



For Immediate Release

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News Media Contact:

Anthony Swinger, (317) 233-2747 or

aswinger@oucc.IN.gov

Vectren South Gas Rate Case: OUCC Invites Consumer Comments

If you are a Vectren South customer and would like to comment on the utility's pending natural gas rate request, you have the chance to do so.

The Indiana Office of Utility Consumer Counselor (OUCC), the state agency representing consumer interests in cases before the Indiana Utility Regulatory Commission (IURC), is reviewing the utility's request and is scheduled to file testimony on Feb. 19, 2021.

Written consumer comments

While using its legal and technical resources to review Vectren's request, including examining the utility's books and operations, the OUCC is inviting written comments from customers through Feb. 12, 2021.

Consumers who wish to submit comments for the case record are encouraged to do so in writing. Comments are welcome via the OUCC's website at www.in.gov/oucc/2361.htm, by email at uccinfo@oucc.IN.gov, or by mail at:

Consumer Services Staff
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204

The OUCC needs to receive all written consumer comments no later than Feb. 12, 2021 so that it can: 1) Consider them in preparing its testimony and 2) File them with the Commission to be included in the case's formal evidentiary record. Comments should include the consumer's **name, mailing address**, and a reference to either "**IURC Cause No. 45447**" or Vectren South. Consumers with questions about submitting written comments can contact the OUCC's consumer services staff toll-free at 1-888-441-2494.

Public field hearing

The IURC is currently scheduled to hold a public field hearing on Vectren's request on Monday, Feb. 1, 2021 at the DoubleTree by Hilton Hotel in Evansville (601 Walnut St.). The hearing is scheduled to begin at 6:00 p.m. local time, in Ballrooms B, C, and D, and is statutorily required in this case. A live stream of the hearing will be available on YouTube at <https://youtu.be/CTp2wfdmJfE>.

Sworn comments presented at the field hearing will carry the same weight as written consumer comments filed by the OUCC.

Due to the COVID-19 pandemic, customers who wish to speak during the field hearing are encouraged to participate by telephone instead of appearing at the venue in person. Those who appear at the venue will be required to wear face coverings and comply with CDC social distancing guidelines.

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Consumers who plan to speak at the hearing via telephone or in person are encouraged to RSVP no later than Noon, Evansville time, on Feb. 1, 2021. To RSVP, call 1-317-232-5888 or visit www.IN.gov/OUCC.

- Oral comments during the live hearing will become part of the case record, along with written consumer comments submitted to the OUCC by Feb. 12.
- Each consumer who speaks during the hearing will be sworn in and will speak directly to the Commission under oath and on the record.
- Customers who speak by phone on Feb. 1 will do so by calling 1-240-454-0887, before 5:50 p.m. Evansville time. Each caller should enter the following meeting number when prompted: 180 937 8016#.

The field hearing's sole purpose is to receive public testimony.

- Utilities do not make presentations or answer questions during field hearings. The focus, again, is on public input. In this case, Vectren filed testimony and exhibits in October 2020.
- Commissioners are not allowed to answer questions about the case. They will ultimately render a decision after weighing evidence from the utility, the OUCC, and any intervening parties.
- No final decisions will be made at the Feb. 1 hearing.

Case overview

This case focuses on natural gas rates in Vectren's South territory, which includes more than 113,000 customers in nine southwestern Indiana counties. The utility is proposing a \$29.6 million annual increase in two phases and states in testimony that its request is due to higher operating and maintenance costs, and \$347 million in infrastructure investments since 2007.

Electric rates are not at issue in this case. Vectren's request for a natural gas rate increase in its North territory is pending in a separate docket.

Current base rates for Vectren South's gas utility received IURC approval in 2007 and were reduced in 2018 due to the federal Tax Cuts and Jobs Act. Total billing amounts have also varied due to changes in wholesale commodity costs along with incremental increases to pay for specific infrastructure and federally mandated costs as allowed by Indiana law.

Vectren South's testimony and exhibits show that its request, when fully implemented, would raise total residential gas charges as follows:

| Monthly Usage | Current Gas Bill | Proposed Gas Bill |
|---------------|------------------|-------------------|
| 20 therms | \$37.38 | \$49.12 |
| 50 therms | \$53.88 | \$71.15 |
| 100 therms | \$79.80 | \$104.30 |

Each Vectren South residential gas bill includes two monthly fixed charges that do not vary among customers: 1) An \$11.00 customer service charge and 2) A \$14.12 Compliance and System Improvement Adjustment (CSIA) which is used to recover specific costs for infrastructure projects and compliance with federal pipeline safety mandates. Vectren South's pending request would replace both of these charges with a \$35.00 monthly customer service charge. The remainder of the bill varies by customer usage.

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Base distribution rates comprise approximately 60 percent of a typical Vectren South residential bill. They cover “non-gas” costs such as operating and maintenance expenses and capital infrastructure improvements. The remaining 40 percent of a typical monthly bill pays for the natural gas itself, which the utility recovers on a dollar-for-dollar basis subject to OUCC review and IURC approval every three months.

Additional parties that have formally intervened in this case include the Citizens Action Coalition of Indiana, a group of Vectren South’s industrial and commercial customers (AK Steel, Alcoa Corporation, CountryMark Refining and Logistics, and Toyota Motor Manufacturing of Indiana), and Direct Energy Business Marketing. Any testimony they file is due on Feb. 19, 2021.

A final Commission order is currently expected in August 2021.

The OUCC is posting case updates online at www.in.gov/oucc/featured-topics/vectren-south-gas-rates. Case updates are also available through the agency’s monthly electronic newsletter. Consumers can subscribe at www.in.gov/oucc/news.

(IURC Cause No. 45447)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC’s mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.