

WILLIAMS BARRETT & WILKOWSKI, LLP

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November 12, 2012

VIA IURC ELECTRONIC FILING SYSTEM

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

Re: Morgan County Rural Water Corporation - 30 Day Filing
- Connection Charge Increase
Our File No: L194; 0747

Dear Secretary of the Commission:

We represent Morgan County Rural Water Corporation (the "Utility"). We respectfully request the approval of the Indiana Utility Regulatory Commission (the "Commission") for the following change to Morgan County Rural Water Corporation's Schedule of Water Rates and Charges:

1. an increase in the Connection Charge for new service from \$1,460 to \$1,960;
2. a correction of four typographical errors in the Utility's Tariff Sheets; and
3. an addition of two more meter sizes to the schedule of System Development Charges so as to also expressly include 4" and 6" size meters.

We further request that this approval be processed utilizing the thirty (30) day filing process pursuant to 170 IAC 1-6. This filing is allowable under 170 IAC 1-6-3 because a request for an increase in the Connection Charge qualifies as both a charge for new service (170 IAC 1-6-3(1)) and a nonrecurring charge (170 IAC 1-6-3(4)), the Tariff Sheet corrections qualify as changes to rates and charges that are revenue neutral (170 IAC 1-6-3(5)(A)), and an addition of two more meter sizes to the schedule of System Development Charges qualifies as a change to rates and charges that is revenue neutral (170 IAC 1-6-3(5)(A)).

The need for the increase in the Connection Charge is to pass along actual increased costs associated with providing new connections for water service to customers being newly connected; the Connection Charge was last set nearly five years ago in January 2008. The justification for this change is increased costs for materials, labor, and the Utility's decision in

2008 to make road crossings using subcontracted road bores, which costs an average of \$273.75 per connection. Please see the attached cost itemization, Labor Cost Study, and boring subcontracting work papers for more detailed support for the requested change in the Connection Charge. The cost of labor and road bore subcontracting is based on average actual costs. The material costs are based on the average of recent material quotes received from the two suppliers the Utility uses for such materials. The equipment cost component was based on and left unchanged from the 2007 cost itemization previously approved by the IURC. For your reference, included is a copy of the cost itemization provided to the Commission in 2007 when the Connection Charge was last set. Glen Miller, Manager of the Utility, prepared the cost itemization, Labor Cost Study, and the boring subcontracting work papers. If this request is approved, the Utility projects incurring an average cost of \$1,968.56 per new connection installed by the Utility and collecting revenues of \$1,960 per new connection installed by the Utility.

The need for the correction of the four typographical errors in the Utility’s Tariff Sheets is described as follows:

1. On page 2, Subparagraph (c), entitled “Membership Fee”: The word “fee” was omitted after the word “membership” in the last sentence of the paragraph.
2. On page 2, Subparagraph (e), entitled “Late Payment Charge”: The figure in the first sentence should read “\$3.00” instead of “\$3,00”. Also, the sixth word in the second sentence should be changed from “of” to “on”.
3. Subparagraph (g), entitled “Reconnection Surcharge”: The Reconnection Charge referred to in this subparagraph should read “Forty-Eight Dollar (\$48.00)” instead of “Forty-Seven Dollar and Fifty Cent (\$48.00)”.

The need for the addition of 4” and 6” meter sizes to the schedule of System Development Charges is to make the meter sizes consistent with the meter sizes listed in the schedule of minimum charges found on page 1, subparagraph (a) for the current Schedule of Water Rates and Charges, which currently includes 4” and 6” meter sizes. The current Schedule of Water Rates and Charges provides a System Development Charge on Page 3, subparagraph (m), which currently reads as follows:

For each new equivalent dwelling unit connected to the waterworks system, the applicant for the connection shall pay a charge to cover the costs of the capacity in the waterworks system allocated for the connection, in accordance with the following schedule and the applicable size of meter installed.

