

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF THE BOARD OF )  
DIRECTORS FOR UTILITIES OF THE )  
DEPARTMENT OF PUBLIC UTILITIES OF )  
THE CITY OF INDIANAPOLIS, AS TRUSTEE )  
OF A PUBLIC CHARITABLE TRUST FOR )  
THE WATER SYSTEM, D/B/A CITIZENS ) CAUSE NO. 45767 DSIC-1  
WATER, FOR APPROVAL OF (A) A NEW )  
DISTRIBUTION SYSTEM IMPROVEMENT )  
CHARGE (“DSIC”) PURSUANT TO IND. )  
CODE CH. 8-1-31; (B) A NEW RATE )  
SCHEDULE REFLECTING THE DSIC; AND )  
(C) INCLUSION OF THE COST OF ELIGIBLE )  
DISTRIBUTION SYSTEM IMPROVEMENTS IN ITS DSIC )**

**REPORT**

**OF**

**THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

**CONSISTING OF THE TESTIMONY OF MARGARET A. STULL**

**PUBLIC’S EXHIBIT NO. 1**

**October 11, 2022**

Respectfully submitted

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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Daniel M. Le Vay, Attorney No. 22184-49  
Deputy Consumer Counselor  
**OFFICE OF UTILITY CONSUMER COUNSELOR**  
115 W. Washington St., Suite 1500 South  
Indianapolis, IN 46204  
Email: [dlevay@oucc.in.gov](mailto:dlevay@oucc.in.gov)  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the *Report of the OUCC Consisting of the Testimony of Margaret A. Stull - Public's Exhibit No. 1* has been served upon the following captioned proceeding by electronic service on October 11, 2022

Lauren Toppen  
**CITIZENS WATER**  
2020 N. Meridian Street  
Indianapolis, IN 46202  
E-mail: [ltoppen@citizensenergygroup.com](mailto:ltoppen@citizensenergygroup.com)

Steven W. Krohne  
Kelly M. Beyrer  
**ICE MILLER LLP**  
One American Square, Suite 2900  
Indianapolis, IN 46282-0200  
E-mail: [steven.krohne@icemiller.com](mailto:steven.krohne@icemiller.com)  
[kelly.beyrer@icemiller.com](mailto:kelly.beyrer@icemiller.com)

**Courtesy Copy:**  
Korlon L. Kilpatrick II  
**CITIZENS ENERGY GROUP**  
2020 N. Meridian Street  
Indianapolis, IN 46202  
Email: [kkilpatrick@citizensenergygroup.com](mailto:kkilpatrick@citizensenergygroup.com)



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Daniel M. Le Vay  
Deputy Consumer Counselor

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**  
115 West Washington Street  
Suite 1500 South  
Indianapolis, IN 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)  
317/232-2494 – Phone  
317/232-5923 – Facsimile

**TESTIMONY OF OUCC WITNESS MARGARET A. STULL**  
**CAUSE NO. 45767 DSIC-1**  
**CITIZENS WATER**

**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 in the Water/Wastewater Division. My qualifications are  
7 set forth in Appendix “A” attached to this testimony.

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

9 A: Citizens Water (hereinafter “Citizens Water,” “Citizens” or “Petitioner”) is the first  
10 municipal utility to file an application under the Infrastructure Improvement Charge  
11 statute (IC 8-1-31 *et seq.*) requesting authority under provisions added to the statute  
12 that apply only to municipalities. My testimony provides a general overview of  
13 Citizens Water’s proposed infrastructure improvement charge, formerly known as  
14 a distribution system improvement charge or DSIC, which would charge \$2.87 per  
15 month to a typical residential customer with a 5/8-inch meter. I explain that Citizens  
16 proposes to use its infrastructure improvement charge to recover within one year  
17 its costs for eligible infrastructure improvements incurred over four years. I  
18 recommend Citizens be authorized to recover these costs over a four-year period,  
19 establishing a \$0.72 per month infrastructure improvement charge for the typical  
20 residential customer with a 5/8-inch meter. I further recommend the Commission

1 establish that this infrastructure improvement charge terminate once the DSIC-1  
2 eligible infrastructure improvement costs have been recovered. Finally, I  
3 recommend the Commission begin the process to update its DSIC rule (170 IAC 6-  
4 1.1 *et seq.*) to address the particular issues raised by the filing of a municipal  
5 infrastructure improvement charge.

