

STATE OF INDIANA

FILED
JUNE 19, 2018
INDIANA UTILITY
REGULATORY COMMISSION

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE INDIANA UTILITY)
REGULATORY COMMISSION'S INVESTIGATION)
INTO THE IMPACTS OF THE TAX CUTS AND) CAUSE NO. 45032 S6
JOBS ACT OF 2017 AND POSSIBLE RATE)
IMPLICATIONS)

IURC
RESPONDENT'S /
EXHIBIT NO. 11-5-18
DATE REPORTER

PREFILED DIRECT TESTIMONY

OF

BONNIE J. MANN

EXHIBIT NO. 11-5-18
DATE REPORTER

ON BEHALF OF

BOONVILLE NATURAL GAS CORPORATION

BOONVILLE NATURAL GAS CORPORATION
PREFILED DIRECT TESTIMONY OF BONNIE J. MANN

1 1. **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Bonnie J. Mann. My business address is LWG CPAs &
3 Advisors, 1776 North Meridian Street, Indianapolis, Indiana 46202.

4 2. **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND,**
5 **PROFESSIONAL QUALIFICATION, AND ANY EXPERIENCES**
6 **THAT YOU BELIEVE ARE RELEVANT TO THE CONCLUSIONS**
7 **YOU HAVE REACHED IN THIS TESTIMONY.**

8 A. I hold a BS degree in Business with a concentration in Accounting. I
9 am licensed as a Certified Public Accountant in the State of
10 Indiana. LWG CPAs & Advisors (LWG) is a firm that specializes in
11 various financial matters including those specifically related to
12 utilities. I and other colleagues in LWG regularly testify before the
13 Commission on revenue requirements and other matters. Such
14 testimony typically includes the calculation federal income taxes
15 and depreciation. Finally, I and my colleagues have worked with a
16 number of utilities in Cause No. 45032, have reviewed the
17 Commission's Docket Entries in Cause No. 45032, and have
18 attended the conferences that have been held by the Commission
19 under Cause No. 45032.
20

1 3. Q. DO YOU BELIEVE YOU UNDERSTAND THE COMMISSION'S
2 INVESTIGATION INTO THE TAX CUTS AND JOBS ACT OF 2017
3 UNDER CAUSE NO. 45032.

4 A. Yes.

5
6 4. Q. ARE YOU WORKING WITH ANY SPECIFIC PUBLIC UTILITIES
7 IN THE SUB DOCKETS CREATED UNDER CAUSE NO. 45032?

8 A. Yes, I and my colleagues are working with the Respondents:
9 Midwest Natural Gas Corporation; Indiana Utilities Corporation;
10 South Eastern Indiana Natural Gas Company, Inc.; Fountaintown
11 Gas Company, Inc.; Community Natural Gas Co., Inc.; Boonville
12 Natural Gas Corporation; and Indiana Natural Gas Corporation. I
13 and my colleagues have also worked with a number of other utilities
14 in 45032, such as Switzerland County Natural Gas Company, Inc.,
15 where sub dockets have not been created.

16
17 5. Q. HAVE YOU PREVIOUSLY WORKED WITH THESE
18 COMPANIES?

19 A. Yes, I assisted all of these companies in establishing their current
20 base rates.

21
22 6. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY HERE?

23 A. We have been asked to assist the above public utilities in
24 responding to the Commission's Docket Entry in Cause No. 45032
25 dated May 14, 2018 creating sub dockets.

1
2 7. **Q. WHAT IS YOUR UNDERSTANDING OF THE REQUIREMENTS**
3 **OF THAT DOCKET ENTRY?**

4 A. It is our understanding that these sub dockets are meant to cover
5 all the issues related to the Tax Cuts and Jobs Act that were not
6 addressed in Phase I. We believe the docket entry requires that
7 each of our Respondents file a Case-in-Chief by June 19, 2018.
8 Such Case-in-Chief should consider the material filed by the
9 Consumer Parties on May 2, 2018 and any other matters the
10 Respondents believe are relevant.

11
12 8. **Q. IS THE PROCESS OF DETERMINING THE AMOUNT OF**
13 **EXCESS ACCUMULATED DEFERRED FEDERAL INCOME TAX**
14 **A SIMPLE MATH CALCULATION FOR THESE SUB DOCKETS?**

15 A. No. An over simplification of the process would describe the
16 calculation of excess accumulated deferred federal income taxes
17 as the difference between deferred income taxes calculated at the
18 prior tax rate and the current tax rate. But deferred federal income
19 taxes are created by a series of individual numbers each requiring
20 a different measurement and some of those measurements even
21 differ by jurisdiction such as federal versus state. Some of those
22 deferred income taxes are related to long term assets and will be
23 paid by the utility over a number of years in the future. Some
24 deferred taxes relate to short term assets and will be paid back by

1 the utility in the year after they are incurred. Additionally for non-
2 December tax filers there is the added complication that
3 measurements are not being made at a calendar year end date and
4 the tax rate on their next tax return will not be 21%. While the
5 calculation of the excess accumulated deferred federal income
6 taxes was not different for each group, the calculation of the
7 accumulated deferred federal income taxes were.

8
9 **9. Q. WHO ARE THE NON-DECEMBER YEAR END FILERS IN THE**
10 **GROUP OF UTILITIES YOU ARE REPRESENTING?**

11 A. Midwest Natural Gas, Indiana Natural Gas, Indiana Utilities and
12 Community Natural Gas do not have tax year ends as of December
13 31. The remaining utilities Boonville Natural Gas, Fountaintown
14 Natural Gas, and South Eastern Natural Gas do file tax returns
15 based on the calendar year.

16
17 **10. Q. PLEASE DESCRIBE THE DIFFERENCE IN CALCULATING THE**
18 **ACCUMULATED DEFERRED FEDERAL INCOME TAXES FOR**
19 **YEAR END TAX FILERS VERSUS FISCAL YEAR TAX FILERS?**

20 A. First I would note that these utilities are small with limited
21 administrative personnel. As a result, they do not recalculate the
22 accumulated deferred federal income tax liability each month. For
23 those utilities with a tax year ending in December 31, 2017 the
24 accumulated deferred federal income tax liability was calculated at

1 the end of the calendar year at 21%, and an excess accumulated
2 deferred federal income tax regulatory liability account was created.
3 For utilities without a tax year ending in December, an estimate was
4 calculated for the excess deferred federal income tax liability and a
5 regulatory liability account was created based on that estimate. The
6 calculation of the final excess deferred income taxes has now been
7 made as part of this Phase II proceeding. As a result some of the
8 utilities have had to make adjustments to the previously recorded
9 estimates.

10
11 **11. Q. WHAT ARE THE UNDERLYING DEFERRED TAX ELEMENTS**
12 **FOR THE SMALL NATURAL GAS UTILITIES YOU ARE**
13 **REPRESENTING IN THE SUB DOCKETS?**

14 A. The exact combination varies by utility. The one that they all have
15 in common, and is the largest deferred tax item, is the difference
16 between book and tax depreciation. Other components of deferred
17 taxes include other comprehensive income components for
18 retirement benefits; unrealized gains and losses on investments;
19 tax carryforwards including capital loss carryforwards, and
20 charitable contribution carryforwards; rate case cost deducted for
21 federal tax purposes but amortized for regulatory purposes; unbilled
22 revenue; and other small miscellaneous differences. In most cases
23 the numbers used here are updated to December 31 for the non-

1 calendar year end filers, but there are some that use the underlying
2 item value at the end of the prior fiscal year as a basis.

3
4 **12. Q. HAVE YOU PROVIDED THE CALCULATION OF THE EXCESS**
5 **ACCUMULATED DEFERRED FEDERAL INCOME TAX FOR**
6 **EACH UTILITY?**

7 A. Yes. Exhibit 1 for each utility includes the calculation of the excess
8 accumulated deferred federal income tax showing the individual
9 components of the calculation including both protected and
10 unprotected portions of the excess accumulated deferred federal
11 income tax liability

12
13 **13. Q. WHY ARE THERE ESTIMATES OF NUMBERS BASED ON THE**
14 **PRIOR YEAR END?**

15 A. The deferred taxes related to the retirement component would
16 require a new retirement study to be performed to be updated. The
17 utilities involved did not believe that it was cost effective to update
18 the study for this one calculation. As a result the numbers included
19 for that component match those from the study performed for the
20 tax year end of the utilities involved.

