

ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**JOINT PETITION OF OHIO VALLEY GAS)
CORPORATION, OHIO VALLEY GAS, INC., SOUTH)
EASTERN INDIANA NATURAL GAS COMPANY, INC.,)
AND FOUNTAINTOWN GAS COMPANY, INC. FOR:)
APPROVAL OF THE ACQUISITION BY OHIO)
VALLEY GAS CORPORATION OF SUBSTANTIALLY)
ALL OF THE ASSETS OF OHIO VALLEY GAS, INC.,)
SOUTH EASTERN INDIANA NATURAL GAS)
COMPANY, INC., AND FOUNTAINTOWN GAS)
COMPANY, INC.; TRANSFER OF CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY FROM)
OHIO VALLEY GAS, INC., SOUTH EASTERN)
INDIANA NATURAL GAS COMPANY, INC., AND)
FOUNTAINTOWN GAS COMPANY, INC. TO OHIO)
VALLEY GAS CORPORATION; AND ASSOCIATED)
RATEMAKING, ACCOUNTING, DEPRECIATION)
RATE, AND TARIFF APPROVALS PURSUANT TO)
IND. CODE SECTIONS 8-1-2-83, 8-1-2-84, AND 8-1-2-87)**

CAUSE NO. 46275

APPROVED: MAR 11 2026

ORDER OF THE COMMISSION

**Presiding Officers:
David E. Veleta, Commissioner
Loraine L. Seyfried, Chief Administrative Law Judge**

On July 25, 2025, Ohio Valley Gas Corporation (“OVG”), Ohio Valley Gas, Inc. (“OVGI”), South Eastern Indiana Natural Gas Company, Inc. (“South Eastern”), and Fountaintown Gas Company, Inc. (“Fountaintown”) (collectively, “Joint Petitioners”) filed their Verified Joint Petition initiating this Cause and seeking approval for OVG to acquire substantially all of the assets of South Eastern, Fountaintown, and OVGI; for transfer to OVG of OVGI’s, South Eastern’s, and Fountaintown’s certificates of public convenience and necessity to provide gas utility service (“Necessity Certificates”); and for related ratemaking, accounting, depreciation rate, and tariff approvals.

Also on July 25, 2025, Joint Petitioners prefiled their case-in-chief consisting of the direct testimonies and attachments of five witnesses: OVG Executive Vice President and Chief Executive Officer Scott A. Williams; OVG Vice President and Chief Operating Officer John T. Stenger; OVG Vice President and Chief Engineer Gregory A. Bailey; OVG Controller Jason D. Owens; and Gary M. VerDouw, Owner/CEO of VerDouw Regulatory Services LLC. Joint Petitioners also filed the direct testimony workpapers of Mr. VerDouw.

On November 18, 2025, Joint Petitioners, on behalf of themselves and the Indiana Office of Utility Consumer Counselor (“OUCC”), filed a Joint Notice of Settlement in Principle.

On December 31, 2025, Joint Petitioners filed a Stipulation and Settlement Agreement (“Settlement Agreement”) between themselves and the OUCC (collectively, “Settling Parties”). Also on December 31, 2025, Joint Petitioners prefiled the testimonies of Mr. Stenger and Mr. VerDouw in support of the Settlement Agreement as well as Mr. VerDouw’s settlement testimony workpapers, and the OUCC prefiled the testimony of Heather R. Poole, the Director of the OUCC’s Natural Gas Division, in support of the Settlement Agreement.

On January 21, 2026, the Commission issued a Docket Entry wherein the Presiding Officers requested additional information, to which Joint Petitioners responded on January 23, 2026.

On January 23, 2026, Joint Petitioners filed their Submission of Revision to Testimony for a correction to the direct testimony of Mr. Stenger.

On January 27, 2026, Joint Petitioners filed their Submission of Second Revision to Testimony for a correction to the direct testimony of Mr. Williams.

An evidentiary hearing was held in this Cause on January 27, 2026, at 9:30 am in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Joint Petitioners and the OUCC, by counsel, participated in the evidentiary hearing and their respective testimonies, attachments, and workpapers were admitted into the record without objection.

Based upon the applicable law and the evidence of record, the Commission finds:

1. Notice and Jurisdiction. Notice of the evidentiary hearing in this matter was published as required by law. Joint Petitioners are each public utilities under Ind. Code § 8-1-2-1, and the Commission has jurisdiction over the sale and transfer of public utility property under Ind. Code §§ 8-1-2-83, -84, and the provision of gas service to rural areas in Indiana under Ind. Code § 8-1-2-87, among others. Accordingly, the Commission has jurisdiction over Joint Petitioners and subject matter of this Cause.

2. Joint Petitioners’ Characteristics. Joint Petitioners are public utilities providing natural gas local distribution service in Indiana. Joint Petitioner OVG provides natural gas service to approximately 26,000 customers in east central and southern Indiana. In addition, OVG owns Hanover Group IV, LLC (“HGIV”). HGIV is the parent company of Joint Petitioners Fountaintown and South Eastern. Fountaintown provides natural gas service to approximately 3,800 customers to five counties in east-central Indiana. South Eastern provides natural gas service to approximately 2,200 customers in Dearborn and Ripley Counties. Joint Petitioner OVGI provides natural gas service to approximately 4,300 customers in southwestern Indiana. Although OVG generally operates OVGI as if it were part of OVG, OVGI currently exists a separate legal entity wholly owned by OVG.¹

¹ As a result of a settlement agreement and the Commission’s order in Cause No. 46011, OVG and OVGI currently operate with a combined revenue requirement but are separate legal entities.

3. Background and Relief Requested. The Joint Petition and Joint Petitioners' direct testimony indicate that in 2020, OVG acquired the stock of HGIV, the owner of and holding company for Fountaintown and South Eastern (the "2020 Acquisition"). In connection with that acquisition, OVG recorded an acquisition premium, reflecting the difference between the purchase price and the original net book value of the two utilities. OVG also deferred transaction and other costs related to the 2020 Acquisition. Now, Joint Petitioners seek Commission approval to consolidate the four utilities by transferring substantially all of the assets of OVGI, Fountaintown, and South Eastern to OVG (the "2025 Consolidation").

