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INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF KNIGHTSTOWN MUNICIPAL)
WATER UTILITY FOR A NEW SCHEDULE OF) CAUSE NO. 44837-U
RATES AND CHARGES FOR WATER SERVICE)

REPORT OF
THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

The Indiana Office of Utility Consumer Counselor's Report consists of the Testimony of Richard J. Corey and the Testimony of Carl N. Seals including attachments and schedules.

Respectfully submitted,



Scott Franson, Atty. No. 27839-49
Deputy Consumer Counselor

TESTIMONY OF OUCC WITNESS RICHARD J. COREY
CAUSE NO. 44837-U
KNIGHTSTOWN MUNICIPAL WATER UTILITY

I. INTRODUCTION

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

2 A: My name is Richard J. Corey, and my business address is 115 West Washington
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

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

5 A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a
6 Utility Analyst in the Water/Wastewater Division. My qualifications are set forth in
7 Appendix A to this testimony.

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

9 A: I propose changes to Knightstown Municipal Water Utility's ("Knightstown")
10 revenue requirement including operating revenues, chemical expense, purchased
11 power, postage expense, disallowed expenses, and working capital. The changes I
12 propose result in an OUCC proposed increase over current rates of 18.20%
13 compared to Knightstown's 39.60%.

14 **Q: What did you review to prepare this testimony?**

15 A: I reviewed Knightstown's small utility filing and participated in a field audit of the
16 utility on September 28, 2016. I reviewed Knightstown's IURC Annual Reports
17 for the years 2011 through 2015 and reviewed the Order from Knightstown's last
18 rate case Cause No. 43440-U, dated July 30, 2008. Additionally, I prepared
19 discovery questions and reviewed the responses received.

1 **Q: Are you sponsoring any schedules or attachments?**

2 A: Yes. I am sponsoring the following Schedules and Attachments:

Schedules

3 Schedule 1 – Comparison of Applicant's and OUCC's Revenue Requirements

4 Schedule 2 – Comparative Balance Sheet as of December 31, 2015 and 2014

5 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
6 December 31, 2015 and 2014

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

8 Schedule 5 – Revenue Adjustments

9 Schedule 6 – Expense Adjustments

10 Schedule 7 – Extensions and Replacements

11 Schedule 8 – Working Capital

12 Schedule 9 – Proposed Tariff

Attachments

13 Attachment RJC-1 – Additional Capital Invoices of Disallowed Invoices Totaling
14 \$13,025.

II. PROPOSED RATE INCREASE

15 **Q: What rate increase is Knightstown requesting?**

16 A: Knightstown requests authority to increase its rates by 39.60%, to generate
17 additional annual revenue of \$125,165 for changes in operation and maintenance
18 (“O&M”) expenses and for extensions and replacements (“E&R”).

19 **Q: Did Knightstown include interest income as an offset to its *pro forma* revenue
20 requirement?**

21 A: Yes. Knightstown used interest income of \$94 as an offset to its projected revenue
22 requirement.

1 **Q: What amount did the OUCC include as an offset to Knightstown's revenue**
2 **requirement?**

3 A: The OUCC recognized \$94 of interest income, the amount shown on Knightstown's
4 December 31, 2015 general ledger.

5 **Q: How does the OUCC's proposed revenue requirement differ from**
6 **Knightstown's?**

7 A: As shown in OUCC Schedule 1, the OUCC's proposed net annual revenue
8 requirement is \$376,304, which is \$66,428 less than the \$442,732 revenue
9 requirement proposed by Knightstown. Table 1 displays differences in operating
10 expenses, taxes other than income, and interest income offsets to the wastewater
11 utility's total *Pro Forma* Revenue Requirement.

Table 1: *Pro Forma* Overall Net Revenue Requirements

	Per	Per	More
	Petitioner	OUCC	(Less)
Operating Expenses	\$ 335,788	\$ 324,111	\$ (11,677)
Taxes Other Than Income	19,238	19,321	83
Extensions and Replacements/Depreciation Expense	87,800	25,996	(61,804)
Working Capital	-	6,970	6,970
	-	-	-
Total Revenue Requirements	442,826	376,398	(66,428)
Less: Interest Income	(94)	(94)	-
Net Revenue Requirements	442,732	376,304	(66,428)
Less: Revenues at Current Rates Subject to Increase	(316,076)	(316,306)	(230)
Other Revenues at Current Rates	(3,243)	(3,243)	-
Net Revenue Increase Required	123,413	56,755	(66,658)
Add: IURC Fee	1,752	806	(946)
Recommended Increase	\$ 125,165	\$ 57,561	\$ (67,604)

Operating Revenue

1 **Q: Did Knightstown's propose a customer growth adjustment?**

2 A: No.

3 **Q: What residential customer growth adjustment does the OUCC propose?**

4 A: The OUCC proposes a residential customer growth adjustment of \$54 per year.

5 The OUCC divided test year residential sales of \$190,808 by the total number of
6 test year billings (i.e., 10,593). That calculation results in an average customer bill
7 of \$18.01 per month.

8 To determine the net additional annual bills, the OUCC multiplied the
9 increase or decrease in monthly test year customers by the number of remaining
10 bills that will be invoiced for that month in the subsequent year. As an example of
11 the calculation, Knightstown's February 2015 residential billing had a total of 879
12 bills from which was subtracted from the January 2015 total of 880 bills, for a
13 decrease of one customer bill. This decrease was multiplied by a factor of one for
14 a total bill reduction of one for February 2015. March 2015 had a total of 882 bills
15 from which was subtracted 879, the total number of bills for February 2015, for an
16 increase of three customer bills. This increase was multiplied by a factor of two
17 because this is the number of months that this change in the number of customers
18 will be invoiced for that month in the subsequent year. This results in a total bill
19 increase of six for March, 2015. This process was repeated for each month, through
20 December 2015. The result is a net increase of 3 customer bills. The 3 customer
21 bills was multiplied by the average test year bill of \$18.01 to calculate the
22 residential customer growth adjustment of \$54.03 (3 bills multiplied by \$18.01, the

1 average residential monthly bill during the test year). (See OUCC Schedule 5,
2 Adjustment 1.)

3 **Q: What commercial customer growth adjustment did the OUCC propose?**

4 A: The OUCC proposes a commercial customer growth adjustment of \$176 per year.
5 The OUCC divided test year commercial sales of \$55,114 by the total number of
6 test year billings (i.e., 1,256). That calculation results in an average customer bill
7 of \$43.88 per month.

8 As with residential customers, to determine the net additional annual bills,
9 the OUCC multiplied the increase or decrease in monthly test year customers by
10 the number of remaining bills that will be invoiced for that month in the subsequent
11 year. As an example of the calculation, Knightstown's March 2015 commercial
12 billing had a total of 100 bills from which was subtracted from the February 2015
13 total of 99 bills, for an increase of one customer bill. This increase was multiplied
14 by a factor of two because this is the number of months that this change in the
15 number of customers will be invoiced for that month in the subsequent year. This
16 results in a total bill increase of two for March 2015. April 2015 had a total of 103
17 bills from which was subtracted 100, the total number of bills for March 2015, for
18 an increase of three customer bills. This increase was multiplied by a factor of three
19 for a total bill increase of nine for April, 2015. This process was repeated for each
20 month, through December 2015. The result is a net increase of 4 customer bills.
21 The 4 customer bills was multiplied by the average test year bill of \$43.88 to
22 calculate the commercial customer growth adjustment of \$176 (4 bills multiplied

1 by \$43.88, the average commercial monthly bill during the test year). (See OUCC
2 Schedule 5, Adjustment 2.)

III. OPERATION AND MAINTENANCE EXPENSES

3 **Q: Did you accept any of Knightstown's proposed operation and maintenance**
4 **expense adjustments?**

5 A: Yes. I accepted its *pro forma* salaries and wage expense, employee benefits
6 expense, PERF expense, insurance expense and rate case expense.

7 **Q: Did you modify any of Knightstown's proposed operation and maintenance**
8 **expense adjustments?**

9 A: Yes. I modified Knightstown's adjustments for capitalized or other disallowed
10 expenses. Additionally, I made adjustments to Knightstown *pro forma* chemical
11 expense, purchased power expense and miscellaneous expense.

A. Chemical Expense

12 **Q: Please explain your adjustment to Knightstown's chemical expense.**

13 A: I adjusted Knightstown's chemical expense to account for the OUCC's increase in
14 customer bills, which are shown in OUCC Schedule 5, Adjustments 1 and 2. I took
15 the OUCC's residential and commercial adjustments (OUCC Schedule 5,
16 Adjustment 1 and 2) which increased annual bills by a total of 7 (three bills for
17 residential plus four bills for commercial). I then multiplied the average cost per
18 bill for chemicals of \$0.50 by the adjusted number of additional bills (7) to yield a
19 \$4 annual adjustment for chemical expenses. (See Schedule 6, Adjustment 10.)

B. Purchased Power

1 **Q: Please explain your modification to Knightstown's purchased power**
2 **adjustment.**

3 A: As with Applicants chemical expense, I modified Knightstown's purchased power
4 expense to account for the OUCC's increase in customer bills, which are shown in
5 OUCC Schedule 5, Adjustments 1 and 2. I multiplied the average cost per
6 residential bill for purchased power of \$1.46 by the number of additional bills (7)
7 to yield a \$10 purchased power adjustment. (See Schedule 6, Adjustment 9.)

C. Miscellaneous Expense

8 **Q: Please explain the difference between the OUCC's and Knightstown's *pro***
9 ***forma* present postage expense.**

10 A: As with chemical and purchased power expenses, the OUCC modified
11 Knightstown's miscellaneous expense for postage costs to account for the OUCC's
12 projected increase in the number of customer bills. I multiplied the \$0.49 cost of
13 postage per residential bill by the number of additional bills (7), for a total \$3
14 adjustment to Knightstown's test year postage expense. (See Schedule 6,
15 Adjustment 11.)

D. IURC Fee

16 **Q: Please explain your adjustment to Knightstown's test year IURC fee.**

17 A: The IURC fee adjustment is simply the product of the normalization adjustment
18 discussed above multiplied by the current IURC fee. Since the OUCC made a
19 normalization adjustment increasing revenues and Knightstown did not, the
20 OUCC's *pro forma* IURC fee adjustment reduction is \$4 less than Knightstown's
21 proposed reduction of \$19 (\$54 plus \$176 equals 230, multiplied by the 1.4% utility

1 receipts tax rate equals \$4). (See Schedule 6, Adjustment 8.)

E. Indiana Department of Environmental Management Fee

2 **Q: Please explain your adjustment to Knightstown's Indiana Department of**
3 **Environmental Management ("IDEM") fee.**

4 A: This fee is imposed to pay costs associated with the Safe Water Drinking Act. I
5 have calculated the adjustment by multiplying the number of connections
6 Knightstown had at the end of the test year pursuant to its most recent Annual report
7 of 1,136 by the \$.95 IDEM fee per connection for a *pro forma* IDEM fee expense
8 of \$1,079. Reducing this by test year expense of \$999 results in an adjustment of
9 \$80. (See Schedule 6, Adjustment 12).

F. Capitalized Expenditures and other Disallowed Expenses

10 **Q: Please explain Knightstown's adjustment to test year capital expenditures or**
11 **other disallowed expenses.**

12 A: During the review of Knightstown's books and records, I found seven items totaling
13 \$11,694 which I considered to be capital items. I have added this amount to
14 Knightstown's proposed capitalized expenditures of \$26,301 for total capitalized
15 expenditures of \$37,995. My adjustment reduces operating and maintenance
16 expense by that amount. See Table 2 (below) for a detailed list of those items. (See
17 also OUCC Schedule 6, Adjustment 4, and Attachment RJC - 1.)

Table 2: Additional Capitalized and other Disallowed Expenses

<u>Capitalized Expenses</u>									
Utility Pipe Sales of Indiana									(3,015)
Utility Pipe Sales of Indiana									(724)
Utility Pipe Sales of Indiana									(282)
Utility Pipe Sales of Indiana									(2,065)
Hilderbrand Construction									(2,650)
Utility Pipe Sales of Indiana									(1,230)
Utility Pipe Sales of Indiana									(1,728)
									<u>\$ (11,694)</u>

IV. WORKING CAPITAL

1 **Q: What is working capital?**

2 A: Working capital is the amount of revenue needed to bridge the monthly gap
3 between the time when expenditures are required to provide service and the time
4 collections are received for service provided. There are two methods used to
5 calculate the amount of working capital needed to bridge that timing-based
6 financial gap. One method involves a lead/lag study. Another method often used
7 by smaller utilities is FERC’s 45-day formula method. The FERC 45-day method
8 assumes a 45-day lead/lag period or 12.5% (45 days / 360 days) of adjusted annual
9 operating expenses as a safe and reliable level of cash working capital. The 45-day
10 methodology typically adjusts operating expenses by removing items known to be
11 paid after the receipt of revenues (i.e., paid “in arrears”).

