

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF ST. ANTHONY WATER)
UTILITIES INC FOR A NEW SCHEDULE OF) CAUSE NO. 45671-U
RATES AND CHARGES FOR WATER)
SERVICE)

PUBLIC'S EXHIBIT NO. 1

TESTIMONY OF THOMAS W. MALAN

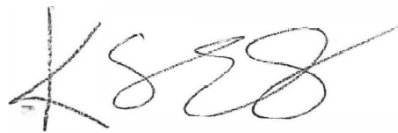
ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

April 25, 2022

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



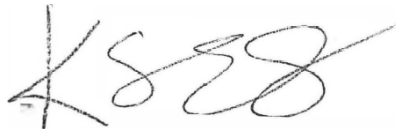
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CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 1 – Testimony of Thomas W. Malan on behalf of the OUCC* has been served upon the following counsel of record in the captioned proceeding by electronic service on April 25, 2022.

ST. ANTHONY WATER UTILITIES INC.

William Hauser
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TESTIMONY OF OUCC WITNESS THOMAS W. MALAN
CAUSE NO. 45671 U
ST. ANTHONY WATER UTILITIES, INC.

I. INTRODUCTION

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

2 A: My name is Thomas W. Malan, and my business address is 115 W. Washington
3 St., Suite 1500 South, Indianapolis, IN 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as
6 a Utility Analyst with the Water-Wastewater Division. My qualifications and
7 experience are set forth in Appendix A.

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

9 A: On January 24, 2022, St. Anthony Water Utilities, Inc. (“St. Anthony” or
10 “Applicant”) filed a small utility rate application with the Indiana Utility
11 Regulatory Commission (“Commission” or “IURC”) under 170 IAC 14-1-1 et al.
12 St. Anthony requests an across-the-board rate increase of 58.12% to produce an
13 additional \$194,143 of operating revenue. St. Anthony is a water utility providing
14 service to approximately 715 customers, located in Dubois County. St. Anthony’s
15 last rate order was issued in Cause No. 39193 in 1991.

16 I present the OUCC’s analysis of St. Anthony’s proposed rate increase and
17 sponsor the OUCC’s rate schedules. The OUCC recommends a rate increase of
18 50.63% to produce an additional \$171,132 of operating revenue per year. My
19 testimony and schedules present the OUCC’s recommended operating revenue and

1 operating expense adjustments. I discuss each of the OUCC's recommended
2 revenue and expense adjustments, including customer growth, non-recurring
3 expenses, and disallowed expenses.

4 **Q: Describe the review and analysis you performed.**

5 A: I reviewed Applicant's Small Utility Rate Application dated January 24, 2022,
6 schedules, and workpapers. I reviewed Applicant's 2017, 2018, 2019, and 2020
7 IURC annual reports. I prepared discovery questions and reviewed Applicant's
8 responses. I conducted the OUCC's on-site accounting review on March 31, 2022.
9 I toured the Applicant's facilities. I participated in phone conversations with
10 William Hauser, Secretary/Treasurer – St. Anthony, and Mitchell Eschweiler,
11 Senior Manager at Bakertilly Municipal Advisors. I also reviewed the
12 Commission's final order from St. Anthony's last rate case (Cause No. 39193).

13 **Q: Who else will testify on the OUCC's behalf?**

14 A: OUCC witness Shawn Dellinger will discuss Applicant's financing request. OUCC
15 witness Carl Seals discusses Applicant's capital improvements program and
16 periodic maintenance program.

17 **Q: Do you sponsor any schedules or attachments?**

18 A: Yes. I sponsor the following schedules:

19 Schedule 1 – Comparison of Overall Revenue Requirements (page 1)

20 Comparison of Net Operating Income Adj (page 2)

21 Schedule 2 – Comparative Balance Sheet as of December 31, 2018, 2019 and 2020

22 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
23 December 31, 2018, 2019, and 2020.

24 Schedule 4 – *Pro Forma* Net Operating Income Statement

25 Schedule 5 – OUCC Revenue Adjustments

26 Schedule 6 – OUCC Expense Adjustments

- 1 Schedule 7 – OUCC Extensions & Replacements
- 2 Schedule 8 – OUCC Debt Service
- 3 Schedule 9 – OUCC Debt Service Reserve
- 4 Schedule 10 – OUCC Tariff
- 5 Attachment TWM-1 – Nonrecurring – Englert’s invoice
- 6 Attachment TWM-2 – Nonrecurring – Fischer Electric invoice
- 7 Attachment TWM-3 – Nonrecurring – Patoka Lake invoice
- 8 Attachment TWM-4 – St. Anthony Street Light Committee letter

II. OVERALL REVENUE REQUIREMENT

A. Overview of St. Anthony’s Case

9 **Q: What relief is Applicant requesting?**

10 A: St. Anthony requests the Commission authorize an across-the-board 58.12% rate
11 increase to generate \$194,143 of additional operating revenue per year.

12 **Q: Is Applicant seeking financing authority?**

13 A: Yes. Applicant seeks authority to issue \$290,000 in long-term debt. OUCC witness
14 Shawn Dellinger discusses Applicant’s request in his testimony.

15 **Q: What are the principal drivers of Applicant’s proposed rate increase?**

16 A: The principal drivers for this rate increase are the increase of operating expenses
17 and increase in requested extensions and replacements.

