

**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. 1**

**TESTIMONY OF JASON T. COMPTON**

**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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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the *Public's Exhibit No. 1 - Testimony of Jason T. Compton 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 JASON T. COMPTON**  
**CAUSE NO. 46167**  
**STUCKER FORK CONSERVANCY DISTRICT**

**I. INTRODUCTION**

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

2 A: My name is Jason T. Compton, 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 Utility  
6 Analyst in the Water and Wastewater Division. My qualifications and credentials are set  
7 forth in Appendix A attached to this testimony.

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

9 A: Stucker Fork Conservancy District (hereafter “Petitioner” or “Stucker Fork”) requests an  
10 overall rate increase of approximately 31.5% over its current rates and charge to produce  
11 additional revenues of \$1,574,927. I present my review, analysis, and recommendations  
12 regarding Petitioner’s requested revenue requirement, and I sponsor the OUCC’s revenue  
13 requirement schedules.

14 I recommend the Commission disallow Petitioner’s additional debt service and debt  
15 service reserve needed for financing the Marble Hill expansion in Phase I rates and, instead,  
16 I recommend the Commission establish a subdocket to allow for sufficient consideration  
17 of the Marble Hill expansion and the needed debt issuance to finance the expansion and to  
18 set Phase II rates to include the additional debt service and debt service reserves. OUCC  
19 witness Kristen Willoughby addresses the proposed Marble Hill expansion and the  
20 insufficiency and prematurity of Petitioner’s evidence regarding the proposed expansion.

1           For existing debt, I recommend debt service and debt service reserve as  
2 recommended by OUCC witness Shawn Dellinger.

3           I recommend a Phase I overall revenue increase of 12.67% to produce additional  
4 revenues of \$641,510. I also sponsor the schedules supporting the OUCC's Phase I revenue  
5 requirement recommendations.

6           I present the OUCC's recommendations for revenue adjustments. In addition, I  
7 present my recommendation for the inclusion of tap fee revenues as an offset to the revenue  
8 requirement and removal of non-recurring and capital expenditures from Petitioner's test  
9 year revenues.

10           I present the OUCC's recommendations regarding periodic maintenance, including  
11 continued restriction, tracking, reporting, and other measures as recommended by Ms.  
12 Willoughby.

13           I present the OUCC's recommendations regarding depreciation expense, including  
14 my recommendation for the amortization of Contributions-in-Aid of Construction  
15 ("CIAC") as an offset to depreciation.

16           I present my analysis and recommendations for rate case expense.

17           I make recommendations to Petitioner to establish and implement a system  
18 development charge.

19           Finally, I recommend the Commission accept OUCC consulting witness Jerome  
20 Mierzwa's Cost of Service recommendations, and I recommend the remaining subsidies  
21 for Morgan Foods be eliminated in Petitioner's next rate case, or within five years,  
22 whichever is earlier.

1 **Q: Do you sponsor any schedules?**

2 A: Yes. I sponsor the following schedules:

3 Schedule 1 – Comparison of Overall Revenue Requirements (page 1)

4 Comparison of Net Operating Income Adjustments (page 2)

5 Comparison of Phased-In Revenue Requirements (page 3)

6 Schedule 2 – Comparative Balance Sheet as of December 31, 2023, 2022 and 2021

7 Schedule 3 – Comparative Income Statement for the Twelve Months Ended December 31,  
8 2023, 2022, and 2021

9 Schedule 4 – *Pro Forma* Net Operating Income Statement

10 Schedule 5 – OUCC Revenue Adjustments

11 Schedule 6 – OUCC Expense Adjustments

12 Schedule 7 – Depreciation

13 Schedule 8 – PILT

14 Schedule 9 – Working Capital

15 Schedule 10 – Debt Service

16 Schedule 11 – Debt Service Reserve

17 Schedule 12 – Tariff

18 **Q: Do you sponsor any attachments?**

19 A: Yes. I sponsor the following attachments:

20 • OUCC Attachment JTC-1 – OUCC’s Schedules

21 • OUCC Attachment JTC-2 – Petitioner’s Responses to certain OUCC Data  
22 Requests;

23 • OUCC Attachment JTC-3 – Petitioner’s Invoice for Uncapitalized Meters;

24 • OUCC Attachment JTC-4 – Petitioner’s Rate Case Expense Justification

25 • OUCC Attachment JTC-5 - Comparative Rate Case Expense Estimates

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

27 A: I reviewed the Petition, testimony of Douglas L. Baldessari and Richard A. Burch,

28 Petitioner’s Exhibit No. 4, and Petitioner’s Exhibit No. 5. I also reviewed the supporting

29 workpapers and attachments provided with their testimony. On January 22 and 23, I

1 conducted a site visit along with OUCC analyst Thomas Malan at Petitioner's offices.  
2 During the site visit, we asked questions of Petitioner's accountant and Petitioner's  
3 accounting and rates consultants. Finally, I prepared discovery questions and reviewed  
4 Petitioner's responses and supporting attachments.

5 **Q: If you do not discuss a specific topic or adjustment, does that mean you agree with**  
6 **Petitioner?**

7 A: No. My silence regarding any proposals, adjustments, or requested relief should not be  
8 construed as assent or agreement to any proposal, adjustment, or request. Rather, the scope  
9 of my testimony is limited to the specific items addressed herein.

## II. MARBLE HILL AND DEBT FINANCING

### A. Debt Service & Debt Service Reserve

11 **Q: What does Petitioner propose to recover through rates for debt service and debt**  
12 **service reserve?**

13 A: Petitioner proposes it be allowed to recover \$1,157,063 in debt service for existing bonds  
14 and an additional \$293,752 for the debt yet to be issued to finance its proposed Marble Hill  
15 expansion and other costs and expenses. Petitioner proposed it be allowed to recover  
16 \$15,211 in debt service reserve for its existing bonds and an additional \$58,750 for the  
17 Marble Hill expansion bonds. In total, Petitioner proposes it be allowed \$1,450,815 for  
18 debt service and \$73,961 for debt service reserve.<sup>1</sup>

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<sup>1</sup> Petitioner's Exhibit 4, p. 21, attached to Petitioner's Exhibit 3, Direct Testimony of Douglas L. Baldessari.

1 **Q: For existing debt, what do you propose Petitioner be allowed to recover through rates**  
2 **for its debt service and debt service reserve?**

3 A: For existing debt, I recommend debt service and debt services reserve as recommended by  
4 OUCC witness Shawn Dellinger. Mr. Dellinger recommends debt service of \$1,157,063  
5 and debt service reserve of \$15,211 for existing bonds.

6 **Q: For the new debt proposed for financing the Marble Hill expansion, what do you**  
7 **recommend?**

8 A: For Petitioner's future debt issuance, I recommend the Commission disallow the new,  
9 additional debt service and debt service reserve as a revenue requirement. I instead  
10 recommend the Commission establish a subdocket to receive additional and sufficient  
11 evidence in support of the need for the Marble Hill expansion, and to support the extent of  
12 expansion needed, as recommended by Ms. Willoughby. The Commission could then  
13 reasonably consider and determine Phase II rates related to the Marble Hill expansion and  
14 new debt issuance based on the evidence presented and review conducted in the subdocket.

15 It is premature to consider the debt service and debt service reserve for financing  
16 the Marble Hill expansion, until such additional and sufficient evidence as to the need and  
17 extent of the expansion is presented and subject to review and consideration. Ms.  
18 Willoughby makes additional recommendations regarding the documentation and  
19 information necessary for adequate review of the Marble Hill expansion and which should  
20 be required to be presented in the subdocket.

21 **Q: Does the Commission have the authority to consider and approve, or disallow,**  
22 **Petitioner's requested debt service and debt service reserve amounts?**

23 A: Yes. While I am not an attorney, my reading of the applicable statutes confirms the  
24 Commission's authority to regulate rates. Pursuant to the applicable Conservancy District  
25 statutes, the Commission has the same jurisdiction over rates as it would over the rates for

1 a regulated municipal water utility.<sup>2</sup> While Section 14 of the statute establishes the same  
2 Commission jurisdiction in the same manner as provided to the Commission over the rates  
3 and charges of municipal water utilities, Section 13, also addresses the requirements and  
4 authority governing the rates and charges of a conservancy district's water service. Section  
5 13 states, in pertinent part:<sup>3</sup>

6 The charge made by the district for a service provided or to be provided,  
7 either directly or indirectly, must be nondiscriminatory, reasonable, and  
8 just. Every discriminatory, unjust, or unreasonable charge for service is  
9 unlawful. A reasonable and just charge for services is a charge that produces  
10 sufficient revenue to pay all the legal and other necessary expenses incident  
11 to the operation of the water facilities. . . .

12 **Q: With respect to Section 14, what is the Commission's authority over a municipality?**

13 A: The Commission's authority over a jurisdictional municipal water utility is provided in Ind.  
14 Code § 8-1.5-3-8. This statute also provides, in pertinent part, that the rates and charges for  
15 a service rendered or to be rendered, either directly or in connection therewith, must be  
16 nondiscriminatory, reasonable, and just and provides that "reasonable and just rates and  
17 charges for services" means rates and charges that produce sufficient revenue to pay all the  
18 legal and other necessary expenses incident to the operation of the utility.<sup>4</sup> While I.C. § 14-  
19 33-20-14 does not incorporate I.C. § 8-1.5-3-8 by reference and neither transforms Stucker  
20 Fork into a municipality for all, or other, purposes, I.C. § 8-1.5-3-8 aids in the interpretation  
21 of I.C. § 14-33-20-14.

22 **Q: Do these statutes empower Stucker Fork to issue bonds to fund costs or expenses that**  
23 **are not "necessary and incident to" its operation of the water facilities and provision**

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<sup>2</sup> See Ind. Code § 14-33-20-14. See also, Ind. Code §§ 14-33-20-1, 3, 4, 13, and 14.

<sup>3</sup> I.C. § 14-33-20-13 (emphasis added).

<sup>4</sup> I.C. § 8-1.5-3-8 (b) and (c)(1).



1 **of water supply but nonetheless include such debt service and debt service reserve in**  
2 **rates?**

3 A: No. The statutes appear to provide the opposite. The rates charged to customers and  
4 authorized by the Commission must be nondiscriminatory, reasonable, and just; and which  
5 are sufficient to fund “necessary expenses incident to the operation of the water facilities.”<sup>5</sup>

### III. PHASE I OVERALL REVENUE REQUIREMENT

6 **Q: What relief is Petitioner requesting in this case?**

7 A: Petitioner seeks authority to increase its rates and charges to raise an additional \$1,574,927  
8 in revenues which is the equivalent of an approximate 31.5% increase over current rates.<sup>6</sup>  
9 Petitioner’s proposed rate increase stems from proposed increases in depreciation expense,  
10 issuing new debt for the Marble Hill expansion and other cost items and expenses, and  
11 increases in its operating and maintenance expenses (“O&M”). Petitioner performed a class  
12 cost-of-service study (“COSS”) and then adjusted the final results to reduce the subsidies  
13 to the Industrial and Wholesale customer classes by 50%. OUCC Witness Jerome Mierzwa  
14 addresses Petitioner’s proposed COSS and the continuation of the subsidies to the  
15 Industrial and Wholesale customer classes.

16 **Q: What revenue increase does the OUCC recommend?**

17 A: The OUCC recommends the Commission authorize a Phase I increase to Petitioner’s rates  
18 and charges of 12.67% to raise an additional \$641,510 in revenues. (OUCC Attachment  
19 JTC-1.) I recommend that Petitioner’s rate increase be applied based on the modifications  
20 to Petitioner’s proposed cost-of-service study described by Mr. Mierzwa.

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<sup>5</sup> See I.C. § 14-33-20-13 (a) (emphasis added).

<sup>6</sup> Petitioner’s Exhibit 4, p. 21, Attached to Petitioner’s Exhibit 3, Direct Testimony of Douglas L. Baldessari.

**Table 1: Revenue Requirement Comparison**

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

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
1 Operating Expenses	\$ 4,155,135	\$ 3,891,912	4	\$ (263,223)
2 Depreciation Expense	990,030	990,438	7-1	408
3 Amortization of CIAC		(213,047)	7-2	(213,047)
4 Payment in Lieu of Taxes	-	-	8	-
5 Working Capital	-	-	9	-
6 Debt Service	1,450,815	1,157,063	10	(293,752)
7 Debt Service Reserve	73,961	15,211	11	(58,750)
8 Total Revenue Requirements	6,669,941	5,841,577		(828,364)
9 Less Revenue Requirement Offsets:				
10 Interest Income	(25,630)	(25,630)	3	-
11 Tap Fee Revenues	-	(63,582)	DR 8-17	(63,582)
12 Late Fees	(19,271)	-		19,271
13 Net Revenue Requirement	6,625,040	5,752,365		(872,675)
14 Less: Revenues at current rates subject to increase	(5,002,874)	(5,063,616)	4	(60,742)
15 Other revenues not subject to increase	(47,239)	(47,239)	4	-
16 Recommended Increase	<u>\$ 1,574,927</u>	<u>\$ 641,510</u>		<u>\$ (933,417)</u>
17 Recommended Percentage Increase	<u>31.48%</u>	<u>12.67%</u>		<u>-18.81%</u>

**IV. OPERATING REVENUES**

1 **Q: What level of operating revenues did Petitioner propose?**

2 A: Petitioner proposes total *pro forma* annual operating revenues of \$5,002,874 which is a

3 \$105,069 decrease to test year revenues of \$5,107,943.<sup>7</sup>

<sup>7</sup> Petitioner's Exhibit 4, p. 21, Attached to Petitioner's Exhibit 3, Direct Testimony of Douglas L. Baldessari.

1 **Q: Does the OUCC accept Petitioner’s proposed total *pro forma* operating revenues?**

2 A: No. I include other operating revenues and late fees in my calculation of operating revenues  
3 rather than as a revenue requirement offset, which I discuss below. OUCC Witness Thomas  
4 Malan discusses the OUCC’s recommended operating revenue adjustments.

5 **Q: What level of operating revenues does the OUCC propose?**

6 A: The OUCC proposes total *pro forma* operating revenues of \$5,110,855 which is a \$81,696  
7 decrease over test year expenditures of \$5,192,551.<sup>8</sup> (OUCC Attachment JTC-1.)

#### V. REVENUE REQUIREMENT OFFSETS

8 **Q: What do you mean by “revenue requirement offset”?**

9 A: A revenue requirement offset recognizes other income or resources available to the utility  
10 to fund its revenue requirement. These other sources are not included in operating revenues  
11 or otherwise considered in the calculation of revenue requirement components. These  
12 offsets reduce the total revenue requirement thereby reducing the rate increase to  
13 ratepayers.

14 **Q: What revenue requirement offsets did Petitioner propose?**

15 A: Petitioner proposed a total revenue requirement offset of \$92,140. This includes three  
16 offsets: (1) \$25,630 for interest income, (2) \$19,271 for late fees, and (3) \$47,239 for other  
17 operating revenues.<sup>9</sup>

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<sup>8</sup> The OUCC’s operating revenues includes late fee revenues and other water revenues which Petitioner did not include in its calculation of operating revenues in its consulting report.

<sup>9</sup> Petitioner’s Exhibit 4, p. 21, attached to Petitioner’s Exhibit 3, Direct Testimony of Douglas L. Baldessari. Petitioner includes a revenue requirement offset it labels as “other income” of \$47,239. However, this is actually other operating revenues and includes non-recurring charges such as reconnection fees, bad check fees, etc.

1 **Q: Do you accept Petitioner’s proposed revenue requirement offsets?**

2 A: I accept Petitioner’s inclusion of interest income as a revenue requirement offset. However,  
3 I disagree with Petitioner’s inclusion of other operating revenues and late fees as a revenue  
4 requirement offset.

5 **Q: What revenue requirement offsets do you propose?**

6 A: I propose a total revenue requirement offset of \$89,212, which is composed of (1) \$63,582  
7 for tap fee revenues and (2) \$25,630 for interest income.

8 **Q: Why did you include tap fees as a revenue requirement offset?**

9 A: In response to OUCC Data Request Nos. 8-9 and 9-7 (OUCC Attachment JTC-2), Stucker  
10 Fork indicated that it does not capitalize labor related to performing customer taps nor does  
11 it capitalize materials and supplies when not purchased in bulk. Based on these responses,  
12 I concluded that most of the costs related to customer taps in the test year were expensed  
13 rather than capitalized. Since the costs of the customer taps in the test year are included in  
14 operating expenses and therefore a component of Petitioner’s revenue requirement, they  
15 should be offset by the revenues collected from customers to cover these costs through its  
16 non-recurring tap fee charge.

17 **Q: Does your inclusion of tap fees as a revenue requirement offset mean Petitioner has  
18 accounted for its tap fees incorrectly?**

19 A: No. Petitioner has accounted for its tap fees as contributions-in-aid of construction  
20 (“CIAC”) which is an appropriate accounting treatment. However, the labor and materials  
21 related to the tap fees recorded to CIAC were not capitalized, which created a mismatch  
22 between the fees collected (the CIAC included in the balance sheet) and the costs incurred  
23 (the uncapitalized labor and materials expenses included in the income statement). Both  
24 the fees and costs related to customer taps should be recorded in one financial statement,

1 either the balance sheet or the income statement. For ratemaking purposes, the easiest way  
2 to address this mismatch is to include tap fee revenues as a revenue requirement offset  
3 since Petitioner does not track the related labor or material costs and, therefore, the amount  
4 actually incurred is not known.

5 By correcting this imbalance in this manner, the risk of double recovery would be  
6 eliminated. If the mismatch is not addressed, Petitioner could recover the uncanceled  
7 labor and material costs related to customer taps through both the proposed revenue  
8 requirement and through its non-recurring tap fee charge.

9 **Q: How did you treat revenues from late fees?**

10 A: In my schedules, I include late fee revenues with “Revenues at current rates subject to  
11 increase.” The percentage used to calculate late fee revenues has not changed, however,  
12 the revenue this calculation is applied to will increase, which will therefore also increase  
13 late fee revenues.

14 **Q: How have you treated other operating revenues?**

15 A: In my schedules, I include other operating revenues with “Other revenues at current rates”  
16 rather than a revenue requirement offset.

## **VI. OPERATING EXPENSES, PERIODIC MAINTENANCE, AND DEPRECIATION**

### **A. Operating Expense Adjustments**

18 **Q: What operating expense adjustments did Petitioner propose?**

19 A: Petitioner proposes an increase of \$280,657 to test year operating expenses of \$3,874,478  
20 for a total *pro forma* operating and maintenance expense of \$4,155,135.<sup>10</sup> Petitioner  
21 proposes several operating and maintenance adjustments including adjustments to (1)

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<sup>10</sup> Total operating expense excludes depreciation.

1 purchased power, (2) salaries and wages, (3) periodic maintenance, (4) employee benefits,  
2 (5) insurance, (6) state board of accounts audit costs, and (7) annual accounting contractual  
3 services.<sup>11</sup>

4 **Q: Does the OUCC accept any of Petitioner's proposed operating expense adjustments?**

5 A: Yes. The OUCC accepts Petitioner's proposed adjustments for purchased power, insurance  
6 SBOA audit costs, and annual accounting contractual services. However, the OUCC does  
7 not accept Petitioner's adjustments for salaries and wages, periodic maintenance, and  
8 employee benefits. Salaries and wages and employee benefits (PERF and FICA) are  
9 addressed in the testimony of OUCC Witness Thomas Malan. Periodic maintenance is  
10 addressed in the testimony of Ms. Willoughby.

11 **Q: Does the OUCC recommend any additional adjustments to test year operating**  
12 **expenses?**

13 A: Yes. I recommend an adjustment to remove non-recurring and capital expenditures from  
14 the test year. Mr. Malan recommends a system delivery expense adjustment and removal  
15 of a non-recurring transportation expense.

16 **Q: What level of operating expenses does the OUCC recommend?**

17 A: The OUCC recommends that Petitioner's *pro forma* operating and maintenance expense is  
18 \$3,891,912, which is a \$17,434 increase to its test year operating expenses of \$3,874,478.<sup>12</sup>  
19 (OUCC Attachment JTC-1.)

20 **Q: Did Petitioner make an adjustment for non-recurring or capital expenditures?**

21 A: No. Petitioner did not make an adjustment to remove non-recurring or capital expenditures  
22 that are included in its test year expenses.

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<sup>11</sup> Petitioner's Exhibit 4, pp. 7-21, attached to Petitioner's Exhibit 3, Direct Testimony of Douglas L. Baldessari.

<sup>12</sup> Total operating expense excludes depreciation and amortization.

