

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SYCAMORE GAS COMPANY)
FOR APPROVAL OF CHANGES IN ITS GAS)
RATES THROUGH A GAS COST) CAUSE NO. 37368-GCA 151
ADJUSTMENT IN ACCORDANCE WITH IND.)
CODE § 8-1-2-42(g) FOR THE PERIOD)
AUGUST, SEPTEMBER, AND OCTOBER 2021)

**VERIFIED PETITION FOR APPROVAL OF
CHANGES IN GAS COST ADJUSTMENT FACTORS**

The Sycamore Gas Company, Inc. ("Petitioner") respectfully requests that the Commission grant the relief hereinafter described and in support thereof states that:

1. Petitioner is a public gas utility corporation organized and existing under the laws of the State of Indiana, and has its principal office at 370 Industrial Drive, Suite 200, Lawrenceburg, Indiana 47025. It is engaged in rendering natural gas utility service in the State of Indiana and owns, operates, manages, and controls, among other things, plants and equipment within the State of Indiana used for the transportation, delivery, and furnishing of natural gas utility services to the public. Petitioner is subject to the jurisdiction of the Commission in the manner and to the extent provided by the Public Service Commission Act, Ind. Code 8-1-2.

2. The name and address of Petitioner's attorney in this matter is Steven W. Krohne, of Ice Miller LLP, One American Square, Suite 2900, Indianapolis, Indiana 46282-0200.

3. This petition is filed pursuant to the Orders of the Commission in Cause Nos. 37368 and 44374, as well as I.C. §§ 8-1-2-42 and 8-1-2-42.3, for the purpose of securing authorization for a change in the gas cost adjustment applicable to Petitioner's natural gas rate schedules. Specifically, Petitioner requests Commission approval of the following Gas Cost Adjustment ("GCA") factors to be applicable to its schedule of rates for natural gas sold for the billing cycle period August through October 2021.

	Current GCAs In Effect <u>¢/Therm</u>	Proposed GCAs Effective 1 st day of each mo. <u>¢/Therm</u>	Change <u>¢/Therm</u>
Rate GS – August	35.057	49.327	+14.270
Rate WS – August	34.538	48.602	+14.064
Rate GS – September	35.057	49.604	+14.547
Rate WS – September	34.538	48.875	+14.337
Rate GS – October	35.057	53.330	+18.273
Rate WS – October	34.538	52.546	+18.008

4. Petitioner has made reasonable efforts to acquire and provide natural gas to its customers at the lowest cost reasonably possible. To that end, Petitioner includes as attachments to this petition all applicable calculations, supporting schedules, testimony, exhibits and proposed tariff sheets in support of its proposed GCA factors.

5. In further support of this petition, Petitioner states that:

- a). The gas costs that it has included within the requested GCA factors include reasonable estimates of the costs of gas purchased, given actual costs of gas experienced, and actual gas costs recovered by previous adjustments.
- b). The current level of net income that Petitioner is realizing is \$1,835,020. That is \$120,913 more than the \$1,714,107 approved by the Commission in Petitioner's most recent rate cases, Cause No. 45072 on March 8, 2019; Cause No. 45131 FMCA 1 on September 4, 2019; Cause No. 45131 FMCA 2 on February 19, 2020; Cause No. 45131 FMCA 3 on July 29, 2020; and Cause No. 45131 FMCA 4 on January 27, 2021. However, pursuant to I.C. 8-1-2-42.3, the sum of the differentials for the relevant period (the differential resulting from the accounting periods covered in the current GCA and the preceding 19 GCAs going back to the period

ending June, 2016) is less than zero. As a result, there are no excess earnings that need to be returned to customers in this filing.

- c). Petitioner has properly applied its gas cost adjustment factors since its last filed GCA.
- d). The Petitioner's books and records under review are kept according to the Uniform System of Accounts, as prescribed by the Commission.

6. The proposed changes in rate schedules are based solely upon the estimated cost of natural gas to be purchased by Petitioner from suppliers under the authority of a duly constituted regulatory body having jurisdiction thereover, modified for supplier refunds, if any, and for known gas cost variances from prior periods.

7. If approved, the proposed rate changes will take effect and be reflected on bills for customers with meter readings taken on and after August 1, 2021.

WHEREFORE, Petitioner respectfully requests the Commission to hold a hearing pursuant to I.C. §§ 8-1-2-42 and 8-1-2-42.3 and enter an Order authorizing and approving the proposed gas cost adjustment factors.

Respectfully submitted,

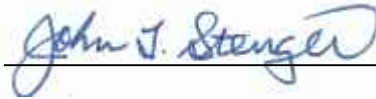
SYCAMORE GAS COMPANY

By:  _____
Its Attorneys

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VERIFICATION

I, John T. Stenger, President of Sycamore Gas Company, have read the Petition and its attachments and am familiar with their contents. I affirm under penalties for perjury that the representations in the Petition and attachments are true and accurate to the best of my knowledge, information, and belief.



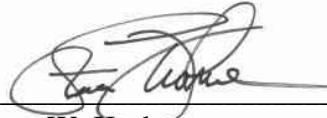
John T. Stenger

CERTIFICATE OF SERVICE

The undersigned certifies that he has served a copy of the foregoing petition upon the following persons, by hand delivery or regular U.S. Mail, first class postage prepaid, this 28th day of May, 2021.

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SYCAMORE GAS COMPANY FOR)
APPROVAL OF CHANGES IN ITS GAS RATES)
THROUGH A GAS COST ADJUSTMENT IN) Cause No. 37368-GCA-151
ACCORDANCE WITH IND. CODE §§ 8-1-2-42(g))
AND 8-1-2-42.3 FOR THE MONTHS OF AUGUST)
THROUGH OCTOBER, 2021.)

DIRECT TESTIMONY OF JOHN T. STENGER

<u>Description of Testimony and Schedules</u>	<u>Testimony Pages</u>	<u>Schedule or Exhibit</u>
Qualifications	1	
Purpose of Testimony	2	
Derivation of Gas Cost Adjustment Factors	2 – 4	1, 1A
Estimated Sales and Gas Cost for the GCA Period	4 – 5	2, 3
Calculation of Actual Gas Cost (January through March 2021)	5 – 8	6, 6A, 6 Variance, 7, 8, 8A, 11
Calculation of Refund and Variance Adjustments	8	12A, 12B
Gas Tariff	8 – 9	JTS – 1
Flex Mechanism	9 – 10	
Comparison of Revenues Under Proposed Versus Prior Rates	10	JTS – 2
Gas Procurement Strategy	11	
Actual Hedging Transactions	11	3
Gas Hedging Strategy	11	
Interstate Pipeline Transportation	11 – 12	

DIRECT TESTIMONY OF JOHN T. STENGER

Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A. My name is John T. Stenger. My business address is 370 Industrial Drive, Suite 200, Lawrenceburg, Indiana, 47025. I am the President of Sycamore Gas Company, the petitioner in this proceeding ("Petitioner" or "SG").

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.

A. I received Bachelor of Science Degrees in Civil Engineering and Land Surveying from Purdue University in 1984. In 2000, I received a Master of Business Administration degree from Xavier University. I have attended numerous industry programs and courses. I am a Professional Engineer registered in Indiana and Ohio.

Q. PLEASE SUMMARIZE YOUR BUSINESS EXPERIENCE.

A. I have worked in the natural gas utility industry since 1988. From 1988 to 2001, I was employed by Cinergy and the Cincinnati Gas & Electric Company, holding engineering and managerial positions in its Gas Operations department. I left Cinergy in September 2001 to become part-owner and President of the Oxford Natural Gas Company in Oxford, Ohio, where my responsibilities included gas procurement as well as calculation of the Gas Cost Recovery mechanisms for Oxford Natural Gas and Verona Natural Gas. I served as the Vice President, Operations for SG when it was purchased by INOH Gas from Cinergy on August 30, 2004. From October 1, 2007, through December 1, 2019, through my ownership in Superior Utility Operations, Superior and I served as a Consultant to Petitioner in various proceedings, including its quarterly GCA filings. Effective December 2, 2019, I became President of Sycamore Gas Company. As of December 31, 2019, I no longer have ownership in Superior Utility Operations or Premier Energy Services.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A. My testimony describes the schedules that Petitioner has filed in support of its proposed
3 Gas Cost Adjustment (“GCA”). I also explain SG’s gas procurement strategy, including
4 for the GCA period that is the subject of this filing. The schedules that I sponsor are
5 Petitioner’s Schedules 1, 1A, 2, 3, 6, 6A, 6 Variance, 7, 8, 8A, 11, 11A, 12A, and 12B. I
6 also sponsor Exhibits JTS-1 and JTS-2, which supplement the prescribed schedules of the
7 Indiana Utility Regulatory Commission (“Commission”), as well as JTS-3, which
8 provided advance notice to SG’s wholesale customer, the Town of Aurora.

9 **Q. PLEASE DESCRIBE SCHEDULES 1 AND 1A.**

10 A. The Commission adopted in Cause No. 37091 standard schedules that enable it to
11 monitor the effectiveness of its uniform GCA procedure. Those schedules were updated
12 by Commission Order dated May 14, 1986, in that same cause. More recently, the
13 Commission initiated a generic investigation into the GCA process, culminating in an
14 order dated August 27, 2014, in Cause No. 44374, pursuant to which this GCA has been
15 filed.

16 Schedule 1 summarizes the gas costs and sales volumes that Petitioner expects to
17 incur during the quarter beginning August 1, 2021, and shows the development of
18 Petitioner’s proposed GCA rates for each of the months. The GCA rate includes all costs
19 associated with procuring the gas commodity, including for the commodity itself. As
20 directed in the aforementioned order in Cause No. 44374, Schedule 1A shows the
21 estimated monthly demand charges that Petitioner must recover per unit of monthly sales.
22 The estimated gas costs upon which Petitioner’s GCAs are calculated are, if applicable,
23 net of pipeline supplier fixed demand take-or-pay surcharge amounts, net of supplier

1 refunds received through March 31, 2021, and net of adjustments to recover or return
2 variances that resulted from under or over recovery of gas costs during prior GCA
3 periods.

