STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF COMMUNITY UTILITIES OF INDIANA, INC. FOR: AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER AND WASTEWATER UTILITY SERVICE; APPROVAL OF NEW SCHEDULES OF RATES AND CHARGES APPLICABLE THERETO; AUTHORITY TO RECOVER CERTAIN COSTS INCURRED IN CONNECTION WITH CAUSE NOS. 44724, 45342 AND 45389; AUTHORITY TO RECOVER COSTS INCURRED AND DEFERRED IN CONNECTION WITH THE COVID-19 PANDEMIC; APPROVAL OF A NEW RESIDENTIAL LOW-INCOME RATE FOR WATER AND WASTEWATER SERVICE; AND OTHER APPROPRIATE RELIEF	)	**CAUSE NO. 45651**

PUBLIC'S EXHIBIT NO. 1

TESTIMONY OF MARGARET A. STULL

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

April 28, 2022

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a copy of the ***Public's Exhibit No. 1– Testimony of Margaret A. Stull on behalf of the OUCC*** has been served upon the following counsel of record in the captioned proceeding by electronic service on April 28, 2022.

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TESTIMONY OF OUCC WITNESS MARGARET A. STULL
CAUSE NO. 45651
COMMUNITY UTILITIES OF INDIANA, INC.

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Margaret A. Stull, and my business address is 115 W. Washington St., Suite 1500 South, Indianapolis, Indiana 46204.

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

A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a Chief Technical Advisor in the Water/Wastewater Division. My qualifications are set forth in Appendix A.

Q: What is the purpose of your testimony?

A: Community Utilities of Indiana, Inc. (hereinafter referred to as "Community" or "CUII") requests an overall increase to its water rates of $2,168,016 or 87.59% and an overall increase to its wastewater rates of $1,243,473 or 51.47%. I present the results of the OUCC's analysis, which is a recommended overall increase to water rates of $1,357,018 or 54.82 % and an overall increase in wastewater rates of $303,313 or 11.02%. I agree with CUII's request to implement its increases in two phases. I support the OUCC's recommended rate base of $16,218,954 for consolidated water operations and $7,151,842 for consolidated wastewater operations. I explain the OUCC's acceptance of Community's proposed operating revenues. I explain the OUCC's recommended operating expenses, including adjustments to salaries and wages, purchased water, rate case expense, depreciation

expense, property taxes, and income taxes. I respond to Community's proposal to recover deferred COVID-19 costs, as well as costs incurred for its water and wastewater pre-approval cases.

Q: What did you do to prepare your testimony?

A: I read and analyzed Community's testimony, its schedules and its workpapers. I reviewed Community's books and records. I reviewed Community's Indiana Utility Regulatory Commission ("Commission" or "IURC") annual reports from 2015 through 2020. I reviewed the Commission's Final Order in Cause No. 44724, Community's most recent rate case, as well as the Commission's Order on Reconsideration issued March 21, 2018. I reviewed the Commission's Final Orders issued in Cause Nos. 45342 and 45389, Community's recent pre-approval cases. I prepared discovery questions and reviewed Community's responses.

Q: Are any schedules, attachments or workpapers submitted with your testimony?

A: Yes. Appendix B lists each of my schedules and attachments.

II. IMPLEMENTATION OF A FORWARD-LOOKING TEST YEAR

A. Terminology

1. Test Year

Q: Please explain the term "test year" as used in this case.

A: In rate cases using a historical test year, the "test year" or "test period" is the starting point in time upon which the determination of net operating income at present rates is made. But in rate cases using a forward-looking test year, the test year is the ending point in time upon which the determination of net operating income at

present rates is made. In this case, the test year is the twelve-month period ending September 30, 2023. Petitioners using a forward-looking test year are expected to provide information on their "base year."

2. **Base Year**

Q: What is a "base year"?

A: The term "base year," or "base period," refers to actual historical accounting results for a recent twelve (12) month period ending before the utility files its rate case. The base period is, or should be, the "base" upon which the forecasted revenues and expenses for the forward-looking test year are built. In this case, the base year is the twelve-month period ending September 30, 2021.

3. ***Pro forma***

Q: Please explain the term "*pro forma*" in the context of a forward-looking test year.

A: With a historical test year, "*pro forma"* reflects a utility's expected recurring annual revenues and expenses as adjusted for changes during the adjustment period that are fixed, known, and measurable. For example, if rent expense is known to increase during the twelve months following the test year (the adjustment period), then *pro forma* rent expense will be derived by multiplying the new monthly rent expense by 12 months. But in a forward-looking test year case, *"pro forma"* reflects the total amount of revenue or expense the Commission finds will occur during the forward-looking test year. Using the example from above, if the utility establishes that rent expense will increase in the seventh month of the forward-

looking test year, then *pro forma* rent expense will be based on six months at the old rent expense plus six months at the new rent expense.

4. Linking Period

Q: What is a "linking period"?

A: The term "linking period" typically refers to the forecasted period between the end of the historical base year and the beginning of the forward-looking test year. In this case, the linking period is the twelve-month period ending September 30, 2022.

B. Specific Base Year Adjustments

Q: Should a utility using a forward-looking test year identify specific base year adjustments?

A: Yes. Utilities should link their projections to historical data to provide a "bridge" between the base period and the projected forward-looking test year. This requirement is spelled out in the "Recommended Best Practices for Rate Cases Submitted under Ind. Code 8-1-2-42.7," Appendix B (paragraph II.A.2.c) to the Commission's General Administrative Order 2013-5:

> If the utility chooses a forward-looking test period, the utility should also provide supporting documentation, including any supporting calculations, for any changes between the historic base period and the test period chosen. Each change to the historic base period should be reflected as an individual adjustment in the revenue requirements schedule and explained in testimony.

Emphasis added.

Q: Did Community identify specific base year adjustments in its testimony, schedules, or workpapers?

A: No. Petitioner did not identify or discuss any specific base year adjustments in its testimony or schedules. According to Community witness Andrew Dickson, the

test period forecast was developed specifically for this rate case and "[a]s a result, not many *pro forma* adjustments were necessary to achieve a representative Test Period." Direct Testimony of Andrew Dickson, pp. 12-13. The "*pro forma*" adjustments to which Mr. Dickson refers are adjustments to the specifically developed forecast, not the base period. The adjustments or "changes" Community reflects in its rate schedules (Schedule B) are simply the difference between the base period and the forecast and do not rely on any specific adjustments to the base period. In response to the OUCC's *Notice of Non-compliance with the Minimum Standard Filing Requirements*, Community acknowledged "CUII has not provided this supporting documentation in the form of 'individual adjustments' from the historic Base Period to the Test Period under GAO 2013-5 ¶ II.A.2.c."

Q: Did this lack of specific adjustments to the base period affect your review?

A: Yes. Without specific adjustments, it is difficult to determine what changes are being proposed to operating revenues and expenses, as well as the materiality of those adjustments, which goes to the determination of reasonableness. For instance, it is not enough for a utility to say it is adjusting expenses for inflation - it should also disclose the inflation rates used and show the dollar impact this adjustment will have on its proposed net operating income. Without context, the Commission and the OUCC cannot determine whether these assumptions are reasonable or credible.

Q: Should the basis for a utility's forecast determine whether it should be required to provide these specific, identifiable adjustments to base period?

A: No. Other utilities may use budgets or forecasts already prepared for internal company purposes as the basis for their forward-looking test year forecasts. But the

basis of the forecast does not matter. The utility should still state how that forecast differs from the base period through specific, identifiable adjustments.

Q: Is the regulatory process hindered by Community's non-compliance with the Commission's recommended best practices?

A: Yes. The utility has more resources and more information at its disposal and is in the best position to provide these specific, identifiable base period adjustments. Shifting this burden to the Commission, the OUCC, and other intervenors to acquire the information through discovery is not reasonable or practical and it diminishes the ability of both the OUCC and the Commission to perform their roles within the regulatory process.

C. Other Concerns

Q: Did you encounter any other issues with Community's presentation of its case?

A: Yes. Community's filing included hard coded cell entries, complex formulas, and a lack of identification of the specific dollar impact of each assumption affecting the forecast of a particular revenue or expense. Many of Community's schedules and supporting workpapers are very complicated, using high level Excel functions and formulas that are difficult to follow or understand. While this complexity may be necessary or desirable for internal budgeting or planning purposes, it is not reasonable for Community to submit these complex, difficult-to-navigate workpapers as the only support for its forecasted operating revenues and expenses in the time provided in a rate case. Instead, Community should provide more direct schedules supporting proposed revenues or expenses, including the specific dollar amount of assumptions made such as inflation, declining consumption, and price

or volume changes. These supporting schedules should also identify how each proposal differs from the base period by reflecting specific, identifiable adjustments. Unfortunately, Community's workpapers have required OUCC analysts to search for this information, which has sometimes been buried within complicated formulas.

III. RATE CASE OVERVIEW

A. Overview of Community's Proposal

Q: What rate relief does Community seek for its consolidated water utility operations in this Cause?

A: Community requests an overall 87.59% increase to its consolidated water operating revenues to produce additional revenues of $2,168,016 per year. Community proposes this rate increase be implemented in two phases with a Phase I rate increase of 73.16% (additional revenues of $1,810,747) and a Phase II rate increase of 8.34% (additional revenues of $357,269).[1]

Q: What rate relief does Community seek for its consolidated wastewater utility operations in this Cause?

A: Community requests an overall 51.47% increase to its consolidated wastewater operating revenues to produce additional revenues of $1,243,473 per year. Community proposes this rate increase be implemented in two phases with a Phase

[1] Community specified its proposed Phase I increase and its overall Phase II increase, but it did not identify its proposed Phase II increase over Phase I rates. However, this increase can be determined from the information provided in Attachment AD-1 and AD-3. (See also OUCC Schedule 1W, page 2, and OUCC Schedule 1S, page 2.)

I rate increase of 36.45% (additional revenues of $880,452) and a Phase II rate increase of 11.01% (additional revenues of $363,021).[3]

Q: How does Community propose to implement its rate increases in this case?

A: Community proposes to implement its rate increase in two phases, with each phase subject to true-up. Phase I rates would be effective October 1, 2022, the beginning of CUII's forward-looking test year. Phase II would become effective on October 1, 2023, the end of CUII 's forward-looking test year.

Q: What true-up process does Community propose?

A: According to Mr. Dickson, "CUII proposes to file its proposed rates, reflecting actual plant in service, actual capital structure and actual cost of debt, within 45 days of receipt of the Commission's order. Further, CUII proposes that the OUCC and intervenors have 30 days to review such filing and file any objections. CUII proposes the same methodology for its Phase II change to rates, with a rate effective date of October 1, 2023." Dickson, p. 49.

Q: Does Community propose any mechanism if there is a "delay" in the implementation of its proposed Phase I rates?

A: Yes. According to Mr. Dickson, "[t]o the extent there is a delay between October 1, 2022 and the actual implementation date of rates…CUII proposes a one-time charge to true-up customer bills for the period beginning on October 1, 2022, and ending on the implementation date of the Commission's final order, to be billed to customers no later than 60 days from the implementation date of new rates." *Id.*, pp. 48 – 49. Community does not state whether it proposes this same mechanism if Phase II rates are implemented after October 1, 2023.

Q: Did Community prepare a cost-of-service study?

A: No. Community maintains the cost-of-service study presented in Cause No. 44724 is still relevant. Therefore, Community has kept the residential and commercial customer class percentage share of the cost of service at the same levels authorized in Cause No. 44724. *Id.*, p. 19.

Q: If Community has adopted its cost of service from Cause No. 44724, are all customer rates being raised across-the-board?

A: No. Commercial customer rates are being raised across-the-board. However, Community proposes a rate design change for residential customers to add a low-income rate to its tariff. This low-income rate is to be offset by a revenue requirement paid for only by other residential customers.

Q: How does Community propose to implement a low-income rate?

A: Community proposes discounted utility rates for customers that qualify for LIHEAP assistance. Community's proposal is a discounted volumetric rate of $4.316 for those qualifying low-income customers, compared to is $11.391 regular residential volumetric rate. However, this discounted rate is only available for the first 4,359 gallons of consumption. Any consumption above 4,359 gallons will be billed to the low-income customer at the regular volumetric rate of $11.391.

B. Overview of the OUCC's Recommendations

Q: What consolidated water rate increase does the OUCC recommend?

A: The OUCC recommends an overall 54.96% increase to consolidated water operating revenues to produce additional revenues of $1,360,259 per year. The OUCC recommends this rate increase be implemented in two phases with a Phase I rate increase of 49.12% (additional revenues of $1,215,946) and a Phase II rate

increase of 3.91 % (additional revenues of $144,312). (*See* OUCC Schedule 1W, pages 1 and 2.)

Table MAS-1: Comparison of Overall Water Revenue Requirement

		Per CUII	Per OUCC	Sch Ref	OUCC More (Less)
1	Original Cost rate Base	$ 16,860,533	$ 16,218,954	7W	$ (641,579)
2	Times: Weighted Cost of Capital	7.28836%	7.28836%	8W	0.00%
3	Net Operating Income Required for Return on Rate base	1,228,856	1,182,096		(46,760)
4	Less: Adjusted Net Operating Income	(380,316)	173,715	4W	554,031
5	Net Revenue Requirement	1,609,172	1,008,381		(600,791)
6	Gross Revenue Conversion Factor	134.728800%	134.8953%	1W	0.1665%
7	Recommended Revenue Increase	$ 2,168,018	$ 1,360,259		$ (807,759)
8	Recommended Percentage Increase	87.59%	54.96%		-32.63%

Q: What consolidated wastewater rate increase does the OUCC recommend?

A: The OUCC recommends an overall 8.42 % increase to consolidated wastewater operating revenues to produce additional revenues of $225,447 per year. The OUCC recommends this rate increase be implemented in two phases with a Phase I rate increase of 10.80% (additional revenues of $260,921) and a Phase II rate decrease of 1.33 % (reduced revenues of $(35,474). (*See* OUCC Schedule 1S, pages 1 and 2.)

Table MAS-2: Comparison of Overall Wastewater Revenue Requirement

	Per CUII	Per OUCC	Sch Ref	OUCC More (Less)
Original Cost rate Base	$ 12,013,887	$ 7,151,842	7S	$ (4,862,045)
Times: Weighted Cost of Capital	7.28836%	7.28836%	8S	0.00%
Net Operating Income Required for Return on Rate base	875,615	521,252		(354,363)
Less: Adjusted Net Operating Income	(47,369)	354,124	4S	401,493
Net Revenue Requirement	922,984	167,127		(755,857)
Gross Revenue Conversion Factor	134.7231%	134.8953%	1S	0.1722%
Recommended Revenue Increase	$ 1,243,473	$ 225,447		$ (1,018,026)
Recommended Percentage Increase	51.47%	8.42%		-43.05%

Q: How does the OUCC propose its recommended rate increase be implemented?

A: The OUCC recommends its overall rate increase be implemented in two phases. Phase I will be implemented at the start of Community's forward-looking test year (October 1, 2022) or the date a final order is issued by the Commission, whichever is later. Phase II will be implemented on October 1, 2023, the end of Community's forward-looking test year, subject to a true-up process.

Q: If the final order in this cause is issued *after* October 1, 2022, Community proposes its customers be billed a one-time charge for the difference between current and authorized rates for the period between October 1 and the final order. Do you recommend that the Commission approve Community's proposal?

A: No. First, Ind. Code § 8-1-2-42.7 establishes the *only* remedy to CUII if the Commission does not issue its order within 300 days of its completed case-in-chief, which is to seek Commission authority to implement 50% of their proposed rate increase. Community's proposal is inconsistent with the statutory remedy. Second, October 1, 2022 should not be the operative date for any remedy should the Commission fail to issue an order by that date. While Community filed its case on

December 7, 2021, the Commission found its case-in-chief was not complete until January 14, 2022 (*see* Commission Docket Entry issued February 10, 2022). Therefore, the 300 day "clock" for the Commission to issue an order is not until November 9, 2022, which is after the start of Community's forward-looking test period. Finally, any "delay" in implementing Community's proposed rates is a result of deficiencies in its own filing.

Q: Do you accept Community's proposed true-up process?

A: No. I discuss my recommended true-up process in the next section of my testimony.

IV. RECOMMENDED TRUE-UP PROCESS

Q: Do you have any recommendation with respect to each phase of Community's proposed rate increase?

A: Yes. Community is seeking a two-phase rate increase using a forward-looking test period determined on the basis of projected data as authorized by I.C. § 8-1-2-42.7. Community may project rate base additions but a return cannot be earned on the rate base additions until they are in service and the plant is determined to be both used and useful under I.C. § 8-1-2-6 for the provision of water service and wastewater service. This requires each component of rate base and capital structure to be updated to actual at September 30, 2022 (Phase I) and September 30, 2023 (Phase II). These updates should compare the actual amounts to the amounts approved by the Commission in its final order, with explanations for any variance of 5% or greater.

Q: What additional information should be included in each rate base update?

A: I recommend Community be required to submit the following: (1) updated utility plant in service listing by asset account, clearly identifying any disallowed plant or other adjustments; (2) updated utility plant in service listing by project number that ties to the actual additions to utility plant in service; (3) detailed general ledger transactions supporting utility plant additions, (4) updated accumulated depreciation by asset account, clearly identifying any disallowed plant or other adjustments; (5) revised revenue requirement; and (6) updated tariffs. All of the above should be provided in Excel format with formulas intact, except for updated tariffs which can be provided in PDF format. In addition to the information discussed above, Community should be prepared to provide additional information about its recurring investments not specifically identified in its case-in-chief filing. To the extent the Commission allows Community to include these recurring investments in rate base, Community should provide not only the costs incurred by investment category but also the number or amount of asset additions in each category (i.e., number of meters, number of linear feet, etc.) so that a per-unit cost can be determined. Further, Community should identify the recurring investment amount by asset account that is DSIC eligible. Community should also provide a certification that the new plant is in service and verification that the construction costs have been incurred and paid. Community should provide invoices and other supporting documentation of the costs incurred and paid.

Q: What information should be included, at a minimum, for the general ledger transaction data to be provided?

A: I recommend Community be required to provide the following general ledger transaction data: (1) work order number, (2) work order description, (3) asset ID, (4) asset in-service date, (5) asset location, and (6) asset costs broken down into the following categories - (a) AFUDC, (b) contracted services, (c) labor, (d) materials, (e) overhead, (f) retainage, (g) corporate overhead charges, and (h) other costs. Where pertinent, the vendor name should also be provided. General ledger data should also be provided in Excel format that is searchable and sortable.

Q: Do you recommend any caps on the increase to utility plant in service or total rate base?

A: Yes. In each phase, total rate base should not exceed the amount approved by the Commission in its final order in this Cause. To the extent the total value of rate base components at September 30, 2022 or September 30, 2023 exceeds approved rate base, the difference should be removed from utility plant in service. The depreciation expense Community is allowed to recover should be calculated based on the actual utility plant in service amount, adjusted as necessary as described above. Any asset additions excluded from Phase I rate base may be included in Phase II rate base to the extent they do not cause Phase II rate base to exceed the approved amount. Any asset additions excluded from Phase II rate base may be included in a future rate case or through a distribution system improvement charge, if eligible.

Q: What is the purpose of the update process you recommend?

A: I recommend an update process that provides due process for all parties involved in this case. The OUCC and other parties should have an opportunity to review Community's update filings, conduct discovery as necessary, and be afforded the opportunity to respond to Community's updated filing. Community should be allotted adequate time to put together its compliance filing and the OUCC and other parties should be allotted adequate time to conduct their review and respond as necessary.

Q: What specific update process do you recommend for Phase I?

A: Community's test year begins on October 1, 2022 and this is the date Phase I rates would normally be implemented. However, Community's case-in-chief was not considered complete until January 14, 2022, and the Commission has 300 days to issue an order, which would be issued on or about November 9, 2022. Therefore, although Community's future test year begins on October 1, 2022, Community will not be able to implement a rate increase until November 9, 2022, at the earliest. Therefore, for Phase I rates, I recommend Community provide the following information for actuals as of September 30, 2022: (1) updated utility plant in service listing by asset account, clearly identifying any disallowed plant or other adjustments; (2) updated utility plant in service listing by project number; (3) detailed general ledger transaction listing supporting utility plant additions; (4) updated accumulated depreciation by asset account, clearly identifying any disallowed plant or other adjustments. All of the these supporting schedules should be provided in Excel format with formulas intact. This compliance filing should be

provided to the OUCC and other intervenors by November 1, 2022. Once the Commission issues its final order in this case, Community should provide the following Phase I information by November 30, 2022: (1) comparisons between actual and approved rate base and capital structure components, (2) updated revenue requirement, and (3) updated tariff. Community should also provide a certification that the Phase I plant is in service and verification that the construction costs have been incurred and paid. The OUCC and intervenors will have until December 15, 2022 to raise any issues or concerns with Community's Phase I update.

Q: What specific update process do you recommend for Step Two?

A: I recommend Community provide the following as of September 30, 2023 by October 31, 2023: (1) comparisons between actual and approved rate base and capital structure components, (2) updated revenue requirement, and (3) updated tariff. Community should also provide a certification that the Phase II plant is in service and verification that the construction costs have been incurred and paid. At this time, Community should also provide supporting documentation for actual asset additions from October 1, 2022 through September 30, 2023: (1) utility plant in service listing by asset account, clearly identifying any disallowed plant or other adjustments; (2) utility plant in service listing by project number; (3) detailed general ledger transaction listings supporting utility plant additions; and (4) accumulated depreciation by asset account, clearly identifying any disallowed plant or other adjustments. All of the supporting schedules should be provided in Excel format with formulas intact. The OUCC and other intervenors would have until

December 5, 2023 to raise any issues or concerns regarding Community's Phase II update.

Q: Does your recommended process for updating rate base require a hearing?

A: A hearing may be appropriate and necessary, as there may be disputed issues that ultimately need to be resolved by the Commission. As part of this process, all parties should be accorded the opportunity to respond to Community's rate base update filings.

V. CONSOLIDATED WATER RATE BASE

Q: What rate base was authorized for Community's consolidated water operations in Cause No. 44724?

A: The Commission's Final Order in Cause No. 44724 authorized a $7,779,302 original cost water rate base as of September 30, 2017. In Community's Rate Base Update submitted on February 23, 2018, its water rate base was updated to $7,694,036. Table MAS-3 presents a comparison of the water rate base authorized by the Commission and the actual rate base update.

Table MAS-3: Cause No. 44724 Water Rate Base Comparison

	Final Order (01.24.2018)	Update (02.23.2018)	Update More (Less)
Utility Plant in Service	$ 13,608,704	$ 13,167,951	$ (440,753)
Accumulated Depreciation	(2,229,527)	(1,990,873)	238,654
Contributions in aid of Construction, net	(2,302,816)	(2,230,140)	72,676
Net Utility Plant in Service	9,076,361	8,946,938	(129,423)
Less: Accumulated Deferred Income Taxes	(1,041,204)	(998,850)	42,354
Acquisition Adjustment, net	(332,047)	(332,047)	-
Customer Deposits	(37,650)	(35,847)	1,803
Add: Net Deferred Charges	-	-	-
Working Capital	113,842	113,842	-
Total Original Cost Rate Base	$ 7,779,302	$ 7,694,036	$ (85,266)

Q: What rate base does Community propose for its consolidated water operations in this Cause?

A: Community proposes a Phase I original cost rate base of $15,558,400 as of September 30, 2022 and a Phase II original cost rate base of $16,860,533 as of September 30, 2023. Phase I represents a $8,421,895 increase over Community's base year original cost rate base of $7,136,505. Phase II represents a $1,302,133 increase over Community's Phase I forecasted original cost rate base. Community proposes a $9,166,499 increase over its currently authorized rate base of $7,694,036.

Q: Do you accept Community's proposed rate base for its consolidated water operations?

A: No. I recommend a Phase I *pro forma* original cost rate base of $14,933,126 as of September 30, 2022 and a Phase II *pro forma* original cost rate base of $16,218,954 as of September 30, 2023. Table MAS-4 compares my recommended Phase II consolidated water rate base to that proposed by Community. (See also OUCC Schedule 7W.)

Table MAS-4: Comparison of Consolidated Water Rate Base

	CUII	OUCC	OUCC More (Less)
Utility Plant in Service	$ 21,245,915	$ 20,691,592	$ (554,323)
Accumulated Depreciation	(1,437,080)	(1,406,948)	30,132
Contributions in aid of Construction, net	(2,254,211)	(2,254,211)	-
Net Utility Plant in Service	17,554,624	17,030,433	(524,191)
Less: Accumulated Deferred Income Taxes	(719,742)	(719,742)	-
Acquisition Adjustment, net	(253,994)	(253,994)	-
Construction Advances	(6,026)	(6,026)	-
Customer Deposits	(28,964)	(28,964)	-
Add: Working Capital	314635	197,247	(117,388)
Total Original Cost Rate Base	$ 16,860,533	$ 16,218,954	$ (641,579)

A. Utility Plant in Service

Q: What *pro forma* water utility plant in service does Community propose?

A: Community proposes Phase I water utility plant in service ("UIPIS") of $20,092,710 ($15,990,535 + $4,102,175) as of September 30, 2022 and Phase II UPIS of $21,245,915 as of September 30, 2023. In total, Community proposes a $9,724,028 increase to base period water utility plant in service. Community proposes adjustments for (1) $6,751,733 of construction projects; (2) $942,228 of general plant additions, including computers and vehicles; (3) $61,172 of capitalized time; and (4) $(2,499,753) of retirements. Net water utility plant additions proposed by Community are $4,102,175 in Phase I and an additional $1,153,205 in Phase II.

Q: What construction projects does Community propose to include in rate base?

A: Community proposes several water utility construction project expenditures including $2,355,816 for the TLUI water treatment plant iron filter project, $351,157 for TLUI's new wells, $2,033,352 for main and service line replacements at both TLUI and IWSI, and $817,375 for meter replacement program.

Q: What *pro forma* utility plant in service do you recommend for Community's consolidated water operations?

A: I recommend Phase I water utility plant in service of $19,538,387 at September 30, 2022 and Phase II of $20,691,592 as of September 30, 2023.

Q: Does the OUCC accept any of Community's proposed water UPIS adjustments?

A: Yes. The OUCC accepts all of Community's proposed water UPIS adjustments. However, I do not agree with the amount Community proposes to include in rate base for its TLUI water treatment plant iron filter project.

Q: What adjustments to consolidated water operations rate base do you recommend?

A: I recommend three adjustments: a $195,601 reduction to the TLUI WTP #1 iron filter project; a $340,425 reduction to exclude the proposed increase for TLUI wells #12 and #13; and a $18,297 reduction to remove non-capital costs from water utility plant in service.

1. **TLUI WTP#1 Iron Filter Project**

Q: What does Community propose to include for its TLUI WTP #1 filter project?

A: Community proposes to include $2,355,816 for costs incurred on this project. These costs include construction and engineering costs as well as capitalized time, AFUDC, and regulatory costs. Grosvenor Direct at 17.

Q: What costs did the Commission pre-approve for the TLUI WTP #1 filter project in Cause No. 45342?

A: The Commission found that $2,079,406 was an appropriate level of expenditure for this project "because it is based on a fully detailed scope of work and was derived from actual bids received." The Commission excluded repainting costs of $15,000, which it found should be classified as O&M expense. The Commission approved expenditures associated with AFUDC, capitalized time and regulatory costs to the extent reasonable, which would be determined in CUII's next rate case.

Q: What amount of non-construction costs does Community propose to include in rate base for this project?

A: Community's proposed costs for this project exceed the preapproved amount by $276,410 ($2,355,816 - $2,079,406). According to Community's "*Pro forma* Capital Investment Workpaper," it forecasts $3,666 for capitalized time and $77,143 for AFUDC. This leaves $195,601 ($276,410 - $77,143 - $3,666) of costs unexplained. Community does not state in its case-in-chief how much it incurred on regulatory costs for this project.

Q: Why do you disagree with Community's proposed $2,355,816 of costs for TLUI WTP #1 filter project?

A: These non-construction costs are to be included in Community's consolidated water rate base only to the extent they are considered reasonable. Community has the burden to present evidence in its case-in-chief to support the inclusion of these costs in its rate base in this case. No Community witness provided any substantive evidence or support regarding the additional costs it seeks to include in rate base or explained why these costs are reasonable. Further, no information was presented indicating the types and amounts of costs incurred. Accordingly, I excluded $195,601 ($276,410 - $3,666 - $77,143) from my recommended consolidated water rate base.

2. **TLUI Wells #12 and #13**

Q: What does Community propose to include for its TLUI Wells #12 and #13?

A: Community proposes to include $351,157 for costs incurred on this project. These costs include construction and engineering costs as well as capitalized time, and AFUDC.

Q: Why do you exclude these costs from your recommended consolidated water rate base

A: My review of the assets that have been added to UPIS since Community's last rate case revealed that the majority of the cost of this project has already been included in Community's utility plant in service (OUCC Attachment MAS-1). According to Mr. Grosvenor "[t]he cost [is] largely based on the actual cost of installing the new wells. As of October 1, 2021, CUII had spent $340,425 to complete the wells. CUII has some costs still outstanding, including landscaping expense." Grosvenor Direct at 26. (See also workpaper "UPIS Assets" included in the Excel version of Attachment AD-1 and AD-3.) Accordingly, I exclude the $340,425 already included in September 30, 2021 UPIS.

3. **Non-Capital Costs**

Q: What non-capital costs do you recommend be excluded from Community's *pro forma* consolidated water utility plant in service?

A: I recommend excluding $18,297 of capitalized costs that should have been recorded as operating expenses. These expenses are primarily filter media replacement, vehicle registration, large meter testing, and a hydrogeology study, and other evaluations. I listed the transactions to be excluded in OUCC Attachment MAS-2.

Q: Do you recommend any adjustments to operating expenses because of this reclassification?

A: No. None of the costs I excluded occurred during the base period. Moreover, none should be considered recurring operating expenses.

B. Accumulated Depreciation

Q: What *pro forma* accumulated depreciation does Community propose for its consolidated water operations?

A: Community proposes Phase I accumulated depreciation of $1,524,032 as of September 30, 2022 and Phase II accumulated depreciation of $1,437,080 as of September 30, 2023.

Q: What adjustments to accumulated depreciation does Community propose?

A: Community proposes a $2,499,753 decrease to reflect asset retirements, a $726,378 decrease to reflect the restatement of accumulated depreciation for vehicles and computers, and a $827,055 increase to reflect depreciation expense for the period October 2022 through September 2023. In total, Community proposes a $2,399,076 decrease to base period accumulated depreciation.

Q: Do you accept any of Community's proposed adjustments to consolidated water accumulated depreciation?

A: Yes. I accept Community's proposed adjustments for asset retirements and restatement of its accumulated depreciation for computers and vehicles. I include my depreciation expense for 2022 and 2023.

