

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF COMMUNITY UTILITIES OF)
INDIANA, INC. FOR APPROVAL OF (A) A)
NEW DISTRIBUTION SYSTEM)
IMPROVEMENT CHARGE (“DSIC”))
PURSUANT TO IND. CODE CHAP. 8-1-31; (B)) CAUSE NO. 45998 DSIC-1
A NEW RATE SCHEDULE REFLECTING)
THE DSIC; AND (C) INCLUSION OF THE)
COST OF ELIGIBLE DISTRIBUTION)
SYSTEM IMPROVEMENTS IN ITS DSIC)**

REPORT

OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

TESTIMONY OF KRISTEN WILLOUGHBY

PUBLIC’S EXHIBIT NO. 3

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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CERTIFICATE OF SERVICE

This is to certify that a copy of the *Report of the OUCC - Testimony of Kristen Willoughby Public's Exhibit No. 3* has been served upon the following captioned proceeding by electronic service February 5, 2024.

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TESTIMONY OF OUCC WITNESS OF KRISTEN WILLOUGHBY
CAUSE NO. 45998 DSIC 1
COMMUNITY UTILITIES OF INDIANA, INC.

I. INTRODUCTION

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

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

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

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

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

9 A: As part of Community Utilities of Indiana, Inc.'s ("CUII" or "Petitioner") proposed
10 distribution system improvement charge ("DSIC"), Petitioner proposes to include
11 certain capital investments CUII put in service between October 1, 2023, and
12 December 31, 2023. Petitioner proposes to include costs associated with the
13 replacement of water meters at a pace faster than the Commission authorized in its
14 Order in Cause No. 45651. I explain why the information Petitioner provided does
15 not justify departing from the Commission's Order in Cause No. 45651 and why
16 \$652,353 of the replacement costs should be disallowed.¹

17 **Q: What did you do to prepare your testimony?**

18 A: I reviewed CUII's Petition for the DSIC and the testimony of its witness. I reviewed
19 the Order in Cause No. 45651, issued February 1, 2023; the Nunc Pro Tunc Order

¹ \$776,823 - \$124,470 = \$652,353

1 in Cause No. 45651, issued March 15, 2023; and the Order of the Commission on
2 Reconsideration in Cause No. 45651, issued May 3, 2023, in which the Indiana
3 Utility Regulatory Commission (“Commission” or “IURC”) established CUII’s
4 current rates. I reviewed CUII’s IURC Annual Reports from 2017 through 2022. I
5 also wrote data requests and reviewed CUII’s responses.

6 **Q: If you do not discuss a particular proposal, statement, or position of Petitioner,**
7 **does that mean you agree with CUII on that subject?**

8 A: No. My silence on any specific topic or adjustment does not indicate approval of or
9 agreement with Petitioner’s statement or position. My opinions and
10 recommendations are limited to those I explicitly state.

11 **Q: What documents are attached to your testimony?**

12 A: My testimony includes the following attachments:

- 13 • Attachment KW-01: CUII’s Response to OUCC DR 02-02
- 14 • Attachment KW-02: CUII’s Response to OUCC DR 02-21(b) and CUII’s
15 Response to OUCC 02-22(b)
- 16 • Attachment KW-03: Sample of receipts received in CUII’s Response to OUCC
17 DR 02-21(i)
- 18 • Attachment KW-04: CUII’s Response to OUCC DR 02-25
- 19 • Attachment KW-05: CUII’s Response to OUCC DR 04-07
- 20 • Attachment KW-06: CUII’s Response to OUCC DR 03-10
- 21 • Attachment KW-07: CUII’s Response to OUCC DR 02-09
- 22 • Attachment KW-08: CUII’s Response to OUCC DR 05-05

II. METER REPLACEMENT COST RECOVERY

1 **Q: What amount is Petitioner requesting to recover for meter replacements in**
2 **this Cause?**

