

FILED
January 20, 2026
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF MAPLETURN UTILITIES,)
INC FOR A NEW SCHEDULE OF RATES) CAUSE NO. 46292-U
AND CHARGES FOR WASTEWATER)
SERVICE)**

PUBLIC EXHIBIT NO. 1

TESTIMONY OF CARLA F. SULLIVAN

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

January 20, 2026

TESTIMONY OF OUCC WITNESS CARLA F. SULLIVAN
CAUSE NO. 46292-U
MAPLETURN UTILITIES, INC.
SEWER OPERATIONS

I. INTRODUCTION

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

2 A: My name is Carla F. Sullivan, and my business address is 115 W. Washington St.,
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
6 a Utility Analyst in the Water/Wastewater Division. My qualifications are set forth
7 in Appendix A.

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

9 A: Mapleturn Utilities, Inc. Wastewater Division (hereinafter referred to as
10 “Mapleturn-Sewer” or “Applicant”) filed a Small Utility Rate Application
11 (“Application”) requesting a 49.26% increase to its rates and charges to be
12 implemented on an across-the-board basis in one phase. Mapleturn-Sewer’s
13 proposed rate increase would generate \$249,206 of additional annual revenue. I
14 present the results of the OUCC’s analysis, which is a recommended overall rate
15 increase of 44.84%, generating \$223,055 of additional annual operating revenue. I
16 present the OUCC’s accounting schedules. I recommend adjustments to operating
17 expenses for salaries and wages, employee benefits, purchased power, periodic
18 maintenance, contractual services-engineering, general liability insurance, and

1 payroll tax expense. I explain why I eliminated Mapletown-Sewer's proposed
2 revenue requirement offset for the test year interest income.

3 **Q: What workpapers or attachments are submitted with your testimony?**

4 A: Appendix B lists the schedules I sponsor and the workpapers and attachments that
5 support the schedules and my testimony.

6 **Q: What review and analysis have you conducted to prepare your testimony?**

7 A: I reviewed Mapletown-Sewer's Application and the supporting workpapers and
8 attachments as provided. On September 30 and October 1, 2025, I conducted an on-
9 site accounting review. Finally, I prepared discovery questions and reviewed
10 Applicant's responses.

11 **Q: To the extent you do not address a specific item, should that be construed to**
12 **mean you or the OUCC agree with Applicant's proposal?**

13 A: No. The scope of my testimony is limited to the specific items addressed herein.

II. CASE OVERVIEW

A. Mapletown-Sewer's Proposal

14 **Q: Please describe Mapletown-Sewer's request in this Cause.**

15 A: Based on a historical test year ending December 31, 2024, Applicant proposes a
16 49.26% across-the-board rate increase to generate an additional \$249,206 of annual
17 revenue to be implemented in one phase. Applicant's rate increase request is driven
18 by increased operating and maintenance ("O&M") expenses partially offset by
19 reduced extension and replacements.

1 **Q: Does Mapleturn-Sewer seek any debt authority in this Cause?**

2 A: No. However, the parties reached an understanding that Applicant's cleaning and
3 lining of 1,500' of sewer pipe and the purchase of a new SCADA system should be
4 accomplished by financing. OUCC witnesses, Kristen Willoughby and Shawn
5 Dellinger discuss this in their testimonies.

B. OUCC's Recommendation

6 **Q: What rate increase does the OUCC recommend?**

7 A: Based on a historical test year ending December 31, 2024, the OUCC recommends
8 a 44.84% across-the-board rate increase to generate an additional \$223,055 of
9 annual operating revenue to be implemented in one phase. Table CFS-1 compares
10 Applicant's proposal and the OUCC's recommendations. (OUCC Attachment
11 CFS-1, Schedule 1.)

12 **Q: What amount of debt authority does the OUCC recommend?**

13 A: The OUCC recommends debt authority of \$675,000 for Mapleturn-Sewer resulting
14 in annual debt service of \$60,510.

Table CFS-1: Revenue Requirement Comparison

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 585,825	\$ 555,026	\$ (30,799)
Extensions and Replacements	107,868	32,700	(75,168)
Debt Service Existing	79,116	79,116	-
Debt Service Proposed	-	60,510	60,510
Total Revenue Requirements	772,809	727,352	(45,457)
Less: Interest Income	(10,912)	-	10,912
Net Revenue Requirements	761,897	727,352	(34,545)
Less: Revenues subject to increase	(505,877)	(497,445)	8,432
Other revenues at current rates	(7,177)	(7,177)	-
Revenue Increase Required	248,843	222,730	(26,113)
IURC Fee	363	325	(38)
Recommended Increase	<u>\$ 249,206</u>	<u>\$ 223,055</u>	<u>\$ (26,151)</u>
Recommended Percentage Increase	<u>49.26%</u>	<u>44.84%</u>	<u>-4.42%</u>

III. PRO FORMA OPERATING REVENUE

- 1 **Q: What *pro forma* operating revenue does Mapletown-Sewer propose?**
- 2 A: Applicant proposes *pro forma* operating revenue of \$513,054, which is an \$8,432
- 3 increase to its test year operating revenue of \$504,622. Applicant’s adjustment
- 4 reflects changes in the test year residential customer count.¹
- 5 **Q: Do you accept the Applicant’s operating revenue adjustment that reflects**
- 6 **changes in the test year residential customer count?**
- 7 A: No. Based on my review of Applicant’s 2024 IURC Annual Report and utility
- 8 billing system reports provided by Applicant, the residential customer counts

¹ The Applicant’s IURC Small Utility Application, Sch 5-Rev Adj(2) calculates a \$1,452 decrease reflecting changes in commercial customer count. However, this value was not linked to Sch. 4 *Pro forma* IS in the Application and, therefore, this adjustment was not included in Applicant’s requested rate increase. For the same reasons I rejected Applicant’s residential revenue adjustment, I also reject this adjustment.