Q: Do you accept Community's proposed accumulated depreciation for its consolidated water operations?

A: No. I recommend Phase I accumulated depreciation of $1,508,475 as of September 30, 2022 and Phase II accumulated depreciation of $1,406,948 as of September 30, 2023.

Q: Do you recommend any other adjustments to accumulated depreciation?

A: Yes. I recommend a reduction of $983 to remove the accumulated depreciation associated with non-capital costs I removed from water utility plant in service. (See OUCC Attachment MAS-3.)

C. Contributions in Aid of Construction

Q: What *pro forma* net contributions in aid of construction does Community propose for its consolidated water rate base?

A: Community proposes Phase I net contributions in aid of construction ("CIAC") of $2,268,446 as of September 30, 2022 and Phase II of $2,254,211 as of September 30, 2023.

Q: Does Community propose any changes to net CIAC for its consolidated water operations?

A: Yes. Community proposes a $28,470 decrease to reflect additional amortization of CIAC for its WSCI and IWSI districts. I accept this change.

D. Acquisition Adjustment

Q: What *pro forma* net acquisition adjustment does Community propose for its consolidated water operations?

A: Community proposes a Phase I net acquisition adjustment of $(261,239) as of September 30, 2022 and Phase II net acquisition adjustment of $(253,994) as of September 30, 2023.

Q: Do you accept Community's proposed net acquisition adjustment for consolidated water operations?

A: Yes. Community has correctly reflected the approved water acquisition adjustments as approved by the Commission.

E. Working Capital

Q: Please define working capital for ratemaking purposes.

A: For ratemaking purposes, working capital generally is defined as the average amount of capital provided by investors, over and above the investment in plant, to bridge the gap between the time expenditures are required to provide service and the time collections are received for that service. In other words, working capital is the money a utility needs to provide utility service before it receives payment for that service. While some expenses are paid *after* the related service revenues have been collected (paid "in arrears"), some expenses are incurred and paid *before* the related revenues have been collected. Examples of expenses paid before the related revenues are collected include chemical expense, rent, and salaries. Examples of expenses paid in arrears are taxes, purchased water, and purchased power. Working capital is the net amount of money needed on an ongoing basis to fund daily utility operations. Working capital is considered an investment necessary for providing utility service and is included in rate base for investor-owned utilities.

Q: What level of working capital does Community propose for its consolidated water operations?

A: Community used the FERC 45-day method to calculate its proposed Phase I working capital of $277,479 and its proposed Phase II working capital of $314,635 for is consolidated water operations.

Q: Please explain the FERC 45-day formula method.

A: The FERC 45-day formula method calculates a percentage of operating expenses as the estimate of the utility's investment in working capital. This method assumes a 45-day lag between the occurrence of an expense and securing funds to pay the

expense through rates. As such, 12.5% (45 days / 360 days) of adjusted annual operating expenses is the utility's assumed investment in working capital. This methodology typically adjusts operating expenses for those items known to be paid *in arrears* (i.e., after the receipt of revenues). The FERC 45-day formula is simple and avoids the expense of a true lead/lag study, and it is generally thought to be a reasonable estimate of what a lead/lag study would produce. However, it does not rely on the actual facts of a utility's operations. For instance, water utilities buying water wholesale from other utilities may have little or no lag between its revenues and that expense.

Q: Do you accept Community's proposed working capital for its consolidated water operations?

A: No. I recommend working capital of $190,971 in Phase I and $197,247 in Phase II for Community's consolidated water operations. (See OUCC Schedule 7W.)

Q: How does your calculation of working capital differ from Community's?

A: In its calculation of working capital, Community included expenses that are paid in arrears. Property taxes, IURC fees, purchased power expense and purchased water expense should be excluded from the FERC 45-day method calculation. These expenses are paid either at the same time or after Community has received revenues from its customers for the utility service provided. Property taxes, in particular, are paid up to two years in arrears. These types of adjustments to the calculation of working capital have been approved by the Commission before in Community's rate cases (e.g., Cause No. 44724).

VI. CONSOLIDATED WASTEWATER RATE BASE

Q: What rate base was authorized for Community's consolidated wastewater operations in Cause No. 44724?

A: The Commission's Final Order in Cause No. 44724 authorized a $7,778,960 original cost wastewater rate base as of September 30, 2017. In Community's Rate Base Update submitted on February 23, 2018, its water rate base was updated to $7,694,036. Table MAS-5 presents a comparison of the water rate base authorized by the Commission and the resulting rate base update.

Table MAS-5: Cause No. 44724 Wastewater Rate Base Comparison[2]

	Final Order (01.24.2018)	Order on Remand (03.21.2018)	Update (02.23.2018)	Update More (Less) Final Order	Update More (Less) Order on Remand
Utility Plant in Service	$ 19,272,140	$ 19,289,285	$ 19,002,623	$ (269,517)	$ (286,662)
Accumulated Depreciation	(6,584,020)	(6,585,842)	(6,424,915)	159,105	160,927
Contributions in aid of Construction, net	(3,735,923)	(3,735,923)	(3,622,500)	113,423	113,423
Net Utility Plant in Service	8,952,197	8,967,520	8,955,208	3,011	$ (12,312)
Less: Accumulated Deferred Income Taxes	(987,306)	(987,512)	(700,400)	286,906	287,112
Customer Deposits	(23,759)	(23,759)	(23,522)	237	237
Add: Net Deferred Charges	-	-	-	-	-
Working Capital	99,049	99,049	99,049	-	-
Total Original Cost Rate Base	$ 8,040,181	$ 8,055,298	$ 8,330,335	$ 290,154	$ 275,037

Q: What rate base does Community propose for its consolidated wastewater operations in this Cause?

A: Community proposes a Phase I original cost rate base of $8,916,020 as of September 30, 2022 and a Phase II original cost rate base of $12,013,886 as of September 30, 2023. Phase I represents a $1,046,190 decrease over Community's base year original cost rate base of $9,962,210. Phase II represents a $3,097,867

[2] Community's current rates are based on its rate base update submitted on February 23, 2018, not the Commission's Order on Remand dated March 21, 2018. Community's rate base update also incorporated changes in the federal tax rate resulting from the Tax Cuts and Jobs Act of 2017. Community's current rates were updated in June 2020 as a result of water tracker #50324.

increase over Community's Phase I forecasted original cost rate base. In total, Community proposes a $3,683,552 increase over its currently authorized rate base of $8,330,335.

Q: Do you accept Community's proposed rate base for its consolidated wastewater operations?

A: No. I recommend a Phase I *pro forma* original cost rate base of $7,562,778 as of September 30, 2022 and a Phase II *pro forma* original cost rate base of $7,151,842 as of September 30, 2023. Table MAS-6 compares my recommended Phase II wastewater rate base with Community's proposal. (See also OUCC Schedule 7S.)

Table MAS-6: Comparison of Consolidated Wastewater Rate Base

	CUII	OUCC	OUCC More (Less)
Utility Plant in Service	$ 25,321,060	$ 21,034,397	$ (4,286,663)
Accumulated Depreciation	(8,755,578)	(9,280,387)	(524,809)
Contributions in aid of Construction, net	(3,765,981)	(3,765,981)	-
Net Utility Plant in Service	12,799,501	7,988,029	(4,811,472)
Less: Accumulated Deferred Income Taxes	(976,875)	(976,875)	-
Acquisition Adjustment, net	(32,799)	-	32,799
Construction Advances	(3,974)	(3,974)	-
Customer Deposits	(19,105)	(19,105)	-
Add: Working Capital	247138	163,767	(83,371)
Total Original Cost Rate Base	$ 12,013,886	$ 7,151,842	$ (4,862,044)

A. Utility Plant in Service

Q: What *pro forma* wastewater utility plant in service does Community propose?

A: Community proposes Phase I wastewater utility plant in service ("UPIS") of $21,979,447 as of September 30, 2022 and Phase II UPIS of $25,321,060 as of September 30, 2023. In total, Community proposes a $2,051,677 increase to base period wastewater utility plant in service. Community proposes adjustments for (1)

$5,388,608 of construction projects;[3] (2) $480,504 of general plant additions, including computers and vehicles; (3) $27,563 of capitalized time; and (4) $(668,339) of retirements. Community proposes net wastewater utility plant additions of $1,660,223 in Phase I and additions of $3,341,613 in Phase II.

Q: What construction projects does Community propose to include in rate base?

A: Community proposes several wastewater utility construction projects including (1) $2,296,298 for the TLUI headworks project; (2) $500,000 for a new office building; (3) $701,059 for TLUI lateral replacements; (4) $1,356,303 for its sewer capital improvement program ("SCIP") at TLUI and WSCI; (5) $427,206 for the TLUI lift station L force main; and (6) $107,742 for the TLUI lift station C generator.

Q: What *pro forma* utility plant in service do you recommend for Community's consolidated wastewater operations?

A: I recommend Phase I wastewater utility plant in service of $20,926,963 as of September 30, 2022 and Phase II UPIS of $21,034,397 as of September 30, 2023.

Q: Do you accept Community's proposed wastewater UPIS adjustments?

A: I accept Community's proposed general plant additions, including computers and vehicles. However, I propose a reduction of $157,225 to remove non-capital costs from wastewater utility plant in service.

Q: What non-capital costs do you recommend be excluded from Community's *pro forma* consolidated wastewater UPIS?

A: I recommend $157,225 of costs be excluded as they represent costs that should have been recorded as operating expense rather than capitalized. These costs primarily

[3] Community's workpapers supporting its rate base calculation only include $5,388,608, a reduction of $226,700.

consist of expenses for jetting, televising, and smoke testing sewer mains. I list the transactions to be excluded in Attachment MAS-2.

Q: Do you recommend any adjustments to operating expenses because of this reclassification?

A: No. Most of the televising and smoke testing costs were incurred outside the test year in 2017 and 2018. Any reclassified costs that may have occurred in the test year were non-recurring.

Q: Does the OUCC accept any of Community's proposed construction projects?

A: Yes. The OUCC accepts Community's proposed sewer capital improvement program but does not accept the proposed increase in these costs in 2022 and 2023.

Q: Why doesn't the OUCC accept including any of Community's other proposed construction projects in rate base?

A: OUCC witness James Parks explains in his testimony the OUCC's position with respect to the TLUI WWTP headworks, TLUI lateral replacements, TLUI lift station L force-main, TLUI lift station C generator, and the chemical/office building.

Q: What amount does Community propose to include in rate base for its TLUI WWTP headworks project?

A: For its TLUI WWTP headworks project, which it estimates will be completed by September 2023, Community proposes to include $2,296,298 in rate base.

Q: Does the OUCC recommend any alternatives to Community's proposed headworks project?

A: Yes. Mr. Parks proposes a comminutor as a cost-effective alternative solution to the problem Community is experiencing at its TLUI wastewater treatment plant. I include $50,000 in Phase II rate base for this recommendation.

Q: What does Community propose to include in rate base for its sewer capital improvement program ("SCIP")?

A: Community proposes to include $1,239,782 for its TLUI SCIP and $116,521 for its WSCI sewer capital improvement program ("SCIP"). According to Mr. Grosvenor, these projects include sewer main repairs, sewer main lining, manhole rehabilitation, and other miscellaneous improvements.

Q: Does the OUCC accept Community's proposal?

A: The OUCC accepts Community's proposal for its WSCI SCIP but does not agree with the amounts projected for its TLUI SCIP. The OUCC recommends the level of costs incurred for its 2021 TLUI SCIP as reasonable costs to incur for this recurring program.

Q; Why does the OUCC disagree with Community's proposed increase to the annual costs of its TLUI SCIP?

A: Community bears the burden of providing evidence to support is proposal. Mr. Grosvenor discusses this program in his testimony, explaining the types of costs generally incurred on a recurring annual basis for this project. However, Community proposes to more than double its annual expenditures for this program and provided no substantive evidence explaining why this level of expenditure is necessary and reasonable other than the need to reduce inflow into the collections system. No list of potential projects or details are provided as to which basins will be investigated first, and no cost estimates or other support were provided to justify this increase in spending. It is also unclear whether the cleaning and televising costs of the program are included in the projected capital costs or if these costs have been expensed as they should be.

B. Accumulated Depreciation

Q: What *pro forma* accumulated depreciation does Community propose for its consolidated wastewater operations?

A: Community proposes Phase I accumulated depreciation of $8,488,922 as of September 30, 2022 and Phase II accumulated depreciation of $8,755,578 as of September 30, 2023.

Q: What adjustments to accumulated depreciation does Community propose?

A: Community proposes a $668,339 decrease to reflect asset retirements, a $473,651 decrease to reflect the restatement of accumulated depreciation for vehicles and computers, and a $1,176,089 increase to reflect depreciation expense for the period October 2022 through September 2023. In total, Community proposes a $34,099 decrease to base period accumulated depreciation.

Q: Do you accept any of Community's proposed adjustments to consolidated water accumulated depreciation?

A: Yes. I accept Community's proposed adjustments to reflect the restatement of accumulated depreciation for vehicles and computers.

Q: Do you accept Community's proposed accumulated depreciation for its consolidated wastewater operations?

A: No. I recommend Phase I accumulated depreciation of $8,756,958 as of September 30, 2022 and Phase II accumulated depreciation of $9,280,387 as of September 30, 2023. Because I do not accept most of Community's proposed construction projects, I did not include an adjustment to reflect asset retirements.

Q: Do you recommend any additional adjustments to accumulated depreciation?

A: Yes. I recommend a reduction of $11,614 to remove the accumulated depreciation associated with the non-capital costs I removed from wastewater utility plant in service (OUCC Attachment MAS-4).

C. Contributions in Aid of Construction

Q: What *pro forma* net contributions in aid of construction does Community propose for its consolidated wastewater operations?

A: Community proposes Phase I net contributions in aid of construction ("CIAC") of $3,766,115 as of September 30, 2022 and Phase II of $3,765,981 as of September 30, 2023.

Q: What changes to its wastewater net CIAC does Community propose?

A: Community proposes a $1,817 decrease to reflect additional amortization of its WSCI and IWSI CIAC. Community did not forecast any increase to its water operations CIAC balances. I accept Community's proposals and forecast to net CIAC.

D. Acquisition Adjustment

Q: What *pro forma* net acquisition adjustment does Community propose for its consolidated wastewater operations?

A: Community proposes a net acquisition adjustment of $(32,799) for both Phase I and Phase II.

Q: Do you accept Community's proposal?

A: No. There has never been a net acquisition adjustment included in Community's consolidated wastewater rate base. Nothing has changed since Cause No. 44724 to warrant the inclusion of this item in rate base.

E. Working Capital

Q: What *pro forma* working capital does Community propose for its consolidated wastewater operations?

A: Community proposes Phase I working capital of $228,896 as of September 30, 2022 and Phase II of $247,138 as of September 30, 2023.

Q: Do you accept Community's proposed working capital for its consolidated wastewater operations?

A: No. I recommend working capital of $163,375 in Phase I and $163,767 in Phase II for Community's consolidated wastewater operations.

Q: How does your calculation of working capital differ from Community's?

A: In its calculation of working capital, Community included expenses that are paid in arrears. Property taxes, IURC fees, and purchased power expense should be excluded from the calculation of operating expense for purposes of the FERC 45-day method in this case. These expenses are either paid at the same time or after Community has received revenues from its customers for the utility service provided. Property taxes, in particular, are paid up to two years in arrears. These types of adjustments to the calculation of working capital have been approved by the Commission in earlier Community rate cases, including Cause No. 44724.

VII. *PRO FORMA* OPERATING REVENUES

A. Consolidated Water Operations

Q: What level of *pro forma* present rate operating revenues does Community propose for its consolidated water operations?

A: Community proposes a $53,502 decrease to base period present rate operating revenues of $2,588,803, resulting in *pro forma* Phase I present rate operating

revenues of $2,535,301. Community's $53,502 decrease is comprised of a $17,522 decrease during the linking period and an additional $35,980 decrease during the forward-looking test year.

Q: Do these amounts include bad debt expense?

A: No. The amounts reflected above are exclusive of bad debt expense. I do not consider it appropriate to include an operating expense as a component of operating revenues as Community has done it is case-in-chief schedules. Therefore, I present bad debt expense as a component of general operating expenses. I have adjusted the amounts I reflect for Community's proposed present rate operating revenues to exclude its proposed bad debt expense.

Q: What *pro forma* present rate operating revenue adjustments does Community propose for its consolidated water operations?

A: Community proposes a declining consumption adjustment partially offset by a customer growth adjustment for each of its three water utilities. Community proposes declining consumption of 2.16% for Twin Lakes Utilities ("TLUI"), 1.62% for Water Service Company of Indiana ("WSCI"), and 1.82% for Indiana Water Service ("IWSI"), Inc. While Community proposes a declining consumption adjustment in both the linking period (2022) and the forward-looking test period (2023), it only proposes a customer growth adjustment for the linking period (2022). While I do not agree with Community's proposed declining consumption adjustment or the lack of a customer growth adjustment for the forward-looking test year, Community's calculation will have a very small effect on rates. Therefore, I accept Community's proposed operating revenue adjustments and its

Phase I *pro forma* present rate operating revenues for its consolidated water operations.

B. Consolidated Wastewater Operations

Q: What level of *pro forma* present rate operating revenues does Community propose for its consolidated wastewater operations?

A: Community proposes a $42,748 decrease to base period present rate operating revenues of $2,516,751, resulting in *pro forma* Phase I present rate operating revenues of $2,474,003.[4] Community's $42,748 decrease is comprised of a $13,429 decrease during the linking period and an additional $29,319 decrease during the forward-looking test year.

Q: What *pro forma* operating revenue adjustments does Community propose for its consolidated wastewater operations?

A: Community proposes a declining consumption adjustment partially offset by a customer growth adjustment for each of its two wastewater utilities. Community proposes declining consumption of 2.16% for Twin Lakes Utilities ("TLUI") and 1.62% for Water Service Company of Indiana ("WSCI"). While Community proposes a declining consumption adjustment in both the linking period (2022) and the forward-looking test period (2023), it only proposes a customer growth adjustment for the linking period (2022). While I do not agree with Community's proposed declining consumption adjustment or the lack of a customer growth adjustment for the forward-looking test year, Community's calculation will have a very small effect on rates. Therefore, I accept Community's proposed operating

[4] Operating revenues excluding uncollectible accounts, which Community presents in the operating revenue section of its income statement rather than with operating expenses.

revenue adjustments and its Phase I and Phase II *pro forma* operating revenues for its consolidated wastewater operations.

VIII. *PRO FORMA* OPERATING EXPENSE - MAINTENANCE

Q: What does Community include in "maintenance" operating expenses?

A: In its maintenance operating expense category, Community includes purchased water, purchased power, chemicals, maintenance, transportation, outside services expenses, and salaries and wages net of capitalized labor for operations employees.

Q: What is Community's proposed *pro forma* consolidated maintenance operating expense?

A: Community requests a $743,657 increase to base period maintenance expenses of $1,575,998, resulting in *pro forma* consolidated maintenance expense of $2,319,655. Of this amount, $1,210,315 is charged to water operations and $1,109,341 is charged to wastewater operations.

Q: Do you accept any of Community's proposed maintenance operating expenses?

A: Yes. I accept Community's proposed purchased power expense, maintenance and repair expense, maintenance testing expense, and transportation expense.

Q: What level of *pro forma* maintenance operating expense does the OUCC recommend in this Cause?

A: The OUCC recommends *pro forma* maintenance operating expenses of $1,809,111. This is an increase of $233,113 to base period maintenance expenses of $1,575,998. Of this amount, $970,544 is charged to water operations and $838,567 is charged to wastewater operations. Table MAS-7 presents a comparison of the overall *pro*

forma maintenance operating expenses proposed by Community compared to those recommended by the OUCC.

Table MAS-7: Comparison of Test Year Maintenance Operating Expenses

	Community	OUCC	OUCC More (Less)
Salaries & wages	$ 933,633	$ 627,561	$ (306,072)
Less: Capitalized Labor	(159,573)	(136,696)	22,877
Purchased Water	376,925	337,515	(39,410)
Purchased Power	289,273	289,273	-
Maintenance and Repair	432,156	432,156	-
Maintenance Testing	49,798	49,798	-
Chemicals	161,315	142,760	(18,555)
Transportation	46,375	46,375	-
Outside services	189,753	20,369	(169,384)
	$ 2,319,655	$ 1,809,111	$ (510,544)
Water Operations	$ 1,210,315	$ 970,544	(239,771)
Wastewater Operations	1,109,341	838,567	(270,774)
	$ 2,319,656	$ 1,809,111	$ (510,545)

A. Salaries and Wages Expense - Maintenance

Q: What level of maintenance salaries and wages expense does Community propose?

A: Community proposes a $367,621 increase to base period maintenance salaries and wages expense of $566,012, resulting in *pro forma* maintenance salaries and wages expense of $933,633. Of this amount, $562,568 is charged to water operations and $371,065 is charged to wastewater operations. Community's proposal represents a 64.95% increase to base period salaries and wages expense.

Q: What adjustments to maintenance salaries and wages expense does Community propose?

A: Community proposes to hire additional maintenance employees and proposes salary increases in both 2022 and 2023. Specifically, Community proposes to

increase field technician and operator[5] salaries by approximately 50% ($31.90 / $21.00). Guttormsen Direct, p. 4.

Q: How many additional maintenance employees does Community propose to hire?

A: Community apparently plans to hire two additional employees and fill current vacant positions. But Community's discussion in its testimony and workpapers of the number of additional maintenance employees it plans to hire is not consistent. According to Mr. Guttormsen, Community is proposing to hire two new "operations" employees – an operator II and an apprentice. *Id*. According to Mr. Grosvenor, Community currently has four open positions and is seeking to hire (1) another lead operator; (2) a water-wastewater operator I; (3) an operation apprentice (a high school student enrolled in a work study program); and (4) a field technician. Grosvenor Direct, pp. 7 - 8. To clarify this apparent inconsistency, I would have reviewed Community's list of current employees as of the end of its base period, but no information regarding base period employees was provided in Community's workpapers, nor was there any information provided as to whether existing positions were vacant at the end of the base period.

Q: Do you accept any of Community's proposed adjustments to maintenance salaries and wages expense?

A: No. While I do agree that reasonable wage increases should be included in forecasted salaries and wages, I do not consider the wage increases proposed by

[5] While Mr. Guttormsen states only field technicians will be receiving these 50% raises, it is clear form a review of Mr. Guttormsen's workpapers that other maintenance employees are also receiving these large pay increases.

Community to be reasonable or necessary. Community has the burden to support its proposed salary and wage increases and Community has provided no substantive evidence to support the exorbitant raises it proposes. There is only a vague discussion by Mr. Grosvenor regarding employee turnover experienced by Community and the need for competitive wages. Grosvenor, pp.7 – 9. Nothing supports or explains the need for a 50% raise for its maintenance employees.

Further, I do not accept the increase in headcount proposed by Community. Other than Mr. Guttormsen's testimony stating Community proposes the addition of two new positions, there is nothing in Community's case-in-chief that supports the hiring of two additional employees. Further, it does not appear that Community decreased its overtime assumptions based on the addition of two new employees, despite Mr. Guttormsen's statement that "the Operator II and Apprentice positions are necessary to alleviate the pressure on current staff." Guttormsen, p. 4. While the need to incur overtime cannot be eliminated altogether, hiring additional employees should reduce the need for overtime. There is no substantive evidence provided by any witness demonstrating the need for additional employees.

Q: What hourly rates does Community propose for its maintenance employees?

A: Community's workpapers do not indicate current hourly rates or projected hourly rates for its current and proposed maintenance employees, only hard-coded numbers for proposed employee salaries and wages expense. Mr. Guttormsen does make a general statement on page 4 of his testimony that "the promotions drive the current average wage rate for the hourly field tech from $21.00 to $31.90."

Q: Does Community's proposed maintenance salaries and wage expense include overtime?

A: Yes, I believe so. According to Mr. Guttormsen, "[h]istorical data is used to calculate overtime assumptions for hourly employees, which is 11.04% for CUII operations." Guttormsen, p. 8. No additional information is provided in Mr. Guttormsen's testimony, and there is no information provided in Community's salary and wage workpapers that identifies the number of overtime hours included in its projected maintenance salary and wage expense.

Q: Do you accept Community's proposal to promote all its field technicians?

A: No. There is no indication that the job duties for these positions will be changing. There is no testimony from any witness that explains what new duties or responsibilities will be required of the employees being promoted from field technician to operator. Therefore, I reject Community's proposal to promote all field technicians and its proposal to increase their pay rates by approximately 50%.

Q: What wage increases do you propose for Community maintenance employees?

A: Based on information obtained from the U.S. Bureau of Labor Statistics ("BLS"), I recommend a more modest increase for field technicians than that proposed by Community. The most recent data available from the BLS is for May 2021 (OUCC Attachment MAS-5). The appropriate occupation code is 51-8031 "Water and Wastewater Treatment Plant and System Operators." Based on the data I obtained for Indiana, the mean salary in May 2021 was $23.02 and the median salary was $22.75. I consider the mean salary rate of $23.02 to be reflective of current market conditions as of the end of the base period. I adjusted the salaries and wages for those employees that were below this rate as of the end of the base period but kept

the salaries for the those making more than $23.02. To base period salaries, I propose annual raises of 5% for each employee in 2022 and 2023. Five percent represents the high end of the "3-5% wage level increase …standard across all operating companies at CRU and consistent with inflation expectations." Guttormsen, p. 8.

Q: What level of maintenance salaries and wages expense do you recommend?

A: I recommend a $61,549 increase to base period maintenance salaries and wages expense of $566,012, resulting in *pro forma* maintenance salaries and wages expense of $627,561. Of this amount, $378,168 is charged to water operations and $249,393 is charged to wastewater operations (CONFIDENTIAL OUCC Attachment MAS-6). (See also OUCC Schedule 6, Adjustment No. 1.)

B. <u>Capitalized Labor</u>

Q: What amount of capitalized labor does Community propose to include in rate base?

A: Community proposes a reduction to maintenance operating expenses of $(159,573) to reflect the amount of forecasted capitalized labor. This is a $30,608 increase to base period capitalized labor of $(128,965). Of this amount, $(86,022) is charged to water operations and $(73,351) is charged to wastewater operations.

Q: Do you accept Community's proposed capitalized labor?

A: No. While I accept the number of capitalized time hours proposed by Community, I recommend a different level of salary and wage expense and different payrates. Accordingly, my capitalized labor recommendation uses a capitalized time rate based on my recommended salary and wage expense.

Q: What capitalized time rate does Community propose?

A: Community proposes a capitalized time rate based on its proposed fully loaded salary and wage expense for maintenance personnel. Fully loaded salary and wage expense includes salary, payroll taxes, and benefits. Community's proposed capitalized time rates are (1) $45.82 per hour as of September 30, 2021, (2) $47.19 per hour as of January 1, 2022, and (3) $48.61 per hour as of January 1, 2023.

Q: Did Community provide any discussion or support for its proposed capitalized time rates?

A: No. There is brief testimony in Mr. Dickson's testimony regarding capitalized time, where he states the capital project capitalized time is calculated as "[t]he unit of hours…multiplied against CUII's IN operator cap time rates to determine capitalized time." However, Mr. Dickson does not explain what is meant by "IN operator cap time" nor does he state the capitalized time rates proposed or how those rates were calculated. Mr. Guttormsen, Community's primary witness discussing payroll and benefits, doesn't mention capitalized time at all,[6] much less the capitalized time rates proposed or an explanation of how those rates were calculated. The capitalized time workpapers provided in Attachment AD-1 and AD-3 have only hard-coded amounts for the various capitalized time rates proposed. Therefore, I could not calculate the same rates proposed by Community.

Q: What capitalized time rate do you recommend?

A: I recommend a capitalized time rate of (1) $35.28 per hour as of September 30, 2021, (2) $37.98 per hour as of April 1, 2022, and (3) $40.11 per hour as of April

[6] A search for the term "capitalized" found one reference in Mr. Guttormsen's testimony on page 10 where Mr. Guttormsen discusses depreciation expense.

1, 2023. These rates are based on the average hourly rate for maintenance employees, excluding the state operations manager. See OUCC Attachment MAS-7.

Q: What level of capitalized labor do you recommend?

A: I recommend a $7,732 increase to base period capitalized labor of $(128,965), resulting in *pro forma* capitalized labor expense of $(136,697) (OUCC Attachment MAS-8). Of this amount, $(70,081) is charged to water operations and $(66,616) is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 2.)

C. Purchased Water Expense

Q: What level of purchased water expense does Community propose?

A: Community proposes an $11,023 increase to base period purchased water expense of $365,903, resulting in *pro forma* purchased water expense of $376,925. This expense is charged entirely to water operations.

Q: What increase to base period purchased water expense does Community propose?

A: Community proposes an overall $11,023 increase to purchased water expense. Based on my review of Community's purchased water workpaper, its forecasted purchased water expense does not include either of these costs. This rate of increase is unreasonable given Community's assumptions regarding declining consumption.

Q: Do you accept Community's proposed purchased water expense?

A: No. I do not agree with Community's forecasted purchased water volumes. I also do not agree with Community's proposal to apply an inflation factor to the rates it is charged for purchased water.

Q: Why do you disagree with Community's proposal to increase purchased water rates for inflation?

A: It is not necessary to forecast purchased water rate increases because Community has the ability to file a purchased water tracker. Further, forecasting purchased water price increases could allow Community to recover these price increases twice. A water tracker filing does not look at the amount of purchased water expense included in the utility's most recent rate case. Instead, it takes the purchased water expense for a recent twelve-month period and calculates the increase that results from the rate change that has occurred. Because the purchased water tracker never compares this adjusted purchased water expense to the expense already included in rates, it is possible a utility could recover a price increase twice – once for the rate increase forecasted in its forward-looking test year and again through a water tracker when the rate increase actually occurs. Community's proposal should be rejected.

Q: Have you included any actual purchased water price increases in your recommended purchased water expense?

A: Yes. Indiana American was authorized to increase its fixed monthly DSIC charge on March 21, 2022 in Cause No. 42351-DSIC13. This case was submitted and approved after Community filed this rate case. Therefore, the DSIC-13 rate increase has not been reflected in Community's proposed purchased water expense. This price increase should be included in the calculation of Community's purchased water expense.

Q: Are there any caveats attached to your inclusion of the DSIC-13 rate increase?

A: Yes. As I propose to include the Indiana American DSIC-13 rate increase in this rate case, Community should be precluded from filing a water tracker to track the DSIC-13 increase. As discussed above, including forecasted purchased water price increases in a forward-looking test year rate case creates complications that could result in double recovery. The condition I propose will avoid this possibility.

Q: Why do you disagree with Community's forecasted purchased water volumes?

