

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA-AMERICAN WATER)
COMPANY, INC. FOR (1) AUTHORITY TO)
INCREASE ITS RATES AND CHARGES FOR)
WATER AND WASTEWATER UTILITY)
SERVICE THROUGH A THREE-STEP RATE)
IMPLEMENTATION, (2) APPROVAL OF NEW)
SCHEDULES OF RATES AND CHARGES)
APPLICABLE TO WATER AND WASTEWATER)
UTILITY SERVICE, INCLUDING A NEW)
UNIVERSAL AFFORDABILITY RATE, (3))
APPROVAL OF REVISED DEPRECIATION) CAUSE NO. 45870
RATES APPLICABLE TO WATER AND)
WASTEWATER PLANT IN SERVICE, (4))
APPROVAL OF NECESSARY AND)
APPROPRIATE ACCOUNTING RELIEF, (5))
APPROVAL OF THE EXTENSION OF)
SERVICE TO AN INFRASTRUCTURE)
DEVELOPMENT ZONE IN MONTGOMERY)
COUNTY, INDIANA AND AUTHORITY TO)
IMPLEMENT A SURCHARGE UNDER IND.)
CODE § 8-1-2-46.2, AND (6) APPROVAL OF)
PETITIONER'S PLANS TO DEVELOP FUTURE)
WATER SOURCES OF SUPPLY UNDER IND.)
CODE § 8-1-2-23.5.)

PUBLIC'S EXHIBIT NO. 11

REDACTED TESTIMONY OF KRISTEN WILLOUGHBY

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

July 21, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 11 OUCC's Redacted Testimony of Kristen Willoughby on behalf of the OUCC* has been served upon the following in the captioned proceeding by electronic service on July 21, 2023.

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REDACTED TESTIMONY OF KRISTEN WILLOUGHBY
CAUSE NO. 45870
INDIANA-AMERICAN WATER COMPANY, INC.

I. INTRODUCTION

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

2 A: My name is Kristen Willoughby, and my business address is 115 West Washington
3 Street, 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 and
7 experience are set forth in Appendix A.

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

9 A: As part of Indiana-American Water Company, Inc.'s ("INAW" or "Petitioner")
10 request to increase its rates and charges for water and wastewater service, Petitioner
11 proposes to include certain capital investments through the end of the test year in
12 April 2025. Petitioner proposes to replace the Sheridan 6th Street Lift Station and
13 purchase land in Sheridan to be used as a future wellfield. I explain why these
14 projects should be disallowed.

15 **Q: What did you do to prepare your testimony?**

16 A: I reviewed INAW's Petition for rate increase and the testimonies of its witnesses. I
17 reviewed the Final Order in Cause No. 45142, issued June 26, 2019, in which the
18 Indiana Utility Regulatory Commission ("Commission" or "IURC") set INAW's
19 current rates. I reviewed INAW's IURC Annual Reports from 2017 through 2022.
20 I wrote data requests and reviewed INAW's responses. I reviewed INAW's

1 Monthly Reports of Operation and the Indiana Department of Environmental
2 Management's ("IDEM") related National Pollutant Discharge Elimination System
3 Wastewater Facility Inspection Reports, which I accessed through IDEM's Virtual
4 File Cabinet.¹

5 **Q: If you do not discuss a specific topic or adjustment, does that mean you agree**
6 **with the Petitioner?**

7 A: No. My silence on any specific topic or adjustment does not indicate my approval
8 or agreement. My testimony is limited to the issues I discuss herein.

9 **Q: What documents are attached to your testimony?**

10 A: My testimony includes the following attachments:

- 11 • Attachment KW-01: INAW's Response to OUCC DR 09-49
- 12 • Attachment KW-02: INAW's Supplemental Response to OUCC DR 09-49
- 13 • Attachment KW-03: INAW's Response to OUCC DR 30-04
- 14 • Attachment KW-04: INAW's Response to OUCC DR 30-04 Attachment 02 –
15 CONFIDENTIAL
- 16 • Attachment KW-05: Sheridan 6th Street Speed Limit
- 17 • Attachment KW-06: INAW's Response to OUCC DR 35-05 Attachment 01, p.
18 1 – CONFIDENTIAL
- 19 • Attachment KW-07: Johnson County Bargersville I69 Corridor Plan, p. 91
- 20 • Attachment KW-08: INAW's Response to OUCC DR 35-05
- 21 • Attachment KW-09: INAW's Response to OUCC DR 09-49 Attachment –
22 CONFIDENTIAL
- 23 • Attachment KW-10: INAW's Supplemental Response to OUCC DR 18-01
- 24 • Attachment KW-11: INAW's Response to OUCC DR 19-02

¹ IDEM Virtual File Cabinet was available at <https://vfc.idem.in.gov/DocumentSearch.aspx>.

- 1 • Attachment KW-12: INAW's Response to OUCC DR 35-04
- 2 • Attachment KW-13: INAW's Response to OUCC DR 19-01 Attachment –
3 CONFIDENTIAL
- 4 • Attachment KW-14: INAW's Response to OUCC DR 19-03
- 5 • Attachment KW-15: INAW's Response to OUCC DR 18-01
- 6 • Attachment KW-16: INAW's Response to OUCC DR 35-03
- 7 • Attachment KW-17: INAW's Response to OUCC DR 30-07 Attachment 01 –
8 CONFIDENTIAL
- 9 • Attachment KW-18: INAW's Revised Response to OUCC 19-04 Attachment -
10 CONFIDENTIAL²

II. SHERIDAN 6TH STREET LIFT STATION REPLACEMENT

11 **Q: What explanation does Petitioner give for why the Sheridan 6th Street Lift**
12 **Station needs to be replaced?**

13 A: In Attachment MHH-4 - Forecasted Capital Additions Over \$500,000, Petitioner
14 states the existing lift station cannot handle peak flows, has mechanical and
15 electrical components in poor condition, and is in an unsafe location between the
16 curb and sidewalk.³ Therefore, INAW proposes to install a new, larger lift station
17 that can handle the peak flows in an easement not between the curb and sidewalk.

18 **Q: What information did Petitioner provide on the cause of the increase in peak**
19 **flows at the lift station?**

20 A: In Attachment MHH-4 INAW states: "While significant customer growth is not
21 anticipated in these basins, increased I&I present capacity concerns in these areas."⁴
22 Inflow and infiltration ("I&I") happens when untreated water enters the system
23 through leaks, defects, etc.

² Note: This attachment was provided in response to OUCC DR 19-04 but was labeled as 19-002.

³ Petitioner's Exhibit No. 3, Direct Testimony of Matthew Hobbs, Attachment MMH-4, p. 3.

⁴ Hobbs Direct, Attachment MMH-4, p. 3.

1 The OUCC asked Petitioner in OUCC DR 09-(49)(e) whether a larger lift
2 station would still be needed if the I&I issues were addressed. Petitioner did not
3 directly respond to this question but did say it was “in the process of finalizing a
4 hydraulic collection system model which will help INAW to better understand these
5 capacity issues.”⁵ INAW followed up in a supplemental response saying it was
6 unknown when the hydraulic model would be complete, but “Preliminary hydraulic
7 model results for the lift station indicate upstream and downstream capacity
8 concerns under modest rainfall events, based on flow monitoring data collected in
9 2019-2020.”⁶ Petitioner attributes these high levels of I&I to many of the pipes in
10 the basins flowing into the 6th Street Lift Station containing vitrified clay pipe.⁷

11 **Q: What documentation did Petitioner provide to support replacing the existing**
12 **6th Street Lift Station?**

13 A: Petitioner asserts the lift station is undersized to serve the area based on preliminary
14 hydraulic modeling investigation.⁸ Yet instead of proposing to address what the
15 Petitioner believes to be a source of the I&I, it proposes to install larger equipment
16 to handle the increased flow. It is an imprudent use of ratepayer funds to install
17 larger equipment to handle the I&I without addressing the underlying cause of the
18 I&I.

19 In addition, Petitioner has not provided documentation to support
20 replacement of the 6th Street Lift Station replacement based on its condition. On
21 page 3 of Attachment MHH-4, Petitioner states rehabilitation is an option for

⁵ Attachment KW-01, INAW's Response to OUCC DR 09-49.

⁶ Attachment KW-02, INAW's Supplemental Response to OUCC DR 09-49.

⁷ Attachment KW-02, INAW's Supplemental Response to OUCC DR 09-49.

⁸ Attachment KW-02, INAW's Supplemental Response to OUCC DR 09-49.

