

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

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IN THE MATTER OF THE INDIANA UTILITY)
 REGULATORY COMMISSION'S INVESTIGATION)
 INTO THE IMPACTS OF THE TAX CUTS AND JOBS) CAUSE NO. 45032 S12
 ACT OF 2017 AND POSSIBLE RATE)
 IMPLICATIONS UNDER PHASE 2 FOR OHIO) APPROVED: DEC 27 2018
 VALLEY GAS CORPORATION AND OHIO VALLEY)
 GAS, INC.)

ORDER OF THE COMMISSION

Presiding Officers:

James F. Huston, Chairman

Loraine L. Seyfried, Chief Administrative Law Judge

On January 3, 2018, the Indiana Utility Regulatory Commission ("Commission") initiated an investigation into the impact of the Tax Cuts and Jobs Act of 2017 ("Act") to review and consider the implications of the Tax Act on utility rates and to determine what additional action, if any, is warranted. The Act contains provisions that, among other things, reduce the corporate federal income tax rate from a maximum of 35% under a graduated rate structure to a flat 21% rate thereby affecting the current rates charged by utilities. The Commission also ordered all Respondents to apply regulatory accounting treatment, such as the use of regulatory assets and liabilities, for all estimated impacts resulting from the Tax Act.

As set forth in the Commission's February 16, 2018 Order in Cause No. 45032, the investigation into the Act was divided into two phases. The purpose of Phase 1 was "to ascertain the real time existing customer rate impact directly related to the change in the federal income tax rate on the ongoing revenue requirement" for each Respondent¹ and "to foster an expedient process to reflect such impact in customer rates going forward." *Id.* at 2 (footnotes omitted). Respondents were required to complete a 30-day filing in Phase 1 revising their rates and charges to reflect the new tax rate. The purpose of Phase 2 was to address all remaining issues, including: (1) the amount and amortization of normalized and non-normalized excess accumulated deferred income taxes ("EADIT") and the regulatory accounting being used for estimated impacts resulting from the Act, and (2) the timing and method for how these benefits will be realized by customers, whether directly or indirectly.

On May 14, 2018, the Commission entered its Order establishing subdockets for all Respondents except those who had been dismissed or had motions to dismiss pending, for whom further filings had been stayed, or for whom the impact of the Act did not result in a direct rate benefit to customers. Respondents, Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. (jointly, "OVG"), were assigned this subdocket.

¹ Indiana's jurisdictional rate-regulated, investor-owned utilities were made Respondents.

OVG filed its case-in-chief on June 19, 2018. The Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief on August 21, 2018. OVG filed its rebuttal testimony and exhibits September 21, 2018.

On October 26, 2018, Counsel for OVG advised the Presiding Administrative Law Judge that OVG and the OUCC had reached a settlement. An evidentiary hearing was convened on November 1, 2018, at 2:30 p.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana, but was then continued by agreement of the parties to November 29, 2018, at 2:00 p.m. to allow for submission of the settlement. On November 14, 2018, the OUCC filed testimony in support of the settlement and OVG filed settlement testimony on November 15, 2018. The parties’ Stipulation and Settlement Agreement (“Settlement Agreement”) was attached as an exhibit to OVG’s settlement testimony.

The evidentiary hearing was reconvened on November 29, 2018, at 2:00 p.m., in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana, at which time the parties appeared and offered their prefiled evidence into the record, without objection.

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

1. Legal Notice and Commission Jurisdiction. Due, legal, and timely notice of the hearings in this subdocket was given and published as required by law. Both OVG companies are public utilities as that term is defined in Ind. Code § 8-1-2-1(a). The Commission has jurisdiction to approve changes in the schedule of rates, tolls, and charges of Indiana public utilities under Ind. Code § 8-1-2-42. The Commission also has authority to initiate an investigation into all matters relating to any public utility pursuant to Ind. Code § 8-1-2-58. In addition, Ind. Code § 8-1-2-72 authorizes the Commission to alter or amend any order made by the Commission, upon notice and after opportunity to be heard. Therefore, the Commission has jurisdiction over both OVG entities as well as the subject matter of this proceeding.

