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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE EMERGENCY )  
PETITION FOR INVESTIGATION OF AND ) CAUSE NO. 43627  
AUTHORITY TO CHANGE RATES AND )  
CHARGES OF OLD STATE UTILITY ) APPROVED:  
CORPORATION )

MAY 11 2010

BY THE COMMISSION:

Larry S. Landis, Commissioner  
David E. Veleta, Administrative Law Judge

On January 2, 2009, Old State Utility Corporation ("OSUC") filed with the Indiana Utility Regulatory Commission ("Commission") a Verified Petition seeking a change to its existing rates and charges. Pursuant to notice given, a prehearing conference was held on February 10, 2009, at 11:00 a.m. in Room 224 of the National City Center, 101 West Washington Street, Indianapolis, Indiana. Counsel for Old State and the Indiana Office of Utility Consumer Counselor ("OUCC") attended the prehearing conference. No members of the general public attended this hearing. At the prehearing conference, the parties established dates for the prefiling of testimony and exhibits and a hearing of evidence in this case.

Also at the pre-hearing conference, Petitioner OSUC requested entry of an immediate emergency rate order pursuant to its Petition. The OUCC objected, and the Presiding Officer denied the motion for immediate rate relief. A request by OSUC seeking that the Commission determine its jurisdiction to resolve a dispute between OSUC and the City of Evansville was taken under advisement and ultimately denied by docket entry on March 11, 2009.

On March 9, 2009, OSUC prefiled the testimony and exhibits of Charles W. Beacham, Joseph Buchanan and Rosanne F. Roth, CPA. On May 11, 2009, the OUCC prefiled the testimony and exhibits of Harold H. Riceman and Roger A. Pettijohn. On May 13, 2009, the OUCC prefiled their workpapers. On May 26, 2009, OSUC prefiled the rebuttal testimony of Charles W. Beacham and Rosanne F. Roth.

On May 28, 2009, the Presiding Officers issued a docket entry requesting additional information from OSUC. In its response filed June 4, 2009, OSUC provided documentation of a related proceeding in the Vanderburgh Superior Court, Cause No. 82D03-0710-CC-05218, *Old State Utility Corporation v. Evansville Water and Sewer Utility, et al.* ("the Vanderburgh case"). In an Order issued in the Vanderburgh case on April 28, 2009, Ms. Roth was appointed as Receiver ("the Receiver") with the sole authority to expend funds and conduct all financial matters on behalf of OSUC. In the same entry, the Vanderburgh Superior Court entered a judgment in favor of Evansville Water and Sewer Utility ("EWSU") against OSUC for \$130,293, which represented the amount of unpaid sewage fees OSUC owed EWSU.

The Receiver subsequently obtained her own counsel and has prosecuted this action as Receiver of OSUC. On July 6, 2009, the Presiding Officers took administrative notice of a further order in the Vanderburgh case. That order clarified that the Receiver was responsible for OSUC and stated the following:

1. All day to day operations of Old State Utility Corp. (OSUC) shall be conducted exclusively by its Receiver, Vowells & Schaaf by Rosanne Roth. Ms. Roth may consult as needed with her counsel, Susan Roberts, and the Receiver is hereby authorized to make decisions on behalf of OSUC in the best interest of its customers and creditors. The Receiver is authorized to hire such professionals as necessary to manage the day to day operations of OSUC; however, Charles Beacham, his wife and step-son shall not be employed by the Receiver.
2. The Receiver shall have authority to approve and pay all appropriate obligations of OSUC and may enter into agreements to compromise, sell, or negotiate on behalf of OSUC, with the assistance of her counsel.
- ...
8. Only the Receiver, with advice of counsel, may initiate any legal action (other than the appeal) defend or initiate any legal action, and continue to pursue the rate case before the IURC.

The Vanderburgh case, Entry of June 25, 2009, at 1-2.

Receiver sought and received three continuances within which to negotiate and memorialize a resolution to this Cause. During this time, in response to a docket entry from the Presiding Officers, OSUC filed copies of monthly reports from the Vanderburgh case for consideration by the Commission (“the Vanderburgh case reports”). On February 12, 2010, the OUCC filed the settlement testimony of Harold H. Riceman. On February 16, 2010, OSUC and the OUCC filed a Joint Stipulation and Settlement Agreement (“the Agreement”).

