

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF JACKSON COUNTY)
WATER UTILITY, INC., FOR)
AUTHORITY TO ISSUE LONG TERM) CAUSE NO. 45640 PHASE 2
DEBT AND CHANGES TO ITS RATES,)
CHARGES AND TARIFF)

PUBLIC'S EXHIBIT NO. 4

TESTIMONY OF THOMAS W. MALAN

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

DECEMBER 13, 2022

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



Daniel M. Le Vay, Attorney No. 22184-49
Deputy Consumer Counselor
OFFICE OF UTILITY CONSUMER COUNSELOR
115 W. Washington St. Suite 1500 South
Indianapolis, IN 46204
Email: dlevay@oucc.in.gov
infomgt@oucc.in.gov

CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 4– OUCC's Testimony of Thomas W. Malan on behalf of the OUCC* has been served upon the following counsel of record in the captioned proceeding by electronic service on December 13, 2022.

Jeffrey M. Peabody
Lauren Aguilar
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Email: jpeabody@btlaw.com
laguilar@btlaw.com



Daniel M. Le Vay
Deputy Consumer Counselor

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
115 West Washington Street
Suite 1500 South
Indianapolis, IN 46204
infomgt@oucc.in.gov
317/232-2494 – Phone
317/232-5923 – Facsimile

TESTIMONY OF OUCC WITNESS THOMAS W. MALAN
CAUSE NO. 45640 (Phase 2)
JACKSON COUNTY WATER UTILITY, INC.

I. INTRODUCTION

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

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

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

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

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

9 A: Jackson County Water Utility, Inc. (“Jackson County” or “Petitioner”) is a not-for-
10 profit water utility located in Jackson County, Indiana providing service to
11 approximately 6,000 customers. Jackson County’s last rate order was issued in
12 Cause No. 44986 on April 17, 2019. On September 7, 2022, Jackson County filed
13 its case in chief in Phase 2 of this case requesting an 8.87% rate increase. On
14 December 1, 2022, Petitioner’s witness Earl L. Ridlen, III filed revised testimony
15 increasing the requested rate increase to 9.20%. I present the results of the OUCC’s
16 analysis of Jackson County’s requested rate increase and recommend an overall
17 rate increase of 9.20% to produce an additional \$355,812 of operating revenue. I
18 present revenue and expense adjustments recommended by the OUCC.

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

2 A: I reviewed Jackson County's petition, schedules, and workpapers. I reviewed the
3 testimonies of Mr. Ridlen dated November 5, 2021, September 2, 2022, and
4 December 1, 2022. I reviewed revised testimony from Petitioner's witness Larry
5 W. McIntosh dated November 28, 2021. I reviewed Petitioner's 2017 - 2021 IURC
6 annual reports. I prepared discovery questions and reviewed Petitioner's responses.
7 I participated in an on-site accounting review on October 19 and 20, 2022. I
8 reviewed the Commission's final order from Jackson County's last rate case (Cause
9 No. 44986).

10 **Q: Who else will testify on behalf of the OUCC?**

11 A: OUCC witness Shawn Dellinger discusses Petitioner's debt service and debt
12 service reserve revenue requirements. OUCC witness Ronald M. Perkins testifies
13 regarding the OUCC's adjustments to purchased power, periodic maintenance, and
14 chemical expenses. Mr. Perkins also makes recommendations regarding
15 Petitioner's property tax expense. OUCC witness James T. Parks testifies regarding
16 Petitioner's extensions and replacements, periodic maintenance, and other
17 engineering matters.

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

19 A: I include the following schedules and attachments:
20 Schedule 1 – Comparison of Overall Revenue Requirements (page 1)
21 Comparison of Net Operating Income Adjustments (page 2)
22 Schedule 2 – Comparative Balance Sheet as of December 31, 2021, 2020 and 2019
23 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
24 December 31, 2021, 2020, and 2019.
25 Schedule 4 – *Pro Forma* Net Operating Income Statement
26 Schedule 5 – OUCC Revenue Adjustments

- 1 Schedule 6 – OUCC Expense Adjustments
- 2 Schedule 7 –Extensions & Replacements
- 3 Schedule 8 –Tariff
- 4 Attachment TWM-1 – Petitioner's response to DR 4-7 Tap Fee
- 5 Attachment TWM-2 – Petitioner's response to DR 4-5 Tap Fee
- 6 Attachment TWM-3 – Petitioner's response to DR 6-1 Rate case expense
- 7 Attachment TWM-4 – Petitioner's response to DR 4-6 Nonrecurring
- 8 Attachment TWM-5 – Petitioner's response to DR 4-9 Nonrecurring

II. CASE OVERVIEW

A. Jackson County's Case

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

10 A: While Jackson County initially requested the Commission authorize an across-the-
11 board 8.78% rate increase to generate \$338,266 of additional operating revenue per
12 year, Petitioner now seeks an across-the-board 9.20% rate increase to generate
13 \$354,349 of additional operating revenue per year.

14 **Q: What are the principal drivers of Petitioner's proposed rate increase?**

15 A: The principal drivers for this rate increase are higher operating expenses and
16 increased extensions and replacements.

B. OUCC's Case

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

18 A: The OUCC recommends an across-the-board rate increase of 9.20% to produce
19 additional revenues of \$355,812 per year. (See Table 1: Comparison of Revenue
20 Requirement Requirement.)

Table 1: Comparison of Revenue Requirement

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 2,434,563	\$ 2,417,064	4	\$ (17,499)
Taxes other than Income	55,252	68,774	7	13,522
Extensions and Replacements	481,000	523,081	8	42,081
Debt Service	1,193,079	1,191,522	SD	(1,557)
Debt Service Reserve	47,953	47,728	SD	(225)
Total Revenue Requirements	4,211,847	4,248,169		36,322
Less: Interest Income	(5,313)	(5,313)	4	-
Other Income	-	(11,500)		(11,500)
Net Revenue Requirements	4,206,534	4,231,356		24,822
Less: Rev @ current rates subj to increase	(3,852,597)	(3,865,965)	4	(13,368)
Other revenues at current rates		(9,993)	4	(9,993)
Recommended Increase	353,937	355,398		1,461
Add: Additional IURC Fees	412	414		2
Recommended Increase	\$ 354,349	\$ 355,812		\$ 1,463
Recommended Percentage Increase	<u>9.20%</u>	<u>9.20%</u>		<u>0.00%</u>

III. OPERATING REVENUES

1 **Q: What amount of operating revenues did Petitioner propose?**

2 A: Jackson County proposes *pro forma* present rate operating revenues of \$3,852,597,
3 a \$43,165 increase over test year operating revenues of \$3,809,432. Petitioner
4 proposed an increase to normalize residential water sales due to test year customer
5 growth.

6 **Q: Do you accept Petitioner's proposed operating revenues?**

7 A: No. While I accept Petitioner's test year residential customer growth adjustment,
8 there are additional operating revenue adjustments that should be included.

9 **Q: What additional operating revenue adjustments do you recommend?**

10 A: I recommend two additional operating revenue adjustments. To recognize post-test
11 year customer growth, I recommend an additional \$5,270 increase over test year
12 operating revenues. I also propose an \$18,091 adjustment to normalize late fees.

1 With these adjustments I recommend pro forma operating revenues of \$3,875,958,
2 a \$66,526 increase over test year.

A. Post-Test Year Customer Growth

3 **Q: Did your review of adjustment period billing determinants reveal any post-test**
4 **year customer growth?**

5 A: Yes. Based on my analysis of customer billing determinants through September
6 2022, Petitioner continued to experience customer growth in its residential
7 customer class during the adjustment period. I recommend a \$5,270 increase to
8 residential customer revenues. (While Petitioner experienced changes in customer
9 counts in other customer classes, both increases and decreases, these changes were
10 de minimis.)

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

12 A: I calculated the increase in residential customers during the adjustment period by
13 multiplying the customers billed in September 2022 (the last month available) by
14 twelve to calculate the number of annual billings from these customers. I then
15 subtracted the number of test year adjusted billings from the full year expected
16 billings to calculate the additional adjustment period billings of 120. I multiplied
17 the additional 120 billings by the post-test year average bill of \$43.91, resulting in
18 \$5,270 of additional revenues. (See OUCC Schedule 5, Adjustment No. 1.)

Table 3: Residential Post-Test Year Customer Growth

# of September 2022 Billings	5,531
# of Annual Billings	12
Total Annual Billings	66,372
# of Test Year Adjusted Billings	66,252
Additional Billings	120
Times: Average bill during adjustment period	43.91
Adjustment	\$ 5,270

B. Normalization of Late Fees

1 **Q: Why do you recommend normalizing test year late fee revenues?**

2 A: During the COVID-19 pandemic (2020 – 2021), Petitioner suspended the
3 imposition and collection of late fees. During the test year, Petitioner recorded only
4 \$291 in late payment fees, which does not represent what may be expected on a
5 going forward basis. Petitioner has resumed charging late fees. Therefore, a
6 normalization adjustment is necessary to reflect Petitioner's on-going level of late
7 fee revenues.

8 **Q: What adjustment do you recommend to normalize late fee revenues?**

9 A: I recommend an \$18,091 increase to test year late fee revenues of \$291, resulting
10 in pro forma late fee revenue of \$18,382. To determine pro forma late fee revenue,
11 I calculated the average late fee revenue recorded during the five-year period (2015
12 – 2019) preceding the pandemic. Pro forma late fees (\$18,382) less test year late
13 fees (\$291) resulted in an increase of \$18,091. (See OUCC Schedule 5, Adjustment
14 No. 2.)

IV. OPERATING EXPENSES

1 **Q: What level of operating expense does Jackson County propose?**

2 A: Based on Petitioner's revised position dated December 1, 2022, Jackson County
3 proposes *pro forma* operating expense of \$2,489,815, which is an increase of
4 \$244,107 over test year operating expense of \$2,245,708.

5 **Q: What operating expense adjustments does Petitioner propose?**

6 A: Jackson County proposes nine adjustments to test year operating expenses,
7 including: (1) a \$21,275 increase to salaries and wages, (2) a \$1,064 increase to
8 employee benefits, (3) a \$14,769 increase to purchased water expense, (4) a
9 \$155,783 increase to chemical expense, (5) a \$16,222 increase to transportation
10 expense, (6) a \$232 increase to IURC Fees, (7) a \$327 increase to miscellaneous
11 expense, (8) a \$1,628 increase to payroll taxes, and (9) a \$ \$32,807 increase for rate
12 case expense amortization.

