

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF LAWRENCEBURG, )	
MANCHESTER, SPARTA TOWNSHIPS )	CAUSE NO. 44900 U
CONSERVANCY DISTRICT FOR A NEW )	
SCHEDULE OF RATES AND CHARGES )	APPROVED: AUG 02 2017
FOR WATER SERVICE )	

ORDER OF THE COMMISSION

**Presiding Officers:**  
**David E. Ziegner, Commissioner**  
**Carol Sparks Drake, Administrative Law Judge**

On January 19, 2017, Lawrenceburg, Manchester, Sparta Townships Conservancy District (“LMS” or “Applicant”) filed an application with the Indiana Utility Regulatory Commission (“Commission”) as a small utility for approval of an across-the-board water rate increase.

On January 24, 2017, the Water and Wastewater Division of the Commission issued a Memorandum finding LMS’s small utility rate filing was incomplete because it included only the cover and case summary pages of the Small Utility Rate Application. On February 2, 2017, LMS filed a Small Utility Rate Application (“Application”) in accordance with 170 IAC 14-1-2(b)(1). The Commission’s Water and Wastewater Division issued a Memorandum on February 3, 2017, finding the Application was complete.

On February 3, 2017, a Docket Entry was issued requesting LMS to provide a copy of the district plan, any amendment to that plan, and/or other documentation evidencing LMS’s election to be subject to the Commission’s jurisdiction per Ind. Code § 14-33-20-4. LMS filed the requested documentation on February 20, 2017. Its documentation included an Order entered by Dearborn Circuit Court on June 27, 1963, (the “1963 Order”) establishing LMS and an Order entered by Dearborn Circuit Court on March 4, 1964, (the “1964 Order”) directing LMS’s Board of Directors (“Board”) to determine and file the rate to be charged with the Public Service Commission of Indiana<sup>1</sup> and take any action before the Public Service Commission of Indiana as the laws of Indiana may require. The 1964 Order also recognized the Board shall have the power conferred by Acts of 1963, Chapter 334 of the General Assembly.<sup>2</sup>

On May 3, 2017, as required by 170 IAC 14-1-4(a), the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its report, proposing adjustments to LMS’s revenue requirement

<sup>1</sup> The Indiana Utility Regulatory Commission was formerly known as the Public Service Commission of Indiana. Ind. Code § 8-1-1-1(a) and (b).

<sup>2</sup> Per Acts of 1963, Chapter 334, Section 6, “A conservancy district coming under the provisions of this Act shall file its initial schedule of rates and charges to patrons of such conservancy district with the Public Service Commission of Indiana and thereafter for the purposes of changing such rates and charges shall be subject to the jurisdiction of such Commission to the extent and in the same manner as is provided by law for regulation of rates and charges of municipal water utilities.”

calculations and making certain recommendations. The OUCC amended its filing on May 9, 2017, to revise the information upon LMS's main sizes, lengths, and types. This change did not impact the OUCC's rate calculations or recommendations. LMS advised the Commission's Water and Wastewater division on June 1, 2017, that LMS would not be filing rebuttal.

On June 28, 2017, a docket entry was issued requesting LMS to provide information upon a potential loan its Superintendent discussed with the Commission's Water and Wastewater Division. LMS, on July 12, 2017, filed responsive documentation regarding this loan proposal.

Under Ind. Code § 8-1-2-61.5, a formal public hearing is not required in rate cases involving small utilities with fewer than 5,000 customers unless a hearing is requested by at least 10 customers, a public or municipal corporation, or by the OUCC. One customer submitted a hearing request to the OUCC which the OUCC included with its report. No other hearing request was received, and no hearing was held.

Based on the evidence and the applicable law, the Commission finds as follows:

**1. Commission Jurisdiction and Notice.** The record establishes that legal notice of the filing of this small utility rate case and the proposed rate increase was given and published in accordance with applicable law.<sup>3</sup> The Commission, therefore, finds that notice of this matter was given and published as required by law. LMS is a conservancy district that has elected to furnish water under Ind. Code ch. 14-33-20, and changes in its rates and charges are, per the 1964 Order, subject to the Commission's jurisdiction; consequently, the Commission has jurisdiction over LMS and the subject matter of this Cause and may issue an Order based upon the information filed as provided by 170 IAC 14-1-6.

