

ORIGINAL

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**JOINT PETITION OF THE TOWN OF LAPEL,)
INDIANA, AND WESTFIELD GAS, LLC, FOR)
APPROVAL OF THE ACQUISITION BY WESTFIELD)
GAS, LLC, OF LAPEL’S GAS UTILITY ASSETS, AND)
FOR RELATED APPROVALS, PURSUANT TO IND.)
CODE § 8-1.5-2-6.1, § 8-1-2-87 AND, TO THE EXTENT)
APPLICABLE, §§ 8-1-2-86 AND 8-1-2.5-6.)**

CAUSE NO. 46353

APPROVED: JUN 03 2026

ORDER OF THE COMMISSION

Presiding Officers:

Bob Deig, Commissioner

Steve Henke, Administrative Law Judge

On January 13, 2026, Westfield Gas, LLC, d/b/a Citizens Gas of Westfield (“Westfield Gas”) and the Town of Lapel, Indiana (“Lapel”) (collectively, “Joint Petitioners”) filed a Verified Joint Petition initiating this Cause with the Indiana Utility Regulatory Commission (“Commission”). At the same time, Joint Petitioners filed their case-in-chief testimony of J.P. Ghio, Vice President of Energy Operations for the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group (“Citizens”); Daniel Cutshaw, CEO and Principal Engineer of CDS Engineers, Inc.; Michael W. Bartone, Director, Gas Supply for Citizens; and David Wade, Manager, Rates and Regulatory Affairs for Citizens.

On January 15, 2026, Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North (“CEI North”) filed a Petition to Intervene, granted by docket entry on April 7, 2026.

On March 24, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony of LaCresha N. Vaulx, Utility Analyst for the OUCC, and Brien R. Krieger, Utility Analyst for the OUCC. On April 6, 2026, Joint Petitioners filed their Notice of Intent Not to File Rebuttal Testimony.

The Commission held an evidentiary hearing in this Cause on April 28, 2026 at 1 p.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, Joint Petitioners and the OUCC, by counsel, presented their evidence without objection. Intervenor CEI North, by its counsel, offered no testimony.

Based on the applicable law and evidence, the Commission finds:

1. Notice and Commission Jurisdiction. Due, legal, and timely notice of the hearing in this Cause was caused to be published by the Commission. Westfield Gas is a “public utility” as defined in Ind. Code § 8-1-2-1 and an “energy utility” as defined in Ind. Code § 8-1-2.5-2. Westfield Gas is subject to the jurisdiction of the Commission in the manner and to the extent

provided by Indiana law. Westfield Gas published notice of filing the Verified Petition as required by Ind. Code § 8-1-2.5-6(d). Lapel is a municipal gas utility. Lapel's rates and charges are unregulated by the Commission, but Lapel is subject to the jurisdiction of the Commission in other aspects of its operations pursuant to Ind. Code ch. 8-1.5-1.

Under Ind. Code § 8-1.5-2-6.1, the Commission has jurisdiction over Westfield Gas' acquisition of Lapel's gas utility assets, and the Commission has jurisdiction over Westfield Gas' request for a Certificate of Public Convenience and Necessity ("CPCN") and indeterminate permit to provide service in the area currently served by Lapel pursuant to Ind. Code § 8-1-2-87. Therefore, the Commission has jurisdiction over Joint Petitioners and the subject matter of this Cause.

2. Joint Petitioners' Characteristics.

A. Westfield Gas. Westfield Gas is an Indiana limited liability company with its principal office at 2020 North Meridian Street, Indianapolis, Indiana 46202. Westfield Gas is an "energy utility" as defined in Ind. Code § 8-1-2.5-2, providing "retail energy service" as defined in Ind. Code § 8-1-2.5-3. Westfield Gas owns, operates, manages and controls plant, property, and equipment used and useful to provide gas utility service to over 8,000 customers in and around the City of Westfield. Westfield Gas serves areas outside the City pursuant to, *inter alia*, a CPCN issued on October 12, 2005 in Cause No. 42874. Citizens Westfield Utilities, LLC is the sole member of Westfield Gas; Citizens Westfield Utilities, LLC, is an indirect subsidiary of Citizens.

B. Lapel. Lapel is an Indiana political subdivision located northeast of Indianapolis, Indiana, in Madison County. Lapel owns, operates, and controls utility plant, property and equipment used and useful for the distribution of natural gas to approximately 850 gas utility customers located within and around its corporate boundaries ("Lapel System"). Lapel currently receives its gas supply pursuant to an arrangement with the Panhandle Eastern Pipe Line Company ("PEPL"), which includes transportation through a transmission line owned and/or operated by CEI North.

3. Proposed Transaction. Joint Petitioners have agreed, subject to various conditions including but not limited to approval from the Commission, for Lapel to transfer the Lapel System assets ("Assets") to Westfield Gas pursuant to an Asset Purchase Agreement ("APA") ("Transaction"). Westfield Gas proposes to own and operate the Assets as part of its natural gas distribution public utility system (the "Westfield Gas System"). An executed version of the APA is included within Joint Petitioners' case-in-chief as an attachment to the prefiled direct testimony of Westfield Gas witness Ghio.

4. Relief Requested. Joint Petitioners seek an Order from the Commission: (1) approving the APA providing for transfer of the Lapel System from Lapel to Westfield Gas, pursuant to Ind. Code ch. 8-1.5-2; (2) upon closing of the Transaction, granting to Westfield Gas a CPCN and indeterminate permit to serve an area in and around the Town of Lapel identified in the APA ("Service Area"), pursuant to Ind. Code §§ 8-1-2-87(d), -87(e) and, to the extent necessary, -86(a); (3) authorizing Westfield Gas to coordinate with Madison County and Hamilton County, Indiana for the use of such counties' right-of-way as needed for operation of the acquired Assets; (4) and approving an adjustment of the net operating income ("NOI") for purposes of the

earnings test used in Westfield Gas' gas cost adjustment ("GCA") proceedings under Ind. Code § 8-1-2-42(g) to the extent necessary pursuant to Ind. Code § 8-1-2.5-6.