2. OVG’s Characteristics. OVG renders natural gas utility service to the public located in Dubois, Jay, Randolph, Spencer, Wayne, Dearborn, Franklin, Perry, Ripley, Spender, Union, Greene, Knox, Pike, Sullivan, and Vigo Counties, Indiana.

3. The Parties’ Pre-Settlement Evidence.

A. OVG’s Case-in-Chief Evidence. Jerry A. Klinker, Acting Finance Controller for OVG, testified that the total sum of amounts recorded on OVG’s books as a deferred liability in accordance with the Commission’s Order initiating the tax investigation in Cause No. 45032, was \$727,451.20. He explained how this amount was calculated and stated that a closing journal entry was completed every month from January through April 2018. He testified that OVG is proposing to eliminate this liability by temporarily reducing OVG’s distribution charge for the first four months of 2019 to mirror the consumption conditions giving rise to the liability. He stated that any discrepancy in the total amount paid to customers will be trued-up in OVG’s first gas cost adjustment (“GCA”) proceeding initiated after the end of April 2019.

Mr. Klinker testified that as of December 31, 2017, the federal tax portion of OVG's EADIT was \$10,621,120. Because of the reduction in the federal corporate income tax rate from 34% to 21%, he said the EADIT amount has been reduced by \$4,061,016, all of which will be returned to ratepayers. He noted that all of OVG's EADIT is considered protected amounts.

Mr. Klinker explained that based on the average rate assumption method ("ARAM"), he determined an amortization period of 35 years for paying OVG's protected EADIT to its ratepayers. He stated OVG proposed to return the EADIT using a modification to the fixed portion of the base rate charged to customers and defined in its more recent rate case, Cause No. 44891. He expects this will happen with five different periods, beginning in January 2019, and continuing for 35 years, with a negative adjustment to the fixed portion of the base rates in the amount of \$0.11, \$0.28, \$0.36, \$0.45, and \$0.50 for each respective payback period. He stated that by aligning the timing of the asset age to the timing of the payback model, OVG will be returning funds to customers at roughly the same rate at which it would have been paid back to the federal government through income taxes.

B. OUCC's Case-in-Chief Evidence. Mark H. Grosskopf, a Senior Utility Analyst with the OUCC, provided background on the changes required by the Act and described Respondents' EADIT calculation. He stated that he disagreed with OVG's calculated EADIT because it included NCB stock sales. He also disagreed that all of OVG's EADIT was protected because bad debts, accrued vacation, and prepayments are not related to depreciation and should be classified as unprotected. Mr. Grosskopf calculated a total EADIT balance of \$4,012,142 to be returned to customers.

Regarding OVG's proposed amortization period, Mr. Grosskopf disagreed with rounding the payback period to 35 years from the calculated ARAM of 34.25 years. He noted that protected EADIT is governed by the Act and the ARAM calculation resulted in a specific period of 34.25 years, which he recommended be used. He also recommended that both protected and unprotected EADIT be refunded using the same amortization period to mitigate any unnecessary burden to the utility and its ratepayers. Mr. Grosskopf disagreed with OVG's proposed refund method, and instead recommended that OVG's revenue requirement reflect a straight line amortization of the \$4,012,142 total EADIT, yielding an annual reduction to base rates of \$117,143 over a period of 34.25 years or 411 months. He recommended that the amortization be reflected as a reduction to existing rates using revenue requirement schedules from OVG's last rate case, updated to the new tax rate as of May 1, 2018, using the same customer allocation and rate design as approved in its last rate case, and that such revision be submitted for review through the Commission's 30-day filing process.