<u>Meter Size</u>		<u>Equivalency Factor</u>	<u>Charge</u>
5/8 - 3/4	inch meter	1.0	\$500.00
1	inch meter	2.5	1,250.00
1 1/2	inch meter	5.0	2,500.00
2	inch meter	8.0	4,000.00
3	inch meter	15.0	7,500.00

The existing System Development Charge (“SDC”) is \$500 per “new equivalent dwelling

unit connected to the waterworks system”, and as documented by the Utility’s engineer by letter from Midwestern Engineers Inc. dated November 2, 2012 and attached hereto, a 4” meter equates to 25 equivalent dwelling units and therefore an SDC of \$12,500, and a 6” meter equates to 50 equivalent dwelling units and therefore an SDC of \$25,000. It is the Utility’s position that even without the requested change, if a customer requested a new 4” or 6” connection, the customer would be obligated to pay a System Development Charge of \$500 per new equivalent dwelling unit to be connected, which would result in the customer being obligated to pay these same SDC amounts for a 4” or 6” connection. Listing these 4” and 6” meter sizes in the SDC schedule helps the Tariff be internally consistent and helps customers clearly understand the costs for a 4” or 6” connection without having to resort to customized calculations.

This filing contains the following documents for your consideration: (1) this cover letter, (2) the existing tariff sheets approved by the Commission, (3) new tariff sheets 2 and 3 reflecting the requested changes, (4) a redline version of the new tariff sheets 2 and 3 highlighting the changes, (5) a cost itemization for the increased connection charge including supporting materials, (6) letter from Midwestern Engineers Inc. documenting the Equivalent Factors for 4” and 6” meter System Development Charges, and (7) a Verified Statement Of Notice To Customers.

The contact information for the Utility regarding this filing is as follows:

Stephen K. Watson, Attorney
Williams Barrett & Wilkowski, LLP
600 N. Emerson Avenue
P.O. Box 405
Greenwood, IN 46142
Email: swatson@wbwlawyers.com
Tel.: 317-888-1121
Fax.: 317-887-4069

Please call me at the phone number shown above if you have any questions regarding this request and submission.

Sincerely,

WILLIAMS BARRETT & WILKOWSKI, LLP



Stephen K. Watson (Attorney # 16899-53)

SKW/skm

Enclosures: Existing Tariff Sheets
Proposed Tariff Sheets (Redline)
Proposed Tariff Sheets (Clean)
Itemization of Connection Charge Costs
Labor Cost Study
Work Papers for Boring Subcontractor Cost
2007 Itemization of Connection Charge Costs
Letter from Midwestern Engineers, 11/2/12
Verified Statement Of Notice To Customers (including copy of Notice)

cc: (Via Email to uccinfo@oucc.IN.gov)
Indiana Office of Utility Consumer Counselor
PNC Center
115 W. Washington St., Suite 1500 South
Indianapolis, Indiana 46204

cc: (Via Email)
Glen Miller
Morgan County Rural Water Corp.
1395 E. Shore Drive
P.O. Box 1575
Martinsville, IN 46151

[T:\MMORGAN\30 Day Filing\Connection Charge Increase, 2012\CoverLetter - 2012, 11-12-12.doc]

MORGAN COUNTY RURAL WATER CORPORATION
 State Road 67 North at Lake Edgewood Road
 P.O. Box 1575
 Martinsville, Indiana 46151

APPROVED BY
 CONFERENCE MINUTES
 MAY 06 2010
 INDIANA UTILITY
 REGULATORY COMMISSION

SCHEDULE OF WATER RATES AND CHARGES
 (Pursuant to IURC Order in Cause No. 42993
 approved September 28, 2006.)

(a) General Service Metered Rate

For use of and service rendered by the waterworks system of the Corporation based upon the use of water supplied by said waterworks system.

<u>Metered Rates</u>		<u>Rate per 1,000 gallons</u>
<u>Per Month</u>		
First	2,500 gallons	\$10.44 *
Next	7,500 gallons	10.03 *
Next	15,000 gallons	7.61 *
Next	25,000 gallons	5.19 *
Over	50,000 gallons	2.80 *

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 set out in the above rate block.

