

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF CITIZENS )  
WATER OF WESTFIELD, LLC FOR (1) )  
AUTHORITY TO INCREASE RATES AND )  
CHARGES FOR WATER UTILITY )  
SERVICE AND APPROVAL OF A NEW )  
SCHEDULE OF RATES AND CHARGES; (2) )  
AUTHORITY TO IMPLEMENT AND )  
APPROVAL OF A SYSTEM )  
DEVELOPMENT CHARGE; AND (3) )  
APPROVAL OF CERTAIN REVISIONS TO )  
ITS TERMS AND CONDITIONS )  
APPLICABLE TO WATER UTILITY )  
SERVICE. )

CAUSE NO. 46020

PUBLIC'S EXHIBIT NO. 5

SETTLEMENT TESTIMONY OF MARGARET A. STULL

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

August 14, 2024

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the *Public's Exhibit No. 5 – Settlement Testimony of Margaret A. Stull on behalf of the OUCC* has been served upon the following captioned proceeding by electronic service on August 14, 2024.

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**SETTLEMENT TESTIMONY OF OUCC WITNESS MARGARET A. STULL  
CAUSE NO. 46020  
CITIZENS WATER OF WESTFIELD, LLC**

**I. INTRODUCTION**

1 **Q: Please state your name and business address.**

2 A: My name is Margaret A. Stull, and my business address is 115 West Washington  
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as  
6 a Chief Technical Adviser in the Water/Wastewater Division. My qualifications are  
7 set forth in Appendix "A" attached to this testimony.

8 **Q: What is the purpose of your testimony?**

9 A: I will explain the OUCC's support of the Settlement Agreement reached in this  
10 proceeding between Citizens Water of Westfield, LLC ("Westfield Water" or  
11 "Petitioner") and the OUCC (collectively, the "Settling Parties") and how the  
12 public interest will be served if the Commission approves the proposed Settlement  
13 Agreement.

14 **Q: Have you reviewed the settlement schedules prepared and presented by  
15 Petitioner's witness Debarati Bardhan-Akala?**

16 A: Yes.

17 **Q: Do these schedules accurately portray the accounting adjustments agreed  
18 upon in Settlement?**

19 A: Yes. Ms. Bardhan-Akala's settlement testimony further explains the information  
20 conveyed in the settlement schedules.

1 **Q: What are the key terms of the Settlement Agreement?**

2 A: The Settling Parties agreed to an overall 18.85% revenue increase to provide  
3 additional revenues of \$2,683,513. The Settling Parties also agreed to an original  
4 cost rate base of \$74,615,577 as of June 30, 2025 and a cost of equity of 9.7%.

5 **Q: How will the agreed operating revenue increases be allocated among customer**  
6 **classes?**

7 A: The Settling Parties agree the agreed revenue increases will be allocated among  
8 customer classes in accordance with Petitioner's proposed cost of service study.  
9 Joint Attachment C reflects the resulting *pro forma* tariffed customer rates.

10 To the extent the actual revenue requirement resulting from Paragraph 2 of  
11 the Settlement Agreement (Rate Base Update Mechanism) is different from the  
12 amounts set forth therein, the difference shall be reflected by changing the rates set  
13 forth in Joint Settlement Attachment C in an across-the-board fashion.

14 **Q: To what have the Settling Parties agreed regarding a system development**  
15 **charge?**

16 A: The Settling Parties agree Petitioner should be authorized to charge a \$2,000 system  
17 development charge to customers making a new connection to Petitioner's system.  
18 Upon issuance of an Order in this Cause, the system development charge would be  
19 \$1,000, and increase to \$2,000 upon implementation of Phase 2 rates. Petitioner  
20 will conduct a periodic review of its system development charge assumptions and  
21 calculations at least once every five years and provide the results of this analysis to  
22 the Commission and OUCC as a compliance filing under this Cause number.

23 **Q: In your opinion, is the Settlement Agreement in the public interest?**

24 A: Yes. There are several customer benefits generated by the Settlement, not least of  
25 which is a substantive reduction to the overall rate increase sought by Petitioner.

