FILED
March 31, 2021
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANA GAS COMPANY, INC. D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC. ("VECTREN NORTH") FOR (1) AUTHORITY TO MODIFY ITS RATES AND CHARGES FOR GAS UTILITY SERVICE THROUGH A PHASE-IN OF RATES, (2) APPROVAL OF NEW SCHEDULES OF RATES AND CHARGES, AND NEW AND REVISED RIDERS, (3) APPROVAL OF A NEW TAX SAVINGS CREDIT RIDER, (4) APPROVAL OF VECTREN NORTH'S ENERGY EFFICIENCY PORTFOLIO OF PROGRAMS AND AUTHORITY TO EXTEND PETITIONER'S ENERGY EFFICIENCY RIDER ("EER"), INCLUDING THE DECOUPLING MECHANISM EFFECTUATED THROUGH THE EER, (5) APPROVAL OF REVISED DEPRECIATION RATES APPLICABLE TO GAS PLANT IN SERVICE, (6) APPROVAL OF NECESSARY AND APPROPRIATE ACCOUNTING RELIEF, AND (7) APPROVAL OF AN ALTERNATIVE REGULATORY PLAN PURSUANT TO WHICH VECTREN NORTH WOULD CONTINUE ITS CUSTOMER BILL ASSISTANCE PROGRAMS.	)	**CAUSE NO. 45468**

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

PUBLIC'S EXHIBIT NO. 4 – PUBLIC (REDACTED) TESTIMONY OF OUCC WITNESS CINTHIA J. SABILLON

With the current requirement that all staff work from home, signatures for affirmations are not available at this time.

March 31, 2021

Respectfully submitted,

Loraine Hitz-Bradley

Loraine Hitz-Bradley
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INDIANA GAS COMPANY, INC.
D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC.
CAUSE NO. 45468
PUBLIC (REDACTED) TESTIMONY OF
OUCC WITNESS CINTHIA J. SABILLON

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Cinthia J. Sabillon and my business address is 115 West Washington Street, Suite 1500 South, Indianapolis, IN 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 a Utility Analyst. I have worked as a member of the OUCC's Natural Gas Division since October of 2019. For a summary of my educational and professional experience, as well as my preparation for presenting testimony in this case, please see Appendix CJS-1.

Q: What is the purpose of your testimony?

A: My testimony discusses my review and analysis of certain Indiana Gas Company Inc., d/b/a Vectren Energy Delivery of Indiana, Inc.'s ("Vectren North" or "Petitioner") pro forma operating expenses. I also reviewed Petitioner's request for an extension of its Energy Efficiency ("EE") Programs, recovery of associated costs through the Energy Efficiency Funding Component ("EEFC") of the Energy Efficiency Rider ("EER"), the EE portfolio of programs for years 2022—2025, and continuation of its decoupling mechanism. Finally, I reviewed Petitioner's capital structure.

Q: Please provide a summary of your recommendations.

A: I recommend adjustments to several pro forma operation and maintenance ("O&M") expenses. I also recommend approval of Vectren North's request for an extension of the 2020 EE Programs, EEFC, and Sales Reconciliation Component ("SRC") through 2021. I recommend approval of Vectren North's 2022-2025 EE programs and for Petitioner to continue using the same progress reporting requirements as those approved in Cause No. 45222. I further recommend adjustments to the Return on Equity ("ROE") and cost-free capital components of Petitioner's capital structure. I also recommend revisions to Vectren North's Tariff for Gas Service, Sheet No. 57, section 18.H.

II. OPERATING EXPENSES

A. Operation Supervision and Engineering Expense (FERC Account 850)

Q: What is Petitioner's proposed test year amount for the Operation Supervision and Engineering Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $4,348,471. (Petitioner's Exhibit No. 19, page 30, line 51.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: Yes. Petitioner's pro forma adjustment is a decrease of $45,818 to this account, resulting in a pro forma amount of $4,302,653.

Q: Has Petitioner's pro forma amount of $4,302,653 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $2,372,564 and $3,121,379 in this account. (Attachment CJS-1, page 2.) In response to OUCC Data Request

("DR") 6.10, Petitioner explained FERC account 850 - Operation Supervision and Engineering has budgeted costs and increases from prior years that relate exclusively to compliance spend for general supervision and direction of the operation of transmission facilities that are recovered through the CSIA mechanism. (*Id.* at 1). In response to OUCC DR 12.11, Petitioner stated all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA and base rate components for FERC Account 850. (*Id.* at 3).

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $4,302,653 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $2,712,269, which makes the budgeted amount a $1,590,384 increase from average. Petitioner provided no justification for the increase of budgeted costs from prior years. Furthermore, Petitioner verified the prior years' actual amounts include both CSIA pass-through amounts and actual expenses. Therefore, the amount included in Petitioner's pro forma amount for the test year should be comparable to prior years.

Q: What is your recommendation for the Operation Supervision and Engineering Expense account?

A: I recommend the 2021 pro forma amount be reduced to $2,877,446. This amount was calculated by taking the 4-year average from 2016-2019 of $2,712,269 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-1, page 2. Comparing

Petitioner's test year amount of $4,348,471 to the OUCC's pro forma Operation Supervision and Engineering Expense amount of $2,877,446 results in a decrease to Operation Supervision and Engineering Expense in the amount of $1,471,025. (*Id.*)

B. <u>Measuring and Regulating Station Expense (FERC Account 857)</u>

Q: What is Petitioner's proposed test year amount for the Measuring and Regulating Station Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $1,247,206. (Petitioner's Exhibit No. 19, page 30, line 55.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $1,247,206 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $442,326 and $692,760 in this account. (Attachment CJS-2, page 2.) In response to OUCC DR 6.1, Petitioner explained the increases for FERC account 857 – Measuring and Regulating Station Expense are related to an increase in labor and vehicle costs for measuring and regulating station expenses. Petitioner indicated this work is now performed within Technical Field Operations ("TFO"), whereas it historically resided in field operations. While the work was included in field operations, responsibilities were shared across other activities, including various capital projects. (*Id.* at 1). In response to OUCC DR 12.4, Petitioner explained besides Field Operations and a small amount from a gas storage cost center, there is a cost center being charged to FERC Account 857, which consists of expenses incurred as part of capital projects. This cost center is called Gas Measuring and Regulator Services (CC_2030), which is incorporated in the Technical Field Operations function. Prior to 2017, cost center 2030 was Engineering Services primarily charged to capital. In August 2017, the company went through an organizational change and cost center 2030 was repurposed to be Measurement Services. After the merger with CenterPoint and the ensuing organizational alignments during 2019 and 2020, Regulator Services became part of the costs included in the cost center. For Petitioner, this change took effect in 2020 for all Regulator Services' costs other than labor. In 2021, the associated union labor for regulator activity became part of the cost center 2030. (*Id* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $1,247,206 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $552,564, which makes the budgeted amount a $694,642 increase from average. Petitioner explained the increase was because this work is now performed within Technical Field Operations ("TFO"), whereas it historically resided in field operations. (*Id*. at 1.) However, after analyzing the detailed support Petitioner provided in response to OUCC DR 12.4, there is not a significant cost shift from Field Operation to Technical Field Operations. The balances for FERC Account 857 in field operations have decreased in 2020 and 2021. The prior year balances in this FERC Account have not been higher than $692,760, including $579,736 in field operations, $112,244 in storage and $780 in technical field operations. Therefore, Petitioner's increase is inconsistent and unwarranted. (*Id.* at 4.)

Q: What is your recommendation for the Measuring and Regulating Station Expense account?

A: I recommend the 2021 pro forma amount be reduced to $586,215. This amount was calculated by taking the 4-year average from 2016-2019 of $552,564 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-2, page 2. Comparing Petitioner's test year amount of $1,247,206 to the OUCC's pro forma Measuring and Regulating Station Expense amount of $586,215 results in a decrease to Measuring and Regulating Station Expense in the amount of $660,991. (*Id.*)

C. <u>Maintenance of Structure and Improvements Expense (FERC Account 862)</u>

Q: What is Petitioner's proposed test year amount for the Maintenance of Structure and Improvements Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $140,060. (Petitioner's Exhibit No. 19, page 30, line 59.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $140,060 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $2,742 and $13,889 in this account. (Attachment CJS-3, page 2.) In response to OUCC DR 6.2, Petitioner explained the $140,000 in the budgeted test year is for contracted Regulator Station site maintenance. For FERC account 862-Maintenance of Structure and

Improvements, associated costs include, but are not limited to, maintenance of regulator buildings, remote transmitting unit buildings, odorizer carports, station fencing, tree removal, and weed control. The budget also covers non-routine maintenance events, such as incidents at Regulator Station sites that require significant repair. Petitioner indicated no significant incidents occurred in the prior years to result in the full budget being spent. (*Id.* at 1.) In response to OUCC DR 12.5, Petitioner stated that from 2016 to 2019, this maintenance work was performed internally. Petitioner also stated that it did not contract Regulator Station Site maintenance for the calendar years 2016-2019. Petitioner also stated no significant repairs were required from 2016 to 2019. (*Id.* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $140,060 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $8,546, which makes the budgeted amount a $131,514 increase from average. Petitioner explained the increase in the budget is due to contracted Regulator Station site maintenance. Petitioner did not provide sufficient justification for the increase, and Petitioner has been able to perform this job internally for the past years, which makes the increase in the budget to hire outside contractors unnecessary.

Q: What is your recommendation for the Maintenance of Structure and Improvements Expense account?

A: I recommend the 2021 pro forma amount be reduced to $9,066. This amount was calculated by taking the 4-year average from 2016-2019 of $8,546 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-3, page 2. Comparing Petitioner's test year amount of $140,060 to the OUCC's pro forma Maintenance of Structure and Improvements Expense amount of $9,066 results in a decrease to Maintenance of Structure and Improvements Expenses in the amount of $130,994. (*Id.*)

D. <u>Maintenance of Mains Expense (FERC Account 863)</u>

Q: What is Petitioner's proposed test year amount for the Maintenance of Mains Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $1,431,207. (Petitioner's Exhibit No. 19, page 30, line 60.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: Yes. Petitioner's pro forma adjustment is a decrease of $40,068 to this account, resulting in a pro forma amount of $1,391,139.

Q: Has Petitioner's pro forma amount of $1,391,139 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $870,322 and $1,350,143 in this account. (Attachment CJS-4, page 2.) In response to OUCC DR 6.11, Petitioner explained FERC account 863 - Maintenance of Mains has budgeted increases from prior years that relate primarily to compliance spending for maintenance of mains that have been recovered through the CSIA mechanism. (*Id.* at 1.) In response to OUCC DR 12.12, Petitioner stated all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both CSIA and base rate components for FERC Account 863. (*Id.* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed pro forma amount of $1,391,139 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $1,101,003, which makes the budgeted amount a $290,136 increase from average. Petitioner verified the prior years' actual amounts include both the CSIA and base rate components. Therefore, Petitioner's pro forma amount for this year should be comparable to prior years. Furthermore, Petitioner's explanation that FERC Account 863 has budgeted costs and increases from prior years relating to compliance spending for maintenance of mains recovered through the CSIA mechanism does not fully explain why the increase is warranted.

Q: What is your recommendation for the Maintenance of Mains account?

A: I recommend the 2021 pro forma amount be reduced to $1,168,054. This amount was calculated by taking the 4-year average from 2016-2019 of $1,101,003 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-4, page 2. Comparing Petitioner's test year amount of $1,431,207 to the OUCC's pro forma Maintenance of Mains Expense amount of $1,168,054 results in a decrease to Maintenance of Mains Expense in the amount of $263,153. (*Id.*)

E. Maintenance of Measuring and Regulating Station (FERC Account 865)

Q: What is Petitioner's proposed test year amount for the Maintenance of Measuring and Regulating Station Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $662,715. (Petitioner's Exhibit No. 19, page 30, line 61.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $662,715 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $124,735 and $238,056 in this account. (Attachment CJS-5, page 2.) In response to OUCC DR 6.3, Petitioner explained the budgeted amounts are based on historical trends and are assessed and adjusted for expected changes and/or market conditions. Petitioner also explained that compared to the 4-year average, the increase of approximately $485,000 is primarily due to regulator station painting, which had previously been delayed due to prioritization of O&M projects. (*Id.* at 1.) In response to OUCC DR 12.6, Petitioner stated that it has a total of 1,050 regulating stations and expects to paint 80-90 stations in 2021. Historically, regulator stations were painted on a "as needed" basis. The next 3-5 years of station painting will be a catch-up phase, where TFO reestablishes regulating stations to a presentable level. Once this phase is completed TFO plans to initiate a 10-year plan, inspecting and refinishing a certain portion of the regulating stations each year. According to Petitioner, the previous number of stations painted per calendar year were twelve (12) in 2016, thirteen (13) in 2017, fifty-four (54) stations in 2018, and thirtyeight (38) stations in 2019. (*Id.* at 4.) Petitioner also provided a list of equipment it plans to paint at regulator stations. (*Id.* at 5.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed pro forma amount of $662,715 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $186,224, which makes the budgeted amount a $476,491 increase from average. In 2018, Petitioner painted fifty-four (54) Regulator Stations at a cost of $200,011. In 2021 Petitioner plans to paint eighty to ninety additional Regulator Stations, but increasing the 2021 budget by $462,704 (from 2018's $200,011 cost) for an additional twenty-six to thirty-six stations is unreasonable and unsupported.

Q: What is your recommendation for the Maintenance of Measuring and Regulating Station account?