5. Evidence Presented.

A. Joint Petitioners' Case-in-Chief.

i. J.P. Ghio. Mr. Ghio explained that Westfield Gas has provided natural gas service to customers in Hamilton County, Indiana for decades and is well positioned to provide natural gas distribution services to residents and businesses in and around Lapel, including in neighboring Madison County, Indiana. He testified that Lapel's customers will benefit from the economies of scale which Westfield Gas enjoys through its affiliation with Citizens. He stated that an average, current customer of Lapel will see lower average costs as part of the acquisition. Mr. Ghio noted customers in Lapel will also benefit from access to a professional and experienced staff overseeing a much larger system, through numerous customer service and operational resources currently available to the more than 275,000 customers of Citizens. For example, he stated, the natural gas commodity or supply is managed in a manner that reduces price volatility for Westfield Gas customers, and this benefit will also extend to Lapel's customers, providing them with more consistent gas bills.

Mr. Ghio stated that Lapel customers also will receive customer service options that might not be currently available to them, including but not limited to full access to the Citizens contact center located in Indianapolis, online account management, paperless billing, auto pay, budget billing, pay in person or by phone, and multiple in-person payment locations.

Mr. Ghio testified that Citizens and Lapel have regularly discussed opportunities to work together to provide value to Lapel's residents and businesses for several years. For example, he stated that in February 2021, a period of severe cold weather significantly impacted the natural gas market over large portions of the country and produced unusually high commodity prices ultimately passed on to retail customers. He testified that soon after this event, Citizens sought and received authority from the Commission in Cause No. 45577 to sell gas storage services on a wholesale basis, leveraging its gas storage assets in Greene County, Indiana. He stated that, in securing such authority, Citizens and Lapel discussed how using storage services could help Lapel withstand future circumstances with less negative impact on customer prices. He noted that, like Westfield Gas, Lapel receives gas supply from PEPL and is vulnerable to severe winter weather events.

Mr. Ghio testified that Lapel issued a request for bids to purchase its gas system assets in March 2025, from which Citizens learned that the appraised value of the system was between \$4.0 and \$4.414 million. He stated Citizens submitted a bid in response to Lapel's request, then amended that bid into a final proposal.

Mr. Ghio described the Assets as the nonsurplus assets of the Lapel gas utility system which are used and useful for providing natural gas utility service to Lapel's current gas customers. He noted that the purchase price in the APA, after negotiation, is \$4,307,000, which is consistent with the range of appraised values for the Assets and below the highest appraised value for the

Assets of \$4,413,953. Pursuant to the APA, following the approval of the Transaction and closing, legacy Lapel customers will become customers of Westfield Gas subject to the tariff rates and charges, as well as the terms and conditions of service applicable to all Westfield Gas customers.

Mr. Ghio stated the Lapel assets will be recorded on Westfield Gas' books and the same depreciation rates that Westfield Gas applies to its system will be applied to the Assets. He testified Westfield Gas is seeking approval to include in its rate base the cost of acquiring Lapel's gas utility Assets. He explained Westfield Gas is seeking approval to record as net original cost rate base the total cost of acquiring the Assets, consisting of the purchase price of \$4,307,000, plus other acquisition costs estimated at \$125,000 (including the ongoing cost of external legal counsel), totaling approximately \$4,432,000. Mr. Ghio noted Westfield Gas is also requesting a corresponding adjustment of its permitted NOI for its GCA earnings test.

Mr. Ghio opined that the terms set forth in the APA, and the Transaction generally, are just and reasonable and in the public interest. He stated that the terms of the proposed APA and the proposed Transaction are mutually beneficial to both utilities, comply with the requirements of applicable Indiana statutes, and represent a significant step forward for ensuring access to reliable and affordable gas utility service in and around Lapel.

Mr. Ghio testified that to fund the acquisition, the sole member of Westfield Gas, Citizens Westfield Utilities, LLC, will make an equity contribution to Westfield Gas. Westfield Gas will also use available cash on hand, in combination with the equity contribution, to cover the cost of acquiring the Assets. Mr. Ghio stated that Westfield Gas otherwise possesses the legal and financial ability to serve the customers in Lapel and sponsored a balance sheet showing Westfield Gas' financial position. Mr. Ghio stated that Westfield Gas will not need to increase its rates because of the Transaction.

ii. Daniel Ray Cutshaw. Mr. Cutshaw assisted Lapel as it underwent the process of selling its nonsurplus gas utility Assets. He stated that the Lapel System consists primarily of distribution mains, meters, and a variety of valves and is solely a distribution system. He testified that all assets in the current Lapel System were installed between 1995 and 2024, replacing a system originally installed during or before the 1960s.

Mr. Cutshaw stated the gas supply for the Lapel System is transported for Lapel by PEPL into the distribution system serving Lapel by a transmission line owned by CEI North. He testified Lapel owns its own gas line running parallel with CEI North's transmission line along Old Indiana SR 132, toward the southeast from Lapel, as well as a line running straight south from the central part of town toward CR 400. He stated these lines, and Lapel's other local distribution lines, are among the system assets which Lapel is proposing to sell to Westfield Gas in this proceeding.

Mr. Cutshaw explained that, while CEI North serves an industrial customer along the southernmost border of Lapel's town limits, just north of CR 400, CEI North does not otherwise supply gas for the Lapel System. He noted most of Lapel's gas customers are residential, but there are also approximately 36 commercial customers in the Lapel System, including schools and a fire station.

Mr. Cutshaw testified that Lapel's rates and charges are not regulated by the Commission but are set by the Lapel Town Council. He stated that Lapel's current rates were established in 2017 pursuant to Ordinance No. 4, 2017, which increased Lapel's rates by 26%. Mr. Cutshaw stated Lapel's main goal in selling its gas utility is to reduce customer rates. He testified that, during winter months, high demand causes Lapel's gas rates to rise because the system serves a small customer base. He stated Lapel lacks the purchasing power to buy gas in bulk at lower prices, whereas Westfield Gas has the capacity and leverage to do so. He additionally noted that operating a municipal gas utility exposes a town to significant safety, regulatory, and financial risk, as gas systems carry potential for leaks, explosions, and fires, creating high liability for property damage or injury.

Mr. Cutshaw testified that Lapel engaged the services of three appraisers, as required by Indiana law. He stated Joshua Selig, P.E., an Indiana-registered professional engineer with Banning Engineering, completed a valuation which appraised the Assets at \$4,413,953. He testified that two Indiana-certified real estate appraisers from Schreiner Valuation Resources LLC, identified a value range between \$4.0 million and \$4.4 million for the Assets, and determined a fair market value of the "as-is" Assets, as of March 10, 2025, at \$4,200,000.

