

ORIGINAL

Commissioner	Yes	No	Not Participating
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Swinger	√		
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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF BOONVILLE NATURAL GAS)
CORPORATION FOR APPROVAL OF) CAUSE NO. 37369 GCA 135
CHANGES IN ITS GAS RATES THROUGH A)
GAS COST ADJUSTMENT IN ACCORDANCE) APPROVED: APR 29 2026
WITH INDIANA CODE § 8-1-2-42 (g).)**

ORDER OF THE COMMISSION

**Presiding Officer:
Steve Henke, Administrative Law Judge**

On February 26, 2026, Boonville Natural Gas Corporation (“Petitioner”) filed its Petition, with attached schedules, for a gas cost adjustment (“GCA”) to be applicable during the months of May 2026 through October 2026. Also on February 26, 2026, Petitioner prefiled the testimony of its Vice President Paul M. Lewellyn, and Brian D. Cherry of LWG CPAs & Advisors. On March 20, 2026, Petitioner filed revisions to its petition, testimony of Mr. Cherry, and workpapers. On March 30, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony and attachments of Mohab M. Noureldin, Utility Analyst of the OUCC’s Natural Gas Division. On April 7, 2026, Petitioner filed rebuttal testimony of Brian D. Cherry.

The Indiana Utility Regulatory Commission (“Commission”) held an evidentiary hearing in this Cause on April 21, 2026, at 1:00 PM in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC participated by counsel, and their respective exhibits were admitted into the record without objection.

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

1. Statutory Notice and Jurisdiction. Notice of the hearing in this Cause was given and published 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 Indiana law. Petitioner’s principal office is located at 1425 North Rockport Road, Boonville, Indiana. Petitioner renders natural gas utility service to the public in Warrick County, Indiana. Petitioner 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 to provide gas to its retail customers at the lowest cost reasonably possible. The Commission has further indicated that each natural gas utility should describe on an annual basis its purchasing and estimating strategies.

Petitioner's Vice President, Mr. Lewellyn, indicated that Petitioner has not changed its estimating or purchasing strategies from that previously described to the Commission. He explained Petitioner's practices to mitigate gas price volatility, including purchasing fixed contract gas and acquiring storage gas well in advance of usage, monitoring natural gas prices through New York Mercantile Exchange Futures, using a normal temperature adjustment, flexing for GCA factors, and monitoring its customer's historical usage and changes in such usage.

The Commission has indicated that Indiana's gas utilities should make reasonable efforts to mitigate gas price volatility including considering market conditions and the price of natural gas on both current and forward-looking bases. The evidence suggests Petitioner secures natural gas supply at the lowest 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 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 GCA factors 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 the 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. Petitioner's current base rates and charges were approved on September 18, 2024, in Cause No. 45985 U. The Commission authorized Petitioner to earn a net operating income of \$542,561 on a rate base of \$6,960,846.

Petitioner's evidence indicates that for the 12 months ending October 31, 2025, Petitioner's actual net operating income was \$927,101—\$384,540 more than Petitioner's authorization. Therefore, based on the evidence of record, we find that Petitioner is earning a return in excess of that authorized in its last rate case.

Because Petitioner's return exceeds the amount authorized, Ind. Code § 8-1-2-42.3 requires the Commission to determine the amount, if any, of the return to be refunded to customers through the variance in this Cause. A refund is only appropriate if the sum of the differentials (both positive and negative) between the determined return and the authorized return during the relevant period, as defined by Ind. Code § 8-1-2-42.3(a), is greater than zero. Based on the evidence of record, we find the sum of the differentials during the relevant period is less than zero. Therefore, it is not appropriate to require a refund of any of the amount over earned in this Cause.

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 that Petitioner’s 12-month rolling average comparison was 3.08% 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. Variance. 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 \$14,184 from its customers. There are no variances from prior periods. This amount should be included in the current GCA as an increase in the estimated net cost of gas.

Petitioner’s original filing calculated gas purchases during the Reconciliation Period from a column labeled “Actual Usage” within Petitioner’s data—a change from past calculations, which came from data within a column labeled “Usage.” OUCC witness Nouredin discussed Petitioner’s use of the “Actual Usage” column in the Code Summary Report, and recommended Petitioner provide a detailed justification for a switch in methodology, as well as additional information be provided in the next GCA regarding the Code Summary Report and its usage in the GCA and prior rate case. In rebuttal, Mr. Cherry explained that the use of data labeled “Actual Usage” in Petitioner’s original filings stemmed from a misunderstanding with Petitioner’s staff, and that “Actual Usage” is a misnomer within Petitioner’s software. Mr. Cherry confirmed the, “Usage” column data was the correct data to use and has been used in Petitioner’s prior GCAs and rate cases., The Usage column data was used in Petitioner’s revised schedules, thus resolving Mr. Nouredin’s concerns.

B. Refunds. Petitioner received \$162,789 in new refunds during the Reconciliation Period and has \$0 in refunds from prior periods applicable to the current recovery period. We find that the amount to be refunded to customers in this GCA is \$28,795. Schedule 11A was filed and the level of unaccounted for gas for the 12-month period was -9.59%.

8. Resulting Gas Cost Adjustment Factors. The estimated net cost of gas to be recovered for May 2026 is \$62,946, for June 2026 is \$53,262, for July 2026 is \$43,578, for August 2026 is \$46,310, for September 2026 is \$53,882, and for October 2026 is \$94,496. Adjusting this total for the variance and refund amounts yields gas costs to be recovered through the GCA factor of \$60,511 for May 2026, \$50,827 for June 2026, \$41,143 for July 2026, \$43,875 for August 2026, \$51,447 for September 2026, and \$92,061 for October 2026. After dividing the total costs shown above by the estimated sales, the recommended GCA factors are:

Month	GCA Factor (\$/Dth)
May 2026	\$4.6547
June 2026	\$4.6206
July 2026	\$4.5714
August 2026	\$4.3875
September 2026	\$4.2873
October 2026	\$4.6031

Mr. Noureldin testified that, after Petitioner filed the revisions to its case-in-chief on March 20, 2026, the OUCC found nothing to indicate it miscalculated the proposed GCA 135 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 GCA factors based on 10 Dth of usage. The table also compares the gas costs to what a residential customer paid most recently (February 2026 - \$4.6763/Dth) and a year ago (May 2025 - \$2.6835/Dth, June 2025 - \$2.9740/Dth, July 2025 - \$2.3943/Dth, August 2025 - \$2.4753/Dth, September 2025 - \$2.7062/Dth, and October 2025 - \$3.3857/Dth). The table reflects costs 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	\$46.55	\$46.76	(\$0.21)	\$26.84	\$19.71
June 2026	\$46.21		(\$0.55)	\$29.74	\$16.47
July 2026	\$45.71		(\$1.05)	\$23.94	\$21.77
August 2026	\$43.88		(\$2.88)	\$24.75	\$19.13
September 2026	\$42.87		(\$3.89)	\$27.06	\$15.81
October 2026	\$46.03		(\$0.73)	\$33.86	\$12.17

The Commission finds the above factors are properly calculated and should be approved, subject to refund in accordance with Paragraph 10 below.

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.

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

1. The Petition of Boonville Natural Gas 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. 11.

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.

**Dana Kosco
Secretary of the Commission**