1 **Q: Does the OUCC propose any adjustments for non-recurring or capital expenditures?**

2 A: Yes. I recommend two adjustments to eliminate non-recurring or capital expenditures from  
3 test year operating expenses, including removal of non-recurring legal expenses and  
4 removal of costs that are capital in nature. Mr. Malan recommends the removal of a non-  
5 recurring transportation expense.

6 **Q: Please explain your recommended adjustment to remove non-recurring test year legal**  
7 **expenses.**

8 A: Petitioner incurred \$17,389 of test year legal expenditures associated with its litigation with  
9 Washington Township.<sup>13</sup> (OUCC Attachment JTC-2.) Petitioner's litigation with  
10 Washington Township related to Washington Township's failure to pay its obligatory  
11 minimum charge under its contract is not an expense Petitioner will incur on a recurring,  
12 annual basis. Therefore, including these expenses in Petitioner's operating and  
13 maintenance expense to calculate rates is not representative of what it will incur on an  
14 annual basis.

15 **Q: Please explain your recommended adjustment to remove test year meter costs that**  
16 **should have been capitalized.**

17 A: I recommend that an invoice for \$20,400 for 60 5/8" meters be capitalized. (OUCC  
18 Attachment JTC-3.) Capitalizing this invoice for meters is aligned with Petitioner's  
19 capitalization policy and its standing practice of capitalizing meters as Petitioner admits in  
20 response to OUCC Data Request 9-5. (OUCC Attachment JTC-2.)

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<sup>13</sup> Amount of legal fees included identified in Petitioner's response to OUCC Data Request 8-6.

1 **Q: Did you include these meter costs in your determination of your recommended**  
2 **depreciation expense?**

3 A: Yes. Because I propose this invoice be capitalized, I include the \$20,400 of meter costs in  
4 my calculation of Petitioner's utility plant in service to calculate my recommended  
5 depreciation expense, which I discuss further below.

6 **B. Periodic Maintenance**

7 **Q: What adjustment does Petitioner propose to its periodic maintenance expense?**

8 A: Petitioner proposes periodic maintenance expense of \$485,120, which is a \$48,960 increase  
9 over test year periodic maintenance expense of \$436,160.<sup>14</sup>

10 **Q: Has Petitioner consistently maintained its restricted account for periodic**  
11 **maintenance?**

12 A: Yes. The periodic maintenance revenue requirement approved in Cause 44987 (\$340,328)  
13 was required to be maintained through a restricted account. In each subsequent IURC  
14 annual report, Petitioner reported its annual periodic maintenance expenditures, the amount  
15 deposited to the restricted account, and the beginning and ending balance of its restricted  
16 account. In each year, Petitioner deposited the required \$340,328 of funds to the restricted  
17 account.

**Table 2: Periodic Maintenance Yearly Balances**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Beginning Balance	\$ 772,111	\$ 744,788	\$ 519,724	\$ 230,679	\$ 157,302	\$ 72,930
Yearly Deposits	340,332	340,332	340,332	340,323	340,334	85,081
Yearly Expenses	(447,123)	(313,009)	(115,277)	(51,278)	(266,957)	(709)
Ending Balance	<u>\$ 665,321</u>	<u>\$ 772,111</u>	<u>\$ 744,788</u>	<u>\$ 519,724</u>	<u>\$ 230,679</u>	<u>\$ 157,302</u>

<sup>14</sup> Petitioner's Exhibit 4, pp. 10-13, attached to Petitioner's Exhibit 3, Direct Testimony of Douglas L. Baldessari.



1 **Q: Should Petitioner be required to continue this restricted account?**

2 A: Yes. As evidenced by Table-2 and as recommended by Ms. Willoughby, Petitioner should  
3 be required to maintain the restricted account for all periodic maintenance.

4 **Q: Do you have any other recommendations?**

5 A: Yes. To alleviate the burdens experienced by both Stucker Fork and the OUCC with respect  
6 to discovery and review of the periodic maintenance costs and invoices, Ms. Willoughby  
7 recommends Petitioner keep an audit file to simplify and facilitate a more efficient and  
8 effective process for the review of actual periodic maintenance costs and invoices, with the  
9 intention of further alleviating the need for burdensome discovery in Petitioner's next rate  
10 case. Therefore, the OUCC recommends Petitioner maintain an audit file that includes all  
11 periodic maintenance invoices which exceed \$5,000. Petitioner could more readily and  
12 easily identify and store such periodic maintenance invoices at the time they are paid and  
13 maintain such an audit file until the time of Petitioner's next rate case. Providing such an  
14 audit file at the outset of Petitioner's rate case filing would alleviate much of the need for  
15 such discovery.

16 **Q: Does the OUCC accept Petitioner's proposed adjustment to its periodic maintenance**  
17 **expense?**

18 A: No. Please refer to Ms. Willoughby's testimony for an in-depth explanation of the OUCC's  
19 position.

20 **Q: What level of periodic maintenance expense does the OUCC recommend?**

21 A: The OUCC recommends a periodic maintenance expense of \$403,500 which is a \$32,660  
22 decrease to test year expenditures of \$436,160. (OUCC Attachment JTC-1.)

23 **Q: Does the OUCC have additional recommendations regarding periodic maintenance?**

24 A: Yes. Ms. Willoughby makes additional recommendations with respect to periodic  
25 maintenance which include: continuing the restricted account, continuing the reporting

1 requirements, continuing the tracking requirements, having Petitioner develop and  
2 maintain a periodic maintenance schedule, and having Petitioner create and maintain an  
3 audit file (with the parameters as I describe above).

4 **C. Depreciation Expense**

5 **1. Depreciation Expense**

6 **Q: Did Petitioner request recovery of extensions and replacements or depreciation as a**  
7 **revenue requirement in this case?**

8 A: Petitioner requested to recover depreciation expense. Petitioner calculated its depreciable  
9 utility plant in service (“UPIS”) by taking its UPIS as of December 31, 2023 of  
10 \$50,086,638 and subtracting land and land rights of \$585,142 to calculate a depreciable  
11 UPIS of \$49,501,496. Petitioner then multiplied the depreciable UPIS by the  
12 Commission’s composite depreciation rate for utilities with a treatment plant (2.0%) to  
13 calculate an annual depreciation allowance of \$990,030.<sup>15</sup>

14 **Q: Is Petitioner properly tracking and recording when assets are retired, sold, or**  
15 **otherwise taken out of service?**

16 A: No. Petitioner admits in OUCC Data Request 8-8 that it does not track when assets are  
17 removed from service but will endeavor to do so prospectively. (OUCC Attachment JTC-  
18 2). Since Petitioner does not properly record the retirement of assets, Petitioner’s valuation  
19 of utility plant in service contains plant that is no longer being used by Petitioner for the  
20 provision of water service. Effectively, Petitioner is requesting to recover from its  
21 ratepayers depreciation for plant that is no longer being used to provide water service.

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<sup>15</sup> Petitioner’s Exhibit 4, p. 22, attached to Petitioner’s Exhibit 3, Direct Testimony of Douglas L. Baldessari.

1 **Q: Do you accept Petitioner’s proposed depreciation expense?**

2 A: No. For the foregoing reasons, I do not accept Petitioner’s calculation of depreciation  
3 expense.

4 **Q: Does Petitioner currently amortize its contributed plant assets?**

5 A: No. Petitioner does not currently recognize amortization of CIAC as an offset to  
6 depreciation expense.

7 **Q: What do you propose regarding Petitioner’s depreciation expense?**

8 A: Because Petitioner does not track which assets it has taken out of service or which assets it  
9 has retired, the OUCC cannot review the full extent of assets which have not been fully  
10 depreciated, are no longer in service, but have not been retired, and the OUCC cannot  
11 calculate the true and accurate depreciation expense.

12 As a result, I recommend that the Commission require the amortization of  
13 contributions-in-aid of construction (“CIAC”) at the composite rate (2%) and recognize the  
14 amortization of CIAC as an offset to depreciation.

15 **Q: What depreciation expense does the OUCC recommend?**

16 A: The OUCC recommends depreciation expense of \$777,391. (OUCC Attachment JTC-1.)

17 **Q: Please provide your basis or bases for the OUCC’s depreciation expense  
18 recommendation.**

19 A: I calculate Petitioner’s depreciable plant to be \$49,521,896.<sup>16</sup> Using the composite rate,  
20 depreciation expense is \$990,438.

21 The offsetting amortization of CIAC is calculated by taking 2% of Petitioner’s  
22 gross CIAC of \$10,652,352, resulting in an amortization of (\$213,047). Netting the two  
23 results in a net recovery of \$777,391 for depreciation expense.

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<sup>16</sup> Gross UPIS at 12/31/2023 + Additions – Land & Land Rights = \$50,086,638 + \$20,400 - \$585,142 = \$49,521,896.

1                   **2. Amortization of Contributions-In-Aid of Construction (“CIAC”)**

2   **Q: Why should Petitioner be required to recognize the amortization of CIAC as an offset**  
3   **to depreciation expense?**

4   A: When a utility is allowed recovery of depreciation on CIAC without an offsetting  
5   amortization, the utility receives the “return of” an original investment for which the utility  
6   has no cost basis. That depreciation amount embedded in rates is not restricted to being  
7   used to replace the contributed asset (or the asset funded by a cash contribution). Therefore,  
8   utilities receive both the initial contribution of an asset by a third-party, and the recovery,  
9   from ratepayers, of depreciation of zero-cost assets.

10 **Q: What do you mean when you say that depreciation is not restricted?**

11 A: Cash is fungible; while the depreciation a utility recovers from a contributed asset may be  
12 used to replace that asset, some utilities do not restrict the depreciation funds to replace  
13 assets. This fact is evidenced by Stucker Fork itself. In Petitioner’s consultant’s report, it  
14 provides a recommended balance for its improvements fund for “replacements and  
15 improvements” equal to one year’s worth of depreciation.<sup>17</sup> However, it states that no  
16 minimum balance for this fund is required, which means that there are no restrictions on  
17 how the Petitioner uses the funds that it recovers from depreciation of CIAC.<sup>18</sup> These funds  
18 could be and are planned to be used by Petitioner to fund work trucks, booster station  
19 switch gears, treatment plant expansions, and main replacements.<sup>19</sup> Nevertheless, as the  
20 fund has no minimum balance and Petitioner has no ordinance, resolution, or other  
21 requirement to make and restrict this recommended deposit for improvements, Petitioner  
22 could use the funds for non-capital expenditures. Effectively, if the utility is short on funds,

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<sup>17</sup> Petitioner’s Exhibit 4, p. 56.

<sup>18</sup> *Id.*

<sup>19</sup> Direct Testimony, Douglas L. Baldessari, p. 10 ll. 9-15.

1 Petitioner could use the funds recovered from the depreciation of CIAC to fund O&M  
2 expenditures. Petitioner could use these funds to purchase uniforms, office supplies, or any  
3 other various non-capital items. Therefore, funding from the depreciation of CIAC is not  
4 restricted to only replacing the assets that were originally funded.

5 **Q: Are there existing mechanisms for utilities to promptly and adequately recover its**  
6 **depreciation?**

7 A: Yes. Indiana implemented the distribution system improvement charge (“DSIC”) in 2000  
8 which currently allows for municipally owned utilities to file an expedited case to recover  
9 depreciation expenses for eligible infrastructure improvements. Prior to the  
10 implementation of the DSIC, not requiring the amortization of CIAC may have assisted in  
11 providing cash flows to utilities between rate cases to fund investing in and replacing  
12 infrastructure. However, with the implementation of the DSIC, utilities have a mechanism  
13 to expeditiously recover depreciation cash flows that it can use to reinvest and address  
14 capital needs between its rate cases. There is no longer the same need to supplement utility  
15 cash flows to provide utilities the funds it requires to replace its aging infrastructure as this  
16 need is met by the DSIC mechanism.

17 **Q: Does the National Association of Regulatory Utility Commissioners (“NARUC”)**  
18 **Uniform System of Accounts (“USoA”) allow for the amortization of CIAC?**

19 A: Yes. Pursuant to the NARUC USoA CIAC (Account 271), shall reflect the amortization of  
20 CIAC, “if recognized by the Commission.”<sup>20</sup> Simply put, the NARUC USoA states that it  
21 is the Commission’s decision to allow for the amortization of CIAC.

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<sup>20</sup> NARUC USoA for Class A Water Utilities, page 89.

1 **Q: Do other jurisdictions allow for the amortization of CIAC?**

2 A: Yes; Indiana is one of a few remaining jurisdictions that does not require the amortization  
3 of CIAC. At the federal level, the Federal Energy Regulatory Commission (“FERC”)  
4 requires that contributions be removed from UPIS before applicable depreciation rates are  
5 applied, effectively eliminating any depreciation of contributions.<sup>21</sup>

6 **Q: Does existing Commission precedent direct that CIAC be required to be amortized?**

7 A: The Commission’s existing precedent is that it will consider the amortization of CIAC in  
8 which a utility is troubled or has a small rate base:<sup>22</sup>

9 We have previously rejected . . . arguments that allowing depreciation on  
10 CIAC without amortization allows a utility return on capital that was never  
11 provided by the investor and could result in negative rate base. [The] first  
12 argument fails to consider that the capital resulting from depreciation on  
13 CIAC can be used to replace the assets using zero cost capital rather than  
14 more costly external funding. [The] second contention about the possibility  
15 of negative rate base is not a concern for Indiana American, as we have  
16 previously found. E.g., 2004 Rate Order at 92-93. The Commission notes,  
17 however, that if a utility were troubled or had a small rate base, we could  
18 consider and address the amortization of CIAC. Id.; *In the Matter of the*  
19 *Petition of Twin Lakes Utilities, Inc.*, Cause No. 43128, 19-20 (IURC  
20 1/16/08). For the foregoing reasons, we again reject the OUCC's proposal to  
21 amortize CIAC.

22 However, the Commission also provides in its *Indiana American Water Company,*  
23 *Inc.* 2004 Final Order in Cause No. 42520:

24 As we indicated previously, we are not averse to reconsidering our existing  
25 policies and practices, however, we depart from such practices only after  
26 very careful consideration convinces us that new evidence or circumstances  
27 warrant a change. We believe as a general matter that stability and  
28 predictability in regulatory policy is desirable. We do not change course  
29 simply to side with the majority. While the positions of other state  
30 commissions may be of interest, this Commission is duty-bound to make its  
31 own independent decisions on what is best for Indiana.

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<sup>21</sup> Accounting for Public Utilities; Hahne & Aliff; Matthew Bender & Co., Inc.; § 4.04[7], page 4-39.

<sup>22</sup> *Indiana American. Water Company Inc.*, Cause No. 43680, Final Order, 85-86 (IURC Apr. 30, 2010).

1 **Q: Are there additional circumstances or considerations distinguishing prior**  
2 **Commission precedent, or which warrant reconsideration of existing precedent?**

3 A: Yes. In addition to the bases I have set forth above, there are new circumstances and  
4 considerations that have developed since the Commission's precedent. In addition to the  
5 DSIC, I describe above, the Indiana legislature passed the service enhancement  
6 improvement charge ("SEI") in 2020.

7 The SEI mechanism allows municipal utilities to recover depreciation on eligible  
8 plant through an expedited filing. Between both the DSIC and SEI mechanisms, utilities  
9 can expeditiously begin recovering costs and depreciation on a vast amount of capital  
10 additions between its rate cases. The DSIC and SEI mechanisms provide utilities with  
11 expedited cash flows to invest in and replace its infrastructure. In addition, these  
12 mechanisms remove the negative regulatory aspects that may arise from not requiring the  
13 amortization of CIAC that may have been supplementing these investments previously.

14 Therefore, considering the enhanced ability and advantageous ratemaking that  
15 these mechanisms provide in encouraging and facilitating investment in infrastructure,  
16 unamortized CIAC is no longer necessary to the same extent to ensure replacement of  
17 infrastructure. In addition, it is reasonable in this Cause to require Petitioner to amortize  
18 CIAC to offset depreciation to address Petitioner's excess depreciation that results for its  
19 practice of not recording retirements on a continuing and consistent basis.

## **VII. RATE CASE EXPENSE**

20 **Q: What does Petitioner propose for its rate case expense in this case?**

21 A: Petitioner proposes that it be allowed to include \$325,000 of rate case expense in the bond  
22 issuance costs being funded by the debt issuance for the Marble Hill expansion project.

1           Therefore, these costs are included in the annual debt service and debt service reserve it  
2           seeks to recover in rates in this Cause.<sup>23</sup>

3   **Q:   Do you accept Petitioner’s proposed rate case expense?**

4   A:   As proposed, I would not consider Petitioner’s rate case expense to be reasonable when  
5           compared against costs incurred for other larger utilities and more complex rate cases.

6           However, Petitioner’s proposed rate case expense would be reasonable in light of  
7           the subdocket. Petitioner’s case in chief does not justify its level of rate case expense.  
8           Petitioner’s case in chief is lacking in detail and explanation and is significantly premature  
9           with respect to the Marble Hill expansion (as detailed by Ms. Willoughby). As a result, the  
10          OUCC has had to engage in more burdensome discovery to develop the detail and  
11          information necessary to review and consider Petitioner’s rate increase than would have  
12          otherwise been necessary had Petitioner included sufficient detail, support and explanation  
13          in its case in chief. Furthermore, with respect to Marble Hill, Petitioner’s case is premature,  
14          and it could not have provided sufficient evidence and explanation, because that does not  
15          yet exist.

16   **Q:   Would the necessity of a subdocket be required had Petitioner fully developed and**  
17   **presented complete and sufficient evidence regarding the Marble Hill expansion?**

18   A:   No. Petitioner filed this case prematurely. Had Petitioner already prepared and developed  
19          the engineering, cost information, and documentation to adequately support and explain  
20          the basis for an expansion or the extent of expansion needed, a subdocket would not have  
21          been needed. However, as further explained in Ms. Willoughby’s testimony, Petitioner did  
22          not do this.

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<sup>23</sup> Petitioner’s Exhibit 4, p. 17, attached to Petitioner’s Exhibit 3, Direct Testimony of Douglas L. Baldessari.



1           The subdocket is needed for the receipt of sufficient evidence, omitted from  
2           Petitioner’s case in chief, and including the documents and information as set forth and  
3           recommended in Ms. Willoughby’s testimony. As Ms. Willoughby testifies, Petitioner has  
4           not completed current or sufficient design drawings, reasonably accurate or reliable project  
5           cost estimates, an anticipated project schedule, nor specific justification as to the need for  
6           the expansion or extent of expansion needed.

7   **Q:   How did Petitioner estimate its rate case expense?**

8   A:   Petitioner essentially used “back of the envelope” estimates provided by its consultants and  
9           contracted providers.<sup>24</sup> The estimates provided appear to have been conclusory blanket  
10          statements by each consultant, without the support the Commission requested in at least  
11          the last contested rate case in which the Commission found:<sup>25</sup>

12               As indicated by the OUCC, Petitioner bears the burden of supporting its  
13               requested rate case expense and such evidence should be presented in its  
14               case-in-chief. In addition to any testimonial evidence, Petitioner's evidence  
15               should also consist of supporting documentation, such as billing records and  
16               receipts. The fact that the amount of requested rate case expense is identical  
17               to the amount requested in a prior rate case does not make it reasonable per  
18               se. Notwithstanding, after considering the unamortized rate case expense  
19               from Cause No. 44164, the costs that Stucker Fork indicated that it has  
20               incurred to date, and the estimated costs it expects to incur to complete the  
21               rate case, we find that Stucker Fork's rate case expense should be approved.  
22               In the future, however, we expect Petitioner to ensure its requested relief is  
23               adequately supported with testimony and documentation in its initial filing.

24           Bose McKinney & Evans LLP estimated its rate case expense based on its recent  
25           history and the expectation that Morgan Foods would intervene, without detailed  
26           explanation, stating “why don’t we plan on using 125 k from my perspective.”<sup>26</sup>

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<sup>24</sup> See OUCC Attachment JTC-4

<sup>25</sup> *Stucker Fork Conservancy District*, Cause No. 44687, Final Order, 13 (IURC Dec. 14, 2016).

<sup>26</sup> See OUCC Attachment JTC-4

1           Midwestern Engineers, Inc. estimated its costs stating, “I would estimate \$50,000.00 for  
2           Midwestern’s fees.”<sup>27</sup> Fortunately, while not comprehensive, Baker Tilly responded with  
3           more specific justification for its cost by stating its current work-in-progress actual costs,  
4           comparing to a prior rate case, and estimating what it will be in this case after inflation.<sup>28</sup>

5           **Q: Do you consider Petitioner’s rate case expense to be reasonable for Phase I?**

6           A: No. Below, I include my review of rate case expense for other utilities, which are more  
7           complex both as to their operations and rate case issues and components. The City of  
8           Anderson’s rate case under Cause No. 46171 is estimated to cost \$299,500. (OUCC  
9           Attachment JTC-5.) In Cause No. 45719, The City of South Bend’s estimated rate case  
10          expense was \$240,000. (OUCC Attachment JTC-5.)