4 Based on this Commission's Order approved in Cause No. 45072, issued on
5 March 8, 2019; this Commission's Order approved in Cause No. 45131 FMCA 1 on
6 September 4, 2019; this Commission's Order approved in Cause No. 45131 FMCA 2 on
7 February 19, 2020; this Commission's Order approved in Cause No. 45131 FMCA 3 on
8 July 29, 2020; and this Commission's Order approved in Cause No. 45131 FMCA 4 on
9 January 27, 2021, the Petitioner is authorized to earn a return of \$1,714,107. As discussed
10 in the accompanying testimony of the Petitioner's controller, David C. Ream, Petitioner
11 earned more than that amount for the twelve months ended March 31, 2021. However, as
12 Mr. Ream testifies, the variance between authorized and actual return for the relevant
13 twenty quarter-period beginning April 1, 2016 (which was the beginning of the quarter
14 ended June 30, 2016) through March 31, 2021, is less than zero. Thus, there are no
15 excess earnings that need to be returned to customers in this filing.

16 Continuing on Schedule 1, the total gas cost to be recovered on a per unit of sales
17 basis is computed by dividing the amount on line 15 by the estimated sales volume from
18 line 10 of Schedule 1, and adding to that amount (1) the estimated monthly demand
19 charges per unit of sales from Schedule 1A, and (2) the currently effective take-or-pay
20 ("TOP") surcharge, which is calculated by dividing annualized TOP costs by estimated
21 total annual throughput. The total gas cost to be recovered on a unit of sales basis is then
22 adjusted to recover non-Account No. 191 transition costs on a total throughput basis.
23 Note that in the instant filing there are no deferred, or projected, transition costs or take-

1 or-pay costs to be included. Consistent with prior Commission Orders, Account No. 191
2 costs are included for recovery on an ongoing basis as gas costs in Petitioner's GCA
3 filings. References to the base cost of gas have been eliminated from the GCA schedules
4 per the Order in Cause 44374. The estimated total cost per unit to be recovered is then
5 modified by the Utility Receipts Tax in order to arrive at the GCA factor that will be
6 applied to customers' bills during August through October 2021 billing months.

7 The GCA factors proposed for the Company are specified on the updated tariff
8 schedule filed herewith as Exhibit JTS-1.

9 **Q. PLEASE DESCRIBE SCHEDULES 2 AND 3.**

10 A. Schedule 2 shows expected sales volumes, transportation volumes, and total throughput
11 volumes for the twelve months ended July 2022, which includes the August through
12 October 2021 period during which the GCA factors proposed in this filing will be in
13 effect. Pursuant to the Order in Cause 44374, historical data used to estimate sales in
14 Schedule 2 cover a period of at least three years, and the supporting data will be supplied
15 in work papers submitted to the OUCC. An update of expected sales volumes was
16 completed for this filing and is included in Petitioner's calculations.

17 Schedule 3 shows gas purchases, unit costs, and total gas costs that Petitioner
18 anticipates it will incur in order to meet the sales estimates for the August through
19 October 2021 period. The bottom portion of Schedule 3 shows what percent of the
20 estimated gas requirements have been purchased at fixed prices versus spot prices. As a
21 result of the order in GCA 103 approving the Petitioner's monthly flex mechanism, I
22 have included a Supplement to Schedule 3, which details the weighted average cost of
23 gas ("WACOG") for the estimated period.

1 **Q. DO PETITIONER'S ESTIMATED GAS COSTS FOUND ON SCHEDULE 3**
2 **INCLUDE TOP COSTS AND TRANSITION COSTS FROM PIPELINE**
3 **SUPPLIERS THAT PETITIONER IS PROPOSING TO FLOW THROUGH?**

4 A. Schedule 3 does not include any fixed demand TOP charges for the estimation period.
5 There are no current or deferred transition costs.

6 **Q. PLEASE DESCRIBE SCHEDULES 6, 6A, 6 VARIANCE, 7, 8, 8A, AND 11 OF**
7 **PETITIONER'S FILING.**

8 A. Schedule 8 shows the actual purchases, and total gas costs, per books, incurred by SG
9 during the months of January, February, and March 2021. The WACOG Supplement to
10 Schedule 8 shows the amount of fixed, index, and storage gas used during the
11 reconciliation period as defined by Schedule 8. This WACOG Supplement is filed per
12 the Order in Cause No. 44374. The Supplement to Schedule 8 shows a record of the
13 pipeline storage gas utilized by Petitioner from Texas Gas. This Supplement was filed at
14 the request of the Commission staff and will continue to be submitted to provide greater
15 detail of our pipeline storage account. Schedule 11 shows the calculation of the cost of
16 unaccounted for gas for the three-month period ending March 2021. Schedule 7 shows
17 the actual net cost of gas incurred per books for January, February, and March 2021.
18 Schedule 6 shows the actual gas costs incurred each month provided on Schedule 7. The
19 cost of "unaccounted for" gas from Schedule 11 is subtracted in order to determine the
20 actual incremental cost of gas to be recovered. The incremental cost of gas to be
21 recovered is then compared to the incremental gas costs actually recovered in order to
22 determine monthly gas cost variances for January through March 2021. These monthly
23 variances are carried forward to Schedule 12B.

1 Schedule 6A reconciles the cost of gas injected into our pipeline no-notice storage
2 (“NNS”) account versus the cost charged when it was withdrawn. We will choose a cost
3 at the beginning of each winter season for our storage withdrawals, and reconcile to that
4 amount during normal injection months, which are typically April through October. As
5 stated in the testimony for GCA-94, we are now accounting for monthly injection and
6 withdrawal volumes on an individual basis. Schedule 6 Variance has been added to the
7 filing to comply with the Order in Cause No. 44374. It is a rolling twelve-month average
8 of the comparison of the incremental cost of gas on Schedule 6 to the gas cost actually
9 recovered from customers on Schedule 6. The twelve-month rolling variance through
10 March 31, 2021, is 16.96 percent. Petitioner believes that its estimates reflect reasonable
11 levels of accuracy, given the timing of Petitioner’s filing, changes in weather and
12 consumption, and the volatile nature of gas markets over the past several years.

13 **Q. PLEASE EXPLAIN PETITIONER’S 12-MONTH ROLLING VARIANCE**
14 **INCREASE.**

15 A. During the month of February 2021, Sycamore’s gas supply pricing was affected by a
16 winter storm known as “Uri” that hit parts of central and south U.S. This storm did not
17 cause any interruptions in supply to Sycamore’s customers, but it did cause higher pricing
18 and constraints on normal procurement options for Sycamore’s supplier. This was
19 especially true for the four-day period of February 13-16, 2021. The Lebanon daily price
20 for that period closed at \$52.06. Lebanon is the market area closest to Sycamore’s service
21 territory.

22 **Q. PLEASE DESCRIBE HOW SYCAMORE’S GAS PROCUREMENT PRICING**
23 **WAS AFFECTED DURING THE WINTER STORM.**

1 A. Sycamore received force majeure letters from its supplier on February 15, 2021,
2 indicating suspension of full or partial deliveries under its base contract until further
3 notice. As mentioned above, this did not result in any interruptions to its supply.
4 However, it was unclear how it might affect pricing until Sycamore received invoicing
5 for February, mainly on its Texas Gas system. The Texas Eastern system was less
6 affected by those issues.

7 **Q. WHAT ACTIONS DID SYCAMORE TAKE TO PROTECT CUSTOMERS**
8 **DURING THIS PRICING EVENT?**

9 A. Sycamore had discussions with its major transport customers to determine if any of their
10 deliveries would be affected by the winter storm. They were not, and those two large
11 customers were able to deliver the volumes as nominated into Sycamore's system
12 throughout February so that did not impact supply. However, because of the pricing event
13 and constraints on its supply sourcing, Sycamore received invoicing for its General
14 Service customers that it felt deserved additional attention and review. Sycamore enlisted
15 its outside legal counsel for a review of the pricing terms in its supply contract.

16 **Q. WHAT WERE THE RESULTS OF THAT REVIEW?**

17 A. As expected, Sycamore believed that it had the ability to receive pricing that was
18 mutually agreed to under a provision of its contract with its supplier. In its supplier's
19 defense, Symmetry Energy did have multiple logistical issues to deal with in running its
20 operations (lack of electricity, etc. to run its Houston trading operations) that hampered
21 its ability to communicate. However, Sycamore did not receive the opportunity to agree
22 to the pricing charged, so it disputed its February invoice.

1 **Q. PLEASE EXPLAIN THE DISPUTE AND THE RESOLUTION OF THE**
2 **FEBRUARY 2021 INVOICE.**

3 A. Sycamore believed that the pricing it received was not in compliance with its supply
4 contract. Petitioner timely paid the amount not in dispute as required by its contract and
5 sent a letter describing the dispute. This resulted in an extended negotiation process
6 assisted by Sycamore's outside counsel. Ultimately these negotiations resulted in a
7 discount to the original invoice in the amount of \$418,986.31, a direct savings to
8 Sycamore's General Service customers. The final payment on the February invoice was
9 made as soon as the dispute was resolved.

10 **Q. PLEASE EXPLAIN SCHEDULE 11A.**

11 A. Schedule 11A is an annual summary of the amount of SG's unaccounted for gas. This
12 schedule was filed in GCA 148 and will next be filed in GCA 152.

13 **Q. PLEASE EXPLAIN SCHEDULES 12A AND 12B.**

14 A. Schedule 12A shows suppliers' refunds to be credited against the expected gas costs in
15 developing the proposed GCA. These refunds include an allocated portion of suppliers'
16 refunds received since Petitioners' last GCA filing, as determined per Schedule 12A, plus
17 the allocated portion of the refunds authorized and carried forward from the previous
18 three GCA filings. Schedule 12B shows the variance adjustment applied in calculating
19 the proposed GCA. The variance adjustment includes an amount to recover or return an
20 allocated portion, as determined per Schedule 12B, of the over (under) recovery of gas
21 costs for January through March 2021, plus an allocated portion of the amounts
22 authorized in the previous three GCA filings.

