

ORIGINAL

Commissioner	Yes	No	Not Participating
Zay	√		
Deig	√		
Swinger			√
Veleta	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED JOINT)
PETITION OF VEVAY MUNICIPAL UTILITIES) CAUSE NO. 46335
(“VEVAY”) AND SWITZERLAND COUNTY)
NATURAL GAS COMPANY, INC. (“SWITZCO”)) APPROVED: JUN 17 2026
FOR APPROVAL OF AN ASSET PURCHASE)
AGREEMENT AND RELATED RELIEF.)

ORDER OF THE COMMISSION

Presiding Officers:
Bob Deig, Commissioner
Kristin E. Kresge, Administrative Law Judge

On December 5, 2025, Vevay Municipal Utilities (“Vevay”) and Switzerland County Natural Gas Company, Inc. (“Switzco” and collectively, “Joint Petitioners”) filed their Verified Petition, direct testimony, attachments, and workpapers with the Indiana Utility Regulatory Commission (“Commission”) for approval of an Asset Purchase Agreement (“APA”) and related relief.

On February 27, 2026, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its direct testimony. On March 20, 2026, Joint Petitioners filed their rebuttal testimony.

An evidentiary hearing was held at 9:30 a.m. on April 6, 2026, in Room 222, PNC Center, 101 West Washington Street, Indianapolis, Indiana. Joint Petitioners and the OUCC appeared and participated by counsel. The parties’ evidence was admitted into the record without objection.

Based upon applicable law and the evidence of record, the Commission finds:

1. **Notice and Jurisdiction.** Notice of the evidentiary hearing was given and published by the Commission as required by law. Switzco is a “public utility” as that term is defined in Ind. Code § 8-1-2-1(a), and Vevay is a “municipally owned utility” as defined in Ind. Code § 8-1-2-1. Under Ind. Code §§ 8-1-2-84, -87, and Ind. Code ch. 8-1.5-2, the Commission has jurisdiction over Joint Petitioners and the subject matter of this proceeding.
2. **Joint Petitioners’ Characteristics.** Vevay is a municipally-owned utility existing under the laws of Indiana and has its principal office at 305 Walnut Street, Vevay, Indiana 47043. It is engaged in the business of providing municipal water and sewer service to approximately 780 customers in and around the Town of Vevay in Switzerland County, Indiana.

Switzco is a public utility, organized as a corporation under the laws of Indiana. Its office is located in Vevay, Indiana. Switzco provides natural gas service to approximately 730 customers in rural and municipal areas in Switzerland and Jefferson Counties, Indiana.

3. Background and Relief Requested. Joint Petitioners have determined that it would be efficient for the service provided by Switzco to be provided by Vevay going forward. The Town of Vevay currently has a 100% controlling interest in Switzco. In addition, Joint Petitioners have entered into an APA through which Vevay will acquire the assets, properties, and rights of Switzco. Following approval, Vevay will operate Switzco as part of its existing municipal utility, under the name “Vevay Municipal Gas.” Vevay further requested the Commission authorize the transfer of Switzco’s necessity certificates to Vevay to provide for continuity of gas service within Switzco’s service area following the transfer.

4. Evidence.

A. Joint Petitioners’ Case-in-Chief. Brandi Scudder, Clerk Treasurer for Vevay, testified on behalf of Joint Petitioners in support of the requested relief. She testified Vevay has operated several utilities, and has the requisite financial, technical, and managerial ability to operate the gas utility. She stated Vevay has taken steps to prepare for this acquisition so as to ensure continuity of service for Switzco’s customers as well as provide for the safe and reliable operation of the gas utility going forward. She testified Vevay’s customer service and billing personnel have worked side-by-side with Switzco to learn how to manage their billing and payment functions, and to better understand any differences from Vevay’s current operations. Vevay personnel have also undertaken training on how to address gas leaks, gas service emergencies, and any nuances associated with pipeline locates. She explained this training has been done in conjunction with 811 and Utility Safety and Design Incorporated (“USDI”), a third-party contractor who also trains Switzco’s personnel. Vevay has hired an additional billing employee, who will be focused primarily on gas service issues. She stated an additional deputy clerk was hired to work with her on specific gas utility issues. With respect to the technical ability to operate the gas utility, Ms. Scudder noted Switzco’s gas superintendent will be retained and continue to serve the gas utility post-acquisition. She stated that an existing Vevay employee is in the process of obtaining a gas operator certification.

