

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER & LIGHT)
COMPANY D/B/A AES INDIANA (“AES INDIANA”) FOR)
AUTHORITY TO INCREASE RATES AND CHARGES FOR)
ELECTRIC UTILITY SERVICE, AND FOR APPROVAL)
OF RELATED RELIEF, INCLUDING (1) REVISED)
DEPRECIATION RATES, (2) ACCOUNTING RELIEF,)
INCLUDING DEFERRALS AND AMORTIZATIONS, (3))
INCLUSION OF CAPITAL INVESTMENTS, (4) RATE)
ADJUSTMENT MECHANISM PROPOSALS, INCLUDING)
NEW ECONOMIC DEVELOPMENT RIDER, (5) REMOTE)
DISCONNECT/RECONNECT PROCESS, AND (6) NEW)
SCHEDULES OF RATES, RULES AND REGULATIONS)
FOR SERVICE.)

CAUSE NO. 45911

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC’S EXHIBIT NO. 6

TESTIMONY OF OUCC WITNESS

BRITTANY L. BAKER

OCTOBER 12, 2023

Respectfully submitted,



T. Jason Haas
Attorney No. 34983-29
Deputy Consumer Counselor

TESTIMONY OF OUCC WITNESS BRITTANY L. BAKER
CAUSE NO. 45911
INDIANAPOLIS POWER & LIGHT COMPANY D/B/A AES INDIANA

I. INTRODUCTION

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

2 A: My name is Brittany L. Baker, and my business address is 115 W. 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 as a Utility Analyst in the Indiana Office of Utility Consumer
6 Counselor's ("OUCC") Electric Division. A summary of my educational
7 background and experience is included in Appendix A attached to my testimony.

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

9 A: The purpose of my testimony is to recommend Indianapolis Power & Light
10 Company d/b/a AES Indiana ("AES Indiana," "Petitioner," or "Company") be
11 required to true-up the rate base component labeled as "Other" rate case expense
12 totaling \$1,615,000.¹ I also recommend the total rate case expense be amortized
13 over a four-year period.

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

15 A: I read AES Indiana witnesses Natalie Herr Coklow's and Brent A. Robinson's
16 testimonies regarding proposed rate case expenses. Additionally, I read the petition,

¹ AES Indiana Financial Exhibit AESI-OPER, Schedule OM21, Col. 2, line 13.

1 exhibits, schedules, and responses to OUCC data requests 2-5, 15-14, and 15-15. I

2 also spoke with OUCC witness Wes R. Blakley and other OUCC personnel.

3 **Q: To the extent you do not address a specific item in your testimony, should it be**
4 **construed to mean you agree with AES Indiana's proposal?**

5 A: No. My silence regarding any topics, issues, or items AES Indiana proposes does
6 not indicate my approval of those topics, issues, or items. Rather, the scope of my
7 testimony is limited to the specific items addressed herein.

II. RATE CASE EXPENSE

8 **Q: Please explain what is included in the rate case expense.**

9 A: Rate case expense includes costs incurred to prepare and present the utility's rate
10 case to the Indiana Utility Regulatory Commission ("Commission"). These costs
11 include such expenses as depreciation studies, legal fees, and rate design analysis,
12 among other items. AES Indiana's total projected pro forma rate case expense is
13 \$4,985,000.²

14 **Q: Does the OUCC have any concerns about the Petitioner's proposed rate case**
15 **expense?**

16 A: Yes. Included in the itemized pro forma rate case expenses, AES Indiana lists
17 \$1,615,000 for "Other – (e.g., Additional Witness/Consulting Support/Postage)."

18 **Q: Did AES Indiana identify what the rate case component Other – (e.g.,**
19 **Additional Witness/Consulting Support/Postage) is for?**

20 A: Yes. In response to OUCC Data Request Set 15, Question 15, the Company stated:
21 "The rate case expense component 'Other' on Schedule OM21 is a placeholder
22 amount for any additional witness/consulting report, postage, or other rate case

² AES Indiana Financial Exhibit AESI-OPER, Schedule OM21, Col. 3, line 15.