Joint Petitioners requested in their Verified Petition, the following relief from the Commission:

- Approval of the proposed transfers of assets and Necessity Certificates from OVGI, South Eastern, and Fountaintown to OVG;
- Authority to operate OVG, OVGI, South Eastern, and Fountaintown as separate divisions within OVG and authority to continue to charge OVG's, OVGI's, South Eastern's, and Fountaintown's legacy base rates to their respective legacy customers, until the utilities' base rates may be consolidated into single tariff prices in the future;
- Authority to utilize OVG's, OVGI's, South Eastern's, and Fountaintown's current depreciation rates, until new depreciation rates are approved in a future OVG rate case;
- Authority to process OVG's, OVGI's, South Eastern's, and Fountaintown's gas cost adjustment ("GCA") proceedings in one consolidated GCA docket while utilizing each utility's separate division fuel costs, authorized net operating income, etc., until the utilities' base rates and fuel costs may be consolidated in the future;
- Authority to utilize a consolidated capital budgeting process for OVG, OVGI, South Eastern, and Fountaintown while continuing to record each utility's assets on the appropriate division's books and records;
- Authority to process OVG's, OVGI's, South Eastern's, and Fountaintown's transmission, distribution, and storage system improvement charge ("TDSIC") proceedings in consolidated TDSIC dockets while utilizing each utility's separate division capital and operating and maintenance ("O&M") expenses, until the utilities' base rates and trackers may be consolidated in the future;
- Authority to consolidate in one OVG tariff the terms and conditions of service, along with separate rate tariffs for each Joint Petitioner, until the utilities' base rates and fuel costs may be consolidated in the future;
- Authority to defer the costs of the 2025 Consolidation for subsequent recovery in a future rate case(s);

- Authority to defer the savings resulting from the 2025 Consolidation for subsequent credit to customers in a future rate case(s);
- Authority to continue to defer and subsequently recover in a future rate case(s) the acquisition premium recorded as a result of the 2020 Acquisition by adjusting the original cost of the acquired assets on a pro rata basis;
- Authority to continue to defer, and subsequently recover in a future rate case(s), the costs of the 2020 Acquisition, net of any savings realized by Joint Petitioners not recognized in rates; and
- Authority to include the net original cost values of the assets of South Eastern, Fountaintown, and OVGI in OVG’s original cost rate base in future base rate cases.

Joint Petitioners also propose that if the Commission approves the transfer of substantially all the assets of Fountaintown, South Eastern, and OVGI to OVG, Fountaintown, South Eastern, and OVGI should remain as separate legal entities to hold certain gas contracts having advantageous gas pricing for customers.

4. The Settlement Agreement. The Settlement Agreement entered into by the Settling Parties provides as follows:

A. Consolidation and Transfers Authorized. The Settlement Agreement allows for and contemplates the consolidation of OVG, OVGI, South Eastern, and Fountaintown through the transfer of substantially all the assets and the Necessity Certificates of OVGI, South Eastern, and Fountaintown to OVG.

B. Operation as Divisions. The Settlement Agreement allows OVG, OVGI, South Eastern, and Fountaintown to operate as divisions of OVG and continue to use their legacy base rates, separate GCA fuel costs, fuel factors, and authorized net operating income, until such time as the divisions’ base rates may be consolidated into single tariff pricing in the future. The Settlement Agreement also allows for the use of legacy depreciation rates until new depreciation rates are approved in a future OVG base rate case.

Notwithstanding this division structure, the Settlement Agreement allows for the use of a common set of tariff terms and conditions (but with separate division rate tariffs), and the processing of the divisions’ GCA and TDSIC cases (and any future federally mandated cost adjustment (“FMCA”) cases) in consolidated dockets, while continuing to use separate division fuel costs, capital and O&M expenses, etc., until base rates and trackers may be consolidated in the future. Similarly, the Settlement Agreement contemplates the use of a consolidated capital budgeting process for Joint Petitioners, while continuing to record assets on the appropriate division’s books and records.

C. Acquisition Premium and Transaction and Other Costs. The Settlement Agreement allows for the recovery of both a “return of” and a “return on” an acquisition premium in the amount of \$7,283,179 (inclusive of agreed-upon recovery of \$283,179 in 2020 Acquisition

transaction costs), as opposed to Joint Petitioners' initial request for recovery of the full acquisition premium of \$9,975,031. The Settlement Agreement provides that the difference between the initially requested acquisition premium and the agreed-upon acquisition premium will not be recovered through rates in any proceeding. Recovery of the agreed-upon acquisition premium is to begin with OVG's next rate case, but OVG must begin amortizing the acquisition premium when OVG records the transfer of assets to OVG's books, which must occur no later than 60 days after the date of the order in this proceeding. The Settlement Agreement provides that OVG must record the amortized acquisition premium by increasing proportionately the value of each asset, as proposed by Mr. VerDouw in his direct testimony.

The Settlement Agreement addresses Joint Petitioners' requests to defer and subsequently recover the transaction costs (and incremental savings) of the 2020 Acquisition of HGIV (then-owner of South Eastern and Fountaintown) and this 2025 Consolidation transaction. The Settlement Agreement does not authorize the deferral of 2025 Consolidation transaction costs (\$289,812) but does allow recovery of 2020 Acquisition transaction costs (\$283,179) as part of the recovery of the acquisition premium discussed above. In addition, the Settlement Agreement does not authorize the deferral of savings, recognizing any such savings are already reflected in rates.

D. Foregoing OVG's Step 2 Rate Increase in Cause No. 46011. In exchange for the above ratemaking treatment, OVG has agreed to forego Step 2 of the rate increase approved in its recent base rate case, Cause No. 46011. The revenue that would have been collected pursuant to the implementation of the Step 2 rate increase will be foregone by Joint Petitioners. However, in the event the Commission does not approve the Settlement Agreement in its entirety, the Settlement Agreement outlines a process where either OVG or the OUCC may choose to complete litigated proceedings in this case. Further, in such case, OVG may seek Commission approval to implement a delayed Step 2 increase and will be authorized to defer and subsequently recover in such Step 2 increase the incremental Step 2 revenues that would have been billed and collected after November 30, 2025. However, if the Settlement Agreement is not approved in its entirety, and both OVG and the OUCC accept the result of the Commission's order, OVG is foreclosed from implementing the Step 2 rate increase.

E. Other Provisions. Other substantive provisions of the Settlement Agreement include:

- OVG's current TDSIC 9 tracker filing shall remain as is, and no recovery of Project WO 23-083 shall be included in Cause No. 46011, Cause No. 45400 TDSIC 9, or future TDSIC tracker filings;
- OVG shall provide the OUCC with a draft of the first consolidated GCA at least 60 days before its filing with the Commission so the format and methodologies can be reviewed by the OUCC and discussed with OVG;
- OVG shall provide the OUCC with a copy of the revised tariff and give the OUCC an opportunity to comment on the revised tariff;

- The Settling Parties recognize there will be some modification of the Fountaintown and South Eastern tariffs post-merger and consolidation to reflect that those customers will be billed by OVG, while maintaining the current Fountaintown and South Eastern rates and charges. The Settling Parties agree to develop a mutually agreeable tariff format that properly reflects any changes resulting from the Settlement Agreement, to be submitted in this Cause as a post-order compliance filing; and
- OVG will not recover in rates \$80,000 in gas cost expense for three individuals who were owners, board members, and retirees of HGIV.