1 addressing the lift station's concerns. Petitioner states it is unaware of when the 6th
2 Street Lift Station was installed since it was done before INAW purchased the
3 utility and there were no records with the information. Petitioner states "internal
4 and external equipment, piping, and control panel are in poor condition."⁹
5 However, in response to OUCC DR 09-49(c), Petitioner admits pump 1 was
6 replaced in 2017 and pump 2 was replaced in 2021.¹⁰

7 <CONFIDENTIAL> [REDACTED]

8 [REDACTED]
9 [REDACTED] <CONFIDENTIAL>¹² Therefore, Petitioner was

10 <CONFIDENTIAL> [REDACTED]

11 [REDACTED] <CONFIDENTIAL> the new pump 2 was installed. Unless pump 2 failed,
12 replacing a pump <CONFIDENTIAL> [REDACTED]

13 [REDACTED] <CONFIDENTIAL> to replace the entire lift station is poor planning and an
14 irresponsible use of ratepayer funds.

15 **Q: What documentation did Petitioner provide to support relocating the 6th Street**
16 **Lift Station due to safety concerns?**

17 **A:** None. Petitioner states it believes the lift station is in an unsafe location because it
18 is in the right of way between the curb and the sidewalk.¹³ However, having a lift
19 station in the right of way is not unusual for a wastewater utility and does not
20 necessarily make the location unsafe.

⁹ Attachment KW-02, INAW's Supplemental Response to OUCC DR 09-49.

¹⁰ Attachment KW-01, INAW's Response to OUCC DR 09-49.

¹¹ Attachment KW-03, INAW's Response to OUCC DR 30-04.

¹² Attachment KW-04, INAW's Response to OUCC DR 30-04 Attachment 02 - CONFIDENTIAL

¹³ Attachment KW-02, INAW's Supplemental Response to OUCC DR 09-49.

1 **Q: Is 6th Street a high traffic road?**

2 A: No. <CONFIDENTIAL> [REDACTED]

3 [REDACTED]

4 [REDACTED].<CONFIDENTIAL>¹⁴ For comparison

5 to a busy segment of a state highway, 2017 traffic count data for North State Road

6 135 in White River Township, Johnson County, showed road segments with

7 average daily traffic (“ADT”) between 10,001 and-30,000 ADT in two lane

8 segments.¹⁵ Compared to State Road 135, <CONFIDENTIAL> [REDACTED]

9 [REDACTED].<CONFIDENTIAL> Petitioner

10 states the location is unsafe because it is in the right of way of a state highway.

11 However, 6th Street’s speed limit is 30 mph and the lift station is near a stop sign.¹⁶

12 **Q: Is any road construction proposed near the 6th Street Lift Station?**

13 A: Yes. Indiana Department of Transportation (“INDOT”) Project 1592544 is

14 currently scheduled for the summer of 2023.¹⁷ Petitioner admits this road work as

15 proposed does not necessitate the relocation of the lift station.¹⁸

16 **Q: Is dedicated parking available for site maintenance?**

17 A: No. INAW expresses concern that it may someday not have access to the vacant lot

18 currently used for parking.¹⁹ After the INDOT project there will still be access to

19 the vacant lot. Petitioner presents no information that loss of access to the lot may

20 happen anytime soon.

¹⁴ Attachment KW-06, INAW’s Response to OUCC DR 35-05 Attachment 01, p. 1 – CONFIDENTIAL.

¹⁵ Attachment KW-07, Johnson County Bargersville I69 Corridor Plan, p. 91

¹⁶ Attachment KW-05, Sheridan 6th Street speed limit.

¹⁷ <https://www.in.gov/indot/about-indot/central-office/welcome-to-the-greenfield-district/sr-38-and-sr-47-improvements-within-the-town-of-sheridan/>

¹⁸ Attachment KW-08, INAW’s Response to OUCC DR 35-05.

¹⁹ Attachment KW-02, INAW’s Supplemental Response to OUCC DR 09-49.

1 **Q: Did Petitioner estimate the cost of the new 6th Street Lift Station?**

2 A: Yes, with conflicting estimates. In Petitioner’s Attachment MHH-2, the total cost
3 estimate is \$2,214,653.²⁰ In Petitioner’s Attachment MHH-4, the total cost estimate
4 is \$1,582,009.²¹ As shown in Petitioner’s Workpaper SCEP 2022 to 2025 Support.,
5 \$1,791,005 was used by the Petitioner for rate base purposes.²²

6 **Q: What documentation did Petitioner provide to support the proposed cost of**
7 **the new 6th Street Lift Station?**

8 A: The OUCC asked in DR 09-49 for a detailed breakdown of the cost estimate and
9 any documentation used to develop the cost estimate. The OUCC received
10 <CONFIDENTIAL> [REDACTED].²³
11 <CONFIDENTIAL> Petitioner also states “The estimated cost was developed
12 using Indiana American’s internal knowledge and experience constructing similar
13 projects, as well as available industry knowledge of similar projects.”²⁴ In response
14 to follow-up discovery, nothing was provided to support how those costs were
15 developed.²⁵ There was not a <CONFIDENTIAL> [REDACTED]
16 [REDACTED]. <CONFIDENTIAL> Petitioner needs to provide documentation and
17 calculations to support how a cost estimate was assembled. One issue in particular
18 that is not supported is why <CONFIDENTIAL> [REDACTED]
19 [REDACTED]

²⁰ Hobbs Direct, Attachment MHH-2, Project I10-110002, KOKWW Sheridan 6th St Lift Station REP.

²¹ Hobbs Direct, Attachment MHH-4, p.3.

²² Petitioner’s Workpaper SCEP 2022 to 2025 Support.xlsx, tab name Link Out, Row 500.

²³ Attachment KW-09, INAW’s Response to OUCC DR 09-49 Attachment – CONFIDENTIAL. Note: Petitioner has stated in INAW’s Supplemental Response to OUCC DR 18-01 (included as OUCC Attachment KW-10) that new labor estimates for this project are lower than the ones in testimony and those provided to the OUCC but has declined to provide the new lower cost estimates

²⁴ Attachment KW-01, INAW’s Response to OUCC DR 09-49.

²⁵ Attachment KW-02, INAW’s Supplemental Response to OUCC DR 09-49(c).

1 ██████████ <CONFIDENTIAL> non-construction costs such that they are higher than
2 construction costs for a wastewater lift station.²⁶

3 **Q: What do you recommend regarding the proposed new 6th Street Lift Station?**

4 A: I recommend the Commission disallow the inclusion in rate base of \$1,791,005 as
5 requested. Petitioner has not provided sufficient testimony to support replacing the
6 lift station and has not provided adequate justification for the cost estimate.

III. SHERIDAN PROPERTY ACQUISITION FOR NEW WELL(S)

7 **Q: Please explain Petitioner's proposal.**

8 A: Petitioner proposes purchasing between 10 and 20 acres of property near the
9 Sheridan treatment plant for the purpose of drilling test wells and determining
10 where to develop a future well site. This project does not include actual construction
11 of any new wells.²⁷

12 **Q: Is Petitioner proposing any increase in wellfield pumping capacity as part of
13 this rate case?**

14 A: Yes. Sheridan's current wellfield has a reliable pumping capacity of 1.05 million
15 gallons per day ("MGD").²⁸ Petitioner is proposing to build a new well no. 7 on
16 property it already owns.²⁹ The draft Groundwater Capacity Evaluation included as
17 Petitioner's Attachment MHH-24 notes that with the addition of this well,
18 groundwater flow models show Sheridan's existing wellfield may be able to
19 achieve a firm capacity of 800 gallons per minute ("GPM") or 1.152 MGD.³⁰ This

²⁶ Hobbs Direct, Attachment MHH-4, p. 3; Attachment KW-09, INAW's Response to OUCC DR 09-49 Attachment – CONFIDENTIAL.

²⁷ Attachment KW-11, INAW's Response to OUCC DR 19-02.

²⁸ Hobbs Direct, Attachment MHH-14, p. 1.

²⁹ Attachment KW-12, INAW's Response to OUCC DR 35-04.