<u>Minimum Charge</u>	<u>Gallons Allowed For Minimum</u>	<u>Rate Per Month</u>
5/8 or 3/4 inch meter	2,500	\$26.10 *
1 inch meter	5,099	52.15 *
1 1/2 inch meter	15,129	140.34 *
2 inch meter	23,015	200.38 *
3 inch meter	62,680	380.73 *
4 inch meter	76,980	420.78 *
6 inch meter	355,750	1,201.48 *

(b) Western Expansion Customer Surcharge

<u>Rate Per Month</u>
\$9.74

Each Western Expansion customer shall pay a monthly surcharge of nine dollars and seventy-four cents (\$9.74) to pay for costs associated with the Western Expansion Project. The costs include debt service on the revenue bonds, funding of a debt service reserve, operation and maintenance costs and extensions and improvements. The Western Expansion area includes, but is not limited to, portions of Jefferson, Ashland, Ray, Gregg, and Adams Township in Morgan County. Also include are Harrison and Wayne Township in Owen County.

* Subject to the wholesale water tracking factor listed in "Appendix A".

MORGAN COUNTY RURAL WATER CORPORATION
State Road 67 North at Lake Edgewood Road
P.O. Box 1575
Martinsville, Indiana 46151

(Cont'd)

APPROVED BY
CONFERENCE MINUTES

JAN 09 2008

INDIANA UTILITY
REGULATORY COMMISSION

SCHEDULE OF WATER RATES AND CHARGES

(Pursuant to IURC Order in Cause No. _____,
approved _____, 200__)

(c) Membership Fee \$200.00

A membership fee of Two Hundred Dollars (\$200.00) shall be paid in addition to a connection charge, upon application for membership in this Corporation. The membership is refundable, but shall not be transferable.

(d) Connection Charge \$1,460.00

Each applicant shall pay a charge to cover the costs of excavating and tapping the main, furnishing and installing service pipe from the main to the lot line, furnishing and installing corporation and stop cocks, and furnishing and installing meter crock (if outside), yoke and meter. The charge for a 5/8 inch meter tap shall be One Thousand Four Hundred Sixty Dollars (\$1,460.00) plus the cost of any highway permits required. The charge for a tap larger than the 5/8 inch meter tap shall be the cost of labor, materials, power machinery, transportation, and overhead incurred for installing the tap, but shall not be less than the charge for a 5/8 inch meter tap.

(e) Late Payment Charge

A charge equal to 10% of the first \$3.00 plus 3% of all over \$3.00 of the monthly charge for water. This charge shall be assessed of all payments made after the close of business on the 17th day of the month. Bills are mailed on the last day of the previous month. In the event the 17th falls on Saturday, Sunday or a legal holiday, payment will be accepted on the following Monday or business day without assessing the late payment charge.

(f) Reconnection Charge \$48.00

When the service is turned off for non-payment of bill, or whenever for any reason beyond the control of the waterworks a re-establishment of service is required by any one customer, this charge will be made by the waterworks to cover the cost of discontinuance and re-establishment of service during the period of 8:00 A.M. to 5:00 P.M. weekdays. The charge together with any arrears due the waterworks, shall be paid by the customer before service will be re-established.

(g) Reconnection Surcharge \$29.00

This charge will be made in addition to the Forty-Seven Dollar and Fifty Cent (\$48.00) Reconnection Charge for re-establishments of service on Saturday, Sunday and after 5:00 P.M. on weekdays.

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MORGAN COUNTY RURAL WATER CORPORATION
State Road 67 North at Lake Edgewood Road
P.O. Box 1575
Martinsville, Indiana 46151

RECEIVED

OCT 6 2006

ISSUED PURSUANT TO

SCHEDULE OF WATER RATES AND CHARGES

INDIANA UTILITY REGULATORY COMMISSION

(Cont'd)

(Pursuant to IURC Order in Cause No. 42993
approved September 28, 2006)

GAS/WATER/SEWER DIVISION

42993 SEP 28 2006

Date
Indiana Utility Regulatory Commission
Gas/Water/Sewer Division

(h) General Service Charge \$15.00

This charge will be made for any trip to the members premises at their request for conditions on the members side of the meter during the period 8:00 A.M. to 5:00 P.M. weekdays.

