

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF MARYSVILLE-OTISCO-NABB)
WATER CORPORATION: (1) FOR AUTHORITY)
AND APPROVAL TO INCREASE RATES AND)
CHARGES FOR WATER SERVICE, INCLUDING)
APPROVAL OF NEW SCHEDULE(S) OF RATES)
AND CHARGES FOR WATER SERVICES (2) FOR)
AUTHORITY AND APPROVAL TO ISSUE)
BONDS, NOTES, OR OTHER OBLIGATIONS OF)
INDEBTEDNESS)

CAUSE NO. 45955

PUBLIC'S EXHIBIT NO. 1

TESTIMONY OF THOMAS W. MALAN

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

January 12, 2024

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 OUC* has been served upon the following captioned proceeding by electronic service January 12, 2024.

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TESTIMONY OF OUCC WITNESS THOMAS W. MALAN
CAUSE NO. 45955
MARYSVILLE OTISCO NABB WATER CORPORATION, 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 relief is Petitioner requesting?**

9 A: On September 29, 2023, Marysville Otisco Nabb Water Corporation, Inc. ("MON"
10 or "Petitioner") filed a petition with the Indiana Utility Regulatory Commission
11 ("Commission" or "IURC") requesting a rate increase of 63.90% to produce an
12 additional \$590,401 of operating revenue. Petitioner also seeks Commission
13 authority to issue debt to fund capital improvement projects. Petitioner is a not-for-
14 profit water utility providing service to approximately 2,500 customers in Clark
15 and Scott Counties. Petitioner's last rate order was issued on January 14, 2004, in
16 Cause No. 42476-U.

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

18 A: I present the OUCC's rate schedules based on its recommended rate increase of
19 29.14% to produce \$271,323 of additional operating revenue. I discuss and support
20 the OUCC's adjustments to Petitioner's revenues and expenses. I also discuss the

1 OUCC's specific recommendations on accounting practices and restricted
2 accounts. My testimony incorporates OUCC witness James Parks'
3 recommendations concerning Petitioner's maintenance costs and its proposed
4 300,000-gallon elevated storage tank, booster station, and main extension projects.
5 Finally, my testimony incorporates OUCC witness Shawn Dellinger's
6 recommendations regarding Petitioner's debt service and debt service reserve
7 expenses. I recommend adjustments to Petitioner's revenues and expenses. I
8 recommend Petitioner place some of its revenues into restricted accounts. I make
9 a recommendation as to how Petitioner records invoices.

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

11 A: I reviewed MON's petition, schedules, and workpapers. I reviewed the testimonies
12 of Petitioner's witnesses Tracy Wyne and Jerome Hentrip. I reviewed Petitioner's
13 2012-2023 IURC annual reports. I prepared discovery questions and reviewed
14 Petitioner's responses. I participated in an on-site accounting review on November
15 15, 2023. I reviewed the final order from Petitioner's last rate case.

16 **Q: What schedules and attachments does your testimony include?**

17 A: I include the following schedules and attachments:

18 Schedule 1 – Comparison of Overall Revenue Requirements (page 1)
19 Reconciliation of Net Operating Income Statement Adjustments
20 (page 2)
21 Schedule 2 – Comparative Balance Sheet as of December 31, 2022, 2021 and 2020
22 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
23 December 31, 2022, 2021 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 – Extensions & Replacements
- 2 Schedule 8 – Working Capital
- 3 Schedule 9 – Debt Service
- 4 Schedule 10 – Debt Service Reserve
- 5 Schedule 11 – Current and Proposed Rates and Charges
- 6 Attachment TWM-1 – Richard Henderson Inc. Invoice and Support
- 7 Attachment TWM-2 – Henderson Flower Shop Invoices
- 8 Attachment TWM-3 – Customer Comments

II. CASE OVERVIEW

A. Marysville Otisco Nabb Water Corporation, Inc. Case

- 9 **Q: What are the main drivers of Petitioner's 63.90% (\$590,401) rate increase?**
- 10 A: The principal reasons for this rate increase are higher operating expenses, and the
- 11 need for debt service on Petitioner's proposed debt issuance.

B. OUCC's Case

- 12 **Q: What rate increase does the OUCC recommend?**
- 13 A: The OUCC recommends an across-the-board rate increase of 29.14% to produce
- 14 additional revenues of \$271,323 per year. The table below compares Petitioner's
- 15 and the OUCC's proposed revenue requirements.

Table 1: Comparison of Revenue Requirements

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 906,203	\$ 850,267	4	\$ (55,936)
Extensions and Replacements	122,422	172,567	8	50,145
Debt Service	425,520	165,000	SD ⁽¹⁾	(260,520)
Debt Service Reserve	<u>85,300</u>	<u>33,000</u>	SD ⁽¹⁾	<u>(52,300)</u>
Total Revenue Requirements	1,539,445	1,220,834		(318,611)
Less: Interest Income	(969)	(969)	4	-
Other Income	<u>(4,672)</u>	<u>(4,672)</u>		<u>-</u>
Net Revenue Requirements	1,533,804	1,215,193		(318,611)
Less: Rev @ current rates subj to increase	(923,931)	(931,040)	4	(7,109)
Other revenues at current rates	<u>(20,337)</u>	<u>(13,228)</u>	4	<u>7,109</u>
Recommended Increase	589,536	270,925		(318,611)
Add: Additional IURC Fees	<u>865</u>	<u>398</u>		<u>(467)</u>
Recommended Increase	\$ 590,401	\$ 271,323		\$ (319,078)
Recommended Percentage Increase	<u>63.90%</u>	<u>29.14%</u>		<u>-34.76%</u>

⁽¹⁾ Please see the testimony and workpapers of OUCC Witness Shawn Dellinger for the explanation and calculation of Debt Service and Debt Service Reserve

III. OPERATING REVENUES

1 **Q: What is Petitioner's proposed *pro forma* operating revenue?**

2 A: Petitioner proposes *pro forma* present rate operating revenues of \$944,268, a
3 \$12,272 increase over test year operating revenues of \$931,996. Petitioner
4 proposed a \$5,370 increase to normalize residential water sales due to test year
5 growth and a \$6,902 increase for post-test year customer growth (\$5,370 + 6,902 =
6 \$12,272).

7 **Q: Do you accept Petitioner's proposed operating revenue adjustments?**

8 A: Yes. I accept Petitioner's test year residential normalization and post-test year
9 residential customer growth adjustment.

1 **Q: Did Petitioner correctly include all revenues in its calculation of the rate**
2 **increase?**

3 A: No. Petitioner did not recognize that late fees will increase with its rates and
4 included late fees as *other revenue*. I included the \$7,109 of late fee revenue as
5 *revenues subject to increase* in my calculation. (See Table 1 above.)