13 **Q: Does the OUCC accept any of Petitioner's operating expense adjustments?**

14 A: Yes. The OUCC accepts Petitioner's adjustments to salaries and wages, employee
15 benefits, purchased power expense, purchased water expense, chemical expense,
16 transportation expense, miscellaneous expense, and payroll taxes. However, the
17 OUCC does not accept the proposed adjustments to regulatory expense (IURC
18 Fees) and rate case expense amortization.

19 **Q: Does the OUCC recommend any additional operating expense adjustments?**

20 A: Yes. In addition to its recommended IURC Fee (-\$136) and rate case expense
21 adjustments (+\$24,827), the OUCC recommends (1) a \$36,162 decrease to salary
22 and wage expense, (2) a \$2,799 increase to purchased power expense, (3) a \$7,666
23 increase for system delivery expense, (4) a \$5,250 decrease to contractual services

1 – accounting expense, and (5) a \$24,548 decrease to contractual services – legal
 2 expense.

3 **Q: What level of operating expenses does the OUCC recommend?**

4 A: The OUCC recommends *pro forma* operating expense of \$2,485,838. This is an
 5 increase of \$194,730 over test year operating expenses of \$2,291,108 Table 5
 6 compares the operating expense adjustments recommended by the OUCC to those
 7 proposed by Jackson County.

Table 5: Comparison of Proposed Operating Expense Adjustments

	Revised Petitioner	Per OUCC	OUCC More (Less)
O&M Expense			
Salaries and Wages	\$ 21,275	\$ 21,275	\$ -
Tap Fee Labor		(36,162)	(36,162)
Employee Benefits	1,064	1,064	-
Purchased Water	14,769	14,769	-
Purchased Power	-	2,799	2,799
Chemicals	155,783	155,783	-
System Delivery	-	7,666	7,666
Contractual Services - Accounting	-	(5,250)	(5,250)
Contractual Services - Legal	-	(24,548)	(24,548)
Transportation Expense	16,222	16,222	-
Regulatory	232	(136)	(368)
Periodic Maintenance	-	47,500	47,500
Miscellaneous Expense	327	327	-
Payroll Taxes	1,628	1,628	-
Rate case expense	32,807	(8,207)	(41,014)
Total Operating Expense	<u>\$ 244,107</u>	<u>\$ 194,730</u>	<u>\$ (49,377)</u>

A. Salaries and Wages

1 **Q: Did Petitioner propose an adjustment to salary and wage expense?**

2 A: Yes. Petitioner proposed an adjustment to increase salary and wage expense by
3 \$21,275 for increase in employee salaries.

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

5 A: Yes.

6 **Q: Do you propose any additional adjustment to salary and wage expense?**

7 A: Yes. I propose a \$36,162 decrease to salary and wage expense to recognize labor
8 cost embedded in Petitioner's connection fee based on current labor cost. Petitioner
9 recorded 82 connection fees during the test year (OUCC Attachment TWM-1). I
10 calculated the average cost of labor to connect a customer based on current labor
11 cost (\$441) using Petitioner's response to OUCC DR 4-5 (OUCC Attachment
12 TWM-2). I multiplied this average labor cost by 82 test year connections resulting
13 in a decrease of \$36,162 ($\$441 \times 82 = \$36,162$). (See OUCC Schedule 6,
14 Adjustments No. 1.)

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

16 A: Petitioner recovers the labor costs associated with connecting new customers
17 through its tap fee, along with material and other associated costs. Petitioner
18 capitalizes the costs of the materials and other costs associated with connecting new
19 customers but does not capitalize its labor costs.¹ Because labor costs are not
20 capitalized, these costs are included in pro forma operating expenses included in
21 Petitioner's revenue requirement and will be recovered through customer rates,

¹ During the OUCC's onsite accounting review, Petitioner stated it does not capitalize labor.

1 resulting in double recovery of these costs if this adjustment is not made. Reducing
2 pro forma salary expense for labor costs recovered through connection fees
3 prevents this double recovery.

B. System Delivery Adjustment

4 **Q: What is a system delivery adjustment?**

5 A: A system delivery adjustment captures the increase or decrease in variable expenses
6 related to an increase or decrease in the amount of water sold and the number of
7 customer billings. These variable costs include purchased water, purchased power,
8 chemicals, and postage. (See OUCC Schedule 6, Adjustment No. 3.)

9 **Q: How is the cost per bill of a system delivery adjustment calculated?**

10 A: First, the cost per 1,000 gallons is calculated for the variable cost by dividing the
11 total test year variable cost by the number of gallons sold (see Table-6 below.)

Table-6 Variable Cost Calculation

Purchased Water	\$ 76,420	
Purchased Power	212,990	
Chemical Expense	401,626	
Total Variable Cost		691,036
Gallons Sold (000's Omitted)		385,188
Cost per 1,000 Gallons		\$ 1.794023

12 Next, average consumption of 3.54 thousand gallons per bill is calculated
13 by dividing test year consumption by the number of test year bills as shown in
14 Table-7 below.

Table-7 Average Consumption

Test year consumption (Thousands of Gallons)	231,271	
# of Test Year Billings	65,261	
Average Consumption		3.54

1 The variable cost is then multiplied by the average consumption per
2 residential billing to calculate the total variable cost per bill ($\$1.79 \times 3.54 = 6.35$).
3 Postage cost is then added to the total variable cost per residential billing to
4 calculate the cost per bill ($\$6.35 + .55 = 6.90$). The cost per residential bill is
5 multiplied by the additional number of bills the utility can expect to issue.

6 **Q: What system delivery adjustment do you recommend?**

7 A: I recommend a \$7,666 ($\$6.90 \times 1,111$ bills)) increase to test year expense to capture
8 the increase in variable costs due to test year and post-test year customer growth. I
9 calculated the system delivery adjustment by multiplying the total cost per bill,
10 \$6.35, by the increase in the number of additional bills included in the test year and
11 post-test year customer growth revenue adjustments ($991 + 120 = 1,111$). (See
12 OUCC Schedule 6, Adjustment No. 3.)

C. Contractual Services – Accounting

13 **Q: What test year accounting expense did Petitioner include in its case in chief?**

14 A: Petitioner included \$34,874 of test year accounting expense.

1 **Q: Did Petitioner propose an adjustment to test year accounting expense?**

2 A: No. Petitioner proposed *pro forma* accounting expense of \$34,874.

3 **Q: Does the OUCC recommend an adjustment to test year accounting expense?**

4 A: Yes. I recommend a \$5,250 reduction to test year accounting expense yielding a
5 *pro forma* legal expense of \$29,624. (See OUCC Schedule 6, Adjustment No. 4.)

6 Upon review of Petitioner's response to OUCC data request 6-1, I identified
7 \$5,250.00 of expense that is related to filing of the rate case and writing testimony.

8 This item is categorized in Petitioner's response as vendor LWG (Attachment
9 TWM-3).

D. Contractual Services – Legal

10 **Q: What test year legal expense did Petitioner include in its case in chief?**

11 A: Petitioner included \$38,140 of test year legal expense.

12 **Q: Did Petitioner propose an adjustment to test year legal expense?**

13 A: No. Petitioner proposed *pro forma* legal expense of \$38,140.

14 **Q: Does the OUCC recommend an adjustment to test year accounting expense?**

15 A: Yes. I recommend a \$24,548 reduction to test year legal expense yielding a *pro*
16 *forma* legal expense of \$13,592. (See OUCC Schedule 6, Adjustment No. 5.)

17 **Q: Please explain why you made an adjustment to legal expense.**

18 A: My review of Petitioner's response to OUCC DR 6-1 revealed six charges from
19 Barnes and Thornburg totaling \$24,548 related to this rate case. Therefore, these
20 costs are already included for recovery as rate case expense. These items are
21 categorized in Petitioner's response as vendor Barnes & Thornburg (OUCC
22 Attachment TWM-3).

E. IURC Fee

1 **Q: What *pro forma* IURC Fee expense did Jackson County propose?**

2 A: Jackson County proposed a \$232 increase to test year regulatory expense of \$4,645
3 resulting in \$4,877 *pro forma* regulatory expense.

4 **Q: Do you accept Petitioner's adjustment to IURC fee expense?**

5 A: No. The OUCC recommends a different adjustment because it proposes a different
6 amount of operating revenues. Moreover, Petitioner did not reduce its operating
7 revenue by bad debt expense before calculating its *pro forma* IURC Fee. Finally,
8 Petitioner did not input the correct amount of test year IURC fee expense in its
9 calculation.

10 **Q: What *pro forma* IURC Fee expense do you recommend?**

11 A: I recommend a \$136 reduction to test year regulatory expense of \$4,645 yielding a
12 *pro forma* regulatory expense of \$4,509. (See OUCC Schedule 6, Adjustment No.
13 6.)

F. Rate Case Expense

14 **Q: Did Petitioner propose an adjustment to rate case expense?**

15 A: Yes. Petitioner proposed a \$32,807 increase to test year operating expenses to
16 reflect amortization of its *pro forma* rate case expense.

17 **Q: Do you accept Petitioner's adjustment to include rate case amortization**
18 **expense?**

19 A: No. Through several missteps, Petitioner overstated its proposed rate case expense
20 adjustment. These missteps resulted in the following: (1) understatement of rate
21 case expense to be amortized, (2) failure to completely remove rate case costs
22 included in test year operating expenses, and (3) incorrect removal of test year

1 amortization expense from total rate case expense rather than pro form amortization
2 expense.

3 **Q: What rate case expense adjustment do you recommend?**

4 A: I recommend an \$8,207 reduction to test year rate case amortization expense of
5 \$45,400, resulting in pro forma rate case amortization expense of \$37,193. Table 8
6 compares the OUCC's recommended rate case expense adjustment to what
7 Petitioner proposed.

Table 8: Comparison of Rate Case Expense Adjustment

	<u>Petitioner</u>	<u>OUCC</u>	<u>OUCC More (Less)</u>
Phase I rate case costs	\$ 212,091	\$ 212,091	\$ -
Less: Amounts funded by debt	(207,877)	(207,877)	-
Phase II rate case costs	125,000	125,000	-
Unamortized rate case expense (Cause No. 44986)	109,718	56,752	(52,966)
Less: Test year Expenses	(74,898)	-	74,898
Pro Forma Rate Case Costs to be Amortized	164,034	185,966	21,932
Divide by: 5- Year Amortization period	5	5	5
Pro Forma Annual Rate Case Amortization Expense	32,807	37,193	4,386
Less: Test year Rate Case Amortization Expense	-	(45,400)	(45,400)
	<u>\$ 32,807</u>	<u>\$ (8,207)</u>	<u>\$ (41,014)</u>

8 **Q: How does your recommended rate case amortization expense adjustment**
9 **differ from Petitioner's proposed adjustment?**

10 A: I accepted Petitioner's pro forma rate case costs for both Phase I and Phase II and
11 its proposed amortization period of five years. I disagreed with the amount of
12 unamortized rate case expense to be included in the calculation. I also disagreed

1 with both the amount of test year rate case expense to be included in the calculation
2 as well as where test year rate case expense should be included in the calculation.