Mr. Cutshaw stated that Westfield Gas and one other public utility submitted bids in response to Lapel's request for bids. He noted CEI North did not submit a bid, despite previously securing CPCNs to serve in areas in and around Lapel, and despite serving at least one industrial customer within the Lapel town boundaries. He testified that after assessing the bids, and after multiple public hearings, including hearings to present and approve a formal ordinance in accordance with Ind. Code §§ 8-1.5-2-4 and -5, Lapel agreed to sell its Lapel System to Westfield Gas, pursuant to the APA.

Mr. Cutshaw opined that the APA and the underlying Transaction are in the public interest, pursuant to Ind. Code §§ 8-1.5-2-6.1(d) and -6.1(e), and comply with all necessary statutory requirements contained therein. Mr. Cutshaw stated the gas utility being sold by Lapel is too small to capture economies of scale. He stated the acquisition of the Lapel System by the larger Westfield Gas—especially considering Westfield Gas's relationship with Citizens—will improve this dynamic. He further noted the price to be paid for the Assets is fair and reasonable, and is within the range of appraised values for the assets determined by the statutory process, consistent with Ind. Code § 8-1.5-2-6.1(e)(4). Mr. Cutshaw noted Westfield Gas has offered lower rates to Lapel customers and can provide customer service benefits and offerings to Lapel's current gas customers, along with operational benefits. He stated Lapel likely would not be able to provide these benefits without significant investment, which would require increased rates and charges to the Lapel customer base.

iii. Michael W. Bartone. Mr. Bartone stated Westfield Gas has approximately 8,300 customers that used approximately 792,000 dekatherms ("Dth") of natural gas over the 12 months ending December 31, 2024. He testified that, over the past five years, Westfield Gas' customer count has increased by an average of 9.9% per year. Mr. Bartone testified that Westfield Gas receives gas supply transported by PEPL, which is then distributed to Westfield Gas' customers through approximately 217 miles of mainline pipe. Mr. Bartone stated Westfield Gas has not received any notices of violation from the Commission's Pipeline Safety staff since

January 2007, demonstrating its strong safety record. He further noted Westfield Gas benefits from gas storage assets owned and operated by Citizens in Greene County, Indiana. He stated Westfield Gas has a wholesale storage agreement with Citizens to store gas purchased at summer prices for use in winter months when commodity gas prices are typically higher.

Like Mr. Ghio, Mr. Bartone discussed the benefits of the Transaction to Lapel customers, including, but not limited to, reduced rates and operational benefits. He stated the Transaction will benefit Westfield Gas and its current customers through increased revenues and costs spread over a larger customer base.

Mr. Bartone asserted that Westfield Gas possesses the technical and managerial ability to operate and maintain the Assets as a part of the Westfield Gas system. He testified that the Lapel System will be operated and managed by the same Citizens staff who operate the Citizens system, which is managed by experienced staff overseeing a variety of well-trained and skilled front-line supervisors, managers, and support personnel. Mr. Bartone further explained the capital needs for the Assets will be managed and coordinated as a part of the entire portfolio of capital improvement projects for Citizens, and all of Citizens' other utilities. He stated that the Westfield Gas system is supported by and benefits from the rest of the Citizens officer team, which consists of seasoned professionals with extensive utility experience. Mr. Bartone stated that the addition of the Lapel System, located near the service territories of Citizens and Westfield Gas, is a natural extension of Citizens' gas utility operations and therefore squarely falls within Citizens' technical and managerial capabilities.

Mr. Bartone stated that Westfield Gas is seeking an exclusive CPCN to serve within rural portions of southwestern Madison County, Indiana, in Stony Creek and Green Townships, and in eastern Hamilton County, Indiana, within Wayne Township shown in green on a map attached to his testimony. *See* Joint Petitioners' Exhibit 3, Attachment MWB-2. He testified that Westfield Gas also seeks an exclusive CPCN to serve within areas shown in orange on the map subject to CEI North continuing to serve its existing customers therein from an interstate pipeline connection it has in that area. The area inside Lapel as well as the rural areas outside Lapel described above collectively comprise the proposed Service Area for which Westfield Gas seeks an indeterminate permit and CPCN in this Cause.

Mr. Bartone testified Westfield Gas has discussed with CEI North the indeterminate permit and CPCN that Westfield Gas seeks to acquire in this proceeding. He stated Westfield Gas and CEI North collaborated and reached an agreement that will facilitate the orderly and economic extension of service to new customers in and around Lapel while balancing the need to eliminate duplication of facilities and protect each utility's investment in existing infrastructure. Mr. Bartone stated CEI North has informed Westfield Gas that it has no objection to the Commission transferring its existing CPCN authority to Westfield Gas.

iv. David Wade. Mr. Wade testified that Westfield Gas' current rates and charges were placed into effect following the Commission's Final Order in Westfield Gas' last base rate case, Cause No. 45761, on April 12, 2023. He stated Westfield Gas is not proposing any changes to its rates and charges or terms and conditions for gas service as a result of the

acquisition of the Lapel System. Mr. Wade testified that legacy Lapel customers will be billed for gas in the same way as any other Westfield Gas customers.

Mr. Wade testified that, in general, the overall gas bills of legacy Lapel gas customers will decrease following the acquisition, with residential customers experiencing an average reduction in gas distribution costs of 22%, or roughly \$145 per year. He testified that an average Lapel customer consuming about 73.4 Dth annually pays about \$648 for distribution services, while a Westfield Gas customer with the same usage pays about \$503 for distribution services. Mr. Wade further noted that some customers in Lapel, such as schools, will see an even larger reduction, possibly by as much as 33%.

Mr. Wade stated that Westfield Gas is seeking to include the cost of acquiring the Lapel Gas assets in its rate base and a corresponding adjustment of its approved NOI for GCA earnings test purposes to reflect the expected additional revenue generated by legacy Lapel gas customers. He testified that, for the purpose of the GCA earnings test, Petitioner is seeking to add an additional \$308,024 to the current authorized NOI of \$1,400,063, for a total NOI of \$1,708,087. Mr. Wade testified that such rate base adjustment is relief that the Commission has granted in similar proceedings under Ind. Code § 8-1.5-2-6.1. Mr. Wade explained an increase in rate base is of little value for Westfield Gas, as a product of its investment in Lapel's gas system, if NOI is not adjusted to account for the anticipated revenue increase. He stated that, to the extent such authority is not deemed to be inherent within the Commission's existing authority under Ind. Code § 8-1.5-2-6.1(f), Westfield Gas asks that the Commission approve the regulatory mechanism proposed above as an alternative regulatory plan ("ARP") under Ind. Code § 8-1-2.5-6. Mr. Wade stated Westfield Gas satisfies the definitions for an "energy utility" in Ind. Code § 8-1-2.5-2 and that, consistent with Ind. Code §§ 8-1-2.5-5 and -6, the proposed alternative regulatory mechanism is beneficial for Westfield Gas' customers (including legacy Lapel customers, if the acquisition is approved), as well as for the State of Indiana.