B. Overview of OUCC’s Case

18 **Q: What revenue increase does the OUCC recommend?**

19 A: Based on its review of Applicant’s test year revenues, expenses, and expense
20 adjustments, the OUCC recommends an across-the-board rate increase of 50.63%
21 to produce additional revenues of \$171,132 per year. (See Table 1: Comparison of
22 Revenue Requirement Requirement.)

Table 1: Comparison of Revenue Requirement

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 393,047	\$ 384,567	4	\$ (8,480)
Extensions and Replacements	115,000	115,000	7	-
Debt Service	36,650	33,490	8	(3,160)
Debt Service Reserve	7,330	-	9	(7,330)
Total Revenue Requirements	552,027	533,057		(18,970)
Less: Interest Income	(5,394)	(5,394)	4	-
Net Revenue Requirements	546,633	527,663		(18,970)
Less: Rev @ current rates subj to increase	(334,021)	(338,032)	4	(4,011)
Other revenues at current rates	(18,717)	(18,717)	4	-
Recommended Increase	193,895	170,914		(22,981)
Add: Additional IURC Fees	248	218		(30)
Recommended Increase	\$ 194,143	\$ 171,132		\$ (23,011)
Recommended Percentage Increase	<u>58.12%</u>	<u>50.63%</u>		<u>-7.49%</u>

1 **Q: What are the differences between the overall revenue requirement proposed**
2 **by St. Anthony and that recommended by the OUCC?**

3 A: There is a difference in the amount of *pro forma* operating revenues each party has
4 proposed. The OUCC's higher revenues at current rates are the result of the
5 OUCC's recommended post-test year customer growth adjustments. There is also
6 a difference in the amount of *pro forma* operating expenses and debt service each
7 party has proposed. The OUCC also proposes a lower IURC fee.

III. OPERATING REVENUES

8 **Q: What amount of operating revenues does Applicant propose?**

9 A: Applicant proposes *pro forma* present rate operating revenues of \$352,738. This is
10 a \$12,613 increase over test year operating revenues of \$340,125.

1 **Q: What adjustments did Applicant propose to test year operating revenues?**

2 A: Applicant proposed a revenue normalization adjustment which increased operating
3 revenues by \$2,176. St. Anthony proposed an increase of \$21,051 to account for
4 the Town of Birdseye (Applicant's sale-for-resale customer) being charged a
5 contract minimum of 500,000 gallons per month. Applicant proposed a decrease of
6 \$10,614 to account for a reimbursement from Cottage Estates. The water revenue
7 normalization adjustments recognized test year customer growth in Applicant's
8 residential customer class.

9 **Q: Do you accept Applicant's adjustments to operating revenues?**

10 A: Yes.

11 **Q: What amount of operating revenues does the OUCC recommend?**

12 A: The OUCC recommends *pro forma* present rate operating revenues of \$356,749.
13 This is a \$16,624 increase over test year operating revenues of \$340,125.

14 **Q: Did Applicant propose adjustments to recognize post-test year customer
15 growth.**

16 A: No. Applicant did not propose an adjustment.

17 **Q: Do you propose a post-test year customer growth adjustment?**

18 A: Yes. Based on my analysis, Applicant added three (3) residential customers to the
19 system and three (3) commercial customers as of December 2021.

A. Post-test year residential growth

20 **Q: What post-test year residential customer growth adjustment do you
21 recommend?**

22 A: I recommend a post-test year residential customer growth adjustment of \$1,135.

1 **Q: How did you derive that amount?**

2 A: I calculated the increase in residential customers during the 12-month period
3 following the test year by subtracting the number of customers on December 31,
4 2020, from the number of customers on December 31, 2021 (668 – 665 = 3). Based
5 on this analysis, Applicant added 3 residential customers as of December 31, 2021.
6 Multiplying the increase in residential customers by twelve months results in 36
7 additional annual billings due to post-test year customer growth. I then multiplied
8 the additional post-test year billings by the average bill per residential customer of
9 \$31.53, resulting in \$1,135 of additional residential revenues. (See OUCC Schedule
10 5, Adjustment No. 1.)

Table 2: Residential Post-Test Year Customer Growth

Residential Customers at 12/31/2021	668
Less: Residential Customers at 12/31/2020	665
Additional Residential Customers	3
Times: 12 Months	12
Additional Billings	36
Average Bill per Residential Customer	\$ 31.53
Adjustment Increase (Decrease)	\$ 1,135

B. Post-test year commercial growth

11 **Q: What post-test year commercial customer growth adjustment do you**
12 **recommend?**

13 A: I recommend a post-test year commercial customer growth adjustment of \$2,876.

14 **Q: How did you derive that amount?**

15 A: I calculated the increase in commercial customers during the 12-month period
16 following the test year by subtracting the number of customers on December 31,

1 2020, from the number of customers on December 31, 2021 (46 – 43 = 3). Based
2 on this analysis, Applicant added 3 commercial customers as of December 31,
3 2021. Multiplying the increase in commercial customers by twelve months results
4 in 36 additional annual billings due to post-test year customer growth. I then
5 multiplied the additional post-test year billings by the average bill per commercial
6 customer of \$79.88, resulting in \$2,876 of additional residential revenues. (See
7 OUCC Schedule 5, Adjustment No. 2.)

