

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF CITIZENS WATER OF)
WESTFIELD, LLC FOR (1) AUTHORITY TO)
INCREASE RATES AND CHARGES FOR WATER)
UTILITY SERVICE AND APPROVAL OF A NEW)
SCHEDULE OF RATES AND CHARGES; (2))
AUTHORITY TO IMPLEMENT AND APPROVAL OF)
A SYSTEM DEVELOPMENT CHARGE; AND (3))
APPROVAL OF CERTAIN REVISIONS TO ITS)
TERMS AND CONDITIONS APPLICABLE TO)
WATER UTILITY SERVICE)**

CAUSE NO. 46020

**VERIFIED DIRECT TESTIMONY
of
JEFFREY A. WILLMAN**

**On
Behalf of
Petitioner,
Citizens Water of Westfield, LLC**

Petitioner's Exhibit No. 1

1 **INTRODUCTION AND BACKGROUND**

2 **Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A1. My name is Jeffrey A. Willman. My business address is 2150 Dr. Martin Luther King, Jr.
4 Street, Indianapolis, Indiana 46202.

5 **Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A2. I am employed by the Board of Directors for Utilities of the Department of Public Utilities
7 of the City of Indianapolis (the "Board of Directors" or "Board"), which does business as
8 Citizens Energy Group ("Citizens Energy Group" or "Citizens"). Citizens Energy Group
9 manages and controls a number of regulated utilities, including Citizens Water of
10 Westfield, LLC ("Westfield Water" or "Petitioner"). I serve as Vice President of Water
11 Operations for Citizens Energy Group and President of Westfield Water.

12 **Q3. PLEASE DESCRIBE THE DUTIES AND RESPONSIBILITIES OF YOUR
13 PRESENT POSITION AS THEY RELATE TO THIS PROCEEDING.**

14 A3. I am responsible for directing the management, operation, and maintenance of the water
15 utility that serves the City of Indianapolis and surrounding communities, which is directly
16 owned by Citizens and does business as Citizens Water. I have the same responsibilities
17 for the management, operation, and maintenance of the Westfield Water utility. I am
18 responsible for setting an appropriate course and strategic direction for the future of these
19 systems, so they are positioned to continue providing safe, reliable, and affordable service
20 long-term.

21 **Q4. HOW LONG HAVE YOU BEEN EMPLOYED BY CITIZENS ENERGY GROUP?**

22 A4. I have been employed by Citizens Energy Group since 2007.

1 **Q5. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
2 **BACKGROUND.**

3 A5. I graduated from the University of Evansville in 1987 with a Bachelor of Science degree
4 in Mechanical Engineering and from Butler University in 1992 with a Master of Business
5 Administration degree. Prior to my current position, I served in several positions of
6 increasing responsibility with Citizens Energy Group including: Director Utility Systems
7 Management (2007-2009), Director Customer Relationships (2009-2011), Director
8 External Affairs (2011-2014) and Executive Director Water Operations (2014-2015). Prior
9 to my employment with Citizens Energy Group, I was employed by Indianapolis Power &
10 Light Company ("IPL") for 18 years in various positions of increasing responsibility,
11 including Director of Business Development Steam Operations (1996-1998), Director of
12 Business Development (1998-2001), Director of External Affairs (2001-2002), Director of
13 Regulatory Affairs (2002-2003) and Director of Corporate Affairs (2003-2006).

14 **Q6. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

15 A6. Yes. I have prepared and sponsored testimony in several cases including: Cause Nos.
16 45767 DSIC-1 and DSIC-2; Cause Nos. 45582 and 45628 (CWA/Shelby County), Cause
17 Nos. 45151 and 44685 (CWA Rate Cases), Cause No. 44685-S1 (CWA Satellite Customer
18 Subdocket Case), Cause No. 44644 (Citizens Water Rate Case), Cause No. 44835 (Citizens
19 Westfield Wastewater Rate Case), and Cause No. 44149 (Citizens Thermal Perry K steam
20 plant coal to natural gas conversion). Additionally, I offered direct testimony for my
21 previous employer IPL in Service Quality (Cause No. 41962) and Demand Side
22 Management (Cause No. 40292) proceedings.