IV. OPERATING EXPENSES

6 **Q: What is Petitioner's proposed *pro forma* operating expense?**

7 A: Petitioner proposes a *pro forma* operating expense of \$906,203, which is an
8 increase of \$86,943 over its test year operating expense of \$819,261. (These
9 amounts were restated by me to exclude \$177,763 of depreciation expense.)

10 **Q: What are Petitioner's proposed operating expense adjustments?**

11 A: Petitioner proposes nine adjustments to test year operating expenses, including: (1)
12 an \$8,639 increase to salaries, wages and payroll tax expense, (2) a \$7,157 increase
13 to purchased water expense, (3) a \$1,791 decrease to materials and supplies
14 expense, (4) a \$5,490 decrease to contractual services - accounting expense, (5) a
15 \$48,479 increase to contractual services - repairs and maintenance expense, (6) an
16 additional \$31,485 increase to contractual services - repairs and maintenance
17 expense, (7) a \$2,023 decrease to insurance expense, (8) a \$186 increase to bad debt
18 expense, and (9) a \$301 increase to IURC Fees.

19 **Q: Do you accept any of Petitioner's operating expense adjustments?**

20 A: Yes. I accept all those expenses. However, I disagree with Petitioner's
21 characterization of some of the expenses under the category of *contractual services*
22 *- repairs and maintenance expense*. Those costs are more properly characterized as

1 capital expenditures to be included in the E&R revenue requirement. I discuss this
2 in more detail below.

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

4 A: Yes. In addition to those adjustments I have accepted, I recommend operating
5 expense adjustments to remove (1) labor and travel cost that will be recovered
6 through Petitioner's tap fee, (2) costs that are capital in nature, and (3) expenses
7 that are not recoverable in rates. I discuss these adjustments below.

8 **Q: What is your recommendation for Petitioner's *pro forma* operating expense?**

9 A: I recommend a *pro forma* operating expense of \$850,267, which is an increase of
10 \$31,007 over test year operating expenses of \$819,260. Table 1 compares the
11 OUCC's recommended operating expense adjustments to those proposed by
12 Petitioner. (These amounts were restated by me to exclude \$177,763 of depreciation
13 expense.)

Table 2: Comparison of Proposed Operating Expense Adjustments

	<u>Revised Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
O&M Expense			
Salaries and Wages	\$ 9,524	\$ 9,524	\$ -
Tap Fee Labor		(1,571)	(1,571)
Purchased Water	7,157	7,157	-
Purchased Power	-	5,338	5,338
Materials and Supplies			
Non-Recurring Item	(1,791)	(1,791)	-
Capital Cost		(1,554)	(1,554)
Contractual Services - Acct.	(5,490)	(5,490)	-
Contractual Services - Other	48,479	-	(48,479)
Capital Cost		(1,813)	(1,813)
New Tank Maintenance	31,485	980	(30,505)
New Tank Coating		23,500	23,500
Transportation Expense	-	(582)	(582)
General Liability Insurance	(287)	(287)	-
Workers' Compensation	(1,721)	(1,721)	-
Other Insurance	(15)	(15)	-
Regulatory	301	301	-
Bad Debt Expense	186	186	-
Miscellaneous Expense	-	(270)	(270)
Payroll Taxes	(885)	(885)	-
Total Operating Expense	<u>\$ 86,943</u>	<u>\$ 31,007</u>	<u>\$ (55,936)</u>

A. Salaries and Wages

1 **Q: What is Petitioner's proposed adjustment to salary and wage expense?**

2 A: Petitioner proposed an adjustment to increase salary, wage, and payroll tax expense
3 by \$8,639.

4 **Q: Do you accept Petitioner's salary and wage expense adjustment?**

5 A: Yes. However, as shown in OUCC Schedule 4, I have separated Petitioner's
6 adjustment into its component parts – (1) a \$9,524 increase to salary and wage
7 expense and (2) an \$885 decrease to payroll taxes (\$9,524 – \$885 = \$8,639).

1 **Q: Do you recommend any additional adjustment to salary and wage expense?**

2 A: Yes. I recommend a \$1,571 decrease to salary and wage expense to eliminate test
3 year labor costs that will be recovered through Petitioner's tap fee, which was
4 approved on May 10, 2023, as a 30-day filing request.

5 **Q: Why is this adjustment necessary?**

6 A: Petitioner will now recover the labor and mileage costs associated with connecting
7 new customers *through its tap fee*. During the test year, Petitioner only capitalized
8 a portion of the expenses it is now recovering through its tap fee and, therefore,
9 these costs are included in *pro forma* test year operating expenses. This would result
10 in double recovery of the costs if no adjustment is made. Reducing *pro forma*
11 operating expense for labor and mileage costs recovered through the tap fee
12 prevents this double recovery.

13 **Q: How did you calculate your recommended salary and wage adjustment?**

14 A: Because the number of new connections fluctuates from one year to the next, I
15 calculated the average number of connections (24) Petitioner recorded per year
16 during the period 2013 – 2022. I then multiplied the \$65.47 labor cost per
17 connection included in Petitioner's approved tap fee by the 24 average annual
18 connections, resulting in a total decrease to labor costs of \$1,571 ($\$65.47 \times 24 =$
19 $\$1,571$). (See OUCC Schedule 6, Adjustment No. 1.)

20 **Q: Does the OUCC also recommend a mileage expense adjustment in conjunction**
21 **with the tap fee labor adjustment discussed above?**

22 A: Yes. In addition to the inclusion of labor in Petitioner's tap fee, \$24.26 of mileage
23 costs were included in the tap fee update. Therefore, I recommend an additional
24 \$582 reduction to operating expenses to remove transportation expense from *pro*

1 *forma* operating expenses. I calculated the reduction by multiplying the \$24.26 of
2 mileage costs by the average number of taps calculated above ($\$24.26 \times 24 =$
3 \$582). (See OUCC Schedule 6, Adjustments No. 1.)

B. New Tank – Maintenance Expense

4 **Q: Did Petitioner propose an expense adjustment for maintenance on the new**
5 **tank?**

6 A: Yes. Petitioner proposed an adjustment to increase contractual services – repairs
7 and maintenance expense by \$31,485. Table 3 lists the components of Petitioner’s
8 proposed increase to annual operating costs to account for the estimated additional
9 expense of operating the new 300,000-gallon elevated tank.

Table 3: New Tank Expense Adjustment

Description	Petitioner	OUCC
Operations	\$ 140	\$ 140
Housekeeping & Trash disposal	280	280
Scheduled Maintenance	280	280
Other Maintenance	280	280
Electrical	5,338	5,338
Booster Pump	1,667	
Est. Annual Interior Tank coating	12,750	12,750
Est. Annual Exterior Tank coating	10,750	10,750
Total Yearly Expense	\$ 31,485	\$ 29,818

10 **Q: Do you accept Petitioner’s adjustment to include additional operating expense**
11 **related to the new tank?**

12 A: While I accept the components of Petitioner’s adjustment are valid costs, not all of
13 the costs should not be included in contractual services – repairs and maintenance
14 expense. The \$1,667 cost of the Booster Pump (amortized portion) should be

1 included as a capital E&R revenue requirement.¹ I recommend an increase to test
2 year expense of \$29,818 for maintenance of Petitioner's proposed 300,00-gallon
3 tank (See OUCC Schedule 6, Adjustment No. 2.).

