

**www.MCRW.org**  
**765-342-7370**



**1395 East Shore Drive**  
**Martinsville, IN 46151**

February 7, 2019

Dear Members of Morgan County Rural Water Corporation,

On February 1, 2019, Morgan County Rural Water Corporation ("MCRW") filed with the Indiana Utility Regulatory Commission ("Commission") a petition for approval of an increase in its rates and charges for water utility service, a change in the design of MCRW's rates, and an increase in non-recurring rates and charges. MCRW has requested the Commission's approval of a rate increase of approximately 15.38% over the current rates. MCRW last increased its base rates in 2008. In summary, the rate increase is needed in order to provide sufficient revenue to fund the increasing costs of operating and maintaining the current system, to replace and reinforce existing aging infrastructure, and to repay existing debt obligations. The proposed change in rate design will replace the existing minimum monthly charge with a monthly charge plus a volume charge. The proposed change in rate design will also eliminate the Western Expansion Area monthly surcharge, thereby making MCRW's rates uniform for all customers. MCRW is also seeking an increase in and change in description of certain non-recurring charges as follows:

Membership Fee – increase from \$200.00 to \$300.00 (New fee will only apply to new applications or reinstatements)

Connection Charge – increase from \$1,960.00 to \$2,415.00 (Only applies to new connections)

System Development Charge (Only applies to new connections) -

|                      |  |
|----------------------|--|
| 5/8 – 3/4 inch meter | Increase from \$500.00 to \$750.00       |
| 1 inch meter         | Increase from \$1,250.00 to \$1,875.00   |
| 1 1/2 inch meter     | Increase from \$2,500.00 to \$3,750.00   |
| 2 inch meter         | Increase from \$4,000.00 to \$6,000.00   |
| 3 inch meter         | Increase from \$7,500.00 to \$11,250.00  |
| 4 inch meter         | Increase from \$12,500.00 to \$18,750.00 |
| 6 inch meter         | Increase from \$25,000.00 to \$37,500.00 |

In addition, MCRW is seeking to add certain new non-recurring charges, as follows:

Delinquency Service Charge - \$75.00 – This will replace the \$48.00 Reconnection Charge  
 After Hours Service Charge - \$65.00 – This will replace the \$29.00 Reconnection Surcharge and the \$15.00 General Service Surcharge  
 Easement Recording Charge - \$35.00  
 Tampering Charge – Minimum of \$300.00  
 Backflow Prevention Policy Fine - Up to \$2,500.00 per day

These proposed rates and charges and rate design changes represent the minimum increase MCRW felt it could ask for and still be able to operate and maintain the system in a sound manner. Together we share your goal of a safe, dependable supply of potable water at the lowest possible price consistent with prudent business practices.

Thank you for your cooperation and understanding in this matter.

Respectfully,

Morgan County Rural Water Corporation