

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

FILED
March 3, 2017
INDIANA UTILITY
REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
EASTERN BARTHOLOMEW WATER)
CORPORATION OF TAYLORSVILLE, INDIANA,)
(1) FOR THE AUTHORITY TO ISSUE LONG TERM)
BONDS, NOTES OR OTHER EVIDENCE OF)
INDEBTEDNESS, (2) FOR AUTHORITY TO)
ENCUMBER ITS FRANCHISE, WORKS AND)
SYSTEM IN CONNECTION WITH SUCH)
BORROWING, (3) FOR A CERTIFICATE OF)
AUTHORITY TO ISSUE LONG TERM DEBT,)
(4) FOR AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER SERVICE, (5) FOR)
APPROVAL OF A NEW SCHEDULE OF RATES)
AND CHARGES FOR WATER SERVICE)

CAUSE NO. 44903

EASTERN BARTHOLOMEW WATER CORPORATION'S
UNOPPOSED MOTION FOR LEAVE TO:
AMEND THE FEBRUARY 3, 2017, PETITION;
AMEND THE CAPTION OF THIS CAUSE;
AND
SUBMIT SUPPLEMENTAL DIRECT TESTIMONY AND EXHIBITS

Comes now Eastern Bartholomew Water Corporation ("Petitioner"), by counsel, and for its Unopposed Motion for Leave to: Amend the February 3, 2017, Petition; Amend the Caption of this Cause; and Submit Supplemental Direct Testimony and Exhibits, states as follows:

1. This Motion is made pursuant to 170 IAC 1-1.1-8(b) and (c), and other applicable Rules.
2. On February 3, 2017, Petitioner filed its Petition initiating this Cause ("Petition").
3. On February 14, 2017, the Presiding Officers issued a Docket Entry in this Cause which, among other things, determined the filing date for Petitioner's case-in-chief to be February 20, 2017, and set an evidentiary hearing for June 28, 2017.
4. On February 17, 2017, Petitioner filed the Verified Direct Testimonies and Exhibits of its Witnesses Ted Darnall, Donald Smith, Jr. and Kent S. Elliott. On February 20, 2017, Petitioner

filed the Verified Direct Testimony and Exhibits of its Witness Douglas L. Baldessari, which completed the prefiling of Petitioner's case-in-chief.

5. On, or about, February 17, 2017, Petitioner's counsel learned that Petitioner had, on November 19, 2015, amended its water supply contract with its sole sale for resale customer, the Town of Hope, Indiana ("Amendment"). This Amendment provides for the calculation of Petitioner's rates and charges for, and specific to, its service to the Town of Hope.

6. Petitioner believes the Amendment, which provides for the calculation and implementation of rates and charges for service to the Town of Hope that are not a part of Petitioner's tariff, should be submitted to the Commission for approval.

7. Neither the Petition nor the caption of this Cause makes reference to the approval of the Amendment. Further, the Petition's reference only to the proposed across-the-board increase for Petitioner's retail customers and not the contract rates and charges proposed for the Town of Hope is, therefore, incomplete. Petitioner believes the Petition and the caption of this Cause should be amended to reflect Petitioner's request for approval of the Amendment, and the resulting proposed rates and charges for service to the Town of Hope. A copy of the proposed Amended Petition, bearing the Amended Caption, is attached hereto.

8. The direct testimonies of Mr. Darnall, Petitioner's Board President, and Mr. Smith, Petitioner's Superintendent, do not discuss the Amendment, or matters related thereto. Neither Mr. Darnall nor Mr. Smith was aware that the Amendment required Commission approval, and Petitioner's counsel only learned of the Amendment on, or about, February 17, 2017, after the testimonies of Mr. Darnall and Mr. Smith had been prepared.

9. Petitioner believes the Commission should be made aware of the Amendment and the circumstances relating to the Amendment. To that end, Petitioner proposes supplementing its

direct testimony to explain the Amendment and circumstances related to the Amendment. Further, Petitioner also proposes to provide supplemental direct testimony confirming the provision of its Notice to Customers pursuant to 170 IAC 6-1-18 (C). Petitioner proposes to submit its supplemental direct testimony and exhibits on, or before, March 10, 2017.

10. Petitioner's counsel has discussed this Motion with counsel for the Indiana Office of Utility Consumer Commission ("OUCC") and has been authorized to state the OUCC has no objection to this Motion.

WHEREFORE, Petitioner respectfully requests that it be authorized to:

1. Amend the February 3, 2017, Petition in this Cause to reflect Petitioner's request for approval of the Town of Hope contract Amendment;
2. Amend the caption of this Cause to reflect Petitioner's request for approval of the Town of Hope contract amendment; and,
3. Submit, on, or before, March 10, 2017, Supplemental Direct Testimony and Exhibits to reflect and support Petitioner's request for approval of the Town of Hope contract Amendment and confirm the provision of its 170 IAC 6-1-18 (C) Notice to customers.

