

FILED
June 7, 2023
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF THE BOARD OF)
DIRECTORS FOR UTILITIES OF THE DEPARTMENT)
OF PUBLIC UTILITIES OF THE CITY OF)
INDIANAPOLIS, D/B/A/ CITIZENS THERMAL, FOR)
(1) AUTHORITY TO ADJUST ITS RATES AND) CAUSE NO. 45855
CHARGES FOR STEAM UTILITY SERVICE, (2))
APPROVAL OF A NEW SCHEDULE OF RATES AND)
CHARGES, AND (3) APPROVAL OF CERTAIN)
REVISIONS TO ITS TERMS AND CONDITIONS)
APPLICABLE TO STEAM UTILITY SERVICE)

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC'S EXHIBIT NO. 2

REDACTED (PUBLIC) TESTIMONY OF OUCC WITNESS
BRITTANY L. BAKER

June 7, 2023

Respectfully submitted,

IURC
PUBLIC'S
EXHIBIT NO. 2
8-23-23
DATE REPORTER

Lorraine Hitz

Lorraine Hitz
Attorney No. 18006-29
Deputy Consumer Counselor

OFFICIAL
EXHIBITS

TESTIMONY OF OUCC WITNESS BRITTANY L. BAKER
CAUSE NO. 45855
CITIZENS THERMAL ENERGY

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: Please describe the review and analysis you conducted in order to prepare**
9 **your testimony.**

10 A: I read Citizens Thermal Energy's ("Petitioner" or "CTE") prefiled application and
11 testimonies in this proceeding, as well as relevant Indiana Utility Regulatory
12 Commission ("Commission") Orders. I reviewed Petitioner's responses to OUCC
13 data requests, pertinent sections of Title 8 of the Indiana Code, and Title 170 of
14 the Indiana Administrative Code. I also reviewed the Commission Orders in
15 Petitioner's last two rate cases, Cause Nos. 44349 and 44781. I participated in
16 meetings with other OUCC staff members and CTE personnel in developing
17 issues identified in this Cause.

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

19 A: The purpose of my testimony is to: 1) present the OUCC's overall revenue
20 requirement calculation; 2) recommend continuation of an Earnings Test in

1 conjunction with the Company's Fuel Cost Adjustment ("FAC") proceeding; 3)
2 make adjustments to CTE's proposed operating expenses; 4) comment and make
3 recommendations on CTE's pro-forma fuel cost amount; and 5) recommend
4 Petitioner continue to formally document its long-term planning and production
5 analysis, conservation results and discussions.

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

8 A: No. My silence regarding any topics, issues, or items CTE proposes does not
9 indicate my approval of those topics, issues, or items. Rather, the scope of my
10 testimony is limited to the specific items addressed herein.

11 **Q: Are you sponsoring any attachments in this proceeding?**

12 A: Yes. I am sponsoring:

- 13 • Attachment BLB-1, Schedule 1: Comparison of Petitioner's and OUCC
14 Revenue Requirements.
- 15 • Attachment BLB-1, Schedule 2: Comparison of Petitioner's and OUCC
16 Revenue and Expense Adjustments.
- 17 • Attachment BLB-1, Schedule 3: Balance Sheet as of 12 Months ending
18 December 31, 2021 and 2022.
- 19 • Attachment BLB-1, Schedule 4: Income Statement for periods ending
20 December 31, 2021 and 2022.
- 21 • Attachment BLB-1, Schedule 5: OUCC Pro-Forma Net Operating Income
22 Statement.
- 23 • Attachment BLB-1, Schedule 6: Operating Expense Adjustments.

PRO FORMA REVENUE REQUIREMENT

24 **Q: Please explain how the OUCC's overall cumulative proposed revenue**
25 **requirement differs from Petitioner's proposed revenue requirement.**

1 A: Petitioner seeks a \$5,888,635 overall revenue increase to provide it with an
2 opportunity to recover a total base rate revenue of \$89,124,511,¹ an overall
3 increase of 7.07 percent.² As shown on Attachment BLB-1, Schedule 1, I have
4 determined that CTE's rates should be increased by \$4,827,048 for the test year
5 ended September 30, 2022. This amount is \$1,061,587 less than the increase
6 requested by CTE. Attachment BLB-1, Schedule 1 displays differences in
7 operating expenses, taxes other than income, extensions and replacements,
8 depreciation expense, debt service and various offsets to revenue requirements.

