

FILED
January 20, 2026
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF MAPLETURN UTILITIES,)
INC FOR A NEW SCHEDULE OF RATES) CAUSE NO. 46291-U
AND CHARGES FOR WATER SERVICE)**

PUBLIC EXHIBIT NO. 1

TESTIMONY OF CARLA F. SULLIVAN

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

January 20, 2026

TESTIMONY OF OUCC WITNESS CARLA F. SULLIVAN
CAUSE NO. 46291-U
MAPLETURN UTILITIES, INC.
WATER OPERATIONS

I. INTRODUCTION

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

2 A: My name is Carla F. Sullivan, and my business address is 115 W. Washington St.,
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 a Utility Analyst in the Water/Wastewater Division. My qualifications are set forth
7 in Appendix A.

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

9 A: Mapleturn Utilities, Inc. Water Division (hereinafter referred to as “Mapleturn-
10 Water” or “Applicant”) filed a Small Utility Rate Application (“Application”)
11 requesting a 30.77% increase to its rates and charges to be implemented on an
12 across-the-board basis in one phase. Mapleturn-Water’s proposed rate increase
13 would generate \$89,563 of additional annual revenue. I present the result of
14 OUCC’s analysis, which is a recommended single phase rate increase of 28.73%,
15 generating \$82,984 of additional annual operating revenue. I present the OUCC’s
16 accounting schedules. I recommend adjustments to operating expenses for salaries
17 and wages, employee benefits, purchased power, periodic maintenance, contractual
18 services-engineering, general liability insurance, and payroll tax expense. I also

1 explain why I eliminated Mapletown-Water's proposed revenue requirement offset
2 for test year interest income.

3 **Q: What workpapers and attachments are submitted with your testimony?**

4 A: Appendix B lists the schedules I sponsor and the workpapers and attachments that
5 support the schedules and my testimony.

6 **Q: What review and analysis have you conducted to prepare your testimony?**

7 A: I reviewed Mapletown-Water's Application and the supporting workpapers and
8 attachments provided. On September 30 and October 1, 2025, I conducted an on-
9 site accounting review. Finally, I prepared discovery questions and reviewed
10 Applicant's responses.

11 **Q: To the extent you do not address a specific item, should that be construed to**
12 **mean you or the OUCC agree with Applicant's proposal?**

13 A: No. The scope of my testimony is limited to the specific items addressed herein.

II. CASE OVERVIEW

A. Mapletown-Water's Proposal

14 **Q: Please describe Mapletown-Water's request in this Cause.**

15 A: Based on a historical test year ending December 31, 2024, Applicant proposes a
16 30.77% across-the-board rate increase to generate an additional \$89,563 of annual
17 revenue to be implemented in one phase. Applicant's rate increase request is driven
18 by increased operating and maintenance ("O&M") expenses partially offset by
19 reduced extensions and replacements.

1 **Q: Does Mapleturn-Water seek any debt authority in this Cause?**

2 A: No. However, the parties reached an understanding that Applicant's rehabilitation
3 of the existing water tank should be accomplished by financing. OUCC witness,
4 Kristen Willoughby and Shawn Dellinger discuss this in their testimonies.

B. OUCC's Recommendation

5 **Q: What rate increase does the OUCC recommend?**

6 A: Based on a historical test year ending December 31, 2024, the OUCC recommends
7 a 28.73% across-the-board rate increase to generate an additional \$82,984 of annual
8 operating revenue to be implemented in one phase. Table CFS-1 compares
9 Applicant's proposal and the OUCC's recommendations. (OUCC Attachment
10 CFS-1, Schedule 1.)

11 **Q: What amount of debt authority does the OUCC recommend?**

12 A: The OUCC recommends debt authority of \$400,000 for Mapleturn-Water resulting
13 in annual debt service of \$36,165.

Table CFS-1: Revenue Requirement Comparison

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 314,285	\$ 321,775	\$ 7,490
Extensions and Replacements	77,500	18,000	(59,500)
Debt Service	-	36,165	36,165
Debt Service Reserve	-	-	-
Total Revenue Requirements	391,785	375,940	(15,845)
Less: Interest Income	(7,067)	-	7,067
Net Revenue Requirements	384,718	375,940	(8,778)
Less: Revenues subject to increase	(291,041)	(288,832)	2,209
Other revenues at current rates	(4,245)	(4,245)	-
Revenue Increase Required	89,432	82,863	(6,569)
IURC Fee (0.1456147%)	131	121	(10)
Recommended Increase	<u>\$ 89,563</u>	<u>\$ 82,984</u>	<u>\$ (6,579)</u>
Recommended Percentage Increase	<u>30.77%</u>	<u>28.73%</u>	<u>-2.04%</u>

III. PRO FORMA OPERATING REVENUE

1 **Q: What *pro forma* operating revenue does Mapleturn-Water propose?**

2 A: Applicant proposes *pro forma* operating revenue of \$292,047, which is a \$2,209
3 increase to test year operating revenue of \$289,838. Applicant's proposed \$2,209
4 revenue increase reflects 1) a \$3,420 increase due to changes in the test year
5 residential customer count and 2) a \$1,211 decrease due to changes in the test year
6 commercial customer count.

7 **Q: Do you accept Mapleturn-Water's operating revenue adjustment to reflect**
8 **changes in the test year residential customer count?**

9 A: No. Based on my review of Applicant's 2024 IURC Annual Report and utility
10 billing system reports provided by Applicant, the residential customer counts
11 included in Mapleturn-Water's application were not correct. The correct residential
12 customer counts indicate there is no customer growth.

