

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF CRAWFORDSVILLE, )  
INDIANA, BY AND THROUGH ITS MUNICIPAL )  
ELECTRIC UTILITY, CRAWFORDSVILLE )  
ELECTRIC LIGHT AND POWER, FOR APPROVAL )  
OF A NEW SCHEDULE OF RATES AND CHARGES )  
FOR ELECTRIC SERVICE AND FOR APPROVAL )  
TO MODIFY ITS ENERGY COST ADJUSTMENT )  
PROCEDURES )

CAUSE NO. 45420

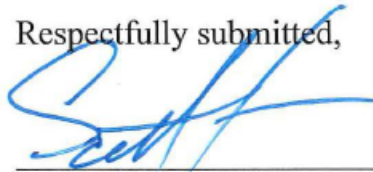
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC'S EXHIBIT NO. 4

TESTIMONY OF OUCC WITNESS - KALEB G. LANTRIP

December 23, 2020

Respectfully submitted,



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Scott C. Franson  
Attorney No. 27839-49  
Deputy Consumer Counselor

**TESTIMONY OF OUCC WITNESS KALEB G. LANTRIP  
CAUSE NO. 45420  
CRAWFORDSVILLE ELECTRIC LIGHT AND POWER**

**I. INTRODUCTION**

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

2 A: My name is Kaleb G. Lantrip and my business address is 115 W. Washington St., Suite  
3 1500 South, Indianapolis, Indiana 46204.

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

5 A: I am employed as a Utility Analyst in the Indiana Office of Utility Consumer Counselor's  
6 ("OUCC") Electric Division. A summary of my educational background and experience is  
7 included in Appendix A attached to my testimony.

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

9 A: I provide analyses and make recommendations regarding multiple proposals  
10 Crawfordsville Electric Light and Power ("CEL&P" or "Petitioner") makes in its case-in-  
11 chief. Specifically, I address CEL&P's proposed: (1) extensions and replacements  
12 ("E&R"); (2) rate case expense amortization; (3) labor, employee benefits, and Federal  
13 Insurance Contributions Act ("FICA") tax expenses; and (4) miscellaneous adjustments.  
14 Ultimately, I recommend:

15 (1) Calculating CEL&P's total E&R funding using the six-year period in which  
16 the spending will be incurred, as an annual amount of \$3,694,003.67;

17 (2) CEL&P's proposed rate case expense amortization be adjusted to eliminate  
18 \$86,414 of its previous rate consultant's cost of service study ("COSS"), given

1 that CEL&P did not rely on the study to prepare its case-in-chief. The consultant  
2 and Petitioner are in mediation proceedings concerning the impact of revenue  
3 shortfall caused by the previous rate case in which CEL&P alleges the  
4 consultant made an error;

5 (3) Reducing Petitioner's O&M labor, Public Employee Retirement Fund  
6 ("PERF") employee benefits, and Federal Insurance Contributions Act  
7 ("FICA") tax expenses by \$165,375.72 to reflect fixed, known, and measurable  
8 costs; and

9 (4) Reducing Petitioner's test year administrative and general ("A&G") expense to  
10 remove \$2,650 of charitable and civic contributions from its pro-forma revenue  
11 requirement.

12 **Q: What did you do to prepare your testimony in this Cause?**

13 A: I reviewed CEL&P's petition, testimony, exhibits, workpapers, Minimum Standard Filing  
14 Requirements ("MSFR"), and responses to OUCC discovery requests ("DR"). I revisited  
15 portions of CEL&P's past base rate case filing, Cause No. 44684, including the Settlement  
16 Agreement and Indiana Utility Regulatory Commission's ("Commission") Final Order.

17 **Q: To the extent you do not address a specific item or adjustment, should that be  
18 construed to mean you agree with Petitioner's proposal?**

19 A: No. Excluding any specific adjustments or amounts CEL&P proposes does not indicate my  
20 approval of those adjustments or amounts, but rather the scope of my testimony is limited  
21 to the specific items addressed herein.