3 A: CUII requests to include in its calculation of DSIC charge meter replacement
4 project costs of \$776,823.

5 **Q: What did the Commission approve for meter replacements in Cause No.**
6 **45651?**

7 A: Presented with a proposal to include in rate base the project cost to replace all of
8 CUII's meters, the Commission found only 20% of the cost should be included in
9 rate base. It approved a \$248,940 increase in utility plant in service ("UPIS) for
10 meter replacements through Phase II - \$124,470 for Phase I and an additional
11 \$124,470 for Phase II rates. CUII had begun replacing its meters in early 2021 and
12 planned to replace them all over a three-year period. The Commission found the
13 proposed replacement program was in part due to "poor planning and execution of
14 prior meter replacements"² and was inconsistent with a ten-year life expectancy.
15 The Commission further found "the program proposed by Petitioner is not based
16 on a ten-year life cycle cost prescribed by 170 IAC 6-1-10" and limited CUII's
17 recovery to 10% of total costs per year for purposes of setting rates in Phase I and
18 Phase II:

19 Thus, we limit recoverable annual meter replacement costs to \$124,470
20 (10% of the total meter replacement project cost identified in Rebuttal by
21 Mr. Grosvenor) for Phase I and \$248,940 for Phase II.³

² Commission's Final Order Cause No. 45651, pg. 10, par. 6.A.iv.e., approved February 1, 2023.

³ Commission's Final Order Cause No. 45651, pg. 10, par. 6.A.iv.e., approved February 1, 2023.

1 **Q: Has CUII justified departing from the Commission's determination in Cause**
2 **No. 45651?**

3 A: No. In this DSIC, CUII repeated its argument from Cause No. 45651 that meters
4 needed to be replaced due to "widespread failure of batteries."⁴ CUII provided test
5 results from meters Petitioner had already removed and replaced. CUII stated the
6 testing done in 2023 showed a little over half the meters failed with fast or slow
7 readings.⁵ These 2023 test results do not, however, change why CUII chose to begin
8 removing and replacing those meters in 2021, why Petitioner had a plan in place in
9 2021 to replace all meters over the course of three years, or CUII's plan to have all
10 remaining meters replaced by the end of 2024.⁶ The issue of replacement has
11 already been considered and ruled on by the Commission as part of the Order in
12 Cause No. 45651 and again in the Order of the Commission on Reconsideration in
13 Cause No. 45651. No information CUII provided in this Cause justifies departing
14 from those decisions; therefore, the OUCC requests the Commission disallow
15 recovery of more than 10% of meter replacement costs per year consistent with the
16 Order in Cause No. 45651.⁷

17 **Q: Petitioner asserts that since the Commission allocated 10% per year for meter**
18 **replacements for Phase I and Phase II rates, CUII should also receive 10% of**
19 **meter replacement costs for meters replaced in 2021 prior to the start of Phase**
20 **I rates. Do you agree?**

21 A: No. This, too, has already been decided. In the Order in Cause No. 45651, the
22 Commission already declined to include the replacement costs of those meters in

⁴ Dickson's Direct, pg. 6, ln. 14.

⁵ Dickson's Direct, pg. 6, ln. 16-20.

⁶ Dickson's Direct, pg. 9, ln. 3-7.

⁷ Note: CUII replaced $1,257 / 5,262 \times 100 = 23.89\%$ of meters in 2021 and $1,629 / 5,262 \times 100 = 30.96\%$ of meters in 2022. Information for the calculations came from Attachment KW-01, CUII's Response to OUCC DR 02-02 and Attachment KW-02, CUII's Response to OUCC DR 02-21(b) and OUCC DR 02-21(b).

