

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**IN THE MATTER OF THE PETITION OF )  
STUCKER FORK CONSERVANCY )  
DISTRICT FOR APPROVAL OF A NEW ) CAUSE NO. 46167  
SCHEDULE OF RATES AND CHARGES FOR )  
WATER SERVICE )**

**PUBLIC'S EXHIBIT NO. 4**

**TESTIMONY OF SHAWN DELLINGER**

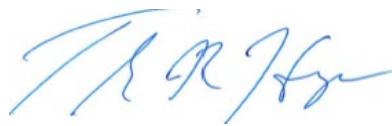
**ON BEHALF OF**

**THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

**March 4, 2025**

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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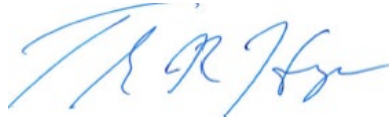
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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the *Public's Exhibit No. 4 - Testimony of Shawn Dellinger on behalf of the OUCC* has been served upon the following captioned proceeding by electronic service on March 4, 2025:

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**TESTIMONY OF OUCC WITNESS SHAWN DELLINGER**  
**CAUSE NO. 46167**  
**STUCKER FORK CONSERVANCY DISTRICT**

**I. INTRODUCTION**

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

2 A: My name is Shawn Dellinger, and my business address is 115 West Washington Street,  
3 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 a Senior  
6 Utility Analyst in the Water/Wastewater Division. My focus is on financing and other  
7 financial matters. My educational background and experience are set forth in Appendix A.

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

9 A: My testimony discusses Stucker Fork Conservancy District’s (“Stucker Fork” or  
10 “Petitioner”) request for the \$1,157,063 debt service revenue requirement and the \$15,211  
11 requested for the debt service reserve revenue requirement for Petitioner’s outstanding  
12 debt. My testimony also briefly discusses the timing and process for Petitioner’s proposed  
13 new debt issuance (i.e. the additional \$293,752 debt service revenue requirement and the  
14 additional \$58,750 debt service reserve revenue requirement) that Petitioner has requested  
15 for its proposed bonds. OUCC witnesses Jason Compton and Kristen Willoughby address  
16 in greater detail the Marble Hill project and support for the establishment of a subdocket  
17 for a Phase II to allow for receipt of sufficient evidence, meaningful review, and full  
18 consideration of the Marble Hill expansion and the new debt issuance to fund any approved  
19 expansion for Marble Hill and the other proposed costs to be financed.

20 I also propose the true-up mechanism that will be implemented in Phase II of these

1 rates to true up any debt service or debt service reserve authorized to be included in the  
2 Phase II revenue requirement as a result of the subdocket. I propose a true-up process and  
3 reporting requirements that should apply to the borrowing, and which would also be  
4 included in the evidence presented to the Indiana Utility Regulatory Commission  
5 (“Commission”) in a subdocket.

6 **Q: What did you do to form your opinions in this testimony.**

7 A: I reviewed the Petition and Petitioner’s case-in-chief, focusing on the testimony of Douglas  
8 L. Baldessari, CPA (Petitioner’s Exhibit 3 and 4). I prepared discovery and reviewed  
9 Petitioner’s discovery responses.

10 **Q: If you do not discuss a topic or subject discussed by Petitioner, does that mean you**  
11 **agree with Petitioner on that topic or subject?**

12 A: No. My silence regarding any proposals, adjustments, or requested relief should not be  
13 construed as assent or agreement to any proposal, adjustment, or request. Rather, the  
14 meaning of my testimony is limited to the opinions and positions I explicitly state herein.

## 15 **II. TIMING AND PROCESS FOR PROPOSED ADDITIONAL BORROWING**

16 **Q: Does the OUCC propose a similar timing of debt issuance to that of Petitioner?**

17 A: No. The OUCC believes that the proposed expansion of Marble Hill and debt financing  
18 primarily to fund it are premature and unsupported in Petitioner’s case in chief. As  
19 demonstrated in the testimony of Mr. Compton and Ms. Willoughby, the OUCC does not  
20 believe Stucker Fork has provided support for the Marble Hill project that affords the  
opportunity for meaningful review by the OUCC or consideration by the Commission.