Mr. Wade testified that Westfield Gas is requesting approval of these adjustments to ensure the earnings test reflects the financial impact of the newly acquired assets and customer growth. He explained that Westfield Gas proposes adjusting its NOI to reflect the additional rate base, as this will account for earnings generated by Lapel customers who are being served by assets that were not included in the calculation of the NOI in Westfield Gas' last rate case. He stated the Assets will generate revenue from the new customers, and failing to adjust the NOI would result in an inaccurate assessment of whether the utility is earning excess returns. Mr. Wade stated that without the NOI adjustment, Westfield Gas could be economically disadvantaged by having to issue refunds based on an inaccurate earnings test or seeking to adjust its authorized earnings in a base rate case that may otherwise be unnecessary.

Mr. Wade stated the proposed Transaction also satisfies the requirement of Ind. Code § 8-1.5-2-6.1(e)(2) that it will not result in an impermissible subsidy between Lapel and Westfield Gas customers. He noted Ind. Code § 8-1.5-2-6.1(e)(2) contains a safe harbor provision establishing that "the proposed terms and conditions will not result in rates that would subsidize service to other customers" if the total of the full purchase price, incidental expenses, and other costs of acquisition is not greater than two percent of Westfield Gas' net original cost rate base as determined in its most recent rate case. Mr. Wade noted that even if the safe harbor threshold is exceeded, the

Commission can still make an independent determination that an impermissible subsidy is absent. Mr. Wade noted that Westfield Gas does not anticipate any significant increase in its rates resulting from the Transaction. Thus, he stated Westfield Gas does not anticipate that current Westfield Gas customers will subsidize legacy Lapel customers or vice versa. Further, he noted legacy Lapel customers will pay the same rates that any new customer in Westfield Gas' service territory joining the Westfield Gas system would pay.

Mr. Wade testified that, if the Commission approves the proposed Transaction, Joint Petitioners will provide written notice to customers of the approval along with the standard Rights & Responsibilities information that is provided to all new customers.

B. OUCC's Case-in-Chief.

i. LaCresha N. Vaulx. Ms. Vaulx testified that during winter months, high demand causes Lapel's gas rates to rise because of its lack of purchasing power to buy gas in bulk at lower prices. She further noted strict state and federal regulations concerning compliance and expertise can pose financial burdens, creating a strain on municipal resources. Ms. Vaulx testified that the OUCC does not oppose the transfer of assets detailed in the APA or the \$4,307,000 purchase price for the Lapel gas utility assets or Westfield Gas' proposal to record the purchase price plus acquisition costs in its net original cost rate base.

Ms. Vaulx discussed the customer service and operational benefits Westfield Gas will provide to Lapel's current customer base without increased rates and charges. Ms. Vaulx testified that the OUCC does not oppose Westfield Gas charging Lapel customers the current Westfield Gas base rate and charges, which will generally result in a decrease in those customers' rates.

Ms. Vaulx discussed Westfield Gas' request to include the cost of acquiring the Assets in its rate base and described the adjustment of its NOI for GCA proceedings. She explained, if the increased revenue is not included as a regulatory adjustment, Westfield Gas will exceed its current authorized NOI of \$1,400,063, resulting in a large refund to be returned to ratepayers through the GCA. She stated the normal procedural schedule for a base rate case takes 300 days. Therefore, Ms. Vaulx explained, if Westfield Gas were to file a base rate case immediately following the Commission's Order in this Cause, it would be almost a year before Westfield Gas could merge its operating income from Lapel's customer base with its authorized NOI. She stated that, for this reason, the OUCC does not oppose Westfield Gas' proposed regulatory adjustment to its NOI of \$308,024 for purposes of the earnings test used in Westfield Gas' GCA proceedings.

Ms. Vaulx stated that the OUCC does not oppose the proposed transfer of Lapel and CEI North's existing necessity certificates, as proposed by Joint Petitioners. She further stated the OUCC does not oppose CEI North continuing to serve its existing customers in the transferred service territory.

Ms. Vaulx testified that the OUCC does not oppose Westfield Gas' request to use the right-of-way. She stated, however, that the OUCC recommends Westfield Gas maintain proper oversight and cost management measures that will ensure that the use of the right-of-way is carried out in a manner that protects ratepayers, maintains service reliability, and aligns with the public interest.

Ms. Vaultx concluded that the transfer of Lapel's Assets to Westfield Gas is in the public interest, noting that Westfield Gas operates on a larger scale, providing services to a broader customer base, allowing fixed and variable costs to be distributed more efficiently without imposing increased rates and charges upon Lapel's current customer base.

ii. **Brien R. Krieger.** Mr. Krieger testified that his analysis indicates the mains, emergency valves, valves, services, and meters to be acquired under the APA are all inclusive and will allow for legacy Lapel customers to receive natural gas without interruption through the transition of ownership and as new customers of Westfield Gas. Mr. Krieger stated there are no proposed changes to the existing Westfield Gas tariff, and that upon the closing of the proposed Transaction, legacy Lapel customers will become customers of Westfield Gas and will be subject to the same rates and charges applicable to current Westfield Gas customers. He stated the terms and conditions of service applicable to Westfield Gas customers will apply to legacy Lapel gas utility customers when the transaction closes.

Mr. Krieger testified that his analysis determined Westfield Gas has the capabilities to operate a natural gas utility, and that Westfield Gas can operate the Lapel natural gas system. He stated it is his understanding that current Lapel customers will have the same support as existing Westfield Gas customers provided to Westfield Gas by Citizens.

