits, computes interest, and ensures timely deposit refunds has remained accurate. We have not found any instances of customers who believe their deposits have not been properly accounted for. The only source of error seems to be from the translation of information from one software to another.