21
22 **14. Q. IS THE EXCESS ACCUMULATED DEFERRED FEDERAL**
23 **INCOME TAX CALCULATION PRESENTED IN EXHIBIT 1 THE**
24 **AMOUNT THE UTILITY IS PROPOSING TO REFUND?**

1 A. No. I believe the amount to be refunded to customers is the amount
2 that was actually collected from customers in excess of the tax that
3 will be paid.

4
5 15. Q. **WHAT IS THE PROPER METHOD TO CALCULATE THE**
6 **AMOUNT OF DEFERRED TAXES COLLECTED FROM**
7 **CUSTOMERS?**

8 A. You should begin by looking at the income tax calculation from the
9 prior base rate proceeding. The calculation of income tax expense
10 included in the prior revenue requirements is not based on actual
11 taxable income or the actual marginal tax rate of the utility. It is
12 instead calculated on total net operating income from existing
13 customers at the stated rate for that level of income. I would note
14 that this can be an issue itself if permanent tax differences are
15 ignored during the process, or there are components of deferred
16 taxes that don't run through income like those associated with other
17 comprehensive income. As a result the tax expense calculation for
18 revenue requirements is both a current and deferred income tax
19 calculation. The amount of deferred income taxes being collected
20 from customers is the amount embedded in that income tax
21 calculation.

22 16. Q. **HAVE YOU DETERMINED THE AMOUNT OF EXCESS**
23 **ACCUMULATED DEFERRED FEDERAL INCOME TAXES TO BE**
24 **REFUNDED?**

1 A. If the income tax expense calculation includes the revenue for the
2 deferred income taxes then the accumulated deferred income taxes
3 at that point will match up to the income tax calculation. Therefore,
4 I have recalculated the deferred income taxes from each utility's
5 last base rate case assuming a federal tax rate of 21%. The
6 difference between those accumulated deferred federal income tax
7 calculations is the amount of excess accumulated deferred federal
8 income taxes I am proposing be returned to customers. Those
9 calculations can be found on Exhibit 3 for each utility.

10
11 **17. Q. THE EXCESS ACCUMULATED DEFERRED FEDERAL INCOME**
12 **TAX ON EXHIBIT THREE (3) SHOWS THE REMOVAL OF SOME**
13 **ITEMS ORIGINALLY INCLUDED IN THE DEFERRED TAX**
14 **AMOUNTS INCLUDED IN THE AMOUNT USED FOR THE LAST**
15 **BASE RATE CASE, WHY WERE THESE ITEMS REMOVED?**

16 A. The items removed fall into two categories. Short term items and
17 non-income statement items. Short term items are items that are
18 deferred for only one year. As a result those taxes have been
19 incurred and paid at the utility's prior tax rate and therefore do not
20 need to be refunded. Non-income statement items have been
21 removed because they are not included in the tax calculation for the
22 rates and therefore were not collected from customers. Going back
23 to the discussion above that it is the income tax calculation that
24 creates the amount of deferred tax included in rates, any deferred

1 tax items not related to the operating income statement are not
2 going to be included in that calculation and should not be included
3 in the refund calculation.

4
5 **18. Q. WHY DID YOU INCLUDE LESS DOCUMENTATION FOR THE**
6 **CALCULATIONS IN EXHIBIT 3 THAN INCLUDED FOR EXHIBIT**
7 **1?**

8 A. The accumulated deferred federal income tax calculation
9 referenced in exhibit 3 was included in each utilities last rate case
10 and has therefore been previously vetted by both the OUCC and
11 the IURC.

12
13 **19. Q. WHAT IS EXHIBIT 2?**

14 A. Once the amount of the refund to customers has been established,
15 the time frame of the refund must be determined for each utility.
16 Exhibit 2 addresses the time frame. Because the majority of the
17 underlying components are long term, the return of the excess
18 should also extend over multiple years. Based upon the level of
19 detail held by the utilities, it was determined that the alternative
20 weighted average life method should be used. For the protected
21 portion of the excess accumulated deferred federal income taxes
22 each utility has calculated the estimated average remaining useful
23 life of its utility plant in service. The calculations were made based

1 on classes of UPIS and then a weighted average approach was
2 used to determine the final amortization numbers.

3
4 **20. Q. IF THE EXCESS ACCUMULATED DEFERRED FEDERAL**
5 **INCOME TAX REFUND IS BEING CALCULATED BASED ON**
6 **THE LAST RATE CASE, WHY IS IT APPROPRIATE TO USE**
7 **THE CURRENT REMAINING LIVES OF THE ASSETS TO**
8 **RETURN THAT EXCESS?**

9 A. The remaining useful lives of the underlying assets are shorter now
10 than they were at the time of each utility's last rate case. To use
11 the older remaining life to amortize the amounts would extend the
12 refund to the customer beyond the remaining useful life of the
13 assets involved. It would inappropriate to extend the amortization
14 period beyond the lives of the assets involved

15
16 **21. Q. WHAT IS YOUR PROPOSAL FOR THE AMORTIZATION OF THE**
17 **UNPROTECTED EXCESS ACCUMULATED DEFERRED**
18 **FEDERAL INCOME TAXES?**

19 A. Due to the smaller amount involved with these numbers, the utilities
20 have proposed to use the same amortization period for the entire
21 excess accumulated deferred federal income tax. This also has the
22 advantage of making the tracking of the amortization easier for both
23 the small gas utilities and the regulators.

1 22. Q. OTHER THAN THE CALCULATION OF THE REFUND FOR THE
2 EXCESS ACCUMULATED DEFERRED FEDERAL INCOME
3 TAXES, WHAT ELSE WAS REQUIRED BY THE IURC DOCKET
4 ENTRY?

5 A. The remaining requirement was focused on the disposition of the
6 over collected revenue from January 1, 2018 through April 30,
7 2018. For this portion of the requirement we are again providing a
8 calculation and recommending a method for returning the over
9 collection over an appropriate period of time.

10 23. Q. PLEASE EXPLAIN YOUR CALCULATION OF THE OVER
11 COLLECTION FOR EACH UTILITY?

12 A. My calculation is reflected in my Exhibit 4 for each utility, except for
13 Midwest Natural Gas and Indiana Natural Gas. The information for
14 those two utilities is being presented by witness David Osmon.
15 During Phase I of this proceeding the IURC approved for each
16 utility a new set of tariffs. These tariffs were approved on April 30,
17 2018 for use starting May 1, 2018. Thus these utilities collected the
18 higher revenue for the first four months of 2018. The calculation
19 shown on the first page of Exhibit 4 is a calculation of the difference
20 in revenue between the pre-April 2018 tariff and the post-April 2018
21 tariff based on the actual volumes sold by the utility. For customer
22 classes whose bills include an NTA adjustment, the change in tariff
23 was calculated for that adjustment and then either added to or
24

1 removed from the total depending the nature of the NTA in that
2 billing cycle. The net over collection column reflects the amount due
3 to each class of customers based on the difference in the tariff.

4
5 **24. Q. WHAT IS YOUR PROPOSAL FOR RETURNING THE OVER**
6 **COLLECTED REVENUE?**

7 A. The OUCC has suggested that any over collection should be
8 returned to customers over the same time period in which such
9 over collection was created. For the utilities I am representing in
10 this sub docket, the over collection occurred during the four months
11 of January through April. As the Commission is aware, natural gas
12 sales can vary over any given four month period. However, since
13 the over collection occurred during a heating period, these utilities
14 believed, and I agreed, that the refund should also occur over a
15 heating period. Since the Commission has indicated it anticipates
16 concluding these sub dockets with an Order near the end of the
17 calendar year, we are proposing to return the over-collection over
18 the months of January through April 2019.

19
20 **25. Q. WHAT IS THE METHOD OF REFUND THAT THE UTILITIES ARE**
21 **PROPOSING FOR THIS OVER COLLECTION?**

22 A. We are proposing a temporary tracker mechanism with a
23 reconciliation feature. We believe this is the best way to return the
24 over collection to the actual customers who generated the excess

1 revenue for these seven small gas utilities. With that as the goal
2 each utility has calculated a tracker based on the expected revenue
3 for the first four months of 2019. However, even with NTA, there
4 can be changes in consumption that will mean that the revenue is
5 not properly returned to customers during that period. As a result,
6 these utilities are proposing that a reconciliation be completed at
7 the end of that period. The reconciliation for the four month period
8 would be included with the work papers in the GCA filing that
9 includes a reconciliation of April 2019. The difference between the
10 total revenue over collected by the utilities and the amount of
11 revenue returned by the utilities would be included in the schedule
12 12 variances for the GCA.