(i) General Service Surcharge \$15.00

This charge will be made in addition to the \$15.00 General Service Charge for such service on Saturday, Sunday, and after 5:00 P.M. weekdays.

(j) Deposit to Insure Payment of Bills

If an applicant fails to establish that (she)(he) is creditworthy, the applicant will be required to make a reasonable cash deposit. Such deposit shall not exceed one-sixth of the estimated annual cost of service to be rendered to the applicant.

(k) Leak rate abolished as production costs far exceed the rate allowed. Any usage due to leaks shall be billed at established metered rates.

(l) Dishonored Check Charge \$25.00

When a check (personal or business) is received for payment of products or service and is returned from a bank for insufficient funds and is being held as a bad debt, a Twenty-Five Dollar (\$25.00) fee will be charged to the account and must be paid in CASH before the office will surrender the bad check and clear the account.

(m) System Development Charge ("SDC")

For each new equivalent dwelling unit connected to the waterworks system, the applicant for the connection shall pay a charge to cover the costs of the capacity in the waterworks system allocated for the connection, in accordance with the following schedule and the applicable size of meter installed.

EFFECTIVE	Meter Size	Equivalency Factor	Charge
SEP 28 2006	5/8 - 3/4 inch meter	1.0	\$500.00
	1 inch meter	2.5	1,250.00
	1 1/2 inch meter	5.0	2,500.00
	2 inch meter	8.0	4,000.00
	3 inch meter	15.0	7,500.00

GAS/WATER/SEWER DIVISION
INDIANA UTILITY REGULATORY COMMISSION

MORGAN COUNTY RURAL WATER CORPORATION
State Road 67 North at Lake Edgewood Road
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Martinsville, Indiana 46151

(Cont'd)

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- (g) Reconnection Surcharge \$29.00

This charge will be made in addition to the ~~Forty-Seven Dollar and Fifty Cent~~ ~~Forty-Seven Dollar~~ ~~and Fifty Cent~~ (Forty-Eight Dollar) (\$48.00) Reconnection Charge for re-establishments of service on Saturday, Sunday and after 5:00 P.M. on weekdays.

(Continued on next page)

MORGAN COUNTY RURAL WATER CORPORATION
State Road 67 North at Lake Edgewood Road
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5/8 - 3/4	inch meter	1.0	\$500.00
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(Continued on next page)

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2 inch meter	8.0	4,000.00
3 inch meter	15.0	7,500.00
4 inch meter	25.0	12,500.00
6 inch meter	50.0	25,000.00