As to the refund of the over-collection of taxes during January through April 2018, Mr. Grosskopf testified that he agreed with OVG's over-collection amount of \$727,451, but disagreed the GCA mechanism is appropriate for the tax refunds. He noted that not all customer classes receiving refunds are included in the GCA mechanism. In addition, Respondent has one GCA rate for all customer classes, so the allocation of variances would deviate from the customer class allocation approved in the last rate case. He recommended a temporary tracker mechanism be used, through which variances and refunds can be made.

C. **OVG's Rebuttal Evidence.** Mr. Klinker disagreed with the OUCC's recommendation to use a straight-line payback method of \$117,143 per month for 411 months through a change in OVG's volumetric rates because such method is contrary to the Internal Revenue Service ("IRS") rules and would be inequitable to OVG. He stated that use of the straight-line payback method will accelerate the payback of EADIT more rapidly than permitted under the normalized method of accounting and would violate IRS rules. He also explained how the straight-line payback method would negatively impact OVG's available cash that could be invested elsewhere. He concluded that the best approach is to use a tiered payback model that mirrors the IRS requirements and recommended OVG create 34.25 different tiers, which would require an annual rate change to allow for a "true-up" based on the volumetric sales of the previous year.

4. **The Settlement Agreement.** The Settlement Agreement, which resolves all of OVG's Phase 2 issues, provides for OVG to return \$727,451 to their customers over the first four months of 2019, with provision for a final true-up adjustment in May 2019. This amount represents the parties' agreement as to the difference between the revenue OVG received based on its tariffed rates in effect between January 1, 2018 and April 30, 2018 and the revenue it would have received if the same service had been charged based on the rates that went into effect on May 1, 2018. The refund will be separately indicated and tracked and allocated between OVG's three rate class categories.

The Settlement Agreement also reflects the parties' agreement that OVG should return to customers over 34.25 years a total EADIT of \$4,012,142. The parties agreed to use ARAM to calculate differing annual amounts to be returned through an adjustment to OVG's volumetric rates beginning in 2019 and running through first quarter of 2053.

The annual excess amounts to be returned range from a low of \$3,749 for 2019 to a high of \$320,344 in 2046. The target amount for each of the 34.25 years is shown on Exhibit A attached to the Settlement Agreement. In addition, after 2019 the EADIT amounts to be returned in a given year will be subject to further adjustment to true-up any difference between the target amount to be returned over the course of the preceding year and the actual amount returned over that year. This true-up adjustment is to be implemented by February 15 of each year beginning in 2020.

5. **Testimony in Support of Settlement Agreement.** Mr. Klinker testified that sorting through the implications of the reduction in OVG's federal income tax expense was complicated and time-consuming, but the parties were able to find common ground. He stated that the Settlement Agreement, reached at arm's length, speaks for itself and is in the public interest.²

Mr. Grosskopf also testified that the Settlement Agreement is a product of arms-length negotiation between the parties and that they devoted time and effort to fairly balance the interests of OVG and its ratepayers. He described the issues resolved by the Settlement Agreement and

² OVG is reminded that the Commission has repeatedly noted that settlement agreements do not, and cannot, speak for themselves. *City of S. Bend*, Cause No. 44892 at 5 (IURC May 10, 2017), citing *Ind. Mich. Power Co.*, Cause No. 43992 S1 at 25 (IURC May 23, 2012) and *Ind. Mich. Power Co.*, Cause No. 44033 at (IURC Feb. 22, 2012). Instead, settlement agreements are required to be supported by probative evidence, such as testimony explaining (and not simply opining) why the settlement agreement is reasonable and providing facts to demonstrate it is in the public interest.

noted that although there are other options to account for the annual EADIT refund amounts, the parties agree that the Settlement Agreement's application of ARAM to determine the refund of OVG's EADIT is reasonable, correct, and in compliance with the law.

Mr. Grosskopf stated that the Settlement Agreement demonstrates the give and take of settlement negotiations, reduces risk and litigation expense, and provides ratepayers with a more expedient refund that is in compliance with the Act. He stated these factors contribute to an agreement that is fair and reasonable for both the ratepayer and the utility. Accordingly, he said the OUCC considers the Settlement Agreement to be in the public interest and recommends it be approved.