13
14 **26. Q. IS THERE ANY OTHER INFORMATION THAT YOU BELIEVE IS**
15 **RELEVANT TO THIS CAUSE?**

16 A. Yes. There are a number of issues that I don't believe this sub
17 docket has adequately addressed. Those include blended tax rates,
18 the cost of these proceedings, the impact of the change in deferred
19 taxes on the equity structure, and the impact of this proceeding on
20 risk for these utilities.

21
22 **27. Q. WHAT ARE YOUR CONCERNS RELATED TO BLENDED TAX**
23 **RATES?**

1 A. Cause No. 45032 was started based on the tax rate change on
2 January 1, 2018. There is an embedded assumption that every
3 utility will only pay 21% on the revenue reflected in the tax return for
4 tax year 2018. While I understand that assumption, it does not take
5 into account non calendar year taxpayers. For any tax paying
6 entity that has a non-calendar year end, their tax rate in 2018 will
7 not be 21%. It will be a blended rate based on the number of
8 months at each tax rate during their tax year. In calculating the
9 refund on the over collection of revenue for the first four months of
10 2018 and in calculating the change in deferred taxes, all of the
11 utilities have used a 21% tax rate. However that means that the
12 utilities not using a calendar tax year end will be returning to
13 customers more than they should due to the requirement to pay
14 taxes at a rate higher than 21% during their current tax year.

15
16 **28. Q. WHAT ARE YOUR CONCERNS RELATED TO THE COSTS OF**
17 **THIS PROCEEDING?**

18 A. This proceeding was created by the Commission and all of the
19 small gas utilities were required to be Respondents in this
20 proceeding. These regulatory proceedings come with a cost. The
21 small natural gas utilities I am representing are requesting that the
22 Commission allow them to defer the cost of this proceeding as a
23 regulatory asset that can be reviewed and eventually recovered in
24 their next full base rate case.

1
2 **29. Q. WHAT ARE YOUR CONCERNS ABOUT THE IMPACT OF**
3 **DEFERRED TAXES ON THE CAPITAL STRUCTURE?**

4 A. The IURC has asked these utilities to recalculate those deferred
5 taxes, and to the extent that they are lower, return the excess to
6 customers. Deferred taxes are included in the base rate capital
7 structure at a 0% cost. A high deferred tax value with a 0% cost
8 within the capital structure will result in a lower overall weighted
9 average cost of capital. If the deferred tax number is lowered the
10 weighted average cost of capital goes up and the authorized
11 earnings on the utility should be increased.

12
13 **30. Q. WHAT ARE YOUR CONCERNS RELATED TO RISK TO THESE**
14 **UTILITIES AS A RESULT OF THIS PROCEEDING?**

15 A. I believe risk for utility investors is created by uncertainty.
16 Historically, this Commission has indicated that it would not use
17 single issue ratemaking to change base rates. Further, after
18 requiring the small gas utilities to appear as Respondents in this
19 cause, and instructing each to file a Phase 1 tariff to implement the
20 effect of the Tax Cuts and Jobs Act, Switzerland County Natural
21 Gas' Phase 1 tariff was denied, apparently because it reflected an
22 increase. Since filings under Indiana Code 8-1-2-42 often reflect
23 increases, this denial underscores the uncertainty now created by
24 this proceeding.

1
2 **31. Q. ARE YOU PRESENTING NEW TARIFFS IN THIS SUB DOCKET**
3 **CHANGES?**

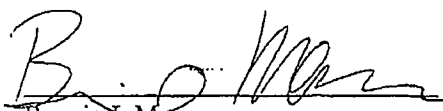
4 A. No. The tariffs have already been adjusted for the change in the tax
5 rate. Therefore the only change will be to add the adjustment for
6 the refunding of the excess accumulated deferred federal income
7 taxes. The utilities anticipate making a compliance filing once an
8 Order in these sub dockets have been received.

9
10
11 **32. Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 A. Yes, it does.

VERIFICATION

I affirm under the penalties of perjury that the foregoing is true to the best of my knowledge, information and belief as of the date here filed.


Bonnie J. Mann

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following counsel of record electronically this 19th day of June, 2018:

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L. Parvin Price

Boonville Natural Gas Corporation

EXHIBITS

CAUSE NO. 45032-S6

Boonville Natural Gas Corporation

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Page 6	Deferred Income Tax

Exhibit 2

Page 1	Average Rate Assumption Method ("ARAM")
Page 2	Depreciation Expense - Book
Page 3	Depreciation Expense - Federal
Page 4	Remaining Lives

Exhibit 3

Page 1	Refundable Excess Deferred Income Taxes Calculation
Page 2	Deferred Tax at 34%
Page 3	Deferred Tax at 21%

Exhibit 4

Page 1	Summary of Revenue Over Collection
Page 2	Calculation of Revenue Refund Tracker
Page 3 -6	Monthly Revenue Over Collection

Boonville Natural Gas Corporation
Deferred Tax Asset/Liability

Line		After Tax Act	Prior to Tax Act
1	Net Book Value (Exhibit 1 Page 2)	7,281,602	7,281,602
2	Plant Costs per Federal Depr Report (Exhibit 1 Page 3)	1,213,761	1,213,761
3	Other Adjustments (Exhibit 1 Page 10):		
4	Accrued Wages	(10,406)	(10,406)
5	Unamortized Rate Case	68,269	68,269
6	Unbilled Revenue	42,055	42,055
7	Difference in NBV ((Sum Line 2 - 7) - Line 1))	(5,967,923)	(5,967,923)
8	State Deferred Tax Estimate (Exhibit 1 Page 4)	(358,075)	(358,075)
9	NBV less State Deferred Tax Estimate (Line 8 - Line 9)	(5,609,848)	(5,609,848)
10	Tax Rate	21.0%	34.0%
11	Current Period Deferred (Line 10 * Line 11)	(1,178,068)	(1,907,348)
12	Deferred Tax under old rate	(1,907,348)	
13	Deferred Tax under new rate (Line 11)	(1,178,068)	
14	Regulatory Liability (Line 12 + Line 13)	(729,280)	
Unprotected Accumulated Deferred Income Tax ("ADIT")			
		After Tax Act	Prior to Tax Act
15	Accrued Wages	(10,406)	(10,406)
16	Unamortized Rate Case	68,269	68,269
17	Unbilled Revenue	42,055	42,055
18		99,918	99,918
19	Tax Rate	21.0%	34.0%
20	Unprotected ADIT	20,983	33,972
21	Unprotected ADIT After Tax Act	20,983	
22	Unprotected ADIT Prior to Tax Act	33,972	
23		(12,989)	
24	State Deferred Tax Estimate (Exhibit 1 Page 4)	(358,075)	
25	Change in tax rates (34% - 21%)	13.0%	
26		(46,550)	
27	Total Unprotected excess ADIT (Line 23 + Line 26)	(59,539)	

Boonville Natural Gas Corporation
Trial Balance
December 31, 2017

<u>Line</u>	<u>Account</u>	<u>12/31/2017</u>
1	108-000 · Accum. depreciation - plant	(3,210,083.89)
2	108-010 · Accum. depreciation - general	(5,017,115.37)
3	108-020 · Accumulated depreciation - PSC	27,313.51
4	114-000 · Aquisition adjustment	32,952.00
5	115-000 · Accumulated amortization	(32,952.00)
6	301-000 · Organizational expenses	2,021.94
7	302-000 · Franchise & consents	3,503.00
8	303-000 · Miscellaneous intangible plant	397.63
9	365-200 · Right of way	35,726.38
10	374-000 · Land and land rights	87,509.76
11	375-000 · Struc & improv gen plant	1,415,738.07
12	376-000 · Mains	6,688,918.80
13	376-100 · Main deposits	(1,500.00)
14	378-000 · Regulating stations equip	381,055.39
15	380-000 · Services	2,058,072.66
16	381-000 · Meters	890,417.08
17	381-010 · Meter Equip-AMR	314,239.63
18	382-000 · Meter installation	279,303.85
19	383-000 · House regulator	68,023.74
20	384-000 · House regulator install	19,977.37
21	387-000 · Other equipment	98,216.81
22	390-000 · Struc & improv dist plant	601,601.56
23	391-000 · Office furniture & fixtures	377,710.37
24	392-000 · Transportation equipment	948,858.59
25	393-000 · Stores equipment	8,245.91
26	394-000 · Tools & shop equipment	373,631.50
27	396-000 · Power operated equipment	595,177.70
28	397-000 · Communication equipment	202,426.11
29	398-000 · Miscellaneous equipment	32,213.56
30		
31		<u><u>7,281,601.66</u></u>