1 **Q: Do you accept Mapleturn-Water’s operating revenue adjustment for test year**
2 **commercial customer growth?**

3 A: No. I reject Applicant’s commercial customer growth adjustment for the reason I
4 rejected its residential customer adjustment. Applicant’s 2024 IURC Annual Report
5 and billing system reports indicate the commercial customer counts included in
6 Mapleturn-Water’s application were not correct. The correct customer counts
7 indicate there is no commercial growth.

8 **Q: What *pro forma* operating revenue do you recommend?**

9 A: I recommend *pro forma* operating revenue of \$293,077.

IV. PRO FORMA OPERATING EXPENSE

10 **Q: What *pro forma* operating expenses does Mapleturn-Water propose?**

11 A: Applicant proposes a \$7,732 increase to its test year operating expenses of
12 \$306,553 resulting in *pro forma* operating expense of \$314,285, exclusive of
13 depreciation expense.¹

14 **Q: What operating expense adjustments are included in Applicant’s proposed**
15 **\$7,732 increase?**

16 A: Applicant proposes thirteen adjustments to operating expenses -- (1) a \$7,921
17 decrease to salaries and wages expense; (2) a \$4,684 decrease to employee benefits
18 expense; (3) a \$2,075 increase to pension expense; (4) a \$3,239 increase for
19 purchased power caused by the Duke Energy Indiana, LLC (“Duke Energy”) Phase
20 1 rate increase (Cause No. 46038); (5) a \$304 increase to purchased power for

¹ Applicant’s Small Utility Rate Application, Schedule 4 states Applicant’s *pro forma* operating expenses are \$314,413. The difference (\$128) is a mistake in the Rate Application which double counts the payroll tax expense adjustment.

1 increased cost related to test year customer growth; (6) a \$628 increase to chemical
2 expense; (7) a \$104 increase to chemical expense for increased cost related to test
3 year customer growth; (8) a \$17,703 increase for periodic maintenance expense;
4 (9) a \$4,239 decrease to general liability insurance expense; (10) a \$161 increase
5 for rate case expense; (11) a \$62 increase to miscellaneous expenses for the increase
6 in postage related to test year customer growth; (12) a \$430 increase to regulatory
7 expense related to test year customer growth; and (13) a \$128 decrease to payroll
8 tax expense.

9 **Q: Do you accept these adjustments?**

10 A: I accept two of Applicant's adjustments and disagree with the remaining
11 adjustments.

12 **Q: Which of Mapleturn-Water's proposed operating expense adjustments do you**
13 **accept?**

14 A: I accept Applicant's \$628 increase to chemical expense for the general increase in
15 chemical costs and the \$161 increase for rate case expense.

16 **Q: Which of Mapleturn-Water's proposed adjustments do you reject?**

17 A: I reject the four adjustments that are growth related (purchased power, chemicals,
18 IURC fees, and postage) because I determined there was no growth. I also reject
19 Applicant's increase to pension expense. Mapleturn Utilities' 3.0% pension
20 contribution is dependent on the employee contributing 3.0%, and currently, only
21 one employee makes a pension contribution. Finally, in favor of my own
22 recommended amounts, I reject Applicant's adjustments to salaries and wages

1 expense, employee benefits expense, purchased power expense, periodic
2 maintenance, general liability insurance expense, and payroll tax expense.

3 **Q: Do you recommend any other adjustments?**

4 A: Yes. I recommend an operating expense adjustment to contractual services-
5 engineering expense. Table CFS-2 compares Applicant's proposed operating
6 expense adjustments and the OUCC's recommended operating expense
7 adjustments.

Table CFS-2: Comparison of Operating Expense Adjustments

	<u>Per</u> <u>Applicant</u>	<u>Per</u> <u>OUCC</u>	<u>OUCC</u> <u>More (less)</u>
O&M Expense			
Salaries & Wages	\$ (7,921)	\$ 1,636	\$ 9,557
Payroll Tax Expense	(128)	(338)	(210)
Health, Laundry, HAS	(4,684)	3,419	8,103
Pension	2,075	-	(2,075)
Purchased Power	3,239	5,889	2,650
Purchased Power - Growth	304	-	(304)
Chemical Expense	628	628	-
Chemical Expense - Growth	104	-	(104)
Periodic Maintenance	17,703	9,460	(8,243)
Contratual Services - Engineering	-	(7,465)	(7,465)
Rate Case Expense	161	161	-
General Liability Insurance	(4,239)	1,833	6,072
IURC Fee	430	-	(430)
Miscellaneous Expenses - Postage	62	-	(62)
Total Operating Expenses	<u>\$ 7,732</u>	<u>\$ 15,223</u>	<u>\$ 7,489</u>

8 **Q: What *pro forma* operating expense do you recommend?**

9 A: I recommend a \$15,223 increase to Applicant's \$306,552 test year operating
10 expenses (excluding depreciation expense), resulting in *pro forma* operating
11 expenses of \$321,775. (OUCC Attachment CFS-1, Schedule 4.)

A. Salaries and Wages Expense

1 **Q: What *pro forma* salaries and wages expense does Mapleturn-Water propose?**

2 A: Applicant proposes *pro forma* salaries and wages expense of \$130,458, which is a
3 \$7,921 decrease to test year salaries and wages expense of \$138,379.

4 **Q: Do you accept Mapleturn-Water's proposed salaries and wages expense
5 adjustment?**

6 A: No. Applicant's salaries and wages expense adjustment did not incorporate on-call
7 pay, bonuses, mileage reimbursements or pay raises effective January 1, 2025.

8 **Q: What *pro forma* salaries and wages expense do you recommend?**

9 A: I recommend a \$1,636 increase to test year salaries and wage expense of \$138,379
10 resulting in *pro forma* salaries and wages expense of \$140,015. (OUCC Attachment
11 CFS-1, Schedule 6, Adjustment No. 1.)