Mr. Krieger noted Westfield Gas will incorporate Lapel into the present operations of Westfield Gas. He stated his analysis indicates Westfield Gas can operate Lapel's natural gas system while using Westfield Gas' experience and existing systems. He testified that the OUCC served data requests investigating Westfield Gas' readiness and capabilities to integrate Lapel into Westfield Gas' system. He stated that Westfield Gas' responses illustrated Lapel's geographic information system ("GIS"), use of facilities near Lapel, knowledge of Lapel's federal Pipeline and Hazardous Materials Safety Administration requirements, and handling of incoming calls for potential natural gas leaks, indicating that Westfield Gas has many necessary capabilities in place.

Mr. Krieger further noted that Joint Petitioners' responses to the OUCC's data requests indicate that Westfield Gas will be able to utilize the existing Lapel GIS system, will operate materials staging approximately two miles from downtown Lapel, and will communicate to Lapel customers to call the existing Westfield Gas and Citizens phone numbers to report natural gas leaks. He concluded by stating that he found nothing to indicate Westfield Gas does not have the technical or managerial ability to operate the Lapel gas utility.

6. Commission Discussion and Findings.

A. **Approval of Transaction Under Ind. Code § 8-1.5-2-6.1.** According to Ind. Code § 8-1.5-2-6.1(b), "[b]efore a municipality may proceed to sell or otherwise dispose of all or part of its nonsurplus utility property . . . , the municipality and the prospective purchaser must obtain the approval of the [C]ommission under this section." Joint Petitioners seek approval of the sale and transfer of nonsurplus utility property by a municipality pursuant to Ind. Code § 8-1.5-2-6.1 in accordance with the APA. Ind. Code § 8-1.5-2-6.1 governs the Commission's approval process, and states, in part:

(d) The [C]ommission shall approve the sale or disposition of the property according to the terms and conditions proposed by the municipality and the prospective purchaser if the [C]ommission finds that the sale or disposition according to the terms and conditions proposed is in the public interest. For purposes of this section, the purchase price of the municipality's nonsurplus utility property shall be considered reasonable if it does not exceed the appraised value set forth in the appraisal required under section 5 of this chapter.

(e) The following apply to the [C]ommission's determination under subsection (d) as to whether the proposed sale or disposition according to the proposed terms and conditions is in the public interest:

(1) If:

(A) the prospective purchaser petitions the [C]ommission under IC 8-1-30.3-5(d); and

(B) the [C]ommission approves the prospective purchaser's petition; the proposed sale or disposition is considered to be in the public interest.

(2) If subdivision (1) does not apply and subject to subsection (h), the [C]ommission shall consider the extent to which the proposed terms and conditions of the proposed sale or disposition would require the existing utility customers of either the prospective purchaser or the municipality's municipally owned utility, as applicable, to pay rates that would subsidize utility service to the other party's existing customers. For purposes of this subdivision, the proposed terms and conditions will not result in rates that would subsidize service to other customers if the amount to be recorded as net original cost under subsection (f) is not greater than two percent (2%) of the prospective purchaser's net original cost rate base as determined in the prospective purchaser's most recent general rate case. If the amount to be recorded is greater than two percent (2%), the [C]ommission shall proceed to determine whether:

(A) the proposed terms and conditions would result in a subsidy described in this subdivision; and

(B) the subsidy would cause the proposed terms and conditions of the proposed sale or disposition not to be in the public interest.

The [C]ommission shall calculate the amount of the subsidy that would result and shall set forth in an order under this section such changes to the proposed terms and conditions as the [C]ommission considers appropriate to address the subsidy. The prospective purchaser and the municipality shall each have thirty (30) days from the date of the [C]ommission's order setting forth the [C]ommission's changes to either accept or reject the changes. If either party rejects the [C]ommission's changes, the proposed sale or disposition is considered not to be in the public interest.

(3) In reviewing the proposed terms and conditions of the proposed sale or disposition under either subdivision (1) or (2), the [C]ommission shall consider the financial, managerial, and technical ability of the prospective purchaser to provide the utility service required after the proposed sale or disposition.

(4) In reviewing the proposed terms and conditions of the proposed sale or disposition under either subdivision (1) or (2), the [C]ommission shall accept as reasonable the valuation of the nonsurplus utility property determined through an appraisal and review under section 5 of this chapter.

(f) As part of an order approving a sale or disposition of property under this section, the [C]ommission shall, without regard to amounts that may be recorded on the books and records of the municipality and without regard to any grants or contributions previously received by the municipality, provide that for ratemaking purposes, the prospective purchaser shall record as the net original cost rate base an amount equal to:

- (1) the full purchase price;
- (2) incidental expenses; and
- (3) other costs of acquisition;

allocated in a reasonable manner among appropriate utility plant in service accounts.

i. Reasonableness of the Purchase Price. The evidence of record demonstrates that Lapel complied with all applicable procedural requirements governing the sale of nonsurplus municipal utility assets. Lapel obtained the required appraisals from qualified Indiana professionals, including an Indiana-licensed professional engineer and two Indiana-certified real estate appraisers, which appraisals established a range of values for the Lapel gas system as required by Ind. Code §§ 8-1.5-2-4 and -5. Lapel thereafter conducted public hearings, considered the appraisal results, and adopted Ordinance No. 2025-03 approving the sale of its gas utility assets to Westfield Gas, in accordance with Ind. Code § 8-1.5-2-6.1(a).

The evidence of record demonstrates that the appraisals obtained by Lapel established a value range for the gas utility assets of approximately \$4.0 million to \$4.4 million. The negotiated purchase price of \$4,307,000 falls within, and does not exceed, this appraisal range. Both Mr. Cutshaw and Mr. Bartone testified that the purchase price was derived from and supported by the statutorily required appraisals and should therefore be presumed reasonable under Indiana law. OUCC witness Vaultx testified that the OUCC does not oppose the asset purchase price.

Accordingly, based on the evidence of record, the Commission finds that the purchase price paid for the Lapel gas utility assets is reasonable and satisfies Ind. Code § 8-1.5-2-6.1(d).

ii. Public Interest Considerations. As Ind. Code § 8-1.5-2-6.1(e)(2) provides in pertinent part:

the [C]ommission shall consider the extent to which the proposed terms and conditions of the proposed sale or disposition would require the existing customers of either the prospective purchaser or the municipality's municipally owned utility, as applicable, to pay rates that would subsidize utility service to the other party's existing customers. . . . [A transaction] will not result in rates that would subsidize service to other customers if the amount to be recorded as net original cost under subsection (f) is not greater than two percent . . . of the prospective purchaser's net original cost rate base as determined in the prospective purchaser's most recent general rate case, plus any adjustments to the rate base

In this case, the purchase price exceeds two percent of Westfield Gas' overall rate base. Westfield Gas has requested to record the purchase price of the Lapel System, \$4,307,000 plus acquisition costs, as the original cost rate base for the Lapel System. Westfield Gas' net original cost rate base from its most recent general rate case was \$13,877,485. *See Westfield Gas, LLC*, Cause No. 45761 at pp. 5, 7, 10–12 (IURC April 12, 2023). Two percent of this amount is \$277,549.70. Accordingly, the Commission must analyze the proposed sale under Ind. Code § 8-1.5-2-6.1(e)(2)(A)–(B) for whether the proposed sale would result in subsidization not in the public interest.