After publication of the requisite legal notice, the Commission presided over the public evidentiary hearing on February 22, 2010, at 9:30 a.m. in Hearing Room 222. At the final hearing, the Commission received into evidence the prefiled testimony and exhibits of OSUC and the OUCC. Also admitted were the *Joint Stipulation and Settlement Agreement* and Mr. Riceman’s testimony in support of that Agreement. Neither Mr. Beacham nor any OSUC customer appeared at the hearing.

Based upon the applicable law and the evidence herein, and being duly advised, the Commission now finds that:

**1. Statutory Notice and Commission Jurisdiction.** Due, legal, and timely notice of these proceedings was given as required by law. Pursuant to Ind. Code § 8-1-2-89, an investor-owned rural sewage disposal service such as OSUC must seek Commission approval prior to adjusting its rates and charges for sewer service. Because OSUC is a rural sewage disposal service seeking to adjust its rates and charges for water service, the Commission has jurisdiction in this matter.

**2. Petitioner's Characteristics.** OSUC is a rural sewage disposal service in the “Shady Hills” subdivision in rural Vanderburgh County. OSUC is empowered by Certificate of Territorial Authority orders No. 58 and 85A of the Commission for the purpose of providing rural sewage disposal service to customers within its service area. OSUC operates as a sewage collection service; collected waste is passed on to EWSU, which is interconnected with OSUC. OSUC serves approximately 138 residential and two commercial customers. Its system is comprised of 57 manholes and 14,450 feet of pipe.<sup>1</sup>

**3. Existing Rates, Proposed Relief, and Test Year.** OSUC seeks approval in this case to adjust its rates and charges for sewage service and for certain other relief relevant to its business relationship with EWSU. OSUC requests that relief be granted under the Commission’s emergency authority pursuant to I.C. § 8-1-2-113. OSUC’s existing base rates and charges were established by final order issued by this Commission in Cause No. 36470 (Mar. 16, 1982).<sup>2</sup> In the present case, OSUC’s petition proposed to increase its revenue requirement by implementing a two-part rate that will include a fixed and volumetric charge that will more closely track the charges incurred from EWSU.

OSUC’s current flat charge is \$40.79 per month, which is based on an \$18.40 base flat rate and a tracker for EWSU’s charges of \$22.39. OSUC proposed a base charge per month per resident of \$13.90 per 1,000 gallons per month<sup>3</sup> with a minimum charge of \$24.38, plus a pass-through of EWSU’s retail sewer charges computed by EWSU for each OSUC customer and to require EWSU to bill and compute charges for OSUC as a single wholesale customer in accordance with City of Evansville, Indiana Municipal Ordinance 5.50.56. A customer’s sewer bill based on 5,000 gallons of water use would increase from \$40.79 to \$69.50, representing an increase of approximately 70%. The test year is the twelve (12) months ending December 31, 2008, adjusting for changes that are fixed, known and measurable.

**4. OSUC’s Prefiled Direct Evidence.**

**A. Charles W. Beacham.** Mr. Beacham, OSUC’s president, presented testimony and exhibits describing OSUC’s current system, its relationship with EWSU and its revenue needs. He explained that OSUC has been operating in a rural area of Vanderburgh County, commonly called the Shady Hills subdivision since 1966 pursuant to authority granted in CTAs No. 58 and 85A. Mr. Beacham, also acting as OSUC’s counsel, is a subsequent owner and president of the utility. OSUC collects sewage through its facilities and transports it to EWSU for disposal. OSUC’s relationship with EWSU is governed through a contract.

Witness Beacham said OSUC proposes to increase its current flat \$40.79 monthly charge, set in 1997, to a volumetric rate that would more closely approximate the way that OSUC is billed by EWSU. That would produce a monthly bill of \$69.50, or an increase of about 70%. Mr. Beacham also asked that the Commission determine OSUC to be a single customer of EWSU and to order billing on that basis. Mr. Beacham asserted that OSUC is being overcharged under the current billing structures, and that the overbilling has led to a significant deterioration in

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<sup>1</sup> Verified Direct Testimony of Charles Beacham, p. 2.

<sup>2</sup> While the parties’ joint proposed order and testimony make reference to Cause No. 49068 as Old State’s last rate case, that cause was dismissed without the entry of an order on rates.

