

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, INC. FOR APPROVAL OF)
UPDATES TO THEIR COMMISSION-APPROVED)
PLAN FOR INVESTMENTS IN ELIGIBLE TRANS-)
MISSION, DISTRIBUTION AND STORAGE IMPR-)
OVEMENTS AND TO ADJUST THE AMOUNT OF)
THEIR TDSIC TRACKER RATE.)**

CAUSE NO. 45400 TDSIC 10

APPROVED: JUN 30 2026

ORDER OF THE COMMISSION

**Presiding Officers:
Andy Zay, Commissioner
Steve Henke, Administrative Law Judge**

On March 3, 2026, Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. (together, “Petitioners” or “OVG”) filed its Verified Petition (“Petition”) to update the tracker rate for its transmission, distribution and storage system improvement charge (“TDSIC”) based on their investments during the six-month period from July 1, 2025, through December 31, 2025 (“Investment Period”). The Petition included the verified direct testimony and exhibits of Petitioners’ Senior Manager of Regulatory Affairs and FP&A, Ronald L. Gable, and the verified direct testimony of Petitioner’s Vice President and Chief Engineer, Gregory A. Bailey. On April 6, 2026, Petitioners filed corrected pages of Mr. Gable’s direct testimony.

The Indiana Office of Utility Consumer Counselor (“OUCC”) filed its responsive case on April 28, 2026, and included testimony of Mohab M. Noureldin, a Utility Analyst in the OUCC’s Natural Gas Division, and Jared J. Hoff, also a Utility Analyst in the OUCC’s Natural Gas Division. On May 6, 2026, OVG filed its notice that it would not be filing a rebuttal case.

The Commission held an evidentiary hearing on May 22, 2026, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Counsel for Petitioners and the OUCC appeared and submitted their respective evidence, which was admitted into the record without objection. After considering the evidence and applicable law, the Commission finds:

1. Notice and Jurisdiction. Notice of the hearing in this Cause was published as required by law. Petitioners are public utilities under in Ind. Code §§ 8-1-2-1(a) and 8-1-39-4 and energy utilities under Ind. Code § 8-1-2.5-2. Under Ind. Code ch. 8-1-39, the Commission has jurisdiction to approve rate schedules establishing a TDSIC that will allow for the periodic adjustment of a public utility’s rates and charges to provide for timely recovery of 80% of approved capital expenditures in furtherance of an approved TDSIC Plan. Accordingly, this Commission has jurisdiction over Petitioners as well as the subject matter of their petition.

2. Petitioners’ Characteristics. Petitioners are two Indiana corporations organized under the laws of the State of Indiana. Petitioners provide natural gas service to about 30,000

customers in communities and rural areas spread across 17 Indiana counties as well as to customers within a portion of one county in the State of Ohio contiguous with Petitioner’s Indiana service territory. Petitioners own, operate, manage, and control plant and equipment to provide natural gas service.

3. Background and Requested Relief. On December 16, 2020, in Cause No. 45400 (“TDSIC Order”), the Commission approved a TDSIC Plan for OVG to construct certain distribution infrastructure to provide natural gas to unserved rural areas within OVG’s certificated territory and also to undertake various construction and replacement projects to improve the reliability and safety of its existing service. Since, the Commission has issued orders approving updates to the TDSIC Plan and authorizing associated cost recovery.

In this case (“TDSIC 10”), Petitioners proposed an update to their TDSIC tracker rate. The update includes TDSIC Plan project costs incurred during the Investment Period, related incremental professional fees, a reconciliation of revenues from a previous TDSIC tracker rate, and a fixed amount approved in the last update. OVG also requests to remove the WO24-087 Winchester Gray Lane Main Extension project from its TDSIC plan.

