

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF 1ST)
AMERICAN MANAGEMENT CO., INC. AS)
RECEIVER FOR MTA, LLC D/B/A CENTURIAN)
UTILITIES FOR AUTHORITY TO INCREASE ITS)
RATES AND CHARGES FOR WASTEWATER)
UTILITY SERVICE ON AN EMERGENCY BASIS)
AND THAT THE COMMISSION REVOKE THE CTA)
ISSUED ON AUGUST 30, 1995 IN CAUSE NO. 40157)
FOR SERVICE TO FOX CHASE FARMS)
SUBDIVISION IN PORTER COUNTY, INDIANA.)

CAUSE NO. 44475

TESTIMONY OF

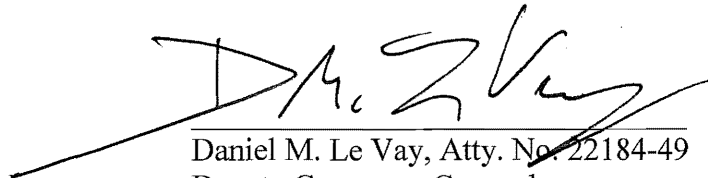
MARGARET A. STULL – PUBLIC’S EXHIBIT NO. 1

ON BEHALF OF THE

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

APRIL 22, 2015

Respectfully submitted,


Daniel M. Le Vay, Atty. No. 22184-49
Deputy Consumer Counselor

TESTIMONY OF OUCC WITNESS MARGARET A. STULL

CAUSE NO. 44475

1ST AMERICAN MANAGEMENT CO., INC.

AS RECEIVER FOR MTA, LLC,

d/b/a CENTURIAN UTILITIES

I. INTRODUCTION

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

2 A: My name is Margaret A. Stull, and my business address is 115 W. Washington
3 St., 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
6 Senior Utility Analyst in the Water/Wastewater Division.

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

8 A: I graduated from the University of Houston at Clear Lake City in August 1982
9 with a Bachelor of Science degree in accounting. From 1982 to 1985, I held the
10 position of Gas Pipeline Accountant at Seagull Energy in Houston, Texas. From
11 1985 until 2001 I worked for Enron Corp. in various positions of increasing
12 responsibility and authority; first in their gas pipeline accounting department, then
13 in financial reporting and planning, both for the gas pipeline group and the
14 international group, and finally providing accounting support for infrastructure
15 projects in Central and South America. From 2002 until 2003, I held non-utility
16 accounting positions in Indianapolis. In August 2003, I accepted a utility analyst
17 position with the OUCC. In 2011, I was promoted to Senior Utility Analyst.
18 Since joining the OUCC I attended the NARUC Eastern Utility Rate School in

1 Clearwater Beach, Florida and the Institute of Public Utilities' Advanced
2 Regulatory Studies Program in East Lansing, Michigan.

3 **Q: Have you held any professional licenses?**

4 A: Yes. I passed the CPA exam in 1984 and was licensed as a CPA in the State of
5 Texas until I moved to Indiana in 2002.

6 **Q: Have you previously testified before the Indiana Utility Regulatory**
7 **Commission (IURC or Commission)?**

8 A: Yes. I have testified before the IURC as an accounting witness in various causes
9 involving water, wastewater, electric, and gas utilities.

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

11 A: The purpose of my testimony is to recommend the interim monthly rate of
12 \$94.18 be the final approved rate for MTA, LLC, d/b/a Centurian Utilities
13 (hereafter "Petitioner" or "the Utility"). I also recommend the Commission
14 revoke the utility's certificate of territorial authority as customers are
15 disconnected from the utility's collection system and connected to the Town of
16 Chesterton's collection system.

17 **Q: Please describe the review and analysis you performed.**

18 A: I reviewed the testimony, exhibits, and schedules filed by Petitioner and
19 Chesterton in this case. I reviewed the monthly receivership reports filed by the
20 receiver as those reports were made available. I prepared discovery questions and
21 reviewed responses to those questions. Finally, I attended several meetings with
22 other OUCC staff members to identify and discuss the issues in this Cause.

1 **Q: Do you agree with the Receiver that the utility's certificate of territorial**
2 **authority be revoked?**

3 A: Yes. Once the town has exercised its statutory authority to extend wastewater
4 service to the residents of Fox Chase Farms, there will no longer be a need for this
5 sewage disposal company to provide service in the territory it was authorized to
6 serve.

7 **Q: On July 23, 2014, the Commission approved an interim monthly rate of**
8 **\$94.18, subject to refund pending the Commission's Order on permanent**
9 **rate relief or until otherwise ordered by the Commission. Should any of the**
10 **authorized rates collected be refunded to Centurian customers?**

11 A: No. All monies collected by the receiver have been spent on appropriate utility
12 expenses, and currently there is no surplus of monies available to be refunded to
13 the ratepayers.

14 **Q: Please summarize the utility's current financial status.**

15 A: As of February 28, 2015, the utility is on relatively sound financial ground.
16 According to the February 2015 report filed by the Receiver on March 23, 2015,
17 the utility has \$2,390.73 in cash on hand, \$7,558.98 due from customers (accounts
18 receivable) and \$9.730.49 owed to vendors (accounts payable).

19 **Q: Should the interim rate of \$94.18 be the final approved rate for this utility?**

20 A: Yes. The \$94.18 interim rate set by the Commission is consistent with the
21 utility's ongoing operating expenses under the receivership. Therefore, the
22 \$94.18 should be approved as the going-forward rate while the Utility continues
23 to be the provider of service under the receivership.

24 **Q: Do you have any recommendation with respect to the Receivers' proposal to**
25 **keep this Cause open to adjust rates for unforeseen expenses?**

26 A: There may be expenses not yet foreseen associated with the revocation of the
27 CTA that may only appropriately or realistically be borne by the ratepayers.

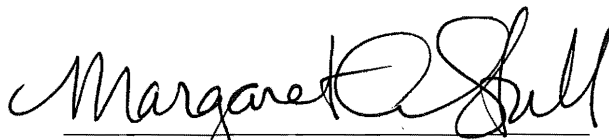
1 Since all customers cannot be connected to Chesterton's system simultaneously,
2 there will necessarily be a period when some customers will have disconnected
3 from the Centurian system while others remain customers. It would be unfair to
4 expect these remaining customers to pay the full cost of any such expenses during
5 this transition period. Any potential rate adjustments should be identified and
6 implemented only while all 88 customers remain connected to the utility. Also,
7 there should be an opportunity for the OUCC to weigh-in on whether any such
8 expense is appropriate to recover from the ratepayers through rates.

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

10 A: Yes.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

A handwritten signature in black ink, appearing to read "Margaret A. Stull", written over a horizontal line.

Margaret A. Stull

Indiana Office of Utility Consumer Counselor

April 22, 2015

Date

Cause No. 44475

1st American Management Company, Inc.

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *OUCC Testimony of Margaret A. Stull – Public's Exhibit No. 1* has been served upon the following in the captioned proceeding by electronic service on April 22, 2015.

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