

FILED
October 15, 2015
INDIANA UTILITY
REGULATORY COMMISSION

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE BOARD OF DIRECTORS FOR)
UTILITIES OF THE DEPARTMENT OF PUBLIC)
UTILITIES OF THE CITY OF INDIANAPOLIS, AS)
TRUSTEE OF A PUBLIC CHARITABLE TRUST FOR)
THE WATER SYSTEM, D/B/A CITIZENS WATER)
FOR (1) AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER UTILITY SERVICE)
AND APPROVAL OF A NEW SCHEDULE OF RATES)
AND CHARGES APPLICABLE THERETO,)
INCLUDING A NEW RATE FOR LOW-INCOME)
CUSTOMERS, (2) APPROVAL OF A REVISED)
METHODOLOGY FOR ALLOCATING CORPORATE)
SUPPORT SERVICES COSTS RESULTING IN A)
REVISED ALLOCATION OF SUCH COSTS TO)
CITIZENS WATER, AND (3) APPROVAL OF)
CERTAIN CHANGES TO ITS GENERAL TERMS)
AND CONDITIONS FOR WATER SERVICE)

OFFICIAL
EXHIBITS

CAUSE NO. 44644

IURC
INTERVENOR'S - PBM
EXHIBIT NO. 1-12-16
DATE 1-12-16 REPORTER ll

DIRECT TESTIMONY AND EXHIBIT OF
PATRICK CALLAHAN, CPA
ON BEHALF OF THE
TOWN OF PITTSBORO, INDIANA,
BROWN COUNTY WATER COMPANY, AND
MORGAN COUNTY RURAL WATER CORPORATION

FILED: OCTOBER 15, 2015

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

2 A-1 Patrick Callahan, 135 N. Union Street, Westfield, Indiana 46074.

4 **Q-2 What is your occupation and the nature of your business?**

5 A-2 I am a Certified Public Accountant providing rate consulting services for utilities across
6 the state of Indiana and currently the President of Callahan CPA Group, P.C. My firm
7 provides utility accounting/consulting services to a variety of clients, including a number
8 regulated by the Indiana Utility Regulatory Commission ("IURC" or "Commission").
9 We provide rate consulting services including the preparation of rate studies for water,
10 wastewater, storm water, natural gas and electric utilities; financial advisory services and
11 a host of other services, including the preparation of Commission annual reports,
12 preparation and filing of energy reports for both natural gas and electric utilities with the
13 Energy Information Administration ("EIA"), preparation of wholesale water cost
14 trackers, gas cost adjustment trackers and electric tracking factors. We assist utilities
15 with the issuance of long-term debt to finance infrastructure improvements.

16 **Q-3 Please summarize your educational background and experience.**

17 A-3 I graduated from Franklin College in 1980 with a B.A. degree in Accounting and
18 Business Administration. I am a registered Certified Public Accountant in the state of
19 Indiana with membership in the Indiana CPA Society. In May, 1982, I began my utility
20 experience with the Commission (formerly the Public Service Commission of Indiana).
21 In that capacity, I was responsible for evaluating the financial conditions, along with rate
22 requests, of all types of utilities under the Commission's jurisdiction. After reviewing the
23 rate request, I would make recommendations to the Commission by preparing testimony

1 and exhibits. In 1984, I attended and completed the National Association of Regulatory
2 Utility Commissioners (“NARUC”) Annual Regulatory Studies Program at Michigan
3 State University. In July 1985, I entered into private practice working extensively with
4 utilities and incorporated my practice in 2012.

5 **Q-4 On whose behalf are you testifying in this Cause?**

6 A-4 I am testifying on behalf of the Town of Pittsboro, Indiana (“Pittsboro”), Brown County
7 Water Utility, Inc. (“Brown County”), and Morgan County Rural Water Corporation
8 (“Morgan County”) (collectively “PBM” or “PBM Group”), all of which are Sale for
9 Resale (“SRF” or “Resale”) customers of Citizens Water (“Citizens” or “Petitioner”).

10 **Q-5 What is the purpose of your testimony?**

11 A-5 The PBM Group requested that I review the actual billings of Citizens to the PBM Group
12 during the calendar year 2014, the test year in this Cause, and to calculate the impact of
13 Citizens’ rate increase to the PBM Group as presented in Petitioner’s cost-of-service
14 study (“COSS”).

15 **Q-6 Is any other witness testifying on behalf of the PBM Group in this Cause?**

16 A-6 Yes. Mr. Brian Kalcic will present testimony concerning Petitioner’s COSS, class
17 revenue allocation and SFR rate design and will sponsor alternative proposals to
18 Petitioner’s COSS.

