

**FILED**  
July 13, 2018  
**INDIANA UTILITY  
REGULATORY COMMISSION**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**IN THE MATTER OF THE INDIANA UTILITY )  
REGULATORY COMMISSION'S INVESTIGATION )  
INTO THE IMPACTS OF THE TAX CUTS AND JOBS )  
ACT OF 2017 AND POSSIBLE RATE IMPLICATIONS )  
UNDER PHASE 1 FOR INDIANAPOLIS POWER & )  
LIGHT COMPANY )**

**CAUSE NO. 45032 S1**

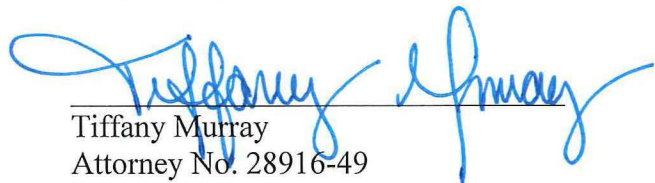
**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

**TESTIMONY OF**

**MARGARET A. STULL – PUBLIC'S EXHIBIT NO. 1 S**

**JULY 13, 2018**

Respectfully submitted,



Tiffany Murray  
Attorney No. 28916-49  
Deputy Consumer Counselor

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *OUCC SETTLEMENT TESTIMONY* has been served upon the following parties of record in the captioned proceeding by electronic service, on July 13, 2018

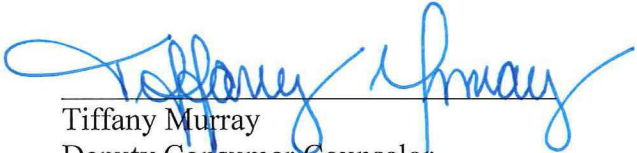
Teresa Morton Nyhart  
Jeffrey M. Peabody  
**Barnes & Thornburg, LLC**  
11 S. Meridian Street  
Indianapolis, IN 46204  
[tnyhart@btlaw.com](mailto:tnyhart@btlaw.com)  
[Jeffrey.Peabody@btlaw.com](mailto:Jeffrey.Peabody@btlaw.com)

Todd A. Richardson  
Aaron A. Schmoll  
Joseph P. Rompala  
**LEWIS & KAPPES, P.C.**  
[TRichardson@lewis-kappes.com](mailto:TRichardson@lewis-kappes.com)  
[ASchmoll@lewis-kappes.com](mailto:ASchmoll@lewis-kappes.com)  
[JRompala@lewis-kappes.com](mailto:JRompala@lewis-kappes.com)  
[ATyler@lewis-kappes.com](mailto:ATyler@lewis-kappes.com)  
[ETennant@lewis-kappes.com](mailto:ETennant@lewis-kappes.com)

*Courtesy Copies to:*

**CAC**

Jennifer A. Washburn  
Margo Tucker  
CITIZENS ACTION COALITION  
1915 West 18th Street, Suite C  
Indianapolis, IN 46202  
[jwashburn@citact.org](mailto:jwashburn@citact.org)  
[mtucker@citact.org](mailto:mtucker@citact.org)

  
Tiffany Murray  
Deputy Consumer Counselor

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

**PNC Center**

115 West Washington Street  
Suite 1500 South  
Indianapolis, IN 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)  
317/232-2494 – Telephone  
317/232-5923 – Facsimile

**SETTLEMENT TESTIMONY OF OUCC WITNESS MARGARET A. STULL  
CAUSE NO. 45032 S1  
INDIANAPOLIS POWER AND LIGHT COMPANY**

**I. INTRODUCTION**

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

2 A: My name is Margaret A. Stull, and my business address is 115 W. Washington 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 Chief Technical Advisor with the Water/Wastewater Division. My qualifications  
7 are set forth in Appendix A of this document.

8 **Q: Are you the same Margaret Stull who provided direct testimony in this**  
9 **subdocket?**

10 A: I am.

11 **Q: What is the purpose of your settlement testimony in this Cause?**

12 A: My testimony provides a review of the rate adjustment and ratepayer benefits  
13 achieved by the Stipulation and Settlement Agreement entered into between  
14 Indianapolis Power and Light Company (“IPL” or “Respondent”), the OUCC, and  
15 Indiana Industrial Group (collectively, the “Settling Parties”) relating to IPL’s  
16 Phase 1 tax issues, as those are defined in the Commission’s investigation into the  
17 impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”) in Cause No. 45032-S1  
18 (“Settlement”).

