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| Commissioner | Yes | No | Not Participating |
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| Swinger | √ | | |
| Veleta | √ | | |
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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA GAS COMPANY, INC.)
D/B/A CENTERPOINT ENERGY INDIANA) CAUSE NO. 46340
NORTH FOR APPROVAL OF A GAS SERVICE)
AGREEMENT WITH DUKE ENERGY, LLC) APPROVED: APR 29 2026
UNDER RATE SCHEDULE NO. 270)

ORDER OF THE COMMISSION

Presiding Officers:

David E. Veleta, Commissioner
Sean Gorman, Administrative Law Judge

On December 12, 2025, Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North (“CEI North”) filed its Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) in this Cause. Also on December 12, 2026, CEI North filed the direct testimony of Lee S. Akers, Manager of Energy Solutions – Indiana North and Ohio.

On February 20, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony of Sara F. Marichal and Jared J. Hoff, Utility Analysts for the Natural Gas Division of the OUCC.

On March 6, 2026, CEI North filed the rebuttal testimony of Mr. Akers.

The Commission held an evidentiary hearing in this Cause on March 16, 2026, at 9:30 a.m. in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Counsel for CEI North and the OUCC appeared and participated at the evidentiary hearing. During the hearing, each party’s testimony and exhibits were admitted into the record without objection.

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

1. Commission Jurisdiction and Notice. Notice of the hearing was given and published by the Commission as required by law. CEI North is a public utility, as defined in Ind. Code § 8-1-2-1(a), and a gas utility, as defined by Ind. Code § 8-1-2-87, and is subject to the jurisdiction of the Commission as set forth in Ind. Code ch. 8-1-2. Indiana Code § 8-1-2-23 grants the Commission authority to approve an expenditure exceeding \$10,000 for an extension, construction, addition, or improvement of a utility’s plant and equipment. Indiana Code § 8-1-2-87.5 grants the Commission authority to issue a necessity certificate for the transportation of gas within Indiana on behalf of any end use consumer or consumers. Indiana Code §§ 8-1-2-24 and 8-1-2-25 grant the Commission authority to review and approve special contracts between a utility and its customers. The Commission, therefore, has jurisdiction over CEI North and the subject matter of this Cause.

2. CEI North's Characteristics. CEI North is a corporation organized and existing under the laws of the State of Indiana and has its principal office located at 211 NW Riverside Drive, Evansville, Indiana. CEI North is engaged in the business of purchasing, transporting, distributing, and selling natural gas to the public pursuant to necessity certificates previously issued by the Commission. CEI North owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities that are used and useful for the transmission, distribution, and furnishing of natural gas service to approximately 645,000 residential, commercial, and industrial customers in north central, central, and southeastern Indiana.

3. Relief Requested. First, CEI North requests that the Commission grant approval under Ind. Code § 8-1-2-23 and issue a necessity certificate under Ind. Code § 8-1-2-87.5 allowing CEI North to make improvements to a metering facility and interconnection (the "Project") to be used to provide gas transportation service to Duke Energy Indiana, LLC's ("Duke") peaking station located at 2777 North SR 63, Cayuga, Indiana ("Service Address"). Second, CEI North requests under Ind. Code §§ 8-1-2-24 and 8-1-2-25 that the Commission approve the Special Construction and Gas Transportation Service Contract Between Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North and Duke Energy Indiana, LLC Under Rate Schedule No. 270 ("Contract"). Third, CEI North requests that the Commission find, pursuant to Ind. Code ch. 5-14-3 and § 8-1-2-29, that certain provisions of the Contract and testimony describing these provisions ("Confidential Information") contain trade secrets and are excepted from access to public records provisions under the statute.

4. CEI North's Case-in-Chief. Mr. Akers testified in support of CEI North's request for the issuance of a necessity certificate under Ind. Code § 8-1-2-87.5 to make improvements to a metering facility and interconnection at the Service Address. He also testified in support of approval of the Contract between CEI North and Duke.

Mr. Akers testified that Duke owns and operates the Duke Energy Vermillion Peaking Station at the Service Address and approached CEI North with a request that CEI North upgrade an existing interconnection between CEI North's facilities and Panhandle Eastern Pipe Line Company, LP ("PEPL"); construct new metering facilities; and provide firm gas transportation service to the Service Address.

