

**REORGANIZED AND REVISED STRAWMAN DRAFT – clean– 12-16-2021**

TITLE 170 INDIANA UTILITY REGULATORY COMMISSION

ARTICLE 1. GENERAL PROVISIONS

Rule 5. Minimum Standard Filing Requirements for an Expedited Rate Case

**170 IAC 1-5-0.5 Applicability**

**Authority:** IC 8-1-1-3

**Affected:** IC 8-1-2-1; IC 8-1-2-42; IC 8-1-2-42.7; IC 8-1-2-61.5

**Sec. 1. (a) This rule applies to rate case petitions filed with the commission under IC 8-1-2-42.7; that is, those petitions seeking to use the:**

**(1) timeframe; or**

**(2) implementation of temporary rates;**

**provided for in IC 8-1-2-42.7.**

**(b) This rule does not apply to small utility filings submitted under IC 8-1-2-61.5.**

***(Indiana Utility Regulatory Commission)***

**170 IAC 1-5-1 Definitions**

**Authority:** IC 8-1-1-3

**Affected:** IC 8-1-2-1; IC 8-1-2-42.7

**Sec. 1. (a) The definitions in this section apply throughout this rule.**

**(b) Where applicable, terms used in this rule shall have the meaning assigned to them in the following:**

**(1) IC 8-1-2-1.**

**(2) The NARUC Uniform System of Accounts, incorporated by reference at 170 IAC 4-2-2, 170 IAC 5-2-2, 170 IAC 6-2-2, and 170 IAC 8-2-1.**

**(3) The FERC Uniform System of Accounts, incorporated by reference at 170 IAC 4-2-1.1 and 170 IAC 5-2-3.**

**(c) “Accounting rate schedules” means an Excel workbook, linked with formulas intact, submitted under section 5 of this rule in support of the electing utility’s proposed revenue and rate adjustment(s).**

**(d) "Allowance for funds used during construction" or "AFUDC" has the meaning set forth in 170 IAC 4-6-1(b).**

**(e) “Base period” means the most recent twelve (12) month period of actual data available with the ending date not more than two hundred seventy (270) days from the filing of an electing utility’s petition.**

**(df) "Case-in-chief" means the filing by a utility with the commission of the information required:**

**(1) in IC 8-1-2-42.7(b) and**

**(2) under section 6 of this rule.**

**(eg) "Commission" means the Indiana utility regulatory commission.**

**(fh) "Construction work in progress" or "CWIP" has the meaning set forth in 170 IAC 4-6-1(e).**

**(i) “Contingency” means a percentage applied to any given project’s estimated cost for the purpose of accounting for estimating errors or market conditions.**

**(gj) "Cutoff" or "cutoff date" means a specific date on which a value is determined for purposes of a**

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proceeding under this rule.

(~~h~~k) "Demand side management" or "DSM" has the meaning set forth in 170 IAC 4-8-1(e).

(i) "Electing utility" means a utility that elects to file a case for a general rate change ~~in accordance with this rule~~ **under IC 8-1-2-42.7 and petitions seeking to use the:**

**(1) timeframe; or**

**(2) implementation of temporary rates;**

**provided for in IC 8-1-2-42.7.**

(m) **“Estimated cost” means an itemized estimate of a specific project, typically prepared by an engineer or estimator, that is used to determine a projects scope, feasibility, and to allocate budgets.**

(~~j~~n) "FERC" means the Federal Energy Regulatory Commission.

(k) "FERC Uniform System of Accounts" means the rules and regulations governing the classification of accounts applicable to a utility as adopted by FERC and adopted by reference by the commission for Indiana utilities.

(p) **“Forward-looking test period” means a twelve (12) month period that:**

**(1) is the basis of projected data, and**

**(2) begins not later than twenty-four (24) months after the date on which the electing utility petitions the commission for a change in its basic rates and charges.**

(q) **“Historical test period” means a twelve (12) month period that ends not more than two hundred seventy (270) days before the date on which the electing utility petitions the commission for a change to its basic rates and charges.**

(r) **“Hybrid test period” means a period:**

**(1) of at least twelve (12) consecutive months of combined historical and projected data, and**

**(2) ending not more than twenty-four (24) months after the date on which the electing utility files its petition.**

(s) **“Life cycle cost-benefit analysis” means the estimated total construction cost plus the cost of operating and maintaining for projected life of the asset.**

(t) **“Linking period” means the period of time between the last date of the base period to the first date of a forward-looking test period.**

(~~l~~u) **“Major project” means:**

**(1) a project that is estimated to cost:**

**(A) more than one percent (1%) of ~~an~~ an electing utility's proposed rate base under section 9(a)(1) of this rule** **plant in service; or**

**(B) if one percent (1%) of an electing utility’s plant in service is \$250,000 or less, at least \$250,000; or**

**(2) a treatment plant project subject to IC 13-18-26-3.**

(~~m~~v) "NARUC" means the National Association of Regulatory Utility Commissioners.

(~~n~~w) "NARUC Uniform System of Accounts" means the rules and regulations governing the classification of accounts applicable to a utility as developed by NARUC and adopted by reference by the commission for Indiana utilities.

(~~o~~x) "OUCC" means the Indiana office of utility consumer counselor.

(~~p~~y) "Parent corporation" means a corporation that owns or controls more than fifty percent (50%) of the voting stock of an electing utility.

(~~q~~z) "Presiding officer" means one (1) or more persons assigned by the commission to preside over a case

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and shall include the following:

- (1) One (1) or more administrative law judges.
- (2) If so assigned, one (1) or more commissioners.

~~(x) "Working Work papers" means all supporting documents required to be submitted under sections 7 through 16 of this rule. Working Work papers may be provided in paper or electronic format but shall be organized according to the sections and subsections of this rule. Each workingwork paper must be:~~

- (1) legible;
- (2) **searchable, with formulas intact, to the extent possible;**
- (23) paginated; and
- (4) specifically identified.

**If the electing utility does not provide intact formulas and links, the electing utility must define the information not provided and provide an explanation of why the formulas and links were cut and not provided.**

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-1; filed Oct 28, 1998, 3:38 p.m.: 22 IR 719; errata filed Nov 22, 1999, 3:32 p.m.: 23 IR 812; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-2 Purpose and applicability

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42; IC 8-1-2-42.7

Sec. 2. (a) This rule is designed to:

- (1) assist the commission in thoroughly and expeditiously reviewing a petition **filed under IC 8-1-2-42.7 for a general rate change by an electing utility; and**
- (2) ~~provide~~ **define a complete case-in-chief in** support ~~for~~of the electing utility's rate petition; ~~and~~
- (3) ~~reduce or avoid disputes.~~

(b) Notwithstanding any other provisions of this rule, this rule shall not:

- (1) limit any rights of the commission or any party to a proceeding to obtain further information from a utility through the discovery process or otherwise;
- (2) constitute a waiver of any objection by the commission or any party to the admission of information into the record of any proceeding;
- (3) limit a utility's right in a proceeding to supplement the information it files under this rule as the utility deems appropriate; or
- (4) be construed to require the production or disclosure of any information that is subject to or protected by any applicable privilege or found by the commission to be confidential under section 3 of this rule.