Based on the evidence, the Commission finds that the proposed sale does not conflict with the public interest. The evidence suggests that the proposed sale will result in lower rates for Lapel customers, lower risk, improved service quality, and better long-term operational stability. Westfield Gas' witness Wade testified that legacy Lapel customers' rates will decrease and that Westfield Gas' rates will not increase significantly because of the acquisition. Lapel witness Cutshaw echoed the conclusion regarding Lapel's customers and noted that Lapel's 850 customers could not support the economies of scale captured by Westfield Gas and further exposed Lapel's municipality to significant safety, regulatory, and financial risks. Mr. Cutshaw testified that Westfield Gas' ability to provide customer service and operational benefits to the Lapel customers that Lapel would not be able to provide without significant investments that would ultimately result in increased costs to Lapel customers.

The OUCC arrived at the same conclusion. OUCC witness Vaultx testified regarding the differences between Westfield Gas and Lapel and concluded that the proposed sale is in the public interest.

Based on the evidence, the Commission finds that the Transaction will not result in the municipally owned utility's customers paying rates that would subsidize Westfield Gas' service to its existing customers, and that the Transaction is in the public interest.

iii. Financial, Managerial and Technical Ability of Prospective Purchaser. Ind. Code § 8-1.5-2-6.1(e)(3) provides that, “in reviewing the proposed terms and conditions of the proposed sale or disposition . . . , the [C]ommission shall consider the financial, managerial, and technical ability of the prospective purchaser to provide the utility service required after the proposed sale or disposition.” Mr. Bartone testified regarding Westfield Gas' existing gas distribution system, safety record, operational practices, and integration with Citizens' experienced gas operations staff. He testified that the Lapel system will be operated as part of the

larger Westfield Gas system by the same management and personnel who operate Citizens. He opined that Westfield Gas operates in compliance with all applicable safety regulations, historically has had a strong safety record with the Commission's pipeline safety enforcement staff, and has access to gas storage and supply resources that enhance system reliability. Mr. Bartone further testified that the capital needs for the Lapel Assets will be managed and coordinated as a part of the entire portfolio of capital improvement projects for Citizens as well as all of Citizens Energy Group's other utilities. Moreover, Mr. Bartone testified that the back-office support for the Westfield Gas system is provided by Corporate Shared Services functions, such as accounting, human resources, environmental, information technology, and customer service professionals.

The financial information submitted by Westfield Gas, including its pro forma balance sheet, establishes Westfield Gas' financial ability to provide the proposed gas distribution service in Lapel. The evidence of record further establishes Westfield Gas' ability to regularly meet its other financial obligations. The OUCC did not dispute that Westfield Gas has the necessary financial, managerial, and technical capabilities to acquire, own, and operate the Lapel System Assets.

Based on the evidence, the Commission finds that Westfield Gas has the necessary financial, managerial, and technical capabilities to acquire, own, and operate the Lapel System Assets.

iv. Ind. Code § 8-1-30.3-5 Irrelevant Absent Voter Opposition.

Even though Ind. Code § 8-1-30.3-5(d) is not usually applicable to the sale of a municipal gas utility, the factors set forth in that statute are partially incorporated into Ind. Code § 8-1.5-2-6.1. *Compare* Ind. Code § 8-1-30.3-3 (limiting applicability to water and wastewater context) *with* Ind. Code § 8-1.5-2-6.1(h).

The statutory framework is somewhat serpentine. Ind. Code § 8-1.5-2-6.1(e)(2) subjects the Commission's consideration of a proposed sale to Ind. Code § 8-1.5-2-6.1(h), which states:

In reviewing a proposed sale or disposition under subsection (e), the [C]ommission shall determine whether the factors set forth in IC 8-1-30.3-5(d) are satisfied as applied to the proposed sale or disposition of the municipality's non-surplus municipally owned utility property for purposes of section 5(m) of this chapter.

Ind. Code § 8-1.5-2-5(m) reads:

Subsections (g) through (k) do not apply to an ordinance adopted under subsection (d) after March 28, 2016, if the commission determines, in reviewing the proposed sale or disposition under section 6.1(h) of this chapter, that the factors set forth in IC 8-1-30.3-5(d) are satisfied as applied to the proposed sale or disposition.

However, Ind. Code §§ 8-1.5-2-5(g)–(k) establish that a voter referendum is to be conducted *if* registered voters petition in opposition to the sale or disposition not later than thirty days after the municipality's ordinance. As noted in Ind. Code § 8-1.5-2-5(m), this referendum is

not needed if the Commission finds that the factors enumerated in Ind. Code § 8-1-30.3-5(d) are satisfied.

Here, the evidence of record does not indicate any petition from registered voters opposing Lapel Ordinance 2025-03 approving the proposed Transaction. Thus, Ind. Code §§ 8-1.5-2-5(g)–(k) are inapplicable here, and Lapel need not show that it has satisfied the factors of Ind. Code § 8-1-30.3-5(d) to avoid a voter referendum on the Transaction.

v. **Conclusion.** Under Ind. Code § 8-1.5-2-6.1(d), the evidence of record supports a finding that approval of the Transaction is in the public interest. Westfield Gas will improve the economies of scale and quality of service available to Lapel customers and is better positioned to operate the Lapel System and provide safe and reliable gas utility service to Lapel’s residents and businesses. The evidence indicates that the Transaction will enhance gas utility service within areas in Madison County, Indiana, both inside and around the corporate boundaries of Lapel.

vi. **Authorization to Include Purchase Price and Acquisition Costs in Rate Base.** The Commission finds that the proposed acquisition of the Assets of Lapel by Westfield Gas satisfies the requirements of Ind. Code § 8-1.5-2-6.1. Based on the evidence, the Commission finds that, pursuant to Ind. Code § 8-1.5-2-6.1(f), for ratemaking purposes, Westfield Gas is authorized and directed to record as its net original cost rate base an amount equal to: (1) the full purchase price paid for the Lapel gas utility assets (\$4,307,000) (2) all incidental expenses; and (3) all other reasonable and prudently incurred costs of acquisition associated with the transaction. The acquisition costs were estimated at \$125,000. The Commission finds that these costs are adequately supported by the evidentiary record and are consistent with statutory requirements.

