

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF INDIANA-AMERICAN WATER)
COMPANY, INC. FOR (1) APPROVAL OF ITS)
PLAN FOR PROPOSED SERVICE)
ENHANCEMENT IMPROVEMENTS (“SEI”))
PURSUANT TO IND. CODE CH. 8-1-31.7, (2))
AUTHORITY TO TIMELY RECOVER 80% OF)
THE SERVICE ENHANCEMENT)
IMPROVEMENT COSTS THROUGH ITS SEI)
RIDER, (3) AUTHORITY TO CREATE)
REGULATORY ASSETS TO RECORD (A) 20%)
OF THE SERVICE ENHANCEMENT)
IMPROVEMENT COSTS AND (B) POST-IN-)
SERVICE CARRYING COSTS, COMPOUNDED)
MONTHLY AND BASED ON THE OVERALL)
COST OF CAPITAL MOST RECENTLY)
APPROVED BY THE COMMISSION AND)
DEFERRED DEPRECIATION, UNTIL SUCH)
COSTS ARE REFLECTED IN RATES, AND (4))
APPROVAL OF OTHER RELATED)
RATEMAKING RELIEF AND TARIFF)
PROPOSALS CONSISTENT WITH IND. CODE)
CH. 8-1-31.7)**

CAUSE NO. 46188

PUBLIC’S EXHIBIT NO. 2

TESTIMONY OF CARL N. SEALS

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

April 21, 2025

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

A handwritten signature in blue ink, appearing to read "Jason Haas", is positioned above the typed name.

—
T. Jason Haas, Attorney No. 34983-29
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**TESTIMONY OF OUCC WITNESS CARL N. SEALS
CAUSE NO. 46188
INDIANA AMERICAN WATER COMPANY, INC.**

I. INTRODUCTION

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

2 A: My name is Carl Seals, 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
6 Assistant Director of the Water/Wastewater Division. I described my qualifications
7 and experience in Appendix A.

8 **Q: What relief is Indiana American Water Company, Inc. seeking in this case?**

9 A: Indiana American Water Company, Inc. ("Petitioner" or "Indiana American")
10 requests approval of its plan for proposed service enhancement improvements
11 ("SEI") pursuant to Ind. Code ch. 8-1-31.7.

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

13 A: My testimony addresses the inclusion of the "Terre Haute Allendale Booster
14 Additions" ("Allendale Project") in Petitioner's SEI plan, as discussed in detail
15 beginning on page 66 of Mr. Hobbs' testimony and in Confidential Attachments
16 40, 41 and 42.¹ I conclude that this project is not needed to serve the communities
17 stated, but is more appropriately designed to serve a specific, future customer, in
18 contradiction to Ind. Code 8-1-31.7-2(1).²

¹ Petitioner's Exhibit No. 1, Direct Testimony of Matthew Hobbs, p. 66.

² IC § 8-1-31.7-2 "Eligible addition" Sec. 2. As used in this chapter, "eligible addition" means any new utility plant or equipment: (1) *that does not increase revenues by connecting to new customers*, even though the plant or equipment may provide the eligible utility with greater available capacity. (Emphasis added.)

1 **Q: What have you done to prepare your testimony?**

2 A: I have reviewed Indiana American's petition and the testimonies and attachments
3 of Matthew H. Hobbs and Philip J. Drennan. I wrote data requests and reviewed
4 Indiana American's responses.

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

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

11 **Q: Does your testimony include attachments?**

12 A: No.

13 **Q: Why is this project being requested?**

14 A: First, Mr. Hobbs notes that "[t]he total average day and maximum day demands for
15 the areas served by the Allendale Pump Station are *estimated* to be 1.17 and 1.64
16 MGD, respectively," while the reliable capacity of the pump station is 1.7 MGD.
17 He then goes on at *greater* lengths to discuss the future needs of industrial
18 development, including a new customer, Entek.

19 The Allendale Gradient is attracting interest from industrial
20 development. Entek is currently developing a site in the Vigo County
21 Industrial Park. This development is anticipated to utilize over
22 300,000 gpd with the current construction phase and anticipates
23 future projections over 2.0 MGD. The recommended improvements
24 include replacing the existing booster with a package booster station
25 that would supply the maximum day demand of the Allendale
26 Gradient needed today with the ability to be expanded in the future
27 to meet the projected demands of the Vigo County Industrial Park.³

³ Hobbs Direct, p. 67, ll. 10-18.

1 Mr. Hobbs then continues to discuss the new facility and its ability to expand to
2 meet the projected demands of the Vigo County Industrial Park and more
3 specifically, Entek and other potential developments, and does not further reference
4 demands from existing Sullivan-Vigo Rural Water and the Company's
5 Farmersburg District, which are also served by the Allendale Booster.⁴

