

STATE OF INDIANA

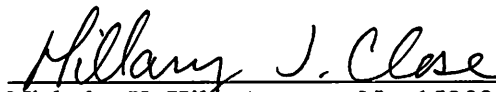
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF SOUTH )  
BEND, INDIANA FOR AUTHORITY TO )  
ESTABLISH AND IMPLEMENT A ) CAUSE NO. 44892  
SYSTEM DEVELOPMENT CHARGE )  
FOR WATER UTILITY SERVICE )

**SUBMISSION OF SETTLEMENT TESTIMONY**

Petitioner, City of South Bend, Indiana ("South Bend"), by counsel, hereby submits the  
Settlement Testimony of Eric Walsh.

Respectfully submitted,



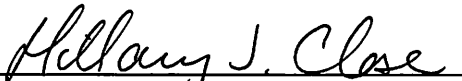
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City of South Bend, Indiana

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing was served this 7th day of April, 2017 by electronic mail upon the following counsel of record:

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\_\_\_\_\_  
Hillary J. Close

**IURC Cause No. 44892**

**City of South Bend,  
Indiana**

**Municipal Water  
Utility**

**Settlement Testimony of  
Eric J. Walsh, C.P.A.**

**April 7, 2017**

**H.J. Umbaugh & Associates  
Certified Public Accountants LLP  
Mishawaka, Indiana**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF THE CITY OF SOUTH )  
BEND, INDIANA FOR AUTHORITY TO )  
ESTABLISH AND IMPLEMENT A )  
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FOR WATER UTILITY SERVICE )**

**CAUSE NO. 44892**

**SETTLEMENT TESTIMONY OF ERIC J. WALSH, CPA**

**April 7, 2017**

**On Behalf of Petitioner  
City of South Bend  
Municipal Water Utility**

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

2       A.   My name is Eric J. Walsh and my business address is 112 IronWorks Avenue,  
3           Suite C, Mishawaka, Indiana 46544.

4  
5   **2.   Q.   ARE YOU THE SAME ERIC J. WALSH WHO FILED DIRECT**  
6       **TESTIMONY IN THIS CAUSE ON BEHALF OF PETITIONER CITY OF SOUTH**  
7       **BEND, INDIANA?**

8       A.   Yes. I am.

9  
10   **3.   Q.   WHAT IS THE PURPOSE OF YOUR SETTLEMENT TESTIMONY?**

11       A.   The purpose of this settlement testimony is to provide support for the Stipulation  
12           and Settlement Agreement ("Stipulation") entered between South Bend and the  
13           Indiana Office of Utility Consumer Counselor ("OUCC") in this Cause, which was  
14           filed with the Commission on April 4, 2017.

15  
16   **4.   Q.   WHAT WAS SOUTH BEND'S REQUESTED RELIEF IN THIS CAUSE?**

17       A.   As recited in the Stipulation, "South Bend requested the Commission approve its  
18           proposed non-recurring system development charge ("SDC"), which it would  
19           collect from new or expanding water customers both inside and outside its  
20           corporate limits. South Bend calculated a system development charge per EDU of  
21           \$465, which was then rounded to \$500. The methodology for calculating the  
22           proposed SDC for non-single family residences was set forth in Ordinance 10461-

1           16 and described in South Bend's case-in-chief." Stipulation, ¶ 1; *see also*  
2           Petitioner's Exhibit No. 1, including Attachments EJW-1 and EJW-2.

3  
4   **5.   Q.    WHAT POSITION DID THE OUCC TAKE WITH RESPECT TO SOUTH**  
5   **BEND'S REQUESTED RELIEF?**

6    A.    Based on its review of South Bend's methodology and calculations, the OUCC  
7           recommended the Commission approve the system development charge in the  
8           amount of \$465 per equivalent dwelling unit ("EDU") or equivalent residential unit  
9           ("ERU"). Stipulation, ¶ 1; *see also* Public's Exhibit No. 1.

10  
11   **6.   Q.    WHAT AGREEMENT DID SOUTH BEND AND THE OUCC REACH**  
12   **WITH RESPECT TO SOUTH BEND'S REQUESTED RELIEF IN THIS CAUSE?**

13   A.    Recognizing that the only difference between the parties was South Bend's  
14           proposed rounding of the SDC to \$500, South Bend and the OUCC agreed for  
15           purposes of compromise and settlement that South Bend should be authorized to  
16           implement a \$475 SDC per ERU, and the SDC to be applied for all non-single  
17           family residential customers shall be in accordance with the methodology set forth  
18           in Ordinance 10461-16, based on the SDC of \$475 per ERU. Stipulation, ¶ 3.

19  
20   **7.   Q.    WHAT OTHER TERMS WERE AGREED UPON IN THE STIPULATION?**

21   A.    The Stipulation contains South Bend's agreement to account for any money  
22           received from its SDC for water utility service as contributions-in-aid-of-

1 construction ("CIAC") as recommended in the prefiled testimony of Chuck Patrick  
2 of the OUCC.

3  
4 In addition, the Stipulation contains a number of terms I would consider "typical" in  
5 a stipulation and settlement agreement before the IURC, such as (1) stipulation to a  
6 form of final order, presented as Attachment A to the Stipulation, (2) stipulation as  
7 to admissibility of prefiled evidence, (3) waiver of cross-examination of the parties'  
8 witnesses, (4) agreement with respect to the non-admissibility of the terms of the  
9 Settlement by any party in a subsequent proceeding, and (5) agreement that the  
10 Stipulation shall be null and void and deemed withdrawn upon written notice by  
11 either party within 15 days after the date of the final order in this Cause if such  
12 order makes modifications unacceptable to either party. Stipulation, ¶¶ 4, 6, and 7.

13  
14 The Stipulation states the parties' agreement that it reflects a fair, just and  
15 reasonable resolution, and is without prejudice to the ability of either party to  
16 propose a different term in future proceedings. Stipulation, ¶ 8. It further states that  
17 neither the Stipulation itself nor the order approving it may be cited as precedent.  
18 Stipulation, ¶ 9.

19  
20 **8. Q. MR. WALSH, DO YOU BELIEVE THE STIPULATION REPRESENTS A**  
21 **FAIR, REASONABLE AND JUST RESOLUTION OF ALL THE ISSUES IN THIS**  
22 **CAUSE AND IS IN THE PUBLIC INTEREST?**

23 A. Yes, I do.

1

2   **9.     Q.   DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?**

3       A.    Yes, it does.



## **VERIFICATION**

I affirm under the penalties for perjury that the foregoing testimony is true to the best of my knowledge, information, and belief.

Signed:  \_\_\_\_\_

Printed: \_\_\_\_\_ Eric J. Walsh \_\_\_\_\_