6 **Q: What review and analysis did you perform to prepare your testimony?**

7 A: I reviewed Citizens' petition, testimony and attachments filed on September 9,  
8 2022. I also reviewed Petitioner's submission of workpapers filed on September  
9 19, 2022. I prepared discovery questions, and I reviewed Citizens' responses to  
10 discovery issued by the OUCC.

11 **Q: Has the OUCC reviewed all the projects included in this infrastructure**  
12 **improvement charge filing?**

13 A: No. Citizens presented hundreds of projects for inclusion in this infrastructure  
14 improvement charge. Due to the 30-day time limitation under the statute and the  
15 number of improvements proposed by Citizens, a detailed OUCC review of all  
16 expenditures was not possible. The OUCC was not able to form an opinion as to  
17 the reasonableness or prudence of all of Citizens' proposed infrastructure  
18 improvement charge additions within the short timeframe allowed by the statute. A  
19 more thorough review of the prudence of the proposed infrastructure improvement  
20 charge additions could take place during Citizens' next base rate case.

### **III. INFRASTRUCTURE IMPROVEMENT CHARGE STATUTE**

1 **Q: How does this application for an infrastructure improvement charge differ**  
2 **from other cases filed under IC 8-1-31-1 et al?**

3 A: Previously, only investor-owned utilities (“IOUs”) have filed for an infrastructure  
4 improvement charge or DSIC. In those instances, the utility had made investments  
5 in eligible infrastructure and sought to recover both its return on those investments  
6 as well as a return of those investments (depreciation). The return on rate base  
7 earned by an investor-owned utility represents a recurring annual revenue  
8 requirement for the utility. When the utility comes in for a base rate case, the  
9 eligible expenditures will be added to its rate base and the return on and of these  
10 expenditures is embedded in base rates. Importantly, in this case Petitioner is not  
11 asking for recovery of prospective expenses but is seeking reimbursement of costs  
12 it has already incurred, which is tantamount to a return *of*. I do not use the term  
13 “investment” in this context because Citizens Water is not an investor-owned utility  
14 and relies strictly on customer rates to provide funds for the plant it puts in service.

15 **Q: Have investor-owned utilities filed more than one DSIC or infrastructure**  
16 **improvement charge between rate cases?**

17 A: Yes. If an investor-owned utility filed more than one infrastructure improvement  
18 charges between base rate cases, the charges were added together; they represented  
19 a cumulative additional charge to customers and the totality of the requests  
20 represented cumulative recurring additional operating revenues. The cumulative  
21 effect of these charges was limited to a 10% increase in operating revenues with  
22 exceptions for costs incurred to relocate eligible infrastructure and replacement of  
23 lead service lines.

1 **Q: How does the current infrastructure improvement charge statute address**  
2 **municipal and not-for-profit DSIC filings?**

3 A: The current infrastructure improvement charge statute appears to anticipate an  
4 initial filing that would be reconciled on an annual basis (every 12 months) (IC 8-  
5 1-31-14) and could be changed or updated at least once every twelve months (IC 8-  
6 1-31-10). The language in these two sections indicates the statute anticipates an  
7 initial filing and then future filings for “changes” in the initial adjustment amount  
8 as needed (IC 8-1-31-10)<sup>1</sup>. Based on these two sections, I consider that the statute  
9 still anticipates infrastructure improvement charge filings will represent recurring  
10 annual revenue requirements.

11 **Q: What guidance does the current infrastructure improvement charge statute**  
12 **provide regarding the calculation of the charge?**

13 A: IC 8-1-31-14 states “An adjustment amount proposed under section 8 of this  
14 chapter may be calculated based on a reasonable estimate of meter size in the period  
15 in which the change will be in effect.” This is the only guidance provided by the  
16 statute regarding the calculation of the charge.