1 **Q. PLEASE DESCRIBE WHY YOU REMOVED SCHEDULE 13.**

2 A. Schedule 13 was removed from the GCA per the Commission's Order in Cause No.
3 44374.

4 **Q. PLEASE EXPLAIN EXHIBIT JTS-1.**

5 A. Schedule JTS-1 consists of Appendix A to SG's tariff, which contains the GCA factors
6 that Petitioner proposes for the August through October 2021 billing months as follows:

7 **SYCAMORE GAS**

	Aug 2021 <u>¢ / Therm</u>	Sept 2021 <u>¢ / Therm</u>	Oct 2021 <u>¢ / Therm</u>
Rate GS	49.327	49.604	53.330
Rate WS	48.602	48.875	52.546

8
9 **Q. WHEN DOES PETITIONER PROPOSE TO IMPLEMENT THE GCA FACTORS**
10 **THAT IT HAS REQUESTED IN THIS PROCEEDING?**

11 A. Petitioner proposes that the new GCA factors be made effective and applied to all bills
12 issued for meter readings on and after August 1, 2021, by month as shown.

13 **Q. WHEN WILL PETITIONER FLEX ITS GCA UP OR DOWN WITHIN LIMITS**
14 **AS SET FORTH BY THE ORDER IN GCA 103?**

15 A. Once the Commission has approved a new GCA factor, under the approved flex
16 mechanism the Petitioner has the option to file an update of its non-hedged gas costs no
17 less than five business days prior to the start of the next month ("Flex Month"). This
18 timing is necessary to meet the filing needs of the Petitioner's wholesale customer,
19 Aurora Municipal Gas Utility. SG will include as part of its monthly adjustment an
20 updated Schedule 1 and Schedule 3, as well as a bill comparison showing the difference
21 between the unchanged GCA factor as set in the latest GCA order and the factor as

1 adjusted. SG also will include an exhibit showing its weighted cost of gas calculations,
2 which would be intended to facilitate the tracking of the proposed monthly adjustment.
3 In addition, the monthly adjustment would be capped such that it reflected no more than a
4 \$1 change in the NYMEX spot gas price as compared to the estimated NYMEX spot gas
5 price already built into SG's previously approved GCA factor.

6 **Q. PLEASE EXPLAIN SCHEDULE JTS-2?**

7 A. Schedule JTS-2 provides comparisons of residential revenues for customers under the
8 proposed rates versus both current rates, and current quarter one year ago rates for each
9 of the estimated months. This schedule is included to comply with Administrative Order
10 No. 1991-3, approved by the Commission on June 26, 1991.

11 **Q. DID YOU SHARE WITH YOUR WHOLESALE CUSTOMER, THE CITY OF**
12 **AURORA MUNICIPAL GAS UTILITY, DETAILS ABOUT THIS GCA IN**
13 **ADVANCE OF ITS FILING WITH THE COMMISSION?**

14 A. Yes. Attached as Exhibit JTS-3 is a copy of my email to Aurora's utility accountant and
15 city attorney dated May 27, 2021, in which I provided a copy of my draft Schedule 1. I
16 have also instructed SG's attorney to provide to these same Aurora representatives a
17 complete electronic copy of this GCA petition, including all exhibits, no later than the
18 day they are filed at the Commission.

19 **Q. PLEASE DESCRIBE SG'S GAS PROCUREMENT STRATEGY FOR THE**
20 **SUMMER SEASON, INCLUDING THE QUARTER AUGUST THROUGH**
21 **OCTOBER 2021.**

22 A. SG continues to have a contract in place with a marketer for firm gas supply through the
23 upcoming summer season. This contract provides gas supplies on a non-interruptible

1 basis to SG's customers. SG has the option to purchase a portion of its portfolio on gas
2 industry "first of the month" and/or "daily" indices. We can also purchase a portion of
3 our gas through fixed price contracts. In addition, we will continue to refill our interstate
4 pipeline storage in the quarter.

5 **Q. HAS SG HEDGED ANY OF ITS SUPPLY REQUIREMENTS FOR THE**
6 **UPCOMING QUARTER?**

7 A. Yes, SG has hedged approximately 44 percent of its total supply requirements for the
8 upcoming GCA quarter, as shown on Schedule 3.

9 **Q. DOES SG ANTICIPATE TAKING ANY FURTHER STEPS TO MITIGATE THE**
10 **VOLATILITY IN NATURAL GAS PRICES?**

11 A. Yes, we continue to review different strategies for future hedging of our gas supply
12 requirements. They include dollar cost averaging and other strategies intended to provide
13 even more discipline to our natural gas purchasing practices. We will also continue to
14 monitor daily prices and trends in the industry in an attempt to protect our customers
15 from the price fluctuations encountered because of weather factors.

16 **Q. WHAT ARRANGEMENTS HAS SG MADE WITH THE INTERSTATE**
17 **PIPELINES FOR TRANSPORTATION OF GAS SUPPLIES FROM THE**
18 **SUPPLY AREAS TO SG?**

19 A. SG has contracted for NNS service on Texas Gas Transmission Corporation's pipeline
20 under its NNS rate schedule, and has contracted for firm service with its marketer,
21 Symmetry Energy Solutions (formerly CenterPoint Energy Services) to ensure firm
22 deliveries of natural gas to SG's customers in and around the city of Lawrenceburg. SG
23 also has a contract for firm transportation service with Texas Eastern to serve SG's

1 customers in and around the town of Brookville under Texas Eastern's SCT rate
2 schedule.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

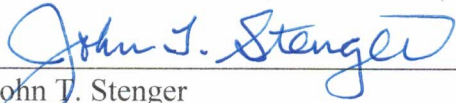
4 A. Yes, it does.

VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

May 28, 2021

Date



John T. Stenger

SYCAMORE GAS COMPANY

Schedules Pertaining To The Development Of Gas Cost Adjustment Factors For The Lawrenceburg Gas Company

**To be applied to the August, 2021 through October, 2021
Billing Cycles**

SYCAMORE GAS COMPANY, GCA-151

Determination of Gas Cost Adjustment (GCA) Charge

Estimation Period: August 1, 2021 through October 31, 2021

To be applied to the August, 2021 through October, 2021 Billing Cycles

Line	Aug-21	Sep-21	Oct-21	GCA Totals
ESTIMATED COST OF GAS TO BE RECOVERED:				
1 Pipeline Gas Cost Adjusted for Incentive Rate Purchases				
Demand: D-1	22,958	22,439	74,862	120,259
Commodity & Other	81,560	78,831	149,267	309,658
2 Contracted Storage and Related Transportation Cost	-	-	-	-
3 Gas Injected Into/Withdrawn From Storage- Net Cost	-	-	-	-
4 Total Estimated Gas Cost	104,518	101,270	224,129	429,917
5 Less: Cost to be Recovered Under Rate Schedules Containing Specific Provision for Adjustments for Changes in Gas Cost	-	-	-	-
6 Less: Estimated Cost of Unaccounted for Gas	326	315	597	1,239
7 Net Cost of Gas to be Recovered	104,191	100,955	223,532	428,678
ESTIMATED SALES VOLUME:				
8 Total Estimated Sales in (DTH)	25,262	24,458	46,077	95,796
9 Less: Estimated Sales Under Rate Schedules Containing Specific Provision for Adjustment for Changes in Gas Cost	0	0	0	0
10 Sales Subject to Gas Cost Adjustment (GCA) Rates	25,262	24,458	46,077	95,796
GAS COST ADJUSTMENT RATE:				
11 Gas Cost Variance Dollars (Schedule 12b)	\$ 22,625	\$ 22,625	\$ 22,625	\$ 67,876
12 Excess Return Reduction	-	-	-	\$ -
13 Total Variance (Line 11 - Line 12)	\$ 22,625	\$ 22,625	\$ 22,625	\$ 67,876
14 Total Dollars to be Refunded (Schedule 12 a)	\$ 4,041	\$ 4,041	\$ 4,041	\$ 12,123
15 Total Commodity Costs to be Recovered	\$ 99,818	\$ 97,100	\$ 167,254	\$ 364,172
16 Total Quarterly Non-Demand Costs (Line 15 / Line 10)	\$ 3.9514	\$ 3.9701	\$ 3.6299	
17 Take-or-Pay Surcharge and/or Transition Costs	\$ -	\$ -	\$ -	
18 Total Non-Demand Costs (Line 16 + Line 17)	\$ 3.9514	\$ 3.9701	\$ 3.6299	
19 Estimated D-1 Demand Costs (Schedule 1A, By Month)	\$ 0.9088	\$ 0.9175	\$ 1.6247	
20 Total Cost to be Recovered Through GCA Per Unit Sales (Line 18 + Line 19)	\$ 4.8602	\$ 4.8875	\$ 5.2546	
21 GCA Modified for Indiana Utility Receipts Tax-(DTH) (line 20 / (.9853 Tax Rate))	\$ 4.9327	\$ 4.9604	\$ 5.3330	
GCA Factor Originally Approved				

SYCAMORE GAS COMPANY, GCA-151

Allocation of Demand Costs Per Cause No. 44374

Estimate of Demand Costs for the Quarter Ended October 31, 2021

Line	Supplier	Demand Months/Qty	Demand Rate	Annual Demand Costs
1	Texas Gas Demand - FT - Summer	532,860	0.04	\$ 21,314
	Texas Gas Demand - FT - Winter	723,290	0.11	\$ 79,562
2	Texas Gas Demand - NNS - Apr	121,800	0.4190	\$ 51,034
	Texas Gas Demand - NNS - May-Sept	153,000	0.4190	\$ 64,107
	Texas Gas Demand - NNS - Oct	154,876	0.4190	\$ 64,893
	Texas Gas Demand - NNS - Nov-Mar	1,087,200	0.4190	\$ 455,537
3	Texas Eastern Demand - SCT	12	6,881	\$ 82,573
4	Total Estimated Annual Demand Costs for Recovery in GCA			\$ 819,021
5	Estimated Sales Volume For Twelve Months Ending July 31, 2022 (Schedule 2)			961,884 Dth

TEXAS GAS TRANSMISSION, MAXIMUM DAILY QUANTITY (MDQ)

	Firm City Gate	NNS	Total
Month	MDQ (Dth)	MDQ (Dth)	MDQ (Dth)
Nov-Mar	4,790	7,200	11,990
Apr	2,490	4,060	6,550
May-Sept	2,490	1,000	3,490
Oct	2,490	4,996	7,486

