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## **Vectren gas infrastructure case: Consumer comments invited April 14 public hearing scheduled in Evansville**

The Indiana Office of Utility Consumer Counselor (OUCC) continues to encourage Vectren Energy Delivery customers to comment on the utility's pending gas infrastructure replacement case. Consumers may comment by:

- Speaking at the Indiana Utility Regulatory Commission (IURC) public field hearing in Evansville on Monday, April 14, 2014, or
- Sending written comments to the OUCC by the close of business on Monday, April 21, 2014.

The April 14 IURC public field hearing will be held at the Old National Events Plaza (715 Locust St. in Evansville), with public comments accepted starting at 6:00 p.m. local time.

- Sworn oral and written comments regarding the case will be accepted during the field hearing.
- Oral and written consumer comments carry equal weight and will become part of the case's evidentiary record.
- Commissioners are not allowed to answer questions during the field hearing. (However, OUCC and IURC staff will be available before, during and after the hearing.)

The OUCC will conduct an informational session on the regulatory process immediately before the field hearing, at 5:30 p.m. local time.

In IURC Cause No. 44429, Vectren is seeking IURC approval of seven-year infrastructure replacement plans for its natural gas utilities in Indiana in order to make investments in eligible transmission, distribution and storage system improvements to their facilities. Vectren is also seeking IURC permission to implement a new rate adjustment mechanism (or tracker) that will allow it to recover costs of the infrastructure projects as they are incurred. The company refers to the new mechanism as the "Compliance System and Improvement Adjustment (CSIA)" and states that it plans to file its first CSIA rate adjustment requests in September 2014.

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The proposed CSIA would have two components:

1. The first component would recover expenses for pipeline safety projects that are required under federal mandates and would comprise the majority of the tracker's costs. These costs are now being recovered through Vectren's pre-existing Pipeline Safety Adjustment (PSA) that was authorized by the Indiana General Assembly in 2011 (Indiana Code 8-1-8.4).
2. The second component consists of a new charge known as a "Transmission, Distribution, and Storage System Improvement Charge (TDSIC)" and would include rate recovery for projects within the plans which are outside the scope of the federal mandates. A 2013 Indiana law (Indiana Code 8-1-39) allows natural gas and electric utilities to submit seven-year infrastructure improvement plans for IURC approval, and then seek rate adjustments every six months – subject to OUCC review and IURC approval – to recover project costs under the seven-year plans as they are incurred. A utility may recover 80 percent of the incurred costs through the TDSIC while deferring the remaining 20 percent to its next base rate case, which must be filed by the end of the seven-year period.

According to Vectren's testimony, the proposed projects throughout its North and South service territories would start later this year.

- Projects in both territories would include gas main replacements and upgrades to transmission and distribution pipelines. The Vectren North plan would also include extensions into rural areas that currently do not have natural gas service.
- The seven-year plan for the Vectren South service territory – which includes approximately 110,000 customers in nine southwestern Indiana counties formerly served by Southern Indiana Gas & Electric Co. (SIGECO) – includes a total of \$216.8 million in capital improvement projects. This total includes \$173.7 million under the federal mandate law and \$43.1 million in TDSIC rate recovery.
- The seven-year plan for the Vectren North service territory – which includes about 570,000 customers in 48 central, south-central and southeastern Indiana counties formerly served by Indiana Gas Co. – includes a total of \$647.1 million in capital improvement projects. This total includes \$369.7 million under the federal mandate law and \$277.4 million in TDSIC rate recovery.
- In its testimony and exhibits, Vectren projects that the TDSIC portion of the CSIA would raise an average residential customer's monthly bill – in the first year – by \$1.34 in the South territory and \$0.97 in the North territory. Larger increases would ensue each year during the term of the plans through 2021.

This proposal would not affect service or rates for Vectren's electric utility in southwestern Indiana.

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The OUCC – the state agency representing consumer interests in cases before the IURC – is reviewing Vectren’s request. Its initial testimony with the Commission is due on March 21, 2014, with supplemental testimony due by April 23, 2014.

A number of additional parties have intervened in this case and are scheduled to file testimony on the same dates as the OUCC. They include the Citizens Action Coalition of Indiana, Nucor Steel, Steel Dynamics, Inc., and the Vectren South Commercial and Industrial Group (including CountryMark Refining and Logistics, LLC and Saint-Gobain Containers, Inc.).

More information on this case is available at [www.in.gov/oucc/2770.htm](http://www.in.gov/oucc/2770.htm).

Consumers who wish to submit written comments in this case may do so via the OUCC’s website at [www.in.gov/oucc/2361.htm](http://www.in.gov/oucc/2361.htm), or by mail, email or fax:

- **Mail:** Consumer Services Staff  
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Written comments the OUCC receives before the close of business on Monday, April 21, 2014 will be filed with the Commission and included in the case’s formal evidentiary record. Comments should include the consumer’s **name, mailing address**, and a reference to “**IURC Cause No. 44429.**”

Consumers with questions about submitting written comments can contact the OUCC’s consumer services staff toll-free at 1-888-441-2494.

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(IURC Cause No. 44429)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC’s mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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