11          **Q: How does Cause No. 46171 compare to this Cause?**

12          A: My analysis of the City of Anderson’s rate case expense uses its request in that case, which  
13          is based on an estimate, since the Cause is pending and has not been concluded. The City  
14          of Anderson, under Cause No. 46171, has a revenue requirement consultant, a cost-of-  
15          service consultant, an engineering consultant, and regulatory counsel. Anderson’s case  
16          includes a five-phased increase and well over \$100 million in bond issuances. In addition,  
17          Anderson’s engineering consultant provided and testified to a preliminary engineering  
18          report (“PER”) consisting of over 300 pages for its projects.<sup>29</sup>

19                 Stucker Fork, for comparison has a revenue requirement and cost-of-service  
20          consultant, an engineering consultant, and regulatory counsel. Stucker Fork based its rate  
21          case expense estimate, in part, on its case in chief which, as proposed, only includes a

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<sup>27</sup> See OUCC Attachment JTC-4

<sup>28</sup> See OUCC Attachment JTC-4

<sup>29</sup>Stucker Fork has not presented a PER in its case in chief in its rate case.

1 historic test year and one phase for the imposition of new rates as proposed, and an  
2 approximate \$7.4 million in bond issuances. When compared to the rate case expense  
3 estimated and requested by Anderson, Stucker Fork's estimate and request appear  
4 excessive.

5 **Q: How does Cause No. 45719 compare to this Cause?**

6 A: My analysis of South Bend's rate case expense uses its request in that case, which is based  
7 on an estimate; rate case expense was not specifically delineated in the order or in the  
8 Settlement Agreement for the settled case. The City of South Bend included \$75,000 for its  
9 rate consultant, Baker Tilly, an additional \$25,000 for true-up needs, \$100,000 for legal  
10 counsel, and \$40,000 for engineering support. South Bend's case was a two-phased  
11 increase. South Bend's case included additional case work to remove the Utility Receipts  
12 Tax and included financing authority for more than \$40 million. When compared to the  
13 rate case expense estimated and requested by South Bend, Stucker Fork's estimate and  
14 request appear excessive.<sup>30</sup>

15 **Q: If the Commission were to reject the inclusion of a subdocket for the Marble Hill**  
16 **expansion, would your proposed rate case expense change?**

17 A: No. Based on my analysis of Petitioner's rate case expense, without the inclusion of a  
18 subdocket in this case, the estimated rate case expense of \$325,000 is unreasonable. I would  
19 recommend the Commission accept my allowance for rate case costs of \$275,000 to be  
20 funded through debt and therefore recovered through debt service and debt service reserve.  
21 However, given the establishment of a subdocket, rate case expense of \$325,000 would  
22 then be considered reasonable.

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<sup>30</sup> Anderson's estimated cost-of-service study costs in Cause No. 46171 are estimated to be \$29,500.

### **VIII. SYSTEM DEVELOPMENT CHARGE**

1 **Q: What is a system development charge?**

2 A: A system development charge (“SDC”) is “a one-time customer charge paid by a new water  
3 system customer for system capacity or an existing customer requiring increased system  
4 capacity.” *Principles of Water Rates, Fees, and Charges*, American Water Works  
5 (AWWA) M1 Manual, Sixth Edition, 2012, page 261. A system development charge is  
6 also referred to as an impact fee, capacity fee, contribution fee, or a capital recovery fee.  
7 The core principle of a system development charge is that “growth pays for growth”.<sup>31</sup>  
8 SDCs are beneficial because they will usually keep utility rates lower than if the utility  
9 invested or financed its own capital to fund growth related capital projects.

10 **Q: Does Petitioner currently have a system development charge?**

11 A: No. Petitioner does not currently have an approved system development charge on its tariff.

12 **Q: Is Petitioner expecting growth in the upcoming years?**

13 A: Yes. As Richard A. Burch discloses in his case-in-chief testimony on page 5, “The Board  
14 certainly anticipates a growth and a demand for water over the coming years.” In addition,  
15 on the engineering site visit on January 14, 2025, it was disclosed that a new customer had  
16 approached Petitioner and inquired about Petitioner’s ability to provide water service and  
17 if Petitioner had the capacity to do so. In response to Petitioner’s current capacity restraints  
18 and because of the anticipated growth and increase in demand for water, Petitioner has  
19 proposed to finance an expansion to the Marble Hill treatment plant, a growth-related  
20 capital project.

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<sup>31</sup> *Principles of Water Rates, Fees, and Charges*, American Water Works (AWWA) M1 Manual, Sixth Edition, 2012, page 262.

1 **Q: Is Petitioner’s growth paying for the expansion at Marble Hill?**

2 A: No. Petitioner’s customer growth is not paying for water treatment capacity growth.  
3 Petitioner does not have a SDC, and, as a result, Petitioner’s current customers are having  
4 to pay for and subsidize the cost for Petitioner’s growth-related capital projects. Existing  
5 customers will pay the entire bill for treatment capacity that is not necessary to serve them.

6 **Q: Do you have a recommendation for Petitioner?**

7 A: Yes, I recommend Petitioner to establish a system development charge. Going forward,  
8 this will ensure that new customers are paying their share of the costs, and that growth is  
9 paying for growth. Ultimately, developing an SDC will reduce the financial impact on  
10 existing customers having to pay for growth-related capital projects when that project is  
11 not needed to continue providing service to existing customers.

12 **Q: What methodology do you recommend should Petitioner choose to establish an SDC?**

13 A: I recommend Petitioner use the incremental cost methodology, otherwise known as the  
14 marginal cost method. I encourage the incremental cost methodology because it “is most  
15 commonly used where SDCs are used to finance capital expansion as well as to recoup  
16 investments creating excess capacity for new development.”<sup>32</sup> Additionally, “[the  
17 incremental] method is considered most appropriate when the existing system does not  
18 have sufficient available capacity, and a significant portion of the capacity required to serve  
19 new customers must be provided by the construction of new facilities.”<sup>33</sup> Based on the  
20 current parameters of Petitioner’s needs and capacity, the incremental methodology is the  
21 best fit.

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<sup>32</sup> Nelson, Arthur. *System Development Charges for Water, Wastewater, and Stormwater Facilities*. CRC Press, 1995.

<sup>33</sup> *Principles of Water Rates, Fees, and Charges*, American Water Works (AWWA) M1 Manual, Sixth Edition, 2012, page 270.

1 **Q: Do you have any other recommendation should Petitioner choose to establish an**  
2 **SDC?**

3 A: Yes. Should Stucker Fork choose to establish an SDC, for instance, as part of the  
4 subdocket, I would recommend Stucker Fork coordinate a pre-filing meeting at which the  
5 OUCC and Morgan Foods could participate in order to discuss the SDC and attempt to  
6 alleviate the potential for disagreement in the subdocket as to the SDC.

### **IX. COSS AND ELIMINATION OF SUBSIDIES**

7 **Q: What do you recommend regarding the Cost-of-Service Study?**

8 A: I recommend the Commission accept OUCC consulting witness Jerome Mierzwa's Cost-  
9 of-Service recommendations.

10 **Q: What treatment does Petitioner include for the elimination of Morgan Foods**  
11 **subsidies?**

12 A: Petitioner included a settlement agreement between it and Morgan Foods as Exhibit 5. The  
13 settlement agreement proposes to eliminate the subsidy for Morgan Foods in two phases  
14 with a 50% reduction in this rate case, and a 50% reduction in a second phase, which would  
15 be required as follows:<sup>34</sup>

16 The second phase will occur on the later of: (i) issuance of a  
17 Commission Order in Stucker Fork's next general rate case; or (ii)  
18 five (5) years from the date of an Order in Stucker Fork's upcoming  
19 rate case.

20 **Q: Do you have concerns with this proposal for the elimination of Morgan Foods'**  
21 **subsidies?**

22 A: Yes. It is unreasonable to delay subsidies that other rate classes are paying and providing  
23 to Morgan Foods for such an extended and indefinite period. There is no legal requirement  
24 for Stucker Fork to petition for new base rates and charges within a set time period. This

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<sup>34</sup> Petitioner's Exhibit 5, pp. 2 attached to the case-in-chief testimony of Douglas L. Baldessari.

1 provision prohibits the elimination of remaining subsidies for at least five years. Thereafter,  
2 the subsidies would continue indefinitely, until Stucker Fork chose to petition for new rates  
3 and charges.

4 **Q: What does the OUCC recommend for the elimination of the remaining Morgan Foods**  
5 **subsidies?**

6 A: The OUCC recommends the remaining Morgan Foods subsidies be eliminated not later  
7 than five years after the Commission issues its final order in this Cause. The OUCC  
8 recommends the Commission order that the subsidies be eliminated through a docketed  
9 proceeding the earlier of Petitioner's next rate case, or five years after the final order is  
10 issued in this Cause.

#### **X. CONCLUSION**

11 **Q: Please summarize your recommendations for the Commission.**

12 A: I recommend that the Commission order the following:

- 13 1) The Commission deny Petitioner's proposed debt service and debt service reserve for  
14 the Marble Hill expansion and subsequently approve a subdocket to this Cause for  
15 Petitioner to substantiate its planned expansion.
- 16 2) Petitioner be allowed a Phase I rate increase of 12.67% to its rates and charges which  
17 will produce an additional \$641,510 of additional revenues.
- 18 3) The Commission require Petitioner to continue to restrict its periodic maintenance funds  
19 and continue to provide annual periodic maintenance expense reports with its annual  
20 IURC filing, and continue to track periodic maintenance, in accordance with Ms.  
21 Willoughby's testimony.

- 1           4) The Commission require Petitioner to implement and maintain a periodic maintenance  
2           schedule and an audit file containing periodic maintenance expenses it incurs greater  
3           than \$5,000.
- 4           5) The Commission accept the principle of the amortization of CIAC as an offset to  
5           depreciation expense for this Cause to offset Petitioner's overstated utility plant in  
6           service balance and resulting overstated depreciation expense.
- 7           6) The Commission order Petitioner to track its plant retirements prospectively to allow  
8           for a more appropriate calculation of depreciation if Petitioner requests it again in a  
9           future proceeding.
- 10          7) The Commission accept OUCC consulting witness Jerome Mierzwa's Cost-of-Service  
11          recommendations, and I recommend the remaining subsidies for Morgan Foods be  
12          eliminated in Petitioner's next rate case, or within five years, whichever is earlier.

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

14   A: Yes.



**APPENDIX A TO TESTIMONY OF**  
**OUCW WITNESS JASON T. COMPTON**

1 **Q: Describe your educational background and experience.**

2 A: I graduated from Indiana University Bloomington with a Bachelor of Science in  
3 Accounting in May 2022 and a Master of Science in Accounting with Data and Analytics  
4 in May 2023. Throughout my undergraduate education, I worked as an undergraduate  
5 instructor for Indiana University Bloomington, teaching the lab portion of a web  
6 development and data analytics class, CSCI-A110. From May 2022 through August 2022,  
7 I worked as a Staff Accounting Intern for Greystone Property Management Company  
8 where I was responsible for completing daily bank reconciliations, truing up accruals, and  
9 preparing monthly financial reports for nine properties. In May 2023, I began my  
10 employment with the Indiana Office of Utility Consumer Counselor (“OUCC”) as a Utility  
11 Analyst in the Water and Wastewater Division. My current responsibilities include  
12 reviewing accounting adjustments to expenses and revenues, verifying revenue  
13 requirements, and performing data analyses for proposed models. In May 2024, I attended  
14 the National Association of Utility Regulatory Commissioners’ Spring 2024 Rate School.

15 **Q: Have you previously testified before the Commission?**

16 A: Yes. I have testified before the Commission in general rate cases, distribution system  
17 improvement charges (DSIC), special contracts, and small utility filings.

**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 "Jason Compton". The signature is written in black ink on a light-colored background.

By: Jason T. Compton, Utility Analyst

Cause No. 46167

Office of Utility Consumer Counselor (OUCC)

Date: March 4, 2025

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

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

	<u>Per</u> <u>Petitioner</u>	<u>Per</u> <u>OUCC</u>	<u>Sch</u> <u>Ref</u>	<u>OUCC</u> <u>More (Less)</u>
1 Operating Expenses	\$ 4,155,135	\$ 3,891,912	4	\$ (263,223)
2 Depreciation Expense	990,030	990,438	7-1	408
3 Amortization of CIAC		(213,047)	7-2	(213,047)
4 Payment in Lieu of Taxes	-	-	8	-
5 Working Capital	-	-	9	-
6 Debt Service	1,450,815	1,157,063	10	(293,752)
7 Debt Service Reserve	73,961	15,211	11	(58,750)
8 Total Revenue Requirements	6,669,941	5,841,577		(828,364)
9 Less Revenue Requirement Offsets:				
10 Interest Income	(25,630)	(25,630)	3	-
11 Tap Fee Revenues	-	(63,582)	DR 8-17	(63,582)
12 Late Fees	(19,271)	-		19,271
13 Net Revenue Requirement	6,625,040	5,752,365		(872,675)
14 Less: Revenues at current rates subject to increase	(5,002,874)	(5,063,616)	4	(60,742)
15 Other revenues not subject to increase	(47,239)	(47,239)	4	-
16 Recommended Increase	<u>\$ 1,574,927</u>	<u>\$ 641,510</u>		<u>\$ (933,417)</u>
17 Recommended Percentage Increase	<u>31.48%</u>	<u>12.67%</u>		<u>-18.81%</u>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

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

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
1 Operating Revenues			
2     Washington Township Settlement	\$ (105,069)	\$ (105,069)	\$ -
3     Test Year Residential Growth	-	18,978	18,978
4     Post-Test Year Residential Growth	-	(28,014)	(28,014)
5     Post-Test Year Commercial Growth	-	50,507	50,507
6     Remove Miscellaneous Capital Credits	(18,098)	(18,098)	-
7 Total Operating Revenues	<u>(123,167)</u>	<u>(81,696)</u>	<u>41,471</u>
8 O&M Expense			
9     Salaries and Wages	145,552	24,213	(121,339)
10    Periodic Maintenance	48,960	(32,660)	(81,620)
11    Employee Benefits	77,281	56,751	(20,530)
12    Insurance	17,028	17,028	-
13    SBOA Audit Fees	(13,500)	(13,500)	-
14    Accounting Contractual Services	5,336	5,336	-
Non-Recurring & Capital Expenditures	-	(45,570)	(45,570)
15    System Delivery Expense	-	5,836	5,836
16 Total Operating Expenses	<u>280,657</u>	<u>17,434</u>	<u>(263,223)</u>
17 Net Operating Income	<u>\$ (403,824)</u>	<u>\$ (99,130)</u>	<u>\$ 304,694</u>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**COMPARATIVE BALANCE SHEET**  
**As of December 31,**

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
1 Utility Plant:			
2     Utility Plant in Service	\$ 50,086,638	\$ 49,677,709	\$ 49,050,749
3     Less: Accumulated Depreciation	(20,040,643)	(19,050,613)	(18,068,761)
4     Net Utility Plant in Service	<u>30,045,995</u>	<u>30,627,096</u>	<u>30,981,988</u>
5 Restricted Assets			
6     Bond, Interest	86,133	85,670	871,069
7     Debt Service Reserve	398,282	371,730	353,990
8     Debt Service Reserve Investments	313,848	310,270	310,315
9     Total Special Assets	<u>798,263</u>	<u>767,670</u>	<u>1,535,374</u>
10 Current Assets:			
11     Cash and Cash Equivalents	846,151	880,311	686,891
12     Special Deposits			
13         Customer Deposits	450,490	443,071	434,051
14         Improvement Fund	821,438	740,657	664,576
15         Maintenance Fund	665,321	772,111	744,788
16         Construction Cash	8,500	-	-
17     Customer Accounts Receivable	553,506	549,789	533,307
18     Other Accounts Receivable	16,934	-	-
19     Prepayments	49,899	35,090	41,164
20     Total Current Assets	<u>3,412,239</u>	<u>3,421,029</u>	<u>3,104,777</u>
21 Deferred Debits			
22     Unamortized Debt Discount and Expense			
23         Bond Issuance Costs	512,074	555,653	599,232
24         Deferred Amount on Refunding	193,655	225,872	258,089
25     Miscellaneous Deferred Debits			
26         Deferred Rate Case Expense	-	42,274	130,184
27         Deferred Benefit Pension Outflows	243,828	237,388	236,274
28     Total Deferred Debits	<u>949,557</u>	<u>1,061,187</u>	<u>1,223,779</u>
29 <b>Total Assets</b>	<u><u>\$ 35,206,054</u></u>	<u><u>\$ 35,876,982</u></u>	<u><u>\$ 36,845,918</u></u>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**COMPARATIVE BALANCE SHEET**  
**As of December 31, 2023**

	<u><b>LIABILITIES</b></u>	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>
1	Equity			
2	Retained Earnings	\$ 9,650,719	\$ 9,675,325	\$ 9,878,627
3	Total Equity	<u>9,650,719</u>	<u>9,675,325</u>	<u>9,878,627</u>
4	Contributions in Aid of Construction			
5	Contributions in Aid of Construction, net	10,652,352	10,583,042	10,016,257
6	Accumulated Amortization of CIAC	-	-	-
7	Net Contributions-in-aid of Construction	<u>10,652,352</u>	<u>10,583,042</u>	<u>10,016,257</u>
8	Long-term Debt			
9	Bonds			
10	Refunding Revenue Bonds, Series 2014	565,000	835,000	1,355,000
11	Revenue Bonds, Series 2014	4,000,000	4,000,000	4,000,000
12	Revenue Bonds, Series 2017	2,360,000	2,475,000	2,705,000
13	Refunding Revenue Bonds, Series 2020	4,055,000	4,285,000	4,725,000
14	Revenue Bonds Series 2020	<u>2,341,000</u>	<u>2,360,000</u>	<u>2,365,000</u>
15	Total Long-term Debt	<u>13,321,000</u>	<u>13,955,000</u>	<u>15,150,000</u>
16	Current Liabilities			
17	Accounts Payable	47,009	110,795	74,370
18	Customer Deposits	431,067	424,107	408,968
19	Accrued Interest Payable	66,133	66,670	217,520
20	Accrued Taxes Payable	(5,448)	(85)	(2,707)
21	Other Current Liabilities			
22	Accrued Wages & Withholdings Payable	60,427	65,036	62,930
23	Net Pension Liability	<u>569,282</u>	<u>547,505</u>	<u>233,695</u>
24	Total Current Liabilities	<u>1,168,470</u>	<u>1,214,028</u>	<u>994,776</u>
25	Deferred Credits:			
26	Unamortized Premium on Debt	386,741	415,694	444,646
27	Other Deferred Credits	<u>26,772</u>	<u>33,893</u>	<u>361,612</u>
28	Total Deferred Credits	<u>413,513</u>	<u>449,587</u>	<u>806,258</u>
29	<b>Total Liabilities</b>	<u><u>\$ 35,206,054</u></u>	<u><u>\$ 35,876,982</u></u>	<u><u>\$ 36,845,918</u></u>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**COMPARATIVE INCOME STATEMENT**  
**Twelve Months Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
1 Operating Revenues			
2 Metered Sales			
3 Residential	\$ 2,480,281	\$ 2,439,341	\$ 2,380,714
4 Commercial	42,277	41,897	43,345
5 Industrial	1,324,805	1,531,874	1,380,513
6 Public Authority	67,596	78,856	61,844
7 Sale for Resale	988,824	770,345	796,765
8 <b>Total Metered Sales</b>	<u>4,903,783</u>	<u>4,862,313</u>	<u>4,663,181</u>
9 Fire Protection			
10 Public	167,477	167,407	171,468
11 Private	36,683	37,453	36,683
12 <b>Total Fire Protection</b>	<u>204,160</u>	<u>204,860</u>	<u>208,151</u>
13 Other Water Revenues			
14 Late Payment Fees	19,271	22,319	19,080
15 Other Water Revenues	65,337	71,454	55,195
16 <b>Total Other Water Revenues</b>	<u>84,608</u>	<u>93,773</u>	<u>74,275</u>
17 <b>Total Operating Revenues</b>	<u>5,192,551</u>	<u>5,160,946</u>	<u>4,945,607</u>
18 Operating Expenses			
19 Salaries and Wages			
20 Employees	1,131,213	1,095,914	1,034,184
21 Officers & Directors	3,760	3,880	4,200
22 Employee Benefits	565,230	505,347	437,805
23 Purchased Water	-	-	-
24 Purchased Power	575,832	493,802	434,469
25 Chemicals	277,990	372,828	249,340
26 Materials and Supplies	225,260	270,492	238,354
27 Contractual Services			
28 Accounting	126,064	85,150	73,004
29 Engineering	-	29,293	26,071
30 Legal	28,036	97,100	187,929
31 Other	751,473	571,186	289,521
32 Transportation Expense	83,570	96,911	70,105
33 Insurance			
34 Vehicle	11,475	10,617	9,897
35 General Liability	3,136	2,056	2,341
36 Workers' Compensation	9,053	18,535	10,477
37 Other	71,217	74,198	70,363
38 Advertising Expense	-	-	616
39 Regulatory Expense	42,274	87,911	136,908
40 Miscellaneous Expense	11,169	18,128	19,961
41 <b>Total O&amp;M Expense</b>	<u>3,916,752</u>	<u>3,833,348</u>	<u>3,295,545</u>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**COMPARATIVE INCOME STATEMENT**  
**Twelve Months Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
42 Depreciation Expense	990,030	981,852	969,312
43 Total Operating Expenses	<u>4,906,782</u>	<u>4,815,200</u>	<u>4,264,857</u>
44 Net Operating Income	285,769	345,746	680,750
45 Other Income: (Expenses):			
46 Interest Income	25,630	13,308	9,889
47 Gain (Loss) on Sale of Assets	-	80,450	-
48 Non-Utility Income	231,168	-	5,073
49 Non-Utility Expenses	-	(199)	-
50 Total Other Income (Expenses)	<u>256,798</u>	<u>93,559</u>	<u>14,962</u>
51 Interest Expense			
52 Interest Expense	520,329	595,763	503,980
53 Amortization of Debt Discount	75,796	75,796	75,795
54 Amortization of Debt Premium	(28,952)	(28,952)	(28,951)
55 Total Other Income (Expense)	<u>567,173</u>	<u>642,607</u>	<u>550,824</u>
56 Net Income	<u>\$ (24,606)</u>	<u>\$ (203,302)</u>	<u>\$ 144,888</u>