**2. Applicant's Characteristics.** LMS is a conservancy district, established by the 1963 and 1964 Orders, to provide water service to customers within Lawrence, Manchester, and Sparta Townships in Dearborn County, Indiana. LMS currently serves approximately 2,031 water customers, including one wholesale customer (Hogan Water Corporation). Its infrastructure includes two wells, approximately 73 miles of PVC and asbestos cement mains ranging from two to twelve inches, booster stations, and four elevated storage tanks. LMS's existing schedule of rates and charges was approved in the Commission's March 14, 2013 Order in Cause No. 44224 U ("44224 U Order").

**3. Relief Requested.** LMS requests approval to increase its rates and charges 19.63% across-the-board, thereby generating \$127,858 in additional annual revenue for a net revenue requirement of \$795,735. LMS's proposal would increase the current rate of \$25.16 per month for 5,000 gallons of water to \$30.10.

**4. Test Year.** The test year for determining LMS's actual and pro forma operating revenues, expenses, and operating income under present and proposed rates is the 12 months ending December 31, 2015. With adjustments for changes that are sufficiently fixed, known, and measurable, the Commission finds this test period is sufficiently representative of LMS's normal operations to provide reliable data for ratemaking purposes.

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<sup>3</sup> The legal notice identified the proposed rate increase as approximately 36% across-the-board. When LMS submitted the completed Application, however, the increase requested was significantly less, at 19.63%.

5. **Pro forma Test Year Operating Revenues.** LMS calculated its net revenue requirement to be \$796,735. In its report, the OUCC disagreed with this amount and proposed a net revenue requirement of \$764,071.

6. **OUCC Report.** Charles E. Patrick and Carl N. Seals prepared the OUCC's Report. In response to the Application, the OUCC calculated a 13.59% rate increase. Key differences between the parties include the OUCC's revenue and operation and maintenance ("O&M") expense adjustments and the calculation of LMS's extensions and replacements revenue requirements.

A. **Extensions and Replacements.** LMS requested \$191,420 to fund its five-year extensions and replacements ("E&R") projects. These include rehabilitation and painting of the Wye and Hogan Hill elevated storage tanks, replacing a dump truck and a service truck, and constructing a new well control structure to house well field electric controls, starters, breakers, and telemetry. Mr. Seals testified the coatings on LMS's two Wye tanks are failing and need repainting as soon as possible and that while the Hogan Hill tank is in better condition, it retains its original 1998 coating and after 19 years should also be repainted. Mr. Seals stated the proposed tank rehabilitation and painting projects address very real issues with critical utility infrastructure and testified these projects are reasonable, necessary, and should be approved. Mr. Seals acknowledged that repairs to the tanks were identified as needed capital improvements in the 44224 U Order, but these were not performed. He recommended the utility's new leadership have an opportunity to correct this situation. While Mr. Seals acknowledged these types of expenditures are normally treated as O&M expenses and amortized over 15 years, because of the critical need for this rehabilitation and painting, he recommended the Commission approve the proposed five-year E&R approach for these projects.

Mr. Seals also reviewed the Applicant's proposed replacement of a 1990 dump truck and a 2008 utility service truck. He noted LMS provided quotes for these replacement vehicles and recommended the E&R revenue requirement for these replacement trucks be approved.

Mr. Seals also reviewed the Applicant's proposed construction of a new well control structure. He explained that the current control structure for both wells is an open, elevated platform which presents a potential security issue. Also, the equipment components are exposed to significant temperature variations; consequently, LMS proposes to address the security and safety concerns associated with the existing tower by constructing a new masonry structure. Mr. Seals recommended the Commission approve the E&R requirement for the proposed structure.

Notwithstanding Mr. Seals' concurrence in the need for the E&R projects LMS proposed, he noted that in its application, LMS included a 15% "allowance" of \$124,839 to cover the costs of design, bidding, contract administration, and contingencies for all the proposed E&R projects. He recommended this "allowance," if approved, only apply to the construction costs associated with the well control building and the tank rehabilitation and not to the truck purchases. He also testified Applicant incorrectly used \$202,200 as the amount for Tank 2 rehabilitation and painting instead of the engineering estimate of \$202,000. With these changes, the adjusted five-year total E&R revenue requirement, as computed by Mr. Patrick, is \$937,707. Mr. Seals recommended the Commission approve \$187,541 for Applicant's annual E&R revenue requirement.