1 **Q7. HAVE YOU READ THE VERIFIED PETITION FILED INITIATING THIS**
2 **PROCEEDING?**

3 A7. Yes. I have read the Verified Petition and am familiar with its contents. A copy of the
4 Verified Petition is attached to my testimony and identified as Attachment JAW-1.

5 **Q8. PLEASE DESCRIBE ATTACHMENT JAW-2 TO YOUR TESTIMONY.**

6 A8. Attachment JAW-2 to my testimony consists of the legal notice provided in connection
7 with the filing of the Verified Petition in this Cause.

8 **Q9. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

9 A9. My testimony provides information in support of the relief requested by Petitioner in its
10 Verified Petition. My testimony includes a brief overview of the acquisition of the
11 Westfield Water system from the City of Westfield, as approved by the Commission in
12 Cause No. 44273 in 2013 and completed in 2014, and a high-level description of the
13 Westfield Water system. I also discuss factors contributing to Westfield Water's need for
14 rate relief along with the specific relief that Westfield Water is seeking in this proceeding.
15 My testimony further describes some of the customer service improvements and utility
16 infrastructure upgrades that have been implemented by Westfield Water over the last 10
17 years, along with our efforts to engage and be a good community partner in the City of
18 Westfield.

19 **Q10. DO YOU HAVE ANY INTRODUCTORY REMARKS YOU WOULD LIKE TO**
20 **MAKE?**

21 A10. Yes, I do. The City of Westfield has been and remains one of the fastest growing cities in
22 the State of Indiana. Approximately ten years ago, the City of Westfield selected Petitioner

1 through a competitive process to acquire the City of Westfield's water utility system. The
2 City of Westfield did so with the expectation that Petitioner would effectively manage,
3 operate, and improve the system in ways that would enable and support future growth and
4 development within the Westfield community. To achieve these objectives, Petitioner has
5 made significant investments in water utility infrastructure, engaged in regional planning,
6 and taken steps to improve customer service for Westfield customers, all while controlling
7 costs and maintaining reasonable and stable rates. I believe Westfield Water has achieved
8 the primary objectives envisioned at the time of the acquisition and has supported
9 extraordinary growth and development in a safe, reliable, and affordable manner. Over the
10 last 10 years, Westfield Water has invested over \$50 million in water utility infrastructure
11 and facilities to support Westfield's growth and maintain system safety and reliability. In
12 addition, Westfield Water has provided enhanced customer service offerings, such as
13 combined billing and call center support, that are available to all Citizens Energy Group
14 customers. As part of a coordinated regional planning approach, the Westfield Water and
15 Citizens Water distribution systems have been interconnected at multiple locations to
16 enhance reliability and operational flexibility for both systems. Without the financial
17 investments, system upgrades, and operational improvements implemented by Westfield
18 Water over the last 10 years, it would have been very difficult, if not impossible, for the
19 City of Westfield to support such high growth rates on its own. While Westfield Water
20 has previously not sought a rate increase under its ownership of the system, it is now faced
21 with worsening debt capitalization and interest coverage ratios and rising costs, due in part
22 to supply chain challenges that started with the pandemic and have not fully recovered,

1 commodity price volatility, recent periods of high inflation levels, and ever-increasing
2 investment requirements to support increasing growth rates in Westfield. These
3 circumstances, if not addressed, could impact Westfield Water's ability to continue to
4 provide safe and reliable service to customers, and have prompted Westfield Water to seek
5 the relief requested in this case.

6 **OVERVIEW OF WESTFIELD WATER**

7 **Q11. PLEASE GENERALLY DESCRIBE PETITIONER'S WATER UTILITY**
8 **BUSINESS.**

9 A11. On October 15, 2013, in Cause No. 44273, the City of Westfield, the Indiana Office of
10 Utility Consumer Counselor ("OUCC"), and Westfield Water presented a Stipulation and
11 Settlement Agreement ("Settlement Agreement") to the Commission, in which those
12 parties, among other things, recommended the Commission find that Westfield Water's
13 acquisition of the water utility assets formerly owned by the City of Westfield was in the
14 public interest. On November 25, 2013, the Commission entered an Order approving the
15 Settlement Agreement. In March 2014, the transaction closed and Westfield Water
16 acquired from the City of Westfield the assets that are used to provide water utility service
17 to the Westfield community.