#### **IV. CITIZENS' PROPOSAL**

17 **Q: Please describe the relief requested by Citizens Water?**

18 A: Citizens proposes a \$2.87 monthly infrastructure improvement charge per  
19 equivalent 5/8” meter (Attachment KLK-2). Citizens is not seeking to establish a  
20 charge to recover ongoing eligible expenses. Rather Citizens seeks authority to

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<sup>1</sup> The statute allows, but does not require, a utility to file a change to its initial DSIC adjustment once every twelve months.

1 increase its rates and charges to recover \$15,049,155 of actual eligible utility plant  
2 expenditures incurred from October 2017 through September 2021. Citizens  
3 proposes to recover this \$15,049,155 of eligible expenditures through an annual  
4 recurring infrastructure improvement charge. Citizens asserts the capital  
5 expenditures included in its request were not included in the rates authorized by the  
6 final order in Cause No. 44644 or any other rate mechanism. Citizens also seeks a  
7 reconciliation of the infrastructure improvement charge to begin before the twelve-  
8 month period established by the statute.<sup>2</sup>

9 **Q: What rate increase does Citizens assert its proposed infrastructure**  
10 **improvement charge represents?**

11 A: Citizens asserts its proposed infrastructure improvement charge represents a 7.52%  
12 (\$15,049,155 / \$200,083,163) increase in total operating revenues over the rates  
13 approved in Cause No. 44644 (Kilpatrick Direct at 13).

14 **Q: Do you agree that Citizens' proposed infrastructure improvement charge**  
15 **represents a 7.52% increase over current base rates and charges?**

16 A: No. Mr. Kilpatrick did not adjust the authorized revenues in Cause No. 44644 for  
17 Petitioner's July 25, 2016 compliance filing and for the removal of utility receipts  
18 taxes as approved in TD #50552. According to Schedule 2 filed in TD #50552,  
19 Citizens Water's adjusted operating revenues are \$197,313,323 (OUCC  
20 Attachment MAS-1). Therefore, Citizens' proposed infrastructure improvement

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<sup>2</sup> Petitioner's witness Korlon Kirkpatrick testified that "As this is Petitioner's first DSIC filing, the twelve-month recovery period will not be complete prior to a possible DSIC-2 filing. As such, Petitioner is proposing that the initial reconciliation be for the months ending in July 2023. Then, in subsequent DSIC filings the reconciliation period would be the twelve months of August through July. (Kilpatrick at 10-11.)"

1 charge represents a 7.63% increase over current base rates and charges. However,  
2 7.63% does not exceed the 10% cap imposed by the infrastructure improvement  
3 charge statute (IC 8-1-31-13).

4 **Q: How long does Citizens propose to recover \$15,049,155 of additional operating**  
5 **revenues through the infrastructure improvement charge?**

6 A: Citizens' case-in-chief does not discuss this aspect of its proposal. The various  
7 witnesses in this case allude to future infrastructure improvement charge filings,  
8 but Citizens made no commitment to make future filings. The infrastructure  
9 improvement charge statute allows a utility to file a petition for a change in its  
10 initial adjustment amount no more often than one time every twelve months, but it  
11 does not require a utility to do so. Therefore, Citizens could implement its proposed  
12 infrastructure improvement charge in this case and leave it in place until it files its  
13 next base rate case resulting in significant overcollection. Citizens represented it  
14 has spent an average of approximately \$3.5 million<sup>3</sup> per year more on infrastructure  
15 improvement charge-eligible capital expenditures than the level of expenditures  
16 included in Cause No. 44644 for eligible expenditures. The \$15,049,155 of  
17 additional revenues it proposes to recover annually would recover expenditures  
18 incurred over a four-year period. Moreover, Citizens has not requested a charge to  
19 cover ongoing prospective eligible infrastructure improvement costs. Without a  
20 termination date for this charge, Citizens would significantly over-recover its actual  
21 eligible capital expenditures.

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<sup>3</sup> Infrastructure improvement charge eligible expenditures refers to expenditures on meters, valves, hydrants, and services as recorded to NARUC accounts 331, 333, 334, and 335.



1 **Q: When does Citizens Water intend to file its next base rate case?**

2 A: Citizens has not indicated when it intends to file its next rate case. In Data Request  
3 No. 2-2, the OUCC asked Petitioner when it believed it was going to file its next  
4 water rate case. Citizens objected to the question and merely responded "To date,  
5 Petitioner's Board has not made any decisions with respect to the timing for filing  
6 Citizens Water's next rate case." (OUCC Attachment MAS-2).