**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

*Pro Forma* Net Operating Income Statement

	Test Year Ended 12/31/2023	Adjustments	Sch Ref	Pro Forma Present Rates	Adjustments	Proposed Rates
1 Operating Revenues						
2 Metered Sales	\$ 4,903,783			\$ 4,840,185		
3 Washington Township Settlement		\$ (105,069)	Pet			
4 T.Y. Residential Normalization		18,978	5-1			
5 Post-Test Year Residential Growth		(28,014)	5-2			
6 Post-Test Year Commercial Growth		50,507	5-3			
7 Fire Protection	\$ 204,160	-		204,160		
8 Late Payment Fees	19,271			19,271		
9 Other Water Revenues	65,337	(18,098)	Pet	47,239		
10 Total Operating Revenues	<u>5,192,551</u>	<u>(81,696)</u>		<u>5,110,855</u>	<u>641,510</u>	<u>5,752,365</u>
11 O&M Expense						
12 Salaries and Wages						
13 Employees	1,131,213	24,213	6-1	1,155,426		1,155,426
14 Officers & Directors	3,760			3,760		3,760
15 Employee Benefits	565,230			621,981		621,981
16 FICA		1,965	6-2			
17 PERF		6,224	6-3			
18 Insurance		48,562	Pet			
19 Purchased Power	575,832	-	Pet	575,832		575,832
20 Chemicals	277,990			277,990		277,990
21 Materials and Supplies	225,260	(20,400)	6-5	204,860		204,860
22 Contractual Services						
23 Accounting	126,064			117,900		117,900
24 SBOA Audit Fees		(13,500)	Pet			
25 Baker Tilly Contractual Services		5,336	Pet			
26 Engineering	-			-		-
27 Legal	28,036	(17,389)	6-5	10,647		10,647
28 Other	751,473	(32,660)	6-6	718,813		718,813
29 Transportation Expense	83,570	(7,781)	6-5	75,789		75,789
30 Insurance	94,881	17,028	Pet	111,909		111,909
31 Miscellaneous Expense	11,169	5,836	6-4	17,005		17,005
32 Depreciation Expense	990,030	408	7-1	990,438		990,438
33 Amortization Expense	-	(213,047)	7-2	(213,047)		(213,047)
34 Total Operating Expenses	<u>4,864,508</u>	<u>(195,205)</u>		<u>4,669,303</u>	<u>-</u>	<u>4,669,303</u>
35 Net Operating Income	<u>\$ 328,043</u>	<u>\$ 113,509</u>		<u>\$ 441,552</u>	<u>\$ 641,510</u>	<u>\$ 1,083,062</u>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**OUCC Revenue Adjustments**

(1)

**Test Year Residential Normalization**

To normalize operating revenues to normalize test year residential customer growth.

Residential Customers as of 12/31/2023	7,856	
Times: 12 months	12	
Annualized Test Year Billings	<u>94,272</u>	
Less: Actual test year billings	<u>93,573</u>	
Additional Billings		699
Average test year Residential billing		<u>\$ 27.15</u>

**Adjustment Increase (Decrease)**

**\$ 18,978**

Residential Customer Bill

Test year revenue	\$ 2,540,673	
Test year billings	<u>93,573</u>	
Average Bill		<u>\$ 27.15</u>

(2)

**Post-test Year Residential Customer Growth**

To adjust operating revenues for post-test year residential customer growth.

Customer Count November 31, 2024	7,767	
Customer Count December 31, 2023	<u>7,856</u>	
Customer Growth		(89)
Number of Months		<u>12</u>
Increase Number of Bills		(1,068)
Average Post test year Residential Bill		<u>\$ 26.23</u>

**Adjustment Increase (Decrease)**

**\$ (28,014)**

Residential Customer Bill

Post Test year revenue	\$ 2,255,589	
Post Test year billings	<u>85,987</u>	
Average Bill		<u>\$ 26.23</u>

(3)

**Post-test Year Commercial Customer Growth**

To adjust operating revenues for post-test year commercial customer growth.

Customer Count November 31, 2024	259		
Customer Count December 31, 2023	<u>117</u>		
Customer Growth		142	
Number of Months		<u>12</u>	
Increase Number of Bills			1,704
Average Post test year Commercial Bill			<u>\$ 29.64</u>
		<b>Adjustment Increase (Decrease)</b>	<b><u>\$ 50,507</u></b>
<u>Commercial Customer Bill</u>			
Post Test year revenue	\$ 62,216		
Post Test year billings	<u>2,099</u>		
Average Bill		<u>\$ 29.64</u>	

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**OUCG Expense Adjustments**

(1)

**Salaries and Wages**

To adjust test year expense to reflect *pro forma* salaries and wages per Petitioner responses discovery.

<i>Pro forma</i> Payroll	(See Petitioner's response to OUCG DR No. 1-13 for detailed calculation)	\$ 1,159,186
Less Test Year Payroll		<u>(1,134,973)</u>
<b>Need More Detail</b>	<b>Total Adjustment Increase (Decrease)</b>	<b><u><u>\$ 24,213</u></u></b>

(2)

**Payroll Tax**

To adjust test year FICA expense to reflect *pro forma* payroll expense

<i>Pro forma</i> payroll	1,159,186
Times FICA rate	<u>7.65%</u>
<i>Pro forma</i> Payroll Tax	88,678
Less test year expense	<u>(86,713)</u>
	<b>Total Adjustment Increase (Decrease)</b>
	<b><u><u>\$ 1,965</u></u></b>

(3)

**PERF**

To adjust test year PERF expense to reflect *pro forma* payroll expense and the 2024 PERF rate.

<i>Pro forma</i> Payroll	\$ 1,159,186
Less: Board Salaries	(4,800)
Other non-eligible employees	<u>(32,001)</u>
<i>Pro forma</i> PERF Eligible Payroll	1,122,385
Times PERF rate	<u>11.20%</u>
<i>Pro forma</i> PERF	125,707
Less test year expense	<u>(119,483)</u>
	<b>Total Adjustment Increase (Decrease)</b>
	<b><u><u>\$ 6,224</u></u></b>

(4)

**System Delivery Expense Adjustment**

To reflect increased system delivery costs due to customer growth.

Purchased Power Exp	572,410		
Chemical Expense	<u>281,412</u>		
Total Variable Cost		\$	853,822
Gallons Sold (000's Omitted)			<u>1,347,703</u>
Cost per 1,000 Gallons		\$	0.63

**Test Year Residential Cost per Bill**

Cost per 1,000 gallons	\$	0.63	
Average Consumption (000's Omitted)		<u>4.59</u>	
Variable Cost per Residential Bill	\$	2.89	
Add: Postage		<u>0.73</u>	
Cost per Residential Bill			\$ 3.62
Increase in number of Residential Bills			<u>699</u>
Increased System Deliver Cost			\$ 2,530

**Post-test Year Residential Cost per Bill**

Cost per 1,000 gallons	\$	0.63	
Average Consumption (000's Omitted)		<u>4.29</u>	
Variable Cost per Residential Bill	\$	2.70	
Add: Postage		<u>0.73</u>	
Cost per Residential Bill			\$ 3.43
Increase in number of Residential Bills			<u>(1,068)</u>
Increased System Deliver Cost			(3,663)

**Post-test Year Commercial Cost per Bill**

Cost per 1,000 gallons	\$	0.63	
Average Consumption (000's Omitted)		<u>5.33</u>	
Variable Cost per Residential Bill	\$	3.36	
Add: Postage		<u>0.73</u>	
Cost per Commercial Bill			\$ 4.09
Increase in number of Commercial Bills			<u>1,704</u>
Increased System Deliver Cost			<u>6,969</u>

**Total Adjustment Increase (Decrease) \$ 5,836**

(5)

**Non-Recurring and Capital Expenditures**

To eliminate non-recurring costs and costs that are capital in nature from operating expenses.

<b>Transaction Description</b>	<b>Account</b>	<b>Type</b>	<b>Amount</b>
Payment to Scott County Auto Cente	Transportation	Non-Recurring	\$ 1,318
Payment to Scott County Auto Cente	Transportation	Non-Recurring	6,462
Washington Township Legal Fees	Contractual Service - Legal	Non-Recurring	17,389
60 5/8" Meters	Materials and Supplies	Capital	<u>20,400</u>
		Sub-total	\$ 45,570

**Total Adjustment Increase (Decrease)**

**\$ (45,570)**

(6)

**Periodic Maintenance**

To reflect periodic maintenance on the wells, pumps, intake valves, filter media, lagoon cleaning and tank maintenance (See OUCC Attachment KW-12 for additional information)

**I. Intake Structure Cleaning and Pump Maintenance**

a.	Cleaning (every 5 yrs)	\$ 1,000
b.	Intake pump maintenance, 3 pumps	8,600

**II. Well Maintenance**

a.	Wells and pumps - Clean each of 5 wells chemically once every 5 yrs	-
b.	Wells and pumps - pump maintenance, 5 wells	4,000

Sub-Total Forward

**\$ 13,600**

(6)  
Periodic Maintenance Continued

		Sub-Total Carried Forward	<u>\$ 13,600</u>
<b>III.</b>	<b><u>Austin WTP Maintenance</u></b>		
a.	8 High service pump maintenance		6,500
b.	3 Low service pump maintenance		400
c.	2 Backwash pump maintenance		-
d.	Pump control valve maintenance (4 valves)		100
e.	Plant production meter calibration (7 meters)		200
f.	Turbidity meter maintenance (9 meters)		800
g.	Generator maintenance, 1 unit		4,300
h.	Fire extinguisher maintenance		400
i.	Filter maintenance, 8 filters (every 8 yrs)		28,500
i.	Filter maintenance, 8 filters (add filter material/ inspect filters)		5,900
j.	Lagoon cleaning (every 5 yrs)		400
k.	U.V. system maintenance/bulb replacement		7,400
<b>IV.</b>	<b><u>Marble Hill WTP Maintenance</u></b>		
a.	High service pump maintenance (3 pumps)		700
b.	Backwash pump maintenance (1 pump)		-
c.	Pump control valve maintenance (3 valves)		2,600
d.	Plant production meter calibration (4 meters)		100
e.	Fire extinguisher maintenance		100
f.	Filter media maintenance (4 filters)		14,300
g.	Filter maintenance, 8 filters (add filter material/ inspect filters)		3,500
		Sub-Total Forward	<u>\$ 89,800</u>

**(6)**  
**Periodic Maintenance Continued**

		Sub-Total Carried Forward	<u>\$ 89,800</u>
<b>V.</b>	<b><u>Tank Maintenance</u></b>		
a.	Cleaning and inspection		6,900
b.	Tank painting		
1.	Austin tank (500,000 gallons)		23,900
2.	Little York tank (100,000 gallons)		17,400
3.	Blocher tank (150,000 gallons)		20,000
4.	Commiskey tank (100,000 gallons)		17,400
5.	Polk Road tank (100,000 gallons)		17,400
6.	Double or Nothing Road tank (500,000 gallons)		23,900
7.	Radiotower Road (500,000 gallons)		23,900
8.	Lovett tank (100,000 gallons)		17,400
9.	Paynesville Road tank (500,000 gallons)		23,900
10.	Fairview Road tank (250,000 gallons)		21,700
11.	Austin tank 2 (1,000,000 gallons)		33,300
12.	Marble Hill ground tank (500,000 gallons)		13,400
13.	1 MG Concrete Ground Storage Tank		-
14.	Marble Hill WTP aeration tank		11,000
15.	Marble Hill WTP aeration tank		11,000
		Sub-Total Forward	<u>\$ 372,300</u>



(6)  
Periodic Maintenance Continued

Sub-Total Carried Forward \$ 372,300

<b>VI.</b>	<b><u>Booster Station Maintenance and Pump Replacement</u></b>		
	a. Booster station No. 4 maintenance	-	
	b. Booster station No. 7 maintenance	-	
	c. Booster station No. 8 maintenance	-	
	Total Booster Station Maintenance		
	Average of maintenance costs since last rate case (2019-2024)	3,900	
<b>VII.</b>	<b><u>Meter/Control Valve Pit Maintenance</u></b>		
	a. Tank 2 control valve pit maintenance	-	
	b. Tank 3 control valve/metering pit maintenance	-	
	c. Tank 4 control valve/metering pit maintenance	-	
	d. Tank 7 control valve/metering pit maintenance	-	
	e. Tank 8 control valve/metering pit maintenance	-	
	f. Sommerville control valve/metering pit maintenance	-	
	g. Marysville control valve/metering pit maintenance	-	
	h. Rural membership control valve/metering pit maintenance	-	
	i. Scottsburg control valve/metering pit maintenance	-	
	j. Crothersville control valve/metering pit maintenance	-	
	k. Pepsi control valve/metering pit maintenance	-	
	Total control valve/metering pit maintenance		
	Average of maintenance costs since last rate case (2019-2024)	3,500	
<b>VIII.</b>	<b><u>Other Periodic Maintenance Expense</u></b>		
	Average of other maintenance costs since last rate case (2019-2024) (chemical feed system maintenance & clear well cleaning from Petitioner's response to OUCC DR 7-28)	23,800	
	Sub-total	\$ 403,500	
	Less: Test year expense	<u>\$ (436,160)</u>	
	<b>Total Adjustment Increase (Decrease)</b>	<b><u>\$ (32,660)</u></b>	

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

(1)

**Depreciation Expense**

To determine the amount of depreciation expense based on the value of depreciable utility plant

Utility Plant in Service at 12/31/23	\$50,086,638	
Add: Capital Additions	\$ 20,400	
Less: Land & Land Rights	<u>(585,142)</u>	
Depreciable Utility Plant in Service	\$ 49,521,896	
Times: Composite Depreciation Rate	<u>2.00%</u>	
		<b><i>Pro Forma Depreciation Expense</i>     <u><u>\$ 990,438</u></u></b>

(2)

**Amortization Expense**

Adjustment to amortize contributions-in-aid of construction at the same rate it is being depreciated to offset depreciation expense

Contributions-in-Aid of Construction as of 12/31/23	\$ 10,652,352	
Times: Composite Depreciation %	<u>2.0%</u>	
Amortization of contributed plant	(213,047)	
Less: Test Year Amortization Expense	<u>-</u>	
		<b><i>Pro Forma Amortization Expense</i>     <u><u>\$ (213,047)</u></u></b>

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**Payment in Lieu of Property Taxes**

**Not Applicable**  
**Petitioner did not request PILT.**

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**Working Capital**

**Not Applicable**

**Petitioner did not request working capital.**

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**Debt Service**

**Not Applicable**

**Please refer to the testimony of OUCG Witness Shawn Dellinger.**

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**Debt Service Reserve**

**Not Applicable**

**Please refer to the testimony of OUCC Witness Shawn Dellinger.**

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**Current and Proposed Rates and Charges**

**Not Applicable**

**Please refer to Petitioner's cost-of-service study and the testimony of OUCC  
Witness Jerry Mierzwa.**

**Stucker Fork Conservancy District**  
**CAUSE NUMBER 46167**

**Revenue Requirement Comparison**

	<u>Cause No. 43191</u>	<u>Cause No. 46167</u>	<u>CN 46167 More (Less)</u>
Operating Expenses	\$ 3,063,824	\$ 4,155,135	\$ 1,091,311
Taxes other than Income	-	-	-
Depreciation	863,744	990,030	126,286
Payment in Lieu of Taxes	-	-	-
Working Capital	-	-	-
Debt Service	1,048,069	1,450,815	402,746
Debt Service Reserve	49,630	73,961	24,331
Total Revenue Requirements	<u>5,025,267</u>	<u>6,669,941</u>	<u>1,644,674</u>
Less Revenue Requirement Offsets:			
Interest Income	(13,029)	(25,630)	(12,601)
Other Income	-	-	-
Miscellaneous Income	<u>(51,680)</u>	<u>(19,271)</u>	<u>32,409</u>
Net Revenue Requirement	<u><u>\$ 4,960,558</u></u>	<u><u>\$ 6,625,040</u></u>	<u><u>\$ 1,664,482</u></u>
Revenues at current rates subject to increase		5,002,874	
Other revenues not subject to increase		<u>47,239</u>	
Total Revenues		5,050,113	
Less: Revenue Requirement in Last Rate Case		<u>(4,960,558)</u>	
Revenue Over (Under)		<u><u>\$ 89,555</u></u>	
Net Revenue Requirement Increase			\$ 1,664,482
Revenue Increase Requested			<u>1,574,927</u>
			<u><u>\$ 89,555</u></u>



STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF  
STUCKER FORK CONSERVANCY  
DISTRICT FOR APPROVAL OF A NEW  
SCHEDULE OF RATES AND CHARGES  
FOR WATER SERVICE

CAUSE NO. 46167

**STUCKER FORK CONSERVANCY DISTRICT'S  
RESPONSE TO OUCC DATA REQUEST SET NO. 1**

Stucker Fork Conservancy District (“Stucker Fork”), by counsel, hereby provides its response to OUCC Data Request Set No. 1 as follows:

**I. Data Requests**

**Q-1-1:** To the extent not already provided, please provide supporting workpapers in native format and, if applicable, with all formulas unlocked and intact.

**Response:**    **Work Program File:**

- Pages 1 – 10, 13 – 16, 31, 37 and 38 were provided in the excel version of the Consultant’s Rate Report.
- Pages 11, 12 and 21, see Exhibit A-1-6. Work Program file, pages 17 and 18 are screen shots from the AWWA M1 Manual.
- Pages 30, 39, and 44 – 77 the native format is pdf.
- Pages 19 – 20, 22 – 27 and 40 – 42 are screen shots of emailed information.

**Estimated Operation and Maintenance Expenses Work Papers File:**

- Pages 1 – 5, 176 – 178, 184 – 186 and 192 see Exhibit 1-3.
- Page 7, see Exhibit 1-13.
- Pages 13 – 165, see Exhibit 1-7.
- Pages 8 – 12, 168 – 174, 179 – 182, 187 and 194 – 201 the native format is pdf.
- Page 167, see Exhibit 1-10.
- Pages 188 – 190 are screen shots of emailed information.

See Exhibit 1-1 for all other pages.

**Q-1-2:** Please provide a trial balance in Excel as of December 31, 2022 and the most recent period available. Please provide in a format similar to that provided on tab “WTB 12.31.23” of Excel version of consultant’s rate report.