1           Therefore, the OUCC supports the establishment of a subdocket so the evidence can be  
2           adequately developed, reviewed, and considered by the Commission.

3   **Q:   Do you address the new debt in this testimony?**

4   A:   No. Any new debt will be contingent, in large part, on the Commission's consideration of  
5           evidence as to the appropriate expansion for Marble Hill, and the costs, thereof, to be  
6           received in the subdocket. It is expected the OUCC will provide testimony and evidence  
7           regarding the additional debt service and debt service reserve for any new debt issuance in  
8           the subdocket.

### **III. PHASE I DEBT SERVICE REVENUE REQUIREMENT**

9   **Q:   What revenue requirement is Petitioner requesting for existing debt?**

10  A:   Petitioner requests a debt service revenue requirement which includes a \$1,157,063 debt  
11           service revenue requirement for existing bonds.

12  **Q:   Do you accept the Petitioner's estimate of \$1,157,063 annual cost for existing debt?**

13  A:   Yes. This is the average cost over the five bond years 2026 through 2030. Using the five-  
14           year average is an appropriate method for determining the debt service revenue  
15           requirement.

16  **Q:   What do you recommend with respect to the debt service revenue requirement for  
17           the existing debt?**

18  A:   I recommend the Commission approve and authorize Phase I debt service of \$1,157,063.

### **IV. PHASE I DEBT SERVICE RESERVE**

19  **Q:   What is Stucker Fork's request for the debt service reserve revenue requirement for  
20           existing debt?**

21  A:   Petitioner requests a debt service reserve revenue requirement which includes a debt  
22           service reserve revenue requirement of \$15,211 for its existing bonds.

1 **Q: Do you accept the Petitioner's estimate of \$15,211 annual cost for the debt service**  
2 **reserve for the existing debt?**

3 A: Yes. This payment will end in 2030, which is at the end of the expected lifetime of these  
4 rates.

5 **Q: Should there be any restrictions on Petitioner's proposed debt service reserve?**

6 A: Yes. Petitioner's debt service reserve should be placed in a restricted account, and Petitioner  
7 should notify the Commission and the OUCC if it spends any funds from its debt service  
8 reserve for any reason other than to make the last payment on its debt issuances. Petitioner  
9 should be required to provide a report to the Commission and the OUCC within five (5)  
10 business days of any such transaction. The report should (1) state how much Petitioner  
11 spent from its debt service reserve, (2) explain why it spent funds from its debt service  
12 reserve, (3) provide a cite to any applicable loan documents that allow it to spend funds  
13 from its debt service reserve, (4) describe its plans to replenish its debt service reserve, and  
14 (5) describe any actions such as cost-cutting it has implemented to forestall spending funds  
15 from its debt service reserve.

16 **Q: After five years, will Petitioner need to continue funding its debt service reserve?**

17 A: No. It will be fully funded after five years. This cost will not be incurred five years from  
18 the date of the bond issuance, which is generally consistent with the five years of the  
19 expected life of rates. At the end of five years, the expense no longer occurs and there will  
20 be a mismatch between revenues and the costs for the debt service reserve. It is expected  
21 the OUCC will provide testimony and evidence regarding the treatment of all debt service

1 reserve for both existing and new debt in the subdocket to address any anticipated  
2 mismatch.

## V. PHASE II TRUE-UP AND CONDITIONS

3 **Q: Should Petitioner be required to true-up its proposed annual debt service once the**  
4 **interest rates on the proposed debt are known?**

5 A: Yes. This process will take place at the time of the issuance of the new debt, which should  
6 be after the completion of the subdocket. I am including the OUCC's standard terms for  
7 true-up language in this section as an indication of what language would be anticipated in  
8 the subdocket, but there should be no true-up required prior to new testimony being filed  
9 in the subdocket proceeding. The precise interest rates, borrowing amount and annual debt  
10 service will not be known until Petitioner's debt has been determined, approved, and  
11 issued. Therefore, Petitioner's rates should be trued-up to reflect the actual cost of the debt  
12 at that time.

