

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA GAS COMPANY, INC. d/b/a )  
VECTREN ENERGY DELIVERY OF INDIANA, INC. FOR )  
AUTHORITY TO IMPLEMENT ITS 2021-2023 )  
FINANCING PROGRAM BY (1) ISSUING NOT TO )  
EXCEED \$225,000,000 IN AGGREGATE PRINCIPAL )  
AMOUNT OF UNSECURED LONG-TERM DEBT ISSUED )  
TO UNAFFILIATED LENDERS AND DEBT IN THE )  
FORM OF UNSECURED PROMISSORY NOTES TO )  
VECTREN UTILITY HOLDINGS, INC. ("VUHI"), ITS )  
IMMEDIATE PARENT COMPANY, PURSUANT TO THE )  
FINANCIAL SERVICES AGREEMENT; (2) EXECUTING )  
AND DELIVERING EVIDENCES OF INDEBTEDNESS )  
RELATING TO SUCH LONG-TERM DEBT; (3) )  
ENTERING INTO INTEREST RATE RISK )  
MANAGEMENT TRANSACTIONS; (4) ISSUING AND )  
SELLING NOT TO EXCEED \$100,000,000 OF COMMON )  
AND/OR PREFERRED STOCK; (5) APPROVAL OF )  
PETITIONER'S REVISED FINANCIAL SERVICES )  
AGREEMENT AMONG ITS AFFILIATE UTILITIES AND )  
VUHI AND OTHER MATTERS RELATING TO SUCH )  
TRANSACTION; AND (6) USING THE NET PROCEEDS )  
FROM THE FINANCING PROGRAM TO REIMBURSE )  
ITS TREASURY AND, THEREAFTER, TO REPAY AND )  
REFUND OUTSTANDING LONG-TERM DEBT, REPAY )  
ITS SHORT-TERM DEBT, AND FINANCE ITS )  
CONSTRUCTION PROGRAM. )

FILED  
November 23, 2019  
INDIANA UTILITY  
REGULATORY COMMISSION

CAUSE NO. 45457

**VERIFIED PETITION OF INDIANA GAS COMPANY, INC.**

Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc., a CenterPoint Energy Company ("Petitioner") respectfully represents and shows the Commission that:

1. **Petitioner's Organization, Business and Properties.** Petitioner is an operating public utility incorporated under the laws of the State of Indiana. Petitioner has its principal office at One Vectren Square, Evansville, Indiana 47708. Petitioner is a "public utility" and a "gas

utility” within the meaning of those terms in Ind. Code §§ 8-1-2-1(a), and 8-1-2-87 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the laws of the State of Indiana. Petitioner has charter power and authority to engage in, and is engaged in, the business of rendering gas distribution service within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly acquired. Petitioner owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities which are used and useful for the production, storage, transmission, distribution, and furnishing of gas utility service to approximately 614,000 customers in central and southern Indiana.

**2. Petitioner’s Parent Companies and Utility Affiliates.** Petitioner is an affiliate of two other operating utilities: Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (“Vectren South”), which provides electric utility service to approximately 145,000 customers and gas utility service to approximately 113,000 customers in southwestern Indiana; and Vectren Energy Delivery of Ohio, Inc. (“VEDO”), which provides gas utility service to approximately 320,000 customers in west central Ohio. Vectren South, Vectren North, and VEDO are wholly-owned subsidiaries and operating divisions of Vectren Utility Holdings, Inc. (“VUHI”), which is a wholly-owned subsidiary of Vectren Corporation. Petitioner is an indirect subsidiary of CenterPoint Energy, Inc. (“CenterPoint”) – the ultimate parent company of Petitioner, VUHI, and Vectren Corporation. CenterPoint is a holding company whose stock is publicly traded and listed on the New York Stock Exchange.

**3. Capitalization of Petitioner.** As of September 30, 2020, Petitioner’s total capitalization amounted to approximately \$1,246,958,000 and consisted of long-term debt in the amount of \$474,876,000 (including current maturities); common stock (including additional paid in capital) in the amount of \$399,536,000; and retained earnings in the amount of \$372,546,000.