B. **Rates and Charges.** Upon closing of the Transaction, Joint Petitioners propose that legacy Lapel customers become customers of Westfield Gas and be subject to the same rates and charges and terms and conditions applicable to current Westfield Gas customers, as the same may be amended from time to time. The evidence reflects that, because of the application of Westfield Gas’ rates and charges, the overall gas utility bill of legacy Lapel gas customers will generally decrease when Westfield Gas begins providing retail gas service to them. In addition, legacy Lapel customers will have access to the same customer service offerings available to Westfield Gas customers. OUCC witness Vaultx testified that the OUCC does not oppose Westfield charging Lapel customers the current Westfield Gas base rate and charges.

Based on the evidence of record, the Commission finds that Westfield Gas should be authorized to charge legacy Lapel customers, and any new customers connecting to the former Lapel System, Westfield Gas’ current rates and charges, which were placed into effect following the Commission’s Final Order in Westfield Gas’ last base rate case, Cause No. 45761, on April 12, 2023, until replaced by new rates established by the Commission. Further, the Commission finds Westfield Gas’ existing general terms and conditions for gas service as set forth in its tariffs, as amended from time to time, should also apply to all of Westfield Gas’ legacy Lapel customers and any new customers connecting to the former Lapel System.

C. Grant of Service Area Request. Westfield Gas is seeking authority to provide gas utility service inside the corporate boundaries of the Town of Lapel and in rural areas adjacent to the Town. Specifically, the areas inside the corporate limits and in rural areas adjacent to the Town's corporate limits that Westfield Gas seeks to exclusively serve are mapped in green in Joint Petitioners' Exhibit 3, Attachment MWB-2. The areas inside and outside the corporate boundaries of the Town of Lapel that Westfield Gas also seeks to serve subject to CEI North continuing to serve its existing customers therein are depicted in orange in Joint Petitioners' Exhibit 3, Attachment MWB-2.

The Commission has previously granted CPCNs for CEI North to provide gas utility service within a portion of the Service Area in various Commission proceedings. However, following discussions between Westfield Gas and CEI North, Mr. Bartone indicated that CEI North informed Westfield Gas that it has no objection to the Commission transferring its existing CPCN authority in Westfield Gas' proposed Service Area to Westfield Gas, as depicted in Joint Petitioners' Exhibit 3, Attachment MWB-2. CEI North also intervened in this proceeding but did not object or provide any evidence.

Pursuant to Ind. Code § 8-1-2-87(c), "no gas utility shall commence the rendering of gas distribution service in any rural area in the state of Indiana . . .without first obtaining from the [C]ommission a necessity certificate authorizing such gas distribution service, defining and limiting specifically the rural area covered thereby, and stating that public convenience and necessity require such gas distribution service within such rural area by such gas utility." Indiana Code § 8-1-2-87(d) provides that the Commission shall grant an application for a CPCN to extend service in rural areas if it finds:

- (1) that the applicant has the power and authority to obtain the certificate and to render the proposed gas distribution service if it obtains the certificate;
- (2) that the applicant has the financial ability to provide the proposed gas distribution service;
- (3) that the public convenience and necessity require the providing of the proposed service; and
- (4) that the public interest will be served by the issuance of the necessity certificate.

With respect to areas inside the corporate boundaries of a municipality, Ind. Code § 8-1-2-86(a) states in relevant part that: "[n]o license, permit, or franchise shall be granted . . . to own, operate, manage, or control any plant or equipment of any public utility in any municipality where there is in operation a public utility engaged in similar service . . . without first securing from the [C]ommission a declaration, after a public hearing, of all parties interested, that public convenience and necessity require such second public utility." Indiana generally works to avoid the unnecessary duplication of utility facilities.

The evidence establishes that Westfield Gas has the power and authority to render the proposed gas distribution service if the Commission approves the Service Area requested in this Cause. The Commission has previously issued Westfield Gas a CPCN to serve areas of Boone County in Cause No. 42874. Westfield Gas is a "public utility" under Ind. Code § 8-1-2-1(a) and

a “gas utility” under Ind. Code § 8-1-2-87(a)(4). Westfield Gas is currently engaged in rendering gas public utility service in Indiana and possesses the requisite corporate power and authority under Ind. Code § 8-1-2-87(d) to render the proposed gas distribution service if it obtains the certificate. Thus, the Commission finds Westfield Gas has the power and authority to obtain the requested CPCN and render gas distribution service in rural areas around Lapel as proposed. Moreover, as noted above, Westfield Gas has the financial ability to provide the gas distribution service inside the Town of Lapel and in the rural areas shown in Joint Petitioners’ Exhibit 3, Attachment MWB-2.

The evidence of record further reflects that the public convenience and necessity require Westfield Gas be permitted to provide gas distribution service in the proposed Service Area and that the public interest will be served by granting this request. Westfield Gas witness Ghio testified that Westfield Gas has provided such services throughout Hamilton County, Indiana for decades, and is well positioned to provide services to the residents and businesses in and around Lapel.

Moreover, Westfield Gas’ service inside the corporate boundaries of the Town of Lapel complies with Ind. Code § 8-1-2-86 and will not result in duplicative service. Westfield Gas and CEI North reached an agreement that should facilitate the orderly and economic extension of service to new customers in and around Lapel while balancing the need to eliminate duplication of facilities and protect each utility’s investment in existing infrastructure. Westfield Gas and CEI North have identified areas where each will serve exclusively, areas where CEI North will continue serving its existing customers, and areas where Westfield Gas will serve new customers. No party challenged Joint Petitioners’ evidence, and the OUCC recommended Commission approval of Joint Petitioners’ request for a CPCN and indeterminate permit.

