

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE BOARD OF DIRECTORS FOR )  
UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES )  
OF THE CITY OF INDIANAPOLIS, AS TRUSTEE OF A )  
PUBLIC CHARITABLE TRUST FOR THE WATER )  
SYSTEM, D/B/A CITIZENS WATER FOR (1) AUTHORITY )  
TO INCREASE ITS RATES AND CHARGES FOR WATER )  
UTILITY SERVICE AND APPROVAL OF A NEW )  
SCHEDULE OF RATES AND CHARGES APPLICABLE )  
THERE TO, INCLUDING A NEW RATE FOR LOW-INCOME )  
CUSTOMERS, (2) APPROVAL OF A REVISED )  
METHODOLOGY FOR ALLOCATING CORPORATE )  
SUPPORT SERVICES COSTS RESULTING IN A REVISED )  
ALLOCATION OF SUCH COSTS TO CITIZENS WATER, )  
AND (3) APPROVAL OF CERTAIN CHANGES TO ITS )  
GENERAL TERMS AND CONDITIONS FOR WATER )  
SERVICE. )

CAUSE NO. 44644

OFFICIAL  
EXHIBITS

VERIFIED DIRECT TESTIMONY

OF

ROGER GOINGS

On behalf of Intervening Party  
Service Advisory Board

IURC  
INTERVENOR'S-SAB

EXHIBIT NO.

1-12-16

DATE

REPORTER

1 **INTRODUCTION AND BACKGROUND**

2 **Q. PLEASE STATE YOUR NAME FOR THE RECORD.**

3 A. My name is Roger Goings.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am retired from Delco Electronics Corporation in Kokomo Indiana.

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL AND EDUCATION**  
7 **BACKGROUND.**

8 A. I was a co-op student at Delco Electronics and received a Mechanical Engineering degree  
9 from General Motors Institute which is now Kettering University. After graduation, I was  
10 assigned to Semiconductor Manufacturing Engineering and held various Executive  
11 positions during my career – Manufacturing Manager, Industrial Relations Director and  
12 Production Control and Logistics Director.

13 **Q. ARE YOU INVOLVED IN YOUR COMMUNITY?**

14 A. Yes.

15 **Q. PLEASE BRIEFLY DESCRIBE YOUR INVOLVEMENT IN THE COMMUNITY.**

16 A. I have served since as Noblesville's representative to the Service Advisory Board since  
17 its inception and a Morse Waterways Association Board Member.

18 **Q. WHAT ROLE DO YOU SERVE ON THE SERVICE ADVISORY BOARD?**

19 A. I serve as Vice Chairman and have served in that role since 2008.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

21 A. The purpose of my testimony is to provide evidence to the Commission about the  
22 interests of the Service Advisory Board in relation to the Citizens Water rate case, in  
23 particular to the concerns of limiting Extensions and Replacements (E & R) expenditures

1 to water revenue, and the barriers to conservation and economic development associated  
2 with the proposal to increase the Service Fee element of water bills, and the proposed  
3 increase in large water fees.

4 **Q. WHAT IS THE SAB'S POSITION ON CITIZENS PROPOSAL TO LIMIT E & R**  
5 **TO REVENUE FUNDING?**

6 A. The Service Advisory Board supported Citizens effort in its last rate case to build more  
7 capital expenditures into rates, as opposed to borrowing. Since most of the regional  
8 economic development for central Indiana takes place in the SAB member utility service  
9 territory, it is vital to our members that the utility have the wherewithal to expand and  
10 keep pace. The SAB is concerned that Citizens proposal to cap E & R expenditures to  
11 water revenues and curtail short term borrowing is tantamount to capital rationing in the  
12 suburbs. We support embedding capital expenditures into rates, but not limiting capital  
13 expenditures to the amount rate financed, if the system or growth opportunities call for  
14 more.

15 **Q. WHAT ARE THE SAB'S CONCERNS WITH THE PROPOSAL TO INCREASE**  
16 **THE SERVICE FEE ELEMENT OF WATER BILLS?**

17 A. The SAB members have two concerns about increasing the service fee component. The  
18 first concern is that it seems like backsliding on the conservation effort that we have  
19 supported Citizens on. Service fee equals fixed charge, fixed charge yields disincentive  
20 for conservation. The second concern that SAB members has is with the proposal to  
21 exponentially increase the large meter costs fixed monthly costs.  
22 Various businesses use and pay for a lot of water in their businesses; moving to the fixed  
23 large meter fees imposes the costs whether there is economic activity or not. A.

1 prospective business looking at how much it will have to pay under these proposed meter  
2 fees regardless of whether it uses much water may be daunted by the cost, and look to  
3 locate elsewhere. We feel that these large meter fees represent a competitive  
4 disadvantage on the SAB members service territory.

5 **Q. DESCRIBE THE COLLABORATION BETWEEN THE SERVICE ADVISORY**  
6 **BOARD AND THE O.U.C.C. ON THIS.**

7 A. The O.U.C.C. has an audit staff and the SAB does not. The Service Advisory Board  
8 asked John Davis from Church Church Hittle & Antrim to contact David Stippler and  
9 outline the SAB's area of concern so that the O.U.C.C. would be aware and could  
10 possibly tailor its efforts by virtue of that awareness. Our large meter fixed fee concern  
11 arose after this contact.

