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IURC 30-Day Filing No.: 50156
Indiana Utility Regulatory Commission

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April 24, 2018

Electronically filed

RE: South Eastern Indiana Natural Gas Company, Inc.– 30 Day Filing (Filing No. 50156)

Dear Ms. Becerra,

South Eastern Indiana Natural Gas (“South Eastern” or “Respondent”) is a responding utility in the Commission’s investigation into the impacts of the Tax Cuts and Jobs Act of 2017 under the Commission’s Cause No. 45032. On February 16, 2018, Midwest was ordered to file revised tariff sheets using the 30 day filing process of 170 IAC 1-6-5 and 170 IAC 1-6-6. In keeping with its understanding of that Order, on March 26, 2018, Respondent submitted: revised tariff sheets; supportive verified testimony of Bonnie J. Mann; a recalculated revenue requirement; supportive verified testimony of Kerry A. Heid; and a recalculated revenue proof. Additionally Respondent included a copy of the legal notice which had been delivered to the Scott County Journal, a newspaper of general circulation within Respondent’s service area. Respondent believes such notice was published on or before April 5, 2018. Additionally a copy of this notice has been posted at Respondent’s offices and on Respondent’s website.

Based on the objections filed by the Office of Consumer Counselor (OUCC) and following further discussions with representatives of the staffs of the OUCC and IURC, Respondent was asked to refile its tariffs to include application of the new federal income tax rate to bad debt expense, the IURC fee, utility receipts tax, synchronized interest, and use of the state income tax rate all as established in Respondent’s last base rate case. Respondent has consented to refile its tariffs as requested, but notes that a number of these inputs have changed since its last base rate case. Therefore Respondent’s refiled tariffs attached here are offered subject to further change to accommodate and reconcile the actual bad debt expense, IURC fee, utility receipts tax, synchronized interest and state tax as appropriate. Respondent anticipates proposing such change under Phase 2 of Cause No. 45032, or a subdocket of such Cause, or as otherwise directed by the Commission.

Counsel for Respondent has provided a copy of this letter, and accompanying material to: Loraine Seyfried, as the presiding Administrative Law Judge in Cause No. 45032; Jane Steinhauer, as Director of the Commission’s Energy Division; Tiffany I. Murray, Counsel for the OUCC in Cause No. 45032; and Leja Courter, Director of the OUCC Natural Gas Division.

To the extent the Commission or the OUCC needs additional information please contact the undersigned; or Respondent’s Accountant; or Respondent’s Cost of Service Advisor.

Bonnie J. Mann
LWG CPA's and Advisors
317-634-4747
(Respondent's Accountant)

Kerry A. Heid
Heid Rate and Regulation Services
812-858-0508
(Respondent's Cost of Service Advisor)

Very truly yours,



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South Eastern Indiana Natural Gas

FIRST REVISED SHEET NO. 10

**RATE RS
RESIDENTIAL SALES SERVICE****AVAILABILITY:**

This schedule is available to all residential customers.

Available at points on Company's distribution lines. Not available for resale.

APPLICATION:

When service furnished hereunder through a single meter to a dwelling or building consisting of more than one family unit, apartment, or is used by more than one consumer or business concern, even though under common ownership and management, the consumers or business concerns served. Central heating systems for that part of an office building devoted to rental or offices shall be considered as a single customer.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer Charge per month \$11.00 per meter

Distribution Charge:

First 51 therms per month \$0.49596 per therm

Over 51 therms per month \$0.35507 per therm

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on Appendix A, Gas Cost Adjustment, for each therm of usage.

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge.

DMS 12205846v1

Effective:

Issued by: Robert Wortman, President

Base rates as approved, Cause No. 44128, November 7, 2012

Revised per Cause No. 45032, Phase 1, Order of February 16, 2018

FIRST REVISED SHEET NO. 20

**RATE GS
GENERAL SALES SERVICE****AVAILABILITY:**

This schedule is available to all non-residential customers.

Available at points on Company's distribution lines. Not available for resale.