1       The Settlement is a product of intense, arms-length negotiations, requiring each  
2       party to compromise on difficult issues. In order to make such compromises, each  
3       party must assess its litigation risk that the Commission will find the other side's  
4       case more compelling. The Settlement strikes an appropriate balance between the  
5       interests of the ratepayer and of Westfield Water. The numerous customer benefits  
6       outlined in the Settlement Agreement and described in detail below, lead the  
7       OUCC, the statutory representative of all ratepayers, to conclude the Settlement  
8       Agreement is an equitable resolution, supported by the evidence, and should be  
9       approved.

## II. RATE INCREASE

10   **Q:    What was Westfield Water's original request in this case?**

11   A:    Westfield Water originally requested Commission approval to increase its total  
12       operating revenues 26.57%, or \$3,780,221 per year. Westfield Water proposed this  
13       rate increase be implemented in two phases with a Phase 1 revenue increase of  
14       21.62% (additional revenues of \$3,076,070) and a Phase 2 revenue increase of  
15       3.99% (additional revenues of \$704,151). The proposed Phase 1 revenue increase  
16       was based upon the forecasted twelve-month link period of July 2023 through June  
17       2024 and a forecasted fair value rate base and capital structure as of June 30, 2024,  
18       including a proposed cost of equity of 10.90%. The proposed Phase 2 revenue  
19       increase was based upon a forecasted test year of July 2024 through June 2025 and  
20       a forecasted fair value rate base and capital structure as of June 30, 2025, including  
21       the same 10.90% proposed cost of equity.

1 Westfield Water also requested authorization for a \$2,300 system  
2 development charge, with 50% of the charge (\$1,250) imposed in Phase 1 and the  
3 full amount (\$2,300) charged beginning with the implementation of Phase 2 rates.

4 **Q: As a result of the Settlement Agreement, what is the agreed upon revenue**  
5 **increase?**

6 A: The Settling Parties have agreed to an overall revenue increase of approximately  
7 18.85%. Based on the Settlement Agreement, Westfield Water will be allowed to  
8 increase rates to collect, after completion of both phases of implementation,  
9 additional annual revenues of \$2,683,513. This increase produces total annual  
10 operating revenues at Phase 2 of \$17,253,732 and produces net operating income  
11 after Phase 2 of \$5,420,822, which the Settling Parties stipulate is a fair return on  
12 the fair value of Westfield Water's original cost rate base for purposes of this case.

13 Regarding Phase 1 rates, the Settling Parties have agreed to a revenue  
14 increase of approximately 8.72%, or additional revenues of \$1,240,873. For Phase  
15 2, the Settling Parties have agreed to a revenue increase of approximately 9.12%,  
16 or additional revenues of \$1,442,641 over phase 1 rates. Table 1 below shows the  
17 agreed overall rate increase calculation and compares this increase to the rate  
18 increases proposed by Petitioner and the OUCC. Table 2 presents the rate increase  
19 for each of Phase 1 and Phase 2.

**Table 1: Overall Revenue Requirement Comparison**

	<u>As Proposed</u>		<u>Settlement</u>
	<u>Per Petitioner</u>	<u>Per OUCC Revised</u>	
Original Cost Rate Base	\$ 89,890,020	\$ 71,465,528	\$ 74,615,577
Times: Weighted Cost of Capital	7.866%	4.1118%	7.2650%
Net Operating Income Required for Return on Rate base	7,070,404	2,938,513	5,420,822
Less: Adjusted Net Operating income	3,304,048	3,617,037	2,747,151
Net Revenue Requirement	3,766,356	(678,524)	2,673,671
Gross Revenue Conversion Factor	100.3681%	100.3710%	100.3681%
Recommended Revenue Increase	\$ 3,780,221	\$ (681,042)	\$ 2,683,513
Recommended Percentage Increase	26.57%	-4.80%	18.85%

