

ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF SWITZERLAND COUNTY)
 NATURAL GAS CO., INC. FOR APPROVAL) CAUSE NO. 37791 GCA 121
 OF CHANGES IN ITS GAS COST)
 ADJUSTMENT IN ACCORDANCE WITH) APPROVED: APR 29 2026
 IND. CODE § 8-1-2-42(g))**

ORDER OF THE COMMISSION

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

On March 2, 2026, in accordance with Ind. Code § 8-1-2-42, Switzerland County Natural Gas Co., Inc. (“Petitioner” or “Switzerland”) filed its Petition seeking approval of gas cost adjustment (“GCA”) factors to be applicable for gas service rendered from May through July 2026. On that same day, Petitioner filed its workpapers and the direct testimony of Bonnie J. Mann, a Certified Public Accountant employed by LWG CPAs & Advisors. On April 1, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the direct testimony of LaCresha N. Vaultx, Utility Analyst in the OUCC’s Natural Gas Division. On April 8, 2026, Petitioner filed the rebuttal testimony of Bonnie J. Mann.

The Commission held an evidentiary hearing in this Cause at 9:15 AM on April 15, 2026, in Room 222, PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC participated in the evidentiary hearing, during which their respective testimony and exhibits were admitted without objection.

Based upon the applicable law and the evidence presented, 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. For this reason, 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 305 Walnut Street, Vevay, Indiana 47043. Petitioner renders natural gas utility service to the public in 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.

Ms. Mann testified as to how Petitioner obtains its gas supply. She stated that Petitioner is served by one interstate pipeline and that while Petitioner is small, it has been able to obtain sufficient supply at reasonable rates with the assistance of its marketer, Utility Gas Management. Ms. Mann further testified that Petitioner has not changed its estimating techniques or purchasing strategies, which have been previously described to the Commission.

The Commission has directed Indiana's gas utilities to 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, 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 to meet anticipated customer requirements; therefore, we find 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 request or file, pursuant to the jurisdiction and procedures of a duly constituted regulatory authority the costs proposed to be included in the GCA factor. The evidence shows 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 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 April 17, 2019 in Cause No. 45117. The Commission authorized Petitioner to earn a net operating income of \$65,356.

Petitioner's evidence demonstrates that for the 12 months ending December 31, 2025, Petitioner's actual net operating income was negative \$94, which does not exceed Petitioner's authorized net operating income. Therefore, based on the evidence of record, we find that Petitioner is not earning a return in excess of that which we authorized in Cause No. 45117.

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 for the period ending December 31, 2025 is negative 1.13%. The Commission finds that Petitioner's estimating techniques are sound and its estimated gas costs are reasonable.

7. Reconciliations. 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 October 2025 through December 2025 ("Reconciliation Period") is an over-collection of \$5,811 from Petitioner's 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 \$715.

The variance from prior recovery periods applicable to the current recovery period is an over-collection of \$823. Combining this amount with the Reconciliation Period variance results in a total over-collection of \$1,538 to be applied in this GCA as a decrease in the estimated net cost of gas.

8. Resulting Gas Cost Adjustment Factor. The estimated net cost of gas to be recovered is \$26,614 for May 2026, \$19,956 for June 2026, and \$25,501 for July 2026. Adjusting this total for the variance and refund amounts yields gas costs of \$26,101 for May 2026, \$19,443 for June 2026, and \$24,988 for July 2026. Petitioner’s proposed GCA factors are \$3.7287/Dth for May 2026, \$3.8886/Dth for June 2026, and \$4.1647/Dth for July 2026.

Ms. Vault testified that based on the information Petitioner provided in its original filing, the OUCC found nothing to indicate that Petitioner has miscalculated the proposed GCA factors in accordance with all applicable requirements. Ms. Vault reported that the OUCC continued discussions with Petitioner regarding the annual review. She stated that customers were overbilled in December 2024 and January 2025; customers were refunded in February and March 2025. In addition, customers were undercharged during January, February, and March 2025. Ms. Vault testified the combined impact of these billing discrepancies resulted in a net under-collection of \$13,483. Ms. Vault recommended Petitioner not be permitted to recover the \$13,483 in under-collections from customers. On rebuttal, Ms. Mann stated that the Town of Vevay, who is acquiring Petitioner, has employees experienced in utility billing, making it unlikely a similar issue will occur in the future. Ms. Mann further clarified that Petitioner has not asked to recover any underbilled errors and currently has no plans to do so.

9. Effects on Residential Customer. The table below shows the gas costs a residential customer will incur under the proposed GCA factors based on 10 Dth of usage. The table also compares the proposed gas costs to what a residential customer paid most recently (February 2026 - \$4.6381/Dth) and a year ago (\$4.3289/Dth for May 2025, \$4.3083/Dth for June 2025, and \$4.4553 /Dth for July 2025). 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	Gas Costs (10 Dth)	Difference
May-2026	\$37.29	\$46.38	\$(9.09)	\$43.29	\$(6.00)
June-2026	\$38.89		\$(7.49)	\$43.08	\$(4.19)
July-2026	\$41.65		\$(4.73)	\$44.55	\$(2.90)

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.

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

1. The Petition of Switzerland County Natural Gas Co., Inc. 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. Prior to implementing the rates approved in this Order, Petitioner shall file the tariff and applicable rate schedules under this Cause for approval by the Commission's Energy Division. Such rate(s) 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