

**OUCC’s Comments and Proposals IURC Strawman MSFR**

**March 3, 2022**

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

**Comment:** The OUCC had no substantive opposition or recommendation. However, the OUCC believes it may be merged with 170 IAC 1-5-2 Purpose and applicability.

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

**Comment:** The OUCC proposes definitions for “complete case-in-chief,” “forward-looking test period, historical test period,” “hybrid test period” and “major project.”

**OUCC Provisions:**

"Complete case-in-chief" means a “case-in-chief” filed by a utility that meets the requirements established by this Rule (Rule 5).

“Forward-looking test period” means a twelve (12) month period to be used to establish an electing utility’s *pro forma* revenue requirement that is determined based on projected data, and that will begin no 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.

“Historical test period” means the twelve (12) month period to be used to establish an electing utility’s *pro forma* revenue requirement after adjusting the historic test period for changes that are fixed, known, and measurable and occurring within 12 months of the end of the historical test period. An electing utility must propose an historical test period that terminated no more than two hundred seventy (270) days before the electing utility submits its case-in-chief.

“Hybrid test period” means a period to be used to establish an electing utility’s *pro forma* revenue requirement comprised of at least twelve (12) consecutive months of combined historical and projected data.

“Major project” under this rule means a project estimated to cost at least one percent (1%) of the electing utility's proposed rate base or \$250,000, whichever is greater.

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**170 IAC 1-5-2.1**

**Comment:** The subject matters addressed in the following proposed sections was addressed in section 170 IAC 1-5-2.1 of the strawman. The OUCC proposes the following sections to provide more certainty of the process making it unnecessary for the presiding officer to craft a procedural process in each case. More specifically, the process permits timeframes in the earlier weeks of the case to permit issues to be addressed and resolved so the case may proceed and timeframes may be established.

**OUCC Provisions:**

**Time frame and process for evaluating whether a case is complete**

Sec. 2.1. (a) Subject to IC 8-1-2-42.7, the expected amount of time an order is to be issued in a proceeding under this rule is 300 days from the date an electing utility has filed both its petition and a complete case-in-chief as established by this rule. A case shall not be considered complete for purposes of IC 8-1-2-42.7 and this rule if the Commission or the presiding officers assigned to the case determine the electing utility’s case in chief does not comply with any requirement of this rule (Rule 5).

(b) Any party desiring to establish that the case-in-chief is not complete for purposes of IC 8-1-2-42.7 or this rule must file a notice of deficiency no later than twenty (20) days after the filing of the electing utility’s case-in-chief. The electing utility may respond to the notice of deficiency within ten (10) days and the asserting entity may reply within seven (7) days of the electing utility’s response. The presiding officer shall rule on the notice and determine whether the case-in-chief was complete, whether any deficiencies need to be cured and, if so, when the case-in-chief shall be considered complete.

(c) Within thirty (30) days of the date an electing utility has filed its case in chief, and in the absence of any request by a party, the commission may determine on its own initiative that Petitioner’s case-in-chief is not complete. The commission shall identify any deficiency and require the electing utility to cure any deficiencies necessary to make the case complete.

(d) In the absence of any notice of deficiency or determination by the commission that a case is not complete, it shall be presumed for purposes of this rule and establishing a procedural schedule that an electing utility’s case-in-chief is complete for purposes of establishing a procedural schedule or a party’s qualification for temporary rates under IC 8-1-2-42.7.

(e) A determination or presumption that a case in chief is complete is not a finding as to the accuracy or reasonableness of the information filed or a determination that any burden of proof has been met.

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**Waiver of specific requirements of this rule**

**Comment:** The Strawman proposed the ability to secure a waiver of specific filing requirements. The OUCC agrees this is appropriate if the request is made through a separate motion with an opportunity for a response.

**OUCC Provisions:**

**Waiver of specific requirements of this rule**

(a) At the time of the filing of its case-in-chief, an electing utility may file a separate motion requesting a waiver of compliance for good cause with one or more, but not all, of the requirements of this rule. The electing utility’s request shall explain why the requirement could not be met and show how a waiver of the requirement will not prejudice any other party’s review of its case-in-chief. The other parties may respond to the request within ten (10) days of the electing utility’s motion. The presiding officer shall rule on a waiver request within thirty (30) days of the request. If one or more waiver requests are denied, the presiding officer shall indicate what actions will be required by the electing utility and when the electing utility’s case-in-chief shall be considered complete.

