

South Harrison Water Corporation

P. O. Box 308

New Middletown, IN 47160

Phone: (812) 968-3425 Fax: (812) 968-3713

April 20, 2009

Jerry Webb, Chief Engineer
Indiana Utility Regulatory Commission
101 West Washington ST – Suite 1500 E
Indianapolis, IN 46204

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INDIANA UTILITY
REGULATORY COMMISSION

Dear Mr. Webb,

South Harrison Water proposes to change our non-recurring charge for credit card transactions in our rate tariff. We presently have a percent based fee and are proposing a flat transaction fee to be more in line with other utilities. The individual item that we are requesting to change is summarized below:

- We propose to change the "Credit Card Surcharge" section of our rate tariff – Section (N). We wish to stop charging a 4.2% transaction fee and replace it with a flat \$2.00 per transaction fee.

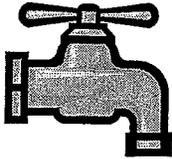
This will result in slightly less revenue for the utility, but will be much easier for us to account for and explain to our credit card using customers.

This packet is being submitted in triplicate to your attention for a 30 day filing. Also a copy of this packet has been forwarded to the Office of the Utility Consumer Counselor for their perusal. If you have any questions, please feel free to contact me.

Sincerely,

Bruce A. Cunningham
General Manager

Copy To: Office of the Utility Consumer Counselor



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Schedule of Rates and Charges

Customers may make payments at the above utility business office, or such other office as may be designated by the utility. Customers may also make inquiries, service requests and complaints at the above address.

The attached rates and charges are issued to govern the rendering of water utility service, and every applicant upon becoming a member shall be bound thereby. A copy of the Schedule of Rates and Charges as approved by the Indiana Utility Regulatory Commission shall be on file and open to public inspection at the Commission's office and at the above address of South Harrison Water Corporation. Listed water utility services are available to applicants who are located on the utility's water mains suitable and adequate for supplying the service requested.

Signature: Bruce A. Cunningham
Bruce A. Cunningham, General Manager

Date: 6/22/02

UPDATED: Bruce A. Cunningham

DATE: 7/11/08

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(A) **General Service Metered Rate** *South Harrison Water Corporation*

For use of, and service rendered by, the water works system of the corporation based upon the use of water supplied by said water works system:

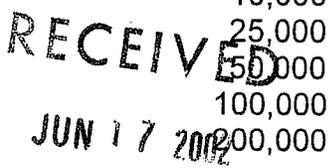
<u>Metered Rates Per Month:</u>	<u>Per 1,000 Gallons:</u>
First 3,000 gallons	\$7.53
Next 7,000 gallons	\$6.82
Next 15,000 gallons	\$6.41
Next 25,000 gallons	\$6.00
Next 50,000 gallons	\$5.59
Next 100,000 gallons	\$4.88
Over 200,000 gallons	\$3.06



Minimum Rate Per Month:

Each user shall pay a minimum rate in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water as shown. Additional usage will be billed in accordance with the above rate block.

<u>Size of Meter:</u>	<u>Minimum Rate:</u>	<u>Quantity of Water:</u>
5/8"	\$ 15.06	2,000
3/4"	\$ 36.23	5,000
1"	\$ 70.33	10,000
1 1/2"	\$166.48	25,000
2"	\$316.48	50,000
3"	\$595.98	100,000
4"	\$1,083.98	200,000



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GAS/WATER/SEWER DIVISION

(B) **Chariot Run 6" Metered Wholesale Rate**

Service shall be provided through a dedicated 6" service meter. The flat rate for water will be \$2.58 per thousand gallons. A monthly minimum bill will apply for 350,000 gallons. For usage less than 350,000 gallons per month only the minimum bill will apply. For usage over 350,000 gallons per month only the volume charge will apply. A tracking factor will be used to pass along any cost increase / decrease for wholesale purchased water from neighboring utility. Tracking factor is now established at \$0.00 and will be modified only through the 30 day filing process.