**Response:** The information responsive to this request was provided in the excel version of the Consultant's Rate Report on the tab labelled "WTB 12.31.22".

**Q-1-3:** Please list all general ledger transactions for the test year (January 1, 2023 through December 31, 2023) in Excel format so that the transactions are sortable and searchable. For each transaction, please provide: (1) the account number; (2) the account name; (3) the transaction date; (4) the general ledger month; (5) a description of the transaction; (6) vendor name; (7) the transaction amount; and (8) the transaction number or other information used to identify or distinguish the transaction.

**Response:** See Exhibit 1-3

**Q-1-4:** Please list all general ledger transactions for the post-test year period (January 1, 2024 through the most recent period available) in Excel format so that the transactions are sortable and searchable. For each transaction, please provide: (1) the account number; (2) the account name; (3) the transaction date; (4) the general ledger month; (5) a description of the transaction; (6) vendor name; (7) the transaction amount; and (8) the transaction number or other information used to identify or distinguish the transaction.

**Response:** See Exhibit 1-4

**Q-1-5:** Please state the amount Petitioner spent on E&R projects (cash funded) for each of the calendar years 2023, 2022, 2021, and 2020.

**Response:** In this case, Stucker Fork is seeking an amount to be included in its revenue requirement for depreciation, not extensions and replacements. For this reason, any request seeking amounts for extensions and replacements is not relevant and will not lead to the discovery of admissible evidence. Accordingly, Stucker Fork objects to this request.

**Q-1-6:** For each customer class, please provide in Excel format the following billing determinants for each month of the period January 1, 2023 through the most recent month available:

- Consumption (gallons or ccf);
- Number of billings; and
- Revenues (\$).

**Response:** See Exhibit 1-6.

**Q-1-7:** Please provide a payroll register by employee detailing test year payroll expense of \$303,233, including, at a minimum, regular hours worked, overtime hours worked, regular hourly rate of pay, and overtime rate of pay.

**Response:** See Exhibit 1-7. The test year payroll expense of \$303,233 was the salaries and wages paid by the Water Treatment Department, highlighted yellow in Exhibit 1-7. For calendar year 2023, the Hours Report – Detail shows total pay for the Water Treatment Department of \$302,384.28. Stucker Fork maintains financials on an accrual basis so there was an adjusting journal entries to reverse 2022 accrued wages payable in the amount of \$6,036.64 and record 2023 accrued wages payable in the amount of \$6,885.17 for the Water Treatment Department. Therefore, the test year payroll expense for the Water Treatment Department was  $\$302,384.28 - \$6,036.64 + \$6,885.17 = \$303,232.81$ .

**Q-1-8:** Please provide a payroll register for the most recent pay period available, including, at a minimum, regular hours worked, overtime hours worked, regular hourly rate of pay, and overtime rate of pay.

**Response:** See Exhibit 1-8. Brandon Couch and Ronald Shaver are also active employees. Brandon Couch only works when he was available and did not record any time during this pay period. Ronald Shaver is currently on medical leave, but is anticipated to return to his position at the end of his medical leave.

**Q-1-9:** Are any of Petitioner’s positions currently unfilled or vacant? If yes, for each currently vacant position please state the following:

- a. The date the position became vacant;
- b. The hourly rate of pay for the position; and
- c. The date of anticipated fulfillment.

**Response:** Yes, the position of Janitor is currently vacant, which was previously filled by Kaylan E. Henry. The position didn’t have an hourly rate, but a charge per office cleaning. Historically, this position was paid approximately \$4,000 per year. The Petitioner anticipates filling the position in the next few months. For a current list of employees, see Exhibit 1-9.

**Q-1-10:** Please state the periodic maintenance expense incurred in each of the calendar years 2020, 2021, 2022, and 2023 for each of the following periodic maintenance categories:

- a. Intake Structure cleaning and pump maintenance;
- b. Well maintenance;
- c. Austin WTP maintenance;
- d. Marble Hill WTP maintenance;

- e. Tank maintenance;
- f. Booster Station maintenance and pump replacement; and
- g. Meter/Control Valve Pit maintenance.

**Response:** See Exhibit 1-10 for the individual periodic maintenance expenses incurred. This information is also summarized by the above periodic maintenance categories and included in each annual report as tab “11b” submitted to the IURC.

**Q-1-11:** Please state when each of Petitioner’s water storage tanks was last inspected as well as the cost of the inspection.

**Response:** Please see Exhibit 1-11.

**Q-1-12:** Please state when each of Petitioner’s water storage tanks was last painted as well as the cost of the tank painting.

**Response:** Please see Exhibit 1-11.

**Q-1-13:** On pages 26-27 of Mr. Baldessari’s testimony, he states “The need for these employees are to cover vacant positions that were terminated prior to the test year.” Please explain why Petitioner needs to fill positions that have been vacant for approximately two years.

**Response:** The maintenance positions have not been vacant for approximately two years. The employees that held these positions in the test year were terminated during calendar year 2024 and the positions filled with new employees within a few months of becoming vacant. There was a miscommunication regarding the estimated payroll calculation and the maintenance employees terminated during 2024 were inadvertently included in the original estimated payroll calculation. See Exhibit 1-13 for the original and updated estimated payroll calculations.

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been served upon the following by electronic mail  
this 16th day of December, 2024:

**Indiana Office of Utility Consumer Counselor**  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

  
\_\_\_\_\_  
J. Christopher Jarlak

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111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
(317) 684-5000

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF  
STUCKER FORK CONSERVANCY  
DISTRICT FOR APPROVAL OF A NEW  
SCHEDULE OF RATES AND CHARGES  
FOR WATER SERVICE

CAUSE NO. 46167

**STUCKER FORK CONSERVANCY DISTRICT'S  
RESPONSE TO OUCC DATA REQUEST SET NO. 8**

Stucker Fork Conservancy District (“Stucker Fork”), by counsel, hereby provides its response to OUCC Data Request Set No. 8 as follows:

**II. Data Request**

**Q-8-1:** Please provide detailed explanations for the journal entries Petitioner intends it will record for its proposed financing of \$325,000 for rate case costs and \$200,000 for bond counsel (i.e., what accounts will be credited or debited, over what periods of time).

**Response:**

- **Rate Case Costs (\$325,000)**
  - **The costs started being recorded on 8/6/2024 with the following journal entry and will continue to be recorded as follows until the proposed financing is issued. The costs will be amortized over five years after the Order is issued for this Cause.**
    - **Debit Account 186.100, Rate Case Cost – Flows to the Balance Sheet listed in the section labelled “Deferred Outflows of Resources” as “Deferred Rate Case Costs”, which was on page 5 of the Work Papers.**
    - **Credit Account 131.160, Operating Cash-New Washington – Flows to the Balance Sheet listed in the section labelled “Assets” as “Operating Cash and Cash Equivalents”, which was on page 5 of the Work Papers previously served on the OUCC.**
  - **When the proposed financing is issued, then the Operating Cash will be reimbursed with the following journal entry:**

- **Debit Account 131.160, Operating Cash-New Washington – Flows to the Balance Sheet listed in the section labelled “Assets” as “Operating Cash and Cash Equivalents”, which was on page 5 of the Work Papers previously served on the OUCC.**
- **Credit Account 109.110, Construction Cash – Flows to the Balance Sheet listed in the section labelled “Assets” under “Restricted Cash and Cash Equivalents” as “Construction”, which was on page 5 of the Work Papers previously served on the OUCC.**
- **Costs of Issuance (\$200,000) – the costs will be recorded when the proposed financing is issued and amortized over the term of the financing**
  - **Debit Account 181.100, Bond Issue Cost – Flows to the Balance Sheet listed in the section labelled “Deferred Outflows of Resources” as “Deferred Debt Issuance Costs”, which was on page 5 of the Work Papers previously served on the OUCC.**
  - **Credit Account 109.110, Construction Cash – Flows to the Balance Sheet listed in the section labelled “Assets” under “Restricted Cash and Cash Equivalents” as “Construction”, which was on page 5 of the Work Papers previously served on the OUCC.**
  - **Stucker Fork would further note that Request No. 8-1 suggests that Stucker fork will incur \$200,000 in bond counsel expense for the issuance of long-term debt. This is not correct. The \$200,000 is the estimated cost of issuance for all the professionals, not only bond counsel.**

**Q-8-2:** Between Petitioner’s last rate order and February 2022, has Petitioner used any of the funds in its restricted periodic maintenance fund to fund debt service?

**Response:** No, Stucker Fork did not use any funds intended for periodic maintenance to pay for its debt service.

**Q-8-3:** Please explain Petitioner’s rationale for financing its rate case expense rather than paying for it through cash on-hand.

**Response:** Stucker Fork objects to this request on grounds that the information sought by the OUCC is not relevant and will not lead to the discovery of admissible evidence. As is well documented in prior Stucker Fork cases, the Indiana Utility Regulatory Commission (“IURC”) does not have jurisdiction

over the issuance of debt by Stucker Fork and any inquiries regarding the issuance of debt and the payment of expenses associated therewith are inappropriate.

Notwithstanding the objection above, Stucker Fork would note the following: as reflected in the attached Exhibit 8-3, Stucker Fork's balance in operating cash was \$458,976 as of December 31, 2024. As you can see, there is only \$106,643 unaccounted for in this schedule and the total amount of excess funds beyond the minimum required and recommended balances is \$254,480. Therefore, paying for rate case costs from cash on hand would significantly weaken their cash position, which, in turn, would likely limit Stucker Fork's ability to issue debt at competitive interest rates as it could lead to further downgrades in their bond rating. S&P Global Ratings downgraded their rating on May 13, 2024; due to the expectation for a decline in Stucker Fork's financial metrics (See Exhibit 8-3).

**Q-8-4:** Please confirm Petitioner purchases easements for its water mains.

- a. If not confirmed, please explain why not;
- b. Please provide responses to the following:
  - i. How much does the Indiana Department of Transportation reimburse Petitioner for utility relocations? If less than the full cost of the relocation, please explain why.
  - ii. Please state if the test year contains any expenditure(s) related to a utility relocation and how much.
  - iii. How is Petitioner treating unreimbursed relocation costs (i.e., expensed or capitalized)?
  - iv. Is Petitioner retiring the old main that is being relocated from its utility plant in service?

**Response:**

- a. **Yes, Stucker Fork purchases easements for its water mains. Depending on the circumstances, there are instances where a customer or property owner may dedicate an easement to Stucker Fork without remuneration.**
- b.
  - i. **The law in Indiana on this issue is well established. The Indiana Department of Transportation ("INDOT") must reimburse Stucker Fork for utility relocations, including the cost of any new easements, when Stucker Fork's lines are contained within a private easement. If, on the other hand, Stucker Fork's facilities are in the right of way, then Stucker Fork must pay to relocate such facilities.**
  - ii. **In calendar year 2023, there was \$112,175.97 recorded to Account 100.220, INDOT St. Rd 56 Small.**



- iii. **Stucker Fork’s unreimbursed relocation costs are capitalized.**
- iv. **Stucker Fork objects to this request on grounds that it uses the word “retiring” which is vague and makes it difficult, if not impossible, for Stucker Fork to provide a substantive response to this request.**

**Notwithstanding the forgoing objection, the old main was installed approximately fifty (50) years in the early to mid-1970’s. The old main was either at or near the end of its useful life. Stucker Fork does not, however, track those assets which are removed from service. Although it does not have a specific record of the assets removed from service, Stucker Fork and its financial advisor do not believe that the removal of such assets would be material to the calculation of depreciation in this Cause.**

**Q-8-5:** Please provide Petitioner’s fixed asset register as of December 31, 2023.

**Response: Stucker Fork’s financial records and billing software maintains a Capital Asset Account which details Petitioner’s fixed assets. A copy of the Capital Asset Account for the period ending December 31, 2023, is attached as Exhibit 8-5.**

**Q-8-6:** Please state if Petitioner has any legal fees in its test year contractual services expenses in connection with its settlement with Washington Township. If so, please state the amount of such legal fees included.

**Response: Yes, Stucker Fork was billed and paid \$17,389 for the Washington Township litigation.**

**Q-8-7:** Please identify if Petitioner has any legal fees in its test year contractual services expenses in connection with its settlement with Morgan Foods. If so, please state the amount of such legal fees included.

**Response: No.**

**Q-8-8:** Refer to page W-3(a) of Petitioner’s IURC reports:

- a. How does Petitioner record utility plant retirements when it takes an asset out of service?

- b. Does Petitioner assume that the asset has been fully depreciated at the time of retirement? If not, does Petitioner record gains and losses from disposition?
- c. Has any of Petitioner's assets been removed from service since 2019? If so, why has Petitioner not recorded retirements for those assets?

**Response:**

- a. Stucker Fork does not record utility plant retirements when an asset is taken out of service. As noted in the response to Request No. 8-4, Stucker Fork has very limited assets that it removes from service and typically only does so when such assets have reached the end of their useful life.**
- b. Yes.**
- c. As previously stated, Stucker Fork does not track this information; however, it will endeavor to do so on a prospective basis.**

**Q-8-9:** Does Petitioner capitalize labor associated with connecting a customer? If not, please confirm that Petitioner's test year salaries and wages expense include labor associated with tap fees that is already being recovered by its non-recurring tap fee charge.

**Response:** **No, Stucker Fork does not capitalize labor associated with connecting a customer. Stucker Fork's test year salary and wages expense includes labor associated with tap fees.**

**Q-8-10:** How many connections did Petitioner complete in its test year? Please identify how many connections were "long" (across from the main) and how many were "short" (same side as the main) connections.

**Response:** **According to page F-21 of the IURC Annual Report there were 44 connections during the test year. Approximately twenty (20) were considered "long" connections.**

**Q-8-11:** Of the \$846,151 cash on hand Petitioner had as of December 31, 2023, how much is currently restricted for other obligations (i.e., debt requirements, contractual obligations, etc.)?

**Response:** **Please see pages 55-56 of Petitioner's Exhibit 4. This schedule within the cost of service study outlines the account balance of the minimum account balances required for Stucker Fork. As you can see, there is only \$493,818 that is not accounted for on this particular schedule. At the same time, the improvement fund is underfunded by \$168,952. The total amount of excess**

**funds is \$340,140. Stucker Fork does not believe this to be a material amount of cash on hand and desires to maintain the \$340,140 to pay for the everyday expenses of operating Stucker Fork's expansive water system. Also, based on cash balances as of 12/31/2024, the total amount of excess funds has decreased to \$254,480. Please see Exhibit 8-3.**

**Q-8-12:** Please confirm Petitioner capitalizes extensions and expenses repairs unless it is extensive.

- a. If not confirmed, please explain why not;
- b. Please identify how Petitioner determines when a repair should be capitalized (i.e. how it determines whether or not a repair is "extensive").

**Response:**     **a. Stucker Fork capitalizes its extensions and expenses repairs.  
b. If repair is considered a significant improvement and extends the useful life to more than a year, then it is capitalized.**

**Q-8-13:** Does Petitioner have its own road bore to perform "long" connections or does Petitioner lease or use a contractor for connections requiring a road bore? If Petitioner leases or contracts, please provide an example invoice that lists the cost.

**Response:**     **Stucker Fork contracts for all "long" connections. A sample invoice for such work is attached as Exhibit 8-13.**

**Q-8-14:** Are all customers who are charged a fire protection surcharge in the City of Austin located within 1,000 feet of a hydrant?

**Response:**     **Yes.**

**Q-8-15:** Regarding Petitioner's response to DR 1-6, are multifamily customers served with one meter per unit or does one meter cover multiple units? Please explain.

**Response:**     **For the multifamily customers, Stucker Fork installs a meter at each building which typically contains multiple units.**

**Q-8-16:** Regarding Petitioner's response to DR 1-6, please explain the difference between the "Residential-AUS" and "Residential-OTH" customer classes.

**Response: Residential-AUS are customers within the corporate limits of the City of Austin, Indiana, and Residential-OTH are all other residential customers.**

**Q-8-17:** Please state the total amount of tap fees collected and recorded during the test year.

**Response: During the test year there was \$63,582 collected and recorded for tap fees, which can be seen on page F-21 of the IURC Annual Report.**

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been served upon the following by  
electronic mail this 11th day of February, 2025:

**Indiana Office of Utility Consumer Counselor**

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\_\_\_\_\_  
J. Christopher Janak

Bose McKinney & Evans LLP  
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(317) 684-5000

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# **Exhibit 8-3**

**STUCKER FORK CONSERVANCY DISTRICT  
Water Utility**

**COMPARISON OF ACCOUNT BALANCES WITH  
MINIMUM BALANCES REQUIRED**

<u>Account:</u>	<u>Account Balance 12/31/2024</u>	<u>Minimum Balance Required (1)</u>	<u>Ref.</u>	<u>Variance</u>
Operation and Maintenance:				
Operating	\$458,976	\$352,333	(2)	\$106,643
Periodic Maintenance	428,183	138,026	(3)	290,157 (8)
Sinking:				
Bond and Interest	86,568	86,568	(4)	-
Debt Service Reserve	740,212	712,432	(5)	27,780
Customer Deposits	457,303	457,303	(6)	-
Improvement	823,320	993,420	(7)	(170,100)
 Totals	 <u>\$2,994,562</u>	 <u>\$2,740,082</u>		 <u>\$254,480</u>

(1) Balances required per Bond Resolution 2019-1.

(2) The balance maintained in the operation and maintenance account should be sufficient to pay the expenses of operation, repair and maintenance of the utility for the next succeeding two (2) calendar months.

Estimated operation and maintenance expense (per Consultant's Report dated November 21, 2024)	\$4,155,135
Times factor for 2 months	<u>0.1667</u>
 Sub-total	 692,661
Less tank painting annual amount transferred	<u>(340,328)</u>
 Minimum Balance Required	 <u>\$352,333</u>

(3) Account restricted per IURC Order in Cause No. 44987. The balance in this account should be equal to the agreed annual amount transferred of \$340,328 less any monies expended for periodic maintenance items.

Annual transfer requirement	\$340,328
Divided by 12 months	<u>12</u>
 Monthly transfer	 28,361
Times 75 months (for October 2018 through December)	<u>75</u>
 Sub-total	 \$2,127,075
Add beginning balance as of 7/25/2018 (Tariff Approved)	72,930
Less funds used for periodic maintenance	<u>(2,061,979)</u>
 Minimum Balance <b><u>Recommended</u></b>	 <u>\$138,026</u>

(Continued on next page)

**STUCKER FORK CONSERVANCY DISTRICT**  
**Water Utility**

(Cont'd)

**COMPARISON OF ACCOUNT BALANCES WITH**  
**MINIMUM BALANCES REQUIRED**

(4) A balance sufficient to provide for the principal and interest due on the next payment date must be accumulated before transfer may be made.

	<u>Amount</u>		<u>Factor</u>	<u>Total</u>
<u>2014 Refunding Bonds</u>				
Principal due 1/1/26	\$285,000	x	0/12	\$ -
Interest due 7/1/25	4,275	x	0/6	-
<u>2014 Bonds</u>				
Principal due 1/1/26	-	x	0/12	-
Interest due 7/1/25	77,213	x	0/6	-
<u>2017 Bonds</u>				
Principal due 1/1/26	120,000	x	0/12	-
Interest due 7/1/25	37,225	x	0/6	-
<u>2020 Refunding Bonds</u>				
Principal due 1/1/26	245,000	x	0/12	-
Interest due 7/1/25	57,300	x	0/6	-
<u>2020 RD Bonds</u>				
Principal due 1/1/25	21,000	x	12/12	21,000
Interest due 1/1/25	65,568	x	6/6	65,568
				<u>65,568</u>
Minimum Balance Required				<u><u>\$86,568</u></u>

(5) The balance in this account should be equal to maximum annual debt service on the 2014 Refunding Bonds, 2014 Bonds, 2017 Bonds, 2020 Refunding Bonds and 2020 RD Bonds to be accumulated over a five year period from the date of delivery on the 2020 RD Bonds.

Debt service reserve requirement (2014 Ref. Bonds, 2014 Bonds and 2017 Bonds)	\$650,300
Debt service reserve requirement (2020 RD Bonds)	\$152,112
Divided by 120 months	<u>120</u>
Sub-total	1,268
Times 49 months for December 2020 through December 2024 transfers	<u>49</u>
Sub-total	<u>62,132</u>
Minimum Balance Required	<u><u>\$712,432</u></u>

(6) Account fully restricted.

(7) No minimum balance is required. However, it is suggested that an amount equal to one year's depreciation expense be reserved for replacements and improvements.