APPLICATION:

When service furnished hereunder through a single meter to a dwelling or building consisting of more than one family unit, apartment, or is used by more than one consumer or business concern, even though under common ownership and management, the consumers or business concerns served. Central heating systems for that part of an office building devoted to rental or offices shall be considered as a single customer.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer Charge per month \$11.00 per meter

Distribution Charge:

First 51 therms per month	\$0.49596 per therm
Next 205 therms per month	\$0.35507 per therm
Over 256 therms per month	\$0.31442 per therm

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on Appendix A, Gas Cost Adjustment, for each therm of usage.

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge.

DMS 12205877v1

Effective:

Issued by: Robert Wortman, President

Base rates as approved, Cause No. 44128, November 7, 2012

Revised per Cause No. 45032, Phase 1, Order of February 16, 2018

FIRST REVISED SHEET NO. 30

**RATE STS
SCHOOL TRANSPORTATION SERVICE****AVAILABILITY**

This Rate Schedule shall be available to public School Corporation Customers serving students in grades K through 12 that elect service hereunder where distribution mains of adequate capacity are adjacent to the premise to be served.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

Multiple School Corporation Customers may elect to act jointly to aggregate purchases of natural gas commodity supply from a natural gas commodity seller for all schools included in the aggregated purchases. Notwithstanding the aggregation of natural gas commodity supply or the use of Summary Billing, each School Corporation Customer shall individually be subject to and pay the applicable rates and charges pursuant to this Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

For all meter sizes \$28.00 per meter

Distribution Charge:

All therms per month \$0.23267 per therm

Monitoring Charge:

Metretek Monitoring \$36.30 per meter

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge plus the Monitoring Charge.

DMS 12205942v1

Effective:

Issued by: Robert Wortman, President

Base rates as approved, Cause No. 44128, November 7, 2012

Revised per Cause No. 45032, Phase 1, Order of February 16, 2018

SOUTH EASTERN INDIANA NATURAL GAS
Calculation of Change in Revenue Requirement for New Federal Income Tax Rates

	Revenue Requirement Per Order	Removal of Federal Taxes	Revenue Requirement W/O Fed. Taxes	Adjustment For New Federal Taxes	New Revenue Requirement
Gas Sales	\$ 1,014,850		\$ 1,014,850	\$ (34,936)	\$ 979,914
Other Gas Revenues	27,418		27,418		27,418
Total Operating Revenues	1,042,268		1,042,268	(34,936.01)	1,007,331.99
Natural Gas Purchased	27,063		27,063		27,063
Other Operation & Maintenance	594,222		594,222	(165)	594,057
Depreciation & Amortization	126,148		126,148		126,148
Taxes Other Than Income Taxes	64,843		64,843	(487)	64,356
Income Taxes	83,771	(64,710)	19,061	30,427	49,488
Total Operating Expenses	896,047	(64,710)	831,337	29,774	861,111
Net Operating Income	\$ 146,221	\$ 64,710	\$ 210,931	\$ (64,710)	\$ 146,221

SOUTH EASTERN INDIANA NATURAL GAS
Calculation of Federal Income Taxes

Net Operating Income from Revenue Requirement without Federal Income Taxes	\$ 210,931
Synchronized interest from Cause # 44128	<u>(20,642)</u>
Taxable Operating Income	190,289
Tax Rate	<u>21%</u>
Federal Taxes under new rates	<u>\$ 39,961</u>
Federal Taxes under new rates	\$ 39,961
Federal Taxes under old rates	<u>64,710</u>
Change in revenue for change in tax rates	<u>(24,749)</u>
Changes in revenue for change in tax rates	\$ (24,749)
Revenue gross up factor	<u>1.411613098</u>
Total change in revenue	<u>\$ (34,936)</u>

Gross Revenue Conversion Factor	Rate	Calculation
Revenues		100%
Less: Uncollectible expense from Cause # 44128	0.0035526	<u>0.0035526</u>
Revenues		100
IURC fee from Cause # 44128	0.00117851	<u>0.00117851</u>
Income for tax purposes		0.99527
Utility Receipts Taxes	0.014	0.01395
State Income Taxes from Cause # 44128	0.085	<u>0.084597856</u>
Income before Federal Income Taxes		0.896721
Federal Income Taxes	0.21	<u>0.188311362</u>
Income after Income Taxes		<u>0.708409409</u>
Gross Revenue Conversion Factor		<u>1.411613098</u>