

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF SILVER )  
CREEK WATER CORPORATION FOR A NEW )  
SCHEDULE OF RATES AND CHARGES. ) CAUSE NO. 45363-U  
)

OUCC's REPORT

In accordance with 170 IAC 14-1-4(a), the Indiana Office of Utility Consumer Counselor ("OUCC"), by counsel, hereby submits its Report consisting of the testimonies of Carla F. Sullivan and Carl N. Seals including attachments, which are designated as Public's Exhibit Nos. 1 and 2 respectively.

Respectfully submitted,  
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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Daniel M. Le Vay, Atty. No. 22184-49  
Deputy Consumer Counselor

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *OUCC's REPORT* has been provided to the following individuals by electronic service on June 10, 2020.

Scott Ham  
8104 County Line Road  
Sellersburg, Indiana 47172  
Email: [scott@silvercreekwater.org](mailto:scott@silvercreekwater.org)



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**TESTIMONY OF OUCC WITNESS  
CARLA F. SULLIVAN  
CAUSE NO. 45363-U  
SILVER CREEK WATER CORPORATION**

**I. INTRODUCTION**

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

2 A: My name is Carla F. Sullivan, and my business address is 115 West Washington  
3 Street, Suite 1500 South, Indianapolis, Indiana 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 II in the Water/Wastewater Division. My qualifications and  
7 experience are set forth in Appendix "A" attached to this testimony.

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

9 A: Silver Creek Water Corporation ("Silver Creek") requests an across-the-board rate  
10 increase of 6.46% based on a test year ending on December 31, 2018. As a result  
11 of its review and analysis, the OUCC recommends a rate increase of 4.87%. The  
12 purpose of my testimony is to present the OUCC's position as reflected in the  
13 OUCC schedules attached to my testimony. I discuss revenue adjustments to reflect  
14 post-test year customer growth and operating expense adjustments to remove  
15 professional fees related to the financing approved in Cause No. 45018 and other  
16 non-recurring, capital, and non-allowed expenses. I explain adjustments I made to  
17 reflect increased costs related to post-test year customer growth and to eliminate  
18 the prepaid computer maintenance expense.

1 **Q: What did you do to prepare your testimony?**

2 A: I reviewed Silver Creek's schedules and workpapers. I reviewed Silver Creek's  
3 Indiana Utility Regulatory Commission ("Commission" or "IURC") Annual  
4 Reports for 2016, 2017, 2018, and 2019. Finally, I prepared discovery requests and  
5 reviewed Silver Creek's responses.

6 **Q: Do you sponsor any schedules?**

7 A: Yes. I sponsor the following schedules:

8 Schedule 1 – Comparison of Overall Revenue Requirements (page 1)  
9 Reconciliation of Net Operating Income Statement Adjustment  
10 (page 2)

11 Schedule 2 – Comparative Balance Sheet as of December 31, 2016, 2017, and  
12 2018

13 Schedule 3 – Comparative Income Statement for the twelve months ended  
14 December 31, 2016, 2017, and 2018

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

16 Schedule 5 – OUCC Revenue Adjustments

17 Schedule 6 – OUCC Expense Adjustments

18 Schedule 7 – Current and Proposed Rates and Charges

19 Attachment CFS 1 – Professional Service Invoices

20 Attachment CFS 2 – Mpower Innovations Invoice (computer maintenance)

21 Attachment CFS 3 – Advertising Invoices

22 Attachment CFS 4 – Christmas Party Invoice

## **II. PROPOSED REVENUE REQUIREMENT**

1 **Q: Please describe Silver Creek's water system.**

2 A: Silver Creek was organized in 1963 as a not-for-profit rural distribution system. It  
3 has grown from serving 800 customers to approximately 7,411. Silver Creek's last  
4 rate order was issued on June 5, 1985 in Cause No. 37734. Silver Creek purchases  
5 100% of their water from Indiana America Water Company and has an approved  
6 water tracker of \$2.70 per 1,000 gallons of water.<sup>1</sup>

7 **Q: What rate relief does Silver Creek propose?**

8 A: Silver Creek proposes to increase its current rates by 6.46% to generate an  
9 additional \$198,116 of revenues. Silver Creek proposes to implement this rate  
10 increase on an across-the-board basis.

11 **Q: What rate increase does the OUCC recommend?**

12 A: The OUCC recommends an overall across-the-board rate increase of 4.87% to  
13 produce an annual increase in water revenues of \$151,729. Table No. 1 compares  
14 Silver Creek's overall proposed revenue requirement with that recommended by  
15 the OUCC.

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<sup>1</sup> Water Tracker approved in TD50283, August 7, 2019.

**Table No. 1 – Revenue Requirement Comparison**

	<b>Per Applicant</b>	<b>Per OUCC</b>	<b>Sch Ref</b>	<b>OUCC More (Less)</b>
Operating Expenses	\$ 2,956,250	\$ 2,957,452	4	\$ 1,202
Taxes other than Income	47,871	47,242	4	(629)
Extensions and Replacements	161,940	161,940	APP	-
Debt Service	207,690	207,690	APP	-
Debt Service Reserve	-	-		-
<b>Total Revenue Requirements</b>	<b>3,373,751</b>	<b>3,374,324</b>		<b>573</b>
Less: Interest Income	(4,211)	(4,211)	3	-
<b>Net Revenue Requirements</b>	<b>3,369,540</b>	<b>3,370,113</b>		<b>573</b>
Less: Revenues at current rates subject to increase	(3,067,453)	(3,114,352)	4	(46,899)
Other revenues at current rates	(104,228)	(104,228)	4	-
<b>Net Revenue Increase Required</b>	<b>197,859</b>	<b>151,533</b>		<b>(46,326)</b>
Add: Additional IURC Fee	257	196		(61)
<b>Recommended Increase</b>	<b>\$ 198,116</b>	<b>\$ 151,729</b>		<b>\$ (46,387)</b>
<b>Recommended Percentage Increase</b>	<b>6.46%</b>	<b>4.87%</b>		<b>-1.59%</b>

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

3 A: The difference is 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. See OUCC  
6 Schedule 1, page 2 of 2, for a reconciliation of the proposed adjustments.

### **III. REVENUE ADJUSTMENTS**

7 **Q: Did Silver Creek propose any operating revenue adjustments?**

8 A: Yes. Silver Creek proposed a \$129,745 increase to test year operating revenues of  
9 \$3,041,936, yielding *pro forma* operating revenues of \$3,171,681. Silver Creek  
10 proposed adjustments to normalize test year customer growth and to correct test  
11 year minimum billing revenues.

1 Silver Creek proposed three test year normalization adjustments to account for the  
2 change in the number of customers during the test year and the minimum billings.  
3 Silver Creek increased residential water sales by \$11,782 and decreased  
4 commercial water sales by \$7,693. Silver Creek also made a \$125,656 adjustment  
5 to correct its minimum billings.

6 **Q: Please explain Silver Creek's adjustment to correct test year minimum billings**  
7 **revenues.**

8 A: Included in its Commission approved tariff, Silver Creek has a monthly minimum  
9 charge based on the size of the meter serving the customer. Silver Creek also has  
10 a wholesale water tracker that applies to all its water rates and charges, including  
11 its minimum charge. Even though Silver Creek's minimum charge is subject to this  
12 water tracker, Silver Creek failed to include this tracker when calculating and  
13 billing its monthly minimum charge. Therefore, Silver Creek's test year water  
14 revenues were understated. Silver Creek proposed a \$125,656 revenue increase to  
15 reflect the amount of additional water tracker revenues that should have been billed  
16 to customers during the test year.

17 **Q: Do you accept any of Silver Creek's proposed revenue adjustments?**

18 A: Yes. I accept all of Silver Creek's proposed revenue adjustments.

19 **Q: What *pro forma* operating revenues do you recommend?**

20 A: I recommend a \$176,644 increase to test year operating revenues of \$3,041,936,  
21 yielding *pro forma* operating revenues of \$3,218,580. In addition to accepting the  
22 revenue adjustments proposed by Silver Creek, I propose additional adjustments  
23 for post-test year customer growth.

1 **Q: What post-test year customer growth adjustments do you propose?**

2 A: I propose an increase to residential water revenues of \$39,206 and an increase to  
3 commercial water revenues of \$7,693.

4 **Q: How did you calculate your residential post-test year customer growth**  
5 **adjustment?**

6 A: To calculate post-test year residential customer growth, I subtracted the number of  
7 residential customers as of the end of the 2018 test year (7,289) from the number  
8 of residential customers as of the end of December 31, 2019 (7,411) establishing  
9 an increase of 122 customers. I then multiplied the 122 additional customers by 12  
10 months to get the total number of additional billings (1,464) that would result from  
11 the addition of these customers on an annual basis. Finally, I multiplied these  
12 additional residential billings by the average test year residential bill of \$26.78 as  
13 used in Silver Creek's test year customer growth adjustment to derive my post-test  
14 year customer growth adjustment of \$39,206. (See OUCC Schedule 5, Adjustment  
15 No. 1.)

16 **Q: How did you calculate your commercial post-test year customer growth**  
17 **adjustment?**

18 A: To calculate post-test year commercial customer growth, I subtracted the number  
19 of commercial customers as of the end of the 2018 test year (99) from the number  
20 of commercial customers as of the end of December 31, 2019 (102) for an increase  
21 of 3 customers. I then multiplied these additional customers by 12 to get the total  
22 number of additional billings that would result from the addition of these customers  
23 (36) on an annual basis. Finally, I multiplied these additional commercial billings  
24 by the average test year commercial bill of \$213.69 as used in Silver Creek's test



1 year customer growth adjustment to derive my commercial post-test year customer  
2 growth adjustment of \$7,693. (See OUCC Schedule 5, Adjustment No. 2).

## VI. OPERATING EXPENSE ADJUSTMENTS

3 **Q: What *pro forma* operating expense does Silver Creek recommend?**

4 A: Silver Creek recommends a \$164,116 increase to test year operating expenses of  
5 \$2,840,005 (excluding depreciation expense), yielding *pro forma* operating  
6 expenses of \$3,004,121. Silver Creek proposes adjustments to salary and wages,  
7 health benefits, pension expense, purchased water, purchased power, periodic  
8 maintenance, insurance, rate case expense, postage expense, and IURC fee, as well  
9 as the elimination of expenses that are non-recurring or capital in nature.

10 **Q: Do you accept any of Silver Creek's proposed operating expense adjustments?**

11 A: Yes. I accept all of Silver Creek's proposed expense adjustments except for Silver  
12 Creek's IURC fee adjustment. Due to my additional revenue adjustments, my  
13 proposed IURC fee adjustment differs slightly from that proposed by Silver Creek.

14 **Q: What *pro forma* operating expenses does the OUCC recommend?**

15 A: The OUCC recommends a \$164,689 increase to test year operating expenses of  
16 \$2,840,005, yielding *pro forma* operating expenses of \$3,004,694.

### A. Expenses that are Non-Recurring or Capital in Nature

17 **Q: Please explain your adjustment to remove additional test year expenses that  
18 should be designated as capital expenses.**

19 A: In Cause No. 45018, Silver Creek requested Commission approval to incur long  
20 term debt not to exceed \$2,300,000 to finance the construction of two water storage  
21 tanks and one pumping station. During my review of Silver Creek's test year

1 activity for account numbers 631-000 (contract engineering services) and 633-000  
2 (contract legal services), I determined several costs related to the construction  
3 projects financed by the borrowing in Cause No. 45018, had been recorded as  
4 expenses. They should have been capitalized as costs of the construction projects.

5 **Q: Did Silver Creek remove any of these costs in its year-end audit adjusting**  
6 **entries?**

7 A: Yes. In its 2018 year-end adjusting journal entries Silver Creek’s auditor removed  
8 \$51,981 from account number 631-000 and \$3,225 from account number 633-000.<sup>2</sup>  
9 The auditor capitalized these costs because they were directly related to the  
10 construction projects financed by the borrowing approved in Cause No. 45018.