(b) 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. A grant of any waiver of these rules is not a determination that an electing utility has made a prima facie case or otherwise met its required burden of proof.

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**Matters to be addressed in the order establishing procedural schedule**

**Comment:** The following rule will make sure that the prehearing conference occurs after any parties have had an opportunity to assert a case was not complete. It also affords the parties the ability to negotiate a procedural schedule without reference to a GAO. However, it does recognize the need for the commission to have 90 days to consider its proposed order and at least three weeks between a rebuttal case and the hearing. More specifically, the OUCC removed the indication that the timeframes established by the GAO are presumptively reasonable.

**OUCC Provisions:**

(a) No sooner than 21 days after the filing of a petition and case-in-chief, the presiding officer shall convene a prehearing conference to hear any evidence and argument to establish a procedural schedule for all filings and hearings and address any other matters necessitated by an electing utility’s request for rate relief. In lieu of a prehearing conference, the presiding officer may rule on a stipulated procedural schedule.

(b) Parties should propose procedural schedules in which the electing utility will have between three or four weeks between the filing of the OUCC’s case and the filing of the electing utility’s rebuttal case. Proposed schedules should have at least three weeks between the filing of the electing utility’s rebuttal filing and the first date of the evidentiary hearing.

(c) In the absence of evidence justifying an extension of the schedule in accordance with IC 8-1-2-42.7, in any proposed procedural schedule, the last post hearing filing should occur no later than 210 days after the electing utility has filed its complete case in chief.

(d) In the prehearing conference order, the commission or presiding officer may also enter a finding concerning any of the following:

- (1) whether the test period proposed by the utility is reasonably representative of the electing utility's ongoing operations and should therefore be used to set its rates;
- (2) whether the rate base cutoff dates proposed by the electing utility shall be the rate base cutoff dates used in a proceeding filed under this rule; and
- (3) whether the accounting methodology proposed by the electing utility conforms with the guidelines set forth in section 5 of this rule.

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### **170 IAC 1-5-4 Petition**

**Comment:** Section 4 states succinctly what should be included in a petitioner. The OUCC proposes this list include “a concise and clear declaration of each item of relief requested.”

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### **New Section - Presentation of workpapers**

**Comment:** The current MSFR’s do not include a separate section addressing specifically how as a general matter how workpapers should be presented. The current strawman proposes that some of the requirements be included in the definition of workpaper. The OUCC proposes the following section, which would generally be applicable to all workpapers.

#### **OUCC Provisions:**

##### **Presentation of workpapers.**

Workpapers shall be organized according to the sections and subsections of this rule. In addition to any other requirement of this rule, an electing utility’s petition shall not be considered complete for purposes of IC 8-1-2-42.7(e) until it has substantially complied with the following requirements:

- (1) Each document included in workpapers shall be identified with an appropriate designation conveying its source and purpose.
- (2) Workpapers shall be paginated so that any page may be referenced by a page number.
- (3) Workpapers shall be legible and to the extent possible presented in a type size no smaller than 10 pt.
- (4) To the extent possible, electronic workpapers presenting information through spreadsheet format should be searchable and sortable with formulas intact.

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

**OUCS Comments:** The OUCS made changes to make certain of these requirements clearer and conform to practice.

**OUCS Provision:**

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

(1) A chart of accounts and accompanying instructions that:

- (A) details the types of charges in each subaccount;
- (B) describes the utility's format for account numbering and coding; and
- (C) identifies the codes used for each coding section.

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

(A) a list of all general ledger transactions in Excel for the historical test period or base period.

(B) a trial balance in Excel as of the beginning and end of the historical test period or base period.

(3) The utility's operating income budget for the test period, in Excel, by revenue and expense account and subaccount.

(4) For utilities selecting a historical test period, the operating income budget for the year following the test period.

(5) A statement of the budgeting assumptions used in any applicable operating income budgets.

(6) The minutes of the board of directors' meetings held during the historical test period or base period.

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

**OUCS Comment:** The OUCS's recommended provision added requirements that are typically requested by the OUCS and other consumer parties. The OUCS also attempted to separate and identify requirements based on the type of test period to promote clarity and efficiency.