1 included in Mapletown-Sewer's application were not correct. The correct residential
2 customer counts indicate there is no customer growth.

3 **Q: What *pro forma* operating revenue do you recommend?**

4 A: I recommend *pro forma* operating revenue of \$504,622.

IV. **PRO FORMA OPERATING EXPENSE**

5 **Q: What *pro forma* operating expenses does Mapletown-Sewer propose?**

6 A: Applicant proposes a \$76,369 increase to its test year operating expenses of
7 \$509,455 (excluding depreciation expense) resulting in *pro forma* operating
8 expense of \$585,824.²

9 **Q: What operating expense adjustments are included in the \$76,369 increase?**

10 A: Applicant proposes thirteen adjustments to operating expenses -- (1) a \$10,676
11 decrease to salaries and wages expense; (2) a \$210 increase to employee benefits
12 expense; (3) a \$3,441 increase to pension expense; (4) a \$125 increase to purchased
13 wastewater treatment; (5) a \$5,562 increase for purchased power caused by the
14 Duke Energy Indiana, LLC ("Duke Energy") phase 1 rate increase (Cause No.
15 46038); (6) an \$86 increase to purchased power for increased cost related to test
16 year customer growth; (7) a \$1,518 decrease to chemical expense; (8) a \$44
17 increase to chemical expense for increased cost related to test year customer
18 growth; (9) a \$79,504 increase for periodic maintenance; (10) a \$1,200 decrease to
19 general liability insurance expense; (11) a \$81 increase to miscellaneous expenses

² Applicant's Small Utility Rate Application, Schedule 4 states Applicant's *pro forma* operating expenses are \$585,862. The difference (\$38) is a mistake in the Small Utility Rate Application which double counts the payroll tax expense adjustment.

1 for the increase in postage related to test year customer growth; (12) a \$747 increase
2 to regulatory expense related to test year customer growth; and (13) a \$37 decrease
3 to payroll tax expense.

4 **Q: Do you accept these adjustments?**

5 A: No. I do not accept any of Applicant's adjustments.

6 **Q: Which of Mapleturn-Sewer's proposed adjustments do you reject without**
7 **recommending your own amount?**

8 A: I reject the four adjustments that are growth related (purchased power, chemicals,
9 IURC fees, and postage) because I determined there was no growth. I reject
10 Applicant's purchased wastewater treatment adjustment. Applicant has its own
11 wastewater treatment plant and does not purchase wastewater treatment. I reject
12 Applicant's decrease to chemical expense. I did not find any evidence to support
13 the adjustment. I reject Applicant's increase to pension expense. Mapleturn
14 Utilities' 3.0% pension contribution is dependent on the employee contributing
15 3.0%. Currently, only one employee makes a pension contribution. Finally, in favor
16 of my own recommended amounts, I reject Applicant's adjustments to salaries and
17 wages expense, employee benefits expense, pension expense, purchased power
18 expense, periodic maintenance, general liability insurance expense, and payroll tax
19 expense.

20 **Q: Do you recommend any other adjustments?**

21 A: Yes. I also recommend an operating expense adjustment to contractual services-
22 engineering expense. Table CFS-2 compares Applicant's proposed operating

1 expense adjustments and the OUCC's recommended operating expense
2 adjustments.

Table CFS-2: Comparison of Operating Expense Adjustments

<u>O&M Expense</u>	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (less)</u>
Salaries & Wages	\$ (10,676)	\$ 705	\$ 11,381
Payroll Tax Expense	(37)	110	147
Employee Benefits	210	5,128	4,918
Pension	3,441	-	(3,441)
Purchased Wastewater Treatment	125	-	(125)
Purchased Power	5,562	10,115	4,553
Purchased Power - Growth	86	-	(86)
Chemical Expense	(1,518)	-	1,518
Chemical Expense - Growth	44	-	(44)
Periodic Maintenance	79,504	38,095	(41,409)
Contractual Services - Engineering	-	(11,198)	(11,198)
General Liability Insurance	(1,200)	2,616	3,816
IURC Fee	747	-	(747)
Miscellaneous Expenses - Postage	81	-	(81)
Total Operating Expenses	<u>\$ 76,369</u>	<u>\$ 45,571</u>	<u>\$ (30,798)</u>

3 **Q: What *pro forma* operating expense do you recommend?**

4 A: I recommend a \$45,571 increase to Applicant's \$509,455 test year operating
5 expenses (excluding depreciation expense), resulting in *pro forma* operating
6 expenses of \$555,026. (OUCC Attachment CFS-1, Schedule 4.)

A. Salaries and Wages Expense

7 **Q: What *pro forma* salaries and wages expense does Mapletown-Sewer propose?**

8 A: For its wastewater operations, Applicant proposes *pro forma* salaries and wages
9 expense of \$197,712, which is a \$10,676 decrease to test year salaries and wages
10 expense of \$208,388.

1 **Q: Do you accept Mapletown-Sewer's proposed salaries and wages expense**
2 **adjustment?**

3 A: No. Applicant's salaries and wages expense adjustment did not incorporate on-call
4 pay, bonuses, mileage reimbursements or pay raises effective January 1, 2025.