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Tax Asset Detail 1/01/17 - 12/31/17											
FYE 12/31/2017											
Asset #	Property Description	Udate in Service	Tax Cost	Sec 179 Exp Current yr	Tax Bonus Add	Tax 179 Depreciation	Tax Current Depreciation	Tax 1st Yr Left	Tax Net Book Value	Tax Method	Tax Basis
Group 1 TRANSPORTATION EQUIPMENT (equipment)											
1148	190V TRUCK	2/23/06	9,381.30	0.00	0.00	9,381.30	0.00	0.00	0.00	200% DB	7.0
1149	2010 CHEVROLET SILVERADO	5/28/10	60,221.75	891.20	23,850.13	23,850.13	0.00	15,280.43	44,371.62	100%	5.0
1211	2018 CHEVY SILVERADO	5/14/17	31,116.25	11,116.25	0.00	0.00	11,116.25	11,116.25	0.00	200% DB	5.0
1230	MINI COOPER	10/13/07	20,000	20,000	0.00	0.00	20,000	20,000	0.00	200% DB	7.0
TRANSPORTATION EQUIPMENT											
			90,698.30	11,116.25	23,850.13	23,850.13	11,116.25	35,280.43	49,157.57		
Group 2 - INDEBT REIMBURSEMENTS											
507	STRAIGHT DEBT INT - INDEBT	2/05/08	3,025.00	0.00	0.00	2,452.17	28.14	1,562.50	482.74	150% DB	15.0
511	OFFICE EQUIPMENT - INDEBT	7/23/08	7,375.00	0.00	0.00	5,817.18	0.00	1,557.82	0.00	100% DB	7.0
513	MAINT REIMBURSEMENTS - INT	0/10/08	53,721.00	0.00	0.00	53,721.00	0.00	0.00	0.00	200% DB	7.0
515	OFFICE SUPPLIES - INDEBT	6/25/08	1,180.00	0.00	0.00	1,180.00	0.00	1,180.00	0.00	200% DB	7.0
517	STORAGE	0/30/08	3,810.75	0.00	0.00	3,810.75	0.00	3,810.75	0.00	200% DB	7.0
519	HOUSEHOLD UTILITIES - INDEBT	0/10/08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200% DB	7.0
519	MAINT REIMBURSEMENTS	12/31/17	270,165.91	0.00	0.00	270,165.91	0.00	270,165.91	0.00	200% DB	7.0
521	RECEIVABLES - INDEBT	0/01/08	965.75	0.00	0.00	965.75	0.00	965.75	0.00	200% DB	7.0
521	SUPPLIES	12/31/08	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200% DB	7.0
522	RECEIVABLES - INDEBT	0/20/08	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200% DB	7.0
523	RECEIVABLES - INDEBT	0/01/08	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200% DB	7.0
524	MAINT - INDEBT	0/01/08	250,000.00	0.00	0.00	250,000.00	0.00	250,000.00	0.00	200% DB	7.0
526	PEOPLE - INDEBT - INDEBT	11/01/09	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00	0.00	200% DB	7.0
528	STORAGE - INDEBT	12/31/17	1,170.00	0.00	0.00	1,170.00	0.00	1,170.00	0.00	200% DB	7.0
529	MAINT - INDEBT	12/31/07	2,250,200.00	0.00	0.00	2,250,200.00	0.00	2,250,200.00	0.00	200% DB	7.0
529	MAINT	0/01/08	50,000.00	0.00	0.00	50,000.00	0.00	50,000.00	0.00	200% DB	15.0
532	MAINT - INDEBT	12/31/10	30,000.00	0.00	0.00	30,000.00	0.00	30,000.00	0.00	100% DB	15.0
1109	MAINT - INDEBT	0/01/08	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200% DB	15.0

Indiana Utilities Corporation
State Deferred Tax Estimate

<u>Line</u>		<u>State</u>
1	Net Book Value (Exhibit 1 Page 1)	7,281,602
2	State Net Asset Value (Exhibit 1 Page 5)	1,213,761
3	Other Adjustments:	
4	Accrued Wages	(10,406)
5	Unamortized Rate Case	68,269
6	Unbilled Revenue	42,055
7	Difference in NBV ((Sum Line 2 - 7)- Line 1))	(5,967,923)
8	Tax rate	6.0%
9	State Deferred Tax Estimate (Line 9 * Line 8)	<u>(358,075)</u>

Boonville Natural Gas Corporation
Accumulated Depreciation State Tax Balance at 12/31/17

02108 BOONVILLE NATURAL GAS CORP

35-0168270

FYE 12/31/2017

Tax Asset Detail 1/01/17 - 12/31/17

03/15/2018 10:04 AM

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Asset #	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current Yr	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group 1 TRANSPORTATION EQUIPMENT (continued)											
118	PUMP HOUSE	12/31/16	9,381.50	9,381.50	0.00	9,381.50	9,381.50	9,381.50	0.00	2503AB	7.0
119	NO. 1 HYDRO PUMP (TRAILER)	12/31/16	40,721.75	29,115.50	29,115.50	0.00	29,115.50	43,586.45	11,335.30	2503AB	5.0
120	NO. 2 HYDRO PUMP (TRAILER)	12/31/16	41,116.25	29,660.00	29,660.00	0.00	29,660.00	41,116.25	11,116.25	2503AB	5.0
121	WATER PUMP	10/1/17	26.00	26.00	0.00	26.00	26.00	26.00	0.00	2503AB	7.0
	TRANSPORTATION EQUIPMENT		95,825.50	58,177.00	58,177.00	0.00	58,177.00	92,723.51	1,152.00		
Group 2 - INDOT REIMBURSEMENTS											
122	STREET LIGHTS & IMP - INDOT	12/31/16	3,025.00	0.00	0.00	2,457.12	2,457.12	2,457.12	567.88	1503AB	15.0
123	METER EQUIPMENT - INDOT	12/31/16	3,042.16	0.00	0.00	3,042.16	3,042.16	3,042.16	0.00	2503AB	7.0
124	MAIN REPAIRS - INDOT	9/30/16	2,133,741.46	0.00	0.00	2,133,741.46	2,133,741.46	2,133,741.46	0.00	2503AB	7.0
125	REGULATING STATIONS - INDOT	9/30/16	1,200.00	0.00	0.00	1,200.00	1,200.00	1,200.00	0.00	2503AB	7.0
126	SERVICES - INDOT	9/30/16	3,310.75	0.00	0.00	3,310.75	3,310.75	3,310.75	0.00	2503AB	7.0
127	HOUSE REPAIRS - INDOT	9/30/16	6,437.75	0.00	0.00	6,437.75	6,437.75	6,437.75	0.00	2503AB	7.0
128	MAIN REPAIRS - INDOT	12/31/16	270,168.31	0.00	0.00	270,168.31	270,168.31	270,168.31	0.00	2503AB	7.0
129	REGULATING STATIONS - INDOT	12/31/16	985.75	0.00	0.00	985.75	985.75	985.75	0.00	2503AB	7.0
130	SERVICES - INDOT	12/31/16	13,266.07	0.00	0.00	13,266.07	13,266.07	13,266.07	0.00	2503AB	7.0
131	STREET LIGHTS & IMP - INDOT	8/23/17	1,605.00	0.00	0.00	1,605.00	1,605.00	1,605.00	0.00	1503AB	15.0
132	SERVICES - INDOT	9/30/16	4,000.00	0.00	0.00	4,000.00	4,000.00	4,000.00	0.00	2503AB	7.0
133	MAIN REPAIRS - INDOT	9/30/16	2,133,741.46	0.00	0.00	2,133,741.46	2,133,741.46	2,133,741.46	0.00	2503AB	7.0
134	REGULATING STATIONS - INDOT	11/30/16	13,266.07	0.00	0.00	13,266.07	13,266.07	13,266.07	0.00	2503AB	7.0
135	SERVICES - INDOT	12/31/16	16,732.91	0.00	0.00	16,732.91	16,732.91	16,732.91	0.00	2503AB	7.0
136	MAIN REPAIRS - INDOT	12/31/16	270,168.31	0.00	0.00	270,168.31	270,168.31	270,168.31	0.00	2503AB	7.0
137	MAIN REPAIRS - INDOT	9/30/16	6,437.75	0.00	0.00	6,437.75	6,437.75	6,437.75	0.00	2503AB	7.0
138	MAIN REPAIRS - INDOT	12/31/16	80,201.05	0.00	0.00	80,201.05	80,201.05	80,201.05	0.00	1503AB	15.0
139	MAIN REPAIRS - INDOT	9/30/16	389,907.69	0.00	0.00	389,907.69	389,907.69	389,907.69	0.00	1503AB	15.0
140	MAIN REPAIRS - INDOT	12/31/16	57,147.79	0.00	0.00	57,147.79	57,147.79	57,147.79	0.00	1503AB	15.0
141	MAIN REPAIRS - INDOT	3/31/17	80,201.05	0.00	0.00	80,201.05	80,201.05	80,201.05	0.00	1503AB	15.0
142	MAIN REPAIRS - INDOT	9/30/16	1,125,500.00	0.00	0.00	1,125,500.00	1,125,500.00	1,125,500.00	0.00	1503AB	15.0
	Z - INDOT REIMBURSEMENTS		2,967,526.85	0.00	0.00	2,967,526.85	2,967,526.85	2,967,526.85	0.00		
Grand Total			3,063,352.35	58,177.00	58,177.00	0.00	58,177.00	3,025,175.35	1,152.00		