**Table 2: Settlement Revenue Requirement by Phase**

	<u>Phase 1</u>	<u>Phase 2</u>
Original Cost Rate Base	\$ 72,556,414	\$ 74,615,577
Times: Weighted Cost of Capital	7.205%	7.2650%
Net Operating Income Required for Return on Rate base	5,227,690	5,420,822
Less: Adjusted Net Operating income	3,991,368	3,983,472
Net Revenue Requirement	1,236,322	1,437,350
Gross Revenue Conversion Factor	100.3681%	100.3681%
Recommended Revenue Increase	\$ 1,240,873	\$ 1,442,641
Recommended Percentage Increase	8.72%	9.12%

**III. COST OF EQUITY AND CAPITAL STRUCTURE**

1 **Q: To what rate of return did the Settling Parties agree?**

2 A: The Settling Parties agreed to a rate of return (weighted average cost of capital) of  
3 7.205% in Phase 1 and 7.265% in Phase 2. This weighted average cost of capital is  
4 based on a 9.70% return on equity and a 4.45% cost of debt. The Settling Parties  
5 agreed the foregoing rate of return will adequately and fairly compensate Petitioner  
6 for its investments, while maintaining the financial viability of the water utility.

1 **Q: What cost of equity did Westfield Water propose in its case-in-chief?**

2 A: Westfield Water proposed a 10.9% cost of common equity.

3 **Q: Did the Settling Parties agree to a cost of equity?**

4 A: Yes. The Settling Parties agreed the Commission should authorize a 9.70% cost of  
5 common equity based on a capital structure that consists of approximately 47%  
6 debt and 53% common equity. The capital structure and cost of equity produce a  
7 weighted average cost of capital of 7.205% in Phase 1 and 7.265% in Phase 2,  
8 which the Settling Parties agree is both reasonable and within the range of evidence  
9 that has been submitted by the parties in this matter. The Settlement agreement  
10 reduces Westfield Water's proposed cost of common equity by 120 basis points  
11 and serves to reduce Westfield Water's overall revenue increase and in the OUCC's  
12 view produces more reasonable results.

#### IV. RATE BASE

13 **Q: What rate base did Westfield Water propose in its case-in-chief?**

14 A: Westfield Water proposed a fair value rate base of \$88,355,069 as of June 30, 2024  
15 (Phase 1) and \$89,890,020 as of June 30, 2025 (Phase 2).

16 **Q: What rate base values have the Settling Parties agreed upon?**

17 A: For settlement purposes, the Settling Parties agreed to use an original cost rate base  
18 for ratemaking purposes in this case. The Settling Parties agreed on a net original  
19 cost rate base of \$72,556,414 as of June 30, 2024 (Phase 1) and \$74,615,577 as of  
20 June 30, 2025 (Phase 2). Table 3 presents the components of the agreed upon  
21 overall rate base values as well as a comparison to the rate base values proposed by



1           Petitioner and the OUCC. Table 4 presents the components of the agreed upon rate  
2           base values at Phase 1 (June 30, 2024) and Phase 2 (June 30, 2025).

**Table 3: Overall Rate Base Comparison**

	Per <u>Petitioner</u>	Per <u>OUCC</u>	Per <u>Settlement</u>
<i>Utility Plant in Service</i>			
Utility Plant in Service, Beginning Balance	\$ 177,493,946	\$ 177,493,946	\$ 177,493,946
Additions to Utility Plant in Service	45,551,206	42,915,706	45,551,206
Retirements	<u>(1,807,976)</u>	<u>(1,807,976)</u>	<u>(1,807,976)</u>
Total Utility Plant In Service, Ending Balance	<u>\$ 221,237,176</u>	<u>\$ 218,601,676</u>	<u>\$ 221,237,176</u>
<i>Accumulated Depreciation</i>			
Accumulated Depreciation, Beginning Balance	32,339,317	32,339,317	32,339,317
Additional Depreciation	6,314,250	6,905,615	8,191,822
Retirements	<u>(1,807,976)</u>	<u>(1,807,976)</u>	<u>(1,807,976)</u>
Total Accumulated Depreciation, Ending Balance	<u>\$ 36,845,591</u>	<u>\$ 37,436,956</u>	<u>\$ 38,723,163</u>
<b>Net Utility Plant in Service</b>	184,391,585	181,164,720	182,514,013
<i>Less:</i>			
Contributions In Aid of Construction	(93,894,137)	(100,237,803)	(93,894,137)
Customer advances for construction	(10,005,108)	(6,122,066)	(10,005,108)
Pre-2012 Net Plant Settlement Vs. Books, excluding Fair Value Increment	(8,997,014)	(8,997,014)	(8,997,014)
<i>Add:</i>			
Fair Value Acquisition Adjustment	4,997,823	4,997,667	4,997,823
<b>Total Original Cost Rate Base</b>	<u>\$ 76,493,149</u>	<u>\$ 70,805,504</u>	<u>\$ 74,615,577</u>

