

ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF OHIO VALLEY GAS)
CORPORATION AND OHIO VALLEY GAS,) CAUSE NO. 44147 GCA 54
INC. FOR APPROVAL OF CHANGES TO)
THEIR GCA RATES IN ACCORDANCE WITH) APPROVED: JUN 30 2026
INDIANA CODE § 8-1-2-42(G))**

ORDER OF THE COMMISSION

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

On April 30, 2026, in accordance with Ind. Code § 8-1-2-42, Ohio Valley Gas Corporation (“OVGC”) and Ohio Valley Gas, Inc. (“OVGI”) (together, “Petitioners”) filed their Petition for Gas Cost Adjustment (“GCA”) to be applicable during the months of July through September 2026, including all Exhibits and Schedules, verified testimony of Ronald L. Gable, Petitioners’ Senior Manager of Regulatory Affairs and Financial Planning and Analysis, and Devon W. Wilson, OVGC’s Assistant Controller. Petitioners corrected issues with its pre-filed exhibits on May 22, 2026.

On June 1, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony and attachments of Mohab M. Noureldin, Utility Analyst with the OUCC’s Natural Gas Division.

The Indiana Utility Regulatory Commission (“Commission”) held an evidentiary hearing in this matter on June 16, 2026, at 2:00 p.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioners and the OUCC, by counsel, participated in the hearing 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 Commission Jurisdiction. Notice of the hearing in this Cause was given and published by the Commission as required by law. Petitioners are public utilities 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 Petitioners’ rates and charges related to adjustments in gas costs. Therefore, the Commission has jurisdiction over Petitioners and the subject matter of this Cause.

2. Petitioners’ Characteristics. Petitioners are corporations organized and exist under the laws of the State of Indiana. Petitioners’ principal office is located at 111 Energy Park Drive, Winchester, Indiana. Petitioners render natural gas utility service to the public in seventeen Indiana counties and own, operate, manage, and control property for the distribution and furnishing of such service.

3. Source of Natural Gas. Ind. Code § 8-1-2-42(g)(3)(A) requires Petitioners to make every reasonable effort to acquire long-term natural gas supplies to provide service to their retail customers at the lowest gas cost reasonably possible. The Commission has further indicated that each natural gas utility should, annually, describe its purchasing and estimating strategies.

Mr. Wilson testified that Petitioners have contracts with ANR Pipeline Company (“ANR”) and Texas Gas Transmission, LLC (“Texas Gas”) for pipeline capacity and storage, and that OVGC also buys gas from Midwest Gas Transmission (“MGT”) to serve a small customer base in Grandview, Indiana.

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, we find that Petitioners have demonstrated that they have and continue to follow a policy of securing natural gas supply at the lowest gas cost reasonably possible to meet anticipated customer requirements; therefore, Petitioners fulfilled this requirement of Ind. Code § 8-1-2-42(g)(3)(A).

4. Purchased Gas Cost Rates. Ind. Code § 8-1-2-42(g)(3)(B) requires that Petitioners’ 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 factor. The evidence of record indicates that the proposed gas costs include transport rates that have been filed by Petitioners’ 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, Petitioners fulfilled this requirement of Ind. Code § 8-1-2-42(g)(3)(B).

5. Earnings Test. Ind. Code § 8-1-2-42(g)(3)(C), in effect, prohibits approval of a GCA factor that results in Petitioners earning a return in excess of the return authorized by the last Commission Order in which Petitioners’ basic rates and charges were approved. Petitioners’ basic rates and charges were approved on November 6, 2024, in Cause No. 46011. With adjustments for subsequent Transmission, Distribution, and Storage System Improvement Charge (“TDSIC”) filings, Petitioners’ prorated authorized net operating income is \$5,615,222 for the twelve months ending February 28, 2026.

The evidence indicates that for the 12 months ending February 28, 2026, Petitioners’ actual utility operating income was \$6,648,182; therefore, based on the evidence of record, we find Petitioners are earning a return in excess of that authorized in the last rate case and subsequent TDSIC filings.

Because Petitioners’ 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 Petitioners' estimate of their 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 Petitioners' 12-month rolling average comparison for the reconciliation period of December 2025 through February 2026 ("Reconciliation Period") for their ANR and Texas Gas pipeline service areas was 5.33% and was 6.85% for the much smaller MGT service area. Based upon Petitioners' historical accuracy in estimating the cost of gas and the testimony provided, we find Petitioners' estimating techniques are sound, and Petitioners' prospective average estimate of gas costs is reasonable.

7. Reconciliations.

A. Variances. Ind. Code § 8-1-2-42(g)(3)(D) also requires that the Petitioners reconcile their estimates for a previous recovery period with the actual purchased gas cost for that period. This reconciliation is now done with both Petitioners' ANR and Texas Gas service areas as one variance and MGT (Grandview) as a separate variance.

For the ANR and Texas Gas variance on Schedule 12B to Petitioners' Exhibit 4 for the Reconciliation Period is an under-collection of \$370,947 from their 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 an increase in the estimated net cost of gas is \$12,204. The variance from prior recovery periods applicable to the current recovery period is an under-collection of \$18,589. Combining this amount with the Reconciliation Period variance results in a total under-collection of \$30,793 to be applied in this GCA as an increase in the estimated net cost of gas.

