

# ORIGINAL

## STATE OF INDIANA

Commissioner	Yes	No	Not Participating
Huston	✓		
Bennett	✓		
Freeman			✓
Veleta	✓		
Ziegner	✓		

## INDIANA UTILITY REGULATORY COMMISSION

**APPLICATION OF WESTFIELD GAS, LLC, )  
D/B/A CITIZENS GAS OF WESTFIELD FOR A ) CAUSE NO. 37389 GCA 143  
CHANGE IN ITS GAS COST ADJUSTMENT )  
CHARGE FOR THE PERIOD SEPTEMBER, ) APPROVED: AUG 27 2025  
OCTOBER AND NOVEMBER 2025 )**

### ORDER OF THE COMMISSION

**Presiding Officer:**

**Kehinde Akinro, Administrative Law Judge**

On July 3, 2025, in accordance with Indiana Code § 8-1-2-42, Westfield Gas, LLC d/b/a Citizens Gas of Westfield (“Westfield Gas”) filed its Application for Gas Cost Adjustment (“GCA”) with attached Schedules, to be applicable during the months of September, October and November 2025. Westfield Gas also filed the direct testimony of David J. Wade, Manager, TRates & Regulatory Affairs.

On July 23, 2025, Westfield Gas filed its supplemental testimony and updated exhibits supporting the proposed GCA factors.

On August 1, 2025, in conformance with the statute, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the direct testimony and attachments of Mohab M. Noureldin, Utility Analyst, Natural Gas Division.

The Commission set this matter for an evidentiary hearing to be held at 10:30 a.m. on August 11, 2025 in Room 224 of the PNC Center, 101 W. Washington Street, Indianapolis, Indiana. Westfield Gas and the OUCC appeared by counsel and participated in the hearing. The testimony and exhibits of Westfield Gas and the OUCC were admitted into the record without objection.

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

**1. Statutory Notice and Commission Jurisdiction.** Notice of the hearing in this Cause was given and published by the Commission as required by law. Westfield Gas is a public utility as defined in Indiana Code § 8-1-2-1(a). Under Indiana Code § 8-1-2-42(g), the Commission has jurisdiction over changes to Westfield Gas’s rates and charges related to adjustments in gas costs. Therefore, the Commission has jurisdiction over Westfield Gas and the subject matter of this Cause.

**2. Westfield Gas’s Characteristics.** Westfield Gas is a limited liability company organized and existing under the laws of Indiana and has its principal office at 2020 North Meridian Street, Indianapolis, Indiana. Westfield Gas renders natural gas utility service to the

public in Boone and Hamilton Counties in Indiana and owns, operates, manages, and controls plant and equipment used for the distribution and furnishing of such service.

**3. Source of Natural Gas.** Indiana Code § 8-1-2-42(g)(3)(A) requires Westfield Gas to make every reasonable effort to acquire long-term gas supplies so as to provide gas to its retail customers at the lowest gas cost reasonably possible. Mr. Wade provided evidence concerning the tariff sheets and supporting Schedules filed with Westfield Gas's GCA to be effective during September, October and November 2025. That evidence shows Westfield Gas's rates and charges reflect recovery of transportation and storage costs based upon filings with the Federal Energy Regulatory Commission ("FERC"). A portion of the commodity will be priced using New York Mercantile Exchange futures prices at Henry Hub for the three-month period, adjusted for basis, fuel, and transportation for delivery to Westfield Gas's city-gate. The remaining commodity will be priced according to hedged transactions.

The Commission has indicated that Indiana's gas utilities should make reasonable efforts to mitigate gas price volatility. This includes a program that considers market conditions and the price of natural gas on a current and forward-looking basis. Based on the evidence offered, we find that Westfield Gas has demonstrated that it has and continues to follow a policy of securing natural gas supply at the lowest gas cost reasonably possible in order to meet anticipated customer requirements. Therefore, we find that the requirement of this statutory provision has been fulfilled.

**4. Purchased Gas Cost Rates.** Indiana Code § 8-1-2-42(g)(3)(B) requires that Westfield Gas's pipeline suppliers have requested or filed pursuant to the jurisdiction and procedures of a duly constituted regulatory agency the costs proposed to be included in the GCA factor. The evidence of record indicates that the proposed gas costs include transportation rates that have been filed by Westfield Gas's pipeline suppliers in accordance with FERC procedures. We reviewed the cost of gas included in the proposed gas cost adjustment charge and find the cost to be reasonable. Therefore, we find that the requirement of this statutory provision has been fulfilled.

**5. Earnings Test.** Indiana Code § 8-1-2-42(g)(3)(C), in effect, prohibits approval of a GCA factor that results in Westfield Gas earning a return in excess of the return authorized by the last Commission Order in which Westfield Gas's basic rates and charges were approved. The Commission's April 12, 2023 Order in Cause No. 45761 authorized Westfield Gas to earn a net operating income of \$1,400,063.

Westfield Gas's evidence herein indicates that for the 12 months ended May 31, 2025 Westfield Gas's actual net operating income was \$1,414,864. Because Westfield Gas has earned a return in excess of the amount authorized, Indiana Code § 8-1-2-42(g)(3) requires the Commission to determine the amount, if any, of the return to be refunded in this Cause. A refund is only appropriate if the sum of the differentials (both positive and negative) between the determined return and the authorized return during the relevant period is greater than zero. Based on the evidence of record, the Commission finds the sum of the differentials during the relevant period is greater than zero. Therefore, a refund of \$3,715 should be credited to Westfield Gas's customers in this GCA as calculated on Schedule 18 and reflected on Schedule 1.