11 **Q: Did Silver Creek remove all costs that should have been removed?**

12 A: No. Silver Creek did not remove from test year expenses all the costs related to  
13 these projects. Table No. 3 lists additional costs that should be eliminated from test  
14 year operating expenses (OUCC Schedule 6, Adjustment No. 1).

**Table No 3 – Cause No. 45018 Project Costs**

<u>Acct.</u>	<u>Date</u>	<u>Acct Name</u>	<u>Vendor</u>	<u>Amount</u>
631-000	12/07/2018	Contract Svc.-Eng.	Jacobi Toombs & Lanz, Inc	\$ 730
631-000	12/07/2018	Contract Svc.-Eng.	Jacobi Toombs & Lanz, Inc	4,299
631-000	12/29/2018	Contract Svc.-Eng.	Jacobi Toombs & Lanz, Inc	1,060
633-000	02/05/2018	Contract Service-Legal	P. Michael Summers, LLC	475
633-000	04/06/2018	Contract Service-Legal	P. Michael Summers, LLC	1,375
				<u>\$ 7,939</u>

15 **Q: Should any other test year expensed items be removed?**

16 A: Yes. Silver Creek incurred legal costs related to a civil action between J&J  
17 Development and Duke Energy. Silver Creek had removed some, but not all, of

<sup>2</sup> See Attachment CFS No. 1.

1 these costs. Table No. 4 below lists the additional costs I determined should be  
2 eliminated from test year operating expenses because they are non-recurring and  
3 do not represent normal operating expenses that would be incurred by the utility on  
4 a going forward basis (OUCC Schedule 6, Adjustment No. 2).

**Table No 4 – Non-recurring Legal Costs**

<b><u>Acct.</u></b>	<b><u>Date</u></b>	<b><u>Acct Name</u></b>	<b><u>Vendor</u></b>	<b><u>Amount</u></b>
633-000	06/08/2018	Contract Service-Legal	P. Michael Summers, LLC	\$ 425
633-000	09/20/2018	Contract Service-Legal	P. Michael Summers, LLC	650
633-000	11/07/2018	Contract Service-Legal	P. Michael Summers, LLC	856
633-000	12/26/2018	Contract Service-Legal	P. Michael Summers, LLC	775
				<b>\$2,706</b>

**B. Disallowed Expenses**

5 **Q: Please explain your adjustment for disallowed expenses.**

6 A: During my review of Silver Creek's invoices, I found a prepaid MPower  
7 Innovations invoice<sup>3</sup> in account 620-330, three invoices for advertising material<sup>4</sup>  
8 in account 660-000, and two invoices for a Christmas party<sup>5</sup> in Accounts 675-000  
9 and 675-800. The table below shows the general ledger entries for these six items  
10 (OUCC Schedule 6, Adjustment No. 3).

<sup>3</sup> See Attachment CFS No. 2

<sup>4</sup> See Attachment CFS No. 3

<sup>5</sup> See Attachment CFS No. 4

**Table No 5 – Disallowed Expenses**

<u>Acct.</u>	<u>Date</u>	<u>Acct Name</u>	<u>Vendor</u>	<u>Amount</u>
620-330	10/05/2018	Annual Maintenance Fees	MPower Innovations	\$ 10,500
660-000	03/02/2018	Advertising Expense	National Pen Company	214
660-000	06/21/2018	Advertising Expense	Myron Corp	1,551
660-000	11/07/2018	Advertising Expense	National Pen Company	329
675-000	02/02/2018	Miscellaneous Expense	Sams Club	264
675-800	12/20/2018	Board Expense & Fees	Covered Bridge Golf Club	2,850
				<u>\$ 15,708</u>

1 **Q: Why did you disallow the annual maintenance fee invoice from MPower**  
2 **Innovations for software maintenance?**

3 A: Silver Creek pays \$3,500 annually to MPower Innovations for software  
4 maintenance. Two test year MPower invoices were found during our voucher  
5 review. One voucher for \$3,500 and one for \$10,500. The first voucher was for the  
6 annual 2018 maintenance. The second was marked “2019, 2020, and 2021.” I  
7 removed the \$10,500 invoice from expenses because (1) it is not a test year expense  
8 and (2) it represents an additional three (3) years of software maintenance expense.

9 **Q: Why are you disallowing advertising expenses?**

10 A: Generally, advertising costs are not recoverable through rates unless they are  
11 necessary to the provision of utility service. Examples include employment  
12 advertising and boil water advisories. The advertising expenses I recommend  
13 removing are for pens and calendars and provide no direct benefit to rate payers.  
14 As such they should not be included in the cost of providing service. Accordingly,  
15 I recommend \$2,094 be removed from test year operating expenses.

16 **Q: Why are Christmas parties disallowed?**

17 A: These costs provide no benefit to ratepayers and should not be recovered through  
18 customer rates. Accordingly, I removed \$3,115 from test year operating expenses.

**IV. RECOMMENDATION**

1 **Q: Please summarize your recommendations?**

2 A: I recommend the Commission approve an overall across-the-board rate increase of  
3 4.87%.

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

5 A: Yes.

**APPENDIX A**

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

2 A: I graduated from Lipscomb University in June 1989 and received a Bachelor of  
3 Science degree in business management. I earned a Master's degree in Business  
4 Administration from Phoenix University in 2011 and a Master's degree in  
5 Accounting and Financial Management from the Keller Graduate School in 2014.  
6 Beginning in 2014, I worked as a balance sheet and payroll accountant for the State  
7 of Wisconsin's Department of Health Services. In April of 2019, I joined the staff  
8 of the Indiana Office of Utility Consumer Counselor as a Utility Analyst II.

9 **Q: Have you previously testified before the Indiana Utility Regulatory**  
10 **Commission?**

11 A: Yes.

**SILVER CREEK WATER CORPORATION**  
**CAUSE NUMBER 45363-U**

**Comparison of Applicant's and OUC's  
Revenue Requirements**

	<u>Per Applicant</u>	<u>Per OUC</u>	<u>Sch Ref</u>	<u>OUC More (Less)</u>
Operating Expenses	\$ 2,956,250	\$ 2,957,452	4	\$ 1,202
Taxes other than Income	47,871	47,242	4	(629)
Extensions and Replacements	161,940	161,940	APP	-
Working Capital	-	-		-
Debt Service	207,690	207,690	APP	-
Debt Service Reserve	-	-		-
Total Revenue Requirements	<u>3,373,751</u>	<u>3,374,324</u>		<u>573</u>
Less: Interest Income	<u>(4,211)</u>	<u>(4,211)</u>	3	<u>-</u>
Net Revenue Requirements	3,369,540	3,370,113		573
Less: Revenues at current rates subject to increase	(3,067,453)	(3,114,352)	4	(46,899)
Other revenues at current rates	<u>(104,228)</u>	<u>(104,228)</u>	4	<u>-</u>
Net Revenue Increase Required	197,859	151,533		(46,326)
Add: Additional IURC Fee	257	196		(61)
Recommended Increase	<u>\$ 198,116</u>	<u>\$ 151,729</u>		<u>\$ (46,387)</u>
Recommended Percentage Increase	<u>6.46%</u>	<u>4.87%</u>		<u>-1.59%</u>

<u>Current Rate for 5,000 gallons</u>	<u>Proposed</u>		<u>OUC</u>
	<u>Applicant</u>	<u>OUC</u>	<u>More (Less)</u>
Current Rate = \$29.35	\$31.25	\$30.80	\$ (0.45)

**SILVER CREEK WATER CORPORATION**  
**CAUSE NUMBER 45363-U**

**Reconciliation of Net Operating Income Statement Adjustments**  
*Pro Forma Present Rates*

	<u>Per Applicant</u>	<u>Per OUC</u>	<u>OUC More (Less)</u>
<b>Operating Revenues</b>			
Test Year Residential I Customer Growth	\$ 11,782	\$ 11,782	\$ -
Test Year Commercial Customer Growth	(7,693)	(7,693)	-
Minimum Charge Adjustment	125,656	125,656	-
Post-Test Year Residential Growth	-	39,206	39,206
Post-Test Year Commercial Growth	-	7,693	7,693
<b>Total Operating Revenues</b>	<u>129,745</u>	<u>176,644</u>	<u>46,899</u>
<b>O&amp;M Expense</b>			
Salaries and Wages - Employees	129,874	129,874	-
Employee Benefits	18,252	18,252	-
Employee Retirement Benefit	19,205	19,205	-
Purchased Water	(38,170)	(38,170)	-
System Delivery Adjustment - TY Growth	7,232	7,232	-
System Delivery Adjustment - Post TY Growth	-	26,865	26,865
Periodic Maintenance - Tank Painting	48,604	48,604	-
Capital or Non-Recurring Expenses	(33,537)	(44,182)	(10,645)
Non-Allowed Expenses	-	(15,708)	(15,708)
Insurance	(553)	(553)	-
Rate Case Expense	2,400	2,400	-
IURC Fee	629	690	61
<b>Taxes Other than Income</b>			
Payroll Taxes	10,180	10,180	-
<b>Total Operating Expenses</b>	<u>164,116</u>	<u>164,689</u>	<u>573</u>
<b>Net Operating Income</b>	<u>\$ (34,371)</u>	<u>\$ 11,955</u>	<u>\$ 46,326</u>



**SILVER CREEK WATER CORPORATION**  
**CAUSE NUMBER 45363-U**

**COMPARATIVE BALANCE SHEET**  
**As of December 31,**

<b><u>ASSETS</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Utility Plant:			
Utility Plant in Service	\$ 19,813,051	\$ 16,112,861	\$ 15,898,617
Construction Work in Progress	60,636	1,536,871	466,437
Less: Accumulated Depreciation	(6,581,212)	(6,201,727)	(6,007,592)
Net Utility Plant in Service	<u>13,292,475</u>	<u>11,448,005</u>	<u>10,357,462</u>
Restricted Assets:			
Other Investments (Long Term CDs)	-	-	101,668
Current Assets:			
Working Funds	1,469,656	1,534,836	2,130,105
Temporary Cash Investments	354,615	102,379	390,821
Accounts Receivable	217,814	242,451	247,635
Materials and Supplies	291,055	278,925	311,617
Other Current Assets	662	662	662
Total Current Assets	<u>2,333,802</u>	<u>2,159,253</u>	<u>3,080,840</u>
Total Assets	<u>\$ 15,626,277</u>	<u>\$ 13,607,258</u>	<u>\$ 13,539,970</u>
<b><u>LIABILITIES</u></b>			
Equity			
Retained Earnings	\$ 3,396,376	\$ 3,677,679	\$ 3,930,134
Paid in Capital	-	-	-
Total Equity	<u>3,396,376</u>	<u>3,677,679</u>	<u>3,930,134</u>
Contributions in Aid of Construction	9,191,133	9,029,900	8,743,590
Long-term Debt			
Bonds Payable - Series A	2,110,559	-	-
Current Liabilities			
Accounts Payable	6,166	128,572	109,723
Current Portion of Bonds Payable	115,319	-	-
Customer Deposits	792,735	771,107	741,480
Accrued Taxes	13,989	-	14,799
Miscellaneous Liabilities	-	-	244
Other Current Liabilities	<u>928,209</u>	<u>899,679</u>	<u>866,246</u>
Total Liabilities	<u>\$ 15,626,277</u>	<u>\$ 13,607,258</u>	<u>\$ 13,539,970</u>