9 **Q. Does the OUCC consider the revenue requirement being recommended by**
10 **the OUCC to be a revenue requirement floor?**

11 A: No. The OUCC recognizes that there are other parties to this case (the CTE
12 Customer Group ("Customer Group") and CTE). The Customer Group's
13 testimony may have adjustments that are different than the OUCC's. Therefore,
14 the Commission could order a revenue requirement different from the OUCC's
15 recommended amount, should it accept some combination of adjustments
16 recommended by the OUCC, the Customer Group, and/or CTE, resulting in a
17 revenue requirement less than CTE's original proposal.

¹ Direct Testimony of Korlon L. Kilpatrick II, p. 5, ll. 5-7.

² *Id.* p. 6, l. 7.

1 **Q: What are the main drivers of CTE's requested rate increase in this Cause?**

2 A: The primary reasons, according to CTE's testimony, are the need for additional
3 infrastructure investments and increased operating and maintenance ("O&M")
4 costs.³

II. OPERATING EXPENSE ADJUSTMENTS

5 **Q: Is the OUCC recommending any adjustments to CTE's operating expenses?**

6 A: Yes. The OUCC is recommending expense adjustments to 1) payroll; 2) payroll
7 tax; 3) rate case expense; and 4) executive search fees. OUCC witness Brian
8 Latham explains the OUCC's adjustments to payroll, payroll tax, and rate case
9 expense. OUCC witness Kaleb Lantrip addresses the OUCC's adjustment to
10 executive search fee expenses.

III. FUEL COST EXPENSE

11 **Q: Have you reviewed CTE's Pro-Forma Fuel Cost calculation of \$44,645,007?**

12 A: Yes. I reviewed Petitioner's fuel cost calculation of \$44,645,007 as shown on
13 CTE's Attachment KLK-1, Columns C and E, Line 26.

14 **Q: Does Scott A. Miller's Attachment SAM-1 (Public), page 7, "Calculation of**
15 **Pro Forma Therms and Fuel Costs" show a partial calculation using the pro-**
16 **forma cost per therm as \$0.35515, \$0.79412, and other?**

17 A: Yes. In addition, there is a footnote on the Pro Forma Fuel Cost Per Therm
18 column that states: "[p]rovided by Management."

19 **Q: Does Petitioner's Attachment KLK-1, page 5, lines 9, 15, and 19 show a fuel**
20 **charge therm amount of \$0.79412?**

21 A: Yes.

22 **Q: Were you able to determine whether \$0.79412 is the appropriate pro-forma**

³ Direct Testimony of Jeffrey A. Harrison, p. 14, lines 8-11.

1 **fuel cost per therm?**

2 A: No.

3 **Q: Did the OUCC ask CTE to explain and provide all workpapers, documents,**
4 **and calculations (Excel) supporting the calculation of the fuel charge per**
5 **therm of 0.79412 as shown on lines 9, 15, and 19 including natural gas, fuel**
6 **oil, Covanta, and other costs?**

7 A: Yes. CTE objected and provided the following response:

8 **OBJECTION:**

9 Petitioner objects to this Request to the extent it seeks information and
10 material which is irrelevant, immaterial and not reasonably calculated to lead
11 to the discovery of admissible evidence, insofar as the issue of fuel cost is not
12 in question within this proceeding.

13 **RESPONSE:**

14 a) See objection.

15 **Q: Do you agree with CTE that fuel cost is not at issue in this case?**

16 A: No. Fuel cost is one of the expense amounts that is used in determining CTE's
17 Operating Expenses to calculate the overall revenue requirement.

18 **Q: Have you reviewed Petitioner's most recent FAC filings to try to determine**
19 **the reasonableness of the pro-forma cost per therm?**

20 A: Yes. CTE's pro-forma cost per therm of \$0.79412 appears to be high when
21 compared to the amount CTE forecasted in Cause No. 41969 FAC-69 (\$0.55957;
22 without variance \$0.61359) for the three-month period of May 2023 through July
23 2023 and Cause No. 41969 FAC-70 (\$0.51744; without variance \$0.58539) for
24 the three-month period August 2023 through October 2023.