1 rate base. The Commission chose to “limit the recoverable annual meter
2 replacement costs” beginning in Phase I rates.⁸ Likewise, the Commission did not
3 include funds for meters installed prior to Phase I rates in its Order on
4 Reconsideration for Cause No. 45651 issued May 3, 2023. The Commission’s
5 intent to limit CUII to begin recovery of meter replacement costs in Phase I is clear
6 in its Order. Consistent with the Order and Order of the Commission on
7 Reconsideration in Cause No. 45651, the OUCC requests the Commission not
8 change its prior determination concerning recovery of the meter replacement costs
9 for meters replaced between January 1, 2021, and September 30, 2021, and deny
10 CUII’s request to do otherwise.

11 **Q: CUII stated the total forecasted amount the Commission used to calculate the**
12 **10% per year replacement cost is less than the current forecasted amount.⁹ Do**
13 **you agree with Petitioner that it should be permitted to recover higher costs**
14 **than those approved in Cause No. 45651 through this DSIC?**

15 A: No. Petitioner has not provided information to justify departing from the
16 Commission’s Order in Cause No. 45651 or increasing the amounts the
17 Commission approved Petitioner including in UPIS per year.

18 **Q: What evidence did Petitioner provide to support the increased costs of the**
19 **meter replacement program?**

20 A: Upon request, Petitioner provided some receipts from 2021 and 2022. No receipts
21 were provided for 2023. Some of these receipts lacked information to determine
22 what they were for.¹⁰ In any case, the Commission decided in its Order in Cause
23 No. 45651 that only \$124,470 per year (10% of annual meter replacement costs)

⁸ Commission’s Final Order Cause No. 45651, pg. 10, par. 6.A.iv.e., approved February 1, 2023.

⁹ Dickson’s Direct, pg. 9, ln. 7-8.

¹⁰ Attachment KW-03, sample of receipts received in response to OUCC DR 02-21(i).

1 should be included in rate base; therefore, I recommend the Commission deny the
2 requested additional \$36,697.98 for new meter costs for each 10% period.

3 **Q: What do you recommend be included in this DSIC for eligible meter**
4 **replacement costs?**

5 A: Petitioner has already included in its rate base 10% of its meter replacement costs
6 in Phase 1 and an additional 10% for Phase II, which ended September 30, 2023.
7 Accordingly, to be consistent with the last rate order, CUII should be permitted to
8 include in this DSIC another 10% of its meter replacement costs; consequently, I
9 recommend the Commission approve \$124,470 (another 10%) for new meters.

III. OTHER CONCERNS

10 **Q: Do you have any concerns with Petitioner's practice with respect to meters?**

11 A: Yes. CUII tested 4,226 meters in 2023. As of December 31, 2023, CUII had 5,262
12 meters in service.¹¹ This means CUII tested approximately 80%¹² of its meters in
13 2023, and in response to OUCC DR 02-25, CUII stated Petitioner is “testing all
14 meters that have been or are being replaced (not only 5/8” meters).”¹³ Under 170
15 IAC 6-1-10(b), water meters should be “inspected and tested or replaced” every 10
16 years or 100,000 cubic feet (for 5/8” meters). (emphasis added.) In his testimony,
17 Mr. Dickson said CUII was testing the meters to repurpose them and put them back
18 in service.¹⁴ As of January 1, 2024, CUII had only placed 20 of the tested meters
19 back in service.¹⁵ Furthermore, Petitioner only plans to keep approximately 200

¹¹ Attachment KW-01, CUII's Response to OUCC DR 02-02.

¹² $4,226 / 5,262 \times 100 = 80.31\%$

¹³ Attachment KW-04, CUII's Response to OUCC DR 02-25.

¹⁴ Dickson's Direct, pg. 6, ln. 15.

¹⁵ Attachment KW-05, CUII's Response to OUCC DR 04-07.