4. Evidence Presented.

A. Petitioners’ Case-in-Chief. Mr. Gable described Petitioners’ proposed update in TDSIC 10 to recover \$26,202—80% of Petitioners’ TDSIC Plan investments during the Investment Period. Mr. Gable also determined that OVG should defer \$4,621 in a Regulatory Asset account derived from the remaining 20% of actual Investment Period investments and accrued carrying costs. His testimony included tracker schedules, a revised tariff, and the proposed revised TDSIC tracker rate.

Mr. Gable described his Schedules A1 through A11 and B1 through B6 attached to his direct testimony (that is, Petitioners’ Exhibit 1). In arriving at the accumulated carrying cost for amounts shown on his Schedule A9, he aggregated 20% of each TDSIC Plan expenditure (pre-tax return on TDSIC Plan capital expenditures net depreciation, PISCC, property taxes, and depreciation expense). To determine carrying charges on the deferred amounts, Mr. Gable applied Petitioners’ weighted average cost of capital of 8.48708% as of December 31, 2025.

Per Mr. Gable, Petitioners incurred \$12,375 in incremental TDSIC-related professional fees during the Investment Period. He testified that the proposed TDSIC tracker rate includes a reconciliation between project and actual revenues from TDSIC 7 and 8 during the Investment Period (resulting in an adjustment to return \$7,703 over-collected by Petitioners). Mr. Gable confirmed that Joint Petitioners provided its preliminary schedules and workpapers to the OUCC, and incorporated feedback from the OUCC.

Mr. Gable explained that Petitioner’s Exhibit 1, Schedule B3 confirms the allocation of TDSIC Plan cost to Petitioners’ rate schedules based on the revenue allocation factors from the most recent base rate case, Cause No. 46011. He testified that Petitioners’ proposed revenue requirement for TDSIC 10 complies with the limitation on the recovery of TDSIC costs via the proposed tracker of 2% of Petitioners’ overall retail revenue, per Ind. Code § 8-1-39-14. To

account for the adjustment to the TDSIC tracker rate, Mr. Gable also proposed to modify OVG's authorized net operating income and demonstrated an adjustment to the revenue requirement calculation in its GCA earnings test.

Mr. Bailey testified as to Petitioners' actual TDSIC project costs during the Investment Period on one TDSIC project, WO24-086 Winchester Timber Lane Main Extension, that was completed and placed into service during the Investment Period. Another, WO25-065 St. Peters Main Extension, was also placed into service but has additional, post-Investment Period expenses.

Mr. Bailey testified that the Winchester Timber Lane Main Extension had an approved estimated cost of \$46,519, but Petitioners completed the project for \$30,988. On the other hand, Mr. Bailey described the St. Peters Main Extension, which exceeded its approved cost estimate of \$180,422 due to excavation through heavy rock and avoiding an unmarked sewer line. Through the end of the Investment Period, Petitioners have incurred actual costs of \$218,369, which is \$37,947, or 21%, above the Commission-approved estimate. While work ended before December 31, 2025, Mr. Bailey anticipates additional costs associated with the final change order.

Mr. Bailey concluded by noting that Petitioners will remove a previously approved project, WO 24-087 (the Winchester Gray Lane Main Extension project), due to insufficient customer interest. Petitioners have not requested to add qualifying projects to their TDSIC Plan in this Cause.

B. OUC's Responsive Case. Mr. Noureldin testified to his comprehensive analysis of the calculations and data flow contained in Petitioners' original and revised TDSIC schedules. While he expressed general concerns with including rural extensions costs for TDSIC recovery, he explained that Petitioners' decision to offset services and meters costs with retained incremental, non-gas cost revenues from rural customers, and include only main extensions for TDSIC recovery satisfies his concerns. Ultimately, Mr. Noureldin had no recommended adjustments to Petitioners' requested relief.

Similarly, OUC Utility Analyst Jared Hoff analyzed Petitioners' actual costs for Petitioners' TSDIC projects discussed by Mr. Bailey. Mr. Hoff had no objection to the actual costs incurred during the Investment Period, nor any objection to removing WO 24-087 from Petitioners' current TDSIC Plan.