Morgan County Rural Water Corporation

Costs Reviewed As Of October 17, 2012

	Product	P/N or Type	Description	Wallers Meter	Utility Supply	Average	Averaged Cost
1	Saddles, Ford, Bronze	S70-1203	12" PVC	179.74	243.26	\$211.50	\$ 96.03
		S90-1203	12" C900 PVC	207.65	281.03	\$244.34	
		S70-1003	10" PVC	\$ 135.12	\$ 182.86	\$158.99	
		202B-0962-C3	8" AC	\$ 142.02	\$ 192.22	\$167.12	
		S70-803	8" PVC	\$ 70.03	\$ 94.77	\$ 82.40	
		S90-803	8" C900 PVC	\$ 71.32	\$ 96.53	\$ 83.93	
		202B-075-C3	6" AC	\$ 114.76	\$ 155.32	\$135.04	
		S70-603	6" PVC	\$ 50.94	\$ 68.96	\$ 59.95	
		S90-0403	4" C-900	\$ 37.31	\$ 50.50	\$ 43.91	
		S70-403	4" PVC	\$ 34.16	\$ 46.22	\$ 40.19	
		S70-303	3" PVC	\$ 29.02	\$ 39.27	\$ 34.15	
		S70-253	2 1/2"	\$ 27.50	\$ 37.20	\$ 32.35	
		S70-203	2"	\$ 22.00	\$ 29.77	\$ 25.89	
S70-153	1 1/2"	\$ 20.93	\$ 28.32	\$ 24.63			
2	Corporation Stop, Ford	FB-1000-3-G	3/4" CTS x 3/4" CCA	\$ 54.12	\$ 56.70	\$ 55.41	\$ 55.41
3	PE Tubing, per 100' roll	200#, SDR-9	3/4" X 30' (.35/ ft)	\$ 10.80	\$ 11.40	\$ 11.10	\$ 11.10
4	Service Setter (Ford)	TVBHH-72W-41-33	Tandem (Meter & PRV)	\$ 222.32	\$ 311.57	\$266.95	\$ 266.95
5	Connector, Ford (2)	C84-33-G	3/4"MIPX 3/4" CTS	\$ 15.34	\$ 17.57	\$ 16.46	\$ 16.46
6	PE Inserts, Ford (3)	# 51 SS	3/4"	\$ 2.14	\$ 2.50	\$ 2.32	\$ 2.32
7	Meter, M25MTR	Badger Radio Read	5/8" X 3/4"	\$ 197.32	No Quote	\$197.32	\$ 197.32
8	Pressure Reducing Valve	Honeywell D05A	3/4"	\$ 55.00	\$ 52.99	\$ 54.00	\$ 54.00
9	Meter Box	Midstates or Fratco	18" X 30"	\$ 34.56	\$ 36.55	\$ 35.56	\$ 35.56
10	Lid & Ring, Ford	C32-T LB	w/ AMR Hole 2"	\$ 69.50	\$ 104.91	\$ 87.21	\$ 87.21
11	Stub (Customer's Side)	200#, SDR-9	3/4" X 10'	\$ 3.20	\$ 3.80	\$ 3.50	\$ 3.50
12	1" PVC (Road Bore Sleeve)	SCH-40 PVC (40')	1/2 of 73' Avg. Length	\$ 18.56	\$ 19.20	\$ 18.88	\$ 18.88
13	Meter Gaskets, (4)	GT-114	3/4"	\$ 0.38	\$ 0.32	\$ 0.35	\$ 0.35
14	Grade Stake, (2)	Pine, 23" x 1 1/2"	Locate Pit and Line	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.99
15	Paint, Marking	Blue, Aerosol	General Use	\$ 3.45	\$ 3.28	\$ 3.37	\$ 3.37
Average Material Costs per installation:							\$ 849.42

Action:	What/ Who:	Time: Hours	Hourly Cost:		
16	Complete Application and Information Forms	Easement, Membership Agreement, Location Description, Create File (Office Staff)	1	\$ 26.19	\$ 26.19
17	Easement Recording*	Recorders Office	N/A	N/A	*Averaged Cost \$ 24.00
18	Review location and mark for IND 811 request	MCRW Distribution System Employee	1	\$ 30.77	\$ 30.77
19	Generate IND 811 Locate	Web Ticket Entry	0.5	\$ 30.77	\$ 15.39
20	Installation Labor *	2 men for 5 hours	10	\$ 30.77	\$ 307.70
*An installer and a labor/ flagman for safety & efficiency					
21	Equipment Operation**	1 man for 5 hours	5	\$ 30.77	\$ 153.85
**CDL Driver/ Equipment Operator to move Truck/ Trailer combination and operate equipment					
Average Labor Costs per Installation:					\$ 557.90

22	Machinery & Equipment***		5	\$ 57.50	\$ 287.50
***Trencher, Backhoe, Trucks, Trailers. (Other equipment as required)					
23	Road Bore, Contracted	1/2 of 73' Avg. Distance	36.5	\$ 7.50	\$ 273.75
Average Equipment Costs per installation					\$ 561.25
Total Average Cost for a New 5/8" x 3/4" Service Tap.					\$ 1,968.56