Respectfully submitted,

/s/ Peter Campbell King
Peter Campbell King, Attorney for
Eastern Bartholomew Water Corporation

/s/ Mark W. Cooper
Mark W. Cooper, Attorney for
Eastern Bartholomew Water Corporation

Certificate of Service

I certify that a copy of the foregoing Motion has been, on the 3rd day of March, 2017,
electronically served upon the following:

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**STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION**

IN THE MATTER OF THE AMENDED PETITION)	
OF EASTERN BARTHOLOMEW WATER)	
CORPORATION, OF TAYLORSVILLE, INDIANA,)	
(1) FOR THE AUTHORITY TO ISSUE LONG TERM)	
BONDS, NOTES OR OTHER EVIDENCE OF)	
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(4) FOR AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR WATER SERVICE, (5) FOR)	
APPROVAL OF A NEW SCHEDULE OF RATES)	
AND CHARGES FOR WATER SERVICE AND, (6))	
FOR APPROVAL OF AN AMENDMENT TO ITS)	
WATER SUPPLY CONTRACT WITH THE TOWN)	
OF HOPE, INDIANA)	

**VERIFIED AMENDED PETITION OF
EASTERN BARTHOLOMEW WATER CORPORATION,
TAYLORSVILLE, INDIANA**

Comes now Eastern Bartholomew Water Corporation (hereinafter designated as “Eastern Bartholomew” or “Petitioner”), by its Board President, Ted Darnall, its Board Secretary, George Dinn, and by counsel, and for its Verified Amended Petition states the following:

I. GENERAL INFORMATION

1.1. Petitioner’s Characteristics. Petitioner is a not-for-profit public utility corporation incorporated in the State of Indiana. Its principal place of business is located at 2413 W 700 N, Taylorsville, Indiana 47280. Petitioner is owned by its members who are also its customers. Petitioner provides water utility service to approximately 5,022 residential, 131 commercial, 22 public authorities, 27 multiple family dwellings, and 1 sale for resale customers located in

Bartholomew County, Jennings County and Decatur County, Indiana. Petitioner produces and treats about 90% of its water and purchases the balance from the City of Columbus, Indiana.

1.2. Petitioner's Utility Status. Petitioner is a "public utility" as defined by I.C. 8-1-2-1(a)(2) and a "not-for-profit utility" as defined by I.C. 8-1-2-125(a), and is subject to Commission jurisdiction in the manner and to the extent provided by law. Petitioner's current rates were approved by the Commission's September 24, 2008, Order in Cause No. 43392.

1.3. Amended Petition. The Petition initiating this Cause was filed with the Commission on February 3, 2017. The filing of this Amended Petition, with an amended caption, was authorized by the Commission's March , 2017, Docket Entry in this Cause.

II. Financing Request

2.1. Use for Borrowed Funds. Petitioner proposes to undertake a capital improvement project which will, among other things, include the replacement of its current water treatment plant. This capital improvement project is necessary for Petitioner to continue to provide reasonably adequate service. Petitioner does not have the funds on hand to accomplish the capital improvement project and must borrow the money.

2.2. Proposed Lender. Petitioner has discussed its proposed capital project with the State Revolving Fund ("SRF"). Based on those discussions, Petitioner believes it will be eligible for SRF financing. Petitioner believes a SRF loan will be the least costly financing alternative available to petitioner.

2.3. Proposed loan. If Petitioner's borrowing request is approved by the Commission, Petitioner plans to borrow \$7,685,000 from the SRF at an annual interest rate not to exceed 3.00% to be repaid over twenty (20) years.

2.4. Compliance with I.C. 8-1-2-79. Petitioner plans to submit evidence at hearing to satisfy the requirements of I.C. 8-1-2-79(1)-(6).

2.5. Applicable Statutes. Petitioner believes that I.C. 8-1-2-78, -79, -80, -83, 8-1-4-1 and other related statutes are applicable to Petitioner's request for financing authority.

2.6. Resolution. Petitioner's President and Secretary, respectively, have been authorized by the Petitioner to execute any and all necessary documents to commence this rate proceeding. A copy of said corporate resolution is attached hereto and made a part hereof as Exhibit "A".

III. Rate Increase Request

3.1. Existing Rates and Charges. The revenue now generated by Petitioner's current rates and charges for water utility service, is insufficient to enable it to pay its reasonable and necessary expenses of operation, its proposed debt service and other expenses required to be covered by I.C. 8-1-2-125. Accordingly, Petitioner's current rates and charges for water utility service are, therefore, insufficient, unjust, unreasonable and unlawful, and must be increased to satisfy the revenue requirements of I.C. 8-1-2-125.

3.2. Test Year. Petitioner plans to propose a test year ending July 31, 2016, which, when adjusted for changes that are fixed, known and measurable, and occurring within twelve (12) months of the end of the test year, will be representative of Petitioner's operations for ratemaking purposes.

3.3. Proposed Rate Increases. Petitioner proposes to increase its rates for water service to **Petitioner's retail customers** by approximately 48.69% across-the-board. Petitioner plans to submit evidence at hearing to explain and justify its proposed rate increase.

3.4. Applicable Statutes. Petitioner believes that I.C. 8-1-2-4, -38, -42, -61, -68, -125 and related statutes to be applicable to Petitioner's request for approval of a new schedule of rates and charges for water utility service.