25 **Q: Have natural gas prices decreased since the end of the test year?**

26 A: Yes.

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

28 A: At this point, the OUCC does not have enough information to determine whether
29 CTE's pro-forma cost of therm of \$0.79412 is reasonable as shown in the

1 testimony of witnesses Kilpatrick and Miller. Therefore, the OUCC is
2 recommending the Commission require CTE to provide additional support for the
3 pro-forma fuel cost per therm amount of \$0.79412 and allow the parties time to
4 review before approving CTE's requested pro-forma fuel cost amount.

IV. EXTENSIONS AND REPLACEMENTS

5 **Q: Is Petitioner requesting an Extensions and Replacements ("E&R") Revenue**
6 **Requirement in this case?**

7 A: Yes. Petitioner is requesting that its overall revenue requirements include an E&R
8 requirement of \$6,945,902.⁴ Petitioner is proposing to include a four-year average
9 (2024 through 2027) of E&R as its pro-forma extensions and replacement
10 amount.

11 **Q: What does the OUCC recommend regarding E&R?**

12 A: The OUCC is recommending a reduction of the overall E&R amount to
13 \$6,145,902,⁵ which is \$800,000 less than Petitioner's request. This position is
14 based on OUCC Witness Sanka's recommendation that the Commission deny two
15 projects included in CTE's E&R Program.

V. DEBT SERVICE REQUIREMENTS

16 **Q: What is Petitioner seeking for its annual debt service in this Cause?**

17 A: CTE is seeking an annual debt service amount in rate of \$11,094,831.⁶ OUCC
18 witness John Hanks addresses this issue.

⁴ Petitioner's Attachment KLK-1, p. 2, l. 61.

⁵ Attachment BLB-1, Schedule 6.

⁶ Direct Testimony of Craig L. Jackson, p. 4, l. 21.

VI. WORKING CAPITAL

1 **Q: Do Petitioner's proposed requirements include a request for Working**
2 **Capital?**

3 A: No.

VII. RETURN ON UTILITY PLANT

4 **Q: Do Petitioner's proposed requirements include a request for Return on**
5 **Utility Plant?**

6 A: No.

VIII. FUEL COST ADJUSTMENT PROCEEDINGS

7 **Q: Do you have any recommendations regarding Petitioner's FAC filings?**

8 A: Yes. The OUCC requests that it still be allowed to file its testimony thirty (30) days
9 after the date that Petitioner files its testimony in FAC dockets, as ordered in Cause
10 No. 43201. The OUCC also requests that if Petitioner must update its filing, that
11 CTE continue to file a clean version and a redline version.

12 **Q. Should CTE be subject to an earnings test?**

13 A. Yes. CTE has been subject to an earnings test since a settlement agreement was
14 reached in Cause No. 41969 FAC-03 and approved by the Commission in 2003.
15 CTE should continue to perform its FAC Earnings Test in the same manner as it
16 does now.

IX. STEAM LINE LOSS REPORT

17 **Q: Does the OUCC believe Petitioner should continue to produce and provide**
18 **annually its Steam Line Loss Report as stipulated and agreed to in Cause No.**
19 **44781?**

20 A: Yes. CTE should continue to file annually its "Steam Line Loss Report" with the
21 following information:

- 1) the number of low-pressure customers that have switched to an alternate fuel during the preceding year;
- 2) the efforts undertaken during the preceding fiscal year to reduce line losses;
- 3) the actual line loss percentage for the preceding year; and
- 4) the incentives paid by Citizens Thermal during the preceding fiscal year to encourage low pressure system customers to switch to an alternative fuel.

The OUCC has found the line-loss information useful to help understand Petitioner's processes.

X. OUCC RECOMMENDATIONS

Q: What does the OUCC recommend?

A: The OUCC recommends the Commission:

- 1) Decrease CTE's requested revenue requirement by \$1,061,587, resulting in a total revenue requirement of \$4,827,048, or overall increase of 5.80% over present rates;
- 2) Require CTE to provide additional support for the pro-forma fuel cost per therm amount of \$0.79412 and allow the OUCC time to review before approving CTE's requested pro-forma fuel cost amount;
- 3) Continue to allow the OUCC to file its FAC testimony 30 days after the date that Petitioner files its testimony in each FAC docket, as ordered in Cause No. 43201;
- 4) Require the continuation of an Earnings Test in conjunction with the Company's FAC proceedings; and
- 5) Accept the OUCC's reductions of \$176,106 to payroll expense; \$12,709 to payroll tax expense; \$64,790 to rate case expense; \$7,981 to executive search fees; and \$800,000 to extensions and replacements.