5 **Q: What *pro forma* salaries and wages expense do you recommend?**

6 A: I recommend a \$705 increase to test year salaries and wage expense of \$208,388
7 resulting in *pro forma* salaries and wages expense of \$209,093. (See OUCC
8 Attachment CFS-1, Schedule 6, Adjustment No. 1.)

9 **Q: How did you calculate your salaries and wages expense?**

10 A: First, I calculated *pro forma* salaries and wages expense for regular hours by
11 multiplying each employee's *pro forma* rate of pay by 2080, the number of hours
12 worked by full-time employees or 1040, the number of hours worked by part-time
13 employees. I then multiplied each full-time employee's *pro forma* overtime rate of
14 pay by 37 hours.³ I added *pro forma* regular pay, *pro forma* overtime pay, *pro forma*
15 on-call pay, and *pro forma* bonuses to calculate *pro forma* total salaries and wages
16 expense for both water and wastewater operations. I multiplied that total by 60% to
17 reflect the \$208,349 of salaries and wages allocated to the sewer operations. To that
18 number I added \$744 for mileage reimbursements.⁴ Table CFS-3
19 compares Applicant's proposed adjustment and my recommended adjustment.

³ During the test year, staff worked a total of 186.5 overtime hours. I assumed the same number of overtime hours and multiplied that number by the average overtime pay of the five full-time staff members.

⁴ Mileage reimbursements are also allocated on a 40/60 basis.

Table CFS-3: Comparison of Salaries and Wages Adjustment

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
<i>Pro forma</i> Regular and Overtime Pay	\$ 329,520	\$ 337,049	\$ 7,529
Add: Beeper Pay	-	5,200	5,200
Bonuses	-	5,000	5,000
Total Salaries	329,520	347,249	17,729
Multiply: Allocation Rate	60%	60%	
Water's Portion of <i>Pro forma</i> Salaries & Wages	197,712	208,349	10,637
Add: Mileage Reimbursements	-	744	744
<i>Pro forma</i> Salaries and Wages Expense	\$ 197,712	\$ 209,093	\$ 11,381
Less: Test Year Salaries and Wages Expense	(208,388)	(208,388)	-
	<u>\$ (10,676)</u>	<u>\$ 705</u>	<u>\$ 11,381</u>

B. Employee Benefits Expenses

1 **Q: What *pro forma* employee benefits expense does Mapleturn-Sewer propose?**

2 A: Applicant proposes *pro forma* employee benefits expense of \$59,361, which is a
3 \$210 increase to the test year employee benefits expense of \$59,151.⁵

4 **Q: Do you accept Mapleturn-Sewer's proposed employee benefits expense
5 adjustment?**

6 A: No. Applicant's employee benefits expense adjustment fails to recognize all the
7 expenses included in employee benefits expense and a new employee.

⁵ Applicant's IURC Small Utility Rate Application, Sch 6-Exp Adj(b) lists test year employee benefits expense as \$51,714. The Income Statement of Applicant's IURC Small Utility Rate Application states the value is \$59,151.

1 **Q: What *pro forma* employee benefits expense do you recommend?**

2 A: I recommend a \$5,128 increase to test year employee benefits expense of \$59,151
3 resulting in *pro forma* employee benefits expense of \$64,279. (OUCC Attachment
4 CFS-1, Schedule 6, Adjustment No. 3.)

5 **Q: How did you calculate your \$5,128 employee benefits expense adjustment?**

6 A: First, I calculated the *pro forma* expense for health related insurance for the utility's
7 five eligible staff members. I then multiplied the *pro forma* expense of health
8 related insurance by the 60% allocation rate. Finally, I added the test year laundry
9 expense⁶ resulting in *pro forma* employee benefits expense. I then reduced *pro*
10 *forma* employee benefits expense by test year employee benefit expense yielding a
11 \$5,128 increase. Table CFS-4 compares Applicant's proposed employee benefit
12 expense adjustment to my recommended adjustment.

Table CFS-4: Comparison of Employee Benefits Expense Adjustment

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
<i>Pro forma</i> Health Insurance	\$ 57,248	\$ 67,430	\$ 10,182
Add: Heath Savings	29,292	29,500	208
Life, Dental, and Vision	-	2,198	2,198
Total Health Related Insurance	86,540	99,129	12,589
Multiply: Allocation Rate	60%	60%	
Sewer's Portion of <i>Pro forma</i> Health Insurance	51,924	59,477	7,553
Add: Laundry Expense	-	4,802	4,802
<i>Pro forma</i> Employee Benefits Expense	\$ 51,924	\$ 64,279	\$ 12,355
Less: Test Year Employee Benefits Expense	(51,714)	(59,151)	(7,437)
	<u>\$ 210</u>	<u>\$ 5,128</u>	<u>\$ 4,918</u>

⁶ Laundry expense is also allocated on a 40/60 basis.

C. Purchased Power Expense

1 **Q: What *pro forma* purchased power expense does Mapleturn-Sewer propose?**

2 A: Applicant proposes *pro forma* purchased power expense of \$52,002, which is a
3 \$5,648 ($\$5,562 + \$86 = \$5,648$) increase to the test year purchased power expense
4 of \$46,354. Applicant calculated the increase by multiplying test year purchased
5 power expense by 1.12 (increasing the expense by 12%) because of a Duke Energy
6 Phase I increase to base rates and charges (Cause No. 46038).