At that date, the long-term debt of Petitioner was represented by seven series of senior unsecured bonds totaling approximately \$96,000,000 and twelve series of unsecured notes to VUHI totaling approximately \$378,876,000. A schedule showing the long-term debt is attached as *Exhibit A* hereto. All of the outstanding long-term debt and common stock have been duly authorized by Orders of this Commission.

**4. Proposed Financing Program.** Petitioner requests the authorization and approval of this Commission to carry out, from time to time, during the period from the date of the Order herein through March 31, 2023, a financing program consisting of one or more or a combination of the following:

A. **Long-Term Debt.** Petitioner requests that it be granted the authority to issue and sell not to exceed \$225,000,000 in aggregate principal amount of long-term debt. The new long-term debt issued pursuant to the financing program (i) will have maturities not to exceed forty (40) years; (ii) will bear interest at a fixed or variable rate; (iii) will be issued and sold for cash at not less than 95% of the face amount thereof plus accrued interest, if any, to the date of delivery thereof; and (iv) will have such other terms and characteristics as shall be fixed and determined by the CenterPoint Board of Directors. Petitioner may issue some or all of the long-term debt to VUHI pursuant to the debt pooling arrangement described below. Debt issued to other parties will consist in whole or in some combination of unsecured promissory notes, term loans, debentures, medium-term notes, or other instruments evidencing debt of Petitioner and may be issued and sold, by way of public offerings or private placements.

B. **Common and Preferred Stock.** Petitioner requests that it be granted authority to issue and sell additional common stock or preferred stock (including tax-deductible

preferred stock) or a combination thereof, for cash, for an aggregate sale price not to exceed \$100,000,000. The additional common stock will be sold to VUHI. Petitioner will sell any preferred stock, for cash (i) by way of public offerings or private placements to non-affiliated parties or (ii) to VUHI, in the event VUHI sells its own preferred stock some or all of the proceeds of which will be allocated to Petitioner. In the event of such a preferred stock sale by VUHI, Petitioner will sell preferred stock to VUHI with terms that match those applicable to the VUHI preferred stock for an amount equal to the proceeds of the VUHI preferred stock sale allocated to Petitioner. Any preferred stock will be sold at a price of not less than the par value per share plus accrued dividends, if any, from the date of issuance to the date of delivery. Before issuing any preferred stock pursuant to this authority, CenterPoint's Board of Directors will, by resolution, in accordance with Petitioner's Amended and Restated Articles of Incorporation, as amended (the "Articles"), fix and determine the relative rights, preferences, qualifications, limitations and restrictions of each series of preferred stock, including the maximum number of shares, the annual dividend per share, provisions for a variable or adjustable rate, redemption and sinking fund provisions, preferences as to dividends and other distributions, including rights upon dissolution, and other terms and characteristics as may be determined and approved by the Board of Directors. Petitioner has a sufficient number of authorized but unissued shares of common stock and preferred stock under its Articles and, therefore, no shareholder action will be required for these transactions.

C. **Interest Rate Risk Management Transactions.** Petitioner requests Commission approval and authority to enter into one or more interest rate risk management transactions, including financing instruments such as forward starting interest rate swaps, treasury locks, derivative products, interest rate caps, floors and collars. The purpose of these types of

transactions is to better manage interest rate risks associated with any of the debt issued pursuant to this authorization or previous Orders of the Commission by, in effect (i) synthetically converting variable rate debt to fixed rate debt, (ii) synthetically converting fixed rate debt to variable rate debt, (iii) limiting the impact of changes in interest rates resulting from variable rate debt and (iv) providing the ability to enter into interest rate risk management transactions in future periods for planned issuances of debt securities. Petitioner proposes that the costs involved in any of these transactions be included in determining its overall cost of capital in future rate proceedings, consistent with past practice.