12 **Q: How did you calculate your \$1,636 salaries and wages expense adjustment?**

13 A: First, I calculated *pro forma* salaries and wages expense for regular hours by
14 multiplying each employee's *pro forma* rate of pay by 2080, the number of hours
15 worked by full-time employees or 1040, the number of hours worked by part-time
16 employees. I then multiplied each full-time employee's *pro forma* overtime rate of
17 pay by 37 hours.² I added *pro forma* regular pay, *pro forma* overtime pay, *pro forma*
18 on-call pay, and *pro forma* bonuses to calculate *pro forma* total salaries and wages
19 expense for both water and wastewater operations. I multiplied that total by 40% to
20 reflect the \$139,519 of salaries and wages allocated to the water operations. To that

² During the test year, staff worked a total of 186.5 overtime hours. I assumed the same number of overtime hours and multiplied that number by the average overtime pay of the five full-time staff members.

1 number I added \$496 for mileage reimbursements.³ Table CFS-3
2 compares Applicant's proposed adjustment and my recommended adjustment.

Table CFS-3: Comparison of Salaries and Wages Adjustment

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
<i>Pro forma</i> Regular and Overtime Pay	\$ 328,170	\$ 338,598	\$ 10,428
Add: Beeper Pay	-	5,200	5,200
Bonuses	-	5,000	5,000
Total Salaries	328,170	348,798	20,628
Multiply: Allocation Rate	40%	40%	
Water's Portion of <i>Pro forma</i> Salaries & Wages	130,458	139,519	9,061
Add: Mileage Reimbursements	-	496	496
<i>Pro forma</i> Salaries and Wages Expense	\$ 130,458	\$ 140,015	\$ 9,557
Less: Test Year Salaries and Wages Expense	(138,379)	(138,379)	-
	<u>\$ (7,921)</u>	<u>\$ 1,636</u>	<u>\$ 9,557</u>

B. Employee Benefits Expense

3 **Q: What *pro forma* employee benefits expense does Mapleturn-Water propose?**
4 A: Applicant proposes *pro forma* employee benefits expense of \$34,616, which is a
5 \$4,684 decrease to the test year employee benefits expense of \$39,300.⁴

³ Mileage reimbursements are also allocated on a 40/60 basis.

⁴ Applicant's IURC Small Utility Rate Application, Sch 6-Exp Adj(b) lists test year employee benefits expense as \$39,300. The Income Statement of Applicant's IURC Small Utility Rate Application states the value is \$39,433.

1 **Q: Do you accept Mapletown-Water's proposed employee benefits expense**
2 **adjustment?**

3 A: No. Applicant's employee benefits expense adjustment fails to recognize all the
4 expenses included in employee benefits expense and the addition of a new
5 employee.

6 **Q: What *pro forma* employee benefits expense do you recommend?**

7 A: I recommend a \$3,419 increase to test year employee benefits expense of \$39,433
8 resulting in *pro forma* employee benefits expense of \$42,852. (OUCC Attachment
9 CFS-1, Schedule 6, Adjustment No. 3.)

10 **Q: How did you calculate your \$3,419 employee benefits expense adjustment?**

11 A: First, I calculated the *pro forma* expense for health related insurance for the utility's
12 five eligible staff members. I then multiplied the *pro forma* expense of health
13 related insurance by the 40% allocation rate. Finally, I added the test year laundry
14 expense⁵ resulting in *pro forma* employee benefits expense. I then reduced *pro*
15 *forma* employee benefits expense by test year employee benefit expense yielding a
16 \$3,419 increase. Table CFS-4 compares Applicant's proposed employee benefit
17 expense adjustment to my recommended adjustment.

⁵ Laundry expense is also allocated on a 40/60 basis.

Table CFS-4: Comparison of Employee Benefits Expense Adjustment

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
<i>Pro forma</i> Health Insurance	\$ 57,248	\$ 67,430	\$ 10,182
Add: Health Savings	29,292	29,500	208
Life, Dental, and Vision	-	2,198	2,198
Total Health Related Insurance	<u>86,540</u>	<u>99,129</u>	<u>12,589</u>
Multiply: Allocation Rate	40%	40%	
Water's Portion of <i>Pro forma</i> Health Insurance	34,616	39,651	5,035
Add: Laundry Expense	-	3,201	3,201
<i>Pro forma</i> Employee Benefits Expense	\$ 34,616	\$ 42,852	\$ 8,236
Less: Test Year Employee Benefits Expense	(39,300)	(39,433)	(133)
	<u>\$ (4,684)</u>	<u>\$ 3,419</u>	<u>\$ 8,103</u>

C. Purchased Power Expense

1 **Q: What *pro forma* purchased power expense does Mapletown-Water propose?**

2 A: Applicant proposes *pro forma* purchased power expense of \$30,531, which is a
3 \$3,543 (\$3,239 + \$304 = \$3,543) increase to test year purchased power expense of
4 \$26,988. Applicant calculated the increase by multiplying test year purchased
5 power expense by 1.12 (increasing the expense by 12%) because of Duke Phase I
6 increase to base rates and charges (Cause No. 46038).

7 **Q: Do you accept Mapletown-Water's proposed purchased power expense**
8 **adjustment?**

9 A: No. Duke Energy's applicable Phase I increase was higher than 12%. Duke
10 Energy's Phase I rate increase is based on a cost of service study ("COSS") that
11 was provided in Cause No. 46038. Because the rate increase differs for each
12 customer class and each consumption tier, the customer's increase was dependent
13 on the customer's rate class and level of consumption. Duke Energy charges

1 Mapletown Utilities under three different rate classes: commercial electric services
 2 (“CS”), low load factor (“LLF”), and water pumping and/or sewage disposal
 3 (“WP”). Table CFS-5 provides the calculation for Applicant’s purchased power
 4 expense increase by rate class.