5. Evidence Presented.

A. The 2020 Acquisition. Mr. Williams testified that, prior to the 2020 Acquisition, HGIV (the owner of Fountaintown and South Eastern) was a family-owned operation that had been in business for decades. He testified that when HGIV's founder stepped back from operations, the HGIV utilities struggled to comply with certain pipeline safety standards, and safety concerns began to surface during the Commission's Pipeline Safety Division inspections. He noted that Fountaintown received multiple notices of probable violations ("NOPVs") centered around odorization and corrosion control processes and documentation. At that point, HGIV approached OVG (and others) about the possibility of an acquisition. HGIV determined it was in the best interest of Fountaintown's and South Eastern's customers to sell the utilities to OVG. Mr. Williams also noted that in the Fountaintown consent decree to resolve the NOPVs, it was specifically acknowledged that the pending sale to OVG was a factor in reducing the civil penalty from the potential \$3,500,000 to the agreed amount of \$106,000.

Mr. Williams and Mr. VerDouw testified about the specifics of the 2020 Acquisition. Mr. Williams stated that the acquisition was negotiated between OVG and HGIV on an arm's-length basis. Mr. VerDouw testified that the agreed-upon purchase price for stock of HGIV (and indirectly for ownership of Fountaintown and South Eastern) was \$17,396,508 (including \$80,000 in gas cost expense for the former owners/employees/retirees). In addition, he testified regarding the transaction and other related costs incurred by OVG. He also sponsored a valuation of the two utilities performed by Banning Engineering as of the date of the 2020 Acquisition that valued Fountaintown and South Eastern at \$32,557,996. He noted that the valuation was significantly above the purchase price, which supports the reasonableness of the purchase price.

Mr. VerDouw testified that the net book value of Fountaintown and South Eastern at the time of the 2020 Acquisition was \$7,341,477, resulting in an acquisition premium of \$10,628,022. He proposed that the acquisition premium be allocated among appropriate utility plant in service accounts on a pro rata basis, resulting in the acquisition premium effectively being amortized over and charged to expense over a reasonable period, with corresponding changes to rate base through depreciation expense. He stated that this methodology will better reflect the real value of each asset as of December 31, 2020, as it will represent the real value paid by OVG for the assets, and is supported by the Banning Engineering valuation. He noted that such an allocation of an acquisition premium is consistent with prior Commission decisions.

Ms. Poole addressed the provisions of the Settlement Agreement regarding the merger case acquisition premium and deferred costs. She explained that OVG will be authorized to recover in rates both a “return of” and a “return on” an acquisition premium of \$7,283,179. She compared that amount to Joint Petitioners’ original request for an acquisition adjustment on \$10,628,022. Ms. Poole explained that this approximately \$3.3 million difference promotes affordability by reducing the amount of the acquisition premium that will be recovered from Fountaintown’s and South Eastern’s customers.

Ms. Poole testified that recovery of the \$7,283,179 acquisition premium would begin at the conclusion of OVG’s next base rate case, although amortization will begin when OVG records the transfer of assets to OVG’s books no later than 60 days after issuance of an order in this Cause. She explained that this acquisition premium will be recorded on OVG’s books by increasing proportionally the value of each asset, as OVG witness Mr. VerDouw described in his case-in-chief testimony.

Ms. Poole also explained that there are amounts Joint Petitioners requested in their case-in-chief that will not be recovered from ratepayers if the Settlement Agreement is approved. As an example, she said OVG will not recover in rates \$80,000 in gas cost expenses for the three individuals who were owners, board members, and retirees of HGIV.

Mr. Bailey elaborated on pre-2020 Acquisition safety issues and sponsored documents related to the 2020 Fountaintown consent decree as well as an independent Engineering Safety Evaluation and Risk Assessment performed by Utility Safety & Design, Inc. (“USDI”). He testified safety issues existed prior to the 2020 Acquisition that Fountaintown and South Eastern either were not aware of or did not address. He stated that before OVG purchased HGIV, it appeared that neither Fountaintown nor South Eastern employed in-house personnel with the skills, knowledge, and ability to properly oversee the pipeline safety program for the utilities and instead relied on outside contractors. He further testified that, in his opinion, it appeared from the consent decree that Fountaintown was not investing in its infrastructure and South Eastern was investing in its infrastructure on a limited basis.

He testified that Fountaintown struggled with odorization at the Morristown Purchase Station. In addition, Fountaintown had not reviewed their regulator stations to ensure adequate overpressure protection and there were four regulator stations cited that did not have adequate overpressure protection. He noted that this is a serious safety issue and is specifically required by federal regulation to be performed on a calendar year basis, not to exceed 15 months. Further, Fountaintown had not been performing atmospheric corrosion inspections, noting that all parts of the natural gas system exposed to the atmosphere must be inspected at least every three calendar years, not to exceed 39 months, for evidence of atmospheric corrosion. He testified that, at the time of the safety inspection in 2018, atmospheric corrosion inspections had not been performed since 2011. Mr. Bailey stated that both utilities had multiple customers with inadequate overpressure protection, which could have had serious implications. He noted that USDI’s Engineering Safety Evaluation and Risk Assessments identified some of these issues.

Mr. Bailey also testified about OVG's capabilities in the areas of pipeline safety and natural gas operations, and he identified several actions OVG has taken since the 2020 Acquisition to improve safety and operations at Fountaintown and South Eastern. He testified that OVG's Engineering team is comprised of seven employees who are dedicated to pipeline safety, design, and compliance. He stated that all of OVG's Engineering employees are extensively trained and understand the importance of providing safe and reliable natural gas service to customers.

Mr. Bailey stated that a new District Superintendent with over 35 years of gas experience was selected for Fountaintown and started the day that OVG assumed ownership. He testified that OVG's team is continually collaborating with Fountaintown and South Eastern Superintendents and planning system improvements based on safety, compliance, service to its customers, and system capacity. He noted that OVG also has a team of experienced Superintendents in its five other districts who are available as a resource and can send personnel to assist Fountaintown or South Eastern, if needed. Additionally, he said OVG has deployed its TDSIC to ensure OVG's system is operating in a safe and reliable manner, and OVG plans to use TDSIC to continually upgrade its infrastructure and to ensure safety and compliance for all of its facilities.

Mr. Bailey testified that OVG has put its experience and expertise to work at Fountaintown and South Eastern to improve safety and compliance since the 2020 Acquisition—first, by means of a new Superintendent and a Compliance Officer at the utilities, and starting in 2023, by direct oversight and direction to both entities through OVG's Engineering Team. Both entities have been switched to OVG's O&M and procedures, along with OVG's Drug & Alcohol Plan. He stated that all meter set, regulator station, main replacement, and main extension designs for the utilities are developed by OVG personnel to OVG's standards. In addition, he stated that infrastructure improvements are now part of the OVG overall budgeting plan under the supervision of OVG's Engineering Team and OVG is already planning future safety and compliance improvements at both Fountaintown and South Eastern.