### V. OUCC RECOMMENDATION

7 **Q: Do you agree with Citizens' proposed infrastructure improvement charge?**

8 A: No. I disagree with Citizens' proposal to recover four years of capital expenditures  
9 with an annual charge calculated to recover these costs within 12 months and with  
10 no planned termination of that charge. The OUCC proposes Citizens recover these  
11 four year of capital expenditures over four years and terminate the charge once  
12 recovery is complete.

13 **Q: Why is it more appropriate for the eligible distribution system improvement**  
14 **to be recovered over four years instead of one year?**

15 A: Recovering these costs over four years better reflects the annual cost associated  
16 with these expenditures. It also mitigates the rate impact to customers, making the  
17 rate increase more affordable. Finally, I note that the expenditures being recovered  
18 in this infrastructure improvement charge are costs already incurred by Citizens.  
19 But Citizens may continue to make expenditures on eligible infrastructure  
20 improvements above the level included in its last base rate case and will be able to  
21 seek recovery of those costs in future infrastructure improvement charge filings.

1 Keeping the annual charge at a manageable level will assist in preventing Citizens'  
2 rates and charges from being unaffordable to many customers.

3 **Q: Does Citizens need to recover the \$15,049,155 of eligible expenditures within a**  
4 **year?**

5 A: No. Citizens has not demonstrated that it is short of cash or in danger of not having  
6 the funds necessary to operate its utility in a safe and reliable manner if it does not  
7 recover the proposed \$15,049,155 within one year. In response to OUCC Data  
8 Request No. 2-14(a), Citizens provided its monthly cash reserve balances from July  
9 2016 through June 2022 (OUCC Attachment MAS-3). As reflected in Table MAS-  
10 1, Citizens Water's cash reserves have increased \$9,272,512 or 43.6% since its last  
11 base rate case – going from a balance of \$21,246,889 in July 2016 to \$30,519,401  
12 in June 2022.

**Table MAS-1: Citizens Water Cash Reserve Balances**

	<u>Cash Reserve Balance</u>	<u>Increase (Decrease)</u>
July 2016	\$ 21,246,889 <sup>(a)</sup>	-
December 2016	16,013,170	(5,233,719)
December 2017	44,233,656	28,220,486
December 2018	50,890,175	6,656,519
December 2019	66,909,444	16,019,269
December 2020	46,779,246	(20,130,198)
December 2021	43,600,278	(3,178,968)
June 2022	30,519,401 <sup>(b)</sup>	(13,080,877)
Net Change	\$ 9,272,512 <sup>(b) - (a)</sup>	

1 **Q: What infrastructure improvement charge do you recommend?**

2 A: I recommend the eligible capital expenditures incurred during the period October  
3 2017 through September 2021 be recovered over four years, essentially the same  
4 period over which these capital costs were incurred. Therefore, I recommend a  
5 \$0.72 monthly infrastructure improvement charge per equivalent 5/8" meter (\$2.87  
6 / 4 years).

7 **Q: What amount of additional annual revenues does your recommended**  
8 **infrastructure improvement charge provide?**

9 A: My recommended infrastructure improvement charge is designed to provide  
10 \$3,762,289 of additional annual operating revenues (\$15,049,155 / 4 years).

11 **Q: What amount of total revenues is your recommended infrastructure**  
12 **improvement charge designed to provide?**

13 A: In total, my recommended infrastructure improvement charge is designed to  
14 provide \$15,049,155 of total additional operating revenues to be recovered over a  
15 four-year period.

16 **Q: What rate increase does your recommended infrastructure improvement**  
17 **charge represent?**

18 A: My recommended infrastructure improvement charge represents an annual 1.907%  
19 (\$3,762,289 / \$197,313,323) increase in water utility operating revenues over the  
20 rates approved in Cause No. 44644 (base rate case) as adjusted. I recommend this  
21 infrastructure improvement charge be billed to customers for a period of four years  
22 after which DSIC-1 would be set to zero-out or otherwise be eliminated from  
23 Citizens' tariff.