(c) ~~This rule shall apply at the option of the electing utility. A~~ **An electing utility exercising its option to file that files its general rate case under IC 8-1-2-42.7 in accordance with this rule shall submit to the commission a notice of its intent to do so at least 30 days prior to the date it files its petition.**

(d) ~~This rule and its expedited time frame are intended to apply to general rate case filings that comply with this rule. After review of the documents filed by the electing utility in its petition for a general rate case, the commission may enter a finding that the:~~

- (1) test year proposed by the utility is reasonably representative of the electing utility's ongoing operations;
- (2) cutoff dates filed by the electing utility shall be the cutoff dates used in a proceeding filed under this

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rule;

~~(3) accounting methodology proposed by the electing utility conforms with the guidelines set forth in section 5 of this rule; and~~

~~(4) case-in-chief filed by the electing utility meets the requirements of this rule to the extent not otherwise waived. However, such a finding by the commission is not a finding as to the accuracy or reasonableness of the information.~~

~~(f) The commission may waive the requirements of this rule, in whole or in part, under section 4(b) of this rule. (Indiana Utility Regulatory Commission; 170 IAC 1-5-2; filed Oct 28, 1998, 3:38 p.m.: 22 IR 720; errata filed Nov 22, 1999, 3:32 p.m.: 23 IR 812; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)~~

170 IAC 1-5-2.1 Time frame, procedural schedule, and waiver

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 2.1. (a) ~~Ten (10) months~~**300 days** is the expected amount of time to complete a proceeding under this rule.

(b) The ~~ten (10) month~~**300 day** time frame commences as of the date an electing utility has filed its:

(1) petition; **and**

(2) **complete** case-in-chief; ~~and~~

~~(3) working papers;~~

with the commission.

(c) **Any assertion that the case-in-chief does not meet the requirement of this rule, and, therefore, is not complete, must be submitted in writing to the commission and the electing utility no later than twenty (20) days after the filing of the electing utility's petition and case-in-chief.**

**(d) Within thirty (30) days of the date an electing utility has filed its:**

**(1) petition; and**

**(2) case-in-chief;**

**with the commission, the commission will notify the parties to the proceeding if the filing does not meet the requirements of this rule, identifying the alleged defect or defects and the requirements necessary to cure the alleged defect or defects. The notice shall be served upon the electing utility and all other parties to the proceeding.**

(e) **With the filing of its case-in-chief, an electing utility may request a waiver of compliance with one or more, but not all, of the requirements of this rule by:**

**(1) submitting a written request for a waiver; and**

**(2) serving a copy of the request on all parties to a proceeding.**

**The presiding officer shall rule on a waiver request within thirty (30) days of its filing.**

**(f) The granting of a waiver hereunder shall not preclude a party from seeking the information that was the subject of the waiver through discovery or otherwise.**

**(g) After review of the documents filed by the electing utility under IC 8-1-2-42.7 and this rule, the commission may enter a finding concerning whether the:**

**(1) test period proposed by the utility is reasonably representative of the electing utility's ongoing operations;**

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(2) cutoff dates filed by the electing utility shall be the cutoff dates used in a proceeding filed under this rule;

(3) accounting methodology proposed by the electing utility conforms with the guidelines set forth in section 5 of this rule; and

(4) case-in-chief filed by the electing utility meets the requirements of this rule and IC 8-1-2-42.7(b) to the extent not otherwise waived. However, such a finding by the commission is not a finding as to the accuracy or reasonableness of the information.

(eh) At the prehearing conference or via docket entry, the presiding officer shall:

(1) address any issues regarding the completeness of the electing utility's **case-in-chief** filing; and

(2) establish procedural dates that will allow completion of the case within ~~ten (10) months~~ **300 days** in accordance with this rule, including specific dates for, **but not limited to, the following:**(A) filing of testimony;

(B) cutoff dates for major projects;

(C) holding of hearings;

(D) ~~filing of posthearing briefs;~~

~~(E) filing of proposed orders; and~~

(E) filing of exceptions to any proposed order.

(di) ~~In the event the parties agree that the proceeding should not be bifurcated, then~~ The general rate base and major project cutoff date shall be determined by the presiding officer **for an investor-owned utility electing a historical test period**, with due consideration of the input of the parties.

(ej) The presiding officer may do the following:

(1) Equitably divide the time allotted to the various procedural steps based upon all relevant factors. However, in general, approximately ~~three (3) months~~ **90 days** should be allotted for the preparation and issuance of an order after the submission of any exceptions to a proposed order. **A standard procedural schedule set forth in a commission general administrative order shall be presumed to be an equitable division of time.**

(2) **Upon the request of the electing utility, extend the procedural schedule for the amount of time requested.**

(3) **In addition to (2), extend the procedural schedule to twelve (12) months for good cause one time not to exceed an additional sixty (60) days. Extensions beyond twelve (12) months shall only be allowed upon the concurrence of a majority of the commissioners.**

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-2.1; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-3 Confidential or privileged information

Authority: IC 8-1-1-3

Affected: IC 5-14-3; IC 8-1-2-29

Sec. 3. (a) If an electing utility believes that any information covered by this rule is confidential in accordance with IC 8-1-2-29 and IC 5-14-3, the electing utility may request confidential treatment under the provisions of 170 IAC 1-1.1-4.

(b) To the extent a confidentiality agreement that would cover documents provided as part of a proceeding under this rule is not already in place:

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(1) the electing utility shall:

- (A) proffer to; or
- (B) request from;

the OUCC a proposed confidentiality agreement; and

(2) parties to a proceeding under this rule shall work together with reasonable speed to negotiate an acceptable confidentiality agreement in order to avoid delay in producing documents on which a claim of confidentiality is made.

(c) An acceptable confidentiality agreement under subsection (b) shall include procedures for the following:

- (1) Requesting a determination from the commission that a document shall be considered confidential.
- (2) Maintaining the confidentiality of the documents before a determination regarding confidentiality has been made by the commission.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-3; filed Oct 28, 1998, 3:38 p.m.: 22 IR 721; errata filed Nov 22, 1999, 3:32 p.m.: 23 IR 812; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-4 Petition

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 4. (a) ~~Within twenty (20) calendar days of the date an electing utility has filed its:~~

- ~~(1) petition;~~
- ~~(2) case in chief; and~~
- ~~(3) working papers;~~

~~with the commission, any party to the proceeding may file with the commission a notice that the information does not comply with this rule, identifying the alleged defect or defects and the requirements necessary to cure the alleged defect or defects. The notice shall be served upon the electing utility and all other parties to the proceeding.~~

~~(b) With the filing of its case in chief, an electing utility may request a waiver of compliance with any or all of the requirements of this rule by:~~

- ~~(1) submitting a written request for a waiver; and~~
- ~~(2) serving a copy of the request on all parties to a proceeding.~~

~~The presiding officer shall rule on a waiver request within thirty (30) days of its filing.~~

~~(c) The granting of a waiver hereunder shall not preclude a party from seeking the information that was the subject of the waiver through discovery or otherwise.~~

~~(d) If the utility updates its rate base at any time after its initial filing, the applicable working papers shall be updated accordingly and filed within two (2) business days of the update.~~

~~(f)~~

**As part of an electing utility's petition, the following shall be included:**

- (1) a description of the test period selected;**
- (2) an estimated total dollar amount of the rate increase being requested;**
- (3) an estimate of the percentage increase in rates; and**
- (4) how the utility's proposed rate adjustment will affect its various customer classes.**

**(b) If applicable, a multiple or phased rate request shall include in the electing utility's petition the**

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**estimated dollar amount for which cost recovery is being requested for each phase and an estimate of the percentage change in rates resulting from the requested cost recovery for each phase.**

(ec) All filings by the electing utility to the commission under this rule shall also be served on the following:

- (1) The OUCC on the same day as filed.
- (2) Any other party to the proceeding ~~that has filed a written request for the information:~~
  - ~~(A) on the same day as filed; or~~
  - ~~(B) within five (5) business days of the filing of the written request.~~

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-4; filed Oct 28, 1998, 3:38 p.m.: 22 IR 721; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-5 Case-in-chief

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 5. ~~(a) All information filed by an~~ **The electing utility under this rule utility's case-in-chief shall conform to include the following accounting guidelines:**

~~(1) The test year shall be historical for a twelve (12) month period, the end of which may not be more than one hundred eighty (180) days prior to the filing of the utility's case-in-chief.~~

**(1) Written testimony in support of the requests made in its petition,**

**(2) An index of issues,**

**(3) Accounting rate schedules, in an Excel workbook in the level of detail presented in the commission's example schedules on the commission's website for the applicable utility type, under the sponsorship of one (1) witness submitting prefiled direct testimony in support of an electing utility's request for relief, including:**