7 **Q: Do you accept Mapleturn-Sewer's proposed purchased power expense**
8 **adjustment?**

9 A: No. Duke Energy's applicable Phase I increase was higher than 12%. Duke
10 Energy's Phase I rate increase was based on a cost of service study ("COSS") that
11 was provided in Cause No. 46038. Because the rate increase differs for each
12 customer class and each consumption tier, the customer's increase was dependent
13 on the customer's rate class and level of consumption. Duke Energy charges
14 Mapleturn Utilities under three different rate classes: commercial electric services
15 ("CS"), low load factor ("LLF"), and water pumping and/or sewage disposal
16 ("WP"). Table CFS-5 provides the calculation for the Applicant's purchased power
17 expense increase by rate class.

Table CFS-5: Rate Increase by Customer Class

	<u>Test Year</u>	<u>Phase 1</u>	<u>Increase</u>	<u>% Increase</u>
Commercial	\$ 4,358	\$ 5,552	\$ 1,194	27.40%
Low Load	6,045	5,861	(184)	-3.04%
Water/Sewer	<u>59,760</u>	<u>74,057</u>	<u>14,297</u>	<u>23.92%</u>
Total Increase	<u>\$ 70,163</u>	<u>\$ 85,470</u>	<u>\$ 15,307</u>	<u>21.82%</u>

1 Based on Applicant's rate classes and consumption, it actually experienced a
2 21.82% increase for Duke Energy's Phase I increase. (OUCC Attachment CFS-1,
3 Workpaper WP-8 Purch Power Analysis.)

4 **Q: What *pro forma* purchased power expense do you recommend?**

5 A: I recommend *pro forma* purchased power expense of \$56,469, which is a \$10,115
6 increase to test year purchased power expense of \$46,354. (See OUCC Attachment
7 CFS-1, Schedule 6, Adjustment No. 8.)

8 **Q: How did you calculate your \$10,115 purchased power adjustment related to**
9 **Duke Energy's rate increase?**

10 A: To calculate my \$10,115 increase, I multiplied Applicant's test year purchased
11 power expense of \$46,354 by 21.82% resulting in a \$10,115 increase.

D. Periodic Maintenance

12 **Q: What *pro forma* periodic maintenance expense does Mapleturn-Sewer**
13 **propose?**

14 A: Applicant proposes *pro forma* periodic maintenance expense of \$79,504.
15 Applicant's periodic maintenance expense adjustment includes an annual operating
16 expense for televising 10% of the system (\$38,095) and annual maintenance for
17 three service pumps (\$57,000). Applicant reduced periodic maintenance annual
18 revenue requirement by test year expense of \$15,591.

19 **Q: Does the OUCC accept Mapleturn-Sewer's proposed periodic maintenance**
20 **expense adjustment?**

21 A: No. The OUCC recommends *pro forma* periodic maintenance expense of \$38,095.
22 (OUCC Attachment CFS-1, Schedule 6, Adjustment No. 6.) OUCC witness Kristen
23 Willoughby testifies about the OUCC's periodic maintenance adjustment.

E. General Liability Insurance Expense

1 **Q: What *pro forma* general liability insurance expense does Mapleturn-Sewer**
2 **propose?**

3 A: Applicant proposes *pro forma* general liability insurance expense of \$16,422,
4 which is a \$1,200 decrease to the test year general liability insurance expense of
5 \$17,622. Applicant's general liability insurance adjustment is the result of a mistake
6 in the IURC Small Utility Rate Application. Test year general liability insurance
7 expense was \$14,540, not \$17,622. The input field in the Application for test year
8 general liability insurance expense is linked to the wrong Income Statement cell.

9 **Q: What *pro forma* general liability insurance expense do you recommend?**

10 A: I recommend a \$2,616 increase to test year general liability insurance expense of
11 \$14,540, resulting in *pro forma* general liability insurance expense of \$17,156,
12 which is the amount Applicant paid for general liability insurance during the
13 adjustment period. (OUCC Attachment CFS-1, Schedule 6, Adjustment No. 8.)

F. Payroll Tax Expense

14 **Q: What *pro forma* payroll tax expense does Mapleturn-Sewer propose?**

15 A: Applicant proposes *pro forma* payroll tax expense of \$15,125, which is a \$37
16 decrease to test year payroll tax expense of \$15,162.⁷ Applicant calculated its
17 payroll tax expense adjustment by multiplying its *pro forma* salaries and wages

⁷ Applicant's IURC Small Utility Rate Application, Sch 6-Exp Adj(h) lists test year payroll tax expense as \$15,162. The Income Statement of Applicant's IURC Small Utility Rate Application states the value is \$15,826.

1 expense of \$197,712 by the 7.65% payroll tax rate and subtracting the test year's
2 payroll expense.

3 **Q: Do you accept Mapletown-Sewer's proposed payroll tax expense adjustment?**

4 A: No. I agree with Applicant's methodology for calculating payroll tax expense.

5 However, I disagree with the value Applicant calculated for *pro forma* salaries and
6 wages expense. Based on my *pro forma* salaries and wages expenses, I recommend
7 a \$110 increase to test year payroll tax expense of \$15,829 resulting in *pro forma*
8 payroll tax expense of \$15,939. (OUCC Attachment CFS-1, Schedule 6,
9 Adjustment No. 2.)

10 **Q: How did you calculate your \$110 payroll tax expense adjustment?**

11 A: I subtracted \$744 of mileage expense from *pro forma* salaries and wages expense of
12 \$209,093 resulting in \$208,349 of salaries and wages expense subject to payroll
13 tax. I multiplied \$208,349 by the payroll tax rate of 7.65% and subtracted test year
14 payroll tax expense.