1 **Q: Does your recommendation preclude Citizens from submitting additional**  
2 **infrastructure improvement charge filings as allowed under the statute?**

3 A: No. My recommendation only addresses the request made in Citizens' current  
4 infrastructure improvement charge filing. Citizens would still be able to submit  
5 additional DSIC filings, but these charges would be distinct from DSIC-1 and  
6 would be reconciled separately from DSIC-1. This requirement is necessary  
7 because DSIC-1 seeks to recover costs incurred over a 48-month period and seeks  
8 to recover these total costs through an infrastructure improvement charge that is  
9 calculated to recover them over a 12-month period.

10 **Q: Does the infrastructure improvement charge statute state when a charge is**  
11 **removed from a utility's tariff?**

12 A: Yes. According to the statute (IC 8-1-31-15.5(b)),

13 An eligible utility's adjustment amount approved under section 8  
14 or 10 of this chapter shall be reset to zero (0) upon the approval  
15 of new basic rates and charges for the eligible utility by the  
16 commission in a general rate case that results in the inclusion of  
17 eligible infrastructure improvements in the eligible utility's basic  
18 rates and charges.

19 **Q: Does the statute address whether an infrastructure improvement charge**  
20 **should terminate before a rate case once the charge recovered all costs?**

21 A: The statute neither establishes nor prohibits termination of a charge such as that  
22 requested by Citizens. Citizens has only sought to justify recovery of past eligible  
23 expenditures. Accordingly, it would be inconsistent with a reasonable interpretation  
24 of the statute for the Commission to permit the charge to continue once the  
25 expenditures have been fully recovered through the charge.

1 **Q: Do you agree with Citizens' proposal to have the initial reconciliation be for**  
2 **the months ending in July 2023?**

3 A: No. IC 8-1-31-14 explicitly provides that the reconciliation process begins after the  
4 first twelve months of the charge:

5 At the end of each twelve (12) month period following the date on  
6 which the commission initially approves an adjustment amount for  
7 an eligible utility following the eligible utility's most recent  
8 general rate case, and using procedures approved by the  
9 commission, the eligible utility shall reconcile the difference  
10 between adjustment revenues and infrastructure improvement  
11 costs during that period and recover or refund the difference, as  
12 appropriate, through additional adjustments.

13 An order in this infrastructure improvement charge filing is expected around  
14 November 9, 2022. Therefore, a reconciliation should not occur until November or  
15 December of 2023.

16 **Q: Are infrastructure improvement charge requests and the reconciliation of the**  
17 **prior year charge filed at the same time?**

18 A: No. Because of the time it takes to adjudicate an infrastructure improvement charge  
19 filing and calculate the reconciliation, it is necessary for a utility to make two annual  
20 infrastructure improvement charge-related filings approximately two to three  
21 months apart – the request for the infrastructure improvement charge itself and the  
22 reconciliation of the prior year infrastructure improvement charge.<sup>4</sup> In this instance,  
23 Citizens will be eligible to file its next infrastructure improvement charge on or  
24 after September 9, 2023. Since approval of the requested charge in this case is not

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<sup>4</sup> As an example, Indiana American Water Co. has been filing its DSIC requests in January and its reconciliations in April. See Cause Nos. 42351-DSIC12 and 42351-DSIC13.

1 expected until November 2022, Citizens would not be authorized to file its first  
2 reconciliation until after November 2023.

3 **Q: When does the statute require the Commission to issue a final order in this**  
4 **case?**

5 A: Pursuant to IC 8-1-31-9, the Commission is to issue an order within 60 days of the  
6 filing of the petition. The statute makes no distinction between a petition and a case  
7 and by logical implication “petition” must be construed to refer to the entirety of a  
8 petitioner’s case. Although Citizens filed its petition including testimony on  
9 September 9, 2022, Citizens supplemented its case by filing workpapers on  
10 September 19, 2022. Although the OUCC will file its report within 30 days of  
11 September 9, the supplemental filing should be considered to extend the statutory  
12 deadline by ten days. Accordingly, the OUCC considers the Commission to have  
13 until November 18, 2022 to issue its order.