<sup>3</sup> Verified Direct Testimony of Charles Beacham, p. 9.

OSUC revenue. He argued that as part of its rate to OSUC, EWSU recovers for maintenance and repair expenses for OSUC's system for which it is not responsible and does not make. This results in overcharges.

**B. Rosanne F. Roth.** Ms. Roth presented testimony and exhibits supporting OSUC's proposal to adjust its rates and charges.<sup>4</sup> Witness Roth testified that her firm, Vowells & Schaaf, CPA, had been retained to assist OSUC with its accounting and tax work. Ms. Roth performed an analysis of OSUC's 2008 test year revenue and expenses based upon the accrual method, and made a recommendation as to OSUC's future rates and charges.

Ms. Roth testified that OSUC's current monthly rate of \$40.79 is inadequate to meet the costs imposed by EWSU. Further, she indicated that the effect of the monthly calculation of charges from EWSU imposes a double assessment and billing for operational, repair and maintenance costs and capital improvements. She supported the conversion of OSUC's billing method to a volumetric basis.

**C. Joseph Buchanan.** Mr. Buchanan, the underground utilities manager for Hydromax Services, testified as to OSUC's proposed capital improvements program. Mr. Buchanan reviewed the OSUC system and projected an estimate of necessary repairs and maintenance. This included review of some tests and performance of others. Mr. Buchanan stated that a major concern is abnormally bad root blockage at the site of lateral connections, likely made worse by incorrect homeowner and contractor connections.

Mr. Buchanan estimated that the system has 14,450 feet of 8" and 10" lines needing replacement or repair at a cost of \$45 per foot and 52 manholes requiring repair at a cost of \$3,200 each. The total cost of reconstruction would be \$870,650, which would amount to \$174,130 annually over a five-year program. Additionally, given the age of the system, an additional \$15,000 to \$18,000 should be anticipated for other repairs over the 5-year program.

## **5. OUCG Prefiled Direct Evidence.**

**A. Harold H. Riceman.** Mr. Riceman, a Utility Analyst with the OUCG, calculated that OSUC was seeking an increase of approximately 70% based upon its proposed volumetric charge of \$13.90 per thousand gallons of water consumed. He testified that while the OUCG agrees with the inclusion of a volumetric component, it did not agree that all components should be based on consumption. Instead, the OUCG recommended a flat monthly charge to recover operation and maintenance expenses and any return, as well as a volumetric rate to cover sewer treatment charges.

Mr. Riceman proposed a flat rate charge of \$21.51 per dwelling unit, a monthly meter charge of \$3.65 and a volumetric rate of \$5.66 per thousand gallons. That would result in a total proposed rate of \$53.46 for a customer using 5,000 gallons, an increase of 31.06% over current rates. The difference between that figure and OSUC's recommendation was based on a number of adjustments. The OUCG determined rate base to be zero, and did not provide for working capital or a return on capital. Mr. Riceman also normalized test year revenues and proposed a number of adjustments to operating expenses. Those include telephone expense, director fees,

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<sup>4</sup> Ms. Roth's testimony was prefiled before she was appointed as Receiver.

legal fees, bank charges, repairs and maintenance, utilities, non-recurring expenses, rate case expense, purchased sewer expense, IURC fee, depreciation expense and utility receipts tax.

The greatest differences centered on charges that either concerned Mr. Beacham's affiliated businesses (legal fees, director fees) or charges that appeared to benefit the owner privately as well (telephone expense, utilities). Mr. Riceman expressed concern that Mr. Beacham had paid his law firm \$48,000 in 2007 for 'legal services' performed on behalf of OSUC, but paid nothing in that same year to EWSU. In 2008, Mr. Beacham paid \$21,000 to EWSU, but only as a result of an order by the Bankruptcy Court. Mr. Riceman stated that it was 'unconscionable' for Mr. Beacham to pay himself before paying legitimate operation and maintenance expenses of OSUC. Mr. Riceman testified that Mr. Beacham had made no investment in the utility and had stated to OSUC customers that there was no money for repairs to the system, while simultaneously paying himself. Public's Ex. 1, Riceman Direct, pp. 11-12.