A: I recommend the 2021 pro forma amount be reduced to $295,425. This amount was calculated by taking the actual spend from 2019 of $124,735, divided by 38 regulator stations painted in 2019 to arrive at $3,283 cost per regulator station, then taking an estimated 90 regulator stations to be painted in 2021 multiplied by $3,283 charge per station, to arrive at a total of $295,425. This calculation is shown on Attachment CJS-5, page 3. Comparing Petitioner's test year amount of $662,715 to the OUCC's pro forma Maintenance of Measuring and Regulating Station Expense amount of $295,425 results in a decrease to Maintenance of Measuring and Regulating Station Expense in the amount of $367,290. (*Id.*)

F. Operation Supervision and Engineering (FERC Account 870)

Q: What is Petitioner's proposed test year amount for the Operation Supervision and Engineering Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $9,565,551. (Petitioner's Exhibit No. 19, page 31, line 67).

Q: Did Petitioner make a pro forma adjustment to this account?

A: Yes. Petitioner's pro forma adjustment is a decrease of $40,726 to this account, resulting in a pro forma amount of $9,524,826.

Q: Has Petitioner's pro forma amount of $9,524,826 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $3,236,720 and $7,197,700 in this account. (Attachment CJS-6, page 2.) In response to OUCC DR 6.12, Petitioner explained FERC account 870 - Operation Supervision and Engineering has budgeted costs and increases from prior years that relate primarily to compliance spend for expenses incurred in the general supervision and direction of distribution system operations that were recovered through the CSIA mechanism. (*Id.* at 1.) In response to OUCC DR 12.13, Petitioner stated all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both CSIA and base rate components for FERC Account 870. (*Id.* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed pro forma amount of $9,524,826 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $4,931,857, which makes the budgeted amount a $4,592,969 increase from average. Petitioner provided no justification for the increase of budgeted costs from prior years. Furthermore, Petitioner verified the prior years' actual amounts include both CSIA and base rate components. Therefore, the amount included in Petitioner's pro forma amount for the test year should be comparable to prior years.

Q: What is your recommendation for the Operation Supervision and Engineering Expense account?

A: I recommend the 2021 pro forma amount be reduced to $5,232,207. This amount was calculated by taking the 4-year average from 2016-2019 of $4,931,857 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-6, page 2. Comparing Petitioner's test year amount of $9,565,551 to the OUCC's pro forma Operation Supervision and Engineering Expense amount of $5,232,207 results in a decrease to Operation Supervision and Engineering Expense in the amount of $4,333,344. (*Id.*)

G. <u>Mains and Services Expense (FERC Account 874)</u>

Q: What is Petitioner's proposed test year amount for the Mains and Services Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $17,852,967. (Petitioner's Exhibit No. 19, page 31, line 68.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: Yes. Petitioner's pro forma adjustment is a decrease of $57,142 to this account, resulting in a pro forma amount of $17,795,825.

Q: Has Petitioner's pro forma amount of $17,795,825 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $8,075,746 and $12,719,379 in this account. (Attachment CJS-7, page 2.) In response to OUCC DR 6.13, Petitioner explained the increases for FERC account 874 – Mains and Services Expense are related to two primary drivers. The first are the budgeted costs and increases from prior years related to expenses incurred in the operating distribution system mains and services that were recovered through the CSIA mechanism. The second is related to increased locating costs due to price increases from locating vendors. Petitioner also stated locating ticket volume has increased 30% from 2016-2019 levels. (*Id.* at 1). In response to OUCC DR 12.14, Petitioner provided information on the locating vendors used, the total cost paid to each vendor, ticket locating volumes for each calendar year from 2016-2020, and the estimated locating ticket volumes for 2021. Petitioner explained the increase between 2016-2019 is due to increased investment with locate vendors to ensure on-time and accurate locates to prevent damages. This required more locators in the field, more locate vendor administrative support functions, and an overall increase in wages paid to locate technicians and to decrease turnover. This coupled with an increase in locating volume drove an increase of 30%. Petitioner also stated the increase is related to existing damage prevention regulations. (*Id.* at 4.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. As noted above, Petitioner noted 2 reasons for the increase in this account. Petitioner provided explanations for the increase and provided documentation showing the increase in ticket locating volume and ticket locating cost. However, Petitioner did not provide an explanation for why there are increases from prior years related to costs previously recovered in the CSIA mechanism.

Q: What is your recommendation for the Mains and Services Expense account?

A: I recommend the 2021 pro forma amount be reduced to $13,225,063. This amount was calculated in various steps. First, I separated 2016-2019 actual costs into two categories: locate cost and compliance spending. For the locate cost, I calculated the 5-year average from 2016-2020 divided by the 5-year average of locating ticket volume to come up with a 5-year average price per ticket. After doing this, I noticed locate cost per ticket was higher in the last two years. Considering the increase in the average price per locate ticket, I calculated the average price per ticket for the past two years to arrive at a 2-year average ticket price per locate ticket (2019-2020). I then multiplied the estimated locates in 2021 of 420,100 by the 2-year average price per locate (2019-2020) to arrive at a total expected locate cost in 2021 of $7,653,598. For the compliance spend part, I calculated the 4-year average from 2016-2019 of $5,251,640, and allowed a 3% increase for both 2020 and 2021 to arrive to a compliance expense of $5,571,465 for 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. Finally, I added the total expected locate cost in 2021 of $7,653,598 to the compliance expense of $5,571,465 for 2021 to arrive to the OUCC's pro forma Mains and Services Expense of $13,225,063. This calculation is shown on Attachment CJS-7, page 2. Comparing Petitioner's test year amount of $17,852,967 to the OUCC's pro forma Mains and Services Expense amount of $13,225,063 results in a decrease to Mains and Services Expense in the amount of $4,627,904. (*Id.*)

H. Measuring and Regulating Station General Expense (FERC Account 875)

Q: What is Petitioner's proposed test year amount for the Measuring and Regulating Station General Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $1,571,261. (Petitioner's Exhibit No. 19, page 31, line 69.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $1,571,261 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $703,002 and $903,439 in this account. (Attachment CJS-8, page 2.) In response to OUCC DR 6.5, Petitioner explained the increases for FERC account 875 – Measuring and Regulating Station General Expense are related to an increase in labor and vehicle costs for measuring and regulating station expenses. Petitioner indicated this work is now performed within Technical Field Operations ("TFO"), whereas it historically resided in field operations. While the work occurred in field operations, responsibilities were shared across other activities, including various capital projects. (*Id.* at 1.) In response to OUCC DR 12.8, Petitioner explained besides Field Operations, there is a cost center being charged to FERC Account 875, which consists of expenses incurred as part of capital projects. This cost center is called Gas Measuring and Regulator Services (CC_2030), which is incorporated into the Technical Field Operations function. Prior to 2017, cost center 2030 was for Engineering Services that primarily charged to capital. In August 2017, the company went through an organizational change and cost center 2030 was repurposed to be Measurement Services. Regulator Services became part of the costs included in the cost center. For Petitioner, this change took effect in 2020 for all Regulator Services' costs other than labor. Beginning in 2021, the associated union labor for regulator activity became part of the cost center 2030. (*Id.* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $1,571,261 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $786,099, which makes the budgeted amount a $785,162 increase from average. Petitioner explained the increase was because this work is now performed within Technical Field Operations ("TFO"), whereas it historically resided in field operations. After further analyzing the detailed support Petitioner provided in response to OUCC DR 12.8, there is not a significant cost shift from Field Operation to Technical Field Operations. The balances for FERC Account 875 in field operations have decreased in 2020 and 2021. Prior year balances for field operations have not been higher than $903,439, consisting of $903,439 in field operations and $0 in technical field operations. In comparison, Petitioner has budgeted $879,370 in

2021 for field operations and $691,891 for technical field operations, for a total of $1,571,261. Petitioner's increase is therefore inconsistent and unwarranted. (*Id.* at 4.)

Q: What is your recommendation for the Measuring and Regulating Station General Expense account?

A: I recommend the 2021 pro forma amount be reduced to $833,972. This amount was calculated by taking the 4-year average from 2016-2019 of $786,099 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-8, page 2. Comparing Petitioner's test year amount of $1,571,261 to the OUCC's pro forma Measuring and Regulating Station General Expense amount of $833,972 results in a decrease to Measuring and Regulating Station General Expense in the amount of $737,289. (*Id.*)

I. <u>Customer Installation Expense (FERC Account 879)</u>

Q: What is Petitioner's proposed test year amount for the Customer Installation Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $3,899,025. (Petitioner's Exhibit No. 19, page 31, line 71.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $3,899,025 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $3,366,396 and $3,587,839 in this account. (Attachment CJS-9, page 2.) In response to OUCC DR 6.6, Petitioner explained that FERC account 879 consists of costs associated with dispatching for emergencies and after-hours calls from customers. The requested increase is primarily driven by an increase in labor costs. Petitioner stated prior years actuals have been lower due to vacancies, which are accounted for in the budget at a higher functional level under different FERC accounts, based on an estimated turnover impact to labor expense. (*Id.* at 1.) In response to OUCC DR 12.9, Petitioner explained all budgeted vacancies are either actively recruited or a workforce plan is in place to hire the positions before they are approved for inclusion in the budget. (*Id.* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $3,899,025 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $3,456,328, which makes the budgeted amount a $442,697 increase from average. I disagree with Petitioner's reasoning for prior years being lower due to vacancies. The costs in this account are associated with dispatching as well as emergency and after-hours calls from customers. Petitioner has been able to respond to after-hours calls from customers these past four years even with these vacancies, which makes the increase inconsistent with past averages and unnecessary. In addition, the OUCC asked Petitioner in OUCC DR 12.9 to provide the number of positions

Petitioner is planning to fill and number of employees currently in these positions. Petitioner did not provide enough information to justify the increase in the budget.

Q: What is your recommendation for the Customer Installation Expense account?

A: I recommend the 2021 pro forma amount be reduced to $3,666,818. This amount was calculated by taking the 4-year average from 2016-2019 of $3,456,328 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-9, page 2. Comparing Petitioner's test year amount of $3,899,025 to the OUCC's pro forma Customer Installation Expense amount of $3,666,818 results in a decrease to Customer Installation Expense in the amount of $232,207. (*Id.*)

J. Other Expenses (FERC Account 880)

Q: What is Petitioner's proposed test year amount for the Other Expenses Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $8,809,036. (Petitioner's Exhibit No. 19, page 31, line 72.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: Yes. Petitioner's pro forma adjustment is a decrease of $4 to this account, resulting in a pro forma amount of $8,809,032.

Q: Has Petitioner's pro forma amount of $8,809,032 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $6,214,080 and $7,372,159 in this account. (Attachment CJS-10, page 2.) In response to OUCC DR 6.14, Petitioner explained FERC account 880 consists of costs related to training as well as expenses related to operations support. The annual budget for this FERC account for training is developed each year based on historical trends and is assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. Petitioner stated annual expense fluctuations are also driven by prioritization of O&M projects. (*Id.* at 1). In response to OUCC DR 12.15(a), Petitioner explained FERC Account 880 consists of training costs, including travel expense, operational support, general maintenance and utilities on facilities, administrative costs of processing payroll, office supplies, and miscellaneous travel not for training. (*Id.* at 3.) In response to OUCC DR 12.15(b), Petitioner stated the 2020 actual spend was $9,023,606, which is $0.2M more than what is included in the 2021 test year. (*Id.*)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $8,809,032 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $6,892,166, which makes the budgeted amount a $1,916,866 increase from average. Petitioner explained these costs are related to training as well as expenses related to operations support. Although 2020's actual cost was higher than the average for the historical period 2016-2019, this is insufficient justification for Petitioner's $1,916,866 increase over the historical period 4-year average.

Q: What is your recommendation for the Other Expenses Expense account?

A: I recommend the 2021 pro forma amount be reduced to $7,311,899. This amount was calculated by taking the 4-year average from 2016-2019 of $6,892,166 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these 2 years. This calculation is shown on Attachment CJS-10, page 2. Comparing Petitioner's test year amount of $8,809,036 to the OUCC's pro forma Other Expenses Expense amount of $7,311,899 results in a decrease to Other Expenses Expense in the amount of $1,497,137. (*Id.*)

K. <u>Maintenance Supervision & Engineering Expense (FERC Account 885)</u>

Q: What is Petitioner's proposed test year amount for the Maintenance Supervision and Engineering Expense account?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $1,217,571. (Petitioner's Exhibit No. 19, page 31, line 76.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $1,217,571 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $765,617 and $987,750 in this account. (Attachment CJS-11, page 2.) In response to OUCC DR 6.4, Petitioner explained the budgeted amounts are created based on historical trends and are assessed and adjusted for expected changes and/or market conditions. Petitioner indicated prior year's actuals have been lower due to vacancies, which are accounted for in the budget at a higher functional level under different FERC accounts, based on an estimated turnover impact to labor expense. (*Id.* at 1.) In response to OUCC DR 12.7, Petitioner explained all budgeted vacancies are either actively recruited or a workforce plan is in place to hire the positions before they are approved for inclusion in the budget. (*Id.* at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $1,217,571 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $892,029, which makes the budgeted amount a $325,542 increase from average. During the period of 2016-2019, Petitioner was able to perform the necessary maintenance and supervision even with vacancies, and Petitioner was able to cover all the costs related to this account with the prior year budgets. Therefore, vacancies are not a valid reason for increasing the amount. In addition, the OUCC asked Petitioner in OUCC DR 12.7 to provide number of positions Petitioner is planning to fill, and the number of employees currently in these positions. Petitioner did not provide enough information to justify the increase in the budget.

Q: What is your recommendation for the Maintenance Supervision and Engineering Expense?