## **II. PHASE 1 TAX ISSUES**

1 **Q: Please describe how this Settlement timely provides the Phase 1 tax benefit to**  
2 **IPL's customers.**

3 A: Phase 1 tax benefits to customers lie solely in the federal tax rate change from 35%,  
4 which is included in IPL's current base rates, to the new federal income tax rate of  
5 21%. According to the Commission's Order issued on February 16, 2018  
6 ("February 16 Order"), this Phase 1 subdocket "... is intended to ascertain the real  
7 time existing customer rate impact directly related to the change in the federal  
8 income tax rate on the ongoing revenue requirement for each Respondent and to  
9 foster an expedient process to reflect such impact in customer rates going forward."  
10 (Cause No. 45032, Order, February 16, 2018 at 2.)

11 To that end, the Settling Parties agree that IPL will revise its pending  
12 Environmental Cost Recovery ("ECR") tracking mechanism (ECR-31) to include  
13 a \$9.51 million credit to be flowed to customers using IPL's demand allocators  
14 during the six-month period commencing with the September 2018 billing cycle  
15 and ending with the February 2019 billing cycle. The Settlement also states that  
16 any variance due to usage will be reconciled as a credit/charge in IPL's ECR-33.

17 **Q: Please describe the other substantive Settlement terms.**

18 A: The Settlement also states that the new base rates established in IPL's pending base  
19 rate case, Cause No. 45029, will be placed into effect no earlier than December 5,  
20 2018. IPL has sought an increase to its base rates in that Cause. Ratepayers  
21 experience benefit by setting a date certain for implementation of those new base  
22 rates. The Settling Parties also agree that the Settlement fully addresses all issues  
23 related to IPL's 2018 tax expense resulting from the change in the federal income

1 tax rate from 35% to 21%. Because the Indiana Industrial Group is comprised of  
2 different customers than those in the IPL Industrial Group in Cause No. 45029, the  
3 final term of the Settlement states that the Settling Parties will work together to  
4 prepare a stipulation for submission in that Cause that would make further  
5 Commission action on IPL's 2018 tax expense unnecessary.

6 **Q: Do you believe the Settlement is in the public interest?**

7 A: Yes. It is the OUCC's position that the public interest requires immediate utility  
8 rate reductions to account for the reduced tax liability utilities will now have under  
9 the TCJA. If IPL had not withdrawn its 30-day filing and requested this subdocket,  
10 its customers would have experienced reduced rates as early as May 1, 2018.  
11 Providing IPL's customers with a credit representing the normalized 2018 excess  
12 taxes embedded in its base rates through its ECR-31 by September 2018 is a  
13 reasonable outcome that provides a timely credit to ratepayers. The Settlement  
14 reflects compromises made by IPL from the positions taken in its Phase 1 subdocket  
15 testimony, and provides a fair result for IPL's ratepayers.

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

17 A: Yes, it does.

**APPENDIX A**

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

2 A: I graduated from the University of Houston at Clear Lake City in August 1982 with  
3 a Bachelor of Science degree in accounting. From 1982 to 1985, I held the position  
4 of Gas Pipeline Accountant at Seagull Energy in Houston, Texas. From 1985 to  
5 2001, I worked for Enron in various positions of increasing responsibility and  
6 authority. I began in gas pipeline accounting, was promoted to a position in  
7 financial reporting and planning, for both the gas pipeline group and the  
8 international group, and finally was promoted to a position providing accounting  
9 support for infrastructure projects in Central and South America. In 2002, I moved  
10 to Indiana, where I held non-utility accounting positions in Indianapolis. In August  
11 2003, I accepted my current position with the OUCC. In 2011, I was promoted to  
12 Senior Utility Analyst. In 2018, I was promoted to Chief Technical Advisor. Since  
13 joining the OUCC I have attended the National Association of Regulatory Utility  
14 Commissioners (“NARUC”) Eastern Utility Rate School in Clearwater Beach,  
15 Florida, and the Institute of Public Utilities’ Advanced Regulatory Studies Program  
16 in East Lansing, Michigan. I have also attended several American Water Works  
17 Association and Indiana Rural Water Association conferences. I have also attended  
18 several NARUC Sub-Committee on Accounting and Finance Spring and Fall  
19 conferences. I have participated in the National Association of State Utility  
20 Consumer Advocates (“NASUCA”) Water Committee and the NASUCA Tax and

1 Accounting Committee. In March 2016 I was appointed chair of the NASUCA Tax  
2 and Accounting Committee.

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

4 A: I review Indiana utilities' requests for regulatory relief filed with the Commission.

5 I also prepare and present testimony based on my analyses, and make  
6 recommendations to the Commission on behalf of Indiana utility customers.

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

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

10 **Q: Have you previously testified before the Indiana Utility Regulatory**  
11 **Commission ("Commission")?**

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

**AFFIRMATION**

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



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Margaret A. Stull  
Chief Technical Advisor  
Indiana Office of Utility Consumer Counselor

July 13, 2018  
Date

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Cause No. 45032 S1  
Indianapolis Power & Light Co.