## II. E&R

1 **Q: Does CEL&P propose increasing its proposed E&R annual revenue requirement in**  
2 **comparison to the E&R amount approved in CEL&P's last rate case?**

3 A: Yes. CEL&P witness Thomas A. Ghidossi provides engineering support for CEL&P's  
4 proposal to adjust its current capital improvement plan ("CIP") budget to reflect its  
5 proposed 2021-2026 CIP.<sup>1</sup> CEL&P witness Jennifer Z. Wilson provides accounting  
6 schedule support for CEL&P's proposed<sup>2</sup> E&R annual revenue requirement of  
7 \$4,432,804.50, a \$1,986,603.50 increase over the current amount in rates as approved by  
8 the Commission in Cause No. 44684.<sup>3</sup>

9 **Q: Please explain how CEL&P's proposed E&R annual revenue requirement was**  
10 **calculated.**

11 A: Witness Ghidossi breaks down CEL&P's CIP into five subcategories: (1) Substations; (2)  
12 Transmission Lines; (3) Protection & Control Systems; (4) Advanced Metering  
13 Infrastructure ("AMI") Deployment; and (5) General Capital Projects. Mr. Ghidossi goes  
14 on to explain how each category serves to maintain CEL&P's reliability, safety, efficiency,  
15 and performance.<sup>4</sup> In his Attachment TAG-2, the CIP cost report, Mr. Ghidossi provides  
16 justification for the need for each project category, how the labor and material costs are  
17 based on information provided by CEL&P, and how his engineering firm analyzed and  
18 updated those costs for escalation and contingency factors based on the Bureau of Labor  
19 Statistics' ("BLS") 2018-19 indexing.<sup>5</sup> At the end of Mr. Ghidossi's cost report is a  
20 schedule showing the escalation factors CEL&P applied to its capital project budgets and  
21 the adjusted amounts for the period 2021-2026. CEL&P proposes a total CIP budget of

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<sup>1</sup> See CEL&P Attachment TAG-2, pp. 8-9.

<sup>2</sup> See CEL&P Attachment JZW-2, pp. 12-13.

<sup>3</sup> See Cause No. 44684 Commission Final Order, p. 6, dated April 13, 2016.

<sup>4</sup> See CEL&P Testimony of Thomas A. Ghidossi, p. 6, line 4 through p. 7, line 6.

<sup>5</sup> See Attachment TAG-2, pp. 5-7.

1           \$23,306,631, with an average annual budget of \$3,884,438.<sup>6</sup> Petitioner's witness Jennifer  
2           Z. Wilson's Attachment JZW-2 shows a similar schedule with capital project totals by year.  
3           However, Ms. Wilson's schedule reflects an adjustment to CEL&P's proposed budget for  
4           the first year in CEL&P's CIP, in which the first-year project budget is paid for using  
5           CEL&P's depreciation fund of \$1,142,609. Ms. Wilson then averages the total remaining  
6           CIP budget of \$22,164,022 over the remaining 5 years for a calculated annual E&R amount  
7           of \$4,432,804.<sup>7</sup>

8   **Q: Do you have concerns with CEL&P's annual E&R calculation?**

9   A: Yes. I propose calculating CEL&P's E&R revenue requirement using a six-year average  
10       rather than the five-year average Ms. Wilson proposes. As mentioned above, CEL&P  
11       proposes funding the first year of its CIP (2021) in full by using \$1,142,609 from its  
12       depreciation fund. I recognize this depreciation fund payout reduces the overall outstanding  
13       need for funding the CIP. However, that benefit is negated by shortening the period over  
14       which CIP funds are collected from ratepayers. Therefore, I recommend calculating  
15       CEL&P's total E&R funding using the six-year period in which the spending will be  
16       incurred. My adjustment to CEL&P's E&R funding is shown in Table KGL-1 below:

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<sup>6</sup> See Attachment TAG-2, pp. 8-9.

<sup>7</sup> See Attachment JZW, pp. 12-13.