12 **Q: Did Knightstown ask for an annual working capital allowance?**

13 A: No.

1 **Q: Does the OUCC agree that Knightstown does not require a working capital**
2 **allowance?**

3 A: No. In my opinion Knightstown is entitled to include \$6,970 of annual revenue
4 requirement for working capital in the calculation of its rates and charges. The
5 calculation is determined by taking Knightstown's \$324,111 *pro forma* present
6 operating and maintenance expense and reducing it by purchased power of \$17,288,
7 and taxes other than income of \$19,321 for adjusted operating and maintenance
8 expense of \$287,491. This amount is multiplied by the 45 day factor of 0.125
9 referred to above for a working capital revenue requirements of \$35,936. Reducing
10 the working capital revenue requirement by available cash on hand for operations
11 of \$1,086 results in a net working capital requirement of \$34,850. Dividing this
12 amount by an amortization period of five years results in an annual working capital
13 requirement of \$6,970. (See Schedule 8).

V. EXTENSIONS AND REPLACEMENTS

14 **Q: What does Knightstown propose for its extensions and replacements ("E&R")**
15 **revenue requirement?**

16 A: Knightstown proposes to use extensions and replacements based on a capital
17 improvement plan which will result in an average annual extensions and
18 replacements revenue requirement of \$87,800 over the next five years. The
19 expenditures for the capital improvements plan are summarized in Table 3 below.

Table 3: Extensions and Replacements Based on a Capital Improvement Plan

	Automatic Meter Reading						\$	257,500	
	Short Lived Assets							181,500	
							\$	439,000	
								5	
							\$	87,800	

1 **Q: What is the OUCC’s recommendation for Knightstown’s *pro forma* E&R**
2 **revenue requirement?**

3 A: As a municipal utility Knightstown is entitled to include in its revenue requirement
4 depreciation expense and adequate money for extensions and replacements to the
5 extent not provided for through depreciation. Unfortunately, as the testimony of
6 Carl Seals discusses Knightstown did not provide adequate support for its proposed
7 E&R program. Until Knightstown is able to support its proposed E&R program
8 the OUCC recommends that the Commission deny inclusion of \$87,800 for
9 Knightstown’s E&R annual revenue requirement and instead include \$25,996 for
10 depreciation expense in the annual revenue requirement (See Schedule 7).

VI. DEBT SERVICE AND DEBT SERVICE RESERVE

11 **Q: Does Knightstown have any outstanding debt?**

12 A: No.

13 **Q: Did Knightstown propose a *pro forma* revenue requirement for debt service**
14 **reserve?**

15 A: No, it did not.

VII. RECOMMENDATIONS

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

2 A: I recommend that Knightstown be allowed to increase its revenues by \$57,561 or
3 an increase of 18.20%.

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

5 A: Yes.

6

APPENDIX A

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

2 A: I graduated from Indiana University in May 1978 with a Bachelor of Science
3 degree, majoring in accounting. Upon graduation, I took a position as an accountant
4 for Tousley-Bixler Construction Company and worked there from 1978 - 1984. At
5 that time, I began attending Indiana University School of Law. After graduating
6 from law school in 1988, I was employed by the public accounting firm of Boyd,
7 Stamper & Leeds and participated in the preparation of compilations, audits, and
8 corporate, individual and municipal tax returns. From 1990 to 1993, I worked for
9 the CPA firm of Myers & Stauffer, which specializes in Medicaid accounting,
10 consulting and rate setting. After a short tenure with the OUCC as a Principal
11 Accountant in 1993, I became Controller, Corporate Secretary, and a member of
12 the Board of Directors of General Acceptance Corporation. I returned to the OUCC
13 in 1998 as an Assistant Utility Consumer Counselor and represented the interests
14 of the public before the Indiana Utility Regulatory Commission ("IURC" or
15 "Commission") in a variety of gas, water and telecommunications cases. I assumed
16 my current position as a Utility Analyst with the OUCC in April of 2005. While
17 working at the OUCC, I was able to attend the National Association of Regulatory
18 Utility Commissioners ("NARUC") Annual Regulatory Studies Program,
19 NARUC's Utility Rate School, and other continuing education programs. I
20 became licensed as a Certified Public Accountant in 1983. Having left the practice

1 of public accounting in 1993, my license is currently inactive. I am also an inactive
2 member of the Indiana Bar, in good standing.

3 **Q: Have you previously testified before the Indiana Utility Regulatory**
4 **Commission?**

5 A: Yes. I have testified in many cases before the Commission including a number of
6 applications by municipal, not-for-profit and investor-owned water utilities for
7 financing authority and changes to rates and charges.

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

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

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 335,788	\$ 324,111	4	\$ (11,677)
Taxes other than Income	19,238	19,321	4	83
Extensions and Replacements/Depreciation Exp.	87,800	25,996	7	(61,804)
Working Capital	-	6,970	8	6,970
Total Revenue Requirements	442,826	376,398		(66,428)
Less: Interest Income	(94)	(94)	3	-
Net Revenue Requirements	442,732	376,304		(66,428)
Less: Revenues at current rates subject to increase	(316,076)	(316,306)	4	
Other revenues at current rates	(3,243)	(3,243)	4	-
Net Revenue Increase Required	123,413	56,755		(66,428)
Divide by Revenue Conversion Factor (100% - 1.4%)	0.986	0.986		-
Recommended Increase	\$ 125,165	\$ 57,561		\$ (67,604)
Recommended Percentage Increase	39.60%	18.20%		-21.40%

<u>Current Rate for 5,000 Gallons</u>	<u>Proposed</u>		<u>OUCC More (Less)</u>
	<u>Petitioner</u>	<u>OUCC</u>	
Current Rate - \$30.25	\$ 42.24	\$35.75	\$ (6.49)

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

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

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Revenues			
Water Sales	\$ -	\$ 54	\$ 54
		176	176
Fire Protection	-	-	-
Penalties	-	-	-
Other	-	-	-
Total Operating Revenues	<u>-</u>	<u>230</u>	<u>230</u>
O&M Expense			
Salaries and Wages	(1,605)	(1,605)	-
Employee Benefits	2,020	2,020	-
PERF Expense	654	654	-
Non-Recurring Expenditures	(26,301)	(37,995)	(11,694)
Insurance Expense	(1,154)	(1,154)	-
Rate Case Expense	3,600	3,600	-
Purchased Power	-	10	10
Chemical Expense	-	4	4
Miscellaneous Expense	-	3	3
Depreciation Expense	-	-	-
Amortization Expense	-	-	-
Taxes Other than Income	(77)	(77)	-
	(19)	(15)	3
		80	80
Total Operating Expenses	<u>(22,882)</u>	<u>(34,475)</u>	<u>(11,593)</u>
Net Operating Income	<u>\$ 22,882</u>	<u>\$ 34,705</u>	<u>\$ 11,823</u>

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

COMPARATIVE BALANCE SHEET
As of December 31,

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Utility Plant:		
Utility Plant in Service	\$ 1,299,795	\$ 1,261,506
Less: Accumulated Depreciation	(581,035)	(555,920)
Net Utility Plant in Service	<u>718,760</u>	<u>705,586</u>
Current Assets:		
Cash and Cash Equivalents	1,086	25,488
Special Deposits	15,789	87,228
Accounts Receivable	<u>27,572</u>	<u>28,878</u>
Total Current Assets	<u>44,447</u>	<u>141,594</u>
 Total Assets	 <u>\$ 763,207</u>	 <u>\$ 847,180</u>

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

COMPARATIVE BALANCE SHEET
As of December 31,

<u>LIABILITIES</u>	<u>2015</u>	<u>2014</u>
Equity		
Retained Earnings	\$ 751,745	\$ 835,356
Paid in Capital		
Total Equity	<u>751,745</u>	<u>835,356</u>
Long-term Debt		
Bonds Payable - Series A	<u>1,000</u>	<u>1,000</u>
Total Long-term Debt	<u>1,000</u>	<u>1,000</u>
Current Liabilities		
Accounts Payable	<u>10,462</u>	<u>10,824</u>
Other Current Liabilities	<u>10,462</u>	<u>10,824</u>
Total Liabilities	<u>\$ 763,207</u>	<u>\$ 847,180</u>

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Water Sales	\$ 254,881	\$ 271,239
Fire Protection	58,563	58,371
Penalties	2,632	2,675
Other	3,243	7,223
Total Operating Revenues	<u>319,319</u>	<u>339,508</u>
Operating Expenses		
Salaries and Wages	172,036	155,984
Salaries and Wages - Officers and Directors	2,400	2,100
Employee Benefits	52,270	48,536
Purchased Water	-	-
Purchased Power	17,288	16,153
Chemicals	5,917	3,619
Materials and Supplies	13,436	16,048
Contractual Services - Accounting	690	2,500
Contractual Services - Legal	5,098	3,306
Contractual Services - Other/Testing	2,547	1,342
Contractual Services - Other	33,662	20,627
Rents	8,571	8,571
Transportation Expense	5,773	9,343
Insurance		17,169
Insurance - General Liability	9,224	
Insurance - Workman's Comp.	1,792	
Bad Debt Expense	1,494	1,303
Miscellaneous Expense	26,376	24,202
Total O&M Expense	<u>358,574</u>	<u>330,803</u>
Depreciation Expense	25,116	24,838
Amortization Expense	-	-
Taxes Other than Income	19,334	19,394
Total Operating Expenses	<u>403,024</u>	<u>375,035</u>
Net Operating Income	(83,705)	(35,527)
Other Income (Expense)		
Interest Income	94	188
Total Other Income (Expense)	<u>94</u>	<u>188</u>
Net Income	<u>\$ (83,611)</u>	<u>\$ (35,339)</u>

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

Pro-forma Net Operating Income Statement

	Year Ended 12/31/15	Adjustments	Sch Ref	<i>Pro-forma</i> Present Rates	Adjustments	Sch Ref	<i>Pro-Forma</i> Proposed Rates
Operating Revenues							
Water Sales	\$ 254,881	\$ 54 176	5-1 5-2	\$ 255,111	\$ 46,425	1	\$ 301,536
Fire Protection	58,563			58,563	10,657	1	69,220
Penalties	2,632			2,632	479	1	3,111
Other	3,243			3,243			3,243
Total Operating Revenues	<u>319,319</u>	<u>230</u>		<u>319,549</u>	<u>57,561</u>		<u>377,110</u>
O&M Expense	358,574			324,111			324,111
Salaries and Wages		(1,605)	6-1				
Employee Benefits		2,020	6-2				
PERF Expense		654	6-3				
Non-Recurring Expenditures		(37,995)	6-4				
Insurance Expense		(1,154)	6-5				
Rate Case Expense		3,600	6-6				
Purchased Power		10	6-9				
Chemical Expense		4	6-10				
Miscellaneous Expense		3	6-11				
Depreciation Expense	25,116			25,116			25,116
Amortization Expense	-			-			-
Taxes Other than Income	19,334	(77) (15) 80	6-8 6-9 6-12	19,321	806	1	20,127
Total Operating Expenses	<u>403,024</u>	<u>(34,475)</u>		<u>368,549</u>	<u>806</u>		<u>369,355</u>
Net Operating Income	<u>\$ (83,705)</u>	<u>\$ 34,705</u>		<u>\$ (49,000)</u>	<u>\$ 56,755</u>		<u>\$ 7,755</u>

**KNIGHTSTOWN MUNICIPAL WATER UTILITY
 CAUSE NUMBER 44837-U**

Revenue Adjustments

(1)

To adjust test year residential sales to normalize the change in the number of customers that occurred during the test year.

