ORIGINAL

Commissioner	Yes	No	Not Participating
Swinger			√
Bain	√		
Deig	√		
Jerrells	√		
Ziegner	√		

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 ACCORDANCE WITH IND. CODE §§ 8-1-2-42(g) AND 8-1-2-42.3 FOR THE MONTHS OF NOVEMBER 2026 THROUGH JANUARY 2027.	**)**	**CAUSE NO. 37368 GCA 172** **APPROVED: OCT 28 2026**

ORDER OF THE COMMISSION

Presiding Officer:
Steve Henke, Administrative Law Judge

On August 28, 2026, in accordance with Ind. Code § 8-1-2-42, Sycamore Gas Company, Inc. ("Petitioner") filed its Verified Petition for approval of changes in Petitioner's gas rates through a Gas Cost Adjustment ("GCA"), with attached schedules to be applicable during the months of November 2026 through January 2027. On that same day, Petitioner filed the direct testimony of its Vice President of Gas Supply, Craig C. Colombo, its Controller, Nicole Herbert, and its Regulatory Manager, Christopher Owens, supporting the proposed GCA factors.

On September 18, 2026, Petitioner filed a Notice of Corrections that corrected certain pages of the direct testimony and attachments of Mr. Colombo.

On September 28, 2026, the Indiana Office of Utility Consumer Counselor ("OUCC") prefiled the testimony of Jason D. Kohlmann, Assistant Director of the OUCC's Natural Gas Division.

The Commission held an evidentiary hearing on October 14, 2026, at the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC participated by counsel, and the testimony and exhibits of Petitioner and the OUCC were admitted without objection.

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

1. Statutory Notice and Commission Jurisdiction. Notice of the 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 public gas utility corporation organized and existing under the laws of Indiana. Petitioner's principal office is at 370 Industrial Drive, Suite 200, Lawrenceburg, Indiana. Petitioner renders natural gas utility service to the public in Dearborn, Franklin, and Ohio counties in Indiana and owns, operates, manages, and controls plant and equipment used 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 to provide gas to its retail customers at the lowest gas cost reasonably possible.

Mr. Colombo testified that Petitioner continues to maintain a contract with a marketer for firm natural gas supply on a non-interruptible basis. He stated that Petitioner has the option to purchase a portion of its portfolio on "first of the month" and/or "daily" indices. Mr. Colombo testified that Petitioner can also purchase a portion of its gas through fixed price contracts. He stated that Petitioner has hedged approximately 73% of its total supply requirements for the upcoming GCA quarter and continues to review different strategies for future hedging of its gas supply requirements.

The Commission has indicated that Indiana's 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 current and forward-looking bases. Based on the evidence offered, the Commission finds 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 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 for the costs proposed to be included in the GCA factors. 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. Return Earned. Ind. Code § 8-1-2-42(g)(3)(C), in effect, prohibits approval of a GCA factor that results in Petitioner earning a return in excess of the return authorized by the last Commission Order in which Petitioner's basic rates and charges were approved. Petitioner's current basic rates and charges were approved on March 6, 2019, in Cause No. 45072, and have since been adjusted upward as authorized in its federal mandate tracker proceedings under Cause No. 45131. With adjustment for relevant federal mandate tracker proceedings, Petitioner's prorated authorized net operating income for this GCA is $2,382,926.

Petitioner's evidence indicates that for the 12 months ending June 30, 2026, Petitioner's actual net operating income was $2,039,937. Therefore, based on the evidence of record, we find that Petitioner is not earning 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 5.08% for the period ending June

30, 2026. Accordingly, the Commission finds that Petitioner's estimating techniques in evidence 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 April through June 2026 ("Reconciliation Period") is an over-collection of $43,180 from its customers. This amount should be included, based on estimated sales percentages, in this GCA and the next three GCAs. The amount of the Reconciliation Period variance to be included in this GCA as a decrease in the estimated net cost of gas is $19,919. The variance from prior recovery periods applicable to the current recovery period is an under-collection of $151,653. Combining this amount with the Reconciliation Period variance results in a total under-collection of $131,734 to be applied in this GCA as an increase in the estimated net cost of gas.

B. Refunds. Petitioner has a refund of $594,923 from the reconciliation period for unaccounted-for gas. This amount should be included, based on estimated sales percentages, in this GCA and the next three GCAs. The refund from prior recovery periods applicable to the current recovery period is $0. The amount of the total dollars to be refunded in this GCA as a decrease in the estimated net cost of gas is $274,432, as reflected on Petitioner's Exhibit 1, Schedule 12A.

8. Resulting Gas Cost Adjustment Factor. The estimated net cost of gas to be recovered is $409,182 for November 2026, $675,818 for December 2026, and $826,811 for January 2027. Adjusting this total for the variance amounts yields commodity gas costs to be recovered through the GCA factor of $245,279 for November 2026, $508,372 for December 2026, and $659,365 for January 2027. Petitioners proposed GCA factors are $4.4741/Dth for November 2026, $4.0603/Dth for December 2026, and $4.0661/Dth for January 2027.

9. Effects on Residential Customers — (GCA Cost Comparison). The table below shows the gas costs a residential customer will incur under the proposed GCA factors based on 10 Dth of usage and compares the proposed gas costs to what a residential customer paid most recently (August 2026 - $4.6842/Dth) and a year ago (November 2025 - $4.9721/Dth, December 2025 - $5.0280/Dth, and January 2026 - $4.8114/Dth). The information in the table below reflects costs approved through the GCA process and 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 from Current	Gas Costs (10 Dth)	Difference from Year Ago
November 2026	$44.74	$46.84	($2.10)	$49.72	($4.98)
December 2026	$40.60		($6.24)	$50.28	($9.68)
January 2027	$40.66		($6.18)	$48.11	($7.45)

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. Petitioner's approved 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.

12. Evidence of GCA Filing Quality Controls. For this GCA update, the Commission directed Petitioner to provide evidence regarding the quality controls it uses to provide reliable GCA filings as the result of errors in past GCA filings. Mr. Owens testified that Petitioner understands it made errors in the calculation of GCA factors in GCA 171. He explained that, during the pendency of GCA 169, Petitioner underwent internal turnover resulting in a change in personnel responsible for overseeing preparation of GCA filings. He stated that Petitioner has been working to enhance cross-checking, increased utilization of Microsoft Excel functions such as data linking to previously filed GCA and Flex filings, and inputting comments and instructions for each previously identified error on future GCA models. He testified that these process improvements, as well as additional internal reviews, will lead to more accurate GCA filings.

The OUCC's witness, Mr. Kohlmann, identified two discrepancies in Petitioner's filings in this Cause. In response, Petitioner submitted corrections to Mr. Colombo's direct testimony. Neither of these revisions impacted the rates to be authorized in this Cause. Although Petitioner's initial schedules in this GCA 172 were not perfect, they displayed progress when compared to prior GCA filings. Petitioner is encouraged to maintain and continuously improve the quality controls it has established.

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

1. The Petition of Sycamore Gas Company, Inc. for the gas cost adjustment for natural gas service, as set forth in Section No. 8 of this Order, is approved, subject to refund under Section 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.

BAIN, DEIG, JERRELLS, AND ZIEGNER CONCUR; SWINGER ABSENT:

APPROVED: OCT 28 2026

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

Regina K Joyner Digitally signed by Regina K Joyner
Date: 2026.10.28 10:47:18 -04'00'
_____ on behalf of
Dana Kosco
Secretary of the Commission