**SILVER CREEK WATER CORPORATION**  
**CAUSE NUMBER 45363-U**

**COMPARATIVE INCOME STATEMENT**  
**Twelve Months Ended December 31,**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Revenues			
Residential Water Sales	\$ 2,329,013	\$ 2,348,041	\$ 2,267,801
Commercial Water Sales	264,126	271,207	261,246
Other Metered Water Sales	170,803	176,185	186,446
Private Fire Protection	134,004	121,612	111,750
Late Fees	39,762	35,314	33,952
Other Operating Revenues	104,228	114,475	101,555
Total Operating Revenues	<u>3,041,936</u>	<u>3,066,834</u>	<u>2,962,750</u>
Operating Expenses			
Salaries and Wages - Employees	487,664	473,577	467,064
Salaries and Wages - Officers & Directors	24,267	19,134	18,944
Employee Pensions and Benefits	79,169	69,883	81,101
Purchased Water	1,541,167	1,702,636	1,544,556
Purchased Power	27,829	26,607	32,266
Materials and Supplies	405,041	347,429	308,392
Contractual Services - Engineering/Professioni	32,410	15,559	24,437
Contractual Services - Accounting	22,140	44,480	22,875
Contractual Services - Legal	4,681	4,375	3,014
Contractual Services - Other	8,911	17,077	21,948
Transportation Expense	37,223	29,341	33,292
Insurance	32,910	26,087	25,866
Regulatory Commission Expense	3,483	3,780	3,189
Bad Debt Expense	1,803	1,946	3,097
Rate Case Expense Amortization	-	-	-
Miscellaneous Expense	94,245	61,283	57,180
Total O&M Expense	<u>2,802,943</u>	<u>2,843,194</u>	<u>2,647,221</u>
Depreciation Expense	473,198	427,278	403,228
Taxes Other than Income - Payroll	37,062	36,375	35,516
Total Operating Expenses	<u>3,313,203</u>	<u>3,306,847</u>	<u>3,085,965</u>
Net Operating Income	(271,267)	(240,013)	(123,215)
Other Income (Expense)			
Interest Income	4,211	7,995	10,178
Gain (Loss) on Sale of Assets	(14,247)	(20,437)	(82)
Other Income	-	-	-
Interest Expense	-	-	-
Total Other Income (Expense)	<u>(10,036)</u>	<u>(12,442)</u>	<u>10,096</u>
Net Income	<u>\$ (281,303)</u>	<u>\$ (252,455)</u>	<u>\$ (113,119)</u>

**SILVER CREEK WATER CORPORATION**  
**CAUSE NUMBER 45363-U**

***Pro-forma Net Operating Income Statement***

	<b>Year Ended 12/31/2018</b>	<b>Adjustments</b>	<b>Sch Ref</b>	<b><i>Pro forma</i> Present Rates</b>	<b>Adjustments</b>	<b>Sch Ref</b>	<b><i>Pro forma</i> Proposed Rates</b>
Operating Revenues							
Water Sales - Residential	\$ 2,329,013	\$ 137,438	APP	\$ 2,505,657	\$ 122,074		\$ 2,627,731
Post-Test Year Residential Growth		39,206	5-1				
Water Sales - Commercial	264,126	(7,693)	APP	264,126	12,868		276,994
Post-Test Year Commercial Growth		7,693	5-2				
Other Metered Water Sales	170,803			170,803	8,321		179,124
Fire Protection	134,004			134,004	6,529		140,533
Late Fees	39,762			39,762	1,937		41,699
Other Operating Revenues	104,228			104,228			104,228
Total Operating Revenues	<u>3,041,936</u>	<u>176,644</u>		<u>3,218,580</u>	<u>151,729</u>	1	<u>3,370,309</u>
O&M Expense							
Salaries and Wages - Employees	487,664	129,874	APP	617,538			617,538
Salaries and Wages - Officers & Directors	24,267	(3,114)	6-3	21,153			21,153
Employee Benefits	42,796	18,252	APP	61,048			61,048
Employee Retirement Benefit	36,373	19,205	APP	55,578			55,578
Purchased Water	1,541,167	(31,287)	APP	1,535,440			1,535,440
Post Test year Growth		25,560	6-4				
Purchased Power	27,829	127	APP	28,436			28,436
Post Test year Growth		480	6-4				
Materials and Supplies	405,041	(10,500)	6-3	378,013			378,013
Non-Recurring or Capital		(16,528)	APP				
Contractual Services							
Engineering	32,410	(6,089)	6-1	26,321			26,321
Accounting	22,140	(1,850)	6-1	20,290			20,290
Legal	4,681	(2,706)	6-2	1,975			1,975
Other	8,911	48,604	APP	57,515			57,515
Transportation Expense	37,223			37,223			37,223
Insurance	32,910	(553)	APP	32,357			32,357
Regulatory Commission Expense	3,483			3,483			3,483
Bad Debt Expense	1,803			1,803			1,803
Rate Case Expense	-	2,400	APP	2,400			2,400
IURC Fee	3,483	690	6-5	4,173	196	1	4,369
Misc. Expense	90,762	(2,094)	6-3	72,706			72,706
Postage - TY Growth		222	APP				
Postage - Post-TY Growth		825	6-4				
Non-Recurring or Capital		(17,009)	APP				
Depreciation Expense	473,198			473,198			473,198
Payroll Taxes	37,062	10,180	APP	47,242			47,242
Total Operating Expenses	<u>3,313,203</u>	<u>164,689</u>		<u>3,477,892</u>	<u>196</u>		<u>3,478,088</u>
Net Operating Income	<u>\$ (271,267)</u>	<u>\$ 11,955</u>		<u>\$ (259,312)</u>	<u>\$ 151,533</u>		<u>(107,779)</u>

**SILVER CREEK WATER CORPORATION**  
**CAUSE NUMBER 45363-U**

**OUC Revenue Adjustments**

(1)

**Post-Test Year Residential Customer Growth**

To adjust residential water sales to include growth during the period January through December 2019.

Residential Customer count at 12/31/2019	7,411	
Less: Residential Customer Count at 12/31/2018	<u>7,289</u>	
Increase in Residential Customers	122	
Times Twelve months	<u>x 12</u>	
Additional Monthly Billings		1,464
Times: Average Monthly Bill (per Applicant)		<u>\$ 26.78</u>
<b>Adjustment - Increase (Decrease)</b>		<b><u><u>\$39,206</u></u></b>

(2)

**Post-Test Year Commercial Customer Growth**

To adjust commercial water sales to include growth during the period January 2019 through December 2019.

Commercial Customer count at 12/31/2019	102	
Less: Commercial Customer Count at 12/31/2018	<u>99</u>	
Increase in Commercial Customers	3	
Times Twelve months	<u>x 12</u>	
Additional Monthly Billings		36
Times: Average Monthly Bill (per Applicant)		<u>\$ 213.69</u>
<b>Adjustment - Increase (Decrease)</b>		<b><u><u>\$7,693</u></u></b>

**SILVER CREEK WATER CORPORATION  
CAUSE NUMBER 45363-U**

**OUCC Expense Adjustments**

(1)

**Contractual Services**

To eliminate additional identified test year expenses that should have been capitalized as part of the projects financed and approved in Cause No. 45018.

<u>Acct.</u>	<u>Date</u>	<u>Acct Name</u>	<u>Vendor</u>	<u>Amount</u>	
631-000	12/07/2018	Contract Svc.-Eng.	Jacobi Toombs & Lanz, Inc	\$ 730	
631-000	12/07/2018	Contract Svc.-Eng.	Jacobi Toombs & Lanz, Inc	4,299	
631-000	12/29/2018	Contract Svc.-Eng.	Jacobi Toombs & Lanz, Inc	1,060	(6,089)
633-000	02/05/2018	Contract Service-Legal	P. Michael Summers, LLC	475	
633-000	04/06/2018	Contract Service-Legal	P. Michael Summers, LLC	1,375	(1,850)
<b>Adjustment Increase (Decrease)</b>					<b><u>\$ (7,939)</u></b>

(2)

**Contractual Services - Legal**

To eliminate additional non-recurring legal expenses.

<u>Acct.</u>	<u>Date</u>	<u>Acct Name</u>	<u>Vendor</u>	<u>Amount</u>	
633-000	06/08/2018	Contract Service-Legal	P. Michael Summers, LLC	\$ 425	
633-000	09/20/2018	Contract Service-Legal	P. Michael Summers, LLC	650	
633-000	11/07/2018	Contract Service-Legal	P. Michael Summers, LLC	856	
633-000	12/26/2018	Contract Service-Legal	P. Michael Summers, LLC	775	
<b>Adjustment Increase (Decrease)</b>					<b><u>\$ (2,706)</u></b>

(3)

**Non-Allowed Expenses**

To eliminate expenses not allowed for ratemaking purposes.

<u>Acct.</u>	<u>Date</u>	<u>Acct Name</u>	<u>Vendor</u>	<u>Amount</u>	
620-330	10/05/2018	Annual Maintenance Fees	MPower Innovations	\$ 10,500	
660-000	03/02/2018	Advertising Expense	National Pen Company	214	
660-000	06/21/2018	Advertising Expense	Myron Corp	1,551	
660-000	11/07/2018	Advertising Expense	National Pen Company	329	
675-000	02/02/2018	Miscellaneous Expense	Sams Club	264	
675-800	12/20/2018	Board Expense & Fees	Covered Bridge Golf Club	2,850	
<b>Adjustment Increase (Decrease)</b>					<b><u>\$ (15,708)</u></b>

**SILVER CREEK WATER CORPORATION  
CAUSE NUMBER 45363-U**

**OUCC Expense Adjustments**

(4)

**System Delivery Adjustment**

To account for increased system delivery costs due to post-test year customer growth based on Applicants' proposed costs.

	<u>Cost Per Bill</u>	<u>Additional Billings</u>	
Purchase Water Costs per bill	17.04	1,500	\$ 25,560
Purchase Power Costs per bill	0.32	1,500	480
Postage	0.55	1,500	<u>825</u>
		<b>Adjustment Increase (Decrease)</b>	<b><u><u>\$ 26,865</u></u></b>

(5)

**IURC Fee**

To adjust IURC fees to reflect additional revenues and July 1, 2020 rate.

Present Rate Operating Revenues	\$ 3,218,580
Times: 2020 IURC Fee	<u>0.12964080%</u>
Pro forma IURC Fee Expense	4,173
Less: Test Year IURC Fee Expense	<u>(3,483)</u>
	<b>Adjustment Increase (Decrease)</b>
	<b><u><u>\$ 690</u></u></b>

**SILVER CREEK WATER CORPORATION  
CAUSE NUMBER 45363-U**

**Current and Proposed Rates and Charges**

		<u>Current</u>	<u>Petitioner Proposed</u>	<u>OUCC Proposed</u>	<u>OUCC More (Less)</u>
<b><u>Metered Rates per Month</u></b>					
First	10,000 Gallons	\$5.87	6.25	6.16	(0.09)
Next	30,000 Gallons	5.12	5.45	5.37	(0.08)
Next	60,000 Gallons	4.44	4.73	4.66	(0.07)
Over	100,000 Gallons	4.03	4.29	4.23	(0.06)

**Monthly Minimum Charge**

<u>Meter Size</u>	<u>Gal Allowed</u>	<u>Current</u>				
		<u>w/o Water Tracker</u>	<u>w/Water Tracker</u>			
5/8" or 3/4"	2,500	7.92	14.67	15.62	15.40	(0.22)
1"	9,900	31.63	58.36	62.13	60.98	(1.15)
1 1/2"	24,960	67.83	135.22	143.96	141.94	(2.02)
2"	39,390	104.04	210.39	223.98	219.42	(4.56)
3"	99,790	208.00	477.43	508.27	501.32	(6.95)
4"	198,910	339.59	876.65	933.27	920.69	(12.58)
6"	298,730	472.03	1,278.60	1,361.18	1,342.93	(18.25)

**Fire Protection Service**

<b>Municipal hydrants per annum</b>	163.38	173.93	171.34	(2.59)
<b>Private hydrants per annum</b>	163.38	173.93	171.34	(2.59)
<b>Fire Protection Surcharge per month</b>	1.55	1.65	1.63	(0.02)