3 **Q: Why is the unamortized rate case expense Petitioner included in its calculation**
4 **overstated?**

5 A: Petitioner included \$109,718 of prior unamortized rate case expense (Cause No.
6 44986) in its calculation. However, this amount is the balance as of December 31,
7 2021. Petitioner has continued to recover the amortization of its Cause No. 44986
8 rate case expenses and will continue to do so until an order is issued in this case.
9 An order in this case is expected around March 1, 2023. Therefore, that is the date
10 that should be used to determine the unamortized portion of rate case expense to be
11 recovered over the next five years.

12 **Q: What amount of unamortized rate case expense from Cause No. 44986 did you**
13 **include in your calculation of pro forma rate case expense?**

14 A: I included \$56,752 of unamortized rate case expense in my pro forma rate case
15 expense determination. I calculated this amount by taking the December 31, 2021
16 balance of \$109,719 and deducted 14 months of additional amortization to
17 determine the balance at February 28, 2023. Annual amortization is \$45,400, which
18 is \$3,783.33 per month ($\$45,400 / 12$). Multiplying \$3,783.33 by 14 additional
19 months of amortization results in additional rate case expense recovery of \$52,967
20 between December 31, 2021 and March 1, 2023. Subtracting this additional
21 amortization from the December 31, 2021 balance of \$109,719 yields a March 1,
22 2023 balance of \$56,752 ($\$109,719 - \$52,967$) in unamortized rate case expense
23 from Cause No. 44986.

Table 9: Unamortized Rate Case Expense at March 1, 2023

Unamortized Rate Case Expense at 12/31/2021	\$ 109,719
Less: Additional Amortization Expense (14 months)	<u>(52,967)</u>
Unamortized Rate Case Expense at 02/28/2023	<u>\$ 56,752</u>

Additional Amortization Expense:

Annual Amortization	\$ 45,400
Divide by 12 months	<u>12</u>
Monthly Amortization	3,783.33
Multiply by 14 months	<u>14</u>
Additional Amortization Expense	<u>\$ 52,967</u>

Q: Why do you disagree with the amount of test year rate case expense Petitioner included in its calculation?

A: Petitioner included \$74,898 of test year rate case expense in its calculation, which consisted of three amounts: (1) \$23,585² of test year legal consultant expense, (2) \$5,913 of test year accounting consultant expense³, and (3) \$45,400 of test year rate case amortization expense. Only the test year amortization expense of \$45,400 should be included as test year rate case expense. To fully remove these costs from test year operating expenses, the accounting and legal costs included in test year operating expenses should be eliminated in separate adjustments. Because Petitioner removed test year rate case expense before it calculated its annual amortization, Petitioner's proposal only removed 20% (one-fifth) of these costs

² In response to OUCC Data Request No. 6-1, Petitioner indicated test year legal consulting costs included in test year operating expenses were \$24,548, a difference of \$963. (See OUCC Attachment TWM-3.) It is unknown why the amount included in Petitioner's rate case adjustment do not match its discovery response.

³ In response to OUCC Data Request No. 6-1, Petitioner indicated test year accounting consulting costs included in test year operating expenses were \$5,250, a difference of \$-663. (See OUCC Attachment TWM-3.) It is unknown why the amount included in Petitioner's rate case adjustment do not match its discovery response.

1 from test year operating expenses. The remaining 80% of these costs remain in
 2 Petitioner's proposed operating expense revenue requirement and Petitioner would
 3 recover these costs each year the rates authorized in this Cause are in effect.

4 **Q: Why do you disagree with how Petitioner included test year rate case expense**
 5 **in its calculation?**

6 A: As explained above, only test year rate case amortization expense should be
 7 included in the calculation of the rate case expense adjustment. Petitioner
 8 incorrectly reduced pro forma rate case costs by the annual amortization expense
 9 and did so before it calculated its proposed annual rate case amortization expense.
 10 Instead, Petitioner should have calculated its annual amortization expense first and
 11 then reduced it by test year amortization expense to determine the necessary
 12 adjustment.

13 **Q: What is the total difference between the OUCC's recommended adjustments**
 14 **for rate case expense and those proposed by Petitioner?**

15 A: In total, the OUCC reduced test year operating expenses by \$38,005 to remove rate
 16 case costs incurred during the test year and to adjust annual rate case amortization
 17 expense.

Table 10: Comparison of Total Rate Case Expense Adjustments

	Petitioner	OUCC	OUCC More (Less)
Summary of Rate Case Expense Related Adjustments:			
Rate Case Expense	\$ 32,807	\$ (8,207)	\$ (41,014)
Contractual Services - Accounting	-	(5,250)	(5,250)
Contractual Services - Legal	-	(24,548)	(24,548)
	<u>\$ 32,807</u>	<u>\$ (38,005)</u>	<u>\$ (70,812)</u>

18 Petitioner proposed an increase of \$32,807 to test year rate case amortization
 19 expense of \$45,400, resulting in pro forma rate case amortization expense of

1 \$78,207. Recovering this cost over the five-year amortization period results in
 2 recovery of \$391,035. This compares to Petitioner's proposed rate case costs to be
 3 recovered of \$164,034, resulting in an over recovery of rate case costs of \$227,001.

Table 11: Comparison of Rate Case Cost Recovery

	Petitioner	OUC	OUC More (Less)
Test Year Amortization Expense	\$ 45,400	\$ 45,400	\$ -
Plus: Rate Case Amortization Expense Adjustment	32,807	(8,207)	(41,014)
Pro Forma Rate Case Amortization Expense	78,207	37,193	(41,014)
Times: 5 Years	5	5	5
Total Rate Case Cost Recovered	391,035	185,965	(205,070)
Total Rate Case Expense to be Recovered	164,034	185,966	21,932
Over (Under) Recovery of Rate Case Costs	<u>\$ 227,001</u>	<u>\$ (1)</u>	<u>\$ (227,002)</u>

V. REVENUE REQUIREMENT OFFSETS

4 **Q: Did Petitioner propose any revenue requirement offsets?**

5 A: Yes. Petitioner proposed to offset its revenue requirement by test year interest
 6 income of \$5,313.

7 **Q: Do you accept Petitioner's proposed offset for interest income?**

8 A: Yes.

9 **Q: Do you recommend any additional revenue requirement offsets?**

10 A: Yes. I recommend an additional offset of \$11,500 for land rental income received
 11 by Petitioner during the test year. This income was recorded to general ledger
 12 Account No. 5042100 – Misc. Income – Land Rent and reflected below the line.
 13 While Petitioner has also received antenna rental income in past years, the contract

1 recently expired and was not renewed. According to Petitioner, no new antenna
2 rental contracts are expected in the foreseeable future.

VI. TARIFF RECOMMENDATIONS

3 **Q: Do you have any recommendations regarding Petitioner's tariff?**

4 A: Yes. The OUCC recommends Petitioner file a 30-Day filing with the IURC to
5 adjust its tap fee and any other nonrecurring charges as needed to recover current
6 costs incurred to provide the service.

7 **Q: Has Petitioner indicated whether it intends to seek to increase its nonrecurring**
8 **charges?**

9 A: Yes. In response to a OUCC data request, Petitioner stated that tap fee costs have
10 increased and provided an estimate of those costs, explaining that it anticipates
11 further increases in material costs in early 2023 (OUCC Attachment TWM-6).
12 Petitioner indicated in its discovery response that it will seek to increase its tap fee
13 after rates have been implemented in this Cause (OUCC Attachment TWM-7).

VII. RECOMMENDATIONS

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

15 A: I recommend the Commission approve an across-the-board rate increase of 9.2%
16 to generate an additional \$355,812 of operating revenue per year. I recommend
17 Petitioner submit a 30-day filing with the Commission to update its tap fee and
18 other nonrecurring fees as necessary.

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

20 A: Yes.

APPENDIX A - QUALIFICATIONS

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

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

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

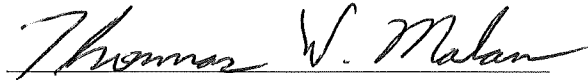
7 A: I was hired as a Utility Analyst in the Water / Wastewater division of the OUCC
8 on April 30, 2018. Prior to being hired by the OUCC, I was the controller of All
9 Trades Staffing. I have over fifteen years of accounting experience. I worked for
10 several years as a Financial Analyst in the insurance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

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

20 A: Yes.

AFFIRMATION

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



By: Thomas W. Malan

Cause No. 45640 Phase 2

Office of Utility Consumer Counselor (OUCC)

Date: 12 / 12 / 2022

Jackson County Water Utility Inc
CAUSE NUMBER 45640

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

	Per Petitioner		Per	Sch	OUC
	9/7/2022	12/1/2022	OUC	Ref	More (Less)
Operating Expenses	\$ 2,418,498	\$ 2,434,563	\$ 2,417,064	4	\$ (17,499)
Taxes other than Income	55,252	55,252	68,774	4	13,522
Extensions and Replacements	481,000	481,000	523,081	7	42,081
Debt Service	1,193,079	1,193,079	1,191,522	SD	(1,557)
Debt Service Reserve	47,953	47,953	47,728	SD	(225)
Total Revenue Requirements	4,195,782	4,211,847	4,248,169		36,322
Less: Revenue Requirement Offsets					
Interest Income	-5313	(5,313)	(5,313)	3	-
Other Income - Land Rental		-	(11,500)	3	(11,500)
Net Revenue Requirements	4,190,469	4,206,534	4,231,356		24,822
Less: Revenues at current rates subject to increase	(3,852,597)	(3,852,597)	(3,865,964)	4	(13,367)
Other revenues at current rates		-	(9,993)	4	(9,993)
Net Revenue Increase Required	337,872	353,937	355,399		1,462
Add: Additional IURC Fees	394	412	414		2
Recommended Increase	\$ 338,266	\$ 354,349	\$ 355,813		\$ 1,464
Recommended Percentage Increase	8.78%	9.20%	9.20%		0.00%