19 **Q-7 Please provide the characteristics of the members of the PBM Group.**

1 A-7 Town of Pittsboro. Pittsboro does not produce any water; therefore, relies solely on
2 Citizens for its supply of water. The town is supplied with water from Citizens at two (2)
3 Point of Entry (“POE”) connections, a 2” and 8” meter. During 2014, Citizens billed
4 Pittsboro for 117,724 hundred cubic feet (“CCF”) of water. As of December 31, 2014,
5 Pittsboro had 1,203 customers of which 1,170 were residential and 33 non-residential.

6 Brown County. Brown County is an Indiana not-for-profit water utility incorporated in
7 the State of Indiana. Its principal place of business is located in at 5130 N. State Road
8 135, Morgantown, Indiana. Brown County is owned by its members who are also its
9 customers. Brown County was formed in the late 1960s and is governed by a seven (7)
10 member board of directors which is elected by the membership. Brown County has its
11 own treatment plant and several storage facilities. Brown County provides water to
12 5,396 customers of which 5,230 are residential, 165 are commercial & institutional and 1
13 wholesale customer all located within Brown, Morgan, Monroe, Bartholomew and
14 Johnson Counties. Brown County produces most of its water supply from its treatment
15 plant; however, Brown County purchases some of its supply from other utilities,
16 including Citizens, Jackson County Water Utility, Inc. and the Town of Nashville.
17 Brown County is connected to Citizens with an 6” meter. During 2014, Citizens billed
18 Brown County for 80,807 CCF.

19 Morgan County. Morgan County is an Indiana not-for-profit corporation organized and
20 existing under the laws of the State of Indiana, having received its Certificate of
21 Incorporation on April 16, 1964. Its principal office is located in Morgan County,
22 Indiana 46151, at 1395 E. Shore Drive, Martinsville, Indiana. Morgan County serves
23 approximately 3,313 customers in Morgan and Owen Counties. Of the 3,313 customers

served, 3,240 are residential and 73 are non-residential. The waterworks consists of 234 miles of transmission main, 2 wells, a treatment plant, 7 storage tanks, and 4 booster pumps. Morgan County is connected to Citizens at 2 POEs, one at West Greencastle Road (1.5" & 6" compound meter) and one at West Keller Road (8" meter). The West Greencastle Road connection is a compound meter consisting of a 1.5" meter for low-flow and 6" meter for high flow. The West Keller Road connection is an 8" meter. During the test year, Morgan County purchased 1,301.4 and 41,936.0 CCF at the West Greencastle Road and West Keller Road connections, respectively.

Q-8 What schedules are you sponsoring?

A-8 I am sponsoring the following schedules:

| | |
|---------------|--|
| Schedule PC-1 | Summary of Proposed Rates & Charges - SFR (Per Petitioner) |
| Schedule PC-2 | Current vs. Proposed Billing Summary – Sale for Resale ("SRF") |
| Schedule PC-3 | PBM Billing: Current vs. Petitioner's Proposed Rates |

Q-9 Please explain Schedule PC-1.

A-9 Column A presents the current rates and charges approved by the Commission in Citizens' last rate case (Cause No. 44306). I have presented in Column B, Citizens' recommended proposed new rates and charges for the SFR customers. Although, Petitioner has proposed to reduce the volumetric charge, Citizens has proposed to shift a significant portion of its revenue requirement from the volumetric charge to the Monthly Service Charge. The Monthly Service Charge increases range from 657.5% (5/8" meter)

1 to 4,168.3% (10" meter). The percentage of increase is presented in Column C of
2 Schedule PC-1.

3 **Q-10 What is the impact of Petitioner's COSS to the PBM Group?**

4 A-10 I have presented the impact of Petitioner's proposed COSS on the PBM Group on
5 Schedule PC-2. The impact of Citizens' proposed rate increase and structure to the PBM
6 Group is as follows:

| | | |
|----|--|--------|
| 7 | Pittsboro – (2" & 8" meters) | 49.7% |
| 8 | Brown County – (6" meter) | 35.3% |
| 9 | Morgan County – (1.5" & 6" compound meter) | 936.5% |
| 10 | Morgan County – (8" meter) | 95.4% |

11 **Q-11 How did you calculate the impact to the PBM Group?**

12 A-11 I requested, from the PBM Group, actual copies of the invoices received from Citizens.
13 From the invoices, I was able to calculate the water bills at Petitioner's present rates and
14 then calculate the billing under Petitioner's proposed rates. On Schedule PC-3, I have
15 calculated the billing for the PBM Group at present rates (Cause No. 44306) and
16 Petitioner's proposed rates (Cause No. 44644).

