

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DOE CREEK SEWER )  
UTILITY, INC. FOR A NEW SCHEDULE OF ) CAUSE NO. 45655-U  
RATES AND CHARGES FOR WASTEWATER )  
SERVICE )

PUBLIC'S EXHIBIT NO. 1-S

SETTLEMENT TESTIMONY OF THOMAS W. MALAN

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

May 25, 2022

Respectfully submitted

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the *Public's Exhibit No. 1-S Settlement Testimony of Thomas W. Malan on behalf of the OUCC* has been served upon the following counsel of record in the captioned proceeding by electronic service on May 25, 2022.

Christine Astbury  
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**SETTLEMENT TESTIMONY OF THOMAS W. MALAN**  
**CAUSE NO. 45655-U**  
**DOE CREEK SEWER UTILITY, INC.**

**I. INTRODUCTION**

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

2   A:   My name is Thomas W. Malan, and my business address is 115 W. Washington  
3       St., Suite 1500 South, Indianapolis, IN 46204

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

5   A:   I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as  
6       a Utility Analyst with the Water-Wastewater Division. My qualifications and  
7       experience are set forth in Appendix A.

8   **Q:   Have you previously submitted testimony in this proceeding?**

9   A:   Yes. I prepared testimony in response to Doe Creek Sewer Utility’s application,  
10       which was submitted on March 16, 2022, as Public’s Exhibit No. 1.

11  **Q:   What is the purpose of this testimony?**

12  A:   Doe Creek Sewer Utility, Inc. (“Doe Creek”) and the OUCC entered into a  
13       Stipulation and Settlement Agreement resolving all issues raised in this Cause. The  
14       purpose of this testimony is to support the settlement reached.

15  **Q:   What are the terms of this settlement?**

16  A:   The OUCC and Doe Creek have reached a settlement with the following terms:  
17       1.     Doe Creek will be permitted to implement a 59.9% increase designed to  
18       produce additional operating revenues of \$139,482 per year. Doe Creek’s

1 initial rates in this case will be based on a 9% weighted average cost of  
2 capital.

3 2. Once Doe Creek has added 55 customers to its system, Doe Creek will  
4 submit within 60 days a revised schedule of rates and charges reducing its  
5 flat monthly rate for sewage disposal service to \$70.00.

6 3. As part of its next rate case Doe Creek shall keep and submit information  
7 regarding Astbury employees that work on Doe Creek matters. This  
8 information shall include, but is not limited to, payroll information, hours  
9 worked for the utility, and a general description of the work being done.

10 4. For each of its lift stations, Doe Creek will include in each year's annual  
11 report to the IURC the number of cleanings and amount expended for  
12 cleaning the lift station.

13 **Q: Does the settlement resolve all issues raised by the parties to this proceeding**  
14 **in their respective testimonies and exhibits?**

15 A: Yes. The settlement resolves all issues raised by the Parties in this Cause.

16 **Q: Is this settlement in the public interest?**

17 A: Yes. The settlement is a reasonable compromise between the positions of the  
18 OUCC and Doe Creek. The settlement addresses the rate increase amount, return  
19 on equity, reporting requirements, and rate adjustment after it has added fifty-five  
20 (55) new customers from a proposed development that is in Doe Creek's service  
21 territory and may connect to Doe Creek's system. The settlement also provides  
22 certainty to Doe Creek in the collection of rates sufficient to provide safe reliable  
23 service. The settlement reduces expense to Doe Creek and ratepayers by  
24 eliminating the need for an additional rate case once new customers have been

1 added to the system. This settlement benefits all customers by reducing rates once  
2 the agreed threshold number of new customers have been added to the system. In  
3 this manner, Doe Creek's existing and prospective new customers will have the  
4 benefit of lower rates through economies of scale without the expense of an  
5 additional rate case. Although Does Creek will need to submit its revised schedule  
6 of rates and charges to the Commission staff for administrative processing, the  
7 agreement is based on the premise that no additional hearing or Commission order  
8 will be required.

9 **Q: Is the settlement supported by evidence?**

10 A: Yes. Together with the settlement testimony presented by the OUCC, the evidence  
11 presented in the cases of both parties establish the facts and presents the regulatory  
12 principles necessary to support this settlement. The Settlement is a compromise that  
13 falls within a range of positions taken by Doe Creek and the OUCC.

14 **Q: Does the OUCC recommend that the Commission accept the terms of this**  
15 **settlement?**

16 A: Yes. The OUCC considers the terms of the settlement are in the public interest and  
17 recommends that the Commission approve all terms.

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

19 A: Yes.

**APPENDIX A - QUALIFICATIONS**

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

2 A: In December of 2002 I received a bachelor's degree in Business Administration  
3 from Indiana University Kelley School of Business with a focus on Accounting. In  
4 December of 2012 I received my Master of Science in Accounting from Indiana  
5 University Kelley School of Business, Indianapolis Indiana.

6 **Q: Please describe your professional experience.**

7 A: I was hired as a Utility Analyst in Water / Wastewater division of the OUCC on  
8 April 30, 2018. Prior to being hired by the OUCC, I was the controller of All Trades  
9 Staffing. I have over fifteen years of accounting experience. I worked for several  
10 years as a Financial Analyst in the insurance and healthcare industries. I have  
11 participated in conferences and seminars regarding utility regulation, rate making  
12 and financial issues. I have completed the National Association of Regulatory  
13 Utility Commissioners (NARUC) Eastern Utility Rate School. I also regularly  
14 attend the National Association of State Utility Consumer Advocates (NASUCA)  
15 Accounting and Tax committee monthly meetings. In August of 2019 I completed  
16 the Annual Regulatory Studies Program from the Institute of Public Utilities at  
17 Michigan State University.

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

20 A: Yes.