5. Statutory Requirements. Indiana Code § 8-1-39-9(a) permits a public utility providing gas utility service to request Commission approval of timely recovery of 80% of capital expenditures and costs for approved TDSIC projects. This subsection requires Petitioners to: (1) use the customer class revenue allocation factor based on firm load approved in the public utility's most recent retail base rate case order; (2) include the utility's TDSIC Plan; and (3) identify projected effects of the TDSIC Plan on retail rates and charges. Ind. Code § 8-1-39-9(b) requires a utility to update its TDSIC Plan at least annually. The TDSIC Plan Update shows actual or updated cost estimates for the TDSIC Plan. Ind. Code § 8-1-39-9(c) provides that the public utility shall defer the remaining 20% of approved capital expenditures and TDSIC costs, including depreciation, allowance for funds used during construction, and post-in-service carrying costs, and shall recover those capital expenditures and TDSIC costs as part of its next general rate case. Indiana Code § 8-1-39-9(d) provides that a public utility may not file a petition under subsection

(a) within nine months after the Commission issues an order changing the utility's basic rates and charges with respect to the same type of utility service. Ind. Code § 8-1-39-9(e) provides that a public utility that implements a TDSIC under this chapter shall petition the Commission for review and approval of its basic rates and charges before the expiration of its TDSIC Plan. Ind. Code § 8-1-39-9(f) provides that a public utility may file a petition under this section not more than once every six months.

6. Discussion and Findings. Petitioners submitted their Verified Petition and supporting evidence to demonstrate compliance with the requirements of Ind. Code § 8-1-39-9 and this Commission's TDSIC Order. The OUCC's responsive evidence reflected its lack of objection to the relief requested by Petitioners.

Petitioners' evidence demonstrated that it spent \$249,357 between July 1, 2025, and December 31, 2025, on two TDSIC projects previously approved for inclusion in its TDSIC Plan, WO 24-086 and WO 25-065. The final cost of WO 24-086 was \$15,531 below the previously approved cost estimate. While Petitioners' costs to complete WO 25-065 have exceeded the previously approved estimate, Mr. Bailey's explanations for the cost increases are reasonable.

Petitioners' semi-annual capital and expense revenue requirement for TDSIC 10 is \$33,906. After adjusting for Petitioners' overcollection, the total revenue requirement for this TDSIC 10 tracker is \$26,202. For purposes of Petitioners' earnings test in their quarterly gas cost adjustment proceedings, Petitioners' earnings cap should increase by \$18,926, for a total operating income of \$5,633,354.

The Commission further finds the schedules incorporated as attachments to Petitioners' Exhibit 1 accurately calculate the TDSIC tracker rate to be applied to Petitioners' bills beginning July 1, 2026, as reflected on the tariff sheet incorporated as Attachment RLG-2 to Petitioners' Exhibit 1.

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

1. Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. are collectively authorized to recover \$26,202 of their actual TDSIC Plan costs incurred between July 1, 2025, and December 31, 2025, by means of its TDSIC tracker, and to defer \$4,621 as a regulatory asset (including ongoing carrying costs on such deferred expenses) for recovery in its next general rate case.

2. Petitioners' proposed TDSIC tracker rates, as set forth in Petitioners' Exhibit 1, Revised Schedule A8, are approved to effectuate the timely recovery of expenses to implement its TDSIC Plan costs of \$26,202. Such rates shall be effective upon filing with the Commission's Energy Division on or after the date of this Order.

3. Once a project included in its approved TDSIC Plan has been placed into service, Petitioners are authorized to defer their costs for that project on an interim basis until such costs are recovered pursuant to Ind. Code § 8-1-39-9 through revised rates either from a TDSIC tracker or a base rate proceeding.

4. Petitioners may file their next proceeding under this Cause, TDSIC 11, before the end of the third quarter of 2026 to recover costs incurred through June 30, 2026 in accordance with Ind. Code § 8-1-39-9.

5. 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**