1-0		
1-1		
1-2		642,556.20
1-3	*	520,357.11
1-4		35,865.00
1-5		75,733.00
1-6		13,454.10
1-7		72,561.83
1-8		1,343.38
1-9		78,133.20
1-T	TOTAL	* 1,211,760.62

Report total plus CIAC
amortization less NRV
company assets NRV

1-6		
1-1		642,556.20
1-2	*	520,857.11
1-3		35,045.00
1-4		75,117.17
1-5		13,474.10
1-6		72,641.93
1-7		3,143.48
1-8		15,130.29
1-9	Total	* 1,211,768.65

Report total plus CIAC
amortization less sister
company assets NBV

Boonville Natural Gas Corporation
Deferred Income Tax

Line	DEFERRED STATE TAX ASSET/(LIABILITY) PER BALANCE SHEET				ST LIABILITY	LT LIABILITY	ST ASSET	LT ASSET
	DEPRECIATION							
1		NET BOOK VALUE - BOOKS	12/31/17			2,018,585.83		
2		NET BOOK VALUE - TAX	12/31/17			<u>826,358.90</u>		
3		DIFFERENCE				(1,192,226.93)		
4		ACCRUED SALARY			(10,406.00)			
5		UNBILLED REVENUE					42,054.74	
6		UNAMORTIZED EEP EXPENSE						0.00
7		UNAMORTIZED RATE CASE						<u>68,269.11</u>
8		TOTAL DEFERRALS			(10,406.00)	(1,192,226.93)	42,054.74	68,269.11
9		STATE TAX AT 6.00%		(65,538.54)	(624.36)	(71,533.62)	2,523.28	4,096.15
10		DEFERRED STATE TAX ASSET/(LIABILITY)		(65,539.00)	<u>(624.36)</u>	<u>(71,533.62)</u>	<u>2,523.28</u>	<u>4,096.15</u>
11		PROOF		0.00				
Line	DEFERRED FEDERAL TAX ASSET/(LIABILITY) PER BALANCE SHEET				ST LIABILITY	LT LIABILITY	ST ASSET	LT ASSET
	DEPRECIATION							
12		NET BOOK VALUE - BOOKS	12/31/17			2,018,585.83		
13		NET BOOK VALUE - TAX	12/31/17			<u>497,578.90</u>		
14		DIFFERENCE				(1,521,006.93)		
15		ACCRUED SALARY			(10,406.00)			
16		UNBILLED REVENUE					42,054.74	
17		UNAMORTIZED EEP EXPENSE						0.00
18		UNAMORTIZED RATE CASE						<u>68,269.11</u>
19		TOTAL DEFERRALS			(10,406.00)	(1,521,006.93)	42,054.74	68,269.11
20		FEDERAL TAX (NET OF STATE) AT 34%		(460,887.18)	(3,325.76)	(492,820.93)	13,440.69	21,818.81
21		FEDERAL TAX (NET OF STATE) AT 21%		(283,805.42)	(2,054.14)	(304,389.40)	8,301.61	14,336.51
22		Difference		(177,081.76)	(1,271.61)	(188,431.53)	5,139.09	7,482.29
23		TOTAL FEDERAL DEFERRED TAX ASSET/(LIABILITY)		<u>(283,805.42)</u>	<u>(2,054.14)</u>	<u>(304,389.40)</u>	<u>8,301.61</u>	<u>14,336.51</u>
24		PROOF		0.00				

Boonville Natural Gas Corporation
Average Rate Assumption Method ("ARAM")
December 31, 2017

<u>Line</u>	<u>Account</u>	<u>Difference</u>	<u>Ave. Life</u>	<u>Amortizaiton</u>
1	Communication Equip	8,822	5	1,764.40
2	House Reg. Installs	1,157	14	82.66
3	House Regulators	3,420	20	170.98
4	Mains	411,435	19	21,654.45
5	Meter Equip-AMR	28,244	25	1,129.75
6	Meter Installs	13,493	19	710.14
7	Meters	45,987	17	2,705.11
8	Misc Equip	1,787	4	446.67
9	Office Furn. & Fixt	7,575	4	1,893.77
10	Other Equip	7,156	5	1,431.29
11	Power Operated Equip	16,837	3	5,612.49
12	Regulating Stations Equip	19,382	17	1,140.09
13	Right of Way	99	-	-
14	Services	152,356	19	8,018.75
15	Stores Equip	264	6	43.95
16	Structures & Improve Gen	108,070	19	5,687.89
17	Structures & Improve	1,873	19	98.57
18	Tools & Shop Equip	6,857	4	1,714.14
19	Transportation Equip	11,025	3	3,675.07
20		<u>845,837</u>		<u>57,980.18</u>
21				14.59

Boonville Natural Gas Corporation
Net Book Value Breakout
December 31, 2017

<u>Line</u>		<u>Cost Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
1	Communication Equip	\$ 202,426	\$ 133,052	\$ 69,374
2	House Reg. Installs	\$ 19,977	\$ 11,075	\$ 8,902
3	House Regulators	\$ 68,062	\$ 41,758	\$ 26,304
4	Mains	\$ 6,688,919	\$ 3,188,228	\$ 3,500,691
5	Meter Equip-AMR	\$ 314,328	\$ 97,069	\$ 217,259
6	Meter Installs	\$ 279,304	\$ 173,047	\$ 106,257
7	Meters	\$ 890,805	\$ 534,176	\$ 356,630
8	Misc Equip	\$ 32,214	\$ 18,428	\$ 13,785
9	Office Furn. & Fixt	\$ 377,710	\$ 318,312	\$ 59,399
10	Other Equip	\$ 98,217	\$ 30,868	\$ 67,349
11	Power Operated Equip	\$ 595,178	\$ 455,041	\$ 140,137
12	Regulating Stations Equip	\$ 381,055	\$ 227,513	\$ 153,543
13	Right of Way	\$ 763	\$ -	\$ 763
14	Services	\$ 2,058,073	\$ 748,630	\$ 1,309,442
15	Stores Equip	\$ 8,246	\$ 6,217	\$ 2,029
16	Structures & Improve Gen	\$ 1,489,738	\$ 370,340	\$ 1,119,398
17	Structures & Improve	\$ 601,602	\$ 193,649	\$ 407,953
18	Tools & Shop Equip	\$ 373,632	\$ 316,606	\$ 57,025
19	Transportation Equip	\$ 948,859	\$ 844,894	\$ 103,964
20		<u>\$ 15,429,106</u>	<u>\$ 7,708,903</u>	<u>\$ 7,720,203</u>