³⁰ 800 GPM x 60 minutes per hour x 24 hours per day = 1,152,000 gallons per day

1 will be sufficient to meet the maximum 1.07 MGD demand Petitioner projects will
2 be needed in the future.³¹

3 **Q: What is Petitioner's historic average daily demand?**

4 A: Annual average daily groundwater withdrawal from Sheridan was 0.24 MGD for
5 2018 and 2019 and 0.22 MGD for 2020. The current wellfield reliable pumping
6 capacity of 1.05 MGD³² and is more than four times the historic annual average
7 daily groundwater withdrawal.³³

8 **Q: Has Petitioner provided evidence to support the need to purchase land for an
9 additional wellfield at this time?**

10 A: No. The documentation INAW provided shows the wellfield land it already owns
11 is more than sufficient to meet its water demand. Petitioner has recently signed an
12 agreement to provide water to Hamilton County Regional Utility District.³⁴
13 However, even if one were to assume Hamilton County's projected growth rate of
14 22% by 2030 and 40% by 2040 would apply to Sheridan and the Hamilton County
15 Regional Utility District, this would increase the average daily groundwater
16 withdrawal to 0.35 MGD by 2030 and 0.43 MGD by 2040.³⁵ Sheridan's current
17 reliable pumping capacity of 1.05 MGD is more than twice the estimated 2040
18 need.

19 **Q: Do you have additional concerns about this project?**

20 A: Yes. In DR 19-01, the OUCC asked for a detailed breakdown of the cost estimate
21 and any documentation used to develop the cost estimate. Petitioner provided

³¹ Hobbs Direct, Attachment MHH-14, p. 1.

³² Hobbs Direct, Attachment MHH-14, p. 1.

³³ $0.24 \times 4 = 0.96 \text{ MGD} < 1.05 \text{ MGD}$, $1.152 \text{ MGD} / 0.24 = 4.8$

³⁴ Hobbs Direct, Attachment MHH-4, p. 1.

³⁵ $0.24 \text{ MGD} \times 1.44 = 0.35 \text{ MGD}$; $0.24 \text{ MGD} \times 1.80 = 0.43 \text{ MGD}$.

1 <CONFIDENTIAL> [REDACTED]

2 <CONFIDENTIAL>.³⁶ Discovery responses provided no information regarding
3 how the total numbers were calculated. No other cost information was provided.

4 **Q: Is it currently necessary and prudent for INAW to acquire property for a
5 future wellfield in Sheridan?**

6 A: No. The rates set in this case are intended for projects through April 2025.
7 Population growth estimates through 2040 show that Sheridan will not be utilizing
8 even half of its current wellfield capacity before the addition of proposed new well
9 no. 7.

10 **Q: What do you recommend regarding the proposed acquisition of property for
11 new well(s) in Sheridan?**

12 A: I recommend the Commission reject the \$779,566 Petitioner requests to include in
13 rate base.

IV. SHERIDAN MAPLE RUN LIFT STATION

14 **Q: Did Petitioner provide conflicting cost estimates for the Maple Run Lift
15 Station improvements in testimony?**

16 A: Petitioner submitted two different cost estimates in attachments to its direct
17 testimony. The first one is \$1,218,992 and found in Attachment MHH-2.³⁷ The
18 second one, in Attachment MHH-4, is \$833,346. In response to OUCC DR 19-
19 03,³⁸ Petitioner states that the cost estimate from Attachment MHH-4 is from a
20 more recent forecast than the cost estimate in Attachment MHH-2 and is the

³⁶ Attachment KW-13, INAW's Response to OUCC DR 19-01 Attachment – CONFIDENTIAL.

³⁷ Hobbs Direct, Attachment MHH-2, Project I10-110003, KOKWW Sheridan Maple Run Lift Station Improvement.

³⁸ Attachment KW-14, INAW's Response to OUCC DR 19-03.

1 estimate that should be used. Most of the cost estimates in Attachment MHH-2 did
2 not match those in Attachment MHH-4.

3 **Q: Is the cost estimate from Attachment MHH-4 the most recent estimate**
4 **Petitioner has completed?**

5 A: No. In response to OUCC DR 18-01,³⁹ Petitioner states:

6 The Company has identified the following projects listed in
7 Attachment MHH-4 that potentially include labor forecasted greater
8 than may be expected:

- 9 • I10-110002 - Kokomo Wastewater Sheridan 6th Street Lift
10 Station Replacement
- 11 • I10-110003 - Kokomo Wastewater Sheridan Maple Run Lift
12 Station
- 13 • I10-110004 - Kokomo Wastewater Sheridan Force Main
14 Rerouting

15 When asked in OUCC DR 35-03⁴⁰ to provide the most recent detailed cost
16 estimates for the above projects, Petitioner referenced the confidential attachment
17 provided in response to OUCC DR 30-07⁴¹ which provided cost estimates that
18 matched those in Attachment MHH-4 instead of estimates containing the updated
19 labor forecasts. In supplemental response to OUCC DR 18-01, INAW states it
20 would not be updating forecasted rate base:

21 While Indiana American is reforecasting costs monthly in order to
22 reflect the most accurate costs as the project progresses through the
23 capital investment planning process, Indiana American does not
24 intend to update its forecasted rate base amount included in
25 Petitioner's case-in-chief. If the total amount of the actual
26 expenditures of the forecasted projects exceeds Indiana American's
27 forecasted rate base, Indiana American will reduce the number of
28 recurring projects it undertakes so as not to exceed the overall
29 forecasted rate base amount.⁴²

³⁹ Attachment KW-15, INAW's Response to OUCC DR 18-01.

⁴⁰ Attachment KW-16, INAW's Response to OUCC DR 35-03.

⁴¹ Pertinent pages are included as Attachment KW-17, INAW's Response to OUCC DR 30-07 Attachment 01 – CONFIDENTIAL.

⁴² Attachment KW-10, INAW's Supplemental Response to OUCC DR 18-01.

1 In contrast to the above statement, Petitioner has overestimated project costs and is
2 proposing consumer higher rates by not making the correction.

3 **Q: Does Attachment MHH-4 cost estimate include additional errors?**

4 A: Yes. When asked in OUCC DR 19-04 for a detailed breakdown of the cost estimate
5 and any documentation used to develop the cost estimate, Petitioner responded with

6 <CONFIDENTIAL> [REDACTED]

7 <CONFIDENTIAL>.⁴³ This document shows the contingency cost was supposed
8 to be <CONFIDENTIAL> [REDACTED] <CONFIDENTIAL> of the <CONFIDENTIAL>

9 [REDACTED]

10 [REDACTED]

11 <CONFIDENTIAL>. However, the \$200,000 contingency on page 5 of
12 Attachment MHH-4 does not match this <CONFIDENTIAL> [REDACTED]

13 <CONFIDENTIAL>. Clearly, it was not <CONFIDENTIAL> [REDACTED]

14 [REDACTED] <CONFIDENTIAL>. Since the contingency is part of
15 the number used to calculate the indirect overhead, the indirect overhead is also

16 <CONFIDENTIAL> [REDACTED] <CONFIDENTIAL> for this project. These

17 numbers are even more overstated due to Petitioner's admission that more recent

18 labor estimates are lower than those in Attachment MHH-4.

19 **Q: Have you calculated a revised cost estimate for the Maple Run Lift Station**
20 **improvements?**

21 A: Yes. Since Petitioner admitted there is an adjustment but would not provide the
22 lower labor cost estimates, I conservatively assumed a 10% decrease in labor costs.

⁴³Attachment KW-18, INAW's Response to OUCC DR 19-04 Attachment - CONFIDENTIAL

1 This, combined with the revised contingency and indirect overhead costs, results in
2 a new total project estimate of <CONFIDENTIAL> [REDACTED]
3 <CONFIDENTIAL>.⁴⁴

4 **Q: What do you recommend regarding the Sheridan Maple Run Lift Station**
5 **improvements?**

6 A: I recommend the Commission deny <CONFIDENTIAL> [REDACTED]
7 <CONFIDENTIAL> for overestimation of labor, contingency, and indirect
8 overhead costs.⁴⁵ This is the difference between the \$1,218,992 used in rate base
9 and the <CONFIDENTIAL> [REDACTED] <CONFIDENTIAL> I calculated.⁴⁶

V. OUCC RECOMMENDATIONS

10 **Q: Please summarize your recommendations in this Cause.**

11 A: I recommend the Commission deny the \$1,791,005 requested for the proposed 6th
12 Street Lift Station relocation and deny the \$779,566 requested for the acquisition
13 of land for new well(s) in Sheridan. I also recommend the Commission deny
14 <CONFIDENTIAL> [REDACTED] <CONFIDENTIAL> for overestimation of labor,
15 contingency, and indirect overhead costs for the Maple Run Lift Station
16 Improvements.⁴⁷

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

18 A: Yes.

⁴⁴ Attachment KW-18, Revised OUCC 19-04 Attachment - CONFIDENTIAL

⁴⁵ Attachment KW-18, Revised OUCC 19-04 Attachment - CONFIDENTIAL

⁴⁶ Hobbs Direct, Attachment MHH-2, Project I10-110003, KOKWW Sheridan Maple Run Lift Station Improvement.