6. Commission Discussion and Findings. Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. of Ind., Inc. v. Pub. Serv. Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and that such agreement serves the public interest.

Based on the evidence of record, including the parties' direct, rebuttal, and settlement testimony, we find that the Settlement Agreement represents a reasonable resolution to the issues raised in this subdocket. The Settlement Agreement provides a reasonable approach for providing the benefits resulting from the Act to OVG's customers. We previously approved base rate reductions for OVG through our 30-day filing process to ensure that base rates paid by customers reflect the reduction in the federal income tax rate to 21%. In this second phase of our investigation, the parties have reached a consensus on providing further benefits to customers by addressing the return of excess revenue collected during January 1, 2018 through April 30, 2018, and also to a reasonable schedule for the orderly refunding of OVG's EADIT.

More specifically, we find the proposed refund associated with the first four months of 2018 over the course of the same four months of 2019 via a tracking mechanism, with monthly true-ups and a final true-up in May, 2019, to be reasonable and in the public interest.

With regard to the EADIT, we note that depreciation charges and taxes are operating expenses incurred by utilities. Utilities typically utilize straight-line depreciation to determine the depreciation charges that are included in operating expenses. In contrast, accelerated depreciation deductions are permitted by the federal tax code for determining taxes owed. This means that a

utility's income taxes payable in a period may differ from its income tax expense for the period that it records for ratemaking purposes. The large early deductions result in reduced taxes payable during the early years of an asset's life followed by corresponding increases in taxes payable during the later years of the asset's life. The same amount of taxes eventually must be paid using either accelerated or straight-line depreciation as long as the tax rate is unchanged.

Because OVG collects more from ratepayers to cover its tax obligation early in the life of an asset subject to accelerated depreciation than it actually pays in taxes during this early period, the difference is accounted for in a deferred tax account, or reserve. If tax rates are constant, deferred taxes for this asset are built up in the account and then drawn down to zero over the asset's life as lower tax charges during the asset's early years are followed by higher taxes during its later years. OVG accounts for this as an accumulated deferred income tax liability. As a result of the Act's reduction in the federal corporate income tax rate, however, OVG will pay less in future taxes than it anticipated when it calculated this tax liability, resulting in an excessive value in that account, or EADIT.

The bulk of the deferred taxes carried on OVG's books is considered by the IRS to be "protected," although a relatively small percentage is considered to be "unprotected." The amount agreed to in the Settlement Agreement represents both protected and unprotected EADIT. If technically feasible, the federal tax code requires balances associated with depreciable property, plant and equipment (i.e., protected EADIT) utilize ARAM to calculate the annual amortization of EADIT balances. Although that requirement does not apply to unprotected balances, we find it was reasonable for the parties' to apply their ARAM methodology to determine the refund of the total EADIT balance, including the relatively small unprotected amounts included therein.

Accordingly, we find that the Settlement Agreement reasonably and appropriately provides for the return of EADIT and the over-collection of \$727,451 accumulated from January through April 2018 in a timely manner that complies with the Act. We further find that the Settlement Agreement serves the public interest by contributing to ensuring bill reductions to customers more quickly than a fully litigated proceeding.

We also note that the Settlement Agreement expresses the parties' expectation that it not be used as precedent in another proceeding or for another purpose except as necessary to implement or enforce its terms. With regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849 at *7-8 (IURC March 19, 1997).

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

1. The Settlement Agreement, a copy of which is attached to this Order, is approved.
2. OVG shall implement the refund tracker for the months of January, February, March, and April, 2019, and include a true-up tracker for May, 2019, all as specified in the Settlement Agreement.

3. OVG shall utilize the amortization period and annual amounts set forth in the Settlement Agreement, subject to annual true-up, to return the EADIT amount of \$4,012,142.