Table 3: Commercial Post-Test Year Customer Growth

Commercial Customers at 12/31/2021	46
Less: Commercial Customers at 12/31/2020	43
Additional Commercial Customers	3
Times: 12 Months	12
Additional Billings	36
Average Bill per Commercial Customer	\$ 79.88
Adjustment Increase (Decrease)	\$ 2,876

IV. OPERATING EXPENSES

8 **Q: What level of operating expenses does St. Anthony propose?**
9 A: St. Anthony proposes *pro forma* operating expense of \$438,253 which is an
10 increase of \$54,358 over test year operating expense of \$383,895.

11 **Q: What operating expense adjustments does Applicant propose?**
12 A: St. Anthony proposes eight adjustments to test year operating expenses: (1) a
13 \$7,543 increase to salaries and wages, (2) a \$2,242 increase to payroll taxes, (3) an
14 \$12,008 increase to adjust for increased cost of purchased water, (4) a \$244 increase
15 to purchased power, (5) a \$28,733 increase to periodic maintenance expense, (6) a
16 \$538 increase to insurance, and (7) a \$3,050 increase to audit expense.

1 **Q: Do you accept Applicant's operating expense adjustments?**

2 A: I accept Applicant's adjustments to test year operating expenses.

3 **Q: Do you recommend any additional operating expense adjustments?**

4 A: Yes. I recommend three operating expense adjustments, a \$7,545 decrease to
5 materials and supplies (See OUCC Schedule 6, Adjustment No. 1), and a total of
6 \$935 decrease to miscellaneous expense contained in two adjustments (See OUCC
7 Schedule 6, Adjustments No. 2 and No. 3).

8 **Q: What level of operating expenses do you recommend?**

9 A: I recommend *pro forma* operating expense and taxes of \$429,773. This is an
10 increase of \$45,878 over test year operating expenses of \$383,895. Table 2
11 compares the operating expense adjustments recommended by the OUCC to those
12 proposed by St. Anthony.

Table 4: Comparison of Proposed Operating Expense Adjustments

	Per Petitioner	Per OUCC	OUCC More (Less)
O&M Expense			
Salaries & Wages	\$ 7,543	\$ 7,543	\$ -
Purchased Water	12,008	12,008	-
Purchased Power	244	244	-
Materials and Supplies	-	(7,545)	(7,545)
Accounting	3,050	3,050	-
Periodic Maintenance Exp.	28,733	28,733	-
General Liability	538	538	-
Miscellaneous Expense	-	(160)	(160)
	-	(775)	(775)
Taxes Other than Income			
Payroll Taxes	2,242	2,242	-
Total Operating Expense	\$ 54,358	\$ 45,878	\$ (8,480)

A. Non-Recurring Expense

1 **Q: What non-recurring expenses do you recommend removing from Applicant's**
2 **test year operating expense?**

3 A: Through the course of the OUCC's voucher review, I identified three invoices I
4 consider to be non-recurring expenses. I recommend \$7,545 be removed from test
5 year expense. (See OUCC Schedule 6, Adjustment No. 1 and OUCC Attachments
6 TWM-1, TWM-2, and TWM-3.)

7 **Q: Please explain why you are removing these expenses.**

8 A: Applicant paid Englert's Home Comfort \$2,971 for floor covering to be installed
9 in the maintenance building (See OUCC Attachment TWM-1). It will not be
10 necessary for St. Anthony to replace the shop flooring each year. This expense is
11 also out-of-period as it relates to expenditures incurred prior to the test year
12 (10/28/2019). Non-recurring and out-of-period expenses should be excluded from
13 a utility's revenue requirement.

14 Applicant paid Fischer Electric \$2,626 for replacement of shop lighting
15 (See OUCC Attachment TWM-2). St. Anthony will not be replacing lighting in its
16 shop each year therefore making this payment non-recurring. Non-recurring
17 expenses should be excluded from a utility's revenue requirement.

18 Applicant paid Patoka Lake Regional Water & Sewer District \$1,948 for an
19 additional wholesale water meter (See OUCC Attachment TWM-3). A meter is a
20 long-lived asset and therefore making this payment non-recurring. Non-recurring
21 expenses should be excluded from a utility's revenue requirement.

B. Disallowed Expense

1 **Q: Did Applicant propose an adjustment to remove any disallowed expense from**
2 **the test year?**

3 A: No.

4 **Q: Did you identify any test year expense that was not necessary to provide safe,**
5 **reliable, drinking water?**

6 A: Yes. During my review of test year miscellaneous expense, I found a payment to
7 St. Anthony Street Light Committee for \$200 and test year payments totaling \$775
8 for Christmas appreciation gifts. Although Applicant's payment to the St. Anthony
9 Street Light Committee for \$200 is voluntary the committee states that the
10 household average is \$40 (See OUCC Attachment TWM-4). Therefore, the
11 Applicant is receiving \$40 of service. Therefore, I recommend a \$160 reduction to
12 Applicant's test year expense for the donation portion of this payment (\$200 – 40
13 = \$160). (See OUCC Schedule 6, Adjustment No. 2.)