4 **Q: Do you recommend Petitioner begin recovering the operating costs of the new**
5 **tank before the tank is constructed and in operation?**

6 A: Yes. To make the implementation of rates simpler, I recommend Petitioner begin
7 recovery of new tank operating costs when the order is issued in this cause. I further
8 recommend that Petitioner be required to deposit all funds collected in association
9 with the new tank maintenance into a restricted account for tank painting. A
10 restricted tank painting account will help ensure that funds are available to properly
11 maintain the coatings of Petitioner's current water towers along with the proposed
12 new water tower in this Cause.

C. Expenses that Should Have Been Treated as Capital Costs

13 **Q: Do you recommend an adjustment to remove capital costs from test year**
14 **operating expenses?**

15 A: Yes. I recommend a \$3,367 reduction to test year operating expenses to remove
16 costs associated with the installation of a water main, including \$1,813 of
17 contractual services (Richard Henderson, Inc. Invoice #1730) and \$1,554 of
18 materials and supplies (OUCC Attachment TWM-1). These costs are associated

¹ Petitioner proposed the inclusion of \$1,667 of yearly cost in its new tank expense adjustment. I included \$1,667 of yearly cost for booster pump replacement in extensions and replacements (E&R) (OUCC Schedule 7). I recommend that Petitioner recover the \$25,000 cost for a booster pump replacement over 15 years as part of E&R ($\$25,000 / 15 = \$1,667$).

1 with "Charlestown Memphis Rd Install 4 inch main" project and should not be
2 included in pro forma operating expenses (OUCC Schedule 6, Adjustment No. 3).

D. Non-allowed Expenses

3 **Q: Did Petitioner propose an adjustment to remove any non-allowed expenses**
4 **from *pro forma* operating expenses?**

5 A: No.

6 **Q: Did you identify any test year expense that is not eligible for recovery in rates**
7 **and unnecessary to provide safe, reliable, drinking water?**

8 A: Yes. During my review of test year miscellaneous expense, I found four payments
9 for flower arrangements to Henderson Flower Shop that are not necessary to
10 provide safe, reliable, drinking water. (See OUCC Attachment TWM-2). Therefore,
11 I recommend a \$270 reduction to Petitioner's *pro forma* operating expenses to
12 remove these costs. (See OUCC Schedule 6, Adjustment No. 4.)

E. Existing Tank Maintenance Expense

13 **Q: Did Petitioner propose an adjustment to pro forma operating expense for costs**
14 **to maintain existing tanks?**

15 A: Yes. Petitioner proposed a \$48,479 adjustment to increase operating expenses for
16 what it described as "Additional Tank Maintenance Requirement." However, the
17 adjustment proposed is for capital project costs for the existing tanks and includes
18 safety devices, mixing systems, and cleaning the interiors and exteriors of both
19 tanks. (See Petitioner's Exhibit 3 Attachments to Verified Direct Testimony of
20 Tracy Wyne Rate Study and Workpapers page 43 – 50/214.) Petitioner seeks to
21 recover these costs over 10 years. (See Table 4 - Existing Tank Project Cost)

Table 4 - Existing Tank Project Cost

	Estimated Project Cost	Life Years	Annual Cost
Otisco - Elevated	\$ 231,720	10	\$ 23,172
Marysville - Elevated	253,065	10	<u>25,307</u>
Annual Requirement for Tank Maintenance			\$ 48,479

1 **Q: Do you accept Petitioner's revenue requirement for the existing tank projects?**

2 A: Yes. However, the entire \$48,479 is a capital cost and should therefore be included
3 in Petitioner's E&R revenue requirement. (OUCC Schedule 7.)

V. EXTENSIONS & REPLACEMENTS

4 **Q: What amount of annual E&R did Petitioner propose in its revenue**
5 **requirement?**

6 A: Petitioner proposed \$122,422 of E&R be included in its annual *pro forma* revenue
7 requirement.

8 **Q: What *pro forma* E&R revenue requirement does the OUCC recommend?**

9 A: The OUCC recommends annual *pro forma* E&R revenue requirement of \$172,567,
10 an increase of \$50,145 from Petitioner's proposal. The increase in E&R is offset by
11 equal reductions to Petitioner's contractual services expense. As I discussed above,
12 I recommended three items Petitioner had classified as contractual services expense
13 adjustments be classified as E&R -- (1) the addition of \$1,667 of yearly E&R for
14 booster pump replacement; (2) the addition of \$25,307 of yearly E&R for
15 improvements to the 75,000-gallon tank; and (3) the addition of \$23,172 of yearly
16 E&R for improvements to the 250,000-gallon tank. (See OUCC Schedule 7.)

VI. OTHER RECOMMENDATIONS

F. Restricted accounts

1 **Q: Why are you proposing a restricted account for tank painting and E&R?**

2 A: In Petitioner's last rate order issued on January 14, 2004, in Cause No. 42476-U,
3 the Commission ordered Petitioner to place extensions and replacements funds in a
4 restricted account. Petitioner did not set up a restricted account. A restricted
5 account assures that monies will be available to paint tanks and make other
6 improvements that will extend and preserve the life of assets.

1. Existing Tank projects

7 **Q: Do you have any recommendations for the use of a restricted account for**
8 **Petitioner's existing tanks?**

9 A: Yes. I recommend Petitioner collect \$48,479 annually for projects connected with
10 its existing tanks and place these funds in a restricted account to be used for the
11 projects as outlined by Pittsburg Tank & Tower Group (Petitioner Exhibit 3
12 Attachments to Verified Direct Testimony of Tracy Wyne Rate Study and
13 Workpapers page 43 – 50/214). Petitioner should also provide a report on these
14 funds as part of its annual IURC report filing, including amounts deposited into the
15 account and detailed amounts paid from the account.

2. Tank painting

16 **Q: Do you have any recommendations for the use of a restricted account for**
17 **Petitioner's tank painting funds for the proposed new tank?**

18 A: Yes. Petitioner did not request funds for painting its existing tanks in the revenue
19 requirement. I recommend Petitioner collect \$23,500 annually for tank painting

1 costs related to the new tank and place these funds in a restricted account to be used
2 for tank painting. Petitioner proposed the new tank will need to be painted every
3 ten years. Tank coatings typically last between 15 and 20 years and Petitioner's
4 proposal is significantly shorter than the typical expected life of a tank coating. It
5 is important that Petitioner have funds available for tank painting. With the addition
6 of a new 300,000-gallon tank, Petitioner will need to paint three tanks. Allowing
7 Petitioner to collect the funds for painting the new tank quicker than the expected
8 life, will allow the Utility to have additional tank painting funds to maintain the
9 existing tanks. In addition to \$23,500 collected for the purpose of tank painting, as
10 discussed previously, I recommend that all maintenance costs collected through
11 rates for the proposed tank be deposited in this restricted account until the new tank
12 is in service.