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

HUSTON, OBER AND ZIEGNER CONCUR; FREEMAN AND KREVDA ABSENT:

APPROVED: DEC 27 2018

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



Mary M. Becerra
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE INDIANA UTILITY)
REGULATORY COMMISSION'S)
INVESTIGATION INTO THE IMPACTS OF THE)
TAX CUTS AND JOBS ACT OF 2017 AND)
POSSIBLE RATE IMPLICATIONS) CAUSE NO. 45032 S12
)
RESPONDENTS: OHIO VALLEY GAS)
CORPORATION AND OHIO VALLEY GAS, INC.)

STIPULATION AND SETTLEMENT AGREEMENT

The Indiana Utility Regulatory Commission ("Commission") initiated this subdocket by docket entry issued by the presiding officers in IURC Cause No. 45032 on May 14, 2018. The stated purpose for this subdocket is to address "the amount and amortization of normalized and non-normalized excess accumulated deferred income taxes and the regulatory accounting being used by Respondents as required by the Commission's January 3, 2018 Order" for estimated impacts resulting from the federal Tax Cuts and Jobs Act of 2017 ("TCJA"), and "the timing and method for how these benefits will be realized by customers, whether directly or indirectly."

This stipulation and settlement agreement ("Settlement Agreement") is entered into by the Indiana Office of Utility Consumer Counselor ("OUCC") and the respondents in this subdocket, Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. ("OVG"). OVG and the OUCC are collectively referred to herein as the "Parties." In the interest of administrative efficiency and in order to consider a number of issues raised in OVG's and the OUCC's respective testimony, the Parties devoted significant time to the review of data and discussion of issues, and have succeeded in reaching an agreement on all of the issues in this proceeding, and stipulate and agree to the terms and conditions set forth below. The Parties' settlement testimony and this Settlement Agreement, along with their respective direct and responsive

testimony and exhibits as well as OVG's rebuttal testimony and exhibits, will be filed in advance of the evidentiary hearing in this cause currently scheduled for November 29, 2018.

This Settlement Agreement follows the initial filings of OVG's case-in-chief, the OUCC's responsive testimony and exhibits, and OVG's rebuttal, all filed in advance of the evidentiary hearing to be conducted by the Commission. Those filings have framed the discussions between the Parties and formed the basis for the Parties' agreement on the terms reflected in this Settlement Agreement.

Each Party has agreed to certain terms and conditions to which each may not have otherwise agreed but for the overall result produced by this Settlement Agreement. As set forth below and in the attached Exhibit SA-1, the Parties have resolved all issues related to the amounts of two separate categories of customer refunds as well as the method for providing those refunds to OVG's customers. With few exceptions described herein, the agreed-upon terms reflect either the testimonial positions of OVG or the OUCC, and they are thus grounded upon documented positions that are recorded in this proceeding. The terms of the Settlement Agreement are as follows:

1. Excess Accumulated Deferred Federal Income Taxes. OVG and the OUCC had reached slightly different values for the amount of OVG's normalized and non-normalized excess accumulated deferred federal income taxes resulting from the TCJA. For purposes of this settlement, they agree the amount to be paid to OVG's customers totals \$4,012,142.

2. Schedule for Paying Excess Deferred Federal Income Taxes to Customers. The Parties have agreed that OVG should pay the excess accumulated deferred amount of \$4,012,142 to its customers over 34.25 years based on the average rate assumption method ("ARAM"). The first such refund payments will be reflected on customer bills starting January 1, 2019. Consistent with ARAM, the amount of the annual payment will vary each year and be implemented through a separate adjustment to OVG's volumetric rates for utility service ("EDIT Tracker") based on customer allocations and rate design approved in OVG's most recent base

rate case. The baseline EDIT Tracker for each of the next 35 calendar years is shown on the attached Exhibit A titled "EDIT Annual Amounts to be Returned." These baseline trackers will be further adjusted by February 15 of each year after 2019 to true-up the amounts returned the previous year in comparison to the target amount on which the EDIT Tracker for that previous year was based.

