

OFFICIAL
EXHIBITS

PETITIONER'S EXHIBIT NO. 4

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION IURC

PETITION OF THE BOARD OF DIRECTORS FOR)
UTILITIES OF THE DEPARTMENT OF PUBLIC)
UTILITIES OF THE CITY OF INDIANAPOLIS,)
AS SUCCESSOR TRUSTEE OF A PUBLIC)
CHARITABLE TRUST, FOR APPROVAL OF)
GAS COST ADJUSTMENTS TO BE APPLICABLE) CAUSE NO. 37399-GCA 150
IN THE MONTHS OF JUNE, JULY AND)
AUGUST 2021)

PETITIONER'S
EXHIBIT NO. 4
5-13-21 DATE REPORTER

**NOTICE OF CORRECTIONS TO PETITIONER'S
DIRECT TESTIMONY OF KORLON L. KILPATRICK II**

The Board of Directors for Utilities of the Department of Public Utilities of the Cities of Indianapolis, as successor trustee of a public charitable trust, d/b/a Citizens Gas ("Petitioner" or "Citizens Gas"), by its attorneys, hereby gives notice of corrections in Petitioner's Direct Testimony of Korlon L Kilpatrick II. In Table 2 on Page 6, the February 2021 variance should be (\$15,942,005) instead of (\$15,940,956). In Table 3 on Page 7, the following changes should be made:

- The February 2021 Actual Recoveries should be \$17,470,052 instead of \$17,469,003.
- The February 2021 Cost in Excess of Recoveries should be (\$10,726,217) instead of (\$10,725,168).
- The Total Actual Recoveries should be \$49,062,192 instead of \$49,061,143.
- The Total Cost in Excess of Recoveries should be (\$11,761,258) instead of (\$11,760,209).

Clean copies of the revised pages are attached hereto and will be included in the Court reporter's copy offered into evidence at the hearing.

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Respectfully submitted,

/s/ Michael E. Allen

Michael E. Allen (Attorney No. 20768-49)
Citizens Energy Group
2020 N. Meridian Street
Indianapolis, IN 46202
(317) 927-4318 / (317) 927-4318

Michael B. Cracraft (Attorney No. 3416-49)
Ice Miller LLP
One American Square, Suite 2900
Indianapolis, IN 46282-0200
(317) 236-2293

Attorneys for Petitioner,
Citizens Gas

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the Notice of Corrections to Petitioner's Direct Testimony of Korlon L. Kilpatrick II was served via electronic mail on May 10, 2021 to the following:

Office of Utility Consumer Counselor
115 West Washington Street
Suite 1500 South
Indianapolis IN 46204
infomgt@oucc.in.gov

/s/ Michael E. Allen

Michael E. Allen (Attorney No. 20768-49)

RECONCILIATION PERIOD

Q16. HAVE YOU COMPARED PETITIONER'S ESTIMATED GAS COSTS FOR THE PERIOD OF DECEMBER 2020, JANUARY AND FEBRUARY 2021 WITH ACTUAL GAS COSTS EXPERIENCED FOR THAT RECOVERY PERIOD PURSUANT TO IC 8-1-2-42(G)(3)(D)?

A16. Yes.

Q17. IN YOUR OPINION, ARE THE GAS COST VARIANCES INCLUDED WITHIN THIS GCA 150 PROCEEDING ACCURATE AND REASONABLE?

A17. Yes. The resulting percentages of total monthly variance to the total gas costs incurred and the average variance percentage for the trailing 12-month period ending with each of the three months December 2020, January and February 2021 presented in the GCA reconciliation period are shown in Table 2:

Table 2

Twelve Months Ending	Actual Gas Cost	Variance	% Variance
December 2020	\$74,377,655	(\$6,669,360)	(8.97)%
January 2021	\$77,203,731	(\$6,098,763)	(7.09)%
February 2021	\$71,254,641	(\$15,942,005)	(22.37)%

Q18. PLEASE EXPLAIN PETITIONER'S TWELVE-MONTH TRAILING AVERAGES FOR ANY MONTH WITHIN THE GCA RECONCILIATION PERIOD THAT ARE GREATER THAN +/- 10% SHOWN ON ATTACHMENT KLK-4, SCHEDULE 6D.

1 A18. The (22.37)% variance in February is due to the significant price volatility in the month of
 2 February. Petitioner's witness J.P. Ghio discusses the transactions that created the variance
 3 in his testimony.

4 **Q19. DO THE PROPOSED GCA RATES INCLUDE A RECONCILIATION OF**
 5 **ACTUAL COSTS TO ACTUAL RECOVERIES FOR THE MONTHS OF**
 6 **DECEMBER 2020, JANUARY AND FEBRUARY 2021?**

7 A19. Yes. The proposed GCA rates to be effective June, July and August 2021 include the effect
 8 of reconciling actual gas costs incurred for the months of December 2020, January and
 9 February 2021 to actual cost recoveries. In accordance with the Commission's August 14,
 10 1986 Order in Cause No. 37091, the gas supply variance was calculated for each customer
 11 demand class and is summarized by class on Attachment KKK-4, Schedule 12B, page 1,
 12 lines 1 through 5 and Schedule 12B, page 2, lines 1 through 3. The actual gas supply cost
 13 incurred compared to actual gas supply revenue for each month, as depicted in Schedule 6,
 14 is shown in Table 3:

Table 3			
	Net of Schedule 6 and 12C		Schedule 12
	Actual Gas Cost	Actual Recoveries	Cost in Excess of Recoveries
December 2020	\$14,769,386	\$14,876,283	(\$106,897)
January 2021	\$15,787,713	\$16,715,857	(\$928,144)
February 2021	\$6,743,835	\$17,470,052	(\$10,726,217)
Total	\$37,300,934	\$49,062,192	(\$11,761,258)

15 **Q20. WHAT PERCENTAGE OF TOTAL PURCHASES WAS MADE UP OF**
 16 **FINANCIALLY-HEDGED TRANSACTIONS FOR THE MONTHS OF**
 17 **DECEMBER 2020, JANUARY AND FEBRUARY 2021?**