A: It is difficult to reconcile the fact that Petitioner has proposed a declining consumption adjustment for operating revenues while simultaneously proposing forecasted purchase water volumes greater than base year levels. Purchased water volumes should be consistent with the water revenue assumptions for IWSI.

Q: What level of purchased water expense do you recommend?

A: I recommend a $28,388 decrease to base period purchased water expense of $365,903, resulting in *pro forma* purchased water expense of $337,515. (See OUCC Schedule 6, Adjustment No. 3.)

Q: How did you calculate your recommended purchased water expense?

A: My recommended purchased water expense is composed of two parts: (1) meter charges and (2) volumetric charges. I included $19,908 ($829.51[7] x 2 x 12) for fixed monthly charges including meter charges for two 6" meters and the DSIC charge. I also include $317,607 ($0.27867 x 1,139,724) for volumetric charges determined by multiplying base year purchased water volumes adjusted for Community's declining consumption of 1.82% for IWSI. Total recommended

[7] $670.84 (current 6" meter charge) + $158.67 (current DSIC charge).

purchased water expense is $337,515 ($317,607 + $19,908). (See OUCC Schedule 6, Adjustment No. 3.)

D. Chemical Expense

Q: What level of chemical expense does Community propose?

A: Community proposes a $69,877 increase to base period chemical expense of $91,438, resulting in *pro forma* chemical expense of $161,315. Of this amount, $25,930 is charged to water operations and $135,385 is charged to wastewater operations.

Q: Do you accept Community's proposed chemical expense?

A: No. I accept all of Community's forecasted chemical expense except for the amount forecasted for alum, a chemical Community started using during the base period for phosphorus removal at its Twin Lakes wastewater treatment plant.

Q: What alum chemical expense did Community forecast?

A: In response to discovery, Community stated it "estimates it will spend $4,952 - $5,150 per month on Alum to reduce phosphorus concentrations, for a total annual forecast of $61,206." (See OUCC Attachment MAS-9.) According to Community's Chemicals Forecast workpaper, it forecasted using 2,500 units of alum per month at a cost of $1.78 per unit. This results in a monthly cost of $4,450 or $53,400 per year. Community then increased this amount to include sales tax at 7% and to reflect its inflation assumptions of 4% for 2022 and 2023. This yields an alum chemical cost of $61,206 ($53,400 x 1.07% x 1.04% x 1.04%), the amount reflected in Community's discovery response.

Q: What level of alum chemical expense do you recommend?

A: I accept Community's price and inflation assumptions, but I disagree with its usage assumptions. Based on the OUCC's review of Community's monthly report of operations, I consider a monthly usage of 1,725 gallons per month to be more reflective of Community's phosphorus removal needs at its Twin Lakes wastewater treatment plant (OUCC Attachment MAS-10). Multiplying 1,725 by the $1.78 per unit cost results in a monthly cost of $3,071. After applying the sales tax rate of 7%, the monthly cost is $3,286 ($3,071 x 1.07). After applying Community's inflation assumptions, the monthly cost is $3,554 ($3,286 x 1.04 x 1.04) and the annual cost is $42,650.

Q: What level of chemical expense do you recommend?

A: I recommend a $51,321 increase to base period chemical expense of $91,438, resulting in *pro forma* chemical expense of $142,759. Of this amount, $25,930 is charged to water operations and $116,829 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 4.)

E. Outside Services Expense

Q: What level of outside services expense does Community propose?

A: Community proposes a $175,723 increase to base period outside services expense of $14,030, resulting in *pro forma* outside services expense of $189,753. Of this amount, $44,176 is charged to water operations and $145,577 is charged to wastewater operations.

Q: What adjustments does Community propose to outside services expense?

A: The primary adjustments proposed by Community are: (1) a $63,144 increase to reflect amortization of projected COVID-19 costs; (2) a $39,995 increase to reflect amortization of engineering costs incurred in Cause No. 45389, Community's recent wastewater pre-approval case; and (3) $76,444 to reflect amortization of legal costs incurred for its proposed wastewater pre-approval project costs. In total, $38,048 of these adjustments are charged to water operations, and $116,439 are charged to wastewater operations.

Q: Do you accept Community's proposed outside services expense?

A: No. I recommend a $6,340 increase to base period outside services expense of $14,029, resulting in *pro forma* outside services expense of $20,369. Of this amount, $12,273 is charged to water operations and $8,096 is charged to wastewater operations.

1. **COVID-19 Costs**

Q: What is your recommendation on Petitioner's proposed COVID-19 cost recovery?

A: For the reasons I give below, I recommend the Commission limit the COVID-19 costs Community recovers as a regulatory asset to actual costs incurred from March 2020 through October 2020.

Q: What level of COVID-19 cost recovery does Community propose?

A: Community proposes recovery of $189,432 of COVID-19 costs to be amortized over three years, an annual amortization expense of $63,144. Of this amount $38,048 is charged to water operations and $25,096 is charged to wastewater

operations. (See wp-f-c19 of Attachment AD-1 and AD-3.) Most of these costs were either incurred or forecasted to occur after October 2020. Community recorded $106,082 of deferred COVID-19 costs between July 2020 and November 2021. The remaining $83,350 represents Community's forecasted additional COVID-19 costs it expects to record through the beginning of its forward-looking test year.

Table MAS-8: Proposed COVID-19 Costs[8]

	Actual	Forecasted	Total
Foregone Late Payment Charges	$ 92,000		
Direct - Customer Communication	9,843		
Direct - Legal	4,176		
Foregone Reconnection Charges	63		
Total	$ 106,082	$ 83,350	$ 189,432

Q: When did Community stop charging late payment fees?

A: In response to OUCC discovery, Community stated it suspended late payment charges due to COVID on March 11, 2020 and resumed late payment charges on August 8, 2021 (OUCC Attachment MAS-11).

Q: Is Community's proposal that it will continue to incur COVID-19 costs through September 2022 reasonable?

A: No. This assumption is not reasonable as it is contrary to the Commission's orders issued in Cause No. 45380 as well as Community's current practice of charging late fees.

[8] Community did not provide forecasted COVID-19 costs by category.

Q: What deferred cost treatment did the Commission allow in its Phase I and Interim Emergency Order dated June 29, 2020?

A: In its order, dated June 29, 2020, the Commission prohibited the collection of certain utility fees, including late fees and reconnection fees, through August 14, 2020. The Commission also authorized the use of regulatory accounting for COVID-19 related impacts directly associated with any prohibition on utility disconnections, collection of certain utility fees, and the use of expanded payment arrangements, as well as COVID-19 related uncollectible and incremental bad debt expense. The Commission did not authorize the deferral of increased operation and maintenance expenses, as these costs, and any savings that may be found to offset them, are not the direct result of a specific emergency government direction.

Q: What deferred cost treatment did the Commission allow in its Second Interim Emergency Order dated August 12, 2020?

A: In this order, the Commission ordered all jurisdictional utilities until October 12, 2020 to comply with the temporarily amended utility practices and tariff rates and charges as set forth in the body of its order. In effect, the Commission authorized utilities to use regulatory accounting only from March 2020 through October 12, 2020, when the Commission's moratorium on charging late fees expired pursuant to the Commission's August 25, 2020 order. Community should not be permitted to recover as a regulatory asset any late fees recorded after October 2020.

Q: Did Community continue to record COVID-19 costs notwithstanding the Commission's orders in Cause No. 45380?

A: Yes. Community continued to record COVID-19 costs after October 12, 2020 and has forecasted that it will continue to incur COVID-19 related costs through

September 30, 2022, the beginning of its forward-looking test year. This is nearly two years after the end of the Commission's moratorium on charging late payment and other fees and the conclusion of Phase I of the Commission's COVID-19 investigation.

Q: Do you accept Community's proposed recovery of COVID-19 costs?

A: No. Neither the $106,082 of "actual" costs recorded as of November 2021 nor the $83,350 of forecasted costs through October 2022 are authorized or are reasonable. Community should not be recording pandemic related costs nearly two years after the Commission closed its investigation and ended the temporary moratorium on collecting late fees, deposits, and disconnection/reconnection fees. Moreover, no witness discusses the financial impacts on Community of the pandemic or explains why Community would continue to need this extraordinary relief.

Q: What COVID-19 costs should be recovered?

A: I recommend Community be permitted to recover waived reconnection charges and waived late payment charges only up to and through October 2020. I also recommend Community be permitted to recover costs incurred for customer communication and legal costs incurred to file monthly reports to the Commission in the Cause No. 45380 Phase I investigation. My costs for customer communication differ from Community's because their costs include an invoice that was incorrectly recorded as a COVID-19 cost.

Q: What amount of COVID-19 cost recovery do you recommend?

A: I recommend $31,701 in COVID-19 cost recovery to be amortized over five (5) years, which is my estimate of the life of the rates being set in this case. This results

in an annual amortization expense of $6,340 ($31,701 / 5 years) of which $3,820 is charged to water operations and $2,520 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 5.) Table MAS-9 compares my recommended COVID-19 cost recovery to that proposed by Community. (See also OUCC Attachment MAS-12.)

Table MAS-9: COVID-19 Cost Recovery

		Community	OUCC	OUCC More (Less)
Forgone Late Payment Charges		$ 92,000	$ 24,291	$ (67,709)
Direct - Customer Communication		9,843	3,171	(6,672)
Direct - Legal		4,176	4,176	-
Forgone Reconnection Charges		63	63	-
Forecasted Costs through 10/1/2022		83,350	-	(83,350)
Total		$ 189,432	$ 31,701	$ (157,731)
Amortization Period		3	5	
COVID-19 Amortization		$ 63,144	$ 6,340	$ (56,804)
Water Operations	60.2656%	$ 38,048	$ 3,820	$ (34,228)
Wastewater Operations	39.7442%	$ 25,096	$ 2,520	$ (22,576)

2. **Wastewater Pre-approval Costs**

Q: What cost recovery does Community propose for costs incurred in Cause No. 45389?

A: Community proposes recovery of two costs related to Cause No. 45389, its wastewater pre-approval case: (1) $229,332 of legal fees to adjudicate the case; and (2) $1,599,811 of engineering costs incurred on the "Twin Lakes - CSEP Phase I" project ($367,089) and the "Twin Lakes – WWTP Expansion" ($1,232,722).

Q: How does Community propose to recover these costs?

A: Community proposes to recover the legal fees over a three-year period ($76,444 annually) and its engineering costs over a 40-year period ($39,995 annually). These amortization costs would be charged to wastewater operations. (See wp-k-Preapproval Amort included in Attachment AD-1 and AD-3.)

Q: Are the legal costs reflected in "wp-k- Preapproval Amort" only related to Cause No. 45389?

A: Community's testimony and workpapers are inconsistent on that issue. The workpaper included in Attachment AD-1 and AD-3 is titled "Adjustment for WW Preapproval Project Amortization." Generally, the acronym "WW" means wastewater, so the workpaper appears to only relate to Cause No. 45389, the wastewater approval case. Further, while there are four different project numbers listed in this workpaper, there are only three descriptions used and all use wastewater terminology.[9]

Project No. 2019009 – Indiana – TWIN LAKES - CSEP PHASE 1 ENG
Project No. 2019021 – INDIANA – TWIN LAKES – WWTP EXPANSION EN
Project No. 2020017 – Indiana-CUII COLLECTION SYSTEM PRE-APP
Project No. 2020016 – Indiana-TWIN LAKES – WWTP EXPANSION EN

Mr. Grosvenor states the Twin Lakes iron filter improvement project costs of $2,355,816 (as reflected in his Table 1) "include the pre-approval cost of the projects of $2,079,406, as well as expenditures associated with AFUDC, Cap Time, and regulatory costs." Grosvenor, p. 17. As the costs reflected materially exceed

[9] In my experience, "WWTP" generally stands for wastewater treatment plant and "collection systems" are part of a wastewater system, not a water system. Water system mains are generally referred to as a distribution system.

the estimated costs presented in Cause No. 45342, it appears logical that the $2,355,816 included regulatory costs as proposed by Community in that case.

However, Mr. Lubertozzi states "[a]dditionally, the Company has included the costs incurred, $114,000 (see workpaper k) to litigate Cause No. 45342 as a deferred Operation and Maintenance ('O&M') expense amortized over three years."[10] Lubertozzi Direct, p. 14. Based on these inconsistent statements, it is unclear whether the legal costs reflected on wp-k only include legal costs for the wastewater preapproval case or include both the water and wastewater pre-approval cases.

Cause No. 45389 Legal Costs

Q: Do you accept Community's proposed recovery of Cause No. 45389 legal costs?

A: No. Community included $150,000 of estimated "regulatory costs" as a component of the project costs for which it sought pre-approval in Cause No. 45389. In its final order issued May 5, 2021, the Commission did not approve recovery of those costs. Instead, the Commission stated that "the incurrence of such regulatory costs *may* be reasonable and *may* be included for consideration as O&M expenses in CUII's next rate case."[11] Emphasis added. The Commission's order does not state these

[10] On April 27, 2022, CUII filed its Notice of Corrections to Mr. Lubertozzi's Testimony. The corrections were as follows: Lubertozzi Direct, p. 14, ll. 18-20: "Additionally, the Company has included the costs incurred, ~~$114,000~~ **$176,144** (see workpaper k) to litigate Cause No. 45342 as a deferred Operational and Maintenance ("O&M") expense amortized over three years." Lubertozzi Direct Testimony, p. 15, ll. 7-9: "Additionally, the Company has included the costs incurred, ~~$115,000~~ **$258,319** (see workpaper k) to litigate Cause No. 45389 as a deferred O&M expense amortized over three years."

[11] *In re the Petition of Community Utils.,* Cause No. 45389, Final Order at 15 (Ind. Util. Regul. Comm'n May 5, 2021).

costs will be included in Community's next rate case, only that they may be included.

Q: Shouldn't CUII be allowed to recover these costs?

A: No. Community still has the burden of proving these costs are reasonable and prudently incurred, but it only provided a workpaper reflecting total legal costs incurred by project number, with no supporting detail or documentation provided. The legal costs for which Community seeks recovery total $229,332,[12] approximately 53% greater than its estimated costs of $150,000.[13] Further, there is no testimony provided that addresses the reasonableness or prudency of the cost recovery being requested. Mr. Lubertozzi's testimony merely identifies the amount of costs Community requests to recover but provides no substantive evidence supporting the inclusion of these costs in its revenue requirement. Lubertozzi, pp. 14 – 15. The only other testimony provided on the subject states the amortization period proposed and that recovery of these costs "will enable CUII's shareholders an opportunity [sic] a return of their investment, but not on this expense." Dickson, p. 15.

[12] As noted above, this figure has increased as a consequence of CUII's Notice, although without additional detail, the OUCC cannot confirm the numbers. CUII indicated that it would support any increase to its revenue requirement in its rebuttal filing.

[13] If the requested legal costs reflected in wp-k include the costs to litigate both the water and wastewater pre-approval cases, then the actual legal costs sought for Cause No. 45389 are $115,384 (Project No. 2020016).

If the costs presented for Project No. 2020017, $113,948, are related to the water preapproval case, Cause No. 45342, then they exceed the $20,000 estimated in that case by $93,948.

Q: Do utilities generally get to recover legal costs for proceedings other than rate cases?

A: No, and there is no precedent for utilities to recover past legal expenses for proceedings that sought preapproval for construction, especially if the projects were denied by the Commission.

Q: Do you oppose recovery of these costs on any other grounds?

A: Yes. I renew the OUCC's opposition to recovery of costs incurred to file a pre-approval case with the Commission. Unlike rate cases, which utilities must bring to get regulatory relief, a pre-approval case is an optional filing a utility may make. Because pre-approval cases are not a required filing in Indiana for regulated utilities and because the only purpose of these filings is to reduce the risk to shareholders that an investment will be disallowed, the costs of these filings should be borne by the shareholders who are the only ones who benefit from the filing of these cases.

Q: What do you recommend regarding recovery of preapproval legal costs?

A: I recommend Community's request for recovery of preapproval legal costs be denied, because Community has provided no substantive evidence in this case on which the Commission could base approval of these costs. Further, there is no Commission precedent for utility rate recovery of previously incurred legal costs brought for non-rate cases.

Cause No. 45389 Engineering Costs

Q: Do you accept Community's proposed recovery of its Cause No. 45389 engineering costs?

A: No. Community incurred $1,599,811 of "engineering" costs incurred on the projects for which it sought preapproval in Cause No. 45389. According to Mr.

Lubertozzi, these costs include engineering and design work, utility locates, geotechnical engineering, and preparation of bidding documents. Also included in these costs is $180,997 ($48,564 + $132,433) of AFUDC and capitalized labor, representing approximately 11% of the total costs for which Community seeks recovery. *See* Lubertozzi, pp. 15-17. Community argues it incurred these costs in response to the Commission's Order in Cause No. 44724. However, in Cause No. 44724, the Commission ordered Community to "develop a comprehensive I&I program to decrease wastewater backups in homes and manhole overflows and to eliminate water inflow and ground water infiltration into Petitioner's wastewater collection system."[14] In its Final Order issued May 5, 2021 in Cause No. 45389, the Commission quoted this passage, found that the evidence of record did not support the necessity for the proposed projects, and denied preapproval.

Community has the burden of proof to demonstrate these costs are reasonable and prudently incurred. Community only provided a workpaper reflecting total "engineering" costs incurred with no supporting detail or documentation provided. While Mr. Lubertozzi's testimony provides some additional detail as to the types of costs included in the costs for which Community seeks recovery, he provides no additional arguments as to why Community should recover these costs in rates other than "these engineering costs were incurred in compliance with Commission directives." Lubertozzi, p. 17.

[14] *Petition of Community Utils. For an Increase to its Rates and Charges*, Cause No. 44724, Final Order at 76 (Ind. Util. Regul. Comm'n Jan. 24, 2020).

Q: Should Community be permitted to recover engineering costs related to its preapproval case?

A: No. Recovery of these costs is not reasonable, because the Commission's denial of the projects resulted in no "used and useful" asset from these expenditures. Further, the Commission's own orders in Cause Nos. 44724 and 45389 make it clear the Commission did not direct Community to incur these costs.

IX. *PRO FORMA* OPERATING EXPENSE - GENERAL

Q: What does Community include in "general" operating expense?

A: Community includes corporate allocations, regulatory and rate case expense, pension and employee benefits, rent, insurance, and miscellaneous expenses as well as salaries and wages in its general operating expense category.

Q: Did you include bad debt expense as a component of general operating expenses?

A: Yes. Petitioner should not include an operating expense as a component of operating revenues. Therefore, I included bad debt expense as a component of general operating expenses.

Q: What level of *pro forma* consolidated general operating expense does Community propose?

A: In total, Community requests a $301,168 increase to base period general expenses of $1,547,305, resulting in *pro forma* consolidated general expense of $1,848,473. Of this amount, $1,108,118 is charged to water operations and $740,355 is charged to wastewater operations.

Q: Do you accept any of Community's proposed general operating expenses?

A: Yes. I accept Community's proposed insurance expense, office supplies expense, rent expense, insurance expense, office utilities expense, miscellaneous expense, bad debt expense, and corporate allocated expenses.

Q: What *pro forma* general operating expense does the OUCC recommend?

A: The OUCC recommends *pro forma* general operating expenses of $1,610,422. This is an increase of $63,116 to base period general expenses of $1,547,306. Table MAS-10 presents a comparison of the overall *pro forma* general operating expenses proposed by Community compared to those recommended by the OUCC.

Table MAS-10: Comparison of Test Year General Operating Expense

	Community	OUCC	OUCC More (Less)
Salaries & wages	$ 340,842	$ 261,969	$ (78,873)
Pension & Other Benefits	326,419	246,218	(80,201)
Corporate Overhead Allocation	689,058	689,058	-
Regulatory Expense	25,000	-	(25,000)
Rate Case Expense	117,738	63,761	(53,977)
rent	16,236	16,236	-
Insurance	160,097	160,097	-
Office Supplies & Other	38,776	38,776	-
Office Utilities	23,532	23,532	-
Bad Debt Expense	58,868	58,868	-
Maintenance	51,907	51,907	-
	$ 1,848,473	$ 1,610,422	$ (238,051)
Water Operations	$ 1,108,118	$ 964,765	(143,353)
Wastewater Operations	740,355	645,657	(94,698)
	$ 1,848,473	$ 1,610,422	$ (238,051)

A. Salaries and Wages Expense – General

Q: What level of general salaries and wages expense does Community propose?

A: Community proposes a 64.95% ($134,208) increase to base period general salaries and wages expense of $206,634, resulting in *pro forma* general salaries and wages

expense of $340,842. Of this amount, $205,377 is charged to water operations and $135,465 is charged to wastewater operations.

Q: What adjustments to general salaries and wages expense does Community propose?

A: Community proposes to hire three additional leadership positions, including (1) a vice president of business development and regulatory affairs (34.64% allocated to CUII), (2) a Midwest project manager (27.10% allocated to CUII), and (3) a senior financial analyst (34.64% allocated to CUII). Community also proposes salary increases for both 2022 and 2023 of 3% to 5%.

Q: Do you accept any of Community's proposed adjustments to general salaries and wages expense?

A: Yes. I accept the addition of a financial analyst, the hiring of a Midwest project manager, and generally accept Community's proposed salary increases for 2022 and 2023.

Q: What level of general salaries and wages expense do you recommend?

A: I recommend a $55,334 increase to base period general salaries and wages expense of $206,634, resulting in *pro forma* maintenance salaries and wages expense of $261,968 (CONFIDENTIAL OUCC Attachment MAS-6). Of this amount, $157,862 is charged to water operations and $104,106 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 6.)

Vice President of External Affairs and Business Development

Q: Why do you disagree with the inclusion of a vice president of external affairs and business development?

A: Based on the duties of this position, which include business development activities and external affair activities, the costs of the position should not be recovered from ratepayers.

Q: Why are the business development activities considered non-recoverable?

A: The Commission has previously found that business development costs should be borne by shareholders, not ratepayers.[15] While Mr. Guttormsen argues that ratepayers benefit from growth that results from business development opportunities, Guttormsen, p. 6, this analysis assumes there will be growth because of the efforts of this position. There is no guarantee of growth or that any of the benefits listed by Mr. Guttormsen will occur. Further, growth benefits shareholders as much or more than ratepayers and shareholders should be required to bear the costs of those efforts. Finally, the benefits cited by Mr. Guttormsen sound very much like the benefits ratepayers are already supposed to be receiving through the shared services provided by Water Service Corporation ("WSC") and for which Community has already included $689,058.

The following responsibilities and duties are related to business development and, therefore, the associated costs should not be recoverable from ratepayers:

[15] "The Commission finds no evidence that the Business Development activities provide a benefit to ratepayers – in fact, the Commission is concerned that ratepayers may be subsidizing business development with limited offsetting benefits." (Final order dated June 6, 2012 in Cause No. 44022, page 70.)

- High level strategic planning, facilitation, and execution of the North business unit's growth initiatives in Illinois and Indiana;
- Direct, prepare, and present business case proposals to other Executive business partners within the Corix Group of Companies;
- Development and execution of the overall organization's growth strategy; and
- Motivate leadership and other stakeholders to take ownership of business development.

Q: Why do you consider the external affair activities of this position to be non-recoverable?

A: Mr. Guttormsen listed the responsibilities for this position:

- Advise the President on legislative, policy, and regulatory changes advantageous to the Company's goals;
- Seeks partners to implement these changes; and
- Identifies, establishes, and maintains crucial relationships at local, state, and federal levels.

All these responsibilities directly benefit shareholders with no discernable benefit to ratepayers, and the last responsibility sounds very much like lobbying. This position will provide no benefit to ratepayers and should not be included in general salaries and wages expense.

Q: Are there other reasons to exclude this position from general salaries and wages expense?

A: Yes. Community has not sufficiently supported recovery of these costs in its case. Community has the burden to provide substantive evidence to show recovery of these costs is reasonable and prudent and benefits ratepayers. While Mr. Guttormsen provides a list of responsibilities for this position, he does not explain why the position is needed or whether anyone is currently performing these duties and, if so, why they cannot continue to do so. It is also concerning that over one-

third of the cost of this position will be allocated to Indiana, a state with only 3 small water and wastewater utilities. Ratepayers are being asked to fund these additional costs with no guarantee of any payback in future rate cases in the form of reduced costs or other benefits. The cost-benefit analysis does not support the inclusion of these costs.

B. Pension and Employee Benefits

Q: What pensions and employee benefits expense does Community propose?

A: Community proposes a $106,483 increase to base period pensions and employee benefits expense of $219,936, resulting in *pro forma* pensions and employee benefits expense of $326,419, of which $196,686 is charged to water operations and $129,733 is charged to wastewater operations. Community's proposal represents a 48.42% increase to base period pensions and employee benefit expense.

Q: Do you accept Community's *pro forma* pensions and employee benefit expense?

A: No. While I accept the costs proposed by Community for its various employee benefits, my recommended pension and employee benefits expense is based on the headcount and salaries and wages expense I recommend.

Q: What benefits and employee benefit expense adjustment do you recommend?

A: I recommend a $26,281 increase to base year pensions and employee benefit expense of $219,936, resulting in *pro forma* pensions and employee benefits expense of $246,217 (CONFIDENTIAL OUCC Attachment MAS-6). (See OUCC Schedule 6, Adjustment No. 7.)

C. Rate Case Expense

Q: What level of rate case expense does Community propose?

A: Community proposes a $17,936 increase to base period rate case expense of $99,802, resulting in *pro forma* rate case expense of $117,738. Of this amount, $70,944 is charged to water operations and $46,794 is charged to wastewater operations.

Q: How did Community calculate its proposed rate case expense?

A: Community forecasted total rate case expense of $353,213 to be amortized over three (3) years, resulting in annual amortization expense of $117,738. Community's forecasted rate case expense includes (1) $300,000 for legal fees, (2) $4,254 for customer notices, and $6,459 for travel. Community also included $42,500 for an outside consultant used for cost of equity and to produce minimum standard filing requirement ("MSFR") workpapers.

Q: How does Community's proposed rate case expense compare to rate case expense proposed in Cause No. 44724?

A: In Cause No. 44724, Community proposed $326,865 of estimated rate case costs amortized over four (4) years for an annual rate case expense of $81,716.[16] Total proposed costs in that case are similar to those proposed in this case. While the projected legal fees were less in that case ($200,000), there were cost of service and depreciation studies prepared that were not prepared in this case.

[16] Rate case expense included in Cause No. 44724 was $108,218 because there were $106,008 of unamortized costs from previous case that were included in the amount recovered.

Q: Do you accept Community's proposed rate case expense?

A: No. I recommend $318,807 in rate case costs amortized over five (5) years, resulting in annual rate case expense of $63,761. Of this amount, $38,420 is charged to water operations and $25,341 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 8.)

Q: How did you calculate your recommended rate case expense?

A: I accepted Community's proposed $300,000 for legal fees and $4,254 for customer notices. However, I only included $4,553 for travel costs and $10,000 for outside consultant fees. Table MAS-11 presents a comparison of my recommended rate case expense to that proposed by Community.

Table MAS-11: Comparison of Rate Case Expense

		Community	OUCC	OUCC More (Less)
Legal Fees		$ 300,000	$ 300,000	$ -
Outside Consultant - Cose of Equity		10,000	10,000	-
Outside Consultant - MSFR		32,500	-	(32,500)
Travel Costs		6,459	4,553	(1,906)
Customer Notices		3,254	3,254	-
Other Miscellaneous Costs		1,000	1,000	-
Total		$ 353,213	$ 318,807	$ (34,406)
Amortization Period		3	5	
Pro forma Amortizaiton		$ 117,738	$ 63,761	$ (53,977)
Water Operations	60.2656%	$ 70,944	$ 38,420	$ (32,524)
Wastewater Operations	39.7442%	$ 46,794	$ 25,341	$ (21,453)

Q: Why did you reduce travel costs?

A: Community estimated travel costs for seven witnesses, two of which were flying into Indianapolis. I only included five witnesses in my projected rate case costs and eliminated one of the airfare costs. One witness, Mr. Guttormsen, is no longer

involved in the case and the outside consultant did not actually provide testimony in this case as the cost of equity has been agreed upon by the parties. Therefore, it is not necessary to include travel costs for either of these witnesses in estimated rate case costs.

Q: Why did you reduce outside consultant fees?

A: Community paid its outside consultant, Scott Madden Management Consultants, $42,500, including $10,000 for cost of equity services and $32,500 for assistance in the preparation of MSFR workpapers. The parties agreed on the inclusion of $10,000 for the cost of equity services. However, I do not consider the alleged work performed on the MSFR workpapers was necessary or prudent, especially considering how deficient these workpapers were. (See OUCC Notice of MSFR Deficiencies filed on December 20, 2021 and Commission Docket Entry issued February 10, 2022.)

Q: Why do you use an amortization period of five years?

A: I consider five years to be a better estimate of the life of the rates being set in this case. Community has not filed a rate case since December 2015. This case was filed six years later in December 2021. This is only the second consolidated rate case Community has filed so there isn't a history on which to base a projection. Using an amortization period that is too short can lead to over-collection of rate case costs by Community and impose an unfair burden on ratepayers. As noted above, Community waited six years to file its next rate case after Cause No. 44724, but rate case costs in that case were amortized over only four years, allowing Community to recover over $200,000[10] of rate case costs that were not approved

and were most likely not incurred. Therefore, I recommend an amortization period of five years to minimize any over-recovery of these costs while also allowing Community to recover its costs in a reasonable period of time. To the extent Community files its next rate case in less than five years, any unamortized rate case costs may be added to the costs of its next rate case filing, allowing Community the opportunity to recover all of the rate case costs approved in this case.

D. Regulatory Expense

Q: What level of regulatory expense does Community propose?

A: Community proposes a $25,000 adjustment to reflect projected annual costs of filing water capital trackers. Of this amount, $15,000 is charged to water operations and $10,000 is charged to wastewater operations.

Q: How did Community calculate its proposed regulatory expense?

A: Community forecasted the cost of filing two annual water trackers per year at $5,000 per filing or $10,000 per year. Community also forecasted the cost of filing one distributions system improvement charge ("DSIC") case per year at $10,000. Finally, Community forecasted the cost of filing one sewer system improvement charge case per year at $10,000.

Q: Do you accept Community's proposed regulatory expense?

A: No. I do not accept Community's assumptions regarding either the frequency with which it will file these cases or the costs it projects.

Q: What regulatory expense do you recommend?

A: I recommend no regulatory expense be included in *pro forma* general operating expenses. Community has filed no DSIC or other capital racker filings since Cause

No. 44724. Community failed its burden of providing evidence to support its proposal, as it provided no support for how it projected the frequency or cost of these filings. The timing and frequency of any capital tracker filings is entirely within Community's control; allowing Community to recover the costs of cases it may or may not bring is unsupported by precedent and should not be approved.