A: I recommend the 2021 pro forma amount be reduced to $946,353. This amount was calculated by taking the 4-year average from 2016-2019 of $892,029 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these two years. This calculation is shown on Attachment CJS-11, page 2. Comparing Petitioner's test year amount of $1,217,571 to the OUCC's pro forma Maintenance Supervision and Engineering Expense account of $946,353 results in a decrease to Maintenance Supervision and Engineering Expenses in the amount of $271,218. (*Id*. at 3.)

L. Maintenance of Mains Expense (FERC Account 887)

Q: What is Petitioner's proposed test year amount for the Maintenance of Mains Expense?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $4,299,293. (Petitioner's Exhibit No. 19, page 31, line 78.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: Yes. Petitioner's pro forma adjustment is an increase of $1,150,265 to this account, resulting in a pro forma amount of $5,449,558.

Q: Has Petitioner's pro forma amount of $5,449,558 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $2,859,380 and $4,628,564 in this account. (Attachment CJS-12, page 2.) In response to OUCC DR 6.15, Petitioner explained FERC account 887 - Maintenance of Mains has budgeted costs and increases from prior years that relating to compliance spending for the maintenance of mains that were recovered through the CSIA mechanism. (*Id.* at 1). In response to OUCC DR 12.16, Petitioner stated all actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both CSIA and base rate components for FERC Account 887. (*Id*. at 3.)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $5,449,558 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $3,904,947, which makes the budgeted amount a $1,544,611 increase from average. Petitioner verified the prior years' actual amounts include both the CSIA and base rate components. Therefore, Petitioner's pro forma amount for this year should be comparable to prior years. Furthermore, Petitioner's explanation that FERC Account 887 has budgeted costs and increases from prior years relating to compliance spending for maintenance of mains that were recovered through the CSIA mechanism does not fully explain why the increase is warranted.

Q: What is your recommendation for the Maintenance of Mains Expense account?

A: I recommend the 2021 pro forma amount be reduced to $4,142,758. This amount was calculated by taking the 4-year average from 2016-2019 of $3,904,947 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these two years. This calculation is shown on Attachment CJS-12, page 2. Comparing Petitioner's test year amount of $4,299,293 to the OUCC's pro forma Maintenance of Mains Expense amount of $4,142,758 results in a decrease to Maintenance of Mains Expense in the amount of $156,535. (*Id.*)

M. <u>Maintenance of Meters and House Regulator Expense (FERC Account 893)</u>

Q: What is Petitioner's proposed test year amount for the Maintenance of Meters and House Regulator Expense?

A: Petitioner used the 2021 budget as its basis for the test year in this case. The test year amount for 2021 is $551,317. (Petitioner's Exhibit No. 19, page 31, line 82.)

Q: Did Petitioner make a pro forma adjustment to this account?

A: No.

Q: Has Petitioner's pro forma amount of $551,317 increased from prior years?

A: Yes. From 2016 to 2019 Petitioner incurred between $103,314 and $216,524 in this account. (Attachment CJS-13, page 2.) In response to OUCC DR 6.9, Petitioner explained FERC account 893 - Maintenance of Meters and House Regulator anticipates more emergency calls due to an increase in customers and in call level trends from year to year. (*Id.* at 1.) In response to OUCC DR 12.10(a), Petitioner stated the number of emergency calls received in 2020 was 17,527, and all the calls were investigating emergencies or leaks. In OUCC DR 12.10(b), Petitioner provided the increase in the number of customers. The average number of customers in the period 2016-2019 was 596,410, with 543,672 residential customers, 51,835 commercial customers and 903 transport customers. For 2021 the number of customers is 622,189, which results in a total increase of 25,779 customers from the average between 2016-2019. However, the increase from 2020 to 2021 is only 3,461, as the number of customers for 2020 was 618,728. (OUCC DR 12.10(g).) In OUCC DR 12.10(c), Petitioner provided the number of calls for each year from 2016-2019. The total number of calls in 2016 was 18,977, in 2017 it was 17,669, in 2018 it was 18,044, and it was 18,364 in 2019. In response to OUCC DR 12.10 (e) Petitioner stated the reason Petitioner expects to receive more calls is an extrapolation - namely that more customers equal more emergencies. (*Id.* at 4.) However, in its response to OUCC DR 12.10(d), Petitioner stated it did not plan for a specific number of calls in 2021. (*Id.*)

Q: Do you agree with the amount Petitioner has proposed to include in base rates?

A: No. The proposed amount of $551,317 is inconsistent with prior years' actual costs. The average amount over the historical period (2016-2019) is $155,579, which makes the budgeted amount a $395,738 increase from average. Vectren North anticipates more emergency calls due to an increase in customers and an overall increase in call level trends from year to year. Petitioner's projected number of customers in 2021 is 622,189, compared to 2020's number of customers of 618,728; this is an increase of only 3,461 customers, assuming Petitioner's projections are correct. The call level in 2020 was actually lower than any of the prior years. Therefore, Petitioner's reason for an increase is unwarranted.

Q: What is your recommendation for the Maintenance of Meters and House Regulator Expense account?

A: I recommend the 2021 pro forma amount be reduced to $165,054. This was calculated by taking the 4-year average from 2016-2019 of $155,579 and allowing a 3% increase for both 2020 and 2021. The 3% increase for 2020 and 2021 is in line with the 3% increase requested for other expense accounts over these two years. This calculation is shown on Attachment CJS-13, page 2. Comparing Petitioner's test year amount of $551,317 to the OUCC's pro forma Maintenance of Meters and House Regulator Expense amount of $165,054 results in a decrease to Maintenance of Meters and House Regulator Expense in the amount of $386,263. (*Id.*) I also performed a calculation considering Petitioner's projected increase in customers. The calculation consisted of taking the 4-year cost average from 2016-2019 of $155,579 and dividing it by the 4-year average number of customers from 2016-2019 of 596,410 to arrive at a $0.26 cost per customer. Then I multiplied the estimated number of customers in 2021 of 622,189 by the $0.26 cost per customer to arrive at a total cost of $162,304. (*Id.* at 3.) The OUCC recommends the 2021 pro forma amount be reduced to $165,054 after performing both calculations.

III. ENERGY EFFICIENCY

A. Prior Agreements

Q: Are the EE programs and the EER currently in effect the result of an extension agreed to in a prior Settlement Agreement?

A: Yes. In Cause No. 45222, Petitioner received approval for an extension of the current EE programs until December 31, 2020, or until the date the order is issued in Petitioner's next rate case. *In re Vectren North*, Cause No. 45222, Final Order, p. 5 (Ind. Util. Regul. Comm'n Jul. 17, 2019). The Cause No. 45222 Order was an extension, with modifications, of the Settlement Agreement between the OUCC and Vectren North approved by the Commission in Cause No. 44598 on September 9, 2015 ("2015 Settlement Agreement"). The Commission Order approving the modified 2015 Settlement Agreement set forth an extension of Vectren North's EE programs and the EER, including the EEFC and SRC, through December 31, 2019. *In re Vectren North*, Cause No. 44598, Final Order, p. 10 (Ind. Util. Regul. Comm'n Sept. 9, 2015).

B. 2021 Program extension

Q: Please explain the 2021 EE extension.

A: Vectren North is requesting an extension to continue offering EE Programs and to recover associated costs through the EEFC of the EER. Vectren North's request for an extension of cost recovery through the EER is inclusive of the decoupling mechanism known as the SRC. (Petition, page 10.) Vectren North requests the extension be approved to continue through 2021 rather than expire at the end of 2020 as approved by the Commission in Cause No. 45222.

Q: Are Vectren North's EE program offerings included in the proposed extension the same as the currently approved program offerings?

A: Yes, the 2021 EE programs proposed in this Cause are a continuation of current 2020 program offerings. A table with the 2021 program offerings is provided in Petitioner's Exhibit No. 14, the testimony of Rina H. Harris, page 12, Table RHH-1.

Q: How were the EE program offerings included in the extension developed?

A: The Vectren Oversight Board ("VOB") hired and worked with GDS Associates, Inc., and its subcontractor EMI Consulting to conduct the Market Potential Study and Action Plan ("MPSAP") to design a portfolio of EE programs for the years 2020-2025. The 2021 EE program extension requested in this Cause is the result of the MPSAP. The VOB approved the resulting MPSAP in March 2019. The OUCC recommends approval of the 2021 EE extension and recovery of associated costs through the EEFC of the EER as previously approved in Cause No. 45222.

Q: Please describe the 2022-2025 Plan.

A: The 2022-2025 Plan is a result of the MPSAP for the years 2020-2025 and is consistent with current natural gas EE offerings. The EE programs proposed are a continuation of current program offerings, with some expansions, and modifications. A list of the programs included in the proposed Action Plan is provided in Rina H. Harris' testimony. (Petitioner's Exhibit No. 14, page 19, line 3 through page 21, line 21.)

Q: How were the EE program offerings included in the 2022-2025 Plan developed?

A: EMI Consulting partnered with GDS to conduct the MPSAP to design a portfolio of EE programs for the years 2020-2025. The 2022-2025 EE programs requested in this Cause are the result of the MPSAP. Detailed steps are provided in Ms. Harris' testimony. (Petitioner's Exhibit No. 14, page 16, line 8 through page 17, line 23.)

Q: Is Vectren North adding any new programs in its 2022—2025 Plan not currently offered?

A: No. Vectren North is not adding any new programs, but is introducing enhanced features and delivery channels such as an online marketplace and instant rebates within its residential portfolio. These program enhancements will include new delivery mechanisms to complement the existing program design. (Petitioner's Exhibit No. 14, page 22, lines 1-4.) Vectren North will also offer a residential and commercial HVAC midstream program, which will allow customers to receive a discount at the time of purchase. (Petitioner's Exhibit No. 14, page 22, lines 10-12.)

Q: Does the 2022-2025 Plan include integrated gas and electric programs?

A: Yes. According to Petitioner's witness Harris, "Vectren has delivered integrated gas and electric programs since 2016. Vectren plans to continue to offer integrated programs in its 2022-2025 Plan." (Petitioner's Exhibit No. 14, page 23, lines 10-11.) A list of integrated programs is provided in Petitioner's Exhibit No, 14, page 19, Table RHH-3.

Q: Are the proposed EE programs cost effective?

A: Yes. EMI Consulting, MPSAP partner to GDC, conducted cost benefit testing associated with Vectren North's Action Plan. Utilizing DSMore, the measures and programs were analyzed for cost-effectiveness. (Petitioner's Exhibit No. 14, page 33, lines 9-11.) The economic analysis consisted of a full range of market perspectives including the Participant Test, Utility Cost Test ("UCT"), Rate Impact Measure ("RIM") Test, and the Total Resource Cost ("TRC") Test. Each of the tests was conducted for each program. All the economic tests were based on the cost-effectiveness methodologies from the California Standard Practice Manual. (*Id.*, lines 12-16.) Each EE program in the 2020-2025 Plan passes the UCT and TRC tests, except for the low-income programs, which are exempt from having to pass cost-effectiveness tests in order to promote a greater social good. (*Id.* at 34, lines 3-5.)

C. <u>2022—2025 Budget and Saving Goals</u>

Q: Please discuss the budget proposed for the 2022- 2025 EE programs.

A: Vectren North's EE 2022-2025 plan has an estimated budget of $36 million, with $8.3 million in 2022, $8.7 million in 2023, $9.4 million in 2024, and $9.5 million in 2025. (Petitioner's Exhibit No. 14, page 24, lines 5-6.) In response to OUCC DR 11.7, Petitioner addressed a discrepancy of $2,000 being unaccounted for when totaling the total residential and commercial portfolio. Petitioner stated the discrepancy was due to rounding. (Attachment CJS-16, page 1.)

Q: Please discuss the saving goals proposed for the 2022-2025 EE programs.

A: The 2022-2025 EE programs are designed to achieve savings of 11.6 million therms, with 2.7 million to be saved in 2022, 2.8 million therms to be saved in 2023, 3 million therms to be saved in 2024, and 3.1 million therms to be saved in 2025. (Petitioner's Exhibit No. 14, page 24, lines 18-21.) Ms. Harris' testimony provides more details on savings goals by program. (Petitioner's Exhibit No. 14, page 26 through page 29.)

Q: Does Vectren North's request address the usage of unspent funds from year to year?

A: Yes. Vectren North requests continued authority to roll forward any unused funds, if any, from year-to-year within the 2022-2025 EE program at the end of each program year. (Petitioner's Exhibit No. 14, page 24, lines 10-12.) Vectren North requests if these funds are rolled forward within the 2022-2025 EE program, then the funds should be incremental and not reduce flex funding available to obtain savings. (Petitioner's Exhibit No. 14, page 24, lines 14-16.) The OUCC agrees unspent funds should be rolled forward from year-to-year, as this is consistent with Petitioner's previously approved plan. *In re Vectren North*, Cause No. 45222, Final Order, p. 5 (Ind. Util. Regul. Comm'n July 17, 2019).

D. Evaluation, Measurement & Verification ("EM&V")

Q: Is Vectren North requesting any changes to the evaluation and measurement of the programs?

A: No changes are proposed to how EM&V of programs is conducted. Vectren North proposes to continue to use an independent evaluator for EM&V. (Petitioner's Exhibit No. 14, page 32, lines 3-5.) The annual results will continue to be used to inform the VOB regarding design and funding. The OUCC agrees EM&V should remain unchanged, as it was approved in the prior plan. *In re Vectren North*, Cause No. 45222, Final Order, p. 5 (Ind. Util. Regul. Comm'n July 17, 2019).