**Automatic Sprinklers , per annum**

1" Connections	4.53	4.83	4.75	(0.08)
1 1/4" Connections	7.07	7.53	7.41	(0.12)
1 1/2" Connections	10.23	10.89	10.73	(0.16)
2" Connections	18.17	19.34	19.06	(0.28)
3" Connections	40.86	43.50	42.85	(0.65)
4" Connections	72.60	77.29	76.14	(1.15)
6" Connections	163.37	173.93	171.33	(2.60)

Jacobi, Toombs and Lanz  
1829 EAST SPRING STREET  
SUITE 201  
NEW ALBANY, IN 47150  
(812) 945-9585

SILVER CREEK WATER CORPORATION  
8104 COUNTY LINE ROAD  
SELLERSBURG, IN 47172-9002

Invoice number 18-0747  
Date 12/26/2018

Project 16096 FAIRVIEW KNOB TANK

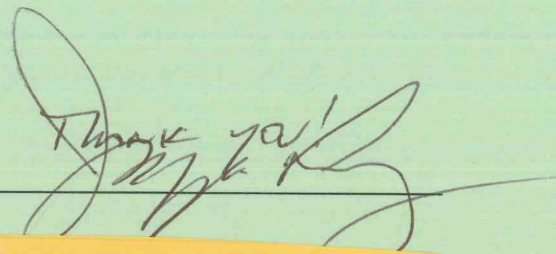
**DESIGN PHASE**  
**Professional Fees**


	Date	Hours	Rate	Billed Amount
ENGINEER III (PE) AARON R. SUTHERLAND Design	11/30/2018	1.00	115.00	115.00
<i>pay app review</i>				

**Consultant**

	Units	Rate	Billed Amount
PATRIOT ENGINEERING AND ENVIRONMENTAL, INC. Engineering Consultant			945.00

Invoice total **1,060.00**

Approved by: 

JACOBI TOOMB... **PAID ONLINE** Your \$1,060.00 payment has been submitted. CHECK   
JACOBI TOOMBS & LAN REF# 00040  
\*N/A  
DEC 29 2018  
ACCT# 631-000 Memo INVOICE 18-0747  
NET 30 DAY Confirmation NND3F-BXW44

DELIVER BY  
**Jan 4**  
(Estimated)

DEC 29 2018  
BY: .....



Jacobi, Toombs and Lanz  
1829 EAST SPRING STREET  
SUITE 201  
NEW ALBANY, IN 47150  
(812) 945-9585

SILVER CREEK WATER CORPORATION  
8104 COUNTY LINE ROAD  
SELLERSBURG, IN 47172-9002

Invoice number 18-0747  
Date 12/26/2018

Project **16096 FAIRVIEW KNOB TANK**

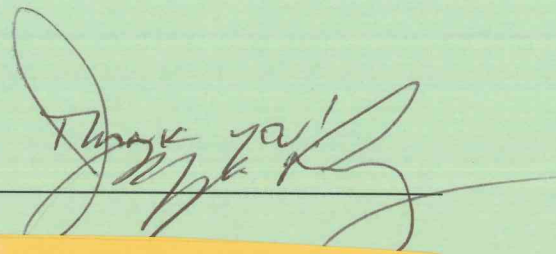
**DESIGN PHASE**  
**Professional Fees**


	Date	Hours	Rate	Billed Amount
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<i>pay app review</i>				

**Consultant**

	Units	Rate	Billed Amount
PATRIOT ENGINEERING AND ENVIRONMENTAL, INC. Engineering Consultant			945.00

Invoice total **1,060.00**

Approved by: 

JACOBI TOOMB... **PAID ONLINE** Your \$1,060.00 payment has been submitted. CHECK   
 JACOBI TOOMBS & LAN REF# 00040  
 \*N/A  
 DEC 29 2018  
 ACCT# 631-000 Memo INVOICE 18-0747  
 Confirmation NND3F-BXW44  
 DELIVER BY  
**Jan 4**  
 (Estimated)

NET 30 DAY

DEC 29 2018  
BY: .....

370

**PAID BY CHECK**  
# 24494  
FEB 08 2018  
ACCT# 633-000

**ATTORNEY**  
P. Michael Summers, LLC



**Bill to:**  
Silver Creek Water  
8104 County Line Road  
Sellersburg, IN 47172

**INVOICE**  
1/31/2018

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
<b>BALANCE DUE</b>				<b>\$475.00</b>

**RECEIVED**  
FEB 05 2018  
BY: .....

370

P. Michael Summers, LLC



**PAID BY CHECK**  
# 24687  
APR 11 2018  
ACCT# 633-000

**Bill to:**  
Silver Creek Water  
8104 County Line Road  
Sellersburg, IN 47172

**INVOICE**  
4/2/2018

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
		<b>BALANCE DUE</b>		<b>\$475.00</b>
		<b>Payment</b>		<b>\$475.00</b>
				<b>\$0.00</b>
2/26/2018	0.5	Letter to Sherman, Barber & Mullikin	\$100.00	\$50.00
3/5/2018	0.8	Reviewed testimony of E. Kaufman and C. Seals	\$250.00	\$200.00
3/6/2018	2.4	Drafted Notice of Intent to Not File Rebuttal Testimony; Organized file	\$250.00	\$600.00
3/15/2018	0.4	Office conf w/ Scott Ham re: OUCC hearing	\$250.00	\$100.00
3/21/2018	0.8	Reviewed testimony and exhibits	\$250.00	\$200.00
3/27/2018	0.4	Tele conferences w/ Heidi @ Silver Creek Water and Judge Minion	\$250.00	\$100.00
3/29/2018	0.5	Reviewed testimony and exhibits	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$1,375.00</b>

**RECEIVED**  
**APR 06 2018**  
BY: .....

370

ATTORNEY

P. Michael Summers, LLC



(633-000)

Bill to:  
Silver Creek Water  
8104 County Line Road  
Sellersburg, IN 47172

INVOICE  
4/23/2018

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
		<b>BALANCE DUE</b>		<b>\$475.00</b>
		<b>Payment</b>		<b>\$475.00</b>
				<b>\$0.00</b>
2/26/2018	0.5	Letter to Sherman, Barber & Mullikin	\$100.00	\$50.00
3/5/2018	0.8	Reviewed testimony of E. Kaufman and C. Seals	\$250.00	\$200.00
3/6/2018	2.4	Drafted Notice of Intent to Not File Rebuttal Testimony; Organized file	\$250.00	\$600.00
3/15/2018	0.4	Office conf w/ Scott Ham re: OUCC hearing	\$250.00	\$100.00
3/21/2018	0.8	Reviewed testimony and exhibits	\$250.00	\$200.00
3/27/2018	0.4	Tele conferences w/ Heidi @ Silver Creek Water and Judge Minion	\$250.00	\$100.00
3/29/2018	0.5	Reviewed testimony and exhibits	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$1,375.00</b>
		<b>Payment 4/12/18</b>		<b>\$1,375.00</b>
				<b>\$0.00</b>
4/2/2018	7	Attended IURC hearing in Indianapolis	\$ 250.00	\$1,750.00
4/3/2018	0.1	Reviewed email from Court re: J&J Development vs. Duke; Sent reply email	\$ 250.00	\$25.00
4/4/2018	0.8	Reviewed Court of Appeals Opinion re: J&J Development vs. Duke Letter to S. Ham	\$ 250.00	\$200.00
4/10/2018	3.2	Begin drafting IURC Order	\$ 250.00	\$800.00
4/11/2018	0.5	Finalized draft of IURC Order	\$ 250.00	\$125.00
4/12/2018	0.5	Office conf. w/ Scott Ham; Made changes to Order	\$ 250.00	\$125.00
4/13/2018	0.8	Made revisions to Order	\$ 250.00	\$200.00
		<b>BALANCE DUE</b>		<b>\$3,225.00</b>

PAID BY CHECK

# 24693

MAY 02 2018

ACCT# 633-000

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APR 26 2018  
BY: \_\_\_\_\_

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PAID ONLINE  
REF# MZDE1-PTGCC

JUN 08 2018

ACCT#

(633-000)

ATTORNEY

P. Michael Summers, LLC

Bill to:  
Silver Creek Water  
8104 County Line Road  
Sellersburg, IN 47172

INVOICE  
5/29/2018

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
		<b>BALANCE DUE</b>		<b>\$475.00</b>
		<b>Payment</b>		<b>\$475.00</b>
				<b>\$0.00</b>
2/26/2018	0.5	Letter to Sherman, Barber & Mullikin	\$100.00	\$50.00
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3/21/2018	0.8	Reviewed testimony and exhibits	\$250.00	\$200.00
3/27/2018	0.4	Tele conferences w/ Heidi @ Silver Creek Water and Judge Minion	\$250.00	\$100.00
3/29/2018	0.5	Reviewed testimony and exhibits	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$1,375.00</b>
		<b>Payment 4/12/18</b>		<b>\$1,375.00</b>
				<b>\$0.00</b>
4/2/2018	7	Attended IURC hearing in Indianapolis	\$ 250.00	\$1,750.00
4/3/2018	0.1	Reviewed email from Court re: J&J Development vs. Duke; Sent reply email	\$ 250.00	\$25.00
4/4/2018	0.8	Reviewed Court of Appeals Opinion re: J&J Development vs. Duke Letter to S. Ham	\$ 250.00	\$200.00
4/10/2018	3.2	Begin drafting IURC Order	\$ 250.00	\$800.00
4/11/2018	0.5	Finalized draft of IURC Order	\$ 250.00	\$125.00
4/12/2018	0.5	Office conf. w/ Scott Ham; Made changes to Order	\$ 250.00	\$125.00
4/13/2018	0.8	Made revisions to Order	\$ 250.00	\$200.00
		<b>BALANCE DUE</b>		<b>\$3,225.00</b>
		<b>Payment 5/11/18</b>		<b>\$3,225.00</b>
				<b>\$0.00</b>
5/11/2018	1.3	Attended status conference re: J&J Development vs. Duke	\$ 250.00	\$ 325.00
5/15/2018	0.4	Letter to S. Ham re: J&J Development vs. Duke status conf.	\$ 250.00	\$ 100.00
		<b>BALANCE DUE</b>		<b>\$425.00</b>

RECEIVED  
MAY 01 2018  
BY: .....

Robert M. Bellas

ATTORNEY

P. Michael Summers, LLC

**RECEIVED**

SEP 07 2018



P Michael Summ...

**PAID ONLINE**

REF# 00370

SEP 20 2018

ACCT# 633-000

Your \$650.00 payment has been submitted.

