

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE BOARD OF DIRECTORS FOR )  
UTILITIES OF THE DEPARTMENT OF PUBLIC )  
UTILITIES OF THE CITY OF INDIANAPOLIS, AS )  
TRUSTEE OF A PUBLIC CHARITABLE TRUST )  
FOR THE WATER SYSTEM, D/B/A CITIZENS )  
WATER FOR (1) AUTHORITY TO INCREASE ITS )  
RATES AND CHARGES FOR WATER UTILITY )  
SERVICE AND APPROVAL OF A NEW SCHEDULE )  
OF RATES AND CHARGES APPLICABLE )  
THERE TO, INCLUDING A NEW RATE FOR LOW- )  
INCOME CUSTOMERS, (2) APPROVAL OF A )  
REVISED METHODOLOGY FOR ALLOCATING )  
CORPORATE SUPPORT SERVICES COSTS )  
RESULTING IN A REVISED ALLOCATION OF )  
SUCH COSTS TO CITIZENS WATER, AND (3) )  
APPROVAL OF CERTAIN CHANGES TO ITS )  
GENERAL TERMS AND CONDITIONS FOR )  
WATER SERVICE )

CAUSE NO. 44644

OFFICIAL  
EXHIBITS

VERIFIED DIRECT TESTIMONY

OF

GLEN C. MILLER

ON BEHALF OF

MORGAN COUNTY RURAL WATER CORPORATION

IURC INTERVENOR'S *Morgan*  
*Co*  
EXHIBIT NO. 1-12-16  
DATE REPORTER *il*

FILED: OCTOBER 15, 2015

INTERVENOR MORGAN COUNTY RURAL WATER'S EXHIBIT NO. 1

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

2           A.   My name is Glen C. Miller. My business address is Morgan County Rural Water  
3                Corporation, P.O. Box 1575, Martinsville, Indiana 46151.

4   02.   Q.   **What is your occupation?**

5           A.   My current occupation is General Manager of Morgan County Rural Water  
6                Corporation ("Morgan County"), a position I have held since January 2000.

7   03.   Q.   **What did you do prior to your employment by Morgan County?**

8           A.   Prior to my employment by Morgan County, I was a service technician/industrial  
9                electrician at T&W Three Phase Electric in Mooresville, Indiana. I have also held  
10              several different positions, including First Line Supervisor - Mechanical  
11              Department, Refrigeration/HVAC Mechanic, Union Steward - Local 135 Teamsters,  
12              Industrial Maintenance Millwright, Cooling Tower/Waste Water Operator and  
13              Chemical Operator, at Reilly Industries, Inc., in Indianapolis. From 1973 through  
14              1977, I was an Aircraft Maintenance Technician in the United States Air Force.

15 04.   Q.   **Please describe your educational, technical, and professional background.**

16           A.   I am an Indiana licensed water works operator, certified for distribution system,  
17                (D.S.L.), and pressure filter operation (WT-3). I graduated from AWWA Short  
18                School in August, 1999, completed AWWA Basic (2005), Advanced (2006), and  
19                Phase III Leadership (2009) Training programs through Utah State University, plus  
20                numerous training classes and seminars for AWWA, IRWA, and the Alliance of  
21                Indiana Rural Water. In December 2011 I received an Associate of Science in  
22                Business Administration from Ivy Tech Community College Bloomington,

1 Indiana. In addition, I earned a C.F.C. Certification from ACCA Ferris State  
2 College, in September, 1996, and a Chemical Operator Certification Phase 1 in  
3 September, 1995. I completed the Juran Quality Process Institute in June, 1994,  
4 McNally Pump School in November, 1993, Pfaudler Glass School in May, 1992 and  
5 received an Associate of Applied Science HVAC from Indiana Vocational Technical  
6 College in May, 1987.

7 05. Q. **Please describe your association with Morgan County.**

8 A. I have been a member and customer of Morgan County since 1987. I was a member  
9 of the Board of Directors of Morgan County from October 1994 through December  
10 1997, during which time I was a representative of District #3 and acted as the voice  
11 of the members during regular Board meetings. During that time, I was also a  
12 member of the Budget and Finance Committee and Chairman of the Personnel  
13 Committee. I became General Superintendent in December 1997, was promoted to  
14 Manager in January, 2000 and have served in that capacity through the present time.  
15 I was also appointed Secretary of the Board on January 2, 2000.

16 06. Q. **What are your duties as General Manager of Morgan County?**

17 A. I am responsible for the oversight and management of all functions of the utility,  
18 including personnel issues, financial affairs, permits, extensions, meter reading,  
19 billing, customer relations, inventory and plant and vehicle maintenance, all of  
20 which is subject to the oversight of the Board of Directors.

1   07.   Q.   **Please describe Morgan County Rural Water Corporation.**

2           A.   Morgan County Rural Water Corporation is an Indiana nonprofit corporation  
3               organized and existing under and by virtue of the laws of the State of Indiana, having  
4               received its Certificate of Incorporation on the 16th day of April, 1964, and existing  
5               for the purpose of providing a water works system serving approximately 3,313  
6               active members of said corporation with water service in rural areas and townships  
7               of Morgan County and Owen County, Indiana. Its principal office is in Morgan  
8               County, Indiana, at 1395 E. Shore Dr., Martinsville, Indiana 46151, with a mailing  
9               address of P.O. Box 1575, Martinsville, Indiana 46151. The original rural water  
10              utility was constructed pursuant to Cause No. 31244, approved September 30, 1966.  
11              The water works system generally consists of approximately 234 miles of  
12              transmission main, 2 wells, a water treatment plant, 7 storage tanks, 4 booster  
13              pumps, and an 8" meter connection to Citizens Water. As a nonprofit corporation,  
14              Morgan County is owned by its customers/ members, all costs of operations are  
15              borne directly by its customers/members, and Morgan County generates no profits.