17 **Q-12 Please explain Schedule PC-3?**

18 A-12 Schedule PC-3 consists of four pages, one for Pittsboro and Brown County and two for
19 Morgan County.

1 The first page (page 1 of 4), compares Pittsboro's current test year billing (per Cause No.
2 44306) and the proposed billing in this Cause. During the test year, Citizens billed
3 Pittsboro for 117,724 CCF. The cost of water to Pittsboro was \$199,494 under Citizens'
4 present rates and \$298,605 at the proposed rates, an increase of \$99,111, or 49.7%.
5 Pittsboro's volumetric charge increased a mere \$369 (0.19% increase) over the test year
6 volumetric charge; however, the monthly base charge increased \$98,742 or 3,276.7%.

7 The second page of Schedule PC-3 compares Brown County's billing at current rates and
8 the rates proposed by Citizens. During the test year, Brown County purchased 80,807
9 CCF from Citizens at a cost of \$146,065. Under the proposed rate structure, Brown
10 County's cost of water will increase \$51,614, or 35.3%. Citizens proposed rates will
11 reduce Brown County's volumetric charge by 1.7%; however, increases the monthly base
12 charge by \$54,042, or 2,635.9%. Overall Brown County's water cost will increase 35.3%
13 under Citizens' proposal.

14 The last two pages of Schedule PC-3 reflect the billing to Morgan County. Citizens
15 sends two bills per month to Morgan County, one for the W. Greencastle Road
16 connection (compound meter, 1.5" for low flow and 6" for high flow) and one for the
17 West Keller Hill Road connection (8" meter). The billing for the W. Greencastle Road
18 connection was mistakenly billed by Citizens at the Commercial rate and not the SFR
19 rate. Although there is a difference between the Commercial and SFR rates, the billing
20 difference for Morgan County was insignificant. I recalculated the bill at the SFR rate for
21 the test year purchases at the West Greencastle Road connection. The test year purchases
22 for the West Greencastle Road were only 1,301 CCF. Under Citizens' proposed rates,
23 the volumetric charge for this connection will be reduced by \$1,264; however this

1 connection will realize an increase of \$57,357, or 2,542.8% in the monthly base charge.
2 The combination of the reduced volumetric charge and the significant increase in the
3 monthly base charge, Morgan County will have an increase of 936.5% at the West
4 Greencastle Road meter. Morgan County also has an 8" meter at the West Keller Road
5 Hill POE. The total volume purchased during the test year was 44,432 CCF at this
6 connection. The volumetric charge will decrease by \$5,034 under Citizens' proposed rate
7 structure; however, the base charge will increase \$93,137, or 3,383.3%. Combining
8 Morgan County's billings for the two connections, Morgan County's water cost will be
9 \$242,695 under Citizens' proposal. This will be an increase of \$144,374 over the test
10 year cost of \$98,321 which represents an overall increase of 146.8% to Morgan County.

11 **Q-13 Do you have an opinion as to the cause of the increase to the PBM Group rates as**
12 **proposed by Citizens?**

13 A-13 Yes. It appears from my review of the testimony and exhibits as presented in Citizens'
14 case-in-chief and my calculations as described above that a substantial cause of the
15 increase is due to the shifting of cost from the volumetric charges to the fixed base
16 charges.

17 **Q-14 Does this conclude your direct testimony?**

18 A-14 Yes.

VERIFICATION

I, Patrick Callahan, President of Callahan CPA Group, P.C., under penalty of perjury affirm that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Patrick Callahan, CPA

(Signature)

Patrick Callahan, CPA

October 15, 2015

Date

Citizens Water
IURC Cause No. 44644

Summary of Proposed Rates and Charges for Sale for Resale ("SFR")

| Line No. | Per Petitioner | | | | | |
|-------------|--------------------------------------|-------|--|-----------------------|-----------|---------------------|
| | Present Rates (1) | | | Proposed Rates (2) | | Percent Increase |
| | Col. A | | | Col. B | | Col. C |
| 1 | <u>Monthly Service Charge</u> | | | | | |
| 2 | | | | | | |
| 3 | 5/8" | | | \$ 8.71 | \$ 65.98 | 657.5% |
| 4 | 3/4" | | | 9.70 | 96.25 | 892.3% |
| 5 | 1" | | | 11.20 | 156.37 | 1296.2% |
| 6 | 1.5" | | | 17.71 | 308.92 | 1644.3% |
| 7 | 2" | | | 21.72 | 488.87 | 2150.8% |
| 8 | 2.5" | | | 54.25 | 751.02 | 1284.4% |
| 10 | 3" | | | 54.26 | 1,163.27 | 2043.9% |
| 11 | 4" | | | 74.27 | 2,063.03 | 2677.7% |
| 12 | 6" | | | 170.85 | 4,674.35 | 2635.9% |
| 13 | 8" | | | 229.40 | 7,990.78 | 3383.3% |
| 14 | 10" | | | 309.48 | 13,209.40 | 4168.3% |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | <u>Volumetric Charge</u> | | | | | |
| 18 | | | | | | |
| 19 | First | 15 | | \$ 3.000 | \$ 1.907 | -36.4% |
| 20 | Next | 185 | | 2.897 | 1.907 | -34.2% |
| 21 | Next | 800 | | 2.638 | 1.907 | -27.7% |
| 22 | Next | 4,000 | | 1.785 | 1.907 | 6.8% |
| 23 | Over | 5,000 | | 1.360 | 1.428 | 5.0% |

(1) Per IURC Order in Cause No. 44306.