**(A) Comparative financial statements including the following:**

**(i) Balance sheets based on actual accounting data for the following:**

**(AA) The historical test period, or**

**(BB) base period, and**

**(CC) the two (2) preceding twelve (12) month periods immediately prior to the period selected.**

**(ii) Unadjusted income statements based on period selected in section 4(a)(1) provided by account and sub-account; and the two (2) preceding twelve (12) month periods immediately prior to the period selected.**

**(B) Phased revenue requirement calculation(s).**

**(C) Net operating income on a jurisdictional basis as:**

**(i) set forth in the utility's operating financial statements for the period selected in (3)(A)(i); and**

**(ii) adjusted for ratemaking purposes under present and proposed rates by phase as applicable, with each proposed adjustment identified by sub-account.**

**(D) Gross revenue conversion factor by proposed phased rates.**

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- (4) A revenue proof based on billing determinants and derived rates used to produce the requested revenue requirement for each proposed charge in a rate schedule or rate group.
- (5) A proposed tariff with additions to the prior tariff shall be shown:
- (A) in bold type; or
  - (B) underlined; and
  - (C) Deletions from the current tariff shall be shown by striking through the text.
- (6) All work papers supporting the electing utility’s petition and case-in-chief, as required by this rule.
- (A) Work papers required under this rule for a historical or hybrid test period shall include the historical accounting data relied upon, as well as any projected accounting data and source documents.
  - (B) Work papers required under this rule for a forward-looking test period shall include any historical or projected accounting data and source documents relied upon for the base period, linking period, and test period.
- (7) A schedule by subaccount that compares the utility’s actual revenues to the revenues approved in each phase of the utility’s previous rate case.
- (8) For a forward-looking test period or hybrid test period, a schedule in the same level of detail as the unadjusted income statement in subsection 3(A)(iii) that compares the utility’s actual O&M costs to the approved O&M costs in each phase of the utility’s previous rate case.
- (b) For a historical test period, accounting data shall may be adjusted for changes that:
- (A) for ratemaking purposes, are:
    - (i) fixed;
    - (ii) known; and
    - (iii) measurable; and
  - (B) will occur within twelve (12) months following the end of the **historical test yearperiod**.
- (3) ~~The general rate base cutoff shall be the end of the test year for used and useful property.~~
- (4) ~~The cost of plant, to the extent not offset by:~~
- ~~(A) growth in the depreciation reserve;~~
  - ~~(B) net contributions in aid of construction;~~
  - ~~(C) net customer advances; or~~
  - ~~(D) any combination of clauses (A) through (C);~~
- ~~may be updated to the plant cutoff date set by the presiding officer under section 2.1(e)(2)(B) of this rule.~~
- (5) ~~The cutoff for a major project shall be based on the latest information available at the time of the major project cutoff date set by the presiding officer under section 2.1(e)(2)(C) of this rule so long as the following tests are met:~~
- ~~(A) The major project is specifically identified in the utility's petition for a general rate change and should include a complete description of the project. A complete description of the project includes, among other things, the scope and location of the project.~~
  - ~~(B) An estimate of the investment to be made by the utility in a major project is included in the utility's case in chief.~~
  - ~~(C) The amount included in the utility's rate base with respect to the major project does not exceed the amount of the estimate referred to in clause (B).~~
  - ~~(D) A monthly investment update is filed with the commission and served on all parties following~~



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~~the filing of a utility's case in chief.~~

~~(E) The major project is declared by the electing utility to be used and useful ten (10) business days before the final hearing.~~

~~(6) A utility's capital structure may be based on the latest information available at the time of the final hearing.~~

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-5; filed Oct 28, 1998, 3:38 p.m.: 22 IR 722; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-6 Filing of case-in-chief

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42

~~Sec. 6. An electing utility shall submit the following basic accounting exhibits with its case in chief under the sponsorship of one (1) or more witnesses submitting prefiled, direct testimony in support of the utility's request for relief:~~

~~(1) Comparative financial statements including the following:~~

~~(A) Balance sheets as of the last day of the following:~~

~~(i) The test year.~~

~~(ii) The twelve (12) month period immediately prior to the test year.~~

~~(B) A statement of cash flow for the test year.~~

~~(C) Income statements for the following:~~

~~(i) The test year.~~

~~(ii) The twelve (12) month period immediately prior to the test year.~~

~~(2) Revenue requirement calculation.~~

~~(3) Net operating income on a jurisdictional basis as:~~

~~(A) set forth in the utility's operating financial statements; and~~

~~(B) adjusted for ratemaking purposes under present and proposed rates.~~

~~(4) Jurisdictional rate base as:~~

~~(A) set forth in the utility's operating financial statements; and~~

~~(B) adjusted for ratemaking purposes.~~

~~(5) Capital structure and cost of capital, including supporting schedules.~~

~~(6) Gross revenue conversion factor.~~

~~(7) Effective income tax rate for the utility.~~

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-6; filed Oct 28, 1998, 3:38 p.m.: 22 IR 722; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

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170 IAC 1-5-7 Work papers and data; general information

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 7. An electing utility shall submit the following information:

(1) A chart of accounts that:

(A) details the types of charges incurred in specific subaccounts; and

(B) describes the utility's format for:

(i) account numbering; and

(ii) coding.

(2) **For Class A utilities, or utilities that utilize FERC forms for annual reporting to the commission:**

(A) a listing of standard monthly journal entries; and

**(B) a general ledger in Excel, that is searchable and sortable, for the historical test period or base period selected by the electing utility.**

~~(3) All annual and quarterly reports to shareowners of the utility and its ultimate parent corporation, if any, or, if public information, the web address where the reports can be viewed for the:~~

~~(A) last two (2) years; and~~

~~(B) year subsequent to the test year, as available.~~

~~(4) All reports of the utility and its parent corporation, if any, filed with the Securities and Exchange Commission for the:~~

~~(A) test year;~~

~~(B) year preceding the test year; and~~

~~(C) year following the test year;~~

~~as available. In lieu of hard copies, the utility may provide a listing of the reports filed, entity filing name, and web address where the reports may be viewed.~~

~~(5) The results of the latest FERC staff audit of the utility for compliance with the FERC Uniform System of Accounts.~~

~~(6) The utility's operating and construction budgets for the following:, which shall be provided by expense or capital account and subaccount, respectively.~~

~~(A) The test year .~~

~~(B) The year following the test year.~~

~~(7) A statement of the budgeting assumptions included in the budgets listed in subdivision (63).~~

~~(8) For an electric utility, the current system interconnection or operating agreement governing system power operations between affiliates.~~

**(5) The minutes of the board of director's meetings held during the historical test period or base period**

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-7; filed Oct 28, 1998, 3:38 p.m.: 22 IR 722; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

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170 IAC 1-5-8 Work papers and data; revenues, expenses, and taxes

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 8. (a) An electing utility shall submit the following information **consistent with the commission's guidelines in a general administrative order:**

(1) ~~Operating income statements as follows:~~

~~(A) An unadjusted income statement for the test year.~~

~~(B) An income statement for the test year under the utility's present rates after adjustments for ratemaking purposes to the following:~~

~~(i) Revenues.~~

~~(ii) Expenses.~~

~~(iii) Taxes.~~

~~(C) An income statement for the test year under the rates being proposed by the electing utility with expenses summarized by the following classifications:~~

~~(i) Operating expenses.~~

~~(ii) Depreciation.~~

~~(iii) Taxes other than income taxes.~~

~~(iv) Operating income before income taxes.~~

~~(v) Current federal income taxes.~~

~~(vi) Current state income taxes.~~

~~(vii) Deferred federal income taxes.~~

~~(viii) Deferred state income taxes.~~

~~(ix) Income tax credits.~~

~~(x) Other charges and credits.~~

~~(xi) Net utility operating income.~~

~~(2) A compilation of all supporting working papers for sorted by each pro forma adjustment listed in subdivision (1)5(3)(C).~~

**(2) The first work paper for each adjustment shall include, but not be limited to, including the following:**

**(A) Actual test year revenues or expenses.**

**(B) Adjustments to test year actual revenues or expenses.**

**(C) A description of summary that generally describes each adjustment methodology developed from the historical test period or base period, including, but not limited to, changes in price and in activity levels, separately detailed by elements of cost. All assumptions of changes in price inputs because of inflation or other factors or changes in activity levels due to modified work practices or other reasons should be separately developed.**

**(3) If not already provided under subdivision (2), the following monthly information by rate class for the historical test year period or base period:**

**(A) Operating revenues.**

**(B) Sales or deliveries.**

**(C) Number of customers.**

**(D) Unbilled revenues.**

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(4) **If not already provided under subdivision (2)**, pro forma:

- (A) revenues;
- (B) sales or deliveries; and
- (C) numbers of customers;

~~for the test year~~, including detailed calculations supporting adjustments, if any, for annualization.