IV. Approval of the November 19, 2015, Amendment to the Water Purchase Contract with Town of Hope, Indiana ("Hope")

4.1 Agreement for Connection of Utilities and Water Purchase Contract ("Contract").

Petitioner has provided water for resale to Hope pursuant to the Contract which was executed on September 22, 1980. Among other things, the Contract establishes the rates and charges for water service to Hope.

4.2 Amendment to Contract. On November 19, 2015, Petitioner and Hope agreed to an Amendment to the Contract ("Amendment"). The Amendment, among other things, provides for an additional interconnection to Hope's system and a revised procedure for calculating Petitioner's rates and charge for water service to Hope. The Amendment provides for the following calculation of proposed rates and charges for service to Hope:

Rate per 1,000 gallons – current \$1.36; Proposed \$2.45

Monthly fixed charge – current \$1,960.00; proposed \$0

Increase in Hope fixed charges and flow billings based on test year flows – current \$127,741; proposed \$187,751 = increase of \$60,010 or 46.98%.

Petitioner believes the Amendment is fair and reasonable, and should be approved by the Commission.

4.3 Applicable Statutes. Petitioner believes that I.C. 8-1-2-5, -42, -61, -68, -83, -125 and related statutes to be applicable to Petitioner's request for approval of the Amendment.

V. Petitioner's Counsel

Petitioner's Counsel who are authorized to receive all pleadings, papers and notices on behalf of Petitioner in this Cause, and are:

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VERIFICATION

We hereby swear or affirm under the penalties for perjury that the foregoing factual statements are true and correct to the best of our knowledge and belief.

Ted Darnall, President
Petitioner's Board of Directors

George Dinn, Secretary
Petitioner's Board of Directors

Date: _____

Date: _____

WHEREFORE, Petitioner respectfully requests this Commission make such investigation and hold such hearings as necessary or advisable in this Cause, and thereafter make and enter an Order in this Cause:

1. Regarding Petitioner's Financing Request which:

- a. Approves the issuance of Long Term Bonds, Notes or Other Evidence of Long Term Debt in connection with the Proposed Debt;
 - b. Authorizes Petitioner to Encumber its Franchise, Works and System in connection with the Proposed Debt;
 - c. Grants petitioner a Certificate of Authority to Issue the Proposed Debt; and
2. Regarding the Petitioner's Rate Increase Request which:
 - a. Finds that Petitioner's existing rates for water service are unjust, unreasonable and insufficient;
 - b. Determines and by Order fixes the increased water rates and charges to be imposed, observed and followed in the future by Petitioner in lieu of those so found to be unjust, unreasonable, and insufficient;
 - c. Authorizes and approves the filing by Petitioner of a new schedule of increased rates and charges applicable to the water utility service rendered by the Petitioner so as to provide just, reasonable, sufficient and nondiscriminatory rates; and
3. Regarding the Petitioner's Contract Amendment Request which: Approves the November 19, 2015, Amendment to the Contract between Petitioner and the Town of Hope; and
4. Provides for all other proper relief.

Respectfully Submitted,
Cline, King & King, P.C.
Attorneys for Petitioner,
Eastern Bartholomew Water Corporation

Peter Campbell King

Mark W. Cooper

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Certificate of Service

I hereby certify that a copy of the foregoing Verified **Amended** Petition has been served upon the following, electronically, this _____ day of March, 2017.

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Peter Campbell King, Attorney at Law

**RESOLUTION AUTHORIZING PRESIDENT AND SECRETARY
TO SIGN ANY AND ALL NECESSARY DOCUMENTS
FOR INFRASTRUCTURE IMPROVEMENT PROJECT**

Whereas, the Eastern Bartholomew Water Corporation ("EBWC") of Taylorsville, Indiana, has plans for a drinking water infrastructure improvement project to meet State and Federal regulations such as the Safe Drinking Water Act (the "Project"), and EBWC intends to proceed with the construction of such Project:

Now, therefore, be it resolved by the Board of Directors ("Board"), the governing body of EBWC:

1. That the Board President, Ted Darnall, and the Board Secretary, George Dinn, be authorized to execute any and all documents related to the Project, and financing therefor, including, but not limited to, the May 18, 2016, Preliminary Engineering Report (PER), prepared by Banning Engineering, PC, and subsequent amendments thereto; and,
2. Approves the filing of a Petition with the Indiana Utility Regulatory Commission ("IURC") seeking authority for EBWC to: increase its rates and charges for water service; undertake and engage in longterm borrowing; encumber its utility assets in connection with such borrowing; increase certain of its non-recurring charges; modify its tariff; and, seek other related approvals and, further, authorizes the Board President, Ted Darnall, and the Board Secretary, George Dinn, to execute such Petition and any and all other necessary papers in furtherance of, or in connection with, such filing before the IURC.

Adopted and Passed by the Board of Directors of Eastern Bartholomew Water Corporation of Taylorsville, Indiana, this 19th day of May, 2016.

BOARD OF DIRECTORS

By: 
Ted Darnall, President

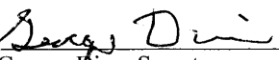
Attest: 
George Dinn, Secretary

EXHIBIT A