TEXAS EASTERN MDQ

Month	Total MDQ (Dth)
Jan-Dec	1,500

CALCULATION OF MONTHLY DEMAND COSTS

	November	December	January
Texas Gas Demand - FT	15,807	16,334	16,334
Texas Gas Demand - NNS	90,504	93,521	93,521
Texas Eastern Demand	6,881	6,881	6,881
Estimated Monthly Demand Cost	\$ 113,192	\$ 116,736	\$ 116,736
Estimated Monthly Sales	107,772	150,289	186,878
Demand Cost Per Dth of Sales	\$ 1.0503	\$ 0.7767	\$ 0.6247

	February	March	April
Texas Gas Demand - FT	14,753	16,334	2,988
Texas Gas Demand - NNS	84,470	93,521	51,034
Texas Eastern Demand	6,881	6,881	6,881
Estimated Monthly Demand Cost	\$ 106,105	\$ 116,736	\$ 60,903
Estimated Monthly Sales	158,252	116,841	62,203
Demand Cost Per Dth of Sales	\$ 0.6705	\$ 0.9991	\$ 0.9791

	May	June	July
Texas Gas Demand - FT	3,088	2,988	3,088
Texas Gas Demand - NNS	12,989	12,570	12,989
Texas Eastern Demand	6,881	6,881	6,881
Estimated Monthly Demand Cost	\$ 22,958	\$ 22,439	\$ 22,958
Estimated Monthly Sales	36,005	25,138	22,710
Demand Cost Per Dth of Sales	\$ 0.6376	\$ 0.8926	\$ 1.0109

	August	September	October
Texas Gas Demand - FT	3,088	2,988	3,088
Texas Gas Demand - NNS	12,989	12,570	64,893
Texas Eastern Demand	6,881	6,881	6,881
Estimated Monthly Demand Cost	\$ 22,958	\$ 22,439	\$ 74,862
Estimated Monthly Sales	25,262	24,458	46,077
Demand Cost Per Dth of Sales	\$ 0.9088	\$ 0.9175	\$ 1.6247

120,259 \$ 819,021

SYCAMORE GAS COMPANY, GCA-151

Estimated Sales Volume For Twelve Months Ending July 31, 2022

(For Information Only)

Period	Total Sales Volume	Less: Sales Volume Under Rate Schedules Containing Specific Provision for Adjustment for Changes in Gas Cost	Sales Volume Subject To GCA
August	25,262	---	25,262
September	24,458	---	24,458
October	<u>46,077</u>	---	<u>46,077</u>
Three Month Total	95,796		95,796
November	107,772	---	107,772
December	150,289	---	150,289
January	<u>186,878</u>	---	<u>186,878</u>
Three Month Total	444,940	---	444,940
February	158,252	---	158,252
March	116,841	---	116,841
April	<u>62,203</u>	---	<u>62,203</u>
Three Month Total	337,295		337,295
May	36,005	---	36,005
June	25,138	---	25,138
July	<u>22,710</u>	---	<u>22,710</u>
Three Month Total	83,853	---	83,853
TOTAL	<u><u>961,884</u></u>	---	<u><u>961,884</u></u>

Quarterly Sales as a Percent of Total Annual Sales

Three Month Period		Subject to GCA
AUG-OCT	2020	10.0%
NOV-JAN	2021	46.3%
FEB-APR	2021	35.1%
MAY-JUL	2021	<u>8.7%</u>
TOTAL		<u><u>100.0%</u></u>

SYCAMORE GAS COMPANY, GCA-151

Purchased Gas Cost - Estimated

For the period August 1, 2021 through October 31, 2021

Month & Supplier	Estimated Purchases		Est. Supplier Rates		Estimated Cost		Other Cost	Total
	DTH	DTH	DTH	DTH	Demand	Commodity		
	Demand	Commodity	Demand	Commodity				
Aug-21								
Firm Gas - TGT	77,190	25,000	\$3,088	\$2.6250	\$3,088	\$65,625	\$0	\$68,713
Spot Gas - TGT	0	21,088	\$0.0000	\$3.1964	\$0	\$67,404	\$0	\$67,404
Transportation - TGT	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Firm Gas - TETCO	1,500	0	\$6,881	\$0.0000	\$6,881	\$0	\$0	\$6,881
Spot Gas - TETCO	0	4,275	\$0.0000	\$3.3114	\$0	\$14,156	\$0	\$14,156
Transportation - TETCO	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Storage Gas - TGT NNS	31,000	-25,000	\$0.4190	\$2.6250	\$12,989	-\$65,625	\$0	-\$52,636
Mgmt Fee	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Totals	109,690	25,363			\$22,958	\$81,560	\$0	\$104,518
Sep-21								
Firm Gas - TGT	74,700	25,000	\$2,988	\$2.6250	\$2,988	\$65,625	\$0	\$68,613
Spot Gas - TGT	0	20,481	\$0.0000	\$3.1912	\$0	\$65,358	\$0	\$65,358
Transportation - TGT	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Firm Gas - TETCO	1,500	0	\$6,881	\$0.0000	\$6,881	\$0	\$0	\$6,881
Spot Gas - TETCO	0	4,075	\$0.0000	\$3.3060	\$0	\$13,473	\$0	\$13,473
Transportation - TETCO	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Storage Gas - TGT NNS	30,000	-25,000	\$0.4190	\$2.6250	\$12,570	-\$65,625	\$0	-\$53,055
Mgmt Fee	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Totals	106,200	24,556			\$22,439	\$78,831	\$0	\$101,270
Oct-21								
Firm Gas - TGT	77,190	25,000	\$3,088	\$2.6250	\$3,088	\$65,625	\$0	\$68,713
Spot Gas - TGT	0	39,100	\$0.0000	\$3.2087	\$0	\$125,461	\$0	\$125,461
Transportation - TGT	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Firm Gas - TETCO	1,500	0	\$6,881	\$0.0000	\$6,881	\$0	\$0	\$6,881
Spot Gas - TETCO	0	7,161	\$0.0000	\$3.3243	\$0	\$23,806	\$0	\$23,806
Transportation - TETCO	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Storage Gas - TGT NNS	154,876	-25,000	\$0.4190	\$2.6250	\$64,893	-\$65,625	\$0	-\$732
Mgmt Fee	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Totals	233,566	46,261			\$74,862	\$149,267	\$0	\$224,129
TOTAL								
3 MONTHS	449,456	96,180			\$120,259	\$309,658	\$0	\$429,917

Purchased Gas - Fixed (Firm + Storage) versus Spot Purchases

	Aug-21	Sep-21	Oct-21	Weighted Quarter Total
Fixed Price Purchases	50%	50%	35%	44%
Spot Price Purchases	50%	50%	65%	56%
Total	100%	100%	100%	100%

SYCAMORE GAS COMPANY, GCA-151

WACOG Determination

	Aug-21			Sep-21			Oct-21		
	<u>Volume</u>	<u>Price</u>	<u>Cost</u>	<u>Volume</u>	<u>Price</u>	<u>Cost</u>	<u>Volume</u>	<u>Price</u>	<u>Cost</u>
Texas Gas - Fixed Purchases	12,500	2.2600	28,250	12,500	2.2600	28,250	12,500	2.2600	28,250
	12,500	2.9900	37,375	12,500	2.9900	37,375	12,500	2.9900	37,375
	-	-	-	-	-	0	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Storage - NNS - Fixed Purchase	(25,000)	2.6250	(65,625)	(25,000)	2.6250	(65,625)	(25,000)	2.6250	(65,625)
Storage - NNS - FOM	-	-	-	-	-	0	-	-	-
Texas Gas - FOM and Spot	<u>21,088</u>	3.1964	<u>67,404</u>	<u>20,481</u>	3.1912	<u>65,358</u>	<u>39,100</u>	3.2087	<u>125,461</u>
Total, Texas Gas	<u>21,088</u>		<u>67,404</u>	<u>20,481</u>	-	<u>65,358</u>	<u>39,100</u>	-	<u>125,461</u>
									-
Texas Eastern - Fixed Purchases	0	-	-	0	-	0	0	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Texas Eastern - FOM and Spot	<u>4,275</u>	3.3114	<u>14,156</u>	<u>4,075</u>	3.3060	<u>13,473</u>	<u>7,161</u>	3.3243	<u>23,806</u>
Total, Texas Eastern	<u>4,275</u>	-	<u>14,156</u>	<u>4,075</u>		<u>13,473</u>	<u>7,161</u>	-	<u>23,806</u>
Total, Sycamore Gas	<u>25,363</u>	\$ 3.2158	<u>\$ 81,560</u>	<u>24,556</u>	\$ 3.2103	<u>\$ 78,832</u>	<u>46,261</u>	3.2266	<u>\$ 149,266</u>

NYMEX Price as originally filed	\$ 3.045	\$ 3.040	\$ 3.057
Date of NYMEX Price	26-May-21	26-May-21	26-May-21
NYMEX Close for update	\$ -	\$ -	\$ -
NYMEX Closing Date			
NYMEX Price Used for Flex (+/- \$1 per Dth)	\$ -	\$ -	\$ -

SYCAMORE GAS COMPANY, GCA-151
Calculation of Actual Gas Cost Variance

<u>Line</u>	<u>JAN 21</u>	<u>FEB 21</u>	<u>MAR 21</u>
1 Sales Subject to GCA (DTH)	162,830	199,745	101,916
2 Actual GCA Factor Billed During Period	\$3.2851	\$3.2477	\$3.8880
3 Actual Cost of Gas Incurred (See Schedule 7, Line 5)	\$542,260	\$1,413,795	\$396,727
4 Cost of Unaccounted for Gas (See Schedule 11, Line 9)	<u>(\$4,009)</u>	<u>(\$19,004)</u>	<u>\$8,454</u>
5 Incremental Cost of Gas to be Recovered through GCA (Line 3 - Line 4)	<u>\$546,269</u>	<u>\$1,432,799</u>	<u>\$388,273</u>
6 Actual Incremental Cost of Gas Billed Including Utility Receipts Tax (Line 1 * Line 2)	\$534,914	\$648,711	\$396,251
7 Actual Incremental Cost of Gas Billed Excluding Utility Receipts Tax (Factor = 0.9852)	\$526,997	\$639,110	\$390,386
8 Dollar Amount of Gas Cost Variance From Cause No. 37368, GCA 148 (See Sch. 1, Ln 11 (-23,685/3))	(\$7,895)		
9 Dollar Amount of Gas Cost Variance From Cause No. 37368, GCA 149 (See Sch. 1, Ln 11 (-19,104/3))		(\$6,368)	(\$6,368)
10 Refund Dollars from Cause No. 37368, GCA 148 (See Sch. 1, Line 14 (58,992/3))	\$19,664		
11 Refund Dollars from Cause No. 37368, GCA 149 (See Sch. 1, Line 14 (42,777/3))		<u>\$14,259</u>	<u>\$14,259</u>
12 Incremental Gas Cost Charge Revenues to be Reconciled with Incremental Cost of Fuel Incurred (Line 7 - Line 8 - Line 9 + Line 10 + Line 11)	<u>\$554,556</u>	<u>\$659,737</u>	<u>\$411,013</u>
13 Gas Cost Variance (Line 5 - Line 12)	<u>(\$8,287)</u>	<u>\$773,062</u>	<u>(\$22,740)</u>

