



INDIANA UTILITY REGULATORY COMMISSION  
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MEMORANDUM

TO: Commissioners Hardy, Golc, Landis, Server and Ziegner

FROM: Jerry L. Webb, Director of Water/Sewer Division *Jerry Webb*

DATE: August 8, 2008

RE: Utility Articles for Next Conference

The following Preliminary Articles "A" are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after August 13, 2008.

JLW/ld

**"A" Preliminaries**

*The following new miscellaneous items have been reviewed by staff members of the Commission and we recommend accepting them for filing.*

**1. Princeton Municipal Water Utility**

The utility is requesting the Commission's approval to charge the cost of furnishing Public Fire Protection Service directly to the ratepayers in accordance to IC 8-1-2-103(d). Currently, the utility is billing the City of Princeton \$477.07 per hydrant, annually.

IC 8-1-2-103(d) states in part that:

If the governing body of any municipality within the service area of the utility adopts an ordinance providing that costs shall be recovered under this subsection, the charges for the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection purposes shall be included in the basic rates of all customers of the utility within the municipality. The change in the recovery of current revenue authorized by the ordinance shall be reflected in a new schedule of rates to be filed with commission at least thirty (30) days before the time the new schedule of rates is to take effect. The new schedule of rates shall:

- (1) eliminate fire protection charges billed directly to governmental units, other than charges for the construction cost for new hydrants installed on and after the date specified in the ordinance; and
- (2) increase the rates charged each customer of the utility, based on equivalent meter size, by an amount equal to:
  - a. the revenues lost from the elimination of such fire protection charges; divided by
  - b. the current number of equivalent five-eighths (5/8) inch meters.

This change in the recovery of public fire protection costs shall not be considered to be a general increase in basic rates and charges of the utility and is not subject to the notice and hearing requirements applicable to general rate proceedings. The commission shall approve the new schedule of rates that are to be effective on a date specified in the ordinance.

The City of Princeton adopted Ordinance No. 2008-02 to authorize this change under IC 8-1.5-4-14 to comply with the above statutory requirement.

The customers' rates were calculated based on the meter ratios and the equivalent number of connections derived from the American Water Works Association (AWWA) Manual. The Commission has accepted the AWWA factors in similar requests. The following table depicts the proposed rates:

Meter Size	Proposed Monthly Charge
1/2"	\$2.83
5/8"	\$2.83
3/4"	\$2.83
1"	\$7.08
1 1/2"	\$14.15
2"	\$22.64
3"	\$42.45
4"	\$70.75
6"	\$141.50
8"	\$226.40

The amount of annual fire protection revenue to be transferred from hydrant rentals currently paid by the City of Princeton to surcharges to be paid by customers of the utility is \$173,666.00.

The tariff pages affected by this filing are:

- Pages 2 and 3.

**2. South Harrison Water Corporation**

The utility is proposing to change some of the non-recurring charges in its rate tariff. The changes are for Connection Charge (Tap Fee), Reconnection Charge, General Service Charge – Working Hours, General Service Charge –Non-Working hours, Returned Check Fee, and Meter Reading Charge. The reason for these increases is due to increased costs associated with providing these services. The current and proposed charges can be found below. Cost support has been provided.

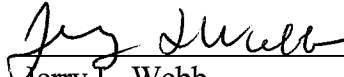
Description of Service	Current Charge	Proposed Charge
Connection Charge (tap fee)	\$450.00	\$750.00
Reconnection Charge	\$ 25.00	\$40.00
General Service Charge - Working hours	\$25.00	\$50.00
General Service Charge - Non-working hours	\$40.00	\$80.00
Returned Check Charge	\$25.00	\$35.00
Meter Reading Charge *	\$7.76	\$10.00

\* Staff notes that this charge is to recover meter reads requested by the customer, not the regular meter reads used to calculate customer bills.

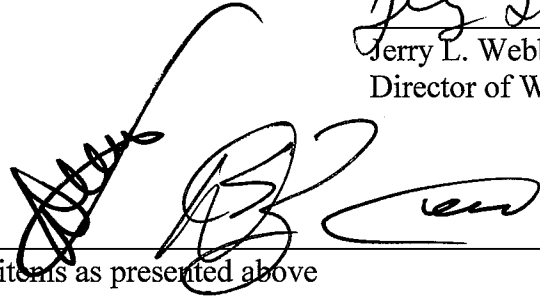
The tariff portions affected by this filing are:

- Section (E), (H), (I), (J), (L), (M), and Pages 3, 4, and 5.

Please indicate your consideration and action of the preceding items on the appropriate lines provided below.



Jerry L. Webb  
Director of Water/Sewer Division



I approve of all items as presented above

I approve of all items as presented above except

Not participating in the following items

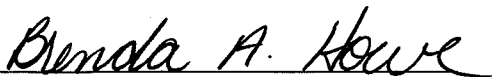
I, \_\_\_\_\_, Disapprove Items

No.

I, \_\_\_\_\_, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.



Brenda A. Howe  
Secretary to the Commission