<u>Months</u>	<u>Number of Residential Customers</u>	<u>Increase/Decrease in Number of Bills</u>	<u>Multiplier</u>	<u>Additional Monthly Bills</u>
Jan	880			
Feb	879	(1)	1	(1)
Mar	882	3	2	6
Apr	886	4	3	12
May	885	(1)	4	(4)
Jun	885	0	5	0
Jul	888	3	6	18
Aug	884	(4)	7	(28)
Sep	880	(4)	8	(32)
Oct	879	(1)	9	(9)
Nov	882	3	10	30
Dec	883	1	11	11
12 Month Total	<u>10,593</u>			3
		Number of Additional Bills		
		Times: Average Bill		<u>\$ 18.01</u>

Adjustment Increase/(Decrease)

Test Year Residential Sales	\$ 190,808
Divided by: 12 Month Total # of Residential Customers	<u>10,593</u>
Average Bill per Residential Customer	<u>\$ 18.01</u>

Adjustment Increase (Decrease) \$ 54

**KNIGHTSTOWN MUNICIPAL WATER UTILITY
 CAUSE NUMBER 44837-U**

Revenue Adjustments

(2)

To adjust test year commercial sales to normalize the change in the number of customers that occurred during the test year.

<u>Months</u>	<u>Number of Residential Customers</u>	<u>Increase/Decrease in Number of Bills</u>	<u>Multiplier</u>	<u>Additional Monthly Bills</u>
Jan	99			
Feb	99	0	1	0
Mar	100	1	2	2
Apr	103	3	3	9
May	104	1	4	4
Jun	105	1	5	5
Jul	108	3	6	18
Aug	109	1	7	7
Sep	107	(2)	8	(16)
Oct	108	1	9	9
Nov	109	1	10	10
Dec	<u>105</u>	<u>(4)</u>	<u>11</u>	<u>(44)</u>
12 Month Total	<u>1,256</u>	Number of Additional Bills		4
		Times: Average Bill		<u>\$ 43.88</u>

Adjustment Increase/(Decrease)

Test Year Residential Sales	\$ 55,114
Divided by: 12 Month Total # of Residential Customers	<u>1,256</u>
Average Bill per Residential Customer	<u>\$ 43.88</u>

Adjustment Increase (Decrease) \$ 176

KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U

Expense Adjustments

(1)

To adjust test year salaries and wages to reflect any pro forma changes in wages and hours worked during the test year.

Employee Title	Proposed Salary	Regular Hrs. Proposed Subsequent Year	Proposed Regular Hr. Wage Rate	Total
Works Manager	\$ 14,388			\$ 14,388
Works Manager Asst.		575	\$ 15.50	8,916
Certified Operator I		2,457	19.50	47,918
Certified Operator II		2,061	16.15	33,282
Office Manager	12,000			12,000
Billing Clerk		629	13.50	8,497
Utility Clerk		629	15.00	9,439
Clerk-Treasurer	8,250			8,250
Groundkeeper		569	14.33	8,159
Foreman		565	15.15	8,560
Street Department Head		642	\$ 17.00	10,921
Town Council	480			480
Town Council	480			480
Town Council	480			480
Town Council	480			480
Town Council	\$ 480			480
				172,831
				(174,436)
				<u>\$ (1,605)</u>

(2)

Employee Benefits Expense

To adjust healthcare, life and dental benefits to current premiums and for any additions or deletions of employee on the utility's payroll.

Pro forma Health, Dental and Life Insurance Expense	\$ 35,854
Less: Test Year Expense	(33,834)
Adjustment Increase (Decrease)	<u>\$ 2,020</u>

KNIGHTSTOWN MUNICIPAL WATER UTILITY
 CAUSE NUMBER 44837-U

Expense Adjustments

(3)

PERF Expense

To adjust for change and total payroll and PERF contribution rate.

<i>Pro forma</i> Payroll subject to PERF	\$ 170,442
Perf Rate	11.20%
	<u>19,090</u>
Less: Test Year Expense	(18,436)
Adjustment Increase (Decrease)	<u><u>\$ 654</u></u>

(4)

Non-Recurring or Capital Expenditures

To remove from test year operating costs that either will not recur in the future or should be recorded as utility Pla

<u>Vendor</u>	<u>Description</u>	<u>Account</u>	<u>Amount</u>
American Pump Repair	Installation of manway lid gas	Contract Ser	\$ (1,174)
Hilderbrand Construction	Renovation of chlorine room	Contract Ser	(16,495)
Vectren	Repair hit gas line	Misc	(1,432)
N/A	Driveway repair at wells	Misc	(7,200)
Utility Pipe Sales of Indiana			(3,015)
Utility Pipe Sales of Indiana			(724)
Utility Pipe Sales of Indiana			(282)
Utility Pipe Sales of Indiana			(2,065)
Hilderbrand Construction			(2,650)
Utility Pipe Sales of Indiana			(1,230)
Utility Pipe Sales of Indiana			(1,728)
			<u><u>\$ (37,995)</u></u>

(5)

Insurance Expense

To adjust test year insurance expense to reflect any changes in insurance premiums that occurred during the test year.

Worker's Compensation Insurance	\$ 2,347
General Liability Insurance	7,515
	<u>9,862</u>
Sub-total	9,862
Less: Test Year Expense	(11,016)
Adjustment Increase (Decrease)	<u><u>\$ (1,154)</u></u>

KNIGHTSTOWN MUNICIPAL WATER UTILITY
 CAUSE NUMBER 44837-U

Expense Adjustments

(6)

Rate Case Expense

To adjust test year operating expenses to include costs associated with this rate case.

Estimated Accounting Contract	\$ 15,000
IURC Fees	3,000
Sub-total	<u>18,000</u>
Divided by Expected Life of Rates	5
<i>Pro forma</i> Test Year Rate Case Exp.	<u><u>\$ 3,600</u></u>

(7)

Payroll Taxes

To adjust test year payroll taxes to reflect *pro forma* adjustment in Adjustment 6-1.

<i>Pro forma</i> Payroll	\$ 172,831
Times: FICA Rate	7.65%
<i>Pro forma</i> FICA Expense	<u>13,222</u>
Less: Test Year Expense	(13,299)
Adjustment Increase (Decrease)	<u><u>\$ (77)</u></u>

(8)

Utility Receipts Tax

To adjust test year utility receipts to appropriate levels.

Pro forma Present Rate Operating Revenues	\$ 319,549
Less: Exemptions	<u>(500)</u>
Taxable Operating Revenue	319,049
Times URT Rate	1.40%
Pro Forma URT	4,467
Less: Test Year Expense	<u>(4,482)</u>
Adjustment Increase (Decrease)	<u><u>\$ (15)</u></u>

(9)

Purchased Power

To adjust purchased power for the additional test year customer bills.

Test Year Purchased Power	\$ 17,288
Divided By: # of Test Year Bills	<u>11,849</u>
Cost per Bill	\$ 1.46
Times: Number of Additional Bills	<u>7</u>
Adjustment Increase (Decrease)	<u><u>\$ 10</u></u>

**KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U**

**Expense Adjustments
(10)**

Chemical Expense

To adjust purchased power for the additional test year customer bills.

Test Year Chemical Expense	\$ 5,917
Divided By: # of Test Year Bills	<u>11,849</u>
Cost per Bill	\$0.50
Times: Number of Additional Bills	<u>7</u>
Adjustment Increase (Decrease)	<u>\$ 4</u>

(11)

Postage Expense

To adjust postage for the additional test year bills.

Number of Additional Test Year Bills	7
Multiplied By Current Postage Rate	<u>\$ 0.49</u>
Adjustment Increase (Decrease)	<u>\$ 3</u>

(12)

Indiana Department of Environmental Management Fee

To adjust for number of connections per annual report.

Number of Connections per Annual Report	\$ 1,136
Multiplied By Current IDEM rate	<u>0.95</u>
	1079
Less: Test Year Expense	<u>(999)</u>
Adjustment Increase (Decrease)	<u>\$ 80</u>

**KNIGHTSTOWN MUNICIPAL WATER UTILITY
CAUSE NUMBER 44837-U**


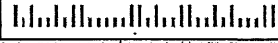
Working Capital

Operation & Maintenance Expense	\$ 324,111
Less: Purchased Water	-
Purchased Power	(17,298)
Taxes	<u>(19,321)</u>
Adjusted Operation & Maintenance Expense	287,491
Times: 45 Day Factor	<u>0.125</u>
Working Capital Revenue Requirement	35,936
Less: Cash on Hand	<u>(1,086)</u>
Net Working Capital Revenue Requirement	34,850
Divide by: Amortization Period (Years)	<u>5</u>
Annual Working Capital Revenue Requirement	<u><u>\$ 6,970</u></u>

**KNIGHTSTOWN MUNICIPAL WATER UTILITY
 CAUSE NUMBER 44837-U**

Current and Proposed Rates and Charges

	<u>Current</u>	<u>Petitioner Proposed</u>	<u>OUCC Proposed</u>
<u>Metered Rates per Month</u>			
First 7,000 Gallons	\$ 4.44	\$ 6.20	\$5.25
All over 7,000 Gallons	2.40	3.35	2.84
<u>Service Charge</u>			
5/8 - 3/4 inch meter	3.84	5.36	4.54
1 1/2 inch meter	5.38	7.51	6.36
2 inch meter	6.92	9.66	8.18
3 inch meter	11.13	15.54	13.16
4 inch meter	42.25	58.98	49.94
6 inch meter	53.77	75.06	63.56
8 inch meter	80.65	112.59	95.33
	111.38	155.49	131.65
<u>Fire Line/Sprinklers Per Month or Year</u>			
1 1/2 inch meter	15.35	21.43	18.14
2 inch meter	34.55	48.23	40.84
3 inch meter	61.41	85.73	72.59
4 inch meter	138.17	192.88	163.31
6 inch meter	245.65	342.93	290.35
8 inch meter	552.71	1,371.69	1,161.40
	982.59		
<u>Hydrant Charge per Month or Year Private Hydrants</u>			
	552.71	771.58	653.29
<u>Fire Protection Surcharge</u>			
5/8 inch meter	4.21	5.88	4.98
3/4 inch meter	6.32	8.82	7.47
1 inch meter	10.53	14.70	12.45
1 1/4 inch meter	16.85	23.52	19.92
1 1/2 inch meter	21.06	29.40	24.89
2 inch meter	33.69	47.03	39.82
3 inch meter	63.17	88.19	74.67
4 inch meter	105.29	146.98/	124.45
6 inch meter	210.57	293.96	248.89
8 inch meter	\$ 336.91	\$ 470.33	\$ 398.22

UTILITY PIPE SALES OF IN, INC.		Invoice					
 <p>UTILITY PIPE SALES "Providing The Flow, Above & Below"</p>		P.O. Box 1125 INDIANAPOLIS, IN 46206-1125 (317)224-2300 (317)224-2301 fax Website: www.utilitypipesales.com					
Bill To KNIGHTS		Ship To KNIGHTS					
CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 		CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148					
Customer PO#	Ship Date	Salesperson	Terms	Tax Code			
STOCK	04/28/2015	RICK HOCKER	Net 30 Days	INGOV			
Document #	Warehouse	Freight	Ship Via				
00041971	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE				
Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
STPE1500 1" CTS PE TUBE 500' SDR9	500	500	0	EA	0.54	EA	270.00
CO2 2" HYMAX 2000 COUPLING STYLE 262 2.10 - 3.03	1	1	0	EA	113.78	EA	113.78
TB24N 2" X 4" BRASS NIPPLE	1	1	0	EA	18.60	EA	18.60
TB21RC 2" X 1" RED. COUPLING THREADED BRASS, NO LEAD	1	1	0	EA	32.14	EA	32.14
BMD4753Q1 1" CTS X MIP ADAPTER NO LEAD	1	1	0	EA	19.57	EA	19.57
BMD6133T1 1" SS INSERT FOR CTS POLY	1	1	0	EA	2.25	EA	2.25
06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business		Merchandise	Add On Charges	Tax		Total Due	
		456.34	0.00	0.00		456.34	





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		UTILITY PIPE SALES OF IN, INC. P.O. Box 1125 INDIANAPOLIS, IN 46206-1125 (317)224-2300 (317)224-2301 fax Website: www.utilitypipesales.com			Invoice					
Bill To: KNIGHTS		CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 		Ship To: KNIGHTS		CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148				
Customer PO#		Ship Date		Salesperson		Terms		Tax Code		
STOCK		04/27/2015		RICK HOCKER		Net 30 Days		INGOV		
Document #		Warehouse		Freight		Ship Via				
00041525		UTILITY PIPE SALES OF IN, INC.		Ppd & Add		OUR TRUCK ROUTE				
Item / Description		Ordered	Shipped	BackOrder	UM	Price	Per	Extension		
TB53N 1/2" X 3" BRASS NIPPLE		3	3	0	EA	6.50	EA	19.50		
06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business				Merchandise		Add On Charges		Tax		Total Due
				19.50		0.00		0.00		19.50



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UTILITY PIPE SALES OF IN, INC.