B. **O&M Expenses.** Mr. Patrick noted that LMS made no O&M expense adjustments. He testified concerning the adjustments the OUCC made to test year salaries and wages, employee benefits, purchased power expense, chemical expense, annual maintenance expense,

insurance expense, rate case expense, postage expense, capital and non-recurring expenses, legal expense, bad debt expense, and payroll taxes.

In reviewing the OUCC’s adjustment to Applicant’s annual maintenance expense, Mr. Patrick explained that the OUCC estimates LMS will spend an average of \$6,000 annually for tank maintenance (\$700 multiplied by 4 tanks = \$2,800) and maintenance for each well and applicable pump (\$3,200). Mr. Patrick testified that the OUCC recommends LMS establish a restricted account into which the revenue requirement of \$6,000 annually be placed to assure LMS has funds available for annual tank inspections and periodic well and pump maintenance. LMS filed no objection to this recommendation.

**C. Taxes Other than Income.** Mr. Patrick modified payroll taxes to correspond with the revised O&M adjustments to salary and wage expenses. He testified that he applied the FICA rate to the revised total salaries and wages to arrive at \$13,135, from which he subtracted test year payroll taxes of \$15,349 to arrive at a negative \$2,214 adjustment.

**D. Working Capital.** Mr. Patrick reviewed two methods used to calculate the amount of working capital needed to bridge the gap between when expenditures are required to provide service and the time collections are received for that service. He noted that LMS did not request a working capital allowance because, based on its filing, LMS has sufficient working capital. Mr. Patrick testified that LMS calculated a working capital requirement of \$48,441 and cash on hand of \$160,266. He advised that the OUCC calculated a working capital requirement of \$45,169, but he agreed LMS does not require working capital because LMS had available cash of \$211,155 (\$108,730 operating cash and \$102,425 in a certificate of deposit) on December 31, 2016.

**E. Debt Service.** Mr. Patrick testified that LMS has a commercial promissory note and security agreement with United Community Bank for \$950,000 dated April 25, 2014. As of April 12, 2017, the loan balance was approximately \$639,016. According to Mr. Patrick, this commercial loan functioned much like a construction loan from which LMS made draws for identifiable expenses and projects against the \$950,000 loan cap. Mr. Patrick identified the projects and expenses for which this loan was used as follows:

<b><u>Project or Expense</u></b>	<b><u>Disbursement</u></b>
Loan Closing Costs	\$ 2,000.00
Radio Read Meters	137,000.00
Caldwell Tank Rehab and Painting	198,788.20
Office and Warehouse Building	549,630.15
Furniture for Office and Warehouse	6,814.00
Bobcat E50 with Trailer	<u>54,774.55</u>
Total Loan Disbursements	\$ 950,000.00

Mr. Patrick testified that LMS requests an annual revenue requirement of \$112,220 (\$9,351.63 monthly note payment multiplied by 12 months) for debt service, and the OUCC accepts this annual debt service revenue requirement. Mr. Patrick stated that the OUCC, however, recommends LMS be required to revise its rates and charges to exclude the debt service payment amount on the 2014

commercial loan with United Community Bank on October 1, 2023, if LMS has not filed a rate case prior to September 30, 2023.

**F. Other OUCC Recommendations.** Mr. Patrick testified that LMS applied its 19.63% proposed increase to its approved annual hydrant charge to arrive at a \$110.06 (\$92.00 multiplied by 19.63%) proposed annual hydrant charge. He stated the OUCC disagrees with increasing the hydrant charge in this manner and recommends any increased annual hydrant rental charge be a 30-day filing.

Mr. Patrick testified the OUCC recommends LMS's Board of Directors consider hiring a rate consultant to assist in preparing its next rate case as the small U filing process was not handled effectively by those who prepared this small U rate case on LMS's behalf.

Mr. Patrick further testified that the OUCC recommends LMS's Board of Directors consider allowing its new Superintendent and its Office Manager to attend seminars and training to develop utility administrative skills, including meetings and seminars by the American Water Works Association, the Indiana Rural Water Association, and the Alliance of Indiana Rural Water. The OUCC further recommended that utility management contact the OUCC and/or Commission Water and Wastewater Division staffs to discuss issues, as both agencies are receptive to providing guidance or assistance.

With respect specifically to the requested rate relief, the OUCC recommended:

- (a) the Commission approve an across-the-board increase of 13.59% or \$89,438;
- (b) the Commission approve E&R of \$187,541 as representative of LMS's ongoing E&R revenue requirement;
- (c) the Commission approve annual debt service of \$112,220; and
- (d) the Commission require LMS to revise its rates as of October 1, 2023, to reduce these by the debt service payment amount on the 2014 United Community Bank note if LMS does not file a rate case prior to September 30, 2023.