18 Westfield Water is managed and operated by Citizens Energy Group pursuant to an
19 agreement between them whereby Citizens Energy Group provides, among other things, a
20 knowledgeable and skilled operations staff that works under the direction of Petitioner's
21 witness Ed Bukovac and myself; centralized capital planning through Citizens Energy

1 Group's Capital Programs and Engineering ("CP&E") Department; shared field service
2 functions; and administrative functions in areas including, but not limited to, human
3 resources, accounting, legal, purchasing, environmental, and regulatory.

4 As of June 30, 2023, Westfield Water provided service to more than 21,000
5 customers, which represents about a 98% increase in customers served post-acquisition.
6 Petitioner owns, operates, and maintains a variety of plant and equipment, including
7 approximately 350 miles of distribution mains, four booster stations, five elevated storage
8 tanks, one ground water storage tank, and four water treatment facilities, all of which are
9 used and useful for the provision of water utility service. Mr. Bukovac further discusses
10 the facilities, operations, and capital planning for Westfield Water in his testimony.

11 **RATE RELIEF REQUESTED**

12 **Q12. WHEN WERE PETITIONER'S PRESENT RATES AND CHARGES PLACED IN**
13 **EFFECT?**

14 A12. As a part of the Asset Purchase Agreement with the City of Westfield, Westfield Water
15 agreed to adopt the rate schedule that the City of Westfield had in place through 2016. The
16 Commission approved Westfield Water's adoption of the City of Westfield's rate schedule
17 in Cause No. 44273, and those rates became effective when the acquisition closed on
18 March 22, 2014. Petitioner has not filed a base rate case since the 2014 acquisition.

19 **Q13. WHAT LEVEL OF AN INCREASE IS BEING REQUESTED?**

20 A13. Westfield Water requests approval of an increase to total revenues of \$3,780,221. The
21 forward test year in this case is the twelve-month period ending June 30, 2025. As

1 Petitioner's witness Debi Bardhan-Akala explains in her testimony, the overall rate
2 increase is 26.57% over two phases. The Phase 1 increase is 21.62% and the Phase 2
3 increase is 3.99%. Westfield Water is proposing to implement Phase 1 rates upon issuance
4 of an Order in this proceeding, and Phase 2 rates would be implemented upon submission
5 of a compliance filing and a review process, as further described by Petitioner's witness
6 Debi Bardhan-Akala. For a typical residential customer, the proposed Phase 1 increase
7 would result in bills of approximately \$40/mo. and the Phase 2 increase would result in
8 bills of \$41.27/mo.

9 The relief Westfield Water is seeking is based upon the fair value of its rate base.
10 As explained by Petitioner's witness Craig Jackson, the fair value of Petitioner's rate base
11 is \$89,890,020, which is based on two components: Westfield Water's assets as of
12 December 31, 2011 along with the unamortized portion of a fair value increment as
13 stipulated to in the Settlement Agreement and in accordance with the Order in Cause No.
14 44273; and its assets placed in service after December 31, 2011, including those assets that
15 Petitioner plans to have completed and in service through the end of the future test year.

16 **Q14. CAN YOU FURTHER DESCRIBE THE MAJOR FACTORS THAT ARE**
17 **DRIVING PETITIONER'S NEED FOR RATE RELIEF?**

18 A14. Yes. As mentioned previously, the City of Westfield has been one of the fastest growing
19 communities in the State of Indiana in recent years, and the investments required by
20 Petitioner to support that growth over the last 10 years have been significant. The City of

1 Westfield has experienced a population growth of 81.6%¹ since 2010. As one would
2 expect, the recent growth in Westfield's population has also contributed to an increase in
3 the number of customers served by Westfield Water. Since the acquisition, Westfield
4 Water's customer count has nearly doubled, with about a 98% increase of customers
5 served, from approximately 10,600 to over 21,000 in 2023. In order to support this level
6 of customer growth, Westfield Water invested over \$50 million post-acquisition in a
7 multitude of projects that have increased water supply and distribution capabilities,
8 enhanced system reliability and redundancy, and increased water storage and pumping
9 capacities throughout the system.