Mr. Akers testified that CEI North and Duke engaged in good faith, arm's-length negotiations over the course of several months, which resulted in the Contract being mutually agreed to and executed on November 6, 2025. He stated that the Contract is designed to recover the costs of construction services, including labor and materials, design, procurement, easements and other land rights, legal proceedings, permits, inspections, financing costs, and operations and maintenance ("O&M") expenses to maintain the interconnect and later pipeline, taxes, and retirement costs through a Demand Charge paid by Duke. He explained that in this way, the Contract ensures that Duke pays the costs for the Project rather than CEI North's other customers.

Mr. Akers testified that the Contract becomes effective on the date it is approved by the Commission, and the Parties intend for the Project to be complete and in service on December 1, 2026, at which time, CEI North will provide daily firm gas transportation service to Duke. He provided the confidential term of the Contract and explained that the Contract allows the parties

to negotiate and execute a successor contract under CEI North's Rate 270 (which would be submitted to the Commission for approval) for CEI North to continue to provide gas transportation service to Duke under Rate 260 of CEI North's Tariff if no successor contract is agreed to.

Mr. Akers testified that Duke intends to purchase natural gas from third parties and that CEI North will transport the purchased natural gas through an existing 16" lateral pipeline from an interconnection with PEPL to the delivery point. Mr. Akers testified that Duke will pay CEI North a fixed monthly Demand Charge for the term of the Contract, the calculation of which is shown on Exhibit D to the Contract. He explained that the actual Demand Charge will be updated within six months of the in-service date based on the Actual Project Purchase Requirement pursuant to the terms of the Contract.

Mr. Akers summarized the other provisions related to charges or penalties in the Contract, including a construction delay penalty, payment terms for interstate pipeline charges or penalties, and the project purchase requirement recovery mechanisms should Duke default on or cancel the Contract. He also testified that the lateral pipeline could potentially be used to serve other CEI North customers, so long as that service would not interfere or otherwise impede service to Duke. In that event, he explained that CEI North and Duke will negotiate in good faith a reduced monthly Demand Charge for Duke that considers any revenues received by CEI North from such other customers. He testified that if a reduced Demand Charge is agreed to, CEI North will submit an addendum to the Contract to the Commission for approval of the new Demand Charge.

Mr. Akers stated that CEI North will provide gas transportation service to Duke using a dedicated lateral pipeline interconnected to an interstate natural gas pipeline, which will not adversely impact CEI North's ability to provide safe, adequate, and reliable natural gas utility service to its other customers. He further stated that the Demand Charge is calculated to recover the costs associated with providing gas transportation service to Duke, and, therefore, CEI North's other customers are not subsidizing the Project or the provision of service.

Regarding approval of the Contract under Ind. Code § 8-1-2-24, Mr. Akers testified that the Contract meets the requirements for approval. He stated that neither the Contract nor the provision of gas transportation service to Duke will be detrimental to CEI North's other customers; he further stated the Contract and the provision of firm gas transportation to Duke will not only support Duke's provision of safe, adequate, and reliable electricity to its customers but will also create local economic benefits.

Regarding the issuance of a necessity certificate, Mr. Akers testified that CEI North has the power and authority to obtain the necessity certificate, because CEI North is a regulated natural gas public utility in the State of Indiana and that the site of the proposed metering facility, the interconnection point, and the Duke Vermillion Peaking Station are within CEI North's certificated service area. He testified that CEI North has the requisite technical and managerial expertise to complete the Project, noting that CEI North and its predecessor companies have provided natural gas utility service in Indiana for over 100 years. He stated that CEI North's engineering, field, and operations personnel are well trained and versed in the provision of natural gas service and pipeline construction. Further, he stated that the employees who directly perform operation and maintenance on CEI North's natural gas service lines have been properly qualified and that all

operational activities have oversight provided by engineers and utility professionals with many years of expertise. Mr. Akers testified that CEI North also has the financial capability to complete the Project and provided a copy of CEI North's balance sheet and income statement. Finally, Mr. Akers stated that public convenience and necessity require the provision of gas transportation service to the Service Address, and the public interest will be served by granting CEI North a necessity certificate for the Project.

Regarding approval of the proposed construction work under Ind. Code §8-1-2-23, Mr. Akers testified that the Project is reasonably necessary to ensure reasonable and adequate firm transportation service is provided to Duke's facilities at the Service Address. He stated that the Project Purchase Requirement is reasonably needed to be invested to complete the Project and is based on CEI North's engineering estimates for the Project, including labor and materials. He further stated that both CEI North and Duke have agreed to the amount of the Estimated Project Purchase Requirement. Mr. Akers explained that the Contract provides for a true up of the Estimated Project Purchase Requirement to the Actual Project Purchase Requirement, which will result in a complimentary true up of the Demand Charge under the Contract. He also summarized the controls in the Contract related to the Project Purchase Requirement.