(2) Per Petitioner's Witness Borchers (Attachment MCB-3 - Schedule 4) - Cause No. 44644.

Citizens Water
IURC Cause No. 44644

Current vs Proposed Billing Summary - Sale for Resale ("SFR")

| Line No. | | Annual Billing at: | |
|-------------|---|--------------------|--------------------------|
| | | Current Rates | Petitioner's Proposed |
| | | Col. A | Col. B |
| 1 | <u>Town of Pittsboro</u> | \$ 199,494 | \$ 298,605 |
| 2 | | | |
| 3 | Annual Increase - \$ | | \$ 99,111 |
| 4 | | | |
| 5 | Annual Increase - % | | 49.7% |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | <u>Brown County Water Utility, Inc.</u> | \$ 146,065 | \$ 197,679 |
| 10 | | | |
| 11 | Annual Increase - \$ | | \$ 51,614 |
| 12 | | | |
| 13 | Annual Increase - % | | 35.3% |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | <u>Morgan County Rural Water Corporation</u> | | |
| 18 | 1.5" & 6" meters - Compound meter | \$ 6,009 | \$ 62,281 |
| 19 | 8" meter | 92,312 | 180,414 |
| 20 | | | |
| 21 | Total | \$ 98,321 | \$ 242,695 |
| 22 | | | |
| 23 | Annual Increase - \$ | | 144,374 |
| 24 | | | |
| 25 | Annual Increase - % | | 146.8% |

TOWN OF PITTSBORO MUNICIPAL WATER UTILITY
Pittsboro, Indiana

Comparison of Proposed Rates from Citizens Water (Cause No. 44644)
to current Present Rates (Cause No. 44306).

| Line No. | Pro-Forma Billing (Citizens Water - IURC Cause No. 44644) - PROPOSED | | | | | | | | | |
|---|--|-----------------|--------------|--------------|--------------|----------------|----------------|-------------------|---------------------|---------------|
| | | | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge | Total Billing |
| | | Consumption CCF | \$ 1,907 | \$ 1,907 | \$ 1,907 | \$ 1,907 | \$ 1,428 | | | |
| 6 | January 2014 | 8,661.0 | \$ 28.61 | \$ 352.80 | \$ 1,525.60 | \$ 7,628.00 | \$ 5,227.91 | \$ 14,762.91 | \$ 8,479.65 | \$ 23,242.56 |
| 7 | February 2014 | 11,646.5 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 9,491.20 | 19,026.20 | 8,479.65 | 27,505.85 |
| 8 | March 2014 | 12,031.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 10,040.27 | 19,575.27 | 8,479.65 | 28,054.92 |
| 9 | April 2014 | 12,169.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 10,237.33 | 19,772.33 | 8,479.65 | 28,251.98 |
| 10 | May 2014 | 14,537.5 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 13,619.55 | 23,154.55 | 8,479.65 | 31,634.20 |
| 11 | June 2014 | 8,892.5 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 5,558.49 | 15,093.49 | 8,479.65 | 23,573.14 |
| 12 | July 2014 | 8,832.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 5,472.10 | 15,007.10 | 8,479.65 | 23,486.75 |
| 13 | August 2014 | 8,826.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 5,463.53 | 14,998.53 | 8,479.65 | 23,478.18 |