G. Other Operating Expense Adjustment

15 **Q: What other operating expense adjustment do you recommend?**

16 A: I recommend a \$11,198 decrease to contractual services-engineering expense.
17 (OUCC Attachment CFS-1, Schedule 6, Adjustment No. 7.) Applicant paid two
18 contractors \$11,198 during the test year for non-recurring engineering labor, which
19 included \$10,230 for the development of a SCADA system update and \$968 for
20 general labor. I decreased contractual services-engineering expense by \$11,198 to
21 eliminate the revenue requirement for this expense. I decreased contractual
22 services-engineering expense by \$11,198 to eliminate the revenue requirement for

1 this expense. However, future costs related to the SCADA system update are
2 included in the capital project costs the OUCC recommends be debt funded. The
3 general laborer expenditure was included in my recommended *pro forma* salaries
4 and wages expense.

V. EXTENSIONS AND REPLACEMENTS

5 **Q: What revenue requirement does Mapleturn-Sewer propose for extensions and**
6 **replacements (“E&R”)?**

7 A: Applicant proposes a five-year E&R revenue requirement of \$539,342, or \$107,868
8 annually.

9 **Q: Does the OUCC accept Mapleturn-Sewer’s E&R revenue requirement?**

10 A: No. The OUCC recommends a five-year revenue requirement of \$163,500, or
11 \$32,700 annually. The revenue requirement reduction was made in conjunction
12 with the OUCC recommendation for financing of projects Applicant intended to
13 pay for through E&R. OUCC witness, Kristen Willoughby discusses the OUCC’s
14 recommended E&R revenue requirement in her testimony.

VI. DEBT SERVICE

15 **Q: What revenue requirement does the OUCC propose for debt service?**

16 A: While Applicant did not include a revenue requirement for new debt service in its
17 Application, the OUCC determined that many of Mapleturn-Sewer’s capital
18 projects should be debt funded rather than cash funded. The OUCC recommends
19 additional annual debt service of \$60,510 for this purpose resulting in total debt
20 service of \$139,626 (\$79,116 existing + \$60,510 additional). OUCC witness,

1 Shawn Dellinger discusses the OUCC's recommended debt service revenue
2 requirement in his testimony.

VII. REVENUE REQUIREMENT OFFSET

3 **Q: Does Maple-Sewer propose a revenue requirement offset?**

4 A: Yes. Applicant proposes a \$10,912 revenue requirement offset to reduce the
5 required rate increase for test year interest income.

6 **Q: Do you accept Mapleturn-Sewer's revenue requirement offset?**

7 A: No. During the test year, Mapleturn Utility depleted its temporary cash investment
8 account to construct a vac building. Therefore, interest income is not a recurring
9 source of income for Mapleturn Utility, and it should not be used to offset
10 Mapleturn-Sewer's revenue requirement.

11 **Q: What revenue requirement offset do you recommend?**

12 A: I do not recommend a revenue requirement offset because interest income during
13 the adjustment period is *de minimis*.

VIII. RECOMMENDATIONS

14 **Q: Please summarize your recommendations to the Commission.**

15 A: I recommend the Commission accept the OUCC's recommended operating revenue
16 and expense adjustments, which generate a 44.84% increase and \$223,055 of
17 additional annual operating revenue.

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

19 A: Yes.

APPENDIX A - QUALIFICATIONS

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

2 A: I graduated from Lipscomb University in June 1989 and received a Bachelor of
3 Science degree in business management. I earned a master's degree in business
4 administration from Phoenix University in 2011 and a master's degree in
5 accounting and financial management from the Keller Graduate School in 2014.
6 Beginning in 2014, I worked as a balance sheet and payroll accountant for the State
7 of Wisconsin's Department of Health Services. In April of 2019, I joined the staff
8 of the Indiana Office of Utility Consumer Counselor as a Utility Analyst II.

9 **Q: Have you previously testified before the Indiana Utility Regulatory**
10 **Commission?**

11 A: Yes.

APPENDIX B – Attachments and Workpapers

OUCS Attachment CFS-1

Schedules

- Schedule 1 - Overall Revenue Requirement
 - Reconciliation of Net Operating Income Statement Adjustments
- Schedule 2 - Balance Sheet (Mapleturn Utilities, Inc.)
- Schedule 3 - Income Statement (Sewer Operations)
- Schedule 4 - *Pro Forma* Net Operating income Statement
- Schedule 5 - OUCS Revenue Adjustments Not Used - OUCS did not make any revenue adjustments
- Schedule 6 - OUCS Expense Adjustments
- Schedule 7 - Extensions and Replacements Not Used - See Kristen Willoughby's Testimony
- Schedule 8 - Working Capital Not Used - Applicant did not request
- Schedule 9 - Debt Service Not Used - See Shawn Dellinger's Testimony
- Schedule 10 - Debt Service Reserve Not Used - See Shawn Dellinger's Testimony
- Schedule 11 - Proposed Tariff

Workpapers - Excel Version of Attachment CFS-1

- WP-2 Revenue Requirement Comparison
- WP-3 Income Statement Mapping
- WP-4 Income Statement - Water-Sewer Comp
- WP-5 Revenue Transaction Analysis
- WP-6 Expense Transaction Analysis
- WP-7 Purchased Power Analysis

Mapleturn Utilities Inc. (Sewer)
Cause Number 46292-U
Office of Utility Consumer Counselor
Workpaper OUCC Attachment CFS-1
Schedules and Workpapers (Excel Version)