14 The Christmas appreciation gifts were provided to employees and are not
15 necessary to provide safe, reliable drinking water and should be removed from test
16 year operating expenses. I recommend \$775 be removed from test year
17 miscellaneous expense. (See OUCC Schedule 6, Adjustment No. 3.)

V. RECOMMENDATIONS

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

19 A: I recommend the Commission approve an across-the-board rate increase of 50.63%
20 to generate an additional \$171,132 of operating revenue per year.

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

22 A: Yes.

APPENDIX A - QUALIFICATIONS

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

2 A: In December of 2002 I received a bachelor's degree in Business Administration
3 focusing on Accounting from Indiana University Kelley School of Business. In
4 December of 2012 I received my Master of Science in Accounting from Indiana
5 University Kelley School of Business, Indianapolis Indiana.

6 **Q: Please describe your professional experience.**

7 A: I was hired as a Utility Analyst in the Water / Wastewater division of the OUCC
8 on April 30, 2018. Prior to being hired by the OUCC, I was the controller of All
9 Trades Staffing. I have over fifteen years of accounting experience. I worked for
10 several years as a Financial Analyst in the insurance and healthcare industries. I
11 have participated in conferences and seminars regarding utility regulation, rate
12 making and financial issues. I have completed the National Association of
13 Regulatory Utility Commissioners (NARUC) Eastern Utility Rate School. I also
14 regularly attend the National Association of State Utility Consumer Advocates
15 (NASUCA) Accounting and Tax committee monthly meetings. In August of 2019
16 I completed the Annual Regulatory Studies Program from the Institute of Public
17 Utilities at Michigan State University.

18 **Q: Have you previously testified before the Indiana Utility Regulatory**
19 **Commission?**

20 A: Yes.

AFFIRMATION

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



By: Thomas W. Malan

Cause No. 45671-U

Office of Utility Consumer Counselor (OUCC)

Date: April 25, 2022

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

**Comparison of Petitioner's and OUCC's
Revenue Requirement**

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
1 Operating Expenses	\$393,047	\$384,567	4	\$ (8,480)
2 Extensions and Replacements	115,000	115,000	7	-
3 Debt Service	36,650	33,490	9	(3,160)
4 Debt Service Reserve	7,330	-	10	(7,330)
5 Total Revenue Requirements	552,027	533,057		(18,970)
6 Less: Interest Income	(5,394)	(5,394)	3	-
7 Net Revenue Requirements	546,633	527,663		(18,970)
8 Less: Revenues at current rates subject to increase	(334,021)	(338,032)	4	(4,011)
Other revenues at current rates	(18,717)	(18,717)	4	-
9 Net Revenue Increase Required	193,895	170,914		(22,981)
10 Add: Additional IURC Fees	248	218		(30)
11 Recommended Increase	<u>\$194,143</u>	<u>\$171,132</u>		<u>\$ (23,011)</u>
12 Recommended Percentage Increase	<u>58.12%</u>	<u>50.63%</u>		<u>-7.49%</u>

	<u>Proposed</u>		<u>OUCC More (Less)</u>
	<u>Petitioner</u>	<u>OUCC</u>	
13 <u>Current Rate for 5,000 Gallons</u>			
14 Current Rate = \$26.43	\$ 41.79	\$ 39.81	\$ (1.98)

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
1 Operating Revenues			
Residential normalization	\$ 2,176	\$ 2,176	\$ -
Residential post-test year growth		1,135	1,135
Commercial post-test year growth		2,876	2,876
Birdseye Increased revenue	21,051	21,051	-
Cottage Estates Reimbursement	(10,614)	(10,614)	-
Total Operating Revenues	<u>12,613</u>	<u>16,624</u>	<u>4,011</u>
O&M Expense			
Salaries and Wages	7,543	7,543	\$ -
Purchased Water	12,008	12,008	-
Purchased Power	244	244	-
Materials and Supplies	-	(7,545)	(7,545)
Accounting	3,050	3,050	-
Periodic Maintenance Exp.	28,733	28,733	-
General Liability	538	538	-
Miscellaneous Expense	-	(160)	(160)
		(775)	(775)
Payroll Taxes	2,242	2,242	-
Total Operating Expenses	<u>54,358</u>	<u>45,878</u>	<u>(8,480)</u>
Net Operating Income	<u>\$ (41,745)</u>	<u>\$ (29,254)</u>	<u>\$ 12,491</u>

