

**STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION**

**APPLICATION OF EASTERN HEIGHTS)
UTILITIES, INC. FOR AUTHORITY TO)
INCREASE RATES AND CHARGES) CAUSE NO. 46084-U
THROUGH THE SMALL UTILITY)
PROCEDURE PURSUANT TO IND. CODE)
§ 8-1-2-61.5 AND 170 IAC 14-1-1 ET SEQ.)**

**PETITIONER’S RESPONSE IN OPPOSITION TO OUCC’S PETITION FOR
CLARIFICATION AND IN THE ALTERNATIVE REQUEST FOR
RECONSIDERATION**

Eastern Heights Utilities, Inc. (“EHU”), by counsel, hereby submits its Response in Opposition to the Indiana Office of Utility Consumer Counselor’s (“OUCC”) Petition for Clarification and in the Alternative Request for Reconsideration (“Clarification Petition”). EHU respectfully requests the Commission affirm its February 3, 2025 Final Order (“Final Order”) without modification, and in support states:

1. The Final Order authorized EHU to recover its rate case expense of \$145,000 over three years, or \$48,333 annually, and to submit a compliance filing to adjust rates downward within 30 days after fully recovering its estimated rate case expense¹.

2. In its Clarification Petition, the OUCC claims that “... approximately \$51,521 of the requested rate case expense of \$145,000 is unsupported by the invoices provided contemporaneously with the Applicant’s Reply to the OUCC’s Report” and that “.. there is no support in the record for a finding that \$51,521 of further accounting or legal rate case expense in this application has been or will be incurred.”²

¹ Final Order at 8-9.

² Clarification Petition at 1.

3. The OUCC did not approach EHU to discuss this concern prior to filing the Clarification Petition. Had it done so, it would have discovered that additional rate case expense was incurred *after* the submission of EHU's Reply to the OUCC's Report.

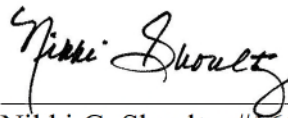
4. The OUCC's Clarification Petition references rate case expense of \$93,479.33, which is derived from an EHU response to IURC staff questions dated October 16, 2024. The \$93,479.33 total reflects rate case expense incurred at a point in time (four months into an eight month timeline) in the rate case process – not rate case expense at the end of the case. As such, the \$93,479.33 total the OUCC references did not include any preparation and legal costs associated with response to the OUCC testimony in the form of 49 pages of rebuttal testimony written by Mr. VerDouw; the response to two rounds of IURC staff questions; the cost of attempting to settle the case with the OUCC; or the cost of reconciling the final numbers included in the Order so that tariffs could be prepared and filed. It also does not include any costs associated with responding to the Clarification Petition seeking action by the IURC to use a rate case expense total from the middle of the rate case process as the final rate case expense number. At no point was EHU asked by the IURC staff for additional detail on the rate case expense incurred following the October 12, 2024 staff questions, but necessary rate case work continued well afterward.

5. Attached as **Exhibit 1** is an Affidavit of Mr. VerDouw establishing the rate case expense incurred, along with the associated timing of each expense. Mr. VerDouw's spreadsheet is included as **Exhibit 2**, which demonstrates that EHU's rate case expense through February 26, 2025 is \$139,443.04. Mr. VerDouw's Affidavit establishes that this amount includes estimates for additional rate case expense that is yet to be billed: \$3,750 for legal expense (filing of final tariff, draft and file response to OUCC filing of 2/24/2025; and local counsel review of rate order and OUCC filing and response); \$4,200 for VerDouw Regulatory Services (final reconciliation of rate order, compilation and filing of tariffs, rate case summary information prepared for EHU, and

response to OUCC filing of 2/24/2025). Mr. VerDouw further states that these totals do not include anticipated costs associated with meeting with the Commission staff and OUCC relative to rate case final order wrap up, including EHU's contemplated request for a meeting to discuss with Commission staff *why* a rate consultant and attorney are vital for a small utility like EHU given the complexity of the issues and the OUCC's extensive data requests, site visits, and positions in testimony. If estimated costs for these meetings are included, EHU's total rate case expense would be very close to the \$145,000 EHU estimated, and the Commission approved, for rate case expense in this case.

WHEREFORE, EHU respectfully requests the Commission deny the OUCC's Petition and affirm the Final Order without modification.