Schedules

- Schedule 1 - Overall Revenue Requirement
Reconciliation of Net Operating Income Statement Adjustments
- Schedule 2 - Balance Sheet
- Schedule 3 - Income Statement
- Schedule 4 - *Pro Forma* Net Operating income Statement
- Schedule 5 - OUCC Revenue Adjustments Not Used - OUCC did not make any revenue adjustments
- Schedule 6 - OUCC Expense Adjustments
- Schedule 7 - Extensions and Replacements Not Used - See Kristen Willoughby's Testimony
- Schedule 8 - Working Capital Not Used - Applicant did not request working capital
- Schedule 9 - Debt Service Not Used - See Shawn Dellinger's Testimony
- Schedule 10 - Debt Service Reserve Not Used - See Shawn Dellinger's Testimony
- Schedule 11 - Proposed Tariff

Workpapers

- WP-2 Revenue Requirement Comparison
- WP-3 Income Statement Mapping
- WP-4 Income Statement - Water-Sewer Comp
- Wp-5 Revenue Transaction Analysis
- WP-6 Expense Transactions Analysis
- WP-7 Purchased Power Analysis

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

**Comparison of Petitioner's and OUCC's
Revenue Requirements**

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 585,825	\$ 555,026	4	\$ (30,799)
Extensions and Replacements	107,868	32,700	7	(75,168)
Working Capital	-	-	8	-
Debt Service - Existing Debt	79,116	79,116	9	-
Debt Service - New Debt		60,510		60,510
Debt Service Reserve	-	-	10	-
Total Revenue Requirements	<u>772,809</u>	<u>727,352</u>		<u>(45,457)</u>
Less: Interest Income	<u>(10,912)</u>	<u>-</u>		<u>10,912</u>
Net Revenue Requirements	761,897	727,352		(34,545)
Less: Revenues at current rates subject to increase	(505,877)	(497,445)	4	8,432
Other revenues at current rates	<u>(7,177)</u>	<u>(7,177)</u>	4	<u>-</u>
Net Revenue Increase Required	248,843	222,730		(26,113)
Add: Additional IURC Fee	<u>363</u>	<u>325</u>		<u>(38)</u>
Recommended Increase	<u>\$ 249,206</u>	<u>\$ 223,055</u>		<u>\$ (26,151)</u>
Recommended Percentage Increase	<u>49.26%</u>	<u>44.84%</u>		<u>-4.42%</u>

<u>Current Rate for 4,000 Gallons</u>	<u>Proposed</u>		<u>OUCC More (Less)</u>
	<u>Applicant</u>	<u>OUCC</u>	
Current Rate = \$65.03	\$ 97.07	\$ 94.19	\$ (2.88)

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Revenues			
Sewer Income	\$ 8,432	\$ -	\$ (8,432)
	<u>8,432</u>	<u>-</u>	<u>(8,432)</u>
O&M Expense			
Salaries & Wages - Employees	(10,676)	705	11,381
Payroll Tax	(37)	110	147
Employee Benefits	210	5,128	4,918
Pension	3,441	-	(3,441)
Purchased Wastewater Expense	125	-	(125)
Purchased Power	5,562	10,115	4,553
Growth	86	-	(86)
Chemicals	(1,518)	-	1,518
Growth	44	-	(44)
Periodic Maintenance Expense	79,504	38,095	(41,409)
Engineering Contractual Services	-	(11,198)	(11,198)
Insurance - General Liability	(1,200)	2,616	3,816
Regulatory Commission Expense - Other	747	-	(747)
Postage Expense - Growth	81	-	(81)
	<u>76,369</u>	<u>45,571</u>	<u>(30,798)</u>
Net Operating Income	<u>\$ (67,937)</u>	<u>\$ (45,571)</u>	<u>\$ 22,366</u>

Mapleturn Utilities Inc.
CAUSE NUMBER 46291-U

COMPARATIVE BALANCE SHEET
As of December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Water Utility Plant:			
Utility Plant in Service	\$ 1,918,060	\$ 1,906,020	\$ 1,874,389
Less: Accumulated Depreciation	1,297,256	1,248,866	1,198,628
Net Utility Plant in Service	<u>620,804</u>	<u>657,154</u>	<u>675,761</u>
Wastewater Utility Plant:			
Utility Plant in Service	4,231,006	3,843,087	3,669,740
Less: Accumulated Depreciation	1,513,263	1,431,196	1,348,243
Accumulated Amortization	102,649	94,574	86,499
Net Utility Plant in Service	<u>2,615,094</u>	<u>2,317,317</u>	<u>2,234,998</u>
Total Utility Plant in Service	<u>3,235,898</u>	<u>2,974,471</u>	<u>2,910,759</u>
Current Assets:			
Cash and Cash Equivalents	62,322	24,709	213,329
Special Deposits	80,136	79,817	79,526
Temporary Cash Investments	263,280	773,806	744,826
Accounts Receivable			
Water	22,449	22,436	23,187
Wastewater	41,804	41,890	42,716
Prepays			
Water	1,327	1,965	1,446
Wastewater	1,622	2,948	2,168
Total Current Assets	<u>472,940</u>	<u>947,571</u>	<u>1,107,198</u>
Total Assets	<u>\$ 3,708,838</u>	<u>\$ 3,922,042</u>	<u>\$ 4,017,957</u>
<u>LIABILITIES</u>			
Equity - Retained Earnings	\$ 1,015,974	\$ 1,200,911	\$ 1,280,015
Contributions in Aid of Construction			
Water	566,127	566,127	552,766
Wastewater	722,447	720,119	710,035
Total Contributions In Aid of Construction	<u>1,288,574</u>	<u>1,286,246</u>	<u>1,262,801</u>
Long-term Debt			
USDA RD - Wastewater	1,396,030	1,429,168	1,461,276
Total Long-term Debt	<u>1,396,030</u>	<u>1,429,168</u>	<u>1,461,276</u>
Current Liabilities			
Accounts Payable	6,556	9,037	12,093
Customer Deposits	177	(4,881)	177
Accrued Interest	1,527	1,561	1,595
Total Current Liabilities	<u>8,260</u>	<u>5,717</u>	<u>13,865</u>
Total Liabilities	<u>\$ 3,708,838</u>	<u>\$ 3,922,042</u>	<u>\$ 4,017,957</u>