<sup>(A)</sup> Per Petitioner's Attachment CAJ-4.

**Table 4: Settlement Rate Base by Phase**

	<u>Phase 1</u>	<u>Phase 2</u>
<i>Utility Plant in Service</i>		
Utility Plant in Service, Beginning Balance	\$ 177,493,946	\$ 177,493,946
Additions to Utility Plant in Service	26,815,210	45,551,206
Retirements	<u>(1,630,196)</u>	<u>(1,807,976)</u>
Total Utility Plant In Service, Ending Balance	<u>\$ 202,678,960</u>	<u>\$ 221,237,176</u>
<i>Accumulated Depreciation</i>		
Accumulated Depreciation, Beginning Balance	32,339,317	32,339,317
Additional Depreciation	3,688,989	8,191,822
Retirements	<u>(1,630,196)</u>	<u>(1,807,976)</u>
Total Accumulated Depreciation, Ending Balance	<u>\$ 34,398,110</u>	<u>\$ 38,723,163</u>
<b><u>Net Utility Plant in Service</u></b>	168,280,850	182,514,013
<i>Less:</i>		
Contributions In Aid of Construction	(83,334,137)	(93,894,137)
Customer advances for construction	(8,565,108)	(10,005,108)
Pre-2012 Net Plant Settlement Vs. Books, excluding Fair Value Increment	(8,997,014)	(8,997,014)
<i>Add:</i>		
Fair Value Acquisition Adjustment	5,171,823	4,997,823
<b>Total Original Cost Rate Base</b>	<u>\$ 72,556,414</u>	<u>\$ 74,615,577</u>

1 **Q: Did the Settling Parties agree to a process for implementing the Phase 1 rate**  
2 **increase?**

3 A: Yes, Paragraph 2 of the Settlement Agreement states the implementation process  
4 agreed to by the Settling Parties. Westfield Water will implement Phase 1 rates  
5 upon issuance of an Order in this Cause, which will be based on Westfield Water's  
6 authorized revenue requirement for the link period (twelve months ended June 30,  
7 2024), adjusted for actual net rate base as of June 30, 2024, along with Westfield  
8 Water's actual capital structure as of that date. Phase 1 rates will become effective  
9 upon the date of the Commission's order in this case.

10 **Q: Did the Settling Parties agree to a process for implementing the Phase 2 rate**  
11 **increase?**

12 A: Yes. Westfield Water will implement Phase 2 rates no sooner than January 1, 2026,  
13 or twelve-months after implementation of Phase 1 rates, whichever is later. Phase

1           2 rates would be based on Westfield Water's authorized revenue requirement for  
2           the forward-looking test year (twelve months ended June 30, 2025), adjusted for  
3           actual rate base as of June 30, 2025, along with Westfield Water's actual capital  
4           structure as of that date, as well as the depreciation rates approved in Cause No.  
5           45988.

6           **Q: Did the Settling Parties agree to additional information to be included with its**  
7           **rate implementation compliance filings?**

8           A: Yes. Westfield Water will provide the following information with each compliance  
9           filing:

- 10                   (1) Certification of Westfield Water's total actual utility plant-in-service.
- 11                   (2) Certification of actual capital structure.
- 12                   (3) Actual capital structure by component, including an updated calculation  
13                   of weighted average cost of capital and comparing actuals to the  
14                   Settlement Schedules.
- 15                   (4) Original cost rate base by component, comparing actuals to the  
16                   settlement schedules. Any variances greater than 10% should be  
17                   explained for Phase 2.
- 18                   (5) Original Cost utility plant in service balances by NARUC account  
19                   comparing actuals to the settlement schedules. Any variances greater  
20                   than 10% should be explained in Phase 2.
- 21                   (6) Updated Calculation of rate increase in each phase.