(5) ~~Pro forma~~ Revenue adjustments and support therefor relating to the proposed change in any nonrecurring charge, including, but not limited to, the following, as applicable:

- (A) Insufficient funds check charge.
- (B) Reconnect charge.
- (C) Disconnect charge.
- (D) Records charge.
- (E) Collection charge.
- (F) Meter testing charge.
- (G) Meter reading charge.
- (H) Meter tampering charge.
- (I) Connection or tap fee.

(6) The utility's written policies and procedures, if any, related to the write-off of any customer accounts as uncollectible.

~~(7) The utility's actual operating expenses by account and subaccount for the test year.~~

~~(8) If not already provided under subdivision (2)~~, a schedule detailing purchases for resale of gas, electricity, and water, including costs and volumes purchased during the **historical test or base period and estimated to be purchased for the test year period**. Any purchase for interdepartmental sales or internal use shall be identified.

**(8) Contracts regarding the following:**

- (A) Gas supply.**
- (B) Gas storage.**
- (C) Purchased electric, water, sewage treatment, and coal.**

(9) **If not already provided under subdivision (2)**, the number of employees by month for the **historical test-year period or base period** categorized by the following:

- (A) Bargaining unit.
- (B) Exempt status.
- (C) Nonexempt status.

(10) **If not already provided under subdivision (2)**, actual payroll dollars charged for the **historical test-year period or base period** to accounts for the following:

- (A) Construction.
- (B) Operation.
- (C) Maintenance.
- (D) Other.

(11) **If not already provided under subdivision (2)**, the following information by employee category identified in subdivision (9) for each payroll increase ~~during from the historical test period or base period~~ **through the test period**:

- (A) The date.
- (B) The percentage increase.

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**Any proposed changes to, additions, or deletions of historical test period or base period compensation programs should be explained in detail with the proposed effective date identified. Any assumptions or forecasted data shall be explained in detail.**

(12) A description of the utility's other employee compensation programs paid or granted by the utility during the **historical test-year period or base period**, including, but not limited to, the following:

- (A) Performance bonuses.
- (B) Incentive payments.
- (C) Stock and stock options.

(13) Regarding benefits provided by the utility to employees **in the historical test period or base period**, the following:

- (A) A list of the categories of benefits.
- (B) The associated cost of each category.
- (C) The amount charged to operation and maintenance expense during the test year with respect to each category.
- (D) The amount of payroll benefits capitalized during the test year with respect to each category.

(14) The utility's pension expense for the **historical test-year period or base period** and an identification of any unfunded amounts.

(15) The latest pension actuarial study used by the utility for determining pension accrual.

(16) The latest actuarial study for other postretirement employee benefits.

(17) Schedules of net charges by category or account for each affiliated company for services rendered during the **historical test-year period or base period, as well as pro forma adjustments**, including the following:

- (A) An explanation of the nature of services provided.
- (B) An explanation of the basis or pricing methodology for charges.
- (C) If charges are allocated, for each type of charge allocated, the following:
  - (i) A detailed explanation of the allocation methodology used.
  - (ii) The specific allocation factors used.

**(D) Calculations and source documents for any affiliated transaction, including, but not limited to, the following:**

- (i) Parent company allocations.**
- (ii) Direct charges.**

(18) The monthly amounts of injury and damage for the **historical test-year period or base period**, including the following:

- (A) Claims paid by the utility.
- (B) Expense accrued.

(19) If applicable, **historical test-year period or base period** data applicable to each DSM program of the utility, including the following:

- (A) A description of the DSM program conducted.
- (B) Costs related to the program.
- (C) The accounting treatment of the costs.
- (D) Reference to the applicable commission orders, if any, regarding each DSM program.

(20) **If not already provided under subdivision (2)**, expenditures incurred by the utility during the **historical test-year period or base period** and amounting to more than ten thousand dollars (\$10,000) to

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an individual payee for:

- (A) outside services;
- (B) consulting services; or
- (C) legal services.

(21) **If not already provided under subdivision (2)**, a schedule of all charitable and civic contributions recorded to utility operations during the **historical test-year period or base period**.

(22) **If not already provided under subdivision (2)**, a schedule of all research and development expenditures incurred during the **historical test-year period or base period** and recorded to utility operations.

(23) A schedule of:

- (A) trade;
- (B) social; and
- (C) service;

organization memberships paid during the **historical test-year period or base period** and recorded to utility operations.

(24) A schedule of estimated rate case expenses, including supporting detail, for the following:

- (A) Outside services to be rendered.
- (B) The expected costs of those services.

(25) **If not already provided under subdivision (2)**, regarding advertising recorded to utility operations during the **historical test-year period or base period**, the following:

- (A) A schedule of expenditures by the utility.
- (B) Representative samples of the advertising by major media category, including, but not limited to, the following:
  - (i) Television.
  - (ii) Radio.
  - (iii) Newspaper.
  - (iv) Internet.**

(26) The schedule required by subdivision (25) shall identify expenditures by the following subject matters:

- (A) Public health and safety.
- (B) Conservation.
- (C) An explanation of rates, billing practices, and other administrative matters.
- (D) Other advertising programs.

(27) A description of the utility's methodology for capitalizing construction overheads during the **historical test-year period or base period**.

(28) A description of the allocation methodology of multiutility common expenses that are allocated to the utility in the rate proceeding covered by this rule.

(29) A schedule of amounts of taxes other than income taxes recorded to utility operations during the **historical test-year period or base period** for the following categories:

- (A) Social Security.
- (B) Unemployment.
- (C) Public utility fee.
- (D) Property.

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- (E) Utility receipts tax.
- (F) Other revenue related.
- (G) Other.

(30) A schedule of book value and taxing authority assessed value for the determination of real and personal property tax for the following:

- (A) The **historical test-year period or base period**.
- (B) To the extent reasonably available, the latest information subsequent to the **historical test-year period or base period**.