G. Accounting Practices

13 **Q: Do you have any recommendations regarding Petitioner's accounting**
14 **practices?**

15 A: Yes. Petitioner's current practice is to enter multiple invoices from the same vendor
16 on one line item. This makes it more difficult to determine whether a particular
17 invoice has already been paid, increasing the possibility of duplicate payments for
18 the goods or services. I recommend Petitioner enter each invoice (transaction) in
19 the accounting system separately to avoid multiple invoices being grouped together
20 on a single general ledger line. (Multiple invoices may still be paid by single
21 checks.) This will also assist with reviews of Petitioner's general ledger.

H. Post Order Compliance / Reporting

1 **Q: Do you recommend additional reporting as part of the Commission's order in**
2 **this Cause?**

3 A: Yes. The Commission should require Petitioner to report on all restricted accounts
4 as part of its annual IURC report filing, including amounts deposited into the
5 account and amounts paid from the account in a matter to make it easy to determine
6 what has been paid. This information should be reported separately for each
7 account. Petitioner should also be required to inform the Commission and OUCC
8 when the new tank is completed and in service.

VII. AFFORDABILITY

9 **Q: Does the OUCC have concerns about the affordability of Petitioner's rate**
10 **request?**

11 A: Yes. Through Indiana Code § 8-1-2-0.5, the Indiana General Assembly declared a
12 policy recognizing utility service affordability for present and future generations. It
13 stated affordability should be protected when utilities invest in infrastructure
14 necessary for system operation and maintenance.

15 **Q: How does the issue of affordability tie into Petitioner's current rate request?**

16 A: Petitioner requested an across-the-board 63.90% rate increase with an annual
17 revenue increase of \$590,402 in this Cause. Petitioner's proposal in this Cause will
18 increase the bill of a residential customer using 5,000 gallons of water per month

1 by approximately 64%, from \$34.85 to \$57.12. The cumulative economic effect on
2 ratepayers is what we are addressing when discussing affordability.

3 **Q: How should affordability be considered?**

4 A: In light of the Indiana General Assembly's stated policy, affordability should be a
5 consideration for all Indiana jurisdictional utilities, as well as the Commission as it
6 deliberates its decisions. While new regulations need to be complied with,
7 infrastructure needs to be replaced, systems need to be maintained and new
8 situations arise, affordability is an issue that should be considered in all ratemaking
9 decisions to provide guidance and help set spending parameters. The OUCC
10 understands safe and reliable water systems are extremely important. However,
11 while customers face increasing utility costs, they must also contend with higher
12 living costs due to inflation.

13 Consistent with the General Assembly's stated policy, the Commission
14 should only approve necessary and reasonable requests for Petitioner to provide
15 quality water service at reasonable prices and take steps to moderate the imposition
16 of higher rates over time. The OUCC believes its positions in this cause balances
17 the requirement for providing safe and reliable drinking water to ratepayers, while
18 ensuring that the affordability of these services is such that this vital service is
19 available to all ratepayers.

VIII. RECOMMENDATIONS

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

21 A: I recommend the Commission approve an across-the-board rate increase of 29.14%
22 to generate an additional \$271,323 of operating revenue per year. I recommend the

1 Commission require Petitioner to establish separate restricted accounts for the
2 existing tank project and tank painting. I recommend the Commission require
3 Petitioner to report the balance of restricted accounts along with any withdrawals
4 as part of its annual report to the Commission.

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

6 **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. 45955
Office of Utility Consumer Counselor (OUCC)

Date: January 12, 2024

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

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

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 906,203	\$ 850,267	4	\$ (55,936)
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Total Revenue Requirements	1,539,445	1,220,834		(318,611)
Less: Interest Income	(969)	(969)	3	-
Other Income	(4,672)	(4,672)	3	-
Net Revenue Requirements	1,533,804	1,215,193		(318,611)
Less: Revenues at current rates subject to increase	(923,931)	(931,040)	4	(7,109)
Other revenues at current rates	(20,337)	(13,228)	4	7,109
Net Revenue Increase Required	589,536	270,925		(318,611)
Add: Additional IURC Fees	865	398		(467)
Recommended Increase	\$ 590,401	\$ 271,323		\$ (319,078)
Recommended Percentage Increase	63.90%	29.14%		-34.76%

(1) Please see the testimony and workpapers of OUCC Witness Shawn Dellinger for the explanation and calculation of Debt Service and Debt Service Reserve

<u>Current Rate for 5,000 Gallons</u>	<u>Proposed</u>		<u>OUCC More (Less)</u>
	<u>Petitioner</u>	<u>OUCC</u>	
Current Rate = \$34.85	\$ 57.12	\$ 45.01	\$ (12.11)

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

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

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Revenues			
Residential normalization	\$ 12,272	\$ 12,272	\$ -
Total Operating Revenues	<u>12,272</u>	<u>12,272</u>	<u>-</u>
O&M Expense			
Salaries and Wages			
Petitioner Adjustment	9,524	9,524	-
Tap Fee Labor		(1,571)	(1,571)
Purchased Water	7,157	7,157	-
Purchased Power		5,338	5,338
Materials and Supplies			
Non-Recurring Item	(1,791)	(1,791)	-
Capital Cost		(1,554)	(1,554)
Contractual Services			
Accounting	(5,490)	(5,490)	-
Other	48,479		(48,479)
Capital Cost		(1,813)	(1,813)
New Tank Maintenance	31,485	980	(30,505)
New Tank Coating		23,500	23,500
Transportation Expense		(582)	(582)
Insurance			
General Liability	(287)	(287)	-
Workers' Compensation	(1,721)	(1,721)	-
Other	(15)	(15)	-
Regulatory Commission Expenses - Other	301	301	-
Directors' Compensation			-
Bad Debt Expense	186	186	-
Miscellaneous Expense		(270)	(270)
Payroll Taxes	(885)	(885)	-
Total Operating Expenses	<u>86,943</u>	<u>31,007</u>	<u>(55,936)</u>
Net Operating Income	<u>\$ (74,671)</u>	<u>\$ (18,735)</u>	<u>\$ 55,936</u>