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

COMPARATIVE BALANCE SHEET
As of December 31,

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Utility Plant:			
Utility Plant in Service	\$ 2,672,339	\$ 2,649,902	\$ 2,612,492
Less: Accumulated Depreciation	(885,892)	(849,865)	(805,040)
Net Utility Plant in Service	<u>1,786,447</u>	<u>1,800,037</u>	<u>1,807,452</u>
Current Assets:			
Cash and Cash Equivalents	87,430	103,490	89,392
Special Deposits	10,000	10,000	10,000
Temporary Cash Investments	375,000	375,000	375,000
Customer Accounts Receivable	17,427	15,413	18,178
Total Current Assets	<u>489,857</u>	<u>503,903</u>	<u>492,570</u>
Total Assets	<u>\$ 2,276,304</u>	<u>\$ 2,303,940</u>	<u>\$ 2,300,022</u>
<u>LIABILITIES</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Equity			
Retained Earnings	\$ 2,086,677	\$ 2,128,621	\$ 2,140,010
Other Paid in Capital	97,480	97,480	97,480
Total Equity	<u>2,184,157</u>	<u>2,226,101</u>	<u>2,237,490</u>
Contributions in Aid of Construction	<u>77,352</u>	<u>56,015</u>	<u>51,760</u>
Net Contributions-in-aid of Construction	<u>77,352</u>	<u>56,015</u>	<u>51,760</u>
Current Liabilities			
Accounts Payable	12,138	19,108	8,142
Accrued Taxes Payable	2,657	2,716	2,629
Other Current Liabilities	<u>14,795</u>	<u>21,824</u>	<u>10,771</u>
Total Liabilities	<u>\$ 2,276,304</u>	<u>\$ 2,303,940</u>	<u>\$ 2,300,021</u>

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues			
Water Sales			
Residential	\$ 248,761	\$ 225,899	\$ 231,798
Commercial	41,216	44,469	36,655
Industrial	12,428	14,189	4,484
Unmetered Water Sales	710	812	434
Sales for Resale	7,679	7,113	22,562
Miscellaneous Service Revenues	29,331	22,514	9,504
Rents From Water Property	-	8,709	9,709
Total Operating Revenues	<u>340,125</u>	<u>323,705</u>	<u>315,146</u>
Operating Expenses			
Salaries and Wages	114,829	104,428	95,593
Purchased Water	123,170	115,214	92,595
Purchased Power	9,752	10,163	10,005
Materials and Supplies	24,432	11,776	14,167
Contractual Services			
Biling	7,837	4,593	4,609
Accounting	5,650	3,600	3,450
Engineering	-	3,000	300
Legal	-	-	65
Other / Testing	1,908	1,600	1,740
Other	5,562	5,803	-
Transportation Expense	3,897	4,062	4,191
Insurance			
General Liability	10,628	10,147	9,909
Workers' Compensation	2,903	2,989	4,276
Other	250	344	50
Miscellaneous Expense	18,877	12,560	8,094
Total O&M Expense	<u>329,695</u>	<u>290,279</u>	<u>249,044</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Depreciation Expense	45,206	44,825	44,189
Payroll Taxes	8,994	8,484	7,631
Total Operating Expenses	<u>383,895</u>	<u>343,588</u>	<u>300,864</u>
Net Operating Income	(43,770)	(19,883)	14,282
Other Income (Expense)			
Gain (Loss) on Sale of Assets	(3,819)	-	-
Interest & Dividend Income	5,394	8,214	-
Total Other Income (Expenses)	<u>1,575</u>	<u>8,214</u>	<u>-</u>
Net Income	<u>\$ (42,195)</u>	<u>\$ (11,669)</u>	<u>\$ 14,282</u>

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

Pro Forma Net Operating Income Statement

	Test Year Ended 12/31/2020	Adjustments	Sch Ref	Pro Forma Present Rates	Adjustments	Sch Ref	Pro Forma Proposed Rates
1 Operating Revenues							
2 Water Sales							
3 Residential	\$ 248,761	\$ 2,176	PET	\$ 252,072	129,896		\$ 381,968
		1,135	5-1				
4 Commercial	41,216	2,876	5-2	44,092	21,151		65,243
5 Industrial	12,428	-		12,428	5,962		18,390
6 Unmetered Water Sales	710	-		710	341		1,051
8 Sales for Resale	7,679	21,051	PET	28,730	13,782		42,512
9 Miscellaneous Service Revenues	29,331	(10,614)	PET	18,717	-		18,717
10 Total Operating Revenues	<u>340,125</u>	<u>16,624</u>		<u>356,749</u>	<u>171,132</u>	1	<u>527,881</u>
11 O&M Expense							
12 Salaries and Wages	114,829	7,543	PET	122,372			122,372
13 Purchased Water	123,170	12,008	PET	135,178			135,178
14 Purchased Power	9,752	244	PET	9,996			9,996
15 Materials and Supplies	24,432	(7,545)	6-1	16,887			16,887
16 Contractual Services							
17 Billing	7,837	-		7,837			7,837
18 Accounting	5,650	3,050	PET	8,700			8,700
19 Other / Testing	1,908	-		1,908			1,908
20 Other	5,562	-		5,562			5,562
21 Transportation Expense	3,897	-		3,897			3,897
22 Periodic Maintenance Exp.	-	28,733	PET	28,733			28,733
23 Insurance							-
24 General Liability	10,628	538	PET	11,166			11,166
25 Workers' Compensation	2,903	-		2,903			2,903
26 Other	250	-		250			250
27 Miscellaneous Expense	18,877	(160)	6-2	17,942			17,942
28		(775)	6-3				
29 Depreciation Expense	45,206	-		45,206			45,206
30 Additional IURC Fee	-	-		-	218		218
31 Taxes Other than Income							
32 Payroll Taxes	<u>8,994</u>	<u>2,242</u>	PET	<u>11,236</u>			<u>11,236</u>
33 Total Operating Expenses	<u>383,895</u>	<u>45,878</u>		<u>429,773</u>	<u>218</u>		<u>429,991</u>
34 Net Operating Income	<u>\$ (43,770)</u>	<u>\$ (29,254)</u>		<u>\$ (73,024)</u>	<u>\$ 170,914</u>		<u>\$ 97,890</u>

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

OUCG Revenue Adjustments

(1)

Post Test Year Growth

Adjust revenues for residential customer growth that occurred post test year.