<u>Current Rate for 5,000 Gallons</u>	<u>Proposed</u>			<u>OUC</u>
	<u>Petitioner</u>		<u>OUC</u>	<u>More (Less)</u>
	<u>9/7/2022</u>	<u>12/1/2022</u>		
Current Rate = \$57.17	\$62.19	\$ 62.43	\$ 62.43	\$ -

Jackson County Water Utility Inc
CAUSE NUMBER 45640

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

	Per Petitioner		Per	OUC
	9/7/2022	12/1/2022	OUC	More (Less)
Operating Revenues				
Residential normalization	\$ 43,165	\$ 43,165	\$ 43,165	\$ -
Residential post-test year growth	-	-	5,269	5,269
Late Payment Fees	-	-	18,091	18,091
				-
Total Operating Revenues	<u>43,165</u>	<u>43,165</u>	<u>66,525</u>	<u>23,360</u>
O&M Expense				
Salaries and Wages	21,275	21,275	21,275	-
Tap Fee Labor	-	-	(36,162)	(36,162)
Employee Benefits	1,064	1,064	1,064	-
Purchased Water	-	14,769	14,769	-
Purchased Power	-	-	2,799	2,799
Chemicals	154,487	155,783	155,783	-
System Delivery	-	-	7,666	7,666
Contractual Services - Accounting	-	-	(5,250)	(5,250)
Contractual Services - Legal	-	-	(24,548)	(24,548)
Transportation Expense	16,222	16,222	16,222	-
IURC Fee	232	232	(136)	(368)
Periodic Maintenance	-	-	47,500	47,500
Miscellaneous Expense	327	327	327	-
Payroll Taxes	1,628	1,628	1,628	-
Rate case expense	32,807	32,807	(8,207)	(41,014)
Total Operating Expenses	<u>228,042</u>	<u>244,107</u>	<u>194,730</u>	<u>(49,377)</u>
Net Operating Income	<u>\$ (184,877)</u>	<u>\$ (200,942)</u>	<u>\$ (128,205)</u>	<u>\$ 72,737</u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

COMPARATIVE BALANCE SHEET
As of December 31,

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Utility Plant:			
Utility Plant in Service	\$ 37,941,883	\$ 37,136,511	\$ 35,793,786
Less: Accumulated Depreciation	14,054,756	13,187,710	11,822,982
Net Utility Plant in Service	<u>23,887,127</u>	<u>23,948,801</u>	<u>23,970,804</u>
Other Property & Investments			
Nonutility Property	140,056	140,056	140,056
Less: Accumulated Depreciated	68,283	68,283	68,283
Total Other Property & Investments	<u>71,773</u>	<u>71,773</u>	<u>71,773</u>
Restricted Assets:			
USDA	315,486	315,398	315,010
IFA (Note to DSR)	617,346	543,174	466,755
Series 2013 Bonds	519,725	519,725	519,725
Task Maintenance, IURC	609,966	558,466	437,214
2018 SRF Construction Fund	907,048	-	-
Total Restricted Assets	<u>2,969,571</u>	<u>1,936,763</u>	<u>1,738,704</u>
Current Assets:			
Cash and Cash Equivalents	373,459	675,072	683,479
Temporary Cash Investments	858,746	860,655	856,144
Customer Accounts Receivable	334,388	325,608	329,066
Provision for Uncollectible Accounts	(20,000)	(30,500)	(30,500)
Materials and Supplies	261,275	154,561	156,627
Prepayments	45,035	48,823	34,969
Total Current Assets	<u>1,852,903</u>	<u>2,034,219</u>	<u>2,029,785</u>
Deferred Debits			
Unamortized Debt Discount and Expense	454,495	504,879	559,646
Deferred Rate Case Expense	109,718	155,118	228,739
Total Deferred Debits	<u>564,213</u>	<u>659,997</u>	<u>788,385</u>
Total Assets	<u>\$ 29,345,587</u>	<u>\$ 28,651,553</u>	<u>\$ 28,599,451</u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

COMPARATIVE BALANCE SHEET
As of December 31,

<u>LIABILITIES</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Equity			
Paid in Capital	\$ 843,283	\$ 819,906	\$ 790,906
Retained Earnings	7,204,206	6,918,261	6,649,289
Total Equity	<u>8,047,489</u>	<u>7,738,167</u>	<u>7,440,195</u>
Contributions in Aid of Construction			
Contributions in Aid of Construction, net	5,714,735	5,542,356	5,378,593
Accumulated Amortization of CIAC	-	-	-
Net Contributions-in-aid of Construction	<u>5,714,735</u>	<u>5,542,356</u>	<u>5,378,593</u>
Long-term Debt			
Bonds Payable - Series 2013	235,000	360,000	485,000
RD Note 2003	4,009,474	4,120,841	4,227,156
SRF Note Payable	814,001	902,001	987,001
2018 SRF Payable	6,413,000	5,680,061	4,294,936
2014 SRF Payable	3,829,936	4,064,936	5,518,657
Total Long-term Debt	<u>15,301,411</u>	<u>15,127,839</u>	<u>15,512,750</u>
Current Liabilities			
Accounts Payable	85,193	42,985	53,800
Customer Deposits	5,025	5,025	5,025
Accrued Taxes	52,964	48,736	55,115
Accrued Interest	138,770	146,445	153,973
Other Current Liabilities	<u>281,952</u>	<u>243,191</u>	<u>267,913</u>
Total Liabilities	<u>\$ 29,345,587</u>	<u>\$ 28,651,553</u>	<u>\$ 28,599,451</u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Water Sales			
Unmetered	\$ 87,153	\$ 24,963	\$ 23,680
Residential	2,842,562	2,800,396	2,662,589
Commercial	543,064	590,091	663,463
Industrial	11,132	12,367	10,837
Public Authority	14,882	65,783	77,393
Sales for Resale	146,086	156,981	152,049
Church	34,163	32,261	33,541
School	35,494	31,181	36,755
Fire Protection			
Public	62,595	62,595	61,029
Private	22,017	20,487	22,104
Late Payment Fees	291	3,490	19,283
Miscellaneous Service Revenue	9,993	24,438	27,922
Total Operating Revenues	<u>3,809,432</u>	<u>3,825,033</u>	<u>3,790,645</u>
Operating Expenses			
Salaries and Wages	717,775	642,505	666,844
Officers	14,625	13,875	14,875
Employee Benefits	279,122	269,382	247,879
Purchased Water	61,651	87,771	74,328
Purchased Power	210,191	202,303	204,827
Chemicals	245,843	214,824	196,710
Materials and Supplies	143,780	136,315	172,890
Contractual Services			
Accounting	34,874	29,646	28,908
Engineering	4,517	-	5,810
Legal	38,140	16,720	5,992
Testing	213,894	257,028	209,512
Transportation Expense	70,521	48,277	46,526
Insurance	63,780	50,593	57,105
Regulatory	4,645	4,485	4,291
Bad Debt Expense	7,051	308	383
Miscellaneous Expense	(a) 68,153	68,548	95,787
Total O&M Expense	<u>2,178,562</u>	<u>2,042,580</u>	<u>2,032,667</u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Depreciation Expense	\$ 860,219	\$ 900,474	\$ 879,488
Amortization of Utility Plant Acquisition Adjus	6,828	6,828	6,827
Rate Case Amortization	45,400	73,636	54,706
Taxes Other than Income:			
Property Taxes	(b) 13,522		
Payroll Taxes	53,624	47,672	48,098
Total Operating Expenses	<u>3,158,155</u>	<u>3,071,190</u>	<u>3,021,786</u>
Net Operating Income	651,277	753,843	768,859
Other Income (Expense)			
Interest & Dividend Income	5,313	17,773	34,729
Gain (Loss) on Sale of Assets	5,799	-	-
Non-Utility Income	13,140	-	11,500
Miscellaneous Non-Utility Expenses	-	25,296	3,882
Total Other Income (Expenses)	<u>24,252</u>	<u>43,069</u>	<u>50,111</u>
Interest Expense			
Interest Expense	447,235	467,112	479,857
Debt Issuance Cost Amortization	(c) 50,371	54,767	59,137
Total Interest Expense	<u>497,606</u>	<u>521,879</u>	<u>538,994</u>
Net Income	<u>\$ 177,923</u>	<u>\$ 275,033</u>	<u>\$ 279,976</u>

- (a) Petitioner's 2019 IURC Annual Report, page W-2(a) does not tie to total operating expenses reflected on page F-3. The \$42,443 difference was added to Miscellaneous Expense.
- (b) Because Petitioner has not properly recorded its property tax expense, prior year expense is not available from the financial information provided in either this case or its IURC annual reports.
- (c) Petitioner included \$50,371 of Debt issuance cost combined with rate case expense

Jackson County Water Utility Inc
CAUSE NUMBER 45640

***Pro Forma* Net Operating Income Statement**

	Test Year Ended 12/31/2021	Adjustments	Sch Ref	<i>Pro Forma</i> Present Rates	Adjustments	Sch Ref	<i>Pro Forma</i> Proposed Rates
Operating Revenues							
Water Sales							
Unmetered	\$ 87,153	\$ -		\$ 87,153	\$ 8,021		\$ 95,174
Residential	2,842,562	43,165	PET	2,890,996	266,080		3,157,076
		5,269	5-1		-		
Commercial	543,064	-		543,064	49,982		593,046
Industrial	11,132	-		11,132	1,025		12,157
Public Authority	14,882	-		14,882	1,370		16,252
Sales for Resale	146,086	-		146,086	13,445		159,531
Church	34,163	-		34,163	3,144		37,307
School	35,494			35,494	3,267		38,761
Fire Protection							
Public	62,595	-		62,595	5,761		68,356
Private	22,017	-		22,017	2,026		24,043
Late Payment Fees	291	18,091	5-2	18,382	1,692		20,074
Miscellaneous Service Revenue	9,993	-		9,993			9,993
Total Operating Revenues	<u>3,809,432</u>	<u>66,525</u>		<u>3,875,957</u>	<u>355,813</u>	1	<u>4,231,770</u>
O&M Expense							
Salaries and Wages	717,775	21,275	PET	702,888			702,888
		(36,162)	6-1				
Officers	14,625	-		14,625			14,625
Employee Benefits	279,122	1,064	PET	280,186			280,186
Purchased Water	61,651	14,769	PET	76,420			76,420
Purchased Power	210,191	2,799	6-2	212,990			212,990
Chemicals	245,843	155,783	PET	401,626			401,626
System Delivery	-	7,666	6-3	7,666			7,666
Materials and Supplies	143,780	-		143,780			143,780
Contractual Services							
Accounting	34,874	(5,250)	6-4	29,624			29,624
Engineering	4,517	-		4,517			4,517
Legal	38,140	(24,548)	6-5	13,592			13,592
Testing	213,894	-		213,894			213,894
Transportation Expense	70,521	16,222	PET	86,743			86,743
Insurance	63,780	-		63,780			63,780
Regulatory	4,645	(136)	6-6	4,509	414	1	4,923
Bad Debt Expense	7,051	-		7,051			7,051
Periodic Maintenance	-	47,500	6-8	47,500			47,500
Miscellaneous Expense	68,153	327	PET	68,480			68,480
Depreciation Expense	860,219	-		860,219			860,219
Amortization of Acquisition Adj.	6,828	-		6,828			6,828
Rate case expense	45,400	(8,207)	6-7	37,193			37,193
Taxes Other than Income							
Property Taxes	13,522	-		13,522			13,522
Payroll Taxes	53,624	1,628	PET	55,252			55,252
Total Operating Expenses	<u>3,158,155</u>	<u>194,730</u>		<u>3,352,885</u>	<u>414</u>		<u>3,353,299</u>
Net Operating Income	<u>\$ 651,277</u>	<u>\$ (128,205)</u>		<u>\$ 523,072</u>	<u>\$ 355,399</u>		<u>\$ 878,471</u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

OUCC Revenue Adjustments

(1)

Post Test Year Customer Growth

To adjust Petitioner's operating revenue for the growth in residential customers post test year.