Boonville Natural Gas Corporation
Federal Net Asset Value Breakout
December 31, 2017

Line		Cost Basis	Accumulated Depreciation	Net Asset Value
1	Communication Equip	\$ 202,426	\$ 200,914	\$ 1,512
2	House Reg. Installs	\$ 19,977	\$ 19,977	\$ -
3	House Regulators	\$ 68,062	\$ 68,062	\$ -
4	Mains	\$ 6,688,919	\$ 6,353,109	\$ 335,810
5	Meter Equip-AMR	\$ 314,328	\$ 314,328	\$ 0
6	Meter Installs	\$ 279,304	\$ 276,837	\$ 2,467
7	Meters	\$ 890,805	\$ 887,921	\$ 2,884
8	Misc Equip	\$ 32,214	\$ 32,172	\$ 42
9	Office Furn. & Fixt	\$ 377,710	\$ 376,581	\$ 1,129
10	Other Equip	\$ 98,217	\$ 85,918	\$ 12,299
11	Power Operated Equip	\$ 595,178	\$ 584,560	\$ 10,618
12	Regulating Stations Equip	\$ 381,055	\$ 376,601	\$ 4,454
13	Right of Way	\$ 763	\$ 763	\$ -
14	Services	\$ 2,058,073	\$ 1,920,602	\$ 137,471
15	Stores Equip	\$ 8,246	\$ 8,246	\$ -
16	Structures & Improve Gen	\$ 1,489,738	\$ 1,201,647	\$ 288,091
17	Structures & Improve	\$ 601,602	\$ 208,055	\$ 393,546
18	Tools & Shop Equip	\$ 373,632	\$ 369,349	\$ 4,282
19	Transportation Equip	\$ 948,859	\$ 929,704	\$ 19,155
20		\$ 15,429,106	\$ 14,215,345	\$ 1,213,761

Cost and accumulated depreciation amounts match federal depreciation reports at 12/31/17.

EXHIBIT 2
CAUSE NO. 45032-S6
PAGE 4

Boonville Natural Gas Corporation
Remaining Useful Lives
December 31, 2017

<u>Line</u>		<u>Average Remaining Lives</u>
1	Communication Equip	0
2	House Reg. Installs	14
3	House Regulators	20
4	Mains	19
5	Meter Equip-AMR	25
6	Meter Installs	19
7	Meters	17
8	Misc Equip	4
9	Office Furn. & Fxt	4
10	Other Equip	5
11	Power Operated Equip	3
12	Regulating Stations Equip	17
13	Right of Way	0
14	Services	19
15	Stores Equip	6
16	Structures & Improve Gen	19
17	Structures & Improve	19
18	Tools & Shop Equip	4
19	Transportation Equip	3

EXHIBIT 3
CAUSE NO. 45032-S6
PAGE 1

Boonville Natural Gas Corporation
Refundable Excess Deferred Income Taxes Calculation
As of September 30, 2011

Line		
1	Accumulated Federal Deferred Income Taxes at 34% (Exhibit 3 Page 2)	(919,239)
2	Accumulated Federal Deferred Income Taxes at 21% (Exhibit 3 Page 3)	(567,766)
3	Excess Accumulated Federal Deferred Income Taxes as of 9/30/2011	<u>(351,473)</u>

Boonville Natural Gas Corporation
Deferred Tax at 34%
9/30/11

Line

DEFERRED STATE TAX ASSET/(LIABILITY) PER BALANCE SHEET				ST LIABILITY	LT LIABILITY	ST ASSET	LT ASSET
	DEPRECIATION						
1	NET BOOK VALUE - BOOKS	9/30/11			4,342,329		
2	NET BOOK VALUE - TAX	9/30/11			1,319,328		
3	DIFFERENCE				(3,023,001)		
4	UNBILLED REVENUE					21,826	
5	UNAMORTIZED RATE CASE						68,199
6	TOTAL DEFERRALS			-	(3,023,001)	21,826	68,199
7	STATE TAX AT 8.50%	(249,303)		-	(256,955)	1,855	5,797
8	DEFERRED STATE TAX ASSET/(LIABILITY)	(249,303)		-	(256,955)	1,855	5,797
9	FEDERAL TAX (NET OF STATE) AT 34%	(912,449)		-	(940,456)	6,790	21,217
10	TOTAL FEDERAL DEFERRED TAX ASSET/(LIABILITY)	(912,449)		-	(940,456)	6,790	21,217
11	Protected items					(3,023,001)	
12	State deferred taxes					(256,955)	
13	Federal deferred taxes net of state taxes					(940,456)	
	Unprotected items					Total	State Taxes
14	Unbilled revenue (short term item)					-	-
15	Unamortized rate case expense					68,199	5,797
16	Total					68,199	21,217
17	Accumulated Federal Deferred Income Taxes (Line 14 + Line 16)	(919,239)					

Boonville Natural Gas Corporation
Deferred Tax at 21%
9/30/11

Line	DEFERRED STATE TAX ASSET/(LIABILITY) PER BALANCE SHEET				ST LIABILITY	LT LIABILITY	ST ASSET	LT ASSET
	DEPRECIATION							
1	NET BOOK VALUE - BOOKS	9/30/11				4,342,329		
2	NET BOOK VALUE - TAX	9/30/11				<u>1,319,328</u>		
3	DIFFERENCE					(3,023,001)		
4	UNBILLED REVENUE						21,826	
5	UNAMORTIZED RATE CASE							68,199
6	TOTAL DEFERRALS				-	(3,023,001)	21,826	68,199
7	STATE TAX AT 8.50%				(249,303)			
8	DEFERRED STATE TAX ASSET/(LIABILITY)				<u>(249,303)</u>	<u>(256,955)</u>	<u>1,855</u>	<u>5,797</u>
9	FEDERAL TAX (NET OF STATE) AT 21%				(563,572)			
10	TOTAL FEDERAL DEFERRED TAX ASSET/(LIABILITY)				<u>(563,572)</u>	<u>(580,870)</u>	<u>4,194</u>	<u>13,104</u>
11	Protected items					(3,023,001)		
12	State deferred taxes					(256,955)		
13	Federal deferred taxes net of state taxes					(580,870)		
	Unprotected items						Total	State Taxes
14	Unbilled revenue (short term item)						-	-
15	Unamortized rate case expense						68,199	5,797
16	Total						68,199	13,104
17	Accumulated Federal Deferred Income Taxes (Line 14 + Line 16)				<u>(567,766)</u>			