**5. Purposes of the Financing Program.** Petitioner proposes to apply the proceeds from the financing program, after payment of expenses incurred in connection therewith, for the reimbursement of its treasury for money actually expended or expected to be expended (i) for the acquisition of property, material, or working capital; (ii) the construction, completion, extension, or improvement of its facilities, plant, or distribution system; (iii) the improvement of its service; and (iv) the discharge or lawful refunding of its obligations. Petitioner has kept its accounts and vouchers of such expenditures in such a manner as to enable the Commission to ascertain the amount of money so expended and the purpose for which such expenditures were made. Thereafter, Petitioner shall use such net proceeds of the financing program to repay and refund outstanding long-term debt, to repay short-term borrowings and to finance its construction program or otherwise fund expected expenditures for its construction program.

Depending upon market conditions in existence during the period of time that the financing authority requested herein remains in effect, Petitioner may redeem in whole or in part other outstanding debt prior to the maturity date thereof. The desirability of any such transaction will

depend on several factors, including the then current interest rate environment, the market value of the securities and the premium Petitioner may have to pay to redeem any such securities. In addition, certain debt agreements issued in the private placement market contain a commonplace covenant that states a change in control of Vectren North's ultimate parent cannot be consummated unless an offer is made to prepay the notes at par.

Petitioner is engaged in the construction and acquisition of improvements, replacements and extensions to its gas utility plant, property, equipment and facilities required in its gas utility operations. Petitioner estimates that for the two-year period beginning April 1, 2021 through March 31, 2023, capital expenditures totaling approximately \$410,587,000 will be required for these purposes. Petitioner initially will make short-term borrowings for such purposes, and later a portion of such debt will be repaid and permanently funded from the proceeds of Petitioner's long-term debt and equity issues.

**6. Vectren Utility Holdings, Inc.** Petitioner is an affiliate of two other operating utilities: Vectren South and VEDO. Petitioner, Vectren South and VEDO are wholly-owned subsidiaries of VUHI, which in turn is a wholly-owned subsidiary of Vectren Corporation. Pursuant to authority granted by the Commission in its Orders in Cause No. 41909 dated May 24, 2001; Cause No. 42367 dated April 16, 2003; Cause No. 42888 dated October 26, 2005; Cause No. 43330 dated November 20, 2007; Cause No. 43714 dated October 21, 2009; Cause No. 44226 dated January 16, 2013; Cause No. 44546 dated March 4, 2015; Cause No. 44863 dated February 22, 2017; and Cause No. 45171 dated April 24, 2019, Petitioner issues new debt through VUHI pursuant to a Financial Services Agreement ("FSA") under which its debt requirements are pooled with those of Vectren South and VEDO, thereby creating larger debt issues at more attractive

interest rates and lower transaction costs than would otherwise be available. Petitioner proposes to issue some or all of the new debt for which authority is sought herein pursuant to this debt pooling arrangement.

Pursuant to the FSA, VUHI satisfies its needs and the combined long-term debt requirements of Petitioner, Vectren South and VEDO (collectively the “Participants”) by selling its own long-term debt securities in the public or private markets and reloaning the proceeds thereof to the Participants on the same terms as apply to the corresponding debt issue of VUHI. To ensure the availability of financing by VUHI to meet its financing needs and those of the Participants and to maximize the benefit of the pooling arrangement, the Participants provide ongoing joint and several guarantees of VUHI’s debt to make VUHI’s debt issues attractive to investors and to achieve lower debt costs. These ongoing guarantees of VUHI’s debt are provided pursuant to authority previously granted by the Commission in various financing proceedings, consistent with the provisions in the FSA.

The FSA between VUHI and the Participants also provides benefits to Petitioner with respect to short-term borrowings and management of its cash resources. VUHI arranges for access to short-term borrowings through a multi-year syndicated bank credit facility and, where appropriate, commercial paper issued in the public market. The proceeds of VUHI’s short-term borrowings are made available to the Participants through short-term loans on the same basis as that on which VUHI has borrowed. The costs of these short-term borrowings are more favorable than Petitioner could obtain on its own.

