

**STATE OF INDIANA**  
**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF THE CITY OF ANDERSON, INDIANA** )  
 )  
**(1) FOR AUTHORITY AND APPROVAL TO INCREASE** )  
**RATES AND CHARGES FOR WATER SERVICE,** )  
**INCLUDING APPROVAL OF NEW SCHEDULE(S) OF** ) **CAUSE NO. \_\_\_\_\_**  
**RATES AND CHARGES FOR WATER SERVICE, AND** )  
 )  
**(2) FOR AUTHORITY AND APPROVAL TO ISSUE** )  
**BONDS, NOTES, OR OTHER OBLIGATIONS OF** )  
**INDEBTEDNESS** )

**PREFILED SUPPLEMENTAL DIRECT TESTIMONY**

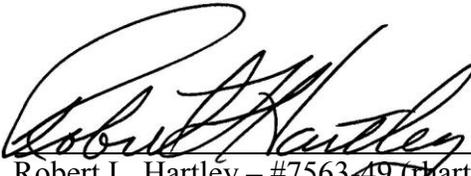
**OF**

**JOHN R. SKOMP**

**IN SUPPORT OF SETTLEMENT AGREEMENT**

**(PETITIONERS EXHIBIT JRS-2)**

By:



Robert L. Hartley – #7563-49 ([rhartley@fbtlaw.com](mailto:rhartley@fbtlaw.com))

Kyle J. Hupfer – #20939-53 ([khupfer@fbtlaw.com](mailto:khupfer@fbtlaw.com))

Beau F. Zoeller – #30928-22 ([bzoeller@fbtlaw.com](mailto:bzoeller@fbtlaw.com))

FROST BROWN TODD LLC

201 N. Illinois St., Suite 1900

Indianapolis, IN 46204

Telephone: (317) 237-3949

Counsel for Petitioner City of Anderson Indiana

Water Utility

**CERTIFICATE OF SERVICE**

Served upon the following by mail and by electronic transmission on November 25, 2014:

Indiana Office of the Utility Consumer Counselor

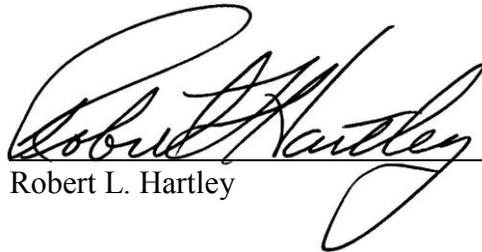
PNC Center

115 West Washington Street

Suite 1500 South

Indianapolis, Indiana 46204

Email: [infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)



Robert L. Hartley

FROST BROWN TODD LLC

201 N. Illinois St., Suite 1900

P.O. Box 44961

Indianapolis, In 46244-0961

317-237-3949

Fax: 317-237-3900

1   **1.   Q   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2           A   My name is John R. Skomp and my business address is 10 West Market Street, Suite  
3                   2000, Indianapolis, Indiana 46204-2975.

4   **2.   Q   ARE YOU THE SAME JOHN R. SKOMP WHO PREVIOUSLY FILED  
5           TESTIMONY IN THIS CAUSE?**

6           A   Yes.

7   **3.   Q   WHAT IS THE PURPOSE OF THIS SUPPLEMENTAL TESTIMONY IN  
8           THIS CAUSE?**

9           A   The purpose of my supplemental testimony is to present the evidence and position of  
10               Anderson Municipal Water Utility (“Utility” or “Water Utility”) in support of the  
11               Settlement Agreement the Utility entered into with the Indiana Office of Utility  
12               Consumer Counselor (“OUCC”).

13   **4.   Q   WHAT MATERIAL HAVE YOU REVIEWED IN CONNECTION WITH THE  
14           SETTLEMENT?**

15           A   I have reviewed the Settlement Agreement and attached accounting schedules, and the  
16               prefiled testimony of Ms. Stull and Mr. Bell from the OUCC.

17   **5.   Q   WHAT IS THE UTILITY’S POSITION REGARDING THE SETTLEMENT?**

18           A   The Utility requested an overall rate increase of 46.85% split into two phases with  
19               equal percentage increases of 21.18%. The Anderson Common Council has already

1 approved that requested increase, and therefore, although my prefiled testimony  
2 presented a *pro forma* test year revenue requirement, which, if requested and  
3 approved, would have resulted in an increase of almost 60%, the Utility limited its  
4 requested rate increase in this case to 46.85%. The Settlement Agreement, if approved  
5 by the Commission, provides the Utility with that requested increase. Accordingly,  
6 the Utility supports the Settlement Agreement and requests that the Commission  
7 approve it.

8 **6. Q WHAT ABOUT THE OTHER ASPECTS OF THE SETTLEMENT**  
9 **AGREEMENT BEYOND THE LEVEL OF THE REVENUE REQUIREMENT?**

10 A The Utility recognizes the desirability of the other requirements contained in the  
11 Settlement Agreement. A lack of sufficient revenue has prevented the Utility from  
12 performing the desirable projects contained in the Settlement Agreement while also  
13 operating and satisfying the legal requirements regarding its debt funding. The rates  
14 authorized in the Settlement Agreement should assist the Utility in accomplishing  
15 those projects for the long-term benefit of the Utility, the City of Anderson, and its  
16 citizens.

17 **7. Q DO YOU BELIEVE THE SETTLEMENT IS IN THE PUBLIC INTEREST**  
18 **AND RESOLVE ALL THE ISSUES IN THIS CAUSE?**

19 A Yes.

20 **8. Q DOES THIS CONCLUDE YOUR PREFILED SETTLEMENT TESTIMONY?**

21 A Yes.