P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
(317)224-2300
(317)224-2301 fax

Invoice

"Providing The Flow, Above & Below"

Website: www.utilitypipesales.com

Number	IN042607
Page	1
Date	04/16/2015

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148
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Customer PO#	Ship Date	Salesperson	Terms	Tax Code
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STOCK	04/15/2015	RICK HOCKER	Net 30 Days	INGOV
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Document #	Warehouse	Freight	Ship Via
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00041525	UTILITY PIPE SALES OF IN, INC.	Ppd & Add	OUR TRUCK ROUTE
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Item / Description	Ordered	Shipped	Back Order	UM	Price	Per	Extension
TB53N 1/2" X 3" BRASS NIPPLE	6	3	3	EA	6.50	EA	19.50
N-BV50 1/2" CONBRACO 77-103-01	4	4	0	EA	21.15	EA	84.60
N-BMD18-107WX58 AYM SERIES 718-107WX 5/8" METER 7" TALL, HORIZ. IN/OUT	5	0	5	EA	100.60	EA	0.00
Additional Charges: Freight							32.68

We appreciate your business	Merchandise	Add On Charges	Tax	Total Due
	104.10	32.68	0.00	136.78



IN



IN042607

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UTILITY PIPE SALES OF IN, INC.

Invoice

P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
(317)224-2300
(317)224-2301 fax

"Providing The Flow, Above & Below"

Website: www.utilitypipesales.com

Number	IN042788
Page	1
Date	04/23/2015

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148
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Customer PO#	Ship Date	Salesperson	Terms	Tax Code
STOCK	04/22/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00041525	UTILITY PIPE SALES OF IN, INC.	Ppd & Add	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
TB53N 1/2" X 3" BRASS NIPPLE	3	0	3	EA	6.50	EA	0.00
N-BMD18-107WX58 AYM SERIES 718-107WX 5/8" METER 7" TALL, HORIZ. IN/OUT	5	5	0	EA	100.60	EA	503.00

06/01/15- INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business	Merchandise	Add On Charges	Tax	Total Due
	503.00	0.00	0.00	503.00



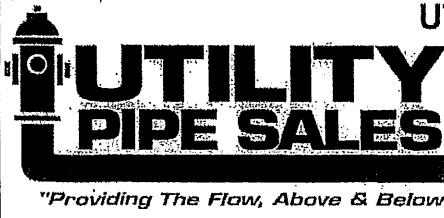
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UTILITY PIPE SALES OF IN, INC.

P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
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(317)224-2301 fax

Invoice

Number	IN042608
Page	1
Date	04/16/2015

Website: www.utilitypipesales.com

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679
			

Customer PO#	Ship Date	Salesperson	Terms	Tax Code
STOCK	04/15/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00041433	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
RCR10DI12 SS1-11.44X12 10" DI REPAIR CLAMP	1	1	0	EA	289.00	EA	289.00
N-BMD4642BQ58 4642BQ 5/8 ANGLE VALVE COMP X METER SWIVEL NUT	8	8	0	EA	56.43	EA	451.44
N-BV75 3/4" CONBRACO 77-104-01	5	5	0	EA	34.31	EA	171.55

We appreciate your business	Merchandise	Add On Charges	Tax	Total Due
	911.99	0.00	0.00	911.99




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UTILITY PIPE SALES OF IN, INC.		Invoice					
 <p>UTILITY PIPE SALES "Providing The Flow, Above & Below" Website: www.utilitypipesales.com</p>		P.O. Box 1125 INDIANAPOLIS, IN 46206-1125 (317)224-2300 (317)224-2301 fax					
		<table border="1"> <tr> <td>Number</td> <td>IN042609</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Date</td> <td>04/16/2015</td> </tr> </table>	Number	IN042609	Page	1	Date
Number	IN042609						
Page	1						
Date	04/16/2015						
<table border="1"> <tr> <td>Bill To KNIGHTS</td> <td>CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148</td> <td>Ship To WATER</td> <td>Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679</td> </tr> </table>	Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679			
Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679				
Customer PO#	Ship Date	Salesperson	Terms	Tax Code			
STOCK	04/15/2015	RICK HOCKER	Net 30 Days	INGOV			
Document #	Warehouse	Freight	Ship Via				
00041621	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE				
Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
STPE.75500 3/4" CTS PE TUBING 500' COILS, SDR-9	500	500	0	FT	0.29	FT	145.00
		Merchandise	Add On Charges	Tax		Total Due	
We appreciate your business		145.00	0.00	0.00		145.00	




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	Number	IN047149						
Page	1							
Date	10/02/2015							
Website: www.utilitypipesales.com								

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 	Ship To WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679
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Customer PO#	Ship Date	Salesperson	Terms	Tax Code
STOCK	10/01/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00045743	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
BMD4701BT2 2" BALL CORP AWWA X CTS NO LEAD	1	1	0	EA	259.88	EA	259.88
SS202NS7602CC 6" X 2" CC SADDLE #286-076071	2	2	0	EA	103.36	EA	206.72
					0 • C		
					466 • 6 +		
					28 • 8 +		
					228 • 55 +		
					723 • 95MT		

06/01/15-INVOCES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business	Merchandise	Add-On Charges	Tax	Total Due
	466.60	0.00	0.00	466.60




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	Website: www.utilitypipesales.com		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%;">Number</td> <td>IN047150</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Date</td> <td>10/02/2015</td> </tr> </table>	Number	IN047150	Page	1	Date	10/02/2015
	Number	IN047150							
Page	1								
Date	10/02/2015								

<i>Bill To</i>	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	<i>Ship To</i>	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148
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<i>Customer PO#</i>	<i>Ship Date</i>	<i>Salesperson</i>	<i>Terms</i>	<i>Tax Code</i>
STOCK	10/01/2015	RICK HOCKER	Net 30 Days	INGOV

<i>Document #</i>	<i>Warehouse</i>	<i>Freight</i>	<i>Ship Via</i>
00045614	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
TB75T 3/4" THREADED BRASS TEE NO LEAD	4	4	0	EA	7.20	EA	28.80

06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANET.J@UTILPIPE.COM We appreciate your business	<i>Merchandise</i>	<i>Add On Charges</i>	<i>Tax</i>	<i>Total Due</i>
	28.80	0.00	0.00	28.80





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		UTILITY PIPE SALES OF IN, INC. P.O. Box 1125 INDIANAPOLIS, IN 46206-1125 (317)224-2300 (317)224-2301 fax			Invoice							
"Providing The Flow, Above & Below" Website: www.utilitypipesales.com		<table border="1"> <tr> <td>Number</td> <td>IN047269</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Date</td> <td>10/07/2015</td> </tr> </table>		Number	IN047269	Page	1	Date	10/07/2015			
Number	IN047269											
Page	1											
Date	10/07/2015											
Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 	Ship To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148									
Customer PO#	Ship Date	Salesperson	Terms	Tax Code								
Stocks	10/07/2015	RICK HOCKER	Net 30 Days	INGOV								
Document #	Warehouse	Freight	Ship Via									
00045865	UTILITY PIPE SALES OF IN, INC.	Ppd & Add	Direct ship									
Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension					
N-BMD4749SQ75 3/4" SPECIAL PURP SWIV X Q NUT 1/8TH BEND SERVICE FITTING Direct from Vendor	6	6	0	EA	27.50	EA	165.00					
N-BMD4753L75 3/4" FLARE X MNPT ADAPTER LESS FLARE NUT Direct from Vendor	4	4	0	EA	11.00	EA	44.00					
Additional Charges: Freight							19.55					
06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business		Merchandise	Add On Charges	Tax		Total Due						
		209.00	19.55	0.00		228.55						







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 <i>"Providing The Flow, Above & Below"</i>	UTILITY PIPE SALES OF IN, INC. P.O. Box 1125 INDIANAPOLIS, IN 46206-1125 (317)224-2300 (317)224-2301 fax Website: www.utilitypipesales.com	Invoice <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Number</td> <td>IN048269</td> </tr> <tr> <td>Page</td> <td>1</td> </tr> <tr> <td>Date</td> <td>11/09/2015</td> </tr> </table>	Number	IN048269	Page	1	Date	11/09/2015
	Number	IN048269						
Page	1							
Date	11/09/2015							
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"><i>Bill To</i> KNIGHTS</td> <td style="width: 35%;">CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 </td> <td style="width: 15%;"><i>Ship To</i> WATER</td> <td style="width: 35%;">Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679</td> </tr> </table>			<i>Bill To</i> KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 	<i>Ship To</i> WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679		
<i>Bill To</i> KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 	<i>Ship To</i> WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679					

<i>Customer PO#</i>	<i>Ship Date</i>	<i>Salesperson</i>	<i>Terms</i>	<i>Tax Code</i>
STOCK	11/06/2015	RICK HOCKER	Net 30 Days	INGOV

<i>Document #</i>	<i>Warehouse</i>	<i>Freight</i>	<i>Ship Via</i>
00045963	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
CRL20LN 20" NON-RECESSED 11.5" LID W/LARGE NUT, LOCKING	1	1	0	EA	76.85	EA	76.85
					0.00		
					0.00		
					76.85 +		
					205.00 +		
					281.85MT		

06/01/15-INVOCES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business	<i>Merchandise</i>	<i>Add On Charges</i>	<i>Tax</i>	<i>Total Due</i>
	76.85	0.00	0.00	76.85





IN



IN048269

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... Last page

 <p>UTILITY PIPE SALES "Providing The Flow, Above & Below"</p>		UTILITY PIPE SALES OF IN, INC. P.O. Box 1125 INDIANAPOLIS, IN 46206-1125 (317)224-2300 (317)224-2301 fax			Invoice		
		Website: www.utilitypipesales.com			Number: IN048270	Page: 1	Date: 11/09/2015
Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148 	Ship To WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679				
Customer PO#	Ship Date	Salesperson		Terms	Tax Code		
STOCK	11/06/2015	RICK HOCKER		Net 30 Days	INGOV		
Document #	Warehouse		Freight	Ship Via			
00046002	UTILITY PIPE SALES OF IN, INC.		Prepaid	OUR TRUCK ROUTE			
Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
N-BMD4783ST58 4783ST 5/8 ANGLE SWIVEL ELL COMP X SW.	10	10	0	EA	20.50	EA	205.00
06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business			Merchandise	Add On Charges	Tax	Total Due	
			205.00	0.00	0.00	205.00	



IN



IN048270

Customer Copy

... Last page

Installed by the TOWN OF KNIGHTSTOWN-2014

WATER Accounts Payable Voucher

PAGE: 1

VOUCHER NO. 31926

WARRANT NO. 14810

DATE ALLOWED 09/18/2015
Mo. Day Yr.

IN THE SUM OF \$ 2065.30

TOWN OF KNIGHTSTOWN

An invoice or bill to be property itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Payee

198 UTILITY PIPE SALES OF IN PO BOX 1125 INDIANAPOLIS IN 46206	Terms Date Due 09/18/2015
---	----------------------------------

V	W
#	#
3	1
1	4
9	8
2	1
6	0

INVOICE DATE	INVOICE NUMBER	APPROP NUMBER	PROJECT	PO NUMBER	DESCRIPTION (or note attached invoice(s) or bill(s))	AMOUNT
--------------	----------------	---------------	---------	-----------	---	--------

		501001518.000			WATER PIPE LINE	2065.30
	60-24MP					
	O.C					
	1,805.44 +					
	221.7 +					
	68.28 +					
	30.12 -					
	2,065.3MP					
TOTAL						2065.30

ACCOUNTS PAYABLE MUNICIPAL WATER DEPT. TOWN OF KNIGHTSTOWN	
Favor Of UTILITY PIPE SALES OF IN	
Total Amount of Voucher	\$ 2065.30
Deductions	
Total Amount of Warrant	\$ 2065.30
Month of	

VOUCHER RECORD	ACCT #		
Source of Supply			
Water Treatment			
Transmission and Dist.			
Customer Accounts			
Administrative & Gen.			
Operation-Maintenance			
Utility Plant in Service			
Constr. Work in Progress			
Materials and Supplies			
Customers Deposits			
Total			



"Providing The Flow, Above & Below"

UTILITY PIPE SALES OF IN, INC.