Morgan County Rural Water Corporation (MCRW) Labor Cost Study

Reviewed October 17, 2012

Construction Crew Employee:	Position Description:	Hourly Rate:	FICA: (7.65%)	FUTA: .8% of first \$ 7,000/ 2080	SUTA: 3.5% of first \$ 9,500/ 2080	Health, Life, LTD Insurance Cost per Hr. (total / 2080)	IRA Contribution: (3%) of Hrly Rate	Clothing Allowance: \$ 125 per Employee/ 2080
KD	Sup't, CDL, Operator	\$ 29.99	\$ 2.29	\$ 0.03	\$ 0.16	\$ 8.32	\$ 0.90	\$ 0.06
KH	Leadman, CDL, Oper.	\$ 21.60	\$ 1.65	\$ 0.03	\$ 0.16	\$ 2.82	\$ 0.65	\$ 0.06
SY	Tech., Groundman	\$ 17.00	\$ 1.30	\$ 0.03	\$ 0.16	\$ 4.52	\$ 0.51	\$ 0.06
Total		\$ 68.59	\$ 5.25	\$ 0.09	\$ 0.48	\$ 15.66	\$ 2.06	\$ 0.18
Wage Avg. per Hr / 3:		\$ 22.86						
FICA Avg. Cost per Hr / 3:			\$ 1.75					
SUTA Cost per Hr / 3:				\$ 0.03	\$ 0.16			
FUTA Cost per Hr / 3:				\$ 0.03				
Insurance Avg. Cost per Hr / 3:						\$ 5.22		
IRA Contribution Avg. Cost per Hr / 3:							\$ 0.69	
Clothing Allowance Cost per Hr / 3:								\$ 0.06
Wage Total, Avg. per Hr.								\$ 30.77
MCRW Construction Hourly Cost = \$ 30.77								
Office Staff Employee:								
	Position Description:	Hourly Rate:	FICA: (7.65%)	FUTA: .8% of first \$ 7,000/ 2080	SUTA: 3.5% of first \$ 9,500/ 2080	Insurance Cost per Hr. (total / 2080)	IRA Contribution: (3%) of Hrly Rate	
KW	Office Manager	\$ 18.85	\$ 1.44	\$ 0.03	\$ 0.16	\$ 5.15	\$ 0.57	
Total		\$ 18.85	\$ 1.44	\$ 0.03	\$ 0.16	\$ 5.15	\$ 0.57	
Wage Rate per Hour:		\$ 18.85						
FICA Rate per Hour:			\$ 1.44					
SUTA Rate per Hour:				\$ 0.03	\$ 0.16			
FUTA Rate per Hour:				\$ 0.03				
Insurance Cost per Hr:						\$ 5.15		
IRA Contribution Cost per Hr:							\$ 0.57	
Wage Total per Hr:								\$ 26.19
MCRW Office Hourly Cost = \$ 26.19								

Morgan County Rural Water Corporation (MCRW)						
Analysis of Costs Associated with Road Bores to Accomplish Cross-Road Services						
Sub-Surface of Indiana (SS)	MCRW Check #	Payment Date	Amount	Distance	per Foot Cost	# of Bores on Invoice
13658	9284	7/25/2011	\$ 630.00	90	\$ 7.00	2
13735	9361	8/24/2011	\$ 350.00	50	\$ 7.00	1
13873	9398	9/7/2011	\$ 490.00	70	\$ 7.00	1
14238	9642	12/22/2011	\$ 560.00	80	\$ 7.00	1
14335	9704	1/10/2012	\$ 2,100.00	300	\$ 7.00	5
14429	9776	2/8/2012	\$ 315.00	45	\$ 7.00	1
14455	9799	2/20/2012	\$ 420.00	60	\$ 7.00	1
14589	9863	3/22/2012	\$ 420.00	60	\$ 7.00	1
15194	10221	8/7/2012	\$ 1,181.25	135	\$ 8.75	1
15195	10221	8/7/2012	\$ 525.00	75	\$ 7.00	1
15196	10221	8/7/2012	\$ 630.00	90	\$ 7.00	1
15357	10293	9/7/2012	\$ 525.00	75	\$ 7.00	1
15358	10293	9/7/2012	\$ 350.00	40	\$ 8.75	1
15359	10293	9/7/2012	\$ <u>1,925.00</u>	<u>220</u>	\$ 8.75	<u>1</u>
			\$ 10,421.25	1390		19

Formula for Cost:
 Total Cost (\$) / Total Distance (Feet), or \$ 10,421.25 / 1,390 feet = \$ 7.50 per foot boring cost.