Mr. Bailey addressed some of the actions OVG has taken to bring Fountaintown and South Eastern into compliance. He stated that OVG made the Morristown Purchase Station at Fountaintown a top priority, and the odorization issues have been resolved with the installation of a new Purchase Station. He also stated that overpressure protection was installed at sites identified by USDI in their Engineering Safety Evaluation and Risk Assessment. In addition, underrated valves were found on high pressure services and replaced with valves that are appropriately rated for the pressure.

Mr. Bailey also discussed investments contemplated in the 2025-2026 capital expenditure budget for Fountaintown and South Eastern. He stated that any projects undertaken will be up to OVG standards. He opined that the proposed 2025 Consolidation will further allow OVG to better incorporate the projects needed at Fountaintown and South Eastern into OVG's overall capital planning process. He noted that although Fountaintown's and South Eastern's financial capabilities are still limited, completing the 2025 Consolidation will allow OVG to use its overall financial resources to complete projects at those utilities that would not otherwise be financially possible.

Mr. Bailey also explained that since the 2020 Acquisition, OVG has moved both Fountaintown and South Eastern to OVG's O&M standards, training, integrated systems planning, materials inventory, and mapping system. He stated that, prior to the acquisition, Fountaintown and South Eastern had adopted USDI O&M procedures. He noted that USDI O&M procedures are safe and meet pipeline safety standards, but the procedures weren't always followed by Fountaintown. He emphasized that OVG is constantly working to ensure safe and reliable operations and the best way to do that is to adhere to a common set of procedures. He said having a common O&M manual will provide that ability, and OVG's management team will ensure the needed oversight.

Mr. Williams and Mr. Owens testified about the savings and efficiencies produced by the 2020 Acquisition. Mr. Williams testified that not only does OVG's size, resources, and safety/regulatory expertise ensure customers will experience better, safer service, but OVG's financial strength and borrowing capacity allow greater access to the capital necessary for investments in the gas system. Mr. Owens estimated that the acquisition produced approximately \$2,402,595 in savings from the date of the acquisition through 2024, resulting from various cost savings due to a larger organization structure, OVG management, and in-house safety and compliance personnel. He noted that these savings exist despite an increase in annual distribution maintenance expense incurred to address odorization issues and overpressure protection shortfalls.

B. The 2025 Consolidation. Mr. Williams and Mr. Stenger described the proposed 2025 Consolidation of OVG, Fountaintown, and South Eastern into OVG. Mr. Williams testified that the 2025 Consolidation seeks to transfer substantially all of the assets and liabilities of Fountaintown, South Eastern, and OVG to OVG to consolidate the businesses but leave Fountaintown, South Eastern, and OVG as remaining legal entities to hold gas contracts that provide pricing benefits for customers. Mr. Stenger sponsored corporate approvals from the board of directors and shareholders of OVG, OVG, Fountaintown, and South Eastern approving the 2025 Consolidation. He also sponsored the terms and conditions of the transaction agreements that will be used to consummate the 2025 Consolidation and the transfer of Necessity Certificates from OVG, Fountaintown, and South Eastern to OVG. Pet. Ex. 2, Attach. JTS-3 and JTS-5.

Mr. Williams testified regarding OVG's financial, technical, and managerial expertise and capability to operate all the gas utilities, noting that OVG has a fully staffed, internal professional accounting department that allows it to oversee and manage all the financial activities needed to successfully operate the natural gas utilities. He expressed confidence that OVG can continue to provide safe and efficient natural gas service to Fountaintown and South Eastern customers.

Mr. Williams testified that the 2025 Consolidation is expected to produce additional efficiencies and cost savings. Mr. Owens estimated the 2025 Consolidation would result in avoided costs of \$1,032,176 (or \$28.50 per customer). He testified there will be financial cost savings in the areas of tax management, bookkeeping, financial audits and compilations, capital accounting, and miscellaneous financial reporting. He also indicated there would be estimated savings from engineering and operations and in the areas of regulatory processes due to efficiency gains. Mr. VerDouw testified that a comparison of the revenue requirement associated with recovery of the (originally requested and higher) acquisition premium is more than offset by the estimated savings

from the 2020 Acquisition and the 2025 Consolidation, and that while the cost of the acquisition premium recovery will decline over time, the savings will grow.

Ms. Poole testified that under the Settlement Agreement, OVG agreed the costs of the 2025 Consolidation transaction (\$289,812) shall not be deferred for subsequent recovery in a future base rate case. Additionally, she stated that the Settling Parties recognize any savings from the 2025 Consolidation are already reflected in rates and, accordingly, there are no transaction savings to be deferred and subsequently credited to customers.

Mr. Stenger explained that the Settlement Agreement allows for and contemplates the consolidation of Joint Petitioners' gas utilities through the transfer of substantially all the assets and the Necessity Certificates of OVGI, South Eastern, and Fountaintown to OVG. OVG, OVGI, South Eastern, and Fountaintown will operate as divisions of OVG but continue to use their legacy base rates, separate GCA fuel costs, fuel factors, and authorized net operating income, until such time as the divisions' base rates may be consolidated into single tariff pricing. The Settlement Agreement also allows for the use of legacy depreciation rates until new depreciation rates are approved in a future OVG base rate case. He stated that, notwithstanding this division structure, the Settlement Agreement allows for the use of a common set of tariff terms and conditions (but with separate division rate tariffs), and the processing of the divisions' GCA, TDSIC, and any future FMCA cases in consolidated dockets, while continuing to use separate division fuel costs, capital and O&M expenses, etc., until base rates and trackers may be consolidated. Similarly, he noted, the Settlement Agreement contemplates the use of a consolidated capital budgeting process for OVG, OVGI, South Eastern, and Fountaintown while continuing to record assets on the appropriate division's books and records.

Regarding the agreed upon consolidated proceedings, Ms. Poole stated that OVG will provide the OUCC with a draft of the first consolidated GCA at least 60 days before filing so that the format and methodologies can be reviewed. She noted that while one consolidated TDSIC plan or tracker filing can be filed, each utility will have its own plan or tracker, with separate rates per utility until single tariff pricing in a rate case is achieved. Ms. Poole testified that the same treatment will also apply if OVG files an FMCA plan or tracker. She also testified that the Settling Parties agreed that OVG's TDSIC tracker filing in Cause No. 45400 TDSIC 9 shall remain as is and no recovery of Project WO 23-083 shall be included in Cause No. 46011, Cause No. 45400 TDSIC 9, or future TDSIC tracker filings.