Accordingly, based on the evidence and for the reasons described above, the Commission finds that Westfield Gas has satisfied the requirements of Ind. Code §§ 8-1-2-86 and 8-1-2-87(d). The Commission grants a CPCN and indeterminate permit for Westfield Gas to provide gas distribution service in the Service Area shown in Joint Petitioners’ Exhibit 3, Attachment MWB-2. If needed to effectuate such approval, the Commission finds under Ind. Code § 8-1-2-87(e) that CEI North’s existing CPCNs in the areas described above may be transferred to Westfield Gas.

D. Consent to Use Right-of-Way Under Ind. Code § 36-2-2-23. Westfield Gas seeks Commission authority for Westfield Gas to coordinate with Madison County and Hamilton County, Indiana, the use of such counties’ rights-of-way as needed for operation of the Lapel System Assets.

The OUCC did not oppose this request, but OUCC witness Vaulx testified that Westfield Gas’ public right-of-way use should be limited to necessary activities for utility service, and result in only reasonable and prudent costs. Further, ratepayers should not be responsible for the consequences of inefficient planning, unnecessary construction, or poor coordination.

Under Ind. Code § 36-2-2-23, the Commission consents to the Madison and Hamilton County Commissioners’ grant of licenses, permits, or franchises to Westfield Gas as required for the use of county rights-of-way in which the Lapel System Assets are located as needed for operation of the acquired Assets.

E. Proposed NOI Adjustment. Westfield Gas seeks approval to adjust its approved NOI for GCA earnings test purposes to reflect expected additional revenue generated by legacy Lapel gas customers. Westfield Gas seeks to add an additional \$308,024 to its current authorized NOI of \$1,400,063, for a total NOI of \$1,708,087. As indicated by both Westfield Gas and the OUCC, without the requested adjustment to Westfield Gas' NOI, Westfield Gas could be economically disadvantaged by having to issue refunds in its GCA proceedings based on an inaccurate earnings test or seeking to adjust its authorized earnings in a base rate case that may otherwise be unnecessary. Westfield Gas calculated the additional NOI by multiplying the purchase price and approximate acquisition costs (\$4,432,000) by the most recent authorized rate of return in Cause No. 45761 (6.95%) for a total of \$308,024. The OUCC did not oppose Westfield Gas' request.

The Commission has "such implicit power and authority as is inherent in its broad grant of power from the legislature to regulate which is necessary to effectuate the regulatory scheme outlined in the statute." *NIPSCO v. Citizens Action Coalition of Indiana, Inc.*, 548 N.E.2d 153, 158 (Ind. 1989). These powers include authorizing the increase in Westfield Gas' NOI to account for the anticipated increased revenue from the addition of the 850 legacy Lapel customers. Absent an adjustment to Westfield Gas' NOI, the earnings test calculation in Westfield Gas' future GCA proceedings would be artificially low, and Westfield Gas would need to either 1) refund amounts that would be inaccurately deemed over-earnings or 2) file a base rate case. Thus, the purpose of Ind. Code § 8-1.5-2-6.1(f) and the GCA statute, Ind. Code § 8-1-2-42(g), would be frustrated without the proposed NOI adjustment.

Westfield Gas demonstrated that the proposed adjustment to the NOI is consistent with Ind. Code § 8-1-2.5-6(a)(1), under which the Commission may "adopt alternative regulatory practices, procedures, and mechanisms, and establish rates and charges that: (A) are in the public interest . . . ; and (B) enhance or maintain the value of the energy utility's retail energy services or property." In determining whether the public interest will be served by such alternative regulatory practices, the Commission considers:

- (1) Whether technological or operating conditions, competitive forces, . . . render the exercise, in whole or in part, of jurisdiction by the [C]ommission unnecessary or wasteful.
- (2) Whether the [C]ommission's declining to exercise, in whole or in part, its jurisdiction will be beneficial for the energy utility, the energy utility's customers, or the state.
- (3) Whether the [C]ommission's declining to exercise, in whole or in part, its jurisdiction will promote energy utility efficiency.
- (4) Whether the exercise of [C]ommission jurisdiction inhibits an energy utility from competing with other providers of functionally similar energy services or equipment.

The alternative regulatory mechanism proposed here by Westfield Gas is in the public interest and enhances the value of Westfield Gas' property. The revenue from legacy Lapel gas customers could cause Westfield Gas to exceed its current authorized NOI of \$1,400,063 in an upcoming GCA. Resulting refunds would be incongruous with Westfield Gas' increased services and would disadvantage Westfield Gas vis-à-vis other providers of "functionally similar energy services." Adjusting Westfield Gas' NOI in this proceeding instead of a base rate case will promote efficiency and is in the public interest.

Based upon the evidence of record, the Commission finds that Westfield Gas' proposed adjustment to its NOI comports with applicable law and should be approved. Accordingly, for the purpose of the GCA earnings test, Westfield Gas may add an additional \$308,024 to its currently authorized net operating income of \$1,400,063, for a total net operating income of \$1,708,087. Westfield Gas shall prorate its GCA earnings test as it adjusts for the increase to NOI following the closing of the Transaction.

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

1. The proposed acquisition by Westfield Gas of Lapel's municipal gas utility pursuant to the terms of their APA is approved.

2. Westfield Gas shall record the cost of the acquisition, including the purchase price plus acquisition costs, subject to application of the current Westfield Gas depreciation rates, as the original cost rate base for the Assets it acquires from Lapel pursuant to this Order.

3. Upon closing of the acquisition approved in this Order, Westfield Gas is authorized to apply its Commission-approved rates and charges and terms and conditions for service to legacy Lapel customers.

4. Westfield Gas is granted a CPCN pursuant to Ind. Code § 8-1-2-87(d) to render gas distribution service in the rural areas described herein and depicted in Joint Petitioners' Exhibit 3, Attachment MWB-2. This Order constitutes that certificate.

5. Westfield Gas is granted an indeterminate permit to render gas distribution service within the corporate limits of Lapel as described herein and as depicted in Joint Petitioners' Exhibit 3, Attachment MWB-2. This Order constitutes the indeterminate permit.

6. The County Commissioners of Madison County and Hamilton County, Indiana have the consent and approval of the Commission to grant such licenses, permits, or franchises for the use of county property by Westfield Gas as may be required for operation of the Lapel System Assets.

7. Westfield Gas is authorized to increase its NOI for GCA earnings test purposes to include an additional \$308,024 in authorized net operating income, for a total net operating income of \$1,708,087.

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

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

APPROVED: JUN 03 2026

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

**Dana Kosco
Secretary of the Commission**