P.O. Box 1125
Indianapolis, IN 46206-1125
(317)224-2300
(317)224-2301 fax
Website: www.utilitypipesales.com

STATEMENT

To CITY OF KNIGHTSTOWN
KNIGHTS 26 S WASHINGTON STREET
KNIGHTSTOWN IN 46148

APV #
31926

Page 1

Date 07/15/2015

Invoice Date	Invoice #	Customer PO#	Due Date	Amount	Pay Date	Pay Amount	Type	Balance
05/27/2015	00349		05/27/2015	842.15				842.15
05/29/2015	43714	STOCK	06/28/2015	419.04				419.04
06/01/2015	43775	STOCK	07/01/2015	142.71				142.71
06/22/2015	44302	STOCK	07/22/2015	68.28				68.28
06/22/2015	44303	STOCK	07/22/2015	182.00				182.00
# 601001518.000								
# 18								
<u>Utility Pipe Line</u>								
14673 3584.94								
2 INVO 842.15								
				61 - 90				
Current		1-30				Balance		
0.00		250.28		- 280.40		0.00		- 30.12

842.15 was a duplicate payment
We still have a credit of \$30.12

We appreciate your business



UTILITY PIPE SALES OF IN, INC.

P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
(317)224-2300
(317)224-2301 fax

Website: www.utilitypipesales.com

Invoice

Number	IN045692
Page	1
Date	08/19/2015

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148
---------------------------	---	---------------------------	---



Customer PO#	Ship Date	Salesperson	Terms	Tax Code
STOCK	08/18/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00043762	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
MB2036R 20" X 36" RIBBED METER PIT	4	4	0	EA	63.67	EA	254.68
CRLD20NRL135 20" NON RECESSED FRAME & 13.5" LID, LN, VESTAL CEG	4	4	0	EA	105.00	EA	420.00
N-RCSCS2386IPS 2" X 6" IPS S.S. REPAIR CLAMP SCS - 238 X 6	2	2	0	EA	77.00	EA	154.00
BMD4701T2 2" CORP STOP CCXCTS NO LEAD	1	1	0	EA	391.90	EA	391.90
BMD6133T2 2" SS INSERT FOR CTS POLY	4	4	0	EA	3.11	EA	12.44
BMD6133T75 3/4" SS INSERT FOR CTS POLY	50	50	0	EA	2.00	EA	100.00
BMD4754T2 2" CTS X FIP ADAPTER NO LEAD	1	1	0	EA	81.63	EA	81.63
N-TB21T 2 X 1 THREADED BRASS TEE	4	0	4	EA	45.00	EA	0.00

06/01/15-INVOICES WILL NO LONGER BE MAILED.
PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM



IN



IN045692

Customer Copy

Continued on next page ...

UTILITY PIPE SALES OF IN, INC.

Invoice



P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
(317)224-2300
(317)224-2301 fax

"Providing The Flow, Above & Below"

Website: www.utilitypipesales.com

Number	IN045692
Page	2
Date	08/19/2015

Bill To CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148
---	---

Customer PO# STOCK	Ship Date 08/18/2015	Salesperson RICK HOCKER	Terms Net 30 Days	Tax Code INGOV
------------------------------	--------------------------------	-----------------------------------	-----------------------------	--------------------------

Document # 00043762	Warehouse UTILITY PIPE SALES OF IN, INC.	Freight Prepaid	Ship Via OUR TRUCK ROUTE
-------------------------------	--	---------------------------	------------------------------------

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
TB24N 2" X 4" BRASS NIPPLE	1	1	0	EA	18.60	EA	18.60
TB23N 2" X 3" BRASS NIPPLE	3	3	0	EA	14.18	EA	42.54
TB2P 2" THREADED BRASS PLUG NO LEAD	1	1	0	EA	13.51	EA	13.51
OETHRSEAL PIPE THREAD SEALANT 1/2 PINT	1	1	0	EA	11.78	EA	11.78
N-BMD4642BQ58 4642BQ 5/8 ANGLE VALVE COMP X METER SWIVEL NUT	4	0	4	EA	56.43	EA	0.00
N-BMD4644B 74644B 5/8" ANGLE BALL LW FNPT X METER, NO LEAD	8	0	8	EA	55.70	EA	0.00
08UQM U-BRANCH 1" Q COMP X 3/4" MNPT X 7.5" NO-LEAD	4	4	0	EA	52.02	EA	208.08

06/01/15-INVOICES WILL NO LONGER BE MAILED.
PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM



IN



IN045692

Customer Copy

Continued on next page ...

UTILITY PIPE SALES OF IN, INC.

Invoice



P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
(317)224-2300
(317)224-2301 fax

"Providing The Flow, Above & Below"

Website: www.utilitypipesales.com

Number	IN045692
Page	3
Date	08/19/2015

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148
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Customer PO#	Ship Date	Salesperson	Terms	Tax Code
STOCK	08/18/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00043762	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
BMD4753Q1 1" CTS X MIP ADAPTER NO LEAD	4	4	0	EA	19.57	EA	78.28
BMD6133T1 1" SS INSERT FOR CTS POLY	8	8	0	EA	2.25	EA	18.00

06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business	Merchandise	Add On Charges	Tax	Total Due
	1,805.44	0.00	0.00	1,805.44



IN



IN045692

Customer Copy

... Last page

UTILITY PIPE SALES OF IN, INC.

Invoice



P.O. Box 1125
 INDIANAPOLIS, IN 46206-1125
 (317)224-2300
 (317)224-2301 fax

"Providing The Flow, Above & Below" Website: www.utilitypipesales.com

Number	IN045693
Page	1
Date	08/19/2015

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To WATER	Knightsdown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightsdown, IN 46148 317-498-6679
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Customer PO#	Ship Date	Salesperson	Terms	Tax Code
WATER	08/18/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00043282	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	BackOrder	UM	Price	Per	Extension
MBR3 3" X 18" A2000 METER BOX RISER	3	3	0	EA	35.87	EA	107.61
MBR6 6" X 18" A2000 METER BOX RISER	3	3	0	EA	38.03	EA	114.09

06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business	Merchandise	Add On Charges	Tax	Total Due
	221.70	0.00	0.00	221.70



IN



IN045693



UTILITY PIPE SALES OF IN, INC.

Invoice

P.O. Box 1125
INDIANAPOLIS, IN 46206-1125
(317)224-2300
(317)224-2301 fax

"Providing The Flow, Above & Below"

Website: www.utilitypipesales.com

Number	IN045694
Page	1
Date	08/19/2015

Bill To KNIGHTS	CITY OF KNIGHTSTOWN 26 S WASHINGTON STREET KNIGHTSTOWN IN 46148	Ship To WATER	Knightstown Water Plant attn: Randy Anderson 7601 W. U.S. Hwy 40 Knightstown, IN 46148 317-498-6679
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Customer PO#	Ship Date	Salesperson	Terms	Tax Code
STOCK	08/18/2015	RICK HOCKER	Net 30 Days	INGOV

Document #	Warehouse	Freight	Ship Via
00043199	UTILITY PIPE SALES OF IN, INC.	Prepaid	OUR TRUCK ROUTE

Item / Description	Ordered	Shipped	Back Order	UM	Price	Per	Extension
T10820 4 WAY METER, HK-3 BOX WRENCH	2	2	0	EA	34.14	EA	68.28

06/01/15-INVOICES WILL NO LONGER BE MAILED. PROVIDE PAYABLES EMAIL ADDRESS TO JANETJ@UTILPIPE.COM We appreciate your business	Merchandise	Add-On Charges	Tax	Total Due
	68.28	0.00	0.00	68.28



IN



IN045694

WATER Accounts Payable Voucher

PAGE: 1

Installed by the TOWN OF KNIGHTSTOWN-2014

VOUCHER NO. 32120

WARRANT NO. 14841

DATE ALLOWED 10/16/2015
Mo. Day Yr.

IN THE SUM OF \$ 1727.90

TOWN OF KNIGHTSTOWN

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Payee

198 UTILITY PIPE SALES OF IN PO BOX 1125 INDIANAPOLIS IN 46206	Terms Date Due 10/16/2015
---	----------------------------------

V	W
#	#
3	1
2	4
1	8
2	4
0	1

VOICE DATE	INVOICE NUMBER	APPROP NUMBER	PROJECT	PO NUMBER	DESCRIPTION (or note attached invoice(s) or bill(s))	AMOUNT
		601001518.000			WATER DEPT. SUPPLIES	1727.90

TOTAL 1727.90

ACCOUNTS PAYABLE MUNICIPAL WATER DEPT. TOWN OF KNIGHTSTOWN		
Favor Of UTILITY PIPE SALES OF IN		
Total Amount of Voucher	\$	1727.90
Deductions		
Total Amount of Warrant	\$	1727.90
Month of _____		

VOUCHER RECORD	ACCT #		
Source of Supply			
Water Treatment			
Transmission and Dist.			
Customer Accounts			
Administrative & Gen.			
Operation-Maintenance			
Utility Plant in Service			
Constr. Work in Progress			
Materials and Supplies			
Customers Deposits			
Total			

I certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made rendered and received except

Mo. Day Yr. _____ Signature _____ Officer/Title _____

I certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

10/16/15 _____ Chris T
Mo. Day Yr. Signature Officer/Title

Board/Council Members



UTILITY PIPE SALES OF IN, INC.

P.O. Box 1125
 Indianapolis, IN 46206-1125
 (317)224-2300
 (317)224-2301 fax
 Website: www.utilitypipesales.com

#198

To CITY OF KNIGHTSTOWN
 KNIGHTS 26 S WASHINGTON STREET
 KNIGHTSTOWN IN 46148

601001518000

Page 1

Date 10/01/2015

Invoice Date	Invoice #	Customer PO#	Due Date	Amount	Pay Date	Pay Amount	Type	Balance
09/04/2015	46205 ✓	STOCK	10/04/2015	851.32				851.32
09/08/2015	46228 ✓	STOCK	10/08/2015	100.23				100.23
09/11/2015	46329 ✓	STOCK	10/11/2015	79.75				79.75
09/18/2015	46598 ✓	STOCK	10/18/2015	146.31				146.31
09/25/2015	46876 ✓	STOCK	10/25/2015	653.21				653.21
09/25/2015	46877 ✓	STOCK	10/25/2015	97.54				97.54

APV#
32120

Current	1-30	31-60	61 - 90	over 90	Balance
0.00	1,727.90	0.00	0.00	0.00	1,727.90

We appreciate your business

VOUCHER NO. 31516

WARRANT NO. 14741

DATE ALLOWED 07/24/2015
 Mo. Day Yr.

IN THE SUM OF \$ 2650.00

TOWN OF KNIGHTSTOWN

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Payee

121 HILDERBRAND CONSTRUCTION 5822 W. 950 N. CARTHAGE IN 46115	Terms Date Due 07/24/2015
--	---

V	#	W	#
3	1	4	1
1	4	7	4
5	7	4	1
1	4	1	
6	1		

INVOICE DATE	INVOICE NUMBER	APPROP NUMBER	PROJECT	PO NUMBER	DESCRIPTION (or note attached invoice(s) or bill(s))	AMOUNT
		601001518.500			INSTALL 36" DOOR W/LOCKSET/UPDATE CHLORINE ROOM	2650.00

TOTAL 2650.00

ACCOUNTS PAYABLE MUNICIPAL WATER DEPT. TOWN OF KNIGHTSTOWN	
Favor Of HILDERBRAND CONSTRUCTION	
Total Amount of Voucher	\$ 2650.00
Deductions	
Total Amount of Warrant	\$ 2650.00
Month of _____	

VOUCHER RECORD	ACCT #		
Source of Supply			
Water Treatment			
Transmission and Dist.			
Customer Accounts			
Administrative & Gen.			
Operation-Maintenance			
Utility Plant in Service			
Constr. Work in Progress			
Materials and Supplies			
Customers Deposits			
Total			

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except

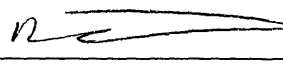
Mo. Day Yr.

Signature

Officer/Title

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

7/24/15



Clark-Turner

Mo. Day Yr.

Signature

Officer/Title

Board/Council Members

erbrand Construction

INVOICE

5822 w. 950 n.
Carthage IN. 46115
765/561/1309

DATE: July 12, 2015
INVOICE # 100
FOR:

Bill To:
Knightstown water treatment plant

60100/518.500

DESCRIPTION	AMOUNT
Install 36" steel door with lockset in old chlorination room	\$2,650.00
TOTAL	\$ 2,650.00

*APV #
31516
==*

THANK YOU FOR YOUR BUSINESS!