Ms. Scudder addressed how Vevay will manage funds associated with the gas utility. She testified that Vevay currently operates its individual utilities on a standalone basis, meaning each utility has its own budget, funding, and revenue accounts. She stated Vevay has set up a separate account for the gas utility, which will allow Vevay to separately manage the revenues and expenses of the gas utility and ensure no cross-subsidization between utilities is occurring. She testified this process has worked well historically and Vevay does not anticipate any issues in continuing this approach for the gas utility.

Ms. Scudder testified customers should benefit from the proposed transfer. She stated Vevay offers several additional payment options to its customers that are not available to Switzco customers. Once Switzco is integrated into Vevay’s billing and payment system, Switzco customers will be able to take advantage of these payment options. Vevay is also in the process of updating its existing utility handbook and will be incorporating gas practices into the handbook to allow for efficient and consistent customer service for all of its customers, regardless of utility service.

Ms. Scudder testified concerning the steps taken by Vevay regarding the proposed transfer, including holding several public hearings, passing ordinances, and executing the APA. She concluded the transfer of Switzco to Vevay is in the public interest and should be approved.

Pam Wilson, former board member of the Switzco Board of Directors (the “Board”) and current Switzco employee, testified in support of the purchase of Switzco by Vevay pursuant to the APA. She testified Vevay has additional resources and economies of scale that it can deploy to the benefit of Switzco’s customers. Ms. Wilson testified that based on the Board’s discussion over the years, the transaction makes sense from both a financial and technical perspective. She stated the Board anticipates needing to seek an increase to its rates and charges soon if not for the potential sale. By selling its assets to Vevay, Switzco would be able to: (i) avoid the expense of preparing, filing, and prosecuting a rate case; and (ii) achieve economies of scale that should provide stable rates over the long-term for Switzco’s current and future customers.

Ms. Wilson testified that from a managerial and technical perspective, Switzco has been fortunate to have a good, well-trained workforce and day-to-day management, many of whom have been with Switzco for decades. However, she testified that Switzco has seen portions of its existing workforce and management retire. Considering the tight job market and rural location, she explained there are certainly no guarantees that Switzco will be able to replace its existing staff with new employees of similar skill and experience. She stated Vevay has a deep and intimate understanding of Switzco and its operations and will be able to lean on its experience in running its other utilities to manage and operate the natural gas utility.

Ms. Wilson summarized the key terms of the APA. She explained the APA sets forth the agreement between Joint Petitioners that the Town of Vevay will acquire all of the assets, properties, and rights of Switzco related to its natural gas utility business, and Vevay agrees to assume all liabilities of Switzco, as specified in the APA. She testified that the APA provides that Vevay will have the full right to access, use, maintain, and operate the gas utility infrastructure and equipment as Switzco did prior to the transfer. She added that the APA further sets forth a purchase price in the amount of one dollar, reflecting the fact that this is primarily a formal transaction pursuant to which the shareholders of Switzco agree that Vevay will operate the gas utility as a municipal utility, rather than a non-municipal public utility.

Ms. Wilson described the process by which the Board approved the APA and proposed transaction and further explained how Switzco will provide notice to its existing customers about the proposed transfer. She stated approval of the APA will not result in an immediate change in basic rates and charges for gas utility service. She further stated that because most Switzco customers currently receive water and wastewater service from Vevay, consolidating natural gas utility service will reduce the number of different utility providers in the area, streamlining the process for new customers. She added that customers will receive the benefit of customer support being offered by Vevay; this too will promote efficiencies and improve customer service regarding utility service questions and concerns. Ms. Wilson concluded the transfer of Switzco to Vevay is in the public interest.

B. OUCC’s Case-in-Chief. LaCresha Vault, Utility Analyst with the OUCC, discussed her evaluation of the requested approval of the APA and the authorization to transfer Switzco’s existing necessity certificates to Vevay to provide for continuity of gas service. She

stated the OUCG does not oppose the APA or the transfer of Switzco's existing necessity certificates to Vevay. However, she recommended the removal of federal and state income tax, property tax, and the IURC fee from base rates once the sale of assets is complete and Switzco is dissolved.

Ms. Vault testified Vevay plans to dissolve the Switzco corporate entity and operate it as a municipal utility after the sale transaction is approved. She indicated Vevay has not decided as to whether it will opt out of IURC jurisdiction. She described the APA and stated the agreed total purchase price for Switzco's assets is \$1. She stated while Switzco did not have a valuation of utility plant in service performed as of June 30, 2025, the amount recorded on its books and records for utility plant in service as of June 30, 2025 was \$3,480,718 at cost and \$1,213,039 net.