Further, Ms. Poole testified that the Settling Parties agreed OVG will be authorized to consolidate in one OVG tariff the terms and conditions of service, along with separate rate tariffs for each Joint Petitioner, until the utilities' base rates and fuel costs may be consolidated. She stated that OVG agreed to provide the OUCC with a copy of, and an opportunity to comment on, the revised tariff. She stated that the Settling Parties recognize there will be some modification of the Fountaintown and South Eastern tariffs post-merger and consolidation to reflect those customers will be billed by OVG, while maintaining the current Fountaintown and South Eastern rates and charges. Ms. Poole explained that the Settling Parties agreed to develop a mutually agreeable tariff format that will be submitted in this Cause as a post-order compliance filing.

In response to the Commission's Docket Entry, Joint Petitioners confirmed the Settling Parties intention to address in a future base rate case the methodology for calculating Joint Petitioners' excess earnings as required by Ind. Code § 8-1-2-42(g)(3)(C) upon consolidation of Joint Petitioners' rates.

C. **The 46011 Step-2 Rate Increase and Other Provisions.** Mr. Stenger testified that in exchange for the ratemaking treatment authorized by the Settlement Agreement, OVG agreed to forego Step 2 of the rate increase approved in Cause No. 46011. The revenue that would have been collected pursuant to the implementation of the Step 2 rate increase will be foregone by the Joint Petitioners. The Settlement Agreement also addresses actions the Settling Parties may take if the Commission does not approve the Settlement Agreement in its entirety.

Ms. Poole testified that foregoing the Step 2 rate increase would promote affordability. She also discussed how, at an attorney's conference on November 26, 2025, the administrative law judge requested Joint Petitioners submit a compliance filing in Cause No. 46011 indicating the plan not to file the Step 2 rate increase.

Ms. Poole further noted that the Settling Parties agreed that all other relief requested by Joint Petitioners in this proceeding that is not specifically spelled out in the Settlement Agreement and is supported by Joint Petitioners' testimony should be granted without modification.

Ms. Poole testified that the OUCC recommended approval of the Settlement Agreement as being in the public interest. Ms. Poole testified that the Settlement Agreement resolves all issues between the Settling Parties and is a product of arm's-length negotiations. She noted that the Settling Parties each made concessions, including reductions to the acquisition premium, costs to be recovered, and increases to base rates.

6. **Commission Discussion and Findings.** The Settlement Agreement represents the Settling Parties' proposed resolution of the issues in this Cause. As the Commission has previously discussed, settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co., Inc.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. v. Pub. Serv. Co.*, 582 N.E.2d 330 (Ind. 1991)). The Commission's procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine whether the evidence in this Cause sufficiently supports the conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2 and that the Settlement serves the public interest.

The Commission has before it substantial evidence from which to determine the reasonableness of the terms of the Settlement Agreement on all issues. As detailed above, the Settling Parties made numerous compromises to reach an agreement. Based on the evidence presented, as discussed below, we find the Settlement Agreement is reasonable, in the public interest, and should be approved.

A. Legal Framework. Indiana's Public Service Commission Act gives the Commission jurisdiction to approve consolidations by means of transfers of utility assets and necessity certificates between utilities. Ind. Code § 8-1-2-83(a) governs sales of a utility's "franchise, works, or system" and provides that a public utility may not sell or transfer its franchise, works, or system to any other person or corporation without the approval of the Commission after hearing.² In addition, Ind. Code § 8-1-2-84(c) and (e) govern transfers of utility assets between public utilities and provide that a public utility may sell, or purchase, its used and useful property and plant to or from another public utility at a price and on terms approved by the Commission. In the case of a sale, or purchase, of substantially all of a public utility's assets, three-fourths of the utility's stockholders must provide their consent and approval of such sale.³

Both Ind. Code §§ 8-1-2-83(a) and 8-1-2-84(e) require that the Commission find the transfers to be consistent with the public interest. *See, N. Ind. Pub. Serv. Co.*, Cause No. 42349 (IURC Sept. 24, 2003). In utility acquisitions, the Commission has considered the reasonableness of the purchase price, the benefits of the proposed transaction, and the existence of an arm's length negotiation. *See, Ind. Gas Co.*, Cause No. 38302 (IURC Jan. 20, 1988). The Commission has also previously allowed a public utility to recover an acquisition premium (including transaction costs), provided certain tests are met. *Id.*; *see also, Indiana-American Water Co., Inc.*, Cause No. 40442 (IURC Oct. 2, 1996) (reaffirming the Commission's policy to allow reasonable acquisition adjustments if the acquired utility is small and troubled and the acquisition was the result of an arm's length transaction at a reasonable price).

Ind. Code § 8-1-2-87(e) governs transfers of necessity certificates and provides that any necessity certificate may be sold or transferred to another public utility if approved by the Commission after hearing.

The Commission has authority to approve the valuation of used and useful utility property along with accounting and depreciation practices for such property. *See, e.g.*, Ind. Code § 8-1-2-6(a) (valuation of public utility property); Ind. Code § 8-1-2-10(a) (Commission authority to prescribe uniform accounts); Ind. Code § 8-1-2-12 (Commission authority to prescribe the forms of books, accounts, and records); Ind. Code § 8-1-2-19(a) (depreciation accounts); Ind. Code § 8-1-2-21 (depreciation rates). The Commission also has authority over a public utility's tariffs. *See, e.g.*, Ind. Code § 8-1-2-45 (Commission authority to prescribe changes in the form of public utility schedules). In addition, Ind. Code § 8-1-2-72 grants the Commission authority to

² The phrase "franchise, works, or system" includes the transfer of substantially all of the assets of a utility, as is proposed here. *See Illinois-Indiana Cable Television Ass'n, Inc. v. Pub. Serv. Comm'n*, 427 N.E.2d 1100, 1108 (Ind. Ct. App. 1981).

³ Ind. Code § 8-1-2-84(e) also contains provisions regarding dissenting stockholders, which is not relevant to this proceeding.

rescind, alter, or amend any order fixing any rate or rates, tolls, charges, or schedules of a public utility.

Accordingly, to approve the proposed transfer of utility assets and Necessity Certificates, along with the associated ratemaking and other provisions agreed upon by the Settling Parties in the Settlement Agreement, we must first find the following with respect to the 2025 Consolidation and the 2020 Acquisition:

- The price and terms for the 2025 Consolidation transfer of assets is reasonable; at least three-fourths of the shareholders of the public utilities have approved the sale; the acquiring utility has the necessary technical, financial, and managerial expertise; and the transfer is in the public interest.
- The recovery of an acquisition premium (including transaction costs) stemming from the 2020 Acquisition meets the requirements we set forth in the *Indiana Gas Co.* case – that the acquired utility is both small and troubled, the purchase price was negotiated at arm’s length and is reasonable, and the public benefits from the transaction.
- The Necessity Certificates will be transferred to an eligible entity (a public utility as defined in Ind. Code § 8-1-2-1(a)).
- The proposed accounting and journal entries for the transfer of assets, including the valuation of the transferred assets and acquisition premium, are reasonable.
- The proposed operations of the consolidated OVG using separate divisions and separate tariff provisions are reasonable (the maintenance of separate tariff rates for base rates, GCA rates, TDSIC rates, etc.; use of the same depreciation rates; and use of a combined tariff for general terms and conditions of providing service).
- The agreement by OVG to forego the second step of the approved rate increase in Cause No. 46011 is reasonable in the overall context of the Settlement Agreement and will result in just and reasonable rates.