⁴⁷ Attachment KW-18, Revised OUCC 19-04 Attachment - CONFIDENTIAL

APPENDIX A

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

2 A: I graduated from Indiana University with a Bachelor of Science degree in Biology
3 and a Master of Public Affairs (“MPA”) concentrating in Environmental
4 Management. My graduate coursework included studying how water pollution
5 affects aquatic ecosystems, environmental rules and regulations, toxicology, risk
6 analysis, epidemiology, finance and budgeting, economics, statistics, public
7 management, and other courses on how pollution affects human health and the
8 environment. After graduating with my MPA, I was hired as an Environmental
9 Manager (EM2) by the Indiana Department of Environmental Management, Office
10 of Air Quality, Permits Branch in 2006 where I analyzed projects for a variety of
11 industries, calculated the air emissions associated with those projects, determined
12 applicable state and federal rules, and drafted federally enforceable air permits. I
13 was promoted to a Senior Environmental Manager (SEM1) about one year later. I
14 held this position for more than ten years. As an SEM1, I worked on complex permit
15 projects, trained and mentored staff, reviewed staff’s work, and developed
16 templates, guidance, and training materials. Since joining the OUCC in 2018, I have
17 attended numerous utility related seminars and workshops including the National
18 Association of Regulatory Utility Commissioners (“NARUC”) Western Utility
19 Rate School.

20

AFFIRMATION

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



By: Kristen Willoughby
Cause No. 45870
Office of Utility Consumer Counselor (OUCC)

Date: July 21, 2023

OUCC 09-049

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

The following relate to the Kokomo Wastewater Sheridan 6th Street Lift Station Replacement project number I10-110002 as discussed on page 3 of Attachment MHH-4:

- a. When was the existing 6th street lift station installed?
- b. What is the capacity of the current 6th street lift station?
- c. When was each pump in the existing 6th street lift station last replaced?
- d. Under Background it states, "While significant customer growth in not anticipated in these basins, increased I&I present capacity concerns in these areas." What steps has INAW taken to identify and reduce this I&I?
- e. Without the increased I&I would a lift station of equivalent capacity to the existing lift station be able to handle peak flows?
- f. How many overflows has this lift station had in each of the last three years: 2020, 2021, and 2022?
- g. Please provide any documentation used to develop the estimated cost.
- h. Please provide a detailed breakdown of the estimated cost and any documentation used for the cost estimate.
- i. How will a larger lift station at this location help overflows downstream of the lift station?

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Information Provided:

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

Please refer to the below corresponding answers to the questions posed above.

- a. The installation date of the lift station is unknown. The asset was acquired as part of the Sheridan acquisition and detailed asset records were not kept.

- b. Based on field drawdown tests, there are two pumps delivering 125 gpm and 200 gpm, respectively. Pumps alternate between lead and lag float sequence.
- c. Pump No. 1 was replaced in 2017, pump No. 2 was replaced in 2021.
- d. Smoke testing, manhole inspections, wet weather inspections, and flow monitoring have been completed at multiple locations across the sanitary service area. Actions completed to date by INAW to limit or remove I/I include manhole repair and grouting of leaking of pipe penetrations.
- e. The Company is in the process of finalizing a hydraulic collection system model which will help INAW to better understand these capacity issues; however, the capacity issues are not the only reason the lift station needs replaced. The lift station internal and external equipment, piping, and control panel are in poor condition. Also, the lift station wet well, valve vault, and control panel are located between the existing sidewalk and road curb line, within a few feet of the SR 38 roadway. The lift station is exposed and poses safety and security concerns.
- f. No documented overflows have been observed at the lift station during the years in question.
- g. The estimated cost was developed using Indiana American's internal knowledge and experience constructing similar projects, as well as available industry knowledge of similar projects.
- h. Refer to OUCC 09-049 Attachment - CONFIDENTIAL.
- i. The results from the finalized hydraulic collection system model will determine impacts to the downstream collection system and any downstream corrective action required.

Attachment:

OUCC 09-049 Attachment - CONFIDENTIAL

OUCC 09-049 Supplemental

**DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870**

Information Requested:

The following relate to the Kokomo Wastewater Sheridan 6th Street Lift Station Replacement project number I10-110002 as discussed on page 3 of Attachment MHH-4:

- a. When was the existing 6th street lift station installed?
- b. What is the capacity of the current 6th street lift station?
- c. When was each pump in the existing 6th street lift station last replaced?
- d. Under Background it states, "While significant customer growth in not anticipated in these basins, increased I&I present capacity concerns in these areas." What steps has INAW taken to identify and reduce this I&I?
- e. Without the increased I&I would a lift station of equivalent capacity to the existing lift station be able to handle peak flows?
- f. How many overflows has this lift station had in each of the last three years: 2020, 2021, and 2022?
- g. Please provide any documentation used to develop the estimated cost.
- h. Please provide a detailed breakdown of the estimated cost and any documentation used for the cost estimate.
- i. How will a larger lift station at this location help overflows downstream of the lift station?

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Original Information Provided:

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

Please refer to the below corresponding answers to the questions posed above.

- a. The installation date of the lift station is unknown. The asset was acquired as part of the Sheridan acquisition and detailed asset records were not kept.
- b. Based on field drawdown tests, there are two pumps delivering 125 gpm and 200 gpm, respectively. Pumps alternate between lead and lag float sequence.

- c. Pump No. 1 was replaced in 2017, pump No. 2 was replaced in 2021.
- d. Smoke testing, manhole inspections, wet weather inspections, and flow monitoring have been completed at multiple locations across the sanitary service area. Actions completed to date by INAW to limit or remove I/I include manhole repair and grouting of leaking of pipe penetrations.
- e. The Company is in the process of finalizing a hydraulic collection system model which will help INAW to better understand these capacity issues; however, the capacity issues are not the only reason the lift station needs replaced. The lift station internal and external equipment, piping, and control panel are in poor condition. Also, the lift station wet well, valve vault, and control panel are located between the existing sidewalk and road curb line, within a few feet of the SR 38 roadway. The lift station is exposed and poses safety and security concerns.
- f. No documented overflows have been observed at the lift station during the years in question.
- g. The estimated cost was developed using Indiana American's internal knowledge and experience constructing similar projects, as well as available industry knowledge of similar projects.
- h. Refer to OUCC 09-049 Attachment - CONFIDENTIAL.
- i. The results from the finalized hydraulic collection system model will determine impacts to the downstream collection system and any downstream corrective action required.

Attachment:

OUCC 09-049 Attachment – CONFIDENTIAL

Revised Request:

OUCC DR 9-49 asks several questions relating to the Kokomo Wastewater Sheridan 6th Street Lift Station Replacement project number I10-110002 as discussed on page 3 of Attachment MHH-4.

- a. 9-49(d) asks: "Under Background it states, "While significant customer growth in not anticipated in these basins, increased I&I present capacity concerns in these areas." What steps has INAW taken to identify and reduce this I&I?" The response states: "Smoke testing, manhole inspections, wet weather inspections, and flow monitoring have been completed at multiple locations across the sanitary service area. Actions completed to date by INAW to limit or remove I/I include manhole repair and grouting of leaking of pipe penetrations." However, while the response discusses "locations across the sanitary service area," the question asks about the specific project. Is it known what steps were taken to identify and reduce I&I in the basin specific to the Kokomo Wastewater Sheridan 6th Street Lift Station Replacement project?
- b. 9-49(e) asks: "Without the increased I&I would a lift station of equivalent capacity to the existing lift station be able to handle peak flows?" The response states, in part: "The Company is in the process of finalizing a hydraulic collection system model which will help INAW to better understand these capacity issues; however, the capacity issues are not the only reason the lift station needs replaced." The response implies that the Company does not know if additional capacity is needed due to I&I or not. Can you confirm if this is correct? Also, has the hydraulic collection system model referenced in the response been finalized? If so, will updated information be provided?
- c. -49(g) asks: "Please provide any documentation used to develop the estimated cost." The responses states: "The estimated cost was developed using Indiana American's internal knowledge and experience constructing similar projects, as well as available industry knowledge of similar projects." Even using "Indiana American's internal knowledge and experience," are

there any workpapers or other documentation used to develop the estimated cost? If so, please provide this documentation.