In Cause No. 43968, the Commission approved the amendment and restatement of the current FSA, effective December 31, 2011, which authorized the creation of FINCO-I and

replacement of the debt owned by Vectren North to VUHI with debt with the same terms owed by Vectren North to FINCO-I. Now that sufficient time has passed since the Private Letter Ruling, Vectren North intends to eliminate FINCO-I and reassign debt owed by Vectren North to FINCO-I back to VUHI. Petitioner is therefore seeking approval of, and authority to enter into, a revised FSA that restructures certain debts owed by the Participants. Such restructuring will simplify financial reporting and eliminate an unneeded structure. A copy of the proposed revised FSA will be submitted with Petitioner's case-in-chief. Vectren North also requests approval of the Commission to treat the transfer of debt of Vectren North now held by FINCO-I to VUHI, as equivalent to debt issued by Vectren North to FINCO-I, which in turn was supported by debt issued on the same terms by FINCO-I to VUHI, with respect to all financing authorizations previously granted by the Commission.

On September 28, 2016, the Commission issued General Administrative Order 2016-5 establishing a policy that affiliate contracts within the scope of Ind. Code § 8-1-2-49(2)(g) should have a definite termination date of not more than five years from the effective date of the contract. Because the proposed revised FSA is intended to support long-term debt issued by VUHI that extends beyond five years as well as use of multi-year credit facilities; and because the FSA will be subject to regular Commission scrutiny in Petitioner's future docketed financing proceedings, Petitioner requests that the Commission waive the five-year termination requirement for the proposed revised FSA.

VUHI also provides a cash management program under which operating cash surpluses and deficits of each Participant are loaned to or borrowed from VUHI on a daily basis at a rate equal to VUHI's blended daily cost of short-term borrowings. If VUHI is a net investor, any



Participant with an excess cash balance earns a rate of interest on those funds equal to the income earned on those funds by VUHL.

7. **Conditions To Enter Into Revised FSA.** The proposed revised FSA will also be submitted to this Commission, under a separate docketed proceeding, for approval as it affects Vectren South; as well as to the Public Utilities Commission of Ohio (“PUCO”) for approval as it affects VEDO. The FSA’s entry into force is conditioned upon receipt of the approval and authorization of this Commission and the PUCO without conditions or restrictions unacceptable to Vectren South, Vectren North, VEDO, or VUHL.

8. **Amortization of Issuance and Interest Rate Risk Management Costs.** Petitioner requests authority from the Commission to amortize issuance costs and interest rate risk management costs associated with new long-term debt issued pursuant to the authority granted herein over the life of the new debt issuance and in the case of interest rate risk management costs associated with currently outstanding debt, over the remaining life of such long-term debt. Petitioner also requests authority to treat all costs associated with the early redemption of outstanding debt and any unamortized issuance expense relating to the premature redemption of debt issues as an issuance expense to be amortized over the life of the refinancing issue or if not refinanced with long-term debt, over the original life of the debt being redeemed.

9. **Petitioner's Financial Data.** Attached hereto as *Exhibit B* is a Balance Sheet of Petitioner as of September 30, 2020 and September 30, 2019. Attached as *Exhibit C* is a Statement of Income of Petitioner for the twelve months ended September 30, 2020 and September 30, 2019.

**10. Petitioner's Financing Program Is Advantageous, Necessary and in the Public**

**Interest.** The proposed financing program is advantageous and necessary, and in the public interest. The consummation of the program will enable Petitioner to refinance short-term borrowings with long-term capital, ensure adequate liquidity, maintain an appropriate capital structure, and enable Petitioner to improve and expand its facilities and service so as to provide adequate, dependable, economic and efficient service to the public.