~~(31) A schedule of the following:~~

~~(A) Deferred tax balances of the utility at the:~~

- ~~(i) beginning; and~~
- ~~(ii) end;~~

~~of the test year.~~

~~(B) Net provisions and paybacks during the test year.~~

~~(32) Computations showing the deferred income taxes of the utility derived by using accelerated tax depreciation with separate computations provided for the following:~~

- ~~(A) State income taxes.~~
- ~~(B) Federal income taxes.~~

~~(33) A reconciliation of any difference between:~~

~~(A) the deferred tax balance, as shown as:~~

- ~~(i) a reduction to rate base; or~~
- ~~(ii) cost-free capital; and~~

~~(B) the deferred tax balance of the utility as shown on the balance sheet.~~

~~(34) A schedule showing the breakdown of accumulated investment tax credits of the utility, including a description of the methodology used to write off the unamortized balances.~~

~~(35) Supporting working papers for the development of the state and federal composite income tax rate used by the utility during the test year to defer income tax expense.~~

~~(36) The calculation of the interest deduction used by the utility to compute income taxes.~~

~~(b) In addition to the information listed in subsection (a), an electric utility shall submit the following information related to electric generating facility maintenance by station:~~

~~(1) Actual and budgeted maintenance costs during the test year.~~

~~(2) Budgeted maintenance schedule for the test year and any future period or periods as available.~~

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-8; filed Oct 28, 1998, 3:38 p.m.: 22 IR 723; errata filed Nov 22, 1999, 3:32 p.m.: 23 IR 812; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

**170** IAC 1-5-9 Working papers and data; rate base and general information

Authority: IC 8-1-1-3

Affected: IC 8-1-2-6.6; IC 8-1-2-42

~~Sec. 9. (a) An electing utility shall submit the following information:~~

~~(1) A summary schedule showing the utility's proposed rate base. The schedule shall show the following:~~

- ~~(A) Beginning balances per the utility's books.~~

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~~(B) Proposed pro forma adjustments.~~

~~(2) The following data for each regulatory asset for which the utility seeks rate base treatment:~~

~~(A) Beginning test year balance.~~

~~(B) End of test year balance.~~

~~(C) Proposed balance to be included in rates.~~

~~(D) Where applicable, any:~~

~~(i) commission order;~~

~~(ii) accounting pronouncement; or~~

~~(iii) other authorization;~~

~~establishing the asset.~~

~~(3) A schedule showing the fair value of the utility's proposed rate base.~~

~~(b) If a utility proposes to add investment in qualified pollution control properties as defined in IC 8-1-2-6.6 to the value of its electric property, the utility shall also submit a filing that complies with the requirements of 170 IAC 4-6. (Indiana Utility Regulatory Commission; 170 IAC 1-5-9; filed Oct 28, 1998, 3:38 p.m.: 22 IR 725; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)~~

170 IAC 1-5-10 Work papers and data; utility plant in service

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 10. An electing utility shall submit the following information:

~~(1) Any valuation study performed by or for the utility, including all assumptions used in that study, that serves as the basis for the utility's proposed fair value of its utility plant in service, including any supporting working papers.~~

~~(2) A schedule showing end of **historical test-year period or base period** balances for the following:~~

~~(A) A utility's plant in service **by subaccount.**~~

~~(B) Accumulated depreciation by subaccount.~~

**If applicable, the cause number and order date of the commission's rate order authorizing the utility's current depreciation rates and the cause number approving the last depreciation study.**

~~(3) The utility's construction budget for the following:~~

~~(A) The **historical test-year period or base period.**~~

~~(B) As available, the period that ends with the plant cutoff date used to determine the plant in service rate base proposed by the utility **by phase.**~~

~~(4) An annual summary by subaccount of actual net plant additions to a utility's plant in service used to determine the plant in service rate base proposed by the utility, showing:~~

~~(A) plant additions;~~

~~(B) retirements; and~~

~~(C) other changes to plant in service;~~

~~for the test year and, as available, for the period subsequent to the test year ending with the plant cutoff date.~~

~~(5) a schedule of pro forma utility additions subsequent to the test year ending with the proposed plant~~



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cutoff date, including the following:

~~(A) Estimated in service date or dates.~~

~~(B) Actual costs per books at the end of the test year.~~

~~(C) Estimated cost of utility additions based on costs as defined by the applicable NARUC or FERC Uniform System of Accounts.~~

~~(D) Pro forma retirements, cost to retire, or net proceeds received from the sale of property related to the proposed addition to rate base.~~

~~(E) For those utility additions that have received CWIP ratemaking treatment, the utility shall show AFUDC as a separate component of cost and include an explanation of the allocation of AFUDC to retail customers receiving service from the utility in Indiana.~~

(3) A narrative statement of the criteria used to select projects included in the utility's proposed pro forma additions to the end of **historical test year period or base period** plant in service.

(4) A narrative statement of all policies and procedures used to account for the capitalization of AFUDC.

(5) A listing of cause numbers of all commission orders that precertify projects added, **or to be added**, to the end of test **yearperiod** plant in service.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-10; filed Oct 28, 1998, 3:38 p.m.: 22 IR 725; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-11 Work papers and data; depreciation

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

~~Sec. 11. (a) An electing utility shall submit the following information:~~

~~(1) If applicable, the cause number and order date of the commission's rate order authorizing the utility's current depreciation rates and the cause number approving the last depreciation study.~~

~~(2) A description of each adjustment proposed by the utility to its book accumulated provision for depreciation and depreciation expense for the test year.~~

~~(b) If an electing utility is seeking a change in its depreciation accrual rates, the utility shall also submit the following information:~~

~~(1) The depreciation study performed by or for the utility that serves as the basis for the requested change in depreciation accrual rates.~~

~~(2) A copy of the dismantlement or demolition studies performed by or for the utility.~~

~~(3) Supporting working papers for the documents required in subdivisions (1) and (2).~~

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-11; filed Oct 28, 1998, 3:38 p.m.: 22 IR 725; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-12 Work papers and data; working capital

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

Sec. 12. An electing utility shall submit the following information:

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- (1) If the utility is requesting an allowance for cash working capital, a copy of all studies, including working papers, supporting the request.
- (2) For an electric utility, the following:
  - (A) ~~A complete description of the fuel inventory level policies used for planning purposes by the utility.~~
  - (B) ~~Copies of all analyses completed within the last three (3) years by or for the utility establishing the optimal fuel inventory level for each generating station.~~
  - (C) ~~When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, the following:~~
    - (i) ~~Tons of fuel consumed for the test year or applicable adjusted period.~~
    - (ii) ~~The daily burn in:~~
      - (AA) ~~tons;~~
      - (BB) ~~gallons; or~~
      - (CC) ~~cubic feet.~~
    - (iii) ~~The pro forma optimal number of days supply required for each plant or unit.~~
    - (iv) ~~The pro forma inventory of tons or gallons burned by the generating unit or plant.~~
    - (v) ~~The fuel cost per ton or gallon.~~
    - (vi) ~~The per books fuel inventory.~~
  - (D) ~~Any request for an adjustment to the utility's proposed fuel inventory level intended to meet normal operations must include the following:~~
    - (i) ~~A narrative discussion of the factors considered in determining that an adjustment is warranted.~~
    - (ii) ~~A detailed exhibit demonstrating the development of the proposed adjustment.~~
- (3) For a gas utility, the following:
  - (A) ~~The leased and contract storage balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of the relevant circumstances.~~
  - (B) ~~A complete description of the gas storage and supply policies used for planning purposes by the utility.~~
  - (C) ~~Copies of all analyses conducted by or for the utility establishing the optimal storage and supply level for the utility's system.~~
- (4) The materials and supplies balances at the beginning of the first month and end of each month of the **historical test year period or base period** with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of the relevant circumstances.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-12; filed Oct 28, 1998, 3:38 p.m.: 22 IR 726; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

**170 IAC 1-5-12.1 Work papers and data; other**

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42

**Sec. 12.1. An electing utility shall provide reasonable access to the following information upon the written request of the presiding officer, OUCC, or any party to the proceeding:**

**(1) Monthly unaudited financial reports for the utility for the historical test period or base period and for each month subsequent to the historical test period or base period.**

**(2) Internal audit reports prepared during the historical test period or base period.**

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-12.1*

**170 IAC 1-5-12.2 Additional accounting and cutoff guidelines for investor-owned utilities**

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

**Sec. 12.2. (a) An electing investor-owned utility's rate base cutoff may be updated to the extent the cost of plant is not offset by:**

**(1) growth in the depreciation reserve;**

**(2) net contributions in aid of construction;**

**(3) net customer advances; or**

**(4) any combination of clauses (1) through (3);**

**to the plant cutoff date set by the presiding officer under section 2.1(h)(2)(B).**

**(b) For a historical test period or hybrid test period:**

**(1) the rate base cutoff for all projects placed in service used and useful shall be the end of the test period.**

**(2) an electing utility's rate base information included in its case-in-chief for major projects placed in service, used and useful may be updated for a historical test period within ten (10) business days of the evidentiary hearing so long as the following tests are met:**

