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STATE of INDIANA



INDIANA UTILITY REGULATORY COMMISSION
101 WEST WASHINGTON STREET, SUITE 1500 EAST
INDIANAPOLIS, INDIANA 46204-3419

INDIANA UTILITY
REGULATORY COMMISSION

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IN THE MATTER OF THE PETITION OF)
BROWN COUNTY WATER UTILITY, INC., OF)
MORGANTOWN, INDIANA, FOR (1) THE)
AUTHORITY TO INCREASE ITS RATES AND)
CHARGES FOR WATER SERVICE, (2) FOR) CAUSE NO. 45210
APPROVAL OF A COST OF SERVICE STUDY)
AND RATE DESIGN, AND (3) FOR APPROVAL)
OF A NEW SCHEDULE OF RATES AND)
CHARGES FOR WATER SERVICE.)

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

On November 12, 2019, Brown County Water Utility, Inc. ("BCW"), the Town of Nashville, Indiana ("Nashville"), and the Indiana Office of Utility Consumer Counsel ("OUCC") prefiled settlement testimony and exhibits in the above-captioned Cause. After reviewing these filings, the Presiding Officers request BCW to respond to Questions 1 through 3 below; Nashville to also respond to Question 2 below; and the OUCC to respond to Question 4 below by 12:00 o'clock noon on Friday, December 20, 2019:

1. On page 12, Adjustment 4 of Mr. Foley's rate schedules (Petitioner's Exhibit No. 4A), this schedule reflects total test year water usage for the Nashville of 156,584 (1,000 gallons). The total volume used in Mr. Foley's cost-of-service study (Petitioner's Exhibit No. 4B) for Nashville is 141,922.1. Please explain fully why less usage for Nashville was used in BCW's cost-of-service study (page 3 of Exhibit 4B) than in the referenced rate schedules, including the rationale for this difference.

2. The cost of water sold is not defined in the Federal Settlement (Petitioner's Exhibit No. 7-B), but this term is defined in the Phase 2 Settlement Agreement. Please provide an example of the calculation that should be used to determine the revenue sharing contemplated and agreed upon in Section 1.4 of Petitioner's Exhibit No. 7-B, and specifically address whether capital investment, operations and maintenance expense, or both are to be considered when computing the cost of water sold. In connection with the calculation you provide, please

include the accounts and factors that you understand BCW and Nashville agree are to be used to determine the "cost of water sold" as that term is used in Section 1.4(B) and, specifically, the calculation showing BCW's "actual cost to obtain and treat water from its own sources of supply."

3. Please provide a copy of the Settling Parties' proposed tariff and revenue proof.

4. Consistent with Section K of the Settlement Agreement approved in IURC Cause No. 43203 on October 17, 2007, BCW agreed to submit information to the OUCC on a quarterly basis showing the monthly percentage of unaccounted for water during the most recent 12 months. This requirement has remained in effect since 2007. Please confirm the OUCC's current position on whether this reporting requirement should remain in effect, be modified, or eliminated, and explain the basis for the OUCC's current position.

IT IS SO ORDERED.



David L. Ober, Commissioner



Carol Sparks Drake, Senior Administrative Law Judge

Date: December 17, 2019