Memo INVOICE DATED 9/4/2018

Confirmation N9V6Z-5K1X1

CHECK

DELIVER BY

SEP 21

Bill  
Silv  
810  
Sell

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
		<b>BALANCE DUE</b>		<b>\$475.00</b>
		<b>Payment</b>		<b>\$475.00</b>
				<b>\$0.00</b>
2/26/2018	0.5	Letter to Sherman, Barber & Mullikin	\$100.00	\$50.00
3/5/2018	0.8	Reviewed testimony of E. Kaufman and C. Seals	\$250.00	\$200.00
3/6/2018	2.4	Drafted Notice of Intent to Not File Rebuttal Testimony; Organized file	\$250.00	\$600.00
3/15/2018	0.4	Office conf w/ Scott Ham re: OUCC hearing	\$250.00	\$100.00
3/21/2018	0.8	Reviewed testimony and exhibits	\$250.00	\$200.00
3/27/2018	0.4	Tele conferences w/ Heidi @ Silver Creek Water and Judge Minion	\$250.00	\$100.00
3/29/2018	0.5	Reviewed testimony and exhibits	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$1,375.00</b>
		<b>Payment 4/12/18</b>		<b>\$1,375.00</b>
				<b>\$0.00</b>
4/2/2018	7	Attended IURC hearing in Indianapolis	\$ 250.00	\$1,750.00
4/3/2018	0.1	Reviewed email from Court re: J&J Development vs. Duke; Sent reply email	\$ 250.00	\$25.00
4/4/2018	0.8	Reviewed Court of Appeals Opinion re: J&J Development vs. Duke Letter to S. Ham	\$ 250.00	\$200.00
4/10/2018	3.2	Begin drafting IURC Order	\$ 250.00	\$800.00
4/11/2018	0.5	Finalized draft of IURC Order	\$ 250.00	\$125.00
4/12/2018	0.5	Office conf. w/ Scott Ham; Made changes to Order	\$ 250.00	\$125.00
4/13/2018	0.8	Made revisions to Order	\$ 250.00	\$200.00
		<b>BALANCE DUE</b>		<b>\$3,225.00</b>
		<b>Payment 5/11/18</b>		<b>\$3,225.00</b>
				<b>\$0.00</b>
5/11/2018	1.3	Attended status conference re: J&J Development vs. Duke	\$ 250.00	\$ 325.00
5/15/2018	0.4	Letter to S. Ham re: J&J Development vs. Duke status conf.	\$ 250.00	\$ 100.00
		<b>BALANCE DUE</b>		<b>\$425.00</b>
		<b>Payment 6/15/18</b>		<b>\$425.00</b>
				<b>\$0.00</b>
6/18/2018	0.5	Reviewed emails and documents from S. Ham	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$125.00</b>
		<b>Payment 8/3/18</b>		<b>\$125.00</b>
				<b>\$0.00</b>
8/13/2018	0.5	Reviewed letter and contract from A. Fox re: CSX	\$250.00	\$125.00
8/23/2018	1	Reviewed file and prepare for FPTC on 8/27	\$250.00	\$250.00
8/27/2018	1.1	Attended Final PTC re: J&J Development v. Duke Energy	\$250.00	\$275.00
		<b>BALANCE DUE</b>		<b>\$650.00</b>

*Pat M. Bell*

370

ATTORNEY

P. Michael Summers, LLC



**RECEIVED**  
NOV 07 2018  
BY: .....

Bill to:  
Silver Creek Water  
8104 County Line Road  
Sellersburg, IN 47172

INVOICE  
11/1/2018

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
		<b>BALANCE DUE</b>		<b>\$475.00</b>
		<b>Payment</b>		<b>\$475.00</b>
				<b>\$0.00</b>
2/26/2018	0.5	Letter to Sherman, Barber & Mullikin	\$100.00	\$50.00
3/5/2018	0.8	Reviewed testimony of E. Kaufman and C. Seals	\$250.00	\$200.00
3/6/2018	2.4	Drafted Notice of Intent to Not File Rebuttal Testimony; Organized file	\$250.00	\$600.00
3/15/2018	0.4	Office conf w/ Scott Ham re: OUCC hearing	\$250.00	\$100.00
3/21/2018	0.8	Reviewed testimony and exhibits	\$250.00	\$200.00
3/27/2018	0.4	Tele conferences w/ Heidi @ Silver Creek Water and Judge Minion	\$250.00	\$100.00
3/29/2018	0.5	Reviewed testimony and exhibits	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$1,375.00</b>
		<b>Payment 4/12/18</b>		<b>\$1,375.00</b>
				<b>\$0.00</b>
4/2/2018	7	Attended IURC hearing in Indianapolis	\$ 250.00	\$1,750.00
4/3/2018	0.1	Reviewed email from Court re: J&J Development vs. Duke; Sent reply email	\$ 250.00	\$25.00
4/4/2018	0.8	Reviewed Court of Appeals Opinion re: J&J Development vs. Duke Letter to S. Ham	\$ 250.00	\$200.00
4/10/2018	3.2	Begin drafting IURC Order	\$ 250.00	\$800.00
4/11/2018	0.5	Finalized draft of IURC Order	\$ 250.00	\$125.00
4/12/2018	0.5	Office conf. w/ Scott Ham; Made changes to Order	\$ 250.00	\$125.00
4/13/2018	0.8	Made revisions to Order	\$ 250.00	\$200.00
		<b>BALANCE DUE</b>		<b>\$3,225.00</b>
		<b>Payment 5/11/18</b>		<b>\$3,225.00</b>
				<b>\$0.00</b>
5/11/2018	1.3	Attended status conference re: J&J Development vs. Duke	\$ 250.00	\$ 325.00
5/15/2018	0.4	Letter to S. Ham re: J&J Development vs. Duke status conf.	\$ 250.00	\$ 100.00
		<b>BALANCE DUE</b>		<b>\$425.00</b>
		<b>Payment 6/15/18</b>		<b>\$425.00</b>
				<b>\$0.00</b>
6/18/2018	0.5	Reviewed emails and documents from S. Ham	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$125.00</b>
		<b>Payment 8/3/18</b>		<b>\$125.00</b>
				<b>\$0.00</b>
8/13/2018	0.5	Reviewed letter and contract from A. Fox re: CSX	\$250.00	\$125.00
8/23/2018	1	Reviewed file and prepare for FPTC on 8/27	\$250.00	\$250.00
8/27/2018	1.1	Attended Final PTC re: J&J Development v. Duke Energy	\$250.00	\$275.00
		<b>BALANCE DUE</b>		<b>\$650.00</b>
		<b>Payment 9/25/18</b>		<b>\$650.00</b>
				<b>\$0.00</b>
9/17/2018	0.1	Tele conf. w/ S. Ham	\$250.00	\$ 25.00
9/18/2018	1	Prepared, filed and distributed Preliminary Witness & Exh. List	\$250.00	\$ 250.00
9/18/2018	Expense	Postage		\$ 2.82
10/30/2018	2.3	Reviewed CCS and Duke Energy's Motion for Summary Judgment and Brief in support; Letter to S. Ham	\$ 250.00	\$ 575.00
10/30/2018	Expense	Postage		\$ 3.52
				<b>\$ 856.34</b>

**PAID BY CHECK**  
# 00370 2520

NOV 7 2018

ACCT# 633-000

*Putt m Belk*

Jacobi, Toombs and Lanz  
1829 EAST SPRING STREET  
SUITE 201  
NEW ALBANY, IN 47150  
(812) 945-9585

00040  
**PAID BY CHECK**  
# 25307

DEC 07 2018

ACCT# 631-000  
\$ 7366.70

SILVER CREEK WATER CORPORATION  
8104 COUNTY LINE ROAD  
SELLERSBURG, IN 47172-9002

Invoice number 18-0672  
Date 11/27/2018

Project 16096 FAIRVIEW KNOB TANK

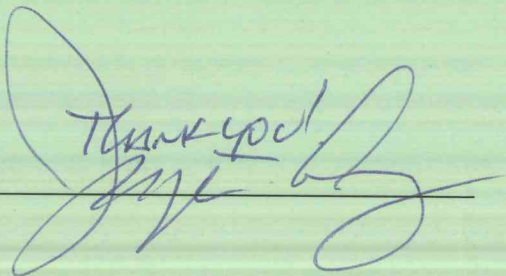
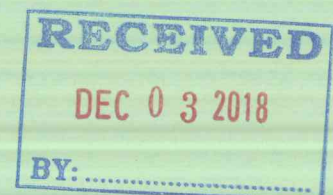
**DESIGN PHASE**

**Professional Fees**

	Date	Hours	Rate	Billed Amount
ENGINEER I (PE) THOMAS A. CUCURA Document/Report  <i>stockpile quantities</i> Site Observation	11/06/2018	1.50	100.00	150.00
 <i>drone flight</i>	10/17/2018	1.50	100.00	150.00
LAND SURVEYOR II (LS) MATTHEW S. SHUFFLEBARGER Survey  <i>Drone flight for tank site and Glenwood</i>	11/02/2018	3.00	90.00	270.00
 <i>Process ground control file</i>	11/05/2018	1.00	90.00	90.00
SURVEY CHIEF DAVID T. MONROE Survey  <i>Set drone ctrl</i>	11/02/2018	1.00	70.00	70.00
Professional Fees subtotal			8.00	730.00

Invoice total 730.00

Approved by: \_\_\_\_\_



NET 30 DAYS

**RECEIVED**  
DEC 03 2018  
BY: .....

**Jacobi, Toombs and Lanz**  
1829 EAST SPRING STREET  
SUITE 201  
NEW ALBANY, IN 47150  
(812) 945-9585

SILVER CREEK WATER CORPORATION  
8104 COUNTY LINE ROAD  
SELLERSBURG, IN 47172-9002

Invoice number 18-0674  
Date 11/27/2018

Project **17136 PUMP STATION NO. 2  
REPLACEMENT (SCWC)**

**ENGINEERING**  
**Professional Fees**

	Date	Hours	Rate	Billed Amount
ENGINEER III (PE)				
AARON R. SUTHERLAND				
Design				
	10/25/2018	3.00	120.00	360.00
<i>PS 2 notes</i>				
	10/26/2018	2.00	120.00	240.00
<i>notes</i>				
	11/01/2018	1.00	120.00	120.00
<i>reviewed plans</i>				
	11/02/2018	1.00	120.00	120.00
<i>reviewed plans and permit</i>				
ENGINEER I (PE)				
THOMAS A. CUCURA				
Drafting/CADD				
	10/31/2018	1.50	105.00	157.50
<i>update for IDEM permit</i>				
	11/01/2018	6.00	105.00	630.00
<i>site plan revisions</i>				
	11/07/2018	2.00	105.00	210.00
<i>permitting</i>				
Meetings				
	10/25/2018	3.00	105.00	315.00
<i>plan revisions</i>				
CAD TECH II				
JEFFREY A. MCMAHAN				
Drafting/CADD				
	10/25/2018	3.50	70.00	245.00
<i>revise plans as per TAC</i>				
	10/26/2018	4.00	70.00	280.00
<i>revise plans as per TAC</i>				
	10/29/2018	5.00	70.00	350.00
<i>revise plans as per TAC</i>				

**ENGINEERING**

**Professional Fees**

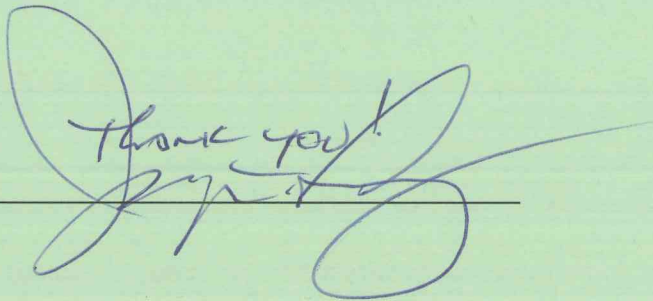
	Date	Hours	Rate	Billed Amount
CAD TECH II				
JEFFREY A. MCMAHAN				
Drafting/CADD				
<i>revise plans as per TAC</i>	10/30/2018	3.50	70.00	245.00
<i>revise plans as per TAC</i>	10/31/2018	5.00	70.00	350.00
<i>revise plans as per TAC &amp; ARS</i>	11/01/2018	5.50	70.00	385.00
<i>revise plans and create PDF as TAC</i>	11/02/2018	2.00	70.00	140.00
<i>create new set of dwgs exclusive for SCWC as per TAC</i>	11/14/2018	2.00	70.00	140.00
	Professional Fees subtotal	50.00		4,287.50

**Reimbursables**

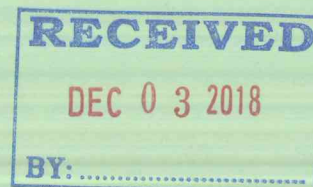
	Date	Units	Rate	Billed Amount
THOMAS A. CUCURA				
Miles				
	10/24/2018	30.00	0.38	11.40