# of Billings last month of the adjustment period	5,531
Months in adjustment period	12
# of Full Year Expected Billings	66,372
# of Test Year Billings Adjusted for Test Year Growth	66,252
Additional Adjustment Period Billings	120
Average bill	\$ 43.91
Adjustment	\$ 5,269

Adjustment Increase (Decrease) \$ 5,269

Average Bill Calculation

Post test year sales	\$ 2,175,924
# of post test year billings	49,551
	<u>\$ 43.91</u>

(2)

Late Fee Revenues

To normalize late fee revenues, which were understated during the test year due to COVID-19 pandemic. Petitioner resumed charging late fees in 2022.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Average</u>
Operating Revenues	3,124,750	3,587,155	3,438,823	3,527,722	3,790,645	\$ 3,493,819
Late Fee Rev	17,776	19,210	11,989	23,653	19,283	18,382
% of Operating Rever	0.57%	0.54%	0.35%	0.67%	0.51%	0.53%

Pro Forma Late Fee Revenue (5-Year Average - 2015 - 2019)	\$ 18,382
Less: Test year revenue	<u>291</u>

Adjustment Increase (Decrease) \$ 18,091

Jackson County Water Utility Inc
CAUSE NUMBER 45640

OUCC Expense Adjustments

(1)

Salaries and Wages

Adjustment to remove test year salaries that were collected through tap fees based on Petitioner's response to DR 4-5 & 4-7 (a)

	Total Tap Fee	Tap Fee Labor
Line side	1,313.73	309.12
Line side with pressure regulator	1,520.64	309.12
Road boar 60 ft	1,761.60	506.34
Road boar with pressure regulator 60 ft	1,968.51	506.34
Road boar >60 ft	2,559.00	506.34
Road boar with pressure regulator >60 ft	2,765.91	506.34
Average cost for a tap	\$ 1,982	
Average amount of labor for a tap		\$ 441
Test Year Taps		82
Amount of Labor included in Tapping fees		\$ 36,162

Adjustment Increase (Decrease)

\$ (36,162)

(2)

Purchased Power

Adjustment to include test year electric invoice that was recorded in January 2022.

Purchased Power invoice for December 2021 in the amount of \$2,799.34 (Duke Energy, Account #2940-2913-01-9, Meter located at 1121 Spring Street)

(Duke Energy, Account #2940-2913-01-9, Meter located at 1121 Spring Street)

December 2021 invoice recorded in 2022

2,799.00

Adjustment Increase (Decrease)

\$ 2,799

Jackson County Water Utility Inc
CAUSE NUMBER 45640

OUCCE Expense Adjustments

(3)

System Delivery Adjustment

To account for increased system delivery costs due to customer growth.

Purchased Water	76,420		
Purchased Power	212,990		
Chemical Expense	<u>401,626</u>		
Total Variable Cost		691,036	
Gallons Sold (000's Omitted)		<u>385,188</u>	
Cost per 1,000 Gallons			\$ 1.794023
Residential Cost per Bill			
Cost per 1,000 gallons		1.794023	
Average Consumption (000's Omitted)		<u>3.54</u>	
Variable Cost per Residential Bill			6.35
Add: Postage			<u>0.55</u>
Cost per Residential Bill			6.90
Increase in number of Residential Bills			<u>1,111</u>
Increased System Deliver Cost			7,666
Adjustment Increase (Decrease)			<u><u>\$ 7,666</u></u>

(4)

Contractual Services - Accounting

To remove test year rate case expense recorded during the test year per Petitioner's response to DR 6-1.

London Witte Group

Rate case filing and testimony	12.31.2021	\$ 5,250.00	
Adjustment Increase (Decrease)			<u><u>\$ (5,250)</u></u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

OUCC Expense Adjustments

(5)

Contractual Services - Legal

Adjustment to remove rate case expense that was recorded during the test year per Petitioner's response to DR 6-1.

Barnes & Thronburg:

Discussions on new IURC Filing	07.30.2021	\$ 4,137.50
Work related to debt/rate filing	08.31.2021	214
Work on IURC petition, easement work	09.30.2021	3,638.00
Work on IURC petition	10.25.2021	4,113.00
work on IURC petition, testimony	11.19.2021	5,136.00
work on IURC Phase I	12.29.2021	7,309.50
		<u>\$ 24,548</u>

Adjustment Increase (Decrease)

\$ (24,548)

(6)

IURC Fee

To adjust test year IURC fee to reflect amount of fees for pro forma operating revenues.

Pro forma Operating Revenue	\$ 3,875,957
Less: Bad Debt Expense	<u>(7,051)</u>
	\$ 3,868,906
Multiply by: 2022/2023 IURC Rate	<u>0.1163372%</u>
Pro Forma IURC Fee	4,509
Less: Test year Expense	<u>4,645</u>

Adjustment Increase (Decrease)

\$ (136)

(7)

Rate Case Expense

Adjustment to add the rate case amortization to test year expense. Petitioner miscalculated unamortized rate case expense

Phase I rate case expenses	\$ 212,091
Phase II rate case expenses	125,000
Unamortized rate case expense at 2/28/2023	56,752
Less: Amounts funded by debt	<u>(207,877)</u>
Rate Case Expense to be Amortized	\$ 185,966
Divide by: 5- Year Amortization period	<u>5</u>
Pro Forma Annual Rate Case Amortization Expense	37,193
Less: Test year Rate Case Amortization Expense	<u>(45,400)</u>

Adjustment Increase (Decrease)

\$ (8,207)

Unamortized Rate Case Expense at 12/31/2021	\$ 109,719
Less: Additional Amortization Expense	<u>(52,967)</u>
Unamortized Rate Case Expense at 01/01/2022	<u>\$ 56,752</u>

Additional Amortization Expense:

Annual Amortization	\$ 45,400
Divide by 12 months	<u>12</u>
Monthly Amortization	3,783.33
Multiply by 14 months	<u>14</u>
Additional Amortization Expense	<u>\$ 52,967</u>

Jackson County Water Utility Inc
CAUSE NUMBER 45640

OUCC Expense Adjustments

(8)

Periodic Maintenance - Tank Painting Expense

To include annual tank painting expenditures.

Estimated Annual Tank Painting Costs per Jim Parks' Testimony	\$	120,000
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Amount Available Per Petitioner's Propoed 9.2% Rate Increase	\$	47,500
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Adjustment Increase (Decrease)	\$	<u>47,500</u>
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Jackson County Water Utility Inc
CAUSE NUMBER 45640

Extensions and Replacements

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

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
Office, Billing, Security				
Office remodel, new roof on office/plant			\$233,162	\$ 233,162
Windows and front door replacement in office		10,505		10,505
Office desks after remodel of office			11,792	11,792
Replace bad security cameras & door access systems	14,655			14,655
Replace security camera system			13,709	13,709
New copier	6,743			6,743
Replacement of server		15,215		15,215
UMS Billing Software upgrade	16,174			16,174
Upgrade cell phones	2,606			2,606
Vehicles & Equipment				-
New Pipe locator (2)			8,650	8,650
Valve box locator			1,122	1,122
Valve exercising equipment	9,050			9,050
Concrete saw		2,335		2,335
Traded for new Bobcat E50 Excavator			18,846	18,846
New Bobcat E85 Excavator			85,250	85,250
Brush cutter for Bobcat skid loader	5,422			5,422
Bobcat breaker (for breaking concrete)	8,575			8,575
New International dump truck	102,866			102,866
Three new pickup trucks		93,331		93,331
Truck safety lighting			3,626	3,626
Well Field				-
Three test wells to determine new well site			22,500	22,500
Well #8 bowls and column pipe repair			20,316	20,316
Well #4 motor replacement		5,516		5,516
Water Treatment Plant				-
5 New hanging heaters in plant		18,719		18,719
High service #3 motor replacement			7,850	7,850
Install disconnect switches in High Service Room			6,260	6,260
Replace transfer switch on generator			17,261	17,261
Replace bottom sections of Catalytic reactors #3 & #4	23,105			23,105
Change out meters on reactors in plant	9,157			9,157
Sample stations	1,704			1,704
Water Distribution System				-
Total water main install	93,714	172,812	110,290	376,817
Hydrant replacement/install	19,200	16,129	12,430	47,759
Service line bores in addition to tap fee	85,186	94,233	64,782	244,201
Residential meters to finish meter change out	85,680			85,680
Large meter change out	4,633	11,081	3,049	18,764
	<u>\$ 488,469</u>	<u>\$ 439,877</u>	<u>\$ 640,896</u>	<u>\$ 1,569,242</u>