Mr. Seals testified that LMS's lost water percentage appears low compared to other utilities its size, and it is possible the well meters may be under-recording the water produced, thereby artificially reducing the level of lost water. He stated that based on discussions with Applicant's Superintendent, LMS's production meters are being tested within the next couple months, and Mr. Seals recommended LMS report the results of this production meter testing to the Commission and the OUCC.

Other recommendations Mr. Seals made include: (1) recommending the Commission order LMS to establish and follow a written inspection and maintenance plan for water storage facilities, consistent with the American Water Works Association ("AWWA") Standard G200, Section 4.3.1.3, AWWA Manual M42, and ANSI/AWWA Standards D102 and D103; (2) LMS use its existing system map, as-built drawings, and employee knowledge to complete development of a comprehensive, detailed system map, consistent with Section 4.3.3.1(1) of the AWWA Standard G200; and (3) recommending the Commission order LMS to work through Appendices 1 and 2 of the Rural and Small Systems Guidebook to Sustainable Utility Management ("Guidebook") with the objective of determining whether LMS will benefit from implementing any of the Guidebook's practices and

programs. Mr. Seals also echoed Mr. Patrick's recommendation that the Commission approve \$187,541 for annual extensions and replacements.

**7. Commission Discussion and Findings.**

**A. Petitioner's Rates and Revenue Requirements.** Pursuant to Ind. Code § 14-33-20-14, changes to LMS's rates and charges for water service are subject to the Commission's jurisdiction in the same manner as municipal utilities. Ind. Code § 14-33-20-13 establishes the revenue requirements the Commission is to apply in determining just and reasonable rates for conservancy districts. Similar to the statute governing municipal water utilities (Ind. Code § 8-1.5-3-8), Ind. Code § 14-33-20-13 requires that the charge for conservancy district services produce sufficient revenue to pay all the legal and other necessary expenses incident to operating its water facilities.

Thus, Ind. Code § 14-33-20-13 establishes the revenue requirements the Commission applies in determining just and reasonable rates for LMS. There is no dispute as to the revenue requirement elements, but the OUCC proposed several adjustments to LMS's revenue requirements. These adjustments resulted in the OUCC recommending an overall 13.59% rate increase, for an annual revenue increase of \$89,438.

The table below demonstrates a comparison of Applicant and the OUCC's recommended revenue requirements:

	<u>Applicant</u>	<u>OUCC</u>	<u>Variance</u>
Operation & Maintenance Expenses	\$473,001	\$447,430	\$ (25,571)
Taxes Other than Income	19,681	17,467	(2,214)
Debt Service	112,220	112,220	-
Extensions & Replacements	191,420	187,541	(3,879)
Working Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue Requirements	797,322	764,658	(31,664)
Less: Interest Income	<u>(587)</u>	<u>(587)</u>	<u>-</u>
Net Revenue Requirements	795,735	764,071	(31,664)
Less: Revenues at Current Rates Subject To Increase	(651,413)	(658,013)	(6,600)
Other Revenues at Current Rates	<u>(16,620)</u>	<u>(16,620)</u>	<u>-</u>
Net Revenue Increase Required	<u>\$127,702</u>	<u>\$ 89,438</u>	<u>\$ (38,264)</u>
Recommended Percentage Increase	19.63%	13.59%	(6.04%)

As Mr. Seals noted in his testimony, the capital improvements for which the Commission provided funds in the 44224 U Order included rehabilitation and repair of the Hogan and the two Wye tanks. This tank rehabilitation and painting was not performed, so LMS now faces what Mr. Seals characterized as very real issues with critical utility infrastructure. Mr. Seals testified that the critical need for this tank rehabilitation and painting caused him to recommend recovery of these costs in the near-term as E&R over five years. The Commission finds this testimony persuasively supports the

urgency of the tank rehabilitation, but the Commission wants to assure that if the OUCC's recommended level of E&R is approved, the tank rehabilitation and painting projects upon which \$187,541 of annual E&R is based over the next five years are performed. The OUCC's recommended annual E&R is based on the following projects:

(a) rehabilitation and painting of the two Wye and the Hogan Hill elevated storage tanks, consistent with the work described in Attachment CEP-3, at a total project cost of \$582,800, plus a contingency allowance of 15% (\$87,420);

(b) replacement of a 1990 Ford K74 dump truck (\$88,750) and 2008 Chevrolet Silverado C2500 HD pickup truck (\$39,000) per the quotes provided in response to OUCC Data Request 1.5; and

(c) construction of a new well control structure to replace the existing tower at a projected cost of \$121,510, plus a contingency allowance of 15% (\$18,227).