Q: Why do you recommend no water tracker filing costs be included in this case?

A: A review of prior water tracker filings submitted by Community reveals that it files its own water trackers with the Commission rather than using a consultant or law firm to file on its behalf. Therefore, there are no additional costs to be recovered when a water tracker filing is submitted. All the costs of internal labor that would be needed to prepare these filings is already being recovered in this rate case through either salaries and wages expense or through the inclusion of capitalized labor in rate base.

Further, Community has only filed one water tracker since its last rate case, not two trackers per year as projected in this case.[17] Also, it is unlikely Community would experience more than one rate increase per year from its wholesale water provider, Indiana American Water, Inc. ("IAWC"). IAWC is an Indiana regulated water utility and does file DSIC cases with some frequency, but it cannot file more than one DSIC in any given year.

[17] Tracker No. 50324 submitted February 20, 2020 and approved June 17, 2020.

X. OTHER OPERATING EXPENSES

A. Depreciation Expense

1. Consolidated Water Operations

Q: What level of depreciation expense does Community propose for its consolidated water operations?

A: Community proposes a $81,319 increase to base period depreciation expense of $320,676, resulting in *pro forma* Phase I depreciation expense of $401,995. Community proposes a $237,256 increase to Phase I depreciation expense of $401,995, resulting in *pro forma* Phase II depreciation expense of $639,251.

Q: Do you accept Community's proposed depreciation expense for its consolidated water operations?

A: No. While I accept Community's methodology for calculating its depreciation expense, I apply this methodology to my recommended consolidated water operations utility plant in service.

Q: What level of depreciation expense do you recommend for Community's consolidated water operations?

A: I recommend *pro forma* depreciation expense of $387,421 in Phase I and $410,485 in Phase II. (See OUCC Schedule 6, Adjustment Nos. 9 and 10.)

2. Consolidated Wastewater Operations

Q: What depreciation expense does Community propose for its consolidated wastewater operations?

A: Community proposes a $41,345 increase to base period depreciation expense of $505,007, resulting in *pro forma* Phase I depreciation expense of $546,351. Community proposes a $83,386 increase to Phase I depreciation expense of $546,351, resulting in *pro forma* Phase II depreciation expense of $629,738.

Q: Do you accept Community's proposed depreciation expense for its consolidated wastewater operations?

A: No. While I accept Community's methodology for calculating its depreciation expense, I apply this methodology to my recommended consolidated water operations utility plant in service.

Q: What level of depreciation expense do you recommend for Community's consolidated wastewater operations?

A: I recommend *pro forma* depreciation expense of $520,744 in Phase I and $523,429 in Phase II. (See OUCC Schedule 6, Adjustment Nos. 9 and 10.)

B. <u>Amortization Expense – Plant Acquisition Adjustment</u>

Q: What amortization expense for plant acquisition adjustments does Community propose?

A: Community proposes a $13,181 increase to base period plant acquisition adjustment ("PAA") amortization expense of $(4,644), resulting in *pro forma* expense of $8,537. Of this amount, 100% is charged to water operations.

Q: Do you accept Community's proposed PAA amortization expense?

A: No. The adjustment Community proposes has been reflected backwards, which is the opposite of what it should be. The amount of amortization expense for these plant acquisition adjustments has not changed since Community's last rate case. In Cause No. 44724, PAA amortization was $(8,537), the exact opposite of what Community proposes in this case.

Q: Why is PAA amortization expense a reduction to operating expenses?

A: Community is currently required to include in its operating expenses the amortization of the $426,838 of negative goodwill pushed down to TLUI. This negative goodwill is being amortized over 50 years at $8,537 per year. Because this

is negative goodwill, it is a reduction to rate base amortized over time and serving to offset depreciation expense, similar to amortization of CIAC.

Q: What PAA amortization expense do you recommend?

A: I recommend PAA amortization expense of $(8,537) (OUCC Schedule 6, Adjustment No. 11).

XI. TAXES OTHER THAN INCOME

Q: What expenses are included in Community's taxes other than income category of operating expenses?

A: Community includes payroll taxes, property and real estate taxes, utility receipts taxes, and the IURC fee in the category it labels as taxes other than income.

Q: What level of taxes other than income does Community propose?

A: For Phase I, Community proposes a $38,773 increase to base period expense of $270,103, resulting in *pro forma* Phase I taxes other than income of $308,876. Of this amount, $183,436 is charged to water operations and $125,440 is charged to wastewater operations. For Phase II, Community proposes a $76,049 increase to Phase I expense of $308,876, resulting in *pro forma* Phase II taxes other than income of $384,925. Of this amount, $228,487 is charged to water operations and $156,438 is charged to wastewater operations. (See wp-o-TOTI included in Attachment AD-1 and AD-3.)

A. Payroll Taxes

Q: How did Community determine its *pro forma* payroll tax expense?

A: Community applied a 7.65% payroll tax rate to its total *pro forma* salaries and wage expense. The 7.65% tax rate includes 6.2% for FICA and 1.45% for Medicare.

Q: What level of payroll tax does Community propose?

A: Community proposes a $44,880 increase to base period payroll tax expense of $59,113, resulting in *pro forma* payroll tax expense of $103,992. Of this amount, $62,661 is charged to water operations and $41,331 is charged to wastewater operations.

Q: Do you accept Community's *pro forma* payroll tax expense?

A: No. While I accept Community's methodology for calculating *pro forma* payroll tax expense, my recommended salaries and wages expense differs from that proposed by Community.

Q: What payroll tax adjustment do you recommend?

A: I recommend an $18,527 increase to base period payroll tax expense of $59,113, resulting in *pro forma* expense of $77,640 (CONFIDENTIAL OUCC Attachment MAS-6). Of this amount, $46,786 is charged to water operations and $30,854 is charged to wastewater operations. See OUCC Schedule 6, Adjustment No. 12.

B. <u>Property Taxes</u>

Q: How did Community determine its *pro forma* property tax expense?

A: Community calculated its effective property tax rate by dividing base year property tax expense by the September 30, 2021 balance in utility plant in service. This resulted in an effective 0.44% water property tax rate and an effective 0.23% wastewater property tax rate. These effective property tax rates were then applied to Community's *pro forma* utility plant in service at September 30, 2022 and September 30, 2023 for Phases I and II, respectively.

Q: What level of property tax does Community propose?

A: As reflected in workpaper wp-o, Community proposes *pro forma* Phase I property tax expense of $137,780, a $21,711 increase to base period expense of $116,069. Of this amount, $87,880 is charged to water operations and $49,900 is charged to wastewater operations. For Phase II, as reflected on workpaper wp-o, Community proposes *pro forma* Phase II property tax expense of $150,410, a $12,630 increase to Phase I expense of $137,780. Of this amount, $92,924 is charged to water operations and $57,486 is charged to wastewater operations.

Q: What does Attachment AD-1 actually reflect for Phase I property tax expense?

A: Attachment AD-1, Schedule B, reflects $384,925 for Phase I taxes other than income, which is the full amount of Phase II taxes other than income reflected on workpaper wp-o-TOTI. This amount includes $150,410 of Phase II property tax expense. It appears this is an error in Community's Attachment AD-1 and AD-3. Property tax is based on net utility plant included in rate base. The amount of property tax expense included in rates should be consistent with the rate base included in each phase. Therefore, Community's inclusion of Phase II property tax expense in Phase I rates is incorrect.

Q: What level of property tax do you recommend for Phase I?

A: I recommend *pro forma* Phase I property tax expense of $107,323, a $8,747 decrease to base period expense of $116,070. Of this amount, $79,332 is charged to water operations and $27,991 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 13.)

Q: What level of property tax do you recommend for Phase II?

A: I recommend *pro forma* Phase II property tax expense of $103,735, a $3,588 decrease to Phase I expense of $107,323. Of this amount, $84,406 is charged to water operations and $19,329 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 14.)

C. Utility Receipts Tax Expense[18]

Q: How did Community determine its *pro forma* utility receipts tax expense?

A: Community applied a total tax rate of 1.55% to its *pro forma* operating revenues in Phase I and Phase II. The 1.55% tax rate includes 1.4% for utility receipts tax and 0.15% for the IURC fee.

Q: What level of utility receipts tax does Community propose?

A: For Phase I, Community proposes *pro forma* utility receipts tax expense of $78,656, a $16,265 decrease to base period expense of $94,921. Of this amount, $39,855 is charged to water operations and $38,801 is charged to wastewater operations. For Phase II, Community proposes *pro forma* utility receipts tax expense of $130,522, a $51,866 increase to Phase I expense of $78,656. Of this amount, $72,901 is charged to water operations and $57,621 is charged to wastewater operations.

Q: Do you accept Community's *pro forma* utility receipts tax expense?

A: No. As of July 1, 2022, the Indiana utility receipts tax has been repealed. This expense should be removed from Community's proposed revenue requirement.

[18] Community records both utility receipts tax and the IURC fee in one account labeled utility receipts tax making it impractical to separate these items for presentation purposes in this case.

Q: Do you accept Community's proposed IURC fee rate?

A: No. I used the current IURC fee rate of 0.127608% rather than the 0.15% proposed by Community.

Q: What utility receipts tax adjustment do you recommend?

A: I recommend an $88,603 decrease to base period utility receipts tax expense of $94,920, resulting in *pro forma* Phase I expense of $6,317 (OUCC Schedule 6, Adjustment No. 15). Of this amount, $3,197 is charged to water operations and $3,120 is charged to wastewater operations.

XII. INCOME TAX EXPENSE

A. Excess ADIT Amortization

Q: What is excess ADIT?

A: Excess ADIT refers to the excess accumulated deferred income taxes ("ADIT") that resulted from the reduction of the federal income tax rate to 21% as a result of the Tax Cuts and Jobs Act of 2017.

Q: What level of excess ADIT was determined in Cause No. 45032-S20?

A: The Commission found Community's excess protected ADIT at December 31, 2017 to be $723,570, after tax gross-up.

Q: How was Community to return this excess ADIT to its customers?

A: In Cause No. 45032-S20, the Commission found the appropriate amortization period for Community's protected excess ADIT was 30 years based on the remaining life of its utility assets as of December 31, 2017. The Commission ordered Community to reduce its rates to reflect $24,119 ($723,570 / 30 years) of excess ADIT amortization.

Q: Have you included this excess ADIT amortization in your *pro forma* operating expenses?

A: Yes. I have included $(24,119), of which $14,734 is charged to water operations and $9,385 is charged to wastewater operations. (See OUCC Schedule 6, Adjustment No. 18.)

B. Income Tax Expense

Q: What present rate federal income tax expense does Community propose?

A: Community proposes *pro forma* federal income tax expense of $(157,983) for its Phase I consolidated water operations and $(59,349) for its Phase I consolidated wastewater operations. For Phase II, Community proposes *pro forma* federal income tax expense of $(157,983) for its consolidated water operations. For its Phase II consolidated wastewater operations, Community proposes *pro forma* federal income tax expense of $(59,349). (See Community's workpaper wp-g included in Attachment AD-1 and AD-3.)

Q: What present rate state income tax expense does Community propose?

A: For Phase I, Community proposes *pro forma* state income tax expense of $(157,983) for its consolidated water operations and $(59,349) for its consolidated wastewater operations. For Phase II, Community proposes *pro forma* state income tax expense of $(38,762) for its consolidated water operations and $(14,562) for its consolidated wastewater operations. (See Community's workpaper wp-g included in Attachment AD-1 and AD-3.)

Q: In what way does your calculation of federal and state income tax differ from that proposed by Community?

A: Other than the differences in proposed revenue and expense items, there is no difference between my calculation of federal and state income taxes and Community's.

Q: What federal income tax expense do you recommend?

A: I recommend *pro forma* present rate federal income tax expense of $(52,268) for Phase I consolidated water operations and $48,719 for Phase I consolidated wastewater operations. (See OUCC Schedule 6, Adjustment No. 16.)

I recommend *pro forma* present rate federal income tax expense of $175,402 for Phase II consolidated water operations and $108,978 for Phase II consolidated wastewater operations. (See OUCC Schedule 6, Adjustment No. 16.)

Q: What state income tax expense do you recommend?

A: I recommend *pro forma* present rate state income tax expense of $(12,824) for Phase I consolidated water operations and $10,837 for Phase I consolidated wastewater operations. (See OUCC Schedule 6, Adjustment No. 17.)

I recommend *pro forma* present rate state income tax expense of $43,036 for Phase II consolidated water operations and $24,240 for Phase II consolidated wastewater operations. (See OUCC Schedule 6, Adjustment No. 17.)

XIII. TARIFF ISSUES

A. Reconnection Charge

Q: Does Community propose changes to any of its non-recurring tariff rates?

A: Yes. Community proposes to increase its water reconnection charge from $37.50 to $62.62 to reflect updated costs.

Q: Do you accept Community's proposed reconnection charge of $62.62?

A: No. I recommend a reconnection charge of $55.00.

Q: How does your recommended reconnection charge differ from that proposed by Community?

A: I accept the hours and mileage proposed by Community, but I use my capitalized overtime rate of $40.11 (OUCC Attachment MAS-7). I calculate a reconnection charge of $56.91 and recommend $55.00 as a reasonable charge for this activity.

Table MAS-12: OUCC Recommended Reconnection Charge

Description	Cost Per Unit	Units	Total Cost
Operator Time (Hrs.)	$ 40.11	1.00	$ 40.11
Transportation Cost (Miles)	$ 0.56	30.00	$ 16.80
Reconnection Charge			**$ 56.91**
Proposed Reconnecton Charge			$ 55.00

B. Other Tariff Changes

Q: Does Community propose any other changes to its tariff?

A: Yes. Community proposes language changes to align its rules and regulations with the Commission's current rules regarding meter testing.

Q: Does the OUCC accept Community's proposed language?

A: Yes. However, Community should include language informing the customer that the customer should receive the report within 10 days of the test and that the customer will have five days to file an appeal. 170 Ind. Admin. Code 6-1-11(d) states "[a] written report giving the results of the test shall be made to the customer within ten (10) days after the test is complete." 170 I.A.C. 6-1-11(c) states "[a]n appeal, in regard to the results of the customer's meter test, shall be filed with the commission under section 12 of this rule within five (5) days of the date of the report."

XIV. RECOMMENDATIONS

Q: Please summarize your recommendations.

A: I recommend the Commission approve an overall, across-the-board water rate revenue increase of $1,360,259 or 54.96% and an overall across-the board wastewater revenue increase of $225,447 or 8.42%. I recommend the Commission deny Community recovery of its legal fees and engineering fees associated with Cause Nos. 45342 and 45389. I recommend the Commission limit recovery of COVID-19 to costs actually incurred through October 31, 2020. Finally, I recommend the Commission authorize a $55.00 reconnection charge.

Q: Does this conclude your testimony?

A: Yes.

APPENDIX A - QUALIFICATIONS

Q: Please describe your educational background and experience.

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

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

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

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

Q: Have you held any professional licenses?

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

APPENDIX B

Combined Schedules

Schedule 3 – Combined Comparative Income Statement

Schedule 4 – Combined *Pro Forma* Net Operating Income Statement

Schedule 6 – OUCC Operating Expense Adjustments

Consolidated Water Schedules

Schedule 1W – Comparison of Overall Revenue Requirement (page 1)
Comparison of Phased-in Revenue Requirement (page 2)
Gross Revenue Conversion Factor (page 3)
Comparison of Income Statement Adjustments (page 4)

Schedule 2W – Comparative Balance Sheet as of September 30, 2020 and 2021

Schedule 3W – Comparative Income Statement for the Twelve Months Ended September 30, 2020 and 2021

Schedule 4W – *Pro Forma* Net Operating Income Statement

Schedule 5W – OUCC Revenue Adjustments

Schedule 6W – OUCC Expense and Tax Adjustments

Schedule 7W – Rate Base Calculation

Schedule 8W – Capital Structure

Schedule 9W – Tariff

Consolidated Wastewater Schedules

Schedule 1S – Comparison of Overall Revenue Requirement (page 1)
Comparison of Phased-in Revenue Requirement (page 2)
Gross Revenue Conversion Factor (page 3)
Comparison of Income Statement Adjustments (page 4)

Schedule 2S – Comparative Balance Sheet as of September 30, 2020 and 2021

Schedule 3S – Comparative Income Statement for the Twelve Months Ended September 30, 2020 and 2021

Schedule 4S – *Pro Forma* Net Operating Income Statement

Schedule 5S – OUCC Revenue Adjustments

Schedule 6S – OUCC Expense and Tax Adjustments

Schedule 7S – Rate Base Calculation

Schedule 8S – Capital Structure

Schedule 9S – Tariff

APPENDIX B

Attachment MAS-1	Community asset listing reflecting assets recorded since last rate case (UPIS Assets worksheet included in Attachment AD-1 and AD-3).
Attachment MAS-2	OUCC workpaper MAS-RB listing non-allowed water and wastewater assets recorded to UPIS since last rate case.
Attachment MAS-3	OUCC workpaper MAS-RB-1W calculating reduction to accumulated depreciation related to non-allowed water assets.
Attachment MAS-4	OUCC workpaper MAS-RB-1S calculating reduction to accumulated depreciation related to non-allowed wastewater assets.
Attachment MAS-5	Data from the US Bureau of Labor Statistics.
Attachment MAS-6	OUCC workpaper MAS-OPEX1 reflecting calculation of general and maintenance (1) salaries and wages, (2) payroll taxes, and (3) pensions and employee benefits.
Attachment MAS-7	OUCC workpaper MAS-OPEX2 reflecting calculation of capitalized time rates for maintenance employees.
Attachment MAS-8	OUCC workpaper MAS-OPEX2 reflecting calculation of capitalized labor.
Attachment MAS-9	Response to OUCC Data Request No. 2-9 regarding Community's forecasted alum chemical costs.
Attachment MAS-10	OUCC workpaper MAS-X reflecting calculation of alum usage at TLUI wastewater treatment plant.
Attachment MAS-11	Response to OUCC Data Request Nos. 7-48 and 7-49 regarding assessment of late fees.
Attachment MAS-12	OUCC workpaper MAS-X reflecting Community's actual COVID-19 costs incurred during the period March through October 2020.

AFFIRMATION

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

Margaret A Stull

By: Margaret A. Stull
Cause No. 45651
Office of Utility Consumer Counselor (OUCC)

Date: APRIL 28, 2022

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS
CAUSE NUMBER 45651

Comparative Income Statement
Twelve Months Ended September 30

Operating Revenues	**2021**	**2020**
Service Revenues - Water	$ 2,528,715	$ 2,551,885
Service Revenues - Sewer	2,458,528	2,393,870
Miscellaneous Service Revenues	118,311	62,928
Total Operating Revenues	5,105,554	5,008,683
Maintenance Expense		
Salaries and Wages	341,055	417,997
Capital Items Charges to Plant	(77,709)	(51,345)
Purchased Water	365,903	283,519
Purchased Power	159,361	221,158
Maintenance and Repair	181,965	184,091
Maintenance Testing	23,866	22,558
Chemicals	55,097	57,140
Transportation	26,387	21,866
Outside Services - Other	8,453	71,356
Total Maintenance Expense	1,084,378	1,228,340
General Expense		
Salaries and Wages	124,509	124,492
Pension & Other Benefits	132,524	15,060
Corporate Overhead Allocation	461,631	-
Regulatory Commission Expense	60,137	60,532
Rate Case Expense	-	139,471
Rent	7,117	57,011
Insurance	58,755	42,559
Office Supplies & Other Office Expense	22,015	64,762
Office Utilities	16,402	28,793
Bad Debt Expense	30,486	11,317
Miscellaneous	13,082	-
Total General Expense	926,658	543,997

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS
CAUSE NUMBER 45651

Comparative Income Statement
Twelve Months Ended

	2021	2020
Depreciation and Taxes		
Depreciation Expense	320,676	587,501
Amortization of CIAC	(110,834)	(193,761)
Amortization of Acquisition Adjustment	(2,798)	(4,893)
Taxes Other Than Income		
Payroll Taxes	35,619	41,023
Property Taxes	69,939	53,205
Utility Receipts Tax	57,195	17,899
Franchise Tax	-	60
Allocated Taxes	-	568,125
Income Taxes - Federal	(11,544)	(19,345)
Income Taxes - State	12,079	11,493
Amortization of ITC	(1,127)	(1,973)
Total Depreciation and Taxes	369,205	1,059,334
Total Operating Expenses	2,380,241	2,831,671
Net Operating Income	2,725,313	2,177,012
Other Income (Expense)		
Other Income	17,059	13,511
Interest During Construction	62,509	115,833
Interest on Debt	(315,378)	(541,964)
Net Income	$ 2,489,503	$ 1,764,392

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS
CAUSE NUMBER 45651

Pro-forma **Net Operating Income Statement**

Phase I as of September 30, 2022

	(A) Base Year Ended 9/30/2021	(B) Increase (Decrease)	Sch Ref	(C) Forecasted 9/30/2022	(D) Phase I Adjustments	Sch Ref	(E) *Pro-Forma* 9/30/2022
Operating Revenues							
Service Revenues - Water	$ 2,528,715	$ (53,502)	PET	$ 2,475,213	$ 1,215,946	1W	$ 3,691,159
Service Revenues - Sewer	2,458,528	(42,748)		2,415,780	260,921	1S	2,676,701
Miscellaneous Service Revenues	118,311			118,311			118,311
Other	-	-		0	-		0
Total Operating Revenues	5,105,554	(96,250)		5,009,304	1,476,867		6,486,171
Maintenance Expense							
Salaries and Wages	566,012	61,549	6-1	627,561			627,561
Capital Items Charges to Plant	(128,965)	(7,732)	6-2	(136,697)			(136,697)
Purchased Water	365,903	(28,388)	6-3	337,515			337,515
Purchased Power	264,474	24,799	PET	289,273			289,273
Maintenance and Repair	320,143	112,014	PET	432,157			432,157
Maintenance Testing	39,172	10,626	PET	49,798			49,798
Chemicals	91,438	51,321	6-4	142,759			142,759
Transportation	43,792	2,584	PET	46,376			46,376
Outside Services - Other	14,029	6,340	6-5	20,369			20,369
Total Maintenance Expense	1,575,998	233,113		1,809,111	-		1,809,111
General Expenses							
Salaries and Wages	206,634	55,334	6-6	261,968			261,968
Pension & Other Benefits	219,936	26,281	6-7	246,217			246,217
Corporate Overhead Allocation	766,119	(77,062)	PET	689,057			689,057
Regulatory Commission Expense	-	-		-			-
Rate Case Expense	99,803	(36,042)	6-8	63,761			63,761
Rent	11,811	4,426	PET	16,237			16,237
Insurance	97,509	62,588	PET	160,097			160,097
Office Supplies & Other Office Expense	36,536	2,241	PET	38,777		1	38,777
Office Utilities	27,221	(3,688)	PET	23,533			23,533
Bad Debt Expense	60,026	(1,158)	PET	58,868	17,722	1W/1S	76,590
Miscellaneous	21,711	30,196	PET	51,907			51,907
	1,547,306	63,116		1,610,422	17,722		1,628,144
Depreciation Expense	825,683	82,482	6-9	908,165			908,165
Amortization of CIAC	(135,375)	121,006	PET	(14,369)			(14,369)
Amortization of Acquisition Adjustment	(4,644)	(3,893)	6-11	(8,537)			(8,537)
Taxes Other Than Income							
Payroll Taxes	59,113	18,527	6-12	77,640			77,640
Property Taxes	116,070	(8,747)	6-13	107,323			107,323
Utility Receipts Taxes	94,920	(88,603)	6-14	6,317	1,885	1W/1S	8,202
Income Taxes - Federal	(27,212)	23,663	6-15	(3,549)	291,029	1W/1S	287,480
Income Taxes - State	29,433	(31,420)	6-16	(1,987)	71,405	1W/1S	69,418
Amortization of Excess ADIT	-	(24,119)	6-17	(24,119)			(24,119)
Amortization of ITC	(1,871)	-	PET	(1,871)			(1,871)
Total Operating Expenses	4,079,421	385,125		4,464,546	382,041		4,846,587
Net Operating Income	$ 1,026,133	$ (481,375)		$ 544,758	$ 1,094,826		$ 1,639,584

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS
CAUSE NUMBER 45651

Pro-forma **Net Operating Income Statement**

Phase II as of September 30, 2023

	(A) *Pro-forma* 9/30/2022	(B) Increase (Decrease)	Sch Ref	(C) Forecasted 9/30/2023	(D) Phase II Adjustments		(E) *Pro-Forma* 9/30/2023
Operating Revenues							
Service Revenues - Water	$ 3,691,159			$ 3,691,159	$ 144,312		$ 3,835,471
Service Revenues - Sewer	2,676,701			2,676,701	(35,474)		2,641,227
Miscellaneous Service Revenues	118,311			118,311			118,311
Total Operating Revenues	6,486,171	-		6,486,171	108,838		6,595,009
Maintenance Expense							
Salaries and Wages	627,561	-		627,561			627,561
Capital Items Charges to Plant	(136,697)	-		(136,697)			(136,697)
Purchased Water	337,515	-		337,515			337,515
Purchased Power	289,273	-		289,273			289,273
Maintenance and Repair	432,157	-		432,157			432,157
Maintenance Testing	49,798	-		49,798			49,798
Chemicals	142,759	-		142,759			142,759
Transportation	46,376	-		46,376			46,376
Outside Services - Other	20,369	-		20,369			20,369
Total Maintenance Expense	1,809,111	-		1,809,111			1,809,111
General Expenses							
Salaries and Wages	261,968	-		261,968			261,968
Pension & Other Benefits	246,217	-		246,217			246,217
Corporate Overhead Allocation	689,057	-		689,057			689,057
Regulatory Commission Expense	-	-		-			-
Rate Case Expense	63,761	-		63,761			63,761
Rent	16,237	-		16,237			16,237
Insurance	160,097	-		160,097			160,097
Office Supplies & Other Office Expense	38,777	-		38,777		1	38,777
Office Utilities	23,533	-		23,533			23,533
Bad Debt Expense	76,590	-		76,590	1,306	1W/1S	77,896
Miscellaneous	51,907	-		51,907			51,907
	1,628,144	-		1,628,144	1,306		1,629,450
Depreciation Expense	908,165	25,749	6-10	933,914			933,914
Amortization of CIAC	(14,369)	-		(14,369)			(14,369)
Amortization of Acquisition Adjustment	(8,537)	-		(8,537)			(8,537)
Taxes Other Than Income							
Payroll Taxes	77,640	-		77,640			77,640
Property Taxes	107,323	(3,588)	6-14	103,735			103,735
Utility Receipts Taxes	8,202	-		8,202	139	1W/1S	8,341
Income Taxes - Federal	287,480	(3,100)	6-16	284,380	21,448	11W/1S	305,828
Income Taxes - State	69,418	(2,142)	6-17	67,276	5,262	11W/1S	72,538
Amortization of Excess ADIT	(24,119)	-		(24,119)			(24,119)
Amortization of ITC	(1,871)	-		(1,871)			(1,871)
Total Operating Expenses	4,846,587	16,919		4,863,506	28,155		4,891,661
Net Operating Income	$ 1,639,584	$ (16,919)		$ 1,622,665	$ 80,683		$ 1,703,348

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(1)
MAINTENANCE SALARIES AND WAGES EXPENSE

To reflect *pro forma* maintenance salaries and wages for 10 maintenance employees.

	Total 100.00%		Water 60.26%	Sewer 39.74%
		CONFIDENTIAL		
Pro forma Maintenance Salaries and Wages	$ 627,561	wp MAS-OPEX1	$ 378,168	$ 249,393
Less: Base Period Expense	(566,012)		(341,055)	(224,957)
Adjustment Increase (Decrease)	**$ 61,549**		**$ 37,113**	**$ 24,436**

(2)
CAPITALIZED LABOR

To reflect *pro forma* capitalized labor.

	Total 100.00%		Water 60.26%	Sewer 39.74%
Capital Projects	$ (100,269)		$ (48,129)	$ (52,140)
General Plant Additions	(36,428)		(21,952)	(14,476)
Pro forma Capitalized Labor	(136,697)	wp MAS-OPEX2	(70,081)	(66,616)
Less: Base Period Expense	128,965		77,709	51,256
Adjustment Increase (Decrease)	**$ (7,732)**		**$ 7,628**	**$ (15,360)**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(3)
PURCHASED WATER

To reflect *pro forma* purchased water costs, including approved Indiana-American DSIC-13 increase.

Meter Charge	**Meter Rate**	**DSIC-13**	**Total Fixed**		
Monthly Meter Charge (6")	$ 670.84	$ 158.67	$ 829.51		
Times: 2 Meters			2		
Total Monthly Meter Charge			1,659		
Times: 12 Months			12		
Total Annual Meter Charge				$ 19,908	
Volumetric Charge					
Total Base Year Vol (Hundreds of Gallons)		wp MAS-OPEX4	1,182,370		
Less: 1.82% Decl. Consump (IWSI) - 2022			(21,519)		
Less: 1.82% Decl. Consump (IWSI) - 2023			(21,127)		
			1,139,724		
Times: Current Rate			$ 0.278670		
Total Volumetric Charge				317,607	
Pro forma Purchased Water Expense				$ 337,515	
Less: Test Year Purchased Water Expense				(365,903)	
Adjustment Increase (Decrease)					**$ (28,388)**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(4)
CHEMICAL EXPENSE

To reflect *pro format* chemical costs.

	Total	Water	Sewer
Community Proposed Chemical Expense	$ 161,315	$ 25,930	$ 135,385
Less: Community Forecasted Alum Expense	(61,206)		(61,206)
Add: OUCC Forecasted Alum Expense	42,650		42,650
Pro forma Chemical Expense	$ 142,759	$ 25,930	$ 116,829
Less: Base Period Expense	(91,438)	(55,097)	(36,341)
Adjustment Increase (Decrease)	**$ 51,321**	**$ (29,167)**	**$ 80,488**

Monthly Alum Usage (Gallons)	wp MAS-OPEX5	1,725		
Times: Price per CUII		$ 1.78		
Monthly Alum Cost before Taxes		3,071		
Times: 7% Sales Tax		7.00%		
Alum Cost before Inflation			3,286	
Times: Inflation Rate per CUII			4.00%	
Monthly Alum Cost				3,554
Times: 12 Months				12
Pro forma Alum Cost				$ 42,650

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(5)
OUTSIDE SERVICES

To reflect *pro format* outside services expense - amortization of COVID-19 costs.