For the MGT variance on Schedule 12B-G to Petitioners' Exhibit for the Reconciliation Period is an under-collection of \$4,238 from their 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 an increase in the estimated net cost of gas is \$76. The variance from prior recovery periods applicable to the current recovery period is an under-collection of \$21. Combining this amount with the Reconciliation Period variance results in an under-collection of \$97 to be applied in this GCA as an increase in the estimated net cost of gas.

B. Refunds. Petitioners had no refunds for the ANR and Texas gas pipeline service area from their pipeline suppliers during the Reconciliation Period, nor from any prior periods applicable to the current recovery period, but they had a carried-forward apportionment of unaccounted for gas. That amount to be returned to customers in this GCA proceeding is \$26,748, which we find should be refunded to customers in this GCA, as reflected on Schedule 12A to

Petitioners' Exhibit 4.

Petitioners had no refunds for the MGT pipeline service area during the Reconciliation Period or refunds from prior periods applicable to the current recovery period. We find nothing should be refunded to Petitioners' legacy Grandview customers in this GCA, as reflected on Schedule 12A-G to Petitioners' Exhibit 4.

8. Resulting Gas Cost Adjustment Factor. For the ANR and Texas Gas service area, the estimated net cost of gas to be recovered for July 2026 is \$300,654, for August 2026 is \$317,855, and for September 2026 is \$349,399. Adjusting these totals for the variance and refund amounts yields gas costs to be recovered through the GCA factor of \$301,741 for July 2026, \$319,140 for August 2026, and \$351,072 for September 2026. After dividing those amounts by estimated sales, Petitioners' recommended GCA factors are \$12.730/Dth for July 2026, \$11.388/Dth for August 2026, and \$9.626/Dth for September 2026.

For the MGT service area, the estimated net cost of gas to be recovered for July 2026 is \$376, for August 2026 is \$385, and for September 2026 is \$480. Adjusting these totals for the variance and refund amounts yields gas costs to be recovered through the GCA factor of \$405 for July 2026, \$415 for August 2026, and \$518 for September 2026. After dividing those amounts by estimated sales, Petitioners' recommended GCA factors for MGT are \$4.655/Dth for July 2026, \$4.663Dth for August 2026, and \$4.667/Dth for September 2026.

9. Effects on Residential Customers. For the ANR and Texas Gas service area, Petitioners request authority to approve the GCA factors of \$12.730/Dth for July 2026, \$11.388/Dth for August 2026, and \$9.626/Dth for September 2026. The table below shows the commodity costs a residential customer will incur under the proposed GCA factor based on 10 Dths of usage. The table also compares the proposed gas costs to what a residential customer paid most recently (April 2026 - \$5.673/Dth) and a year ago (July 2025 - \$10.254/Dth, August 2025 - \$9.677/Dth, and September 2025 - \$7.867/Dth). The table reflects costs approved through the GCA process. It does not include Petitioners' base rates or any applicable rate adjustment mechanisms.

ANR and Texas Gas		Current		Year Ago	
Month	Proposed Gas Costs (10 Dth)	Gas Costs (10 Dth)	Difference	Gas Costs (10 Dth)	Difference
July 2026	\$127.30	\$56.73	\$70.57	\$102.54	\$24.76
August 2026	\$113.88	\$56.73	\$57.15	\$96.77	\$17.11
September 2026	\$96.26	\$56.73	\$39.53	\$78.67	\$17.59

For the MGT service area, Petitioners also request authority to approve the GCA factors of \$4.655/Dth for July 2026, \$4.663/Dth for August 2026, and \$4.667/Dth for September 2026 for their MGT pipeline service areas. The table below shows the commodity costs a residential customer will incur under the proposed GCA factor based on 10 Dths of usage. The table also compares the proposed gas costs to what a residential customer paid most recently (April 2026 - \$4.509/Dth) and a year ago (\$3.938/Dth for July 2025, \$3.933/Dth for August 2025, and \$3.929/Dth for September 2025). The table reflects costs approved through the GCA process. It does not include Petitioners' base rates or any applicable rate adjustment mechanisms.

MGT Grandview		Current		Year Ago	
Month	Proposed Gas Costs (10 Dth)	Gas Costs (10 Dth)	Difference	Gas Costs (10 Dth)	Difference
July 2026	\$46.55	\$45.09	\$1.46	\$39.38	\$7.17
August 2026	\$46.63	\$45.09	\$1.54	\$39.33	\$7.30
September 2026	\$46.67	\$45.09	\$1.58	\$39.29	\$7.38

10. Interim Rates. We are unable to determine whether Petitioners 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 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. Petitioners have elected to utilize a monthly flex mechanism to adjust their GCA factors up to the cap of \$2.00 on the total GCA factor monthly. Since Petitioners are utilizing a monthly flex mechanism, Petitioners must file a monthly flex tariff in the applicable GCA proceeding, including a notification of not flexing as warranted. The flexed tariff is to be filed not later than three business days before the beginning of each calendar month during the GCA period.

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

1. The Petition of Ohio Valley Gas Corporation and its subsidiary Ohio Valley Gas, 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. Petitioners shall file a monthly flexed tariff under this Cause for approval by the Commission’s Energy Division. Such rates shall be effective on or after the date of this Order, subject to Division review and agreement with the amounts reflected.
3. This Order shall be effective on and after the date of its approval.

SWINGER, DEIG, AND VELETA CONCUR; ZAY AND ZIEGNER ABSENT:

APPROVED: JUN 30 2026

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

Dana Kosco
Secretary of the Commission