E. Oversight and Administration

Q: Is Vectren North requesting any changes to the VOB's operation and authority?

A: No. Vectren North requests the programs continue to be monitored through the VOB as currently approved. (Petitioner's Exhibit No. 14, page 31, line 10-11.) The VOB consists of Vectren North, the OUCC, and the Citizens Action Coalition. The VOB assists in administration of the EE programs, has the authority to approve annual operating plans, the use of flexible funding, and rolling forward unused funds into the next program year. The VOB also has the authority to increase budgeted funding by up to ten percent (10%), if necessary, to support program adoption without having to seek Commission approval. *In re Vectren North*, Cause No. 45222, Final Order, p. 5 (Ind. Util. Regul. Comm'n July 17, 2019.) The OUCC does not request any changes to the current authority of the VOB, of which the OUCC is a voting member.

F. <u>Cost Recovery through the EER</u>

Q: Is Vectren North requesting any changes to the EEFC or SRC?

A: No. The terms of the 2015 Settlement Agreement regarding the EER, inclusive of the EEFC and SRC, will remain in place. Vectren North will continue its annual EER filing on or around March 31 of each year, with adjusted EER rates to go into effect on or around May 1 of each year, utilizing the Commission's 30-Day administrative filing process. This is the same process as was approved in Cause No. 45222. *In re Vectren North*, Cause No. 45222, Final Order, p. 5 (Ind. Util. Regul. Comm'n July 17, 2019.) Vectren North will maintain the 4% cap on the SRC, with amounts above the 4% cap being deferred until the next EER filing or base rate case. *Id.* The deferral cap per program year of $4.5 million for Vectren North and $1.5 million for Vectren South will continue to apply. *Id.* The OUCC agrees with the continuation of the EEFC and SRC unchanged as approved in Cause No. 45222.

Q: Please describe how Vectren North reports program progress.

A: Vectren North reports program progress by filing reports with the Commission pursuant to the Cause No. 45222 Final Order. These reports are: 1) Annual operating plan (within 60 days of the start of each program year; 2) Quarterly performance reports (scorecards) to gauge performance during the program year (within 60 days of each quarter end); 3) Annual final reports (within 60 days of year-end); and 4) Annual EM&V results (withing 30 days of VOB approval). (Petitioner's Exhibit No. 14, page 30, line 24 to page 31, line 5.)

Q: Will Vectren North continue to file the program progress reports with the Commission?

A: Yes. In response to OUCC DR 12.20, Petitioner stated it plans to continue submission of progress reports to the Commission pursuant to the Commission's Order. (OUCC DR 12.20, Attachment CJS-17.)

Q: Is Vectren North's 2022-2025 Plan in the public interest?

A: Yes, the 2022-2025 Plan is in the public interest. The OUCC recommends approval of the Plan. This Plan will allow Vectren North to continue to provide customers with opportunities to reduce their energy usage and educate them about how they consume energy. The approval of the Plan will allow Vectren North to integrate gas and electric programs resulting in lower program costs and higher Energy Efficiency benefits for the customer.

IV. CUSTOMER DEPOSITS

Q: Did you review Petitioner's customer deposit information?

A: Yes. In response to OUCC DR 6.19, Petitioner provided an excel spreadsheet with all customer deposits up to December 29, 2020. (Attachment CJS-18, page 1). In response to OUCC DR 12.18, Petitioner stated that it had identified several deposits that do not conform with the applicable deposit rule. (*Id.* at 2.)

Q: What is the applicable deposit rule?

A: The applicable deposit rule, 170 I.A.C. 5-1-15(g) states:

> Any deposit or accrued interest shall be promptly refunded directly to the customer or credited to the customer's account without the customers' request when the customer: (A) submits satisfactory payment for a period of either: (i) twelve (12) successive months; or (ii) twelve (12) out of any fifteen (15) consecutive months without late payment in two (2) consecutive months.

Q: Why don't the deposits identified by Petitioner conform with the applicable deposit rule?

A: Petitioner indicated the current logic within the billing system programming does not contemplate part (ii) of the rule (12 out of 15 consecutive months without late payment in 2 consecutive months). (*Id.*) Petitioner also indicated an audit was completed of all gas customer deposits and Petitioner learned there are $139,564 in deposits that should be refunded to customers. Petitioner stated that it has in now credited all those customer's accounts with the deposits. (*Id.*)

Q: Did you review any other customer deposit information?

A: Yes. In response to OUCC DR 15.2 Petitioner provided supporting documentation on inactive customer deposits accounts. (Attachment CJS-18, page 3.) After reviewing this file, the OUCC found there are 22 accounts with a balance of $1,380.31 in inactive accounts that have been held for more than 15 months and have not been returned. (*Id* at 4.)

Q: Is there an administrative rule regarding what should be done with customer deposits held in inactive accounts?

A: Yes, 170 I.A.C. 5-1-15(g)(6) states:

> Any deposit made by the applicant, customer, or any other person to the utility (less any lawful deductions), or any sum the utility is ordered to refund for utility service, that has remained unclaimed for one (1) year after the utility has made diligent efforts to locate the person who made the deposit or the heirs of the person, shall be presumed abandoned and treated in accordance with Ind. Code 32-34-1 *et seq.*

Q: Do you have any recommendations based on your review of Petitioner's customer deposit information?

A: Yes. I recommend Vectren North review the $988.31 in customer deposits to determine if a refund should be issued in accordance with Ind. Code 32-34-1 *et* *seq.* I recommend Petitioner remove the $139,564 in customer deposits that have been credited to customers from the capital structure.

Also, I recommend Petitioner check customer deposits on an annual basis to make sure the customers who meet the criteria set forth in 170 I.A.C. 5-1-15(g) receive their deposits in a timely manner.

Q: Does the OUCC propose any adjustments to Vectren North's Tariff for Gas Service, Sheet No. 57, Deposit or Arrangement to ensure payment of bill?

A: Yes. Tariff Sheet No. 57, Section 18.H. states, "[c]redit balances less than $10.00 will not be refunded to Customer unless so requested by Customer." Per 170 I.A.C. 5-1-15(g)(1), customer deposits should be returned once the customer has established its creditworthiness. As mentioned above, 170 I.A.C. 5-1-15(g)(6) states:

> Any deposit made by the applicant, customer, or any other person to the utility (less any lawful deductions), or any sum the utility is ordered to refund for utility service, that has remained unclaimed for one (1) year after the utility has made diligent efforts to locate the person who made the deposit or heirs of the person, shall be presumed abandoned and treated in accordance with IC 32-34-1 *et seq*.

Vectren North should refund customer deposits to the customers, regardless of the amount, without requiring customers to make a request to Vectren North. If these deposits are reasonably determined to be abandoned, then Vectren North should treat such deposits in accordance with Ind. Code 32-34-1 *et seq.*

Q: What is your recommendation regarding Section 18.H. of Tariff Sheet No. 57?

A: I recommend the last sentence of Section 18.H be stricken. See Attachment CJS-14 for a red-line version of Sheet No. 57 striking the last sentence of Section 18.H.

Q: Do you have other recommendations about customer deposits?

A: Yes. I recommend the inclusion of additional categories of customer deposits in Petitioner's capital structure as cost-free capital, as described below.

V. CAPITAL STRUCTURE

Q: Did you make any adjustments to Petitioner's cost of common equity proposed in this case?

A: Yes. Per the recommendation of OUCC witness Courter, I have adjusted the cost of common equity to 9.2% in the capital structure. (Attachment CJS-15, page 2.)

Q: Did you make any adjustments to cost-free capital?

A: Yes. The amount included in customer deposits in Petitioner's capital structure included only one of Petitioner's accounts (2341000) for customer deposits. In response to OUCC DR 1.1, Petitioner provided a trial balance, showing a total of three accounts for customer deposits (2341000, 2341100, and 2341250). In response to OUCC DR 6.21, Petitioner stated the inclusion of only interest-bearing deposits within its proposed capital structure, as opposed to both interest-bearing and non-interest-bearing deposits, is consistent with its request in the rate base proceeding for Vectren South Gas, Cause No. 45447. (OUCC DR 6.21, Attachment CJS-15, page 1.) In Cause No. 45447, Petitioner proposed the overall weighted cost of capital be determined by using only interest-bearing customer deposits as reflected in the balance of account 2341000. (*Id.*)

Q: Do you agree only interest-bearing customer deposits should be included in the capital structure?

A: No. In Cause No. 45447, the OUCC also opposed Petitioner's proposed capital structure, which only included interest-bearing customer deposits. All cost-free capital should be included in the capital structure, not only the accounts on which Vectren North must pay interest.

The two non-interest-bearing accounts (2341100 and 2341250) are true cost-free capital because Vectren North is not paying any interest to its customers for the use of this money. Consequently, I have added accounts 2341100 and 2341250 to the cost-free capital component in the capital structure. The balances of these accounts total $692,403:

- Account 2341100 has a balance of $380,954.
- Account 2341250 has a balance of $311,449.

Q: Have you adjusted Petitioner's capital structure based on your review of the customer deposit accounts?

A: Yes. I have increased cost-free capital by $692,403 to arrive at the forward test year cost-free capital amount of $255.666 million as reflected on Attachment CJS-15, page 3. This amount is also carried forward to my rate of return summary on Attachment CJS-15, page 2. I decreased interest bearing customer deposits by the $139,564 that has been refunded to customers to arrive at a forward test year customer deposit amount of $26.671 million. (*Id.* at 4.) This amount, plus the investment tax credit of $1,000, carried forward to my rate of return summary is a total of $26.672 million as shown on Attachment CJS-15, page 2. I agree with Petitioner's calculation of long-term debt, the remaining cost-free capital, and the Investment Tax Credit included in other capital within the capital structure.

Q: Did you make any adjustments to the Synchronized Interest Calculation within the Capital Structure?

A: Yes. The total weighted average for synchronized interest of 1.63% is the same as what Vectren North proposed. However, OUCC witness Grosskopf has recommended a reduction to Vectren South's original cost rate base from $1,610,799,000 to $1,588,652,711. The resulting synchronized interest expense is $25,922,046 as shown on Attachment CJS-15, page 2.

VI. OUCC RECOMMENDATIONS

Q: Please summarize your recommendations related to operating expenses.

A: I recommend the following pro forma adjustments be made to operating expenses:

1. Decrease Operation Supervision and Engineering Expense by $1,471,025.
2. Decrease Measuring and Regulating Station Expense by $660,991.
3. Decrease Maintenance of Structures and Improvements Expense by $130,994.
4. Decrease Maintenance of Mains Expense by $263,153.
5. Decrease Maintenance of Measuring and Regulating Stations Expense by $367,290.
6. Decrease Operation Supervision and Engineering Expense by $4,333,344.
7. Decrease Mains and Service Expense by $4,627,904.
8. Decrease Measuring and Regulating Expense by $737,289.
9. Decrease Customer Installation Expense by $232,207.

10. Decrease Other Expenses Expense by $1,497,137.

11. Decrease Maintenance Supervision and Engineering Expense by $271,218.

12. Decrease Maintenance of Mains Expense by $156,535.

13. Decrease Maintenance of Meters and House Regulators Expense by $386,263.

Q: Please summarize your recommendations related to other items addressed in your testimony.

A: The OUCC recommends Commission approval of the following:

1. The extension of the EE programs, EEFC, and SRC through 2021.

2. Vectren North's 2022-2025 EE programs, continuation of unchanged EM&V process, continuation of current VOB authority, continuation of authority to roll forward unspent funds from year-to-year, continuation of the EEFC and SRC unchanged, and Petitioner's continued use of the same progress reporting requirements as those approved in the Commission's Order in Cause No. 45222.

3. Adjustments to the capital structure: ROE of 9.2% based on the recommendation by OUCC witness Courter, an increase of $692,403 to cost-free capital, a decrease to the interest-bearing customer deposits of $139,564 and a decrease of $333,978 to synchronized interest expense.

4. Petitioner review $988.31 in inactive customer deposits to determine if a refund should be issued in accordance with Ind. Code 32-34-1 *et seq*.

5. Petitioner check customer deposits on an annual basis to make sure the customers who meet the criteria set forth in 170 I.A.C. 5-1-15(g) receive refunds of their deposits in a timely manner.

6. Revision of Vectren North's Tariff for Gas Service, Sheet No. 57, Section 18.H to require Vectren North to refund all deposits to customers, regardless of the amount.

Q: Does this conclude your testimony?

A: Yes, it does.

APPENDIX TO TESTIMONY OF
OUCC WITNESS CINTHIA J. SABILLON

Q: Describe your educational background and experience.

A: I graduated from the Kelley School of Business at Indiana University in Indianapolis, Indiana with a Bachelor of Science Degree in Finance, and a minor in Economics in August 2019. While attending the Business School, I worked for AT&T, in multiple locations in Indiana as a Retail Sales Consultant. I assisted customers with sales of AT&T cellular, internet, and TV services.

In October 2019, I began my employment with the OUCC as a Utility Analyst. My current responsibilities include reviewing, analyzing, and preparing testimony for Gas Cost Adjustment ("GCA") cases, Certificate of Public Convenience and Necessity ("CPCN") cases, Financing cases, Gas Demand Side Management ("GDSM") cases, Targeted Economic Development ("TED") Project cases, and base rate cases for natural gas utilities.

Q: Have you previously testified before the Commission?

A: Yes, I have testified in GCA, CPCN, GDSM, TED Project, financing, and base rate cases before the Commission.