Table CFS-5: Rate Increase by Customer Class

	<u>Test Year</u>	<u>Phase I</u>	<u>Increase</u>	<u>% Increase</u>
Commercial	\$ 4,357.56	\$ 5,551.89	\$ 1,194.33	27.41%
Low Load	6,044.59	5,861.19	(183.40)	-3.03%
Water/Sewer Pumping	59,759.90	74,057.35	14,297.45	23.92%
	<u>\$70,162.05</u>	<u>\$85,470.43</u>	<u>\$15,308.38</u>	<u>21.82%</u>

5 Based on Applicant’s rate classes and consumption, it actually experienced a
 6 21.82% increase for Duke Energy’s Phase I increase. (OUCC Attachment CFS-1,
 7 Workpaper WP-8 Purch Power Analysis.)

8 **Q: What *pro forma* purchased power expense do you recommend?**

9 A: I recommend *pro forma* purchased power expense of \$32,877, which is a \$5,889
 10 increase to test year purchased power expense of \$26,988. (See OUCC Attachment
 11 CFS-1, Schedule 6, Adjustment No. 5.)

12 **Q: How did you calculate your \$5,889 purchased power expense adjustment?**

13 A: To calculate my \$5,889 increase, I multiplied Applicant’s test year purchased
 14 power expense of \$26,988 by 21.82% resulting in a \$5,889 increase.

D. Periodic Maintenance

1 **Q: What *pro forma* periodic maintenance expense does Mapleturn-Water**
2 **propose?**

3 A: Applicant proposes *pro forma* periodic maintenance expense of \$17,703.
4 Applicant's periodic maintenance expense adjustment includes an annual operating
5 expense for tank maintenance (\$10,232), well maintenance (\$2,780), and booster
6 pumps maintenance (\$4,600).

7 **Q: Does the OUCC accept Mapleturn-Water's proposed periodic maintenance**
8 **expense adjustment?**

9 A: No. The OUCC recommends *pro forma* periodic maintenance expense of \$9,460.
10 (OUCC Attachment CFS-1, Schedule 6, Adjustment No. 6.) OUCC witness Kristen
11 Willoughby testifies about the OUCC's periodic maintenance adjustment.

E. General Liability Insurance Expense

12 **Q: What *pro forma* general liability insurance expense does Mapleturn-Water**
13 **propose?**

14 A: Applicant proposes *pro forma* general liability insurance expense of \$10,948,
15 which is a \$4,239 decrease to the test year general liability insurance expense of
16 \$15,187. Applicant's general liability insurance adjustment is the result of a mistake
17 in the IURC Small Utility Rate Application. Test year general liability insurance
18 expense was \$9,605, not \$15,187. The input field in the Application for test year
19 general liability insurance expense is linked to the wrong Income Statement cell.

20 **Q: What *pro forma* general liability insurance expense do you recommend?**

21 A: I recommend a \$1,833 increase to test year general liability insurance expense of
22 \$9,605 resulting in *pro forma* general liability expense of \$11,438, which is the

1 amount Applicant paid for general liability insurance during the adjustment period.
2 (OUCC Attachment CFS-1, Schedule 6, Adjustment No. 8.)

F. Payroll Tax Expense

3 **Q: What *pro forma* payroll tax expense does Mapletown-Water propose?**

4 A: Applicant proposes *pro forma* payroll tax expense of \$9,980, which is a \$128
5 decrease to test year payroll tax expense of \$10,108.⁶ Applicant calculated its
6 payroll tax expense adjustment by multiplying its *pro forma* salaries and wages
7 expense of \$130,458 by the 7.65% payroll tax rate and subtracting the test year
8 payroll expense.

9 **Q: Do you accept Mapletown-Water's proposed payroll tax expense adjustment?**

10 A: No. I agree with Applicant's methodology for calculating payroll tax expense.
11 However, I disagree with the value Applicant calculated for *pro forma* salaries and
12 wages expense. Based on my *pro forma* salaries and wages expense, I recommend
13 a \$338 decrease to test year payroll tax expense of \$11,011 resulting in *pro forma*
14 payroll tax expense of \$10,673. (OUCC Attachment CFS-1, Schedule 6,
15 Adjustment No. 2.)

16 **Q: How did you calculate your \$338 payroll tax expense adjustment?**

17 A: I subtracted \$496 of mileage expense from *pro forma* salaries and wages expense of
18 \$140,015 resulting in \$139,519 of salaries and wages expense subject to payroll

⁶ Applicant's IURC Small Utility Rate Application, Sch 6-Exp Adj(b) lists test year payroll tax expense as \$10,108. The Income Statement of Applicant's IURC Small Utility Rate Application states the value as \$11,011.

1 tax. I multiplied \$139,519 by the payroll tax rate of 7.65% and subtracted test year
2 payroll tax expense.

G. Other Operating Expense Adjustment

3 **Q: What other operating expense adjustment do you recommend?**

4 A: I recommend a \$7,465 decrease to contractual services-engineering expense.
5 (OUCC Attachment CFS-1, Schedule 6, Adjustment No. 7.) Applicant paid two
6 contractors \$7,465 during the test year for non-recurring engineer labor, which
7 included \$6,820 for the development of a SCADA system update and \$645 for
8 general labor. I decreased contractual services-engineering expense by \$7,465 to
9 eliminate the revenue requirement for this expense. However, future costs related
10 to the SCADA system update are included in the capital project costs the OUCC
11 recommends be debt funded. The general laborer expenditure was included in my
12 calculation of my recommended *pro forma* salaries and wages expense.

