

FILED
January 20, 2026
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

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

PUBLIC EXHIBIT NO. 3

TESTIMONY OF SHAWN DELLINGER

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

January 20, 2026

TESTIMONY OF OUCC WITNESS SHAWN DELLINGER
CAUSE NO. 46292-U
MAPLETURN UTILITIES, INC.
SEWER OPERATIONS

I. INTRODUCTION

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

2 A: My name is Shawn Dellinger, and my business address is 115 West Washington Street,
3 Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as a Senior
6 Utility Analyst in the Water/Wastewater division. My focus is on financing and other
7 financial matters. My educational background and experience is set forth in Appendix A.

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

9 A: On August 21, 2025, Mapleturn Utilities, Inc. Sewer Division (“Mapleturn-Sewer” or
10 “Applicant”) filed a Small Utility Rate Application (“Application”). My testimony
11 addresses financing issues including debt authorization, debt service revenue requirement,
12 debt service reserve revenue requirement, and appropriate true-up mechanisms. Mapleturn
13 did not request financing in this cause, but discussions with Mapleturn have lead us to
14 conclude that the best means of procuring funding for some of Mapleturn’s projects is
15 through a debt offering.

16 **Q: What did you do to form the opinions in your testimony?**

17 A: I reviewed the Application and Applicant’s responses to OUCC discovery questions. I
18 spoke with Mr. Kent Garrison of Mapleturn Utilities several times to discuss various
19 financing issues, cost estimates, and which projects are amenable to financing.

1 **Q: Is this case related to an application for rate increase filed by Mapleturn Utilities**
2 **Water Operations?**

3 A: Yes. Mapleturn Utilities has filed contemporaneous cases for both the water (Cause No.
4 46291-U) and sewer (Cause No. 46292-U) operations. However, these two cases are
5 linked, and from a financing lens were viewed as a whole. Since Mapleturn Utilities will
6 be the borrower and will allocate any funds internally between the water and sewer
7 operations, any debt authority granted, while assigned to a specific operational entity for
8 regulatory purposes and determination of rates, will in reality be borrowed by a single
9 entity.

10 **Q: If your testimony does not address a specific topic, issue, or item, should it be**
11 **construed to mean you agree with Petitioner's proposal?**

12 A: No. My silence on any issue should not be construed as an endorsement. Excluding any
13 specific issues regarding Petitioner's proposal from my testimony is not an indication of
14 approval. Rather, the scope of my testimony is limited to the specific items I addressed.

II. DEBT AUTHORIZATION

15 **Q: Please describe Mapleturn-Sewer proposed debt in this cause.**

16 A: As stated above, Mapleturn-Sewer did not request borrowing authority in this Application.
17 However, I recommend borrowing authority be granted. Mapleturn-Sewer has more
18 projects that it wishes to pursue than are reasonable to fund with E&R funds (the projects
19 are discussed in more detail by OUCC witness Kristen Willoughby), and financing
20 these projects with debt is the best course of action. First, because it is best practice to
21 borrow money for long-lived assets for utilities to avoid intergenerational inequity issues.
22 Second, the only means the rate impact may be kept within the magnitude
23 contemplated in the Application is to finance these projects.

1 **Q: What projects are you proposing to be financed in this Cause?**

2 A: There are three wastewater operation projects that I recommend be financed. The first
3 project is to clean 1,500' of sewer pipe, which is estimated to cost \$37,005.00. The second
4 project is to line 1,500' of sewer pipe, which is estimated to cost \$502,337.00. Third is a
5 SCADA project that will cost \$115,000, of which \$37,500 is allocated to the water
6 operations and the remaining \$77,500 is allocated to the sewer operations and will be
7 reflected in the borrowing. The total of these three projects is \$616,842. OUCC witness
8 Kristen Willoughby discusses these projects, the cost support, and the prudence of them in
9 detail in her testimony.

10 **Q: What is your recommendation for the debt authorization?**

11 A: I recommend Applicant's wastewater operations receive debt authorization of \$675,000.
12 Because the above prices are based on actual quotes that will expire before the projects
13 begin, I am including an approximate 10% adder to account for potential cost changes by
14 the time the contracts are signed for these projects. However, the revenue requirement will
15 be based upon the best estimate of \$616,842, subject to true-up.