**(A) the major project is specifically identified in the utility's petition for a rate change and includes a complete description of the project. A complete description of the project includes, among other things, the scope and location of the project.**

**(B) an estimate of the investment to be made by the utility in a major project is included in the utility's case-in-chief.**

**(C) the amount included in the utility's rate base with respect to the major project does not exceed the rate base amount relied on in Section 4(b) to yield an estimated total dollar amount of the rate increase being requested.**

**(D) a monthly investment update is filed with the commission and served on all parties following the filing of a utility's case-in-chief.**

**(c) For a forward-looking test period:**

**(1) an electing utility's cutoff for projects for phase (1) one shall be projects certified placed in service used and useful sixty (60) days before the evidentiary hearing.**

**(2) an electing utility's cutoff for remaining project(s) placed in service used and useful shall be the end of the test period and can be factored into the utility's proposed phased rate schedules so long**

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as the following tests are met:

(A) proposed major project(s) were specifically identified in the utility's case-in-chief, includes a complete description of the project, an estimate of the investment to be made by the utility and life cycle cost-benefit analysis for projects subject to IC 13-18-26-3. A complete description of the project includes, among other things, the scope and location of the project.

(B) the amount to be included in the utility's proposed phased revenue requirement(s) with respect to the remaining project(s) do not exceed the rate base amount relied on in Section 4(b) to yield an estimated total dollar amount of the rate increase being requested.

(C) remaining projects not used and useful within sixty (60) days of the evidentiary hearing shall be certified used and useful through a compliance filing consistent with the utility's phased rate schedules approved by commission order.

(D) a monthly investment update is filed with the commission and served on all parties following the filing of a utility's case-in-chief.

(d) An electing utility's capital structure may be updated based on the latest information available within fifteen (15) business days of the evidentiary hearing as part of the electing utility's rebuttal filing.

(e) An electing utility:

(1) shall file a schedule of utility plant in service by subaccount reflecting the beginning balance, adjustments, and ending balance ten (10) business days prior to the electing utility's request for approval of its commission approved phased rates.

(A) The OUCC and any other party will have sixty (60) days from the date of certification to state any objections.

(B) If objections cannot be resolved informally, a hearing will be held to determine the utility's actual net plant in service, and rates will be tried retroactively to the date that the utility's rates became effective.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-12.2*

**170 IAC 1-5-12.3 Additional accounting rate schedules, work papers and data for investor-owned utilities**

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

**Sec. 12.3. An investor-owned electing utility shall include the following additional accounting rate schedules:**

**(1) A summary schedule showing the utility's proposed jurisdictional rate base as:**

**(A) the beginning balances as set forth in the utility's operating financial statements for the period selected in (3)(1)(A); and**

**(B) adjusted for ratemaking purposes as applicable by proposed phased rates.**

**(2) An annual summary by subaccount of actual net plant additions to a utility's plant in service, showing:**

**(A) plant additions;**

**(B) retirements; and**

**(C) other changes to plant in service;**

**for the historical test period or base period and, as available, for the period subsequent to the historical test period or base period ending with the plant cutoff date for phase one (1) rates.**

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- (3) A description of each adjustment proposed by the utility to its book accumulated provision for depreciation by sub-account shown in (10)(1)(B) and depreciation expense for the base or historical period.
- (4) For historical test periods or hybrid test periods, a schedule of pro forma utility additions subsequent to the historical test period or base period ending with the proposed major plant cutoff date, including the following:
- (A) Estimated in service date or dates.
  - (B) Actual costs per books at the end of the historical test period or base period.
  - (C) Estimated cost of utility additions based on costs as defined by the applicable NARUC or FERC Uniform System of Accounts.
  - (D) Pro forma retirements, cost to retire, or net proceeds received from the sale of property related to the proposed addition to utility plant in service.
  - (E) Pro forma adjustment to accumulated depreciation for each plant addition, retirement or other proposed change to utility plant in service.
  - (F) For those utility additions that have received CWIP ratemaking treatment, the utility shall show AFUDC as a separate component of cost and include an explanation of the allocation of AFUDC to retail customers receiving service from the utility in Indiana.
- (5) For forward-looking test period, a schedule by phase of utility additions, retirements, and other changes to plant in service by subaccount subsequent to the previous phase and ending with the end of the proposed test period with the level of detail as provided in subsection 3.
- (6) The following data for each regulatory asset for which the utility seeks rate base treatment:
- (A) Beginning historical test period or base period balance.
  - (B) End of historical test period or base period balance.
  - (C) Proposed balance to be included in rates.
  - (D) Where applicable, any:
    - (i) commission order;
    - (ii) accounting pronouncement; or
    - (iii) other authorization;establishing the asset.
- (7) A schedule showing the fair value of the utility's proposed rate base.
- (A) Any valuation study performed by or for the utility, including all assumptions used in that study, that serves as the basis for the utility's proposed fair value of its rate base, including any supporting work papers.
  - (B) If a utility proposes to add investment in qualified pollution control properties as defined in IC 8-1-2-6.6 to the value of its electric property, the utility shall also submit a filing that complies with the requirements of 170 IAC 4-6.
- (8) A separate schedule for rate base information shall list at a minimum each major project added from the selected period in (3)(1)(A) by account number with an asset description, cost of materials, labor costs, non-construction costs, total costs, task order number and in-service date by phase;
- (9) Capital structure and weighted average cost of capital as of the historical test period or base period, including the following information:
- (A) Common equity.
  - (B) Long-term debt, including that maturing within one (1) year.

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- (C) Other debt, with specificity.
- (D) Preferred or preference stock.
- (E) Customer deposits.
- (F) Sources of cost free capital, including the following:
  - (i) Pre-1971 investment tax credit.
  - (ii) Deferred taxes for ratemaking.
  - (iii) FAS 106 nonexternally funded liabilities.
- (G) Post-1970 investment tax credit and other components as appropriate.

(10) Effective income tax rate for the utility for each proposed phased rate change.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-6*

**170 IAC 1-5-12.4 Additional work papers and data; revenues, expenses, and taxes for investor-owned utilities**

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

**Sec. 12.4. In addition, for an electing investor-owned utility, the following:**

**(1) Deferred tax balances of the utility at the:**

- (A) beginning; and
  - (B) end;
- of the historical test period or base period.

(B) Net provisions and paybacks during the historical test period or base period.

**(2) Computations showing the deferred income taxes of the utility derived by using accelerated tax depreciation with separate computations provided for the following:**

- (A) State income taxes.
- (B) Federal income taxes.

**(3) A reconciliation of any difference between:**

- (A) the deferred tax balance, as shown as:
  - (i) a reduction to rate base; or
  - (ii) cost-free capital; and
- (B) the deferred tax balance of the utility as shown on the balance sheet.

**(4) A schedule showing the breakdown of accumulated investment tax credits of the utility, including a description of the methodology used to write off the unamortized balances.**

**(5) Supporting work papers for the development of the state and federal composite income tax rate used by the utility during the historical test period or base period to defer income tax expense.**

**(6) The calculation of the interest deduction used by the utility to compute income taxes.**

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-12.4*

**170 IAC 1-5-13 Additional investor-owned utility work papers and data; rate of return and capital structure**

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

**Sec. 13. (a) An investor-owned electing utility shall submit the following information:**

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(1) Capitalization and capitalization ratios at the end of the **historical test yearperiod or base period** and at the end of the year beginning twelve (12) months prior to the **historical test year, respectivelyperiod or base period**, including the following information:

(A) Year-end interest coverage ratios for the **historical test yearperiod or base period** and the year ended twelve (12) months prior to the end of the **historical test yearperiod or base period** and a pro forma interest coverage under the rates proposed by the utility.