V. EXTENSIONS AND REPLACEMENTS

13 **Q: What revenue requirement does Mapleturn-Water propose for extensions and**
14 **replacements (“E&R”)?**

15 A: Applicant proposes a three-year E&R revenue requirement of \$232,500, or \$77,500
16 annually.

17 **Q: Does the OUCC accept Mapleturn-Water’s E&R revenue requirement?**

18 A: No. The OUCC recommends a five-year revenue requirement of \$90,000, or
19 \$18,000 annually. The revenue requirement reduction was made in conjunction
20 with the OUCC recommendation for financing of projects Applicant intended to

1 pay for through E&R. OUCC witness, Kristen Willoughby discusses the OUCC's
2 recommended E&R revenue requirement in her testimony.

VI. DEBT SERVICE

3 **Q: What revenue requirement does the OUCC propose for debt service?**

4 A: While Applicant did not include a revenue requirement for debt service in its
5 Application, the OUCC determined that many of Mapleturn-Water's capital
6 projects should be debt funded rather than cash funded. The OUCC recommends
7 annual debt service of \$36,165 for this purpose. OUCC witness, Shawn Dellinger
8 discusses the OUCC's recommended debt service revenue requirement in his
9 testimony.

VII. REVENUE REQUIREMENT OFFSET

10 **Q: Does Mapleturn-Water propose a revenue requirement offsets?**

11 A: Yes. Applicant proposes a \$7,067 revenue requirement offset to reduce the required
12 rate increase for test year interest income.

13 **Q: Do you accept Mapleturn-Water's revenue requirement offset?**

14 A: No. During the test year, Mapleturn Utility depleted its temporary cash investment
15 account to construct a vac building. Therefore, interest income is not a recurring
16 source of income for Mapleturn Utility, and it should not be used to offset
17 Mapleturn-Water's revenue requirement.

18 **Q: What revenue requirement offset do you recommend?**

19 A: I do not recommend a revenue requirement offset because interest income during
20 the adjustment period is *de minimis*.

VIII. RECOMMENDATIONS

1 **Q: Please summarize your recommendations.**

2 **A:** I recommend the Commission accept the OUCC's recommended operating revenue
3 and expense adjustments, which generate a 28.73% increase and \$82,984 of
4 additional annual operating revenue.

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

6 **A:** Yes.

APPENDIX A - QUALIFICATIONS

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

2 A: I graduated from Lipscomb University in June 1989 and received a Bachelor of
3 Science degree in business management. I earned a master's degree in business
4 administration from Phoenix University in 2011 and a master's degree in
5 accounting and financial management from the Keller Graduate School in 2014.
6 Beginning in 2014, I worked as a balance sheet and payroll accountant for the State
7 of Wisconsin's Department of Health Services. In April of 2019, I joined the staff
8 of the Indiana Office of Utility Consumer Counselor as a Utility Analyst II.

9 **Q: Have you previously testified before the Indiana Utility Regulatory**
10 **Commission?**

11 A: Yes.

APPENDIX B – Attachments and Workpapers

OUCS Attachment CFS-1

Schedules

- Schedule 1 - Overall Revenue Requirement
Reconciliation of Net Operating Income Statement Adjustments
- Schedule 2 - Balance Sheet (Mapleturn Utilities, Inc.)
- Schedule 3 - Income Statement (Water Operations)
- Schedule 4 - *Pro Forma* Net Operating income Statement
- Schedule 5 - OUCS Revenue Adjustments Not Used - OUCS did not make any revenue adjustments
- Schedule 6 - OUCS Expense Adjustments
- Schedule 7 - Extensions and Replacements Not Used - See Kristen Willoughby's Testimony
- Schedule 8 - Working Capital Not Used - Applicant did not request
- Schedule 9 - Debt Service Not Used - See Shawn Dellinger's Testimony
- Schedule 10 - Debt Service Reserve Not Used - See Shawn Dellinger's Testimony
- Schedule 11 - Proposed Tariff

Workpapers - Excel Version of Attachment CFS-1

- WP-2 Revenue Requirement Comparison
- WP-3 Income Statement Mapping
- WP-4 Water & Sewer Income Statement Compare
- WP-5 Revenue Transaction Analysis
- WP-6 Expense Transaction Analysis
- WP-7 Purchased Power Analysis

Mapleturn Utilities Inc. (Water)
Cause Number 46291-U
Office of Utility Consumer Counselor
Workpaper OUCC Attachment CFS-1
Schedules and Workpapers (Excel Version)

Schedules

- Schedule 1 - Overall Revenue Requirement
Reconciliation of Net Operating Income Statement Adjustments
- Schedule 2 - Balance Sheet
- Schedule 3 - Income Statement
- Schedule 4 - *Pro Forma* Net Operating income Statement
- Schedule 5 - OUCC Revenue Adjustments Not Used - OUCC did not make any revenue adjustments
- Schedule 6 - OUCC Expense Adjustments
- Schedule 7 - Extensions and Replacements Not Used - See Kristen Willoughby's Testimony
- Schedule 8 - Working Capital Not Used - Applicant did not request working capital
- Schedule 9 - Debt Service Not Used - See Shawn Dellinger's Testimony
- Schedule 10 - Debt Service Reserve Not Used - See Shawn Dellinger's Testimony
- Schedule 11 - Proposed Tariff

