

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

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| APPLICATION OF INDIANA GAS COMPANY,) INC. D/B/A VECTREN ENERGY DELIVERY) OF INDIANA, INC. ("VECTREN NORTH")) FOR A NECESSITY CERTIFICATE) AUTHORIZING IT TO RENDER NATURAL) GAS SERVICE TO THE PUBLIC IN CERTAIN) AREAS OF VERMILLION AND PARKE) COUNTIES) | CAUSE NO. 44379 APPROVED: DEC 05 2013 |
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ORDER OF THE COMMISSION

Presiding Officers:
Larry S. Landis, Commissioner
Jeffery A. Earl, Administrative Law Judge

On August 15, 2013 Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren") filed its Verified Petition with the Indiana Utility Regulatory Commission ("Commission"). Vectren also prefiled the direct testimony and exhibits of Thomas L. Bailey, Director of Sales for Vectren Utility Holdings, Inc. On October 25, 2013, the Indiana Office of Utility Consumer Counselor ("OUCC") filed a Notice of Intent not to Prefile Testimony.

Pursuant to notice given and published as required by law, the Commission held an evidentiary hearing in this Cause at 1:30 p.m. on October 29, 2013, in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Vectren and OUCC appeared and participated in the evidentiary hearing. No members of the public appeared or sought to participate. On October 30, 2013, Vectren filed a Motion to Reform Caption to Correct Spelling Error, which the Presiding Officers granted in a Docket Entry issued on November 7, 2013.

1. **Commission Jurisdiction and Notice.** Notice of the hearings in this Cause was given and published as required by law. Vectren is a public utility as that term is defined in Ind. Code § 8-1-2-1(a) and a gas utility as that term is defined in Ind. Code § 8-1-2-87(a)(4). Under Ind. Code § 8-1-2-87(d), the Commission has jurisdiction to issue a necessity certificate for the rendering of gas distribution service in rural areas of the State. The Commission, therefore, has jurisdiction over Vectren and the subject matter of this proceeding.

2. **Vectren's Characteristics.** Vectren 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. Vectren is engaged in the business of purchasing, transporting,

distributing, and selling natural gas to the public in numerous counties. Vectren 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 approximately 570,000 end users in Indiana.

3. **Relief Requested.** Vectren requests this Commission grant it authority to extend natural gas service into unserved and uncertificated areas in Vermillion and Parke Counties, Indiana adjacent to Vectren's currently authorized service area. The proposed "Expansion Area" is:

Vermillion County:

- T16N - R9W - Sec 1
- T16N - R9W - Sec 2
- T16N - R9W - Sec 5
- T16N - R9W - Sec 6
- T16N - R9W - Sec 7
- T16N - R9W - Sec 8
- T16N - R9W - Sec 11
- T16N - R9W - Sec 12
- T16N - R9W - Sec 13
- T16N - R9W - Sec 14
- T16N - R9W - Sec 15
- T16N - R9W - Sec 16
- T16N - R9W - Sec 17
- T16N - R9W - Sec 18
- T16N - R9W - Sec 19
- T16N - R9W - Sec 20
- T16N - R9W - Sec 21
- T16N - R9W - Sec 22
- T16N - R9W - Sec 23
- T16N - R9W - Sec 26
- T16N - R10W - Sec 9
- T16N - R10W - Sec 10
- T16N - R10W - Sec 13
- T16N - R10W - Sec 14
- T16N - R10W - Sec 15
- T16N - R10W - Sec 16
- T16N - R10W - Sec 17
- T16N - R10W - Sec 20
- T16N - R10W - Sec 21
- T16N - R10W - Sec 22
- T16N - R10W - Sec 23
- T16N - R10W - Sec 24
- T16N - R10W - Sec 27

T17N - R8W - Sec 19
T17N - R8W - Sec 30
T17N - R8W - Sec 31
T17N - R9W - Sec 24
T17N - R9W - Sec 25
T17N - R9W - Sec 29
T17N - R9W - Sec 30
T17N - R9W - Sec 31
T17N - R9W - Sec 32
T17N - R9W - Sec 33
T17N - R9W - Sec 36

Parke County:

T16N - R9W - Sec 1
T16N - R9W - Sec 12
T16N - R9W - Sec 13
T16N - R9W - Sec 14
T16N - R9W - Sec 23
T16N - R9W - Sec 24
T16N - R9W - Sec 25
T16N - R9W - Sec 26
T17N - R9W - Sec 24
T17N - R9W - Sec 36
T17N - R8W - Sec 19
T17N - R8W - Sec 30
T17N - R8W - Sec 31

4. Evidence Presented. Mr. Bailey testified that certification of the proposed Expansion Area will positively impact Vectren's ability to serve all its customers. He testified Vectren has received a request for gas service from Vermillion Rise Mega Park, a large commercial and industrial park within the Expansion Area. He testified Vectren has the necessary facilities and gas supplies to serve the Expansion Area.

Mr. Bailey testified Vectren possesses the requisite technical and managerial expertise, corporate power and authority to provide service to the Expansion Area. Vectren currently provides safe and adequate gas distribution service to approximately 570,000 customers in Indiana. He testified Vectren has sufficient financial resources to provide gas distribution service to the proposed Expansion Area as shown by the financial statements attached to Mr. Bailey's testimony. Mr. Bailey testified the provision of gas service to the proposed Expansion Area will serve the public interest and public convenience and necessity.

Mr. Bailey testified Vectren has capacity rights with interstate gas pipelines, coupled with access to an adequate supply of gas commodity. This enables Vectren to continue to provide service to its current customers as well as the Expansion Area. Vectren possesses the

equipment, personnel, and supplies needed to provide reasonable and safe gas distribution service to the proposed Expansion Area.

5. **Discussion and Findings.** Vectren 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). Section 87(d) provides that if the Commission makes the following findings, it shall grant an application for a Necessity Certificate:

- (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.

The record establishes that Vectren possesses the requisite corporate power and authority to provide service within the Expansion Area and that Vectren possesses the requisite financial capability to provide natural gas service to the area. No party challenged Vectren's evidence. Based on the evidence of record, the Commission finds that Vectren possesses the requisite corporate authority and financial capability to provide natural gas distribution service to the Expansion Area and that such service will further public convenience and service the public interest.

Based upon the applicable law and evidence presented, the Commission finds the public interest, and public convenience and necessity will be served by issuing a Necessity Certificate authorizing Vectren to serve the Expansion Area and the requested Certificate should be granted.

6. **Consent to the Granting of Licenses, Permits and Franchises.** We find that pursuant to Ind. Code § 36-2-2-23, the County Commissioners of the Counties in which Certificate of Public Convenience and Necessity is herein approved may grant to Vectren 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 Section 3 above.

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

1. We issue a Certificate of Public Convenience and Necessity to Vectren to provide natural gas distribution service for the area described in Section 3 of this Order.

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

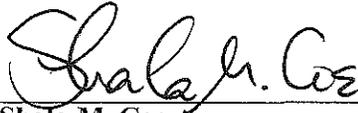
3. The County Commissioners of Vermillion and Parke Counties have the consent of the Indiana Utility Regulatory Commission to grant such licenses, permits, or franchises for the use of county property by Vectren as may be required for the provision of gas distribution services authorized herein.

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

ATTERHOLT, LANDIS, AND ZIEGNER CONCUR; MAYS ABSENT:

APPROVED: DEC 05 2013

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



Shala M. Coe

Acting Secretary to the Commission