**OUCS Provision:**

Sec. 8. (a) An electing utility shall submit the following information:

(1) A compilation of all supporting workpapers sorted by each proposed adjustment.

- (2) The first work paper for each adjustment shall include the following:
- (A) Actual test period or base period revenues or expenses.
  - (B) Adjustments to actual test period or base period revenues or expenses.
  - (C) A summary that generally describes each adjustment developed from the historical test period or base period.
- (3) The following monthly information by rate class for the historical test period or base period:
- (A) Operating revenues.
  - (B) Sales or deliveries.
  - (C) Number of customers.
  - (D) Unbilled revenues.
- (4) Test period pro forma:
- (A) revenues;
  - (B) sales or deliveries; and
  - (C) numbers of customers;
- including detailed calculations supporting adjustments, if any, for annualizations.
- (5) Revenue adjustments and support therefor relating to a proposed change in any nonrecurring charge.
- (6) The utility's written policies and procedures related to bad debts or the write-off of any customer accounts as uncollectible.
- (7) A schedule detailing purchases for resale of gas, electricity, water, and sewage disposal. This schedule should include actual costs and volumes purchased during the historical test period or base period, as well as forecasted costs and volumes to be purchased during a forward-looking test 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 disposal, and coal.
- (9) The actual number of employees by month for a historical test period, or base period and the forecasted number of employees by month for a forward-looking test period. This information should be categorized by the following:

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

(10) Actual payroll dollars charged to capital or construction projects during a historical test period or base period and projected payroll dollars to be charged to capital or construction projects for a forward-looking test period.

(11) The date and percentage increase for each payroll increase that occurred during a historical test period or base period, provided by each employee category identified in subdivision (9).

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

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

Any proposed changes, additions, or deletions to employee compensation programs should be explained in detail with the proposed effective date identified. Any assumptions or forecasted data shall be explained in detail.

(13) The following information regarding employee benefits provided by the utility in a historical test period or base period:

- (A) A list of the categories of benefits.
- (B) The associated cost of each category.
- (C) The amount charged to operating expense during the historical test year or base period for each category.
- (D) The amount of payroll benefits capitalized during a historical test period or base period for each category.

(14) Defined Benefit Pension Plans - Identification of each of the electing utility's qualified and unqualified defined benefit pension plans and a statement regarding which employees are provided this benefit. The amount of pension expense recorded for each plan for each of the following: (1) the historical test period or base period; (2) the twelve-month period preceding the historical test period or base period; and (3) if applicable, the projected pension expense for the forward-looking test period.

(15) Pension Actuarial Study - A complete pension actuarial study for each of the utility's qualified and unqualified pension plans, on which the historical test period or base period

pension expense is based. If the pension actuarial study provided is for the electing utility's parent or ultimate corporate owner, the study should clearly identify the values and information applicable to the electing utility.

(16) Defined Contribution Pension Plan - If the electing utility has a defined contribution pension plan, a description of the plan, a statement regarding which employees are provided this benefit, and the amount of pension expense recorded for each of the following: (1) the historical test period or base period; (2) the twelve-month period preceding the historical test period or base period; and (3) if applicable, the projected pension expense for the forward-looking test period.

(17) Other Post-Employment Benefit Plans - Identification of each of the electing utility's other post-employment benefit plans ("OPEB"), a statement regarding which employees are provided this benefit, and the amount of OPEB expense recorded for each plan during the historical test period or base period and the twelve-month period preceding the historical test period or base period. If applicable, the projected OPEB expense for the forward-looking test period should also be provided.

(18) OPEB Actuarial Study - A complete OPEB actuarial study for each of the utility's OPEB plans, on which the historical test period or base period OPEB expense is based. If the OPEB actuarial study provided is for the electing utility's parent or ultimate corporate owner, each actuarial study provided should clearly identify the values and information applicable to the electing utility.

(19) Affiliate Charges - Schedules of charges by department or category for each affiliated company for services rendered during the historical test 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.

(20) A description of the allocation methodology for any multi-utility common expenses that are allocated to the utility in the rate proceeding covered by this rule.

(21) Regarding injuries and damages incurred:



- (A) Claims paid by the utility during the historical test period or base period and the twelve-months preceding the historical test period or base period;
- (B) Insurance proceeds received during the historical test period or base period and the twelve-months preceding the historical test period or base period;
- (C) Expense accrued during the historical test period or base period and the twelve-months preceding the historical test period or base period;
- (D) Pro forma expense for a historical test period; and
- (E) Forecasted expense for a forward-looking test period.

