

“Frequently Asked Questions”

Federally Mandated Cost Adjustment (“FMCA”) Factor

General:

Q: What is the Federally Mandated Cost Adjustment (“FMCA”) Factor?

A. The FMCA factor is a customer charge which allows Sycamore Gas to recover costs associated with federally mandated natural gas infrastructure projects. These projects are mandated by the federal government to ensure the safe, reliable delivery of clean, dependable natural gas to homes and businesses.

Q: What types of infrastructure projects are being mandated by the federal government?

A. These infrastructure projects will allow Sycamore Gas to comply with industry and federal standards for natural gas utilities. Projects will include:

- Replacing Sycamore Gas’ aging natural gas mains and services
- Moving natural gas meters from inside homes and businesses to outside
- Refurbishing stations that regulate the natural gas pressure in Sycamore Gas’ natural gas system

Q. How long will this program be going on?

A. This is a multi-year program.

Q. Do other natural gas utilities in Indiana have similar programs?

A. Yes. Other natural gas utilities in Indiana have their own infrastructure programs.

Charges:

Q. Are these charges approved or reviewed by anyone?

A. Yes. Sycamore Gas filed for recovery of these infrastructure costs with the Indiana Utility Regulatory Commission (“IURC”) and approval was granted in September 2019 in Cause 45131 FMCA 1. The IURC’s action to support our request with the Indiana Office of Utility Consumer Counselor allows us to comply with federally mandated natural gas system requirements.



Charges:

Q. How will these charges be recovered?

A. Sycamore Gas will recover these costs through an IURC approved volumetric adjustment included on your bill. Sycamore Gas estimates that a typical residential customer will see an average \$2 per month increase in bills for the remainder of 2019. The increase in future bill amounts will vary based on your natural gas usage, future investments in replacements and system improvements and future IURC approved rate changes subject to review every six-months.

Q. Do all customers incur this charge?

A. Yes. All of Sycamore Gas' 6,400 customers will incur a FMCA charge on their bill. The rate will vary by the rate the customer is taking service under and it is a volumetric charge. The amount will vary each month by the amount of natural gas the customer consumes. The current rates (August 2019 – January 2020) are:

<u>Rate</u>	<u>Charge per Therm</u>
Rate GS	\$0.0348
Rate WS	\$0.0085
Rate ITS	\$0.0044
Rate ES	\$0.0026
Rate STS	\$0.0136
Rate FT	\$0.0197

Payment:

Q. Do I have to do anything different in making a payment to Sycamore Gas for this charge?

A. No. This charge will be reflected in the total amount due for your monthly natural gas service. If you are writing a check please pay the total amount due. If your payment is taken out electronically, Sycamore Gas will withdraw your total bill amount.