| 14 | September 2014 | 7,648.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 3,781.34 | 13,316.34 | 8,479.65 | 21,795.99 |
| 15 | October 2014 | 7,138.5 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 3,053.78 | 12,588.78 | 8,479.65 | 21,068.43 |
| 16 | November 2014 | 8,495.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 4,990.86 | 14,525.86 | 8,479.65 | 23,005.51 |
| 17 | December 2014 | 8,847.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 5,493.52 | 15,028.52 | 8,479.65 | 23,508.17 |
| 19 | Total | 117,724.0 | \$ 343.26 | \$ 4,233.54 | \$ 18,307.20 | \$ 91,536.00 | \$ 82,429.87 | \$ 196,849.87 | \$ 101,755.80 | \$ 298,605.67 |
| Present Billing (Citizens Water - IURC Cause No. 44306) - CURRENT | | | | | | | | | | |
| | | Consumption CCF | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge | Total Billing |
| | | CCF | \$ 3,000 | \$ 2,897 | \$ 2,638 | \$ 1,785 | \$ 1,360 | | | |
| 29 | January 2014 | 8,661.0 | \$ 45.00 | \$ 535.95 | \$ 2,110.40 | \$ 7,140.00 | \$ 4,978.96 | \$ 14,810.31 | \$ 251.12 | \$ 15,061.43 |
| 30 | February 2014 | 11,646.5 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 9,039.24 | 18,870.59 | 251.12 | 19,121.71 |
| 31 | March 2014 | 12,031.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 9,562.16 | 19,393.51 | 251.12 | 19,644.63 |
| 32 | April 2014 | 12,169.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 9,749.84 | 19,581.19 | 251.12 | 19,832.31 |
| 33 | May 2014 | 14,537.5 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 12,971.00 | 22,802.35 | 251.12 | 23,053.47 |
| 34 | June 2014 | 8,892.5 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 5,293.80 | 15,125.15 | 251.12 | 15,376.27 |
| 35 | July 2014 | 8,832.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 5,211.52 | 15,042.87 | 251.12 | 15,293.99 |
| 36 | August 2014 | 8,826.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 5,203.36 | 15,034.71 | 251.12 | 15,285.83 |
| 37 | September 2014 | 7,648.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 3,601.28 | 13,432.63 | 251.12 | 13,683.75 |
| 38 | October 2014 | 7,138.5 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 2,908.36 | 12,739.71 | 251.12 | 12,990.83 |
| 39 | November 2014 | 8,495.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 4,753.20 | 14,584.55 | 251.12 | 14,835.67 |
| 40 | December 2014 | 8,847.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 5,231.92 | 15,063.27 | 251.12 | 15,314.39 |
| 42 | Total | 117,724.0 | \$ 540.00 | \$ 6,431.34 | \$ 25,324.80 | \$ 85,680.00 | \$ 78,504.64 | \$ 196,480.78 | \$ 3,013.44 | \$ 199,494.22 |
| 43 | Increase/(Decrease) (\$) | | | | | | | \$ 369.09 | \$ 98,742.36 | \$ 99,111.45 |
| 44 | Increase/(Decrease) (%) | | | | | | | 0.19% | 3276.73% | 49.7% |