13 At that time, Petitioner should implement new rates incorporating the estimated  
14 cost of the proposed debt at least 30 days prior to the issuance of the debt to ensure revenue  
15 is available to pay for the incurred debt. I recommend the Commission require, through  
16 the subdocket, Petitioner file a report within thirty (30) days of closing on any new,  
17 approved long-term debt issuance explaining the terms of the new loan, the balance  
18 actually borrowed, the amount of debt service reserve required, bid tabulations for any  
19 projects for which these are available at the time of the true-up, and an itemized account  
20 of all issuance costs (such as bond counsel, legal, and financial advising fees), including  
21 issuance costs actually incurred to that date. The report should include a revised tariff,

1 amortization schedule and also calculate the rate impact in a manner similar to the OUCC's  
2 schedules.

3 **Q: How should disputes regarding Petitioner's true up report be identified?**

4 A: The OUCC should have no less than twenty-one (21) days after service of the true-up  
5 to challenge Petitioner's proposed true-up. Petitioner should similarly have twenty-one  
6 (21) days to file a response to the OUCC. Thereafter, the Commission should resolve  
7 any issue raised through a process it deems appropriate. Any true-up report should state  
8 the time frames for objections or responses.

9 **Q: Should there be any exceptions to the requirement for a true-up?**

10 A: Yes. If all intervening parties state in writing to the Commission that the increase or  
11 decrease indicated by the report need not occur because the increase or decrease would  
12 be immaterial, the true-up need not be implemented.

## VI. OUCC RECOMMENDATIONS

13 **Q: Please summarize your recommendations to the Commission in this cause.**

14 A: I recommend the following:

- 15 1. The Commission approve a Phase I debt service revenue requirement for existing debt of  
16 \$1,157,063.
- 17 2. The Commission approve a Phase I debt service reserve revenue requirement for existing  
18 debt of \$15,211.
- 19 3. The Commission require Petitioner's debt service reserve be placed in a restricted account,  
20 pursuant to my recommendations set forth above.



1        4. For Phase I, the Commission reject and disallow debt service and debt service reserve  
2            amounts requested for any future debt issuance (which instead would be considered in the  
3            subdocket, yet to be established).

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

5    A: Yes.

**Appendix A**

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

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and  
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors  
4 certificate program through the Kelley School of Business and the College of Arts and  
5 Sciences, at the time restricted to twenty-five (25) students per year. I received my MBA  
6 from Indiana University with a concentration in finance. I am a member of Phi Beta Kappa  
7 honor society for my undergraduate work and Beta Gamma Sigma honor society for my  
8 master's program. I have been a member of Mensa for a number of years.

9 **Q: Please describe your work experience.**

10 A: My first jobs after graduating with my undergraduate degree were in New York in finance  
11 at Grant's Interest Rate Observer, which is a financial newsletter and Lebenthal and Co.,  
12 which was a municipal bond brokerage. I worked at and ultimately owned RCI Sales in  
13 Indianapolis, which was a manufacturer representative/distributor in commercial and  
14 institutional plumbing, for a number of years, leaving when I sold the company and merged  
15 it into a competitor. After receiving my MBA, I worked at Amazon as a financial analyst  
16 in their fulfillment division.

17 **Q: How long have you been at the OUCC?**

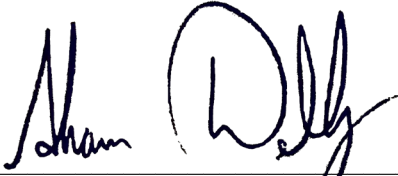
18 A: I have been in the Water/Wastewater Division since December 2019. I was a Utility  
19 Analyst II until May 2022, when I was promoted to Senior Utility Analyst. My focus is  
20 financial issues, such as financings, ROE's, capital structures, and the like.

21 **Q: Have you previously testified before the Indiana Utility Regulatory Commission**  
22 **("Commission")?**

23 A: Yes, I have testified before the commission regarding various aspects of finance.

**AFFIRMATION**

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



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By: Shawn Dellinger, Senior Utility Analyst

Cause No. 46167

Office of Utility Consumer Counselor (OUCC)

Date: March 4, 2025