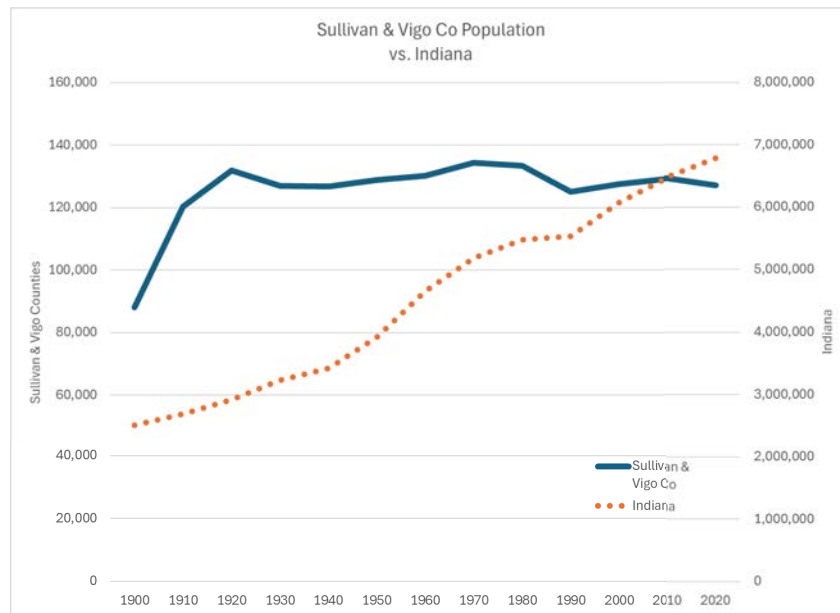
6 **Q: Do the current facilities already meet peak demands of current wholesale**
7 **customers?**

8 A: Yes, as noted above by Mr. Hobbs, the current facilities meet the *estimated*
9 demands of the areas served. It is unclear why these demands are only *estimated* –
10 if the situation were important enough to require additional investment *for existing*
11 *customers*, one might expect that Indiana American would meter these facilities and
12 record current, *actual* daily demands. I conclude that the true purpose of the
13 replacement booster station is to prepare for Entek and other potential development,
14 which is not an SEI-eligible project.

15 **Q: Is there currently any growth in Sullivan and Vigo counties that might require**
16 **additional capacity?**

17 A: According to data from STATS Indiana, Sullivan and Vigo counties' population
18 stayed relatively stable from 1930 through 1980, with a drop in 1990 and the
19 population only grew slightly through 2020. Population actually declined slightly
20 from 2010 to 2020.

⁴ Hobbs Direct, p. 67, l. 12, to p. 68, l. 2, Attachments MHH-40 and 41.



1 **Q: Do current facilities meet the projected needs of new customer, Entek?**

2 A: According to Mr. Hobbs, they do not:

3 Attachments MHH-40 and MHH-41 detail *future needs* of the Terre
 4 Haute distribution system based on the demand projections *from*
 5 Entek and other potential developments.⁵ (*emphasis added*)

6 **Q: What does Ind. Code 8-1-31.7-2(1) say about facilities being added to serve**
 7 **new customers?**

8 A: Ind. Code 8-1-31.7-2, "Eligible addition," provides that:

9 "eligible addition" means any new utility plant or equipment (1) *that does*
 10 *not increase revenues by connecting to new customers*, even though the
 11 plant or equipment may provide the eligible utility with greater available
 12 capacity. (*emphasis added*)

13 **Q: Will the addition of the new customer (Entek) enabled by this project increase**
 14 **Indiana American's revenues?**

15 A: Yes.

⁵ Hobbs Direct, p. 67, ll. 18-20.

1 **Q: What do you recommend be done with the Allendale booster project?**

2 A: I recommend that the Allendale Project be excluded from Petitioner's authorized
3 SEI plan.

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

5 A: Yes.

APPENDIX A

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

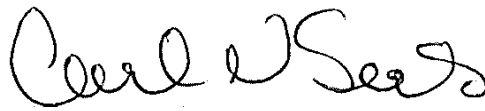
2 A: In 1981 I graduated from Purdue University, where I received a Bachelor of Science
3 degree in Industrial Management with a minor in Engineering. I was recruited by
4 the Union Pacific Railroad, where I served as mechanical and maintenance
5 supervisor and industrial engineer in both local and corporate settings in St. Louis,
6 Chicago, Little Rock and Beaumont, Texas. I then served as Industrial Engineer for
7 a molded-rubber parts manufacturer in Shelbyville, Indiana before joining the
8 Indiana Utility Regulatory Commission (“IURC”) as Engineer, Supervisor and
9 Analyst for more than ten years. It was during my tenure at the IURC that I received
10 my Master of Health Administration degree from Indiana University. After the
11 IURC, I worked at Indiana-American Water Company, initially in their rates
12 department, then managing their Shelbyville operations for eight years, and later
13 served as Director of Regulatory Compliance and Contract Management for Veolia
14 Water Indianapolis. I joined Citizens Energy Group as Rate & Regulatory Analyst
15 following the October 2011 transfer of the Indianapolis water utility and joined the
16 Office of Utility Consumer Counselor in April of 2016. In March 2020 I was
17 promoted to my current position of Assistant Director of the Water and Wastewater
18 Division.

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

21 A: Yes, I have testified in telecommunications, water and wastewater utility cases
22 before the Commission.

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 "Carl N. Seals". The signature is fluid and cursive, with the first name "Carl" being more prominent than the last name "Seals".

By: Carl N. Seals, Assistant Division Director

Cause No. 46188

Office of Utility Consumer Counselor (OUCC)

Date: April 21, 2025

CERTIFICATE OF SERVICE

This is to certify that a copy of *Public's Exhibit No. 2 - Testimony of Carl N. Seals on behalf of the OUCC* has been served upon the following counsel of record in the above captioned proceeding by electronic service on April 21, 2025.

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