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

COMPARATIVE BALANCE SHEET
As of December 31,

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Utility Plant:			
Utility Plant in Service	\$ 5,154,407	\$ 4,869,076	\$ 4,655,243
Less: Accumulated Depreciation	(2,571,436)	(2,431,418)	(2,259,269)
Net Utility Plant in Service	<u>2,582,971</u>	<u>2,437,658</u>	<u>2,395,974</u>
Current Assets:			
Cash and Cash Equivalents	500	500	500
Working Funds	456,827	472,750	538,861
Customer Accounts Receivable	102,771	99,023	106,420
Materials and Supplies	110,991	121,212	126,527
Prepayments	6,877	8,884	9,838
Total Current Assets	<u>677,966</u>	<u>702,369</u>	<u>782,146</u>
Total Assets	<u><u>\$ 3,260,937</u></u>	<u><u>\$ 3,140,027</u></u>	<u><u>\$ 3,178,120</u></u>
 <u>LIABILITIES</u> 			
Equity			
Retained Earnings	\$ 1,390,136	\$ 1,449,522	\$ 1,521,247
Total Equity	<u>1,390,136</u>	<u>1,449,522</u>	<u>1,521,247</u>
Contributions in Aid of Construction			
Contributions in Aid of Construction, net	1,503,126	1,330,466	1,298,486
Net Contributions-in-aid of Construction	<u>1,503,126</u>	<u>1,330,466</u>	<u>1,298,486</u>
Current Liabilities			
Accounts Payable	81,674	79,633	82,443
Customer Deposits	270,538	266,630	263,150
Accrued Taxes Payable	6,729	5,523	5,846
Misc. Liabilities	8,734	8,253	6,948
Total Current Liabilities	<u>367,675</u>	<u>360,039</u>	<u>358,387</u>
Total Liabilities	<u><u>\$ 3,260,937</u></u>	<u><u>\$ 3,140,027</u></u>	<u><u>\$ 3,178,120</u></u>

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues			
Water Sales			
Residential	\$ 902,957	\$ 897,977	\$ 902,518
Commercial	7,374	7,374	6,683
Public Authority	1,328	1,328	1,240
Late Payment Fees	7,109	7,023	5,444
Miscellaneous Service Revenues	10,878	9,695	6,633
Other Water Revenues	2,350	1,300	1,950
Total Operating Revenues	<u>931,996</u>	<u>924,697</u>	<u>924,468</u>
Operating Expenses			
Salaries and Wages	231,764	219,877	214,072
Purchased Water	413,604	416,656	417,031
Purchased Power	3,758	3,614	2,887
Materials and Supplies	35,961	46,484	44,928
Contractual Services			
Accounting	24,747	17,042	20,895
Other	48,039	63,300	51,916
Transportation Expense	10,824	9,431	7,314
Insurance			
General Liability	8,605	8,319	4,383
Workers' Compensation	3,532	3,043	2,318
Other	900	900	900
Regulatory Commission Expenses - Other	1,055	1,162	1,158
Bad Debt Expense	(186)	2,768	30
Miscellaneous Expense	17,849	15,686	17,445
Total O&M Expense	<u>800,452</u>	<u>808,282</u>	<u>785,277</u>
Depreciation Expense	177,763	176,349	105,218
Taxes Other than Income			
Payroll Taxes	18,808	17,874	17,479
Total Operating Expenses	<u>997,023</u>	<u>1,002,505</u>	<u>907,974</u>
Net Operating Income	(65,027)	(77,808)	16,494
Other Income (Expense)			
Interest Income	969	942	1,673
Non-Utility Income	4,672	5,141	4,829
Gain on sale of Property	-	-	10,540
Total Other Income (Expenses)	<u>5,641</u>	<u>6,083</u>	<u>17,042</u>
Net Income	<u>\$ (59,386)</u>	<u>\$ (71,725)</u>	<u>\$ 33,536</u>

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Pro Forma Net Operating Income Statement

	<u>Test Year Ended 12/31/2022</u>	<u>Adjustments</u>	<u>Sch Ref</u>	<u>Pro Forma Present Rates</u>	<u>Adjustments</u>	<u>Sch Ref</u>	<u>Pro Forma Proposed Rates</u>
Operating Revenues							
Water Sales							
Residential	\$ 902,957	\$ 12,272	PET	\$ 915,229	266,715		\$ 1,181,944
Commercial	7,374			7,374	2,149		9,523
Public Authority	1,328			1,328	387		1,715
Late Payment Fees	7,109			7,109	2,072		9,181
Misc. Service Rev. (Service Fees)	10,878			10,878			10,878
Other Water Rev (Reconnection)	2,350			2,350			2,350
Total Operating Revenues	<u>931,996</u>	<u>12,272</u>		<u>944,268</u>	<u>271,323</u>	1	<u>1,215,591</u>
O&M Expense							
Salaries and Wages	224,764			232,717			232,717
Petitioner Adjustment		9,524	PET				
Tap Fee Labor		(1,571)	6-1				
Purchased Water	413,604	7,157	PET	420,761			420,761
Purchased Power	3,758	5,338	6-2	9,096			9,096
Materials and Supplies	35,961			32,616			32,616
Non-Recurring Item		(1,791)	PET				
Capital Cost		(1,554)	6-3				
Contractual Services							
Accounting	24,747	(5,490)	PET	19,257			19,257
Other	48,039			70,706			70,706
Capital Cost		(1,813)	6-3				
New Tank Maintenance		980	6-2				
New Tank Coating		23,500	6-2				
Transportation Expense	10,824	(582)	6-1	10,242			10,242
Insurance							
General Liability	8,605	(287)	PET	8,318			8,318
Workers' Compensation	3,532	(1,721)	PET	1,811			1,811
Other	900	(15)	PET	885			885
Regulatory Commission Expenses	1,055	301	PET	1,356	398		1,754
Directors' Compensation	7,000			7,000			7,000
Bad Debt Expense	(186)	186	PET	-			-
Miscellaneous Expense	17,849	(270)	6-4	17,579			17,579
Depreciation Expense	177,763			177,763			177,763
Payroll Taxes	18,808	(885)	PET	17,923			17,923
Total Operating Expenses	<u>997,023</u>	<u>31,007</u>		<u>1,028,030</u>	<u>398</u>		<u>1,028,428</u>
Net Operating Income	<u>\$ (65,027)</u>	<u>\$ (18,735)</u>		<u>\$ (83,762)</u>	<u>\$ 270,925</u>		<u>\$ 187,163</u>

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

OUC Revenue Adjustments

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The OUC accepts Petitioner's proposed Revenue Adjustments.

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

OUCC Expense Adjustments

(1)

Salaries & Mileage - Tap Fee

Adjustment to remove test year salaries and milage that Petitioner will recover through its tap fee.