Respectfully submitted,



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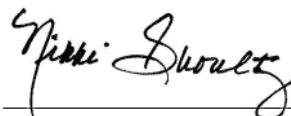
Attorneys for Petitioner,
Eastern Heights Utilities, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following counsel of record via electronic mail this 27th day of February, 2025, to:

Daniel M. Le Vay
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Ste. 1500 South
Indianapolis, IN 46204
dlevay@oucc.in.gov
infomgt@oucc.IN.gov

Dana Lynn
Indiana Utility Regulatory Commission
PNC Center, Suite 1500E
101 W. Washington Street
Indianapolis, IN 46204
dlynn@urc.in.gov



Nikki G. Shoultz, #16509-41

AFFIDAVIT OF GARY VERDOUW

Gary VerDouw upon his oath, deposes and states:

1. I am the owner of VerDouw Regulatory Services.

2. I provided verified testimony on behalf of Eastern Heights Utilities, Inc. (“EHU”) that was filed with the Indiana Utility Regulatory Commission in Cause No. 46084-U (the “Proceeding”).

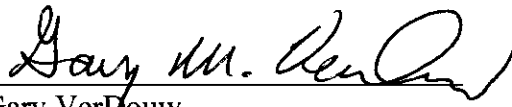
3. In my capacity as the rate consultant to EHU, I have personal knowledge of the rate case expense incurred by EHU.

4. I have created the spreadsheet attached as Exhibit 2, which reflects the rate case expense amounts, and associated timing for each expense, incurred by EHU in connection with the Proceeding. The values depicted in Exhibit 2 were derived from my examination of invoices from professionals that provided services to EHU as part of the rate case, as well as good faith estimates of additional expenses to be incurred by EHU in connection with the rate case.

5. The totals on Exhibit 2 do not include anticipated costs associated with meeting with the Commission staff and the OUCC relative to rate case final order wrap up, including EHU’s contemplated request for a meeting to discuss with Commission staff *why* a rate consultant and attorney are vital for a small utility like EHU given the complexity of the issues and the OUCC’s extensive data requests, site visits, and positions in testimony. If estimated costs for these meetings are included, EHU’s total rate case expense would be very close to the \$145,000 EHU estimated, and the Commission approved, for rate case expense in this case.

Further the Affiant sayeth not.

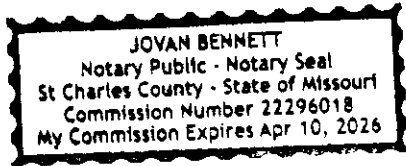
Dated: February 26, 2025


Gary VerDouw

State of Missouri)
) SS:
County of St Charles)

Before me, a Notary Public in and for said County and State, personally appeared Gary VerDouw, who having been duly sworn upon his oath, attested that the foregoing statements are true to the best of his knowledge, information and belief.

WITNESS my hand and Notarial Seal this 26th day of February, 2025.



Jovan Bennett
Notary Public
Jovan Bennett
(Printed Signature)

My Commission Expires:
04/10/26

My County of Residence:
St Charles

Eastern Heights Utilities, Inc.
316 North Washington Street, P. O. Box 8
Bloomfield, Indiana 47424

Summary of Rate Case Expense for Eastern Heights Small Utility Filing with IURC as of February 26, 2025