10 As described in more detail by Petitioner's witness Bukovac, the costs to
11 expand, operate, and maintain the system have increased over the years, due in part to
12 periods of high inflation levels and continued investment requirements to support
13 Westfield's growth. These factors have impacted Westfield Water's financial performance
14 and its ability to continue to invest at required levels going forward. Accordingly, to be
15 able to keep pace with the on-going growth in Westfield and to continue providing safe
16 and reliable service to Westfield customers, Westfield Water is requesting the proposed
17 rate increase.

¹ Represents population growth from April 2010 to July 2022 as reported by the U.S. Census Bureau.
<https://www.census.gov/quickfacts/fact/table/westfieldcityindiana,IN/PST045222>

1 **OPERATIONAL EFFICIENCIES AND AFFORDABILITY**

2 **Q15. HAS WESTFIELD WATER TAKEN STEPS TO ENHANCE SYSTEM**
3 **RELIABILITY, IMPROVE OPERATIONAL FLEXIBILITY, CONTROL COSTS,**
4 **AND MAINTAIN AFFORDABLE SERVICE FOR CUSTOMERS?**

5 A15. Yes. At the time of the acquisition, our goals were to improve customer service, provide
6 safe, reliable, and affordable service for all Westfield Water customers, and to support the
7 community's vision for growth in ways that are technically and financially sound.
8 Interconnecting the Westfield Water and Citizens Water systems at multiple locations has
9 proven effective and enhanced reliability, redundancy, and operational flexibility for both
10 systems. The recently approved merger of Citizens of South Madison with Westfield
11 Water is another example of effective regional planning that benefits both the Westfield
12 Water and Citizens Water systems with administrative efficiencies and increased access to
13 affordable water supply for Westfield Water's customers.² As mentioned previously,
14 Westfield Water strives to maintain reasonable and affordable rates for all customers,
15 which is one of the reasons that a System Development Charge ("SDC") is being proposed
16 in this proceeding. If the SDC is approved, revenues collected through SDC charges from
17 developers for new development and growth projects will help keep rates and charges
18 lower for all Westfield Water customers going forward.

19 **Q16. PLEASE FURTHER EXPLAIN WHY WESTFIELD WATER IS PROPOSING AN**
20 **SDC IN THIS PROCEEDING.**

² See, Final Order, Cause No. 45800.

1 A16. Given the significant growth that continues in Westfield, an SDC makes sense and will
2 help keep rates and charges lower for Westfield Water customers. An SDC is a one-time
3 initial charge typically paid by developers for a new connection and is intended to better
4 align costs related to growth projects and lessen the cost of new development on existing
5 customers. In 2017, Westfield Wastewater, Petitioner's affiliate, sought and received
6 Commission approval to implement an SDC in Cause No. 44968. In this proceeding,
7 Petitioner is proposing an SDC for Westfield Water in the amount of \$2,300, which has
8 been calculated using standard industry methods and is being sponsored and further
9 supported by Petitioner's witness Debi Bardhan-Akala.

10 **Q17. WILL WESTFIELD WATER'S RATES REMAIN AFFORDABLE WITH THE**
11 **RATE RELIEF BEING SOUGHT IN THIS CASE?**

12 A17. Yes. As mentioned previously, Westfield Water strives to provide safe, reliable, and
13 affordable water service for its customers. According to Petitioner's witness Debi
14 Bardhan-Akala, based on the 2023 IURC Annual Report; Appendix O: Residential Water
15 Bill Survey, Petitioner's rates are on the lower end when compared to the service area rates
16 of the other regulated investor-owned utilities ("IOUs") for water in the State of Indiana
17 and will remain so even after the Phase 1 and Phase 2 rates are put into place. In particular,
18 based on similar monthly usage of 5,000 gallons, Westfield Water's bills:

- 19 • As of January 1, 2023, ranked 4th lowest amongst the 23 IOU service area rates
20 listed;
- 21 • With as filed Phase 1 rates in place, will rank 6th lowest amongst the 23 IOU service
22 area rates listed; and

- 1 • With as filed Phase 2 rates in place, will still rank 6th lowest amongst the 23 IOU
2 service area rates listed.