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

A: I reviewed the Verified Petition submitted by Vectren North, the pre-filed direct testimony of Vectren North's witnesses Angie M. Bell, Brenda L. Musser, Rina H. Harris, and Brett A. Jerasa, and supporting documentation including workpapers. I analyzed Petitioner's responses to OUCC discovery requests. Lastly, I attended a pre-filing meeting with Petitioner's representatives and several meetings with the OUCC case team, including general case meetings, accounting meetings and energy efficiency meetings.

Q 6.10: Referencing Petitioner's Exhibit No. 19, page 30, column [C] Pro Forma at Present Rates, Line 51, FERC Account 850 – Operation Supervision and Engineering. Please explain how Petitioner calculated the pro forma amount of $4,302,653 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

FERC Account 850 has budgeted costs and increases from prior years that relate exclusively to compliance spend for general supervision and direction of the operation of transmission facilities that is recovered through the CSIA mechanism. Please also see Petitioner's Exhibit No. 18, Workpaper WPC-1.1a for the breakdown of FERC 850 between CSIA related spend and all other expenses.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Operation Supervision & Engineering Expense (FERC Account-850) Adjustment

Actual Operation Supervision & Engineering Expense		
2016	$2,372,564	
2017	2,566,668	
2018	2,788,463	
2019	3,121,379	
Total	$10,849,074	
4-yr average	$2,712,269	
3% increase for 2020	$2,793,637	
3% increase for 2021	$2,877,446	
Petitioner's Unadjusted Test Year	$4,348,471	From Petitioner's Exhibit No. 19, page 30, line 51
OUCC Pro Forma Adjustment	(1,471,025)	
OUCC Pro Forma at Present Rates	$2,877,446	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.11: In response to OUCC DR 6.10, Petitioner stated FERC Account 850 has budgeted costs and increases from prior years that relate exclusively to compliance spend for general supervision and direction of the operation of transmission facilities that are recovered through the CSIA mechanism.

a. Please confirm all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component.
b. Please provide the amount of CSIA costs and base rate costs included in each calendar year of 2016 – 2019.

Response:

a. All prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component for FERC Account 850.

b. Below please find the breakdown of costs.

	2016	2017	2018	2019
CSIA	$ 2,328,112	$ 2,605,324	$ 2,788,014	$ 3,121,333
Base Rate	$ 44,453	$ (38,656)	$ 449	$ 47
Total	**$ 2,372,564**	**$ 2,566,668**	**$ 2,788,463**	**$ 3,121,379**

Data Requests- Set 6

Q 6.1: Referencing Petitioner's Exhibit No. 19, page 30, column [A] Test Year Unadjusted, Line 55, FERC Account 857 – Measuring and Regulating Station Expenses. Please explain how Petitioner calculated the budgeted amount of $1,247,206 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

Annual plans are created each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. Labor and vehicle costs have increased for measuring and regulating station expenses. This work is now performed within Technical Field Operations (TFO), whereas it historically resided in field operations. While in field operations, employee responsibilities were shared across other activities including various capital projects.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Measuring & Regulating Station Expense (FERC Account-857) Adjustment

Actual Measuring & Regulating Station Expense		
2016	$442,326	
2017	544,151	
2018	692,760	
2019	531,020	
Total	$2,210,257	
4-yr average	$552,564	
3% increase for 2020	$569,141	
3% increase for 2021	$586,215	
Petitioner's Unadjusted Test Year	$1,247,206	From Petitioner's Exhibit No. 19, page 30, line 55
OUCC Pro Forma Adjustment	(660,991)	
OUCC Pro Forma at Present Rates	$586,215	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.4: In response to OUCC DR 6.1 relating to FERC Account 857, Petitioner stated that labor and vehicle costs have increased for measuring and regulating station expenses. Petitioner stated this work is now performed within Technical Field Operations (TFO), whereas it historically resided in field operations.

a. Please provide the FERC account to which the costs for Technical Field Operations are allocated. For each calendar year of 2016, 2017, 2018, 2019, and 2020, please provide the increase to these accounts showing the work is now performed within Technical Field Operations.
b. Please provide the FERC account to which the costs for field operations are allocated. For each calendar year of 2016, 2017, 2018, 2019 and 2020, please provide the decrease to these accounts showing the work is now preformed within Technical Field Operations.

Original Response:

Response to be provided

Supplemental Response:

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Please also see the attached file labeled "45468_OUCC 12.4 and 12.8 Detailed Support".

Outside of Field Operations and a small amount from a Gas Storage cost center, the cost center that is charging to FERC 857 is named Gas Measuring and Regulator Services (CC_2030) which rolls up to the Technical Field Operations function. Prior to 2017, cost center 2030 was an Engineering Services cost center that primarily charged to capital. In August of 2017, the Company went through an organizational change and cost center 2030 was repurposed to be Measurement Services. After the merger with CenterPoint in 2019 and the ensuing organizational alignments which occurred throughout 2019 and 2020, this cost center took on additional responsibility for Regulator Services. For Indiana North, this change took effect in 2020 for non-labor regulator activity. Beginning in 2021, the associated union labor for regulator activity moved into cost center 2030. This background is important to understand the cost fluctuations and shifts between Field Operations and Technical Field Operations from 2017-2021.

45468_OUCC 12.4 and 12.8 Detailed Support

Field Ops by FERC	2016 A	2017 A	2018 A	2019 A	2020 A	2021 Test Yr
741-Maint of Structures & improvements	1,756	-	-	-	-	-
742-Maint of production equipment	1,010	-	-	-	-	-
856-Mains Expenses	146,023	78,747	133,753	80,805	43,781	43,380
857-Measuring and Regulating Station Expenses	358,025	453,054	579,736	471,481	256,240	203,123
862-Maint. of Structures and Improvements	4,078	8,986	8,055	758	1,510	13,152
863-Maint. of Mains	48,072	99,047	64,129	18,059	14,645	62,685
865-Maint. of Measuring and Regulating Station Expenses	211,105	164,628	167,977	103,749	109,002	167,417
870-Operation Supervision and Engineering	642,666	711,361	542,616	536,769	499,813	659,548
874-Mains and Services Expenses	2,502,802	2,852,628	2,713,098	2,940,215	1,841,989	1,866,885
875-Meas. and Regulating Station Expenses - General	705,436	703,002	832,519	903,439	758,627	879,370
878-Removing and Resetting Meters	4,087,052	4,554,226	4,494,662	4,795,061	4,233,140	4,513,549
879-Customer Installation Expenses	2,814,962	2,556,154	2,618,752	2,680,227	2,500,564	2,999,837
880-Other Expenses	2,998,961	3,141,339	2,941,767	2,185,001	2,347,627	2,861,137
885-Maint. Supervision and Engineering	658,529	650,487	499,387	543,033	537,242	613,233
886-Maint. of Structures and Improvements	45,762	33,634	77,351	40,354	32,259	35,268
887-Maint. of Mains	1,640,992	1,853,375	1,679,052	1,577,681	2,749,560	2,003,466
889-Maint. of Meas. and Reg. Station Equip. - General	505,581	298,649	384,520	372,259	227,245	175,120
892-Maintenance of Services	1,105,326	1,595,812	1,521,941	1,230,678	1,208,990	1,493,336
893-Maintenance of Meters and House Regulators	57,953	44,868	125,369	34,367	23,775	109,239
894-Maintenance of Other Equipment	180,299	199,538	194,431	187,123	182,192	198,757
902-Meter Reading Expenses	230,077	(851)	-	-	-	-
903-Customers Billing and Accounting	1,181,256	1,577,615	1,468,811	1,410,253	855,332	1,437,855
920-Administrative and General Salaries	229,846	304,508	256,321	210,674	55,857	285,016
921-All Other	2,164	3,370	1,787	3,255	1,003	-
923-Other Special Services	197	-	-	-	828	-
932 (935)-All Other	145,674	245,403	130,759	53,755	15,371	169,164
Field Ops Total	**20,505,601**	**22,129,579**	**21,436,793**	**20,378,997**	**18,496,590**	**20,790,537**

TFO (Gas Measuring and Regulator Services CC-2030) by FERC	2016 A	2017 A	2018 A	2019 A	2020 A	2021 Test Yr
857-Measuring and Regulating Station Expenses		912	780	222	224,725	911,762
859-Other Expenses		103	373	3,529	1,149	-
862-Maint. of Structures and Improvements					927	125,000
865-Maint. of Measuring and Regulating Station Expenses			1,363	-	110,419	-
867-Maint. of Other Equipment		769	10,993	11,770	3,294	1,985
870-Operation Supervision and Engineering	3,065	84,838	273,045	268,377	435,750	264,178
874-Mains and Services Expenses					5,552	-
875-Meas. and Regulating Station Expenses - General					34,029	691,891
878-Removing and Resetting Meters		74,614	93,560	63,520	95,148	-
880-Other Expenses	5,463	19,864	63,070	70,681	105,738	149,324
885-Maint. Supervision and Engineering	55	8,786	64,183	59,923	83,479	226,631
886-Maint. of Structures and Improvements					57,364	125,000
889-Maint. of Meas. and Reg. Station Equip. - General					223,648	-
892-Maintenance of Services		15,927	24,866	58,549	92,953	-
893-Maintenance of Meters and House Regulators		29,316	88,258	122,816	166,213	320,664
894-Maintenance of Other Equipment		120,833	358,326	349,733	288,844	276,778
902-Meter Reading Expenses			359	-	-	33,034
920-Administrative and General Salaries	1,102	1,051	1,395	1,128	1,120	3,836
TFO (Gas Measuring and Regulator Services CC-2030) Total	**9,685**	**357,012**	**980,570**	**1,010,249**	**1,930,352**	**3,130,084**

Storage CC-2006	2016 A	2017 A	2018 A	2019 A	2020 A	2021 Test Yr
857-Measuring and Regulating Station Expenses	84,301	90,185	112,244	59,316	48,008	132,321

Totals from above for FERC 857 & 875						
857-Measuring and Regulating Station Expenses	**442,326**	**544,151**	**692,760**	**531,020**	**528,973**	**1,247,206**
875-Meas. and Regulating Station Expenses - General	**705,436**	**703,002**	**832,519**	**903,439**	**792,656**	**1,571,261**

Q 6.2: Referencing Petitioner's Exhibit No. 19, page 30, column [A] Test Year Unadjusted, Line 59, FERC Account 862 – Maintenance of Structure and Improvements. Please explain how Petitioner calculated the budgeted amount of $140,060 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

The $140,000 in the budgeted test year is for contracted Regulator Station site maintenance. Examples include, but are not limited to, maintenance for regulator buildings, remote transmitting unit (RTU) buildings, odorizer carports, station fencing, tree removal, and weed control. The budget also covers non-routine maintenance events such as incidents at Regulator Station sites that require significant repairs. No significant incidents occurred in the prior years to result in the full budget being spent.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maint. of Structures and Improvements (FERC Account-862) Adjustment

Actual Maint. of Structures and Improvements	Expense	
2016	$5,649	
2017	11,903	
2018	13,889	
2019	2,742	
Total	$34,183	
4-yr average	$8,546	
3% increase for 2020	$8,802	
3% increase for 2021	$9,066	
Petitioner's Unadjusted Test Year	$140,060	From Petitioner's Exhibit No. 19, page 30, line 59
OUCC Pro Forma Adjustment	(130,994)	
OUCC Pro Forma at Present Rates	$9,066	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.5: In response to OUCC DR 6.2, Petitioner stated the $140,000 amount budgeted in the test year for FERC Account 862 – Maintenance of Structure and Improvements is for contracted Regulator Station site maintenance as well as non-routine maintenance events such as incidents at Regulator Station sites that require significant repairs.

a. Did Petitioner perform this maintenance internally from 2016-2019?
b. Has Petitioner contracted Regulator Station site maintenance for each calendar year of 2016-2019? If yes, please provide the name of the contractor(s), the date of such work, the type of work performed, and the cost for each instance of contracted work.
c. How many significant repairs were required in each calendar year from 2016-2019? Please provide the cost of each significant repair.

Response:

a. Yes
b. No
c. None-as stated in OUCC DR 6.2

Q 6.11: Referencing Petitioner's Exhibit No. 19, page 30, column [A] Test Year Unadjusted, Line 60, FERC Account 863 – Maintenance of Mains. Please explain how Petitioner calculated the budgeted amount of $1,431,207 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

FERC Account 863 has budgeted costs and increases from prior years that relate primarily to compliance spend for expenses incurred in the maintenance of mains that is recovered through the CSIA mechanism. Please also see Petitioner's Exhibit No. 18, Workpaper WPC-1.1a for the breakdown of FERC 863 between CSIA related spend and all other expenses.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maint. of Mains Expense (FERC Account-863) Adjustment

Actual Maint. of Mains Expense			
	2016	$1,218,317	
	2017	870,322	
	2018	965,228	
	2019	1,350,143	
Total		$4,404,010	
4-yr average		$1,101,003	
3% increase for 2020		$1,134,033	
3% increase for 2021		$1,168,054	
Petitioner's Unadjusted Test Year		$1,431,207	From Petitioner's Exhibit No. 19, page 30, line 60
OUCC Pro Forma Adjustment		(263,153)	
OUCC Pro Forma at Present Rates		$1,168,054	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.12: In response to OUCC DR 6.11 Petitioner stated FERC Account 683 has budgeted costs and increases from prior years that relate primarily to compliance spend for expenses incurred in the maintenance of mains that is recovered through the CSIA mechanism.

a. Please confirm all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component.
b. Please provide the amount of CSIA costs and base rate costs included in each calendar year of 2016 – 2019.