1 meters in storage to replace like kind meters if they unexpectedly fail.¹⁶ Even this
2 is just a temporary measure until all meters are replaced with new Neptune meters,
3 which CUII has predicted will be completed by the end of 2024.^{17,18} The 220 meters
4 Petitioner plans to keep represent only about 5% of those already tested and does
5 not include testing any additional meters.¹⁹ While CUII is not requesting recovery
6 of testing costs in this Cause, the OUCC notes this unusually large amount of testing
7 has extremely limited benefit to customers since Petitioner plans to replace all
8 meters by the end of 2024 and “keep a number of Neptune meters on hand” in case
9 any of the new meters fail.^{20,21}

10 **Q: Is it appropriate for Petitioner to begin testing the newly installed Neptune**
11 **meters in 2024?**

12 A: No. CUII believes it is justified in testing new meters prior to the time frame
13 recommended in 170 IAC 6-1-10(b) because “CUII believes it is merited by the
14 results of CUII’s widespread meter failures from its 2012 and 2013 meter
15 installations.”²² Basing the performance of Neptune meters on the past performance
16 of Master Meters is not logical or warranted. Not only are they two different brands,
17 but the Neptune meters are positive displacement meters while the Master Meters
18 are multi-jet meters.²³ Furthermore, according to CUII, the Neptune meters being
19 installed are “superior to the meters that are being replaced”²⁴ and “a reliable and

¹⁶ Attachment KW-05, CUII’s Response to OUCC DR 04-07.

¹⁷ Attachment KW-05, CUII’s Response to OUCC DR 04-07.

¹⁸ Dickson’s Direct, pg. 9, ln. 3-7.

¹⁹ $220 / 4,226 \times 100 = 5.21\%$

²⁰ Attachment KW-06, CUII’s Response to OUCC DR 3-10

²¹ Rebuttal Testimony of Loren Grosvenor Cause No. 45651, pg. 44, ln.3.

²² Dickson’s Direct, pg. 7, ln. 8-9

²³ Dickson’s Attachment AWD-3, pg. 1.

²⁴ Rebuttal Testimony of Loren Grosvenor Cause No. 45651, pg. 43, ln.3.

1 good solution for the future.”²⁵ Based upon this information, it is not a prudent use
2 of funds to begin testing new Neptune meters earlier than the schedule
3 recommended in 170 IAC 6-1-10(b).

4 **Q: Do you have other concerns?**

5 A: Yes. Instead of using CUII's own records, Petitioner used the Handy Whitman
6 Index to determine its original costs.²⁶ As stated in response to OUCC DR 05-05,
7 CUII claims to not know the original cost of the 5/8” meters CUII installed around
8 2013.²⁷ Using the Handy Whitman Index to determine original costs is not as
9 accurate as using actual original costs. Moreover, CUII should have the records of
10 the original costs for equipment CUII installed just ten years ago. The OUCC
11 recommends and requests that the Commission require CUII to improve its record
12 keeping by keeping track of original costs and installation dates to accurately
13 document its plant in service records.

IV. OUCC RECOMMENDATIONS

14 **Q: Please summarize your recommendations in this Cause.**

15 A: I recommend the Commission approve including \$124,470 (another 10%) for new
16 meters in CUII's DSIC calculation and disallow inclusion of the remaining
17 \$652,353 of meter costs CUII requested in its DSIC calculation.²⁸ I also
18 recommend the Commission require CUII to improve its records by keeping track

²⁵ Rebuttal Testimony of Loren Grosvenor Cause No. 45651, pg. 45, ln.15-16.

²⁶ Attachment KW-07, CUII's Response to OUCC DR 02-09.

²⁷ Attachment KW-08, CUII's Response to OUCC DR 05-05.

²⁸ \$776,823 - \$124,470 = \$652,353

1 of all original costs and installation dates so that prospectively, CUII accurately

2 documents its plant in service records.