3 **CUSTOMER SERVICE AND COMMUNITY BENEFITS**

4 **Q18. HAS THE ACQUISITION RESULTED IN ENHANCED CUSTOMER SERVICE**
5 **FOR WESTFIELD WATER CUSTOMERS?**

6 A18. Yes. Westfield Water customers have received a higher level of customer service post-
7 acquisition and have had access to the same broad menu of customer service offerings
8 available to all Citizens Energy Group customers. Some of the improvements for Westfield
9 Water customers include a combined bill for water, wastewater, and natural gas, additional
10 bill payment methods, automatic bank draft options, and additional locations for bill
11 payment. In addition to enhanced customer service offerings, Citizens' Warm Heart Warm
12 Home ("WHWM") program was expanded in 2019 to provide financial assistance to
13 eligible Westfield customers. Over the last 5 years, WHWH has provided over \$25,000 of
14 financial assistance to over 300 low-income customers in Westfield.

15 **Q19. IS WESTFIELD WATER IMPLEMENTING ANY NEW INITIATIVES THAT**
16 **WILL FURTHER ENHANCE CUSTOMER SERVICE OR UTILITY**
17 **OPERATIONS?**

18 A19. Yes. Westfield Water is currently replacing older automated meter reading ("AMR") water
19 meters nearing the end of their useful life with advanced metering infrastructure ("AMI")
20 technology. As the more advanced metering technology is deployed over a multi-year
21 period, operational efficiencies and customer service benefits are expected to become

1 available, such as eliminating the need for drive by meter reading, providing proactive
2 alerts to customers when a possible leak is detected, and providing system detection of
3 meter theft or tampering. Eventually, customers will have access to their own water use
4 data and will be able to make more informed decisions regarding water conservation and
5 cost savings opportunities.

6 **Q20. IN ADDITION TO PROVIDING SAFE, RELIABLE, AND AFFORDABLE**
7 **WATER SERVICE, ARE THERE OTHER WAYS THAT WESTFIELD WATER**
8 **HAS ENGAGED IN THE WESTFIELD COMMUNITY?**

9 A20. Yes. Citizens is committed to being a good community partner in all areas that we serve,
10 including the City of Westfield. Members of our team are very active and engaged in the
11 Westfield community and often participate in events that involve organizations such as the
12 Westfield School system, the Westfield Chamber of Commerce, and the Westfield Youth
13 Assistance program.

14 **CONCLUSION**

15 **Q21. WHAT DO YOU RECOMMEND TO THE COMMISSION IN THIS**
16 **PROCEEDING?**

17 A21. I recommend that the Commission approve the relief Westfield Water is requesting.
18 Westfield Water continues to meet the high expectations envisioned by all parties at the
19 time of the 2014 acquisition and has supported extraordinary growth in Westfield by
20 making necessary investments and improvements to the Westfield system when needed.
21 In order for Westfield Water to continue to operate in a financially sound manner and make
22 future investments to support on-going growth, the requested rate increase will be needed.

1 **Q22. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

2 A22. Yes.

VERIFICATION

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge, information, and belief.

A handwritten signature in cursive script, appearing to read "Jeffrey A. Willman".

Jeffrey A. Willman

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

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

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WATER UTILITY SERVICE)**

VERIFIED PETITION

Citizens Water of Westfield, LLC (“Petitioner” or “Westfield Water”) respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for: (i) authority to increase its rates and charges for water utility service rendered by it and approval of a new schedule of rates and charges applicable thereto; (ii) authority to implement and approval of a system development charge (“SDC”); and (iii) approval of certain revisions to its terms and conditions for water utility service. This filing is made pursuant to Indiana Code § 8-1-2-42.7. In accordance with the Commission’s Recommended Best Practices for Rate Cases (GAO 2013-5), Petitioner is contemporaneously submitting to the Commission working papers required by the Commission’s Rules on Minimum Standard Filing Requirements (“MSFRs”), 170 IAC 1-5-1 *et seq.* In support of its Verified Petition, Petitioner states as follows:

Nature of Petitioner and Regulatory Status

1. Petitioner is an Indiana limited liability company with its principal office at 2020 North Meridian Street, Indianapolis, Indiana 46202.

2. Petitioner is a public utility within the meaning of that term in the Indiana Public Service Commission Act, Indiana Code §§ 8-1-2-1 *et seq.*, and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana.

3. Petitioner owns, operates, manages and controls plant, property and equipment used and useful to provide water utility service to more than 21,000 customers in and around the city of Westfield, Indiana.