	Blocks	Customer Count	Step-Rate Therms	Adjustments	Therms	Redistribution	Step Therms Final	Pre-TARCA Rates	Post-TARCA Rates	Rate Difference	Over Collection	NTA Therms	NTA Rate/Doll	NTA Rate Difference	Net Overcollection
Residential (Heat)		189													
	1 - 100	9,726	584,986	-	584,986	806,200	1,791,186	0.47710	0.4375	0.03960	27,267.23				
	- 100	8,062	1,407,045	-	1,407,045	(806,200)	600,845	0.39890	0.3425	0.05640	9,831.86				
		<u>17,977</u>	<u>1,992,031</u>	<u>-</u>	<u>1,992,031</u>	<u>-</u>	<u>1,992,031</u>				<u>37,121.11</u>	(58,398)	0.01640	(957.73)	36,163.38
Residential (Non-heat)		3													
	1 - 100	60	1,821	-	1,821	1,100	2,921	0.47710	0.4375	0.03960	97.25				
	- 100	11	1,712	-	1,712	(1,100)	612	0.39890	0.3425	0.05640	10.04				
		<u>74</u>	<u>3,533</u>	<u>-</u>	<u>3,533</u>	<u>-</u>	<u>3,533</u>				<u>67.29</u>	(374)	0.01640	(6.13)	61.16
Commercial Group (Heat)		16													
	1 - 100	341	17,948	-	17,948	51,500	69,448	0.35560	0.34100	0.01460	1,013.94				
	- 100	515	179,205	-	179,205	(51,500)	127,705	0.28170	0.27010	0.01160	1,381.38				
		<u>856</u>	<u>197,153</u>	<u>-</u>	<u>197,153</u>	<u>-</u>	<u>197,153</u>				<u>2,495.32</u>	(8,675)	0.01160	(100.63)	2,394.69
Commercial Group (Non-heat)		51													
	1 - 100	24	621	-	621	900	1,521	0.35560	0.34100	0.01460	22.21				
	- 100	9	4,555	-	4,555	(900)	3,655	0.28170	0.27010	0.01160	42.40				
		<u>34</u>	<u>5,176</u>	<u>-</u>	<u>5,176</u>	<u>-</u>	<u>5,176</u>				<u>64.61</u>	(1,893)	0.01160	(21.96)	42.65
Commercial Group 2 (Heat)		8													
	1 - 100	58	3,020	-	3,020	53,800	56,820	0.35560	0.34100	0.01460	829.57				
	- 100	538	747,496	-	747,496	(53,800)	693,696	0.28170	0.27010	0.01160	8,046.87				
		<u>604</u>	<u>750,516</u>	<u>-</u>	<u>750,516</u>	<u>-</u>	<u>750,516</u>				<u>8,876.44</u>	(61,685)	0.01160	(715.55)	8,160.89
Commercial Group 2 (Non-heat)		36													
	1 - 100	6	83	-	83	1,800	1,883	0.35560	0.34100	0.01460	27.49				
	- 100	18	17,480	-	17,480	(1,800)	15,680	0.28170	0.27010	0.01160	181.89				
		<u>24</u>	<u>17,563</u>	<u>-</u>	<u>17,563</u>	<u>-</u>	<u>17,563</u>				<u>209.38</u>	(4,258)	0.01160	(49.39)	159.99
Transport		-1													
		1	1,700	-	1,700	-	1,700	0.12720	0.11930	0.00790	13.41				
		<u>1</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>				<u>13.41</u>	-	-	-	13.41
											<u>48,848</u>	(135,283)		(1,851)	46,996

**Boonville Natural Gas
Determination of Refund Credit Tracker**

EXHIBIT 4
CAUSE NO. 45032-S6
PAGE 2

	Metered Volume	NTA Volume	Weather Adjusted Volume	%		Tariff RS	Tariff CS
January							
Residential	848,515	(96,616)	751,899	69.54%		604,998	
Commerical	91,069	(11,239)	79,830	7.38%			64,206
Commerical (2)	304,107	(54,598)	249,509	23.08%			200,796
Total GCA	1,243,691	(162,453)	1,081,238	100%	870,000		
February							
Residential	461,313	93,963	555,276	67.69%		480,599	
Commerical	47,026	9,286	56,312	6.87%			48,777
Commerical (2)	192,359	16,315	208,674	25.44%			180,624
Total GCA	700,698	119,564	820,262	100.00%	710,000		
March							
Residential	424,000	7,413	431,413	68.30%		327,840	
Commerical	40,491	(1,914)	38,577	6.11%			29,328
Commerical (2)	163,090	(1,442)	161,648	25.59%			122,832
Total GCA	627,581	4,057	631,638	100.00%	480,000		
April							
Residential	261,736	(63,532)	198,204	66.61%		126,559	
Commerical	23,743	(6,701)	17,042	5.73%			10,887
Commerical (2)	108,523	(26,218)	82,305	27.66%			52,554
Total GCA	394,002	(96,451)	297,551	100.00%	190,000		
Total All Volumes	2,965,972	(135,283)	2,830,689		2,250,000		
Estimated Tariff Sales January - April, 2019					2,250,000	1,539,996	710,004
Refund Due Customers					\$ 46,982.76	\$ 36,224.54	\$ 10,758.22
Refund Tracker Per Therm						\$ 0.0235	\$ 0.0152

	Blocks	Customer Count	Step-Rate Therms	Adjustments	Therms	Redistribution	Step Therms Final	Pre-TAJCA Rates	Post-TAJCA Rates	Rate Difference	Over Collection	NTA Therms	NTA Rate Diff	NTA Rate Differences	Net Overcollection
Residential (Heat)	0	43													
	1 - 100	587	37,583		37,583	386,600	424,183	0.47710	0.4575	0.01960	8,313.99				
	100	3,866	829,580		829,580	(386,600)	422,980	0.39890	0.3825	0.01640	6,936.87				
		<u>4,496</u>	<u>847,163</u>	-	<u>847,163</u>	-	<u>847,163</u>				<u>15,250.86</u>	(96,399)	0.01640	(1,580.94)	13,669.92
Residential (Non-heat)	0	1													
	1 - 100	11	268		268	(40)	868	0.47710	0.4575	0.01960	17.01				
	100	6	1,084		1,084	(600)	484	0.39890	0.3825	0.01640	7.94				
		<u>18</u>	<u>1,352</u>	-	<u>1,352</u>	-	<u>1,352</u>				<u>24.95</u>	(217)	0.01640	(3.56)	21.39
Commercial Group (Heat)	0	2													
	1 - 100	25	1,353		1,353	19,100	20,453	0.35560	0.34100	0.01460	298.61				
	100	191	87,301		87,301	(19,100)	67,901	0.28170	0.27010	0.01160	787.65				
		<u>218</u>	<u>88,354</u>	-	<u>88,354</u>	-	<u>88,354</u>				<u>1,086.26</u>	(11,199)	0.01160	(128.86)	957.40
Commercial Group (Non-heat)	0	12													
	1 - 100	5	43		43	(400)	443	0.35560	0.34100	0.01460	6.47				
	100	4	2,672		2,672	(400)	2,272	0.28170	0.27010	0.01160	26.36				
		<u>21</u>	<u>2,715</u>	-	<u>2,715</u>	-	<u>2,715</u>				<u>32.83</u>	(130)	0.01160	(1.51)	31.32
Commercial Group 2 (Heat)	0	2													
	1 - 100	3	154		154	14,600	14,754	0.35560	0.34100	0.01460	215.41				
	100	146	294,756		294,756	(14,600)	280,156	0.28170	0.27010	0.01160	3,249.81				
		<u>151</u>	<u>294,910</u>	-	<u>294,910</u>	-	<u>294,910</u>				<u>3,465.22</u>	(51,718)	0.01160	(599.93)	2,865.29
Commercial Group 2 (Non-heat)	0	9													
	1 - 100	1	14		14	500	514	0.35560	0.34100	0.01460	7.50				
	100	5	9,183		9,183	(500)	8,683	0.28170	0.27010	0.01160	100.72				
		<u>15</u>	<u>9,197</u>	-	<u>9,197</u>	-	<u>9,197</u>				<u>108.22</u>	(2,880)	0.01160	(33.41)	74.81
					<u>1,243,691</u>	-	<u>1,243,691</u>				<u>19,968</u>	<u>(162,453)</u>		<u>(2,348)</u>	<u>17,620</u>