**6. Estimation of Purchased Gas Costs.** Indiana Code § 8-1-2-42(g)(3)(D) requires that Westfield Gas's estimate of its prospective average gas costs for each future recovery period be reasonable. The Commission has determined that a comparison of the variance to the incremental cost of gas on Schedule 6 be used to determine if the prior estimates are reasonable when compared to the corresponding actual costs. A 12-month rolling average comparison helps to eliminate the inherent variance related to cycle billing and seasonal fluctuations. The evidence presented indicates Westfield Gas's 12-month rolling average comparison for the reconciliation period was positive 5.61% for the period ended May 31, 2025. Based on Westfield Gas's evidence, we find that Westfield Gas's estimating techniques are sound and Westfield Gas's prospective average estimate of gas costs is reasonable.

**7. Reconciliation.**

**A. Variances.** Indiana Code § 8-1-2-42(g)(3)(D) also requires that Westfield Gas reconcile its estimate for a previous recovery period with the actual purchased gas cost for that period. The evidence presented in this proceeding established that the variance for the March 31, 2025 through May 31, 2025 ("Reconciliation Period") is an under-collection of \$9,096 from Westfield Gas's customers. This amount should be included, based on estimated sales percentages, in this GCA and the next three GCAs. The amount of the Reconciliation Period variance to be included in this GCA as an increase in the estimated net cost of gas is \$1,261.

The variance from prior recovery periods applicable to the current recovery period is an under-collection of \$26,549. Combining this amount with the Reconciliation Period variance results in a total under-collection of \$27,810 to be applied in this GCA as an increase in the estimated net cost of gas.

**B. Refunds.** Westfield Gas has no refunds during the Reconciliation Period and has no refunds from prior periods, as reflected on Schedule 12A.

**8. Resulting Gas Cost Adjustment Factor.** The estimated net cost of gas to be recovered is \$161,921 for September 2025, \$198,209 for October 2025, and \$394,793 for November 2025. Adjusting this total for the variance and net write-offs yields gas cost to be recovered through the GCA of \$165,758 for September 2025, \$204,906 for October 2025, and \$410,535 for November 2025. After dividing those amounts by estimated sales, Westfield Gas's recommended GCA factors are \$11.732/Dth, \$7.988/Dth, and \$6.715/Dth, respectively for September, October, and November 2025.

**9. Effects on Residential Customers - (GCA Cost Comparison).** Westfield Gas requests approval of the GCA factors of \$11.732/Dth, \$7.988/Dth, and \$6.715/Dth, respectively for September, October, and November 2025. The table below shows the commodity costs a residential customer will incur under the proposed GCA factors based on 10 Dth of usage. The table also compares the proposed GCA factors to what a residential customer paid most recently (July 2025 - \$12.470/Dth) and paid during the same period one year ago (September, October, and November 2024 - \$7.747/Dth, \$5.581/Dth, and \$5.129/Dth, respectively). The table reflects costs approved through the GCA process. It does not include Westfield Gas's base rates or any applicable rate adjustment mechanisms.

Month	Proposed Gas Costs (10 Dth)	Current		Year Ago	
		Gas Costs (10 Dth)	Difference	Gas Costs (10 Dth)	Difference
Sept 2025	\$ 117.32	\$ 124.70	\$ (7.38)	\$ 77.47	\$ 39.85
Oct 2025	\$ 79.88		\$ (44.82)	\$ 55.81	\$ 24.07
Nov 2025	\$ 67.15		\$ (57.55)	\$ 51.29	\$ 15.86

**10. Interim Rates.** We are unable to determine whether Westfield Gas will earn an excess return while the GCA factors are in effect. Accordingly, the rates approved in this Order are interim rates subject to refund pending reconciliation in the event an excess return is earned.

**11. Monthly Flex Mechanism.** The Commission has indicated in prior Orders that Indiana's gas utilities should make reasonable efforts to mitigate gas price volatility. The monthly flex mechanism is designed to address this concern. Westfield Gas has elected to utilize a monthly flex mechanism to adjust its GCA factor up to the cap of \$2.00 on the total GCA factor monthly. Since Westfield Gas is utilizing a monthly flex mechanism, Westfield Gas must file a monthly flex tariff in the applicable GCA proceeding, including a notification of not flexing as warranted. The flex mechanism is to be filed no later than three business days before the beginning of each calendar month during the GCA period.

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

1. The Application of Westfield Gas, LLC d/b/a Citizens Gas of Westfield for the gas cost adjustment for natural gas service, as set forth in Finding Paragraph No. 8, is approved, subject to refund in accordance with Finding Paragraph No. 10.

2. Westfield Gas shall file a monthly flex tariff under this Cause for approval by the Commission's Energy Division. Such rate(s) shall be effective on or after the Order date subject to Division review and agreement with the amounts reflected.

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

**HUSTON, BENNETT, VELETA, AND ZIEGNER CONCUR; FREEMAN ABSENT:**

**APPROVED: AUG 27 2025**

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

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**Dana Kosco**  
Secretary of the Commission