Residential Customers at 12/31/2021	668
Less: Residential Customers at 12/31/2020	<u>665</u>
Additional Residential Customers	3
Times: 12 Months	<u>12</u>
Additional Billings	36
Average Bill per Residential Customer	<u>\$ 31.53</u>
Adjustment Increase (Decrease)	\$ 1,135

Adjustment Increase (Decrease)

\$ 1,135

(2)

Post Test Year Growth

Adjust revenues for commercial customer growth that occurred post test year.

Commercial Customers at 12/31/2021	46
Less: Commercial Customers at 12/31/2020	<u>43</u>
Additional Commercial Customers	3
Times: 12 Months	<u>12</u>
Additional Billings	36
Average Bill per Commercial Customer	<u>\$ 79.88</u>
Adjustment Increase (Decrease)	\$ 2,876

Adjustment Increase (Decrease)

\$ 2,876

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

OUC Expense Adjustments

(1)

Non Recurring

Adjustment to remove the cost of non recurring items from test year expense.

<u>Name</u>	<u>Description</u>	<u>Amount</u>
Englert's Home Comfort	new shop building flooring	\$2,970.73
Fischer Electric	shop LED lighting, 2 security lights	2,626.24
Patoka Lake Reg Water & Sewer.	Additional Wholesale Water Meter	<u>1,947.74</u>
		<u>\$ 7,545</u>

Adjustment Increase (Decrease) \$ (7,545)

(2)

Disallowed Expense

Adjustment to remove the cost of street light donation from test year expense.

<u>Name</u>	<u>Description</u>	<u>Amount</u>
St. Anthony Street Light committee	Donation for the town of St. Anthony Street lights	\$ 200.00
Utility's Actual Benefit		<u>40.00</u>
		<u>\$ 160</u>

Adjustment Increase (Decrease) \$ (160)

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

OUCC Expense Adjustments

(3)

Disallowed Expense

Adjustment to remove the cost of Christmas appreciation gifts from test year expense.

<u>Name</u>	<u>Description</u>	<u>Amount</u>
John Klem	Christmas appreciation gift	\$ 50.00
Randy Fleck	Christmas appreciation gift	50.00
Greg Knies	Christmas appreciation gift	50.00
Mark Jahn	Christmas appreciation gift	50.00
Chad Nord	Christmas appreciation gift	50.00
Bill Hauser	Christmas appreciation gift	50.00
Roman Wagner	Christmas appreciation gift	150.00
Michele Kordes	Christmas appreciation gift	150.00
Sheila Wagner	Christmas appreciation gift	75.00
Jenna Hasenour	Christmas appreciation gift	25.00
Louise Brames	Christmas appreciation gift	25.00
Karen Schneider	Christmas appreciation gift	25.00
Janice Kreilein	Christmas appreciation gift	25.00
		<u>\$ 775</u>

Adjustment Increase (Decrease) \$ (775)

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

Extensions and Replacements

To reflect the average amount of extensions and replacements required over a five year period.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
1 Fire hydrant replacement	\$ 51,175	\$ 51,000				\$ 102,175
2 Flush hydrant replacement		90,500	90,500			181,000
3 Valve replacement/addition		25,000	25,000			50,000
4 PRV/Meter pit rehabilitation					50,000	50,000
5 Booster station building rehabilitation	12,000					12,000
6 Bretzville area water main improvements	130,000	130,000	130,000			390,000
7 SCADA system improvements					261,000	261,000
8 St Rd 162 water main replacement/upsized					1,105,000	1,105,000
9 Co Rd 50 E water main replacement/upsized				711,000		711,000
# Annual meter upgrades	1,750	1,750	1,750	1,750	1,750	8,750
# System-wide meter upgrade					1,068,000	1,068,000
# Maintenance truck	65,000					65,000
# Office computer system upgrade	25,000					25,000
	<u>\$ 284,925</u>	<u>\$ 298,250</u>	<u>\$ 247,250</u>	<u>\$712,750</u>	<u>\$ 2,485,750</u>	<u>\$ 4,028,925</u>
						(3,453,925)
						<u>\$ 575,000</u>
9 Divide by 5 Years						<u>5</u>
# Average Annual Extensions and Replacements						<u><u>\$ 115,000</u></u>

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

Debt Service

To reflect the average amount of debt service required over a five year period.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
1 Bank Loan	\$ 33,490	\$ 33,490	\$ 33,490	\$ 33,490	\$ 33,490	\$ 167,450
2	<u>\$ 33,490</u>	<u>\$ 33,490</u>	<u>\$ 33,490</u>	<u>\$ 33,490</u>	<u>\$ 33,490</u>	<u>\$ 167,450</u>
3 Divide by 5 years						<u>5</u>
4 Average Annual Debt Service						<u>\$ 33,490</u>