BROWN COUNTY WATER UTILITY, INC.
Morgantown, Indiana

Comparison of Proposed Rates from Citizens Water (Cause No. 44644)
to current Present Rates (Cause No. 44306).

| Line No. | Pro-Forma Billing (Citizens Water - IURC Cause No. 44644) - PROPOSED | | | | | | | | | |
|----------|--|-----------------|--------------|--------------|--------------|----------------|----------------|-------------------|---------------------|---------------|
| | | | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge | Total Billing |
| | | Consumption CCF | \$ 1,907 | \$ 1,907 | \$ 1,907 | \$ 1,907 | \$ 1,428 | | | |
| 6 | January 2014 | 12,442.0 | \$ 28.61 | \$ 352.80 | \$ 1,525.60 | \$ 7,628.00 | \$ 10,627.18 | \$ 20,162.18 | \$ 4,674.35 | \$ 24,836.53 |
| 7 | February 2014 | 8,875.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 5,533.50 | 15,068.50 | 4,674.35 | 19,742.85 |
| 8 | March 2014 | 7,725.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 3,891.30 | 13,426.30 | 4,674.35 | 18,100.65 |
| 9 | April 2014 | 7,690.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 3,841.32 | 13,376.32 | 4,674.35 | 18,050.67 |
| 10 | May 2014 | 8,625.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 5,176.50 | 14,711.50 | 4,674.35 | 19,385.85 |
| 11 | June 2014 | 6,695.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 2,420.46 | 11,955.46 | 4,674.35 | 16,629.81 |
| 12 | July 2014 | 7,120.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 3,027.36 | 12,562.36 | 4,674.35 | 17,236.71 |
| 13 | August 2014 | 6,950.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 2,784.60 | 12,319.60 | 4,674.35 | 16,993.95 |
| 14 | September 2014 | 4,560.0 | 28.61 | 352.80 | 1,525.60 | 6,788.92 | - | 8,695.92 | 4,674.35 | 13,370.27 |
| 15 | October 2014 | 2,580.0 | 28.61 | 352.80 | 1,525.60 | 3,013.06 | - | 4,920.06 | 4,674.35 | 9,594.41 |
| 16 | November 2014 | 3,745.0 | 28.61 | 352.80 | 1,525.60 | 5,234.72 | - | 7,141.72 | 4,674.35 | 11,816.07 |
| 17 | December 2014 | 3,800.0 | 28.61 | 352.80 | 1,525.60 | 5,339.60 | - | 7,246.60 | 4,674.35 | 11,920.95 |
| 19 | Total | 80,807.0 | \$ 343.26 | \$ 4,233.54 | \$ 18,307.20 | \$ 81,400.30 | \$ 37,302.22 | \$ 141,586.51 | \$ 56,092.20 | \$ 197,678.71 |
| | Present Billing (Citizens Water - IURC Cause No. 44306) - CURRENT | | | | | | | | | |
| | | | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge | Total Billing |
| | | Consumption CCF | \$ 3,000 | \$ 2,897 | \$ 2,638 | \$ 1,785 | \$ 1,360 | | | |
| 29 | January 2014 | 12,442.0 | \$ 45.00 | \$ 535.95 | \$ 2,110.40 | \$ 7,140.00 | \$ 10,121.12 | \$ 19,952.47 | \$ 170.85 | \$ 20,123.32 |
| 30 | February 2014 | 8,875.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 5,270.00 | 15,101.35 | 170.85 | 15,272.20 |
| 31 | March 2014 | 7,725.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 3,706.00 | 13,537.35 | 170.85 | 13,708.20 |
| 32 | April 2014 | 7,690.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 3,658.40 | 13,489.75 | 170.85 | 13,660.60 |
| 33 | May 2014 | 8,625.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 4,930.00 | 14,761.35 | 170.85 | 14,932.20 |
| 34 | June 2014 | 6,695.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 2,305.20 | 12,136.55 | 170.85 | 12,307.40 |
| 35 | July 2014 | 7,120.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 2,883.20 | 12,714.55 | 170.85 | 12,885.40 |
| 36 | August 2014 | 6,950.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 2,652.00 | 12,483.35 | 170.85 | 12,654.20 |
| 37 | September 2014 | 4,560.0 | 45.00 | 535.95 | 2,110.40 | 6,354.60 | - | 9,045.95 | 170.85 | 9,216.80 |
| 38 | October 2014 | 2,580.0 | 45.00 | 535.95 | 2,110.40 | 2,820.30 | - | 5,511.65 | 170.85 | 5,682.50 |
| 39 | November 2014 | 3,745.0 | 45.00 | 535.95 | 2,110.40 | 4,899.83 | - | 7,591.17 | 170.85 | 7,762.02 |
| 40 | December 2014 | 3,800.0 | 45.00 | 535.95 | 2,110.40 | 4,998.00 | - | 7,689.35 | 170.85 | 7,860.20 |
| 42 | Total | 80,807.0 | \$ 540.00 | \$ 6,431.34 | \$ 25,324.80 | \$ 76,192.73 | \$ 35,525.92 | \$ 144,014.79 | \$ 2,050.20 | \$ 146,064.99 |
| 44 | Increase/(Decrease) (\$) | | | | | | | \$ (2,428.27) | \$ 54,042.00 | \$ 51,613.73 |
| 46 | Increase/(Decrease) (%) | | | | | | | -1.69% | 2635.94% | 35.33% |

MORGAN COUNTY RURAL WATER CORPORATION
(W. Greencastle Road - 6" Meter)

Comparison of Proposed Rates from Citizens Water (Cause No. 44644)
to current Present Rates (Cause No. 44306).

