ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS, AS SUCCESSOR TRUSTEE OF A PUBLIC CHARITABLE TRUST FOR APPROVAL OF FUEL COST ADJUSTMENT FOR STEAM SERVICE EFFECTIVE NOVEMBER 1, 2026 PURSUANT TO THE COMMISSION'S ORDER IN CAUSE NO. 45855 AND APPLICABLE LAW.	)))))))))	**CAUSE NO. 41969 FAC 83** **APPROVED: OCT 28 2026**

ORDER OF THE COMMISSION

Presiding Officer:
Jon D. Williams, Administrative Law Judge

On August 14, 2026, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as successor trustee of a public charitable trust, d/b/a Citizens Thermal ("Petitioner" or "Citizens") filed with the Indiana Utility Regulatory Commission ("Commission") its Verified Petition, requesting approval of a fuel cost adjustment ("FAC") for steam service to become effective on November 1, 2026. Also, on August 14, 2026, Petitioner filed in support of its Verified Petition the testimony of Paul M. Bamford, Rates & Regulatory Analyst; the testimony of Mark D. Vogler, Director of Thermal Operations; worksheets establishing the cost of fuel; and a Revised Standard Contract Rider No. 1, showing the proposed FAC factor.

On September 14, 2026, the Indiana Office of Utility Consumer Counselor ("OUCC") filed the testimony of Thomas W. Malan, Utility Analyst of the OUCC's Electric Division and supporting schedules marked as Attachment TWM-1.

The Commission set this matter for a public hearing to be held at 9:00 a.m. on October 8, 2026, in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Attorneys for Petitioner and the OUCC participated in the public hearing. During the hearing, the testimony and exhibits of Petitioner and the OUCC were admitted into the record without objection.

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

1. Notice and Jurisdiction. Due, legal, and timely notice of the commencement of the public hearing in this Cause was given and published by the Commission as required by law. The Commission has jurisdiction over Petitioner's rates and charges for steam utility service pursuant to Ind. Code §§ 8-1-11.1-3, 8-1.5-3-8, and 8-1.5-3-8. The Commission, therefore, has

jurisdiction over Petitioner and the subject matter of this Cause.

2. Petitioner's Characteristics. Petitioner is the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as successor trustee of a public charitable trust, d/b/a Citizens Thermal. Petitioner's principal office is located at 2020 North Meridian Street, Indianapolis, Indiana. Petitioner is engaged in rendering steam utility service in the City of Indianapolis and owns, operates, manages, and controls, among other things, plant and equipment used for the production, transmission, delivery, and furnishing of this service.

3. Methodology for Calculating Fuel Cost. In Cause No. 41969 FAC 01, Petitioner's first fuel cost adjustment proceeding, the Commission authorized Petitioner to use the methodology and follow procedures the Commission approved in connection with the annual FACs requested in the past by the prior owner of the steam plant, Indianapolis Power & Light Company.

In Cause No. 43201, Petitioner sought approval of a new schedule of rates and charges for steam service, a new level of "authorized earnings" for purposes of the "earnings" test and authority to make quarterly fuel cost adjustment applications. Petitioner, the OUCC, and the Citizens Industrial Group ("CIG") reached a settlement in Cause No. 43201, which the Commission approved by final Order on October 30, 2007. Petitioner has not changed the methodology used in its prior FAC filings.

We find utilization of the methodology and procedures approved in Cause No. 41969 FAC 01, as adjusted in Petitioner's subsequent fuel cost adjustment proceedings and in general rate case proceedings docketed respectively as Cause Nos. 43201, 43821, 44349, 44781, and 45855, to be a reasonable means of determining the appropriate fuel cost adjustment for Petitioner.

4. Earnings Test. In Cause No. 41969 FAC 3 S1, Petitioner entered into a Stipulation and Settlement Agreement with the OUCC and CIG, under which Petitioner agreed to be subject to the "earnings" test when it files for Commission approval of changes to its fuel cost adjustment charges. The net of any amounts over the "authorized earnings" level will be applied as a credit to the proposed fuel cost adjustment charge. The amount by which Citizens' earnings are below the "authorized earnings" will be accumulated in a "bank" and used as an offset against any over-earnings in subsequent FAC proceedings.

For the 12 months ending April 30, 2026, Petitioner reported a net operating income of $8,054,768, which is $1,060,274 below its authorized net operating income of $9,115,042 for the period. With this entry, the earnings bank balance is ($61,463,478). Based on the evidence presented, we find that Petitioner has satisfied the "earnings" test for this FAC proceeding.

5. Reconciliation and Resulting Steam Factor. Mr. Bamford's testimony and supporting schedules showed the development of the proposed fuel cost adjustment factor in the amount of $0.79655 per therm. Mr. Bamford's testimony and attachments also addressed and provided detail supporting the percentage impacts on Rate 1 and Rate 2 customers from the proposed fuel cost adjustment factor, the amount and cause of the total variance (an under recovery of $206,748) and the earnings test calculation.

Mr. Malan's testimony and supporting schedules showed the OUCC's calculation of Petitioner's FAC charge was $0.79655 per therm. Mr. Malan testified the OUCC recommends the Commission approve the implementation of Petitioner's proposed FAC factor of $0.79655 per therm.

Based upon the evidence of record, we find Petitioner's proposed FAC factor of $0.79655 per therm should be approved and made effective on November 1, 2026. Prior to implementing the foregoing FAC factors, Petitioner shall include the foregoing factors on its Standard Contract Rider No. 1 and file the same with the Energy Division of the Commission.

6. Natural Gas Pricing. Mr. Vogler testified that gas pricing for this FAC period is based on the Henry Hub Natural Gas Futures published on July 31, 2026, by the Chicago Mercantile Exchange Group ("CME"). He stated that gas pricing for the months of November 2026 through January 2027 will be projected on the market-based commodity pricing, as shown in the CME Report and Petitioner's hedged gas purchases.

Mr. Vogler stated Petitioner established an initial hedging target of 80% of its contract gas purchases. Hedged transactions account for approximately 94% of projected gas purchases for November 2026 through January 2027, which are the three months included in this FAC filing. He testified Petitioner will continue to monitor production, storage levels, and the rate of storage injections and adjust its hedged purchases accordingly, which at times may exceed or be less than the initial hedging target of 80%.

In Cause No. 41969 FAC 68, the Commission required Petitioner to continue to expand on its gas purchasing methods and the prudence of purchases from its third-party supplier, Citizens Gas, in future FAC filings. Therefore, Mr. Vogler provided an explanation of Petitioner's natural gas purchasing strategies, including the use of fixed-price hedging, incremental purchases, and true-up purchases. He testified that he regularly consults with Citizens Gas to gather information related to making purchases of natural gas for Petitioner. We find that Petitioner shall continue to address its gas purchasing methods and the prudence of purchases from Citizens Gas in future FAC filings until otherwise directed by the Commission.

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

1. The FAC factor set forth in Finding Paragraph No. 5 is approved.

2. Prior to implementing the rates, Petitioner shall file the tariffs and applicable rate schedules 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. Petitioner shall provide testimony on gas purchasing methods and purchases from Citizens Gas in its next FAC filing.

4. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of this Order into the Commission public utility fund account described in Ind. Code § 8-1-6-2, through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges	$789.46
OUCC Charges	$937.17
Legal Advertising Charges	$25.97
TOTAL	$1752.60

5. 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 10:56:00 -04'00'

on behalf of

Dana Kosco
Secretary of the Commission