Divide by 3 Years

3

Pro Forma Annual Extensions and Replacements

\$ 523,081

Jackson County Water Utility Inc
CAUSE NUMBER 45640

Current and Proposed Rates and Charges

	<u>Current</u>	<u>Petitioner Proposed</u>	<u>OUCC Proposed</u>	<u>OUCC More (Less)</u>
Metered Rates				
First 3,000 Gallons	\$ 11.71	\$ 12.79	\$ 12.79	\$ 0.00
Next 7,000	11.02	12.03	12.03	0.00
Next 15,000	8.37	9.14	9.14	0.00
Next 75,000	6.72	7.34	7.34	0.00
Next 100,000	5.11	5.58	5.58	0.00
Over 200,000	4.10	4.48	4.48	0.00
Minimum Charge				
5/8" (2,000)	23.42	25.57	25.57	0.00
3/4" (3,000)	35.14	38.37	38.37	0.00
1" (5,000)	57.19	62.45	62.45	0.00
1-1/2" (12,000)	129.04	140.91	140.91	0.00
2" (20,000)	196.03	214.06	214.06	0.00
3" (30,000)	271.51	296.48	296.49	0.01
4" (50,000)	405.99	443.33	443.34	0.01
6" (100,000)	742.19	810.45	810.47	0.02
Industrial Rate				
Cost Per 1,000 gallons	2.29	2.50	2.50	0.00
Monthly Customer Charge	15.87	17.33	17.33	0.00
Fire- Protection Services				
Public Fire Hydrants	962.96	1,051.53	1,051.55	0.02
Private Fire Hydrants	962.96	1,051.53	1,051.55	0.02
Private Fire Service				
2" Service	144.38	157.66	157.66	0.00
3"	325.04	354.94	354.94	0.01
4"	577.88	631.03	631.05	0.01
6"	1,300.10	1,419.68	1,419.71	0.03
8"	2,311.08	2,523.65	2,523.70	0.05
10"	3,611.17	3,943.31	3,943.40	0.08
12"	5,200.02	5,678.30	5,678.42	0.12

Jackson County Water Utility, Inc.
Cause No. 45640
Jackson Co. Water Response to OUCG DR 4

OUCG DR 4-7: Please answer the following questions regarding test year tapping fees:

- a. Amount of tapping fee revenues recorded during the test year;
- b. Number of 5/8" tapping fees recorded during the test year;
- c. Number of tapping fees larger than 5/8" by meter size recorded during the test year;
- d. For each tapping fee larger than 5/8" recorded during the test year, provide the following information by meter size:
 - i. Number of connections; and
 - ii. Amount charged for each tapping fee.

Response:

- a. Total tap for 2021 was 82, \$ 107,000
- b. Total 5/8" taps was 78, \$ 101,400
- c. 4
- d.
 - i. Two 3/4" taps and Two 1" taps
 - ii. Jackson County Water Utility, Inc. currently only charges \$1,400 for 3/4" and 1" taps

Jackson County Water 5/8" x 3/4" Meter Set Calculation

Line Side Meter Set	
Average Saddle Cost	\$91.48
3/4" Ball Corp	\$76.57
3/4" Roll Pipe 15'	\$5.55
Setter	\$330.00
Meter	\$225.00
18" x 30" Meter Pit	\$61.63
Lid and Ring	\$90.38
Grass Seed and Straw	\$4.00
Total Material	\$884.61
Labor (\$32.87/Hr @ 3Hrs X 3 Workers)	\$295.83
Account setup \$26.58 @ 1/2 Hr	\$13.29
Truck and trailer	\$45.00
Mini Excavator (Half Day)	\$75.00
Installation Cost	\$429.12
Total	\$1,313.73

Line Side Meter Set W/Pressue Regulator	
Average Saddle Cost	\$91.48
3/4" Ball Corp	\$76.57
3/4" Roll Pipe 15'	\$5.55
Setter	\$435.00
Pressure Regulator	\$101.91
Meter	\$225.00
18" x 30" Meter Pit	\$61.63
Lid and Ring	\$90.38
Grass Seed and Straw	\$4.00
Total Material	\$1,091.52
Labor (\$32.87/Hr @ 3Hrs X 3 Workers)	\$295.83
Account setup \$26.58 @ 1/2 Hr	\$13.29
Truck and trailer	\$45.00
Mini Excavator (Half Day)	\$75.00
Installation Cost	\$429.12
Total	\$1,520.64

Road Bore Meter Set	
Average Saddle Cost	\$91.48
3/4" Ball Corp	\$76.57
3/4" Roll Pipe 60'	\$22.20
Setter	\$330.00
Meter	\$225.00
18" x 30" Meter Pit	\$61.63
Lid and Ring	\$90.38
Grass Seed and Straw	\$8.00
Total Material	\$905.26
Labor (\$32.87/Hr @ 5Hrs X 3 Workers)	\$493.05
Account setup \$26.58 @ 1/2 Hr	\$13.29
Truck and trailer	\$90.00
Mini Excavator (Full Day)	\$150.00
60 ft Road Bore Second Machine	\$110.00
Installation Cost	\$856.34
Total	\$1,761.60

Road Bore Meter Set W/ Pressure Regulator	
Average Saddle Cost	\$91.48
3/4" Ball Corp	\$76.57
3/4" Roll Pipe 60'	\$22.20
Setter	\$435.00
Pressure Regulator	\$101.91
Meter	\$225.00
18" x 30" Meter Pit	\$61.63
Lid and Ring	\$90.38
Grass Seed and Straw	\$8.00
Total Material	\$1,112.17
Labor (\$32.87/Hr @ 5Hrs X 3 Workers)	\$493.05
Account setup \$26.58 @ 1/2 Hr	\$13.29
Truck and trailer	\$90.00
Mini Excavator (Full Day)	\$150.00
60 ft Road Bore Second Machine	\$110.00
Installation Cost	\$856.34
Total	\$1,968.51

Road Bore Meter Set	
Average Saddle Cost	\$91.48
3/4" Ball Corp	\$76.57
3/4" Roll Pipe 80'	\$29.60
Setter	\$330.00
Meter	\$225.00
18" x 30" Meter Pit	\$61.63
Lid and Ring	\$90.38
Grass Seed and Straw	\$8.00
Total Material	\$912.66
Labor (\$32.87/Hr @ 5Hrs X 3 Workers)	\$493.05
Account setup \$26.58 @ 1/2 Hr	\$13.29
Truck and trailer	\$90.00
Mini Excavator (Full Day)	\$150.00
>60 ft Road Bore by Contractor	\$900.00
Installation Cost	\$1,646.34
Total	\$2,559.00

Road Bore Meter Set W/ Pressure Regulator	
Average Saddle Cost	\$91.48
3/4" Ball Corp	\$76.57
3/4" Roll Pipe 80'	\$29.60
Setter	\$435.00
Pressure Regulator	\$101.91
Meter	\$225.00
18" x 30" Meter Pit	\$61.63
Lid and Ring	\$90.38
Grass Seed and Straw	\$8.00
Total Material	\$1,119.57
Labor (\$32.87/Hr @ 5Hrs X 3 Workers)	\$493.05
Account setup \$26.58 @ 1/2 Hr	\$13.29
Truck and trailer	\$90.00
Mini Excavator (Full Day)	\$150.00
>60 ft Road Bore by Contractor	\$900.00
Installation Cost	\$1,646.34
Total	\$2,765.91

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
1406943	
Invoice Date	Page
6/30/2022 16:19:41	1 of 1
ORDER NUMBER	
1434368	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. LARRY MCINTOSH

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
LARRY-6/30/2022 09:54:07	Net 30 DAYS	7/30/2022	7/30/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
6/30/2022 09:37:08	1458889	AARON STENFTENAGEL	CBIRK

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Delivery Instructions: PICKED UP AT PARTY

Carrier: CUSTOMER PICK UP

Tracking #:

1.00	1.00	0.00	EA		F202-979-CC3	EA	61.2000	61.20
			1.0		8 X 3/4 CC 8.99-9.79 DBL STRAP SADDLE	1.0000		
					FOR DI/AC			

Total Lines: 1

SUB-TOTAL: 61.20

TAX: 0.00

AMOUNT DUE: 61.20

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

ORIGINAL

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET

INDIANAPOLIS, IN 46217

US

1-317-783-4196

INVOICE	
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Invoice Date	Page
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ORDER NUMBER	
1428989	

Bill To:

JACKSON COUNTY WATER UTILITY INC

1119 WEST SPRING STREET

BROWNSTOWN, IN 47220

US

Ship To:

JACKSON COUNTY WATER UTILITY INC

1119 WEST SPRING STREET

BROWNSTOWN, IN 47220

US

Attn: KAREN ISAACS

Ordered By: Mr. BEN MCOY

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-5/16/2022 10:43:12	Net 30 DAYS	6/18/2022	6/18/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
5/16/2022 10:42:26	1453295	AARON STENFTENAGEL	CBIRK

Quantities					Item ID	Pricing	Unit	Extended
Ordered	Shipped	Remaining	UOM	Unit Size	Item Description	UOM	Price	Price
						Unit Size		

Carrier: OUR TRUCK

Tracking #:

4.00	4.00	0.00	EA	1.0	30110	EA	83.0800	332.32
					4" IPS MIDCO GRIP RING PACK	1.0000		
10.00	10.00	0.00	EA	1.0	3018	EA	43.5600	435.60
					2" IPS MIDCO GRIP RING PACK	1.0000		
4.00	4.00	0.00	EA	1.0	10HYMAX	EA	459.5200	1,838.08
					10 HYMAX CPLG 1070-1137 & 1133-1200	1.0000		
2.00	2.00	0.00	EA	1.0	6X12MJSSL	EA	114.9900	229.98
					6 X 12MJ SOLID SLEEVE L/ACC - IMPORT	1.0000		
1.00	1.00	0.00	EA	1.0	6X4MJTEEL	EA	168.9600	168.96
					6 X 4 MJ TEE L/ACC - IMPORT	1.0000		
4.00	4.00	0.00	EA	1.0	4A236123LN	EA	651.8800	2,607.52
					4 " MUELLER MJ X MJ GATE VALVE	1.0000		
					350PSI LESS ACC. OPEN LEFT			
6.00	6.00	0.00	EA	1.0	S70-403	EA	48.7600	292.56
					4 X 3/4CC BRASS SADDLE FOR PVC 4.50	1.0000		
					O.D			
6.00	1.00	5.00	EA	1.0	B 4X2MJTCAPL	EA	60.4300	60.43
					4 X 2 MJ TAPPED CAP L/ ACC - IMPORT	1.0000		

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
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6/2/2022 16:42:23	1 of 1
ORDER NUMBER	
1429688	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. LARRY MCINTOSH

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
METER SPECIAL	Net 30 DAYS	7/2/2022	7/2/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
5/20/2022 09:34:41	1454168	AARON STENFTENAGEL	AMPELHAM

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: OUR TRUCK

Tracking #:

144.00	144.00	0.00	EA	ED2B31RWG3SG89	EA	225.0000	32,400.00
			1.0	METER 5/8X3/4 E R900i PIT GAL 6 FT ANT		1.0000	

Total Lines: 1

SUB-TOTAL: 32,400.00

TAX: 0.00

AMOUNT DUE: 32,400.00

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

INV

ORIGINAL



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG
6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
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ORDER NUMBER	
1442002	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. LARRY MCINTOSH