22           **Q: Does the Settlement impose a rate base cap on rate base additions?**

23           A: Yes. The Settling Parties agreed that Westfield Water's actual net original cost rate  
24           base as of June 30, 2024 and June 30, 2025 is capped at \$74,615,577. To the extent  
25           Westfield Water's actual rate base exceeds this cap, Westfield Water is not  
26           foreclosed from including these additional investments in rate base in a subsequent  
27           case.

1 **Q: Do the Settlement Agreement terms on rate base garner significant customer**  
2 **benefits?**

3 A: Yes. Westfield Water did not propose to limit its rate base to an amount forecasted  
4 in its testimony. Rather, it proposed to base its Phase 2 rates on actual utility plant  
5 in service as of June 30, 2025, which could have exceeded the forecasted rate base  
6 amount included in Westfield Water's testimony. The Phase 2 Rate Base Cap  
7 provides certainty to customers by way of setting a limit on Westfield Water's utility  
8 plant upon which it can earn a return.

9 **Q: How is the public interest served by the rate base terms in the Settlement**  
10 **Agreement?**

11 A: The Phase 1 and 2 rate base certification process provides for a transparent review  
12 of Westfield Water's rate base, including plant in service and related calculations.  
13 This process serves as an incentive for timely, thorough review of the assets  
14 Westfield Water has certified are in service and used and useful.

#### V. **PRO FORMA NET OPERATING INCOME AT PRESENT RATES**

15 **Q: To what *pro forma* net operating income at present rates did the Settling**  
16 **Parties agree?**

17 A: The Settling Parties agreed to *pro forma* net operating income at present rates of  
18 \$3,991,368 in Phase 1 and \$3,983,472 in Phase 2.

##### **A. Operating Revenues:**

19 **Q: In the context of an overall settlement, did the Settling Parties agree to**  
20 **operating revenues?**

21 A: Yes. The Settling Parties agreed to *pro forma* revenues at present rates for Phase 1  
22 of \$14,237,484, which incorporates all of Petitioner's proposed operating revenue  
23 adjustments except its proposal to reduce other operating revenues by \$10,188. The

1 Settling Parties agreed Phase 1 operating revenues at current rates consisted of  
2 water revenues of \$14,153,240, late fee revenues of \$43,487, and other water  
3 revenues of \$40,757.

4 The Settling Parties agreed to *pro forma* revenues at present rates for  
5 Phase 2 of \$15,811,091, including \$15,723,046 of water revenues.

**B. Operating and Maintenance Expenses:**

6 **Q: In the context of an overall settlement, did the Settling Parties agree to total**  
7 **operating and maintenance expense?**

8 A: Yes. The Settling Parties agreed to total operating and maintenance expense of  
9 \$10,246,116 in Phase 1 and \$11,827,619 in Phase 2. While I discuss each  
10 adjustment below, the negotiated amounts represent agreements reached by the  
11 Settling Parties as part of the overall settlement package of terms.

12 **Q: To what operating and maintenance expense adjustments did the Settling**  
13 **Parties agree?**

14 A: The Settling Parties agreed to adjustments to purchased water expense, rate case  
15 expense, out of period expenses, and depreciation expense.

**1. Purchased Water Expense**

16 **Q: What purchased water expense did Petitioner propose?**

17 A: Petitioner proposed a \$330,387 decrease to base period purchased water expense of  
18 \$458,638, resulting in Phase 1 purchased water expense of \$128,251. Petitioner  
19 proposed a \$46,412 increase to Phase 1 purchased water expense, resulting in Phase  
20 purchased water expense of \$174,663.