Invoice total **4,298.90**

Approved by: \_\_\_\_\_

*Thank you!*  


NET 30 DAYS



**Jacobi, Toombs and Lanz**  
1829 EAST SPRING STREET  
SUITE 201  
NEW ALBANY, IN 47150  
(812) 945-9585

SILVER CREEK WATER CORPORATION  
8104 COUNTY LINE ROAD  
SELLERSBURG, IN 47172-9002

Invoice number 18-0673  
Date 11/27/2018

Project **12106 SILVER CREEK WATER  
GENERAL SERVICES**

**Invoice Summary**

Description	Contract Amount	Percent Complete	Prior Billed	Total Billed	Remaining	Current Billed
BROOMHILL ROAD WATER MAIN EXTENSION	0.00	0.00	4,138.00	4,138.00	-4,138.00	0.00
SR 60 WATER MAIN RELOCATION	0.00	0.00	2,204.38	2,204.38	-2,204.38	0.00
GIS	115,000.00	81.96	94,052.22	94,250.02	20,749.98	197.80
MASTER PLAN UPDATE	10,000.00	360.34	35,598.70	36,033.70	-26,033.70	435.00
PARKING LOT RELOCATION	0.00	0.00	1,600.00	3,305.00	-3,305.00	1,705.00
ADJUSTMENT FOR OVERPAYMENT ON INVOICE 13-0584	0.00	0.00	-2,235.00	-2,235.00	2,235.00	0.00
ADJUSTMENT FOR OVERPAYMENT ON INVOICE 14-0049	0.00	0.00	-2,051.25	-2,051.25	2,051.25	0.00
<b>Total</b>	<b>125,000.00</b>	<b>108.52</b>	<b>133,307.05</b>	<b>135,644.85</b>	<b>-10,644.85</b>	<b>2,337.80</b>

**GIS**

**Professional Fees**

	Date	Hours	Rate	Billed Amount
Drafting/CADD	10/26/2018	2.50		0.00
	11/02/2018	3.00		0.00
	11/05/2018	1.50		0.00
Project Management	10/26/2018	2.50	50.00	125.00
	10/31/2018	1.00	50.00	50.00
<b>Professional Fees subtotal</b>			<b>10.50</b>	<b>175.00</b>

**Reimbursables**

	Date	Units	Rate	Billed Amount
THOMAS A. CUCURA Miles	10/26/2018	30.00	0.38	11.40
	11/09/2018	30.00	0.38	11.40
<b>Reimbursables subtotal</b>				<b>22.80</b>

**MASTER PLAN UPDATE**

**Professional Fees**

	Date	Hours	Rate	Billed Amount
Design	11/09/2018	2.00	105.00	210.00
Meetings	11/09/2018	2.50	90.00	225.00
Professional Fees subtotal			4.50	435.00

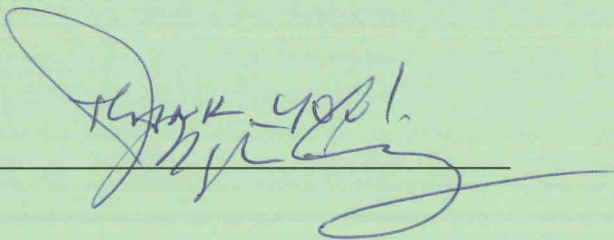
**PARKING LOT RELOCATION**

**Professional Fees**

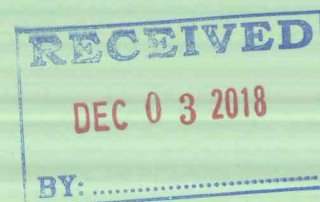
	Date	Hours	Rate	Billed Amount
Calculations	11/13/2018	1.00	70.00	70.00
Cost Estimate/Quantities	11/19/2018	4.00	70.00	280.00
Design	10/25/2018	5.00	70.00	350.00
Document/Report	11/08/2018	0.50	90.00	45.00
	11/12/2018	1.00	90.00	90.00
	11/14/2018	0.50	90.00	45.00
	11/15/2018	1.00	90.00	90.00
Meetings	10/26/2018	2.00	105.00	210.00
	10/29/2018	2.00	105.00	210.00
	11/06/2018	2.00	105.00	210.00
	11/07/2018	1.00	105.00	105.00
Professional Fees subtotal		20.00		1,705.00

Invoice total **2,337.80**

Approved by: \_\_\_\_\_



NET 30 DAYS



ATTORNEY

P. Michael Summers, LLC



Bill to:  
Silver Creek Water  
8104 County Line Road  
Sellersburg, IN 47172

INVOICE  
12/19/2018

Date	Quantity (hr.)	Description	Rate/hr.	Amount
1/2/2018	0.7	Reviewed notes from Scott Ham	\$250.00	\$175.00
1/4/2018	0.3	Met with Scott Ham re: scheduling motion	\$250.00	\$75.00
1/8/2018	0.5	Prepared Motion to Establish Procedural Order	\$250.00	\$125.00
1/16/2018	0.4	Telephone conferences w/ Scott Ham re: dates for hearings	\$250.00	\$100.00
		<b>BALANCE DUE</b>		<b>\$475.00</b>
		<b>Payment</b>		<b>\$475.00</b>
				<b>\$0.00</b>
2/26/2018	0.5	Letter to Sherman, Barber & Mullikin	\$100.00	\$50.00
3/5/2018	0.8	Reviewed testimony of E. Kaufman and C. Seals	\$250.00	\$200.00
3/6/2018	2.4	Drafted Notice of Intent to Not File Rebuttal Testimony; Organized file	\$250.00	\$600.00
3/15/2018	0.4	Office conf w/ Scott Ham re: OUCC hearing	\$250.00	\$100.00
3/21/2018	0.8	Reviewed testimony and exhibits	\$250.00	\$200.00
3/27/2018	0.4	Tele conferences w/ Heidi @ Silver Creek Water and Judge Minion	\$250.00	\$100.00
3/29/2018	0.5	Reviewed testimony and exhibits	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$1,375.00</b>
		<b>Payment 4/12/18</b>		<b>\$1,375.00</b>
				<b>\$0.00</b>
4/2/2018	7	Attended IURC hearing in Indianapolis	\$ 250.00	\$1,750.00
4/3/2018	0.1	Reviewed email from Court re: J&J Development vs. Duke; Sent reply email	\$ 250.00	\$25.00
4/4/2018	0.8	Reviewed Court of Appeals Opinion re: J&J Development vs. Duke	\$ 250.00	\$200.00
		Letter to S. Ham		
4/10/2018	3.2	Begin drafting IURC Order	\$ 250.00	\$800.00
4/11/2018	0.5	Finalized draft of IURC Order	\$ 250.00	\$125.00
4/12/2018	0.5	Office conf. w/ Scott Ham; Made changes to Order	\$ 250.00	\$125.00
4/13/2018	0.8	Made revisions to Order	\$ 250.00	\$200.00
		<b>BALANCE DUE</b>		<b>\$3,225.00</b>
		<b>Payment 5/11/18</b>		<b>\$3,225.00</b>
				<b>\$0.00</b>
5/11/2018	1.3	Attended status conference re: J&J Development vs. Duke	\$ 250.00	\$ 325.00
5/15/2018	0.4	Letter to S. Ham re: J&J Development vs. Duke status conf.	\$ 250.00	\$ 100.00
		<b>BALANCE DUE</b>		<b>\$425.00</b>
		<b>Payment 6/15/18</b>		<b>\$425.00</b>
				<b>\$0.00</b>
6/18/2018	0.5	Reviewed emails and documents from S. Ham	\$250.00	\$125.00
		<b>BALANCE DUE</b>		<b>\$125.00</b>
		<b>Payment 8/3/18</b>		<b>\$125.00</b>
				<b>\$0.00</b>
8/13/2018	0.5	Reviewed letter and contract from A. Fox re: CSX	\$250.00	\$125.00
8/23/2018	1	Reviewed file and prepare for FPTC on 8/27	\$250.00	\$250.00
8/27/2018	1.1	Attended Final PTC re: J&J Development v. Duke Energy	\$250.00	\$275.00
		<b>BALANCE DUE</b>		<b>\$650.00</b>
		<b>Payment 9/25/18</b>		<b>\$650.00</b>
				<b>\$0.00</b>
9/17/2018	0.1	Tele conf. w/ S. Ham	\$250.00	\$ 25.00
9/18/2018	1	Prepared, filed and distributed Preliminary Witness & Exh. List	\$250.00	\$ 250.00
9/18/2018	Expense	Postage		\$ 2.82
10/30/2018	2.3	Reviewed CCS and Duke Energy's Motion for Summary Judgment and Brief in support; Letter to S. Ham	\$ 250.00	\$ 575.00
10/30/2018	Expense	Postage		\$ 3.52
		<b>BALANCE DUE</b>		<b>\$ 856.34</b>
		<b>Payment 11/13/18</b>		<b>\$ 856.34</b>
				<b>\$0.00</b>
11/1/2018	0.6	Organized pleadings and the file	\$ 250.00	\$ 150.00
11/13/2018	0.7	Prepared and filed Final Witness & Exhibit List	\$ 250.00	\$ 175.00
12/13/2018	1	Begin review of J&J response to Duke's Motion for Summary Judgment	\$ 250.00	\$ 250.00
12/17/2018	0.3	Finalized review of J&J response to Duke's Motion for Summary Judgment	\$ 250.00	\$ 75.00
12/17/2018	0.5	Letter to Scott Ham and Board of Directors	\$ 250.00	\$ 125.00
		<b>BALANCE DUE</b>		<b>\$775.00</b>

CHECK DELIVER BY Dec 31 (Estimated)

Your \$775.00 payment has been submitted.

Memo INVOICE DATED 12/19/2018

Confirmation NN2C3-8SP6B

ACCT# 633000

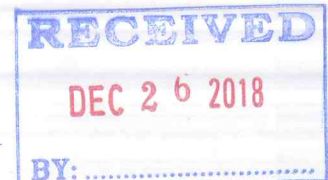
DEC 26 2018

PAID ONLINE REF# 00370

P Michael Summ...

OK TO PAY  
S. Ham

421 West 1st Street • New Albany, IN 47150-3601  
Phone: (812) 941-8200 • Fax: (812) 949-4003



MPOWER TECHNOLOGIES, INC.  
PO Box 370  
Iron Mountain, MI 49801



# INVOICE

**BILL TO**  
SILVER CREEK WATER  
CORP  
8104 COUNTY LINE ROAD  
SELLERSBURG, IN 47172

**INVOICE #** 3404  
**DATE** 10/04/2018  
**DUE DATE** 12/31/2018  
**TERMS** Balance Now Due

**SALES REP**  
JB

ACTIVITY	QTY	RATE	AMOUNT
mPOWER INTEGRATOR & EDITOR SOFTWARE ANNUAL MAINTENANCE - 2019, 2020 and 2021 - Next Invoice will be 02/15/2022	3	3,500.00	10,500.00

mPower Technologies, Inc.  
c/o First National Bank  
P.O. Box 370  
Iron Mountain, MI 49801


**BALANCE DUE**

**\$10,500.00**

*Randy m Belle*




MPower Technologies  
\* Ham

 Your \$10,500.00 payment has been submitted.

**Memo** INVOICE 3404

**Confirmation** NCNHR-HPZ6P

CHECK 

DELIVER BY

**Oct 11**

**PAID ONLINE**  
REF# 00365  
OCT 05 2018  
ACCT# 620-320

# INVOICE

Invoice To:  
HEIDI HAM  
SILVER CREEK WATER CORP  
8104 COUNTY LINE RD  
SELLERSBURG IN 47172-9002

Ship To (If different from invoice to):  
HEIDI HAM  
SILVER CREEK WATER CORP  
8104 COUNTY LINE RD  
SELLERSBURG IN 47172-9002

Invoice No. 110374157	Invoice Date 01-Nov-2018	Reference No. 14345226-20049589	Shipped Via UPS GROUND
Customer No. 14345226	Terms ON RECEIPT	Customer P.O. No.	Salesperson ANDERSON, KATHY

Quantity	Description	Unit Price	Extended
200	RWR-XXX GARDENS CALENDAR	1.39	278.00
1	SETUP CHARGE	16.95	16.95
1	SHIPPING & HANDLING CHARGE	33.95	33.95

**PAID BY CHECK**  
#00354 25206

NOV 7 2018

ACCT# 660-000

*Paul M Bell*

**To pay by E-check or Credit Card go to: [www.Pens.com/Payments](http://www.Pens.com/Payments).**

Prepayment amounts are subject to approval / clearing of funds. A late charge of \$25.00 will be imposed if invoice is not paid promptly.

