

FILED
April 22, 2022
**INDIANA UTILITY
REGULATORY COMMISSION**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE BOARD OF SANITARY)
COMMISSIONERS OF THE SANITARY)
DISTRICT OF THE CITY OF EAST CHICAGO,)
INDIANA, FOR AUTHORITY TO INCREASE)
ITS RATES AND CHARGES FOR)
WASTEWATER SERVICE, AND FOR)
APPROVAL OF NEW SCHEDULES OF)
WASTEWATER RATES AND CHARGES.)

CAUSE NO. 45632

Verified Settlement Testimony of

Jessica A. York

On behalf of

The East Chicago Sanitary District Industrial Group

April, 22, 2022



Project 11244

1 Office of Utility Consumer Counselor (“OUCC”), and the Industrial Group, collectively
2 the “Settling Parties.”

3 **Q DO YOU RECOMMEND APPROVAL OF THE SETTLEMENT?**

4 A Yes. I recommend approval of the Settlement. The Settlement is a comprehensive
5 agreement that resolves both revenue requirement and the allocation and rate design
6 issues raised in this rate case. The Settlement is a result of extensive arms-length
7 negotiations between the Settling Parties in order to reach a comprehensive
8 settlement. Notably, the Settlement is within the range of outcomes from a litigated
9 case.

10 In sum, the Settlement should be approved for the following reasons:

- 11 1. The agreed upon revenue allocation reflects a compromise between the parties to
12 resolve the contested issues in this case and reduce rate case expenses for all
13 parties. The compromise revenue allocation in the Settlement is within the range
14 of the parties’ litigated positions in this cause.
- 15 2. The agreed revenue allocation in the Settlement is fair, reasonable, and in the
16 public interest.
- 17 3. The wastewater rate adjustments contained in the settlement also represent a
18 compromise on the contested issues in this case and reflect a preference to reduce
19 rate case cost for all parties in this cause. The settlement wastewater rates are just
20 and reasonable.

21 **Q DID THE SETTLING PARTIES REACH AGREEMENT ON THE REVENUE**
22 **ALLOCATION?**

23 A Yes. Section 2.C of the Settlement Agreement sets forth the Settling Parties’
24 agreement regarding phased revenue increases. The ECSD’s Attachment AJR S1-2
25 identifies the revenue allocation agreed to by all Settling Parties, as well as the agreed
26 rates by phase.

1 **Q DID THE SETTLING PARTIES AGREE UPON A PARTICULAR COST OF SERVICE**
2 **STUDY?**

3 A No. The Settling Parties negotiated a modified revenue allocation to adjust rates and
4 charges.

5 **Q IN YOUR OPINION, IS THE AGREED UPON REVENUE ALLOCATION RESULTING**
6 **FROM THE SETTLEMENT AGREEMENT REASONABLE AND IN THE PUBLIC**
7 **INTEREST?**

8 A Yes. The Settlement Agreement resolves the issues related to class cost of service
9 and revenue allocation raised by the Industrial Group. To economically and efficiently
10 resolve the contested issues in this case, the settling parties have put aside their
11 differences and agreed upon a revenue allocation and wastewater rate design that
12 reduces rates for all volumetric customer classes from what ECSD proposed in its
13 case in-chief.

14 **Q DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?**

15 A Yes, it does.

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