1 **Q: To what purchased water expense did the Settling Parties agree?**

2 A: The Settling Parties agreed to reduce base period purchased water expense by  
3 \$394,077, resulting in a Phase 1 purchased water expense of \$64,561. The Settling  
4 Parties agreed to increase Phase 1 purchased water expense by \$54,294 resulting in  
5 Phase 2 purchased water expense of \$118,855. These adjustments reflect a  
6 compromise regarding the expected net purchased water expense Westfield Water  
7 will incur in the forward-looking test year.

## 2. Rate Case Expense

8 **Q: What rate case expense did Petitioner propose?**

9 A: Westfield Water requested recovery of \$1,472,304 of rate case costs over a three-  
10 year period or an annual rate case expense of \$490,768.

11 **Q: To what rate case expense did the Settling Parties agree?**

12 A: The Settling Parties agreed that Westfield Water should be permitted to recover  
13 \$1,250,000 of rate case costs over a four-year period or an annual rate case expense  
14 of \$312,500.

15 **Q: Did the Settling Parties agree to any additional terms regarding recovery of**  
16 **rate case expense?**

17 A: Yes. After authorized rates have been in place for four years, Petitioner shall file  
18 an amended schedule of rates and charges reflecting the removal of rate case  
19 expense from Petitioner's authorized revenue requirement.

20 If Petitioner files a rate case before the four-year amortization period  
21 expires, Petitioner may seek recovery of any unrecovered portion of rate case costs  
22 in its next rate case.

**3. Out of Period Expense**

1 **Q: Please explain the adjustment for out of period expense to which the Settling**  
2 **Parties agreed.**

3 A: The Settling Parties agreed to eliminate \$45,669 of operating expenses, which were  
4 overstated due to the inclusion of two annual invoices related to hosting and  
5 network management services recorded during the base period.

6 **Q: Did the Settling Parties agree to any additional operating expense adjustments**  
7 **related to this out of period expense adjustment?**

8 A: Yes. The Settling Parties agreed to eliminate the related inflation adjustment, a  
9 reduction of \$1,142 in Phase 1 and an additional \$1,170 reduction in Phase 2.

**4. Depreciation Expense**

10 **Q: In the context of an overall settlement, did the Settling Parties agree to**  
11 **depreciation expense?**

12 A: Yes. The Settling Parties agree that Westfield Water should use the depreciation  
13 accrual rates as authorized in Cause No. 45039 to calculate its Phase 1 depreciation  
14 expense. Thereafter, Westfield Water shall use the 2022 depreciation accrual rates  
15 approved by the Commission in Cause No. 45988, which is currently pending, to  
16 calculate its Phase 2 depreciation expense.

17 **Q: Have the Settling Parties agreed on how depreciation expense should be**  
18 **calculated?**

19 A: Yes. For both phases, Westfield Water's depreciation expense shall be calculated  
20 by applying the applicable depreciation rates to actual depreciable utility plant in  
21 service as of June 30, 2024 for Phase 1 and as of June 30, 2025 for Phase 2.

1 **Q: Have the Settling Parties agreed on how depreciation expense should be**  
2 **determined if actual utility plant in service exceeds the Phase 2 forecast ?**

3 A: Yes. If actual depreciable plant in service exceeds forecasted Phase 2 utility plant  
4 in service, Petitioner's depreciation expense shall be calculated by applying the  
5 applicable depreciation rates to the forecasted June 30, 2025 utility plant in service.  
6 In no event shall depreciation expense for Phase 1 or Phase 2 exceed the amount of  
7 depreciation expense authorized for Phase 2.

8 **Q: Did the Settling Parties agree to the inclusion of additional depreciation**  
9 **expense to reflect adjustments to its accumulated depreciation reserve?**

10 A: Yes. The Settling Parties agree Westfield Water shall be permitted to include in its  
11 depreciation expense for Phase 2 an annual amount of \$203,316, representing an  
12 amortization of depreciation reserve adjustments totaling \$609,948 ( $\$203,316 \times 3$ ).  
13 After authorized rates have been in place for four years, Petitioner shall amend its  
14 Schedule of rates and charges to remove the \$203,316 from its revenue  
15 requirement.