Schedule 6a

SYCAMORE GAS COMPANY, GCA-151
Calculation of Actual Gas Cost Variance

	<u>JAN 21</u>	<u>FEB 21</u>	<u>MAR 21</u>
1 Storage Gas Injections (DTH)	0	0	0
2 Cost of Storage Gas Billed	\$0	\$0	\$0
3 Actual Cost of Storage Gas (Schedule 8)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
4 Storage Gas Cost Variance (Line 2 + Line 3)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Sycamore Gas Company
Cause No. 37368
Schedule 6 Variance Calculation

GCA	139	139	139	140	140	140	141	141	141	142	142	142
Month	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Actual Gas Cost	892,590	526,844	519,030	317,453	129,963	111,881	103,622	46,393	87,267	264,658	555,005	690,253
Variance	58,657	11,835	10,208	(16,748)	9,216	3,243	9,483	(58,510)	(7,338)	(44,696)	(39,860)	69,257

Monthly % Variance	6.57%	2.25%	1.97%	-5.28%	7.09%	2.90%	9.15%	-126.12%	-8.41%	-16.89%	-7.18%	10.03%
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12 Mo. Avg.	3.18%	1.89%	0.87%	-0.31%	0.07%	0.38%	0.63%	-0.62%	-0.70%	-1.82%	-1.79%	0.11%
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GCA	143	143	143	144	144	144	145	145	145	146	146	146
Month	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Actual Gas Cost	734,202	558,147	501,778	223,895	116,881	87,872	77,134	78,740	76,887	193,902	422,944	498,506
Variance	(78,927)	(36,312)	(18,558)	(13,815)	(2,085)	(3,349)	(2,808)	(8,493)	1,918	(2,182)	(9,404)	(25,061)

Monthly % Variance	-10.75%	-6.51%	-3.70%	-6.17%	-1.78%	-3.81%	-3.64%	-10.79%	2.49%	-1.13%	-2.22%	-5.03%
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12 Mo. Avg.	-3.25%	-4.40%	-5.12%	-5.16%	-5.46%	-5.66%	-6.01%	-4.70%	-4.48%	-3.47%	-2.78%	-5.57%
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GCA	147	147	147	148	148	148	149	149	149	150	150	150
Month	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Actual Gas Cost	515,005	501,945	361,675	152,922	109,759	66,982	75,089	70,286	87,256	192,741	335,447	550,961
Variance	2,745	16,868	8,448	(25,423)	(2,134)	(5,004)	2,772	1,006	(17,759)	3,653	(1,346)	(17,749)

Monthly % Variance	0.53%	3.36%	2.34%	-16.62%	-1.94%	-7.47%	3.69%	1.43%	-20.35%	1.90%	-0.40%	-3.22%
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12 Mo. Avg.	-3.50%	-1.95%	-1.18%	-1.58%	-1.59%	-1.65%	-1.47%	-1.16%	-1.80%	-1.61%	-1.39%	-1.12%
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GCA	151	151	151
Month	Jan-21	Feb-21	Mar-21
Actual Gas Cost	546,269	1,432,799	388,273
Variance	(8,287)	773,062	(22,740)

Monthly % Variance	-1.52%	53.95%	-5.86%
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12 Mo. Avg.	-1.47%	17.86%	16.96%
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SYCAMORE GAS COMPANY, GCA-151
Determination of Actual Gas Cost
For the Three Months Ended March 31, 2021

<u>Line</u>	<u>JAN 21</u>	<u>FEB 21</u>	<u>MAR 21</u>
1 Pipeline Gas Cost (Adjusted for Incentive Rate Purchases) (See Schedule 8)	\$542,260	\$1,413,795	\$396,727
2 Contracted Storage and Related Transportation Cost (See Schedule 9)	\$0	\$0	\$0
3 Net Cost of Gas Injected Into - Withdrawn From Storage (See Schedule 10)	\$0	\$0	\$0
4 Less: Cost of Gas Recovered Under Rate Schedules Containing Specific Provision For Adjustments For Changes In Gas Cost	\$0	\$0	\$0
5 Net Cost of Gas	<u>\$542,260</u>	<u>\$1,413,795</u>	<u>\$396,727</u>
6 Total Net Cost of Gas			<u><u>\$2,352,782</u></u>

SYCAMORE GAS COMPANY, GCA-151
Schedule 8
Purchased gas cost - Actual
For period January 1, 2021 through March 31, 2021

Month & Supplier	Actual Purchases		Actual Supplier Rates		Actual Cost		Other Cost	Total
	DTH Demand	DTH Commodity	DTH Demand	DTH Commodity	Demand	Commodity		
JAN 21								
Gas - Texas Gas	0	52,670	\$0.0000	\$2.4510	\$125,513	\$129,095	-\$2,340	\$252,268
Gas - Texas Eastern	0	21,479	\$0.0000	\$2.5647	\$5,085	\$55,086	\$752	\$60,924
Transportation	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Off System Sales	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Storage - (injection)	0	(2,306)	\$0.0000	\$2.4510	\$0	(\$5,652)	\$0	(\$5,652)
Storage - withdrawal	0	89,417	\$0.0000	\$2.6250	\$0	\$234,720	\$0	\$234,720
Totals	0	161,260			\$130,599	\$413,249	-\$1,589	\$542,260
FEB 21								
Gas - Texas Gas	0	145,805	\$0.0000	\$8.0516	\$114,208	\$1,173,956	-\$13,541	\$1,274,623
Gas - Texas Eastern	0	23,296	\$0.0000	\$4.7811	\$5,492	\$111,382	\$815	\$117,688
Transportation	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Off System Sales	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Storage - (injection)	0	(9,466)	\$0.0000	\$8.0516	\$0	(\$76,216)	\$0	(\$76,216)
Storage - withdrawal	0	37,219	\$0.0000	\$2.6250	\$0	\$97,700	\$0	\$97,700
Totals	0	196,854			\$119,699	\$1,306,822	-\$12,726	\$1,413,795
MAR 21								
Gas - Texas Gas	0	97,819	\$0.0000	\$2.7199	\$114,843	\$266,062	-\$8,427	\$372,479
Gas - Texas Eastern	0	14,253	\$0.0000	\$2.6687	\$5,582	\$38,038	\$499	\$44,119
Transportation	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Off System Sales	0	0	\$0.0000	\$0.0000	\$0	\$0	\$0	\$0
Storage - (injection)	0	(17,435)	\$0.0000	\$2.7199	\$0	(\$47,422)	\$0	(\$47,422)
Storage - withdrawal	0	10,496	\$0.0000	\$2.6250	\$0	\$27,552	\$0	\$27,552
Totals	0	105,133			\$120,426	\$284,230	-\$7,928	\$396,727
TOTAL								
3 MONTHS	0	463,247			\$370,723	\$2,004,301	-\$22,243	\$2,352,782

SYCAMORE GAS COMPANY, GCA-151

WACOG Determination

	JAN 21			FEB 21			MAR 21		
	<u>Volume</u>	<u>Price</u>	<u>Cost</u>	<u>Volume</u>	<u>Price</u>	<u>Cost</u>	<u>Volume</u>	<u>Price</u>	<u>Cost</u>
Texas Gas - Fixed Purchases	20,000	2.4700	49,400	13,000	2.4700	32,110	10,000	2.4700	24,700
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Storage - NNS - Fixed Injection	-	-	-	-	-	-	-	-	-
Storage - NNS - Spot Injection	(2,306)	2.4510	(5,652)	(9,466)	8.0516	(76,216)	(17,435)	2.7199	(47,422)
Storage - NNS - Fixed Withdrawal	89,417	2.6250	234,720	37,219	2.6250	97,700	10,496	2.6250	27,552
Texas Gas - FOM and Spot	<u>32,670</u>	2.4394	<u>79,695</u>	<u>132,805</u>	8.5979	<u>1,141,846</u>	<u>87,819</u>	2.7484	<u>241,362</u>
Total, Texas Gas	<u>139,781</u>		<u>358,163</u>	<u>173,558</u>		<u>1,195,440</u>	<u>90,880</u>		<u>246,192</u>
Texas Eastern - Fixed Purchases	10,000	2.4900	24,900	7,100	2.4900	17,679	6,400	2.4900	15,936
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Texas Eastern - FOM and Spot	<u>11,479</u>	2.6297	<u>30,186</u>	<u>16,196</u>	5.7855	<u>93,703</u>	<u>7,853</u>	2.8144	<u>22,102</u>
Total, Texas Eastern	<u>21,479</u>	2.5647	<u>55,086</u>	<u>23,296</u>	4.7811	<u>111,382</u>	<u>14,253</u>	2.6687	<u>38,038</u>
Total, Sycamore Gas	<u>161,260</u>	\$ 2.5626	<u>\$ 413,249</u>	<u>196,854</u>	\$ 6.6385	<u>\$ 1,306,822</u>	<u>105,133</u>	2.7035	<u>\$ 284,230</u>

