ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF BOONVILLE NATURAL GAS CORPORATION FOR APPROVAL OF CHANGES IN ITS GAS RATES THROUGH A GAS COST ADJUSTMENT IN ACCORDANCE WITH INDIANA CODE § 8-1-2-42(g)	**)**	**CAUSE NO. 37369 GCA 136**
	)	**APPROVED: OCT 28 2026**

ORDER OF THE COMMISSION

Presiding Officer:
Steve Henke, Administrative Law Judge

On August 31, 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 November 2026 through April 2027. Also on August 31, 2026, Petitioner prefiled the testimony of its Vice President, Paul M. Lewellyn, and Brian D. Cherry of LWG CPAs & Advisors. On September 28, 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.

The Indiana Utility Regulatory Commission ("Commission") held an evidentiary hearing in this Cause on October 19, 2026, at 1:30 PM in Room 224 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-l-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 parts of 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-l-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-l-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 April 30, 2026, Petitioner's actual net operating income was $621,862, which is $79,301 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. Petitioner's evidence indicates that the sum of the differentials during the relevant period is negative $132,943. 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-l-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 Petitioner's Exhibit 3, Schedule 6 in this case) 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 0.62% for the period ending April 30, 2026. 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 November 2025 through April 2026 ("Reconciliation Period") is an over-collection of $27,203 from its customers. This amount should be included in the current GCA as a decrease in the estimated net cost of gas.

B. Refunds. Petitioner has no new refunds during the Reconciliation Period but has refunds from prior periods applicable to the current recovery period. We find that the amount to be refunded to customers in this GCA is $133,994 as reflected on Petitioner's Exhibit 3, Schedule 12A, line 8.

8. Resulting Gas Cost Adjustment Factors. The estimated net cost of gas to be recovered for November 2026 is $194,794, for December 2026 is $295,712, for January 2027 is $418,966, for February 2027 is $269,665, for March 2027 is $163,228, and for April 2027 is $77,860. Adjusting this total for variance and refund amounts yields gas costs to be recovered through the GCA factor and base rates of $167,928 for November 2026, $268,846 for December 2026, $392,100 for January 2027, $242,799 for February 2027, $136,362 for March 2027, and $50,994 for April 2027.

After dividing the total costs shown above by the estimated sales, the recommended GCA factors are as follows:

Month	GCA Factor ($/Dth)
November 2026	$3.9053
December 2026	$3.7340
January 2027	$4.0844
February 2027	$3.7354
March 2027	$3.0991
April 2027	$2.3179

OUCC witness Mr. Noureldin testified that the OUCC found nothing to indicate Petitioner has miscalculated the proposed GCA 136 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 (August 2026 - $4.1945/Dth) and a year ago (November 2025 - $3.7045/Dth, December 2025 - $3.9971/Dth, January 2026 - $4.6001/Dth, February 2026 - $4.6763/Dth, March 2026 - $4.4675/Dth, and April 2026 - $4.1254/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
November 2026	$39.05	$41.95	$(2.90)	$37.05	$2.00
December 2026	$37.34		$(4.61)	$39.97	$(2.63)
January 2027	$40.84		$(1.11)	$46.00	$(5.16)
February 2027	$37.35		$(4.60)	$46.76	$(9.41)
March 2027	$30.99		$(10.96)	$44.68	$(13.69)
April 2027	$23.18		$(18.77)	$41.25	$(18.07)

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. 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 10:48:25 -04'00'

on behalf of

Dana Kosco
Secretary of the Commission