III. DEBT SERVICE REVENUE REQUIREMENT

16 **Q: Is there existing debt for Mapleturn-Sewer?**

17 A: Yes. The debt service shown in the Application under tab "Sch 9 – Debt Service" in the
18 amount of \$79,116 annually is existing debt. This debt service is from a USDA Rural
19 Development Loan, which matures in 2051 and has an interest rate of 3.25%. There is no
20 new debt proposed on the application. I accept this amount as existing debt service and
21 recommend that Mapleturn-Sewer receive this amount in annual debt service revenue
22 requirement.

1 **Q: What is Mapleturn-Sewer's requested debt service revenue requirement?**

2 A: There is no requested revenue requirement for new debt. Mapleturn-Sewer included
3 \$79,116 of debt service revenue requirement for existing debt. Mapleturn-Sewer included
4 an extensions & replacements ("E&R") revenue requirement of \$7,401 annually (\$37,005
5 over five years) to clean the 1,500' of sewer pipe and \$100,467 annually (\$502,337 over
6 five years) to line 1,500' of sewer pipe. Mapleturn originally contemplated collecting the
7 amounts for the cleaning and lining of 1,500' in the E&R revenue requirement, rather than
8 debt service. Mapleturn-Sewer did not propose any means of funding the SCADA project
9 in its initial application.

10 **Q: What are the advantages of debt financing these projects?**

11 A: First, debt financing the projects provides for timing advantages. If Mapleturn-Sewer
12 would have to collect the funds for the projects via the E&R revenue requirement, it would
13 be five years before the funds were collected and these projects would be able to begin,
14 assuming that today's prices would still be accurate at that time. Borrowing the funds
15 allows for immediate commencement of these projects. Second, financing the projects
16 better supports intergenerational equity to pay for these significant projects over a period
17 more aligned with the useful life of these assets. Third, financing the projects reduces the
18 current cash requirements (and hence the revenue requirement) to allow for more projects
19 to be completed. This supports affordability for ratepayers while supporting the necessary
20 projects, while ensuring that the utility has the proper financial basis to maintain sound
21 operations.

22 **Q: What terms do you recommend for the financing?**

23 A: Mapleturn has informally contacted its bank to get preliminary terms. The bank indicated
24 interest rates of approximately 7.0%, and a term of 20 years. In case of interest rates

1 increase, I recommend using a 7.5% interest rate for calculation of the forecasted cost of
2 the debt. This borrowing will be subject to a true-up, so the actual interest rate and term
3 will be incorporated into final rates after certainty is achieved. However, as a forecast,
4 these terms are reasonable.

5 **Q: What is the cost of this debt?**

6 A: The annual cost of the debt is \$60,507.38.

7 **Q: What debt service revenue requirement do you recommend?**

8 A: The debt service revenue requirement should be \$60,510, subject to a true-up and other
9 considerations depending on the timing of the debt issuance discussed in the true-up section
10 of my testimony.

11 **Q: Is there a debt service reserve revenue requirement?**

12 A: No.

IV. TRUE-UP

13 **Q: Should Applicant be required to true-up its proposed annual debt service once the**
14 **interest rates and actual borrowing amount on its proposed debt are known?**

15 A: Yes. The precise interest rates, borrowing amount and annual debt service will not be
16 known until Applicant's debt has been issued. Therefore, Applicant's rates should be true-d-
17 up to reflect the actual cost of the debt. Applicant shall file a report within thirty (30) days
18 of closing its debt issuance explaining the terms of the new loan and the actual balance
19 borrowed. The report should include a revised tariff, amortization schedule (or the loan
20 document showing the payments required) and a calculation of the rate impact in a form
21 similar to the OUCC's schedules to the best of the Applicant's ability. Collection of
22 revenues for the debt will be immediate with the implementation of rates authorized by the
23 order in this Cause. However, the debt may not be issued promptly, and this would cause

1 a misalignment of costs with revenues. Therefore, if new debt is not issued within sixty
2 (60) days of the issuance of the order, an amount of \$5,050¹ should be placed in a restricted
3 account monthly and used to reduce the ultimate borrowing. This account may be a
4 bookkeeping convention and does not need to be a separate account with a financial
5 institution. If the borrowing has not taken place within three years of the final order, the
6 amount in this restricted fund should be refunded to ratepayers and the tariff adjusted to
7 remove the debt service revenue requirement.