WATER Accounts Payable Voucher

VOUCHER NO. 30482

WARRANT NO. 14572

DATE ALLOWED 02/20/2015
Mo. Day Yr.

IN THE SUM OF \$ 1230.17

TOWN OF KNIGHTSTOWN

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Payee

198 UTILITY PIPE SALES OF IN PO BOX 1125 INDIANAPOLIS IN 46206	Terms Date Due 02/20/2015
---	----------------------------------

V	W
#	#
3	1
0	4
4	5
8	7
2	2

INVOICE DATE	INVOICE NUMBER	APPROP NUMBER	PROJECT	PO NUMBER	DESCRIPTION (or note attached invoice(s) or bill(s))	AMOUNT
		601001518.000			WATER-INSERT AND LEAD PIPE STOCK	1230.17

TOTAL 1230.17

ACCOUNTS PAYABLE MUNICIPAL WATER DEPT. TOWN OF KNIGHTSTOWN	
Favor Of UTILITY PIPE SALES OF IN	
Total Amount of Voucher	\$ 1230.17
Deductions	
Total Amount of Warrant	\$ 1230.17
Month of _____	

VOUCHER RECORD	ACCT #		
Source of Supply			
Water Treatment			
Transmission and Dist.			
Customer Accounts			
Administrative & Gen.			
Operation-Maintenance			
Utility Plant in Service			
Constr. Work in Progress			
Materials and Supplies			
Customers Deposits			
Total			

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except

Signed



UTILITY PIPE SALES OF IN, INC.
P.O. Box 1125
Indianapolis, IN 46206-1125
(317)224-2300
(317)224-2301 fax
Website: www.utilitypipesales.com

STATEMENT

To CITY OF KNIGHTSTOWN
KNIGHTS 26 S WASHINGTON STREET
KNIGHTSTOWN IN 46148

Page 1
Date 02/02/2015

water # 60100/518.000

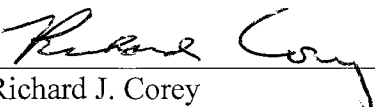
Invoice Date	Invoice #	Customer PO#	Due Date	Amount	Pay Date	Pay Amount	Type	Balance
01/20/2015	41354	STOCK	02/19/2015	525.19				525.19
01/21/2015	41396	STOCK	02/20/2015	354.00				354.00
01/29/2015	41525	STOCK	02/28/2015	350.98				350.98
				<i>APV #</i>				
				<i>30482</i>				

Current	1-30	31-60	61-90	over 90	Balance
0.00	1,230.17	0.00	0.00	0.00	1,230.17

We appreciate your business

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.


Richard J. Corey
Indiana Office of Utility Consumer Counselor

February 2, 2017
Date

Cause No. 44837-U
Town of Knightstown, Indiana
Knightstown Municipal Water Utility

TESTIMONY OF OUCC WITNESS CARL N. SEALS
CAUSE NO. 44837-U
TOWN OF KNIGHTSTOWN

I. INTRODUCTION

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

2 A: My name is Carl N. Seals, and my business address is 115 West Washington Street, Suite
3 1500 South, Indianapolis, Indiana 46204.

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

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

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

9 A: I discuss the capital improvement projects the Town of Knightstown (hereinafter
10 "Knightstown" or "Applicant") proposes to fund through its extensions and replacements
11 ("E&R") revenue requirement.

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

13 A: I reviewed Knightstown's Application and recent annual reports filed with the Indiana
14 Utility Regulatory Commission ("Commission" or "IURC"). I also wrote discovery
15 requests and reviewed Applicant's responses. I examined testimony and the final order in
16 Applicant's last rate case (Cause No. 43440-U). On January 9, 2017, I met with
17 Knightstown's Operator, Randy Anderson, to discuss Applicant's current operations and
18 plans. We visited several of Applicant's above-ground water utility facilities and reviewed
19 certain information sought in data requests.

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

2 A: Yes. My testimony includes the following attachments:

- 3 • Attachment CNS-1: Letter correcting water volumes for 2015;
- 4 • Attachment CNS-2 : Photographs of Knightstown's above-ground facilities;
- 5 • Attachment CNS-3: Workpaper page 95;
- 6 • Attachment CNS-4: Workpaper page 94;
- 7 • Attachment CNS-5: Responses to OUCC Data Request 1;
- 8 • Attachment CNS-6: Responses to OUCC Data Request 2;
- 9 • Attachment CNS-7: Responses to OUCC Data Request 3;
- 10 • Attachment CNS-8: Customer Comments.

II. KNIGHTSTOWN'S WATER SYSTEM

11 **Q: Please describe Knightstown's characteristics.**

12 A: Knightstown is a municipal utility serving approximately 1,135 residential and commercial
13 customers in and around Knightstown, Indiana in portions of Henry and Rush Counties.
14 The utility's office is located in Knightstown, just south of US Highway 40 and
15 approximately 35 miles east of downtown Indianapolis. Based upon corrections made to
16 its 2015 IURC annual report (Attachment CNS-1), Knightstown produced 88.036 million
17 gallons in 2015 and billed 56.555 million gallons - a difference of 31.481 million gallons.
18 Deducting backwash water (434,000 gallons), water used for main flushing (285,000
19 gallons) and firefighting (65,000 gallons), Knightstown lost 30.697 million gallons or
20 35.2% of water available for delivery to customers. The service infrastructure consists of
21 two wells, one 210,000 gallon ground storage tank for untreated water, one 500,000 gallon
22 per day filtration plant and one 250,000 gallon elevated tank. Knightstown's 11 miles of

1 distribution mains are 4" to 8" in diameter and according to its operator, are composed of
2 polyvinyl chloride, cast iron and ductile iron. Photographs of Knightstown's above-ground
3 plant appear as Attachment CNS-2.

4 **Q: Do Applicant's pumping and storage capacities meet the Great Lakes – Upper**
5 **Mississippi River Board of State and Provincial Public Health and Environmental**
6 **Managers Recommended Standards for Water Works also known as the "Ten States**
7 **Standards?"**

8 A: Yes. The Ten States Standards recommends a utility maintain storage of at least the utility's
9 average day usage. Knightstown's 2015 IURC Annual Report shows its average day is
10 approximately 154,932 gallons per day (56,550,000 gallons sold per year divided by 365
11 days yields 154,932.) With elevated storage of 250,000 gallons, Knightstown more than
12 meets the Ten States Standards' recommended storage capacity. With two high service
13 pumps, each capable of providing 540,000 gallons per day, Knightstown also complies
14 with the Ten State Standards recommendation of meeting maximum day pumping demands
15 with the largest high service pump out of service.¹ Finally, according to recent (2011, 2013)
16 well testing records maintained by Knightstown, the utility is able to meet the maximum
17 day with one well out of service.²

18 **Q: Please discuss lost water as it pertains to Applicant's operation.**

19 A: As used in Applicant's IURC annual reports, "water loss" is the difference between water
20 Knightstown produced and the total amount of water either sold to customers, or used for
21 firefighting, flushing mains, flushing sewers, street cleaning, backwashing, or other

¹ 2015 Monthly Reports of Operation filed with the Indiana Department of Environmental Management depict a maximum day of 457,000 gallons as having occurred on November 24, 2015. In response to OUCG Data Request 3.4, the utility indicated that the unusually high usage was due to a 4" Water Main Break at Locust Lane and Adams Street.

² This is not accurately reflected in the 2015 IURC Annual Report, which appears to indicate the yield of the two wells remaining in service as 70,000 and 195,000 gallons per day. Well 1 was in fact able to deliver 494,000 gallons per day at 40 psi in its 2011 test, while well 2 was able to deliver 451,000 gallons per day at 40 psi in its 2013 test.

1 authorized consumption. Water loss may reasonably be attributed to leaks or inaccurate
2 measurement of consumption (i.e. slow meters). At 35.2% for 2015, Knightstown's water
3 loss appears to be high. This may, however, be mitigated somewhat by Knightstown's
4 proposed meter replacement program (discussed in more detail below), and the utility
5 indicated that it has engaged the leak detection services of the Alliance of Indiana and EJP.³

III. EXTENSIONS AND REPLACEMENTS

6 **Q: Has Knightstown proposed an extensions and replacements revenue requirement?**

7 A: Yes. According to Knightstown's Small Utility Rate Application, Schedule 7, it has
8 requested \$87,800 per year for its extensions and replacements ("E&R") revenue
9 requirement, broken out by the following two project categories:

Table 1

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Automatic meter reading	\$51,500	\$51,500	\$51,500	\$51,500	\$51,500	\$257,500
Short lived assets	\$36,300	\$36,300	\$36,300	\$36,300	\$36,300	\$181,500
Total	\$87,800	\$87,800	\$87,800	\$87,800	\$87,800	\$439,000

10 **Q: Has Applicant been actively changing out meters since its last rate case?**

11 A: Yes. The Commission, in Cause No 43440-U, granted Knightstown the authority to
12 recover \$3,500 in rates to replace 70 meters per year. According to discussions with the
13 Knightstown's operator and based upon responses to OUCC Data Request 3.2 (Attachment
14 CNS-7), this meter replacement program continued for several years but was cut back due
15 to funding, as shown in Table 2.

³ See response to OUCC Data Request 3.3 appearing as Attachment CNS-7.

Table 2

Year	Meters Replaced
2009	29
2010	76
2011	76
2012	72
2013	70
2014	19
2015	33
2016	18
Total	393

1 **Q: What support did Knightstown provide for the cost of its proposed Automatic meter**
2 **reading project?**

3 A: Knightstown provided what appears to be marketing material from Badger Meter in
4 support of its Automatic meter reading project. This appears as Attachment CNS-3. This
5 document only describes a Badger Meter “Beacon AMA Starter Kit” which included ten
6 meters at a selling price of \$2,450.00. Applicant provided no other specific cost detail to
7 support the \$257,500 total cost of the Automatic meter reading project. Per discussion
8 with Knightstown’s rate consultant it appears that the former Works Manager, who has
9 since left the utility, initiated this program and that no further cost or program information
10 is currently available.

11 **Q: Do you have any concerns regarding Knightstown’s proposed Automatic meter**
12 **reading project?**

13 A: Yes. I conceptually support Knightstown’s proposed Automatic meter replacement
14 program, in that it should enhance meter reading efficiency and accuracy.⁴ However,
15 Applicant provided insufficient detail on the meter replacement program and its cost to
16 recommend approval of the project at this time. In response to OUCC Data Request 2.1,

⁴ Increased accuracy may also reduce the level of lost water as older, slower-registering meters are replaced.

1 Knightstown indicated that “[t]he Town is requesting an updated quote from the vendor.”
2 Knightstown should provide the updated quote from the vendor supporting the \$257,500
3 project cost. Knightstown should also provide the total number of meters to be replaced,
4 the number of meters to be replaced each year, description of meters to be installed, and
5 any associated software or hardware. In addition, Applicant should indicate whether the
6 393 meters replaced since 2009 will be replaced or upgraded with automatic read
7 capability. Until Knightstown is able to fully support the Automatic meter reading program
8 I recommend the Commission deny the Automatic meter reading program contained in the
9 proposed E&R revenue requirement.

10 **Q: What support did Knightstown provide for the cost of its proposed Short lived asset**
11 **program?**

12 A: Applicant’s cost support for the Short lived asset program is a single workpaper (No. 94)
13 containing three columns titled time, total asset requirements, and annual contributions.
14 Below the columns is a listing of possible “short term assets.” (See Attachment CNS-4.)
15 In addition to this workpaper provided after their filing, OUCC Data Requests 1 and 2
16 sought, in part, additional information for these projects and Applicant’s responses are
17 included here as Attachment CNS-5 and CNS-6, respectively. More specifically, in Data
18 Request No. 2.5, the OUCC sought additional cost support regarding the “Total Asset
19 Requirements” figures listed on Applicant’s workpaper 94. In response, Knightstown
20 stated that the “Town will have the consulting engineer that prepared the study provide

1 additional details.” No additional details supporting these Short lived asset costs were ever
2 provided to the OUCC.