Since the proposed financings may be consummated from time to time in separate transactions, the actual capitalization ratios of Petitioner at any point in time cannot not be precisely determined due to the uncertainty of the actual amount of securities that may be issued by Petitioner during such period. However, Petitioner will give due consideration to the nature of the business in which Petitioner is engaged, its credit, future prospects and earnings and the effect which such issue of securities may have on the management and efficient operation of Petitioner. The total outstanding capitalization of Petitioner, inclusive of the financing programs and the application of the proceeds, therefrom, will not be in excess of the fair value of Petitioner's property.

**11. Applicable Statutory Provisions.** Petitioner considers that Ind. Code §§ 8-1-2-76 through 81, § 8-1-2-84(f) and § 8-1-4-1 may be deemed applicable to the subject matter of this petition.

**12. Proposed Procedural Schedule.** Petitioner and the Office of the Utility Consumer Counselor ("OUCC") have agreed to the proposed procedural schedule outlined below:

November 23, 2020	Petitioner files case-in-chief
February 1, 2021	OUCC files testimony
February 19, 2021	Petitioner files rebuttal testimony
March 5, 2021	Evidentiary Hearing

**13. Petitioner's Attorneys.** Petitioner's attorneys in this Cause who are duly authorized to accept service of pleadings on behalf of Petitioner are as follows:

Heather A. Watts, Atty. No. 35482-82  
Justin C. Hage, Atty. No. 33785-32  
One Vectren Square  
211 N.W. Riverside Drive  
Evansville, Indiana 47708  
Ms. Watts' Telephone: (812) 491-5119  
Mr. Hage's Telephone: (317) 260-5399  
Facsimile: (812) 491-4238  
Email: [Heather.Watts@centerpointenergy.com](mailto:Heather.Watts@centerpointenergy.com)  
Email: [Justin.Hage@centerpointenergy.com](mailto:Justin.Hage@centerpointenergy.com)

WHEREFORE, Petitioner respectfully requests that the Indiana Utility Regulatory Commission make such investigation and hold such hearings as it may deem necessary, and thereafter make and enter an Order in this Cause:

(i) authorizing Petitioner to issue from time to time over the period from the date of the Order in the proceeding and ending March 31, 2023, of up to \$225,000,000 in aggregate principal amount of unsecured long-term debt with fixed or variable interest rates, in the form of promissory notes and other evidences of indebtedness as described in this Petition and in Petitioner's evidence to be submitted herein;

(ii) authorizing the sale of additional common stock or preferred stock or a combination thereof for a price not to exceed \$100,000,000;

(iii) authorizing Petitioner to engage in interest risk management transactions, as described in this Petition;

(iv) authorizing Petitioner to use the cash proceeds arising from the issuance and sale of such long-term debt, common stock and preferred stock for the purposes set forth in this Petition;

(v) authorizing Petitioner to amortize the issuance costs associated with new long-term debt issued pursuant to the authority granted herein over the life of the new issue and to treat the costs associated with any early redemption or purchase in lieu of redemption of any outstanding long-term debt, including any premium, and any unamortized issuance expense of any such prematurely redeemed or purchased issues as an issuance expense to be amortized over the life of the refinancing issue, or if not refinanced with long-term debt, amortized over the original life of the debt being redeemed;

(vi) authorizing Petitioner to treat the costs of interest risk management transactions applicable to a debt issue as a debt cost to be amortized over the life of the new issue or the remaining life of the outstanding issue, as the case may be, in the same manner as the issuance costs related to that issue;

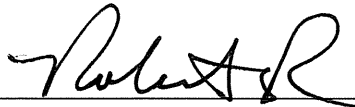
(vii) granting such approvals and authorizations as may be necessary for the Financial Services Agreement transactions described above, including approval of the revised Financial Services Agreement concerning the debt pooling arrangement among its affiliate utilities and VUHI; waiving of the five-year termination requirement for Petitioner's revised Financial Services Agreement; approving the transfer of debt of Vectren North now held by FINCO-I to VUHI; and other matters relating to such transaction;

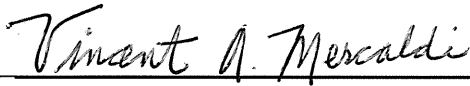
(viii) issuing to Petitioner a Certificate of Authority for the issuance of securities pursuant to the financing program; and


(ix) making such other and further Orders in the premises as the Commission may deem appropriate and proper.