Supplemental Objection:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner or its consultants. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner and its consultants. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Supplemental Response:

Subject to and without waiver of the objections stated above, Petitioner responds as follows:

- a. Please refer to OUCC-09-049_Supplemental_Attachment 001 CONFIDENTIAL for report summarizing the 2019 collection system evaluation completed for the Sheridan sanitary system and associated prioritization recommendations. Priority recommendations completed to date as well as those completed to date upstream of the 6th Street Lift Station (Observation Number 37) are noted on OUCC-09_Supplemental_Attachment 002.
- b. As stated in the original response, "the capacity issues are not the only reason the lift station needs replaced. The lift station internal and external equipment, piping, and control panel are in poor condition. Also, the lift station wet well, valve vault, and control panel are located between the existing sidewalk and road curb line, within a few feet of the SR 38 roadway. The lift station is exposed and poses safety and security concerns. " It should be noted that these safety and security concerns are a major driver for this project, as the lift station's location adjacent to SR 38 poses significant safety and security concerns for the public and the Company's employees. The current station is unprotected and exposed to the public and located immediately adjacent to SR 38. Following the construction of INDOT Des. No. 1592544 (referenced in OUCC 35-005) the lift station will be located between a proposed sidewalk and the edge of curb, and any future addition of site fencing to protect the public is not feasible due to its location in the right of way. Further, there is no dedicated access for our employees to safely park and maintain the station. Currently, employees utilize the undeveloped lot at the corner of SR 38/6th Street and Main Street for wetwell maintenance. Potential future inaccessibility of this lot may require employees to park vehicles and equipment along SR 38 for maintenance, special permitting may be required through INDOT and potential disruptions to traffic flow.

In order to protect the safety and security of INAWC's employees and the public, INAWC made the determination to replace the lift station. Knowing that the lift station would need replaced due to these safety and security concerns, it was then necessary to determine the capacity of the new lift station, among other design elements. A hydraulic model is being prepared as part of the overall planning of the Sheridan collection system and will be used in part to assist with the sizing of the lift station. A final system model is still in process and completion date unknown. What is

known based on preliminary investigation is that the existing 6th St Lift Station is undersized to serve the Central East and Central West Basins. The basins that flow to the 6th St Lift are in the oldest portion of town and contain vitrified clay pipe, which is prone to high levels of I&I.

Preliminary hydraulic model results for the lift station indicate upstream and downstream capacity concerns under modest rainfall events, based on flow monitoring data collected in 2019-2020. Both upstream and downstream surcharging is shown by the model at the 6th St Lift Station, but these results are preliminary and require further investigation. As stated, a new lift station is required to address the safety and security concerns discussed in this response. INAW believes it would be imprudent to build a new lift station with the same capacity as the existing lift station knowing that these potential capacity concerns exist.

Additionally, the 6th does not meet current 10 States Standards guidance for Lift Station design. Per 10 States Standards, "Where only two units are provided, they shall be of the same size. Units shall have capacity such that, with any unit out of service, the remaining units will have capacity to handle the design peak hourly flow. Control panel replacement with 480v unit is also recommended.

- c. No additional workpapers are available regarding the cost of the station at this time. Please refer to OUCC 30-007 regarding cost methodology for forecasted projects such as this project.

Attachments:

OUCC 09-049_Supplemental_Attachment 001 CONFIDENTIAL
OUCC 09-049_Supplemental_Attachment 002

OUCC 30-004

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

Reference Mr. Hobbs testimony on pages 6-7 regarding Petitioner's five-year Strategic Capital Expenditure Plan ("SCEP") which reads in part: "The prioritization of capital investment projects is a key input in developing and updating the SCEP on an annual basis. The Company's current SCEP is included as Attachment MHH-2."

Please answer the following:

- a. State the date that the current SCEP was finalized.
- b. Provide copies of the previous five Annual SCEP Updates.
- c. State the dates that the five previous Annual SCEP Updates were finalized.

Objections:

Indiana American objects to the Request on the grounds and to the extent the request seeks information, which is trade secret or other proprietary, confidential, and competitively sensitive business information of Petitioner, its customers or third parties. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Information Provided:

Subject to and without waiver of the foregoing objections, Indiana American is providing the following:

- a. The SCEP included as MHH-2 (2023-2027) was finalized on April 29, 2022
- b. Copies of the previous five 5-Year Capital Plans are attached as:
 - 2022-2026 5-Year Capital Plan – OUCC 30-004_Attachment 1 - CONFIDENTIAL
 - 2021-2025 5-Year Capital Plan – OUCC 30-004_Attachment 2 - CONFIDENTIAL
 - 2020-2024 5-Year Capital Plan – OUCC 30-004_Attachment 3 - CONFIDENTIAL
 - 2019-2023 5-Year Capital Plan – OUCC 30-004_Attachment 4 - CONFIDENTIAL
 - 2018-2022 5-Year Capital Plan – OUCC 30-004_Attachment 5 - CONFIDENTIAL
- c. The dates that the previous five 5-Year Capital Plans were finalized are as follows:
 - 2022-2026 5-Year Capital Plan: April 23, 2021
 - 2021-2025 5-Year Capital Plan: April 27, 2020
 - 2020-2024 5-Year Capital Plan: April 22, 2019

- 2019-2023 5-Year Capital Plan: April 20, 2018
- 2018-2022 5-Year Capital Plan: May 5, 2017

Attachments:

OUCG 30-004_Attachment 1 - CONFIDENTIAL
OUCG 30-004_Attachment 2 - CONFIDENTIAL
OUCG 30-004_Attachment 3 - CONFIDENTIAL
OUCG 30-004_Attachment 4 - CONFIDENTIAL
OUCG 30-004_Attachment 5 – CONFIDENTIAL

"EXCLUDED FROM PUBLIC ACCESS PER ACCESS TO COURT RECORDS RULE 5."

CONFIDENTIAL
OUCC ATTACHMENT KW-04
CAUSE NO. 45870



Open in Map Viewer Classic >

Untitled map

4/25/2022, 8:00 PM

| | |
|-----------------|--------------------|
| RouteID | 90000000380000001 |
| From Measure | 34.477473 |
| To Measure | 36.052517 |
| Record_Status | |
| Speed Limit Inc | 30 mph |
| Speed Limit Dec | 30 mph |
| Created By | AACUFF |
| Date Created | 6/25/2019. 7:31 AM |

Zoom to

Cause No. 45870

OUCG 35-005_Attachment 01 CONFIDENTIAL Page 1 of 25

| PROJECT | DESIGNATION |
|----------|-------------|
| 1601982 | 1592544 |
| CONTRACT | BRIDGE FILE |
| R-39288 | . |

| KIN PROJECT INFORMATION | |
|-------------------------|---|
| DESIGNATION | PROJECT DESCRIPTION |
| 1601982 | SR 47, ROAD RECONSTRUCTION (LEAD) |
| 2000816 | SR 38/SR 47, INTERSECTION ROUNDABOUT CONSTRUCTION |