Workpapers - Excel Version of Attachment CFS-1

- WP-2 Revenue Requirement Comparison
- WP-3 Income Statement Mapping
- WP-4 Income Statement - Water-Sewer Comp
- Wp-5 Revenue Transaction Analysis
- WP-6 Expense Transactions Analysis
- WP-7 Purchased Power Analysis

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

**Comparison of Petitioner's and OUCG's
Revenue Requirements**

	<u>Per Applicant</u>	<u>Per OUCG</u>	<u>Sch Ref</u>	<u>OUCG More (Less)</u>
Operating Expenses	\$ 314,285	\$ 321,775	4	\$ 7,490
Extensions and Replacements	77,500	18,000	7	(59,500)
Debt Service	-	36,165		36,165
Debt Service Reserve	-	-		-
Total Revenue Requirements	391,785	375,940		(15,845)
Less: Interest Income	(7,067)	-	3	7,067
Net Revenue Requirements	384,718	375,940		(8,778)
Less: Revenues at current rates subject to increase	(291,041)	(288,832)	4	2,209
Other revenues at current rates	(4,245)	(4,245)	4	-
Net Revenue Increase Required	89,432	82,863		(6,569)
Add: Additional IURC Fee	131	121		(10)
Recommended Increase	<u>\$ 89,563</u>	<u>\$ 82,984</u>		<u>\$ (6,579)</u>
Recommended Percentage Increase	<u>30.77%</u>	<u>28.73%</u>		<u>-2.04%</u>

<u>Current Rate for 4,000 Gallons</u>	<u>Proposed</u>		<u>OUCG More (Less)</u>
	<u>Applicant</u>	<u>OUCG</u>	
Current Rate = \$47.16	\$ 61.67	\$ 60.71	\$ (0.96)

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per Applicant</u>	<u>Per OUCG</u>	<u>OUCG More (Less)</u>
Operating Revenues			
Residential Customers	\$ 3,420	\$ -	\$ (3,420)
Commercial Customers	(1,211)	-	1,211
Total Operating Revenues	<u>2,209</u>	<u>-</u>	<u>(2,209)</u>
O&M Expense			
Salaries & Wages - Employees	(7,921)	1,636	9,557
Payroll Tax Expense	(128)	(338)	(210)
Employee Pension and Benefits			
Health Insurance and Laundry Expense	(4,684)	3,419	8,103
Pension Expense	2,075	-	(2,075)
Purchased Power	3,239	5,889	2,650
Growth	304	-	(304)
Chemicals	628	628	-
Growth	104	-	(104)
Periodic Maintenance	17,703	9,460	(8,243)
Engineering Contractual Services	-	(7,465)	(7,465)
Rate Case Expense	161	161	-
General Liability Insurance	(4,239)	1,833	6,072
Regulatory Commission Expense - Other	430	-	(430)
Postage - Growth	62	-	(62)
Total O&M Expense Adjustments	<u>7,732</u>	<u>15,223</u>	<u>7,489</u>
Net Operating Income	<u>\$ (5,523)</u>	<u>\$ (15,223)</u>	<u>\$ (9,698)</u>

Mapleturn Utilities Inc.
CAUSE NUMBER 46291-U

COMPARATIVE BALANCE SHEET
As of December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Water Utility Plant:			
Utility Plant in Service	\$ 1,918,060	\$ 1,906,020	\$ 1,874,389
Less: Accumulated Depreciation	1,297,256	1,248,866	1,198,628
Net Utility Plant in Service	<u>620,804</u>	<u>657,154</u>	<u>675,761</u>
Wastewater Utility Plant:			
Utility Plant in Service	4,231,006	3,843,087	3,669,740
Less: Accumulated Depreciation	1,513,263	1,431,196	1,348,243
Accumulated Amortization	102,649	94,574	86,499
Net Utility Plant in Service	<u>2,615,094</u>	<u>2,317,317</u>	<u>2,234,998</u>
Total Utility Plant in Service	<u>3,235,898</u>	<u>2,974,471</u>	<u>2,910,759</u>
Current Assets:			
Cash and Cash Equivalents	62,322	24,709	213,329
Special Deposits	80,136	79,817	79,526
Temporary Cash Investments	263,280	773,806	744,826
Accounts Receivable			
Water	22,449	22,436	23,187
Wastewater	41,804	41,890	42,716
Prepays			
Water	1,327	1,965	1,446
Wastewater	1,622	2,948	2,168
Total Current Assets	<u>472,940</u>	<u>947,571</u>	<u>1,107,198</u>
Total Assets	<u>\$ 3,708,838</u>	<u>\$ 3,922,042</u>	<u>\$ 4,017,957</u>
<u>LIABILITIES</u>			
Equity - Retained Earnings	\$ 1,015,974	\$ 1,200,911	\$ 1,280,015
Contributions in Aid of Construction			
Water	566,127	566,127	552,766
Wastewater	722,447	720,119	710,035
Total Contributions In Aid of Construction	<u>1,288,574</u>	<u>1,286,246</u>	<u>1,262,801</u>
Long-term Debt			
USDA RD - Wastewater	1,396,030	1,429,168	1,461,276
Total Long-term Debt	<u>1,396,030</u>	<u>1,429,168</u>	<u>1,461,276</u>
Current Liabilities			
Accounts Payable	6,556	9,037	12,093
Customer Deposits	177	(4,881)	177
Accrued Interest	1,527	1,561	1,595
Total Current Liabilities	<u>8,260</u>	<u>5,717</u>	<u>13,865</u>
Total Liabilities	<u>\$ 3,708,838</u>	<u>\$ 3,922,042</u>	<u>\$ 4,017,957</u>