14 **Q: Do you have any additional recommendations regarding this infrastructure**  
15 **improvement charge?**

16 A: Yes. I recommend the Commission amend its current DSIC rule (170 IAC 6-1.1 *et*  
17 *seq.*) as appropriate to address the changes incorporated to the infrastructure  
18 improvement charge statute related to charges for municipal and not-for-profit  
19 utilities.

## VI. CONCLUSION

20 **Q: Please summarize your recommendations to the Commission.**

21 A: I recommend the Commission approve an infrastructure improvement charge of  
22 \$0.72 per month per 5/8” equivalent meter to recover total eligible expenditures of

1           \$15,049,155. These eligible expenditures will be recovered over a four-year period  
2           and DSIC-1 will be set to zero or otherwise removed from Citizens' tariff once  
3           these expenditures have been fully recovered. Finally, I recommend the  
4           Commission update its Rule 1.1 (170 IAC 6-1.1) as necessary to address the  
5           changes to the infrastructure improvement charge statute for municipal and not-for-  
6           profit utilities.

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

8   **A:** Yes.

## APPENDIX A - QUALIFICATIONS

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. Since joining the OUCC I have attended the National  
13 Association of Regulatory Utility Commissioners (“NARUC”) Eastern Utility Rate  
14 School in Clearwater Beach, Florida, and the Institute of Public Utilities’ Advanced  
15 Regulatory Studies Program in East Lansing, Michigan. I have also attended several  
16 American Water Works Association and Indiana Rural Water Association  
17 conferences as well as the National Association of Utility Consumer Advocates  
18 (“NASUCA”) Water Committee Forums. I am an active member of the NASUCA  
19 Water Committee and the NASUCA Tax and Accounting Committee. I served as  
20 chair for the Tax and Accounting Committee from 2016 – 2021.



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

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

4 **Q: Have you previously testified before the Indiana Utility Regulatory**  
5 **Commission?**

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

**AFFIRMATION**

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.



\_\_\_\_\_  
By: Margaret A. Stull  
Cause No. 45767 DSIC-1  
Office of Utility Consumer Counselor (OUCC)

Date: October 11, 2022

**Citizens Energy Group  
Removal of Urt from Tariff Rates  
Allocation of Revenue Requirements  
Cause No. 44644  
Modified Attachment MCB-T2**

Line No.	Customer Class	(1)	(2)	(3)	(4)
		Revenue Under Existing Rates per July 25, 2016 Compliance Filing	Adjusted Revenue without URT (Column 1*0.986)	Calculated Revenue Under Proposed Rates (Schedule 3, In 41)	Difference
		\$	\$	\$	\$
		(3) - (2)			
Water					
1	RESIDENTIAL	111,419,033	109,859,166	109,858,020	(1,146)
2	MULTI FAMILY	16,904,907	16,668,304	16,668,098	(206)
3	COMMERCIAL	51,042,829	50,328,259	50,329,322	1,063
4	INDUSTRIAL	10,232,002	10,089,075	10,089,081	6
5	SALE FOR RESALE	2,333,423	2,300,754	2,300,780	26
6	IRRIGATION	3,158,499	3,114,282	3,114,229	(53)
7	Subtotal	195,090,693	192,359,840	192,359,530	(310)
Fire Protection					
8	PUBLIC	-	-	-	0
9	PRIVATE	2,727,162	2,688,981	2,688,908	(73)
10	Total System	197,817,855	195,048,821	195,048,438	(383)
11	Other Operating Revenue	2,264,885	2,264,885	2,264,885	
12	Total Operating Revenue	200,082,740	197,313,706	197,313,323	(383)

Cause No. 45767-DSIC-1  
Responses of Citizens Water  
Office of Utility Consumer Counselor's  
Second Set of Data Requests

**DATA REQUEST NO. 2:**

Does Petitioner intend to file a rate case in 2023? If not, when does Petitioner estimate it may file its next rate case?

**OBJECTION:**

Petitioner objects to the foregoing Data Request on the grounds that it seeks information that is not relevant to the pending proceeding nor is the requested information reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objection, Citizens Water submits the response set forth below.

**RESPONSE:**

To date, Petitioner's Board has not made any decisions with respect to the timing for filing Citizens Water's next rate case.