(22) Historical test 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.

(23) Expenditures incurred by the utility during the historical test period or base period and amounting to more than ten thousand dollars (\$10,000) to an individual payee for:

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

(24) A schedule of all charitable and civic contributions recorded to utility operations during the historical test period or base period.

(25) A schedule of organization memberships paid during the historical test period or base period and recorded to utility operations.:

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

(26) A schedule of estimated rate case costs, organized by type of cost, and a detailed calculation of each estimated cost and the proposed amortization period over which these costs will be recovered.

(27) Provide the following information regarding advertising expense recorded to utility operations during the historical test period or base period:

- (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 or other electronic medium; and
- (v) Other.

(28) The schedule required by subdivision (27) 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; and
- (D) Other advertising programs.

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

- (A) Social Security and Medicare;
- (B) Unemployment;
- (C) Public utility fee;
- (D) Property;
- (E) Utility receipts tax;
- (F) Other revenue related; and
- (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 period or base period.
- (B) To the extent reasonably available, the latest information subsequent to the historical test period or base period.

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

**Comment:** Section 10 relates to rate base and, therefore, it should be made clear that its requirements only apply to investor-owned utilities. The OUCC’s proposed Section 10 includes provisions formerly in section 8 that were related to utility plant.

**OUCC Provision:**

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

(1) A schedule showing a utility’s plant in service and accumulated depreciation by subaccount for the following:

- (A) The end of a historical test period or base period;
- (B) The beginning of a forward-looking test period; and
- (C) The end of a forward-looking test period.

(2) The utility's capital budget in Excel, by account and subaccount, for the test period and the base period, if applicable.

(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 and hybrid test-year period or base period plant in service, including, but not limited to the following:

- (A) Detailed scope of work (“SOW”) for the project;
- (B) Detailed work breakdown schedule (“WBS”) for the project; and
- (C) Detailed breakdown of the project cost estimate including direct cost, material cost, labor cost, and indirect cost of the project.

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

(5) A narrative statement of all policies and procedures used to account for the capitalization of construction overheads, including a description of the utility’s methodology for capitalizing construction overheads and each type of overhead cost capitalized.

(6) The utility’s capitalization policy.

(7) A list of all commission orders that pre-certify or pre-approve projects to be included in rate base.

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**New Section - 170 IAC 1-5-10.1 Work papers and data; extensions and replacements (Note: Applies to Municipal and Not-for-Profit Utilities Only)**

**OUC Comment:** The OUC proposes a new section that includes the same kind of requirements listed in Section 10 for investor-owned utilities but for municipal and not-for-profit utilities. It primarily addresses workpapers for the E&R revenue requirement.

**OUC Provision:**

Sec. 10.1 An electing utility shall submit the following information:

- (1) A schedule in Excel detailing a utility’s proposed extension and replacements by asset type or project. This information shall identify the year each investment is projected to occur and reflect the amortization period and the calculation of the annual revenue requirement.
- (2) A narrative statement of the criteria used to select projects included in the utility's proposed extension and replacement revenue requirement.
- (3) A narrative statement of all policies and procedures used to account for the capitalization of AFUDC.
- (4) A narrative statement of all policies and procedures used to account for the capitalization of construction overheads, including a description of the utility’s methodology for capitalizing construction overheads and each type of overhead cost capitalized.
- (5) The utility’s capitalization policy.

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

**OUC Comment:** The following proposed language for 170 IAC 1-5-12.2 tracks closely with the provisions included in the strawman. The OUC’s language recognizes that it may be appropriate in some but not all instances to update the capital structure. In addition, the certification process for the end of the test year would allow consumer parties to review the certification while not delaying the implementation of final rates.

**OUC Provision:**

Sec. 12.2. (a) Regardless of type of test-year selected, subject to the provisions of this section, an electing utility’s rates and rate base shall reflect investment made by the electing utility for the addition of used and useful utility property placed in service before the applicable rate base cutoff date along with the following offsetting values as of that date:

- (1) accumulated depreciation;
- (2) net contributions in aid of construction;
- (3) net customer advances; and

(4) any other such value this section requires or the commission determines should be applied.