	Blocks	Customer Count	Step-Rate Therms	Adjustments	Therms	Redistribution	Step Therms Final	Pre-TA/JCA Rate	% of TA/JCA Rate	Rate Difference	Over Collection	NTA Therms	NTA Rate/Diff	NTA Rate Difference	Net Overcollection
Residential (Heat)	0	45													
	1 - 100	2,417	162,814		162,814	204,000	366,814	0.47710	0.4575	0.01960	7,189.55				
	100	2,040	297,669		297,669	(204,000)	93,669	0.39890	0.3825	0.01640	1,536.17				
		<u>4,502</u>	<u>460,483</u>	<u>-</u>	<u>460,483</u>	<u>-</u>	<u>460,483</u>				<u>8,725.72</u>	93,866	0.01640	1,339.40	10,265.12
Residential (Non-heat)	0	1													
	1 - 100	16	575		575	200	775	0.47710	0.4575	0.01960	15.19				
	100	2	255		255	(200)	55	0.39890	0.3825	0.01640	0.90				
		<u>19</u>	<u>830</u>	<u>-</u>	<u>830</u>	<u>-</u>	<u>830</u>				<u>16.09</u>	97	0.01640	1.59	17.68
Commercial Group (Heat)	0	3													
	1 - 100	79	4,683		4,683	13,600	18,283	0.35560	0.34100	0.01460	266.93				
	100	136	41,224		41,224	(13,600)	27,624	0.28170	0.27010	0.01160	320.44				
		<u>218</u>	<u>45,907</u>	<u>-</u>	<u>45,907</u>	<u>-</u>	<u>45,907</u>				<u>587.37</u>	9,064	0.01160	105.11	692.48
Commercial Group (Non-heat)	0	14													
	1 - 100	5	178		178	200	378	0.35560	0.34100	0.01460	5.52				
	100	2	941		941	(200)	741	0.28170	0.27010	0.01160	8.60				
		<u>21</u>	<u>1,119</u>	<u>-</u>	<u>1,119</u>	<u>-</u>	<u>1,119</u>				<u>14.12</u>	225	0.01160	2.61	16.73
Commercial Group 2 (Heat)	0	2													
	1 - 100	9	450		450	14,000	14,450	0.35560	0.34100	0.01460	210.97				
	100	140	186,814		186,814	(14,000)	172,814	0.28170	0.27010	0.01160	2,004.64				
		<u>151</u>	<u>187,264</u>	<u>-</u>	<u>187,264</u>	<u>-</u>	<u>187,264</u>				<u>2,215.61</u>	16,412	0.01160	190.38	2,405.99
Commercial Group 2 (Non-heat)	0	9													
	1 - 100	1	8		8	500	508	0.35560	0.34100	0.01460	7.42				
	100	5	5,087		5,087	(500)	4,587	0.28170	0.27010	0.01160	33.21				
		<u>15</u>	<u>5,095</u>	<u>-</u>	<u>5,095</u>	<u>-</u>	<u>5,095</u>				<u>40.63</u>	(97)	0.01160	(1.13)	39.50
					<u>700,698</u>	<u>-</u>	<u>700,698</u>				<u>11,620</u>	<u>119,564</u>		<u>1,838</u>	<u>13,458</u>

	Blocks	Customer Count	Step-Rate Therms	Adjustments	Therms	Redistribution	Step Therms Emtd	Pre-TA/JC Rate	Post-TA/JC Rate	Rate Difference	Over Collection	NTA Therms	NTA Rate Diff	NTA Rate Difference	Net Overcollection
Residential (Heat)	0	49													
	1 - 100	2,698	174,862		174,862	(175,690)	350,402	0.47710	0.4575	0.01960	6,869.06				
	- 100	1,736	248,354		248,354	(175,690)	72,754	0.39890	0.3825	0.01640	1,193.17				
		<u>4,503</u>	<u>423,216</u>	<u>-</u>	<u>423,216</u>	<u>-</u>	<u>423,216</u>				<u>8,062.23</u>	7,469	0.01640	122.49	8,184.72
Residential (Non-heat)	0	1													
	1 - 100	16	517		517	200	717	0.47710	0.4575	0.01960	14.05				
	- 100	2	267		267	(200)	67	0.39890	0.3825	0.01640	1.10				
		<u>19</u>	<u>784</u>	<u>-</u>	<u>784</u>	<u>-</u>	<u>784</u>				<u>15.15</u>	(56)	0.01640	(0.92)	14.23
Commercial Group (Heat)	0	6													
	1 - 100	94	5,427		5,427	(11,800)	17,227	0.35560	0.34100	0.01460	251.51				
	- 100	118	34,139		34,139	(11,800)	22,339	0.28170	0.27010	0.01160	259.13				
		<u>212</u>	<u>39,566</u>	<u>-</u>	<u>39,566</u>	<u>-</u>	<u>39,566</u>				<u>510.64</u>	(51)	0.01160	(0.59)	510.05
Commercial Group (Non-heat)	0	12													
	1 - 100	7	209		209	200	409	0.35560	0.34100	0.01460	5.97				
	- 100	2	716		716	(200)	516	0.28170	0.27010	0.01160	5.99				
		<u>21</u>	<u>925</u>	<u>-</u>	<u>925</u>	<u>-</u>	<u>925</u>				<u>11.96</u>	(1,863)	0.01160	(21.61)	(9.65)
Commercial Group 2 (Heat)	0	2													
	1 - 100	15	870		870	(13,400)	14,270	0.35560	0.34100	0.01460	208.34				
	- 100	134	160,268		160,268	(13,400)	146,868	0.28170	0.27010	0.01160	1,703.67				
		<u>151</u>	<u>161,138</u>	<u>-</u>	<u>161,138</u>	<u>-</u>	<u>161,138</u>				<u>1,912.01</u>	(721)	0.01160	(8.36)	1,903.65
Commercial Group 2 (Non-heat)	0	9													
	1 - 100	2	39		39	400	439	0.35560	0.34100	0.01460	6.41				
	- 100	4	1,913		1,913	(400)	1,513	0.28170	0.27010	0.01160	17.55				
		<u>15</u>	<u>1,952</u>	<u>-</u>	<u>1,952</u>	<u>-</u>	<u>1,952</u>				<u>23.96</u>	(721)	0.01160	(8.36)	15.60
					<u>627,581</u>	<u>-</u>	<u>627,581</u>				<u>10,536</u>	<u>4,057</u>		<u>83</u>	<u>10,619</u>

Blocks	Customer Count	Step-Rate Therms	Adjustments	Therms	Redistribution	Step Therms Final	Pre-TAJC Rates	Post-TAJC Rates	Rate Difference	Over Collection	NTA Therms	NTA Rate Diff	NTA Rate Difference
Residential (Heat)	0	32											
1 - 100	4,024	209,727		209,727	40,000	249,727	0.47710	0.4575	0.01960	4,894.65			
> 100	400	51,442		51,442	(40,000)	11,442	0.39890	0.3825	0.01640	187.65			
	<u>4,476</u>	<u>261,169</u>	<u>-</u>	<u>261,169</u>	<u>-</u>	<u>261,169</u>				<u>5,082.30</u>	(63,334)	0.01640	(1,038.68)
Residential (Non-heat)	0												
1 - 100	17	461		461	100	561	0.47710	0.4575	0.01960	11.00			
> 100	1	106		106	(100)	6	0.39890	0.3825	0.01640	0.10			
	<u>18</u>	<u>567</u>	<u>-</u>	<u>567</u>	<u>-</u>	<u>567</u>				<u>11.10</u>	(198)	0.01640	(3.25)
Commercial Group (Heat)	0	5											
1 - 100	143	6,485		6,485	7,000	13,485	0.35560	0.34100	0.01460	196.88			
> 100	70	16,841		16,841	(7,000)	9,841	0.28170	0.27010	0.01160	114.16			
	<u>218</u>	<u>23,326</u>	<u>-</u>	<u>23,326</u>	<u>-</u>	<u>23,326</u>				<u>311.04</u>	(6,576)	0.01160	(76.28)
Commercial Group (Non-heat)	0	13											
1 - 100	7	191		191	100	291	0.35560	0.34100	0.01460	4.25			
> 100	1	226		226	(100)	126	0.28170	0.27010	0.01160	1.46			
	<u>21</u>	<u>417</u>	<u>-</u>	<u>417</u>	<u>-</u>	<u>417</u>				<u>5.71</u>	(125)	0.01160	(1.45)
Commercial Group 2 (Heat)	0	2											
1 - 100	31	1,546		1,546	11,800	13,346	0.35560	0.34100	0.01460	194.85			
> 100	118	105,658		105,658	(11,800)	93,858	0.28170	0.27010	0.01160	1,088.75			
	<u>151</u>	<u>107,204</u>	<u>-</u>	<u>107,204</u>	<u>-</u>	<u>107,204</u>				<u>1,283.60</u>	(25,658)	0.01160	(297.63)
Commercial Group 2 (Non-heat)	0	9											
1 - 100	2	22		22	400	422	0.35560	0.34100	0.01460	6.16			
> 100	4	1,297		1,297	(400)	897	0.28170	0.27010	0.01160	10.41			
	<u>15</u>	<u>1,319</u>	<u>-</u>	<u>1,319</u>	<u>-</u>	<u>1,319</u>				<u>16.57</u>	(560)	0.01160	(6.50)
Transport	>1	1	1,700	1,700	-	1,700	0.12720	0.11930	0.00790	13.43			
	<u>1</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>				<u>13.43</u>	-	-	-
				<u>395,702</u>	<u>-</u>	<u>395,702</u>				<u>6,724</u>	<u>(96,451)</u>		<u>(1,424)</u>

Net
Overcollection

4,043.62

7.85

234.76

4.26

985.97

10.07

13.43

5,300