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
LARRY-9/1/2022 09:04:23	Net 30 DAYS	10/6/2022	10/6/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
9/1/2022 09:04:00	1467516	AARON STENFTENAGEL	CBIRK

Quantities					Item ID	Pricing	Unit	Extended
Ordered	Shipped	Remaining	UOM	Disp.	Item Description	UOM	Price	Price
			Unit Size			Unit Size		

Carrier: OUR TRUCK

Tracking #:

20.00	20.00	0.00	EA	1.0	18VRRING	EA	53.5700	1,071.40
					18 VESTAL RECESSED RING ONLY	1.0000		
40.00	40.00	0.00	EA	1.0	3/4DSPRVN	EA	101.9100	4,076.40
					3/4 DIAL SET PRESSURE REDUCING VALVE	1.0000		
					LLB			

Total Lines: 2

SUB-TOTAL: 5,147.80

TAX: 0.00

AMOUNT DUE: 5,147.80

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

Inv

ORIGINAL

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG
6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

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ORDER NUMBER	
1439499	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. BEN LOVE

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-8/15/2022 10:58:04	Net 30 DAYS	10/6/2022	10/6/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
8/15/2022 10:57:40	1466989	AARON STENFTENAGEL	CBIRK

Quantities					Item ID	Pricing	Unit	Extended
Ordered	Shipped	Remaining	UOM	Disp.	Item Description	UOM	Price	Price
			Unit Size			Unit Size		

Carrier: OUR TRUCK

Tracking #:

100.00	50.00	0.00	EA		INSERT-51	EA	3.1600	158.00
			1.0		3/4" S.S. INSERT FOR CTS POLY TUBING	1.0000		

Total Lines: 1

SUB-TOTAL: 158.00

TAX: 0.00

AMOUNT DUE: 158.00

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

ZAV

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET

INDIANAPOLIS, IN 46217

US

1-317-783-4196

INVOICE	
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Invoice Date	Page
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ORDER NUMBER	
1431936	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. LARRY MCINTOSH

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
LARRY-6/10/2022 13:27:30	Net 30 DAYS	10/14/2022	10/14/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
6/10/2022 13:26:54	1466453	AARON STENFTENAGEL	KGOEPPNER

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: OUR TRUCK

Tracking #:

8.00	4.00	4.00	EA	B	S70-603	EA	67.8900	271.56
				1.0	6 X 3/4CC BRASS SADDLE FOR PVC 6.63	1.0000		
					O.D			

Total Lines: 1

SUB-TOTAL: 271.56

TAX: 0.00

AMOUNT DUE: 271.56

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

11510

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
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ORDER NUMBER	
1442214	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. BEN LOVE

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-9/2/2022 11:50:41	Net 30 DAYS	10/14/2022	10/14/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
9/2/2022 08:07:26	1468746	AARON STENFTENAGEL	CBIRK

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: OUR TRUCK

Tracking #:

10.00	8.00	2.00	EA		B S70-303	EA	41.4200	331.36
				1.0	3 X 3/4CC BRASS SADDLE FOR PVC O.D	3.50 1.0000		
200.00	150.00	0.00	EA		INSERT-51	EA	3.1600	474.00
				1.0	3/4" S.S. INSERT FOR CTS POLY TUBING	1.0000		

Total Lines: 2

SUB-TOTAL: 805.36

TAX: 0.00

AMOUNT DUE: 805.36

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

11510

INVOICE

UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
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Invoice Date	Page
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ORDER NUMBER	
1437432	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. BEN LOVE

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-7/28/2022 08:56:17	Net 30 DAYS	9/1/2022	9/1/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
7/28/2022 08:38:26	1462429	AARON STENFTENAGEL	CBIRK

Quantities					Item ID	Pricing	Unit	Extended
Ordered	Shipped	Remaining	UOM	Disp.	Item Description	UOM	Price	Price
			Unit Size			Unit Size		

Carrier: OUR TRUCK

Tracking #:

5.00	5.00	0.00	EA		3/4CB2005	EA	187.5000	937.50
				1.0	3/4 X 500 CTS 250PSI BLUE	1.0000		
					SERVICETUBING			
					#4710			

Total Lines: 1

SUB-TOTAL: 937.50

TAX: 0.00

AMOUNT DUE: 937.50

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

11510

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
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Invoice Date	Page
6/2/2022 16:41:41	1 of 1
ORDER NUMBER	
1429644	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. BEN MCOY

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-5/19/2022 16:26:21	Net 30 DAYS	7/2/2022	7/2/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
5/19/2022 16:26:02	1454167	AARON STENFTENAGEL	KGOEPPNER

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: OUR TRUCK

Tracking #:

10.00	10.00	0.00	EA		18VSR900	EA	90.3800	903.80
				1.0	18 VESTAL S/N RING AND LID W/ FIG 8 HOLE	1.0000		
15.00	15.00	0.00	EA		18VESTALRING	EA	52.5300	787.95
				1.0	18 VESTAL METER PIT RING ONLY	1.0000		

Total Lines: 2

SUB-TOTAL: 1,691.75

TAX: 0.00

AMOUNT DUE: 1,691.75

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

INV

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
1417311	
Invoice Date	Page
9/28/2022 16:52:49	1 of 1
ORDER NUMBER	
1444722	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. BEN LOVE

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-9/23/2022 16:44:09	Net 30 DAYS	10/28/2022	10/28/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
9/23/2022 15:29:14	1470698	AARON STENFTENAGEL	KGOEPPNER

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: OUR TRUCK

Tracking #:

16.00	16.00	0.00	EA	18X30H	EA	61.6300	986.08
			1.0	18X30 PLASTIC PIT		1.0000	

Total Lines: 1

SUB-TOTAL: 986.08

TAX: 0.00

AMOUNT DUE: 986.08

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

INVOICE



UTILITY SUPPLY COMPANY

Branch: 04 USC HUNTINGBURG

6310 SOUTH HARDING STREET

INDIANAPOLIS, IN 46217

US

1-317-783-4196

INVOICE	
1419206	
Invoice Date	Page
10/11/2022 16:40:03	1 of 1
ORDER NUMBER	
1445535	

Bill To:

JACKSON COUNTY WATER UTILITY INC

1119 WEST SPRING STREET

BROWNSTOWN, IN 47220

US

Ship To:

JACKSON COUNTY WATER UTILITY INC

1119 WEST SPRING STREET

BROWNSTOWN, IN 47220

US

Attn: KAREN ISAACS

Ordered By: Mr. BEN LOVE

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-9/30/2022 12:38:06	Net 30 DAYS	11/10/2022	11/10/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
9/30/2022 12:33:38	1472124	AARON STENFTENAGEL	KGOEPPNER

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: OUR TRUCK

Tracking #:

36.00	1.00	35.00	EA	B	FB1000-3-Q-NL	EA	76.5700	76.57
		1.0			3/4" CC X Q.J CTS BALL CORP STOP-NL	1.0000		

Total Lines: 1

SUB-TOTAL: 76.57

TAX: 0.00

AMOUNT DUE: 76.57

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

1115100

INVOICE



UTILITY SUPPLY COMPANY
Branch: 04 USC HUNTINGBURG
6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE	
1420071	
Invoice Date	Page
10/18/2022 16:58:44	1 of 1
ORDER NUMBER	
1446573	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. BEN LOVE

Customer ID: 101760

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
BEN-10/10/2022 10:11:24	Net 30 DAYS	11/17/2022	11/17/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
10/10/2022 09:31:49	1473270	AARON STENFTENAGEL	AMPELHAM

Quantities					Item ID	Pricing UOM	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.	Item Description	Unit Size		

Carrier: CUSTOMER PICK UP

Tracking #:

1.00	1.00	0.00	EA	1.0	H13434-250 10 MUELLER BR SADDLE FOR PVC 3/4 CC TAP 10.75 OD	EA 1.0000	238.1700	238.17
2.00	2.00	0.00	EA	1.0	H13434-250 10 MUELLER BR SADDLE FOR PVC 3/4 CC TAP 10.75 OD	EA 1.0000	238.1700	476.34
1.00	1.00	0.00	EA	1.0	H13434-330 10 MUELLER BR SADDLE FOR PVC 1 CC TAP 10.75 OD	EA 1.0000	238.1700	238.17

Total Lines: 3

SUB-TOTAL: 952.68

TAX: 0.00

AMOUNT DUE: 952.68

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

1115100



UTILITY SUPPLY COMPANY
Branch: 04 USC HUNTINGBURG
6310 SOUTH HARDING STREET
INDIANAPOLIS, IN 46217
US

1-317-783-4196

INVOICE

INVOICE	
1420068	
Invoice Date	Page
10/18/2022 16:55:28	1 of 1
ORDER NUMBER	
1431936	

Bill To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Ship To:

JACKSON COUNTY WATER UTILITY INC
1119 WEST SPRING STREET
BROWNSTOWN, IN 47220
US

Attn: KAREN ISAACS

Ordered By: Mr. LARRY MCINTOSH

Customer ID: 101760

PO Number					Term Description	Net Due Date	Disc Due Date	Discount Amount	
LARRY-6/10/2022 13:27:30					Net 30 DAYS	11/17/2022	11/17/2022	0.00	
Order Date		Pick Ticket No		Primary Salesrep Name				Taker	
6/10/2022 13:26:54		1473972		AARON STENFTENAGEL				KGOEPPNER	
Quantities					Item ID Item Description	Pricing UOM	Unit Price	Extended Price	
Ordered	Shipped	Remaining	UOM Unit Size	Disp.		Unit Size			
Carrier: OUR TRUCK					Tracking #:				
8.00	4.00	0.00	EA		S70-603	EA			
		1.0			6 X 3/4CC BRASS SADDLE FOR PVC	6.63	1.0000	67.8900	
					O.D			271.56	

Total Lines: 1

SUB-TOTAL: 271.56

TAX: 0.00

AMOUNT DUE: 271.56

A FINANCE CHARGE computed at a periodic rate of 1 1/2 % per month (18% ANNUAL PERCENTAGE RATE) is applied to PAST DUE ACCOUNTS OVER 30 DAYS.