(N)

(C) **Fire Protection Service & Dedicated Fire Hydrants**

Fire Protection Service – \$2.02 per square inch of line tap size, billed monthly. For standby fire protection water service, including but not limited to sprinkler service. Customer shall pay the full labor and material cost to install valves, main, fittings,

South Harrison

meter and back flow preventer. No other domestic or public uses may be connected to a fire protection service. Service under this section shall be limited by water main size, pressure and flow availability to be determined by the office of the utility. Based on \$2.02 per square inch:

- 4" fire protection service - \$25.41 per month
- 6" fire protection service - \$57.18 per month
- 8" fire protection service - \$101.65 per month

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Fire Hydrant Charge – \$239.90 per hydrant, billed once annually. For hydrants installed at customer request in a location where it is deemed by the corporation that the hydrant is dedicated for that customer. Service under this section shall generally consist of stand-by service for fire emergencies and all water taken through such connections shall be restricted to fire emergencies unless other temporary use shall have been specifically authorized by the office of the utility.

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(D) Rate for Temporary Users

Water furnished to temporary users, such as contractors, shall be charged on the basis of the metered gallon rate hereinbefore set forth in Section (A), as metered, estimated, or established by the office of the utility.

(E) Connection Fee

Each applicant shall pay a fee to cover the costs of excavating and tapping the main line, furnishing and installing service pipe from main to meter crock, corporation and stop cocks, meter crock/pit (if outside), yoke, and meter, in accordance with the below schedule of fees:

<u>Size of Meter:</u>	<u>Fee:</u>
5/8"	\$750.00

The fee for 3/4" and larger meters shall be based on actual labor, material, and overhead costs, but not less than the connection fee set forth above for the 5/8" meter.

(F) Membership Fee

The membership fee shall be \$110.00 per membership owned in the corporation and shall be considered non-refundable. Membership rights and responsibilities are outlined in the utility's Bylaws.

(G) Late Payment Charge

Utility service bills which remain unpaid for a period of more than seventeen (17) days following the mailing of the bill shall become delinquent. Utility service bills shall be

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rendered as a net bill. If the net bill is not paid within seventeen (17) days after being mailed, it shall become a delinquent bill and a late payment charge will be added. The late payment charge will be added in the amount of ten (10) percent of the first three (3) dollars and three (3) percent of the excess of three (3) dollars.

(H) Reconnection Charge

A \$40.00 reconnection charge will apply when the service is disconnected for non-payment of a bill, or whenever for any reason beyond the control of the utility a re-establishment of service is required by a customer. This charge shall be paid to the utility to cover the costs of discontinuance and re-establishment of service during normal working hours. Outside of established working hours, this fee shall be in addition to the 'General Service Charge – Non-Working Hours' shown in part (J) below. The charge, together with any arrears due the utility, shall be paid by the customer before service is re-established.

(I) General Service Charge – Working Hours

A \$50.00 general service charge may apply for any trip to the customer's premises, at their request, for conditions on the customer's side of the meter during normal working hours.

(J) General Service Charge – Non-Working Hours

An \$80.00 general service charge may apply for any trip to the customer's premises, at their request, for conditions on the customer's side of the meter outside of normal working hours.

(K) New Applicants

(1) Each new applicant for residential water service shall be deemed creditworthy and shall not be required to make a cash deposit as a condition of receiving service if the applicant satisfies the following criteria:

- (a) Applicant (i) has been a customer of any utility within the last two years, (ii) owes no outstanding bills for service rendered by any such utility, (iii) did not have during the last 12 consecutive months that the service was provided, more than two delinquent bills or, if service was rendered for a period of less than 12 consecutive months, has had more than one delinquent bill, and (iv) within the last two years did not have a service disconnected by a utility for non-payment of a bill for services rendered by that utility.

(b) An applicant who has not been a customer of a utility during the previous two years shall be deemed creditworthy if they meet any two (2) of the following three (3) criteria:

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South Harrison

(i) Either (a) the applicant has been employed by their present employer for two years, or (b) the applicant has been employed by their present employer for less than two years but the applicant has been employed by only one other employer during the past two years, or (c) the applicant has been employed by their present employer for less than two years and has no previous employment due to having recently graduated from a school, university, vocational program, or has recently been discharged from military service.