Mr. Riceman also expressed concern that funds allocated for wholesale sewage disposal or repairs and maintenance might be misdirected based on past practice. He recommended that Mr. Beacham be required to submit reports to the Commission and OUCC showing the funds collected from customers and paid to EWSU. He concluded by saying that "[g]iven Mr. Beacham's management history and lack of financial investment, the Commission should consider whether appointing a receiver would be appropriate." *Id.* at p. 18.

**B. Roger A. Pettijohn.** Mr. Pettijohn, a Senior Utility Analyst with the OUCC, reviewed the state of the OSUC system. He stated that the system, completed in the 1970s, is in poor condition due to years of neglect through lack of maintenance and repair. Mr. Pettijohn reviewed the testimony and exhibits of OSUC witness Buchanan. He found them to be reasonable as to cost estimates, but suggested further analysis is needed to determine project scope. Mr. Pettijohn said that only 20% of the system had been televised and that cost estimates were drawn from that. Mr. Pettijohn stated that further definition of the work for the balance of the system was required to more precisely identify the scope of work.

Mr. Pettijohn voiced his concern, however, regarding the current owner's past unwillingness to make improvements. Mr. Pettijohn testified:

Because Petitioner has been unwilling or unable to make much needed capital improvements to the system, deterioration has continued. The Pinehurst area is in need of 400 to 500 feet of main replacement at a cost of approximately \$20,000. The line exhibits severe root intrusion, including laterals, spalling<sup>5</sup> and prior patching due to cave-ins. More failures appear imminent and capital investment is needed. Seemingly, Petitioner and prior ownership only reacted to emergencies as they occur by jetting or root cutting as blockages develop as opposed to prevention through proactive maintenance.

Pub. Ex. 2, Direct of Roger A. Pettijohn, p. 5.

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<sup>5</sup> Spalling means "to break into smaller pieces, as ore; split or chip." *Dictionary.com Unabridged* (based on the Random House Dictionary, © Random House, Inc. 2010) (last checked March 29, 2010).

Mr. Pettijohn recommended that the Commission allow approximately \$25,000 in operation and maintenance, with \$20,000 of that amount to be applied to televising the rest of OSUC's system to complete a survey. Mr. Pettijohn recommended that a restricted O&M account with reporting requirements to the Commission be established to assure that the funds are only used for the proper purpose. He recommended that the five year repair plan begin in the Pinehurst area, which has the greatest threat of system failure. He stated that when that was completed and in service, Petitioner could file a new rate case and earn a return on investment while continuing with the next project. *Id.* at p. 6.

Mr. Pettijohn concluded by stating that Mr. Beacham had only paid one dollar for the utility and was unlikely to voluntarily assume capital repairs. Mr. Pettijohn stated that perhaps a receiver, the City of Evansville, or a subsequent purchaser would be willing to make needed improvements. *Id.* at p. 7.

**6. OSUC Rebuttal Evidence.** OSUC witnesses Mr. Beacham and Ms. Roth prefiled rebuttal testimony. Mr. Beacham accepted the rate methodology proposed by OUCC witness Riceman, but disagreed with his proposed revenue adjustments. He objected to the OUCC's assertion that OSUC had no rate base and was entitled to no rate of return as a result. Mr. Beacham also disputed the OUCC's proposed adjustments that reduced or eliminated expense categories, including legal fees and other operation and maintenance expenses. Mr. Beacham deferred to Ms. Roth for the proper calculation of those amounts. He also indicated that Ms. Roth's appointment as Receiver under court supervision should alleviate any concerns about the disbursement of funds.

Ms. Roth responded to the adjustments proposed by the OUCC by defending the justification for her proposed numbers and suggesting compromise numbers on others.

**7. Settlement Agreement and Evidence.** Subsequent to the filing of direct evidence, OSUC and the OUCC reached a Settlement Agreement in this Cause. On April 30, 2009, Vowels and Schaaf, CPA, by Ms. Roth, was appointed as Receiver of OSUC by the Vanderburgh Superior Court in Cause No. 82D03-0710-CC-05218. The Court was advised of the Commission's proceeding, including the pendency of a Settlement Agreement, in status calls involving the parties to this proceeding and the Presiding Administrative Law Judge. As part of the Vanderburgh proceedings, Receiver has filed monthly reports, with a copy to the Commission and the OUCC, detailing operational issues and the ongoing revenue shortfall of Old State. Those reports are attached to the Settlement Agreement as Exhibits 1, 2, 3, 4 and 5, and are offered as an evidentiary basis for this Agreement.