3 **Q: Do you have any concerns regarding Knightstown’s proposed Short lived assets**
4 **project?**

5 A: As with the automated meter reading project, support for this project was minimal, despite
6 an attempt to clarify via OUCC Data Request 2. No invoices, cost estimates or similar
7 information were provided to show 1) exactly what the project entails or 2) the costs
8 associated with the project. Thus, while it is reasonable to assume that Knightstown will
9 incur costs to replace Short lived assets, the frequency and expense does not appear to have
10 been independently quantified for purposes of this filing. Knightstown should provide the
11 information requested in OUCC DR 2.5 along with what the project entails and the costs
12 associated with the project. Until such time as Knightstown is able to fully support the
13 Short lived asset program, I recommend the Commission deny the asset program contained
14 in the proposed E&R revenue requirement.

15 **Q: How does Knightstown’s proposed extensions and replacements revenue requirement**
16 **compare to its depreciation expense?**

17 A: Applying the composite depreciation rate of 2% to depreciable Utility Plant in Service
18 (“UPIS”) results in a *pro forma* test year depreciation expense of \$25,996, as noted in
19 Small-Utility Application, Schedule 7. This is \$61,804 less than Knightstown’s proposed
20 extensions and replacements revenue requirement of \$87,800.

21 **Q: What are your recommendations regarding Applicant’s proposed E&R revenue**
22 **requirement?**

23 A: I recommend that the Commission deny the \$87,800 Knightstown has proposed for its
24 E&R revenue requirement. Until Knightstown is able to adequately support both its
25 proposed Automatic meter reading and Short lived assets programs I recommend the

1 Commission include depreciation expense of \$25,996 in Knightstown's revenue
2 requirement.

IV. OTHER MATTERS

3 **Q: Does the United States Environmental Protection Agency ("EPA") have any**
4 **resources that may be beneficial to Knightstown's operations?**

5 A: Yes. In conjunction with the United States Department of Agriculture ("USDA"), the EPA
6 developed the Rural and Small Systems Guidebook to Sustainable Utility Management
7 "Guidebook"). Rural and small water systems can use the information in the Guidebook
8 in several different ways:

- 9 • By system managers, water system operation specialist and staff as a guide for
10 taking actions leading to short- and long-term improvements to system
11 management and performance;
- 12 • By service providers as they work with individual systems or groups of systems
13 through workshops or other assistance efforts;
- 14 • As a resource for system improvement workshops, like those sponsored by USDA
15 and EPA;
- 16 • As a resource for guiding conversations about sustainability with utility board
17 members; or
- 18 • As a resource for communicating and educating utility board members on the
19 importance of effective management.

20 **Q: Where can this Guidebook be found?**

21 A: It may be downloaded from the EPA website at the following address:
22 [https://www.epa.gov/sustainable-water-infrastructure/rural-and-small-systems-](https://www.epa.gov/sustainable-water-infrastructure/rural-and-small-systems-guidebook-sustainable-water-and-wastewater)
23 [guidebook-sustainable-water-and-wastewater](https://www.epa.gov/sustainable-water-infrastructure/rural-and-small-systems-guidebook-sustainable-water-and-wastewater)

24 **Q: How should Knightstown use the Guidebook?**

25 A: At a minimum, Knightstown should work through Appendices 1 and 2 of the Guidebook
26 to see if it might benefit from any of the Guidebook's practices or programs.

27 **Q: Did the OUCC receive any customer comments regarding Knightstown's requested**
28 **rate increase?**

29 A: Yes. The comment appears as Attachment CNS-8 to my testimony.

V. RECOMMENDATIONS

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

2 A: I recommend the Commission deny Applicant's proposed Extensions and Replacements
3 revenue requirement and instead include depreciation expense of \$25,996 as a revenue
4 requirement.

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

6 A: Yes.

APPENDIX A

- 1 **Q: Please describe your educational background and experience.**
- 2 A: In 1981 I graduated from Purdue University, where I received a Bachelor of Science degree
- 3 in Industrial Management with a minor in Engineering. I was recruited by the Union
- 4 Pacific, where I served as mechanical and maintenance supervisor and industrial engineer
- 5 in both local and corporate settings. I then served as Industrial Engineer for a molded-
- 6 rubber parts manufacturer before joining the Indiana Utility Regulatory Commission
- 7 (“IURC”) as Engineer, Supervisor and Analyst for more than ten years. It was during my
- 8 tenure at the IURC that I received my Master of Health Administration degree from Indiana
- 9 University. After the IURC, I worked at Indiana-American Water Company, initially in
- 10 their rates department, then managing their Shelbyville operations for eight years, and later
- 11 served as Director of Regulatory Compliance and Contract Management for Veolia Water
- 12 Indianapolis. I joined Citizens Energy Group as Rate & Regulatory Analyst following the
- 13 October 2011 transfer of the Indianapolis water utility and joined the Office of Utility
- 14 Consumer Counselor in April of 2016.

MEMORANDUM

August 15, 2016

To: Dana M. Lynn, Principal Utility Analyst, IURC

From: Beth A. Huffman, Clerk Treasurer, Town of Knightstown

Dear Dana Lynn,

I wanted to be sure that you know that Betsy Wilkerson is no longer with the Utility Office in Knightstown. Her replacement is Lisa Hall and you can reach Lisa at lisa@myinestarnet.net. Please send any correspondence to Lisa and cc me so that we are sure to receive any information that you send.

We did notice that you had sent Betsy an email with some questions about annual water report. Upon review of information submitted, we have realized that some errors were made prior to Betsy submitting the reports and want you to have accurate information. Please see below for the accurate information – according to our Water Department Manager’s records.

Master Meter Reading	88,036,000.00	
Backwash	-434,000.00	
Fire Hydrant Flush	-285,000.00	
Fire Fighting	-65,000.00	
Net Amount of Water Used	87,252,000.00	
Billed Amount of Water	56,555,000.00	
Water Loss	30,697,000.00	0.35182

Additionally, we have identified and repaired leaks during 2015 that caused an estimated 2,640,000 volume of loss. After reducing the Water Loss amount above, that would bring the % of water loss to .3321 which is a reduction from the 35.62% water loss that was occurring back in 2012. We apologize for any inconvenience this may have caused. Please advise if we are able to refile the annual water report to correct the information.

Additionally, you mentioned the AWWA’s Water Audit Software – this software has not been used and we are unaware that you made the software available to the Utility. Can you let us know more information about it so that we can start using it?

The database mentioned must refer to the Water Department Manager manual records that have been kept for years. There are no electronic records. The Utility has 4 two inch meters. Approximately 254 meters are in need of replacement at this time. The Utility has been replacing meters on an annual basis but, due to lack of funds, has slowed down the replacement of meters in the last few years. The Utility is in dire need of a rate increase at this time. The rate study has been conducted and

reviewed/approved by Council. And the rate increase will be filed at the IURC this week. The rate increase information includes a request for funds to begin moving the utility to electronic meters and it is anticipated that a systematic replacement of meters will be set up so that meters can ultimately all be replaced by either electronic meters or more modern meters.

Thank you for any assistance you can provide in regard to our questions. We are very interested in reducing our water loss.



Front, exterior view of plant from US 40, showing adjacent substation



Rear, exterior view of plant



Interior of plant, filter room



Interior of plant, high service pumps feeding 250,000 gallon elevated tank



High service pump (L) and well (R) controls, driven by elevated tank and clearwell levels



Filter control panel



Interior of plant, chlorine storage room



210,000 gallon clearwell behind plant



Exterior, Well #1



Interior, Well #1



Exterior, Well #2



Interior, Well #2



250,000 gallon elevated storage tank



Close-up of tank bottom showing 2016 repairs due to leakage



Typical Mueller hydrant with blue marking indicating flushing

MUELLER CO.
HYDRANT RECORD

Location _____ No. _____

Type _____ Make _____

No. Outlets _____ 2½" _____ 4½" _____ In Service _____

Size of Main _____ Size of Riser _____

Static Pressure _____ Flow Pressure _____

Connected to Grid System? _____ Discharge _____
 (Gallons per Min.)

Provided with Street Gate Valve? _____ Give Location: _____

Remarks: _____

Over Form 10097

Hydrant record card, front and back

Date	Flushed	Lubricated	Painted	Repaired	Pentagon	Cap & Chain	Checked By	Remarks
3-10-16	✓						RA GB	Hydrant Madison & Harrison St
3-10-16	✓						RA DP	Pine & Harrison St
3-15-16	✓					✓	RA	West Pine St. By Railroad
3-15-16	✓					✓	RA	Madison & Jackson
3-16-16	✓					✓		Franklin & Pine
3-16-16	✓					✓		Jackson & Franklin
3-16-16	✓					✓		Jackson & McCullen
3-16-16	✓					✓		Hill Ave & Main

Form 10097



Badger Meter

BEACON[®] AMA Starter Kit Marketing Program

Program Overview

To encourage the deployment of BEACON[®] Advanced Metering Analytics (AMA) managed solutions, Badger Meter is offering a special bundled starter kit to help utilities deploy the system. BEACON AMA is just one more way Badger Meter is Making Water Visible[®] to utilities and consumers alike.

Starter Kit Terms & Conditions

- Utility customers must submit a single purchase order identifying the "BEACON AMA Starter Kit" to qualify.
- All BEACON AMA Starter Kit components must be identified on a single PO and shipped to the end utility customer.
- Four months after activation or six months after shipment, whichever comes first, the end utility customer will be invoiced a monthly endpoint subscription fee of \$3.00 per endpoint to continue receiving access to endpoint reading data via the BEACON AMA software suite.
- Billing interface is not included in starter kit pricing.
- Online training to be provided by Badger Meter personnel on appointment only.
- ORION systems do not require an FCC license.
- Product installation is the responsibility of the end utility customer and is not included in the pricing.
- End utility customer is responsible for providing an internet connection and computer hardware/software necessary for utility user access to the software suite.
- To discontinue service and invoicing, an RMI must be processed through Badger Meter Technical Support.
- The BEACON AMA Starter Kit and its components are non-transferable and non-refundable.

Conversion to Managed Solution

BEACON AMA Starter Kit utility customers that convert to a BEACON AMA Managed Solution within four months of the starter kit ship date will receive the following:

- 50% off the BEACON Engagement Fee
- \$0.89 per endpoint monthly subscription fee
- BEACON Data Exchange online course

The BEACON Engagement Fee includes Badger Meter support to configure BEACON AMA software to accept and pass the CSV billing interface file. Fees charged to the utility by its utility billing provider are not included and are the responsibility of the utility. A network analysis and formal quote are required to qualify for a BEACON AMA managed solution.

Program valid through

BEACON, Making Water Visible and ORION are registered trademarks of Badger Meter, Inc. Other trademarks appearing in this document are the property of their respective owners. The information contained here is not a binding offer and is subject to change by Badger Meter without notice, unless a contractual obligation exists to the contrary.

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Badger Meter | P.O. Box 245036, Milwaukee, Wisconsin 53224-9536
800-616-3837 | infocentral@badgermeter.com | www.badgermeter.com

ORI-MP-00721-EN-09 (February 2016)



BEACON AMA Starter Kit Includes:

Technology

- Ten (10) ORION Cellular endpoints (mix & match)
 - Endpoints only with Badger Meter 308 Connector, Nicor Connector or Pigtail (gel caps)
 - Endpoints with HR-E LCD or HR-E encoders and Badger Meter 308 Connector or Nicor Connector
- One (1) ORION Cellular endpoint activation magnet
- Four (3) months of hourly endpoint read data provided via daily endpoint call-in

Software

- Access to cloud-based BEACON AMA software suite
- EyeOnWater consumer engagement portal and smartphone apps

Training

- BEACON AMA Intro online training

Selling Price: \$ 2,450.00

*1040 per 10 meters
1,000 assumed
purchased*

Cellular package - no meter readings

Additional Contact Information:

Matt Kingery-Midwest Meter, Inc.
Email: mkingery@midwest-meter.com
Cell # 765-513-9838

*includes
meters*

Marketing Program

95

(G1)

DRINKING WATER P.E.R. –
 KNIGHTSTOWN, IN
Short Lived Assets

Time	Total Asset requirements	Annual Contribution
1 to 5 years	\$ 35,000.00	\$ 7,000.00
5-10 years	\$ 75,400.00	\$ 7,540.00
10 - 15 years	\$ 158,600.00	\$ 10,573.33
15 - 20 years	\$ 36,500.00	\$ 1,825.00
20 - 25 years	\$ 41,000.00	\$ 1,640.00
25 - 30 years	\$ 57,000.00	\$ 1,900.00
30 - 35 years	\$ 52,000.00	\$ 1,485.71
35- 40 years	\$175,000.00	\$ 4,375.00
Total Annual Contribution		\$ 36,339.04

Short term assets include pumps, motors, electrical controllers, etc.