(b) Rate base cutoff for a historical test period or hybrid test period:

(1) for a historical test period, the rate base cutoff for used and use projects placed in service shall be the end of the historical test period.

(2) Notwithstanding subsection (1), an electing utility may increase its rate base to include investments made for used and useful major projects placed in service after the end of the historic test year and at least ten (10) business days before the evidentiary hearing so long as the following tests are met:

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

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

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

(E) the electing utility has certified under oath that the investment has been made and each such major project is complete and is in service.

(c) Rate base cut-offs for a forward-looking test period:

(1) For initial rates (i.e., rates effective at the beginning of the forward-looking test period), an electing utility's rate base shall reflect its investment in used and useful property in service as of the beginning of the forward-looking test period. However, the investment amount to be included in rate base may not exceed the amount estimated for utility plant investments in the electing utility's case-in-chief for the beginning of the test period. An electing utility shall certify its investment in plant.

(2) Subject to the following tests, an electing utility's rates and rate base at the end of its forward-looking test period shall be updated to reflect its investment in used and useful property in service at the end of the test period:

(A) The electing utility identified its investment in its case-in-chief, with a complete description of each 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 as well as the need or purpose for the project.

(B)The investment amount to be included in rate base does not exceed the amount estimated for utility plant investments in the electing utility’s case-in-chief.

(C) The electing utility has certified under oath that the investments have been completed and are in service and that the investments have in fact been made. The certification shall be consistent with the utility’s phased rate schedules approved by commission order. With its certification, an electing utility shall file a schedule of utility plant in service by subaccount reflecting the beginning balance, adjustments, and ending balance.

(D) The electing utility has filed with the commission and served on all parties a monthly investment update.

(3) A qualifying electing utility’s final rates (i.e., rates beginning at the end of its test period) shall reflect the electing utility’s actual capital structure as of the end of the test period so long as the resulting weighted average cost of capital does not exceed the electing utility’s estimate as presented in its case-in-chief.

(4) The OUCC and any other party to the proceeding shall have sixty (60) days to respond to the electing utility’s certification of rate base and state any objection to the implementation of rates. If any objections cannot be resolved, the presiding officer shall establish a procedural schedule including a hearing to establish the utility’s final rate base and address any other issue raised by the objection. Until a ruling on any objection, the electing utility may implement the rates authorized by the rate order and indicated by the rate base certification, subject to refund.

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

**OUCC Comments:** In the following provision, the OUCC endeavored to separate requirements by type of test period to promote clarity and efficiency.

**OUCC Provision:**

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

(a) For a historical test period:

(1) A summary schedule in Excel showing the utility’s proposed jurisdictional rate base as of the beginning of the test period and adjusted for ratemaking purposes.

(2) A summary by subaccount in Excel of actual net plant additions to a utility's plant in service, showing plant additions, retirements, and other changes to plant in service for the test period.

- (3) A schedule of pro forma major project additions including the following:
- (A) Projected in service dates.
  - (B) An Excel schedule showing the total estimated cost for each asset addition by the following categories:
    - (i) labor;
    - (ii) materials;
    - (iii) contractor costs;
    - (iv) allocated overhead; and
    - (v) AFUDC.
  - (C) Amount of contingency included in each of the cost categories.
  - (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.
- (b) For a forward-looking test period:
- (1) A summary schedule in Excel showing the utility's proposed jurisdictional rate base as of the end of the base period, the beginning of the test period and the end of the test period, as adjusted for ratemaking purposes.
  - (2) A summary by subaccount, in Excel, of actual net plant additions to a utility's plant in service, showing plant additions, retirements, and other changes to plant in service for the base period; the beginning of the test period and the end of the test period.
  - (3) For each major project included in the forecasted utility plant in service, a schedule of projected utility plant additions subsequent to the base period, including the following:
    - (A) Project name;
    - (B) Project number;
    - (C) Brief description of the project, explaining why the project is needed at this time and how projected projects costs were determined;
    - (D) Estimated construction start date;
    - (E) Estimated in service date;
    - (F) Identification of any engineering report that forms the basis for the project costs included in the utility's case-in-chief;
    - (G) Total project cost estimate for each of the following cost categories:
      - (i) labor;

- (ii) materials;
- (iii) contractor costs;
- (iv) allocated overhead; and
- (v) AFUDC.