SYCAMORE GAS COMPANY
RECORD OF LIABILITY FOR PIPELINE STORAGE GAS FROM TEXAS GAS

Month	Description	Dth's Withdrawn (Injected)	Cost	Price per Dth	Dth Balance		\$ Balance	Ave Price per Dth
May-18	Injection	(18,500)	\$ (55,492.60)	\$ 2.99960	89,130	98,070	\$ 267,397.35	\$ 3.00
Jun-18	Injection	(18,500)	\$ (55,492.60)	\$ 2.99960	70,630	116,570	\$ 211,904.75	\$ 3.00
Jul-18	Injection	(18,500)	\$ (55,492.60)	\$ 2.99960	52,130	135,070	\$ 156,412.15	\$ 3.00
Aug-18	Injection	(18,500)	\$ (55,492.60)	\$ 2.99960	33,630	153,570	\$ 100,919.55	\$ 3.00
Sep-18	Injection	(18,500)	\$ (55,492.60)	\$ 2.99960	15,130	172,070	\$ 45,426.95	\$ 3.00
Oct-18	Injection	(18,500)	\$ (55,492.60)	\$ 2.99960	(3,370)	190,570	\$ (10,065.65)	\$ 2.99
Nov-18	WD	37,875	\$ 78,248.90	\$ 2.68000	34,505	152,695	\$ 68,183.24	\$ 1.98
Dec-18	Injection	(19,680)	\$ (104,429.95)	\$ 2.68000	14,825	172,375	\$ (36,246.71)	\$ (2.44)
	Adjustment		\$ 75,977.71				\$ 39,731.00	
Jan-18	WD	74,086	\$ 197,999.05	\$ 2.68000	88,911	98,289	\$ 237,730.06	\$ 2.67
Feb-19	WD	15,872	\$ 40,220.66	\$ 2.68000	104,783	82,417	\$ 277,950.72	\$ 2.65
Mar-19	Injection	(2,232)	\$ (20,177.43)	\$ 2.68000	102,551	84,649	\$ 257,773.28	\$ 2.51
Apr-19	Injection	(18,500)	\$ (49,580.00)	\$ 2.68000	84,051	103,149	\$ 208,193.28	\$ 2.48
May-19	Injection			\$ 2.68000	84,051	103,149	\$ 208,193.28	\$ 2.48
Jun-19	Injection	(13,421)	\$ (35,968.28)	\$ 2.68000	70,630	116,570	\$ 172,225.00	\$ 2.44
Jul-19	Injection	(18,500)	\$ (49,580.00)	\$ 2.68000	52,130	135,070	\$ 122,645.00	\$ 2.35
Aug-19	Injection	(18,500)	\$ (49,580.00)	\$ 2.68000	33,630	153,570	\$ 73,065.00	\$ 2.17
Sep-19	Injection	(18,500)	\$ (49,580.00)	\$ 2.68000	15,130	172,070	\$ 23,485.00	\$ 1.55
Oct-19	Injection	(9,146)	\$ (24,511.28)	\$ 2.68000	5,984	181,216	\$ (1,026.28)	\$ (0.17)
Oct-19	PPA	(9,354)	\$ (8,005.32)	\$ 2.68000	(3,370)	190,570	\$ (9,031.60)	\$ 2.68
Nov-19	Injection	(28,972)	\$ (78,738.83)	\$ 2.71776	(32,342)	219,542	\$ (87,770.42)	\$ 2.71
Nov-19	Withdrawal	42,560	\$ 108,030.05	\$ 2.53830	10,218	176,982	\$ 20,259.62	\$ 1.98
Dec-19	Injection	(15,587)	\$ (39,202.77)	\$ 2.51509	(5,369)	192,569	\$ (18,943.14)	\$ 3.53
Dec-19	Withdrawal	41,441	\$ 105,189.69	\$ 2.53830	36,072	151,128	\$ 86,246.55	\$ 2.39
Jan-20	Injection	(8,982)	\$ (22,768.80)	\$ 2.53494	27,090	160,110	\$ 63,477.75	\$ 2.34
Jan-20	Withdrawal	47,354	\$ 120,198.66	\$ 2.53830	74,444	112,756	\$ 183,676.41	\$ 2.47
Feb-20	Injection	-	\$ -	\$ 2.58725	74,444	112,756	\$ 183,676.41	\$ 2.47
Feb-20	Withdrawal	89,710	\$ 227,710.89	\$ 2.53830	164,154	23,046	\$ 411,387.30	\$ 2.51
Mar-20	Injection	(19,103)	\$ (43,675.46)	\$ 2.28631	145,051	42,149	\$ 367,711.84	\$ 2.54
Mar-20	Withdrawal	17,293	\$ 43,894.82	\$ 2.53830	162,344	24,856	\$ 411,606.66	\$ 2.54
Apr-20	Injection	(25,000)	\$ (63,457.50)	\$ 2.53830	137,344	49,856	\$ 348,149.16	\$ 2.53
May-20	Injection	(15,714)	\$ (39,886.85)	\$ 2.53830	121,630	65,570	\$ 308,262.32	\$ 2.53
Jun-20	Injection	(25,000)	\$ (63,457.50)	\$ 2.53830	96,630	90,570	\$ 244,804.82	\$ 2.53
Jul-20	Injection	(25,000)	\$ (63,457.50)	\$ 2.53830	71,630	115,570	\$ 181,347.32	\$ 2.53
Aug-20	Injection	(25,000)	\$ (63,457.50)	\$ 2.53830	46,630	140,570	\$ 117,889.82	\$ 2.53
Sep-20	Injection	(25,000)	\$ (63,457.50)	\$ 2.53830	21,630	165,570	\$ 54,432.32	\$ 2.52
Oct-20	Injection	(25,000)	\$ (63,457.50)	\$ 2.53830	(3,370)	190,570	\$ (9,025.18)	\$ 2.68
Nov-20	Withdrawal	16,844	\$ 44,215.50	\$ 2.62500	13,474	173,726	\$ 35,190.32	\$ 2.61
Nov-20	Injection	(14,433)	\$ (41,034.53)	\$ 2.84310	(959)	188,159	\$ (5,844.22)	\$ 6.09
Dec-20	Withdrawal	63,302	\$ 166,167.75	\$ 2.62500	62,343	124,857	\$ 160,323.53	\$ 2.57
Dec-20	Injection	(11,989)	\$ (32,114.29)	\$ 2.67865	50,354	136,846	\$ 128,209.25	\$ 2.55
Jan-21	Withdrawal	89,417	\$ 234,719.63	\$ 2.62500	139,771	47,429	\$ 362,928.87	\$ 2.60
Jan-21	Injection	(2,306)	\$ (5,652.01)	\$ 2.45100	137,465	49,735	\$ 357,276.86	\$ 2.60
Feb-21	Withdrawal	37,219	\$ 97,699.88	\$ 2.62500	174,684	12,516	\$ 454,976.74	\$ 2.60
Feb-21	Injection	(9,466)	\$ (76,216.45)	\$ 8.05160	165,218	21,982	\$ 378,760.29	\$ 2.29
Mar-21	Withdrawal	10,496	\$ 27,552.00	\$ 2.62500	175,714	11,486	\$ 406,312.29	\$ 2.31
Mar-21	Injection	(17,435)	\$ (47,421.46)	\$ 2.71990	158,279	28,921	\$ 358,890.84	\$ 2.27

Schedule 11
Estimated

SYCAMORE GAS COMPANY, GCA-151
Determination of Unaccounted for Gas
For the Three Months Ended October 31, 2021

Line	Estimated	(A) Aug-21	(B) Sep-21	(C) Oct-21	(G) TOTAL
1	Volume of Pipeline Gas Purchased (Schedule 3)	25,363	24,556	46,261	96,180
2	Gas Injected Into/Withdrawn From Storage	0	0	0	0
3	Other Gas Injected Into System	0	0	0	0
4	Total Volume of Gas Available (Line 1 + Line 2 + Line 3)	25,363	24,556	46,261	96,180
5	Estimated Volume of Gas Sales	25,262	24,458	46,077	95,796
6	Unaccounted For Gas (Line 4 - Line 5)	101	98	184	383
7	Percent Unaccounted For Gas (Line 6 / Line 4 to nearest one tenth percent)				0.40%
8	Net Cost of Gas (Schedule 3)	\$81,560	\$78,831	\$149,267	\$309,658
9	Cost of Unaccounted For Gas (Line 7 Col. D x Line 8)	\$326	\$315	\$597	\$1,239

SYCAMORE GAS COMPANY, GCA-151
Determination of Unaccounted for Gas
For the Three Months Ended March 31, 2021

Line	Actual	(A) JAN 21	(B) FEB 21	(C) MAR 21	(G) TOTAL
1	Volume of Pipeline Gas Purchased	161,260	196,854	105,133	463,247
2	Gas Injected Into/Withdrawn From Storage	0	0	0	0
3	Propane/Air Injected Into System	0	0	0	0
4	Total Volume of Gas Available (Line 1 + Line 2 + Line 3)	161,260	196,854	105,133	463,247
5	Volume of Gas Sold & Company use	162,830	199,745	101,916	464,491
6	Unaccounted For Gas (Line 4 - Line 5)	(1,570)	(2,891)	3,217	(1,244)
7	Percent Unaccounted For Gas (Line 6 /Line 4 to the nearest one tenth percent)	-0.974%	-1.469%	3.060%	-0.269%
8	Net Cost of Gas	\$411,661	\$1,294,096	\$276,301	1,982,058
9	Cost of Unaccounted For Gas (Line 7 Col. D x Line 8)	(\$4,009)	(\$19,004)	\$8,454	(\$14,559)

SYCAMORE GAS COMPANY, GCA-151
Initiation of Refund and Reconciliation of Variance

PIPELINE REFUNDS

Line	Pipeline Supplier:	-	
	Date received:	-	
1	Amount of Refund.....		\$0
	Pipeline Supplier:		
	Date received:		
2	Amount of Refund.....		0
3	Amount of Refund.....		0
4	Total to be Refunded		<u>\$0</u>

DISTRIBUTION OF REFUNDS TO GCA PERIODS

	Quarterly Period	(A) Sales % All Classes	(B) Refund (Line 4 *Col. A)
5	AUG-OCT	10.0%	\$0
6	NOV-JAN	46.3%	\$0
7	FEB-APR	35.1%	\$0
8	MAY-JUL	8.7%	<u>\$0</u>
			<u>\$0</u>

CALCULATION OF REFUND TO BE RETURNED IN THIS GCA

9	Refund From Cause No.37368 - 148 (REFUND)	\$12,123
10	Refund From Cause No.37368 - 149 (REFUND)	\$0
11	Refund From Cause No.37368 - 150 (REFUND)	\$0
12	Refund From This Cause	<u>\$0</u>
13	Total to be Refunded in this GCA	<u>\$12,123</u>