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

Debt Service Reserve

***** The OUCG Recommends No Debt Service Reserve *****

ST. ANTHONY WATER UTILITIES, INC.
CAUSE NUMBER 45671

Current and Proposed Rates and Charges

	<u>Current</u>	<u>Petitioner Proposed</u>	<u>OUCC Proposed</u>	<u>OUCC More (Less)</u>
First 5,000 gallons	\$ 8.81	\$ 13.93	\$ 13.27	\$ (0.66)
Next 5,000 gallons	8.14	12.87	12.26	(0.61)
Next 10,000 gallons	7.29	11.53	10.98	(0.55)
Next 20,000 gallons	6.43	10.17	9.69	(0.48)
Next 40,000 gallons	5.43	8.59	8.18	(0.41)
Over 80,000 gallons	4.91	7.76	7.40	(0.37)
Service Charge or Minimum Rate				
5/8" meter - 2,000 gallons	17.62	27.86	26.54	(1.32)
3/4" meter - 5,000 gallons	44.05	69.65	66.35	(3.30)
1" meter - 10,000 gallons	84.75	134.01	127.66	(6.35)
1 1/2" meter - 20,000 gallons	157.65	249.28	237.47	(11.81)
2" meter - 40,000 gallons	286.25	452.62	431.18	(21.44)
Per Connection - Sprinkler	84.86	134.18	127.82	(6.36)
Hydrant per Year	42.43	67.09	63.91	(3.18)
Sales for Resale (Birdseye)				
First 1,000,000	4.52	7.15	6.81	(0.34)
All Over 1,000,000	4.47	7.07	6.73	(0.33)

Dbl Ace
10/28/19



DATE OF ORDER	DATE OF DELIVERY	PICK-UP DATE
CASH	COD	CHARGE
FINANCE COMPANY		SALES ASSOCIATE
TERMS		<i>Skarla</i>

DELIVERY INSTRUCTIONS:
Maintenance Building - Flooring

WILL SOMEONE BE THERE TO ASSIST DRIVER? Y N DATE *12/31/19*

CUSTOMER NAME: *St. Anthony Water Utilities*
ADDRESS: *PO Box 154*
CITY: *St. Anthony* STATE: *IN* ZIP: *47502*
PHONE NO. Home: *326 2512* Work: Cell:

MFG.	MODEL # & DESCRIPTION	LOCATION	QUANTITY/SIZE	SQ FT	PRICE	AMOUNT
<i>Lensing</i>	<i>Naturelle Vinyl Tile # DT 5904</i>		<i>11 ctns</i>	<i>392.26</i>	<i>4.75</i>	<i>1863.23</i>
<i>"</i>	<i>ADH-3601 glue</i>		<i>2</i>		<i>40</i>	<i>80.00</i>
<i>Ardex</i>	<i>floor patch compound</i>		<i>1</i>			<i>15.00</i>
<i>Gerber</i>	<i>Viper G-F21-552-00 Bowl</i>		<i>1</i>		<i>50.00</i>	
<i>"</i>	<i>" G-F28-590-00 Tank</i>		<i>1</i>			
<i>King</i>	<i>B500 EC 000 toilet seat</i>		<i>1</i>		<i>937.50</i>	
	<i>90-241 Junbo wax ring</i>		<i>1</i>			
	<i>Installation - remove old carpet, pull toilet & reset remove old vinyl, patch floor pull baseboards & reset dispose of old</i>					
	<i>90-104 toilet bolts</i>					<i>N/C</i>

NOT RESPONSIBLE FOR INSTALLING ANTI-TIP DEVICE.
EXTENDED SERVICE DECLINED
TERMS: All accounts due and payable end of month.
OVER DUE ACCOUNTS: 2% per month (Annual Rate of 24%) will be added from 1st of month following purchase on over due account.
RETURN POLICY: 25% restocking fee on all Stock merchandise. Special orders are not returnable.
SECURITY AGREEMENT
The undersigned Buyer hereby grants to Englerts Home Comfort Center (Seller), a purchase money security interest in the above-described property as collateral for payment of the unpaid balance of the purchase price. Buyer agrees, not to transfer or encumber for collateral without the Seller's consent. Seller shall be entitled to all rights and remedies provided by Indiana Uniform Commercial Code - Secured Transaction (I.C.26-1-9-101, et. seq.)
Buyer: _____
Received in good condition by _____

Total for Mchse	1st Rebilling	\$ <i>2970.73</i>
Delivery		<i>—</i>
Sub Total		<i>2033.23</i>
Sales Tax		<i>Exempt</i>
Labor		<i>937.50</i>
Cash Price		<i>2970.73</i>
Down Payment		<i>0</i>
Balance Due		<i>2970.73</i>

Invoice # 61005
Thank You!

We Appreciate your business and hope to serve you again!