B. Settlement Agreement. The evidence of the Settling Parties supports the reasonableness of the Settlement Agreement, which we find fairly balances the interests of Joint Petitioners and their customers. The Settlement Agreement provides the ability for OVG to leverage its size and technical capabilities to more efficiently support the operations and needed improvements to the South Eastern and Fountaintown utilities. It also provides for regulatory and operational efficiencies that are designed to provide cost savings, benefiting both Joint Petitioners and their customers. In addition to the cost savings, the Settlement Agreement allows OVG to earn a reasonable return on and of its investment in South Eastern and Fountaintown utilities, supporting its financial stability.

The Settlement Agreement also reasonably addresses near-term affordability challenges and supports rate stability for Joint Petitioners’ customers. By OVG’s agreement to forego its Step 2 rate increase authorized in Cause No. 46011, customers will avoid an additional increase to their

bills. Joint Petitioners' customers will also benefit from the Settling Parties' agreed reduction to the 2020 Acquisition adjustment and will not pay for the transaction costs associated with the 2025 Consolidation. In addition, the Settling Parties' agreement for South Eastern and Fountaintown to continue charging its existing rates until they may be consolidated in a future rate case will further support rate stability.

More specifically, we find the evidence demonstrates that Fountaintown and South Eastern were, prior to the 2020 Acquisition, troubled utilities. The evidence shows that both utilities experienced pipeline safety and compliance issues, with Fountaintown receiving notices of multiple violations. In addition, the evidence shows that the utilities lacked the expertise to address the safety and compliance issues, calling into question the ability of the utilities to provide safe and reliable service to their customers. In addition, both Fountaintown and South Eastern are quite small, serving 3,800 and 2,200 customers respectively, and were unable to effectively capture the economies and efficiencies of scale that can be accomplished by larger utilities, such as OVG.

In 2020, HGIV, the owner of Fountaintown and South Eastern, sought out a larger and better performing utility to acquire the two utilities. The evidence shows that HGIV and OVG negotiated at arm's length a sale of HGIV's stock to OVG. The evidence also shows that the negotiated purchase price is well below the contemporaneous valuation of the two utilities' assets performed by Banning Engineering, and we find it to be reasonable. In addition, the Settling Parties agreed, and we find, that OVG incurred reasonable transaction and other costs related to consummating the 2020 Acquisition. Further, we find that since the 2020 Acquisition OVG has taken numerous steps to improve the operations at the Fountaintown and South Eastern utilities, with a particular focus on improving pipeline safety and compliance performance, while at the same time achieving operating cost savings that are benefitting customers. Accordingly, we find that Joint Petitioners' proposed accounting and journal entries for the recovery of the agreed upon acquisition premium, as included in the Settlement Agreement, are reasonable and will ensure that the value of each asset will reflect its proportionate share of the acquisition premium.

We also find that the proposed transfer of substantially all of the assets of OVGI, Fountaintown, and South Eastern, and their Necessity Certificates, to OVG is reasonable and in the public interest. OVG is a much larger and more sophisticated utility, and it has the technical, financial, and managerial expertise and capability to own and operate the utilities. OVG is well-positioned to provide safe, reliable, and efficient service to the consolidated group of customers. The evidence also demonstrates that the consolidation should create efficiencies and cost savings that will ultimately benefit customers. Further, the evidence demonstrates that the shareholders and the boards of directors of all the utilities have approved the transfers. We also find that OVG is lawfully eligible to receive the transferred Necessity Certificates.

We also find reasonable the Settlement Agreement provisions regarding operation of the utilities upon Commission approval of the 2025 Consolidation. These provisions will allow OVG, OVGI, South Eastern, and Fountaintown to operate as divisions of OVG and continue to use their legacy base rates, separate GCA fuel costs, fuel factors, and authorized net operating income (until such time as the divisions' base rates may be consolidated into single tariff pricing in the future). We further find reasonable the Settlement Agreement provision allowing for the use of legacy depreciation rates until new depreciation rates are approved in a future OVG base rate case.

Together, these provisions will ensure that customers will not experience any rate impacts from the 2025 Consolidation until a full review of proposed consolidated rates may take place in the future. At the same time, we find reasonable the Settlement Agreement provisions allowing for the use of a common set of tariff terms and conditions (but with separate division rate tariffs), the processing of the divisions' GCA, TDSIC, and any future FMCA cases in consolidated dockets, while continuing to use separate division fuel costs, capital and O&M expenses, etc. These provisions should produce efficiencies for the Commission, the OUCC, the utilities, and their customers. Similarly, the Settlement Agreement contemplates the use of a consolidated capital budgeting process for OVG, OVGI, South Eastern, and Fountaintown, while continuing to record assets on the appropriate division's books and records, which we find reasonable.

7. **Effect of Settlement Agreement.** The Settling Parties agree that the Settlement Agreement is not to be used as precedent in any other proceeding or for any other purpose except to the extent necessary to implement or enforce its terms; consequently, with regard to future citation of the Settlement Agreement or of this Order, the Commission finds our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434 (IURC March 19, 1997).

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

1. The Settlement Agreement is approved.
2. The proposed acquisition by OVG of substantially all of the assets of OVGI, Fountaintown, and South Eastern pursuant to the terms and conditions outlined in Joint Petitioners' case-in-chief, as modified by the Settlement Agreement, is approved.
3. The proposed transfer of Necessity Certificates from OVGI, Fountaintown, and South Eastern to OVG is approved.
4. The recovery of an acquisition premium of \$7,283,179, inclusive of the agreed-upon recovery of \$283,179 in transaction costs from the 2020 Acquisition as provided for in the Settlement Agreement, is approved.
5. OVG shall record the original cost rate base for the assets it acquires from Fountaintown and South Eastern consisting of the net book values of the two utilities as of the date of the acquisitions plus the agreed-upon acquisition premium and transaction costs, allocated using the methodology proposed by Mr. VerDouw in his direct testimony and in Joint Petitioners' Exhibit 10, Workpaper Attachment GMV-7S, no later than 60 days after the date of this Order.
6. OVGI shall transfer assets to OVG at their original cost (net of accumulated depreciation) as of the date of the acquisition no later than 60 days after the date of this Order.
7. OVG shall be authorized to operate Fountaintown and South Eastern as separate divisions, as proposed by the Joint Petitioners and in the Settlement Agreement.

8. Consistent with the Settlement Agreement, OVG shall confer with the OUCC regarding the form of a consolidated GCA filing.