Utility plant in service as of 12/31/2024	\$50,256,163
Less land and land rights	<u>(585,142)</u>
Depreciable capital assets	49,671,021
Times composite depreciation rate	<u>2%</u>
Minimum Balance <b><u>Recommended</u></b>	<u><u>\$993,420</u></u>

(8) It is anticipated that two more tanks will be bid in late 2025 to be painted along with filter media maintenance at the Austin WTP. Stucker Fork has over-funded this account to pay for those periodic maintenance items.





**STUCKER FORK WATER UTILITY CONSERVANCY DISTRICT  
Scott, Jefferson, Jackson, Jennings,  
Washington and Clark Counties, Indiana**

**Rating Change**

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**Reportable Event for the Bond Issues Listed Below**

<b>CUSIP Base</b>	<b>863841</b>
<u>Dated Date</u>	<u>Issue</u>
May 8, 2014	\$2,995,000 Waterworks Refunding Revenue Bonds, Series 2014
October 28, 2014	\$4,000,000 Waterworks Revenue Bonds, Series 2014

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S&P Global Ratings downgraded the Stucker Fork Water Utility Conservancy District's underlying rating on the above-listed obligations to A- with a stable outlook from A. The rating was released on May 13, 2024.

Dated: May28, 2024

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**S&P Global**  
Ratings

# RatingsDirect®

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## Summary:

# Stucker Fork Conservancy District, Indiana; Water/Sewer

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# Stucker Fork Conservancy District, Indiana; Water/Sewer

## Credit Profile

Stucker Fork Conser Dist wtrwks (BAM) (SECMKT)

*Unenhanced Rating*

A-(SPUR)/Stable

Downgraded

Many issues are enhanced by bond insurance.

## Credit Highlights

- S&P Global Ratings lowered its rating on Stucker Fork Conservancy District, Ind.'s outstanding water revenue bonds to 'A-' from 'A' and removed the rating from CreditWatch, where it was placed with negative implications on March 14, 2024.
- The outlook is stable.

## Security

Net revenues of the waterworks system secure the bonds. We view bond provisions as credit-neutral. The district's outstanding debt issuances include the series 2014, 2017, and 2020 and represent a total of about \$14 million.

## Credit overview

On March 14, 2024, we placed the district's water rating on CreditWatch with negative implications following our identification of an analytical error related to our economic fundamentals assessment of municipal water, sewer, and solid waste utilities (see "Error In Our Economic Fundamentals Assessment Triggers Review Of Public Municipal Utility Sector Ratings," published Feb. 23, 2024, on RatingsDirect). The effect of this error was to overstate the district's economic fundamentals score as adequate rather than vulnerable. For more information on how the economic fundamentals score fits within our overall analytic framework for rating municipal water, sewer, and solid waste utilities, see our "U.S. Municipal Water, Sewer, And Solid Waste Utilities: Methodology And Assumptions," criteria, published April 14, 2022.

Following the correction of the error and accounting for the current credit factors influencing the district, we lowered the rating to 'A-'. The rating reflects our view of the district's limited economic profile as well as our expectation that its financial metrics will decline from historical levels given that it has no plans to raise rates and its debt service requirements will rise following its issuance of the series 2020 bonds. Management has maintained stable liquidity in recent years, with about \$2.3 million, or about 240 days' cash, in 2023.

The district's service area economy is characterized by a median household effective buying income (MHHEBI) at around 76% of the national average and a poverty rate near 15%. The service area has had minimal growth in recent years and management is anticipating that this trend will continue. The district also has operating risks associated with high customer concentration, with the top 10 customers accounting for about 45% of operating revenues in 2023 and

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the top customer, Morgan Foods Inc., representing 19%. In addition, five of the top ten are water utilities that together constitute about 16% of operating revenues. We view the utility's contract minimums with its wholesale customers favorably and management informed us that it is not expecting any changes to top customer contracts or demand in the near future.

The rating further reflects our view on the district's:

- Elevated water loss of around 17% in 2023, although this is an improvement from 26% in 2022 due to fewer water main breaks;
- Moderate debt leverage, with a debt-to-capitalization ratio near 40% and no additional debt plans;
- Affordable rates, with an average residential water bill of about \$34.50, or roughly 0.8% of MHHEBI, and no future rate plans; and
- Limited financial management policies and practices that mostly follow state statutes.

### **Environmental, social, and governance**

We view environmental risks as neutral, although we note that management reported an elevated water loss of 17% in 2023. Management informed us that there are no water quality issues, that it maintains ample treatment capacity, and that the district has not paid any fines or penalties to environmental regulators. We view social risks as neutral based on the district's affordable rates despite its below-average income indicators. We view governance risk as slightly elevated due to a lack of comprehensive financial policies, although we believe this risk is partially mitigated by the district's use of a third-party consultant.

## **Outlook**

The stable outlook is based on our expectation that the district will continue to make operational adjustments needed to achieve at least targeted coverage levels. It also reflects the district's take-or-pay contracts with its municipal customers as well as management's lack of any additional debt plans and stated capital needs.

### **Downside scenario**

We could take negative rating action should the district fail to achieve sufficient debt service coverage or if it significantly draw on its available reserves. In addition, we could lower the rating should there be any changes to the district's wholesale contracts, negatively affecting its financial profile.

### **Upside scenario**

We could take positive rating action should the district achieve financial metrics above its historical performance and adopt codified managerial policies and practices.

## **Credit Opinion**

The Stucker Fork Conservancy District serves portions of Scott, Jefferson, Jackson, Jennings, Washington and Clark counties as well as the city of Austin. Water treatment is provided by two treatment plants that have a total capacity of

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12.2 million gallons per day.

District rates are set and approved by the Indiana Utility Regulatory Commission (IURC). However, rates are adjusted as needed based on the district's revenue requirements and capital improvements, which are regularly analyzed by a third-party advisor.

Stucker Fork Conservancy District, Indiana--Economic and financial data					
	Fiscal year-end				Median (A-)
	Most recent	2023	2022	2021	
<b>Economic data</b>					
Water customers	7,936				3,210
Sewer customers	--				2,570
MHHEBI of the service area as % of the U.S.	76.0				77.0
Unemployment rate (%)	3.0				4.2
Poverty rate (%)	15.4				12.9
Water rate (6,000 gallons or actual) (\$)	34.5				43.0
Sewer rate (6,000 gallons or actual) (\$)	0.0				42.0
Annual utility bill as % of MHHEBI	0.8				1.5
Operational Management Assessment	Standard				Standard
<b>Financial data</b>					
Gross revenues (\$000s)		5,192	5,160	4,945	2,250
Total operating expenses less depreciation (\$000s)		3,508	3,513	3,159	1,741
Net revenues available for debt service (\$000s)		1,739	1,689	1,825	--
Debt service (\$000s)		1,155	1,214	1,158	--
S&P Global Ratings-adjusted all-in DSC (x)		1.5	1.4	1.6	1.5
Unrestricted cash (\$000s)		2,332	2,393	2,097	1,362
Days' cash of operating expenses		243	249	242	328
Total on-balance-sheet debt (\$000s)		13,723	14,371	15,595	8,410
Debt-to-capitalization ratio (%)		40.2	41.5	43.9	50.0
Financial Management Assessment	Standard	--	--	--	Standard

Note: Most recent economic data available from our vendors. MHHEBI--Median household effective buying income. DSC--Debt service coverage.

## Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

38 Municipal Utility Sector Ratings Put On CreditWatch With Negative Implications After Economic Assessment Error Review, March 15, 2024

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.spglobal.com/ratings](http://www.spglobal.com/ratings) for further information. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating

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action can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

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# **Exhibit 8-5**



accountnumber	accountcodename	dentrydate	nchecknumber	dcheckdate	cjournalcodename	cdescription1	cdescription2	ndebitamount	ncreditamount	nrunningbalance	coffsetaccount	cvendornumber	cvendorname	napvnumber	nreceiptnumber	cinvoicenumber	dinvoicedate	ctype	nopay
100.1	Water Utility	//		0 //				0	0	590312.6							//	Unknown	N
100.11	Water Utility	//		0 //				0	0	88820							//	Unknown	N
100.12	Water Utility	//		0 //				0	0	248036.94							//	Unknown	N
100.15	Water Utility	//		0 //				0	0	991025.64							//	Unknown	N
100.16	Water Utility	//		0 //				0	0	207045.46							//	Unknown	N
100.17	Water Utility	//		0 //				0	0	579446.31							//	Unknown	N
100.18	Water Utility	//		0 //				0	0	1719988.35							//	Unknown	N
100.19	Water Utility	//		0 //				0	0	3401361.73							//	Unknown	N
100.2	Water Utility	//		0 //				0	0	230947.24							//	Unknown	N
100.21	Water Utility	//		0 //				0	0	1400439.34							//	Unknown	N
100.22	Water Utility	1/3/2023	17659	1/3/2023				8662.59	0	204101.16	131.16	1300	Midwestern Engineers Inc	21921		0 201900901-03	10/17/2022	Expense	N
100.22	Water Utility	6/19/2023	17978	6/19/2023				98295.26	0	302396.42	131.16	5740	C&H/M EXCAVATING INC	22366		0 PAY APP 1	6/5/2023	Expense	N
100.22	Water Utility	6/19/2023	17988	6/19/2023				13880.71	0	316277.13	131.16	1300	Midwestern Engineers Inc	22376		0 201905910-02	6/5/2023	Expense	N
100.22	Water Utility	12/31/2023		0 //		Offset for account 231.10		0	8662.59	307614.54				0			//	Journal	N
100.23	Water Utility	//		0 //				0	0	206763.31							//	Unknown	N
100.24	Water Utility	8/7/2023	18087	8/7/2023				215	0	936.89	131.16	1300	Midwestern Engineers Inc	22505		0 202100912-03	7/18/2023	Expense	N
100.25	Water Utility	//		0 //				0	0	143154.47							//	Unknown	N
100.26	Water Utility	//		0 //				0	0	1235.46							//	Unknown	N
100.27	Water Utility	//		0 //				0	0	1645							//	Unknown	N
100.28	Water Utility	//		0 //				0	0	635							//	Unknown	N
100.29	Water Utility	//		0 //				0	0	437.5							//	Unknown	N
100.3	Water Utility	//		0 //				0	0	79307.63							//	Unknown	N
100.31	Water Utility	//		0 //				0	0	16716.25							//	Unknown	N
101.1	Water Utility	//		0 //				0	0	0							//	Unknown	N
102.1	Water Utility	//		0 //				0	0	724603.24							//	Unknown	N
102.11	Water Utility	3/31/2023		0 //		Offset for account 215.10		0	215858.04	0				0			//	Journal	N
102.11	Water Utility	7/3/2023	18021	7/3/2023				21478.91	0	21478.91	131.17	1300	Midwestern Engineers Inc	22408		0 202100908-03	6/19/2023	Expense	N
102.11	Water Utility	7/3/2023	18023	7/3/2023				344850	0	366328.91	131.17	5845	O&J COATINGS INC	22410		0 PAY REQ 2	6/19/2023	Expense	N
102.11	Water Utility	9/30/2023		0 //		Offset for account 635.16		0	366328.91	0				0			//	Journal	N
103.1	Water Utility	//		0 //				0	0	4769091.66							//	Unknown	N
104.1	Water Utility	//		0 //				0	0	305981.92							//	Unknown	N
105.1	Water Utility	//		0 //				0	0	0							//	Unknown	N
106.1	Water Utility	//		0 //				0	0	0							//	Unknown	N
107.1	Water Utility	//		0 //				0	0	705690.42							//	Unknown	N
109.1	Water Utility	//		0 //				0	0	124236.36							//	Unknown	N
116.1	Water Utility	//		0 //				0	0	1537951.44							//	Unknown	N
303.1	Water Utility	//		0 //				0	0	-749864.83							//	Unknown	N
304.12	Water Utility	//		0 //				0	0	10200262.81							//	Unknown	N
304.13	Water Utility	9/18/2023	18175	9/18/2023				10962.65	0	4114287.75	131.16	122	TROJAN TECHNOLOGIES	22641		0 200 / 5060	11/23/2022	Expense	N
304.13	Water Utility	10/16/2023	18231	10/16/2023				20000	0	4134287.75	131.16	4028	PIKE'S TREE CARE	22714		0 14310	10/5/2023	Expense	N
304.13	Water Utility	12/31/2023		0 //		4 - TO RECLASSIFY WATER HEATER	REPLACEMENT AS CAPITAL	3408.38	0	4137696.13	635.16			0			//	Journal	N
304.14	Water Utility	6/30/2023		0 //		7 - TO RECLASSIFY ROAD BORES AND	EXCAVATING TO CAPITAL	5147.5	0	163664.75	635.16			0			//	Journal	N
304.14	Water Utility	9/30/2023		0 //		8 - TO RECLASSIFY I65 PROJECT COST	TO CAPITAL	2292.5	0	165957.25	631.16			0			//	Journal	N
304.15	Water Utility	//		0 //				0	0	220674.69							//	Unknown	N
305.1	Water Utility	//		0 //				0	0	243177.52							//	Unknown	N
309.1	Water Utility	//		0 //				0	0	81918.69							//	Unknown	N
311.1	Water Utility	3/31/2023		0 //		8 - TO RECLASSIFY CAPITAL ITEMS		4750	0	503893.29	620.16			0			//	Journal	N
320.1	Water Utility	//		0 //				0	0	1390046.95							//	Unknown	N
330.1	Water Utility	//		0 //				0	0	856811.26							//	Unknown	N
331.1	Water Utility	//		0 //				0	0	7310965.74							//	Unknown	N
333.1	Water Utility	//		0 //				0	0	1096937.51							//	Unknown	N
334.1	Water Utility	3/31/2023		0 //		8 - TO RECLASSIFY CAPITAL ITEMS		50965.92	0	3378094.79	620.16			0			//	Journal	N
334.1	Water Utility	3/31/2023		0 //		8 - TO RECLASSIFY CAPITAL ITEMS		5916.6	0	3384011.39	620.16			0			//	Journal	N
334.1	Water Utility	6/5/2023	17964	6/5/2023				31338.3	0	3415349.69	131.16	2102	Utility Supply Company, INC	22334		0 1442156	5/12/2023	Expense	N
334.1	Water Utility	6/30/2023		0 //		5 - TO RECLASSIFY METER & ANTENNAS	TO CAPITAL	4028.56	0	3419378.25	620.16			0			//	Journal	N
334.1	Water Utility	9/5/2023	18150	9/5/2023				8400	0	3427778.25	131.16	2102	Utility Supply Company, INC	22587		0 1451724	8/4/2023	Expense	N
334.1	Water Utility	12/4/2023	18312	12/4/2023				8900.98	0	3436679.23	131.16	2105	CORE & MAIN	22823		0 T872390	11/1/2023	Expense	N
334.1	Water Utility	12/4/2023	18327	12/4/2023				11815.2	0	3448494.43	131.16	2102	Utility Supply Company, INC	22838		0 1463343	11/9/2023	Expense	N
334.1	Water Utility	12/4/2023	18327	12/4/2023				10114.2	0	3458608.63	131.16	2102	Utility Supply Company, INC	22838		0 1464440	11/20/2023	Expense	N
335.1	Water Utility	6/30/2023		0 //		6 - TO RECLASSIFY HYDRANTS	TO CAPITAL	3748.78	0	144702.5	620.16			0			//	Journal	N
335.1	Water Utility	9/30/2023		0 //		6 - TO RECLASSIFY HYDRANTS TO CAPITAL		4073.93	0	148776.43	620.16			0			//	Journal	N
339.1	Water Utility	//		0 //				0	0	1850							//	Unknown	N
340.1	Water Utility	//		0 //				0	0	128865.58							//	Unknown	N
341.1	Water Utility	1/18/2023	17689	1/18/2023		PURCHASE OF 2 NEW TRUCKS		91406	0	1163835.8	131.16	1010	John Jones GM/Salem	21971			1/16/2023	Expense	N
341.1	Water Utility	9/30/2023		0 //		7 - TO RECLASSIFY ENGINE ASSEMBLY	REPLACEMENT IN 2018 CHEVY TO CAPITAL	11036.26	0	1174872.06	650.16			0			//	Journal	N
342.1	Water Utility	//		0 //				0	0	4305.07							//	Unknown	N
343.1	Water Utility	//		0 //				0	0	82078.19							//	Unknown	N
344.1	Water Utility	//		0 //				0	0	12136.15							//	Unknown	N
345.1	Water Utility	6/5/2023	17948	6/5/2023				8232	0	390612.92	131.16	5931	CONSTRUCTION MACHINERY CO	22318		0 R04404	5/31/2023	Expense	N
346.1	Water Utility	//		0 //				0	0	264596.96							//	Unknown	N
347.1	Water Utility	//		0 //				0	0	64133.94							//	Unknown	N
348.1	Water Utility	//		0 //				0	0	13900							//	Unknown	N

# **Exhibit 8-13**



STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF  
STUCKER FORK CONSERVANCY  
DISTRICT FOR APPROVAL OF A NEW  
SCHEDULE OF RATES AND CHARGES  
FOR WATER SERVICE

CAUSE NO. 46167

**STUCKER FORK CONSERVANCY DISTRICT'S  
RESPONSE TO OUCC DATA REQUEST SET NO. 9**

Stucker Fork Conservancy District (“Stucker Fork”), by counsel, hereby provides its response to OUCC Data Request Set No. 9 as follows:

**II. Data Request**

**Q-9-1:** Please list every asset that has been taken out of service, sold, or retired since January 2018 through the end of Petitioner’s test year. Please provide a description of the asset, date the asset was put in service, and original cost of the asset.

**Response:** **Stucker Fork is still reviewing its records to determine what, if any, plant facilities have been taken out of service or retired since 2018. Stucker Fork and its management do not anticipate that the costs of such items will be material. For the vehicles and other related equipment that have been taken out of service since 2018, please see Exhibit 9-1.**

**Q-9-2:** When Petitioner must relocate a water main or other asset due to an INDOT project or other construction project, does Petitioner retire the main that was relocated from its utility plant in service? If Petitioner does not retire the old main, please confirm that Petitioner’s UPIS valuation it seeks to earn a “return of” through depreciation contains plant that is no longer in service.

**Response:** **Stucker Fork does not remove an old main from the depreciation calculation when retiring it from service; however, Stucker Fork does not believe such items are in an amount that is material or would make a material difference in the depreciation calculation.**

**Q-9-3:** When Petitioner replaces transmission and distribution mains, does Petitioner retire the main that was replaced? Please explain.

**Response:** **No. However, Stucker Fork does not believe that replaced transmission or distribution mains would be in an amount that is material or would make a material difference in the depreciation calculation. Stucker Fork would further note that it estimates that the replaced main has been fully depreciated so that net impact on its financial statements would be zero dollars (\$0).**

**Q-9-4:** A review of Petitioner's IURC annual reports shows that no assets have been retired since 2019. Please explain why Petitioner does not appear to retire assets as they are replaced, sold, or otherwise retired.

**Response:** **No. However, Stucker Fork does not believe that replaced transmission or distribution mains would be in an amount that is material or would make a material difference in the depreciation calculation. Stucker Fork would further note that it estimates that the replaced main has been fully depreciated so that net impact on its financial statements would be zero dollars (\$0).**

**Q-9-5:** When does Petitioner capitalize a meter (e.g., bulk purchases over a certain quantity, bulk purchases over a dollar threshold, or all meters)? Please explain in detail.

**Response:** **All meters are capitalized. When meters are purchased, it is recorded to either Account 333.100 (Property & Plant – Services & Meters) or Account 334.100 (Meter & Meter Install). These are capital asset accounts in the Petitioner's system.**

**Q-9-6:** When Petitioner replaces a meter for any reason does Petitioner retire the meter that it replaces from utility plant in service? If not, please confirm that Petitioner's utility plant in service contains plant valuations for meters that are no longer in service. Please explain in detail.

**Response:** **Petitioner's utility plant in service may contain meters that are no longer in service, but Stucker Fork does not believe such items are in an amount that is material or would make a material difference in the depreciation calculation.**

**Q-9-7:** When Petitioner connects a new customer by performing a tap does Petitioner capitalize the materials and supplies associated with performing that tap? If not,

please confirm that Petitioner's test year materials and supplies expense include material expense associated with test year taps that are already being recovered by its non-recurring tap fee charge. Please explain in detail.

**Response:** **Stucker Fork has adopted a capitalization policy such that any improvements greater than \$5,000 shall be capitalized. To the extent a new tap is less than \$5,000, such items are expensed. The materials and supplies for taps are typically purchased in bulk and therefore capitalized so the test year materials and supplies expense does not include items that are already being recovered by Stucker Fork's non-recurring tap fee charge.**

**Q-9-8:** What materials and supplies does Petitioner use when performing a new service connection (tap)? Please state the typical or average cost of those materials and provide a typical example invoice for those materials and supplies.