Petitioner's Present Rates and Charges

4. On October 15, 2013, in Cause No. 44273, Petitioner, the City of Westfield, Indiana and the Indiana Office of Utility Consumer Counselor ("OUCC") presented a Stipulation and Settlement Agreement ("Settlement Agreement") to the Commission, in which those parties, among other things, recommended the Commission find Petitioner's acquisition of the water utility assets formerly owned by the City of Westfield to be in the public interest. On November 25, 2013, the Commission entered an Order approving the Settlement Agreement and finding, among other things, that the acquisition was in the public interest.

5. In its Order in Cause No. 44273, the Commission also authorized Petitioner's use of the rates and charges for services previously approved by the Common Council for the City of Westfield and the terms and conditions for the provision of water service proposed by Petitioner as modified in the Settlement Agreement.

6. Petitioner's current base rates and charges were placed into effect on March 22, 2014, contemporaneous with closing of the acquisition of the water utility assets in accordance with the Order in Cause No. 44273.

Petitioner's Operating Results Under Existing Rates

7. Since Petitioner's existing rates and charges for utility service became effective, it has made and continues to make significant capital expenditures for additions, replacements, and improvements to its utility properties. Petitioner's operating expenses also have increased since that time.

8. Consequently, Petitioner's existing rates and charges are and will continue to be insufficient to produce revenues adequate to cover its necessary and reasonable operating expenses and provide it an opportunity to earn a fair return on the fair value of its utility properties. Petitioner's existing rates and charges are therefore unjust, unreasonable, insufficient, and confiscatory and should be increased.

Petitioner's Proposed Rates and Charges and Terms and Conditions for Service

9. Petitioner requests approval of an increase of its rates and charges for water utility service that will enable it to realize net operating income adequate to provide safe, reliable, efficient and economical water service and an opportunity to earn a fair return on the fair value of utility properties used to provide such service. Petitioner proposes to cancel its existing rate schedules governing utility service rendered by it and to file with the Commission in lieu thereof new schedules of rates and charges, which are set forth in the Verified Direct Testimony and attachments of Debi Bardhan-Akala and will be offered as evidence in this proceeding.

10. Petitioner is proposing and requests authority from the Commission to include a new, non-recurring SDC of \$2,300 as a part of its tariff, which will be phased-in. Upon issuance of an Order in this Cause, the SDC would be \$1,150, and increase to \$2,300 upon implementation of Phase 2 rates as described below. The SDC would be paid by new connections to the water

system for system capacity. The SDC has been designed to work similarly to the SDC currently in place for Citizens Wastewater of Westfield, LLC, as approved in Cause No. 44968.

11. Petitioner is proposing certain revisions to its terms and conditions for water service, which are described in the Verified Direct Testimony and attachments of Debi Bardhan-Akala.

Rate Base Calculation

12. In Cause No. 44273, there were two primary components in the Settlement Agreement related to rate base: (1) Net Original Cost of Utility Plant in Service as of December 31, 2011, and (2) Recognition of a Fair Value Increment on Utility Plant. In particular, the OUCC and Petitioner agreed that the net original cost of the water utility plant that existed as of December 31, 2011, and conveyed to Petitioner should be deemed to be \$12,470,000. The OUCC and Petitioner also agreed that Petitioner, “should be allowed to earn a return on, but not of, a fair value increment in the amount of \$6,960,000 for the water utility,” and that such increment would be amortized over 40 years from the closing date of the acquisition, which occurred in 2014. Per the Settlement Agreement, for purposes of this case, before depreciation and amortization, the sum of the net original cost of utility plant as of December 31, 2011 and the fair value increment (the “Pre-2012 Assets”) would not be less than \$19,430,000. Since December 31, 2011, Petitioner has placed in service a significant amount of utility plant that is used and useful for the provision of water utility service (the “Post-2011 Assets”).

13. For ratemaking purposes in this proceeding, Petitioner has valued its utility properties in accordance with the Settlement Agreement, using (a) the stipulated net original cost value of the Pre-2012 Assets, including the agreed to fair value increment, adjusted for depreciation and amortization; and (b) the fair value of utility plant for the Post-2011 Assets.