Q: Does this conclude your testimony?

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.
5 I 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
8 began my employment with the OUCC as a Utility Analyst II in the electric
9 division.

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

11 A: Yes.

Citizens Thermal Energy
Cause No. 45855

Comparison of Petitioner's and OUCB Revenue Requirements

<u>Description</u>	<u>Petitioner Revenue Requirement</u>	<u>OUCB Revenue Requirement</u>	<u>OUCB More/(Less)</u>
Revenue Requirements:			
Fuel Costs	\$44,645,007	\$44,645,007	\$0
Operating Expenses	25,704,228	25,442,640	(261,588)
Taxes Other Than Income Taxes	782,507	782,507	0
Working Capital	0	0	0
Extensions and Replacements	6,945,902	6,145,902	(800,000)
Debt Service	11,094,831	11,094,831	0
Total Revenue Requirements	89,172,475	88,110,887	(1,061,588)
Less: Other Income	47,964	47,964	0
Add: Other Expenses	0	0	0
Net Revenue Requirements	89,124,511	88,062,923	(1,061,588)
Less: Revenues at current rates subject to increase	83,235,876	83,235,876	(0)
Other Revenues at Current Rates	0	0	
Net Revenue Increase/(Decrease) Required	<u>\$5,888,635</u>	<u>\$4,827,048</u>	<u>(\$1,061,587)</u>
Percentage Increase/(Decrease) of Rate Adjustment	<u>7.07%</u>	<u>5.80%</u>	

Citizens Thermal Energy
Cause No. 45855

Comparison of Petitioner's and OUCC Revenue and Expense Adjustments

Description:	Petitioner Revenue/ Expense Adjustments	OUCC Revenue/ Expense Adjustments	OUCC More/(Less)
Operating Revenue:			
Other Revenue	(\$286,119)	(\$286,119)	0
Billing Correction	1,482	1,482	0
URT Removal	(391,847)	(391,847)	0
NTA Removal	(80,124)	(80,124)	0
Condensate Credit	49,034	49,034	0
Accrual Removal	(1,771,171)	(1,771,171)	0
Billing Adjustment	2,017,734	2,017,734	0
Weather Normalization	147,073	147,073	0
Backup/Capital Charge Adjustment	8,692	8,692	0
			0
Change in fuel price	5,845,473	5,845,473	0
Total Operating Revenue Adjustments	\$8,400,934	\$8,400,934	\$0
Operating Expenses:			
Labor	\$926,645	\$750,539	\$176,106
Payroll Tax	66,875	54,166	12,709
Benefits	832,251	832,251	0
Out of Period Adjustments	34,188	34,188	0
Electric Power	6,730	6,730	0
Maintenance and Repairs	46,433	46,433	0
Normalization of Expenses	47,321	39,340	7,981
Cloud Amortization	5,629	5,629	0
Non-Recurring	(2,736)	(2,736)	0
Non-Allowed	(13,848)	(13,848)	0
Bad Debt Expense	25,520	25,520	0
Regulatory Commission Expense	161,975	97,185	64,790
Change in fuel price	5,845,473	5,845,473	0
Accrual Removal	(931,550)	(931,550)	0
Billing Adjustment	1,126,442	1,126,442	0
Weather Normalization	54,878	54,878	0
Water	(1,884)	(1,884)	0
Chemicals	29,843	29,843	0
Electric Power	16,214	16,214	0
Purchase Agreement	147,222	147,222	0
Adjust Depreciation	11,336	11,336	0
Non-Recurring Expense	(8,822)	(8,822)	0
Property Tax	7,946	7,946	0
Pro-forma change in IURT	(749,666)	(749,666)	0
Total Operating Expense Adjustments	\$7,684,415	\$7,422,829	\$261,586
Net Operating Income	\$716,519	\$978,105	

**Citizens Thermal Energy
Cause No. 45855**

Balance Sheet as of twelve months ended September 30, 2021 and 2022

Asset:

<u>Description:</u>	<u>2021</u>	<u>2022</u>
Utility Plant:		
Utility Plant In Service	\$104,321,678	\$109,578,412
Operating lease right of use asset	3,357,764	3,096,479
Accumulated Depreciation	(34,641,505)	(38,602,439)
Net Plant In Service	73,037,937	74,072,452
Construction Work In Progress	2,613,520	2,330,200
Net Utility Plant In Service	<u>\$75,651,457</u>	<u>\$76,402,652</u>
Steam Customer Contracts - Net	<u>13,218,754</u>	<u>12,235,176</u>
Bond Restricted Funds	<u>11,771,880</u>	<u>12,052,389</u>
Current Assets:		
Cash on Hand	732,921	8,049,506
Accounts Receivable - Net	5,094,293	5,986,816
Materials and Supplies	4,085,298	4,498,005
Recoverable gas and fuel costs	811,215	-
Prepayments and Deposits	327,159	333,472
Miscellaneous current assets	4,431,504	2,854,443
Total Current Assets	<u>15,482,390</u>	<u>21,722,242</u>
Deferred Charges	<u>1,289,722</u>	<u>1,894,768</u>
Total Assets	<u><u>\$117,414,203</u></u>	<u><u>\$124,307,227</u></u>

Capitalization and Liabilities

<u>Description:</u>		
Capitalization and Non-Current Liabilities		
Equity	\$27,755,956	\$36,348,865
Long-Term Debt	55,677,893	58,755,523
Unamortized Premium and (Discount) on Long-Term Debt	3,744,348	2,862,173
Retirement Benefits	6,860,891	1,918,936
Other non-current liabilities	3,096,479	2,822,100
Total Capitalization	<u>\$97,135,567</u>	<u>\$102,707,597</u>
Current Liabilities		
Current Maturities of Long-term Debt	6,212,935	6,922,370
Accounts payable and accrued expenses	10,972,951	8,441,137
Refundable gas and fuel costs	0	1,943,720
Other	<u>0</u>	<u>1,414,679</u>
Total Current Liabilities	<u>17,185,886</u>	<u>18,721,906</u>
Total Capitalization and Liabilities	<u><u>\$114,321,453</u></u>	<u><u>\$121,429,503</u></u>

**Citizens Thermal Energy
Cause No. 45855**

Income Statement for the periods ending September 30, 2021 and September 30, 2022

<u>Description</u>	<u>2021</u>	<u>2022</u>
Total Operating Revenues	\$66,056,710	\$74,834,942
Cost of Good Sold	<u>35,354,970</u>	<u>38,549,763</u>
Gross Margin	<u>30,701,740</u>	<u>36,285,179</u>
Non-Fuel Cost	0	4,676,706
Operations and Maintenance Expense	19,784,472	18,699,142
Depreciation and Amortization Expense	5,359,985	5,525,657
Taxes	<u>1,540,367</u>	<u>1,533,049</u>
Total Operating Income/(Loss)	4,016,916	5,850,625
Other Income	2,466	47,963
Interest Charges	<u>2,507,835</u>	<u>2,387,411</u>
Net Income/(Loss)	<u>\$1,511,547</u>	<u>\$3,511,177</u>