1 expenditures that are incurred that was not itemized in Schedule OM21.”³ In the
2 same response, which referred to the rate case expense component "Other - (e.g.,
3 Additional Witness/Consulting Support, Postage),” AES Indiana indicated, as of
4 September 11, 2023, it “has not yet incurred any costs for this component.”⁴

5 **Q: What does the OUCC recommend regarding this rate case component?**

6 A: The OUCC recommends the Commission require a true-up of the \$1,615,000
7 “Other” component the Company lists in the total rate case expense to include any
8 costs that may be incurred until the Proposed Order filing date of December 27,
9 2023 in this Cause. As these costs are currently not fixed, known, or measurable, it
10 is unreasonable for ratepayers to pay the total pro forma amount for unknown
11 expenditures for any non-itemized vendor expenses. The OUCC recommends AES
12 Indiana file a report showing the total cost of “Other” expenditures within 10
13 business days following the Proposed Order filing.

14 **Q: Does the OUCC have any other recommendations regarding rate case**
15 **expense?**

16 A: Yes. The OUCC recommends an amortization period of four years instead of AES
17 Indiana’s proposed three years. For more on the amortization period
18 recommendation, please see OUCC witness Wes R. Blakley’s direct testimony. The
19 proposed four-year amortization period represents the average length of time
20 between Petitioner's last two rate cases.

³ Attachment BLB-1: AES Indiana’s Response to OUCC DR 15-15.

⁴ Attachment BLB-1.

III. RECOMMENDATIONS

1 **Q: What does the OUCC recommend?**

2 A: The OUCC recommends the Commission require AES Indiana to:

3 (1) True-up the proposed \$1,615,000 Other – (e.g., Additional Witness/Consulting

4 Support/Postage) for total pro forma rate case expense to the actual amount

5 incurred as of AES Indiana's Proposed Order filing date;

6 (2) File a report showing a total cost of the "Other" expenditures within 10 business

7 days following the Proposed Order filing date in this Cause for OUCC and

8 Commission review; and

9 (3) Amortize the rate case expense over four years instead of the requested three

10 years.

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

12 A: Yes.

APPENDIX A

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

2 A: I received a Bachelor of Science Degree in Business with a major in Accounting
3 from the Kelley School of Business at IUPUI in 2014. I have four years of
4 experience in the utility industry as a staff accountant at LWG CPAs & Advisors. I
5 prepared individual, corporate, property, and non-profit tax returns; prepared
6 monthly compilations for a town utility; and completed audits on rural electric
7 membership cooperatives in Indiana, Illinois, and Ohio. In November 2022, I began
8 my employment with the OUCC as a Utility Analyst II in the electric division. My
9 duties consist of reviewing and testifying in trackers, rate cases, and other
10 proceedings before the Commission. My focus is in analyzing the accounting and
11 revenue requirements in the proceedings.

12 **Q: Have you previously filed testimony in other Commission proceedings?**

13 A: Yes.

Data Request OUCC DR 15 - 15

Referring to file "45911_AESIN_Financial Exhibits and Workpapers_062823," Tab "OM21-Amortization of Rate Case," please provide a detailed explanation of the Rate Case Expense component "Other - (e.g., Additional Witness/Consulting Support, Postage). In addition, please provide total costs incurred for this component.

Objection:

Response:

The rate case expense component "Other" on Schedule OM21 is a placeholder amount for any additional witness/consulting report, postage, or other rate case expenditures that are incurred that was not itemized in Schedule OM21. AES Indiana has not yet incurred any costs for this component.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Brittany L. Baker
Utility Analyst II
Indiana Office of Utility Consumer Counselor

Cause No. 45911
AES Indiana

October 12, 2023
Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the *Indiana Office of Utility Consumer Counselor's Testimony of Brittany L. Baker* has been served upon the following parties of record in the captioned proceeding by electronic service on October 12, 2023.

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