	Total 100.00%	Water 60.26%	Sewer 39.74%
COVID-19 Costs	$ 6,340	$ 3,820	$ 2,520
Cause No. 45342 Legal Fees	-	-	-
Cause No. 45342 Engineering Costs	-	-	-
Adjustment Increase (Decrease)	**$ 6,340**	**$ 3,820**	**$ 2,520**

COVID-Costs

Forgone Late Payment Charges	wp MAS-OPEX6	$ 24,291	
Forgone Reconnection Charges		63	
Direct Customer Communication		3,171	
Legal Fees		4,176	
Total Estimated Rate Case Costs			31,701
Divide by: 5 Years			5
Pro forma Amortization			$ 6,340

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(6)
GENERAL SALARIES AND WAGES EXPENSE

To reflect the *pro forma* general salaries and wages, including two new positions, and the allocation to water and sewer

	Total 100.00%		Water 60.26%	Sewer 39.74%
		CONFIDENTIAL		
Pro forma General Salaries and Wages	$ 261,968	wp MAS-OPEX1	$ 157,862	$ 104,106
Less: Base Period Expense	(206,634)		(124,509)	(82,125)
Adjustment Increase (Decrease)	**$ 55,334**		**$ 33,353**	**$ 21,981**

(7)
PENSIONS AND OTHER BENEFITS

To reflect *pro forma* pension and other benefits and the allocation to water and sewer operations.

	Total 100.00%		Water 60.26%	Sewer 39.74%
		CONFIDENTIAL		
Pro forma Pensions and Other Benefits	$ 246,217	wp MAS-OPEX1	$ 148,370	$ 97,847
Less: Base Period Expense	(219,936)		(132,524)	(87,412)
Adjustment Increase (Decrease)	**$ 26,281**		**$ 15,846**	**$ 10,435**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(8)
RATE CASE EXPENSE

To reflect *pro forma* rate case expense based upon estimated costs and the allocation to these costs to the water and sewer

	Total 100.00%	Water 60.26%	Sewer 39.74%
Pro forma Pensions and Other Benefits	$ 63,761	$ 38,420	$ 25,341
Less: Base Period Expense	(99,803)	(60,137)	(39,666)
Adjustment Increase (Decrease)	**$ (36,042)**	**$ (21,717)**	**$ (14,325)**

Legal Fees	CUII	$ 300,000	
Cost of Equity	CUII	10,000	
Customer Notices	CUII	3,254	
Travel Costs	wp MAS-OPEX7	4,553	
Other Miscellaneous Costs	CUII	1,000	
Total Rate Case Costs			$ 318,807
Divided by : 5 Years			5
Pro forma Rate Case Expense			$ 63,761

(9)
DEPRECIATION EXPENSE - PHASE I

To calculate depreciation expense based on forecasted rate base and IURC composite depreciation rate.

	Water	Sewer	Combined
Utility Plant in Service at 9/30/22 as adjusted	$ 19,538,387	$ 20,926,963	$ 40,465,350
Less: Land and Land Rights	(167,362)	(97,221)	(264,583)
Depreciable UPIS	19,371,025	20,829,742	40,200,767
Times: Composite Depreciation Rate	2.00%	2.50%	
Pro Forma Depreciation Expense	$ 387,421	$ 520,744	$ 908,165
Less: Base Year Depreciation Expense	(320,676)	(505,007)	(825,683)
Adjustment Increase (Decrease)	**$ 66,745**	**$ 15,737**	**$ 82,482**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(10)
DEPRECIATION EXPENSE - PHASE II

To calculate depreciation expense based on forecasted rate base and IURC composite depreciation rate.

	Water	Sewer	Combined
Utility Plant in Service at 9/30/23 as adjusted	$ 20,691,592	$ 21,034,397	$ 41,725,989
Less: Land and Land Rights	(167,362)	(97,221)	(264,583)
Depreciable UPIS	20,524,230	20,937,176	41,461,406
Times: Composite Depreciation Rate	2.00%	2.50%	
Pro Forma Depreciation Expense	$ 410,485	$ 523,429	$ 933,914
Less: Phase I Depreciation Expense	(387,421)	(520,744)	(908,165)
Adjustment Increase (Decrease)	$ 23,064	$ 2,685	$ 25,749

(11)
ACQUISITION ADJUSTMENT AMORTIZATION

To reflect authorized level of amortization expense related to purchase acquisition adjustments.

	Water	Sewer	Combined
Water Acquisition Adjustment Amortization:			
Negative Goodwill Pushed Down from Corporate	$ (426,838)	$ -	$ (426,838)
Times: Water Depreciation Rate	2.00%	2.50%	
Annual Amortization Expense Authorized	(8,537)	-	(8,537)
Less: Base Period Expense	2,798	1,846	4,644
Adjustment Increase (Decrease)	**$ (5,739)**	**$ 1,846**	**$ (3,893)**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(12)
PAYROLL TAX

To reflect *pro forma* payroll tax and the allocation to water and sewer operations.

	Total 100.00%		Water 60.26%	Sewer 39.74%
		CONFIDENTIAL		
Pro forma Pensions and Other Benefits	$ 77,640	wp MAS-OPEX1	$ 46,786	$ 30,854
Less: Base Period Expense	(59,113)		(35,619)	(23,494)
Adjustment Increase (Decrease)	**$ 18,527**		**$ 11,167**	**$ 7,360**

(13)
PROPERTY TAX - PHASE I

To reflect pro forma property tax expense based on forecasted net utility plant in service.

	Water	Sewer	Combined
Phase I - September 30, 2022			
Utility Plant in Services as of 09/30/2022	$ 19,538,387	$ 20,926,963	$ 40,465,350
Less: Accumulated Depreciation	(1,508,475)	(8,756,958)	(10,265,433)
Net Book Value	18,029,912	12,170,005	30,199,917
Times: Effective Property Tax Rate	0.44%	0.23%	
Pro forma Property Tax Expense	$ 79,332	$ 27,991	$ 107,323
Less: Base Year Property Tax Expense	(69,939)	(46,131)	(116,070)
Adjustment Increase (Decrease)	**$ 9,393**	**$ (18,140)**	**$ (8,747)**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(14)
PROPERTY TAX - PHASE II

To reflect pro forma property tax expense based on forecasted net utility plant in service.

	Water	Sewer	Combined
Phase II - September 30, 2023			
Water Utility Plant in Services as of 9/30/2023	$ 20,691,592	$ 8,403,890	$ 29,095,482
Less: Accumulated Depreciation	(1,508,475)	-	(1,508,475)
Net Book Value - Water	19,183,117	8,403,890	27,587,007
Times: Average Property Tax Rate	0.44%	0.23%	
Pro forma Property Tax Expense	$ 84,406	$ 19,329	$ 103,735
Less: Phase I Property Tax Expense	(79,332)	(27,991)	(107,323)
Adjustment Increase (Decrease)	**$ 5,074**	**$ (8,662)**	**$ (3,588)**

(15)
UTILITY RECEIPTS TAX - PHASE I

To reflect *pro forma* IURC fee and the repeal of the utility receipts tax.

	Water	Sewer	Combined
Pro forma Present Rate Revenues at 9/30/2022	$ 2,535,301	$ 2,474,003	$ 5,009,304
Less: Bad Debt Expense	(29,841)	(29,027)	(58,868)
Taxable Revenues	2,505,460	2,444,976	4,950,436
Times: Tax Rate (0.1077802% - IURC Fee)	0.127608%	0.127608%	
Pro forma IURC Fee	$ 3,197	$ 3,120	$ 6,317
Less: Base Year Utility Receipts Tax Expense	(57,195)	(37,725)	(94,920)
Adjustment Increase (Decrease)	**$ (53,998)**	**$ (34,605)**	**$ (88,603)**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(16)
FEDERAL INCOME TAXES

To reflect federal income tax based on forecasted present rate net income.

	Water		Sewer	
	Phase I	**Phase II**	**Phase I**	**Phase II**
Pro forma Present Rate Revenues	$ 2,535,301	$ 3,751,247	$ 2,474,003	$ 2,734,924
Less:				
Pro forma Maintenance Expenses	970,544	970,544	838,567	838,567
Pro forma General Expenses	964,765	979,356	645,657	648,788
Depreciation	387,421	410,485	520,744	523,429
Amortization of CIAC	(14,235)	(14,235)	(134)	(134)
Amortization of Acquisition Adjustment	(8,537)	(8,537)	-	-
Taxes Other than Income	129,315	135,941	61,965	53,636
Synchronized Interest	367,746	399,411	186,044	175,935
Federal Taxable Income (Before State Taxes)	(261,718)	878,282	221,160	494,703
Less: State Income Taxes	12,824	(43,036)	(10,837)	(24,240)
Allocation of Parent Company Interest	-	-	-	-
Federal Taxable Income	(248,894)	835,246	231,997	518,943
Times: Federal Tax Rate	21.00%	21.00%	21.00%	21.00%
Pro forma Federal Income Taxes	(52,268)	175,402	48,719	108,978
Less: Base Year Federal Income Tax Expense	(11,544)	187,344	(15,668)	100,136
Total Adjustment -- Increase (Decrease)	**$ (40,724)**	**$ (11,942)**	**$ 64,387**	**$ 8,842**

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED WATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

(17)
STATE INCOME TAXES

To reflect state income taxes based upon forecasted present rate net income

	Water		Sewer	
	Phase I	**Phase II**	**Phase I**	**Phase II**
Federal Taxable Income (Before State Taxes)	$ (261,718)	$ 878,282	$ 221,160	$ 494,703
Times: Supplemental Income Tax Rate	4.900%	4.900%	4.900%	4.900%
Pro forma State Income Taxes	(12,824)	43,036	10,837	24,240
Less: Base Year State Income Tax Expense	(12,079)	(45,966)	17,354	23,452
Total Adjustment -- Increase (Decrease)	$ (24,903)	$ (2,930)	$ (6,517)	$ 788

(18)
AMORTIZATON OF EXCESS ADIT

To reflect amortization of Excess protected ADIT as ordered in Cause No. 45032-S20. Unprotected ADIT has been fully

	Total	**Water**	**Sewer**
		61.09%	38.91%
Protected Excess ADIT per Final Order in Cause No 45032-S20	(526,908)		
Tax Gross-up	(196,662)		
	(723,570)		
Divide by: Amortization Period	30		
Annual Amortization of Protected Excess ADIT	$ (24,119)	$ (14,734)	$ (9,385)
Tax Gross UP			

COMMUNITY UTILITIES OF INDIANA, INC.

CONSOLIDATED WATER OPERATIONS

CAUSE NUMBER 45651

Schedule 1W	Overall Revenue Requirement
Schedule 1W	Phased-in Revenue Requirement
Schedule 1W	Gross Revenue Conversion Factor
Schedule 1W	Net Operating Income Adjustments
Schedule 2W	Intentionally Left Blank
Schedule 3W	Income Statement
Schedule 4W	*Pro Forma* Net Operating Income
Schedule 5W	Intentionally Left Blank
Schedule 6W	See Schedule 6 - Combined
Schedule 7W	Rate Base
Schedule 8W	Capital Structure and Synchronized Interest

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS

CAUSE NUMBER 45651

Comparison of Petitioner's and OUCC's
Overall Revenue Requirements

		Per CUII	Per OUCC	Sch Ref	OUCC More (Less)
1	Original Cost rate Base	$ 16,860,533	$ 16,218,954	7W	$ (641,579)
2	Times: Weighted Cost of Capital	7.28836%	7.28836%	8W	0.00%
3	Net Operating Income Required for Return on Rate base	1,228,856	1,182,096		(46,760)
4	Less: Adjusted Net Operating Income	(380,316)	173,715	4W	554,031
5	Net Revenue Requirement	1,609,172	1,008,381		(600,791)
6	Gross Revenue Conversion Factor	134.728800%	134.8953%	1W	0.1665%
7	Recommended Revenue Increase	$ 2,168,018	$ 1,360,259		$ (807,759)
8	Recommended Percentage Increase	87.59%	54.96%		-32.63%

9	**Calculation of Adjusted Net Operating Income:**			
10	Net Income at Present Rates - Phase I	$ (210,043)	$ 186,981	Sch. 4W, p. 1, column C, line #46
11	Add: Phase II Adjustments	(170,273)	(13,266)	Sch. 4W, p. 2, column B, line #46
12	Adjustment Net Operating income	$ (380,316)	$ 173,715	

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Comparison of Petitioner's and OUCC's
Revenue Requirements

		Phase I - 9/30/2022				Phase II - 9/30/2023			
		Per CUII	Per OUCC	Sch Ref	OUCC More (Less)	Per CUII	Per OUCC	Sch Ref	OUCC More (Less)
1	Original Cost rate Base	$ 15,558,400	$ 14,933,126	7W	$ (625,274)	$ 16,860,533	$ 16,218,954	7W	$ (641,579)
2	Times: Weighted Cost of Capital	7.28836%	7.28836%	8W	0.000%	7.28836%	7.28836%	8W	0.000%
3	Net Operating Income Required for Return on Rate base	1,133,952	1,088,380		(45,572)	1,228,856	1,182,096		(46,760)
4	Less: Adjusted Net Operating Income	(210,043)	186,981	4W	397,024	963,679	1,075,116	4W	111,437
5	Net Revenue Requirement	1,343,995	901,399		(442,596)	265,177	106,980		(158,197)
6	Gross Revenue Conversion Factor	134.7288%	134.8953%	1W	0.166500%	134.7288%	134.8953%	1W	0.166500%
7	Recommended Revenue Increase	$ 1,810,748	$ 1,215,946		$ (594,802)	$ 357,270	$ 144,312		$ (212,958)
8	Recommended Percentage Increase	73.16%	49.12%		-24.04%	8.34%	3.91%		-4.43%

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Gross Revenue Conversion Factor

		Phase I - 9/30/2022			Phase II - 9/30/2023			
		Per CUII	Per OUCC		Per CUII	Per OUCC		
1	Gross Revenue Change	100.00%	100.000000%	$ 1,215,946	100.000000%	100.000000%	$	144,312
2	Less: Bad Debt Rate	1.20%	1.200000%	14,591	0.454631%	1.200000%	-	1,732
3	Sub-total	98.80%	98.800000%		99.545369%	98.8000000%		
4	Less: IURC Fee	0.00%	0.127608%	1,552	0.000000%	0.1276080%		184
5	Income Before State Income taxes	98.80%	98.672392%		99.545369%	98.6723920%		
6	Less: State Income Tax (4.9% of Line 5)	4.84%	4.834947%	58,790	6.097154%	4.834947%		6,977
7	Utility Receipts Tax (0.0% of Line 3)	0.00%	0.000000%	-	0.000000%	0.000000%		-
8	Income before Federal income Taxes	93.96%	93.837445%		93.448215%	93.837445%		
9	Less: Federal income Tax (21% of Line 8)	19.73%	19.705863%	239,612	31.772393%	19.705863%		28,438
10	Change in Operating Income	74.23%	74.131582%	$ 901,401	61.675822%	74.131582%	$	106,981
11	Gross Revenue Conversion Factor	134.7164%	134.895273%		162.138090%	134.895273%		

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Reconciliation of Net Operating Income Statement Adjustments
***Pro-forma* Present Rates**

		Phase I - 9/30/2022			Phase II - 9/30/2023		
		Per Petitioner	Per OUCC	OUCC More (Less)	Per Petitioner	Per OUCC	OUCC More (Less)
1	Operating Revenues						
2	Service Revenues - Water	$ (53,502)	$ (53,502)	$ -	$ (53,502)	$ (53,502)	$ -
3	Other Operating Revenues	-		-	-	-	-
4	Total Operating Revenues	(53,502)	(53,502)	-	(53,502)	(53,502)	-
5							
6	Maintenance Expenses						
7	Salary and Wage	221,513	37,113	(184,400)	221,513	37,113	(184,400)
8	Capitalized Labor	(8,313)	7,628	15,941	(8,313)	7,628	15,941
9	Purchased Water	11,022	(28,388)	(39,410)	11,022	(28,388)	(39,410)
10	Purchased Power	(78,164)	(78,164)	-	(78,164)	(78,164)	-
11	Maintenance and Repair	(23,870)	(23,870)	-	(23,870)	(23,870)	-
12	Maintenance Testing	(4,363)	(4,363)	-	(4,363)	(4,363)	-
13	Chemicals	(29,167)	(29,167)	-	(29,167)	(29,167)	-
14	Transportation	1,557	1,557	-	1,557	1,557	-
15	Outside Services - Other	35,722	3,820	(31,902)	35,722	3,820	(31,902)
16	Total Maintenance Epxenses	125,937	(113,834)	(239,771)	125,937	(113,834)	(239,771)
17	General Expenses						
18	Salaries and Wages	80,867	33,353	(47,514)	80,867	33,353	(47,514)
19	Pension & Other Benefits	64,162	15,846	(48,316)	64,162	15,846	(48,316)
20	Corporate Overhead Allocation	(46,434)	(46,434)	-	(46,434)	(46,434)	-
21	Regulatory Expense	15,000	-	(15,000)	15,000	-	(15,000)
22	Rate Case Expense	10,807	(21,717)	(32,524)	10,807	(21,717)	(32,524)
23	Rent	2,667	2,667	-	2,667	2,667	-
24	Insurance	37,714	37,714	-	37,714	37,714	-
25	Office Supplies & Other	1,350	1,350	-	1,350	1,350	-
26	Office Utilities	(2,222)	(2,222)	-	(2,222)	(2,222)	-
27	Bad Debt Expense	(645)	(645)	-	(645)	(645)	-
28	Miscellaneous	18,195	18,195	-	18,195	18,195	-
29	Total General Expenses	$ 181,461	$ 38,107	$ (143,354)	$ 181,461	$ 38,107	$ (143,354)

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Reconciliation of Net Operating Income Statement Adjustments
***Pro-forma* Present Rates**

		Phase I - 9/30/2022			Phase II - 9/30/2023		
		Per Petitioner	Per OUCC	OUCC More (Less)	Per Petitioner	Per OUCC	OUCC More (Less)
1	Depreciation Expense	$ 81,319	$ 66,745	$ (14,574)	$ 318,575	$ 89,809	$ (228,766)
2	Amortization of CIAC	96,599	96,599	-	96,599	96,599	-
3	Amor of Acquisition Adjustment	11,335	(5,739)	(17,074)	11,335	(5,739)	(17,074)
4	Taxes Other Than Income						
5	Payroll Taxes	22,985	11,167	(11,818)	22,985	11,167	(11,818)
6	Property Taxes	27,043	9,393	(17,650)	27,043	14,467	(12,576)
7	Utility Receipts Taxes	15,706	(53,998)	(69,704)	15,706	(53,998)	(69,704)
8	Income Taxes - Federal	(146,438)	(40,724)	105,714	(200,225)	(52,666)	147,559
9	Income Taxes - State	(50,841)	(24,903)	25,938	(64,038)	(27,833)	36,205
10	Excess ADIT Amortization	-	(14,734)	(14,734)	-	(14,734)	(14,734)
11	Total Operating Expenses	365,106	(31,921)	(397,027)	535,378	(18,655)	(554,033)
12							
13	Net Operating Income	$ (418,608)	$ (21,581)	$ 397,027	(588,880)	$ (34,847)	$ 554,033

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS
CAUSE NUMBER 45651

COMPARATIVE BALANCE SHEET

See Petitioner's Balance Sheet - Schedule A
Attachment AD-1 and AD-3

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Comparative Income Statement
Twelve Months Ended September 30

Operating Revenues	**2021**	**2020**
Service Revenues - Water	$ 2,528,715	$ 2,551,885
Miscellaneous Service Revenues	60,088	32,466
Total Operating Revenues	2,588,803	2,584,351
Maintenance Expense		
Salaries and Wages	341,055	417,997
Capital Items Charges to Plant	(77,709)	(51,345)
Purchased Water	365,903	283,519
Purchased Power	159,361	221,158
Maintenance and Repair	181,965	184,091
Maintenance Testing	23,866	22,558
Chemicals	55,097	57,140
Transportation	26,387	21,866
Outside Services - Other	8,453	71,356
Total Maintenance Expense	1,084,378	1,228,340
General Expense		
Salaries and Wages	124,509	124,492
Pension & Other Benefits	132,524	15,060
Corporate Overhead Allocation	461,631	-
Regulatory Commission Expense	-	60,532
Rate Case Expense	60,137	139,471
Rent	7,117	57,011
Insurance	58,755	42,559
Office Supplies & Other Office Expense	22,015	64,762
Office Utilities	16,402	28,793
Bad Debt Expense	30,486	11,317
Miscellaneous	13,082	-
Total General Expense	926,658	543,997

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Comparative Income Statement
Twelve Months Ended

Depreciation and Taxes	**2021**	**2020**
Depreciation Expense	320,676	587,501
Amortization of CIAC	(110,834)	(193,761)
Amortization of Acquisition Adjustment	(2,798)	(4,893)
Taxes Other Than Income		
Payroll Taxes	35,619	41,023
Property Taxes	69,939	53,205
Utility Receipts Tax	57,195	17,899
Franchise Tax	-	60
Allocated Taxes and Other	-	568,125
Income Taxes - Federal	(11,544)	(19,345)
Income Taxes - State	12,079	11,493
Amortization of ITC	(1,127)	(1,973)
Total Depreciation and Taxes	369,205	1,059,334
Total Operating Expenses	2,380,241	2,831,671
Net Operating Income	208,562	(247,320)
Other Income (Expense)		
Other Income	17,059	13,511
Interest During Construction	62,509	115,833
Interest on Debt	(315,378)	(541,964)
Net Income	$ (27,248)	$ (659,940)

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Pro-forma **Net Operating Income Statement**

Phase I as of September 30, 2022

		(A) Base Year Ended 9/30/2021	(B) Increase (Decrease)	Sch Ref	(C) Forecasted 9/30/2022	(D) Phase I Adjustments	Sch Ref	(E) *Pro-Forma* 9/30/2022
1	Operating Revenues							
2	Service Revenues - Water	$ 2,528,715	$ (53,502)	PET	$ 2,475,213	$ 1,215,946	1W	$ 3,691,159
3	Miscellaneous Service Revenues	60,088			60,088			60,088
5	Total Operating Revenues	2,588,803	(53,502)		2,535,301	1,215,946		3,751,247
6								
7	Maintenance Expense							
8	Salaries and Wages	341,055	37,113	6-1	378,168			378,168
9	Capital Items Charges to Plant	(77,709)	7,628	6-2	(70,081)			(70,081)
10	Purchased Water	365,903	(28,388)	6-3	337,515			337,515
11	Purchased Power	159,361	(78,164)	PET	81,197			81,197
12	Maintenance and Repair	181,965	(23,870)	PET	158,095			158,095
13	Maintenance Testing	23,866	(4,363)	PET	19,503			19,503
14	Chemicals	55,097	(29,167)	6-4	25,930			25,930
15	Transportation	26,387	1,557	PET	27,944			27,944
16	Outside Services - Other	8,453	3,820	6-5	12,273			12,273
17	Total Maintenance Expense	1,084,378	(113,834)		970,544	-		970,544
18								
19	General Expenses							
20	Salaries and Wages	124,509	33,353	6-6	157,862			157,862
21	Pension & Other Benefits	132,524	15,846	6-7	148,370			148,370
22	Corporate Overhead Allocation	461,631	(46,434)	PET	415,197			415,197
23	Regulatory Commission Expense	-	-		-			-
24	Rate Case Expense	60,137	(21,717)	6-8	38,420			38,420
25	Rent	7,117	2,667	PET	9,784			9,784
26	Insurance	58,755	37,714	PET	96,469			96,469
27	Office Supplies & Other Office Expense	22,015	1,350	PET	23,365			23,365
28	Office Utilities	16,402	(2,222)	PET	14,180			14,180
29	Bad Debt Expense	30,486	(645)	PET	29,841	14,591	1W	44,432
30	Miscellaneous	13,082	18,195	PET	31,277			31,277
31		926,658	38,107		964,765	14,591		979,356
32								
33	Depreciation Expense	320,676	66,745	6-9	387,421			387,421
34	Amortization of CIAC	(110,834)	96,599	PET	(14,235)			(14,235)
35	Amortization of Acquisition Adjustment	(2,798)	(5,739)	6-11	(8,537)			(8,537)
36	Taxes Other Than Income							
37	Payroll Taxes	35,619	11,167	6-12	46,786			46,786
38	Property Taxes	69,939	9,393	6-13	79,332			79,332
39	Utility Receipts Taxes	57,195	(53,998)	6-15	3,197	1,552	1W	4,749
40	Income Taxes - Federal	(11,544)	(40,724)	6-16	(52,268)	239,612	1W	187,344
41	Income Taxes - State	12,079	(24,903)	6-17	(12,824)	58,790	1W	45,966
42	Amortization of Excess ADIT	-	(14,734)	6-18	(14,734)			(14,734)
43	Amortization of ITC	(1,127)	-	PET	(1,127)			(1,127)
44	Total Operating Expenses	2,380,241	(31,921)		2,348,320	314,545		2,662,865
45								
46	Net Operating Income	$ 208,562	$ (21,581)		$ 186,981	$ 901,401		$ 1,088,382

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Pro-forma **Net Operating Income Statement**

Phase II as of September 30, 2023

		(A) *Pro-forma* 9/30/2022	(B) Increase (Decrease)	Sch Ref	(C) Forecasted 9/30/2023	(D) Phase II Adjustments		(E) *Pro-Forma* 9/30/2023
1	Operating Revenues							
2	Service Revenues - Water	$ 3,691,159			$ 3,691,159	$ 144,312	1W	$ 3,835,471
3	Miscellaneous Service Revenues	60,088			60,088			60,088
4	Other	-	-		0	-		0
5	Total Operating Revenues	3,751,247	-		3,751,247	144,312		3,895,559
6								
7	Maintenance Expense							
8	Salaries and Wages	378,168			378,168			378,168
9	Capital Items Charges to Plant	(70,081)			(70,081)			(70,081)
10	Purchased Water	337,515			337,515			337,515
11	Purchased Power	81,197			81,197			81,197
12	Maintenance and Repair	158,095			158,095			158,095
13	Maintenance Testing	19,503			19,503			19,503
14	Chemicals	25,930			25,930			25,930
15	Transportation	27,944			27,944			27,944
16	Outside Services - Other	12,273			12,273			12,273
17	Total Maintenance Expense	970,544	-		970,544	-		970,544
18								
19	General Expenses							
20	Salaries and Wages	157,862			157,862			157,862
21	Pension & Other Benefits	148,370			148,370			148,370
22	Corporate Overhead Allocation	415,197			415,197			415,197
23	Regulatory Commission Expense	-			-			-
24	Rate Case Expense	38,420			38,420			38,420
25	Rent	9,784			9,784			9,784
26	Insurance	96,469			96,469			96,469
27	Office Supplies & Other Office Expense	23,365			23,365			23,365
28	Office Utilities	14,180			14,180			14,180
29	Bad Debt Expense	44,432			44,432	1,732	1W	46,164
30	Miscellaneous	31,277			31,277			31,277
31		979,356	-		979,356	1,732		981,088
32								
33	Depreciation Expense	387,421	23,064	6-10	410,485			410,485
34	Amortization of CIAC	(14,235)			(14,235)			(14,235)
35	Amortization of Acquisition Adjustment	(8,537)			(8,537)			(8,537)
36	Taxes Other Than Income							
37	Payroll Taxes	46,786			46,786			46,786
38	Property Taxes	79,332	5,074	6-14	84,406			84,406
39	Utility Receipts Taxes	4,749			4,749	184	1W	4,933
40	Income Taxes - Federal	187,344	(11,942)	6-16	175,402	28,438	1W	203,840
41	Income Taxes - State	45,966	(2,930)	6-17	43,036	6,977	1W	50,013
42	Amortization of Excess ADIT	(14,734)			(14,734)			(14,734)
43	Amortization of ITC	(1,127)			(1,127)			(1,127)
44	Total Operating Expenses	2,662,865	13,266		2,676,131	37,331		2,713,462
45								
46	Net Operating Income	$ 1,088,382	$ (13,266)		$ 1,075,116	$ 106,981		$ 1,182,097

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

OUCC Operating Revenue Adjustments

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The OUCC accepts Community's proposed water operating revenue adjustments.

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Expense and Tax Adjustments

See Schedule 6 in the Combined Operations Section of the OUCC schedules.
This schedule presents both consolidated water and consolidated sewer operating expense adjustments.