SYCAMORE GAS COMPANY, GCA-151
Distribution of Variance

ALLOCATION OF VARIANCE TO GCA PERIODS

Line

		<u>Schedule 6</u>	<u>Schedule 6a</u>	<u>Annual True Up</u>	<u>Total</u>
1	Variance From				
2	JAN 21	(\$8,287)	\$0		(\$8,287)
3	FEB 21	\$773,062	\$0		\$773,062
4	MAR 21	(\$22,740)	\$0		(\$22,740)
8	Totals	<u>\$742,035</u>	<u>\$0</u>		<u>\$742,035</u>

DISTRIBUTION OF VARIANCE TO GCA PERIODS

	<u>Quarterly Period</u>	<u>(A) Sales % All Classes</u>	<u>(B) Refund (Line 4 *Col. A)</u>	
9	AUG-OCT	10.0%	\$73,901	
10	NOV-JAN	46.3%	\$343,244	
11	FEB-APR	35.1%	\$260,203	
12	MAY-JUL	8.7%	<u>\$64,687</u>	
				<u><u>\$742,035</u></u>

CALCULATION OF VARIANCE FOR THIS CAUSE

13	Variance From Cause No.37368 - GCA - 148	(3,165)
14	Variance From Cause No.37368 - GCA - 149	(1,359)
15	Variance From Cause No.37368 - GCA - 150	(1,501)
16	Variance From This Cause	<u>73,901</u>
17	Total Variance in this Cause	<u><u>67,876</u></u>

**Appendix to the Tariff
of the
Sycamore Gas Company**

Applicable Gas Cost Adjustment Factors

Sycamore Gas Company
Tariff for Gas Service
I.U.R.C. No. G-2

Fifty-sixth Revised Sheet No. 70
Canceling and Superseding
Fifty-fifth Revised Sheet No. 70
Page 1 of 1

REVISED
APPENDIX A
GAS COST ADJUSTMENT

The Gas Cost Adjustments set forth herein are computed in accordance with the provisions of the Order issued May 14, 1986 by the Indiana Utility Regulatory Commission in Cause No. 37091, and with the provisions of the generic investigation Order in Cause No. 44374 issued August 27, 2014. These Gas Cost Adjustments are applicable to the following tariff schedules beginning with effective date of this schedule and continuing until superseded by subsequent Commission order.

For August 2021

<u>Rate Schedule</u>	<u>Gas Cost Adjustment</u>
Rate GS	\$0.49327 per Therm
Rate WS	\$0.48602 per Therm

For September 2021

<u>Rate Schedule</u>	<u>Gas Cost Adjustment</u>
Rate GS	\$0.49604 per Therm
Rate WS	\$0.48875 per Therm

For October 2021

<u>Rate Schedule</u>	<u>Gas Cost Adjustment</u>
Rate GS	\$0.53330 per Therm
Rate WS	\$0.52546 per Therm

Current Gas Cost Adjustment approved by order of the Indiana Utility Regulatory Commission in Cause No. 37368-GCA151.

Issued: July 31, 2021

Effective: August 1, 2021

Issued by John T. Stenger, President

Residential Bill Comparisons

SYCAMORE GAS COMPANY, GCA-151

ESTIMATION PERIOD =	August-21
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TABLE NO. 1
Effects of
Proposed v. Currently Approved GCA Factor
For Residential Space-heating Customers

Consumption Dth	Bill at Proposed GCA Factor	Bill at Currently Approved GCA Factor	Dollar Increase (Decrease)	Percent Change
	GCA 151	GCA 150		
	GCA			
	FMCA			
	\$4.9327	\$3.5057		
	\$0.5990	\$0.5990		
5	\$70.39	\$63.25	\$7.14	11.29%
10	\$123.05	\$108.78	\$14.27	13.12%
15	\$169.79	\$148.39	\$21.40	14.42%
20	\$216.53	\$187.99	\$28.54	15.18%
25	\$263.27	\$227.60	\$35.67	15.67%

TABLE NO. 2
Effects of
Proposed v. Prior Year Approved GCA Factor
For Residential Space-heating Customers

Consumption Dth	Bill at Proposed GCA Factor	Bill at Prior Year Approved GCA Factor	Dollar Increase (Decrease)	Percent Change
	GCA 151	GCA 147		
	GCA			
	FMCA			
	\$4.9327	\$2.8252		
	\$0.5990	\$0.4570		
5	\$70.39	\$59.14	\$11.25	19.02%
10	\$123.05	\$100.56	\$22.49	22.36%
15	\$169.79	\$136.06	\$33.73	24.79%
20	\$216.53	\$171.54	\$44.99	26.23%
25	\$263.27	\$207.04	\$56.23	27.16%

SYCAMORE GAS COMPANY, GCA-151

ESTIMATION PERIOD =	September-21
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TABLE NO. 1
Effects of
Proposed v. Currently Approved GCA Factor
For Residential Space-heating Customers

Consumption Dth	Bill at Proposed GCA Factor	Bill at Currently Approved GCA Factor	Dollar Increase (Decrease)	Percent Change
	GCA 151	GCA 150		
	GCA			
	FMCA			
	\$4.9604	\$3.5057		
	\$0.5990	\$0.5990		
5	\$70.52	\$63.25	\$7.27	11.49%
10	\$123.32	\$108.78	\$14.54	13.37%
15	\$170.20	\$148.39	\$21.81	14.70%
20	\$217.07	\$187.99	\$29.08	15.47%
25	\$263.96	\$227.60	\$36.36	15.98%

TABLE NO. 2
Effects of
Proposed v. Prior Year Approved GCA Factor
For Residential Space-heating Customers

Consumption Dth	Bill at Proposed GCA Factor	Bill at Prior Year Approved GCA Factor	Dollar Increase (Decrease)	Percent Change
	GCA 151	GCA 147		
	GCA			
	FMCA			
	\$4.9604	\$3.6153		
	\$0.5990	\$0.4570		
5	\$70.52	\$63.09	\$7.43	11.78%
10	\$123.32	\$108.46	\$14.86	13.70%
15	\$170.20	\$147.91	\$22.29	15.07%
20	\$217.07	\$187.34	\$29.73	15.87%
25	\$263.96	\$226.79	\$37.17	16.39%

SYCAMORE GAS COMPANY, GCA-151

ESTIMATION PERIOD =	October-21
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TABLE NO. 1
Effects of
Proposed v. Currently Approved GCA Factor
For Residential Space-heating Customers

Consumption Dth	Bill at Proposed GCA Factor	Bill at Currently Approved GCA Factor	Dollar Increase (Decrease)	Percent Change
	GCA 151	GCA 150		
	GCA			
	FMCA			
	\$5.3330	\$3.5057		
	\$0.5990	\$0.5990		
5	\$72.39	\$63.25	\$9.14	14.45%
10	\$127.05	\$108.78	\$18.27	16.80%
15	\$175.80	\$148.39	\$27.41	18.47%
20	\$224.53	\$187.99	\$36.54	19.44%
25	\$273.28	\$227.60	\$45.68	20.07%

TABLE NO. 2
Effects of
Proposed v. Prior Year Approved GCA Factor
For Residential Space-heating Customers

Consumption Dth	Bill at Proposed GCA Factor	Bill at Prior Year Approved GCA Factor	Dollar Increase (Decrease)	Percent Change
	GCA 151	GCA 147		
	GCA			
	FMCA			
	\$5.3330	\$4.0800		
	\$0.5990	\$0.4570		
5	\$72.39	\$65.41	\$6.98	10.67%
10	\$127.05	\$113.10	\$13.95	12.33%
15	\$175.80	\$154.87	\$20.93	13.51%
20	\$224.53	\$196.63	\$27.90	14.19%
25	\$273.28	\$238.40	\$34.88	14.63%

Exhibit JTS-3

**Email to City of Aurora Representatives Accompanying Advance Copy of
Sycamore Gas Company's Draft Schedule 1 to be Filed in this GCA**

From: [John Stenger](#)
To: amiller@aurora.in.us; [Patrick Callahan](#)
Cc: ["George Behrens \(gbehrens@egas.net\)"](#); ["Jim VanderBiezen"](#); ["Chad Ream"](#); ["Steven.Krohne@icemiller.com"](mailto:Steven.Krohne@icemiller.com)
Subject: GCA 151 Schedule 1
Date: Thursday, May 27, 2021 3:54:00 PM
Attachments: [GCA 151 Schedule 1 5-27-21.pdf](#)

Hello Pat and Alan,

Attached is the current draft of GCA 151 Schedule 1 which Sycamore Gas intends to file at the IURC before June 1. Please let me know if you have any questions.

Thank you!

John

Best regards,

John T. Stenger, P.E. | *President and General Manager*

Cell: (513) 623-1937 | jstenger@sycamoregas.com



www.sycamoregas.com

370 Industrial Drive, Suite 200

Lawrenceburg, IN 47025

Direct: (812) 577-3736

Office: (812) 537-1921

Fax: (812) 537-3731

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF SYCAMORE GAS COMPANY)
FOR APPROVAL OF GAS COST)
ADJUSTMENTS TO BE APPLICABLE)
DURING THE MONTHS OF AUGUST)
THROUGH OCTOBER 2021, PURSUANT TO)
I.C. §§ 8-1-2-42 AND 8-1-2-42.3)**

Cause No. 37368-GCA-151

DIRECT TESTIMONY OF DAVID C. REAM

Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A. My name is David C Ream. My business address is 370 Industrial Drive, Suite 200, Lawrenceburg, Indiana, 47025. I serve as the Controller to Sycamore Gas Company, the petitioner in this proceeding ("Petitioner").

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.

A. I received my Bachelor of Science degree in Business Administration with a specialization in accounting and IT management from Bowling Green State University in 1992. I received my Certified Public Accountant designation from the State of Ohio in 2000.

Q. PLEASE SUMMARIZE YOUR BUSINESS EXPERIENCE.

A. I have worked in the utility sector for the majority of my career. I worked for Cinergy and then Duke Energy for 15 plus years. During this time, I was responsible for a wide variety of activities including regulated required filings, preparation of company financial statements, and the development of station specific metrics. I have also worked with General Electric for five years in a lead position focusing on process improvement throughout the accounting organization.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

1 A. I have prepared and am sponsoring Schedules 16, 17 and 18 in support of Petitioner's gas
2 cost adjustment ("GCA") Petition. I also present Schedule DCR, which shows the
3 calculation of the Petitioner's net original cost rate base and earned rate of return.