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

4 **A: Yes.**

APPENDIX A TO TESTIMONY OF
OUCC WITNESS KRISTEN WILLOUGHBY

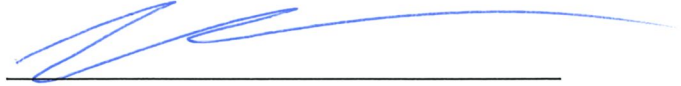
1 **Q: Please describe your educational background and experience.**

2 A: I graduated from Indiana University with a Bachelor of Science degree in Biology
3 and a Master of Public Affairs (“MPA”) concentrating in Environmental
4 Management. My graduate coursework included studying how water pollution
5 affects aquatic ecosystems, environmental rules and regulations, toxicology, risk
6 analysis, epidemiology, finance and budgeting, economics, statistics, public
7 management, and other courses on how pollution affects human health and the
8 environment. After graduating with my MPA, I was hired as an Environmental
9 Manager (EM2) by the Indiana Department of Environmental Management, Office
10 of Air Quality, Permits Branch in 2006 where I analyzed projects for a variety of
11 industries, calculated the air emissions associated with those projects, determined
12 applicable state and federal rules, and drafted federally enforceable air permits. I
13 was promoted to a Senior Environmental Manager (SEM1) about one year later. I
14 held this position for more than ten years. As an SEM1, I worked on complex permit
15 projects, trained and mentored staff, reviewed staff’s work, and developed
16 templates, guidance, and training materials. Since joining the OUCC in 2018, I have
17 attended numerous utility related seminars and workshops including the National
18 Association of Regulatory Utility Commissioners (“NARUC”) Western Utility
19 Rate School.

20

AFFIRMATION

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



By: Kristen Willoughby
Cause No. 45998 DSIC-1
Office of Utility Consumer Counselor (OUCC)

Date: February 5, 2024

Data Request OUCC DR 2 - 02

Please provide the number of water meters by meter size as of December 31, 2023 for each of the following utilities: (1) Twin Lakes (“TLUI”); (2) Water Service Company of Indiana, Inc. (“WSCCI”), and (3) Indiana Water Service, Inc. (“IWSI”).

Objection:

Response:

Please refer to the table below:

Meter Size	TLUI	WSCCI	IWSI	Total
5/8"	3,225	298	1,645	5,168
3/4"	-	1	-	1
1"	10	4	11	25
1.5"	3	-	48	51
2"	5	5	5	15
3"	-	1	-	1
4"	-	-	1	1
Total	3,243	309	1,710	5,262

Data Request OUCC DR 2 - 21

Please explain what the costs reflected for Project 2022168 as included in Attachment AWD-3, page 1, relate to.

- a. Is this a 2022 capital improvement project?
- b. How many meter replacements do these costs represent?
- c. What meter sizes are being replaced?
- d. Over what period of time was interest capitalized?
- e. Does this represent the original cost projection included in Cause No. 45651? Please explain.
- f. Have these costs been incurred as of 12/31/2023? Please explain.
- g. Does “Labor/Installation” reflect contract labor incurred to install meter replacements? If no, please explain what labor costs this represents.
- h. Please explain what specific work is being performed for the \$105,100 of captime included in this project.
- i. Please list each employee included in the \$105,100 of captime costs, including the number of hours charged per employee and the total cost charged per employee.
- j. Please provide invoices or other supporting documentation for Project 2022168 costs (\$519,820.64).

Objection:

Response:

- a. Yes, work for project 2022168 was completed in 2022.
- b. 1,629 meters were replaced in 2022.
- c. CUII primarily replaced 5/8”, but also replaced 1”, 1.5”, 2” and 3” meters.
- d. IDC began in January 2022 and ended in December 2022.
- e. Please refer to “OUCC 02.09 – project 2022168.xlsx” for details regarding the original cost of replaced assets and retirement resulting from project 2022168.
- f. Yes, these costs have been incurred as of 12/31/2023.
- g. Yes, and \$1,906.01 in mailing costs (certified letters, stamps) to communicate with customers regarding their meter exchanges.
- h. CUII staff performed a significant portion of the meter exchanges completed through this project. Operations staff capitalized their time spent performing these meter exchanges.
- i. Please refer to the table below:

Data Request OUCC DR 2 - 22

Please explain what the costs reflected for Project 2021049 reflect as included in Attachment AWD-3, page 1.