Citizens Thermal Energy
Cause No. 45855

OUCC Pro-Forma Net Operating Income Statement

Description	Test Year Levels	Pro Forma Adjustments Increase/ (Decrease)	Set Ref	Pro Forma Results Based on Current Rates	Pro Forma Adjustment Increase/ (Decrease) DLB-1, Sch 1	Pro-forma Results Based on Proposed rates
Operating Revenues:						
Operating Revenues				\$83,235,875	\$4,827,048	\$88,062,923
General Steam Service	\$3,423,541					\$0
Demand Rate Service	44,387,932					\$0
Additional Summer Service - Provision A	1,993,721					\$0
Additional Summer Service - Provision B	3,380,844					\$0
Other Revenue	308,916	(286,119)				\$0
Billing Correction		1,482				\$0
URT Removal		(391,847)				\$0
NTA Removal		(80,124)				\$0
Condensate Credit		49,034				\$0
Accrual Removal		(1,771,171)				\$0
Billing Adjustment		2,017,731				\$0
Weather Normalization		147,073				\$0
Backup/Capital Charge Adjustment		8,692				\$0
Change in fuel price		5,845,473				\$0
Total Revenue	74,834,941	8,400,934		83,235,875	4,827,048	88,062,923
Fuel Cost						
Test year fuel costs	\$38,549,763			44,645,007		44,645,007
Change in fuel price		\$5,845,473				0
Rounding		1				0
Accrual Removal		(931,550)				0
Billing Adjustment		1,126,442				0
Weather Normalization		54,878				0
Total Fuel Cost	38,549,763	6,095,244		44,645,007	0	44,645,007
Gross Margin	36,285,178	2,305,690		38,590,868	4,827,048	43,417,916
Non-Fuel Cost of Goods Sold						
Test year Non-Fuel Cost of Goods Sold	\$4,676,706			4,868,101		4,868,101
Water		(51,884)				0
Chemicals		29,843				0
Electric Power		16,214				0
Purchase Agreement		147,222				0
Total Other Cost of Goods Sold	4,676,706	191,295		4,868,101	0	4,868,101
Operations & Maintenance						
Test year operation & maintenance	\$18,699,142			20,574,539		20,574,539
Labor		\$750,539	(6-1)			0
Payroll Taxes		34,166	(6-2)			0
Benefits		832,251				0
Out of Period Adjustments		34,188				0
Electric Power		6,730				0
Maintenance and Repairs		46,433				0
Normalization of Expenses		39,340	(6-4)			0
Cloud Amortization		5,629				0
Non-Recurring		(2,736)				0
Non-Allowed		(13,848)				0
Bad Debt Expense		25,520				0
Regulatory Commission Expense		\$97,185	(6-3)			0
Total Operations and Maintenance	18,699,142	1,875,397		20,574,539	0	20,574,539
Depreciation and Amortization Expense						
Test year Depreciation & amortization	\$5,525,657			5,536,993		5,536,993
Adjust depreciation		\$11,336				0
Pro forma Depreciation & Amortization	5,525,657	11,336		5,536,993	0	5,536,993
Taxes						
Test year taxes	\$1,533,049					0
Non-Recurring Expense		(58,822)				0
Property Tax		7,946				0
Pro-forma change in IURT		(749,666)				0
Total Taxes	1,533,049	(750,542)		782,507	0	0
Net Operating Income	\$5,850,624	\$978,103		\$6,828,727	\$4,827,048	\$12,438,282

Citizens Thermal Energy
Cause No. 45855

Adjustments

(1)

Payroll Adjustment

Description:	Adjustment
Petitioner Pro Forma Payroll Adjustment	\$926,645
Less: OUCC Adjustment	(176,106)
Total	<u>\$750,539</u>

(2)

Payroll Tax Adjustment

Description:	Adjustment
Petitioner Pro-Forma Payroll Adjustment	\$66,875
Less: OUCC Adjustment	(12,709)
Total	<u>\$54,166</u>

(3)

Rate Case Expense

Description:	Adjustment
Pro Forma Rate Case Expense:	
Rate Case Expense Cause No. 44781	\$0
Pro-Forma OUCC/URC	120,249
Citizens Thermal Cost of Service Consultant	90,000
Citizens Thermal Pension Consultant	6,000
Legal Notice	500
Proforma Legal Costs	225,000
Sub-Total	<u>441,749</u>
10% Contingency	<u>44,175</u>
Total Rate Case Expense	<u>485,924</u>
Amortization (5 years)	<u>5</u>
Total Pro-Forma Rate Case Expense Adjustment - Increase/(Decrease)	<u>\$97,185</u>

(4)

Executive Search Fees

As categorized within Petitioner's exp 411: Normalization of Certain Test Year Expenses

Description:	Adjustment
Petitioner Pro-Forma Payroll Adjustment	\$47,321
Less: OUCC Adjustment	(7,981)
Total	<u>\$39,340</u>

(5)

Extensions and Replacements Adjustments

Description:	Adjustment
Petitioner Pro-Forma Extensions & Replacements	\$6,945,902
[REDACTED]	
Years of Amortization	4 (800,000)
Total	<u>\$6,145,902</u>

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 2 Redacted (Public) Testimony of OUCC Witness Brittany L. Baker* has been served upon the following counsel of record in the captioned proceeding by electronic service on June 7, 2023.

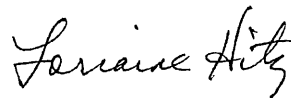
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