9. OVG's Commission-approved rules and regulations shall apply to the legacy Fountaintown and South Eastern customers.

10. OVG and the OUCC shall develop a mutually agreeable tariff format that properly reflects any changes resulting from the Settlement Agreement and file it under this Cause.

11. OVG shall not implement the Step 2 rate increase authorized by the Commission's November 6, 2024 Order in Cause No. 46011. Within 30 days of the date of this Order, OVG shall make a compliance filing under Cause No. 46011 indicating it will not implement its Step 2 rate increase.

12. This Order shall be effective on and after the date of its approval.

ZAY, DEIG, VELETA, AND ZIEGNER CONCUR; SWINGER NOT PARTICIPATING:

APPROVED: MAR 11 2026

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

_____ on behalf of
Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF OHIO VALLEY GAS)
CORPORATION, OHIO VALLEY GAS, INC.,)
SOUTH EASTERN INDIANA NATURAL GAS)
COMPANY, INC., AND FOUNTAINTOWN GAS)
COMPANY, INC. FOR: APPROVAL OF THE)
ACQUISITION BY OHIO VALLEY GAS)
CORPORATION OF SUBSTANTIALLY ALL OF)
THE ASSETS OF OHIO VALLEY GAS, INC.,)
SOUTH EASTERN INDIANA NATURAL GAS) CAUSE NO. 46275
COMPANY, INC., AND FOUNTAINTOWN GAS)
COMPANY, INC.; TRANSFER OF)
CERTIFICATES OF PUBLIC CONVENIENCE)
AND NECESSITY FROM OHIO VALLEY GAS,)
INC., SOUTH EASTERN INDIANA NATURAL)
GAS COMPANY, INC., AND FOUNTAINTOWN)
GAS COMPANY, INC. TO OHIO VALLEY GAS)
CORPORATION; AND ASSOCIATED)
RATEMAKING, ACCOUNTING, DEPRECIATION)
RATE, AND TARIFF APPROVALS PURSUANT)
TO IND. CODE SECTIONS 8-1-2-83, 8-1-2-84, AND)
8-1-2-87)

STIPULATION AND SETTLEMENT AGREEMENT

Ohio Valley Gas Corporation (“OVG”), Ohio Valley Gas, Inc. (“OVGI”), South Eastern Indiana Natural Gas Company, Inc. (“South Eastern”), and Fountaintown Gas Company, Inc. (“Fountaintown”) (collectively, “Joint Petitioners”), and the Indiana Office of Utility Consumer Counselor (“OUCC”, and collectively with Joint Petitioners, the “Settling Parties” and each individually a “Settling Party”), solely for purposes of compromise and settlement and having been duly advised by their respective staff, experts, and counsel, stipulate and agree the terms and conditions set forth below represent a fair, just, and reasonable resolution of the matters set forth below, subject to their incorporation by the Indiana Utility Regulatory Commission (“IURC” or

“Commission”) into a final, non-appealable order (“Final Order”)¹ without modification or further condition that may be unacceptable to any Settling Party. If the Commission does not approve this Stipulation and Settlement Agreement (“Settlement Agreement”) in its entirety, including OVG not implementing the Step 2 rate increase approved in Cause No. 46011, the entire Settlement Agreement, with the exception of Section I.B.iii., shall be null and void and deemed withdrawn, unless otherwise agreed in writing by the Settling Parties.

I. TERMS AND CONDITIONS.

The Settling Parties agree Joint Petitioners’ requested relief in Cause No. 46275 shall be granted, except as modified below:

A. Merger Case Acquisition Premium and Deferred Costs

- i) OVG shall be authorized to recover in rates both a “return of” (through depreciation expense) and a “return on” (at the utility’s weighted average cost of capital) of an acquisition premium of \$7,283,179 (the “*authorized acquisition premium*”). The *authorized acquisition premium* includes \$283,179 representing costs of the 2020 transaction. Recovery of the *authorized acquisition premium* shall begin in OVG’s next rate case; however, amortization of the *authorized acquisition premium* shall begin when OVG records the transfer of assets to OVG’s books, which shall occur no later than 60 days after the date of the Order in this proceeding.
- ii) OVG shall record the amortized *authorized acquisition premium* by increasing proportionately the value of each asset, as proposed by Mr. VerDouw in his case-in-chief testimony.
- iii) OVG agrees it waives any “return on” or “return of” the difference between the initially requested acquisition premium of \$9,975,031 and the *authorized acquisition premium* (such difference totaling approximately \$2.7 million); consequently, such difference shall not be recovered from ratepayers in the Cause or otherwise.
- iv) OVG shall not recover in rates \$80,000 in gas cost expense for Lisa Bridges, Andy Longwell, and Robert Wortman.
- v) The costs of the 2025 transaction (\$289,812) shall not be deferred for subsequent recovery in a future rate case. The parties recognize that any savings from the 2025 transaction are already reflected in rates (and will continue to be reflected in rates in future rate cases); accordingly, there are no 2025 transaction savings to be deferred and subsequently credited.

¹ “Final Order” as used herein means an order issued by the Commission as to which no person has filed a Notice of Appeal within the thirty-day period after the date of the Commission order.

B. Step 2 Compliance Filing from Cause No. 46011

- i) OVG shall seek Commission approval to not implement its Step 2 rate increase approved in Cause No. 46011. The Settling Parties agree the revenue that would have been collected pursuant to the implementation of the Step 2 rate increase will be foregone by Joint Petitioners.
- ii) The Settling Parties shall request an attorneys' conference with the Presiding Administrative Law Judge in this proceeding to explain how the parties are addressing their agreement upon the Step 2 base rate increase and seek additional direction.
- iii) Inasmuch as the settlement is conditioned on Commission approval of its terms, the parties agree that, if the Commission does not approve the Settlement Agreement in its entirety, either party may request an attorneys conference within 30 days of the order to establish a procedural schedule to complete the proceedings in this case. If the Settlement Agreement is not approved in its entirety and either party elects to establish a procedural schedule to complete the proceedings in this case, within 30 days after such procedural schedule has been established, OVG may seek Commission approval to implement a delayed Step 2 increase and shall be authorized to defer and subsequently recover in such Step 2 increase, the incremental Step 2 revenues that would have been billed and collected after November 30, 2025. However, if the Settlement Agreement is not approved in its entirety, and both parties accept the result of the Commission's order, OVG is foreclosed from implementing Step 2.
- iv) The Settling Parties agree OVG's current TDSIC 9 tracker filing shall remain as is. No recovery of Project WO 23-083 shall be included in Cause No. 46011, Cause No. 45400 TDSIC 9, or future TDSIC tracker filings.