Response:

a. Assuming the question is for FERC Account 863 (instead of Account 683), all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component for FERC Account 863.

b. Below please find the breakdown of costs.

	2016	2017	2018	2019
CSIA	$ 697,643	$ 531,248	$ 414,615	$ 1,175,269
Base Rate	$ 520,675	$ 339,074	$ 550,613	$ 174,874
Total	**$ 1,218,317**	**$ 870,322**	**$ 965,228**	**$ 1,350,143**

Q 6.3: Referencing Petitioner's Exhibit No. 19, page 30, column [A] Test Year Unadjusted, Line 61, FERC Account 865 – Maintenance of Measuring and Regulating Station Expenses. Please explain how Petitioner calculated the budgeted amount of $662,715 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

Annual plans are created each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. The budget amount increased approximately $485k compared to average 2016 – 2019 spend. This is primarily due to regulator station painting which has previously been delayed in the past due to prioritization of O&M projects.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maint. of Measuring and Regulating Stations Expense (FERC Account-865) Adjustment

Actual Maint. of Measuring and Regulating Stations Expense	
2016	$238,056
2017	182,094
2018	200,011
2019	124,735
Total	$744,896
4-yr average	$186,224

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maint. of Measuring and Regulating Stations Expense (FERC Account-865) Adjustment

Actual Maint. of Measuring and Regulating Stations Expense 2019	$	124,735	
Regulator Stations Painted 2019		38	
Charge per Regulator Station	$	3,283	
Estimated Regulator Stations that will be painted in 2021		90	
Total cost of Regulator Stations painted in 2021	$	295,425	
Petitioner's Unadjusted Test Year	$	662,715	From Petitioner's Exhibit No. 19, page 30, line 61
OUCC Pro Forma Adjustment	$	(367,290)	
OUCC Pro Forma at Present Rates	$	295,425	From Above

Q 12.6: In response to OUCC DR 6.3, Petitioner stated the budgeted amount for FERC Account 865 – Maintenance of Measuring and Regulating Stations increased approximately $485k compared to average 2016-2019 spend. Petitioner explained the increase is due to regulator station painting which has been previously delayed in the past due to prioritization of O&M projects.

a. How many regulator stations does Petitioner have?
b. How many regulator stations will be painted in 2021?
c. How frequently does Petitioner paint regulator stations?
d. How many regulator stations have been painted for each calendar year of 2016-2019?
e. What equipment at the regulator stations does Petitioner plan to paint? Please be specific.

Response:

a. Vectren North has approximately 1,050 regulating stations.

b. Vectren North expects to paint approximately 80-90 stations in 2021.

c. Historically, regulator stations were painted on a "as needed" basis. The next 3-5 years of station painting will be a catch-up phase, where TFO reestablishes our regulating stations to a presentable level. Once this phase is completed TFO plans to initiate a 10 year plan, inspecting and refinishing a certain portion of the regulating stations each year.

d.

- The list below is an approximation per calendar year. Projects are counted by start date, however, some carried over into the next calendar year.
- IM also included Storage Fields, LP Plants and Purchase Points in their painting projects, which have a larger footprint than most of our regulating stations.
- 2016: 12 stations
- 2017: 13 stations
- 2018: 54 stations
- 2019: 38 stations

e.

- Regulators
- Valves
- Interfaces
- All regulating piping
- Heaters Catalytic
- Heaters Boiler
- Meters
- Automatic operators
- Protective structures for gas facilities
- Pit maintenance (all piping and wall penetrations)
- Dielectric separation
- Mitigation of crevice corrosion problems
- Support structure maintenance when it becomes an integrity issue
- PTS reads when requested
- Basic UT when requested
- Historically provided infrastructure support and maintenance: roofing, windows, doors, fence and gate repairs, culverts, rock placement, retaining walls, clearing

Q 6.12: Referencing Petitioner's Exhibit No. 19, page 31, column [A] Tear Year Unadjusted, Line 67, FERC Account 870 – Operation Supervision and Engineering.

a. Please explain how Petitioner calculated the budgeted amount of $9,565,551 for this account as of December 31, 2021.
b. Please explain the large increase in the actual amount spent in 2019 of $7,197,700 compared to 2018 of $4,967,246.
c. Why has the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019?

Response:

FERC Account 870 has budgeted costs and increases from prior years that relate primarily to compliance spend for expenses incurred in the general supervision and direction of distribution system operations that is recovered through the CSIA mechanism. Please also see Petitioner's Exhibit No. 18, Workpaper WPC-1.1a for the breakdown of FERC 870 between CSIA related spend and all other expenses.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Operation Supervision & Engineering Expense (FERC Account-870) Adjustment

Actual Operation Supervision & Engineering Expense		
2016	$3,236,720	
2017	4,325,762	
2018	4,967,246	
2019	7,197,700	
Total	$19,727,428	
4-yr average	$4,931,857	
3% increase for 2020	$5,079,813	
3% increase for 2021	$5,232,207	
Petitioner's Unadjusted Test Year	$9,565,551	From Petitioner's Exhibit No. 19, page 31, line 67
OUCC Pro Forma Adjustment	(4,333,344)	
OUCC Pro Forma at Present Rates	$5,232,207	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.13: In response to OUCC DR 6.12 Petitioner stated FERC Account 870 has budgeted costs and increases from prior years that relate primarily to compliance spend for expenses incurred in the general supervision and direction of distribution system operations that is recovered through the CSIA mechanism.

a. Please confirm all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1include both the CSIA component and the base rate component.
b. Please provide the amount of CSIA costs and base rate costs included in each calendar year of 2016 – 2019.

Response:

a. All prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component for FERC 870.

b. Below please find the breakdown of costs.

	2016	2017	2018	2019
CSIA	$ 506,196	$ 1,311,927	$ 1,888,976	$ 4,659,695
Base Rate	$ 2,730,524	$ 3,013,835	$ 3,078,269	$ 2,538,006
Total	**$ 3,236,720**	**$ 4,325,762**	**$ 4,967,246**	**$ 7,197,700**

Q 6.13: Referencing Petitioner's Exhibit No. 19, page 31, column [C] Pro Forma at Present Rates, Line 68, FERC Account 874 – Mains and Services Expenses. Please explain how Petitioner calculated the pro forma amount of $17,795,825 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

The increases in FERC Account 874 are related to two primary drivers:

i. The first driver is the budgeted costs and increases that relate to compliance spend for expenses incurred in operating distribution system mains and services that is recovered through the CSIA mechanism. Please also see Petitioner's Exhibit No. 18, Workpaper WPC-1.1a for the breakdown of FERC 874 between CSIA related spend and all other expenses.

ii. The second driver is related to the increased locating costs due to increases in pricing from locating vendors. Furthermore, locating ticket volume has increased ~30% from 2016-2019 levels.

Note: Attachment CJS-7, Page 2 is Confidential.

Q 12.14: In response to OUCC DR 6.13 Petitioner stated FERC Account 874 increases are tied to the budgeted costs and increases that relate to compliance spend for expenses incurred in operating distribution system mains and services that are recovered through the CSIA mechanism. The second driver is related to the increased locating costs due to increases in pricing from location vendors. Furthermore, locating ticket volume has increased 30% from 2016-2019 levels.

a. Are any of the increased costs related to Commission-imposed pipeline safety violation fines?
b. If the answer to foregoing is yes, please identify the fine(s) imposed, including date, amount, and reason for such fine.
c. If the answer to (a) is no, please identify where in Petitioner's case the Commission-imposed fines have been removed from Petitioner's rate request.
d. Please indicate what FERC account number pipeline safety violation fines can be found.
e. Are any of the increased costs in this account related to new or existing regulations imposed upon Petitioner by the Pipeline Hazardous Materials Safety Administration ("PHMSA")?
f. Please provide the reason for the 30% increase in locating tickets from 2016-2019.
g. Please provide the location vendors used in each calendar year of 2016 – 2019.
h. For each location vendor provided above, please provide the total cost paid to each vendor for each calendar year 2016 – 2019.
i. What were the ticket locating volumes for each calendar year from 2016-2019?
j. What were the ticket locating volumes for 2020?
k. What are the estimated location ticket volumes for 2021?
l. Please confirm all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component.
m. Please provide the amount of CSIA costs and base rate costs included in each calendar year of 2016 – 2019.

Objection:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner and/or its vendors. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner and/or its vendors. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to non-disclosure agreements between Petitioner and the receiving parties.

Subject to and without waiver of the foregoing objections, Vectren North responds as follows:

Response:

a. No. While Vectren North has incurred fines payable to the Indiana Utility Regulatory Commission Underground Plant Protection Advisory Committee (UPPAC), the costs associated with FERC Account 874 do not include these fines.
b. Not applicable.
c. These fines are included in FERC Account 426.3 and excluded from the rate request.
d. See response for c.
e. Yes, the increase in costs are only related to existing damage prevention regulations.
f. The increase between 2016-2019 is due to increased investment with the locate vendors to ensure on-time and accurate locates to prevent damages. This required more locators in the field, more locate vendor administrative support functions, and overall increased wages paid to locate technicians to decrease turnover. This coupled with an increase in locating volume drove an increase of 30%.
g. From 2016-2019, USIC was the locating vendor used. In 2019 and forward, On The Spot locating vendor was added in addition to using USIC.

h. See "45468_OUCC 12.14(h) CONFIDENTIAL":

i.

	2016	**2017**	**2018**	**2019**
O&M Ticket count	327,142	342,798	329,043	334,024

j. The total ticket locating volume for 2020 was 461,871.
k. The estimated location ticket volumes for 2021 are approximately 420,100 tickets for FERC Account 874.
l. All prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component.
m. Below please find the breakdown of costs.

	2016	**2017**	**2018**	**2019**
CSIA	$ 939,910	$ 1,969,416	$ 2,703,049	$ 3,081,512
Base Rate	$ 7,135,836	$ 7,750,672	$ 8,277,904	$ 9,637,867
Total	**$ 8,075,746**	**$ 9,720,087**	**$ 10,980,953**	**$ 12,719,379**

Note: Attachment CJS-7, Page 5 is Confidential.

Note: Attachment CJS-7, Page 6 is Confidential.

Q 6.5: Referencing Petitioner's Exhibit No. 19, page 31, column [A] Test Year Unadjusted, Line 69, FERC Account 875 – Meas. And Regulating Station Expenses General. Please explain how Petitioner calculated the budgeted amount of $1,571,261 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

Annual plans are created each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. Labor and vehicle costs have increased for measuring and regulating station expenses. This work is now performed within Technical Field Operations (TFO), historically resided in field operations. While in field operations, employee responsibilities were shared across other activities including various capital projects.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Meas. And Regulating Expense (FERC Account-875) Adjustment

Actual Meas. And Regulating Expense		
2016	$705,436	
2017	703,002	
2018	832,519	
2019	903,439	
Total	$3,144,396	
4-yr average	$786,099	
3% increase for 2020	$809,682	
3% increase for 2021	$833,972	
Petitioner's Unadjusted Test Year	$1,571,261	From Petitioner's Exhibit No. 19, page 31, line 69
OUCC Pro Forma Adjustment	(737,289)	
OUCC Pro Forma at Present Rates	$833,972	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.8: In response to OUCC DR 6.5, FERC Account 875 – Measuring and Regulating Station Expense, Petitioner stated that labor and vehicle costs have increased. Petitioner stated this work is now performed within Technical Field Operations (TFO), whereas it historically resided in field operations.

a. Please provide the FERC account to which the costs for Technical Field Operations are allocated. For each calendar year of 2016, 2017, 2018, 2019 and 2020, please provide the increase to these accounts showing the work is now performed within Technical Field Operations.
b. Please provide the FERC account to which the costs for field operations are allocated. For each calendar year of 2016, 2017, 2018, 2019 and 2020, please provide the decrease to these accounts showing the work is now performed within Technical Field Operations.

Response:

Response to be provided

Supplement Response:

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Please also see the attached file labeled "45468_OUCC 12.4 and 12.8 Detailed Support".

Outside of Field Operations, the cost center that is charging to FERC 875 is named Gas Measuring and Regulator Services (CC_2030) which rolls up to the Technical Field Operations function. Prior to 2017, cost center 2030 was an Engineering Services cost center that primarily charged to capital. In August of 2017, the Company went through an organizational change and cost center 2030 was repurposed to be Measurement Services. After the merger with CenterPoint in 2019 and the ensuing organizational alignments which occurred throughout 2019 and 2020, this cost center took on additional responsibility for Regulator Services. For Indiana North, this change took effect in 2020 for non-labor regulator activity. Beginning in 2021, the associated union labor for regulator activity moved into cost center 2030. This background is important to understand the cost fluctuations and shifts between Field Operations and Technical Field Operations from 2017-2021.