The Receiver and the OUCC agree that OSUC should be authorized to increase its rates and charges for utility service to reflect a monthly rate of \$80.14 based on 5,000 gallons of water use, or a 96.47% increase over OSUC's existing monthly rate of \$40.97 for 5,000 gallons. Filed with the Settlement Agreement are the Exhibits of Harold H. Riceman, which are accounting schedules that reflect the agreed upon revenue requirement as well as the rates and charges for OSUC. These computations are based upon the actual ongoing expenses of OSUC as filed in the monthly reports of the Receiver to the Vanderburgh Court as attached to the Settlement. These reports include the OSUC balance sheets which show that the utility is generating insufficient cash to pay its outstanding liabilities. The reports also show that OSUC has of necessity deferred

the kind of essential repairs and maintenance recommended by both Mr. Buchanan and Mr. Pettijohn.

Mr. Riceman testified that the OUCC and OSUC have agreed to a two-part rate that includes a fixed monthly charge and a volumetric component. This will result in a monthly rate of \$80.14 based on 5,000 gallons of water use, or a 96.47% increase from Petitioner's monthly rate \$40.97 for the same amount. The increase is calculated as follows:

Proposed flat rate per dwelling unit	\$43.39
Meter Charge (5/8" meter)	\$ 4.20
Volumetric rate (per thousand gallons)	\$ 6.51
Times: 5000 gallons	x 5
sub-total	<u>\$32.55</u>
Total proposed rate (per 5,000 gallons)	\$80.14

The actual bill paid by a customer will vary with usage.

Mr. Riceman testified that there are five settlement items that differ from the OUCC's position set forth in its case-in-chief: (1) legal fees, (2) bank charges, (3) repair and maintenance expense, (4) receiver fees, and (5) higher sewer processing fees from the City of Evansville based on their revised schedule of sewer charges effective November 1, 2009.

Regarding legal fees, the OUCC had previously eliminated all test year fees of \$32,789 as related to Mr. Beacham, but, after discussions, agreed to a *pro forma* decrease of \$9,489. This was as a result of the work expended by the attorney representing the Receiver. A similar compromise occurred with bank charges, resulting in a *pro forma* decrease to operating expenses of \$194. In addition, *pro forma* increases to repairs and maintenance of \$9,000 and receiver fees of \$6,000 were agreed to. Finally, an increased rate from EWSU will cause the monthly bill of a customer using 5,000 gallons to increase from \$31.95 to \$36.75 (\$6.51/1,000 gallons use + \$4.20 monthly charge).

**8. Overview and Consideration of the Settlement Agreement.** The Settlement Agreement, a copy of which is attached hereto, reflects the introduction of a two-part bill. The wastewater treatment expense paid to EWSU will be the single largest expense incurred by OSUC. This expense will vary by customer based on water consumption. This expense may also increase from time to time as the City of Evansville increases its wastewater treatment charges. The volumetric portion of the bill is intended to recover all of EWSU's wastewater treatment charges.

Settlement Schedule 4 reflects that OSUC should increase *pro forma* present rate revenue by \$4,653, or 6.38%, in order to produce *pro forma* revenue of \$77,589. This calculation assumes that 100% of the test year revenues were allocated to paying OSUC's costs other than

EWSU’s wastewater treatment costs. This calculation is designed to show the revenues required to recover only OSUC’s operational costs.

Total Revenues	<u>\$ 77,589</u>
Expenses:	
Repair and Maintenance	\$ 30,173
Legal Fees	23,300
Bank Charges	1,765
Receiver Fees	6,000
Telephone	228
Postage	376
Professional Fee	410
Accounting	7,691
Office Expense	1,506
Auto	329
Insurance	3,136
Permits and Licenses	424
Property Tax	1,179
Utility Receipts Tax	<u>1,072</u>
Total Expenses	<u>\$ 77,589</u>
Net Operating Income	<u><u>\$ -</u></u>

