

**ORIGINAL**

Commissioner	Yes	No	Not Participating
Zay			√
Deig	√		
Swinger	√		
Veleta	√		
Ziegner	√		

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF INDIANA UTILITIES )  
CORPORATION FOR APPROVAL OF ) CAUSE NO. 37357 GCA 120  
CHANGES IN ITS GAS RATES THROUGH A )  
GAS COST ADJUSTMENT IN ACCORDANCE ) APPROVED: APR 29 2026  
WITH IND. CODE § 8-1-2-42(g) )**

**ORDER OF THE COMMISSION**

**Presiding Officer:  
Kristin E. Kresge, Administrative Law Judge**

On February 25, 2026, in accordance with Ind. Code § 8-1-2-42, Indiana Utilities Corporation (“Petitioner”) filed with the Indiana Utility Regulatory Commission (“Commission”) its Petition, with attached schedules, for a gas cost adjustment (“GCA”) to be applicable from May through October 2026. Also on February 25, 2026, Petitioner prefiled the direct testimony of its President, Frank Czeschin, and the direct testimony of accountant, Bonnie J. Mann. Petitioner filed a revision to its case-in-chief on March 11, 2026, and revised schedules on March 23, 2026.

On March 27, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony of Sara F. Marichal, Utility Analyst of the OUCC’s Natural Gas Division.

The Commission held an evidentiary hearing in this Cause at 9:00 a.m. on April 20, 2026, in Room 222, PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC appeared by counsel at the evidentiary hearing, during which their respective testimony and exhibits were admitted into the record without objection.

Based upon the applicable law and the evidence presented, the Commission finds:

**1. Statutory Notice and Commission Jurisdiction.** Notice of the evidentiary hearing in this Cause was given and published by the Commission as required by law. Petitioner is a public utility as defined in Ind. Code § 8-1-2-1(a). Under Ind. Code § 8-1-2-42(g), the Commission has jurisdiction over changes to Petitioner’s rates and charges related to adjustments in gas costs. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

**2. Petitioner’s Characteristics.** Petitioner is a corporation organized and existing under the laws of Indiana. Petitioner’s principal office is located at 123 West Chestnut Street, Corydon, Indiana. Petitioner renders natural gas utility service to the public in Corydon, Elizabeth, and New Middletown, and adjacent rural areas in Harrison County, Indiana, and owns, operates, manages, and controls plant and equipment for the distribution and furnishing of such service.

**3. Source of Natural Gas.** Ind. Code § 8-1-2-42(g)(3)(A) requires Petitioner to make every reasonable effort to acquire long-term gas supplies so as to provide gas to its retail customers at the lowest gas cost reasonably possible. Mr. Czeschin described Petitioner's estimating and purchasing strategies in acquiring natural gas for its customers. He explained that Petitioner historically purchases fixed contracts and manages the usage of the gas provided by those contracts. Petitioner uses storage gas which is priced at typically low summer prices. Petitioner regularly reviews NYMEX prices to try to stay abreast of any significant changes in natural gas pricing. Mr. Czeschin testified that Petitioner has acquired natural gas based upon NYMEX estimates, relies upon risk analysis, and uses fixed contracts, storage, and spot gas as part of its supply mix. Additionally, Petitioner uses a GCA flex mechanism and normal temperature adjustment mechanisms.

The Commission has indicated that Indiana's natural gas utilities should make reasonable efforts to mitigate gas price volatility. This includes a program that considers market conditions and the price of natural gas on both a current and forward-looking basis. Based on the evidence offered, we find that Petitioner has demonstrated that it has and continues to follow a policy of securing natural gas supply at the lowest gas cost reasonably possible in order to meet anticipated customer requirements. Therefore, we find that the requirement of this statutory provision has been fulfilled.

**4. Purchased Gas Cost Rates.** Ind. Code § 8-1-2-42(g)(3)(B) requires that Petitioner's pipeline suppliers have requested or filed pursuant to the jurisdiction and procedures of a duly constituted regulatory authority, the costs proposed to be included in the GCA factor. The evidence of record indicates that the proposed gas costs include transport rates that have been filed by Petitioner's pipeline suppliers in accordance with Federal Energy Regulatory Commission procedures. We have reviewed the cost of gas included in the proposed gas cost adjustment charge and find the cost to be reasonable. Therefore, we find that the requirement of this statutory provision has been fulfilled.

**5. Earnings Test.** Ind. Code § 8-1-2-42(g)(3)(C), in effect, prohibits approval of a GCA factor which results in Petitioner earning a return in excess of the return authorized by the last Commission Order in which Petitioner's base rates and charges were approved. The last Commission Order authorizing Petitioner's return was in Cause No. 46086. In that proceeding, Petitioner was authorized an 8.71% rate of return on an original cost rate base of \$9,899,855. In *Indiana Utilities*, Cause No. 37357 GCA 119 (IURC 10/29/2025), Indiana Utilities' was instructed to prorate its authorized Net Operating Income ("NOI") for both GCA 119 and 120. As explained by witness Mann, prior to filing as the Commission instructed in the GCA 119 Order, Petitioner and the OUCC discussed the methodology used by the OUCC in GCA 119. The OUCC agreed to adjust the proposed methodology to account for the fact that rates were not applied until March 2025. The OUCC calculated the authorized earnings for GCA 119 and GCA 120 using the agreed upon methodology. The OUCC's calculation is incorporated in the GCA schedules supporting this Cause. For GCA 120, the total prorated authorized NOI for earnings test purposes is \$832,072.

Petitioner's evidence indicates that for the 12-months ending December 31, 2025, Petitioner's actual net operating income was \$60,743. Therefore, based on the evidence, the Commission finds, under Ind. Code § 8-1-2-42.3, that Petitioner did not earn a return in excess of that authorized.