		<u>Avg # of Taps*</u>	
Average value of labor included in a tap fee	65.47	24	\$ 1,571
Average value of milage included in a tap fee	24.26	24	<u>582</u>
			<u>\$ 2,153</u>

Adjustment Increase (Decrease)

\$ (2,153)

* Using the Average number of new customers (2013 - 2022)

<u>Year</u>	<u>Connections</u>
2022	4
2021	35
2020	53
2019	49
2018	6
2017	28
2016	17
2015	20
2014	27
2013	-4
Total Connections	<u>235</u>
Average New Customers	24

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

OUCC Expense Adjustments
(2)

New Tank Operating Expense

Additional operating expenses for the new 300,000 gallon tank	
Operations*	\$ 140
Housekeeping & Trash disposal*	280
Scheduled Maintenance*	280
Other Maintenance*	280
Electrical*	5,338
Estimated Annual Interior Tank coating *	12,750
Estimated Annual Exterior Tank coating *	<u>10,750</u>

Adjustment Increase (Decrease) \$ 29,818

* As proposed by Petitioner in its Adjustment 7 and broke down in Table 4-20 of the Preliminary Engineering Report

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

OUCC Expense Adjustments

(3)

Capital Costs

Adjustment to remove Richard Henderson, Inc. invoice and associated shop material expenses that are capital in nature

<u>Vendor</u>	<u>Invoice #</u>	<u>Amount</u>
Richard Henderson, Inc.	1730	\$ 1,813
Shop Materials Required	N/A	<u>1,554</u>
		3,367

Adjustment Increase (Decrease) \$ (3,367)

(4)

Disallowed Expense

Adjustment to remove test year expense that is not allowed

<u>Vendor</u>	<u>Invoice #</u>	<u>Amount</u>
Henderson Flower Shop	2075	56.00
Henderson Flower Shop	2065	102.00
Henderson Flower Shop	2048	56.00
Henderson Flower Shop		<u>56.00</u>
		<u>\$ 270.00</u>

Adjustment Increase (Decrease) \$ (270)

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Extensions and Replacements

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

	Total Cost	Amortization Period	Annual Cost
Petitioner Request			
Service Vehicles	\$ 65,663	5	\$ 13,133
Valve Replacement	128,120	5	25,624
Meter Replacement	381,600	5	76,320
GIS Software	18,000	5	3,600
Security Cameras	13,525	5	2,705
Parking Lot Improvements	5,200	5	1,040
Petitioner Proposed	\$ 612,108	5	\$ 122,422
OUCC Recommended Additions			
Booster pump replacement (15-year amortization)	25,000	15	1,666
75,000 Gallon Tank Improvements (10 year) (\$253,065)	253,065	10	25,307
250,000 Gallon Tank Improvements (10 year) (\$231,720)	231,720	10	23,172
	Total OUCC Additions		<u>50,145</u>
	OUCC Recommended Yearly E&R		<u>172,567</u>

The OUCC recommends reclassification of three items from expense to E&R. These are in addition to what was requested by Petitioner

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Working Capital

Petitioner did not request working capital as part of this Cause.
The OUCC's analysis reflected no need for working capital.

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Debt Service

Please see the testimony and workpapers of OUC Witness Shawn Dellinger for the explanation and calculation of Debt Service and Debt Service Reserve

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Debt Service Reserve

Please see the testimony and workpapers of OUCC Witness Shawn Dellinger for the explanation and calculation of Debt Service and Debt Service Reserve

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Current and Proposed Rates and Charges

	<u>Current Rate</u>	<u>Current Tracker</u>	<u>Total Current Rate</u>	<u>Petitioner Proposed</u>	<u>OUCC Proposed</u>	<u>OUCC More (Less)</u>
First 2,500 Gallons	\$ 3.97	\$ 3.24	\$ 7.21	\$ 11.82	\$ 9.31	\$ (2.51)
Next 3,500 Gallons	\$ 3.49	3.24	6.73	11.03	8.69	(2.34)
Next 4,000 Gallons	\$ 2.54	3.24	5.78	9.47	7.46	(2.01)
Next 10,000 Gallons	\$ 2.19	3.24	5.43	8.90	7.01	(1.89)
Over 20,000 Gallons	\$ 1.83	3.24	5.07	8.31	6.55	(1.76)

Minimum Rate per Month - Based on meter size.

Size of Meter	Allowance	<u>Current Rate</u>	<u>Current Tracker</u>	<u>Total Current Rate</u>	<u>Petitioner Proposed</u>	<u>OUCC Proposed</u>	<u>OUCC More (Less)</u>
5/8"	2,500	\$ 9.93	\$ 8.10	\$ 18.03	\$ 29.55	\$ 23.28	\$ (6.27)
3/4"	3,750	\$ 14.29	12.15	26.44	43.34	34.15	(9.19)
1"	6,250	\$ 22.78	20.25	43.03	70.52	55.57	(14.95)
1 1/2"	12,500	\$ 37.78	40.50	78.28	128.29	101.09	(27.20)
2"	20,000	\$ 54.20	64.80	119.00	195.04	153.68	(41.36)
3"	37,500	\$ 86.23	121.50	207.73	340.46	268.27	(72.19)
4"	62,500	\$ 131.98	202.50	334.48	548.21	431.95	(116.26)
5"	125,000	\$ 246.35	405.00	651.35	1,067.59	841.17	(226.42)

Marysville Otisco Nabb Water Corporation, Inc
CAUSE NUMBER 45955

Revenue Requirement Comparison

	Cause No. 42476-U	Cause No. 45955	CN 45955 More (Less)
Operating Expenses	\$ 376,334	\$ 907,068	\$ 530,734
Extensions and Replacements	116,667	122,422	5,755
Working Capital		-	-
Debt Service		425,520	425,520
Debt Service Reserve		85,300	85,300
Total Revenue Requirements	493,001	1,540,310	1,047,309
Less Revenue Requirement Offsets:			
Interest Income	(2,821)	(969)	1,852
Other Income	(2,961)	(4,672)	(1,711)
Net Revenue Requirement	\$ 487,219	\$ 1,534,669	\$ 1,047,450
Revenues at current rates subject to increase	(410,084)	931,040	
Other revenues not subject to increase	-	13,228	
Additional IURC Fees	85	398	
Total Revenues	(409,999)	944,666	
Less: Revenue Requirement in Last Rate Case		(487,304)	
Revenue Over (Under)		\$ 457,362	\$ (457,362)
Previous Case Increase	\$ 77,220		\$ 590,088
Previous case Percentage increase	18.83%		590401
			\$ (313)

6326/26470

Richard Henderson Inc.
P O Box 6
Charlestown, IN 47111 US
812-914-0406
rhinc2013@hotmail.com

BILL TO
Marysville-Otisco-Nabb Water
P O Box 86
Otisco, IN 47163

11/08/2022	Instalation of water main	6.50	225.00	1,462.50
11/08/2022	Aggregate stone ton.	8	25.00	200.00
11/08/2022	Used equipment and vehicles to move materials to and from locations.	1	150.00	150.00

Charlestown Memphis Rd
Install 4 inch main to replace main in area of bridge work. Trenched across drive that will be asphalted and around to valve at creek crossing.