16   08.   Q.   **What is Morgan County's relationship to Citizens Water?**

17           A.   Morgan County has two metered connections to Citizens Water, an 8" meter and a 6"  
18               meter, through which it purchases water as a Sale For Resale customer of Citizens.  
19               The 8" meter connection was established through a "Special Main Extension and  
20               Guaranteed Revenue Contract" with Indianapolis Water Company, predecessor in  
21               interest to Citizens Water, entered into on February 12, 2002, pursuant to which  
22               Morgan County paid Indianapolis Water Company \$1,150,000 to connect to an

existing 24" water main at the west end of Citizens' distribution system. This 18 mile long water transmission main was built in the late 1990's to serve the failed Garfield theme park. Citizens benefits operationally from Morgan County's 8" connection in that Morgan County's consumption of water through this meter effectively provides flushing of this 18 mile long transmission main while simultaneously collecting volume charges from Morgan County in the process. Prior to Morgan County's connection at the 8" metering point, Citizens was simply dumping large amounts of water from this transmission main in order to maintain its water quality.

09. Q. **Why is Morgan County intervening in this case?**

A. In summary, Morgan County is concerned that Citizens' proposed rate increase and service charge increases are excessive and that the proposed Residential – Low Income discounted rate schedule is inequitable. Also, if Citizens is granted any or all of its requested rate increase, Morgan County requests that Morgan County be granted simultaneous rate relief for any increase in Morgan County's costs resulting from the grant of Citizens' requested rate increase.

10. Q. **Why does Morgan County believe that Citizens' proposed rate increase is excessive?**

A. The new rates proposed by Citizens would substantially increase the cost of the water Morgan County purchases from Citizens. As proposed by Citizens, Morgan County's cost would increase from approximately \$98,000/year to approximately \$243,000/year, an increase of approximately 147% in the cost of the water Morgan

County purchases from Citizens, which is over three (3) times the proposed 45% average increase for the Sale For Resale class and over six (6) times the proposed 22% overall increase.

11. Q. **Do you have an explanation for why Citizen's proposed rates will increase Morgan County's costs so dramatically?**

A. Yes. The dramatic cost increase is attributable to Citizen's proposed increase in its service charges. As applied to Morgan County, the service charge for its 8" meter will increase from \$229.40/month to \$7,990.78/month; and the service charge for its 6" meter will increase from \$188.56/month to \$4,983.27/month.

12. Q. **Does Morgan County have a recommendation on Citizens' proposed dramatic increase in its service charges?**

A. Yes. Morgan County believes the IURC should reject Citizens' proposal to dramatically increase the service charges, and instead, apply any approved rate increase on a volumetric basis.

13. Q. **Please explain why Morgan County views Citizens' proposed Residential-Low Income discounted rate schedule as inequitable.**

A. Morgan County's customer base is approximately 98% residential, and undoubtedly includes customers and households that would fall within the low-income parameters proposed by Citizens, yet these low-income Morgan County customers will not receive the benefits of the discounted rate schedule proposed by Citizens. Instead, these low-income Morgan County customers will pay a tracker charge based on

1 Citizens' rate design that provides a discounted rate to Citizens' low-income  
2 customers.

3 14. Q. **Does Morgan County have any other concerns related to Citizens' rate increase**  
4 **petition?**

5 A. Yes. In reviewing Citizens' billings to Morgan County, we have realized that  
6 Citizens' bills are not presented in a way that allows Morgan County to efficiently  
7 verify that we are being billed according to Citizens' approved rate schedule.  
8 Consequently, Morgan County requests that Citizens be required to bill its customers  
9 in an itemized fashion that allows its customers to easily verify that Citizens'  
10 monthly charges are billed correctly.

11 15. Q. **Does Morgan County have any other concerns related to Citizens' rate increase**  
12 **petition?**

13 A. Yes. We have also become aware that for Morgan County's 6" meter connection to  
14 Citizens, which is a compound meter consisting of a 1.5" meter for low-flow and a  
15 6" meter for high flow, Citizens has been charging two service charges, a 1.5"  
16 service charge and a 6" service charge. Since this is a single connection, and the use  
17 of the compound meter is solely for the benefit of Citizens and not Morgan County,  
18 we believe that imposing two service charges for this meter is inappropriate.  
19 Consequently, Morgan County requests that for compound meters, Citizens be  
20 permitted to charge only a single service charge based on the high flow portion of  
21 the compound meter.

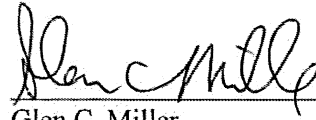
1     16.    Q.    **Does this complete your direct testimony?**

2            A.    Yes.



VERIFICATION

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, appearing to read "Glen C. Miller", is written over a horizontal line.

Glen C. Miller