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS

CAUSE NUMBER 45651

Rate Base Comparison

		CUII		OUCC		OUCC More (Less)	
		Phase I 9/30/2022	Phase II 9/30/2023	Phase I 9/30/2022	Phase II 9/30/2023	Phase I 9/30/2022	Phase II 9/30/2023
1	Utility Plant in Service at 9/30/2021	$ 15,990,535	$ 15,990,535	$ 15,990,535	$ 15,990,535	$ -	$ -
2	Add: Twin Lakes WTP Iron Filter	2,355,816	2,355,816	2,160,215	2,160,215	(195,601)	(195,601)
3	TLUI Wells # 12 and #13	351,157	351,157	10,732	10,732	(340,425)	(340,425)
4	TLUI Main and Service Line Replace	1,232,829	1,507,118	1,232,829	1,507,118	-	-
5	IWSI Main replacement	800,523	1,292,942	800,523	1,292,942	-	-
6	AMR Replacement	817,375	1,244,700	817,375	1,244,700	-	-
7	Computers	69,352	73,850	69,352	73,850	-	-
8	Vehicles	-	42,179	-	42,179	-	-
9	General Plant Additions	432,730	826,199	432,730	826,199	-	-
10	Capitalized Time	30,134	61,172	30,134	61,172	-	-
11	Less: Retirements	(1,987,741)	(2,499,753)	(1,987,741)	(2,499,753)	-	-
12	Disallowed Capital Costs	-	-	(18,297)	(18,297)	(18,297)	(18,297)
13	Total Utility Plant in Service	20,092,710	21,245,915	19,538,387	20,691,592	(554,323)	(554,323)
14							
15	Accumulated Depreciation at 9/30/2021	(3,836,156)	(3,836,156)	(3,836,156)	(3,836,156)	-	-
16	Less: Retirements	1,987,741	2,499,753	1,987,741	2,499,753	-	-
17	A/D on Disallowed Capital Costs	-	-	983	983	983	983
18	Computer Restatement	538,883	538,883	538,883	538,883	-	-
19	Vehicle Restatement	187,495	187,495	187,495	187,495	-	-
20	Add: Depreciation Expense	(401,995)	(827,055)	(387,421)	(797,906)	14,574	29,149
21	Total Accumulated Depreciation	(1,524,032)	(1,437,080)	(1,508,475)	(1,406,948)	15,557	30,132
22							
23	CIAC at 9/30/2021	(2,822,780)	(2,822,780)	(2,822,780)	(2,822,780)	-	-
24	Less: Amortization of CIAC	540,099	540,099	540,099	540,099	-	-
25	Less: Additional Amortization Expense	14,235	28,470	14,235	28,470	-	-
26	Net Contributions in Aid of Construction	(2,268,446)	(2,254,211)	(2,268,446)	(2,254,211)	-	-
27							
28	Net Utility Plant in Service	16,300,232	17,554,624	15,761,466	17,030,433	(538,766)	(524,191)
29							
30	Less: Accumulated Deferred Income Taxes	(723,082)	(719,742)	(723,082)	(719,742)	-	-
31	Acquisition Adjustment, net	(261,239)	(253,994)	(261,239)	(253,994)	-	-
32	Construction Advances	(6,026)	(6,026)	(6,026)	(6,026)	-	-
33	Customer Deposits	(28,964)	(28,964)	(28,964)	(28,964)	-	-
34							
35	Add: Working Capital (see below)	277,479	314,635	190,971	197,247	(86,508)	(117,388)
36							
37	Total Original Cost Rate Base	$ 15,558,400	$ 16,860,533	$ 14,933,126	$ 16,218,954	$ (625,274)	$ (641,579)

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS

CAUSE NUMBER 45651

Working Capital Calculation

		CUII		OUCC		OUCC More (Less)	
		Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
1	Maintenance Expense	$ 1,020,134	$ 1,210,315	$ 970,544	$ 970,544	(49,590)	(239,771)
2	General Expense	1,016,261	1,078,277	964,765	979,356	(51,496)	(98,921)
3	Taxes Other Than Income	183,436	228,487	11,167	46,786	(172,269)	(181,701)
4							
5	Less: Purchased Water	-	-	(337,515)	(337,515)	(337,515)	(337,515)
6	Purchased Power	-	-	(81,197)	(81,197)	(81,197)	(81,197)
7							
5	Adjusted Operation & Maintenance Expense	2,219,831	2,517,079	1,527,764	1,577,974	(692,067)	(939,105)
9	Times 45 Day Factor	0.125	0.125	0.125	0.125	0.125	0.125
10							
11	Working Capital Requirement	$ 277,479	$ 314,635	$ 190,971	$ 197,247	$ (86,508)	$ (117,388)

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Phase I

Pro forma **Capital Structure**
As of September 30, 2022

		Percent of Total	Cost	Weighted Cost
Common Equity	$ 344,152,953	50.7972%	9.50000%	4.82574%
Long Term Debt	333,350,845	49.2028%	5.00505%	2.46262%
Total	$ 677,503,798	100.00%		7.28836%

Synchronized Interest Calculation

Total Original Cost Rate Base	$ 14,933,126
Times: Weighted Cost of Debt	2.46262%
Synchronized Interest Expense	$ 367,746

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WATER OPERATIONS
CAUSE NUMBER 45651

Phase II

Pro forma **Capital Structure**
As of September 30, 2023

		Percent of Total	Cost	Weighted Cost
Common Equity	$ 344,152,953	50.7972%	9.50000%	4.82574%
Long Term Debt	333,350,845	49.2028%	5.00505%	2.46262%
Total	$ 677,503,798	100.00%		7.28836%

Synchronized Interest Calculation

Total Original Cost Rate Base	$ 16,218,954
Times: Weighted Cost of Debt	2.4626%
Synchronized Interest Expense	$ 399,411

COMMUNITY UTILITIES OF INDIANA, INC.

CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Schedule 1S	Overall Revenue Requirement
Schedule 1S	Phased-in Revenue Requirement
Schedule 1S	Gross Revenue Conversion Factor
Schedule 1S	Net Operating Income Adjustments
Schedule 2S	Intentionally Left Blank
Schedule 3S	Income Statement
Schedule 4S	*Pro Forma* Net Operating Income
Schedule 5S	Intentionally Left Blank
Schedule 6S	See Schedule 6 - Combined
Schedule 7S	Rate Base
Schedule 8S	Capital Structure and Synchronized Interest

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Comparison of Petitioner's and OUCC's Overall Revenue Requirements

		Per CUII	Per OUCC	Sch Ref	OUCC More (Less)
1	Original Cost rate Base	$ 12,013,887	$ 7,151,842	7S	$ (4,862,045)
2	Times: Weighted Cost of Capital	7.28836%	7.28836%	8S	0.00%
3	Net Operating Income Required for Return on Rate base	875,615	521,252		(354,363)
4	Less: Adjusted Net Operating Income	(47,369)	354,124	4S	401,493
5	Net Revenue Requirement	922,984	167,127		(755,857)
6	Gross Revenue Conversion Factor	134.7231%	134.8953%	1S	0.1722%
7	Recommended Revenue Increase	$ 1,243,473	$ 225,447		$ (1,018,026)
8	Recommended Percentage Increase	51.47%	8.42%		-43.05%

Calculation of Adjusted Net Operating Income:

Net Income at Present Rates - Phase I	$ (3,695)	$ 357,777	Sch. 4S, p. 1, column C, line #46
Add: Phase II Adjustments	(43,674)	(3,653)	Sch. 4S, p. 2, column B, line #46
Adjustment Net Operating income	$ (47,369)	$ 354,124	

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Comparison of Petitioner's and OUCC's
Revenue Requirements

		Phase I - 9/30/20122				Phase II - 9/30/2023			
		Per CUII	Per OUCC	Sch Ref	OUCC More (Less)	Per CUII	Per OUCC	Sch Ref	OUCC More (Less)
1	Original Cost rate Base	$ 8,916,020	$ 7,562,778	7S	$ (1,353,242)	$ 12,013,887	$ 7,151,842	7S	$ (4,862,045)
2	Times: Weighted Cost of Capital	7.28836%	7.288%	8S	0.00%	7.28836%	7.288%	8S	0.00%
3	Net Operating Income Required for Return on Rate base	649,832	551,202		(98,630)	875,615	521,252		(354,363)
4	Less: Adjusted Net Operating Income	(3,695)	357,777	4S	361,472	606,158	547,549	4S	(58,609)
5	Net Revenue Requirement	653,527	193,425		(460,102)	269,457	(26,297)		(295,754)
6	Gross Revenue Conversion Factor	134.7231%	134.8953%	1S	0.1722%	134.7231%	134.8953%	1S	0.1722%
7	Recommended Revenue Increase	$ 880,452	$ 260,921		$ (619,531)	$ 363,021	$ (35,474)		$ (398,495)
8	Recommended Percentage Increase	36.45%	10.80%		-25.65%	11.01%	-1.33%		-12.34%

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Gross Revenue Conversion Factor

		Phase I - 9/30/2022			Phase II - 9/30/2023		
		Per CUII	Per OUCC		Per CUII	Per OUCC	
1	Gross Revenue Change	100.000000%	100.000000%	$ 260,921	100.000000%	100.000000%	$ (35,474)
2	Less: Bad Debt Rate	1.200000%	1.200000%	3,131	1.200000%	1.200000%	(426)
3	Sub-total	98.800000%	98.8000000%		98.800000%	98.800000%	
4	Less: IURC Fee	0.000000%	0.1276080%	333	0.000000%	0.1276080%	(45)
5	Income Before State Income taxes	98.800000%	98.672392%		98.800000%	98.672392%	
6	Less: State Income Tax (6.5% of Line 5)	6.051500%	4.834947%	12,615	6.051500%	4.834947%	(1,715)
7	Utility Receipts Tax (1.4% of Line 3)	0.000000%	0.000000%	-	0.000000%	0.000000%	-
8	Income before Federal income Taxes	92.748500%	93.837445%		92.748500%	93.837445%	
9	Less: Federal income Tax (34% of Line 8)	31.53449%	19.705863%	51,417	31.53449%	19.705863%	(6,990)
10	Change in Operating Income	61.214010%	74.131582%	$ 193,425	61.214010%	74.131582%	$ (26,298)
11	Gross Revenue Conversion Factor	163.361296%	134.895273%		163.361296%	134.895273%	

COMMUNITY UTILITIES OF INDIANA
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Reconciliation of Net Operating Income Statement Adjustments
***Pro-forma* Present Rates**

		Phase I - 9/30/2022			Phase II - 9/30/2023		
		Per CUII	Per OUCC	OUCC More (Less)	Per CUII	Per OUCC	OUCC More (Less)
1	**Operating Revenues**						
2	Service Revenues - Wastewater	$ (42,748)	$ (42,748)	$ -	$ (42,748)	$ (42,748)	$ -
3	Other Miscellaneous Revenues	-	-	-			-
4	Total Operating Revenues	(42,748)	(42,748)	-	(42,748)	(42,748)	-
5							
6	**Maintenance Expense**						
7	Salary and Wage	146,108	24,436	(121,672)	146,108	24,436	(121,672)
8	Capitalized Labor	(22,295)	(15,360)	6,935	(22,295)	(15,360)	6,935
9	Purchased Water	-	-	-	-	-	-
10	Purchased Power	102,963	102,963	-	102,963	102,963	-
11	Maintenance and Repair	135,884	135,884	-	135,884	135,884	-
12	Maintenance Testing	14,989	14,989	-	14,989	14,989	-
13	Chemicals	99,044	80,488	(18,556)	99,044	80,488	(18,556)
14	Transportation	1,027	1,027	-	1,027	1,027	-
15	Outside Services - Other	140,002	2,520	(137,482)	140,002	2,520	(137,482)
16	Total Maintenance Expense	617,722	346,947	(270,775)	617,722	346,947	(270,775)
17							
18	**General Expense**						
19	Salaries and Wages	53,340	21,981	(31,359)	53,340	21,981	(31,359)
20	Pension & Other Benefits	42,321	10,435	(31,886)	42,321	10,435	(31,886)
21	Corporate Overhead Allocaiton	(30,628)	(30,628)	-	(30,628)	(30,628)	-
22	Regulatory Commission Expense	10,000	-	(10,000)	10,000	-	(10,000)
23	Rate Case Expense	7,128	(14,325)	(21,453)	7,128	(14,325)	(21,453)
24	Rent	1,759	1,759	-	1,759	1,759	-
25	Insurance	24,876	24,874	(2)	24,876	24,874	(2)
26	Supplies & Other Office Expense	891	891	-	891	891	-
27	Office Utilities	(1,466)	(1,466)	-	(1,466)	(1,466)	-
28	Bad Debt Expense	(513)	(513)	-	(161)	(513)	(352)
29	Miscellaneous	12,001	12,001	-	12,001	12,001	-
30	Total General Expense	119,709	25,009	(94,700)	120,061	25,009	(95,052)

COMMUNITY UTILITIES OF INDIANA
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Reconciliation of Net Operating Income Statement Adjustments
***Pro-forma* Present Rates**

		Phase I - 9/30/2022			Phase II - 9/30/2023		
		Per CUII	Per OUCC	OUCC More (Less)	Per CUII	Per OUCC	OUCC More (Less)
1	Depreciation Expense	41,345	15,737	(25,608)	124,731	18,422	(106,309)
2	Amortization of CIAC	24,407	24,407	-	24,407	24,407	-
3	Amortization of Acquisition Adjustment	1,846	1,846	-	1,846	1,846	-
4	Taxes Other Than Income						
5	Payroll Taxes	49,087	7,360	(41,727)	49,087	7,360	(41,727)
6	Property Taxes		(18,140)	(18,140)	-	(26,802)	(26,802)
7	Utility Receipts Taxes		(34,605)	(34,605)	-	(34,605)	(34,605)
8	Income Taxes - Federal	(43,680)	64,387	108,067	(75,569)	73,229	148,798
9	Income Taxes - State	(31,916)	(6,517)	25,399	(39,740)	(5,729)	34,011
10	Amortization of Excess ADIT	-	(9,385)	(9,385)	-	(9,385)	(9,385)
11	Amortization of ITC	-	-	-	-	-	-
12	Total Operating Expenses	778,520	417,046	(361,474)	822,545	420,699	(401,846)
13							
14	Net Operating Income	$ (821,268)	$ (459,794)	$ 361,474	$ (865,293)	$ (463,447)	$ 401,846

COMMUNITY UTILITIES OF INDIANA, INC.
COMBINED OPERATIONS
CAUSE NUMBER 45651

COMPARATIVE BALANCE SHEET

See Petitioner's Balance Sheet - Schedule A
Attachment AD-1 and AD-3

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Comparative Income Statement
Twelve Months Ended September 30

Operating Revenues	**2021**	**2020**
Service Revenues - Sewer	$ 2,458,528	$ 2,393,870
Miscellaneous Service Revenues	58,223	30,462
Total Operating Revenues	2,516,751	2,424,332
Maintenance Expense		
Salaries and Wages	224,957	275,707
Capital Items Charges to Plant	(51,256)	(33,867)
Purchased Water	-	-
Purchased Power	105,113	145,874
Maintenance and Repair	138,178	139,792
Maintenance Testing	15,306	14,467
Chemicals	36,341	37,689
Transportation	17,405	14,423
Outside Services - Other	5,576	47,065
Total Maintenance Expense	491,620	641,150
General Expense		
Salaries and Wages	82,125	82,114
Pension & Other Benefits	87,412	9,934
Corporate Overhead Allocation	304,488	-
Regulatory Commission Expense	-	40,355
Rate Case Expense	39,666	91,994
Rent	4,694	37,604
Insurance	38,754	28,072
Office Supplies & Other Office Expense	14,521	42,716
Office Utilities	10,819	18,992
Bad Debt Expense	29,540	10,618
Miscellaneous	8,629	-
Total General Expense	620,648	362,399

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Comparative Income Statement
Twelve Months Ended September 30

Depreciation and Taxes	**2021**	**2020**
Depreciation Expense	505,007	925,208
Amortization of CIAC	(24,541)	(42,903)
Amortization of Acquisition Adjustment	(1,846)	(3,228)
Taxes Other Than Income		
Payroll Taxes	23,494	27,058
Property Taxes	46,131	35,093
Utility Receipts Tax	37,725	11,806
Franchise Tax	-	40
Allocated Taxes and Other		374,731
Income Taxes - Federal	(15,668)	(26,256)
Income Taxes - State	17,354	16,512
Amortization of ITC	(744)	(1,301)
Total Depreciation and Taxes	586,912	1,316,760
Total Operating Expenses	1,699,180	2,320,309
Net Operating Income	817,571	104,023
Other Income (Expense)		
Other Income	11252	8912
Interest During Construction	41,230	76,402
Interest on Debt	(208,021)	(357,475)
Net Income	$ 662,032	$ (168,138)

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Pro-forma **Net Operating Income Statement**

Phase I as of September 30, 2022

		(A) Base Year Ended 9/30/2021	(B) Increase (Decrease)	Sch Ref	(C) Forecasted 9/30/2022	(D) Phase I Adjustments	Sch Ref	(E) *Pro-Forma* 9/30/2022
1	Operating Revenues							
2	Service Revenues - Sewer	$ 2,458,528	$ (42,748)	PET	$ 2,415,780	$ 260,921	1S	$ 2,676,701
3	Miscellaneous Service Revenues	58,223			58,223			58,223
4	Other	-	-		0	-		0
5	Total Operating Revenues	2,516,751	(42,748)		2,474,003	260,921		2,734,924
6								
7	Maintenance Expense							
8	Salaries and Wages	224,957	24,436	6-1	249,393			249,393
9	Capital Items Charges to Plant	(51,256)	(15,360)	6-2	(66,616)			(66,616)
10	Purchased Water	-	-	6-3	-			-
11	Purchased Power	105,113	102,963	PET	208,076			208,076
12	Maintenance and Repair	138,178	135,884	PET	274,062			274,062
13	Maintenance Testing	15,306	14,989	PET	30,295			30,295
14	Chemicals	36,341	80,488	6-4	116,829			116,829
15	Transportation	17,405	1,027	PET	18,432			18,432
16	Outside Services - Other	5,576	2,520	6-5	8,096			8,096
17	Total Maintenance Expense	491,620	346,947		838,567	-		838,567
18								
19	General Expenses							
20	Salaries and Wages	82,125	21,981	6-6	104,106			104,106
21	Pension & Other Benefits	87,412	10,435	6-7	97,847			97,847
22	Corporate Overhead Allocation	304,488	(30,628)	PET	273,860			273,860
23	Regulatory Commission Expense	-	-		-			-
24	Rate Case Expense	39,666	(14,325)	6-8	25,341			25,341
25	Rent	4,694	1,759	PET	6,453			6,453
26	Insurance	38,754	24,874	PET	63,628			63,628
27	Office Supplies & Other Office Expense	14,521	891	PET	15,412			15,412
28	Office Utilities	10,819	(1,466)	PET	9,353			9,353
29	Bad Debt Expense	29,540	(513)	PET	29,027	3,131	1S	32,158
30	Miscellaneous	8,629	12,001	PET	20,630			20,630
31		620,648	25,009		645,657	3,131		648,788
32								
33	Depreciation Expense	505,007	15,737	6-9	520,744			520,744
34	Amortization of CIAC	(24,541)	24,407	PET	(134)			(134)
35	Amortization of Acquisition Adjustment	(1,846)	1,846	6-11	-			-
36	Taxes Other Than Income							
37	Payroll Taxes	23,494	7,360	6-12	30,854			30,854
38	Property Taxes	46,131	(18,140)	6-13	27,991			27,991
39	Utility Receipts Taxes	37,725	(34,605)	6-15	3,120	333	1S	3,453
40	Income Taxes - Federal	(15,668)	64,387	6-16	48,719	51,417	1S	100,136
41	Income Taxes - State	17,354	(6,517)	6-17	10,837	12,615	1S	23,452
42	Amortization of Excess ADIT	-	(9,385)	6-18	(9,385)			(9,385)
43	Amortization of ITC	(744)	-	PET	(744)			(744)
44	Total Operating Expenses	1,699,180	417,046		2,116,226	67,496		2,183,722
45								
46	Net Operating Income	$ 817,571	$ (459,794)		$ 357,777	$ 193,425		$ 551,202

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Pro-forma **Net Operating Income Statement**

Phase II as of September 30, 2023

		(A) *Pro-forma* 9/30/2022	(B) Increase (Decrease)	Sch Ref	(C) Forecasted 9/30/2023	(D) Phase II Adjustments		(E) *Pro-Forma* 9/30/2023
1	Operating Revenues							
2	Service Revenues - Sewer	$ 2,676,701			$ 2,676,701	$ (35,474)	1S	$ 2,641,227
3	Miscellaneous Service Revenues	58,223			58,223			58,223
4	Other	-	-		0	-		0
5	Total Operating Revenues	2,734,924	-		2,734,924	(35,474)		2,699,450
6								
7	Maintenance Expense							
8	Salaries and Wages	249,393			249,393			249,393
9	Capital Items Charges to Plant	(66,616)			(66,616)			(66,616)
10	Purchased Water	-			-			-
11	Purchased Power	208,076			208,076			208,076
12	Maintenance and Repair	274,062			274,062			274,062
13	Maintenance Testing	30,295			30,295			30,295
14	Chemicals	116,829			116,829			116,829
15	Transportation	18,432			18,432			18,432
16	Outside Services - Other	8,096			8,096			8,096
17	Total Maintenance Expense	838,567	-		838,567	-		838,567
18								
19	General Expenses							
20	Salaries and Wages	104,106			104,106			104,106
21	Pension & Other Benefits	97,847			97,847			97,847
22	Corporate Overhead Allocation	273,860			273,860			273,860
23	Regulatory Commission Expense	-			-			-
24	Rate Case Expense	25,341			25,341			25,341
25	Rent	6,453			6,453			6,453
26	Insurance	63,628			63,628			63,628
27	Office Supplies & Other Office Expense	15,412			15,412			15,412
28	Office Utilities	9,353			9,353			9,353
29	Bad Debt Expense	32,158			32,158	(426)	1S	31,732
30	Miscellaneous	20,630			20,630			20,630
31		648,788	-		648,788	(426)		648,362
32								
33	Depreciation Expense	520,744	2,685	6-10	523,429			523,429
34	Amortization of CIAC	(134)			(134)			(134)
35	Amortization of Acquisition Adjustment	-			-			-
36	Taxes Other Than Income							
37	Payroll Taxes	30,854			30,854			30,854
38	Property Taxes	27,991	(8,662)	6-14	19,329			19,329
39	Utility Receipts Taxes	3,453			3,453	(45)	1S	3,408
40	Income Taxes - Federal	100,136	8,842		108,978	(6,990)	1S	101,988
41	Income Taxes - State	23,452	788		24,240	(1,715)	1S	22,525
42	Amortization of Excess ADIT	(9,385)			(9,385)			(9,385)
43	Amortization of ITC	(744)			(744)			(744)
44	Total Operating Expenses	2,183,722	3,653		2,187,375	(9,176)		2,178,199
45								
46	Net Operating Income	$ 551,202	$ (3,653)		$ 547,549	$ (26,298)		$ 521,251

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

OUCC Operating Revenue Adjustments

Intentionally left blank.

The OUCC accepts Community's proposed wastewater operating revenue adjustments.

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Expense and Tax Adjustments

See Schedule 6 in the Combined Operations Section of the OUCC schedules.
This schdule presents both consolidated water and consolidated sewer operating expense adjustments.

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Rate Base Comparison

		CUII		OUCC		OUCC More (Less)	
		Phase I 9/30/2022	Phase II 9/30/2023	Phase I 9/30/2022	Phase II 9/30/2023	Phase I 9/30/2022	Phase II 9/30/2023
1	**Utility Plant in Service at 9/30/2021**	$ 20,319,424	$ 20,319,424	$ 20,319,424	$ 20,319,424	$ -	$ -
2							
3	Add: TLUI WWTP Headworks	-	2,296,298	-	-	-	(2,296,298)
4	Comminutor	-	-	-	50,000	-	50,000
5	TLUI Sewer Capital Improvement Program	718,696	1,239,782	395,220	197,610	(323,476)	(1,042,172)
6	WSCI Sewer Capital Improvement Program	71,522	116,521	71,522	116,521	-	-
7	TLUI Lateral Replacements	342,092	701,059	-	-	(342,092)	(701,059)
8	TLUI Lift Station L Foreceman	427,206	427,206	-	-	(427,206)	(427,206)
9	TLUI Lift Staion C Generator	107,742	107,742	-	-	(107,742)	(107,742)
10	TLUI Office Buildingd	-	500,000	-	-	-	(500,000)
11	Computers	45,744	48,711	45,744	48,711	-	-
12	Vehicles	-	27,821	-	27,821	-	-
13	General Plant Additions	238,700	403,972	238,700	403,972	-	-
14	Capitalized Time	13,578	27,563	13,578	27,563	-	-
16	Less: Retirements	(305,257)	(668,339)	-	-	305,257	668,339
17	TLUI Schedue Error	-	(226,700)	-	-	-	226,700
18	Disallowed Capital Costs	-	-	(157,225)	(157,225)	(157,225)	(157,225)
19	**Gross Utility Plant in Service**	21,979,447	25,321,060	20,926,963	21,034,397	(1,052,484)	(4,286,663)
21	**Accumulated Depreciation at 9/30/2021**	(8,721,479)	(8,721,479)	(8,721,479)	(8,721,479)	-	-
22	Less: Retirements	305,257	668,339	-	-	(305,257)	(668,339)
23	A/D on Disallowed Capital Costs	-	-	11,614	11,614	11,614	11,614
24	Computer Restatement	349,981	349,981	349,981	349,981	-	-
25	Vehicle Restatement	123,670	123,670	123,670	123,670	-	-
26	Add: Depreciation Expense	(546,351)	(1,176,089)	(520,744)	(1,044,173)	25,607	131,916
27	**Total Accumulated Depreciation**	(8,488,922)	(8,755,578)	(8,756,958)	(9,280,387)	(268,036)	(524,809)
28							
29	**Contributions in aid of Construction at 9/30/2021**	(3,767,798)	(3,767,798)	(3,767,798)	(3,767,798)	-	-
30	Less: Amortizaiton of CIAC	1,549	1,549	1,549	1,549	-	-
31	Less: Additional Amortizaiton Expense	134	268	134	268	-	-
32	**Net Contribuitons in Aid of Construction**	(3,766,115)	(3,765,981)	(3,766,115)	(3,765,981)	-	-
33			-				
34	**Net Utility Plant in Service**	9,724,410	12,799,501	8,403,890	7,988,029	(1,320,520)	(4,811,472)
35							
36	Less: Accumulated Deferred Income Taxes	(981,408)	(976,875)	(981,408)	(976,875)	-	-
37	Acquisition Adjustment, net	(32,799)	(32,799)	-	-	32,799	32,799
38	Construction Advances	(3,974)	(3,974)	(3,974)	(3,974)	-	-
39	Customer Deposits	(19,105)	(19,105)	(19,105)	(19,105)	-	-
40							
41	Add: Working Capital (see below)	228,896	247,138	163,375	163,767	(65,521)	(83,371)
42							
43	**Total Original Cost Rate Base**	$ 8,916,020	$ 12,013,886	$ 7,562,778	$ 7,151,842	$ (1,353,242)	$ (4,862,044)

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS

CAUSE NUMBER 45651

Working Capital Calculation

		CUII		OUCC		OUCC More (Less)	
		Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
1	Maintenance Expense	$ 1,035,407	$ 1,109,341	$ 838,567	$ 838,567		
2	General Expense	670,317	711,329	645,657	648,788		
3	Taxes Other Than Income	125,440	156,438	30,854	30,854	(94,586)	(125,584)
4	Less: Purchased Water	-	-	-	-	-	-
5	Purchased Power	-	-	(208,076)	(208,076)	(208,076)	(208,076)
6	Adjusted Operation & Maintenance Expense	1,831,164	1,977,108	1,307,002	1,310,133	113,490	82,492
7	Times: 45 Day Factor	0.125	0.125	0.125	0.125	0.125	0.125
8	Working Capital Requirement	$ 228,896	$ 247,138	$ 163,375	$ 163,767	$ 14,186	$ 10,312

COMMUNITY UTILITIES OF INDIANA, INC.
CONSOLIDATED WASTEWATER OPERATIONS
CAUSE NUMBER 45651

Phase I

Pro forma **Capital Structure**
As of September 30, 2022

	Percent of Total	Cost	Weighted Cost
Common Equity	50.80%	9.50%	4.83%
Long Term Debt	49.20%	5.01%	2.46%
Total	100.00%		7.29%

Synchronized Interest Calculation

Total Original Cost Rate Base	$	7,562,778
Times: Weighted Cost of Debt		2.46%
Synchronized Interest Expense	$	186,044

COMMUNITY UTILITIES OF INDIANA, INC.
CAUSE NUMBER 45651

Phase II

Pro forma Capital Structure
As of September 30, 2023

	Percent of Total	Cost	Weighted Cost
Common Equity	50.80%	9.50%	4.83%
Long Term Debt	49.20%	5.01%	2.46%
Total	100.00%		7.29%

Synchronized Interest Calculation

Total Original Cost Rate Base	$	7,151,842
Times: Weighted Cost of Debt		2.4600%
Synchronized Interest Expense	$	175,935

Asset Number	Asset Description	Start Date	Ledger Type	Depreciation Method	Asset Key	Company	Department	Utility Type	ife in Month	Current Cost	ost Account
1010249_G	PUMPING EQUIPMENT RCL W	03/22/2017	USA	FLAT	PLANT	2205	311015	15	2.5%	651.07	141251
5001703	Indiana - Twin Lakes Temp Chem-P	05/01/2021	USA	FLAT	PLANT	2205	311015	15	10%	26,522.93	141209
5001604	TWIN LAKES - WELL 12 & 13 2018166	06/22/2020	USA	FLAT	PLANT	2205	311010	10	2%	340,425.43	141223
1011350_G	OFFICE FURN & EQPT	08/13/2018	USA	FLAT	PLANT	2020	211030	92	1.5%	3,358.33	141303
5001062_G	TLUI SCIP 2017	09/30/2017	USA	FLAT	PLANT	2205	311015	15	2.5%	127,403.69	141242
5001063_G	TLUI SCIP 2017	09/30/2017	USA	FLAT	PLANT	2205	311015	15	2.5%	63,393.75	141243
5001506_G	TWIN LAKES 2019 WM/SL REPLACE	10/31/2019	USA	FLAT	PLANT	2205	311010	10	2%	429,191.03	141232
5001516_G	TWIN LAKES 2019 SCIP	11/30/2019	USA	FLAT	PLANT	2205	311015	15	2.5%	116,068.30	141242
5001512_G	IWS - WATERMAIN REPLACEMENT	12/01/2019	USA	FLAT	PLANT	2205	311040	10	2%	282,828.62	141232
1013295	FA TO GL INTEGRITY VARIANCE CORRECTION	12/01/2020	USA	FLAT	PLANT	2205	311020	0	10%	17.63	141311
1013296	FA TO GL INTEGRITY VARIANCE CORRECTION	12/01/2020	USA	FLAT	PLANT	2205	311035	0	10%	208.46	141310
5001478_G	TLUI SCIP 2018	12/31/2018	USA	FLAT	PLANT	2205	311015	15	2.5%	153,267.37	141242
5001479_G	WSCI SCIP 2018	12/31/2018	USA	FLAT	PLANT	2205	311030	15	2.5%	49,848.03	141242

