

April 5, 2023

Secretary of the Commission  
Indiana Utility Regulatory Commission  
101 W Washington St, Suite 1500 E  
Indianapolis, IN 46204

Re: Eastern Richland Sewer Corporation (ERSC) – SUPPLEMENTAL EXHIBITS  
IURC Cause No. 45776-U

After discussing the matter with the OUCC, ERSC accepts the OUCC's proposed rate increase and the elimination of the connection charge as set forth in the OUCC's Report, but in light of elimination of the connection charge, it does not accept the OUCC's proposed system development charge of \$2,500.

The OUCC calculated the system development charge after removing from the calculation those projects it did not consider sufficiently related to customer growth. Then the OUCC applied cash on hand to arrive at the originally proposed system development charge of \$2,500. After discussing the matter with the OUCC, we agree those projects should be removed from the calculation, but ERSC believes it is no longer appropriate to apply cash on hand to the calculation. Accordingly, ERSC no longer proposes to apply cash on hand when calculating the system development charge.

Excluding cash on hand from the calculation of the SDC will allow the application of cash on hand to be used for other projects including those removed from the SDC calculation. Eliminating cash on hand from the calculation now results in a system development charge calculation of \$3,594 and, after rounding, a proposed system development charge of \$3,600. ERCS proposes to eliminate the \$1,200 connection charge and requests approval of a \$3,600 system development charge. ERCS shared this approach with the OUCC. The Director of the OUCC's Water/Wastewater Division, Scott Bell, said the OUCC considered this approach to be reasonable and acceptable. Counsel for the OUCC authorized ERSC to note the OUCC would have no opposition to a \$3,600 system development charge with elimination of the connection charge. SEE ATTACHED REVISED-PROPOSED SDC CALCULATION

Please do not hesitate to contact our me with any questions or requests for additional information:  
[buzz@owkcpa.com](mailto:buzz@owkcpa.com) 317-626-8822 (Cell)

Respectfully yours,  
O. W. KROHN & ASSOCIATES, LLP

*Buzz*

Otto W. "Buzz" Krohn

Enclosures  
CC: Mr. Dan LeVay & OUCC Team  
ERSC Board of Directors

## **REVISED - PROPOSED SYSTEM DEVELOPMENT CHARGE**

**Eastern Richland Sewer Corporation  
CAUSE NUMBER 45776-U**

### **System Development Charge Calculation**

<b>Capacity Related Projects</b>	<b>Cost</b>
<b>Ellettsville Projects</b>	
Replace primary sewer main	\$ 500,000
WWTP equalization basin	1,530,000
WWTP upgrades	765,000
<b>ERSC Projects</b>	
New parallel interceptor	2,750,000
<b>Total Capacity Related Projects</b>	\$ 5,545,000
<b>Deduct cash on hand</b>	-
<b>Net Incremental Cost</b>	\$ 5,545,000
<b>Incremental EDUs</b>	1,543
<b>Computed SDC</b>	\$ 3,594
<b>Rounded to nearest hundredth.</b>	\$ 3,600