INDIANA DEPARTMENT OF TRANSPORTATION

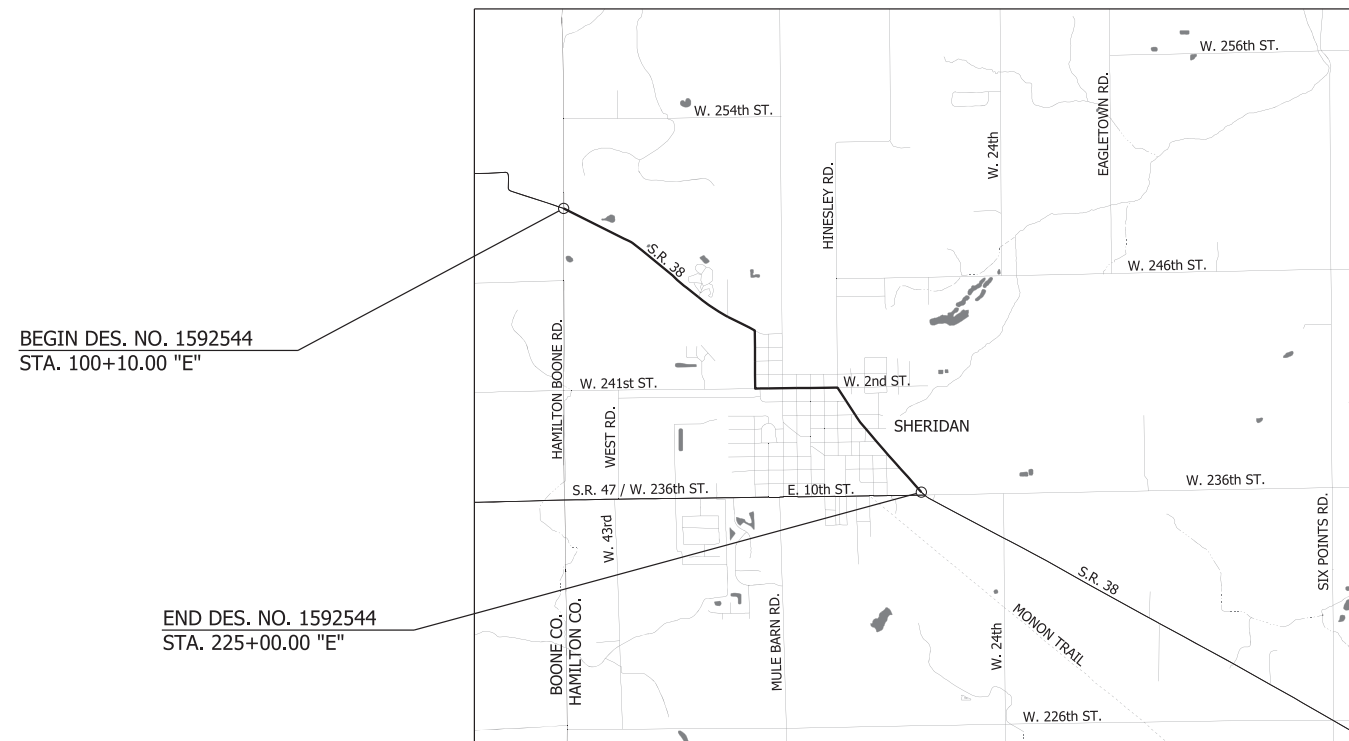


ROAD PLANS

ROUTE: S.R. 38 FROM: RP 42+77 TO: RP 45+23
 PROJECT NO. 1601982 P.E. 1601982 R/W 1601982 CONST. 1601982

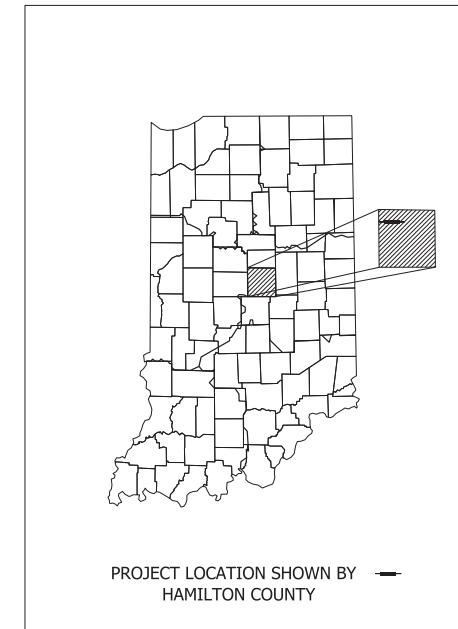
| TRAFFIC DATA | SR 38 | | | | |
|--------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|--------------------------|
| | POB to Lafayette Rd | Lafayette Rd to Main St | 2nd St to 6th St | Main St to POE | |
| AADT (2021) | 650 V.P.D. | 2,377 V.P.D. | 2,679 V.P.D. | 1,576 VPD | |
| AADT (2041) | 650 V.P.D. | 2,738 V.P.D. | 2,679 V.P.D. | 1,882 VPD | |
| DHV (2041) | 68 V.P.H. | 244 V.P.H. | 267 V.P.H. | 195 V.P.H. | |
| Directional Distribution | 51.7% | 55.3% | 47.6% | 53.0% | |
| Trucks | 11.8 % D.H.V. 6.8 % A.A.D.T. | 13.2 % D.H.V. 10.8 % A.A.D.T. | 9.4 % D.H.V. 8.7 % A.A.D.T. | 11.6 % D.H.V. 9.1 % A.A.D.T. | |
| DESIGN DATA | Design Speed | 45 M.P.H. | 30 M.P.H. | 20 M.P.H. | 30 M.P.H. |
| | Project Design Criteria | Partial 3R (Non-Freeway) | Partial 3R (Non-Freeway) | Partial 3R (Non-Freeway) | Partial 3R (Non-Freeway) |
| | Functional Classification | State Collector | State Collector | State Collector | State Collector |
| | Rural/Urban | Rural | Urban (Suburban) | Urban (Intermediate) | Urban (Suburban) |
| | Terrain | Level | Level | Level | Level |
| | Access Control | None | None | None | None |

PAVEMENT REHABILITATION ON SR 38 FROM THE BOONE/HAMILTON COUNTY LINE TO APPROXIMATELY 400' NORTHWEST OF SR 47. IN SECTION 30, 31, & 32, T-20-N, R-3-E, ADAMS TOWNSHIP, HAMILTON COUNTY, INDIANA



BEGIN DES. NO. 1592544
STA. 100+10.00 "E"

END DES. NO. 1592544
STA. 225+00.00 "E"



LATITUDE: 40° 07' 47" N LONGITUDE: 86° 13' 24" W

| | | |
|-----------------|------|-----|
| BRIDGE LENGTH: | 0.0 | MI. |
| ROADWAY LENGTH: | 2.37 | MI. |
| TOTAL LENGTH: | 2.37 | MI. |
| MAX. GRADE: | 2.00 | % |

LOCATION MAP
HAMILTON COUNTY

INDIANA DEPARTMENT OF TRANSPORTATION
STANDARD SPECIFICATIONS DATED 2020
TO BE USED WITH THESE PLANS

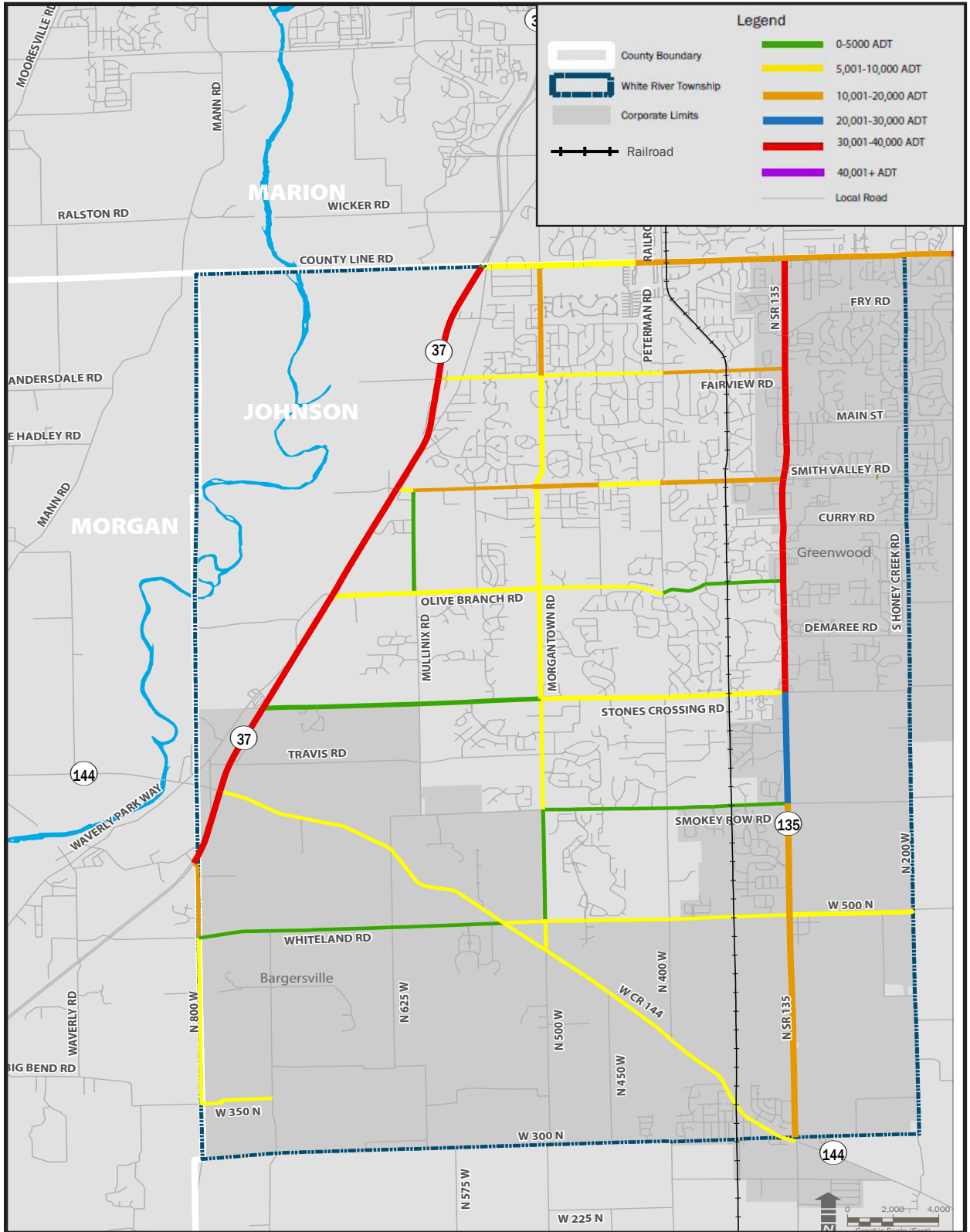


Michael Baker International
3925 River Crossing Parkway, Suite 20
Indianapolis, IN 46240
Tel: 317-663-8430 Fax: 317-663-8410
www.mbakintl.com

| | | |
|--------------------------|--------------------------------------|------------------------------|
| PLANS PREPARED BY: | Michael Baker International | 317-663-8430 PHONE NUMBER |
| CERTIFIED BY: | | DATE |
| RECOMMENDED FOR LETTING: | INDIANA DEPARTMENT OF TRANSPORTATION | DATE |

| | |
|-------------|---------|
| BRIDGE FILE | |
| DESIGNATION | 1592544 |
| SURVEY BOOK | SHEETS |
| CONTRACT | PROJECT |
| R-39288 | 1601982 |