In conclusion, Mr. Akers recommended that the Commission approve the Project under Ind. Code § 8-1-2-23, issue a necessity certificate under Ind. Code § 8-1-2-87.5, and approve the Contract under Ind. Code §§ 8-1-2-24 and 8-1-2-25.

5. OUCC's Case-in-Chief. Ms. Marichal testified that she has no objections to the Contract, if safeguards are included to ensure CEI North's other customers have no negative impact, financial or otherwise, associated with the Contract. Ms. Marichal described the Contract terms and her review of the Contract and the Rate 270 tariff. She testified that the Contract satisfies the Commission Approval Requirement criteria for service under CEI North's Rate 270. She testified that CEI North did not provide testimony directly addressing Duke's inability to bypass CEI North's natural gas transportation service during the term of the Contract; however, the OUCC has no issues with this requirement as CEI North provided an explanation on this issue in Cause No. 46213, which dealt with a similar contract. Ms. Marichal testified to one concern regarding confidential information provided in CEI North's case-in-chief, which she details in her testimony.

Mr. Hoff testified to his review of the analysis of the support provided for and the cost estimate for work for the construction of the metering facilities and upgrade of the interconnection between CEI North and PEPL.

Mr. Hoff testified to his concerns regarding how CEI North has described the condition of the existing metering facilities at Vermillion and the existing interconnection between CEI North and PEPL, which CEI North described as obsolete and needing to be replaced, which CEI North stated in a response to an OUCC data request, and which was not provided by CEI North in its case-in-chief. Mr. Hoff testified that he has no objections to the Project scope as provided in response to OUCC data requests.

Mr. Hoff stated that CEI North did not provide how its Project cost estimate was calculated in its case-in-chief. He testified to the responses CEI North provided about the Project cost estimate in response to data requests issued by the OUCC. He testified that he has no objection to the cost estimate information provided by CEI North in response to the data requests.

Mr. Hoff recommended that CEI North provide, in a compliance filing to this case, the new or amended interconnect agreement between CEI North and PEPL when the agreement is executed. He testified that without having the new or amended interconnect agreement, there exists the chance that the agreement may have impacts to other CEI North customers, which could possibly include a new charge for the CEI North interconnection with the PEPL interstate pipeline, a change to an existing charge, or the allocation of the costs for the change in interstate pipeline interconnection. He stated that, subject to his recommendation regarding the interconnect agreement, he has no objections to the actions described in CEI North's case for the provision of gas transportation service to Duke or CEI North's request for the necessity certificate.

6. CEI North's Rebuttal. In his rebuttal testimony, Mr. Akers responded to the concern Ms. Marichal raised regarding the Confidential Information in CEI North's case-in-chief. In response to Ms. Marichal's statement that she has "no objections to the Contract, if safeguards are included to ensure CEI North's other customers have no negative impact, financial or otherwise, associated with the Contract," Mr. Akers noted that Ms. Marichal does not recommend or expound on any specific safeguards in her own testimony.

In response to Mr. Hoff's recommendation that CEI North provide in a compliance filing the interconnection agreement between CEI North and PEPL once the agreement is executed, Mr. Akers testified that there is no risk that the new interconnection agreement will impact CEI North's other customers, detailing how the Contract guards against this. He further stated that the interconnection agreement between CEI North and PEPL is not subject to Commission approval. Mr. Akers testified that he objects to the recommended compliance filing because there is no risk to any customer other than Duke having to pay for costs related to the interconnection and because it creates a needless administrative burden for both CEI North and the Commission.

7. Discussion and Findings.

A. Project Approval. CEI North requests approval of the Project under Ind. Code § 8-1-2-23 ("Section 23"), which states, in part:

Unless a public utility shall obtain approval of any expenditure exceeding ten thousand dollars (\$10,000) for an extension, construction, addition or improvement of its plant and equipment, the commission shall not, in any proceeding involving the rates of such utility, consider the property acquired by such expenditures as a part of rate base, unless in such proceeding the utility shall show that such property is in fact used and useful in the public service; Provided, that the commission in its discretion may authorize the expenditure for such purpose of a less amount than shown in such estimate.