14. Given that this proceeding is based on a forward test year, which is comprised of three (3) distinct time periods as identified in Section 15 below, Petitioner has provided the fair value rate base that corresponds to each of those time periods of the forward test year. Westfield Water's total fair value rate bases, taking into account the stipulations from the Settlement Agreement, are as follows:

- Base Period: \$82,057,254;
- Link period: \$88,355,069; and
- Test period: \$89,890,020.

Proposed Test Year and Implementation of Proposed Increase in Phases

15. Pursuant to Indiana Code § 8-1-2-42.7(d)(1), Petitioner designates a forward test year to be used in this proceeding. The forward test period is comprised of the following three (3) distinct time periods:

- Base Period, which reflects the actual 12 months ending June 30, 2023;
- Link Period, which reflects the pro forma 12 months ending June 30, 2024;
- Test Period, which reflects the pro forma 12 months ending June 30, 2025.

As required by Indiana Code § 8-1-2-42.7(d)(1), this forward test period begins not later than twenty-four (24) months after the date on which the petition is filed.

16. Petitioner is designating a forward test year ending June 30, 2025, in order to allow for rates that reflect the significant capital investments under construction or planned by Petitioner through the end of the test period. Petitioner proposes to implement the requested rate increase in two (2) phases. Petitioner proposes to implement Phase 1 rates upon issuance of an Order in this Cause, which will be based on Petitioner's revenue requirement for the end of the link period, adjusted for net plant in service as of June 30, 2024, along with Petitioner's actual capital structure

as of that date. Consistent with other Commission Orders involving future test year cases, the Phase 2 rates will take effect on an interim basis subject to refund upon submission of the compliance filing and a review process as further described by Petitioner’s witness Debi Bardhan-Akala, and that such rates would be based on actual plant in service as of June 30, 2025, along with Petitioner’s actual capital structure and cost of debt as of that date.

17. In accordance with GAO 2020-5, Petitioner states that the total increase after both phases is projected to be \$3,780,221 or approximately 26.57% from present rate revenues. The Phase 1 increase is projected to be \$3,076,070, or approximately 21.62%; and the Phase 2 increase is projected to be \$704,151, or approximately 3.99% from Phase 1. The estimated impact of Petitioner’s proposed rate increase on the average residential customer with less than 1” meter and consuming an average of 5 thousand gallons per month, inclusive of public fire protection, is as follows:

	Estimated Phase 1 Increase	Estimated Phase 2 Increase	Estimated Total Rate Increase
Residential Customer (5/8” Meter)	\$7.05	\$1.26	\$8.31

Procedural Matters

18. Petitioner will publish notice to its customers of the filing of this Verified Petition pursuant to Indiana Code § 8-1-2-61. The notice will be late filed as an attachment. Petitioner will give its residential customers further notice of the precise extent of the requested rate adjustments.

19. Petitioner hereby files its notice of intent to file the information required under the MSFRs set forth in the Commission’s rules on MSFRs, 170 IAC 1-5-1 *et seq.*, as modified where appropriate to conform with the forward-looking test period authorized by Indiana Code § 8-1-2-42.7. Excel copies of the workpapers are being submitted to the Commission on CD-ROM

pursuant to the best practices set forth in GAO 2013-5 and the Commission's electronic document submission guidelines set forth in GAO 2015-1.

20. In accordance with 170 IAC 1-1.1-9(a)(8), Petitioner requests that the Commission approve a procedural schedule agreed to by Petitioner and the OUCC and dispense with conducting a prehearing conference. The agreed upon schedule is as follows:

Date	Event
June 21, 2024	OUCC/Intervenors File Cases-in-Chief
July 22, 2024	Petitioner Files Rebuttal Testimony
August 12-14, 2024	Evidentiary Hearing
September 4, 2024	Petitioner's Proposed Order
September 25, 2024	OUCC's/Intervenors' Proposed Order
October 2, 2024	Petitioner's Reply to Proposed Order

Discovery will be conducted on an informal basis with responses due within ten (10) calendar days until Petitioner files its rebuttal testimony. Thereafter, responses will be due within five (5) business days. Discovery served after 5 PM Monday through Thursday or 1 PM on Friday or the day proceeding a legal holiday will be deemed served the following business day. To the extent the Presiding Officers are unable to approve the foregoing schedule, Petitioner and the OUCC request the Presiding Officers convene a Prehearing Conference or attorneys' conference to revise the schedule.