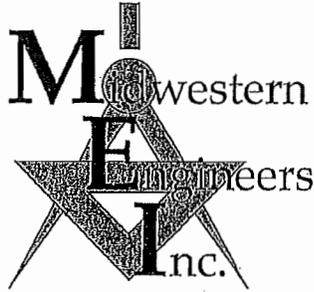
Formula for Distance:
 Total Distance (Feet) / Total Number of Jobs (# of Bores) / 2 (to Average Between Same Side or Bore Service),
 or 1,390 feet / 19 jobs = 73.16 / 2 = 36.5 Feet Average Distance of Bore.

Connection Cost 12-07

Morgan County Rural Water Corporation

Costs Reviewed As Of December 18, 2007

	Product	Type	Description	Unit Cost	Averaged Cost
1	Service Saddles, Bronze	S70-1003	10" PVC	\$ 109.86	\$ 50.86
		202B-0962-C3	8" AC	\$ 115.47	
		S70-803	8" PVC	\$ 56.94	
		202B-075-C3	6" AC	\$ 93.31	
		S70-603	6" PVC	\$ 41.42	
		S90-0403	4" C-900	\$ 30.34	
		S70-403	4" PVC	\$ 27.77	
		S70-303	3" PVC	\$ 27.14	
		S70-253	2 1/2"	\$ 22.34	
		S70-203	2"	\$ 17.88	
	S70-153	1 1/2"	\$ 17.00		
2	Corporation Stop	FB-1000-3	3/4" CTS x 3/4" CCA	\$ 38.13	\$ 38.13
3	PE Tubing	200#, SDR-9	3/4" X 30'	\$ 0.30	\$ 9.00
4	Service Setter	TVBHH-72W-41-33	Tandem	\$ 218.24	\$ 218.24
5	Connector (2)	C84-33	3/4"MIPX 3/4" CTS	\$ 11.79	\$ 23.58
6	PE Inserts (3)	# 51 SS	3/4"	\$ 1.44	\$ 4.32
7	Meter	Badger Radio Read	5/8" X 3/4"	\$ 197.82	\$ 197.82
8	Pressure Reducing Valve	Honeywell	D05A	\$ 36.40	\$ 36.40
9	Pit, Meter		18" X 30"	\$ 34.50	\$ 34.50
10	Lid & Ring	Vestal 18"	A32 Itron	\$ 43.33	\$ 43.33
11	Stub (Customer's Side)	200#, SDR-9	3/4" X 10'	\$ 0.30	\$ 3.00
12	1" PVC (Sleeve)	SCH-40 PVC	Road Bore (30' Avg)	\$ 0.49	\$ 14.70
13	Meter Gaskets, 4	GT-114	3/4"	\$ 0.26	\$ 1.04
14	Grade Stake, 2	Pine, 23" x 1 1/2"	Locate Pit and Line	\$ 0.68	\$ 1.36
15	Paint, Marking	Blue, Aerosol	General Use	\$ 3.16	\$ 3.16
Average Material Costs per installation					\$ 679.44
16	Office Staff: Complete Application and Information Forms	Easement Document, Membership Agreement, Location Description	1/2 hour	\$ 13.75	\$ 13.75
17	Easement Recording*	Recorders Office	*Averaged Cost:	\$ 38.00	\$ 38.00
18	Review location and mark for IUPPS request	MCRW employee	1/2 hour	\$ 13.75	\$ 13.75
19	Generate IUPPS Locate	Web Ticket Entry	1/2 hour	\$ 13.75	\$ 13.75
20	Installation Labor *	2 men for 5 hours	10 hours	\$ 27.50	\$ 275.00
*An installer and a labor/ flagman for safety & efficiency					
21	Equipment Operation**	1 man for 5 hours	5 hours	\$ 27.50	\$ 137.50
**CDL Driver/ Equipment Operator to move Truck/ Trailer combination and operate equipment					
Average Labor Costs					\$ 491.75
22	Machinery & Equipment***		5 hours total	\$57.50/ hr	\$ 287.50
***Trencher, Backhoe, Trucks, Trailers, other equip. as req.					\$ -
Average Equipment Costs per installation					\$ 287.50
Total Average Cost for a New Service Tap.					\$ 1,458.69