Dated this 23<sup>rd</sup> day November, 2020.

**INDIANA GAS COMPANY, INC. d/b/a  
VECTREN ENERGY DELIVERY OF  
INDIANA, INC., A CENTERPOINT ENERGY  
COMPANY**

By:   
Robert B. McRae  
Vice President and Treasurer

By:   
Vincent A. Mercaldi  
Corporate Secretary

By:   
Heather A. Watts  
Attorney No. 35482-82

Attorney for Indiana Gas Company, Inc.  
d/b/a Vectren Energy Delivery of Indiana,  
Inc., a CenterPoint Energy Company

STATE OF TEXAS                    )  
  ) SS:  
COUNTY OF HARRIS                )

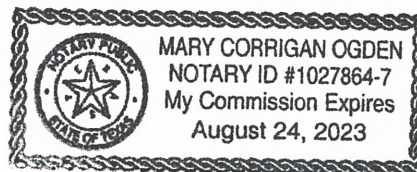
Robert B. McRae and Vincent A. Mercaldi, being first duly sworn, upon oath, depose and say that they are, respectively, the Vice President and Treasurer, and Corporate Secretary of Indiana Gas Company, Inc., an Indiana corporation and Petitioner in this Cause; that as such officers of said corporation they have executed the foregoing Verified Petition and have authority to do so; that they have read said Verified Petition and know the contents thereof; and that the statements therein contained are true to the best of their knowledge, information and belief.

By: *Robert B. McRae*  
Robert B. McRae  
Vice President and Treasurer

By: *Vincent A. Mercaldi*  
Vincent A. Mercaldi  
Corporate Secretary

Subscribed and sworn to before me, a Notary Public in and for said State and County aforesaid, this 23rd day of November, 2020.

*Mary Corrigan Ogden*  
Mary Corrigan Ogden



My Commission Expires:

*August 24, 2023*

My County of Residence:


*Harris*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing Verified Petition of Indiana Gas Company, Inc., has been served by electronic mail transmission, addressed to:

Office of Utility Consumer Counselor  
ATTN: Jeffrey M. Reed  
115 W. Washington Street  
Suite 1500 South  
Indianapolis, Indiana 46204  
jreed@iurc.in.gov  
infomgt@oucc.in.gov

This 23rd day of November, 2020.



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Heather A. Watts  
Attorney No. 35482-82

**Indiana Gas Company, Inc.**  
**Schedule of Long-Term Debt Outstanding**  
**September 30, 2020**

<u>Debt Series</u>	<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	
6.53% Series E3	06/27/25	10,000,000	1
6.42% Series E7	07/07/27	5,000,000	2
6.68% Series E8	07/07/27	1,000,000	3
6.34% Series F2	12/10/27	20,000,000	4
6.36% Series F5	05/01/28	10,000,000	5
6.55% Series F6	06/30/28	20,000,000	6
7.08% Series G	10/05/29	30,000,000	7
3.20% VUHI Notes	06/05/28	8,952,105	8
6.10% VUHI Notes	12/01/35	50,568,961	9
4.25% VUHI Notes	06/05/43	15,914,853	10
3.72% VUHI Notes	12/05/23	74,540,046	11
3.90% VUHI Notes	12/15/35	8,290,114	12
4.36% VUHI Notes	12/15/45	55,543,145	13
4.51% VUHI Notes	12/15/55	15,751,217	14
3.26% VUHI Notes	08/28/32	24,862,171	15
3.93% VUHI Notes	11/29/47	69,607,078	16
3.72% VUHI Notes	12/05/23	24,846,682	17
3.42% VUHI Notes	09/10/49	20,000,000	18
1.21% VUHI Notes	07/01/25	10,000,000	19
		<u><b>\$ 474,876,372</b></u>	20
			21
			22
			23
<b>Effective Weighted Average Interest Rate = 4.618%</b>			