45468_OUCC 12.4 and 12.8 Detailed Support

Field Ops by FERC	2016 A	2017 A	2018 A	2019 A	2020 A	2021 Test Yr
741-Maint of Structures & improvements	1,756	-	-	-	-	-
742-Maint of production equipment	1,010	-	-	-	-	-
856-Mains Expenses	146,023	78,747	133,753	80,805	43,781	43,380
857-Measuring and Regulating Station Expenses	358,025	453,054	579,736	471,481	256,240	203,123
862-Maint. of Structures and Improvements	4,078	8,986	8,055	758	1,510	13,152
863-Maint. of Mains	48,072	99,047	64,129	18,059	14,645	62,685
865-Maint. of Measuring and Regulating Station Expenses	211,105	164,628	167,977	103,749	109,002	167,417
870-Operation Supervision and Engineering	642,666	711,361	542,616	536,769	499,813	659,548
874-Mains and Services Expenses	2,502,802	2,852,628	2,713,098	2,940,215	1,841,989	1,866,885
875-Meas. and Regulating Station Expenses - General	705,436	703,002	832,519	903,439	758,627	879,370
878-Removing and Resetting Meters	4,087,052	4,554,226	4,494,662	4,795,061	4,233,140	4,513,549
879-Customer Installation Expenses	2,814,962	2,556,154	2,618,752	2,680,227	2,500,564	2,999,837
880-Other Expenses	2,998,961	3,141,339	2,941,767	2,185,001	2,347,627	2,861,137
885-Maint. Supervision and Engineering	658,529	650,487	499,387	543,033	537,242	613,233
886-Maint. of Structures and Improvements	45,762	33,634	77,351	40,354	32,259	35,268
887-Maint. of Mains	1,640,992	1,853,375	1,679,052	1,577,681	2,749,560	2,003,466
889-Maint. of Meas. and Reg. Station Equip. - General	505,581	298,649	384,520	372,259	227,245	175,120
892-Maintenance of Services	1,105,326	1,595,812	1,521,941	1,230,678	1,208,990	1,493,336
893-Maintenance of Meters and House Regulators	57,953	44,868	125,369	34,367	23,775	109,239
894-Maintenance of Other Equipment	180,299	199,538	194,431	187,123	182,192	198,757
902-Meter Reading Expenses	230,077	(851)	-	-	-	-
903-Customers Billing and Accounting	1,181,256	1,577,615	1,468,811	1,410,253	855,332	1,437,855
920-Administrative and General Salaries	229,846	304,508	256,321	210,674	55,857	285,016
921-All Other	2,164	3,370	1,787	3,255	1,003	-
923-Other Special Services	197	-	-	-	828	-
932 (935)-All Other	145,674	245,403	130,759	53,755	15,371	169,164
Field Ops Total	**20,505,601**	**22,129,579**	**21,436,793**	**20,378,997**	**18,496,590**	**20,790,537**

TFO (Gas Measuring and Regulator Services CC-2030) by FERC	2016 A	2017 A	2018 A	2019 A	2020 A	2021 Test Yr
857-Measuring and Regulating Station Expenses		912	780	222	224,725	911,762
859-Other Expenses		103	373	3,529	1,149	-
862-Maint. of Structures and Improvements					927	125,000
865-Maint. of Measuring and Regulating Station Expenses			1,363	-	110,419	-
867-Maint. of Other Equipment		769	10,993	11,770	3,294	1,985
870-Operation Supervision and Engineering	3,065	84,838	273,045	268,377	435,750	264,178
874-Mains and Services Expenses					5,552	-
875-Meas. and Regulating Station Expenses - General					34,029	691,891
878-Removing and Resetting Meters		74,614	93,560	63,520	95,148	-
880-Other Expenses	5,463	19,864	63,070	70,681	105,738	149,324
885-Maint. Supervision and Engineering	55	8,786	64,183	59,923	83,479	226,631
886-Maint. of Structures and Improvements					57,364	125,000
889-Maint. of Meas. and Reg. Station Equip. - General					223,648	-
892-Maintenance of Services		15,927	24,866	58,549	92,953	-
893-Maintenance of Meters and House Regulators		29,316	88,258	122,816	166,213	320,664
894-Maintenance of Other Equipment		120,833	358,326	349,733	288,844	276,778
902-Meter Reading Expenses			359	-	-	33,034
920-Administrative and General Salaries	1,102	1,051	1,395	1,128	1,120	3,836
TFO (Gas Measuring and Regulator Services CC-2030) Total	**9,685**	**357,012**	**980,570**	**1,010,249**	**1,930,352**	**3,130,084**

Storage CC-2006	2016 A	2017 A	2018 A	2019 A	2020 A	2021 Test Yr
857-Measuring and Regulating Station Expenses	84,301	90,185	112,244	59,316	48,008	132,321

Totals from above for FERC 857 & 875						
857-Measuring and Regulating Station Expenses	**442,326**	**544,151**	**692,760**	**531,020**	**528,973**	**1,247,206**
875-Meas. and Regulating Station Expenses - General	**705,436**	**703,002**	**832,519**	**903,439**	**792,656**	**1,571,261**

Q 6.6: Referencing Petitioner's Exhibit No. 19, page 31, column [A] Test Year Unadjusted, Line 71, FERC Account 879 – Customer Installation Expenses. Please explain how Petitioner calculated the budgeted amount of $3,899,025 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

Annual plans are created each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. The plan for FERC 879 consists of costs associated with dispatching along with emergency and after hours calls from customers. The increase is primarily driven by an increase in labor costs. Prior years actuals have been lower due to vacancies, which are accounted for in the budget at a higher functional level under different FERC accounts, based on an estimated turnover impact to labor expense.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Customer Installation Expense (FERC Account-879) Adjustment

Actual Customer Installation Expense		
2016	$3,587,839	
2017	3,366,396	
2018	3,407,017	
2019	3,464,060	
Total	$13,825,312	
4-yr average	$3,456,328	
3% increase for 2020	$3,560,018	
3% increase for 2021	$3,666,818	
Petitioner's Unadjusted Test Year	$3,899,025	From Petitioner's Exhibit No. 19, page 31, line 71
OUCC Pro Forma Adjustment	(232,207)	
OUCC Pro Forma at Present Rates	$3,666,818	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.9: In response to OUCC DR 6.6, Petitioner stated the plan for FERC account 879 consists of costs associated with dispatching along with emergency and after hours calls from customers. This is primarily driven by an increase in labor costs and prior years' actuals have been lower due to vacancies which are accounted for in the budget at a higher functional level under different FERC accounts, based on an estimated turnover impact to labor expense.

a. Please explain how many positions Petitioner is planning to fill.
b. Please explain how many employees were in these positions covered for each calendar year of 2016-2019.
c. Please explain how many employees are currently in these positions.
d. Please explain under what FERC accounts these vacancies were allocated in the budget.

Response:

As explained in response to OUCC 6.6, vacancies are not budgeted at each individual FERC account level, but at a higher functional or business unit level under various FERC accounts.

All budgeted vacancies are either actively recruited or a workforce plan is in place to hire the positions, before they are approved for inclusion in the budget. This is stated on page 18 of Petitioner Witness Moore's direct testimony.

Q 6.14: Referencing Petitioner's Exhibit No. 19, page 31, column [C] Pro Forma at Present Rates, Line 72, FERC Account 880 – Other Expenses. Please explain how Petitioner calculated the pro forma amount of $8,809,032 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

FERC 880 primarily consists of costs related to training as well as expenses related to operations support. The annual budget for this FERC account in relation to training is developed each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. Annual expense fluctuations are also driven by the prioritization of O&M projects.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Other Expenses Expense (FERC Account-880) Adjustment

Actual Other Expenses Expense		
2016	$7,372,159	
2017	7,028,166	
2018	6,954,258	
2019	6,214,080	
Total	$27,568,663	
4-yr average	$6,892,166	
3% increase for 2020	$7,098,931	
3% increase for 2021	$7,311,899	
Petitioner's Unadjusted Test Year	$8,809,036	From Petitioner's Exhibit No. 19, page 31, line 72
OUCC Pro Forma Adjustment	(1,497,137)	
OUCC Pro Forma at Present Rates	$7,311,899	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.15: In response to OUCC DR 6.14 Petitioner stated FERC Account 880 primarily consists of costs related to training as well as expenses related to operational support. The annual budget for this FERC account in relation to training is developed each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. Petitioner stated annual expense fluctuations are also driven by prioritization of O&M projects.

a. What other costs are included under this FERC account?
b. What was the actual spend for this FERC account in 2020?

Response:

a. FERC 880 consists of:
   - Training costs, including travel related to training
   - Expenses related to operational support
   - General maintenance and utilities on facilities
   - Administrative costs for processing payroll, invoices, etc.
   - Office Supplies
   - Miscellaneous travel expenses not for training

b. In 2020, the actual spend for FERC 880 was $9,023,606, which is $0.2M more than what is included in the 2021 test year.

Q 6.4: Referencing Petitioner's Exhibit No. 19, page 31, column [A] Test Year Unadjusted, Line 76, FERC Account 885 – Maintenance Supervision and Engineering. Please explain how Petitioner calculated the budgeted amount of $1,217,571 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

Annual plans are created each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. Prior years actuals for FERC 885 have been lower due to vacancies, which are accounted for in the budget at a higher functional level under different FERC accounts, based on an estimated turnover impact to labor expense.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maintenance Supervision & Engineering Expense (FERC Account-885) Adjustment

Maintenance Supervision & Engineering Expenses	Expense	
2016	$879,125	
2017	987,750	
2018	765,617	
2019	935,623	
Total	$3,568,115	
4-yr average	$892,029	
3% increase for 2020	$918,790	
3% increase for 2021	$946,353	
Petitioner's Unadjusted Test Year	$1,217,571	From Petitioner's Exhibit No. 19, page 31, line 76
OUCC Pro Forma Adjustment	(271,218)	
OUCC Pro Forma at Present Rates	$946,353	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.7: In response to OUCC DR 6.4, Petitioner stated that FERC Account 885 in prior years had a lower budget due to vacancies, which are accounted for in the budget at a higher functional level under different FERC accounts, based on an estimated turnover impact to labor expense.

a. Please explain how many positions Petitioner is planning to fill.
b. Please explain how many employees were in these positions covered for each calendar year of 2016-2019.
c. Please explain how many employees are currently in these positions.
d. Please explain under what FERC accounts these vacancies were allocated in the budget during the years 2016-2019.

Response:

As explained in response to OUCC 6.4, vacancies are not budgeted at each individual FERC account level, but at a higher functional or business unit level under various FERC accounts.

All budgeted vacancies are either actively recruited or a workforce plan is in place to hire the positions, before they are approved for inclusion in the budget. This is stated on page 18 of Petitioner Witness Moore's direct testimony.

Q 6.15: Referencing Petitioner's Exhibit No. 19, page 31, column [C] Pro Forma at Present Rates, Line 78, FERC Account 887 – Maintenance of Mains. Please explain how Petitioner calculated the pro forma amount of $5,449,558 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

FERC Account 887 has budgeted costs and increases from prior years that relate primarily to compliance spend for expenses incurred for the maintenance of mains that is recovered through the CSIA mechanism. Please also see Petitioner's Exhibit No. 18, Workpaper WPC-1.1a for the breakdown of FERC 887 between CSIA related spend and all other expenses.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maint. of Mains Expense (FERC Account-887) Adjustment

Actual Maintenance of Mains Expense		
2016	$2,859,380	
2017	3,643,459	
2018	4,628,564	
2019	4,488,385	
Total	$15,619,788	
4-yr average	$3,904,947	
3% increase for 2020	$4,022,095	
3% increase for 2021	$4,142,758	
Petitioner's Unadjusted Test Year	$4,299,293	From Petitioner's Exhibit No. 19, page 31, line 78
OUCC Pro Forma Adjustment	(156,535)	
OUCC Pro Forma at Present Rates	$4,142,758	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Q 12.16: In response to OUCC DR 6.15 Petitioner stated FERC Account 887 has budgeted costs and increases from prior years that are related primarily to compliance spend for expenses incurred for maintenance of mains that is recovered through the CSIA mechanism.

a. Please confirm all prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both CSIA component and the base rate component.
b. Please provide the amount of CSIA costs and base rate costs included in each calendar year of 2016-2019.

Response:

a. All prior year actual costs for 2016-2019 provided in response to OUCC DR 1.1 include both the CSIA component and the base rate component for FERC 887.

b. Below please find the breakdown of costs.

	2016	2017	2018	2019
CSIA	$ -	$ 160,109	$ 1,337,979	$ 2,071,442
Base Rate	$ 2,859,380	$ 3,483,350	$ 3,290,585	$ 2,416,942
Total	**$ 2,859,380**	**$ 3,643,459**	**$ 4,628,564**	**$ 4,488,385**

Q 6.9: Referencing Petitioner's Exhibit No. 19, page 31, column [A] Test Year Unadjusted, Line 82, FERC Account 893 – Maintenance of Meters and House Regulators. Please explain how Petitioner calculated the budgeted amount of $551,317 for this account as of December 31, 2021, and why the budgeted amount increased compared to actual amounts spent in years 2016, 2017, 2018 and 2019.

Response:

Annual plans are created each year based on historical trends and are assessed and adjusted for expected changes in various factors such as organizational changes and/or market conditions. The budgeted test year for FERC 893 anticipates more emergency calls due to an increase in customers and an overall increase in call level trends from year to year.

Operating expense budgets are managed at the business unit, or operating unit level, as opposed to the individual FERC account level. Although the test year represents the Company's best estimated allocation by FERC account, favorability in one particular FERC account does not necessarily result in an overall reduction in O&M, as the underspend could offset overages in other FERC accounts.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maintenance of Meters and House Regulators Expense (FERC Account-893) Adjustment

Actual Maintenance of Meters and House Regulators	Expense	
2016	$125,349	
2017	103,314	
2018	177,129	
2019	216,524	
Total	$622,316	
4-yr average	$155,579	
3% increase for 2020	$160,246	
3% increase for 2021	$165,054	
Petitioner's Unadjusted Test Year	$551,317	From Petitioner's Exhibit No. 19, page 31, line 82
OUCC Pro Forma Adjustment	(386,263)	
OUCC Pro Forma at Present Rates	$165,054	From Above

Note: Actual expense for 2016 - 2019 taken from historical trial balance provided in response to OUCC DR 1.1.