- a. Is this a 2021 capital improvement project? Please explain.
- b. How many meter replacements do these costs represent?
- c. What meter size is being replaced in this project?
- d. Does this represent the original cost projection included in Cause No. 45651? Please explain.
- e. Have these costs been incurred as of 12/31/2023? Please explain.
- f. Why are there no installation costs included in these project costs?
- g. Over what period of time was interest capitalized?
- h. Please explain why there is any “interest during construction” included in these project costs given it doesn’t appear any construction occurred.
- i. Were the materials included in project costs recorded as inventory? If no, please explain why not.
- j. Please explain what the \$68,308 of cap time for this project is related to considering no construction appears to have taken place for this project and no labor/installation costs were incurred.
- k. Please explain what specific work is being performed for the \$68,308 of cap time included in this project.
- l. Please list each employee or vendor included in the \$68,308 of cap time costs, including the number of hours charged to this project per employee or vendor and the total cost charged per employee or vendor.
- m. Please provide invoices or other supporting documentation for Project 2021049 costs (\$505,941.74).

Objection:

Response:

- a. Yes, work for project 2021049 was completed in 2021.
- b. 1,257 meters were replaced in 2021.
- c. 5/8”, 1”, and 1.5”
- d. Please refer to “OUCC 02.09 – project 2021049 retirement.xlsx” for details regarding the original cost of replaced assets and retirement resulting from project 2021049.
- e. Yes, these costs have been incurred as of 12/31/2023.
- f. Installation was completed by staff – capitalized time is the installation costs included in this project.
- g. IDC began July 2021 and ended December 2021.

Smith Elec./Winfield Pos
8380 E 109TH AVE
CROWN POINT IN 46307-868
(219) 663-5319

10/27/2022 14:27

Sale

Trans #: 19 Batch #: 305

VISA CHIP
*****5069 **/**

AMOUNT: \$133.40

Resp: APPROVAL 019550
Code: 019550
Ref #: 230019001474
TransID: 382300703621593

App Name: VISA CREDIT
AID: A0000000031010
TVR: 0000008000
TSI: E800

Verified By PIN

Thank You For Shopping
At Smith Elec/WINFIELD
POSTAL UNIT

CUSTOMER COPY

Smith Elec./Winfield Pos
8380 E 109TH AVE
CROWN POINT IN 46307-868
(219) 663-5319

12/01/2022 16:19

Sale

Trans #: 31 Batch #: 342

VISA CHIP
*****5069 **/**

AMOUNT: \$64.40

Resp: APPROVAL 075484
Code: 075484
Ref #: 233522600356
TransID: 462335804169969

App Name: VISA CREDIT
AID: A00000000031010
TVR: 0000008000
TSI: E800

Verified By PIN

Thank You For Shopping
At Smith Elec/WINFIELD
POSTAL UNIT

CUSTOMER COPY

Smith Elec./Winfield Pos
8380 E 109TH AVE
CROWN POINT IN 46307-868
(219) 663-5319

12/29/2022

13:45

Sale

Trans #: 17 Batch #: 368

VISA CHIP
*****9066 **/**

AMOUNT: \$69.80

Resp: APPROVAL 092570
Code: 092570
Ref #: 236319006138
TransID: 382363711480526

App Name: VISA CREDIT
AID: A0000000031010
TVR: 0080008000
TSI: E800

Verified By PIN

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POSTAL UNIT

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Data Request OUCC DR 2 - 25

In response to Q15 on page 6 of his direct testimony, Mr. Dickson states that Petitioner has been calculating refunds due to customers based on results of 2023 meter testing.