(H) Describe and explain any contingencies included in estimated project costs.

(I) 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.

(J) Pro forma adjustment to accumulated depreciation for each plant addition, retirement, or other proposed change to utility plant in service.

(4) 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.

(c) 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) Any authority establishing the asset

(d) A schedule showing the fair value of the utility's proposed rate base, including 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.

(e) 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.

(f) For a historical test period, the capital structure and weighted average cost of capital as of the end of the historical test period. For a forward-looking test period, the projected capital structure at both the beginning and the end of the test period. The electing utility's presentation of capital structure shall identify the following components:

(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;

(iv) Prepaid pension asset or liability; and

(v) Prepaid OPEB asset or liability.

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

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

**OUC Comments:** The OUC's recommended provision added requirements that are typically requested by consumer parties.

**OUC Provision:**

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

\* \* \* \* \*

(C) An electronic spreadsheet with all formulas intact, which provides the five-year projected and five-year historical capital structure, capital expenditures, and capital funding.

(D) An electronic spreadsheet with all formulas intact, which provides five-year projected and five-year historical capital structure, capital expenditures and capital funding. Include a breakdown of all sources of equity capital, including retained earnings, paid-in capital, short-term and long-term debt capital.

(E) An electronic spreadsheet with all formulas intact, which provides the monthly average balances for construction work in progress and short-term debt for the most recent 13-month period.

(F) The amount of capitalized interest estimated to be paid during the test year related to construction projects.

(G) The supporting calculations for the information described in clauses (A) and (F).

\* \* \* \* \*

(10) Copies of all correspondence, presentations, and all other materials the utility provided to credit and equity analysts over the last two years.

\* \* \* \* \*

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

**OUC Comments:** The OUC's recommended provision recognizes that there is more than one

kind of fuel.

**OUCG Provision:**

(5) When determining the pro forma fuel inventory (coal, natural gas, oil, or other) level to be used for regulatory purposes based on a daily burn concept, for each generating unit and/or plant, the utility will provide the following:

(A) Fuel (coal, natural gas, oil, or other) consumed for the test period and the 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 (tons, gallons, cubic feet, other) required for each plant or unit.

(D) The pro forma inventory of tons, gallons, and/or cubic feet burned by the generating unit or plant.

(E) The fuel cost per ton, gallon, and/or cubic feet.

(F) The per books fuel inventory.

\* \* \* \* \*

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

**OUCG Comments:** The OUCG additions are generally underlined below. The information added represents information we typically ask in all cases with COS studies.

**OUCG Provision:**

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

(b) The requirements of this section shall not apply to any electing utility that is seeking an equal percentage change to its basic rates and charges for all customer classes.

(c) The class cost of service study shall include the following information:

(1) Description of the allocation methods used, including a comparison of the allocated cost of service by class with the present and proposed revenues.

(2) Indication if the method used for establishing the allocation factors in the class cost of service study deviates from the previous study submitted in the last rate case. If it does, an indication of which allocation factors were changed and an explanation of the reason for

the deviations should be provided.

(3) Allocation of rate base by rate class.

(4) Pro forma test period sales revenues at present rates by rate class.

(5) Allocation of test period other operating revenues (or miscellaneous revenue or other income) by rate class.

(6) Allocation of pro forma test period operating expenses by:

(A) category or function; and

(B) rate class.

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

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

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

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

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

(12) Revenues at proposed rates by rate class.

(d) 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, Seventh Edition and include the following information:

(1) The average day, the maximum day, and the maximum hour deliveries to the system adjusted for storage for the historic or hybrid test period or the base period and the two (2) preceding years.

(2) Workpapers, analyses, comparative data, or other documentation supporting the estimated maximum day and peak hour demands by customer class reflected in the electing utility's class cost of service study.

(3) Workpapers and supporting documentation for the fire flow requirement and duration used in the electing utility's class cost of service study.

(4) Detailed cost analysis that supports the electing utility's customer charges, by meter size, showing all direct and indirect costs included.

(e) 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, Fourth Edition.

(f) 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.

(g) If impossible or impractical for an electing utility to provide information in the form described in subsection (f), 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.

(h) The electing utility shall provide the information submitted to the commission under this section, in the form described in subsection ~~(e)~~(c), (d), (e) and (g), 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.

(i) 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 subsections (f) or (g)~~(e)~~.
- (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.