21. Petitioner will be submitting certain information in its testimony, attachments, workpapers, and/or as part of its MSFRs that is confidential and trade secret information. Petitioner is filing a motion for protective order in accordance with 170 IAC 1-1.1-4 and to otherwise comply

with 170 IAC 1-5-3 contemporaneous with this Petition. In addition, Petitioner has entered or will enter into a nondisclosure agreement with the OUCC to facilitate the production of the confidential information as appropriate.

22. This Verified Petition is filed pursuant to Indiana Code § 8-1-2-42.7. Other provisions of the Public Service Commission Act, as amended, Indiana Code § 8-1-2-1 *et seq.*, that may be applicable to the subject matter of this proceeding, include, but are not limited to: Indiana Code §§ 8-1-2-4, 6, 7, 19, 39, 42, 42.7, 61, 68, and 71.

23. The names and addresses of Westfield Water's attorneys in this matter, to whom all correspondence and communications in this Cause should be sent, are:

Lauren Toppen, Atty. No. 23778-49
Michael E. Allen, Atty. No. 20768-49
Alex Valle, Atty. No. 22863-49
Scott Franson, Atty. No. 27839-49
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jack.petr@icemiller.com

Said attorneys are counsel for Westfield Water and are duly authorized to accept service of papers in this Cause on behalf of Petitioner.

24. In addition, papers filed in this proceeding should be served on:

Joseph M. Sutherland
Vice President, Regulatory & External Affairs
Citizens Energy Group
2020 N. Meridian Street
Indianapolis, IN 46202
Telephone and Fax: (317) 927-4522
Email: jsutherland@citizensenergygroup.com

Debi Bardhan-Akala
Director, Regulatory & External Affairs
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WHEREFORE, Westfield Water respectfully requests that the Indiana Utility Regulatory Commission make an investigation and hold such hearings as it shall deem necessary and advisable in this proceeding and thereafter make and enter an Order in this Cause:

- (i) Finding that Petitioner's existing rates and charges for water utility service are unjust, unreasonable, insufficient and confiscatory and inadequate to provide a fair return on the fair value of utility properties used and useful to provide water utility service to customers;
- (ii) Determining, and by Order authorizing and approving, just, reasonable, and sufficient rates and charges to be imposed by Westfield Water as set forth above, in lieu of such present rates and charges;
- (iii) Authorizing and approving the filing of a revised schedule of rates and charges and terms and conditions of service applicable to the water utility service rendered by Westfield Water, embodying the just and reasonable rates and charges and terms and conditions of service;
- (iv) Authorizing and approving the implementation of an SDC as described herein and in Petitioner's case-in-chief;
- (v) Approving various changes in Westfield Water's terms and conditions of service; and

- (vi) Granting such other and further relief as the Commission may deem necessary and appropriate in the premises.

[Signature page follows]

DATED this 6th day of March, 2024.

CITIZENS WATER OF WESTFIELD, LLC

By: 

Jeffrey A. Willman, President

VERIFICATION

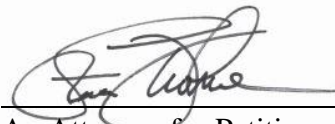
The undersigned affirms under the penalties for perjury that the foregoing representations are true to the best of his knowledge, information and belief.

Handwritten signature of Jeffrey A. Willman in black ink, written over a horizontal line.

Jeffrey A. Willman, President Citizens
Water of Westfield, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing “Verified Petition” of Citizens Water of Westfield, LLC was served on the Indiana Office of Utility Consumer Counselor by electronic mail on this 6th day of March, 2024.



An Attorney for Petitioner,
Citizens Water of Westfield, LLC

Lauren Toppen, Atty. No. 23778-49
Michael E. Allen, Atty. No. 20768-49
Alex Valle, Atty. No. 22863-49
Scott Franson, Atty. No. 27839-49
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Attorneys for Petitioner
Citizens Water of Westfield, LLC

Petitioner's Exhibit No. 1, Attachment JAW-2

Legal Notice Provided in Connection with the filing of the Verified Petition in this Cause.

Attachment JAW-2 will be a late-filed attachment.