3. Refund of 2018 Over-Collection to OVG's Ratepayers. OVG's rates for its gas utility service between January 1, 2018 and April 30, 2018 were set in its most recent base rate case and reflected the then-prevailing federal income tax rate at the time of that rate case. In Phase 1 of Cause No. 454032, OVG adjusted its rates for gas utility service to reflect the reduction in its federal income tax expense due to the TCJA, which reduction was effective May 1, 2018 (30-Day Filing #50136). OVG has agreed to refund to its customers the difference between what it collected from them between January 1, 2018 and April 30, 2018 and what it would have collected for the same service if the rates which went into effect on May 1, 2018 had instead gone into effect on January 1, 2018. The Parties agree this difference is \$727,451.

4. Schedule for Refunding 2018 Over-Collections to Customers in 2019. The Parties agree that OVG will establish specific volumetric rate factors ("Refund Tracker") for each rate class to be applied as a reduction to its base rates for gas service provided beginning January 1, 2019. The Refund Trackers for January 2019 are \$80,476 for OVG's Rate Class 1x, \$114,187 for OVG's Rate Class 4x, and \$33,099 for OVG's Rate Class 9x. Together, these rate reductions are intended to return a total of \$227,762 during that month. The baseline Refund Trackers for February 2019 are, respectively, \$76,762, \$111,270 and \$33,213 which are intended to return a total of \$221,245 during that month; \$59,385, \$77,573 and \$23,948 for March 2019 which are intended to return \$160,906 during that month; and \$43,008, \$56,698 and \$17,832 for April, 2019, which are intended to return \$117,538 during that month. The Refund Tracker after January 2019 will be further adjusted based on the difference between the amounts refunded as a result of the Refund Tracker the previous month and the amount

actually over-collected during that same month in 2018. A more detailed list specifying the target dollar amounts and rate adjustments by rate class for each of the four months January through April, 2019, is shown on the attached Exhibit B, "Monthly Overpayment Return Targets." A final Refund Tracker will then be established for May 2019 to true-up any remaining difference after refunds paid through April 2019.

5. Sufficient Evidence to Support Settlement Agreement. The Parties intend that this Settlement Agreement will be filed with the Commission in this subdocket along with settlement testimony exhibits. The Parties agree that, together with their prefiled direct and rebuttal evidence, the settlement testimony and exhibits constitute substantial evidence forming a sufficient basis for the Commission to accept the Parties' Settlement Agreement and to enter findings of fact and conclusions of law necessary for the Commission to issue an order adopting and approving this Settlement Agreement. The Parties further agree that the Settlement is in the public interest, resolving their dispute, lessening the regulatory risk of an uncertain outcome and reducing litigation costs. The Parties have calculated the amount to be returned to OVG's customers and propose that such refunds begin in January, 2019, providing customers with an immediate benefit to reduce bills during the winter heating season.

6. Stipulation, Effect, Scope and Approval. The Parties acknowledge and agree that (i) this Settlement Agreement is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without any change or condition that is unacceptable to either party; (ii) each term of this Settlement Agreement is the result of negotiation in the settlement process and the agreement to any particular term shall not constitute an admission or waiver by any party in any other proceeding; (iii) the Settlement Agreement shall not be used as a precedent in any other proceeding or for any other purposes except to the extent provided for herein or to the extent necessary to implement or enforce its terms; (iv) the communications and discussions of materials produced and exchanged during negotiation of the Settlement Agreement relate to the offers of settlement and are privileged, confidential, and inadmissible.

7. Parties Authorized to Execute Settlement agreement. The undersigned represent and agree that each is fully-authorized to execute this Settlement Agreement on behalf of their designated clients, who will be bound thereby.

ACCEPTED AND AGREED this 15th day of November, 2018.

OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.