| Pro-Forma Billing (Citizens Water - IURC Cause No. 44644) - PROPOSED | | | | | | | | | | | |
|--|---|------|-----------------|--------------|--------------|----------------|----------------|-------------------|--|---------------|--------------|
| Line No. | | | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge (1.5" & 6" meters) | Total Billing | |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | Consumption CCF | | | | | | | | |
| 4 | | | | | | | | | | | |
| 5 | | | | | | | | | | | |
| 6 | January | 2014 | 98.8 | \$ 28.61 | \$ 159.81 | \$ - | \$ - | \$ - | \$ 188.41 | \$ 4,983.27 | \$ 5,171.68 |
| 7 | February | 2014 | 91.0 | 28.61 | 144.93 | - | - | - | 173.54 | 4,983.27 | 5,156.81 |
| 8 | March | 2014 | - | - | - | - | - | - | - | 4,983.27 | 4,983.27 |
| 9 | April | 2014 | 193.0 | 28.61 | 339.45 | - | - | - | 368.05 | 4,983.27 | 5,351.32 |
| 10 | May | 2014 | - | - | - | - | - | - | - | 4,983.27 | 4,983.27 |
| 11 | June | 2014 | - | - | - | - | - | - | - | 4,983.27 | 4,983.27 |
| 12 | July | 2014 | 346.6 | 28.61 | 352.80 | 279.57 | - | - | 660.97 | 4,983.27 | 5,644.24 |
| 13 | August | 2014 | 103.0 | 28.61 | 167.82 | - | - | - | 196.42 | 4,983.27 | 5,179.69 |
| 14 | September | 2014 | 121.0 | 28.61 | 202.14 | - | - | - | 230.75 | 4,983.27 | 5,214.02 |
| 15 | October | 2014 | 91.0 | 28.61 | 144.93 | - | - | - | 173.54 | 4,983.27 | 5,156.81 |
| 16 | November | 2014 | 110.5 | 28.61 | 182.12 | - | - | - | 210.72 | 4,983.27 | 5,193.99 |
| 17 | December | 2014 | 146.5 | 28.61 | 250.77 | - | - | - | 279.38 | 4,983.27 | 5,262.65 |
| 18 | | | | | | | | | | | |
| 19 | Total | | 1,301.4 | \$ 257.45 | \$ 1,944.76 | \$ 279.57 | \$ - | \$ - | \$ 2,481.77 | \$ 59,799.24 | \$ 62,281.01 |
| 20 | | | | | | | | | | | |
| 21 | | | | | | | | | | | |
| 22 | | | | | | | | | | | |
| 23 | Present Billing (Citizens Water - IURC Cause No. 44306) - CURRENT | | | | | | | | | | |
| 24 | | | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge (1.5" & 6" meters) | Total Billing | |
| 25 | | | | | | | | | | | |
| 26 | | | Consumption CCF | | | | | | | | |
| 27 | | | | | | | | | | | |
| 28 | | | | | | | | | | | |
| 29 | January | 2014 | 98.8 | \$ 45.00 | \$ 242.77 | \$ - | \$ - | \$ - | \$ 287.77 | \$ 188.56 | \$ 476.33 |
| 30 | February | 2014 | 91.0 | 45.00 | 220.17 | - | - | - | 265.17 | 188.56 | 453.73 |
| 31 | March | 2014 | - | - | - | - | - | - | - | 188.56 | 188.56 |
| 32 | April | 2014 | 193.0 | 45.00 | 515.67 | - | - | - | 560.67 | 188.56 | 749.23 |
| 33 | May | 2014 | - | - | - | - | - | - | - | 188.56 | 188.56 |
| 34 | June | 2014 | - | - | - | - | - | - | - | 188.56 | 188.56 |
| 35 | July | 2014 | 346.6 | 45.00 | 535.95 | 386.73 | - | - | 967.68 | 188.56 | 1,156.24 |
| 36 | August | 2014 | 103.0 | 45.00 | 254.94 | - | - | - | 299.94 | 188.56 | 488.50 |
| 37 | September | 2014 | 121.0 | 45.00 | 307.08 | - | - | - | 352.08 | 188.56 | 540.64 |
| 38 | October | 2014 | 91.0 | 45.00 | 220.17 | - | - | - | 265.17 | 188.56 | 453.73 |
| 39 | November | 2014 | 110.5 | 45.00 | 276.66 | - | - | - | 321.66 | 188.56 | 510.22 |
| 40 | December | 2014 | 146.5 | 45.00 | 380.96 | - | - | - | 425.96 | 188.56 | 614.52 |
| 41 | | | | | | | | | | | |
| 42 | Total | | 1,301.4 | \$ 405.00 | \$ 2,954.36 | \$ 386.73 | \$ - | \$ - | \$ 3,746.09 | \$ 2,262.72 | \$ 6,008.81 |
| 43 | | | | | | | | | | | |
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MORGAN COUNTY RURAL WATER CORPORATION
(W. Keller Hill Road - 8" Meter)

Comparison of Proposed Rates from Citizens Water (Cause No. 44644)
to current Present Rates (Cause No. 44306).