SOURCE: Worksheet "UPIS Assets" Attachment AD-1 and AD-3

Fusion Account	Co	BU #	OBJ #	G/L Date	W/S	Category	Amount	Water	Sewer	Asset ID	Explanation Alpha Name	Explanation -Remark-
141230	150	150	1115	4/18/2019	Water	Invoice	4,827.50	4,827.50		92779	GREAT LAKES PLANT SERVICES LLC	N.FilterRehabRemovingOldMedia
141230	150	150	1115	4/18/2019	Water	Invoice	3,279.00	3,279.00		92779	GREAT LAKES PLANT SERVICES LLC	N.FilterRehabInstallNewMedia
141401	851	851	1555	1/5/2018	Transp	Invoice	1,089.50	656.97	432.53		INDIANA BUREAU OF MOTOR VEHICL	TRANSPORTATION EQP
141401	851	851	1555	1/8/2019	Transp	Reclass	1,039.25	626.67	412.58		INDIANA BUREAU OF MOTOR VEHICL	Vehicle Registrations IN
141234	152	152	1135	9/17/2019	Water	Invoice	1,950.00	1,950.00		97928	M.E. SIMPSON COMPANY, INC.	Customer Large Meter Testing
141242	150	150	1350	7/27/2018	Sewer	Invoice	8,715.96		8,715.96	90629	RHMG ENGINEERS, INC.	lift station study
141242	151	151	1350	7/2/2018	Sewer	Invoice	1,956.13		1,956.13	90630	RHMG ENGINEERS, INC.	WSC IMPROV PLAN
141209	150	150	1300	10/18/2017	Sewer	Invoice	5,500.00		5,500.00	97863	SHAWNEE PROFESSIONAL SERVICES	WWTP boundary survey
141205	150	150	1055	8/9/2018	Water	Invoice	4,970.00	4,970.00		92111	SYMBIONT SCIENCE, ENGINEERING	WTP #1 - south filter eval
141205	150	150	1055	12/18/2018	Water	Invoice	1,986.00	1,986.00		92111	SYMBIONT SCIENCE, ENGINEERING	WTP1 S. FILTER Evaluation
141244	150	150	1355	11/5/2018	Sewer	Invoice	4,311.00		4,311.00	1001076	UPCYCLE PRODUCTS INC.	77 Rain Barrels
141244	150	150	1355	11/3/2017	Sewer	Invoice	2,275.50		2,275.50	1001076	UPCYCLE PRODUCTS INC.	SPECIAL COLL STRUCTURES
141710	150	2017128	1713	10/19/2017	CWIP	Invoice	59,924.58		59,924.58		PIPE-VIEW LLC	Sept SewerCleaning/Televising
141710	150	2017128	1713	11/14/2017	CWIP	Invoice	20,733.15		20,733.15		PIPE-VIEW LLC	Oct Sewer Cleaning & TV
141710	151	2017127	1713	11/14/2017	CWIP	Invoice	18,093.55		18,093.55		PIPE-VIEW LLC	Oct Sewer Cleaning & TV
141710	150	2017128	1713	3/19/2018	CWIP	Invoice	11,388.46		11,388.46		PIPE-VIEW LLC	Retainage for SewerCleaning&TV
141710	151	2019047	1781	11/7/2019	CWIP	Invoice	9,594.25		9,594.25		ACCU-DIG INC.	AccuDig - plant cleaning
141704	150	2017128	1707	10/6/2017	CWIP	Invoice	2,189.83		2,189.83		RHMG ENGINEERS, INC.	sewer cleaning & Televise
141704	151	2017127	1707	10/6/2017	CWIP	Invoice	1,620.78		1,620.78		RHMG ENGINEERS, INC.	Sewer Clean & televise
141704	150	2017128	1707	10/6/2017	CWIP	Invoice	2,189.83		2,189.83		RHMG ENGINEERS, INC.	sewer cleaning & Televise
141704	151	2017127	1707	10/6/2017	CWIP	Invoice	1,620.78		1,620.78		RHMG ENGINEERS, INC.	Sewer Clean & televise
141702	150	2019100	1775	9/15/2019	CWIP	Captime	39.45		39.45		Grosvenor, Loren G.	TLU Smoke & Dye 003 6
141702	150	2019100	1775	9/15/2019	CWIP	Captime	39.45		39.45		Grosvenor, Loren G.	TLU Smoke & Dye 003 6
141702	150	2019100	1775	9/30/2019	CWIP	Captime	39.45		39.45		Grosvenor, Loren G.	TLU Smoke & dye testing 003 6
141702	150	2019100	1775	8/31/2019	CWIP	Captime	39.45		39.45		Grosvenor, Loren G.	TLU Smoke Testing 003 6
141702	150	2018108	1775	4/15/2019	CWIP	Captime	42.02		42.02		Grosvenor, Loren G.	RJN Smoke & Dye 003 6
141702	150	2018108	1775	10/15/2018	CWIP	Captime	42.02		42.02		Grosvenor, Loren G.	TLUI Smoke&Dye Testing 003 6
141702	150	2019100	1775	9/30/2019	CWIP	Captime	45.09		45.09		Grosvenor, Loren G.	TLU Smoke & dye testing 003 6
141702	150	2019100	1775	9/30/2019	CWIP	Captime	45.09		45.09		Grosvenor, Loren G.	TLU Smoke & dye testing 003 6
141702	150	2019100	1775	9/30/2019	CWIP	Captime	45.09		45.09		Grosvenor, Loren G.	TLU Smoke & dye testing 003 6
141702	150	2019100	1775	9/15/2019	CWIP	Captime	78.90		78.90		Grosvenor, Loren G.	TLU Smoke & Dye 003 6
141702	150	2019100	1775	9/15/2019	CWIP	Captime	78.90		78.90		Grosvenor, Loren G.	TLU Smoke & Dye 003 6
141702	150	2019100	1775	7/15/2019	CWIP	Captime	78.90		78.90		Grosvenor, Loren G.	TLU smoke & dye testing 003 6
141702	150	2019100	1775	8/31/2019	CWIP	Captime	78.90		78.90		Grosvenor, Loren G.	TLU Smoke Testing 003 6
141702	150	2018108	1775	4/15/2019	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	RJN Smoke & Dye 003 6
141702	150	2018108	1775	4/15/2019	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	RJN Smoke & Dye 003 6
141702	150	2018108	1775	4/15/2019	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	RJN Smoke & Dye 003 6
141702	150	2019100	1775	9/30/2019	CWIP	Captime	90.18		90.18		Grosvenor, Loren G.	TLU Smoke & dye testing 003 6
141702	150	2019100	1775	7/15/2019	CWIP	Captime	315.60		315.60		Grosvenor, Loren G.	TLU smoke & dye testing 003 6
141702	150	2018108	1775	10/15/2018	CWIP	Captime	42.02		42.02		Grosvenor, Loren G.	TLUI Smoke&Dye Testing 003 6
141702	150	2018108	1775	10/15/2018	CWIP	Captime	42.02		42.02		Grosvenor, Loren G.	TLUI Smoke&Dye Testing 003 6
141702	151	2017127	1705	1/15/2018	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC Sewer Cleaning/TV 003 6
141702	150	2018108	1775	11/30/2018	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	TLU Smoke&Dye Testing 003 6
141702	150	2018108	1775	11/30/2018	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	TLU Smoke&Dye Testing 003 6
141702	150	2018108	1775	11/30/2018	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	TLU Smoke&Dye Testing 003 6
141702	150	2018108	1775	11/30/2018	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	TLU Smoke&Dye Testing 003 6
141702	150	2018108	1775	10/15/2018	CWIP	Captime	84.04		84.04		Grosvenor, Loren G.	TLUI Smoke&Dye Testing 003 6
141702	151	2017127	1705	1/15/2018	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC Sewer Cleaning/TV 003 6
141702	151	2017127	1705	1/15/2018	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC Sewer Cleaning/TV 003 6
141702	150	2018108	1775	10/15/2018	CWIP	Captime	168.08		168.08		Grosvenor, Loren G.	TLUI Smoke&Dye Testing 003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6

Fusion Account	Co	BU #	OBJ #	G/L Date	W/S	Category	Amount	Water	Sewer	Asset ID	Explanation Alpha Name	Explanation -Remark-
141702	150	2017128	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	12/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC Sewer Cleaning & TV 003 6
141702	151	2017127	1705	12/31/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC Sewer Cleaning & TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	44.20		44.20		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	150	2017128	1705	10/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	TLU SewerCleaning & Telev003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	12/31/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC Sewer Cleaning & TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	88.40		88.40		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	132.60		132.60		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	150	2017128	1705	10/15/2017	CWIP	Captime	132.60		132.60		Grosvenor, Loren G.	TLU Sewer Cleaning & Tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	176.80		176.80		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	10/31/2017	CWIP	Captime	176.80		176.80		Grosvenor, Loren G.	WSC sewer cleaning & tele003 6
141702	151	2017127	1705	12/31/2017	CWIP	Captime	176.80		176.80		Grosvenor, Loren G.	WSC Sewer Cleaning & TV 003 6
141702	151	2017127	1705	12/31/2017	CWIP	Captime	176.80		176.80		Grosvenor, Loren G.	WSC Sewer Cleaning & TV 003 6
141702	151	2017127	1705	11/15/2017	CWIP	Captime	176.80		176.80		Grosvenor, Loren G.	WSC sewer cleaning/TV 003 6
								18,296.14	157,225.04			

Community Utilities of Indiana, Inc.
Consolidated Water Operations
Cause No. 44724

OUCC
Workpaper MAS-RB-1W
Page 1 of 1

Summary of Rate Base Adjustments

		UPIS	A/D
Disallowed Utility Plant			
TLUI - N. Filter Rehab - removing old media		$ (8,107)	$ (405)
Vehicle registration - 2018	Allocated	(657)	(49)
Vehicle registration - 2018	Allocated	(627)	(34)
Customer large meter testing		(1,950)	(78)
WTLUI WTP#1 South Filter Evaluation		(6,956)	(417)
Total Rate Base Adjustments		$ (18,297)	$ (983)

Community Utilities of Indiana, Inc.
Consolidated Wastewater Operations
Cause No. 44724

OUCC
Workpaper RB-1S
Page 1 of 1

Summary of Rate Base Adjustments

		UPIS	A/D
Disallowed Utility Plant			
Vehicle registration - 2018	Allocated	$ (433)	$ (32)
Vehicle registration - 2018	Allocated	(412)	(23)
Lift Station Study	2018	(8,716)	(567)
WSC Improvement Plan	2018	(1,956)	(127)
WWTP Boundary Survey	2017	(5,500)	(440)
Rain Barrels	2018	(4,311)	(244)
Rain Barrels	2017	(2,276)	(174)
Sewer cleaning and televising (Pipe-View LLC)	2017	(98,751)	(7,900)
Sewer cleaning and televising (Pipe-View LLC)	2018	(11,388)	(683)
Plant cleaning (Accudig)	2019	(9,594)	(384)
Sewer cleaning and televising (RHMG Engineers)	2017	(7,620)	(610)
Capitalized Time - Sewer Smoke & Dye testing	2019	(1,352)	(54)
Capitalized Time - Sewer Smoke & Dye testing	2018	(893)	(54)
Capitalized Time - Sewer Smoke & Dye testing	2017	(4,023)	(322)
Capitalized Time - Sewer Smoke & Dye testing			
Total Rate Base Adjustments		$ (157,225)	$ (11,614)

Water and Wastewater Treatment Plant and System Operators

Summary

Summary

Quick Facts: Water and Wastewater Treatment Plant and System Operators	
2021 Median Pay	$47,880 per year $23.02 per hour
Typical Entry-Level Education	High school diploma or equivalent
Work Experience in a Related Occupation	None
On-the-job Training	Long-term on-the-job training
Number of Jobs, 2020	122,100
Job Outlook, 2020-30	-3% (Decline)
Employment Change, 2020-30	-3,100

What Water and Wastewater Treatment Plant and System Operators Do

Water and wastewater treatment plant and system operators manage a system of machines to transfer or treat water or wastewater.

Work Environment

Most water and wastewater treatment plant and system operators are employed by local government. Water and wastewater treatment plant and system operators typically work full time.

How to Become a Water or Wastewater Treatment Plant and System Operator

Water and wastewater treatment plant and system operators typically need at least a high school diploma or equivalent and a license to work. They also complete on-the-job training.

Pay

The median annual wage for water and wastewater treatment plant and system operators was $47,880 in May 2021.

Job Outlook

Employment of water and wastewater treatment plant and system operators is projected to decline 3 percent from 2020 to 2030.

Despite declining employment, about 10,500 openings for water and wastewater treatment plant and system operators are projected each year, on average, over the decade. All of those openings are expected to result from the need to replace workers who transfer to other occupations or exit the labor force, such as to retire.

State & Area Data

Explore resources for employment and wages by state and area for water and wastewater treatment plant and system operators.

Similar Occupations

Compare the job duties, education, job growth, and pay of water and wastewater treatment plant and system operators with similar occupations.

More Information, Including Links to O*NET

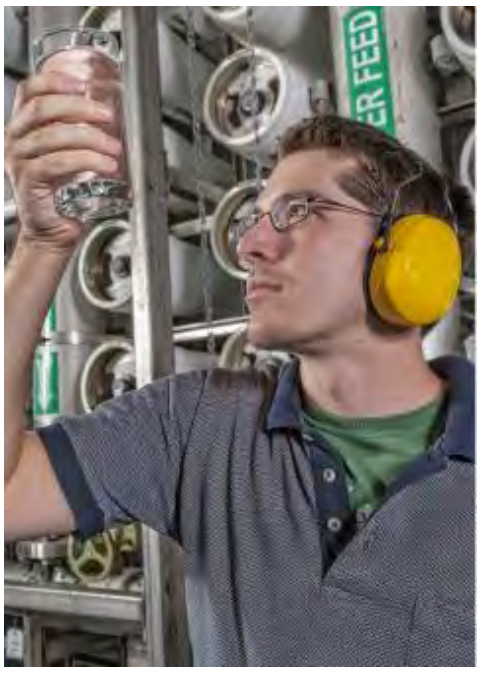
Learn more about water and wastewater treatment plant and system operators by visiting additional resources, including O*NET, a source on key characteristics of workers and occupations.

What They Do ->

What They Do

What Water and Wastewater Treatment Plant and System Operators Do

Water and wastewater treatment plant and system operators manage a system of machines, often through the use of control boards, to transfer or treat water or wastewater.



Water and wastewater treatment plant operators collect and test water and sewage samples.

Duties

Water and wastewater treatment plant and system operators typically do the following:

- Add chemicals, such as ammonia or chlorine, to disinfect water or other liquids
- Inspect equipment on a regular basis
- Monitor operating conditions, meters, and gauges
- Collect and test water and sewage samples
- Record meter and gauge readings and operational data
- Document and report test results to regulatory agencies
- Operate equipment to purify and clarify water or to process or dispose of sewage
- Clean and maintain equipment, tanks, filter beds, and other work areas
- Follow U.S. Environmental Protection Agency (EPA) regulations
- Ensure safety standards are met

It takes many steps to get water from natural sources—reservoirs, streams, and groundwater—into people's houses. Similarly, it is a complicated process to convert the wastewater from drains and sewers into a form that is safe to release into the environment.

The specific duties of plant operators depend on the type and size of the plant. In a small plant, one operator may be responsible for maintaining all of the systems. In large plants, multiple operators work the same shifts and are more specialized in their duties, often relying on computerized systems to help them monitor plant processes.

Water and wastewater treatment plant and system operators must be able to manually operate the equipment if there is a plant malfunction due to power outages or electrical issues.

Water treatment plant and system operators work in water treatment plants. Fresh water is pumped from wells, rivers, streams, or reservoirs to water treatment plants, where it is treated and distributed to customers. Water treatment plant and system operators run the equipment, control the processes, and monitor the plants that treat water to make it safe to drink.

Wastewater treatment plant and system operators remove pollutants from domestic and industrial waste. Used water, also known as wastewater, travels through sewer pipes to treatment plants where it is treated and either returned to streams, rivers, and oceans, or used for irrigation.

<- Summary

Work Environment ->

Work Environment

Work Environment

Water and wastewater treatment plant and system operators held about 122,100 jobs in 2020. The largest employers of water and wastewater treatment plant and system operators were as follows:

Local government, excluding education and hospitals	74%
Utilities	12
Manufacturing	4

Water and wastewater treatment plant and system operators often perform physically demanding tasks.

Water and wastewater treatment plant and system operators work both indoors and outdoors. Their work is physically demanding and usually is performed in locations that are unclean or difficult to access. Operators may be exposed to noise from machinery and are often exposed to unpleasant odors.

Injuries and Illnesses

Water and wastewater treatment plant and system operators sometimes get injured on the job. They must pay close attention to safety procedures because of hazardous conditions, such as slippery walkways, the presence of dangerous gases, and malfunctioning equipment.

Operators are trained in emergency management procedures and use safety equipment to protect their health, as well as that of the public.

Work Schedules

Water and waste treatment plant and system operators typically work full time. Plants operate 24 hours a day, 7 days a week. In small plants, operators are likely to work during the day and be on call nights and weekends. In medium- and large-size plants that require constant monitoring, operators work in shifts to control the plant at all hours.

Occasionally, operators must work during emergencies. For example, they may need to work during weather conditions that cause large amounts of storm water or wastewater to flow into sewers, exceeding a plant's capacity. Emergencies also may be caused by malfunctions within a plant, such as chemical leaks or oxygen deficiencies.

<- What They Do

How to Become One ->

How to Become One

How to Become a Water or Wastewater Treatment Plant and System Operator

Water and wastewater treatment plant and system operators typically need at least a high school diploma or equivalent and a license to work. They also complete on-the-job training.

Water and wastewater treatment plant and system operators need long-term on-the-job training to become fully qualified.

Education

Water and wastewater treatment plant and system operators typically need a high school diploma or equivalent to become operators. Employers may prefer applicants who have completed a certificate, an associate's, or a bachelor's degree program in a related field such as environmental science or wastewater treatment technology.

Training

Water and wastewater treatment plant and system operators need long-term on-the-job training to become fully qualified. Water and wastewater treatment is a complex process. Trainees learn their skills on the job under the direction of an experienced operator. The trainees learn by observing and doing routine tasks, such as recording meter readings, taking samples of wastewater and sludge, and performing simple maintenance and repair work on plant equipment. They also learn about industrial safety and how to use personal protective equipment.

Larger treatment plants usually combine this on-the-job training with formal classroom or self-paced study programs. As plants get larger and more complicated, operators need more skills before they are allowed to work without supervision.

Licenses, Certifications, and Registrations

Water and wastewater treatment plant and system operators must be licensed by the state in which they work. Requirements and standards vary widely depending on the state.

State licenses typically have multiple levels, which indicate the operator's experience and training. Although some states will honor licenses from other states, operators who move from one state to another may need to take a new set of exams to become licensed in their new state.

Advancement

Most states have multiple levels of licenses for water and wastewater treatment plant and system operators. Each increase in license level allows the operator to perform more complicated processes without supervision.

At the largest plants, operators who have the highest license level work as shift supervisors and may be in charge of large teams of operators.

Important Qualities

Analytical skills. Water and wastewater treatment plant and system operators must conduct tests and inspections on water or wastewater and evaluate the results.

Detail oriented. Water and wastewater treatment plant and system operators must monitor machinery, gauges, dials, and controls to ensure everything is operating properly. Because tap water and wastewater are highly regulated by the U.S. Environmental Protection Agency, operators must be careful and thorough in completing these tasks.

Math skills. Water and wastewater treatment plant and system operators must have the ability to apply data to formulas that determine treatment requirements, flow levels, and concentration levels.

Mechanical skills. Water and wastewater treatment plant and system operators must know how to work with machines and use tools. They must be familiar with how to operate, repair, and maintain equipment.

<- Work Environment

Pay ->

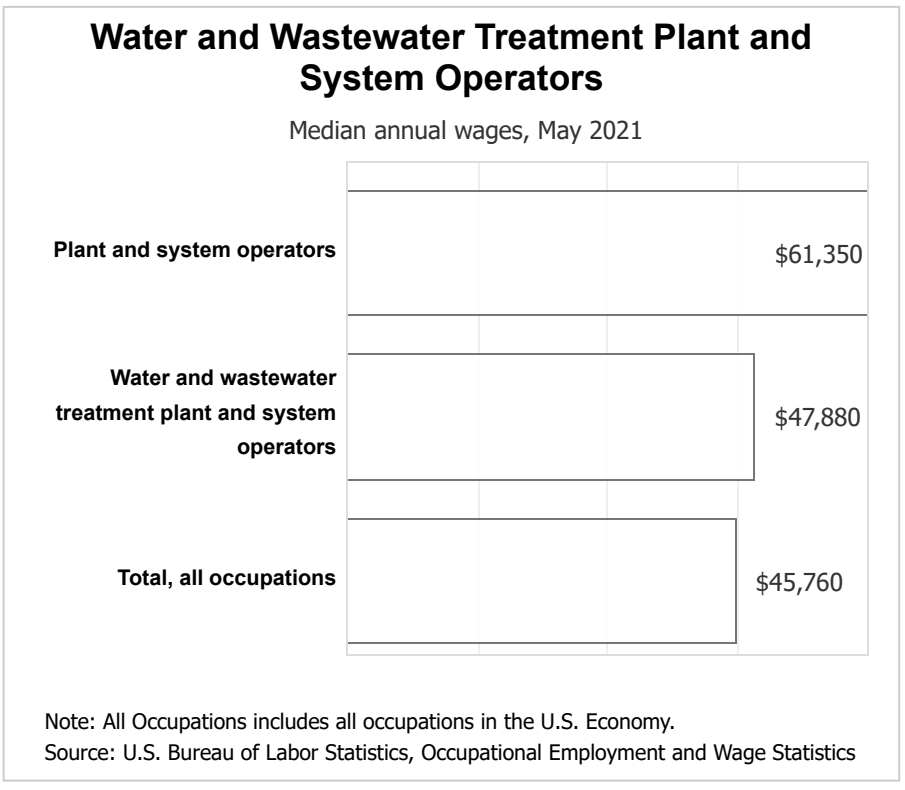
Pay

Pay

The median annual wage for water and wastewater treatment plant and system operators was $47,880 in May 2021. The median wage is the wage at which half the workers in an occupation earned more than that amount and half earned less. The lowest 10 percent earned less than $30,070, and the highest 10 percent earned more than $77,170.

In May 2021, the median annual wages for water and wastewater treatment plant and system operators in the top industries in which they worked were as follows:

Local government, excluding education and hospitals	$47,880
Utilities	47,840
Manufacturing	47,840



Note: All Occupations includes all occupations in the U.S. Economy.
Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics

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Occasionally, operators must work during emergencies. For example, they may need to work during weather conditions that cause large amounts of storm water or wastewater to flow into sewers, exceeding a plant's capacity. Emergencies also may be caused by malfunctions within a plant, such as chemical leaks or oxygen

deficiencies.

<- How to Become One
Job Outlook

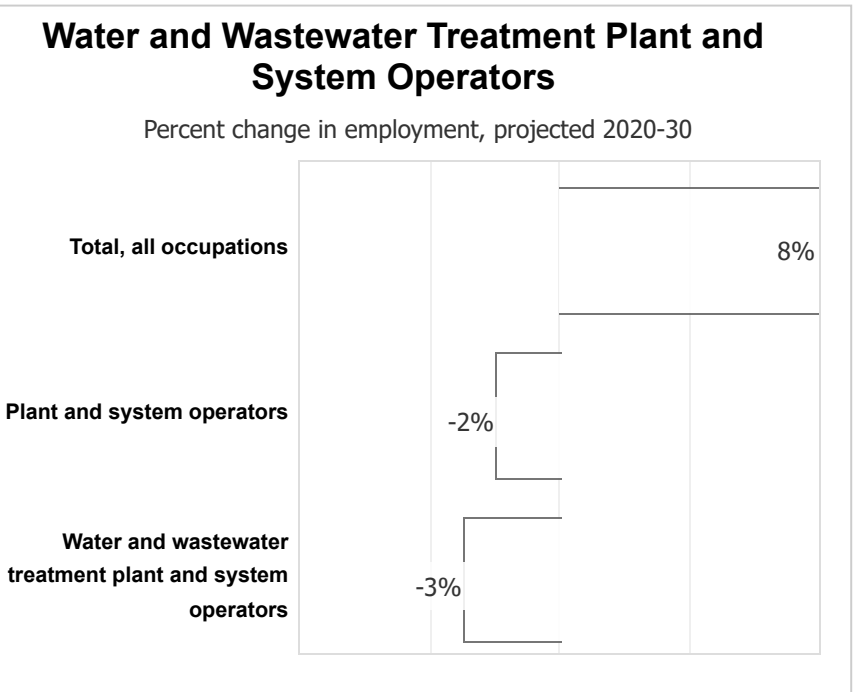
Job Outlook

Employment of water and wastewater treatment plant and system operators is projected to decline 3 percent from 2020 to 2030.

Despite declining employment, about 10,500 openings for water and wastewater treatment plant and system operators are projected each year, on average, over the decade. All of those openings are expected to result from the need to replace workers who transfer to other occupations or exit the labor force, such as to retire.

Employment

As water and wastewater treatment plants become more advanced with automated systems to manage treatment processes, fewer workers may be needed. Although some work can be automated, plants will still need skilled workers to operate increasingly complex controls and water and wastewater systems.



Employment projections data for water and wastewater treatment plant and system operators, 2020-30

Occupational Title	SOC Code	Employment, 2020	Projected Employment, 2030	Change, 2020-30		Employment by Industry
				Percent	Numeric	
Water and wastewater treatment plant and system operators	51-8031	122,100	119,000	-3	-3,100	Get data
SOURCE: U.S. Bureau of Labor Statistics, Employment Projections program						

<- Pay
State & Area Data

State & Area Data

Occupational Employment and Wage Statistics (OEWS)

The Occupational Employment and Wage Statistics (OEWS) program produces employment and wage estimates annually for over 800 occupations. These estimates are available for the nation as a whole, for individual states, and for metropolitan and nonmetropolitan areas. The link(s) below go to OEWS data maps for employment and wages by state and area.

- Water and wastewater treatment plant and system operators

Projections Central

Occupational employment projections are developed for all states by Labor Market Information (LMI) or individual state Employment Projections offices. All state projections data are available at www.projectionscentral.com . Information on this site allows projected employment growth for an occupation to be compared among states or to be compared within one state. In addition, states may produce projections for areas; there are links to each state's websites where these data may be retrieved.

CareerOneStop

CareerOneStop includes hundreds of occupational profiles with data available by state and metro area. There are links in the left-hand side menu to compare occupational employment by state and occupational wages by local area or metro area. There is also a salary info tool to search for wages by zip code.

<- Job Outlook
Similar Occupations

Similar Occupations

This table shows a list of occupations with job duties that are similar to those of water and wastewater treatment plant and system operators.

Construction Equipment Operators

Construction equipment operators drive, maneuver, or control the heavy machinery used to construct roads, buildings, and other structures.

High school diploma or equivalent

$48,290

General Maintenance and Repair Workers

General maintenance and repair workers fix and maintain machines, mechanical equipment, and buildings.

High school diploma or equivalent

$43,180

Hazardous Materials Removal Workers

Hazardous materials removal workers identify and dispose of harmful substances such as asbestos, lead, and radioactive waste.

High school diploma or equivalent

$46,300

Hydrologists

Hydrologists study how water moves across and through the Earth's crust.

Bachelor's degree

$84,030

Power Plant Operators, Distributors, and Dispatchers

Power plant operators, distributors, and dispatchers control the systems that generate and distribute electric power.

High school diploma or equivalent

$94,790

Stationary Engineers and Boiler Operators

Stationary engineers and boiler operators control stationary engines, boilers, or other mechanical equipment.

High school diploma or equivalent

$63,500

<- State & Area Data

More Info ->

More Info

Contacts for More Information

For information on employment opportunities, contact state or local water pollution control agencies, state water and wastewater operator associations, state environmental training centers, or local offices of the state employment service.

For information related to a career as a water or wastewater treatment plant and system operator, visit

American Water Works Association

The National Rural Water Association

Water Environment Federation

Work for Water

For more information on certification for water or wastewater treatment plant and system operator, visit

Association of Boards of Certification

O*NET

Water and Wastewater Treatment Plant and System Operators

<- Similar Occupations

SUGGESTED CITATION:

Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook*, Water and Wastewater Treatment Plant and System Operators, at https://www.bls.gov/ooh/production/water-and-wastewater-treatment-plant-and-system-operators.htm (visited *April 19, 2022*).

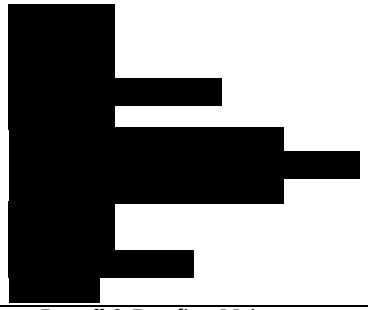
Last Modified Date: Monday, April 18, 2022

U.S. BUREAU OF LABOR STATISTICS Office of Occupational Statistics and Employment Projections PSB Suite 2135 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone:1-202-691-5700 www.bls.gov/ooh Contact OOH

"EXCLUDED FROM PUBLIC ACCESS PER ACCESS TO COURT RECORDS RULE 5."

*****CONFIDENTIAL*****

	2021 Annualized Salreis and Wgaes										
Payroll & Benefits - Maintenance	**OUCC Calculated 2021 Salary ***	**Percentage Allocated to CUII**	**Allocated to CUII 2021 Salary**	**FICA 7.65%**	**FUTA 7,000 @ 6%**	**SUTA**	**2021 Annualized Payroll Taxes**	**Health & Other Benefits**	**Non-Elective 401k (3%)**	**Company 401k Match (4%)**	**2021 Annualized Benefits**
											
Gross Payroll & Benefits - Maintenance	$ 566,695		$ 549,809	$ 42,060	$ 4,138	$ 3,557	$ 49,755	$ 148,439	$ 16,061	$ 21,416	$ 185,916
Payroll & Benefits - General & Administrative											
											
Gross Payroll & Benefits - General & Administrative	$ 1,189,060		$ 249,342	$ 19,075	$ 1,020	$ 878	$ 20,973	$ 36,501	$ 1,735	$ 2,312	$ 40,548

* OUCC Calculated 2021 Salary is based on Petitioner's proposed 2022 salary multipled by the April 2022 percent increase as reposrted in MSFR Item 17 - Salary Increse Assumptions.

"EXCLUDED FROM PUBLIC ACCESS PER ACCESS TO COURT RECORDS RULE 5."

*****CONFIDENTIAL*****

Payroll & Benefits - Maintenance	Allocated to CUII 2021 Salary	Minimum Wage ($23.02) Adjustment 47,882	OUCC Proposed Raise 04/2022	OUCC Proposed 2022 Salary	FICA 7.65%	FUTA 7,000 @ 6%	SUTA	2022 Annualized Payroll Taxes	Health & Other Benefits	Non-Elective 401k Contribution (3%)	Company 401k Match (4%)	2022 Annualized Benefits
Gross Payroll & Benefits - Maintenance	$ 549,809	$ 569,548		$ 597,841	$ 45,734	$ 4,138	$ 3,557	$ 53,429	$ 148,439	$ 17,484	$ 23,314	$ 189,237
Payroll & Benefits - General & Administrative												
Gross Payroll & Benefits - General & Administrative	$ 249,342			$ 255,550	$ 19,549	$ 1,020	$ 878	$ 21,447	$ 36,501	$ 1,773	$ 2,366	$ 40,640

***** OUCC precent increase is based on Petitioner's April 2022 raise as reported in MSFR Item 17 - Salary Increse Assumptions

"EXCLUDED FROM PUBLIC ACCESS PER ACCESS TO COURT RECORDS RULE 5."

