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April 24, 2018

Electronically filed

RE: Boonville Natural Gas Corporation – 30 Day Filing (Filing No. 50157)

Dear Ms. Becerra,

Boonville Natural Gas Corporation (“Boonville” 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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Boonville Natural Gas Corporation

**RATE "RS"
RESIDENTIAL SERVICE**

AVAILABILITY:

Available at points on the Company's distribution lines for domestic purposes to residences and individual apartments.

CHARACTER OF SERVICE:

Natural gas with a heating value of approximately 1,000 BTU per therm.

RATES AND CHARGES

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

Customer Charge:

Customer Charge per Month \$12.00 per meter

Distribution Charge:

First 100 therms per month \$0.4475 per therm
Over 100 therms per month \$0.3742 per therm

Gas Cost Charge:

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

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

TERM OF SERVICE

One year.

DMS 12207717v

Issued: March 26, 2018

Effective:

Issued by: John R. Lewellyn, President

Base rates approved, Cause No. 44129, November 7, 2012

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

**RATE“CS”
COMMERCIAL SERVICE**

AVAILABILITY:

Available at points on the Company's distribution lines to commercial customers using gas service for cooking and/or water heating, and/or other commercial use.

CHARACTER OF SERVICE:

Natural gas with a heating value of approximately 1,000 BTU per therm.

RATES AND CHARGES

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

Customer Charge:

Customer Charge per Month:	\$18.00 per Group 1 Meter
	\$36.00 per Group 2 Meter

For purposes of applying the Customer Charges, the following definitions shall apply:

Group 1 Meter - Company's designation for Customer meter with rated capacity of 450 cubic feet per hour ("cfh") or less.

Group 2 Meter - Company's designation for Customer meter with rated capacity of greater than 450 cfh.

Distribution Charge:

First 100 therms per month	\$0.3336 per therm
Over 100 therms per month	\$0.2643 per therm

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on Appendix A, Gas Cost Adjustment, for each dekatherm 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 12207768v1

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Effective:

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Base rates approved, Cause No. 44129, November 7, 2012

Revised per Cause No. 45032, Phase 1, Order of February 16, 1018

**RATE "ITS"
INTERRUPTIBLE TRANSPORTATION SERVICE**

APPLICABILITY

Throughout the service area of the Gas Corporation where adequate facilities are available, to gas acquired by the Customer transported by the Gas Corporation under a contract between the Gas Corporation and the Customer.

AVAILABILITY

Available to any large volume customer who, by written contract with the Gas Corporation, agrees to acquire natural gas and arranges to have such gas delivered by the Gas Corporation's pipeline supplier to a delivery point on the Gas Corporation's system for transportation and delivery to the Customer's premises. A large volume customer is any customer with anticipated annual gas consumption in excess of 100,000 Dth.

RATES AND CHARGES

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

Customer Charge:

Customer Charge \$180.00 per meter per month

Distribution Charge:

All therms per month \$0.0846 per therm

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge.

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

CONTRACT FOR TRANSPORTATION SERVICE

The customer requesting transportation service by the Utility shall enter into a written contract with the Utility, which said contract shall provide for quantities of gas to be transported, penalties, the term thereof and other conditions of service agreed upon between customer and the Utility. Each such contract shall provide further that Utility will be held harmless by the customer against any increases in its monthly demand

DMS 12207832v1

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Base rates approved, Cause No. 44129, November 7, 2012

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

**RATE "ATS"
ASPHALT PLANT TRANSPORTATION SERVICE**

APPLICABILITY

Throughout the service area of the Gas Corporation where adequate facilities are available, to gas acquired by the Customer transported by the Gas Corporation under a contract between the Gas Corporation and the Customer.

AVAILABILITY

Available to any Asphalt Plant who, by written contract of not less than a year with the Gas Corporation, agrees to acquire natural gas and arranges to have such gas delivered by the Gas Corporation's pipeline supplier to a delivery point on the Gas Corporation's system for transportation and delivery to the Customer's premises. An Asphalt Plant customer is any customer with annual gas consumption only during the service months of April through December of each year. Customer shall not use transport gas during the remaining months. Customer must notify Company six months in advance if it chooses to revert to an industrial customer.

RATES AND CHARGES

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

Distribution Charge:

All therms per month \$0.1193 per therm

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

CONTRACT FOR TRANSPORTATION SERVICE

The customer requesting transportation service by the Utility shall enter into a written contract with the Utility, which said contract shall provide for quantities of gas to be transported, penalties, the term thereof and other conditions of service agreed upon between customer and the Utility. Each such contract shall provide further that Utility will be held harmless by the customer against any increases in its monthly demand

DMS 12207986v1

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**RATE "STS"
SCHOOL TRANSPORTATION SERVICE
(continued)**

RATES AND CHARGES

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

Customer Charge per Month: \$18.00 per Group 1 Meter
\$36.00 per Group 2 Meter

For purposes of applying the Customer Charges, the following definitions shall apply:

Group 1 Meter - Company's designation for Customer meter with rated capacity of 450 cubic feet per hour ("cfh") or less.

Group 2 Meter- Company's designation for Customer meter with rated capacity of greater than 450 cfh.