<b>Table KGL-1</b>		
<b>Category</b>	<b>Amount</b>	<b>Reference</b>
CEL&P's Total Capital Improvement Plan	\$ 23,306,631.00	Att. JZW-2, p. 13
Less: First Year Funding from Depreciation Fund	\$ (1,142,609.00)	Att. JZW-2, p. 13
Total Extensions and Replacements ("E&R") 2021-2026	\$ 22,164,022.00	
OUCC Six Year Average Annual E&R (2021-2026)	\$ 3,694,003.67	
CEL&P's proposed Five Year Average Annual E&R	\$ 4,432,804.50	
OUCC E&R Total Annual Recommended Adjustment	\$ (738,800.83)	

### **III. RATE CASE EXPENSE AMORTIZATION**

1 **Q: How does CEL&P propose to reflect its rate case-related expenses in its base rates?**

2 A: CEL&P proposes recovering total actual and estimated expenses of \$511,414 from  
3 customers for the consultants it used to compile this rate case. As shown in Ms. Wilson's  
4 Adjustment 6, CEL&P proposes to amortize \$511,414 in rate case expenses over four  
5 years, or \$127,853.50 annually over the four-year period.<sup>8</sup>

6 **Q: Do you have any concerns with CEL&P's proposed accounting treatment?**

7 A: Yes. CEL&P proposes to include the costs for two COSSs in its pro-forma proposed rate  
8 case expense. In addition to the costs associated with the COSS used to develop its rate  
9 proposal in this Cause, Petitioner also included the original COSS consultant's costs even  
10 though that consultant was dismissed due to alleged errors in the previous rate case and the  
11 COSS prepared by that original consultant in this Cause was not ultimately used to develop

<sup>8</sup> See CEL&P Ex. 2, Attachment JZW-2, p. 10.

1 CEL&P's rate proposal in this Cause. Petitioner is now in mediation regarding the alleged  
2 error from the previous rate case. Because CEL&P did not use the COSS prepared by its  
3 prior consultant and instead relied on a second COSS prepared by NewGen, I propose  
4 adjusting CEL&P's rate case expense to remove the prior consultant's \$86,414 test year  
5 expenses.

6 **Q: Could CEL&P receive compensation from its previous rate consultant or its**  
7 **insurance carrier due to the consultant's alleged errors in CEL&P's prior base rate**  
8 **case?**

9 A: Yes. In response to OUCC discovery, CEL&P stated that as of October 15, 2020, the  
10 consultant had exercised its contractual right to pre-suit mediation with its insurance carrier  
11 and CEL&P.<sup>9</sup> CEL&P also stated that no settlement offer had been made to cover any of  
12 CEL&P's revenue shortfalls at that time<sup>10</sup> and that CEL&P remains uncertain as to whether  
13 and to what extent it would receive any recovery as a result of the mediation. CEL&P did  
14 not know how it would use any funds received, if any.<sup>11</sup> While the result of any mediation  
15 or litigation is uncertain, it is more appropriate to recover the previous consultant's costs  
16 from the consultant or its insurance carrier than to burden to CEL&P's ratepayers with  
17 additional rate case expense that did not generate work product used to support CEL&P's  
18 rate request in this Cause. If CEL&P does receive proceeds as a result of its dispute with  
19 the prior consultant, it stands to be made whole for these prior costs.

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<sup>9</sup> See Attachment KGL-1: CEL&P's response to OUCC DR 7.5(c).

<sup>10</sup> See Attachment KGL-1: CEL&P's response to OUCC DR 7.5(d).

<sup>11</sup> See Attachment KGL-1: CEL&P's response to OUCC DR 7.5(f).

1 **Q: What rate case expense amortization amount do you recommend?**

2 A: I recommend the Commission authorize CEL&P to recover \$106,250 of annual rate case  
3 expense through rates as calculated in Table KGL-2 (Adjustment #6), below:

<b>Table KGL-2 (Adjustment #6)</b>	
Category:	Amount:
Rate Consultant	\$ 100,000.00
NewGen Engineering/COSS Consultant	\$ 125,000.00
Regulatory Council	\$ 200,000.00
Total Estimated Rate Case Expense	\$ 425,000.00
Amortized Expense over 4 years:	\$ 106,250.00

4 I also recommend CEL&P be required to submit a 30-day filing to reduce its base rates by  
5 the amount of any proceeds it receives as a result of mediation or litigation with its former  
6 COSS consultant and its insurance carrier within 14 days of CEL&P either reaching an  
7 agreement on the matter or resolving the dispute through litigation. The proceeds amount  
8 used to reduce CEL&P's base rates should be net of any reasonable litigation/mediation  
9 costs and the cost of the prior COSS, if not recovered in base rates.

