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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

|                                |   |                       |
|--------------------------------|---|-----------------------|
| APPLICATION OF INDIANA GAS )   | ) |                       |
| COMPANY, INC. D/B/A VECTREN )  | ) |                       |
| ENERGY DELIVERY OF INDIANA, )  | ) |                       |
| INC. ("VECTREN NORTH") FOR A ) | ) | CAUSE NO. 44285       |
| NECESSITY CERTIFICATE )        | ) |                       |
| AUTHORIZING IT TO RENDER )     | ) | APPROVED: APR 24 2013 |
| NATURAL GAS SERVICE TO THE )   | ) |                       |
| PUBLIC IN CERTAIN AREAS OF )   | ) |                       |
| HUNTINGTON COUNTY )            | ) |                       |

ORDER OF THE COMMISSION

**Presiding Officers:**

**James D. Atterholt, Chairman**

**David E. Veleta, Administrative Law Judge**

On December 20, 2012, Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren North" or "Applicant") filed its Verified Petition with the Indiana Utility Regulatory Commission ("Commission"). In its Verified Petition, Applicant requested the Commission grant it a Certificate of Public Convenience and Necessity (a "Necessity Certificate") for it to render gas utility service to the public in certain areas adjacent to the territory in which Applicant is presently authorized to provide such service. Also on December 20, 2012, Applicant filed the testimony of Thomas L. Bailey in support of its Verified Petition. On February 15, 2013, the Indiana Office of Utility Consumer Counselor ("OUCC") filed its Notice of Intent Not to File Testimony.

Pursuant to notice duly published as required by law, a public evidentiary hearing in this Cause was held on March 18, 2013 at 9:30 a.m. in Room 224, 101 West Washington Street, Indianapolis, Indiana. Vectren North and the OUCC appeared by counsel and participated in the evidentiary hearing.

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

**1. Notice and Jurisdiction.** Due, legal and timely notice of the commencement of the public hearing in this Cause was given and published by the Commission as required by law. Applicant operates a public gas utility as defined in Indiana Code § 8-1-2-1. Under Indiana Code § 8-1-2-87, the Commission has jurisdiction over the rendering of natural gas service in rural areas. The Commission, therefore, has jurisdiction over Applicant and the subject matter herein.

**2. Applicant's Characteristics.** Applicant is a corporation organized and existing under the laws of the State of Indiana and has its principal office located at One Vectren Square, Evansville, Indiana. Applicant is engaged in the business of purchasing, transporting, distributing, and selling natural gas to the public in numerous counties in Indiana pursuant to Necessity Certificates heretofore duly issued by this Commission. It owns, operates, manages, and controls,

among other things, plant, property, equipment, and facilities which are used and useful for the production, transmission, distribution, and furnishing of natural gas service to customers in central and southern Indiana.

3. **Relief Requested.** Vectren North requests the Commission grant it authority to extend natural gas service into an unserved rural area in Huntington County, Indiana (the "Expansion Area"). The area is immediately adjacent to Vectren North's currently authorized service area. The proposed Expansion Area is:

Lancaster Township: Township 27N, Range 9E, Sections 3-4-5-8-9-10

Huntington Township: Township 28N, Range 9E, Sections 32-33-36

4. **Evidence Presented.** Mr. Thomas L. Bailey, Director of Sales for Vectren Utility Holdings, Inc., testified that certification will enhance public service and economic development. He testified that the proposed Expansion Area includes a new plant owned by Nature's Fuel, which at full capacity could employ over 180 people in three 8 hour shifts. He testified it was anticipated the Expansion Area will also be an area of commercial and industrial growth. He testified that Vectren North has the necessary facilities and gas supplies to serve the Expansion Area.

Mr. Bailey further testified that Vectren North possesses the requisite technical and managerial expertise and corporate power and authority to provide service to the Expansion Area. He noted Vectren North's field personnel are well trained and versed in the provision of natural gas service. Mr. Bailey testified that Vectren North has capacity rights, interstate pipelines, and ongoing supply of gas commodity to enable Vectren North to provide continuous service in the Expansion Area. He testified that Vectren North has the financial capability to provide natural gas service in the Expansion Area as shown by the financial statements contained in Applicant's Exhibits B and C. Mr. Bailey testified the provision of natural gas service to the proposed Expansion Area will serve public convenience and necessity.

5. **Commission Discussion and Findings.** Indiana Code § 8-1-2-87(c) provides that,

no gas utility shall commence the rendering of gas distribution service in any rural area in the state of Indiana in which it is not actually rendering gas distribution service ... without first obtaining from the commission a necessity certificate authorizing such gas distribution service....

Pursuant to Indiana Code § 8-1-2-87(d), the Commission shall grant an application for a Necessity Certificate if it makes the following findings:

- (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 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.

Vectren North has provided evidence in this proceeding that its proposed extension of gas distribution service to the Expansion Area meets the criteria set forth in Indiana Code § 8-1-2-87(d).

The record here establishes Vectren North possesses the requisite corporate power and authority to provide service within the Expansion Area and that Vectren North possesses the requisite financial capability to provide natural gas service to the area. Also, the evidence presented establishes that public convenience and necessity require Vectren North's provision of natural gas to the Expansion Area, and the public interest will be served by the provision of such service. Based on the evidence of record, the Commission finds Vectren North's request for a Necessity Certificate should be granted.

6. **Consent to the Granting of Licenses, Permits and Franchises.** We find that pursuant to Indiana Code § 36-2-2-23, the County Commissioners of the County for which the Necessity Certificate is herein approved may grant to Vectren North such licenses, permits or franchises as may be required for the use of county property for the provision of gas distribution service in the Expansion Area described in Paragraph 3 above.

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

1. A Certificate of Public Convenience and Necessity shall be and is hereby issued to Vectren North to provide natural gas distribution service for the area described in Paragraph 3 of this Order.

2. This Order shall be the sole evidence of such Certificate of Public Convenience and Necessity.

3. The County Commissioners of Huntington County in which the Certificate of Public Convenience and Necessity is herein approved have the consent of the Indiana Utility Regulatory Commission to grant such licenses, permits or franchises for the use of county property by Vectren North as may be required for the provision of gas distribution services authorized herein.

4. This Order shall become effective on and after the date of its approval.

**ATTERHOLT, BENNETT AND ZEIGNER CONCUR; MAYS NOT PARTICIPATING;  
LANDIS ABSENT:**

**APPROVED: APR 24 2013**

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

  
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**Brenda Howe  
Secretary to the Commission**