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues			
Water	\$ 287,877	\$ 287,264	\$ 278,029
Late Fees	955	1,101	1,220
Misc. Revenues	4,245	8,049	9,165
Total Operating Revenues	<u>293,077</u>	<u>296,414</u>	<u>288,414</u>
Operating Expenses			
Salaries & Wages - Employees	138,379	140,250	122,850
Payroll Tax Expense	11,011	11,041	9,788
Employee Pension and Benefits		44,390	44,170
Health Insurance and Laundry Expense	39,433		
Pension Expense	1,637		
Purchased Power	26,988	27,929	28,346
Chemicals	9,722	13,174	8,666
Materials and Supplies	32,056	26,571	26,532
Contractual Services			
Engineering/Professional	7,465		
Accounting	4,429	5,308	4,184
Transportation Expenses	3,743	3,764	5,561
Insurance			
General Liability	9,605	8,380	6,288
Workman's Compensation	1,139	1,922	1,157
Cyber Security	700	660	658
Regulatory Commission Expense - Other	1,684	4,057	1,820
Bad Debt Expense	-	-	235
Miscellaneous Expenses	18,561	14,586	14,479
Total O&M Expense	<u>306,552</u>	<u>302,032</u>	<u>274,734</u>
Depreciation Expense	48,390	50,238	52,875
Amortization Expense	-	-	-
Total Operating Expenses	<u>354,942</u>	<u>352,270</u>	<u>327,609</u>
Net Operating Income	(61,865)	(55,856)	(39,195)
Other Income (Expense)			
Interest Income	7,151	11,708	3,284
Interest Expense	-	-	-
Total Other Income (Expense)	<u>7,151</u>	<u>11,708</u>	<u>3,284</u>
Net Income	<u>\$ (54,714)</u>	<u>\$ (44,148)</u>	<u>\$ (35,911)</u>

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Pro-forma Net Operating Income Statement

	Year Ended 12/31/2024	Adjustments	Sch Ref	<i>Pro-forma</i> Present Rates	Adjustments	Sch Ref	<i>Pro-Forma</i> Proposed Rates
Operating Revenues							
Water	\$ 287,877			\$ 287,877	\$ 82,710		\$ 370,587
Late Fees	955			955	274		1,229
Misc. Revenues	4,245			4,245			4,245
Total Operating Revenues	<u>293,077</u>	<u>-</u>		<u>293,077</u>	<u>82,984</u>		<u>376,061</u>
O&M Expense							
Salaries & Wages - Employees	138,379	1,636	6-1	140,015			140,015
Payroll Tax Expense	11,011	(338)	6-2	10,673			10,673
Employee Pension and Benefits							
Health Insurance and Laundry Expense	39,433	3,419	6-3	42,852			42,852
Pension Expense	1,637			1,637			1,637
Purchased Power	26,988	5,889	6-4	32,877			32,877
Growth				-			-
Chemicals	9,722	628	APP	10,350			10,350
Growth				-			-
Materials and Supplies	32,056			32,056			32,056
Periodic Maintenance		9,460	6-5	9,460			9,460
Contractual Services							
Engineering/Professional	7,465	(7,465)	6-6	-			-
Accounting	4,429			4,429			4,429
Rate Case Expense		161	APP	161			161
Transportation Expenses	3,743			3,743			3,743
Insurance							
General Liability	9,605	1,833	6-7	11,438			11,438
Workman's Compensation	1,139			1,139			1,139
Cyber Security	700			700			700
Regulatory Commission Expense - Other	1,684			1,684	121	1	1,805
Bad Debt Expense	-			-			-
Miscellaneous Expenses	18,561			18,561			18,561
Total O&M Expense	<u>306,552</u>	<u>15,223</u>		<u>321,775</u>	<u>121</u>		<u>321,896</u>
Depreciation Expense	48,390			48,390			48,390
Total O&M Expense	<u>354,942</u>	<u>15,223</u>		<u>370,165</u>	<u>121</u>		<u>370,286</u>
Net Operating Income	<u>\$ (61,865)</u>	<u>\$ (15,223)</u>		<u>\$ (77,088)</u>	<u>\$ 292,956</u>		<u>\$ 5,775</u>

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

OUCG Revenue Adjustments

The OUCG rejects Applicant's revenue adjustments and does not recommend any additional adjustments.

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

OUCG Expense Adjustments

(1)

Salaries and Wages Expense

To adjust test year salaries and wages expense to the adjustment period's pay rates and the addition of one employee.

<u>Employee #</u>	<u>Reg Hours</u>	<u>Reg Pay Rate</u>	<u>OT Hours</u>	<u>OT Pay Rate</u>	<u>Pay</u>
1	2080	\$ 32.58	37.00	\$ 48.87	\$ 69,575
2	2080	39.99	37.00	59.99	85,399
3	2080	25.00	37.00	37.50	53,388
4	2080	25.00	37.00	37.50	53,388
5	2080	25.00	37.00	37.50	53,388
6	1040	22.56		33.84	23,462
<i>Pro forma</i> Regular and Overtime Salaries and Wages Expense					\$ 338,598
Add: Beeper Pay (\$100 per week)					5,200
Special (Bonuses)					5,000
					<hr/>
<i>Pro forma</i> Salaries and Wages Expense					\$ 348,798
Multiply: Water Allocation					40%
					<hr/>
<i>Pro forma</i> Water Salaries and Wages Expense					139,519
Add: Milage					496
					<hr/>
					140,015
Less: Test Year Salaries and Wages Expense					(138,379)
					<hr/>
Adjustment Increase (Decrease)					\$ 1,636
					<hr/> <hr/>

(2)

Payroll Tax Expense

To adjust test year payroll taxes expense triggered by the increase to test year salaries and wages expense.