Returned checks are subject to a \$25.00 charge. Customer is responsible for all fees associated with the collection of this invoice.

To contact Customer Care please call 1-800-347-7367. To contact the Accounting Department please call 1-866-388-9850.

Subtotal	\$	328.90
Tax	\$	23.02
Prepaid	\$	0.00
<b>TOTAL DUE</b>	<b>\$</b>	<b>351.92</b>

Please detach and return lower portion with your payment.

Again, thanks for your order. We look forward to serving you again!

LTR-1272\_2014

**INVOICE STUB – See reverse side.**

Detach and return with your payment.

*Send PAYMENTS ONLY to:*



NATIONAL PEN CO LLC  
PO BOX 847203  
DALLAS TX 75284-7203



354



**NATIONAL PEN**

National Pen Co. LLC  
P.O. Box 847203  
Dallas, TX 75284-7203

# INVOICE

Invoice To:

HEIDI HAM  
SILVER CREEK WATER CORP  
8104 COUNTY LINE RD  
SELLERSBURG IN 47172-9002

**PAID ONLINE**

REF# MND84-95301

MAR 02 2018

ACCT# 620306

Ship To (If different from invoice to):

HEIDI HAM  
SILVER CREEK WATER CORP  
8104 COUNTY LINE RD  
SELLERSBURG IN 47172-9002

Invoice No. 109866323	Invoice Date 27-Feb-2018	Reference No. 14345226-19455702	Shipped Via UPS GROUND
Customer No. 14345226	Terms ON RECEIPT	Customer P.O. No.	Salesperson DANIELS, VALERIE

Quantity	Description	Unit Price	Extended
250	CLR-ZZZ COLORAMA PEN - ASSORTMENT OF CLASSIC COLORS	0.67	167.50
500	CLR-ZZZ COLORAMA PEN - ASSORTMENT OF CLASSIC COLORS	0.00	0.00
1	SETUP CHARGE	16.95	16.95
1	SHIPPING & HANDLING CHARGE	29.99	29.99

*R. H. Bell*

**To pay by E-check or Credit Card go to: [www.Pens.com/Payments](http://www.Pens.com/Payments).**

Prepayment amounts are subject to approval / clearing of funds. A late charge of \$25.00 will be imposed if invoice is not paid promptly.

Returned checks are subject to a \$25.00 charge. Customer is responsible for all fees associated with the collection of this invoice.

To contact Customer Care please call 1-800-347-7367. To contact the Accounting Department please call 1-866-388-9850.

Subtotal	\$	214.44
Tax	\$	0.00
Prepaid	\$	0.00
<b>TOTAL DUE</b>	<b>\$</b>	<b>214.44</b>

Please detach and return lower portion with your payment.

Remit Payment To: **NATIONAL PEN** P.O. Box 847203 Dallas TX 75284-7203

Customer No. 14345226	Invoice Date 27-Feb-2018	Invoice No. 109866323	AMOUNT DUE \$ 214.44
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If your address has changed, please make corrections below:

HEIDI HAM  
SILVER CREEK WATER CORP  
8104 COUNTY LINE RD  
SELLERSBURG IN 47172-9002

**Form of Payment**

*Please do not send cash.*

- VISA  MASTERCARD  
 CHECK or MONEY ORDER

**Amount Enclosed**

**Credit Card No**

**Credit Card Expiration Date**

X

Authorized Signature

E-Mail: \_\_\_\_\_  
Please write your customer number on the check or money order

14345226 000021444 109866323 0



**Invoice**

PO BOX 660888  
DALLAS, TX 75266-0888  
TEL 800-526-9766  
FAX 800-294-4390  
Questions?  
Email us at invoiceHELP@myron.com

Invoice # 109518019    Account # 1651538    Invoice Date 06/11/18    Due Date 07/11/18

**PAID BY CHECK**

# 24860

Jun ' 21 2018

ACCT# 660.000

B  
I  
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L  
MS. HEIDI HAM  
SILVER CREEK WATER  
T 8104 COUNTY LINE RD  
O SELLERSBURG, IN 47172

S  
H  
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P  
MS. HEIDI HAM  
SILVER CREEK WATER  
T 8104 COUNTY LINE RD.,  
O SELLERSBURG, IN 47172

Page 1 of 1

Quantity	Item #	Item Description	Unit Price	Subtotal	Discount %	Discount \$	Extended Amount
1	K23705US	TECH UNIT 1 MINIMUM - BUCK SLIP US	.000	.00	.00 %	.00	.00
1	XZA9103	XVALENCIA DESK MASTER 450 BLACK	9.990	9.99	.00 %	.00	9.99
1	04SETHS	SET UP CHARGE	16.950	16.95	.00 %	.00	16.95
500	5Z865AAA	Rosemont Duo Pocket Pal Calendar with **	2.790	1395.00	.00 %	.00	1395.00
				Shipping/Handling			128.81
				Sales Tax			.00
				Invoice Total			1550.75
				Payments			.00
				<b>AMOUNT DUE</b>			<b>1550.75</b>

**RECEIVED**  
JUN 19 2018  
BY:.....

Thank You  
To pay online:  
[www.myron.com/payments](http://www.myron.com/payments)  
your acct#: 1651538  
Email: HEIDI@SILVERCREEKWATER.ORG

Please inspect your product upon receipt to ensure you received it correct and to your specifications.

**Package Tracking Information**

1Z0686900360077220 1Z0686900360077239 1Z0686900360077248 1Z0686900360077257

Myron Corp. is required to collect and remit sales tax on purchases in New Jersey and California unless a valid exemption certificate is provided by the customer. Purchases made outside of New Jersey or California may be subject to sales and/or use tax. Customers are responsible for determining their sales and use tax liability and remitting such tax to the appropriate state tax agency. Also note that the buyer agrees to pay all costs of collection, including attorney's fees and costs as additional sums owed in connection with this transaction in the event collection is necessary.



Covered Bridge Golf Club  
12510 Covered Bridge Road  
Sellersburg, IN 47172  
(812) 246-8880

PAID BY CHECK  
# 00194 CR 25323  
DEC 20 2018  
ACCT# 675-800

**Silver Creek Water Company**  
**hoLSCH20-2**  
**Invoice # 374**

**HOST:** Scott Ham  
Silver Creek Water Corp.

**PLANNER/CONTACT:** Genni Andres

812-246-2889  
scott@silvercreekwater.org

**Date:** 12/06/2018  
**Type:** Holiday

**Estimated Guest Count:** 40  
**Final Guest Count:** 0 40 *SR*  
**Balance Due On:** 12/06/2018

Ref #	Description	Qty	Unit Price	Extended Price
149432	Bacardi - Double	2	\$5.84	\$11.68
149432	Bud Light LN	2	\$3.04	\$6.08
149432	Classic Choice - The Covered Bridge	40	\$34.95	\$1,398.00
149432	Crown Royal - Double	2	\$8.41	\$16.82
149432	Jim Beam - Double	2	\$6.07	\$12.14
149432	Makers Mark - Double	2	\$8.41	\$16.82
149432	Merlot 14 Hands - Glass	2	\$6.00	\$12.00
149432	Mich Ultra LN	2	\$3.04	\$6.08
149432	Open Food	40	\$4.50	\$180.00
149432	Open Food	40	\$10.95	\$438.00
149432	Reisling St. Michelle - Glass	2	\$6.00	\$12.00
149432	Woodford Reserve - Double	16	\$8.41	\$134.56
<b>SUBTOTAL</b>				\$2,244.18
<b>TIPS</b>				\$0.00
<b>SALES TAX</b>				\$157.12
<b>GRATUITY</b>				\$448.84
<b>CHARGES</b>				\$2,850.14
<b>PAYMENTS</b>				\$0.00
<b>BALANCE DUE</b>				\$2,850.14

SCW CHRISTMAS PARTY  
BOARD EMPLOYEES & SPOUSES.  
2018 REVIEW & 2019 PROJECTS UPDATE OK TO PAY  
*Scott Ham*

**RECEIVED**  
DEC 07 2018  
BY: .....

**TESTIMONY OF CARL N. SEALS**  
**CAUSE NO. 45363-U**  
**SILVER CREEK WATER CORPORATION**

**I. INTRODUCTION**

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

2 A: My name is Carl N. Seals, and my business address is 115 West Washington Street, Suite  
3 1500 South, Indianapolis, Indiana 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 Assistant Director in the Water/Wastewater Division. My qualifications and experience are  
7 set forth in Appendix A.

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

9 A: I discuss Silver Creek Water Corporation's (hereinafter "Silver Creek" or "Applicant")  
10 proposed capital improvement projects, revenue requirements for extensions and  
11 replacements, and request to recover periodic maintenance expenses.

12 **Q: What have you done to prepare your testimony?**

13 A: I reviewed Silver Creek's Small Utility Rate Application ("Application") and its Indiana  
14 Utility Regulatory Commission ("IURC" or "Commission") Annual Reports for years  
15 2014 through 2019. I wrote data requests and reviewed Silver Creek's responses. I  
16 reviewed the Commission's final orders in Silver Creek's most recent financing cases  
17 (Cause Nos. 41128, 42579 and 45018) and relevant Silver Creek testimony from those  
18 cases. I reviewed reports Silver Creek filed with the Indiana Department of Environmental  
19 Management's ("IDEM"), which I accessed on IDEM's Virtual File Cabinet.

1 **Q: Does your testimony include attachments?**

2 A: Yes. My testimony includes OUCC Attachment CNS-1: Utility Dashboard, showing  
3 operational statistics based upon Silver Creek's IURC Annual Reports from 2015-2019.

## II. SILVER CREEK WATER SYSTEM

4 **Q: Please describe Silver Creek's characteristics.**

5 A: Silver Creek is a not-for-profit utility providing water service to approximately 7,617  
6 customers in Clark and Floyd Counties in southern Indiana. Silver Creek does not produce  
7 or treat its own water but purchases it from Indiana American Water Company, Inc.  
8 (Indiana American Water). Silver Creek's distribution system includes two meter pits  
9 connecting it to Indiana American Water, four pumping stations, five storage tanks and  
10 approximately 150 miles of main<sup>1</sup> ranging from 2" to 16" in diameter.<sup>2</sup> Silver Creek  
11 maintains 913 hydrants. Silver Creek's 2019 IURC Annual Report sets forth some general  
12 operating statistics, which I summarize in OUCC Attachment CNS-1. Excluding trackers  
13 due to increases in the cost of water purchased from Indiana American Water, Silver  
14 Creek's rates have not increased since 1985.

15 **Q: What is Silver Creek's water storage capacity?**

16 A: With five storage tanks, Silver Creek currently has total storage capacity of 5 million  
17 gallons, distributed across three separate pressure zones. With average sales in 2019 of 1.4

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<sup>1</sup> Silver Creek's 2019 IURC Annual Report.

<sup>2</sup> Approximately 90% of Silver Creek's mains consist of 4", 6" or 8" pipe made of ductile iron, PVC or asbestos cement.

1 million gallons per day, Silver Creek easily meets the Ten States Standards  
2 recommendation that total water storage meet average day demands.<sup>3</sup>

3 **Q: What is Silver Creek's level of water loss?**

4 A: As used in Applicant's IURC annual reports, "water loss" is the difference between water  
5 Silver Creek purchased and the total volume of water it sold to customers or used for  
6 firefighting, flushing mains, flushing sewers, street cleaning, backwashing, or other  
7 authorized consumption. Water loss may reasonably be attributed to leaks or inaccurate  
8 measurement of consumption. Over the last five years, Silver Creek's water loss values  
9 have ranged from 4.7% to 14.8%, showing a slightly decreasing trend.<sup>4</sup>

10 **Q: Does Silver Creek have a Master Plan?**

11 A: Yes. Silver Creek has maintained a master plan and capital improvements project schedule  
12 since 1996. Silver Creek last updated its master plan in 2017, and this most recent plan is  
13 the source of certain projected improvements in the current Cause. Master plan projects  
14 include the replacement and reconstruction of Pump Station 2 and the replacement of 1,700  
15 feet of water main along State Road 60.