**Response:** **Please see Exhibit 9-8.**

**Q-9-9:** Please provide the following information regarding Morgan Foods:

- a. 2023 revenues (\$) and consumption by month.
- b. 2024 revenues (\$) and consumption by month.
- c. Number of meters serving Morgan Foods, including the size of each such meter during 2023 and 2024.

**Response:** **Please see Exhibit 9-9.**

**Q-9-10:** Reference page 54 of the "Consulting Report on Cost of Service Study," footnote 1. Please explain how the 50% subsidy is reflected in the customer charge rate calculations included in Excel cost of service analysis provided by Stucker Fork (FINAL Consulting Report on COSS SFCD Water 112124) as discussed in the response to OUCC Q-5-2. Identify the specific cell references for the calculation of the customer charges and inclusion of the subsidy.

**Response:** **The 50% subsidy is only applied to the rates in the section under "Metered Usage per Month" on page 53. All other customer charges are the same as the rate calculations for pages 46 and 47 of Petitioner's Exhibit 4. The formulas in the excel file provided contained all formulas intact on page 54, which directly references the cells on page 47 and then page 47 references the Fire Protection Schedules and cells calculating those rates.**

**Q-9-11:** Please reference:

- a. Petitioner's Exhibit 4, Consulting Report on Cost of Service Study, pp. 10-13;
- b. Petitioner's Exhibit 3, Testimony of Douglas L. Baldessari, p. 9, l. 18 – p. 10, l. 3; and
- c. Petitioner's Exhibit 1, Testimony of Richard A. Burch, P.E., p. 7, l. 18 – p. 9, l. 12;

Please confirm, Petitioner has no workpapers in Excel format supporting the periodic maintenance amounts and calculations referenced above. If not confirmed, please provide all workpapers in Excel format with all calculations and formulas intact. Please also reference OUCC Data Request 2-3(d), requesting “all calculations with formulas intact.” If Petitioner does not confirm there are no workpapers in Excel format supporting the periodic expense maintenance items, will Petitioner provide the workpapers in Excel format with formulas intact on an expedited basis in correction or supplementation of its response to OUCC DR 2-3, in advance of serving its response to this OUCC DR set of data requests?

**Response: Mr. Burch prepared the periodic maintenance expense calculations, but did not do so in Excel format. For this reason, there is no schedule of periodic maintenance expense in Excel format.**

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been served upon the following by  
electronic mail this 21<sup>st</sup> day of February, 2025:

**Indiana Office of Utility Consumer Counselor**

[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

[thharper@oucc.in.gov](mailto:thharper@oucc.in.gov)

[vipeters@oucc.in.gov](mailto:vipeters@oucc.in.gov)

[steven.krohne@icemiller.com](mailto:steven.krohne@icemiller.com)

[jack.petr@icemiller.com](mailto:jack.petr@icemiller.com)

  
\_\_\_\_\_  
J. Christopher Janak

Bose McKinney & Evans LLP  
111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
(317) 684-5000

4930653.1



# **Exhibit 9-1**

# CONSIGNMENT CONTRACT

Date 3-27-18

SELLER'S NAME Stucker Fork Water Utility SELLER NO. C-29

STREET ADDRESS P.O. Box 6274

CITY Scottsburg STATE IN. ZIP 47170

PHONE 812 820 2050

SETTLEMENT DATE: APRIL 24, 2018 TERMS: 10% PER ITEM, MAX OF \$300.00

QUANTITY	LOT NO.	DESCRIPTION	PRICE EACH	TOTAL PRICE
1		2012 GMC Canyon Truck	4,600. <sup>00</sup>	
1		Cargo Trailer	1,900. <sup>00</sup>	
1		Hustler zero turn Mower	625. <sup>00</sup>	
1		Trailer 5'x10'	600. <sup>00</sup>	
5				
6				
7				
8				
9				
10				
11				
12				
13		*Commission		
14		4,600. <sup>00</sup> - 300. <sup>00</sup>		
15		1,900. <sup>00</sup> - 190. <sup>00</sup>		
16		625. <sup>00</sup> - 62.50		
17		600. <sup>00</sup> - 60. <sup>00</sup>		
18		612.50		
19				
20				

I hereby commission you to sell the items listed above to the highest bidder by public auction. I certify that I am the owner of the above listed goods, merchandise, and/or property and have good title and the right to sell and that all are free from any and all incumbrances. I agree to accept all responsibility for providing merchantable title and for delivery of title to purchaser. I agree to hold harmless the auctioneers against any claims arising because of any breach of the above certification or failure to convey such good and merchantable title.

TOTAL SALES	7,725. <sup>00</sup>
*% COMMISSION	612.50
OTHER EXPENSE	-
TOTAL EXPENSES DEDUCTED	612.50
NET AMOUNT	7,112.50

SELLER'S SIGNATURE [Signature]  
DATE 3-29-18 AUCTIONEER

# CONSIGNMENT CONTRACT

Date 3-26-19

SELLER'S NAME Stucker Fork Water Utility SELLER NO. C-33

STREET ADDRESS \_\_\_\_\_

CITY Scottsburg STATE IN ZIP 47170

PHONE \_\_\_\_\_

SETTLEMENT DATE: APRIL 22, 2019 TERMS: 10% PER ITEM, MAX OF \$300.00

	QUANTITY	LOT NO.	DESCRIPTION	PRICE EACH	TOTAL PRICE
1	1		2011 GMC Truck 11,419.95	lea.	4,000.00
2	1		2011 GMC Truck 197,000		3,500.00
3	1		Kubota Mini Excavator		25,000.00
4	1		1/3 hp electric motor		50.00
5	1		Leeson 1/4 hp Elec. motor		22.50
6	1		Baldor JML 5 hp Elec. Motor		375.00
7	1		Emerson 1 hp Elec. Motor		5.00
8	1		Leeson 3 hp Elec. Motor		45.00
9	1		Electric Motor		2.00
10					
11					
12					
13			*		
14		6	Motors 499.50 x 10%	50.00	
15		1	Truck 4,000.00 max	300.00	
16		1	Truck 3,500.00 "	300.00	
17		1	Mini 25,000.00 "	300.00	
18					
19					
20					

I hereby commission you to sell the items listed above to the highest bidder by public auction. I certify that I am the owner of the above listed goods, merchandise, and/or property and have good title and the right to sell and that all are free from any and all incumbrances. I agree to accept all responsibility for providing merchantable title and for delivery of title to purchaser. I agree to hold harmless the auctioneers against any claims arising because of any breach of the above certification or failure to convey such good and merchantable title.

TOTAL SALES	32,999.50
% COMMISSION*	950.00
OTHER EXPENSE	-0-
TOTAL EXPENSES DEDUCTED	950.00
NET AMOUNT	32,050.00

SELLER'S SIGNATURE David L. Needles  
DATE 3-29-19 AUCTIONEER David L. Needles

# CONSIGNMENT CONTRACT

Date 10-8-22

SELLER'S NAME Stucker Fork Water Utility SELLER NO. 16

STREET ADDRESS \_\_\_\_\_

CITY S'burg STATE \_\_\_\_\_ ZIP 47170

PHONE \_\_\_\_\_

SETTLEMENT DATE: 10-24-22 TERMS: 10% per item Caps \$300.<sup>00</sup>

	QUANTITY	LOT NO.	DESCRIPTION	PRICE EACH	TOTAL PRICE
1	1		1T Chev Dump Truck	✓ 20,000. <sup>00</sup>	
2	1		Ditch Witch Trencher	✓ 17,000. <sup>00</sup>	
3	1		2011 GMC Truck, diesel	✓ 10,250. <sup>00</sup>	
4	1		2014 Chev Silverado 4x4	✓ 18,000. <sup>00</sup>	
5	1		2015 " " "	✓ 8,100. <sup>00</sup>	
6	1		2015 " " " No Reverse	✓ 8,900. <sup>00</sup>	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

I hereby commission you to sell the items listed above to the highest bidder by public auction. I certify that I am the owner of the above listed goods, merchandise, and/or property and have good title and the right to sell and that all are free from any and all incumbrances. I agree to accept all responsibility for providing merchantable title and for delivery of title to purchaser. I agree to hold harmless the auctioneers against any claims arising because of any breach of the above certification or failure to convey such good and merchantable title.

TOTAL SALES	82,250. <sup>00</sup>
% COMMISSION	1,800. <sup>00</sup>
OTHER EXPENSE	- 0 -
TOTAL EXPENSES DEDUCTED	1,800. <sup>00</sup>
NET AMOUNT	80,450. <sup>00</sup>

SELLER'S SIGNATURE [Signature]  
DATE 10/8/22 AUCTIONEER \_\_\_\_\_

# **Exhibit 9-8**

**STUCKER FORK CONSERVANCY DISTRICT  
WATER UTILITY**

**REVISED**

**CALCULATION OF PROPOSED TAP FEE**

<u>All Users</u>	<u>Average Hours</u>	<u>Hourly Rate (1)</u>	<u>Charge</u>
Maintenance labor	3.00 (2)	\$80.84 (3)	\$242.52
Travel to/from client location (\$0.655 per mile; Avg of 15 miles)			9.83
Cost of Materials			
Plastic Insert			0.45
Ball corp			108.74
Saddle			180.92
Setter			364.49
18x30 Plastic Pit			65.95
Ring & Lid			114.50
1" CTS Tubing (\$.65 per foot; Average of 15 feet)			9.75
Road Bore (\$7.50 per foot; Average of 15 feet)			112.50
Antenna			35.38
Mini Excavator and Truck Rental	3.00 (2)	165.00	495.00
Meter			340.00
			<u>340.00</u>
Calculated Tap Cost			<u><u>\$2,080.03</u></u>
Proposed Tap Fee			<u><u>\$2,080.00</u></u>

(1) Includes hourly pay rate and average hourly employee benefits.

(2) Average typical time required to complete a short-tap (2 hours) and a long-tap (4 hours).

(3) Total of hourly rates for all three maintenance staff required to complete the tap.

(Subject to the attached letter dated October 27, 2023)  
(Preliminary - Subject to Change)  
(Internal Use Only)

# **Exhibit 9-9**

**STUCKER FORK CONSERVANCY DISTRICT**  
**Water Utility**

**MORGAN FOODS MONTHLY BILLS**

Commercial										
Month	5/8 Inch Meter		5/8 Inch Meter		2 Inch Meter		Total			
	Usage (gallons)	Charge	Usage (gallons)	Charge	Usage (gallons)	Charge	Usage (gallons)	Charge		
January 2023	-	\$7.85	-	\$7.85	-	\$-	-		-	\$15.70
February 2023	-	7.85	-	7.85	48,000	195.03	48,000		48,000	210.73
March 2023	-	7.85	-	7.85	19,000	91.79	19,000		19,000	107.49
April 2023	-	7.85	-	7.85	26,000	116.71	26,000		26,000	132.41
May 2023	-	7.85	-	7.85	173,000	640.03	173,000		173,000	655.73
June 2023	-	7.85	650	10.74	341,000	1,217.18	341,650		341,650	1,235.77
July 2023	-	7.85	7,280	40.17	256,000	934.13	263,280		263,280	982.15
August 2023	-	7.85	4,770	29.03	238,000	871.43	242,770		242,770	908.31
September 2023	-	7.85	6,530	36.84	293,000	1,110.04	299,530		299,530	1,154.73
October 2023	-	7.85	5,050	30.27	255,000	930.80	260,050		260,050	968.92
November 2023	-	7.85	4,500	27.83	210,000	771.75	214,500		214,500	807.43
December 2023	-	7.85	-	7.85	76,000	294.71	76,000		76,000	310.41
	-	\$94.20	28,780	\$221.98	1,935,000	\$7,173.60	1,963,780		1,963,780	\$7,489.78

Industrial										
Month	5/8 Inch Meter		5/8 Inch Meter		2 Inch Meter		6 Inch Meter		Total	
	Usage (gallons)	Charge	Usage (gallons)	Charge	Usage (gallons)	Charge	Usage (gallons)	Charge	Usage (gallons)	Charge
January 2023	1,040	\$12.47	70	\$8.16	10	\$15.39	33,039,000	\$84,727.07	33,040,120	\$84,763.09
February 2023	1,030	12.42	-	7.85	-	15.35	30,752,000	78,899.80	30,753,030	78,935.42
March 2023	930	11.98	-	7.85	1,600	22.45	28,437,000	73,001.18	28,439,530	73,043.46
April 2023	1,730	15.53	10	7.89	-	15.35	26,663,000	68,481.02	26,664,740	68,519.79
May 2023	960	12.11	-	7.85	-	15.35	24,178,000	62,149.24	24,178,960	62,184.55
June 2023	1,480	14.42	-	7.85	-	15.35	33,629,000	86,230.39	33,630,480	86,268.01
July 2023	1,690	15.35	-	7.85	-	15.35	33,639,000	86,255.87	33,640,690	86,294.42
August 2023	1,210	13.22	10	7.89	10	15.39	34,998,000	89,718.60	34,999,230	89,755.10
September 2023	1,470	14.38	4,810	29.21	10	15.39	36,003,000	97,662.88	36,009,290	97,721.86
October 2023	1,540	14.69	2,460	18.77	10	15.39	32,071,000	82,260.61	32,075,010	82,309.46
November 2023	2,140	17.35	1,210	13.22	-	15.35	39,165,000	100,336.12	39,168,350	100,382.04
December 2023	780	11.31	570	10.38	50	15.57	32,800,000	84,118.10	32,801,400	84,155.36
	16,000	\$165.23	9,140	\$134.77	1,690	\$191.68	385,374,000	\$993,840.88	385,400,830	\$994,332.56

Total						
Month	Commercial		Industrial		Total	
	Usage (gallons)	Charge	Usage (gallons)	Charge	Usage (gallons)	Charge
January 2023	-	\$15.70	33,040,120	\$84,763.09	33,040,120	\$84,778.79
February 2023	48,000	210.73	30,753,030	78,935.42	30,801,030	79,146.15
March 2023	19,000	107.49	28,439,530	73,043.46	28,458,530	73,150.95
April 2023	26,000	132.41	26,664,740	68,519.79	26,690,740	68,652.20
May 2023	173,000	655.73	24,178,960	62,184.55	24,351,960	62,840.28
June 2023	341,650	1,235.77	33,630,480	86,268.01	33,972,130	87,503.78
July 2023	263,280	982.15	33,640,690	86,294.42	33,903,970	87,276.57
August 2023	242,770	908.31	34,999,230	89,755.10	35,242,000	90,663.41
September 2023	299,530	1,154.73	36,009,290	97,721.86	36,308,820	98,876.59
October 2023	260,050	968.92	32,075,010	82,309.46	32,335,060	83,278.38



November 2023	214,500	807.43	39,168,350	100,382.04	39,382,850	101,189.47
December 2023	<u>76,000</u>	<u>310.41</u>	<u>32,801,400</u>	<u>84,155.36</u>	<u>32,877,400</u>	<u>84,465.77</u>
	<u>1,963,780</u>	<u>\$7,489.78</u>	<u>385,400,830</u>	<u>\$994,332.56</u>	<u>387,364,610</u>	<u>\$1,001,822.34</u>

XZLEDGSU Page: 1

**STUCKER FORK WATER UTILITY**

Date: 02/05/2025 Time: 15:16:43

History Summary Printout

**History for account number 14463000 MORGAN FOODS**

**Billing Addr: 90 W MORGAN ST**

**Service Addr: 90 W MORGAN ST**

		Fire Cons	Water Cons	Water	Hydrant Cons	Hydrant	Payment	Other	Total	Balance
12/30/2022	Bill-Man		37134000	\$95161.13		\$0.00	\$0.00	\$0.00	\$95161.13	\$95161.13
01/11/2023	Payment			-\$95161.13		\$0.00	\$0.00	\$0.00	-\$95161.13	\$0.00
01/31/2023	Bill-Man		33039000	\$84727.07		\$0.00	\$0.00	\$0.00	\$84727.07	\$84727.07
02/13/2023	Payment			-\$84727.07		\$0.00	\$0.00	\$0.00	-\$84727.07	\$0.00
02/28/2023	Billing		30752000	\$78899.80		\$0.00	\$0.00	\$0.00	\$78899.80	\$78899.80
03/14/2023	Payment			-\$78899.80		\$0.00	\$0.00	\$0.00	-\$78899.80	\$0.00
03/31/2023	Bill-Man		28437000	\$73001.18		\$0.00	\$0.00	\$0.00	\$73001.18	\$73001.18
04/11/2023	Payment			-\$73001.18		\$0.00	\$0.00	\$0.00	-\$73001.18	\$0.00
04/30/2023	Bill-Man		26663000	\$68481.02		\$0.00	\$0.00	\$0.00	\$68481.02	\$68481.02
05/09/2023	Payment			-\$68481.02		\$0.00	\$0.00	\$0.00	-\$68481.02	\$0.00
05/31/2023	Bill-Man		24178000	\$62149.24		\$0.00	\$0.00	\$0.00	\$62149.24	\$62149.24
06/13/2023	Payment			-\$62149.24		\$0.00	\$0.00	\$0.00	-\$62149.24	\$0.00
06/30/2023	Bill-Man		33629000	\$86230.39		\$0.00	\$0.00	\$0.00	\$86230.39	\$86230.39
07/10/2023	Payment			-\$86230.39		\$0.00	\$0.00	\$0.00	-\$86230.39	\$0.00
07/31/2023	Bill-Man		33639000	\$86255.87		\$0.00	\$0.00	\$0.00	\$86255.87	\$86255.87
08/08/2023	Payment			-\$86255.87		\$0.00	\$0.00	\$0.00	-\$86255.87	\$0.00
08/31/2023	Bill-Man		34998000	\$89718.60		\$0.00	\$0.00	\$0.00	\$89718.60	\$89718.60
09/18/2023	Penalty			\$2691.77		\$0.00	\$0.00	\$0.00	\$2691.77	\$92410.37
09/25/2023	Payment			-\$89718.60		\$0.00	\$0.00	\$0.00	-\$89718.60	\$2691.77
09/29/2023	Bill-Man		36003000	\$92279.34		\$0.00	\$0.00	\$0.00	\$92279.34	\$94971.11
10/10/2023	Payment			-\$94971.11		\$0.00	\$0.00	\$0.00	-\$94971.11	\$0.00
10/31/2023	Bill-Man		32071000	\$82260.61		\$0.00	\$0.00	\$0.00	\$82260.61	\$82260.61
11/14/2023	Payment			-\$82260.61		\$0.00	\$0.00	\$0.00	-\$82260.61	\$0.00
11/30/2023	Bill-Man		39165000	\$100336.12		\$0.00	\$0.00	\$0.00	\$100336.12	\$100336.12
12/18/2023	Payment			-\$100336.12		\$0.00	\$0.00	\$0.00	-\$100336.12	\$0.00
12/28/2023	Bill-Man		32800000	\$84118.10		\$0.00	\$0.00	\$0.00	\$84118.10	\$84118.10
01/08/2024	Payment			-\$84118.10		\$0.00	\$0.00	\$0.00	-\$84118.10	\$0.00
01/31/2024	Bill-Man		32067000	\$82250.42		\$0.00	\$0.00	\$0.00	\$82250.42	\$82250.42
02/15/2024	Payment			-\$82250.42		\$0.00	\$0.00	\$0.00	-\$82250.42	\$0.00
02/29/2024	Bill-Man		32457000	\$83244.14		\$0.00	\$0.00	\$0.00	\$83244.14	\$83244.14
03/11/2024	Payment			-\$83244.14		\$0.00	\$0.00	\$0.00	-\$83244.14	\$0.00
03/28/2024	Bill-Man		34958000	\$89616.68		\$0.00	\$0.00	\$0.00	\$89616.68	\$89616.68
04/15/2024	Payment			-\$89616.68		\$0.00	\$0.00	\$0.00	-\$89616.68	\$0.00
04/30/2024	Bill-Man		28799000	\$73923.55		\$0.00	\$0.00	\$0.00	\$73923.55	\$73923.55
05/14/2024	Payment			-\$73923.55		\$0.00	\$0.00	\$0.00	-\$73923.55	\$0.00
05/31/2024	Bill-Man		31165000	\$79952.12		\$0.00	\$0.00	\$0.00	\$79952.12	\$79952.12
06/10/2024	Payment			-\$79952.12		\$0.00	\$0.00	\$0.00	-\$79952.12	\$0.00
06/28/2024	Bill-Man		32240000	\$82691.22		\$0.00	\$0.00	\$0.00	\$82691.22	\$82691.22