8 **Q: How should disputes regarding Applicant's true up report be identified?**

9 A: The OUCC should have twenty-one (21) days to challenge Applicant's proposed true-up
10 once Applicant has provided its proposed true-up to the OUCC. Applicant should similarly
11 have twenty-one (21) days to file a response to the OUCC. Thereafter, the Commission
12 should resolve any issue raised through a process it deems appropriate. Any true-up report
13 should state the time frames for objections or responses.

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

15 A: Yes. I propose the true-up need not be implemented if both parties state in writing to the
16 Commission that the increase or decrease indicated by the report need not occur.

V. OUCC RECOMMENDATIONS

17 **Q: Please summarize your recommendations to the Commission in this Cause.**

18 A: I recommend an annual debt service revenue requirement of \$139,626, consisting of
19 \$60,510 for new debt and \$79,116 for existing debt. I recommend a debt authorization of
20 \$675,000. I recommend the establishment of a restricted fund for the placement of \$5,050

¹ This is the \$60,507.38 annual cost of debt that I am recommending to be included in rates, presented as a monthly figure (i.e. divided by 12), and including slight rounding for convenience.

1 monthly until such time as the new debt is issued as discussed above. Finally, I recommend the
2 true-up process as discussed above be implemented.

3 **Q: What is the overall debt authorization you are recommending for Mapletown Utilities,**
4 **inclusive of the Water Operations (Cause No. 46291-U) and the Sewer Operations**
5 **(Cause No. 46292-U)?**

6 A: I recommend an overall debt authorization of \$1,075,000, which consists of \$400,000 for the
7 water operations and \$675,000 for the sewer operations.

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

9 A: Yes.

APPENDIX A.

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

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors
4 certificate program through the Kelley School of Business and the College of Arts and
5 Sciences. I received my MBA from Indiana University with a concentration in finance. I
6 am a member of Phi Beta Kappa honor society for my undergraduate studies and Beta
7 Gamma Sigma honor society for my master's program. I have a certificate from Stanford
8 University for the Energy Innovation and Emerging Technologies Program. I am a certified
9 rate of return analyst (CRRA designation) from the Society of Utility Regulatory Financial
10 Analysts. Although not specifically related to my educational background, I am a member
11 of Mensa.

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

13 A: Upon graduating college, I moved to New York and worked at Grant's Interest Rate
14 Observer, which is a financial newsletter and Lebenthal and Co., which was a municipal
15 bond brokerage. I moved back to Indianapolis and worked at RCI Sales in Indianapolis,
16 which was a manufacturer's representative/distributor in commercial and institutional
17 construction. I became an owner and ultimately sold the company. I then worked at
18 Amazon as a financial analyst in its fulfillment division.

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

20 A: I started at the OUCC in the Water/Wastewater Division in December 2019 as a Utility
21 Analyst II and was promoted to a Senior Utility Analyst in May 2022. My focus is financial
22 issues, such as ROEs, Capital Structures, Debt Issuances, Cost of Debt, etc.

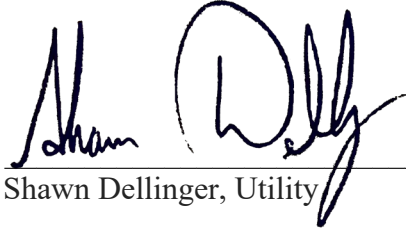
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1 **Q: Have you previously testified before the Indiana Utility Regulatory Commission?**

2 A: Yes, I have testified before the Commission regarding various aspects of finance in
3 multiple cases.

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 black ink, appearing to read "Shawn Dellinger", written over a horizontal line.

By: Shawn Dellinger, Utility

Cause No. 46292-U

Office of Utility Consumer Counselor (OUCC)

Date: January 20, 2026