**INDIANA GAS COMPANY, INC. & SUBSIDIARY COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(\$000's)

	At September 30, 2020	At September 30, 2019	
<b><u>ASSETS</u></b>			
Utility Plant			
Original cost	\$2,933,436	\$2,767,166	1
Less: accumulated depreciation & amortization	1,482,524	1,395,419	2
<b>Net utility plant</b>	<b>1,450,912</b>	<b>1,371,747</b>	3
			4
Current Assets			5
Cash & cash equivalents	1,140	2,778	6
Accounts receivable, less reserves	27,571	25,563	7
Receivables due from other Vectren companies	-	-1	8
Accrued unbilled revenues	9,911	6,305	9
Inventories	26,219	25,270	10
Recoverable natural gas costs	2,628	4,588	11
Prepayments & other current assets	19,435	22,545	12
<b>Total current assets</b>	<b>86,904</b>	<b>87,048</b>	13
			14
Other investments	6,022	5,157	15
Regulatory assets	179,377	164,472	16
Other assets	17,517	21,110	17
<b>TOTAL ASSETS</b>	<b>\$ 1,740,732</b>	<b>\$ 1,649,534</b>	18
			19
			20
<b><u>LIABILITIES &amp; SHAREHOLDERS' EQUITY</u></b>			
			21
			22
Common Shareholders' Equity			23
Common stock (no par value)	\$399,536	\$399,536	24
Retained earnings	372,546	298,254	25
<b>Total common shareholders' equity</b>	<b>772,083</b>	<b>697,790</b>	26
Long-term debt payable to third parties - net of current maturities & debt subject to tender	96,000	96,000	27
Long-term debt payable to Utility Holdings	378,876	348,876	28
<b>Total long-term debt, net</b>	<b>474,876</b>	<b>444,876</b>	29
			30
Current Liabilities			31
Accounts payable	61,553	45,827	32
Payables to other Vectren companies	8,989	29,713	34
Accrued liabilities	45,470	55,871	35
Short-term borrowings payable to Utility Holdings	39,165	35,899	36
Current maturities of long-term debt	-	9,997	37
<b>Total current liabilities</b>	<b>155,178</b>	<b>177,307</b>	38
			39
Deferred Income Taxes & Other Liabilities			40
Deferred income taxes	154,566	138,557	41
Regulatory liabilities	111,416	123,359	42
Deferred credits & other liabilities	72,612	67,647	43
<b>Total deferred income taxes &amp; other liabilities</b>	<b>338,594</b>	<b>329,562</b>	44
			45
<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>	<b>\$ 1,740,731</b>	<b>\$ 1,649,535</b>	46

**INDIANA GAS COMPANY, INC. & SUBSIDIARY COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
(\$000's)

		Twelve Months Ended September 30,			
		2020	2019		
OPERATING REVENUES	\$	563,040	\$ 603,253	1	
COST OF GAS		208,815	260,430	2	
<b>GAS OPERATING MARGIN</b>		<b>354,225</b>	<b>342,824</b>	3	
					4
OPERATING EXPENSES				5	
Other operating		130,247	154,558	6	
Depreciation & amortization		100,794	94,093	7	
Taxes other than income taxes		18,779	18,739	8	
Total operating expenses		249,820	267,390	9	
					10
<b>OPERATING INCOME</b>		<b>104,405</b>	<b>75,434</b>	11	
					12
Other income - net		1,669	2,546	13	
					14
Interest expense		22,980	22,762	15	
					16
<b>INCOME BEFORE INCOME TAXES</b>		<b>83,094</b>	<b>55,218</b>	17	
					18
Income taxes		8,802	8,274	19	
					20
<b>NET INCOME</b>	\$	<b>74,293</b>	\$ <b>46,945</b>	21	