CUSTOMER COPY

plant & equip

OK Bill 1/2/20

ST. ANTHONY WATER UTILITIES, INC.
JAN 06 2020
14313 PAID

FISCHER ELECTRIC 79613

Invoice



6673 E. Schnellville Rd.
St. Anthony IN 47575
Phone: 812-389-2418

Page 1/1
Invoice INV000079613
Date 2/20/2020

Bill To: St. Anthony Water Utilities
P. O. Box 154
St. Anthony IN 47575

Ship To: St. Anthony Water Utilities
St. Anthony Water Utilities
Attn: %Bill Hauser
St. Anthony IN 47575

Accounts not paid within payment terms will be charged 1 3/4% each month which is 21% annually or a minimum of \$.50

Purchase Order No.	Customer ID	Service Completed by	Shipping Method	Payment Terms	Master No.
	STA4			Net 30 days	20,005
Quantity	Item Number	Description	Unit Price	Ext. Price	
7.00	20-LEDHBR-14-5K-PRM-BLK-	14W 120-277V 5000K Round LED HighBay Fix	\$154.7000	\$1,082.90	
2.00	08-LEDMPALPRO3-Y-5K	30W LED Area Light 5000K Yoke Mount	\$52.0000	\$104.00	
2.00	RACO 5361-0	4" x 1 1/2"D 5 Hub Rnd Splice WP Grey Bo	\$5.2403	\$10.48	
2.00	RAB C103	3 Hole 1/2" Round Cover Plate(Flood Ligh	\$4.5630	\$9.13	
2.00	RGC124N	1/2"x4" Galv. Nipple	\$1.5782	\$3.16	
7.00	RACO 724	4" Round/Oct Flat 1/2KO Cover	\$0.6032	\$4.22	
1.00	QO2020	SQD 20Amp Tandem Breaker	\$58.5000	\$58.50	
1.00	10-BLCSLED8FT-65-5KMV-ET	96" 65W 5000K LED Covered Strip Ligh Fix	\$96.1870	\$96.19	
1.00	RACO 670	4"x2 1/8" D Handy Box G19282	\$1.9448	\$1.94	
1.00	6A2	1/2 " Offset Nipple/BRI1520DC	\$2.3737	\$2.37	
1.00	RACO 865	Handy Box Toggle Sw Cover/G19350	\$0.6204	\$0.62	
2.00	PS 660WG	15Amp SP Switch White/Ivory/BKG/LA RS11	\$0.7900	\$1.58	
1.00	PS TP1LA	1 Gang SW Cover Wh/LA/IV(Use)	\$0.3145	\$0.31	
1.00	S118W	Slater 1 Gang Plastic Work Box	\$1.3605	\$1.36	
65.00	12-2WG	12-2 W/G Romex Wire	\$0.3141	\$20.42	
7	NI	3/8 x 4 Eyehook Lags	\$4.00	\$28.00	
3.00	L2410	2"x4"x10' SPF #2 Lumber	\$9.0870	\$27.26	
1.00	08-LED-AL-50W-GR	50W LED Security Light Wall Mount 5000K	\$98.8000	\$98.80	
1.00	BUCKET TRK	Bucket Truck	\$65.00	\$65.00	
1.00	LABOR MAF	Labor/Trip Mark Fischer	\$100.00	\$100.00	
1.00	LABOR	General Labor - CK, CS	\$910.00	\$910.00	

Description of Work:
1-21-2020 Replace Security Light on Building.

Subtotal	\$2,626.24
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$2,626.24

ST. ANTHONY
WATER UTILITIES, INC.
MAR 03 2020
14378
PAID

"PATOKA LAKE NEW METER



INVOICE

Patoka Lake Regional Water & Sewer District

2647 N State Road 545
Dubois, IN 47527
Ph. (812) 678-5781

INVOICE NO. 2020. St. Anthony Extra Whsl Mtr
DATE April 23, 2020

TO Saint Anthony Water Utility
PO Box 154
Saint Anthony, IN 47575-0154

CONTACT	JOB	PAYMENT TERMS	DUE DATE
Josh Dixon	Add'l Whsl Water Meter- Tim Gray	Due Upon Receipt	

QUANTITY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1.00	Additional Wholesale Water Meter *Tim Gray	\$ 1,947.74	\$ 1,947.74

*OK Bill
4/27/20*

ST. ANTHONY
WATER UTILITIES, INC.

APR 28 2020
14425
PAID

*OK
Roman
4-27-20*

SUBTOTAL	\$	1,947.74
SALES TAX		
TOTAL	\$	1,947.74

Wat. & Supplies

Make all checks payable to Patoka Lake Regional Water & Sewer District
THANK YOU FOR YOUR BUSINESS!

St. Anthony Street Light Committee
4066 S. Santine Road
St. Anthony, IN 47575

May 2020

*OK Bill
5/26/20* *200*
\$200.

Dear Supporter,

In 1961, the St. Anthony Street Light Committee was formed by a group of men in the community with the foresight to start this program. The sole mission was to provide street lights for the town of Saint Anthony and the roads leading to town. This program began in April of 1961 and continues to be supported by the households and businesses along the street light areas.

In 2017, all 28 street lights maintained under this service were changed to LED Lighting to help save under the new minimal rate increase. The total cost of the program is approximately \$2,520.00 per year. Again this year, the household average will remain \$40.00 per year, per household. This amount will meet the needs in order to continue the program. Your support is very much appreciated.

Your donation towards the Town of Saint Anthony Street Light Program may be forwarded by mail in the enclosed envelope by June 20. Thank you in advance for your support.

St. Anthony Street Light Committee
Jon and Julia Hurst

Enclosure

ST. ANTHONY
WATER UTILITIES, INC.

MAY 27 2020
14459
PAID
\$200

\$200 in 2019