#### **IV. LABOR, EMPLOYEE BENEFITS, AND FICA TAX EXPENSES**

10 **Q: Is CEL&P proposing an adjustment to its test year O&M labor, employee retirement**  
11 **benefits, and FICA tax expenses?**

12 A: Yes. CEL&P proposes increasing its test year O&M labor expense by \$111,869,<sup>12</sup> test year  
13 employee benefits expense by \$28,061,<sup>13</sup> and test year FICA tax expense by \$19,417.<sup>14</sup>

<sup>12</sup> Direct Testimony of Jennifer Z. Wilson, Attachment JZW-2, p. 9, Adjustment 3.

<sup>13</sup> *Id.*, Adjustment 4.

<sup>14</sup> *Id.*, Adjustment 9.



1 **Q: Please explain how CEL&P calculated its pro-forma salaries and wages amount as a**  
2 **basis for its proposed labor-related adjustments.**

3 A: Based on my review of Ms. Wilson's workpapers and the information provided through  
4 the OUCC's audit, I determined CEL&P's proposed total pro-forma salaries and wages  
5 expense of \$3,070,097.14 was calculated by applying a 2% escalation factor on salaries for  
6 filled positions during the test year, along with including the salaries associated with two  
7 open positions. According to Ms. Wilson, the three labor-related expense adjustments were  
8 determined using CEL&P expenses during the test year period March 2019 through  
9 February 2020.<sup>15</sup>

10 **Q: Please explain how CEL&P calculated its adjustment to its O&M labor expense.**

11 A: CEL&P's O&M labor expense adjustment (Wilson's Att. JZW-2, Adjustment 3) was  
12 calculated by taking the portion of pro-forma salaries and wages allocated to non-  
13 capitalized labor expenses of \$2,696,930 and subtracting the test year O&M labor expense  
14 of \$2,585,061, resulting in a \$111,869 increase.<sup>16</sup>

15 **Q: Please explain how CEL&P calculated its adjustment to its PERF employee benefit**  
16 **expense.**

17 A: For Ms. Wilson's Adjustment 4, she eliminated the ineligible labor (wages) expenses for  
18 PERF in the amount of \$108,950 and applied the Indiana 2020 PERF contribution rate of  
19 11.20% to the pro-forma eligible labor (wage) expense of \$2,961,147, resulting in a  
20 \$28,061 adjustment.

21 **Q: Please explain how CEL&P calculated its adjustment to FICA tax expense.**

22 A: For CEL&P's FICA tax adjustment (Adjustment 9), Ms. Wilson used the same total pro-  
23 forma labor expense amount of \$3,070,097, including the capitalized salaries and wages

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<sup>15</sup> Wilson testimony, p. 11, line 19 through p. 12, line 15.

<sup>16</sup> See Attachment JZW-2, p. 9, Adjustment 3.

1 expense, and multiplied this amount by the 7.65% FICA tax rate. This calculation results  
2 in a \$19,417 adjustment to FICA expense.

3 **Q: Do you have concerns with the underlying test year dollar amounts CEL&P used to**  
4 **calculate its proposed adjustments to O&M labor, FICA tax, and PERF employee**  
5 **benefit expenses?**

6 A: Yes. I disagree with the labor expense amounts CEL&P used in calculating its labor and  
7 employee benefits expenses adjustments. In response to OUCC DR 6.1, CEL&P admitted  
8 that, due to the current economic conditions, it does not plan to fill the open Assistant  
9 General Manager (\$119,996 budgeted salary) and the open Administrative Assistant  
10 (\$35,003 budgeted salary) positions in the next year. I propose adjusting the labor expense  
11 budget to exclude \$154,999 from test year labor expense.