Excavation trenching, road bore and tie ins are yet to be done. Will return at later date due to congestion of work crews in area.

**IF PAYMENT MADE BY CREDIT CARD A
3% CHARGE WILL BE ADDED**

PAYMENTS DUE UPON RECEIPT OF INVOICE

ACCT. # _____

2/4/2022

TO AUTHORIZE R/H INC
 THE FOLLOWING INSTALLATION AND / OR REPAIRS AT :

TO BE DONE : INSTALL " SECTIONS OF 4" MAIN SO ASPHALT CAN BE
 INSTALLED

* THIS IS RELOCATION OF 4" MAIN for Bridge Project

MATERIALS REQUIRED

QTY.	DESCRIPTION	PRICE EA.	TOTALS
375	4" P.V.C	4" SDR 21	
206		2.58	
10		2.58	67.08
60		1.95	19.50
100		3.71	222.00
100		4.52	452.00
10		4.19	41.90
69		2.58	25.80
		5.05	348.45
		✓ 1.51	1534.43
		✓ 6.25	

TOTAL MATERIAL _____

TOTAL LABOR _____

TOTAL JOB COST _____

REMARKS : _____

Richard Henderson Inc.

CK DT: 11/14/2022

CK # 26470

Invoice Number	Invoice Amount	Discount	Amount Paid	Check Memo
1730	1,812.50	0.00	1,812.50	
Check Total	1,812.50	0.00	1,812.50	

**MARYSVILLE - OTISCO - NABB
 WATER CORPORATION**
 P.O. BOX 86
 OTISCO, IN 47163
 812-256-6378

THE NEW WASHINGTON STATE BANK
 CHARLESTOWN, IN

71-865/830

26470

DATE

AMOUNT

ONE THOUSAND EIGHT HUNDRED TWELVE AND 50 / 100 DOLLARS

11/14/2022

\$1,812.50

Richard Henderson Inc.
 P.O. Box 6
 CHARLESTOWN, IN 47111

[Signature]

Melissa Durbin
 AUTHORIZED SIGNATURE



⑈026470⑈ ⑆083008650⑆

007 064 5⑈

26470

MARYSVILLE - OTISCO - NABB WATER CORPORATION

RICHARD Henderson Inc.

CK DT: 11/14/2022

CK # 26470

Date	Invoice Number	Invoice Amount	Discount	Amount Paid	Check Memo
11/11/2022	1730	1,812.50	0.00	1,812.50	
	Check Totals	1,812.50	0.00	1,812.50	

Account	Transaction Date	Description	Transaction Type	Debit	Credit	Comment
675-500	06/10/2022	Miscellaneous Exp/Opera	(AP) Henderson Flower Shop	56.00	0.00	HENDERSON 60057/
675-800	02/07/2022	Miscellaneous Exp/AD&G	(AP) Henderson Flower Shop	102.00	0.00	HENDERSON
675-800	05/09/2022	Miscellaneous Exp/AD&G	(AP) Henderson Flower Shop	56.00	0.00	HENDERSON 59899/
675-800	08/12/2022	Miscellaneous Exp/AD&G	(AP) Henderson Flower Shop	56.00	0.00	HENDERSON 60264/

675-8

Henderson Flower Shop

1938 1/2 Market Street
812-256-0499
Charlestown. IN 47111

Invoice

DATE INVOICE #
2/1/2022 59362

BILL TO

M.O.N. Water Corp.
P.O. Box #86
Otisco, IN 47163

AMOUNT ENCLOSED

SERVICED	DESCRIPTION	QTY	RATE	AMOUNT
1/12/2022	Lighted Angel		45.00	45.00
	Delivery Charge		6.00	6.00
1/21/2022	Clara Bailey		45.00	45.00
	Stepping Stone		45.00	45.00
	Delivery Charge		6.00	6.00
	Masingo			

PAYMENT DUE

Payment due upon receipt of invoice. A \$8.00
Rebill Fee will be added to past due invoice.

Total **\$102.00**

Henderson Flower Shop CK DT: 02/07/22 CK # 26037

Invoice Number
59362

<u>Invoice Balance</u>	<u>Discount</u>	<u>Net Payment</u>
102.00	0.00	102.00
-----	-----	-----
102.00	0.00	102.00

26037

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDOSEMENT LINES AND ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW.

**MARYSVILLE - OTISCO - NABB
WATER CORPORATION**

P.O. BOX 86
OTISCO, IN 47163
812-256-6378

THE NEW WASHINGTON STATE BANK
CHARLESTOWN, IN

71-865/830

26037


*****ONE HUNDRED TWO AND 00/100 DOLLARS

DATE
2/7/2022

AMOUNT
\$102.00

PAY
TO THE
ORDER
OF

Henderson Flower Shop
1938 1/2 Market Street
Charlestown, IN 47111



AUTHORIZED SIGNATURE

⑈026037⑈ ⑆083008650⑆

007 064 5⑈

MARYSVILLE - OTISCO - NABB WATER CORPORATION

26037

Henderson Flower Shop
1938 1/2 Market Street
812-256-0499
Charlestown. IN 47111

Invoice

DATE INVOICE #
6/1/2022 60057

BILL TO

M.O.N. Water Corp.
P.O. Box #86
Otisco, IN 47163

AMOUNT ENCLOSED

SERVICED	DESCRIPTION	QTY	RATE	AMOUNT
5/14/2022	Funeral Basket		50.00	50.00
	Delivery Charge		6.00	6.00
	Jim Bowen			

6755 26243

PAYMENT DUE
Payment due upon receipt of invoice. A \$8.00
Rebill Fee will be added to past due invoice.

Total \$56.00

HENDERSON Henderson Flower Shop		CK DT: 6/13/2022		CK # 26243	
Date	Invoice Number	Invoice Amount	Discount	Amount Paid	Check Memo
06/10/2022	60057	56.00	0.00	56.00	
	Check Total	56.00	0.00	56.00	

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES AND ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW.

MARYSVILLE - OTISCO - NABB
WATER CORPORATION
P.O. BOX 86
OTISCO, IN 47163
812-256-6378

THE NEW WASHINGTON STATE BANK
CHARLESTOWN, IN
71-865/830

26243

FIFTY-SIX AND XX / 100 DOLLARS

DATE	AMOUNT
6/13/2022	\$56.00

PAY TO THE ORDER OF

Henderson Flower Shop
1938 1/2 Market Street
CHARLESTOWN, IN 47111

[Signature]

AUTHORIZED SIGNATURE

⑈026243⑈ ⑆083008850⑆ 007 064 5⑈

MARYSVILLE - OTISCO - NABB WATER CORPORATION

26243

HENDERSON Henderson Flower Shop		CK DT: 6/13/2022		CK # 26243	
Date	Invoice Number	Invoice Amount	Discount	Amount Paid	Check Memo
06/10/2022	60057	56.00	0.00	56.00	
	Check Totals	56.00	0.00	56.00	

From: [Maryann C.](#)
To: [UCC Consumer Info](#); uccinso@oucc.in.gov
Subject: Re: Marysville-Otisco-Nabb Water Corp request for 63.9% rate increase
Date: Wednesday, October 25, 2023 1:05:23 PM

****** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ******

On Wed, Oct 25, 2023 at 11:40 AM Maryann C. <carney.maryann@gmail.com> wrote:

I am writing to request that you deny Marysville-Otisco-Nabb Water Corporation's request to increase their rates by 63.90%.