*****CONFIDENTIAL*****

Payroll & Benefits - Maintenance	Allocated to CUII 2022 Salary	OUCC Proposed Raise 04/2023	OUCC Proposed 2023 Salary	FICA 7.65%	FUTA 7,000 @ 6%	SUTA	2023 Annualized Payroll Taxes	Health & Other Benefits	Non-Elective 401k Contribution (3%)	Company 401k Match (4%)	2023 Annualized Benefits
Gross Payroll & Benefits - Maintenance	$ 597,841		$ 627,561	$ 48,007	$ 4,138	$ 3,557	$ 55,702	$ 159,839	$ 18,360	$ 24,480	$ 202,679
Payroll & Benefits - General & Administrative											
Gross Payroll & Benefits - General & Administrative	$ 255,550		$ 261,968	$ 20,040	$ 1,020	$ 878	$ 21,938	$ 39,305	$ 1,815	$ 2,418	$ 43,538

	Payroll			Taxes			Benefits		
Department	Water 60 26%	Sewer 39 74%	Total 100%	Water 60 26%	Sewer 39 74%	Total 100%	Water 60 26%	Sewer 39 74%	Total 100%
Maintenance	$ 378,168	$ 249,393	$ 627,561	$ 33,566	$ 22,136	$ 55,702	$ 122,134	$ 80,545	$ 202,679
General & Administrative	157,862	104,106	261,968	13,220	8,718	21,938	26,236	17,302	43,538
	$ 536,030	$ 353,499	$ 889,529	$ 46,786	$ 30,854	$ 77,640	$ 148,370	$ 97,847	$ 246,217

Calculation of Capitalized Time Rate - 2021

Payroll & Benefits - Maintenance	Allocated to CUII 2021 Salary	2021 Annualized Payroll Taxes	20021 Annualized Benefits	2021 Capitalized Salary & Benefit
Gross Payroll & Benefits - Maintenance	$ 455,261	$ 41,856	$ 177,865	674,982
			Divided by Number of Employees	9
			Average Annualized Salary & Ben	74,998
			Divided by Standard Hours	2,080
			2021 Capitalized Labor Rate	$ 36.06

Cause No. 45651
OUCC Attachment MAS-7
Page 2 of 3

Calculation of Capitalized Time Rate - 2022

Payroll & Benefits - Maintenance	Allocated to CUII 2022 Salary	2022 Annualized Payroll Taxes	20022 Annualized Benefits	2022 Capitalized Salary & Benefit
Gross Payroll & Benefits - Maintenance	$ 478,823	$ 43,658	$ 179,515	701,996
			Divided by Number of Employees	9
			Average Annualized Salary & Bene	78,000
			Divided by Standard Hours	2,080
			2022 Capitalized Labor Rate	$ 37.50

Cause No. 45651
OUCC Attachment MAS-7
Page 3 of 3

Calculation of Capitalized Time Rate - 2023

Payroll & Benefits - Maintenance	Allocated to CUII 2023 Salary	2023 Annualized Payroll Taxes	2023 Annualized Benefits	2023 Capitalized Salary & Benefit
Gross Payroll & Benefits - Maintenance	$ 503,612	$ 45,557	$ 181,250	730,419
			Divided by Number of Employees	9
			Average Annualized Salary & Ben	81,158
			Divided by Standard Hours	2,080
			2023 Capitalized Labor Rate	$ 39.02

GL Capitalized Labor Forecast

FUSION	NARUC	Obj	Account Description	Average Annual Hours	Linking Period $36.06 Oct-21	$36.06 Nov-21	$36.06 Dec-21	$36.06 Jan-22	$36.06 Feb-22	$36.06 Mar-22	$37.50 Apr-22	$37.50 May-22	$37.50 Jun-22	$37.50 Jul-22	$37.50 Aug-22	$37.50 Sep-22	PF 2022 Total	60.26% Water	39.74% Sewer
141204	304.20	1050	STRUCT & IMPRV SRC SUPP	1.78	$ 5.33	$ 5.33	$ 5.33	$ 5.33	$ 5.33	$ 5.33	$ 5.55	$ 5.55	$ 5.55	$ 5.55	$ 5.55	$ 5.55	$ 65.29	$ 39.35	$ 25.95
141205	304.30	1055	STRUCT & IMPRV WTR TRT	9.46	28.42	28.42	28.42	28.42	28.42	28.42	29.56	29.56	29.56	29.56	29.56	29.56	347.86	347.86	
141203	304.50	1065	STRUCT & IMPRV GEN PLT	31.50	94.66	94.66	94.66	94.66	94.66	94.66	98.45	98.45	98.45	98.45	98.45	98.45	1,158.68	698.22	460.46
141223	307.20	1080	WELLS & SPRINGS	53.36	160.34	160.34	160.34	160.34	160.34	160.34	166.76	166.76	166.76	166.76	166.76	166.76	1,962.57	1,962.57	
141225	309.20	1090	SUPPLY MAINS	12.28	36.90	36.90	36.90	36.90	36.90	36.90	38.38	38.38	38.38	38.38	38.38	38.38	451.70	451.70	
141226	310.20	1095	POWER GENERATION EQUIP	1.79	5.37	5.37	5.37	5.37	5.37	5.37	5.59	5.59	5.59	5.59	5.59	5.59	65.77	39.63	26.14
141227	311.20	1100	ELECTRIC PUMP EQUIP SRC	1.98	5.94	5.94	5.94	5.94	5.94	5.94	6.18	6.18	6.18	6.18	6.18	6.18	72.69	72.69	
141228	311.30	1105	ELECTRIC PUMP EQUIP WTP	48.49	145.70	145.70	145.70	145.70	145.70	145.70	151.54	151.54	151.54	151.54	151.54	151.54	1,783.44	1,783.44	
141229	311.40	1110	ELECTRIC PUMP EQUIP TRA	2.92	8.77	8.77	8.77	8.77	8.77	8.77	9.12	9.12	9.12	9.12	9.12	9.12	107.30	107.30	
141230		1115	Water Treatment Equipment	77.88	234.00	234.00	234.00	234.00	234.00	234.00	243.37	243.37	243.37	243.37	243.37	243.37	2,864.24	2,864.24	
141231	330.40	1120	DIST RESV & STANDPIPES	37.50	112.69	112.69	112.69	112.69	112.69	112.69	117.20	117.20	117.20	117.20	117.20	117.20	1,379.34	1,379.34	
141232	331.40	1125	TRANS & DISTR MAINS	40.49	121.67	121.67	121.67	121.67	121.67	121.67	126.54	126.54	126.54	126.54	126.54	126.54	1,489.32	1,489.32	
141233	333.40	1130	SERVICE LINES	64.41	193.53	193.53	193.53	193.53	193.53	193.53	201.28	201.28	201.28	201.28	201.28	201.28	2,368.86	2,368.86	
141234	334.40	1135	METERS	70.16	210.82	210.82	210.82	210.82	210.82	210.82	219.25	219.25	219.25	219.25	219.25	219.25	2,580.41	2,580.41	
141235	334.40	1140	METER INSTALLATIONS	150.55	452.37	452.37	452.37	452.37	452.37	452.37	470.47	470.47	470.47	470.47	470.47	470.47	5,537.07	5,537.07	
141236	335.40	1145	HYDRANTS	30.35	91.20	91.20	91.20	91.20	91.20	91.20	94.85	94.85	94.85	94.85	94.85	94.85	1,116.28	1,116.28	
141237	336.40	1150	BACKFLOW PREVENTION DEV	0.38	1.13	1.13	1.13	1.13	1.13	1.13	1.18	1.18	1.18	1.18	1.18	1.18	13.85	13.85	
141269	339.30	1165	OTH PLT&MISC EQUIP WTP	1.60	4.81	4.81	4.81	4.81	4.81	4.81	5.00	5.00	5.00	5.00	5.00	5.00	58.84	58.84	
141308	343.50	1190	TOOL SHOP & MISC EQPT	1.22	3.68	3.68	3.68	3.68	3.68	3.68	3.82	3.82	3.82	3.82	3.82	3.82	45.00	27.12	17.88
141306	344.50	1195	LABORATORY EQUIPMENT	0.56	1.70	1.70	1.70	1.70	1.70	1.70	1.76	1.76	1.76	1.76	1.76	1.76	20.77	12.51	8.25
141309	345.50	1200	POWER OPERATED EQUIP	10.35	31.11	31.11	31.11	31.11	31.11	31.11	32.35	32.35	32.35	32.35	32.35	32.35	380.75	229.44	151.31
141310	346.50	1205	COMMUNICATION EQPT	1.13	3.39	3.39	3.39	3.39	3.39	3.39	3.53	3.53	3.53	3.53	3.53	3.53	41.54	25.03	16.51
141208	354.30	1295	STRUCT/IMPRV PUMP PLT L	7.25	21.77	21.77	21.77	21.77	21.77	21.77	22.65	22.65	22.65	22.65	22.65	22.65	266.52		266.52
141209	354.40	1300	STRUCT/IMPRV TREAT PLT	1.51	4.52	4.52	4.52	4.52	4.52	4.52	4.71	4.71	4.71	4.71	4.71	4.71	55.38		55.38
141240	355.40	1330	POWER GEN EQUIP TREAT P	17.22	51.75	51.75	51.75	51.75	51.75	51.75	53.82	53.82	53.82	53.82	53.82	53.82	633.42		633.42
141241	360.20	1345	SEWER FORCE MAIN	41.90	125.90	125.90	125.90	125.90	125.90	125.90	130.93	130.93	130.93	130.93	130.93	130.93	1,540.98		1,540.98
141242	361.20	1350	SEWER GRAVITY MAIN	4.94	14.85	14.85	14.85	14.85	14.85	14.85	15.44	15.44	15.44	15.44	15.44	15.44	181.72		181.72
141243	361.20	1353	MANHOLES	4.42	13.29	13.29	13.29	13.29	13.29	13.29	13.82	13.82	13.82	13.82	13.82	13.82	162.68		162.68
141245	363.20	1360	SERVICES TO CUSTOMERS	0.94	2.83	2.83	2.83	2.83	2.83	2.83	2.94	2.94	2.94	2.94	2.94	2.94	34.61		34.61
141246	364.20	1365	FLOW MEASURE DEVICES	1.13	3.39	3.39	3.39	3.39	3.39	3.39	3.53	3.53	3.53	3.53	3.53	3.53	41.54		41.54
141249	371.30	1380	PUMPING EQUIPMENT PUMP	83.78	251.73	251.73	251.73	251.73	251.73	251.73	261.80	261.80	261.80	261.80	261.80	261.80	3,081.20		3,081.20
141253	380.40	1400	TREAT/DISP EQUIP TRT PL	98.30	295.37	295.37	295.37	295.37	295.37	295.37	307.19	307.19	307.19	307.19	307.19	307.19	3,615.35		3,615.35
141255	381.40	1410	PLANT SEWERS TRTMT PLT	0.19	0.57	0.57	0.57	0.57	0.57	0.57	0.59	0.59	0.59	0.59	0.59	0.59	6.92		6.92
141273	389.30	1435	OTHER PLT PUMP	0.56	1.70	1.70	1.70	1.70	1.70	1.70	1.76	1.76	1.76	1.76	1.76	1.76	20.77		20.77
141274	389.40	1440	OTHER PLT TREATMENT	0.38	1.13	1.13	1.13	1.13	1.13	1.13	1.18	1.18	1.18	1.18	1.18	1.18	13.85		13.85
141264	340.50	1180	OFFICE STRUCT & IMPRV	0.28	0.85	0.85	0.85	0.85	0.85	0.85	0.88	0.88	0.88	0.88	0.88	0.88	10.38	6.26	4.13
141244	344.50	1195	LABORATORY EQPT	1.79	5.37	5.37	5.37	5.37	5.37	5.37	5.59	5.59	5.59	5.59	5.59	5.59	65.77	39.63	26.14
141311	347.50	1210	MISC EQUIP SEWER	18.26	54.86	54.86	54.86	54.86	54.86	54.86	57.06	57.06	57.06	57.06	57.06	57.06	671.50	404.64	266.85
				933.00	$ 2,803.41	$ 2,803.41	$ 2,803.41	$ 2,803.41	$ 2,803.41	$ 2,803.41	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 34,314.13	$ 23,655.59	$ 10,658.54

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GL Capitalized Labor Forecast

FUSION	NARUC	Obj	Account Description	Average Annual Hours	Forward-Looking Test Period $37.50 Oct-22	$37.50 Nov-22	$37.50 Dec-22	$37.50 Jan-23	$37.50 Feb-23	$37.50 Mar-23	$39.02 Apr-23	$39.02 May-23	$39.02 Jun-23	$39.02 Jul-23	$39.02 Aug-23	$39.02 Sep-23	PF 2023 Total	60.26% Water	39.74% Sewer
141204	304.20	1050	STRUCT & IMPRV SRC SUPP	1.78	$ 5.55	$ 5.55	$ 5.55	$ 5.55	$ 5.55	$ 5.55	$ 5.77	$ 5.77	$ 5.77	$ 5.77	$ 5.77	$ 5.77	$ 67.92	$ 40.93	$ 26.99
141205	304.30	1055	STRUCT & IMPRV WTR TRT	9.46	29.56	29.56	29.56	29.56	29.56	29.56	30.75	30.75	30.75	30.75	30.75	30.75	361.87	361.87	
141203	304.50	1065	STRUCT & IMPRV GEN PLT	31.50	98.45	98.45	98.45	98.45	98.45	98.45	102.44	102.44	102.44	102.44	102.44	102.44	1,205.32	726.33	479.00
141223	307.20	1080	WELLS & SPRINGS	53.36	166.76	166.76	166.76	166.76	166.76	166.76	173.51	173.51	173.51	173.51	173.51	173.51	2,041.58	2,041.58	
141225	309.20	1090	SUPPLY MAINS	12.28	38.38	38.38	38.38	38.38	38.38	38.38	39.93	39.93	39.93	39.93	39.93	39.93	469.89	469.89	
141226	310.20	1095	POWER GENERATION EQUIP	1.79	5.59	5.59	5.59	5.59	5.59	5.59	5.81	5.81	5.81	5.81	5.81	5.81	68.41	41.23	27.19
141227	311.20	1100	ELECTRIC PUMP EQUIP SRC	1.98	6.18	6.18	6.18	6.18	6.18	6.18	6.43	6.43	6.43	6.43	6.43	6.43	75.61	75.61	
141228	311.30	1105	ELECTRIC PUMP EQUIP WTP	48.49	151.54	151.54	151.54	151.54	151.54	151.54	157.67	157.67	157.67	157.67	157.67	157.67	1,855.25	1,855.25	
141229	311.40	1110	ELECTRIC PUMP EQUIP TRA	2.92	9.12	9.12	9.12	9.12	9.12	9.12	9.49	9.49	9.49	9.49	9.49	9.49	111.62	111.62	
141230		1115	Water Treatment Equipment	77.88	243.37	243.37	243.37	243.37	243.37	243.37	253.22	253.22	253.22	253.22	253.22	253.22	2,979.55	2,979.55	
141231	330.40	1120	DIST RESV & STANDPIPES	37.50	117.20	117.20	117.20	117.20	117.20	117.20	121.94	121.94	121.94	121.94	121.94	121.94	1,434.87	1,434.87	
141232	331.40	1125	TRANS & DISTR MAINS	40.49	126.54	126.54	126.54	126.54	126.54	126.54	131.67	131.67	131.67	131.67	131.67	131.67	1,549.28	1,549.28	
141233	333.40	1130	SERVICE LINES	64.41	201.28	201.28	201.28	201.28	201.28	201.28	209.43	209.43	209.43	209.43	209.43	209.43	2,464.23	2,464.23	
141234	334.40	1135	METERS	70.16	219.25	219.25	219.25	219.25	219.25	219.25	228.13	228.13	228.13	228.13	228.13	228.13	2,684.30	2,684.30	
141235	334.40	1140	METER INSTALLATIONS	150.55	470.47	470.47	470.47	470.47	470.47	470.47	489.52	489.52	489.52	489.52	489.52	489.52	5,759.99	5,759.99	
141236	335.40	1145	HYDRANTS	30.35	94.85	94.85	94.85	94.85	94.85	94.85	98.69	98.69	98.69	98.69	98.69	98.69	1,161.22	1,161.22	
141237	336.40	1150	BACKFLOW PREVENTION DEV	0.38	1.18	1.18	1.18	1.18	1.18	1.18	1.22	1.22	1.22	1.22	1.22	1.22	14.40	14.40	
141269	339.30	1165	OTH PLT&MISC EQUIP WTP	1.60	5.00	5.00	5.00	5.00	5.00	5.00	5.20	5.20	5.20	5.20	5.20	5.20	61.21	61.21	
141308	343.50	1190	TOOL SHOP & MISC EQPT	1.22	3.82	3.82	3.82	3.82	3.82	3.82	3.98	3.98	3.98	3.98	3.98	3.98	46.81	28.21	18.60
141306	344.50	1195	LABORATORY EQUIPMENT	0.56	1.76	1.76	1.76	1.76	1.76	1.76	1.84	1.84	1.84	1.84	1.84	1.84	21.60	13.02	8.59
141309	345.50	1200	POWER OPERATED EQUIP	10.35	32.35	32.35	32.35	32.35	32.35	32.35	33.66	33.66	33.66	33.66	33.66	33.66	396.07	238.67	157.40
141310	346.50	1205	COMMUNICATION EQPT	1.13	3.53	3.53	3.53	3.53	3.53	3.53	3.67	3.67	3.67	3.67	3.67	3.67	43.21	26.04	17.17
141208	354.30	1295	STRUCT/IMPRV PUMP PLT L	7.25	22.65	22.65	22.65	22.65	22.65	22.65	23.56	23.56	23.56	23.56	23.56	23.56	277.25		277.25
141209	354.40	1300	STRUCT/IMPRV TREAT PLT	1.51	4.71	4.71	4.71	4.71	4.71	4.71	4.90	4.90	4.90	4.90	4.90	4.90	57.61		57.61
141240	355.40	1330	POWER GEN EQUIP TREAT P	17.22	53.82	53.82	53.82	53.82	53.82	53.82	56.00	56.00	56.00	56.00	56.00	56.00	658.92		658.92
141241	360.20	1345	SEWER FORCE MAIN	41.90	130.93	130.93	130.93	130.93	130.93	130.93	136.24	136.24	136.24	136.24	136.24	136.24	1,603.02		1,603.02
141242	361.20	1350	SEWER GRAVITY MAIN	4.94	15.44	15.44	15.44	15.44	15.44	15.44	16.07	16.07	16.07	16.07	16.07	16.07	189.04		189.04
141243	361.20	1353	MANHOLES	4.42	13.82	13.82	13.82	13.82	13.82	13.82	14.38	14.38	14.38	14.38	14.38	14.38	169.23		169.23
141245	363.20	1360	SERVICES TO CUSTOMERS	0.94	2.94	2.94	2.94	2.94	2.94	2.94	3.06	3.06	3.06	3.06	3.06	3.06	36.01		36.01
141246	364.20	1365	FLOW MEASURE DEVICES	1.13	3.53	3.53	3.53	3.53	3.53	3.53	3.67	3.67	3.67	3.67	3.67	3.67	43.21		43.21
141249	371.30	1380	PUMPING EQUIPMENT PUMP	83.78	261.80	261.80	261.80	261.80	261.80	261.80	272.40	272.40	272.40	272.40	272.40	272.40	3,205.25		3,205.25
141253	380.40	1400	TREAT/DISP EQUIP TRT PL	98.30	307.19	307.19	307.19	307.19	307.19	307.19	319.63	319.63	319.63	319.63	319.63	319.63	3,760.90		3,760.90
141255	381.40	1410	PLANT SEWERS TRTMT PLT	0.19	0.59	0.59	0.59	0.59	0.59	0.59	0.61	0.61	0.61	0.61	0.61	0.61	7.20		7.20
141273	389.30	1435	OTHER PLT PUMP	0.56	1.76	1.76	1.76	1.76	1.76	1.76	1.84	1.84	1.84	1.84	1.84	1.84	21.60		21.60
141274	389.40	1440	OTHER PLT TREATMENT	0.38	1.18	1.18	1.18	1.18	1.18	1.18	1.22	1.22	1.22	1.22	1.22	1.22	14.40		14.40
141264	340.50	1180	OFFICE STRUCT & IMPRV	0.28	0.88	0.88	0.88	0.88	0.88	0.88	0.92	0.92	0.92	0.92	0.92	0.92	10.80	6.51	4.29
141244	344.50	1195	LABORATORY EQPT	1.79	5.59	5.59	5.59	5.59	5.59	5.59	5.81	5.81	5.81	5.81	5.81	5.81	68.41	41.23	27.19
141311	347.50	1210	MISC EQUIP SEWER	18.26	57.06	57.06	57.06	57.06	57.06	57.06	59.37	59.37	59.37	59.37	59.37	59.37	698.53	420.93	277.60
				933.00	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 2,915.61	$ 3,033.66	$ 3,033.66	$ 3,033.66	$ 3,033.66	$ 3,033.66	$ 3,033.66	$ 35,695.60	$ 24,607.95	$ 11,087.65

Cause No. 45651
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Project Capitalized Labor Forecast

							2021			2022			2023		
					Captime Rtae		$ 36.06			$ 37.50			$ 39.02		
Project ID	Project Name	Utility	Account	Account Description	Captime	Incomplete	Total	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer
2018166	TLUI - Well #12 and #13	10	141223	Wells and Springs	40	2%	1,417.29	1,417.29	-	25.98	25.98	-	-	-	-
2019017	TLUI - Iron Filter Replacement	10	141230	Water Treatment Equipment	80	77%	664.82	664.82	-	2,308.56	2,308.56	-	-	-	-
2019141	TLUI - Watermain/service line replacement (2020/2021)	10	141232	Trans and Distr Mains	400	10%	12,982.77	12,982.77	-	1,497.56	1,497.56	-	-	-	-
2019169	WSC - 2020 SCIP	15	141242	Sewer Gravity Main	0	28%	-	-	-	-	-	-	-	-	-
2021049	Indiana 2021 AMR Replacements	10	141234	Meters	400	0%	14,373.66	14,373.66	-	51.00	51.00	-	-	-	-
IN-AMR-2022	Indiana AMR Replacements - 2022	10	141234	Meters	400	100%	-	-	-	14,999.91	14,999.91	-	-	-	-
2021198	TLUI - 2021 SCIP	15	141242	Sewer Gravity Main	100	99%	36.71	-	36.71	3,711.80	-	3,711.80	-	-	-
IN-WMR2022	TLUI - 2022 Watermain/service line replacement	10	141232	Trans and Distr Mains	400	100%	-	-	-	14,999.91	14,999.91	-	-	-	-
TLUI-SCIP2022	TLUI - 2022 SCIP	15	141242	Sewer Gravity Main	200	100%	-	-	-	7,499.96	-	7,499.96	-	-	-
WSCI-SCIP2022	WSCI - 2022 SCIP	15	141242	Sewer Gravity Main	200	100%	-	-	-	7,499.96	-	7,499.96	-	-	-
IWSI-WMR2022	IWSI - 2022 Watermain Replacement	10	141232	Trans and Distr Mains	400	100%	-	-	-	14,999.91	14,999.91	-	-	-	-
TLUI-LSCGEN	TLUI - Lift Station C Generator	15	141208	Struct and Improv Pump Plant	0	100%	-	-	-	-	-	-	-	-	-
TLUI-LAT-2022	TLUI - 2022 Lateral Replacement	15	141242	Sewer Gravity Main	100	100%	-	-	-	3,749.98	-	3,749.98	-	-	-
TLUI-LSL	TLUI - Lift Station L Forcemain Replacement	15	141208	Struct and Improv Pump Plant	400	100%	-	-	-	14,999.91	-	14,999.91	-	-	-
IN-AMR-2023	Indiana AMR Replacements - 2023	10	141234	Meters	400	100%	-	-	-	-	-	-	15,607.24	15,607.24	-
IN-WMR2023	TLUI - 2023 Watermain/service line replacement	10	141232	Trans and Distr Mains	400	100%	-	-	-	-	-	-	15,607.24	15,607.24	-
TLUI-SCIP2023	TLUI - 2023 SCIP	15	141242	Sewer Gravity Main	200	100%	-	-	-	-	-	-	7,803.62	-	7,803.62
WSCI-SCIP2023	WSCI - 2023 SCIP	15	141242	Sewer Gravity Main	200	100%	-	-	-	-	-	-	7,803.62	-	7,803.62
IWSI-WMR2023	IWSI - 2023 Watermain Replacement	10	141232	Trans and Distr Mains	400	100%	-	-	-	-	-	-	15,607.24	15,607.24	-
TLUI-LAT-2023	TLUI - 2023 Lateral Replacement	15	141242	Sewer Gravity Main	100	100%	-	-	-	-	-	-	3,901.81	-	3,901.81
TLUI-OFF	TLUI - Chemical Building/Office Building	15	141209	Struct and Improv Treatment Plant	400	100%	-	-	-	-	-	-	15,607.24	-	15,607.24
TLUI-WWTP	TLUI - Headworks	15	141209	Struct and Improv Treatment Plant	400	100%	-	-	-	-	-	-	15,607.24	-	15,607.24
					5,620		$29,475.25	$29,438.55	$36.71	$86,344.45	$48,882.84	$37,461.61	$97,545.27	$46,821.73	$50,723.54

COMMUNITY UTILITIES OF INDIANA, INC,

RESPONSE TO THE OUCC

DATA REQUEST OUCC 02.09

Witness Responsible:	Andrew Dickson
Title:	Senior Financial Analyst
Date Received:	January 25, 2022
Docket No.:	45651

OUCC 02.09

Please state the dollar amount of Petitioner's proposed increase to base period wastewater chemical costs due to modified operations to reduce phosphorus levels and provide the detailed calculation of this amount

RESPONSE:

Previously, Alum was not used in CUII's Twin Lakes wastewater treatment plant. CUII did experience several months in the base period (May 1 through September 30, 2021) where this additional treatment was needed. CUII estimates it will spend $4,952-$5,150 per month on Alum to reduce phosphorus concentrations, for a total annual forecast of $61,206.

Attachment:

N/A

Date Response Provided: February 4, 2022

Twin Lakes WWTP Alum Usage - 2021 Actuals

	Usage		Effluent Flow	Alum	Phosphorus (mg/l)	
	Total Gallons	GPD	MGD	Gal/1000 GPD	Influent	Effluent
Apr-21	0	0	0.8314			
May-21	1,253	40.4	0.913	0.044	4.945	1.4
Jun-21	1,661	55.4	0.8557	0.065	5.361	0.6
Jul-21	1,981	63.9	1.0121	0.063	4.489	0.6
Aug-21	1,919	61.9	0.9648	0.064	4.911	0.8
Sep-21	1,812	60.4	0.6745	0.090	4.98	0.8
Oct-21	1,986	64.1	1.1833	0.054	3.62	0.9
Nov-21	1,465	48.8	0.7494	0.065	4.56	0.4
Total Gallons (7 months)	12,077					
Average Day (GPD)		56.4				
Total Year (12 months)	20,599					

	CUII Forecasted Alum (Phosphorus)		
	Forecast	Actual	
	Gal/Month	GPD	Gal/Month
Apr-21	NA	0	0
May-21	NA	40.4	1,253
Jun-21	NA	55.4	1,661
Jul-21	2,500	63.9	1,981
Aug-21	2,500	61.9	1,919
Sep-21	2,500	60.4	1,812
Oct-21	2,500	64.1	1,986
Nov-21	2,500	48.8	1,465
Dec-21	2,500		No Data
		GPD	
Avg. Month	2,500	56.4	1,725
		GPD	
Yearly Total	30,000	56.4	20,599

overestimated 46%

COMMUNITY UTILITIES OF INDIANA, INC,

RESPONSE TO THE OUCC

DATA REQUEST OUCC 07.48

Witness Responsible:	Steve Lubertozzi
Title:	Senior Vice President
Date Received:	March 11, 2022
Docket No.:	45651

OUCC 07.48

Please state the date Petitioner stopped assessing late payment charges due to the COVID-19 pandemic moratorium.

RESPONSE:

CUII suspended late payment charges due to COVID on March 11, 2020.

Attachment:

N/A

Date Response Provided: March 21, 2022

COMMUNITY UTILITIES OF INDIANA, INC,

RESPONSE TO THE OUCC

DATA REQUEST OUCC 07.49

Witness Responsible:	Steve Lubertozzi
Title:	Senior Vice President
Date Received:	March 11, 2022
Docket No.:	45651

OUCC 07.49

Please state the date Petitioner resumed assessing late payment charges. If Petitioner has not resumed assessing late payment charges, please explain why not.

RESPONSE:

CUII resumed late payment charges on August 8, 2021.

Attachment:

N/A

Date Response Provided: March 21, 2022

Community Utilities of Indiana, Inc.
Deferred COVID-19 Costs by Category

	Ending 10/31/2020	Ending 11/30/2021	Over Recorded
Forgone Late Payment Charges	$ 24,291	$ 92,031	$ 67,741
Direct - Customer Communication	-	3,171	3,171
Direct - Legal	2,532	4,176	1,644
Forgone Reconnection Charges	-	63	63
Total (Inception to Date):	$ 26,823	$ 99,441	$ 72,618

Community Utilities of Indiana, Inc.
Deferred COVID-19 Costs by Category

Late Fees

Sum of IN	Column Labels			
Row Labels	OT	W	WW	Grand Total
After CUII Started Charging	**71.71**	**10,974.70**	**5,777.92**	**16,824.33**
9/1/2021	20.56	3,995.93	1,493.83	5,510.32
10/1/2021	40.13	2,231.46	2,624.17	4,895.76
11/1/2021	11.02	4,747.31	1,659.92	6,418.25
Authorized Period	**120.16**	**17,181.81**	**6,988.54**	**24,290.51**
3/1/2020		1,112.21		1,112.21
4/1/2020	19.07	2,131.16	1,230.79	3,381.02
5/1/2020		1,121.99	681.22	1,803.21
6/1/2020	1.31	3,650.49	1,156.19	4,808.00
7/1/2020	3.10	1,136.96	957.71	2,097.77
8/1/2020	23.10	2,687.54	1,090.62	3,801.25
9/1/2020	28.03	2,568.88	923.14	3,520.05
10/1/2020	45.54	2,772.57	948.88	3,767.00
Out Side Authorized Period	**588.14**	**35,332.84**	**14,995.49**	**50,916.47**
11/1/2020	12.86	2,784.77	1,182.10	3,979.73
12/1/2020	91.16	4,774.38	1,536.63	6,402.17
1/1/2021	52.62	1,243.62	1,691.75	2,987.99
2/1/2021	148.22	2,995.45	1,504.22	4,647.89
3/1/2021	189.68	5,372.04	1,528.44	7,090.15
4/1/2021	32.53	3,395.74	1,394.43	4,822.70
5/1/2021	14.98	3,344.27	1,396.12	4,755.36
6/1/2021	2.48	3,436.27	1,571.50	5,010.25
7/1/2021	16.42	1,921.83	1,589.04	3,527.29
8/1/2021	27.17	6,064.48	1,601.27	7,692.92
Grand Total	**780.01**	**63,489.35**	**27,761.95**	**92,031.31**

Legal Fees

With in Authorized period	Type	Supplier Name	Sum of Cost
Authorized	**Direct - Legal**	BARNES & THORNBURG	2,532.00
Not Authorized	**Direct - Legal**	BARNES & THORNBURG	1,644.00
Forgone Reconnection Fees		(blank)	62.50
Grand Total			**4,238.50**

Customer Communications

Not Authorized	Customer Communication	Invoice 190407	562.36
Not Authorized	Customer Communication	Invoice 191526	2,608.35