16 The Settling Parties agree the foregoing results in *pro forma* depreciation  
17 expense of \$3,155,342 for Phase 1 and \$4,136,988 for Phase 2. Joint Settlement  
18 Attachment B includes details regarding the calculation of the Phase 1 and Phase 2  
19 depreciation expense.

## VI. OTHER TERMS

20 **Q: Did the Settling Parties agree to any additional terms regarding future**  
21 **investment in water wells?**

22 A: Yes. The Settling Parties agreed that Petitioner will perform a lifecycle cost benefit  
23 analysis prior to adding additional wells to its system, comparing the cost of the  
24 new well or wells with the cost of purchasing water. Petitioner agrees to consider



1 the results of such analysis, as one factor that might influence the need to add a well  
2 or wells. Petitioner is not precluded from adding wells based on the results of any  
3 such analyses. Any such analyses shall be available upon request by the OUCC in  
4 subsequent filings.

5 **Q: To what did the Settling Parties agree regarding changes to Petitioner's Terms**  
6 **and Conditions for Service?**

7 A: The Settling Parties agreed the miscellaneous revisions to Petitioner's General  
8 Terms and Conditions for Water Service set forth in Petitioner's Attachments DBA-  
9 3 and DBA-4 and described in the direct testimony of Debi Bardham-Akala should  
10 be approved by the Commission.

## VII. CONCLUSION

11 **Q: Given the revenue requirement reductions discussed in your testimony, does**  
12 **the Settlement Agreement represent a fair compromise of disputed issues that**  
13 **reasonably protect consumer interests?**

14 A: Yes. The customer benefits generated by the Settlement are detailed throughout my  
15 testimony. The Settlement represents a compromise that the OUCC supports as fair,  
16 reasonable, and beneficial to both the utility and customers. The Settling Parties  
17 also value the certainty and speed of implementing negotiated outcomes such as  
18 this. The Settlement is in the public interest, supported by the evidence, and should  
19 be approved.

20 **Q: Does this conclude your testimony?**

21 A: Yes.

**APPENDIX A**

1 **Q: Please describe your educational background and experience.**

2 A: I graduated from the University of Houston at Clear Lake City in August 1982 with  
3 a Bachelor of Science degree in Accounting. From 1982 to 1985, I held the position  
4 of Gas Pipeline Accountant at Seagull Energy in Houston, Texas. From 1985 to  
5 2001, I worked for Enron in various positions of increasing responsibility and  
6 authority. I began in gas pipeline accounting, was promoted to a position in  
7 financial reporting and planning for both the gas pipeline group and the  
8 international group, and finally was promoted to a position providing accounting  
9 support for infrastructure projects in Central and South America. In 2002, I moved  
10 to Indiana, where I held non-utility accounting positions in Indianapolis. In August  
11 2003, I accepted a utility analyst position with the OUCC. I was promoted to Senior  
12 Utility Analyst in 2011. In 2018, I was promoted to my current position as Chief  
13 Technical Advisor.

14 Since joining the OUCC I have attended the National Association of  
15 Regulatory Utility Commissioners ("NARUC") Eastern Utility Rate School in  
16 Clearwater Beach, Florida, and the Institute of Public Utilities' Advanced  
17 Regulatory Studies Program in East Lansing, Michigan. I have also attended several  
18 American Water Works Association and Indiana Rural Water Association  
19 conferences as well as the National Association of Utility Consumer Advocates  
20 ("NASUCA") Water Committee Forums. I have participated in the NASUCA  
21 Water Committee and the NASUCA Tax and Accounting Committee, including  
22 serving as chair for the Tax and Accounting Committee from 2016 – 2021.

1 **Q: Have you previously testified before the Indiana Utility Regulatory**  
2 **Commission?**

3 A: Yes. I have testified before the Commission as an accounting witness in various  
4 causes involving water, wastewater, electric, and gas utilities.

5 **Q: Have you held any professional licenses?**

6 A: Yes. I passed the CPA exam in 1984 and was licensed as a CPA in the State of  
7 Texas until I moved to Indiana in 2002.

**AFFIRMATION**

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.



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By: Margaret A. Stull  
Cause No. 46020  
Office of Utility Consumer Counselor (OUCC)

Date: August 14, 2024