<i>Pro forma</i> Water Salaries and Wages Expense	\$ 140,015
Less: Milage	(496)
	<hr/>
Salaries and Wages Expense Subject to Payroll Taxes	\$ 139,519
Multiply: Employer's Payroll Tax Percentage	7.65%
	<hr/>
<i>Pro forma</i> Payroll Tax Expense	\$ 10,673
Less: Test Year Payroll Tax Expense	(11,011)
	<hr/>
Adjustment Increase (Decrease)	\$ (338)
	<hr/> <hr/>

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

OUCC Expense Adjustments

(3)

Employee Benefits Expense

To adjust test year employee benefits expense to the adjustment period's rates and the addition of one employee.

CIGNA Health			
Employee Only	3	\$ 856.87	\$ 2,570.61
Employee + Child	2	1,524.29	3,048.58
Health Savings	5	491.67	2,458.33
Life, Dental, and Vision	5	36.64	<u>183.20</u>
<i>Pro forma</i> Benefits Expense per month			\$ 8,261
Times: 12 months			<u>12</u>
<i>Pro forma</i> Annual Benefits Expense - Total			\$ 99,129
Times: Water Allocation Percentage			<u>40%</u>
Water portion of health insurance			\$ 39,651
Add: Laundry Expense			<u>3,201</u>
<i>Pro forma</i> Water Health Insurance			42,852
Less: Test year health insurance expense			<u>(39,433)</u>
Adjustment Increase (Decrease)			<u><u>\$ 3,419</u></u>

(4)

Purchased Power

To adjust test year purchased power expense to reflect Duke Energy's Phase 1 rate increase (Cause No. 46038).

Test Year Purchased Power Expense	\$ 26,988
Mapleturn Utility's Rate of Increase for Duke Energy	<u>21.82%</u>
<i>Pro forma</i> Purchased Power Adjustment	\$ 5,889
Adjustment Increase (Decrease)	<u><u>\$ 5,889</u></u>

	<u>Test Year</u>	<u>Phase I</u>	<u>Increase</u>	<u>% Increase</u>
Commercial	\$ 4,357.56	\$ 5,551.89	\$ 1,194.33	27.41%
Low Load	6,044.59	5,861.19	(183.40)	-3.03%
Water/Sewer Pumping	<u>59,776.49</u>	<u>74,078.91</u>	<u>14,302.42</u>	<u>23.93%</u>
	\$70,178.64	\$85,491.99	\$15,313.35	21.82%

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

OUCC Expense Adjustments

(5)

Periodic Maintenance

To include period maintenance expense as detailed in the testimony of OUCC witness Kristen Willoughby.

3 Wells - Bastin Logan Quote	\$ 41,700	
3 Wells- Flow Testing	3,600	
2 Booster Pumps	<u>2,000</u>	
Total Periodic Maintenance Expense	\$ 47,300	
Divide by: 5 Years	<u>5</u>	
<i>Pro Forma</i> Annual Periodic Maintenance Expense		<u>\$ 9,460</u>
Adjustment Increase (Decrease)		<u><u>\$ 9,460</u></u>

(6)

Contractual Services

To remove non-recurring operating and maintenance expenses that are incorporated in the debt service revenue requirement and Adj. No. 1.

Contractual Services for SCADA System	Stephen Collins	\$ 6,820
Contractual Services - Moved to Payroll	Brian Hittel	<u>645</u>
Adjustment Increase (Decrease)		<u><u>\$ (7,465)</u></u>

(7)

General Liability Insurance

To adjust test year general liability insurance expense to the amount paid in the adjustment period.

Annual Premium - Policy Issued December 10, 2024	28,394	
Policy Fee	<u>200</u>	
Total Insurance Expense		28,594
Multiply: Water Allocation		<u>40%</u>
Water's <i>Pro forma</i> Insurance Expense		11,438
Less: Water's Test Year Insurance Expense		<u>(9,605)</u>
Adjustment Increase (Decrease)		<u><u>\$ 1,833</u></u>

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Extensions and Replacements

See testimony of OUCG witness Kristen Willoughby.

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Working Capital

**Applicant did not propose a working capital revenue requirement.
Nor does the OUCG recommend a working capital revenue requirement.**

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Debt Service

See the testimony of OUCC witness Shawn Dillinger.

Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Debt Service Reserve

See the testimony of OUCC witness Shawn Dillinger.

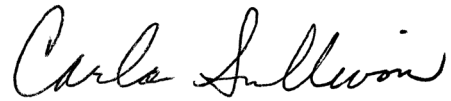
Mapleturn Utilities Inc. (Water)
CAUSE NUMBER 46291-U

Current and Proposed Rates and Charges

	<u>Current Rates</u>	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More(Less)</u>
<i><u>Metered Rates</u></i>				
First 7,000	\$4.29	\$5.61	\$5.52	\$ (0.09)
Next 3,000	5.15	6.73	6.63	(0.11)
Next 5,000	5.28	6.90	6.80	(0.11)
Over 15,000	5.42	7.09	6.98	(0.11)
<i><u>Multi-Family Dwellings Sharing a Meter</u></i>				
First 42,000 gallons	4.29	5.60	5.52	(0.09)
Next 18,000	5.16	6.74	6.64	(0.11)
Next 30,000	5.28	6.90	6.80	(0.11)
Over 90,000	5.42	7.09	6.98	(0.11)
<i><u>Service Charge</u></i>				
All Meter Sizes	30.00	39.23	38.62	(0.61)
Multi-Family Dwellings - All Meter	180.01	235.41	231.73	(3.68)

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 cursive script that reads "Carla F. Sullivan".

By: Carla F. Sullivan, Utility Analyst

Cause No. 46291-U

Date: January 20, 2026