Ms. Vault testified that Vevay stated in response to discovery it will record the assets as an amount equal to balances on the books and records of Switzerland at the time of transfer. The total asset value will be offset by liabilities being assumed by Vevay at an amount equal to the balances on the books and records of Switzco. The difference between these amounts and the purchase price of \$1 will be recorded as a negative acquisition adjustment, which will be amortized over the remaining lives of the assets. She testified that based on the OUCG's analysis of Switzco's audited financial statements for each calendar year from December 31, 2021 to December 31, 2024, the OUCG does not oppose the purchase price.

Ms. Vault stated that in response to discovery, Vevay indicated it plans to keep the current rates that were approved on April 17, 2019 in Cause No. 45117 in effect until such time as a new rate study can be completed. She testified Vevay estimates that a new rate study could take 8-12 months following Commission approval of the acquisition. She noted there are certain items included in base rates for corporate entities that are not included for municipal entities, including federal and state income taxes, property taxes, and IURC fees. She stated Vevay should remove federal and state income taxes from base rates once the sale of assets is complete and the corporation is dissolved. Similarly, she stated Vevay should remove property taxes and IURC fees from base rates once the sale of assets is complete and the corporation is dissolved. She identified these amounts as included in base rates in Cause No. 45117 as follows: a) federal income taxes: \$18,302; b) state income taxes: \$5,365; c) property taxes: \$16,972; and d) IURC fee: \$1,403. Ms. Vault testified that other charges have been removed from utility base rates in the past, for example the Indiana Utility Receipts Tax, and that Switzco has made a compliance filing to remove expenses from base rates in the past. Therefore, she recommended Vevay make a compliance filing in this Cause No. 46335 and under Cause No. 45117 to remove the federal and state income taxes, property taxes, and IURC fee in the same manner as was done to remove rate case expense – across the board to all base rates and charges. Ms. Vault concluded that the proposed transfer is in the public interest based on the general benefits identified by Joint Petitioners.

Ms. Vault next addressed the transfer of existing necessity certificates pursuant to Ind. Code § 8-1-2-87. She stated Switzco can serve the rural and municipal areas of Switzerland and Jefferson Counties under prior Commission approval. In this Cause, Joint Petitioners are seeking to transfer Switzco's existing necessity certificates to Vevay to provide continuity of gas service within Switzco's area as part of Vevay. She testified she reviewed Vevay's audited financial statements to verify Vevay has the financial capabilities requisite to operate Switzco's gas utility assets. She stated Vevay currently operates other utilities and has taken steps to prepare for this

acquisition to ensure the continuation of gas services to Switzco's customers and Switzco moved its office closer to the Town of Vevay's town hall, where Vevay manages its current utility operations, so that Vevay can obtain a better understanding of internal and financial gas utility processes. In addition, Vevay has hired additional personnel to oversee gas utility matters. OUCC witness Krieger discusses Vevay's technical ability to provide service. Ms. Vaultx stated the OUCC does not oppose the transfer of Switzco's existing necessity certificates to Vevay.

Mr. Krieger, Utility Analyst with the OUCC, provided an engineering analysis of Vevay's capability to operate a natural gas utility. He stated that after analyzing the Joint Petition, testimony, the APA, and responses to OUCC discovery, he found nothing to indicate Vevay does not have the technical and managerial ability to operate Switzco's gas utility.

He testified that Vevay is capable and has completed many preparations to operate a natural gas utility. Vevay has instructed existing municipal employees on billing and operations, hired new employees as customer contacts and billing contacts, hired the prior Switzco natural gas superintendent as a Vevay natural gas superintendent, and will contract with USDI for natural gas engineering and natural gas operations. He explained the OUCC asked various discovery questions to investigate Vevay's readiness and knowledge to be a natural gas operator. He stated his analysis indicates Vevay has contracts in place for the Geographic Informational System and operations with USDI, is ready to handle incoming calls concerning potential natural gas leaks, and provide the daily operations for a natural gas utility.

C. Joint Petitioners' Rebuttal. In rebuttal, Ms. Scudder testified that Joint Petitioners appreciate the OUCC's support for the proposed transaction. She stated that for purposes of resolving this case and to reduce controversy, Vevay is amenable to making a compliance filing as recommended by the OUCC. She testified Vevay would propose to make a compliance filing to remove federal and state income taxes, property taxes, and the IURC fee from base rates within 30 days after the appeal period of a final order approving the transaction and the corporate dissolution of Switzco. Vevay would propose the new rates be made effective with the first full billing cycle following approval of the compliance tariff by the Commission.