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues			
Sewer Income	\$ 496,309	\$ 493,837	\$ 487,205
Late Fees	1,136	1,198	1,293
Misc. Income	7,177	7,313	12,974
Total Operating Revenues	<u>504,622</u>	<u>502,348</u>	<u>501,472</u>
Operating Expenses			
Salaries & Wages - Employees	208,388	191,704	150,679
Payroll Tax	15,829	15,236	11,487
Employee Benefits	59,151	59,082	65,867
Pension	2,456		
Sludge Removal Expense	5,982	7,298	4,963
Purchased Power	46,354	51,182	58,828
Chemicals	4,358	4,923	3,172
Materials and Supplies	105,728	37,586	25,642
Contractual Services			
Engineering/Professional	11,198		
Accounting	6,643	5,265	6,277
Transportation Expenses	5,619	5,560	7,572
Insurance			
General Liability	14,540	12,570	9,431
Workman's Compensation	2,033	2,883	1,736
Cyber Security	1,050	989	986
Regulatory Commission Expense - Other	3,461	2,075	3,364
Bad Debt Expense		-	333
Miscellaneous Expenses	16,665	20,474	14,124
Total O&M Expense	<u>509,455</u>	<u>416,827</u>	<u>364,461</u>
Depreciation Expense	82,067	82,953	83,525
Amortization Expense	8,075	8,075	8,262
Total Operating Expenses	<u>599,597</u>	<u>507,855</u>	<u>456,248</u>
Net Operating Income	(94,975)	(5,507)	45,224
Other Income (Expense)			
Interest Income	10,727	17,563	4,927
Interest Expense	(45,975)	(47,012)	(48,043)
Total Other Income (Expense)	<u>(35,248)</u>	<u>(29,449)</u>	<u>(43,116)</u>
Net Income	<u>\$ (130,223)</u>	<u>\$ (34,956)</u>	<u>\$ 2,108</u>

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Pro-forma Net Operating Income Statement

	Year Ended 12/31/2024	Adjustments	Sch Ref	<i>Pro-forma</i> Present Rates	Adjustments	Sch Ref	<i>Pro-Forma</i> Proposed Rates
Operating Revenues							
Sewer Income	\$ 496,309			\$ 496,309	\$ 222,546		\$ 718,855
Late Fees	1,136			1,136	509		1,645
Misc. Income	7,177			7,177			7,177
Total Operating Revenues	<u>504,622</u>	<u>-</u>		<u>504,622</u>	<u>223,055</u>		<u>727,677</u>
O&M Expense							
Salaries & Wages - Employees	208,388	705		209,093			209,093
Payroll Tax	15,829	110		15,939			15,939
Employee Benefits	59,151	5,128		64,279			64,279
Pension	2,456			2,456			2,456
Purchased Wastewater Expense		-		-			-
Sludge Removal Expense	5,982			5,982			5,982
Purchased Power	46,354	10,115		56,469			56,469
				-			-
Chemicals	4,358			4,358			4,358
				-			-
Periodic Maintenance Expense		38,095		38,095			38,095
Materials and Supplies	105,728			105,728			105,728
Contractual Services							
Engineering/Professional	11,198	(11,198)		-			-
Accounting	6,643			6,643			6,643
Transportation Expenses	5,619			5,619			5,619
Insurance							
General Liability	14,540	2,616		17,156			17,156
Workman's Compensation	2,033			2,033			2,033
Cyber Security	1,050			1,050			1,050
Regulatory Commission Expense - Other	3,461			3,461	325	1	3,786
Bad Debt Expense	-			-			-
Miscellaneous Expenses	16,665			16,665			16,665
Total O&M Expense	<u>509,455</u>	<u>45,571</u>		<u>555,026</u>	<u>325</u>		<u>555,351</u>
Depreciation Expense	82,067			82,067			82,067
Amortization Expense	8,075			8,075			8,075
Total Operating Expenses	<u>599,597</u>	<u>45,571</u>		<u>645,168</u>	<u>325</u>		<u>645,493</u>
Net Operating Income	<u>\$ (94,975)</u>	<u>\$ (45,571)</u>		<u>\$ (140,546)</u>	<u>\$ 222,730</u>		<u>\$ 82,184</u>

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

**The OUCC rejects Applicant's revenue adjustments and does not
recommend any additional adjustments.**

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

OUCG Expense Adjustments

(1)

Salaries and Wages Expense

To adjust test year salaries and wages expense to the adjustment period's pay rates and the addition of one employee.

<u>Employee #</u>	<u>Reg Hours</u>	<u>Reg Pay Rate</u>	<u>OT Hours</u>	<u>OT Pay Rate</u>	<u>Pay</u>	
Kent	2080	\$ 32.58	30	\$ 48.87	\$ 69,233	
Rocky	2080	39.99	30	59.99	84,979	
Shane	2080	25.00	30	37.50	53,125	
Jake	2080	25.00	30	37.50	53,125	
Brian	2080	25.00	30	37.50	53,125	
Robin	1040	22.56		33.84	23,462	
<i>Pro forma</i> regular and overtime salaries and wages expense						\$ 337,049
Add: Beeper pay (\$100 per week)						5,200
Special (Bonuses)						5,000
						<hr/>
<i>Pro forma</i> Salaries and Wages Expense						\$347,249
Multiply: Wastewater Allocation						60%
						<hr/>
<i>Pro forma</i> Wastewater Salaries and Wages Expense						208,349
Add: Milage						744
						<hr/>
						209,093
Less: Test Year Wastewater Salaries and Wages Expense						(208,388)
						<hr/>
Adjustment Increase (Decrease)						\$ 705
						<hr/>

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

OUCG Expense Adjustments

(2)

Payroll Taxes

To adjust test year payroll taxes expense triggered by the increase to test year salaries and wages expense.