| Line No. | Pro-Forma Billing (Citizens Water - IURC Cause No. 44644) - PROPOSED | | | | | | | | | |
|----------|--|-------------|--------------|--------------|--------------|----------------|----------------|-------------------|---------------------|---------------|
| | | Consumption | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge | Total Billing |
| | | CCF | \$ 1,907 | \$ 1,907 | \$ 1,907 | \$ 1,907 | \$ 1,428 | | | |
| 6 | January 2014 | 479.0 | \$ 28.61 | \$ 352.80 | \$ 532.05 | \$ - | \$ - | \$ 913.45 | \$ 7,990.78 | \$ 8,904.23 |
| 7 | February 2014 | 3,946.0 | 28.61 | 352.80 | 1,525.60 | 5,618.02 | - | 7,525.02 | 7,990.78 | 15,515.80 |
| 8 | March 2014 | 3,909.0 | 28.61 | 352.80 | 1,525.60 | 5,547.46 | - | 7,454.46 | 7,990.78 | 15,445.24 |
| 9 | April 2014 | 4,665.0 | 28.61 | 352.80 | 1,525.60 | 6,989.16 | - | 8,896.16 | 7,990.78 | 16,886.94 |
| 10 | May 2014 | 5,432.0 | 28.61 | 352.80 | 1,525.60 | 7,628.00 | 616.90 | 10,151.90 | 7,990.78 | 18,142.68 |
| 11 | June 2014 | 4,721.0 | 28.61 | 352.80 | 1,525.60 | 7,095.95 | - | 9,002.95 | 7,990.78 | 16,993.73 |
| 12 | July 2014 | 3,749.0 | 28.61 | 352.80 | 1,525.60 | 5,242.34 | - | 7,149.34 | 7,990.78 | 15,140.12 |
| 13 | August 2014 | 3,676.0 | 28.61 | 352.80 | 1,525.60 | 5,103.13 | - | 7,010.13 | 7,990.78 | 15,000.91 |
| 14 | September 2014 | 3,333.0 | 28.61 | 352.80 | 1,525.60 | 4,449.03 | - | 6,356.03 | 7,990.78 | 14,346.81 |
| 15 | October 2014 | 3,097.0 | 28.61 | 352.80 | 1,525.60 | 3,998.98 | - | 5,905.98 | 7,990.78 | 13,896.76 |
| 16 | November 2014 | 3,771.0 | 28.61 | 352.80 | 1,525.60 | 5,284.30 | - | 7,191.30 | 7,990.78 | 15,182.08 |
| 17 | December 2014 | 3,654.0 | 28.61 | 352.80 | 1,525.60 | 5,061.18 | - | 6,968.18 | 7,990.78 | 14,958.96 |
| 19 | Total | 44,432.0 | \$ 343.26 | \$ 4,233.54 | \$ 17,213.65 | \$ 62,017.55 | \$ 616.90 | \$ 84,524.90 | \$ 95,889.36 | \$ 180,414.26 |
| Line No. | Present Billing (Citizens Water - IURC Cause No. 44306) - CURRENT | | | | | | | | | |
| | | Consumption | First 15 CCF | Next 185 CCF | Next 800 CCF | Next 4,000 CCF | Over 5,000 CCF | Volumetric Charge | Monthly Base Charge | Total Billing |
| | | CCF | \$ 3,000 | \$ 2,897 | \$ 2,638 | \$ 1,785 | \$ 1,360 | | | |
| 29 | January 2014 | 479.0 | \$ 45.00 | \$ 535.95 | \$ 736.00 | \$ - | \$ - | \$ 1,316.95 | \$ 229.40 | \$ 1,546.35 |
| 30 | February 2014 | 3,946.0 | 45.00 | 535.95 | 2,110.40 | 5,258.61 | - | 7,949.96 | 229.40 | 8,179.36 |
| 31 | March 2014 | 3,909.0 | 45.00 | 535.95 | 2,110.40 | 5,192.57 | - | 7,883.91 | 229.40 | 8,113.31 |
| 32 | April 2014 | 4,665.0 | 45.00 | 535.95 | 2,110.40 | 6,542.03 | - | 9,233.37 | 229.40 | 9,462.77 |
| 33 | May 2014 | 5,432.0 | 45.00 | 535.95 | 2,110.40 | 7,140.00 | 587.52 | 10,418.87 | 229.40 | 10,648.27 |
| 34 | June 2014 | 4,721.0 | 45.00 | 535.95 | 2,110.40 | 6,641.99 | - | 9,333.33 | 229.40 | 9,562.73 |
| 35 | July 2014 | 3,749.0 | 45.00 | 535.95 | 2,110.40 | 4,906.97 | - | 7,598.31 | 229.40 | 7,827.71 |
| 36 | August 2014 | 3,676.0 | 45.00 | 535.95 | 2,110.40 | 4,776.66 | - | 7,468.01 | 229.40 | 7,697.41 |
| 37 | September 2014 | 3,333.0 | 45.00 | 535.95 | 2,110.40 | 4,164.41 | - | 6,855.75 | 229.40 | 7,085.15 |
| 38 | October 2014 | 3,097.0 | 45.00 | 535.95 | 2,110.40 | 3,743.15 | - | 6,434.49 | 229.40 | 6,663.89 |
| 39 | November 2014 | 3,771.0 | 45.00 | 535.95 | 2,110.40 | 4,946.24 | - | 7,637.58 | 229.40 | 7,866.98 |
| 40 | December 2014 | 3,654.0 | 45.00 | 535.95 | 2,110.40 | 4,737.39 | - | 7,428.74 | 229.40 | 7,658.14 |
| 42 | Total | 44,432.0 | \$ 540.00 | \$ 6,431.34 | \$ 23,950.40 | \$ 58,049.99 | \$ 587.52 | \$ 89,559.25 | \$ 2,752.80 | \$ 92,312.05 |
| 44 | Increase/(Decrease) (\$) | | | | | | | \$ (5,034.35) | \$ 93,136.56 | \$ 88,102.21 |
| 46 | Increase/(Decrease) (%) | | | | | | | -5.62% | 3383.34% | 95.4% |