The reason I am against this exorbitant increase is twofold:

1) They state that they have not raised their rates since 2004. I have lived in my home since 1998, and their water corporation is, by far, the worse that I have ever had! We have had constant water pipe breakages; highly fluctuating water pressure to the point of not being able to wash my hair on a Sunday morning as there would be so little pressure that I would fear I would not be able to rinse the shampoo out. I have called numerous times about the problems over the years! I KNOW I am not the only one to complain & yet, NOTHING was done. No increases over all these many years to help to fix their ongoing problems. This seems to me to be a management issue.

2) The area that is served by Marysville-Otisco-Nabb Water Corporation is a rural area with many farms & low to middle income residents. This is not an affluent area. To hit us, now, with a 63.90% rate increase, at a time of very high gas & grocery prices & all due to their failure to make smaller rate increases over the years, is NOT fair to their customers who are at their mercy!

In closing, I believe we all want our water corporation to be able to fix the problems that we voiced and fell on deaf ears all these years. But, it is extremely unfair that they not only ignored our complaints for YEARS, they also did not do what they should have done at the time by making smaller increases in their rates to tackle the issues with our water system. They stuck their heads in the sand & now they want to hit us with an outlandish rate increase!

And just to let you know how totally incompetent they are, recently, we had yet another water outage due to outdated piping. Our water was off for most of the day. When service was restored, I noticed that the pressure from air in the lines seemed noticeably stronger to the point that I literally jumped when turning on one of our faucets. Long story short, the following morning we awoke to water standing in our hallway & running into our foyer, utility room, & kitchen. It was a mess. Upon inspection we discovered that what had happened was when they restored water from the broken pipe so much pressure had built up that it blew a secured 10" drainage pipe from our water softening out of the drain pipe by our washer & when the water softener did it's exchange between 2 am-4 am, it flooded our home! We are looking at probably \$2,000 to replace flooring that is ruined & when we contacted them to let them know how strong that pressure was, they stated that "next time" they would bleed the lines before restoring full pressure. Well, why didn't they do that in the first place? It sure would have saved us a lot of money. Also, that same incident caused a pipe to leak under our house & my 72 year old husband had to crawl under the house to get the water out & we had to have that repaired. They are totally incompetent & need oversight before increasing our rates so much!

Maryann Carney

12001 Treloar Rd
Memphis, IN 47143

From: noreply@in.accessgov.com
To: [UCC Consumer Info](#)
Subject: Form Submission - OUCC Contact Form: Nathan Hockgeiger
Date: Monday, October 23, 2023 12:28:46 PM

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

A form has been submitted for: OUCC Contact Form
Please review the attached PDF for the submission information.

Title: Mr.
Name: Nathan Hockgeiger
Email: nathan.h@twc.com
Phone: (812) 455-0837
Address: 4600 Lake Forest Drive

Charlestown

IN

47111

Utilities: Marysville-Otisco-Nabb Water Corporation

Type of Inquiry: Case Comment

Comments: This comment is in regard to the Proposed Water rate Increase and Issuance of Long Term Debt Cause #45955. I am a customer of this utility, however my account is listed in my wife's name (Barbara).

So far our water service has been fine. However, communication from the company has been poor. We have never been contacted when there is line work in the area that may require boiling water for safety reasons. When the Ohio Derailment happened, no communication came forth either. When I called them to ask if it would be an issue. I was given a short answer they bought water from Stucker Fork and said don't worry about it.

It seems like a 63.9% increase in rate is a huge jump. With no real indication of how they plan to spend this money it is hard to support it. Also, using 2500 gpm as an example seems disingenuous. Something tells me this the best-case scenario and doesn't represent the average family use.

Thanks

From: [mike b](#)
To: [UCC Consumer Info](#)
Subject: Marysville Otisco Nabb Water
Date: Wednesday, October 18, 2023 2:45:50 PM

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

I am writing to voice my concerns over the proposed 64% increase in water prices.

While I understand that prices haven't increased since 2004, I find it hard to believe that the costs have all of a sudden become unmanageable to warrant a 64% increase in one year. How did they operate in 2022 such that costs have increased so dramatically?

Second, they illustration they used was for a family that uses 2500 gallons of water with an increase from \$18 to \$29.

That's good and we'll but I have 3 girls. My water bills are between \$40-50. This is a significant increase for people who have a normal size family. An extra \$50 a month, all of a sudden?

If they need to increase, it seems to me it needs to be a graduated amount per year. People live on a budget. Their inability to properly calculate increases for the past 20 years is irrelevant to a family living paycheck to paycheck with a budget in place. To say we expect a yearly increase is understandable...to say a 64% increase is acceptable is lunacy.

Please advocate on our behalf to get this reduced.

Sincerely,

Michael from Otisco

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

From: [Kimberly Hedges](#)
To: [UCC Consumer Info](#)
Subject: MON water
Date: Monday, October 23, 2023 3:19:37 PM

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Hello,

I'm writing on behalf of myself and the other members of my family that depend on Marysville-Otisco-Nabb Water Corp.

Cause number 45955

Our family has a monthly water bill of about \$40. This is for four adults (1 with a developmental disability, and 1 with a medical condition), a couple of dogs, rabbits, and chickens. We put up a 12' diameter by 20" deep wading pool each summer because we do not have an AC. All our water currently is supplied by MON.

We feel that a 63.9% increase in our bill is unsustainable for our budget. It would bring our bill up to around \$70-75. The difference in our budget would force choices between water, food, medication, and simply having a bit to put into savings.

We are also concerned for our elderly neighbors on fixed incomes and that don't have the ability to provide a written statement. For those on Social Security this represents a huge risk for their health and wellbeing.

We ask that this large increase is denied.

Sincerely,
—Kimberly Hotz Hedges
10209 E State Road 362
Nabb, IN 47147

From: [Mike Wallace](#)
To: [UCC Consumer Info](#)
Subject: Marysville IN water rate hike
Date: Thursday, November 30, 2023 4:41:21 PM

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I am opposed to such a drastic increase in the rate. I would rather see a gradual increase over time. I am also concerned that a certain local project is helping to cause this need for more water storage. I believe that a larger portion should come from that project (freedom lake).

Thank you for your time.