<u>Pumps</u>	<u># of required</u>	<u>Life Expectancy</u>
Well Pumps	3	10 - 15 years
High Service Pumps	3	10 - 15 years
Electrical systems (pump controllers, etc.)	1	10 - 15 years
Filter Media	3	10 - 15 years
Tank Painting	1	10-15 years
Well Intakes/Screens	3	10-15 years
Tank Water Level Sensors	2	10-15 years

KNIGHTSTOWN (INDIANA) MUNICIPAL WATER UTILITY

CAUSE NO: 44837 U - RESPONSES TO DATA REQUEST 1

- Q 1.1.** Does Knightstown Municipal Water have a master plan? If so, please provide. If no, please explain how you conduct planning for additions, replacements and/or upgrades to source of supply, treatment and distribution plant.
- R 1.1.** Knightstown Municipal Water does not currently have a master plan. Knightstown Water has been working with a consulting engineer to determine future additions, replacements and upgrades to the water system.
- Q 1.2.** Please provide additional detail, including any invoices, analyses performed and cost support for the “American Pump Repair, Installation of manway lid gas[ket]” project shown on Schedule 6(g) of the Application.
- R 1.2.** Please refer to filed workpapers pages 27-28 for a copy of the invoice.
- Q 1.3.** Please provide additional detail, including any invoices, analyses performed and cost support for the “Hilderbrand Construction, Renovation of chlorine room” project shown on Schedule 6(g) of the Application.
- R 1.3.** Please refer to filed workpapers pages 29-30.
- Q 1.4.** Please provide additional detail, including any invoices, analyses performed and cost support for the “Vectren, Repair hit gas line” project shown on Schedule 6(g) of the Application.
- R 1.4.** Please refer to filed workpapers pages 31-33.
- Q 1.5.** Please provide additional detail, including any invoices, analyses performed and cost support for the “Driveway repair at wells” project shown on Schedule 6(g) of the Application.
- R 1.5.** Please refer to filed workpapers pages 34-35.
- Q 1.6.** Please provide additional detail, including any analyses performed and cost support for the “Automatic meter reading” project shown on Schedule 7 of the Application.
- R 1.6.** Please refer to filed workpapers page 95.

Q 1.7. Please provide additional detail, including any analyses performed and cost support for the “Short lived assets” project shown on Schedule 7 of the Application.

R 1.7. Please refer to filed workpapers page 94.

Q 1.8. Please explain the cause of the \$2,298 increase in Chemical expenses as shown on Schedule 3 of the application.

R 1.8. Please refer to page 55 of workpapers for the detail of chemical expense for calendar year 2015. Calendar 2015 expense is higher than calendar year 2014 but is more in line with what was spent on the purchase of chemicals during calendar year 2013. Calendar year 2014 appears to be an abnormally low year for the purchase of chemicals. Calendar year 2013, 2014 and 2015 chemical expense is as follows: \$6,009, \$3,619 and \$5,917 respectively.

Q 1.9. Knightstown Municipal Water’s 2015 IURC Annual Report shows that only two of its four wells are currently in service. Is this still correct?

R 1.9. Yes this is correct.

Q 1.10. Is Knightstown Municipal Water currently able to meet the following Standard set out by the Great Lakes – Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers (“Ten State Standards”)? Please explain.

3.2.1.1 Source capacity

The total developed groundwater source capacity, unless otherwise specified by the reviewing authority, shall equal or exceed the design maximum day demand with the largest producing well out of service.

R 1.10. Yes – the water tower has 250,000 gallons and the clear well holds 210,000 gallons which is more than what is pumped/used on a daily basis.

Q 1.11. Please provide a copy of the asset management plan referenced on page W-8 of the Knightstown Municipal Water 2015 IURC Annual Report.

R 1.11. Knightstown Municipal Water does not currently have a master plan.

Q 1.12. Please provide a copy of Monthly Reports of Operation for 2013-2015.

R 1.12. Monthly reports will be available when OUCC is onsite.

- Q 1.13.** Please explain how Knightstown Municipal Water plans to address the 40.3% water loss shown in its 2015 IURC Annual Report.
- R 1.13.** Please see the attached memo explaining the error in the annual water report.

KNIGHTSTOWN (INDIANA) MUNICIPAL WATER UTILITY

CAUSE NO: 44837 U - RESPONSES TO DATA REQUEST 2

- Q 2.1** Page 95 of the workpapers states the “Billing interface is not included in starter kit pricing.” Does Knightstown intend to use this billing interface? If yes, what are the initial purchase and/or annual costs?
- R 2.1** The Town does intend to use the billing interface. The Town is requesting an updated quote from the vendor.
- Q 2.2** Page 95 of the workpapers states that, “[f]our months after activation or six months after shipment, whichever comes first, the end utility customer will be invoiced a monthly endpoint subscription fee of \$3.00 per endpoint to continue receiving access to endpoint reading data via the BEACON AMA software suite.” Does Knightstown intend to continue receiving access to endpoint reading data for the \$3.00 per month, per endpoint?
- R. 2.2** Yes. The Town does intend to access the readings. The Town is requesting an updated quote on costs from the vendor.
- Q 2.3** Does Knightstown plan to convert to the BEACON AMA Managed Solution (p. 95 of the workpapers)? If so, please explain why and state what services will be covered by the conversion to the Managed Solution. Also, please provide what the annual cost to the utility will be for the Managed Solution.
- R. 2.3** The Town is planning to convert. Beacon technology will allow a phase in of the system over time and won’t become outdated. The current average age of meters on the system is 15 years old. The utility believes that the use of remote meters will save manpower costs, decrease inaccurate meter readings and identify issues of water leaks or low reading in a more timely manner which will positively impact the end user (consumer).
- Q 2.4** Please describe the specific assets included in each of the line items shown on page 94 of the workpapers titled “Short Lived Assets.” For example, what assets are included in the “1 to 5 years” category for \$35,000?
- R 2.4** Please see the attached file labeled R 2.4 provided by the consulting engineer that prepared the study.

Q 2.5 Please provide the calculation for each figure listed in the column “Total Asset Requirements” on page 94 of the workpapers.

R 2.5 The Town will have the consulting engineer that prepared the study provide additional details.

Q 2.6 Please describe how the proposed “Beacon AMA” system works, from reading the meter to billing the customer.

R 2.6 We do not presently utilize this system but our understanding of the remote meter reading system is as follows:

Meters are updated with remote Beacon meter

Utility meter readers use cell phone or ipad to drive by meters and collect meter readings on a monthly basis

Report is uploaded into current billing software

Billing is handled the same way that billing is completed now.

Note that we do not anticipate the ability to replace 100% of the meters all at once due to the cost which is why we proposed phasing the purchase in over five years. Beacon technology will allow a phase in of the system over time and won't become outdated. The current average age of meters on the system is 15 years old. The utility believes that the use of remote meters will save manpower costs, decrease inaccurate meter readings and identify issues of water leaks or low reading in a more timely manner which will positively impact the end user (consumer).

Q 2.7 Did Petitioner (or any agent acting on behalf of Petitioner) conduct any tests to determine the meter accuracy of its current meters? If yes, please provide a copy of all tests conducted, as well as any reports that were generated. If the results of the tests are in an Excel spreadsheet, please provide a copy of the Excel Spreadsheet with formulas intact. If no tests were conducted on the accuracy of its meters, please explain why Petitioner decided to replace all its meters.

R 2.7 No, per the Water Department Manager

Q 2.8 Please provide a copy of the letter from PERF supporting the current contribution rate of 11.2%.

R 2.8 The Town will provide.

Q 2.9 What is the average age of the meters in Knightstown's system?

R 2.9 The average age of meters on the system is 15 years.

Knightstown Water Project
Short Lived Assets

Asset	Years		
	5	10	15
Pumps (Well, High Service, Chlorine, etc.) Pumps will have variable life expectancy depending on purpose and size.	X	X	X
Meters Service Meters (10 year life cycle, but replaced annual on rotation) Master/Internal Control Meters	X	X X	
Tank Painting			X
Control Valves	X	X	
Disinfection Equipement	X	X	
Computer Equipment/Software	X		
Control Equipment Gauges Transmitters Sensors	X	X X X	
Power and/or Specialty Equipment			X
Vehicles		X	
Lab Equipment	X		
Tools	X		
Generator			X
Tank Cathodic Protection Replacement		X	
Filter Media Replacement			X

KNIGHTSTOWN (INDIANA) MUNICIPAL WATER UTILITY
CAUSE NO: 44837 U - RESPONSES TO DATA REQUEST 3

Q 3.1. Has Knightstown conducted an AWWA Water Audit using the AWWA Free Water Audit Software available on their website? If yes, please provide the results of the water audit.

Response Q 3.1: Yes, as part of the required filing in 2015, Knightstown did complete the AAWA Free Water Audit.

Q 3.2. As part of the Order in Cause No. 43440-U, issued July 30, 2008, Knightstown received \$3,500 annually for the replacement of 70 meters each year and was ordered to initiate a meter replacement program. How many meters have been replaced each year since the order in Cause No. 43440-U was issued?

Response Q 3.2: A meter replacement program was initiated, beginning in 2009 (see below table for meter replacements). Financial struggles caused the replacement program to drop off in 2014.

2009	29
2010	76
2011	76
2012	72
2013	70
2014	19
2015	33
2016	18

Q 3.3. Have any leak detection efforts been conducted on the Knightstown distribution system? If yes, please explain what efforts have been conducted and the results of those efforts.

Response Q 3.3: Yes, we utilize the Alliance of Indiana leak detection service as well as the EJP service. We have found leak and repaired them as found. October 2015 to January 2017 has been our lowest water usage in the history

of the Knightstown water department, which we believe is due to aggressively seeking out and repairing leaks.

Q 3.4. The Monthly Reports of Operation for 2015 appears to show a maximum day usage of 457,000 gallons on November 24, 2015, which is significantly higher than any other day that year. Please explain the cause of this usage?

Response Q 3.4: 4” Water Main Break at Locust Lane and Adams Street. Break subsequently repaired.

Swinger, Anthony

Subject: FW: Knightstown's Increase to Water Rates

From: Michelle Rance [<mailto:Michelle.Rance@aptean.com>]
Sent: Friday, November 04, 2016 7:53 AM
To: UCC Consumer Info <uccinfo@oucc.IN.gov>
Subject: Knightstown's Increase to Water Rates

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

I am writing due to a notification I received with my recent utility bill. It states that an application was filed, pursuant to Ind. Code 8-1-2-61.5 for an increase to the water rates by 39.6%.

This increase is way too high. I live by myself, in a small, 2 bedroom house on Main St. My recent utility bill was \$106.61. \$57.35 was for Electric, \$4.01 was for Electric Tax. The rest was water and sewage. And this is the lowest bill I've had in a while. If this keeps up, I won't be able to afford to continue living here. I should be planning for my retirement in the next 10 years.

While I have no way of knowing how much of an increase is "needed", there are over 2000 citizens here. Multiply that by 39.6% and it feels like Knightstown is just trying to make a large profit.

If Knightstown needs an increase, it should be less than 39.6% - in my opinion.

Anita Michelle Rance
129 W. Main St.
Knightstown, IN 46148
765.571.0740

MICHELLE RANCE | CS Consultant

Customer Solutions - Intuitive

T +1 (317) 249-1653 | M +1 (206) 245-5965

[My FTP Dropbox](#)

Customer Support Portal: <http://support.aptean.com>

www.aptean.com | www.twitter.com/Apteian | <http://www.linkedin.com/Apteian>



AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Carl N. Seals
Indiana Office of Utility Consumer Counselor

February 2, 2017
Date

Cause No. 44837-U
Town of Knightstown, Indiana
Knightstown Municipal Water Utility

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Report of the Indiana Office of Utility Consumer Counselor* has been served upon the following counsel of record in the captioned proceeding by electronic service on February 2, 2017.

Beth Huffman, Clerk Treasurer
26 South Washington Street
Knightstown, IN 46148
Beth@fosterresults.com

Christina M. De Witt
UMBAUGH & ASSOCIATES
8365 Keystone Crossing, Suite 300
Indianapolis, IN 46240-2687
dewitt@umbaugh.com



Scott Franson, Atty. No. 27839-49
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