<i>Pro forma</i> Wastewater Salaries and Wages Expense	\$ 209,093	
Less: Milage	(744)	
	<u> </u>	
<i>Pro forma</i> Payroll Tax Eligible Wastewater Salaries and Wages Expense	\$ 208,349	
Multiply: Employer tax ratio	7.65%	
	<u> </u>	
<i>Pro forma</i> Wastewater Payroll Taxes		\$ 15,939
Less: Test Year Wastewater Payroll Taxes		<u>(15,829)</u>
Adjustment Increase (Decrease)		<u>\$ 110</u>

(3)

Employee Benefits Expense

To adjust test year employee benefits expense to the adjustment period's rates and the addition of one employee.

CIGNA Health			
Employee Only	3	856.87	2,570.61
Employee + Child	2	1,524.29	3,048.58
Health Savings	5	491.67	2,458.35
Life, Dental, and Vision	5	36.64	<u>183.20</u>
<i>Pro forma</i> Monthly Health Benefits			\$ 8,261
Multiply:			<u>12</u>
<i>Pro forma</i> Annual Health Benefits			\$ 99,129
Multiply: Wastewater Allocation			<u>60%</u>
<i>Pro forma</i> Wastewater Health Benefits			\$ 59,477
Add: Laundry Expense			<u>4,802</u>
<i>Pro forma</i> Employee Benefits			64,279
Less: Test Year Wastewater Employee Benefits Expense			<u>(59,151)</u>
Adjustment Increase (Decrease)			<u>\$ 5,128</u>

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

OUCC Expense Adjustments

(4)

Purchased Power

To adjust test year purchased power expense to reflect Duke Energy's Phase 1 rate increase (Cause No. 46038).

Test Year Purchased Power Expense	\$ 46,354	
Mapleturn Utility's Rate of Increase	<u>21.82%</u>	
<i>Pro forma</i> Purchased Power Adjustment		\$ 10,115

Adjustment Increase (Decrease)

\$ 10,115

	<u>Test Year</u>	<u>Phase I</u>	<u>Increase</u>	<u>% Increase</u>
Commercial	\$ 4,357.56	\$ 5,551.89	\$ 1,194.33	27.41%
Low Load	6,044.59	5,861.19	(183.40)	-3.03%
Water/Sewer Pumping	<u>59,776.49</u>	<u>74,078.91</u>	<u>14,302.42</u>	<u>23.93%</u>
	\$ 70,178.64	\$ 85,491.99	\$ 15,313.35	21.82%

(5)

Periodic Maintenance

To include period maintenance expense as detailed in the testimony of OUCC witness Kristen Willoughby.

Televise 10%	<u>\$ 38,095</u>
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Adjustment Increase (Decrease)

\$ 38,095

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

OUCC Expense Adjustments

(6)

Contractual Services

To remove non-recurring operating and maintenance expenses that are incorporated in the debt service revenue requirement and Adj. No. 1.

Contractual Services for SCADA System (Debt Service)	Stephen Collins	\$ 10,230	
Contractual Services (Adjustment No. 1)	Brian Hittel	<u>968</u>	
Adjustment Increase (Decrease)			<u><u>\$ (11,198)</u></u>

(7)

General Liability Insurance

To adjust test year general liability insurance expense to the amount paid in the adjustment period.

Annual Premium - Policy Issued December 10, 2024	\$ 28,394	
Policy Fee	<u>200</u>	
Total insurance expense	\$ 28,594	
Multiply: Wastewater Allocation	<u>60%</u>	
<i>Pro forma</i> Wastewater General Insurance Expense		\$ 17,156
Less: Test Year Wastewater General Insurance Expense		<u>(14,540)</u>
Adjustment Increase (Decrease)		<u><u>\$ 2,616</u></u>

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Extensions and Replacements

See testimony of OUCC witness Kristen Willoughby.

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Working Capital

**Applicant did not propose a working capital revenue requirement.
Nor does the OUCG recommend a working capital revenue requirement.**

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Debt Service

See the testimony of OUCC witness Shawn Dillinger .

Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Debt Service Reserve

See the testimony of OUCC witness Shawn Dillinger.

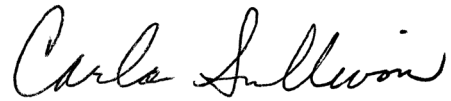
Mapleturn Utilities Inc. (Sewer)
CAUSE NUMBER 46292-U

Current and Proposed Rates and Charges

	<u>Current Rates</u>	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More(Less)</u>
<i>Flat Rtae Per Month</i>				
Sewer Use Charge	\$ 65.03	\$ 97.07	\$ 94.19	\$ (2.88)
Club House	195.09	291.20	282.57	(8.63)
Maintenance Building	65.03	97.07	94.19	(2.88)
Pro Shop	65.03	97.07	94.19	(2.88)

AFFIRMATION

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

A handwritten signature in cursive script that reads "Carla F. Sullivan".

By: Carla F. Sullivan, Utility Analyst

Cause No. 46292-U

Date: January 20, 2026