EXHIBIT K: EXISTING TRAFFIC COUNT DATA



Data Sources: MPO, Johnson County Highway Department (2017)

OUCC 35-005

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

Please explain in detail any impact including, but not limited to, any relocations due to INDOT project SR 38 Resurface / Reconstruction from Hamilton/Boone County Line to SR47: Des 1592544 (<https://www.in.gov/indot/about-indot/central-office/welcome-to-the-greenfield-district/sr-38-and-sr-47-improvements-within-the-town-of-sheridan/>) has on the following:

- a. I10-110002 - Kokomo Wastewater Sheridan 6th Street Lift Station Replacement
- b. I10-110004 - Kokomo Wastewater Sheridan Force Main Rerouting
- c. I10-110003 - Kokomo Wastewater Sheridan Maple Run Lift Station
- d. Sheridan wastewater system.
- e. Sheridan water system.

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information, which is trade secret or other proprietary, confidential, and competitively sensitive business information of Petitioner, its customers, or third parties. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers, or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Information Provided:

Refer to OUCC 35-005_Attachment 01 CONFIDENTIAL detailing the known conflicts associated with Des. No. 1592544. Conflicts associated with Des No. 1601982 are being evaluated and coordinated with INDOT as part of a future work plan submittal. Water and sewer assets along SR 47 are shown on OUCC 35-005_Attachment 02 CONFIDENTIAL. Indiana American Water has been in communication with INDOT throughout the utility coordination process for both roadway projects.

- a. I10-110002 – No conflicts with the proposed roadway improvements are anticipated at this time that would necessitate a lift station relocation. The current roadway plans show a proposed sidewalk wrapping around the existing station wet well and valve vault due to its proximity to the SR 38 edge of pavement.

Refer to OUCC 09-049 Supplemental for additional details pertaining to the roadway improvements and existing lift station site.

- b. I10-110004 – Indiana American is currently in discussions with INDOT regarding planned force main improvements along SR 47. Proposed INDOT roadway plans will be used in the evaluation of the eventual force main route planning and design.
- c. I10-110003 – Project is located outside the limits of the proposed INDOT improvements.
- d. Sheridan wastewater system – Indiana American is currently in coordination discussions with INDOT regarding potential relocations along SR 47/38. Refer to Attachments provided.
- e. Sheridan water system – Indiana American is currently in coordination discussions with INDOT regarding potential relocations along SR 47/38. Refer to Attachments provided.

Attachments:

OUCC 35-005_Attachment 01 CONFIDENTIAL

OUCC 35-005_Attachment 02 CONFIDENTIAL

"EXCLUDED FROM PUBLIC ACCESS PER ACCESS TO COURT RECORDS RULE 5."

CONFIDENTIAL
OUCC ATTACHMENT KW-09
CAUSE NO. 45870

OUCC 18-001 Supplemental

**DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870**

Information Requested:

The following questions pertain to OUCC 09-049 Attachment:

CONFIDENTIAL¹

1. Under the heading "Preliminary Costs," what does the term "property" mean? Does it relate to an easement, purchase of land, etc.?
2. What is the size of the "property" listed under "Preliminary Costs"?
3. Please explain why "Labor Overhead" is listed under the heading "Overhead and AFUDC Costs (calculated in SAP)" when Labor Overhead is also included under the headings of "Preliminary Costs" and "Implementation Costs".
4. Please explain in detail what is involved in the "Inspection" step under "Implementation Costs".
5. Please explain in detail what the "INAW Labor" costs under the heading "Preliminary Costs" entail given that "Design Services" is a separate line item.
6. Please explain in detail what the "Company Labor" costs under the heading "Implementation Costs" entail given that "Inspection" and "Installation" are separate line items.
7. Provide a detailed breakdown of how the cost was calculated for each line item listed in OUCC 09-049 Attachment – CONFIDENTIAL. For example, if the item is labor, how many workers, hours worked, at what pay rate, or for materials, the cost and number of each item.

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner, its customers or third parties. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Original Information Provided:

¹ INAWC Note: While the text of the request was marked confidential as referencing terms included on OUCC 09-049 Attachment Confidential, INAWC does not believe any of the information included in text of the *request* is confidential information.

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

1. Property to be acquired for the new lift station and associated components.
2. The project is in the planning phase. The proposed location of the new lift station has not been identified.
3. "Labor Overhead" as listed under "Overhead and AFUDC Costs (calculated in SAP)" was written in error and should read "Indirect Overhead."
4. Inspection costs include contracting a qualified person, on behalf of Indiana American Water to ensure that the contractor's installation of the project meets the requirements stated in specification and drawings.
5. Internal labor costs are associated with project management activities such as assisting with property acquisition, reviewing design with consultants, and managing the financial aspects of the project.
6. Internal labor costs are associated with project management activities that occur during construction with the contractor and inspector and managing the financial aspects of the project.
7. The detailed estimate of cost attachment provided with OUCC 09-049 was prepared to provide a preliminary project budget estimate. See OUCC DR 18-001 Attachment - CONFIDENTIAL.

During the review of this Data Request and subsequent review of the preliminary detailed estimate of cost prepared for project cost forecasting, as well as internal forecasting tools, it appears that this project (and others as listed below) include company labor forecasted greater than may be expected during the life of the project. The additional company labor forecast causes the non-construction costs to be projected higher. It should be noted that these are estimates and only the actual costs incurred to construct the project will be reflected in rate base. Labor forecasts are adjusted monthly, and accuracy increases as the project progresses.

The Company has identified the following projects listed in Attachment MHH-4 that potentially include labor forecasted greater than may be expected:

- I10-110002 - Kokomo Wastewater Sheridan 6th Street Lift Station Replacement
- I10-110003 - Kokomo Wastewater Sheridan Maple Run Lift Station
- I10-110004 - Kokomo Wastewater Sheridan Force Main Rerouting

Attachment:

OUCC DR 18-001 Attachment - CONFIDENTIAL

Supplemental Request:

OUCC DR 18-001(7) asks: "Provide a detailed breakdown of how the cost was calculated for each line item listed in OUCC 09-049 Attachment – CONFIDENTIAL. For example, if the item is labor, how many workers, hours worked, at what pay rate, or for materials, the cost and number of each item." The response states, in part: "During the review of this Data Request and subsequent review of the preliminary detailed estimate of cost prepared for project cost forecasting, as well as internal forecasting tools, it appears that this project (and others as listed below) include company labor forecasted greater than may be expected during the life of the project." Does this mean the forecasted labor amounts in OUCC 09-049 Attachment – CONFIDENTIAL are incorrect? If so, will an updated OUCC 09-049 Attachment – CONFIDENTIAL be provided?

In addition, OUCC 18-001_Attachment – CONFIDENTIAL indicates that several cost amounts in OUCC 09-049 Attachment – CONFIDENTIAL are only listed as “lump sum.” How were the lump sum amounts determined? Is there any documentation to support those lump sum amounts?

Supplemental Information Provided:

Please refer to Petitioner’s response to OUCC 30-007 for an explanation of INAWC’s cost methodology for forecasted projects. An updated OUCC 09-049 Attachment - CONFIDENTIAL attachment will not be provided. As discussed in Petitioner’s response to OUCC 30-007, the OUCC 09-049 Attachment – CONFIDENTIAL is a Detailed Estimate of Cost form which includes a basic scope and planning level cost estimate for each proposed project. This form is prepared in order for the Capital Program Management (CPM) committee to review the proposed project and consider whether to commit resources to the project moving forward. Further, as projects progress through the implementation/construction phase, more detailed cost and scope details are made available through bids or contractor pricing information. The forecasted labor amounts are based on estimated monthly spend and, as discussed in the OUCC DR 30—007 response, these amounts are adjusted monthly with the forecast. As the project progresses, labor required for the project is updated monthly and trued up. Lump sum amounts are based on estimates of similar projects, or the specific project manager’s experience and are updated monthly through reforecasting.