### III. EXTENSIONS AND REPLACEMENTS

16 **Q: Has Silver Creek proposed an extensions and replacements revenue requirement?**

17 A: Yes. According to Indiana Code § 8-1-2-125(d), which applies to not-for-profit utilities,  
18 Silver Creek's rates should, among other things, produce sufficient revenue to pay for

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<sup>3</sup> 5 million gallons storage > 1.4 million average day consumption recommended. According to the Recommended Standards for Waterworks, A Report of the Water Supply Committee of the Great Lakes – Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers (2012), Part 7 Finished Water Storage, Section 7.0.1(a) Sizing states: "The minimum storage capacity (or equivalent capacity) for systems not providing fire protection shall be equal to the average daily consumption. This requirement may be reduced when the source and treatment facilities have sufficient capacity with standby power to supplement peak demands of the system."

<sup>4</sup> See OUCS Attachment CNS-1.

1 extensions and replacements of utility infrastructure. According to Silver Creek's Small  
 2 Utility Rate Application, Schedule 7, it has requested \$161,139 for its proposed revenue  
 3 requirement for extensions and replacements ("E&R") based upon a Capital Improvement  
 4 Plan for the next five years.

5 **Q: What types of projects does Silver Creek propose to fund with its E&R revenue**  
 6 **requirement?**

7 A: From its Application and from my discussions with utility management, I determined the  
 8 following types of projects and expenditures are being considered:

Truck replacements	\$123,394
GPS receiver/controller	33,574
Vacuum excavator	82,700
State Road 60 main replacement	111,759
Pump Station #2 rebuild	392,942
Office front site repairs	75,000
Meter replacements	43,200
Hydrant replacements	36,290
Valve replacements	34,230
Total	\$933,089
Less amount already funded	123,394
Total	\$809,695
Divided by proposed life of rates	5
Average Annual E&R	\$161,939

9 **Q: Did you request additional information regarding each of these proposed projects?**

10 A: Yes. I sought and received additional information on each of the projects through data  
 11 requests and through discussions with Silver Creek's Manager. Each of these projects is  
 12 reasonable and will enhance the utility's ability to effectively and efficiently serve its  
 13 customers.

1 **Q: How does Silver Creek's proposed extensions and replacements revenue requirement**  
2 **compare to a rate of depreciation on which municipal utilities or for-profit public**  
3 **utilities may base an expense?**

4 A: Not-for-profit utilities are not authorized to include depreciation expense in rates but must  
5 base the revenue requirement on extensions and replacements. However, it is useful in  
6 some cases to compare the E&R revenue requirement with the rate of composite  
7 depreciation as a benchmark. Applying the composite depreciation rate of 1.7% to  
8 depreciable Utility Plant in Service ("UPIS") results in a *pro forma* test year depreciation  
9 expense of \$337,853, as noted in Small-Utility Application, Schedule 7. Silver Creek's  
10 requested E&R revenue requirement of \$161,139 is less than half of its *pro forma* test year  
11 depreciation expense of \$337,853.

12 **Q: Do you have any recommendations regarding Applicant's proposed E&R revenue**  
13 **requirement based upon its historical expenditures?**

14 A: Yes. Based on my review of Silver Creek's Master Plan, its assets, and its operations, I  
15 recommend that the Commission approve Silver Creek's requested \$161,139 for its E&R  
16 revenue requirement.

#### 17 **IV. OPERATION AND MAINTENANCE EXPENSES**

18 **Q: Is it reasonable for Silver Creek to incur expenses to perform periodic maintenance?**

19 A: Yes. It is appropriate for Silver Creek to incur prudent and reasonable expenses to perform  
20 periodic maintenance on its wells, pumps, and storage tanks. Periodic maintenance helps  
21 utility facilities to operate properly and extends their service lives.

22 **Q: Is Silver Creek making adjustments to its test year operation and maintenance**  
23 **("O&M") expenses to recover projected periodic maintenance expense?**

24 A: Yes. Silver Creek did not incur any maintenance expense for its water storage tanks during  
25 the test year. Therefore, on Schedule 6, Silver Creek makes an adjustment to "Periodic  
26 Maintenance Expense" to adjust test year O&M expenses to allow for recovery of periodic



1 maintenance expenses not incurred during the test year. Silver Creek proposes to adjust its  
 2 test year expenses for periodic maintenance by \$48,604 to allow for maintenance of its  
 3 storage tanks.

Water Storage Tank identification	Capacity (gals.)	Cost
St. Joe tank	2,000,000	\$380,000
Highway 60 tank	500,000	161,300
Lakes tank	151,000	75,760
Deam Lake tank	250,000	112,000
Total		\$729,060
Amortized over 15 years		15
Average Annual E&R		\$48,604

4 **Q: Did Silver Creek provide cost support for its proposed tank maintenance expense?**

5 A: Yes. Upon request, Silver Creek provided quotes from contractors supporting the proposed  
 6 amounts for tank maintenance, including interior and exterior surface remediation. The  
 7 total tank maintenance cost is \$729,060, which, when amortized over 15 years, yields a  
 8 \$48,604 expense per year.

9 **Q: Do you have any recommendations regarding Silver Creek's proposed tank**  
 10 **maintenance expense?**

11 A: Yes. I recommend the Commission approve Silver Creek's request to recover tank  
 12 maintenance expense of \$48,604 per year for 15 years. I also recommend the Commission  
 13 order Silver Creek to place these funds in a restricted account so that the funds will be  
 14 available when needed to complete tank maintenance.

## V. SUMMARY OF RECOMMENDATIONS

15 **Q: Please summarize your recommendations:**

16 A: I recommend the following:

1           1) The Commission approve the \$48,604 periodic maintenance expense adjustment  
2           shown in Schedule 6(f). The Commission should order Silver Creek to place these  
3           funds in a restricted account to be used for future tank maintenance expenses.

4           2) The Commission approve a revenue requirement for extensions and replacements  
5           of \$161,139 as shown on Schedule 7.

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

7   A: Yes.

**VI. APPENDIX A**

**QUALIFICATIONS**

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

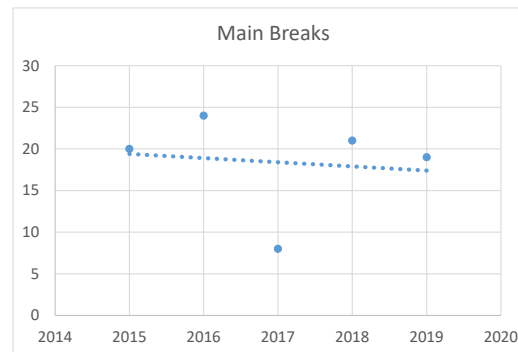
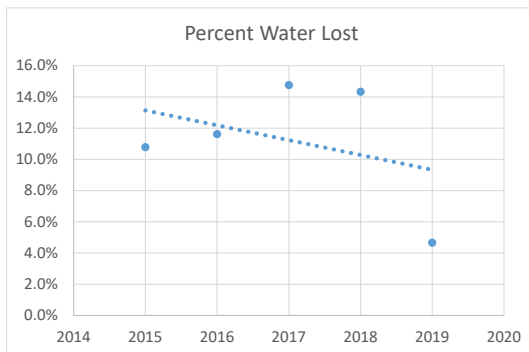
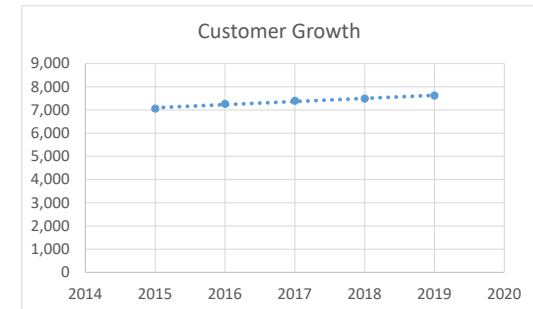
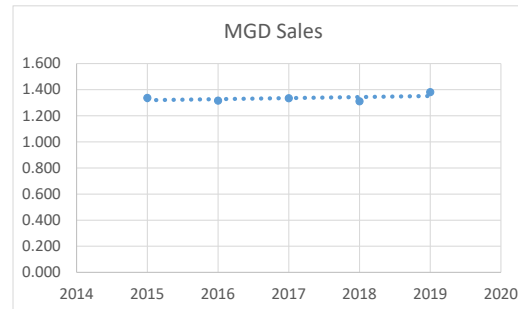
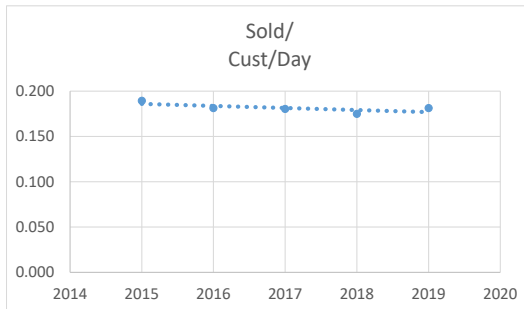
2 A: In 1981 I graduated from Purdue University, where I received a Bachelor of Science degree  
3 in Industrial Management with a minor in Engineering. I was recruited by the Union Pacific  
4 Railroad, where I served as mechanical and maintenance supervisor and industrial engineer  
5 in both local and corporate settings in St. Louis, Chicago, Little Rock and Beaumont,  
6 Texas. I then served as Industrial Engineer for a molded-rubber parts manufacturer before  
7 joining the Indiana Utility Regulatory Commission ("IURC") as Engineer, Supervisor and  
8 Analyst for more than ten years. It was during my tenure at the IURC that I received my  
9 Master of Health Administration degree from Indiana University. After the IURC, I worked  
10 at Indiana-American Water Company, initially in their rates department, then managing  
11 their Shelbyville operations for eight years, and later served as Director of Regulatory  
12 Compliance and Contract Management for Veolia Water Indianapolis. I joined Citizens  
13 Energy Group as Rate & Regulatory Analyst following the October 2011 transfer of the  
14 Indianapolis water utility and joined the Office of Utility Consumer Counselor in April of  
15 2016. In March 2020 I was promoted to my current position of Assistant Director of the  
16 Water and Wastewater Division.

## Utility Dashboard Silver Creek Water Corporation Cause No. 45363-U

A	B	C	D	E	F	G	H	I	J	K
Year	Customers Year-End	Total Purchased	Total Sold	Non-Revenue (C - D)	System Usage	Water Loss (E - F)	Percent Loss (G / C)	Average MGD	Sold/ Cust/Day	Main Breaks
2015	7,059	547,913	487,964	59,949	901	59,048	10.8%	1.337	0.189	20
2016	7,261	547,826	481,623	66,203	2,558	63,645	11.6%	1.316	0.181	24
2017	7,395	573,063	486,804	86,259	1,691	84,568	14.8%	1.334	0.180	8
2018	7,487	566,136	478,074	88,062	6,900	81,162	14.3%	1.310	0.175	21
2019	7,617	553,267	503,739	49,528	23,729	25,799	4.7%	1.380	0.181	19

average mgd 2019                      1.380 mgd  
 avg gals/cust/mo 2019                5,511 gals  
 average cust growth                    139.5 /yr  
 average mgd 5 yrs                      1.335 mgd

All reported in thousand gallons  
 System usage includes water used for firefighting, backwashing, main flushing, etc.  
 Source: IURC Annual Reports



Dashed lines shows results of linear regression (trend) over period shown