

FILED
February 19, 2021
INDIANA UTILITY
REGULATORY COMMISSION

INDIANA GAS COMPANY, INC.

d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC.

A CENTERPOINT ENERGY COMPANY

(VECTREN NORTH)

IURC CAUSE NO. 45457

REBUTTAL TESTIMONY

OF

BRETT A. JERASA

DIRECTOR, ASSISTANT TREASURER

SPONSORING PETITIONER'S EXHIBIT NO. 2

REBUTTAL TESTIMONY OF BRETT A. JERASA

1 **Q. Please state your name and business address.**

2 A. My name is Brett A. Jerasa. My business address is 1111 Louisiana Street, Houston, Texas,
3 77002.

4
5 **Q. By whom are you employed?**

6 A. I am employed by CenterPoint Energy Service Company, LLC ("Service Company"), a
7 wholly-owned subsidiary of CenterPoint Energy, Inc. ("CenterPoint"). The Service
8 Company provides centralized support services to CenterPoint's operating units, which
9 includes Vectren Corporation ("Vectren"), a wholly-owned subsidiary of CenterPoint.

10

11 **Q. On whose behalf are you testifying in this proceeding?**

12 A. I am testifying on behalf of Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of
13 Indiana, Inc. ("Petitioner", "Vectren North" or "the Company"), which is a subsidiary of
14 Vectren.

15

16 **Q. What is your role with Petitioner Vectren North?**

17 A. I am Assistant Treasurer for CenterPoint, the ultimate parent company of Vectren North.
18 I have the same role with two other utility subsidiaries of Vectren – Southern Indiana Gas
19 and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South")
20 and Vectren Energy Delivery of Ohio, Inc. ("Vectren Ohio").

1 **Q. Are you the same Brett Jerasa who provided direct testimony in this proceeding?**

2 A. Yes. I am.

3
4 **Q. Please describe the purpose of your rebuttal testimony in this proceeding.**

5 A. The purpose of my rebuttal testimony is to respond to recommendations made by the
6 Indiana Office of Utility Consumer Counselor ("OUCC") related to interest rate parameters
7 regarding long-term debt issuances; proposed reporting requirements upon use of financing
8 authority; and proposed filing requirements related to Petitioner's revised Financial
9 Services Agreement ("FSA").

10
11 **Q. Are you sponsoring any attachments as part of your rebuttal testimony?**

12 A. No.

13
14 **Q. Please describe the OUCC's recommendation related to interest rate parameters.**

15 A. The OUCC recommends the Commission limit the credit spread associated with new fixed
16 debt to no more than 500 basis points above U.S. Treasury bonds of comparable maturity
17 at the time of pricing; and limit any new variable interest rate debt to no more than 8% at
18 the time of issuance, as previously approved in the Commission's Order in Cause No.
19 45171 ("45171 Order").

20
21 **Q. Does Petitioner agree with the OUCC's recommended interest rate parameters?**

1 A. Yes. Vectren North agrees, and is willing to comply, with the OUCC's recommendations,
2 which are consistent with requirements approved by the Commission in Vectren North's
3 previous financing proceeding, Cause No. 45171, and relate to limiting the credit spread
4 associated with new fixed debt to no more than 500 basis points above U.S. Treasury bonds
5 of comparable maturity at time of pricing; and new variable interest rate debt to no more
6 than 8% at time of issuance.

7
8 **Q. Please describe the OUCC's recommendation related to reporting.**

9 A. The OUCC recommends the Commission require the Petitioner to comply with the same
10 reporting requirements that were approved in the 45171 Order (Ordering Paragraphs 3 and
11 4) to any financing authority approved in the subject cause.

12
13 **Q. Please describe the reporting requirements in the 45171 Order.**

14 A. There are two components to the reporting requirements in the 45171 Order. The first,
15 found in Ordering Paragraph 3 of the 45171 Order, is a requirement to file a written report
16 containing terms of issuance upon use of the financing authority. The second is an annual
17 reporting requirement, found in Ordering Paragraph 4 of the 45171 Order, which requires
18 Petitioner to:

19 "file within 12 months after the date of this Order, and every 12
20 months thereafter while the authority granted by this Order
21 remains in effect . . . [summarizing] the extent to which Petitioner
22 made short-term borrowings from [Vectren Utility Holdings, Inc.]

1 pursuant to the FSA during the prior year and the range of interest
2 rates applicable. Petitioner shall attach copies of any promissory
3 notes signed by Petitioner pursuant to the FSA since the filing of
4 the prior annual report. Petitioner shall make these filings with the
5 Commission under this Cause and serve them on the OUCC.”

6 Indiana Gas Co., Inc., Cause No. 45171 at 10 (IURC April 24, 2019).

7
8 **Q. Does Petitioner agree with the OUCC's recommendation related to reporting?**

9 A. Yes. As provided in Petitioner's Exhibit 1 of the subject cause, Vectren North agrees to
10 “file with the Commission and serve on the Office of Utility Consumer Counselor a written
11 report on each occasion when it exercises its long-term financing authority under the
12 Order.” Pet'r's Ex. 1 at 21, lines 6-10. However, regarding the time associated with such
13 reporting, Petitioner respectfully requests sixty (60) days to file such reports with the
14 Commission and serve on the OUCC as opposed to thirty (30) days, which was required in
15 Ordering Paragraph 3 of Cause No. 45170. Additionally, Petitioner agrees to file annual
16 reports in compliance with the requirement in the Commission's Order in Cause No. 45171.

17
18 **Q. Please describe any additional proposals Petitioner has related this Cause.**

19 A. In Public's Exhibit 1 in Cause No. 45458, the OUCC recommended that Vectren South
20 continue to file the revised FSA along with any future financing authority petition.
21 Petitioner, instead, proposes in response to OUCC's recommendation in Cause No. 45458
22 to reference the revised FSA with any future financing authority petition, and only provide

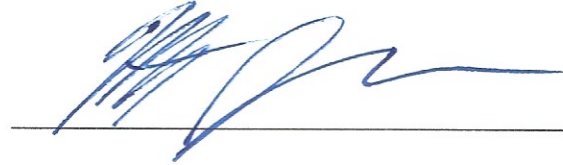
1 a copy of the revised FSA as part of any future petition that seeks approval for subsequent
2 revisions thereof. For consistency, Petitioner proposes to do the same in this subject Cause
3 – that is, reference the revised FSA with any future financing authority petition, and
4 provide a copy as part of any future petition that seeks approval for subsequent revisions
5 thereof. With respect to Petitioner's proposal related to the revised FSA, the OUCC
6 communicated that the Petitioner's proposal was an acceptable alternative to Mr.
7 Loveman's recommendation in Cause No. 45458.

8
9 **Q. Does this conclude your rebuttal testimony?**

10 **A.** Yes, at this time.

VERIFICATION

The undersigned affirms under the penalties for perjury that the answers to the questions in the foregoing Rebuttal Testimony in Cause No. 45457 are true to the best of his knowledge, information and belief.



Brett A Jerasa