5. Commission Discussion and Findings.

A. Approval of Acquisition. The record shows that Vevay has the requisite financial, managerial, and technical ability to operate a natural gas utility and provide service to the current customers of Switzco. The record further reflects that public convenience and necessity and the public interest support the proposed transfer of Switzco's natural gas utility assets to Vevay pursuant to the terms of the APA. With respect to financial ability, the record shows Vevay currently operates its individual utilities on a standalone basis, meaning each utility has its own budget, funding, and revenue accounts. In preparation for the acquisition, Vevay has already set up a separate account for the gas utility, which will allow Vevay to separately manage the revenues and expenses of the gas utility and ensure no cross-subsidization between utilities is occurring. The record shows this process has worked well historically and Vevay does not anticipate any issues in continuing this approach for the gas utility. In addition, by moving the two operations closer together, Vevay's billing and customer service personnel have been able to gain experience and understanding of Switzco's internal financial processes, including billing and payroll. Vevay's customer service and billing personnel have worked side-by-side with Switzco to learn how to

manage their billing and payment functions and better understand any special differences from Vevay's current operations. As to managerial and technical ability, the record shows Vevay has already taken steps to prepare for this acquisition so as to ensure continuity of service for Switzco's customers as well as provide for the safe and reliable operation of the gas utility going forward.

Finally, the record shows Switzco's existing customers will benefit from the proposed acquisition. More specifically, the record shows Vevay has additional resources, economies of scale, and stable rates that will benefit Switzco's customers. Additionally, this transaction will avoid Switzco incurring the expense of preparing, filing, and litigating a rate case, and achieve economies of scale that should provide for stable rates over the long-term for current and future customers. No party contested that the acquisition is in the public interest.

Accordingly, based on the evidence presented, the Commission finds Vevay has the requisite financial, technical and managerial ability to operate Switzco's gas utility assets. We further find that the proposed transfer is in the public interest and should be approved. Vevay is authorized to record the assets as an amount equal to the balances on the books and records of Switzco at the time of transfer. The total asset value will be offset by liabilities being assumed by Vevay at an amount equal to the balances on the books and records of Switzco. The difference between these amounts and the purchase price of \$1 will be recorded as a negative acquisition adjustment to be amortized over the remaining lives of the assets.

B. Rates and Charges. The record shows that Switzco is now at a point where the Board anticipates needing to seek an increase to its rates and charges in the near future if not for the potential sale. As explained by Joint Petitioners, this transaction will allow Switzco to: (i) avoid the expense of preparing, filing, and prosecuting a rate case; and (ii) achieve economies of scale that should provide for stable rates over the long-term for Switzco's current and future customers. The record further shows that if the acquisition is approved, Switzco's existing customer rates and charges will decrease. Specifically, Joint Petitioners accepted the OUCC's recommendation to remove federal and state income taxes, property taxes, and the IURC fee from base rates. We find this condition reasonable and direct Joint Petitioners to make the required compliance filing within 30 days after the appeal period for this Order approving the transaction and the corporate dissolution of Switzco.

C. Certificates of Necessity. Currently, Switzco serves the rural and municipal areas of Switzerland and Jefferson Counties under prior Commission approval. In this Cause, Joint Petitioners sought transfer of Switzco's existing necessity certificates to Vevay to provide continuity of gas service. As discussed above, the record shows Vevay has the financial, technical, and managerial ability to operate the Switzco natural gas utility and provide service within Switzco's certificated service area. The OUCC does not oppose the proposed transfer of Switzco's existing necessity certificates to Vevay. Accordingly, we find Switzco satisfies the requirements of Ind. Code § 8-1-2-87(d) and approve the transfer and grant Switzco's existing necessity certificates to Vevay.

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

1. The Asset Purchase Agreement between Switzco and Vevay is approved.
2. The proposed transfer of Necessity Certificates from Switzco to Vevay is approved.
3. Vevay shall make a compliance filing within 30 days following the appeal period of this Order and the corporate dissolution of Switzco as set forth in this Order.
4. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of the Order into the Commission public utility fund account described in Ind. Code § 8-1-6-2, through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges:	\$ 1,373.13
Legal Advertising Charges:	\$ <u>48.72</u>
Total:	\$ 1,421.85

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

ZAY, DEIG, VELETA, AND ZIEGNER CONCUR; SWINGER NOT PARTICIPATING:

APPROVED: JUN 17 2026

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

_____ on behalf of
Dana Kosco
Secretary of the Commission