4 **Q. WHAT WAS THE LAST RATE OF RETURN AUTHORIZED BY THE**
5 **COMMISSION?**

6 A. Petitioner received an order establishing new base rates in Cause No. 45072 on March 8,
7 2019 ("Rate Order"). The Rate Order approved an 8.97 percent rate of return on
8 Petitioner's net original cost rate base and also authorized net operating income of
9 \$1,420,156 for purposes of the Petitioner's GCA earnings test. Petitioner's authorized net
10 operating income was increased by \$143,620 in Cause No. 45131 FMCA 1 on September
11 4, 2019, \$66,215 in Cause No. 45131 FMCA 2 on February 19, 2020, \$36,908 in Cause
12 No. 45131 FMCA 3 on July 29, 2020, and \$47,208 in Cause No. 45131 FMCA 4 on January
13 27, 2021. The new authorized net operating income for the Petitioner's GCA earnings test
14 is \$1,714,107.

15 **Q. PLEASE DESCRIBE SCHEDULE 18.**

16 A. Schedule 18 is the earnings test as required by Indiana Code Sec. 8-1-2-42.3. Page 1
17 compares earnings for the twelve months ended March 31, 2021, to the return specified in
18 Cause No. 45072. Page 1 also lists, on line 4, the sum of the differential between the
19 determined and authorized return for each GCA application during the relevant period
20 which, for Petitioner, is the last twenty quarters. Page 2 of Schedule 18 shows the
21 comparison of the determined and authorized returns for each of these twenty GCA filings
22 and the cumulative difference for the period ended March 31, 2021. The authorized
23 quarterly returns shown in these calculations are based on the Rate Order and the

Petitioner's previous rate order in Cause No. 43090, with the authorized return for the quarter ending March 31, 2021, determined based on the authorized return from both rate orders.

Q. HAVE YOU PREPARED AN EXHIBIT CALCULATING THE CURRENT NET ORIGINAL COST RATE BASE OF THE PETITIONER?

A. Yes. Exhibit DCR, page 1, shows the calculation of the net original cost rate base as of March 31, 2021. Gas stored underground and the working capital as contained in the Commission's Order in Cause No. 45072, have been added to the March 31, 2021 net plant investment to arrive at the March 31, 2021 net original cost rate base of \$18,202,657.

Q. PLEASE DESCRIBE PAGE 2 OF EXHIBIT DCR.

A. Page 2 of Exhibit DCR details the calculation of the rate of return earned by the Petitioner based on the actual March 31, 2021 net original cost rate base. The resulting rate of return is 10.08 percent.

Q. WHAT SCHEDULES IN THIS GCA FILING DO YOU SPONSOR AND INCORPORATE AS PART OF YOUR TESTIMONY?

A. I sponsor and hereby incorporate as a part of my testimony, Schedule 16, which is Petitioner's Income Statement for the twelve months ended March 31, 2021; Schedule 17, which is Petitioner's Balance Sheet as of March 31, 2021; and Schedule 18, which is Petitioner's Operating Income Earnings Test. These statements were prepared in the same form as similar statements included in the Petitioner's Annual Report filed with this Commission. The information included on these Schedules and Exhibit DCR was obtained from the Commission's Orders in Cause No. 45072 and the books and records of the Petitioner.

1

2 **Q. ARE THERE ANY ADJUSTMENTS MADE TO THE FINANCIAL**
3 **STATEMENTS?**

4 A. Yes. The Balance Sheet has been adjusted for an out of period transaction related to the
5 settlement of the Sycamore gas supply invoice in February. An agreement was reached
6 with the supplier in May 2021 to settle in Sycamore's favor for \$418,986. As a result of
7 this settlement, I have reduced the Gas Cost Recovery and Accounts Payable accounts by
8 this amount.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

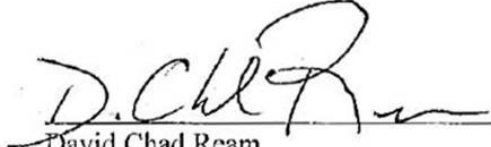
10 A. Yes.

VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

5-28-21

Date



David Chad Ream

*SYCAMORE GAS COMPANY***Income Statement**
For the twelve months ended March 31, 2021

Operating Revenues	\$9,788,082
Operating Expenses:	
Operation and Maintenance Expense (Includes Gas Purchased of \$3,315,339)	6,185,967
Depreciation and Amortization Expense	1,005,786
Taxes Other Than Income Taxes	344,626
Income Taxes	416,683
Total Operating Expenses	<u>7,953,062</u>
Operating Income	<u><u>\$1,835,020</u></u>

SYCAMORE GAS COMPANY

BALANCE SHEETS
As of March 31, 2021ASSETS

UTILITY PLANT IN SERVICE, NET	
Original cost	\$35,763,318
Accumulated depreciation	(17,886,525)
	<hr/>
TOTAL UTILITY PLANT IN SERVICE, NET	17,876,793
	<hr/>
INVESTMENT IN SUBSIDIARY	-
	<hr/>
GOODWILL	-
	<hr/>
CURRENT ASSETS	
Cash and cash equivalents	1,136,872
Construction work in process	602,978
Accounts receivable	1,469,946
Materials and supplies	486,213
Prepaid expenses	37,673
Other regulatory assets	37,667
Recoverable gas costs	1,044,171
Deferred income tax	
	<hr/>
TOTAL CURRENT ASSETS	4,815,520
	<hr/>
INTERCOMPANY RECEIVABLE	15,099,909
	<hr/>
DEFERRED DEBITS	716,177
	<hr/>
TOTAL ASSETS	38,508,399
	<hr/>

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	
Capital stock	
Retained earnings	\$30,244,210
	<hr/>
TOTAL SHAREHOLDERS' EQUITY	30,244,210
	<hr/>
CONTRIBUTIONS IN AID OF CONSTRUCTION	-
	<hr/>
LONG-TERM DEBT	-
	<hr/>
CURRENT LIABILITIES	
Accounts payable	1,675,534
Bank overdraft	5,649
Accrued expenses	500,355
Income taxes payable	-
Customer deposits	286,159
Regulatory liability	-
Refundable gas costs	-
	<hr/>
TOTAL CURRENT LIABILITIES	2,467,697
	<hr/>
DEFERRED INCOME TAXES	
Deferred regulatory liability	1,831,965
Deferred income taxes	3,964,527
	<hr/>
TOTAL DEFERRED INCOME TAXES	5,796,492
	<hr/>
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	\$38,508,399
	<hr/>

SYCAMORE GAS COMPANY

**Operating Income Earnings Test
For the Period Ended March 31, 2021**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Determined return for the twelve months ended March 31, 2021	\$1,835,020
2	Authorized return for the twelve months ended March 31, 2021	\$1,714,107
3	Determined return in excess of authorized for the twelve months ended March 31, 2021 (line 1 less line 2, if negative then zero).	\$120,913
4	Total differential between the determined and authorized return for the period ended March 31, 2021	(\$4,605,871)
5	Determined return in excess of authorized for the period ended March 31, 2021 (line 4, if negative then zero)	\$0
6	Amount subject to refund (lesser of line 3 or line 5)	\$0
7	Refund due - pre-tax (line 6 times 0.25 times 1.6127732)	\$0

SYCAMORE GAS COMPANY

**Operating Income Earnings Test
For the Period Ended March 31, 2021**

<u>Line No.</u>	<u>GCA Period Ended</u> (A)	<u>GCA No.</u> (B)	<u>Determined Return</u> (C)	<u>Authorized Return</u> (D)	<u>Differential</u> (E)
1	March, 2021	151	1,835,020	1,714,107	120,913
2	December, 2020	150	1,838,708	1,666,899	171,809
3	September, 2020	149	1,886,249	1,666,899	219,350
4	June, 2020	148	1,762,471	1,629,991	132,480
5	March, 2020	147	1,577,404	1,629,991	(52,587)
6	December, 2019	146	1,322,524	1,563,776	(241,252)
7	September, 2019	145	815,512	1,563,776	(748,264)
8	June, 2019	144	824,476	1,420,156	(595,680)
9	March, 2019	143	1,118,848	1,345,858	(227,010)
10	December, 2018	142	1,036,987	1,345,858	(308,871)
11	September, 2018	141	1,211,387	1,345,858	(134,471)
12	June, 2018	140	995,561	1,345,858	(350,297)
13	March, 2018	139	1,101,753	1,345,858	(244,105)
14	December, 2017	138	1,010,929	1,345,858	(334,929)
15	September, 2017	137	970,923	1,345,858	(374,935)
16	June, 2017	136	965,870	1,345,858	(379,988)
17	March, 2017	135	1,032,655	1,345,858	(313,203)
18	December, 2016	134	989,539	1,345,858	(356,319)
19	September, 2016	133	1,072,238	1,345,858	(273,620)
20	June, 2016	132	1,030,966	1,345,858	(314,892)
Total					<u>(4,605,871)</u>

SYCAMORE GAS COMPANY

**Statement of Net Original Cost Rate Base
As of March 31, 2021**

<u>Line No.</u>	<u>Description</u>	<u>March 31, 2021</u>
1	Utility Plant in Service	\$35,763,318
2	Accumulated Provision for Depreciation	<u>17,886,525</u>
3	Net Utility Plant	17,876,793
4	Gas Stored Underground	
5	Non Current	0
6	Current	0
7	Working Capital (1)	<u>325,864</u>
8	Net Original Cost Rate Base	<u><u>\$18,202,657</u></u>

(1) As approved in Cause No. 45072

SYCAMORE GAS COMPANY

**Rate of Return
For the Twelve Months Ended March 31, 2021**

<u>Line No.</u>		<u>Twelve Months Ended March 31, 2021</u>
1	Operating Revenues	\$9,788,082
2	Operating Expenses	<u>7,953,062</u>
3	Operating Income (Line 1 - Line 2)	<u>1,835,020</u>
4	Net Original Cost Rate Base	<u>\$18,202,657</u>
5	Rate of Return (Line 3 / Line 4)	<u>10.08%</u>