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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,) CAUSE NO. 44793
INC. ("VECTREN NORTH") FOR A NECESSITY)
CERTIFICATE AUTHORIZING IT TO RENDER)
NATURAL GAS SERVICE TO THE PUBLIC IN) APPROVED: OCT 19 2016
CERTAIN AREAS OF TIPPECANOE COUNTY)

ORDER OF THE COMMISSION

Presiding Officers:
David Ziegner, Commissioner
Marya E. Jones, Administrative Law Judge

On May 27, 2016, Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren North" or "Applicant") filed its Verified Application ("Application") with the Indiana Utility Regulatory Commission ("Commission"). In its Application, Vectren North requested that the Commission grant it a Certificate of Public Convenience and Necessity ("Necessity Certificate") to render natural gas utility service to the public in certain areas of Tippecanoe County, Indiana, adjacent to the territory Vectren North is currently authorized to serve. Also on May 27, 2016, in support of its Application, Vectren North filed the direct testimony of Jamoni E. Harper, Director of Commercial and Residential Sales for Vectren North. On July 15, 2016, the Indiana Office of Utility Consumer Counselor ("OUCC") filed the direct testimony of Debra K. Wilcox, Utility Analyst.

The Commission convened a public hearing in this Cause on August 11, 2016, at 9:30 a.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Vectren North and the OUCC appeared by counsel and participated in the evidentiary hearing. At the evidentiary hearing, Applicant's and the OUCC's evidence were admitted into evidence without objection.

The Commission, having examined all of the evidence of record, now finds as follows:

1. **Notice and Jurisdiction.** Due, legal, and timely notice of the hearing in this Cause was given and published by the Commission as provided for by law. Vectren North is a corporation organized and existing for purposes of delivering natural gas to consumers within the State of Indiana. Vectren North is a public utility as defined by Ind. Code § 8-1-2-1 and is a gas utility as described by Ind. Code § 8-1-2-87. Pursuant to Ind. Code § 8-1-2-87, the Commission is authorized to issue Necessity Certificates. Therefore, the Commission has jurisdiction over Applicant and the subject matter of this Cause.

2. **Applicant's Characteristics.** Applicant is a public corporation organized and existing under the laws of the State of Indiana. Its principal office is located at One Vectren Square

in Evansville, Indiana. Applicant is engaged in the business of purchasing, transporting, distributing and selling natural gas to the public pursuant to Necessity Certificates. 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 approximately 570,000 customers in central and southern Indiana. Applicant renders such gas utility service by means of utility plant, property, equipment and related facilities owned, leased, operated, managed and controlled by Applicant, which are used and useful for the convenience of the public in the production, treatment, transmission, distribution and sale of natural gas.

3. **Relief Request.** Applicant requests Commission approval of the enlargement of its natural gas service territory to include an area of Tippecanoe County, Indiana (the "Expansion Area"). The Expansion Area is immediately adjacent to Vectren North's currently authorized service area and includes the following:

Tippecanoe County

- Tippecanoe Township, Section 24 Township 24 North Range 5 West
- Wabash Township, Section 25 Township 24 North Range 5 West

A map depicting the Expansion Area was attached to Mr. Harper's direct testimony as Petitioner's Exhibit No. 1, Attachment JEH-2.

4. **Applicant's Evidence.** Mr. Jamoni Harper, Vectren North's Director of Commercial and Residential Sales, testified that Vectren North received a request from a developer to extend its main to serve a proposed new housing development located in Tippecanoe County, Indiana. Mr. Harper confirmed that a portion of the proposed new development is located within Vectren North's existing franchise area and the rest is within the Expansion Area. Mr. Harper said that the proposed Expansion Area is not currently certificated to any gas utility and that Vectren North is not currently serving any customers in the Expansion Area. Furthermore, he stated that no natural gas service provider near the area opposes Vectren North's request to serve the Expansion Area. Mr. Harper testified that the municipality of Roachdale, Indiana is more than six miles away from the proposed Expansion Area and is therefore outside of that municipality's ability to serve the Expansion Area pursuant to Ind. Code § 8-1-2-86. In addition, Mr. Harper confirmed through a representative at Northern Indiana Public Service Company ("NIPSCO"), located approximately seven miles away to the west and approximately 5.5 miles away to the northeast, that NIPSCO does not oppose Vectren North's request to serve the Expansion Area.

Mr. Harper testified that Vectren North has existing facilities adjacent to the Expansion Area of sufficient capacity to serve the area. Mr. Harper confirmed that Vectren North has the requisite technical and managerial expertise to extend and serve the Expansion Area, including well-trained field personnel. Mr. Harper further testified that Vectren North has the necessary legal authority to obtain the Necessity Certificate, as well as the financial capability to provide natural gas service to the Expansion Area. Mr. Harper explained that extension costs to the Expansion Area will be paid by future customers to the Expansion Area. Mr. Harper testified that Vectren North's extension of service will positively impact economic development and will not adversely impact the adequacy or reliability of service to other customers.

5. **OUCC's Evidence.** Ms. Debra K. Wilcox, OUCC Utility Analyst, recommended that the Commission approve Vectren North's application for a Necessity Certificate. Ms. Wilcox stated: (1) Vectren North has the power and authority to render natural gas distribution service in the Expansion Area, as shown by its service in 49 counties and trained staff; (2) Vectren North has the financial ability to render natural gas distribution service in the Expansion Area, as shown by Vectren North's consolidated financial statements; and (3) the public interest will be served by Vectren North's continuation of gas service to the existing customers in the Expansion Area and providing potential customers access to natural gas service.

6. **Commission Discussion and Findings.** Ind. Code § 8-1-2-87.5(e) provides that the Commission shall grant 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.

Based on the evidence presented, Vectren North has fulfilled the burden established under Ind. Code § 8-1-2-87.5(e) through its financial exhibits and testimony. Thus, the Commission finds that Vectren North possesses the requisite power and authority and financial capability to provide natural gas service to the Expansion Area. Applicant's provision of natural gas distribution service to the Expansion Area will also further public convenience and necessity and is in the public interest. The Commission notes that no party opposed Applicant's request. Therefore, the Commission finds that Applicant's request for a Necessity Certificate to provide natural gas service to the Expansion Area is granted.

7. **Consent to the Granting of Licenses, Permits and Franchises.** Pursuant to Ind. Code § 36-2-2-23, we find that the County Commissioners of Tippecanoe County may grant Vectren North such licenses, permits, or franchises as may be required for the use of county roads and rights-of-way for the provision of gas distribution service in the Expansion Area.

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

1. A Certificate of Public Convenience and Necessity is issued to Vectren North to provide natural gas distribution service in the Expansion Area, described in Applicant's Verified Application and evidence in this Cause, within Tippecanoe County.
2. This Order shall be the sole evidence of such Certificate of Public Convenience and Necessity.

3. The County Commissioners of Tippecanoe County in which the Expansion Area is located have the consent and approval of the 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 natural gas distribution services authorized in this Certificate of Public Convenience and Necessity.

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

FREEMAN, HUSTON, WEBER, AND ZIEGNER CONCUR; STEPHAN ABSENT:

APPROVED: OCT 19 2016

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



Mary M. Becerra
Secretary of the Commission