**WITNESS:**

N/A

**DATA REQUEST NO. 14:**

See page 7 lines 14 through 18 of Mr. Willman's testimony.

- a. What is the amount from month to month since Petitioner's last rate case of Citizen's Water's cash reserves?
- b. What level of cash reserve would create a need for Citizens Water to file a general rate case?
- c. What was the source of Citizens Water's cash reserves?
- d. What is the current amount of cash reserves?

**OBJECTION:**

Petitioner objects to this Data Request on the grounds outlined in General Objection No. 2. Subject to and without waiving the foregoing objection, Petitioner submits the response set forth below.

**RESPONSE:**

- a. See OUCC DR 2-14(a) for the monthly cash balances from July 2016 to June 2022. Since October 2021, the cash balance has declined by \$23.8 million, or 43.8%.
- b. Petitioner has not determined a particular level of cash reserve that would create a need for a general rate case.
- c. The sources of Citizen's Water's cash balances include its operating cash flows, financing cash flows, and investing cash flows.
- d. The cash balance at June 30, 2022 is \$30,519,401.

**WITNESS:**

Jeffrey A. Willman

**45767 DSCI 1 OUCC Data Request Set No. 2 Q-2-14 a**

**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

JUL-2016	AUG-2016	SEP-2016	OCT-2016	NOV-2016	DEC-2016	JAN-2017	FEB-2017	MAR-2017	APR-2017
21,246,889	26,933,925	22,407,149	14,523,685	16,723,476	16,013,170	26,834,868	28,143,061	31,224,971	30,376,991

**45767 DSCI 1 OUCC Data Request Set No. 2 Q-2-14 a**

**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

MAY-2017	JUN-2017	JUL-2017	AUG-2017	SEP-2017	OCT-2017	NOV-2017	DEC-2017	JAN-2018	FEB-2018
29,751,919	28,416,611	31,349,202	50,334,242	53,196,226	56,052,024	47,912,523	44,233,656	43,774,294	43,360,036

**45767 DSCI 1 OUCC Data Request Set No. 2 Q-2-14 a**

**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

MAR-2018	APR-2018	MAY-2018	JUN-2018	JUL-2018	AUG-2018	SEP-2018	OCT-2018	NOV-2018	DEC-2018
44,601,178	42,756,186	36,611,272	37,471,447	41,426,380	44,191,683	44,034,607	55,227,010	50,811,958	50,890,175



**45767 DSCI 1 OUCC Data Request Set No. 2 Q-2-14 a**

**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

JAN-2019	FEB-2019	MAR-2019	APR-2019	MAY-2019	JUN-2019	JUL-2019	AUG-2019	SEP-2019	OCT-2019
51,668,652	53,742,035	60,997,161	63,388,915	58,632,686	60,419,319	61,848,956	66,678,520	70,769,200	76,716,508

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**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

<b>NOV-2019</b>	<b>DEC-2019</b>	<b>JAN-2020</b>	<b>FEB-2020</b>	<b>MAR-2020</b>	<b>APR-2020</b>	<b>MAY-2020</b>	<b>JUN-2020</b>	<b>JUL-2020</b>	<b>AUG-2020</b>
69,681,700	66,909,444	71,626,645	66,692,100	71,895,796	68,046,128	58,652,987	56,381,909	54,500,332	55,017,241

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**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

SEP-2020	OCT-2020	NOV-2020	DEC-2020	JAN-2021	FEB-2021	MAR-2021	APR-2021	MAY-2021
53,634,272	54,146,766	46,245,238	46,779,246	51,053,489	49,638,154	100,862,399	56,397,444	48,132,760

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**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

JUN-2021	JUL-2021	AUG-2021	SEP-2021	OCT-2021	NOV-2021	DEC-2021	JAN-2022	FEB-2022	MAR-2022
46,976,439	47,228,502	48,369,428	48,498,927	54,361,580	46,671,152	43,600,278	42,906,200	42,065,453	42,363,466

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**2-14 a Cash Reserve by Month**

Cash on Hand including Construction Funds

<b>APR-2022</b>	<b>MAY-2022</b>	<b>JUN-2022</b>
39,859,832	28,405,234	30,519,401