12 **Q. DID THE O.U.C.C. AUDIT ADDRESS THE SERVICE ADVISORY BOARD'S**  
13 **CONCERNS?**

14 A. No express action or deliverable was sought. The message of the SAB's concerns was  
15 sent and received.

16 **Q. DID ANY ADJUSTMENT OR AUDIT PROPOSAL RESULT FROM THE**  
17 **O.U.C.C. AUDIT EFFORT?**

18 A. I don't know. The O.U.C.C. can speak for themselves on this. As with most audits, it is  
19 knowing that a transaction was subject to being reviewed that yields the greatest benefit.  
20 The O.U.C.C. was engaged and we let them know what our concerns were.

21 **Q. SO, HAVE THE SERVICE ADVISORY BOARD'S CONCERNS ABOUT**  
22 **CAPITAL RATIONING IN THE SUBURBS, CONSERVATIVE BACKSLIDING,**  
23 **AND LARGE METER COSTS BEEN DISCUSSED WITH THE UTILITY?**

1     A.     Yes. To their credit, they gave us an audience and listened. They seemed so unnerved by  
2     their revenue shortfalls that they seem to see no remedy other than increasing the Service  
3     Fee so people pay whether they use the water or not, and curtailing capital expenditures  
4     by limiting to the amount received in rates. The SAB wants the system to get the capital  
5     that reasonable and prudent engineers agree is needed, regardless of whether financed by  
6     rate revenue or short term borrowing. Conservation effect is a secondary concern to  
7     them, they need the money. The large meter costs increase discussion involved the SAB  
8     expressing this concern, and Citizens committing to show a graph where the "crossover  
9     point" is on large consumers of water, fixed fee (meter cost) vs. variable based on  
10    consumption. They may be right, but businesses shy away from high fixed costs and the  
11    SAB favors progressive consumption rates that correspond to volume used, over  
12    increased service (or meter) charges, both a water conservation and economic  
13    development point of view.

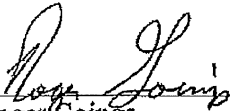
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**VERIFICATION**

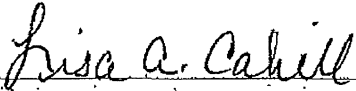
STATE OF INDIANA  
COUNTY OF MARION

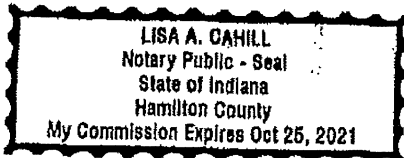
)  
) ss:  
)

The undersigned, Roger Goings, under penalties of perjury and being first duly sworn on his oath, says that he is the Vice Chairman of the Service Advisory Board; that he caused to be prepared and read the foregoing Verified Direct Testimony; and that the representations set forth therein are true and correct to the best of his knowledge, information and belief.

  
By: Roger Goings  
Vice Chairman  
Service Advisory Board

Subscribed and sworn to before me, a Notary Public, this 15<sup>th</sup> day of ~~September~~ <sup>October</sup>, 2015.

  
Signature



Printed Name

My Commission Expires: \_\_\_\_\_

My County of Residence: \_\_\_\_\_

**BEFORE THE**  
**INDIANA UTILITY REGULATORY COMMISSION**

PETITION OF THE BOARD OF DIRECTORS FOR )  
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**ORDER**

Comes now the Intervenor, Service Advisory Board, by counsel, and files its Motion for Leave for Late Filing of Pre-Filed Testimony of Roger Goings and David George on Behalf of Intervenor Service Advisory Board. And the Court being duly-advised in the premises, now finds that the Intervenor is entitled to the relief therein requested. Said Motion for Leave to Amend for Late Filing is, therefore hereby GRANTED. The Pre-Filed Testimony of Roger Goings and David George is hereby deemed filed.

All of which is ORDERED this \_\_\_\_ day of October, 2015

\_\_\_\_\_  
James F. Huston, Commissioner

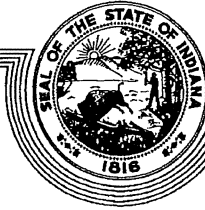
\_\_\_\_\_  
Jeffery A. Earl, Administrative Law Judge

FILED

OCT 30 2015

INDIANA UTILITY  
REGULATORY COMMISSION

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
101 WEST WASHINGTON STREET, SUITE 1500 EAST  
INDIANAPOLIS, INDIANA 46204-3419

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You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

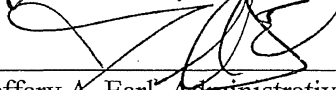
On October 15, 2015, the Service Advisory Board ("SAB") filed a Motion for Leave for Late Filing of Pre-filed Testimony of Roger Goings and David George on Behalf of Intervenor Service Advisory Board ("Motion") in this Cause. In its Motion, the SAB requests leave to late file their prefiled testimony on October 16, 2015.

The Presiding Officers, having reviewed the Motion, GRANT the Motion. The SAB's prefiled testimony, which was attached to the Motion, shall be deemed to have been filed on October 16, 2015.

IT IS SO ORDERED.

  
Carol A. Stephan, Commission Chair

  
James F. Huston, Commissioner

  
Jeffery A. Earl, Administrative Law Judge

Date: October 30, 2015