Tank painting and rehabilitation should not be ignored or reprioritized indefinitely. Based upon the record, the Commission finds that \$134,044 of the OUCC's recommended annual E&R for the next five years is attributable to the three elevated storage tanks, ( $\$180,900 + \$202,000 + \$199,900 = \$582,800$ , plus 15% contingency of  $\$87,420 = \$670,220$ ). On a monthly basis over five years this equates to approximately \$11,171. To assure these E&R funds are expended upon these tank projects, the Commission finds it reasonable that \$11,171 of the revenue LMS receives each month during the first 60 months following implementation of the rates and charges approved in this Cause be placed in a restricted account each month (the "Restricted E&R") from which LMS is authorized to pay amounts due for rehabilitation and painting of the two Wye and the Hogan Hill elevated storage tanks (the "Three Tank Projects"); provided, however, that if LMS borrows funds from which it pays to perform the Three Tank Projects per Attachment CEP-3, LMS shall pay the Restricted E&R of \$11,171 each month toward the outstanding loan balance paid toward the Three Tank Projects, notwithstanding that this payment may exceed the minimum payment amount required monthly upon the debt incurred for the Three Tank Projects. The Commission expects LMS to also make the truck purchases and construct the new well control structure for which E&R was also requested, but only \$11,171 of the authorized E&R is being restricted monthly to assure the E&R approved again to perform critical infrastructure improvements is applied to the tank expenses, whether paid directly by LMS or paid from loan funds. Loans or expenses for projects other than the Three Tank Projects, such as the truck purchases, shall not be paid from the Restricted E&R funds. Within 60 months following the Commission's approval of this Order, the Commission finds LMS shall file a new rate case or Small Utility Rate Application for new rates and charges, so the appropriate level of E&R prospectively after paying for the Three Tank Projects can be determined.

Consistent with the OUCC's recommendation, the Commission also finds that LMS shall establish a second restricted account into which LMS shall deposit at least \$6,000 annually to assure LMS has funds for annual tank inspections and for periodic well and pump maintenance. LMS may withdraw funds from this restricted account only to pay for tank inspections and periodic well and pump maintenance, exclusive of the painting and rehabilitation for which the Restricted E&R funds are earmarked.

To monitor LMS's compliance with the above restrictions, LMS shall file a Compliance Report under this Cause each six months detailing the status of the Three Tank Projects, identifying which of these projects has been completed, the balance of the two restricted accounts, and all

amounts paid from each of the two restricted accounts, to whom payment was rendered, and the date(s). The first Compliance Report shall be filed six months from the date of this Order.

The Commission finds that the OUCC's recommended revenue requirements as discussed in Paragraph No. 6 and shown in the Table above are reasonable and should be approved. The Commission notes that LMS did not file rebuttal or otherwise oppose any of the OUCC's revisions in its proposed revenue requirements. The Commission finds that Applicant's rates and charges should, therefore, be increased by 13.59% across-the-board to permit LMS to meet its revenue requirement under Ind. Code § 14-33-20-13. Also, this increase is applicable to LMS's annual hydrant rental fee as this is a recurring charge and generates normal recurring operating revenue.

**B. Effect on Rates.** A residential customer using 5,000 gallons per month will experience an increase of \$3.42 per month from \$25.16 to \$28.58 per month.

**C. Resolution of Recommendations.** In reviewing the recommendations Mr. Patrick and Mr. Seals made on behalf of the OUCC, the Commission is mindful that we generally decline to micromanage the operations and decisions of a utility's board. Pursuant to Ind. Code §§ 14-33-5-20 and 14-33-20-13, LMS's Board is responsible for its management and operations. To enhance the Applicant's operations, LMS's Board is urged to encourage its new Superintendent and other staff to attend seminars and training to improve LMS's operations, including meetings and seminars by the American Water Works Association, the Indiana Rural Water Association, and the Alliance of Indiana Rural Water, but the Commission declines to order this attendance, recognizing that responsibility for oversight of LMS's staff and, ultimately, their skills and knowledge, rests with the Board. We also encourage LMS's staff to contact the OUCC and/or the Commission's Water and Wastewater Division staffs to discuss issues which arise.

