

FILED
February 28, 2013
INDIANA UTILITY
REGULATORY COMMISSION

SWITZERLAND COUNTY NATURAL GAS CO., INC.
Vevay, Indiana

INDIANA UTILITY REGULATORY COMMISSION
Cause No. 44293

SETTLEMENT TESTIMONY OF
DUANE C. MERCER

**SWITZERLAND COUNTY NATURAL GAS CO., INC.
Vevay, Indiana**

IURC Cause No. 44293

Settlement Testimony of

Duane C. Mercer

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Q. 1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Duane C. Mercer and my business address is 1776 North Meridian, Suite 500, Indianapolis, Indiana 46202.

Q. 2. HAVE YOU PREVIOUSLY TESTIFIED IN THIS CAUSE?

A. Yes I have. My prior testimony in this cause was pre-filed as Exhibit DCM.

Q. 3. MR. MERCER, YOUR PRIOR TESTIMONY REFERENCES MEETINGS WITH THE OUCC AND IMPLIES A SETTLEMENT HAD BEEN REACHED. WAS A SETTLEMENT REACHED?

A. Yes, a Settlement was reached though we continued to exchange information and discuss the terms of the Settlement, after my direct testimony was filed.

Q. 4. HAVE THE PARTIES REDUCED THAT SETTLEMENT TO WRITING?

A. Yes. Further I understand that the Settlement has been filed with the Commission.

Q. 5. DOES THE SETTLEMENT RESOLVE ALL OF THE ISSUES THAT WERE RAISED IN THIS CASE?

A. Yes it does.

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Q. 6. WHAT ARE THE NUMERICAL RESULTS OF THE SETTLEMENT THAT WAS REACHED BETWEEN PETITIONER AND THE OUCC?

A. The numerical results are the same that are reflected in Exhibit DCM-1.

Q. 7. DO YOU BELIEVE THAT THE SETTLEMENT IS REASONABLE?

A. Yes I do. The Settlement was reached after extensive discussions and sharing of information between the Petitioner and the OUCC. The Settlement will effectively allow the Petitioner to put into place new rates and charges which will allow the Petitioner to begin recovering the costs associated with the Energy Efficiency Program implementation. The Settlement also recognizes that certain tariff language should change and certain non-recurring charges should be updated. The tariff language includes changes related to the Energy Efficiency Program, non-recurring charges, as well as main extension calculations. However, all of these changes are in keeping with the tariff and charges that have previously been approved for other small natural gas utilities, and were previously described by me or Mr. Heid. Thus I believe that the Settlement is both reasonable and will allow this Petitioner to begin implementing programs and policies that the Commission has recently found appropriate for other small gas utilities.

Q. 8. DO YOU RECOMMEND THAT THE COMMISSION ACCEPT THE SETTLEMENT AS FILED?

A. Yes I do.

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2 **Q. 9. DOES THIS CONCLUDE YOUR PRE-FILED SETTLEMENT**
3 **TESTIMONY?**

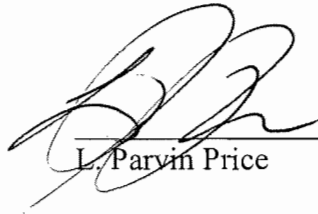
4 **A.** Yes it does.

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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following counsel of record by electronic mail this 28th day of February, 2013:

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