XZLEDGSU Page: 2

**STUCKER FORK WATER UTILITY**

Date: 02/05/2025 Time: 15:16:43

History Summary Printout

History for account number **14463000 MORGAN FOODS**

**Billing Addr: 90 W MORGAN ST**

**Service Addr: 90 W MORGAN ST**

	Fire Cons	Fire	Water Cons	Water	Hydrant Cons	Hydrant	Payment	Other	Total	Balance
07/08/2024 Payment		\$0.00		\$-82691.22		\$0.00	\$0.00	\$0.00	\$-82691.22	\$0.00
07/31/2024 Bill-Man		\$0.00	32247000	\$82709.06		\$0.00	\$0.00	\$0.00	\$82709.06	\$82709.06
08/12/2024 Payment		\$0.00		\$-82709.06		\$0.00	\$0.00	\$0.00	\$-82709.06	\$0.00
08/30/2024 Bill-Man		\$0.00	29423000	\$75513.50		\$0.00	\$0.00	\$0.00	\$75513.50	\$75513.50
09/10/2024 Payment		\$0.00		\$-75513.50		\$0.00	\$0.00	\$0.00	\$-75513.50	\$0.00
09/30/2024 Bill-Man		\$0.00	30991000	\$79508.77		\$0.00	\$0.00	\$0.00	\$79508.77	\$79508.77
10/15/2024 Payment		\$0.00		\$-79508.77		\$0.00	\$0.00	\$0.00	\$-79508.77	\$0.00
10/31/2024 Bill-Man		\$0.00	28098000	\$72137.40		\$0.00	\$0.00	\$0.00	\$72137.40	\$72137.40
11/12/2024 Payment		\$0.00		\$-72137.40		\$0.00	\$0.00	\$0.00	\$-72137.40	\$0.00
11/29/2024 Bill-Man		\$0.00	37350000	\$95711.50		\$0.00	\$0.00	\$0.00	\$95711.50	\$95711.50
12/10/2024 Payment		\$0.00		\$-95711.50		\$0.00	\$0.00	\$0.00	\$-95711.50	\$0.00

Acct # : 14463000  
 MORGAN FOODS  
 Service Address : 90 W MORGAN ST

BILLING DATE	READ DATE	1ST WATER METER PRESENT READING	1ST WATER METER PREVIOUS READING	WATER CONS E	2ND WATER METER PRESENT READING	2ND WATER METER PREVIOUS READING	WATER CONS
12/30/2022	12/01/2022	187893600	184180200	37134000	0	0	0
01/31/2023	01/03/2023	191197500	187893600	33039000	0	0	0
02/28/2023	02/01/2023	194272700	191197500	30752000	0	0	0
03/31/2023	03/01/2023	197116400	194272700	28437000	0	0	0
04/30/2023	03/31/2023	199782700	197116400	26663000	0	0	0
05/31/2023	05/01/2023	202200500	199782700	24178000	0	0	0
06/30/2023	06/01/2023	205563400	202200500	33629000	0	0	0
07/31/2023	07/03/2023	208927300	205563400	33639000	0	0	0
08/31/2023	08/01/2023	212427100	208927300	34998000	0	0	0
09/29/2023	09/05/2023	216027400	212427100	36003000	0	0	0
10/31/2023	10/02/2023	219234500	216027400	32071000	0	0	0
11/30/2023	11/01/2023	223151000	219234500	39165000	0	0	0
12/28/2023	12/01/2023	226431000	22315100	32800000	0	0	0
01/31/2024	01/02/2024	229637700	226431000	32067000	0	0	0
02/29/2024	02/01/2024	232883400	229637700	32457000	0	0	0
03/28/2024	03/01/2024	236379200	232883400	34958000	0	0	0
04/30/2024	04/01/2024	239259100	236379200	28799000	0	0	0
05/31/2024	05/01/2024	242375600	239259100	31165000	0	0	0
06/28/2024	05/31/2024	245596000	242375600	32240000	0	0	0
07/31/2024	07/01/2024	248824300	245596000	32247000	0	0	0
08/30/2024	08/01/2024	251766600	248824300	29423000	0	0	0
09/30/2024	09/03/2024	254865700	251766600	30991000	0	0	0
10/31/2024	10/01/2024	257675500	254865700	28098000	0	0	0
11/29/2024	11/01/2024	261410500	257675500	37350000	0	0	0
12/31/2024	12/02/2024	264618700	261410500	32082000	0	0	0

# WATER ACCOUNTS PAYABLE VOUCHER

VOUCHER NO. 22007 WARRANT NO. 17725 DATE ALLOWED 2-6-23 IN THE SUM OF \$ 21,991.11  
Mo. Day Yr.

**Stucker Fork Water Utility**

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Payee

<p style="font-size: 2em; font-family: cursive;">Utility Supply</p>	<p>Purchase Order No.</p> <p>Terms</p> <p>Date Due</p>
---	--

V #	W #

INVOICE DATE	INVOICE NUMBER	APPROP NUMBER	DESCRIPTION (or note attached invoice(s) or bill(s))	AMOUNT
-9.23	-1428672	-L20.1L	-I+D. Supplies	-1,609.02
.9.23	-1428687	-L20.1L	-I+D. Supplies	-20,400.00
-11.23	-1428967	-L20.1L	-I+D. Supplies	-213.34
12.23	-1429111	-L20.1L	-I+D. Supplies	-935.17
20.23	-1429929	-L20.1L	-I+D. Supplies	-521.88
23.23	-1430035	-L20.1L	-I+D. Supplies	-3,311.70
<b>TOTAL</b>				<b>21,991.11</b>

<b>ACCOUNTS PAYABLE MUNICIPAL WATER DEPT. Stucker Fork Water Utility</b>	
Favor Of <p style="font-size: 2em; font-family: cursive;">Utility Supply</p>	
Total Amount of Voucher	\$
Deductions	
Total Amount of Warrant	\$ <u>21,991.11</u>
Month of <u>Feb</u>	6 <u>2023</u>

VOUCHER RECORD	ACCT #	
Source of Supply		
Water Treatment		
Transmission and Dist.	L20.1L	21991.11
Customer Accounts		
Administrative & Gen.		
Operation-Maintenance		
Utility Plant In Service		
Constr. Work In Progress		
Materials and Supplies		
Customers Deposits		
Total		21991.11

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials, or services itemized thereon for which charge is made were ordered and received except

2-6-23  
 Mo. Day Yr. Signature Officer/Title

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with RC 5-11-10-1.6.

2-6-23  
 Mo. Day Yr. Signature Officer/Title

Board/Council Members

# INVOICE



**UTILITY SUPPLY COMPANY**  
Branch: 04 USC HUNTINGBURG  
6310 SOUTH HARDING STREET  
INDIANAPOLIS, IN 46217  
US

1-317-783-4196

INVOICE	
1428687	
Invoice Date	Page
1/9/2023 16:36:07	1 of 1
ORDER NUMBER	
1454102	

**Bill To:**

STUCKER FORK WATER UTILITY  
5783 NORTH WATER TOWER ROAD  
AUSTIN, IN 47102  
US

**Ship To:**

STUCKER FORK WATER UTILITY  
5783 NORTH WATER TOWER ROAD  
AUSTIN, IN 47102  
US

Attn: LISA WHEELER

Ordered By: BRAD PEACOCK

Customer ID: 101801

PO Number		Term Description	Net Due Date	Disc Due Date	Discount Amount		
BRAD-12/16/2022 14:33:00		Net 30 DAYS	2/8/2023	2/8/2023	0.00		
Order Date	Pick Ticket No	Primary Salesrep Name		Taker			
12/16/2022 14:32:42	1482137	AARON STENFTENAGEL		KGOEPPNER			
Quantities				Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Item Description	Unit Size		
Carrier: OUR TRUCK				Tracking #:			
60.00	60.00	0.00	EA	ED2B31RWG3SG89	EA	340.0000	20,400.00
			1.0	METER 5/8X3/4 E R900i PIT GAL 6 FT ANT		1.0000	

Total Lines: 1

**SUB-TOTAL:** 20,400.00

**TAX:** 0.00

**AMOUNT DUE:** 20,400.00

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

**FILED**  
December 6, 2024  
INDIANA UTILITY  
REGULATORY COMMISSION

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

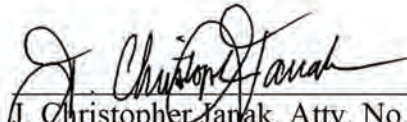
**IN THE MATTER OF THE PETITION OF  
STUCKER FORK CONSERVANCY  
DISTRICT FOR APPROVAL OF A NEW  
SCHEDULE OF RATES AND CHARGES  
FOR WATER SERVICE**

**CAUSE NO. 46167**

**PETITIONER'S SUBMISSION OF WORKPAPERS**

Petitioner, Stucker Fork Conservancy District, by counsel, hereby submits its workpapers in support of its requested relief in this Cause.

Respectfully Submitted,



J. Christopher Janak, Atty. No. 18499-49  
Jacob Antrim, Atty No. 36762-49  
Bose McKinney & Evans LLP  
111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
(317) 684-5000 | (317) 684-5173 Fax  
[JJanak@boselaw.com](mailto:JJanak@boselaw.com) | [jantrim@boselaw.com](mailto:jantrim@boselaw.com)  
*Counsel for Stucker Fork Conservancy District*

## Estimated Rate Case Expense for Baker Tilly

WIP as of 11/21/24 is \$116,604

Baker Tilly's fees for prior rate case was \$137,112.45

Adjusting for inflation, we estimate Baker Tilly fees of \$150,000

From: [Richard A. Burch, PE](#)  
To: [Gabbard, Bill](#)  
Cc: [Lynch, Jessica](#); [Sakthisena, Priyanka](#)  
Subject: RE: Stucker Fork Water Rate Case Fees  
Date: Wednesday, July 31, 2024 2:11:26 PM

Attachments:

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**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Bill,

I would estimate \$50,000.00 for Midwestern's fees. Thank you.

Richard A. Burch, PE  
Director of Engineering  
Office: 812.295.2800  
  
Direct: 812.296.0098

[www.midwesterneng.com](http://www.midwesterneng.com)



## Midwestern Engineers, Inc.

---

**From:** Gabbard, Bill <Bill.Gabbard@bakertilly.com>

**Sent:** Wednesday, July 31, 2024 10:21 AM

**To:** Richard A. Burch, PE <rburch@midwesterneng.com>

**Cc:** Lynch, Jessica <Jessica.Lynch@bakertilly.com>; Sakthisena, Priyanka <Priyanka.Sakthisena@bakertilly.com>

**Subject:** Stucker Fork Water Rate Case Fees

You don't often get email from [bill.gabbard@bakertilly.com](mailto:bill.gabbard@bakertilly.com). [Learn why this is important](#)

Good morning Richard,

Do you have an estimate of your fees related to your work and testimony for the Stucker Fork Water rate case? We are asking so that we can include the cost of the rate case in Stucker Forks revenue requirements.

Thank you,

Bill Gabbard, CPA Manager

**From:** [Janak, J. Christopher](#)  
**To:** [Gabbard, Bill](#)  
**Cc:** [Lynch, Jessica](#); [Sakthisena, Priyanka](#)  
**Subject:** RE: Stucker Fork Water Rate Case Fees  
**Date:** Friday, July 26, 2024 6:09:35 PM

**Attachments:**

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[g](#)

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**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good evening, Bill. Based on recent history, I anticipate an intervenor which will most likely increase the amount of rate case expense from my perspective. Why don't we plan on using 125 k from my perspective.

Thanks

Chris.

## J. Christopher Janak

**Bose McKinney & Evans LLP**

111 Monument Circle | Suite 2700 | Indianapolis, Indiana 46204  
[cjanak@boselaw.com](mailto:cjanak@boselaw.com) | P 317-684-5249 | F 317-223-0249 |

*Bose McKinney & Evans LLP is a member of [Mackrell International](#), a network of independent law firms from more than sixty countries and thirty states.*

---

**From:** Gabbard, Bill <Bill.Gabbard@bakertilly.com>

**Sent:** Friday, July 26, 2024 3:46 PM

**To:** Janak, J. Christopher <cjanak@boselaw.com>

**Cc:** Lynch, Jessica <Jessica.Lynch@bakertilly.com>; Sakthisena, Priyanka  
<Priyanka.Sakthisena@bakertilly.com>

**Subject:** Stucker Fork Water Rate Case

Fees Good afternoon Chris,

Do you have an estimate of your fees related to your work on the Stucker Fork Water rate case? We are asking so that we can include the cost of the rate case in Stucker Forks revenue requirements.

Thank you,

Bill Gabbard, CPA Manager

**FILED**  
**May 6, 2022**  
**INDIANA UTILITY**  
**REGULATORY COMMISSION**

Petitioner's Exhibit No. 2

**IURC Cause No. 45719**

**City of South Bend,  
Indiana**

**Municipal Water  
Utility**

**Testimony of  
Alex D. Hilt, C.P.A.**

**Sponsoring Attachment ADH-1**

**On Behalf of Petitioner**

**May 6, 2022**

**Baker Tilly Municipal Advisors LLC  
Mishawaka, Indiana**

**SOUTH BEND (INDIANA) MUNICIPAL WATER UTILITY**  
**PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS**  
**(Explanation of Adjustments)**

(Cont'd)

Adjustment (9) - IURC Rate Case

To adjust the test year for commission rate case expenses.

Pro forma rate case expenses (Legal, Engineering, Rate Advisory)	\$240,000
Divide by amortization period	<u>4</u>
Adjustment	<u><u>\$60,000</u></u>

Adjustment (10) - General & Administration

To adjust test year General and Administration costs to reflect 2022 budgeted allocation amounts for shared service departments.

<u>Account</u>	<u>Description</u>	<u>Test Year</u>	<u>Pro Forma</u>	<u>Adjustment</u>
620-06-604-608-452002	Shared Admin	\$813,724	\$793,629	(\$20,095)
620-06-604-608-452003	Information Technology	706,570	840,245	133,675
620-06-604-608-452004	Liability Insurance	181,091	178,414	(2,677)
620-06-604-608-452008	Engineering/Wastewater	496,242	521,731	25,489
620-06-604-608-452009	Facilities Management	<u>28,436</u>	<u>35,930</u>	<u>7,494</u>
Totals		<u><u>\$2,226,063</u></u>	<u><u>\$2,369,949</u></u>	<u><u>\$143,886</u></u>

Adjustment (11) - Utility Receipts Tax

To adjust test year URT disbursements for the anticipated passage of HB1002 repealing the URT tax rate.

Pro forma taxable receipts	\$19,981,973
Times 2022 URT rate (URT repealed by HEA 1002)	<u>0.00%</u>
Pro forma URT disbursement	-
Less test year amount	<u>(224,305)</u>
Adjustment	<u><u>(\$224,305)</u></u>

(See Accountants' Compilation Report)

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF SOUTH BEND, )  
INDIANA, FOR (1) AUTHORITY TO ISSUE )  
BONDS, NOTES, OR OTHER OBLIGATIONS, )  
(2) AUTHORITY TO INCREASE ITS RATES ) CAUSE NO. 45719  
AND CHARGES FOR WATER SERVICE, )  
AND (3) FOR APPROVAL OF NEW )  
SCHEDULES OF WATER RATES AND )  
CHARGES. )

PUBLIC'S EXHIBIT NO. 1

TESTIMONY OF CARLA F. SULLIVAN

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

August 12, 2022

Respectfully submitted

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



Daniel M. Le Vay, Attorney No. 22184-49  
Deputy Consumer Counselor  
OFFICE OF UTILITY CONSUMER COUNSELOR  
115 W. Washington St., Suite 1500 South  
Indianapolis, IN 46204  
Email: [dlevay@oucc.in.gov](mailto:dlevay@oucc.in.gov)  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

**CITY OF SOUTH BEND  
CAUSE NUMBER 45719**

**OUCG Expense Adjustments**

**(6-8)**

**Hosting and Maintenance**

1 To normalize computer hosting and maintenance cost.

2	enQuesta Hosting and Managed Services	\$	63,511	
3	enQuesta Maintenance and Support		82,689	
4	enQuesta Outage Management		3,493	
5	enQuesta Oracle		22,500	
6	enQuesta third test environment		40,000	
7	enQuesta additional licenses for 311		<u>32,900</u>	
8	Annual Hosting and Maintenance Cost			\$ 245,093
9	Less: Test Year Expense			<u>(186,469)</u>
10			<b>Adjustment Increase (Decrease)</b>	<b><u>\$ 58,624</u></b>

**(6-9)**

**Rate Case Expense**

11 To amortize rate case expense.

12	Current Rate Consulting Agreement	\$	75,000	
13	Estimated Add. Rate Support and True Up Needs		25,000	
14	Estimated Legal Council Costs		100,000	
15	Estimated Engineering Support		<u>40,000</u>	
16				\$ 240,000
17				<u>5</u>
18			<b>Adjustment Increase (Decrease)</b>	<b><u>\$ 48,000</u></b>

**(6-10)**

**Utility Receipts Tax**

19 To remove utility receipts tax from the test year.

20	Removal of Expense		(235,000)	
21			<b>Adjustment Increase (Decrease)</b>	<b><u>\$ (235,000)</u></b>

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

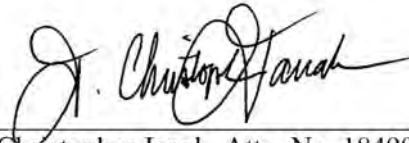
IN THE MATTER OF THE PETITION OF  
THE CITY OF ANDERSON, INDIANA, FOR  
APPROVAL TO ISSUE BONDS AND ADJUST  
ITS RATES AND CHARGES

CAUSE NO. 46171

PREFILED DIRECT TESTIMONY AND EXHIBITS  
OF JENNIFER Z. WILSON

Prefiled Direct Testimony of Jennifer Z. Wilson	<u>Petitioner's Exhibit 3</u>
Revenue Requirement Report dated October 10, 2024	<u>Attachment JZW-1</u>
Ordinance No. 37-24 (Bond Ordinance)	<u>Attachment JZW-2</u>
Non-Recurring Rates and Charges Report dated October 15, 2024	<u>Attachment JZW-3</u>
Ordinance No. 38-24 (Rate Ordinance)	<u>Attachment JZW-4</u>
Calculation of Recommended System Development Charge (SDC) dated October 16, 2024	<u>Attachment JZW-5</u>

Respectfully submitted,



J. Christopher Janak, Atty. No. 18499-49  
Nikki G. Shoultz, Atty. No. 16509-41  
Jacob Antrim, Atty No. 36762-49  
BOSE MCKINNEY & EVANS LLP  
111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
(317) 684-5000 | (317) 684-5173 Fax  
[cjanak@boselaw.com](mailto:cjanak@boselaw.com) | [jantrim@boselaw.com](mailto:jantrim@boselaw.com)

Timothy S. Lanane, Atty. No. 8664-48  
Paul Podlejski, Atty. No. 30809-48  
City of Anderson, Indiana  
22 W. 8<sup>th</sup> Street  
Anderson, IN 46016

## Detail of Adjustments (Continued)

(9)	
To adjust "Administrative and General - Contractual Services" for capital expenditures and non-recurring expenses.	
	<u>Amount</u>
Engineering Fees from CHA for Hydraulic Modeling Distribution System	\$ (55,839)
Regulatory Council for IURC Rate Case by Bose McKinney and Evans LLP	(45,029)
Hydrogeological Consulting Services from Eagon & Associates	<u>(5,118)</u>
Adjustment - Decrease	<u>\$ (105,986)</u>
(10)	
To adjust "Operation and Maintenance Expenses - General Liability Insurance" for the 2024 amount.	
2024 Budget	\$ 260,000
Less: Test Year	<u>(174,999)</u>
Adjustment - Increase	<u>\$ 85,001</u>
(11)	
To adjust "Administrative and General - Rental" for 2024 budgeted rental payments not made during the Test Year.	
2024 Budget	\$ 35,000
Less: Test Year	<u>-</u>
Adjustment - Increase	<u>\$ 35,000</u>
(12)	
To adjust "Operation and Maintenance Expenses" for the amortization of rate case expenses.	
Revenue Requirement Consultant	\$ 125,000
Cost of Service Study Consultant	29,500
Regulatory Counsel	<u>145,000</u>
Total Estimated Rate Case Expense	299,500
Amortize by: Number of years	<u>4</u>
Adjustment - Increase	<u>\$ 74,875</u>

See Appendix A: Assumptions