12 **Q: Has CEL&P provided an update on its employment planning?**

13 A: Yes. On December 9, 2020, CEL&P supplemented its DR 6.1 response, stating that it is  
14 now planning to advertise for these two positions. The change in response was  
15 accompanied by the following explanation:

16 As is well known, the COVID-19 pandemic's impact resurged in the fall and  
17 Crawfordsville, like the rest of the country, saw a significant increase in  
18 positivity rates. As a result, CEL&P returned to restricting the number of  
19 people in the Utility's offices at any given time. To maintain social  
20 distancing, half of the staff comes into the office every other day. In  
21 addition, since the initial Data Request Response above, several staff  
22 members have tested positive for COVID-19 and/or needed to be  
23 quarantined due to other virus exposure. This put tremendous pressure on  
24 the existing staff. Therefore, CEL&P management determined that it was  
25 necessary to take steps to fill these open positions. CEL&P has advertised  
26 the Administrative Assistant position and hopes to fill it this month.  
27 Management also intends to convert the Assistant General Manager  
28 position into a Controller position, and is in active employment discussions  
29 with someone qualified to fill this vacancy. This will permit the Utility to

1 bring in-house some of the accounting services currently performed by  
2 Baker Tilly under its "not to exceed" contract.<sup>17</sup>

3 However, CEL&P neglected to supplement this response with any financial figures or  
4 adjustments. Additionally, although it was noted that the Assistant General Manager  
5 position was being changed to a Controller role, which might affect CEL&P's need for  
6 outsourced accounting services, the effect of these revisions have not been sufficiently  
7 explained or supported at this time with spreadsheets, tables, or job postings for the  
8 OUCC's evaluation and review.<sup>18</sup>

9 **Q: What changes do you recommend to CEL&P's pro-forma O&M labor expense?**

10 A: Due to the \$154,999 reduction of pro-forma O&M labor expense for unfilled positions as  
11 mentioned above, I recommend CEL&P's Adjustment 3 for salaries and wages expense be  
12 a \$24,290.32 decrease, resulting in a \$2,560,770.68 pro-forma amount. My recommended  
13 adjustment is illustrated in Table KGL-3 below:

<b>Table KGL-3 (Adjustment #3)</b>			
	CEL&P	OUCC	Difference
Pro-Forma O&M Expense	\$ 2,696,930.00	\$ 2,560,770.68	\$ (136,159.32)
Test Year O&M Expense	\$ (2,585,061.00)	\$ (2,585,061.00)	\$ -
Recommended Adjustment	\$ 111,869.00	\$ (24,290.32)	\$ (136,159.32)

14 **Q: What changes do you recommend to CEL&P's pro-forma PERF expense?**

15 A: Due to the \$154,999 reduction of pro-forma O&M labor expense for unfilled positions as  
16 mentioned above, I recommend Adjustment #4 be an increase of \$10,701.59, resulting in  
17 a \$314,288.59 pro-forma PERF expense. My proposed adjustment is illustrated in Table  
18 KGL-4 below:

<sup>17</sup> See Attachment KGL-2: CEL&P Supplemental Response to OUCC DR 6.1.

<sup>18</sup> *Id.*

<b>Table KGL-4 (Adjustment #4)</b>			
	<b>CEL&amp;P</b>	<b>OUC</b>	<b>Difference</b>
Pro-Forma O&M Salaries and Wages	\$ 2,696,930.00	\$ 2,560,770.68	\$ (136,159.32)
Pro-Forma O&M Salaries and Wages Expected to be Capitalized	\$ 373,167.00	\$ 354,327.46	\$ (18,839.54)
Less: Wages not Eligible for PERF	\$ (108,950.00)	\$ (108,950.00)	\$ -
Pro-Forma PERF Eligible Salaries and Wages	\$ 2,961,147.00	\$ 2,806,148.14	\$ (154,998.86)
Times: 2020 PERF Contribution Rate	11.20%	11.20%	0
Pro-Forma PERF Expense	\$ 331,648.46	\$ 314,288.59	\$ (17,359.87)
Less: Test Year (exc. GASB 68 and Deferred Inflow Adjustments)	\$ (303,587.00)	\$ (303,587.00)	\$ -
Recommended Adjustment	\$ 28,061.46	\$ 10,701.59	\$ (17,359.87)

1 **Q: What changes do you recommend to CEL&P's pro-forma FICA expense?**

2 A: Due to the \$154,999 reduction of pro-forma O&M labor expense for unfilled positions as  
3 mentioned above, I recommend FICA tax expense be \$7,560.01, a \$223,005.01 pro-forma  
4 FICA expense. My proposed adjustment is shown in Table KGL-5 below:

<b>Table KGL-5 (Adjustment #9)</b>			
	<b>CEL&amp;P</b>	<b>OUC</b>	<b>Difference</b>
Pro-Forma O&M Salaries and Wages	\$ 2,696,930.00	\$ 2,560,770.68	\$ (136,159.32)
Pro-Forma O&M Salaries and Wages Expected to be capitalized	\$ 373,167.00	\$ 354,327.46	\$ (18,839.54)
Pro-Forma Salaries and Wages Subject to FICA	\$ 3,070,097.00	\$ 2,915,098.14	\$ (154,998.86)
Times: FICA Rate	7.65%	7.65%	0
Pro-Forma FICA Tax	\$ 234,862.42	\$ 223,005.01	\$ (11,857.41)
Less: Test Year FICA Expense	\$ 215,445.00	\$ 215,445.00	\$ -
Recommended Adjustment	\$ 19,417.42	\$ 7,560.01	\$ (11,857.41)

**V. MISCELLANEOUS ADJUSTMENTS**

1 **Q: Do you have any other proposed adjustments to CEL&P's revenue requirements?**

2 A: Yes. CEL&P's MSFR Exhibit 6-S shows a test year amount of \$2,650 for charitable and  
3 civic contributions in the "miscellaneous administrative and general expense" account  
4 category. CEL&P's revenue requirement should be based upon expenses that relate to the  
5 provision of electric utility service and provide a benefit to its ratepayers. Charitable and  
6 civic contributions do not fund electric utility service. Therefore, I recommend \$2,650 be  
7 eliminated from CEL&P's pro-forma operating expense revenue requirement calculation.

**VI. OUCR RECOMMENDATIONS**

8 **Q: What do you recommend regarding proposed recovery in this proceeding?**

9 A: Based on my analysis described above, I recommend the following:

- 10 1) CEL&P's annual E&R expense be amortized over six years (2021-2026) at  
11 \$3,694,003.67 annually;
- 12 2) CEL&P's rate case expense be amortized over four years at an annual expense amount  
13 of \$106,250;
- 14 3) CEL&P be required to submit a 30-day filing to notify the Commission and the OUCR  
15 of settlement and/or funds received resulting from mediation with the former COSS  
16 consultant and its insurance carrier within 14 days of CEL&P either reaching an  
17 agreement on the matter or resolving the dispute through litigation. The 30-day filing  
18 should state the terms of the final resolution, including the dollar amount of the  
19 proceeds CEL&P has received.
- 20 4) CEL&P's pro-forma labor expense be adjusted to \$2,560,773.58;
- 21 5) CEL&P's pro-forma employee benefits expense be adjusted to \$314,288.59;
- 22 6) CEL&P's pro-forma FICA tax expense be adjusted to \$223,005.01;
- 23 7) CEL&P's pro-forma administrative and general expense be adjusted to exclude \$2,650  
24 of charitable and civic contributions.

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

26 A: Yes.

**APPENDIX A**

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

2 A: I graduated from the Kelley School of Business of Indianapolis in 2014 with a Bachelor of  
3 Science in Business with majors in Accounting and Finance. I am licensed in the State of  
4 Indiana as a Certified Public Accountant. I attended the National Association of Regulatory  
5 Utility Commissioners ("NARUC") Spring 2018 Conference held by New Mexico State  
6 University and the Intermediate Course Fall 2019 conference held by the Institute of Public  
7 Utilities at Michigan State University. In September 2019, I attended the annual Society of  
8 Depreciation Professionals conference held in Philadelphia and the Basics of Depreciation  
9 course.

10 **Q: Have you previously testified before the Commission?**

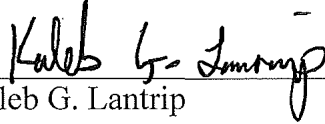
11 A: Yes.

12 **Q: Please describe your duties and responsibilities at the OUCC.**

13 A: I review Indiana utilities' requests for regulatory relief filed with the Indiana Utility  
14 Regulatory Commission ("Commission"). This involves reading testimonies of Petitioners  
15 and intervenors, previous orders issued by the Commission, and any appellate opinions to  
16 inform my analyses. I prepare and present testimony based on these analyses and make  
17 recommendations to the Commission on behalf of Indiana utility consumers.