**6. Estimation of Purchased Gas Costs.** Ind. Code § 8-1-2-42(g)(3)(D) requires that Petitioner's estimate of its prospective average gas costs for each future recovery period be reasonable. The Commission has determined that a comparison of the variance to the incremental cost of gas on Schedule 6 be used to determine if the prior estimates are reasonable when compared to the corresponding actual costs. A 12-month rolling average comparison helps to eliminate the inherent variance related to cycle billing and seasonal fluctuations. The evidence presented indicates Petitioner's 12-month rolling average comparison was a positive 5.75% for the period ending October 31, 2025. Based on Petitioner's historical accuracy in estimating the cost of gas, the Commission finds that Petitioner's estimating techniques are sound, and Petitioner's prospective average estimate of gas costs is reasonable.

**7. Reconciliations.**

**A. Variances.** Ind. Code § 8-1-2-42(g)(3)(D) also requires that Petitioner reconcile its estimate for a previous recovery period with the actual purchased gas cost for that period. The evidence presented in this proceeding establishes that the variance for the reconciliation period of May 2025 through October 2025 ("Reconciliation Period") is an under-collection of \$40,974 from its customers. This amount is included in the current GCA as an increase in the estimated net cost of gas.

**B. Refunds.** Petitioner's Schedule 11a in this Cause reflects unaccounted for gas in the amount of negative \$21,697, which results in a refund. Petitioner has no refunds from prior periods applicable to the current recovery period. Based on the evidence presented, we find that the amount to be refunded to customers in this GCA as reflected on Petitioner's Exhibit 3, Schedule 12A is \$21,697.

**8. Resulting Gas Cost Adjustment Factor.** The estimated net cost of gas to be recovered is \$81,954 for May 2026, \$68,519 for June 2026, \$69,289 for July 2026, \$74,410 for August 2026, \$78,325 for September 2026, and \$119,036 for October 2026. Adjusting these totals for the variance and refund amounts yields gas costs to be recovered through the GCA factor of \$85,167 for May 2026, \$71,732 for June 2026, \$72,502 for July 2026, \$77,623 for August 2026, \$81,538 for September 2026, and \$122,249 for October 2026. After dividing those amounts by estimated sales, Petitioner's recommended GCA factors are \$4.9384/Dth for May 2026, \$4.9869/Dth for June 2026, \$4.9836/Dth for July 2026, \$4.9634/Dth for August 2026, \$4.9498/Dth for September 2026, and \$4.8616/Dth for October 2026.

Ms. Marichal testified that based on information Petitioner provided in the revisions filed on March 23, 2026, the OUCC found nothing to indicate Petitioner has miscalculated the proposed GCA 120 monthly factors in accordance with all applicable requirements.

**9. Effects on Residential Customers.** The table below shows the commodity costs a residential customer will incur under the proposed GCA factor based on 10 Dth of usage. The table also compares the proposed gas costs to what a residential customer paid most recently (February 2026 - \$5.2578/Dth) and a year ago (May 2025 - \$3.6897/Dth, June 2025 - \$3.9012/Dth, July 2025 - \$3.7693/Dth, August 2025 - \$3.7451/Dth, September 2025 - \$3.6762/Dth, and October 2025 - \$4.1709/Dth). The table solely reflects costs that are approved through the GCA process. It does not include Petitioner’s base rates or any applicable rate adjustment mechanisms.

Month	Proposed Gas Costs (10 Dth)	Current		Year Ago	
		Gas Costs (10 Dth)	Difference	Gas Costs (10 Dth)	Difference
May 2026	\$ 49.38	\$ 52.58	\$ (3.20)	\$ 36.90	\$ 12.48
June 2026	\$ 49.87		\$ (2.71)	\$ 39.01	\$ 10.86
July 2026	\$ 49.84		\$ (2.74)	\$ 37.69	\$ 12.15
August 2026	\$ 49.63		\$ (2.95)	\$ 37.45	\$ 12.18
September 2026	\$ 49.50		\$ (3.08)	\$ 36.76	\$ 12.74
October 2026	\$ 48.62		\$ (3.96)	\$ 41.71	\$ 6.91

**10. Interim Rates.** We are unable to determine whether Petitioner will earn an excess return while these GCA factors are in effect. Accordingly, the rates approved in this Order are interim rates subject to refund pending reconciliation in the event an excess return is earned.

**11. Monthly Flex Mechanism.** The Commission has indicated in prior Orders that Indiana’s gas utilities should make reasonable efforts to mitigate gas price volatility. The monthly flex mechanism is designed to address this concern. Petitioner has elected to utilize a monthly flex mechanism to adjust its GCA factor up to the cap of \$2.00 on the total GCA factor monthly. Since Petitioner is utilizing a monthly flex mechanism, Petitioner must file a monthly flex tariff in the applicable GCA proceeding, including a notification of not flexing as warranted. The flex mechanism is to be filed no later than three business days before the beginning of each calendar month during the GCA period.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. The Petition of Indiana Utilities Corporation for the gas cost adjustment for natural gas service, as set forth in Paragraph No. 8, is approved, subject to refund in accordance with Paragraph No. 10.
2. Petitioner shall file a monthly flex tariff under this Cause for approval by the Commission’s Energy Division. Such rates shall be effective on or after the Order date subject to Division review and agreement with the amounts reflected.
3. This Order shall be effective on and after the date of its approval.

**DEIG, SWINGER, VELETA, AND ZIEGNER CONCUR; ZAY ABSENT:**

**APPROVED: APR 29 2026**

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**

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**Dana Kosco  
Secretary of the Commission**