Indiana Gas Company Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Maintenance of Meters and House Regulators Expense (FERC Account-893) Adjustment

Actual Maintenance of Meters and House Regulators Expense 4-year average 2016-2019	$ 155,579	Attachment CJS-13, Page 2
4-year average number of customers 2016-2019	596,410	
Cost per customer	$ 0.26	
Estimated number of customers 2021	622,189	
Total cost in 2021	$ 162,304	

Q 12.10 In response to OUCC DR 6.9, Petitioner stated the budgeted test year for FERC account 893 anticipates more emergency calls due to an increase in customers and an overall increase in call level trends from year to year.

a. Please provide actual number of customers making emergency calls in 2020 as well as supporting documentation showing the reason for or cause of such calls.
b. Please provide the number of customers representing such increase. Please provide the customers by rate class and the date(s) that such increases in customers occurred.
c. What was the call level for each year from 2016-2019?
d. What is the anticipated call level for 2021?
e. What is the reason that Petitioner expects more emergency calls from an increase in customers? Is the reason an extrapolation that more customers equal more emergencies, or is there a part of Petitioner's system experiencing issues that cause emergencies?
f. Please provide a list of emergency types by order of magnitude.
g. Please provide the actual number of customers per rate class for calendar year 2020.

Response:

a. The number of emergency calls received in 2020 was 17,527. All calls included in this response were emergency investigations or leak investigations. See response to 12.10f regarding emergency call internal classification.

b. Number of Customers:

	2016-2019 Avg	**2021 Budget**	**Variance**
Residential	543,672	567,845	24,173
Commercial	51,835	53,299	1,464
Transport	903	1,045	142
Total	596,410	622,189	25,779

c. Number of Calls each year:

2016	**2017**	**2018**	**2019**
18,977	17,669	18,044	18,364

d. The Company does not plan for a specific number of calls.

e. The reason is an extrapolation that more customers equal more emergencies.

f. Vectren North categorizes emergency calls in two ways – Investigate Emergency and Leak Investigation. The two categories are both considered emergency call outs and are dispatched and prioritized in a similar manner.

g. Number of Customers:

	2020
Residential	564,921
Commercial	52,877
Transport	930
Total	618,728

GENERAL TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE

18. DEPOSIT OR ARRANGEMENT TO ENSURE PAYMENT OF BILL

A. Company may require from a present or prospective Residential Customer a cash deposit when standards of creditworthiness, as set forth in the Commission's Regulations, are not satisfied. The amount of such deposit shall not exceed one-third of the expected annual billing for Gas Service to be furnished to Customer.

B. Company may require from a present or prospective Commercial or Industrial Customer a cash deposit equal to the sum of estimated billing amounts for Customer's two consecutive months of highest usage. Such deposits may be based on historical or expected usage.

C. In lieu of a cash deposit, Company may in its reasonable discretion require an alternative security arrangement (e.g., a prepayment which is intended to serve the same purpose as a cash deposit).

D. Interest will be paid at an interest rate set annually by the Commission, on deposits held more than thirty (30) days, beginning with the date of deposit to the date the deposit is credited to Customer's account.

E. Deposits for Residential Customers will be credited to Customer's Bill after Customer has established a creditworthy payment record in accordance with standards set forth in the Commission's Regulations. At the request of Customer, the deposit shall be refunded to Customer in lieu of being credited to Customer's Bill.

F. The deposit of a Residential Customer who does not establish a creditworthy payment record may be retained by Company until Gas Service is discontinued.

G. The deposit of a Commercial or Industrial Customer may be retained by Company until Gas Service is discontinued.

H. The deposit, plus accrued interest, if any, may be applied to the final Bill when Gas Service is discontinued. After applying the deposit and interest to the final Bill, any credit balance shall be refunded to Customer, except that any ~~credit balances less than $10.00 will not be refunded to Customer unless so requested by Customer.~~

Q 6.21: Please explain why account 2341000 is the only customer deposit account included in the capital structure on Petitioner's Exhibit No. 18, Sch. D-5.

Response:

The Company's inclusion of interest bearing deposit accounts, as opposed to both interest bearing and non-interest bearing deposits, within its proposed capital structure is consistent with its base rate case proceeding for Vectren South Gas, Cause No. 45447.

The Company utilizes the same methodology in reporting Vectren North's capital structure within the annual Periodic Review (State Form 56430) and the semi-annual Gas Transmission, Distribution, and Storage System Improvement Charge (Cause No. 44430).

Indiana Gas Company Inc., d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Rate of Return Summary
As of December 31, 2021

Class of Capital	Amount ($000)	Percent	Cost	Weighted Cost
Long-Term Debt	$ 614,876	36.87%	4.36%	1.61%
Preferred Stock	$ -	0.00%	0.00%	0.00%
Common Equity	$ 770,688	46.21%	9.20%	4.25%
Cost-Free Capital	$ 255,666	15.33%	0.00%	0.00%
Other Capital	$ 26,672	1.59%	1.50%	0.02%
Total Capital	$ 1,667,902	100.00%		5.88%

Synchronized Interest Calculation

	Percent	Cost	Weighted Cost
Long Term Debt	36.87%	4.36%	1.61%
Customer Deposits	1.61%	1.50%	0.02%
Interest Component of ITC	0.00%	4.36%	0.00%
Total			1.63%
Total Original Cost Rate Base			$ 1,588,652,711
Synchronized Interest Expense			$ 25,922,046

Indiana Gas Company Inc., d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Cost-Free Capital Adjustment
As of December 31, 2021

Class of Capital	Amount
Cost-Free Capital:	
Deferred Income Taxes	$187,236,000
Tax Regulatory Assets (FAS 109)	$84,383,000
Subtotal Deferred Income Taxes	$271,619,000
Customer Advances for Construction	$4,815,000
OPEB	$7,941,000
Prepaid Pension	($29,401,000)
OUCC Adjustment	$692,403
Total Cost-Free Capital	$255,666,403

Indiana Gas Company Inc., d/b/a Vectren Energy Delivery of Indiana, Inc.
Cause No. 45468
Other Capital
As of December 31, 2021

Description	Amount
Calculation of Other Capital	
Customer Deposits	$26,811,000
OUCC Adjustment	(139,564)
Investment Tax Credit	1,000
Total	$26,672,436

Q 11.7: Referring to Petitioner's Exhibit No. 14, page 25, Table RHH-4: 2022 – 2025 Program Goals and Budget Summary. When adding the residential portfolio total budget of $25,476,000 to the commercial portfolio total budget of $10,471,000, the total portfolio budget is $35,947,000. The table shows a total portfolio budget of $35,949,000 leaving $2,000 unaccounted for. If Petitioner believes this is an error, please provide a corrected table. If Petitioner believes Table RHH-4 is correct, please explain the $2,000 difference.

Response:

The discrepancy is due to rounding. Table RHH-4 budget data, as illustrated in Column E below, is rounded based on the program level budget details outlined in Table RHH-5. While the sum of the residential portfolio total budget of $25,477 (rounded to thousands) and the commercial portfolio budget of $10,471 (rounded to thousands) is $37,947 (rounded in thousands) in RHH-4, the program detail budget outlined in Table RHH-5 totals to $35, 948,203 (not rounded). Please see table below illustrating how the MPS rounded RHH-4 data in column E based on RHH-5, included below in column D for easy reference. The total budget outlined in column E of $35,949 (rounded) is based on the unrounded total budget referenced in column D of $35,948,203. The total budget of $35,948,203 is the proposed requested budget for 2022-2025 energy efficiency programs.

A	B	C	D	E	F
Residential				Rounded Data	
Year	Participants in Year	Energy Savings in Therms Savings in Year	Budget $	Budget, 000$	
2022	60,139	1,911,720	5,901,004	5,900	
2023	57,315	1,977,090	6,178,638	6,179	
2024	57,537	2,054,181	6,678,053	6,678	
2025	57,738	2,125,438	6,719,424	6,719	
Total	**232,729**	**8,068,429**	**25,477,119**	**25,476**	
Commercial				Rounded Data	
Year	Participants in Year	Energy Savings in Therms Savings in Year	Budget $	Budget, 000$	
2022	2,518	832,956	2,443,791	2,444	
2023	2,810	863,798	2,543,909	2,544	
2024	3,152	903,045	2,698,418	2,698	
2025	3,514	943,252	2,784,966	2,785	
Total	**11,994**	**3,543,051**	**10,471,084**	**10,471**	
Total				Rounded Data	
Year	Participants in Year	Energy Savings in Therms Savings in Year	Budget $	Budget, 000$	Rounded Variance
2022	62,657	2,744,676	8,344,795	8,345	**-400**
2023	60,125	2,840,888	8,722,547	8,723	**-248**
2024	60,689	2,957,226	9,376,471	9,377	**-299**
2025	61,252	3,068,690	9,504,390	9,504	**45**
Total	**244,723**	**11,611,480**	**35,948,203**	**35,949**	**-902**

*Residential & Commercial Budget includes indirect costs.

Q 12.20: Referring to Petitioner's Exhibit No. 14, pages 31, lines 1-5, is Vectren planning to continue to file the mentioned program progress reports with the Commission if Vectren's proposed 2022-2025 EE program is approved?

Response:

Yes, pursuant to the Commission Order, Vectren plans to continue submission of progress reports to the Commission.

Q 6.19: Please provide a list of current customer deposits that tie to accounts 2341000, 2341100, and 2341250 for the historic base period of 12/31/2019, including the amount and the date each deposit was received.

Objection:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner and/or its customers. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner and/or its customers. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to non-disclosure agreements between Petitioner and the receiving parties.

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

Response:

The Company's billing system is a transactional system and does not maintain a point in time balance. At each month end, a backup is made to facilitate accounting and reporting analytics. Each backup exists until the next month is closed, at which time the prior month's backup is overwritten.

In lieu of the historical customer deposits as of December 31, 2019, the Company is providing the requested deposit detail supporting those same accounts' balances as of December 31, 2020. See table below:

ACCOUNT	DESCRIPTION	12/31/2020
2341000	CUSTOMER METER DEPOSITS - ACTIVE - EDP	$23,607,154.90
2341100	CUSTOMER METER DEPOSITS - NO INTEREST	$331,845.80
2341250	CUSTOMER DEPOSITS	$311,449.05

For accounts 2341000 and 2341100, please see the attachment titled "45468_OUCC 06.19_2020 Vectren North Customer Deposit Detail".

For account 2341250, please see the CONFIDENTIAL attachment titled "45468_OUCC 06.19_CONFIDENTIAL_Customer Deposit Detail"

Q 12.18: In response to OUCC DR 6.19, Petitioner provided customer deposit lists for accounts 2341000 and 2341100 as of December 31, 2020. Per 170 I.A.C. 5-1-15(g):

> Any deposit or accrued interest shall be promptly refunded directly to the customer or credited to the customer's account without the customer's request when the customer: (A) submits satisfactory payment for a period of either: (i) twelve (12) successive months; or (ii) twelve (12) out of any fifteen (15) consecutive months without late payment in two (2) consecutive months.

a. Please confirm all the customers on the list provided in response to OUCC DR 6.19 have not made satisfactory payments for a period of either 12 successive months, or 12 out of any 15 consecutive months without late payment in 2 consecutive months.
b. Please provide payment history for the following customers from the deposit list to prove these customers have not made satisfactory payments to receive their deposits back: Accounts ending in 7406, 3879, 6712, and 6721 (lines 23102-23105), 1530, 1902, 8244, 9757, and 7092 (lines 23138-23142), and 7364, 4682, 1301, 1167, 7825, and 4132 (lines 23222-23227).

Response:

a. In preparing the response to OUCC 12.18, the Company reviewed the requirements for refunding of deposits. As a result, the Company identified several deposits that do not conform with the applicable deposit rule. Currently, the logic within the billing system programming does not contemplate the part (ii) of the rule (12 out of 15 consecutive months without late payment in 2 consecutive months). The Company has completed an audit of all gas customer deposits and has learned there are $139,564 of deposits that should be refunded, in which the Company has now credited all those customer's accounts. The Company has worked through a process, as described below, to return deposits to customers who meet the criteria set forth in the rule.

   All residential gas deposits on file that were paid and had not been returned to the customer based on conditions defined in 170 I.A.C. 5-1-15(g) were identified. A process was developed to evaluate eligibility for release of the deposit back to the customer. Those identified as eligible have had their original deposit plus accrued interest promptly either refunded or credited to the customer's account through a manual process. Going forward, this process will continue on a regular basis to identify any newly eligible deposits that meet the conditions as defined in 170 I.A.C. 5-1-15(g).

b. For payment history available for the selected residential accounts, please see the attached document titled "45468_OUCC DR 12.18(b)".

Q 15.2: Please provide the number, type and amount of customer deposit accounts that are inactive as of the date of this request.

Response:

Please see attached document titled "45468_OUCC DR 15.2 Response".

OUCC RESPONSE 15.2 - INDIANA NORTH GAS
Inactive Decomposition

Classification	# of Accounts	$ Amount
Residential - Inactive Accounts - Total	22	$ 1,380.31
Deposit charged, partially paid - requires manual review	19	$ 988.31
Deposit Paid - Timing - Account now active	3	$ 392.00

Classification	# of Accounts	$ Amount
Commercial - Inactive Accounts - Total	0	$ -
Deposit charged, partially paid - requires manual review	0	$ -
Deposit Paid - Timing - Account now active	0	$ -

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing ***OUCC'S PUBLIC REDACTED TESTIMONY OF CINTHIA J. SABILLON*** has been served upon the following counsel of record in the captioned proceeding by electronic service on March 31, 2021.

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