1115100



INVOICE

1830 Craig Park Court
St. Louis, MO 63146

Jackson County Water Utility Inc.
Cause No. 45640
Invoice # R784686
Response to OUCG DR 4-5 Attachment 1
Invoice Date 10/19/22
Page 16 of 18
Account # 082326
Sales Rep TOM GRABOWSKI
Phone # 812-331-0356
Branch # 433 Bloomington, IN
Total Amount Due \$9,900.00

Remit To:
CORE & MAIN LP
PO BOX 28330
ST LOUIS, MO 63146

209 1 MB 0.515 E0188X I0273 D9813614387 S2 P9320537 0001:0001



JACKSON COUNTY WATER UTILITY
PO BOX 56
BROWNSTOWN IN 47220-0056

Shipped to:

CUSTOMER PICK-UP -

Thank you for the opportunity to serve you! We appreciate your prompt payment.

Date Ordered	Date Shipped	Customer PO #	Job Name	Job #	Bill of Lading	Shipped Via	Invoice #
10/17/22	10/18/22	VERBAL LARRY STOCK				WILL CALL	R784686

Product Code	Description	Quantity			Price	UM	Extended Price
		Ordered	Shipped	B/O			
4692VBHH92124133H	VBHH92-12W-41-33-HQ-NL 5/8X3/4 FORD SETTER NO LEAD TG WILL DELIVER	30	30		330.00000	EA	9,900.00

Visit coreandmain.com
for a current W-9 form



Online
ADVANTAGE

- Pay Online
- Paperless Billing
- Invoice Reprints
- Signed Delivery Receipts

Remit payment to the address shown on this invoice or access your account in Online Advantage to pay online.

Freight Delivery Handling Restock Misc.

Subtotal: 9,900.00
Other: 0.00
Tax: 0.00
Invoice Total: \$9,900.00

Terms: NET 30
Ordered By:

This transaction is governed by and subject to CORE & MAIN's standard terms and conditions, which are incorporated by reference and accepted.
To review these terms and conditions, please visit: <http://tandc.coreandmain.com/>.



INVOICE

1830 Craig Park Court
St. Louis, MO 63146

Jackson County Water Utility Inc.
Cause No. 45640 **Q630149**
Invoice #
Response to OUCG DR 4-5 Attachment 1 5/24/22
Invoice Date
Page 17 of 18
Account # 082326
Sales Rep TOM GRABOWSKI
Phone # 812-331-0356
Branch # 433 Bloomington, IN
Total Amount Due \$3,045.00

Remit To:
CORE & MAIN LP
PO BOX 28330
ST LOUIS, MO 63146

188 1 MB 0.485 E0163X I0234 D9147649964 S2 P9041072 0001:0001



JACKSON COUNTY WATER UTILITY
PO BOX 56
BROWNSTOWN IN 47220-0056

Shipped to:

CUSTOMER PICK-UP -

Thank you for the opportunity to serve you! We appreciate your prompt payment.

Date Ordered	Date Shipped	Customer PO #	Job Name	Job #	Bill of Lading	Shipped Via	Invoice #
4/01/22	5/23/22	VERBAL LARRY STOCK				WILL CALL	Q630149

Product Code	Description	Quantity			Price	UM	Extended Price
		Ordered	Shipped	B/O			
4607TVBHH92124133	TVBHH92-12W-4133H-Q-NL TANDEM SETTER NO LEAD TG WILL DELIVER	7	7		435.00000	EA	3,045.00

Visit coreandmain.com
for a current W-9 form



Online
ADVANTAGE

- Pay Online
- Paperless Billing
- Invoice Reprints
- Signed Delivery Receipts

Remit payment to the address shown on this invoice or access your account in Online Advantage to pay online.

Freight Delivery Handling Restock Misc.

Subtotal: 3,045.00
Other: 0.00
Tax: 0.00
Invoice Total: \$3,045.00

Terms: NET 30
Ordered By: LARRY

This transaction is governed by and subject to CORE & MAIN's standard terms and conditions, which are incorporated by reference and accepted.
To review these terms and conditions, please visit: <http://tandc.coreandmain.com/>.



Trucking & Excavation, Inc.

9804 E County Road 800 N, Seymour, IN 47274
Phone : 812-522-6973

Date	Invoice
12/16/2021	22438

Bill To:

Jackson County Water Utility
1119 West Spring St.
PO Box 56
Brownstown, IN 47220

Terms	Due Date
Net 30 Days	1/15/2022
Job Name / PO Number	
E Co Rd 200 S - 11/2/21	

Quantity	Description	Rate	Amount
1	Boring of Service Line	900.00	900.00
Total			\$900.00

Terms: As Stated Above. ALL APPLICABLE TAXES ARE INCLUDED. THERE WILL BE A 2.00% PER MONTH (24% PER YEAR) FINANCE CHARGE ON ALL ACCOUNTS OVER 30 DAYS PAST DUE. ALL ACCOUNTS TURNED OVER FOR COLLECTION WILL INCUR REASONABLE ATTORNEY FEES AND COURT COSTS TO BE PAID BY THE PURCHASER WITH PROPER VENUE AS JACKSON COUNTY, INDIANA. THERE WILL BE A ADDITIONAL 3% CHARGE FOR CREDIT CARD PAYMENTS

Jackson County Water Utility, Inc.
Legal Invoices
December 31, 2021

N-02

Legal	Date	Amount	
Pittman Law Firm	1/22/2021 ✓	125.00	easement
	3/19/2021 ✓	600.00	April - June retainer
	6/28/2021 ✓	600.00	July - September retainer
	8/10/2021 ✓	625.00	easement work
	9/29/2021 ✓	600.00	October - December retainer
	9/29/2021 ✓	375.00	easement work
Jennifer Thompson	1/4/2021 ✓	75.00	minutes for board meetings
	1/29/2021 ✓	125.00	minutes for board meetings
	2/26/2021 ✓	125.00	minutes for board meetings
	3/25/2021 ✓	375.00	minutes for board meeting, annual meeting and reorganizational meeting
	4/30/2021 ✓	125.00	minutes for board meetings
	5/27/2021 ✓	125.00	minutes for board meetings
	6/30/2021 ✓	125.00	minutes for board meetings
	7/29/2021 ✓	125.00	minutes for board meetings
	8/26/2021 ✓	125.00	minutes for board meetings
	9/30/2021 ✓	75.00	minutes for board meetings
	10/7/2021 ✓	125.00	minutes for board meetings
	11/22/2021 ✓	125.00	minutes for board meetings
	12/29/2021 ✓	75.00	minutes for board meetings
Barnes & Thornburg	1/25/2021 ✓	535.00	customer payment plan filing with IURC
	2/26/2021 ✓	909.50	customer matters, delinquencies
	4/13/2021 ✓	909.50	delinquencies, customer payment plan IURC work
	3/30/2021 ✓	160.50	customer payment plan
	5/14/2021 ✓	481.50	customer payment plan
	6/30/2021 ✓	695.50	regulatory work, employee issues
	7/30/2021 ✓	4,137.50	discussions on new IURC filing for debt/rates, discuss possibility of ARPA funds
	8/31/2021 ✓	214.00	work related to debt/rate filing
	9/30/2021 ✓	3,638.00	work on IURC petition, easement work
	10/25/2021 ✓	4,113.00	work on IURC petition
	11/19/2021 ✓	5,136.00	work on IURC petition, testimony
	12/29/2021 ✓	7,309.50	work on IURC Phase I
LWG	12/31/2021 ✓	5,250.00	rate case filing and tesitmony
		<hr/>	
		38,139.50	To N-2

Jackson County Water Utility, Inc.
Cause No. 45640
Jackson Co. Water Response to OUCG DR 4

OUCG DR 4-6: When does Petitioner intend to update its tapping fee and any other non-recurring costs to reflect current costs? Please explain.

Response:

Jackson County Water Utility, Inc. plans to file a 30-Day filing after the first of the New Year after predicted price increases have occurred.

Trip Charge for turn ons, Reconnects and General Service

Truck Charge	\$12.50
Labor (One person 45 minutes)	\$24.65
Office Staff (15 minutes)	\$6.64
	\$0.10
	\$43.89
Rounded up:	\$44.00

Notes and assumptions

1. Half of our customers are less than 10 miles one way and the other half are over 10 miles one way. Average trip is 20 miles round trip.
2. Truck charge is based on \$.625 per mile current IRS rate.

Disconnect Charge / Field Collections

Truck Charge	\$12.50
Labor (Two person 45 minutes)	\$49.30
Office Staff (15 minutes)	\$6.64
	\$68.44
Rounded down:	\$68.00

Notes and assumptions

1. Half of our customers are less than 10 miles one way and the other half are over 10 miles one way. Average trip is 20 miles round trip.
2. Truck charge is based on \$.625 per mile current IRS rate.
3. Two person are required for disconnects and field collection for safety reasons.

Surcharge for Service Outside of Business Hours

Labor (One person 1.25 Hours)	\$41.08
Round down	\$41.00

Staff has two hour minimum for call out after hours.
The first 45 minutes are covered in the fee above.

Labor Calculation

Name	Hr. Wage	Fica	401k	Insurance		Wage+tax+insurance	
Ben	\$27.50	\$2.10	\$1.38	\$9.84	\$1,574.00	\$40.82	\$54.57
Jeff	\$21.80	\$1.67	\$1.09	\$11.64	\$1,863.00	\$36.20	\$47.10
Mike	\$20.00	\$1.53	\$1.00	\$16.06	\$2,569.00	\$38.59	\$48.59
Tyler	\$21.85	\$1.67	\$1.09	\$0.00	\$0.00	\$24.61	\$35.54
Ron	\$25.50	\$1.95	\$1.28	\$16.06	\$2,569.00	\$44.78	\$57.53
Shawn	\$19.00	\$1.45	\$0.95	\$0.00	\$0.00	\$21.40	\$30.90
Robbie	\$20.50	\$1.57	\$1.03	\$0.00	\$0.00	\$23.09	\$33.34
Roger	\$20.50	\$1.57	\$1.03	\$11.64	\$1,863.00	\$34.74	\$44.99
Ben R.	\$20.00	\$1.53	\$1.00	\$0.00	\$0.00	\$22.53	\$32.53
Brad	\$26.55	\$2.03	\$1.33	\$11.64	\$1,863.00	\$41.55	\$54.83
Bryan	\$19.15	\$1.46	\$0.96	\$11.64	\$1,863.00	\$33.22	\$42.79
					Average	\$32.87	
Emma	\$18.00	\$1.38	\$0.90	\$0.00	\$0.00	\$20.28	\$29.28
Karen	\$21.70	\$1.66	\$1.09	\$7.36	\$1,177.00	\$31.80	\$42.65
Tomie	\$18.30	\$1.40	\$0.92	\$6.99	\$1,118.50	\$27.61	\$36.76
					Average	\$26.56	