While Indiana American is reforecasting costs monthly in order to reflect the most accurate costs as the project progresses through the capital investment planning process, Indiana American does not intend to update its forecasted rate base amount included in Petitioner’s case-in-chief. If the total amount of the actual expenditures of the forecasted projects exceeds Indiana American’s forecasted rate base, Indiana American will reduce the number of recurring projects it undertakes so as not to exceed the overall forecasted rate base amount.

OUCC 19-002

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

Please provide the address(s) and size(s) for the property IAWC proposes to purchase for project I10-100020 "KOK Sheridan Property Acquisition for New Well or Wells" listed in Attachment MHH-2.

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner, its customers or third parties. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Information Provided:

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

Indiana American has identified multiple properties with potential for wellfield development. However, property acquisition is contingent on field investigation to assess suitability for wellfield development. Addresses and state parcel IDs for potential properties are provided in OUCC 19-002 Attachment CONFIDENTIAL. The size of property acquired is dependent on field investigation but is estimated to be around 10 to 20 acres.

Attachment:

OUCC 19-002_Attachment - CONFIDENTIAL

OUCC 35-004

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

Indiana American's response to OUCC DR 19-002 stated: "Indiana American has identified multiple properties with potential for wellfield development. However, property acquisition is contingent on field investigation to assess suitability for wellfield development." On page 41 of Attachment MHH-16, under the source of supply general design criteria, it states the location for a new well to be between wells #5 and #6. The design criteria does not mention a second well. However, on page 203 of Attachment MHH-16, there are proposed locations for a well #7 and well #8. Is there a conflict between Petitioner's response to DR 19-002 and the information contained in Attachment MHH-16? Please explain.

Information Provided:

No, there is not a conflict between information contained in Attachment MHH-16 and the response to OUCC DR 19-002. The installation of Well No. 7 is proposed with project I10-100018 on property owned by Indiana American Water. Well No. 7 is the new well referenced on page 41 of Attachment MHH-16. The installation of a second well is not proposed with project I10-100018. The response to OUCC DR 19-002 is related to project I10-100020.

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OUCC ATTACHMENT KW-13
CAUSE NO. 45870

OUCC 19-003

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

Is the project I10-110003 “KOKWW Sheridan Maple Run Lift Station Improvement” listed in Attachment MHH-2 the same as project I10-110003 “Kokomo Wastewater Sheridan Maple Run Lift Station” listed on page 5 of Attachment MHH-4? If yes, please explain why the project cost is different in the two attachments. What is the correct cost for this project?

Information Provided:

The projects listed in MHH-2 and MHH-4 are the same. The cost listed in MHH-2 (the Company’s five-year strategic capital expenditure plan) is based on the recent January forecast. The cost listed in MHH-4 is based on the preliminary detailed estimate of cost, which was not available when MHH-2 was prepared.

OUCC 18-001

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

The following questions pertain to OUCC 09-049 Attachment:

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1. Under the heading "Preliminary Costs," what does the term "property" mean? Does it relate to an easement, purchase of land, etc.?
2. What is the size of the "property" listed under "Preliminary Costs"?
3. Please explain why "Labor Overhead" is listed under the heading "Overhead and AFUDC Costs (calculated in SAP)" when Labor Overhead is also included under the headings of "Preliminary Costs" and "Implementation Costs".
4. Please explain in detail what is involved in the "Inspection" step under "Implementation Costs".
5. Please explain in detail what the "INAW Labor" costs under the heading "Preliminary Costs" entail given that "Design Services" is a separate line item.
6. Please explain in detail what the "Company Labor" costs under the heading "Implementation Costs" entail given that "Inspection" and "Installation" are separate line items.
7. Provide a detailed breakdown of how the cost was calculated for each line item listed in OUCC 09-049 Attachment – CONFIDENTIAL. For example, if the item is labor, how many workers, hours worked, at what pay rate, or for materials, the cost and number of each item.

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner, its customers or third parties. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Information Provided:

¹ INAWC Note: While the text of the request was marked confidential as referencing terms included on OUCC 09-049 Attachment Confidential, INAWC does not believe any of the information included in text of the *request* is confidential information.

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

1. Property to be acquired for the new lift station and associated components.
2. The project is in the planning phase. The proposed location of the new lift station has not been identified.
3. "Labor Overhead" as listed under "Overhead and AFUDC Costs (calculated in SAP)" was written in error and should read "Indirect Overhead."
4. Inspection costs include contracting a qualified person, on behalf of Indiana American Water to ensure that the contractor's installation of the project meets the requirements stated in specification and drawings.
5. Internal labor costs are associated with project management activities such as assisting with property acquisition, reviewing design with consultants, and managing the financial aspects of the project.
6. Internal labor costs are associated with project management activities that occur during construction with the contractor and inspector and managing the financial aspects of the project.
7. During the review of this Data Request and subsequent review of the preliminary detailed estimate of cost prepared for project cost forecasting, as well as internal forecasting tools, it appears that this project (and others as listed below) include company labor forecasted greater than may be expected during the life of the project. The additional company labor forecast causes the non-construction costs to be projected higher. It should be noted that these are estimates and only the actual costs incurred to construct the project will be reflected in rate base. Labor forecasts are adjusted monthly, and accuracy increases as the project progresses.

The Company has identified the following projects listed in Attachment MHH-4 that potentially include labor forecasted greater than may be expected:

- I10-110002 - Kokomo Wastewater Sheridan 6th Street Lift Station Replacement
- I10-110003 - Kokomo Wastewater Sheridan Maple Run Lift Station
- I10-110004 - Kokomo Wastewater Sheridan Force Main Rerouting

Attachment:

OUCC DR 18-001 Attachment - CONFIDENTIAL

OUCC 35-003

DATA INFORMATION REQUEST
Indiana-American Water Company
Cause No. 45870

Information Requested:

Please refer to Indiana American's response to OUCC DR 18-001:

- a. Does property to be "acquired" for the new lift station mean property to be purchased for the new lift station? If no, what does the term "acquired" mean?
- b. Please provide a detailed description of "associated components" included in response to OUCC DR 18-001 (1).
- c. Please provide a detailed breakdown of the cost for each "associated component" referred in response to OUCC DR 18-001 (1).
- d. Will Indiana American try to minimize the distance between the location of the existing lift station and a new lift station?
- e. Please provide the most recent detailed cost estimates for the following projects:
 - I10-110002 - Kokomo Wastewater Sheridan 6th Street Lift Station Replacement
 - I10-110003 - Kokomo Wastewater Sheridan Maple Run Lift Station
 - I10-110004 - Kokomo Wastewater Sheridan Force Main Rerouting

Objections:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner, its customers or third parties. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner, its customers or third parties. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7). All responses containing designated confidential information are being provided pursuant to the applicable non-disclosure agreements between Petitioner and the parties in connection with the current proceeding.

Information Provided:

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

- a. Acquired refers to the acquisition of a permanent easement or property for the new lift station site.
- b. "Associated components" includes all other vertical and buried lift station assets that will be identified during design and installed on the future lift station site.
- c. Please refer to Petitioner's response to OUCC 30-007 for an explanation of INAW's cost methodology for forecasted projects. A detailed breakdown of cost beyond what was provided in OUCC 18-001 is not available, given the stage of this project in Indiana American's capital

investment planning process. As discussed in INAWC's response to OUCC DR 30-007, Indiana American prepares and tracks monthly reforecasting that reflects the increased accuracy of the project costs as they progress beyond the preliminary phase. Further, as projects progress through the implementation/construction phase, more detailed cost and scope details are made available through bids or contractor pricing information.

- d. Minimizing the distance would be preferable but the ultimate location will be selected during planning and design based on the project constraints.
- e. Please refer to OUCC 30-007_Attachment 01 – CONFIDENTIAL.

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CONFIDENTIAL
OUCC ATTACHMENT KW-17
CAUSE NO. 45870

"EXCLUDED FROM PUBLIC ACCESS PER ACCESS TO COURT RECORDS RULE 5."

CONFIDENTIAL
OUCC ATTACHMENT KW-18
CAUSE NO. 45870