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November 2, 2012

Morgan County Rural Water Corporation
 P.O. Box 1575
 Martinsville, IN 46151

Attn: Glen Miller, Manager

Re: Schedule of Water Rates and Charges
 System Development Charge Evaluation
 MEI Project No.: 97008-114

Dear Mr. Miller:

The Corporation's existing Schedule of Water Rates and Charges includes a section on "System Development Charges". The existing system development charges are set up for meters 5/8" thru 3" in size and are based upon equivalency factors for the maximum flow capability of the meter. Equivalency Factors for 4" and 6" meters may be calculated as follows:

5/8-3/4 inch meter maximum flow = 20 gpm
 4 inch compound meter maximum flow = 500 gpm
 6 inch compound meter maximum flow = 1,000 gpm

4 inch meter equivalency factor = 500 gpm/20 gpm = 25
 6 inch meter equivalency factor = 1,000 gpm/20 gpm = 50

Should you have any questions, please advise. We greatly appreciate the opportunity to provide our engineering services to you. Thank you.

Respectfully,

MIDWESTERN ENGINEERS, INC.

John W. Wetzel, P.E.
 Project Engineer

JWW/tdb

802 W. BROADWAY ST. • P.O. BOX 295 • LOOGOOTEE, IN 47553-0295 • PHONE 812-295-2800 • FAX 812-295-2801
 E-MAIL meinc@midwesterneng.com • WEBSITE www.midwesterneng.com

VERIFIED STATEMENT OF NOTICE TO CUSTOMERS

In regard to the 30 day filing filed with this Verified Statement, Glen C. Miller, Manager of Morgan County Rural Water Corporation (the "Utility"), on this 12th day of November, 2012, hereby affirms that the affected customers have been notified as required under 170 IAC 1-6-6, that the attached Notice was posted at the Utility's local customer service office, and that the Notice was also published in the Mooresville Times and the Martinsville Report-Times, each on the 10th day of November, 2012.

I affirm under the penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.



Glen C. Miller, Manager,
Morgan County Rural Water Corporation

**NOTICE OF REQUEST FOR INCREASE IN CONNECTION CHARGE AND
REQUESTS FOR CLARIFICATIONS TO SCHEDULE OF RATES AND CHARGES**

Customers of Morgan County Rural Water Corporation (the "Utility") are hereby advised that the Utility intends to file with the Indiana Utility Regulatory Commission (the "Commission") a request for an increase in the Connection Charge for new service, from the current amount of \$1,460 to a new amount of \$1,960, using the thirty (30) day filing process under 170 IAC 1-6. The increased charge is a one-time charge applicable only to customers making a new service connection to the Utility's water main located adjacent to the property to be served, who will have to pay \$1,960 for the Connection Charge rather than \$1,460. The Connection Charge was last adjusted nearly five years ago in January 2008, and the Utility's costs associated with providing new connections for water service has increased to an average of \$1,968.56 per new connection installed by the Utility. This requested increase should help delay the need for a general rate increase by insuring that the customers making new service connections pay the actual cost the Utility incurs in providing the new service connections. The request to the Commission will also request the correction of four typographical errors in the Utility's Tariff Sheets and request the addition of two more meter sizes to the schedule of System Development Charges so as to also expressly include 4" and 6" size meters. The typographical error corrections apply to all customers of the Utility, and the additions to the schedule of System Development Charges apply to only customers making a new service connection to the Utility, but will have no effect on the customers since they will not change the actual charges already in effect and payable by the customers. The requests are expected to be filed with the Commission on November 12, 2012. Approval of the requests is expected to occur sometime between December 12, 2012 and January 12, 2013.

Any objections to the Utility's request should be submitted to the Secretary of the Commission:

Indiana Utility Regulatory Commission
Attn: Brenda Howe
101 W. Washington Street, Suite 1500E
Indianapolis, IN 46204
Or by email to: bhowe@urc.in.gov

And to the Indiana Office of Utility Consumer Counselor, as follows:

Indiana Office of Utility Consumer Counselor
PNC Center
115 W. Washington St., Suite 1500 South
Indianapolis, Indiana 46204
Or by email to: uccinfo@oucc.IN.gov