(B) Year-end preferred stock dividend coverage ratios for the **historical test yearperiod or base period** and the year ended twelve (12) months prior to the end of the **historical test yearperiod or base period**.

(C) The supporting calculations for the information described in clauses (A) and (B).

(2) The following financial data relating to the utility as of the end of the most recent five (5) fiscal years:

(A) Annual price earnings ratio.

(B) Earnings-book value ratio on a per share basis, using average book value.

(C) Annual dividend yield.

(D) Annual earnings per share in dollars.

(E) Annual dividends per share in dollars.

(F) A book value per share yearly.

(G) Average annual market price per share calculated using monthly high and low share market prices.

(H) Pretax interest coverage ratio.

(I) Posttax interest coverage ratio.

(J) Market price-book value ratio average.

(K) The supporting calculations for the information described in this subdivision.

~~(3) The utility's capital structure and weighted average cost of capital as of the test year end, including the following information:~~

~~(A) Common equity.~~

~~(B) Long term debt, including that maturing within one (1) year.~~

~~(C) Other debt, with specificity.~~

~~(D) Preferred or preference stock.~~

~~(E) Customer deposits.~~

~~(F) Sources of cost free capital, including the following:~~

~~(i) Pre 1971 investment tax credit.~~

~~(ii) Deferred taxes for ratemaking.~~

~~(iii) FAS 106 nonexternally funded liabilities.~~

~~(G) Post 1970 investment tax credit and other components as appropriate.~~

(4) If an electing utility is asking for special treatment because of the provisions of any of the following documents of the utility or its parent company, or both, then copies of the document or documents with the affecting provision or provisions must also be submitted:

(A) Articles of incorporation or a similar document.

(B) Indentures.

(C) Other loan documents.

(D) Other documents that describe the following:

(i) Coverage requirements.

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- (ii) Limits on proportions of types of capital outstanding.
  - (iii) Restrictions on dividend payouts.
- (4) A schedule of preferred stock outstanding by series, including current maturities, for the end of the **historical test yearperiod or base period** and the latest date reasonably available.
- (5) A schedule of long-term debt outstanding by series, including current maturities, for the end of the **historical test yearperiod or base period** and the latest date reasonably available.
- (6) A schedule of the following information for the utility as of the end of the **historical test yearperiod or base period** and as of the latest date reasonably available prior to the postfiling date, respectively:
  - (A) A computation of the embedded cost rate of long-term debt, including the amount maturing within twelve (12) months.
  - (B) Computation of the embedded cost rates of other debt.
  - (C) Computation of the embedded cost rates of preferred or preference stock, including amounts maturing within twelve (12) months.
- (7) Schedules required by this subsection should contain all relevant information, including, but not limited to, the following:
  - (A) The date of issue.
  - (B) The maturity date.
  - (C) The dollar amount.
  - (D) The coupon or dividend rate.
  - (E) The net proceeds, including discounts and premiums.
  - (F) The annual interest or dividend paid and balance of principal.
  - (G) The calculations in this section.
- (8) The following information regarding the utility's plans regarding debt, common stock, and preferred stock during the year following the **historical test year-endperiod or base period**:
  - (A) Issues that are to be retired or refinanced.
  - (B) If a refinancing is planned, the following:
    - (i) The manner in which the refinancing will proceed, that is, sinking fund or refinancing.
    - (ii) The source of the capital to be used to implement the refinancing.
    - (iii) The estimated cost rate of new capital, the estimated overall cost of each refinancing operation, and any cost-benefit analyses performed relating to each refinancing.
- (9) All relevant reports in the utility's possession by rating agencies on the utility and its parent company for the **historical test yearperiod or base period**, and thereafter up to the date of the ~~final~~**elective** hearing. The reports should be based on the debt:
  - (A) used in calculations in the ~~electing~~ utility's filing; or
  - (B) of a parent company or proxy company whose debt is rated.
- (10) Average monthly balance of short-term debt for the **historical test yearperiod or base period** and the most recently available twelve (12) month period and the utility's current cost for short-term debt.
  - (b) With respect to the ~~electing~~ utility's proposed cost of equity and proposed fair rate of return, ~~an~~**the** ~~electing~~ utility shall provide the following:
    - (1) If ~~an~~**the** ~~electing~~ utility used a risk premium model to establish its cost of equity, all documents the ~~electing~~ utility used to estimate the risk premium.
    - (2) If ~~an~~**the** ~~electing~~ utility used any other cost of equity models, all documents used by the utility to derive its estimate.



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(3) If ~~an~~the electing utility used a comparable earnings model and the proxy group contains more than twenty (20) companies, an electronic copy of the analysis used by the utility in whatever format or program was used to derive the ~~electing~~ utility's estimated cost of equity or fair rate of return.

(c) To the extent the electing utility is prohibited from producing copies of the documentation listed in subsection (b)(1) through (b)(3) due to the documentation being licensed or proprietary material by agreement or by copyright law, the ~~electing~~ utility shall provide the following:

(1) A list of which documents may not be copied and the reasons therefor.

(2) Access to the documents listed in subdivision (1) to all parties to the proceeding under this rule at a mutually convenient time and place.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-13; filed Oct 28, 1998, 3:38 p.m.: 22 IR 726; errata filed Nov 22, 1999, 3:32 p.m.: 23 IR 812; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-14 Working papers and data; other

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42

~~Sec. 14. An electing utility shall provide reasonable access to the following information upon the written request of the presiding officer, OUCC, or any party to the proceeding:~~

~~(1) Monthly unaudited financial reports for the utility for the test year and for each month subsequent to the test year through the date of the final hearing in the proceeding.~~

~~(2) The utility's latest FERC rate case filing, if any, and latest rate order issued by the FERC, if any, regarding wholesale or interstate rate changes.~~

~~(3) The minutes of the board of director's meetings held during the test year and for the year following the test year.~~

~~(4) Internal audit reports prepared during the test year.~~

~~(5) Contracts regarding the following:~~

~~(A) Gas supply.~~

~~(B) Gas storage—C) Purchased electric, water, and coal.~~

~~(D) Transportation and rail contracts.~~

~~(6) Accounting information documenting monthly charges applicable to the proposed post test year utility additions and related retirement projects.~~

~~(7) Calculations and source documents for any affiliated transaction, including, but not limited to, the following:~~

~~(A) Parent company allocations.~~

~~(B) Direct charges.~~

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-14; filed Oct 28, 1998, 3:38 p.m.: 22 IR 727; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

**170 IAC 1-5-14.1 Additional work papers and data; general information for investor-owned utilities**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-42**

**Sec. 14.1. For an electing investor-owned utility:**

**(1) All annual and quarterly reports to shareowners of the utility and its ultimate parent corporation, if any, or, if public information, the web address where the reports can be viewed for the:**

**(A) last two (2) years, which may include the base period or test period; and**

**(B) the year subsequent to the test period, as available, through the date of the evidentiary hearing.**

**(2) The utility may provide a listing of the reports filed, entity filing name, and web address where the reports may be viewed.**

***(Indiana Utility Regulatory Commission; 170 IAC 1-5-14.1)***

**170 IAC 1-5-14.2 Additional accounting rate schedules and work papers, municipally-owned, not-for-profit, and cooperatively-owned utilities**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-42.7**

**Sec. 14.2. (a) For an electing municipally-owned, not-for-profit, or cooperatively-owned utility the following additional accounting rate schedules:**

**(1) Debt service**

**(A) A schedule of long-term debt outstanding by series, including current maturities, for the end of the historical test period or base period and the latest date reasonably available.**

**(B) Schedules required by this subsection should contain all relevant information, including, but not limited to, the following:**

**(i) The date of issue.**

**(ii) The maturity date.**

**(iii) The dollar amount.**

**(iv) The coupon or dividend rate.**

**(v) The net proceeds, including discounts and premiums.**

**(vi) The annual interest or dividend paid and balance of principal.**

**(2) Debt service reserve for each outstanding bond based on the terms of the bonds less amount of debt service reserve already funded.**

**(3) If included in the revenue requirement calculations, extensions and replacements based upon a capital improvement plan:**

**(A) A complete description for each major project of the capital improvement plan shall be included in the utility's case-in-chief. A complete description of each major project shall include:**

**(i) the scope,**

**(ii) location or proposed location of the project,**

**(iii) cost or estimated cost of materials,**

- (iv) cost or estimated costs of labor,
- (v) non-construction costs,
- (vi) total project cost or estimated cost,
- (vii) life cycle cost-benefit analysis,
- (viii) task order number, and
- (ix) proposed in-service date:

by proposed phase.