INDIANA OFFICE OF UTILITY
CONSUMER COUNSELOR



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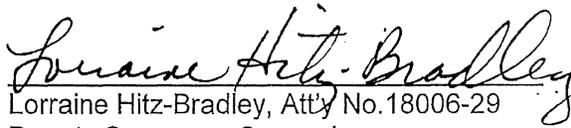
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ACCEPTED AND AGREED this 15th day of November, 2018.

OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.

INDIANA OFFICE OF UTILITY
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EDIT Annual Amounts to be Returned

Cause No. 45032 S12 Stipulation and Settlement Agreement

Exhibit A

Return		Return		Return		Return	
Year	Amount	Year	Amount	Year	Amount	Year	Amount
2019	\$ 3,749	2029	\$ 102,318	2039	\$ 84,911	2049	\$ 104,369
2020	\$ 24,258	2030	\$ 95,193	2040	\$ 118,460	2050	\$ 212,618
2021	\$ 29,692	2031	\$ 112,506	2041	\$ 54,046	2051	\$ 143,061
2022	\$ 37,460	2032	\$ 118,320	2042	\$ 91,083	2052	\$ 299,650
2023	\$ 33,801	2033	\$ 74,917	2043	\$ 124,521	2053	\$ 154,658
2024	\$ 41,765	2034	\$ 92,994	2044	\$ 232,730		
2025	\$ 87,413	2035	\$ 226,990	2045	\$ 127,204		
2026	\$ 47,921	2036	\$ 67,647	2046	\$ 320,344		
2027	\$ 69,483	2037	\$ 226,838	2047	\$ 136,902		
2028	\$ 109,476	2038	\$ 66,584	2048	\$ 138,262		

Monthly Overpayment Return Targets

Cause No. 45032 S12 Stipulation and Settlement Agreement

Exhibit B

Rate Class	Current Rate / Therm	January Adjustment	Target Amount (\$)	February Adjustment	Target Amount (\$)	March Adjustment	Target Amount (\$)	April Adjustment	Target Amount (\$)	Total Amount
11	0.4145	-0.0331	72,269	TBD	70,566	TBD	52,756	TBD	37,055	\$ 232,646
12	0.1630	-0.0112	652	TBD	433	TBD	462	TBD	310	\$ 1,857
14	0.3410	-0.0316	8	TBD	13	TBD	4	TBD	17	\$ 42
15	0.0360	-0.0025	1,557	TBD	1,149	TBD	1,244	TBD	1,176	\$ 5,126
16	0.1630	-0.0112	3,656	TBD	3,166	TBD	3,400	TBD	3,428	\$ 13,650
18	0.3234	-0.0191	2,335	TBD	1,435	TBD	1,519	TBD	1,021	\$ 6,310
41	0.4700	-0.0376	103,053	TBD	103,033	TBD	68,839	TBD	49,699	\$ 324,624
42	0.1630	-0.0112	409	TBD	252	TBD	253	TBD	118	\$ 1,032
44	0.3410	-0.0316	28	TBD	6	TBD	1	TBD	3	\$ 38
45	0.0634	-0.0045	4,055	TBD	2,724	TBD	2,766	TBD	2,366	\$ 11,911
46	0.1630	-0.0112	3,990	TBD	3,669	TBD	4,099	TBD	3,451	\$ 15,209
48	0.3423	-0.0202	2,651	TBD	1,586	TBD	1,614	TBD	1,062	\$ 6,913
91	0.4422	-0.0354	29,787	TBD	30,169	TBD	20,721	TBD	14,767	\$ 95,444
92	0.1415	-0.0097	-	TBD	-	TBD	-	TBD	-	\$ -
94	0.1580	-0.0146	79	TBD	43	TBD	17	TBD	132	\$ 271
95	0.0501	-0.0035	1,217	TBD	575	TBD	669	TBD	636	\$ 3,097
96	0.1415	-0.0097	748	TBD	1,613	TBD	1,788	TBD	1,738	\$ 5,887
98	0.3423	-0.0202	1,268	TBD	813	TBD	754	TBD	559	\$ 3,394
			227,762		221,245		160,906		117,538	727,451