(ii) Applicant either (a) owns or is buying their home, or (b) is renting a home or an apartment and has occupied the premises for more than two (2) years.

(iii) Applicant has credit cards, charge accounts, or has been extended credit by a bank or commercial concern, unless a credit check shows that the applicant has been in default on any such account more than twice within the last twelve (12) months.

(2) If the applicant fails to establish that they are creditworthy pursuant to the above criteria, the applicant may be required to make a cash deposit. Such deposit shall not exceed 1/6 of the estimated annual cost of service to be rendered to the applicant.

(L) Returned Check Charge

A \$35.00 returned check charge shall apply per check for a customer issuing the utility a check found to be drawn on an account with insufficient funds to cover the check.

(M) Meter Reading Charge

A charge of \$10.00 shall be billed to the customer to have a corporation employee read their meter. According to corporation bylaws, the customer shall read their own meter and provide that reading to the corporation. This charge allows the corporation to recover the cost of having Water Company personnel go read the meter for those customers who do not provide meter readings.

(N) Credit Card Surcharge

The corporation would like to provide the convenience of credit card transactions to our customers. In order to keep corporation costs down, a credit card surcharge of 4.2% shall be added to every customer credit card transaction. This surcharge shall be used to offset the corporation's cost of processing credit card payments. Customers shall be informed of this surcharge at the time they wish to use their credit card for payment.

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Credit Card Surcharge

South Harrison Water proposes to reduce the fee charged to our credit card using customers from the existing 4.2% fee to a flat rate fee of \$2.00 per transaction. This will ultimately be a savings to those customers that are using credit cards for their payments. South Harrison Water will see a labor savings in calculating the fee and the resulting explanation to the customer on the fee and how it is calculated.

Past 6 months of transactions using "existing" 4.2% fee:		4.2% Surcharge:	
March 2009	68 total transactions totaling \$5,283.59.	\$	221.91
February 2009	47 total transactions totaling \$3,044.77.	\$	127.88
January 2009	64 total transactions totaling \$4,035.96.	\$	169.51
December 2008	58 total transactions totaling \$3,774.28.	\$	158.52
November 2008	65 total transactions totaling \$4,620.14.	\$	194.05
October 2008	83 total transactions totaling \$5,895.69.	\$	247.62
Total:		\$	1,119.49

Past 6 months of transactions using "proposed" flat \$2.00 fee:		Flat \$2.00 fee:	
March 2009	Same 68 total transactions at proposed \$2.00 flat fee.	\$	136.00
February 2009	Same 47 total transactions at proposed \$2.00 flat fee.	\$	94.00
January 2009	Same 64 total transactions at proposed \$2.00 flat fee.	\$	128.00
December 2008	Same 58 total transactions at proposed \$2.00 flat fee.	\$	116.00
November 2008	Same 65 total transactions at proposed \$2.00 flat fee.	\$	130.00
October 2008	Same 83 total transactions at proposed \$2.00 flat fee.	\$	166.00
Total:		\$	770.00

Revenue difference between "existing" and "proposed" methods: \$ (349.49)

Notes:

1. These are the actual credit card transactions for the period October 2008 - March 2009.
2. We feel that we will make up the difference in the revenue with labor savings in calculating the 4.2% fee and explaining the fee to our customers.
3. The net result will be a savings to our customers that use credit cards.

Proposed Engineering Minutes Report

South Harrison Water Corporation

The Utility is an Indiana not-for-profit, membership owned, water utility providing drinking water service to its customers located in southwest Harrison County and a small portion of Floyd County, Indiana. The Utility proposes to make the following changes to its rate tariff:

- Schedule of Rates and Charges – section **(N) Credit Card Surcharge**. The surcharge will be changed from a 4.2% per transaction fee to a flat \$2.00 per transaction fee.

Cost justifications and other data pertinent to this request are accompanied with the submittal.

(i) Either (a) the applicant has been employed by their present employer for two years, or (b) the applicant has been employed by their present employer for less than two years but the applicant has been employed by only one other employer during the past two years, or (c) the applicant has been employed by their present employer for less than two years and has no previous employment due to having recently graduated from a school, university, vocational program, or has recently been discharged from military service.

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