**AFFIRMATION**

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



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Kaleb G. Lantrip  
Utility Analyst II  
Indiana Office of Utility Consumer Counselor  
Cause No. 45420  
Crawfordsville Electric Light and Power

Date: December 23, 2020

**Q 7.5: On page 11 of his testimony, Mr. Goode states:**

**On February 28, 2020, the USB terminated its contract with the rate consultant and advised it to notify its insurance carrier that CEL&P believed there were significant rate calculation and tariff errors that significantly financially harmed CEL&P.**

**Please answer the following questions:**

**A. Please provide a copy of the document the USB provided to its rate consultant advising it to notify its insurance carrier;**

**Response:** Please see Attachment 7.5A.

**B. Please provide all correspondence between the USB and the rate consultant and/or insurance carrier;**

**Response:** Please see Attachment 7.5B.

**C. Is the USB or CEL&P pursuing a claim against the rate consultant and/or insurance carrier? If yes, please state the amount being sought. If no, please explain why no claim is being pursued.**

**Response:** As indicated in the initial letter from Spectrum's attorney included in Attachment 7.5B above, Spectrum exercised its contractual right to pre-suit mediation. Spectrum's contract is included in Attachment DR 7.6A. Daniel L. Taylor of Taylor, Chadd, Minnette, Schneider & Clutter is the Utility Service Board's local attorney in Crawfordsville. The parties are still working on scheduling the mediation.

**D. Please provide the status of any discussions and or negotiations between CEL&P, the rate consultant and its insurance carrier;**

**Response:** See Response to Q 7.6B above. Spectrum and its insurance carrier have not offered to cover any of CEL&P revenue shortfalls as of the date of this Response.

**E. Has the USB or CEL&P collected any money from its rate consultant/insurance carrier? If yes, please state how much was collected, how it was accounted for and how the funds were used?**

**Response:** See Response to Q 7.6 D above. No money has been collected as of the date of this Response.



**F. If the USB or CEL&P collects money from the rate consultant/insurance carrier, how does CEL&P plan to use the funds and how will it be accounted for?**

**Response:** Since there is no certainty as to whether or to what extent CEL&P will realize any such recovery, CEL&P has not yet made any determination as to how said funds will be applied.

**Please refer to MSFR 170 IAC 1-5-8(a)(11):**

**Q 6.1: Exhibit 6-N shows two positions that are currently open, Administrative General Manager and Administrative Assistant. Does CEL&P expect to fill these positions by February 28, 2021? If yes, please provide the expected annual salary for each position.**

**Response:** Due to the current economic conditions and CEL&P's negative income for 2020, CEL&P would like to wait until after this rate case to fill these positions. MSFR Exhibit 6-N (p. 168) lists the salaries for these positions at \$119,996 (Asst. General Manager) and 35,003.20 (Administrative Assistant).

**Supplemental Response:** As is well known, the COVID-19 pandemic's impact resurged in the fall and Crawfordsville, like the rest of the country, saw a significant increase in positivity rates. As a result, CEL&P returned to restricting the number of people in the Utility's offices at any given time. To maintain social distancing, half of the staff comes into the office every other day. In addition, since the initial Data Request Response above, several staff members have tested positive for COVID-19 and/or needed to be quarantined due to other virus exposure. This put tremendous pressure on the existing staff. Therefore, CEL&P management determined that it was necessary to take steps to fill these open positions. CEL&P has advertised the Administrative Assistant position and hopes to fill it this month. Management also intends to convert the Assistant General Manager position into a Controller position, and is in active employment discussions with someone qualified to fill this vacancy. This will permit the Utility to bring in-house some of the accounting services currently performed by Baker Tilly under its "not to exceed" contract. Of course, CEL&P does not pay fringe benefits to Baker Tilly, as it would with a staff employee. While CEL&P expects there should be some outside accounting contract savings associated with having an in-house Controller, the preparation of CEL&P's audit and financial statements will still require Baker Tilly's services, as they are a necessary part of the annual independent audits the ten largest members are required to provide to maintain IMPA's credit rating.

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 4\_ Testimony of OUCC Witness Kaleb G. Lantrip* has been served upon the following counsel of record in the captioned proceeding by electronic service on December 23, 2020.

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