The Commission, similarly, declines to order the Board to hire a rate consultant to assist in preparing LMS's next rate case. Enhancing staff's knowledge through appropriate training and seminars may improve this preparation. In addition, there are other lower cost or no-cost alternatives available, including the Commission's annual Small Utility Workshop which includes training on how to complete a small utility rate case filing.

The Commission further finds it is appropriate to require LMS to revise its rates as of October 1, 2023, to reduce these by the debt service payment amount being included for the 2014 United Community Bank note if LMS does not file a rate case before September 30, 2023, in which said debt service is adjusted because as of October 1, 2023, the debt service for which funds are being provided will be paid.

The Commission also finds it is good utility practice and is reasonable for LMS to complete its planned production meter testing within six months of the date of this Order and to report in writing to the OUCC and the Commission, under this Cause Number, the results of this production meter testing within 30 days after receiving these test results.

As a matter of good utility practice, the Commission also finds it is reasonable for LMS to complete development of a comprehensive, detailed system map within 12 months from the date of this Order and that LMS be ordered to do so. Mr. Seals' testimony noted how dependent LMS is upon memories. The Commission finds that while employee memories are valuable, they are not a long-term alternative to an accurate system map. The Commission also finds it is reasonable for LMS to

establish and follow an inspection and maintenance plan for its water storage facilities, as Mr. Seals recommended, and LMS is ordered to do so. Finally, while the Commission declines to order LMS to work through Appendices 1 and 2 of the Guidebook, as Mr. Seals also recommended, LMS's new Superintendent and its Board are encouraged to consider the potential benefits of LMS doing so.

**D. Alternative Regulatory Program ("ARP").** If LMS elects to participate in the Small Utility ARP in accordance with the procedures approved in Cause No. 44203, the eligible operating expenses to which the Annual Cost Index will be applied are \$447,430. Taxes other Than Income of \$17,467 and E&R of \$187,541 are also eligible expenses to which the Annual Cost Index will be applied. Also, in year six, monthly E&R will be reduced by \$11,171 to reflect full recovery of approved tank rehabilitation and painting costs. All other components of LMS's revenue requirement will remain unchanged.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. LMS is authorized to increase its rates and charges to produce additional revenues from rates of \$89,438, a 13.59% increase in rate revenues, resulting in total annual rate revenue of \$764,071.

2. Prior to implementing the authorized rates, LMS shall file the applicable rate schedules under this Cause for approval by the Commission's Water and Wastewater Division.

3. Within six months from the date of this Order and every six months thereafter so long as the rates approved in this Cause remain applicable, LMS shall file a Compliance Report under this Cause for the two restricted accounts, consistent with Finding No. 7.A.

4. Within 30 days after the testing of LMS's production meters is completed, LMS shall report the results of this testing under this Cause to the Commission and the OUCC.

5. LMS shall develop a comprehensive, detailed map of its water system per Finding No. 7.C.

6. If LMS does not file a rate case before September 30, 2023, in which its debt service level for the 2014 United Community Bank note is adjusted, its rates shall reduce as of October 1, 2023, by the debt service payment amount (\$112,220 annually) included for the 2014 United Community Bank note, and LMS shall file updated rate schedules under this Cause for approval by the Commission's Water and Wastewater Division.

7. LMS shall file a rate case or a Small Utility Rate Application within 60 months after the date this Order is approved, so the appropriate level of E&R after the Three Tank Projects are completed and paid for can be determined and its rates and charges appropriately adjusted.

8. In accordance with Ind. Code §§ 14-33-20-12, 8-1-2-170, and GAO 2009-3, LMS shall pay the following charges within 20 days from the date of this Order to the Secretary of the Commission and any additional costs that were or may be incurred in connection with this Cause:

Commission Charges	\$1,000.00
OUCG Charges	\$2,000.00
Legal Advertising Charges	\$ <u>0</u>
Total	\$3,000.00

9. This Order shall be effective on and after the date of its approval.

**ATTERHOLT, FREEMAN, HUSTON, AND ZIEGNER CONCUR; WEBER ABSENT:**

**APPROVED:**     AUG 02 2017

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**

  
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Mary M. Becerra  
Secretary of the Commission