Any contingency to the estimated cost shall be applied to the total cost of construction as a uniform percentage and not be rolled into individual line-item costs,

(B) the amount to be funded by revenues and the amount to be funded by proposed debt shall also be identified by proposed phase.

(C) impact on depreciation expense shall also be identified by proposed phase.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-14.2)*

**170 IAC 1-5-14.3 Additional requirements for energy utilities**

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42.7

**Sec. 14.3. (a) For an electric utility, provide the following:**

- (1) the current system interconnection or operating agreement governing system power operations between affiliates.**
- (2) In addition to the information listed in sections 1-5-9(a) and (b), the following information related to electric generating facility maintenance by station:**
  - (A) Actual and budgeted maintenance costs during the historical test period or base period.**
  - (B) Budgeted maintenance schedule for the historical test period or base period and any future period or periods as available.**
- (3) A complete description of the fuel inventory level policies used for planning purposes by the utility.**
- (4) Copies of all analyses completed within the last three (3) years by or for the utility establishing the optimal fuel inventory level for each generating station.**
- (5) When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, the following:**
  - (A) Tons of fuel consumed for the test year or applicable adjusted period.**
  - (B) The daily burn in:**
    - (i) tons;**
    - (ii) gallons; or**
    - (iii) cubic feet.**
  - (C) The pro forma optimal number of days supply required for each plant or unit.**
  - (D) The pro forma inventory of tons or gallons burned by the generating unit or plant.**
  - (E) The fuel cost per ton or gallon.**
  - (F) The per books fuel inventory.**
- (6) Any request for an adjustment to the utility's proposed fuel inventory level intended to meet normal operations must include the following:**

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(A) A narrative discussion of the factors considered in determining that an adjustment is warranted.

(B) A detailed exhibit demonstrating the development of the proposed adjustment.

(b) For a gas utility, the following:

(A) The leased and contract storage balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of the relevant circumstances.

(B) A complete description of the gas storage and supply policies used for planning purposes by the utility.

(C) Copies of all analyses conducted by or for the utility establishing the optimal storage and supply level for the utility's system.

(c) The utility's latest FERC rate case filing, if any, and latest rate order issued by the FERC, if any, regarding wholesale or interstate rate changes.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-14.3)*

170 IAC 1-5-15 Work papers; cost of service study; determination of revenue requirements by customer class

Authority: IC 8-1-1-3

Affected: IC 5-14-3-4; IC 8-1-2-29; IC 8-1-2-42.7

Sec. 15. (a) An electing utility shall submit a jurisdictional separation study, if applicable, and a class cost of service study to the commission, OUCC, and any party to the proceeding.

(b) For an **investor-owned** electing utility, the class cost of service study shall include the following information:

(1) Allocation of rate base by rate class.

(2) Pro forma sales revenues at present rates by rate class.

(3) Allocation of other operating revenues (or miscellaneous revenue or other income) by rate class.

(4) Allocation of pro forma operating expenses by:

(A) category or function; and

(B) rate class.

(5) Rate of return by rate class at present rates.

(6) Revenues at equal rates of return by rate class at present rates.

(7) Subsidy or excess at present rates by rate class.

(8) Revenues at equal rates of return by rate class at proposed rates.

(9) The proposed dollar and percent subsidy or excess reduction by rate class.

(10) Revenues at proposed rates by rate class.

(c) For an electing utility that is a water utility, the class cost of service study shall follow the guidelines established in the American Water Works Association M-1 Manual, Fifth Edition.

(d) For an electing utility that is a wastewater utility, the class cost of service study shall follow the guideline established in the Water Environment Federation Manual of Practice No. 27.

(e) The requirements of this section shall not apply to

(1) an electing utility that is described in IC 8-1-2-61.5; or

(2) any electing utility that is seeking an equal percentage change to its basic rates and charges for all

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customer classes.

(ef) Information submitted under this section shall:

- (1) be provided to the commission electronically or through any other medium agreed to by the commission; and
- (2) include all formulas used in completing the jurisdictional study and the class cost of service study, ~~which shall be confidential and protected from disclosure to the public under IC 5-14-3-4 and IC 8-1-2-29.~~

(fg) If impossible or impractical for an electing utility to provide information in the form described in subsection ~~(e)(b), (c), or (d)~~, the electing utility shall make available to the commission during normal business hours, on the electing utility's premises, a computer and all software used to create and store the information.

(gh) The electing utility shall provide the information submitted to the commission under this section, in the form described in subsection ~~(e)(b), (c), or (d)~~, to any other party to the proceeding if the other party and the electing utility enter into a mutually acceptable confidentiality agreement covering the information.

(hi) If any party receiving information under subsection (h) wishes to propose data and methodologies for use in the electing utility's jurisdictional separation study or cost of service study, the party shall provide the information to the following:

- (1) The commission in the form described in subsection ~~(e)(b), (c), or (d)~~.
- (2) Any other party to the proceeding that enters into a mutually acceptable confidentiality agreement covering the information among the following:
  - (A) The party.
  - (B) The electing utility.
  - (C) The recipient of the information.

*(Indiana Utility Regulatory Commission; 170 IAC 1-5-15; filed Oct 28, 1998, 3:38 p.m.: 22 IR 728; errata filed Nov 22, 1999, 3:32 p.m.: 23 IR 812; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA)*

170 IAC 1-5-16 Work papers; written testimony; rate design and tariff filing requirements

Authority: IC 8-1-1-3

Affected: IC 8-1-2-42

Sec. 16. (a) An electing utility that proposes to modify the underlying structure of its rates shall submit the following to the commission, OUCC, and any party to the proceeding:

- (1) Direct written testimony:
  - (A) detailing the reason for; and
  - (B) indicating the methods used in developing;the proposed rate structure.
- (2) The billing determinants and derived rates used to produce the requested revenue requirement for each proposed charge in a rate schedule or rate group.
- (3) Cost justification for the establishment of or a change to any nonrecurring charges, including, but not limited to, the following:
  - (A) Insufficient funds check charge.
  - (B) Reconnect charge.
  - (C) Disconnect charge.

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- (D) Recharge (establish or change account).
- (E) Collection charge.
- (F) Testing charge.
- (G) Meter reading charge.
- (H) Meter tampering charge.
- (I) Connection or tap fee.

(b) An electing utility that proposes to modify its:

- (1) terms and conditions of service;
- (2) rules;
- (3) regulations;
- (4) rates;
- (5) charges; or
- (6) other tariff provisions;

shall submit a complete set of tariffs to the commission.

(c) Additions to the prior tariff shall be shown:

- (1) in bold type; or
- (2) underlined;

Deletions from the current tariff shall be shown by striking through the text.

(d) An electing utility shall submit bill comparisons to the commission showing monetary and percentage changes for a typical residential bill that would result from a requested change in rates and charges. (*Indiana Utility Regulatory Commission; 170 IAC 1-5-16; filed Oct 28, 1998, 3:38 p.m.: 22 IR 728; readopted filed Nov 23, 2004, 2:30 p.m.: 28 IR 1315; filed Jul 31, 2009, 8:28 a.m.: 20090826-IR-170080670FRA; readopted filed Jun 9, 2015, 3:18 p.m.: 20150708-IR-170150103RFA*)