Distribution Charge:

First 100 therms per month \$0.3336 per therm
Over 100 therms per month \$0.2643 per therm

Gas Cost Charge:

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

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

DMS 12208041v1

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Effective:

Issued by: John R. Lewellyn, President

Base rates approved, Cause No. 44129, November 7, 2012

Revised per Cause No. 45032, Phase 1, Order of February 16, 1018

BOONVILLE NATURAL GAS
Calculation of Change in Revenue Requirement for New Federal Income Tax Rates

	Revenue Requirement Per Order	Compliance Filing Dec-17	Current Revenue Requirement	Removal of Federal Taxes	Revenue Requirement W/O Fed. Taxes	Adjustment For New Federal Taxes	New Revenue Requirement
Gas Sales	\$ 2,344,903	\$ (44,803)	\$ 2,300,100		\$ 2,300,100	\$ (98,842)	\$ 2,201,258
Other Gas Revenues	68,394		68,394		68,394		68,394
Total Operating Revenues	2,413,297	(44,803)	2,368,494		2,368,494	(98,842)	2,269,652
Natural Gas Purchased	45,798		45,798		45,798		45,798
Other Operation & Maintenance	1,164,427	(44,176)	1,120,251		1,120,251	(315)	1,119,936
Depreciation & Amortization	395,866		395,866		395,866		395,866
Taxes Other Than Income Taxes	193,134	(627)	192,507		192,507	(1,381)	191,126
Income Taxes	236,650		236,650	(183,415)	53,235	86,269	139,504
Total Operating Expenses	2,035,875	(44,803)	1,991,072	(183,415)	1,807,657	84,573	1,892,230
Net Operating Income	\$ 377,422	\$ 0	\$ 377,422	\$ 183,415	\$ 560,837	\$ (183,415)	\$ 377,422

BOONVILLE NATURAL GAS
Calculation of Federal Income Taxes

Net Operating Income from Revenue Requirement without Federal Income Taxes	\$ 560,837
Synchronized interest from Cause # 44129	<u>(21,381)</u>
Taxable Operating Income	539,456
Tax Rate	<u>21%</u>
Federal Taxes under new rates	<u>\$ 113,286</u>
Federal Taxes under new rates	\$ 113,286
Federal Taxes under old rates	<u>183,415</u>
Change in revenue for change in tax rates	<u>(70,129)</u>
Changes in revenue for change in tax rates	\$ (70,129)
Revenue gross up factor	<u>1.409425003</u>
Total change in revenue	<u>\$ (98,842)</u>

Gross Revenue Conversion Factor	Rate	Calculation
Revenues		100%
Less: Uncollectible expense from Cause # 44129	0.0020075	<u>0.0020075</u>
Revenues		100
IURC fee from Cause # 44129	0.00117851	<u>0.00117851</u>
Income for tax purposes		0.99681
Utility Receipts Taxes	0.014	0.01397
State Income Taxes from Cause # 44129	0.085	<u>0.084729189</u>
Income before Federal Income Taxes		0.898113
Federal Income Taxes	0.21	<u>0.18860371</u>
Income after Income Taxes		<u>0.709509196</u>
Gross Revenue Conversion Factor		<u><u>1.409425003</u></u>

**BOONVILLE NATURAL GAS CORPORATION
DERIVATION OF COMPLIANCE RATE INCREASE PERCENTAGES**

	<u>Total</u>	<u>Rate RS</u>	<u>Rate CS/STS</u>
1 Test Year Revenues at Present Rates (input)	\$2,300,100		
2 Total Revenues Required to be Collected Through Rates (input)	\$2,201,258		
3 Present Customer Charge (input)		\$12.00	\$18.00
4 Proposed Customer Charge (input)		\$12.00	\$18.00
5 Proforma No. of Annual Bills (input))	56,339	51,614	4,725
6 Present Revenues Recovered Through Customer Charges (Ln 3 * Ln 5)	\$704,418	\$619,368	\$85,050
7 Present Revenues Recovered Through Distribution Charges (Ln 1 - Ln 6)	\$1,595,682		
8 Proposed Revenues Recovered Through Customer Charges (Ln 4 * Ln 5)	\$704,418	\$619,368	\$85,050
9 Proposed Revenues Recovered Through Distribution Charges (Ln 2 - Ln 8)	\$1,496,840		
10 Required % Increase in Distribution Charges ((Ln 9 / Ln 7) - 1)	-6.1943%		

**BOONVILLE NATURAL GAS CORPORATION
DERIVATION OF PROPOSED RATES**

<u>DESCRIPTION</u>	<u>Present Rates (\$/th)</u>	<u>Proposed Margin Increase (%)</u>	<u>Proposed Rates (\$/th)</u>
	(A)	(B)	(C)
<u>RATE RS - RESIDENTIAL SALES SERVICE</u>			
Customer Charge	\$12.00		\$12.00
First 100 Therms	\$0.4771	-6.1943%	\$0.4475
Over 100 Therms	\$0.3989	-6.1943%	\$0.3742
<u>RATE CS - COMMERCIAL SALES SERVICE</u>			
Customer Charge-Group 1 Meter	\$18.00		\$18.00
Customer Charge-Group 2 Meter	\$36.00		\$36.00
First 100 Therms	\$0.3556	-6.1943%	\$0.3336
Over 100 Therms	\$0.2817	-6.1943%	\$0.2643
<u>RATE ITS - INTERRUPTIBLE TRANSPORTATION SERVICE</u>			
Customer Charge	\$180.00		\$180.00
All Therms	\$0.0902	-6.1943%	\$0.0846
<u>RATE ATS - ASPHALT PLANT TRANSPORTATION SERVICE</u>			
All Therms	\$0.1272	-6.1943%	\$0.1193
<u>RATE STS - SCHOOL TRANSPORTATION SERVICE</u>			
Customer Charge-Group 1 Meter	\$18.00		\$18.00
Customer Charge-Group 2 Meter	\$36.00		\$36.00
First 100 Therms	\$0.3556	-6.1943%	\$0.3336
Over 100 Therms	\$0.2817	-6.1943%	\$0.2643