- a. Is Petitioner testing all meter sizes, or just 5/8" meters? Please explain.
- b. Please state when Petitioner anticipates it will complete testing its removed meters.
- c. When does Petitioner anticipate it will begin issuing refunds to customers?
- d. Please explain how refunds will be issued to customers, including the timing of refunds and whether the refunds will be paid all at once or over a period of time.

Objection:

Response:

- a. CUII is testing all meters that have been or are being replaced (not only 5/8" meters).
- b. CUII has completed testing on most of its previously removed meters and will continue testing meters that are removed from service as part of the meter replacement project. CUII anticipates all meters to be tested by end of 2Q 2024.
- c. CUII anticipates issuing refunds within 2Q 2024.
- d. Refunds will be issued at once with a credit posting to all applicable active accounts where the customer of record has not turned over. Accounts that have turned over, will have a refund check mailed to the forwarding address left by the customer of record during the service period applied to the refund calculation.

Data Request OUCC DR 4 - 07

How many of the 4,433 water meters tested by HBK Water Meter Service Inc. have been placed back in service as of January 1, 2024?

Objection:

Response:

A small number (approximately 20) of these meters have been placed back in service (provided their meter bodies passed flow testing); CUII has replaced the failed heads on these meters to enable them to be placed back in service. CUII will keep approximately 200 meters that have passed in storage so that, when meters fail (the primary cause in the WSC service area being freezing and subsequent breaking) unexpectedly, there are meters on hand to restore full service to customers. However, the batteries in the meter heads for these meters has been failing repeatedly, and thus reinstalling these meters with new meter heads (the same type of meter head that has been failing widely across CUII's service territories) is not a reliable or permanent solution for these customers whose meter break unexpectedly. CUII will replace these temporary meters with permanent, reliable Neptune meters once the order is fulfilled.

Data Request OUCC DR 3 - 10

Is CUII asking to recover testing costs for 4,433 meters in this cause? If no, how many meters is CUII asking to recover testing costs for in this cause?

Objection:

Response:

No. CUII is not asking to recover any testing costs in this Cause.

Data Request OUCC DR 2 - 09

How did Petitioner determine the original cost of the meters replaced as part of CP 2022168 (\$160,364) and CP 2021049 (\$154,165)? Please provide the detailed calculation of these amounts and any documentation supporting the costs retired.

Objection:

Response:

CUII used its normal retirement process – this involves the use of the Handy Whitman Index to determine an appropriate original cost for the assets. CUII has attached its retirement forms that calculate these original cost amounts as “OUCC 02.09 – project 2022168 retirement.xlsx” and “OUCC 02.09 – project 2021049 retirement.xlsx”.

Data Request OUCC DR 5 - 05

Please explain why Petitioner did not know the original cost of the 5/8” meters being replaced in 2021 through 2024. Why was it necessary to use the Handy-Whitman Index to estimate original cost?

Objection:

Response:

CUII uses group asset accounting. Each individual meter that CUII has replaced in the past few years does not have its own asset number, and thus the original cost of each individual meter is not tracked. The Handy-Whitman Index provides an estimation methodology that CUII can apply consistently and repeatably to produce reasonable retirements in situations where the true original cost of an asset is not known. This methodology has been applied here as the original cost of the individual meters being replaced is not known.

That said, once CUII has fully replaced 100% of the meters that were in service before it began its replacement efforts in earnest, CUII will retire the residual value (based on the actual identified original cost) of any old meter assets that were not fully addressed (or conversely, over-addressed) through the use of Handy-Whitman retirements; this functions as a moment in time where the true original cost of all replaced assets is known and can be fully retired with accuracy. CUII has not yet fully replaced its meters, and thus has not performed this retirement exercise. In its place, Handy-Whitman-based retirements have been booked to represent a reasonable estimation of the meters that have been replaced to date until such a time as the complete balance of CUII’s meter account is known to have been replaced and the retirement(s) can be adjusted.