The purpose of Section 23 is to provide preapproval of requested projects for future recovery in a utility base rate case. By doing so, the requesting utility has some level of certainty of future cost recovery. In the Commission's order in *American Suburban Utilities, Inc.*, Cause No. 41254 (Apr. 14, 1999), the Commission set forth its analytical framework for considering a request for preapproval of expenditures under Section 23:

When faced with such a request, the first question we must ask is whether an expenditure of any amount is reasonably necessary to assure reasonable and adequate service. If so, we must proceed to the second question: what amount reasonably needs to be invested?

Id. at 14; *see also*, *Indiana-American Water Co.*, Cause Nos. 41692 (Nov. 8, 2000) and 43320 (Jan 30, 2008).

Based on our review of the evidence in the record, we find the evidence demonstrates the need for the proposed Project. Mr. Akers testified that the Project is necessary to allow CEI North to provide firm natural gas transportation service to Duke at the Service Address. Mr. Akers also explained how the Contract is designed to recover costs of the Project without burdening CEI North's other customers. We find that the Project expenditure is reasonable and necessary to assure reasonable and adequate service to Duke.

Turning to the question of what amount reasonably needs to be invested, CEI North provided confidential evidence regarding the estimated project costs, and the OUC did not object to this estimate and explanation provided in response to its data requests. The OUC noted this information was not provided in CEI North's case-in-chief. Further, the estimated costs are the result of the arm's-length contract negotiations between CEI North and Duke and will be trued up to actual project costs for purposes of calculating Duke's fixed Demand Charge to pay for the costs of the Project. As stated above, the Contract includes several provisions that protect CEI North's other customers from subsidizing the costs of the Project. Therefore, we find that the estimated Project Purchase Requirement reasonably needs to be invested, and we approve the Project under Ind. Code § 8-1-2-23. However, we urge Petitioner to include project cost estimates in its case-in-chief in the future.

B. Necessity Certificate. CEI North also seeks a necessity certificate for the Project under Ind. Code § 8-1-2-87.5 ("Section 87.5"), which states in part:

The commission shall grant the necessity certificate only if the commission has found from the evidence that:

- (1) the applicant has the power and authority to obtain the certificate and render the requested service;
- (2) the applicant has the financial ability to provide the requested service;
- (3) public convenience and necessity require the providing of the requested service giving consideration to the availability of gas service from any gas utility authorized to serve end use customers within the geographic area covered by the application; and

(4) the public interest will be served by the issuance of the necessity certificate.

Ind. Code § 8-1-2-87.5(e)

Based on the evidence in the record, we find that CEI North is one of the largest natural gas utilities in the State of Indiana. As a regulated natural gas utility already providing service within the state and in the proposed location of the Vermillion Peaking Station, CEI North has the power and authority to obtain the certificate and to render the requested service. In addition, CEI North provided financial statements to indicate its financial ability to construct the Project and provide the requested service.

The Project will transport to Duke's Vermillion Peaking Station the necessary natural gas. Further, while CEI North indicates that Duke is currently the only customer connected to the Project, the Project may also allow CEI North to serve other potential customers in the area to the extent it does not interfere with providing firm transportation of natural gas to the Service Address. The Project will be a significant update to the area's system, promote economic growth in the region, and create new construction jobs. Further, the Project will not negatively impact CEI North's other customers because it is crafted to ensure that Duke pays the costs of the Project and that CEI North's other customers will not subsidize the Project. The OUCC agrees that the Project meets the requirements of Section 87.5. Accordingly, we find that public convenience and necessity require the providing of the requested service by CEI North to Duke at the Service Address. We also find that the public interest will be served by the issuance of the necessity certificate.

Because we find that the Project meets the criteria under Section 87.5 for a necessity certificate, we grant a necessity certificate to CEI North for the construction of the Project. However, if CEI North ultimately does not construct the Project, we order it to file a docketed proceeding under Section 87.5(f) requesting the revocation of the necessity certificate.

Because we have granted the necessity certificate, we consent pursuant to Ind. Code § 36-2-2-3 to the County Commissioners of the counties in which the necessity certificate is approved having the power to grant any license, permit, or franchise that may be required for the use of County property for the construction and operation of the Project approved in this Order.