C. Other Items requested in Cause No. 46275

- i) OVG shall be authorized to process OVG's, OVGI's, South Eastern's, and Fountaintown's gas cost adjustment ("GCA") proceedings in one consolidated GCA docket while utilizing each utility's separate division fuel costs, authorized net operating income, etc., until the utilities' base rates and fuel costs may be consolidated in the future. OVG shall provide the OUCC with a draft of the first consolidated GCA at least 60 days before its filing with the Commission so the format and methodologies can be reviewed by the OUCC and discussed with OVG. Such draft need not have the actual numbers.
- ii) OVG shall be authorized to process OVG's, OVGI's, South Eastern's, and Fountaintown's TDSIC proceedings in consolidated TDSIC dockets while utilizing each utility's separate division capital and O&M expenses, until the utilities' base rates and trackers may be consolidated in the future. OVG shall keep TDSIC charges separate for each utility until single-tariff pricing is achieved through a rate case. One consolidated Plan or tracker filing can be filed, but each utility will have its own plan/tracker, with separate rates per utility until single tariff pricing in a rate case is achieved. Additionally, this same treatment will be utilized if OVG files an FMCA Plan/tracker in the future.
- iii) OVG shall be authorized to consolidate in one OVG tariff the terms and conditions of service, along with separate rate tariffs for each Joint Petitioner, until the utilities' base rates and fuel costs may be consolidated in the future. OVG shall provide the OUCC

with a copy of the revised tariff and give the OUCC an opportunity to comment on such. The Settling Parties recognize there will be some modification of the Fountaintown and South Eastern tariffs post-merger and consolidation to reflect that those customers will be billed by OVG, while maintaining the current Fountaintown and South Eastern rates and charges. The Settling Parties agree to develop a mutually agreeable tariff format that properly reflects any changes resulting from the Settlement Agreement, to be submitted in this Cause as a post-order compliance filing.

- iv) All other relief Joint Petitioners requested in their verified petition in this proceeding that is expressly supported by Joint Petitioners' testimony is granted without modification.

II. PRESENTATION OF THE SETTLEMENT AGREEMENT TO THE COMMISSION.

1. The Settling Parties shall support this Settlement Agreement before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement.

2. Upon execution of this Settlement Agreement, OVG agrees to request an attorneys' conference with the Presiding Administrative Law Judge to explain how the Settling Parties are addressing their agreement with respect to the 46011 Step 2 base rate increase and seek additional direction.

3. The Settling Parties agree to provide each other with an opportunity to review drafts of testimony supporting the Settlement Agreement and consider the input of the other Settling Party. Such evidence, together with the evidence previously prefiled in this Cause, will be offered into evidence without objection, and the Settling Parties hereby waive cross-examination of each other's witnesses. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or approves it with condition(s) unacceptable to any Settling Party, the Settlement Agreement and supporting evidence shall be withdrawn, and the Commission will

continue to hear this Cause with the proceedings resuming at the point they were suspended by the filing of this Settlement Agreement.

4. A Commission Order approving this Settlement Agreement shall be effective immediately, and the agreements contained herein shall be unconditional, effective, and binding on all Settling Parties as an Order of the Commission.

5. The Settling Parties believe the Joint Petitioners' direct testimony and exhibits and the Settling Parties' settlement testimony and exhibits, along with this Settlement Agreement, constitute substantial evidence sufficient to support this Settlement Agreement and provide an adequate evidentiary basis upon which the Commission may make findings of fact and conclusions of law necessary to issue a final order adopting and approving this Settlement Agreement.

III. SETTLEMENT AGREEMENT EFFECT, SCOPE, AND APPROVAL.

1. The Settling Parties acknowledge and agree as follows:
 - a) The Settlement Agreement is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without change or condition that is unacceptable to Joint Petitioners or the OUCC. Each term of the Settlement Agreement is in consideration and support of each and every other term.
 - b) The Settlement Agreement is the result of compromise by the Settling Parties within the settlement process. Neither the making of this Settlement Agreement nor any of the individual provisions or stipulations herein shall constitute an admission or waiver by any Settling Party in any other proceeding; nor shall they constitute an admission or waiver in this proceeding if the Settlement Agreement is not approved by the Commission. The Settling Parties shall not use this Settlement Agreement or the Order approving this Settlement Agreement as precedent or offer

the same as an admission in any other proceeding or for any other purpose except to the extent necessary to implement or enforce its terms. In the event this Settlement Agreement or the resulting Order is offered for any purpose prohibited by this Settlement Agreement, the Settling Parties agree that objections by the non-offering party are proper.

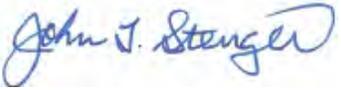
- c) The communications and discussions among the Settling Parties, along with the materials produced and exchanged during the negotiation of this Settlement Agreement, relate to offers of settlement and compromise, and as such, all are privileged and confidential. Such material shall not be used in this or any other proceeding without the agreement in writing of the Settling Parties.
- d) If a Settling Party wishes to issue a press release or other public announcement regarding this Settlement Agreement, such party agrees to work collaboratively with the other Settling Parties on form, wording, and the timing of such release or announcement. Any responses to such a press release or other public announcement must be consistent with such release or announcement and not disparage any of the Settling Parties with respect to the Settlement Agreement.
- e) The undersigned represent and agree they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will thereafter be bound by this Settlement Agreement.
- f) The Settling Parties will support and not oppose on rehearing, reconsideration, and/or appeal an IURC order accepting and approving this Settlement Agreement in its entirety and in accordance with its terms.

[Signatures on next page]

ACCEPTED and AGREED this 18th day of November 2025.

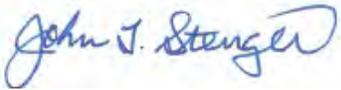
Ohio Valley Gas Corporation

Indiana Office of Utility Consumer Counselor

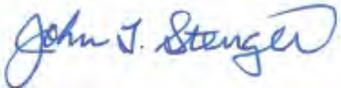

By: _____
John T. Stenger, VP and COO

By: _____
Counsel of Record

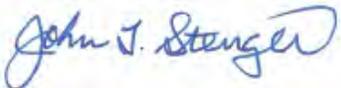
Ohio Valley Gas, Inc.


By: _____
John T. Stenger, VP and COO

South Eastern Indiana Natural Gas Company, Inc.


By: _____
John T. Stenger, VP and COO

Fountaintown Gas Company, Inc.


By: _____
John T. Stenger, VP and COO

ACCEPTED and AGREED this 19th day of December 2025.

Ohio Valley Gas Corporation

Indiana Office of Utility Consumer Counselor

By: _____
John T. Stenger, VP and COO


By: _____
Counsel of Record

Ohio Valley Gas, Inc.

By: _____
John T. Stenger, VP and COO

South Eastern Indiana Natural Gas Company, Inc.

By: _____
John T. Stenger, VP and COO

Fountaintown Gas Company, Inc.

By: _____
John T. Stenger, VP and COO