Line Number	Name	Description of Services	Invoice Number	Invoice Date	Rate Case Prep-DRs	Engineering	Legal	Filing/ Administrative	Total	
1	VerDouw Regulatory Services LLC	Rate Case Preparation	EHU-1	4/1/2024	\$ 3,854.00	\$ -	\$ -	\$ -	\$ 3,854.00	
2	VerDouw Regulatory Services LLC	Rate Case Preparation	EHU-2	5/1/2024	3,504.25	-	-	-	3,504.25	
3	VerDouw Regulatory Services LLC	Rate Case Preparation	EHU-3	6/1/2024	31,481.06	-	-	-	31,481.06	
4	VerDouw Regulatory Services LLC	Rate Case Prep/DR Response	EHU-4	7/1/2024	8,894.80	-	-	-	8,894.80	
5	VerDouw Regulatory Services LLC	Data Request Response	EHU-5	8/1/2024	4,560.75	-	-	-	4,560.75	
6	VerDouw Regulatory Services LLC	Data Request Response	EHU-6	9/1/2024	7,996.75	-	-	-	7,996.75	
7	VerDouw Regulatory Services LLC	Data Requests; Review of OUCC Report	EHU-7	10/1/2024	5,600.25	-	-	-	5,600.25	
8	VerDouw Regulatory Services LLC	Rebuttal Testimony; IURC Questions	EHU-8	11/1/2024	13,322.25	-	-	-	13,322.25	
9	VerDouw Regulatory Services LLC	IURC Questions	EHU-9	12/2/2024	876.00	-	-	-	876.00	
10	VerDouw Regulatory Services LLC	Final Order Review; Tariff Preparation	EHU-10	2/4/2025	3,769.50	-	-	-	3,769.50	
11	VerDouw Regulatory Services LLC	Final Order Review; Response to OUCC	Estimate	Estimate	4,200.00	-	-	-	4,200.00	
12	Tabco Business Forms	Postage to Mail Customer Notices	654128	7/23/2024	-	-	-	2,197.14	2,197.14	
13	Tabco Business Forms	Mailing Cost for Customer Notice	654126	7/23/2024	-	-	-	2,245.97	2,245.97	
14	BLM Herald Times	Newspaper Publication Cost	10275446	6/11/2024	-	-	-	95.06	95.06	
15	Hayes Group	Website Update for Rate Case		7/1/2024	-	-	-	75.00	75.00	
16	Hayes Group	Website Update for Rate Case		2/28/2025	-	-	-	75.00	75.00	
17	Greene County Daily World	Newspaper Publication Cost	2054058	6/30/2024	-	-	-	29.53	29.53	
18	Bose McKinney & Evans LLP	Legal Services	867623	12/4/2023	-	-	1,180.00	-	1,180.00	
19	Bose McKinney & Evans LLP	Legal Services	870136	1/9/2024	-	-	767.00	-	767.00	
20	Bose McKinney & Evans LLP	Legal Services	873478	2/20/2024	-	-	1,357.00	-	1,357.00	
21	Bose McKinney & Evans LLP	Legal Services	874854	3/11/2024	-	-	992.00	-	992.00	
22	Bose McKinney & Evans LLP	Legal Services	876849	4/4/2024	-	-	2,356.00	-	2,356.00	
23	Bose McKinney & Evans LLP	Legal Services	881712	6/7/2024	-	-	3,906.00	-	3,906.00	
24	Bose McKinney & Evans LLP	Legal Services	884314	7/12/2024	-	-	3,792.00	-	3,792.00	
25	Bose McKinney & Evans LLP	Legal Services	886627	8/6/2024	-	-	273.00	-	273.00	
26	Bose McKinney & Evans LLP	Legal Services	887462	8/12/2024	-	-	1,116.00	-	1,116.00	
27	Bose McKinney & Evans LLP	Legal Services	891996	10/10/2024	-	-	5,632.47	-	5,632.47	
28	Bose McKinney & Evans LLP	Legal Services	894354	11/11/2024	-	-	7,952.26	-	7,952.26	
29	Bose McKinney & Evans LLP	Legal Services	896948	12/5/2024	-	-	2,914.00	-	2,914.00	
30	Bose McKinney & Evans LLP	Legal Services	899167	1/7/2025	-	-	124.00	-	124.00	
31	Bose McKinney & Evans LLP	Legal Services	901991	2/10/2025	-	-	384.00	-	384.00	
32	Bose McKinney & Evans LLP	Legal Services	Estimate	Estimate	-	-	3,000.00	-	3,000.00	
33	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42679	1/9/2024	-	-	1,830.00	-	1,830.00	
34	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42771	4/3/2024	-	-	1,200.00	-	1,200.00	
35	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42824	5/13/2024	-	-	540.00	-	540.00	
36	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42865	6/27/2024	-	-	2,130.00	-	2,130.00	
37	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42917	9/3/2024	-	-	840.00	-	840.00	
38	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42950	10/4/2024	-	-	2,460.00	-	2,460.00	
39	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	42983	11/12/2024	-	-	1,920.00	-	1,920.00	
40	R. D. Jones - Jones, McGlasson & Seifers, P.C.	Legal Services	Estimate	Estimate	-	-	750.00	-	750.00	
41									-	
42	Total Rate Case Expense as of February 26, 2025:					<u>\$ 88,059.61</u>	<u>\$ -</u>	<u>\$ 42,285.73</u>	<u>\$ 4,717.70</u>	<u>\$ 139,443.04</u>

Note: These totals do not include anticipated costs associated with meeting IURC Staff and OUCC relative to rate case final wrap up; if those costs are included, total rate case expense will be very close to the \$145,000 estimate approved by the IURC in this Cause.