C. Contract Approval. CEI North seeks approval of the Contract under Ind. Code §§ 8-1-2-24 ("Section 24") and 8-1-2-25 ("Section 25"). Section 24(a) states:

Nothing in this chapter shall be taken to prohibit a public utility from entering into any reasonable arrangement with its customers ... for the division or distribution of surplus profits, or providing for a sliding scale of charges or other financial device that may be practicable and advantageous to the parties interested. No such arrangement or device shall be lawful until it shall be found by the commission, after investigation, to be reasonable and just and not inconsistent with the purpose of this chapter. Such

arrangement shall be under the supervision and regulation of the commission.

Section 25 states:

The Commission shall ascertain, determine and order such rates, charges, and regulations as may be necessary to give effect to such arrangement, but the right and power to make such other and further changes in rates, charges and regulations as the commission may ascertain and determine to be necessary and reasonable, and the right to revoke its approval and amend or rescind all orders relative thereto, is reserved and vested in the commission, notwithstanding any such arrangement and mutual agreement.

Thus, customer-specific contracts are lawful if the Commission finds their provisions to be reasonable and just, practicable and advantageous to the parties, and not inconsistent with the purposes of the Public Service Commission Act.

The Contract is the result of arm's-length negotiations that resulted in an agreement to a fixed Demand Charge that is designed to recover all costs related to the Project from Duke. As stated above, the Contract has numerous confidential terms that protect CEI North's customers from subsidizing the Project costs. Accordingly, the Commission finds that the rates in the Contract are reasonable and just. The Contract is practicable and advantageous to the parties because (1) it allows CEI North to recover a return of and return on the Project capital expenditures and the O&M and other costs related to the provision of gas transportation service to the Duke Vermillion Peaking Station and (2) it will provide the firm transportation of natural gas to fuel Duke's facilities at the Service Address. Finally, no evidence has been submitted demonstrating that the Contract is not consistent with the purposes of the Public Service Commissions Act, and we find that it is. Accordingly, we approve the Contract under Sections 24 and 25.

8. Compliance Filing. OUCC Witness Hoff recommended that CEI North provide, in a compliance filing to this case, the new or amended interconnect agreement between CEI North and PEPL when the agreement is executed due to concerns that there may exist a possibility that the new or amended agreement could have financial impacts on CEI North's other customers. Mr. Akers objected to the recommended compliance filing, testifying that there is no risk that a new or amended interconnect agreement between CEI North and PEPL would impact CEI North's other customers, citing language in the Contract that demonstrates this. On this matter, we agree with CEI North. The language in the Contract clearly delineates how CEI North's other customers will not be impacted by the execution of a new or amended interconnect agreement between CEI North and PEPL. We do not find that an additional compliance filing with the executed interconnect agreement is necessary in this instance, and we do not make our approval of the Contract and issuance of the necessity certificate contingent upon its execution.

9. Confidential Information. On December 12, 2025, CEI North filed a Motion for Protection and Nondisclosure of Confidential and Proprietary Information, which was supported by affidavit showing certain information to be submitted to the Commission was trade secret information as defined in Ind. Code § 24-2-3-2 and should be treated as confidential in accordance

with Ind. Code §§ 5-14-3-4 and 8-1-2-29. In a Docket Entry dated December 22, 2025, the Presiding Officers found the Confidential Information should be held confidential on a preliminary basis. After review of the information and consideration of the affidavit, we find the Confidential Information is trade secret information as defined in Ind. Code § 24-2-3-2 and shall be held as confidential and protected from public access and disclosure by the Commission.

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

1. The Project is approved under Ind. Code § 8-1-2-23, and CEI North may include the Project in its rate base in its next base rates case or other case involving an update to CEI North's rate base.
2. A necessity certificate is issued to CEI North to construct the Project and to provide firm natural gas transportation service pursuant to the Contract and CEI North's Commission-approved tariff provisions.
3. This Order shall be the sole evidence of such necessity certificate.
4. The County Commissioners of the counties in which the necessity certificate is approved have the consent of the Indiana Utility Regulatory Commission to grant such licenses, permits or franchises for the use of county property by CEI North as may be required for the construction and operation of the proposed pipeline.
5. The information filed by CEI North in this Cause pursuant to the Motion for Protection and Nondisclosure of Confidential and Proprietary Information is deemed confidential pursuant to Ind. Code § 5-14-3-4, is exempt from public access and disclosure by Indiana law, and shall be held confidential and protected from public access and disclosure by the Commission.
6. The Order shall become effective on and after the date of its approval.

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

APPROVED: APR 29 2026

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

**Dana Kosco
Secretary of the Commission**