Applying a 6.38% increase to Petitioner’s current rate of \$40.79 results in the proposed flat rate of \$43.39. Additional revenues must also be increased to recover OSUC’s costs to pay EWSU to treat OSUC’s wastewater. These additional revenues will be recovered through the monthly charge and volumetric portion of the bill and are in addition to the 6.38% increase described above. *See, Schedule 1, Page 1, Rate Comparison.* While the volumetric charge revenues will significantly increase OSUC’s gross revenues, they will have no effect on the utility’s Net Operating Income, as these revenues will flow through 100% to EWSU. EWSU’s current monthly charge is \$4.20 for a 5/8” meter. EWSU’s current volumetric charge is \$6.51 per 1,000 gallons of water billed. Both EWSU’s monthly and volumetric charge will be passed on directly to Petitioner’s customers. The impact on customers of the proposed rates are as follows:

Proposed flat rate per dwelling unit	\$43.39
Meter Charge (5/8” meter)	\$ 4.20
Volumetric rate (per 1,000 gallons)	\$ 6.51
Times: 5	<u>x 5</u>
sub-total	<u>\$32.55</u>
Total Proposed rate (5,000 gallons)	\$80.14
Current flat rate per dwelling unit	<u>\$40.79</u>
Proposed increase	<u><b>\$39.35</b></u>

The Settlement does not make provision for either payment of the \$130,000 judgment to EWSU or for long-term repair and maintenance of the system. As a consequence, this rate is best

viewed as an interim solution to OSUC's current problems. Based on Receiver's October financial report, Petitioner has the following liabilities:

Evansville Water & Sewer	\$ 38,001
IURC	40
Hydromax Services	9,644
Evansville Water & Sewer - Judgement	129,443
Stuart & Branigin LLP	1,667
Vowells & Schaaf LLP	2,929
Robert K. Johnson, Esq.	4,336
Mr. Beacham*	68,218
<i>Total</i>	<u>\$254,279</u>
*Per court order, Mr. Beacham was to direct these claims to the Vanderburgh Court for approval. Receiver was directed not to pay Mr. Beacham.	

The settling parties agree that OSUC should continue its effort to immediately find a buyer or other suitable long-term solution that will address operational issues on the OSUC system while ensuring rate efficiency and stability for customers.

**9. Commission Findings and Conclusions.** While we ultimately find that the settlement should be approved, there are issues in this case that merit further consideration. For example, while some portion of the existing flat-rate bill was designed to pay for the EWSU charges, because test year revenues were so insufficient, it was impossible to accurately determine how much of the test year revenues should have been allocated to any test year expense. As a result, it is impossible to determine how much of this rate increase is attributable to increased wastewater treatment costs as compared to increases in other operating expenses.

In addition, other issues in this case stem from the absence of a Commission proceeding to review the acquisition of OSUC by Mr. Beacham. Because this case has consumed considerable Commission resources and resulted in substantial increases in rates for OSUC's customers, we take this opportunity to underscore the need for Commission oversight in such transactions.

**A. Stock Transfers.** During the pendency of the proceeding, the Presiding Officers requested specific information regarding how Mr. Beacham had come to acquire OSUC. In his response, filed on July 29, 2009 as his *Third Supplement to Verified Direct Testimony*, Mr. Beacham stated the following.

THERE HAS BEEN NO TRANSFER OF THE CERTIFICATE OF TERRITORIAL AUTHORITY FROM [OSUC] AS CONTEMPLATED BY IND. CODE 8-1-2-89(E), (J)(1) [sic] AND 170 I.A.C. 8.5-3 et seq. THE TRANSFER OF THE STOCK WAS PURSUANT TO THE ORDER OF THE VANDERBURGH SUPERIOR COURT IN CAUSE NO. 82D07-0603-ES-00135

PURSUANT TO WHICH NOTICE OF PROCEEDINGS THE COMMISSION AND THE OFFICE OF UTILITY CONSUMER COUNSELOR WERE DULY NOTICED BY THE CLERK OF THE COURT AND NO OBJECTIONS OR REQUIREMENTS WERE FILED BY THE COMMISSION OR THE OUCC TO THE TRANSFER OF STOCK. FURTHER, [COUNSEL]<sup>6</sup> OPINED THAT NO APPROVAL BY THE COMMISSION WAS REQUIRED FOR THE ABANDONMENT AND TRANSFER OF THE STOCK OF [OSUC] TO CHARLES BEACHAM. THE [EWSU] WAS A PARTY TO THE PROCEEDINGS AND PRESENTED NO OBJECTIONS.

*Id.* at pp. 2-3 (emphasis and capitalization in original).

While a civil court may transfer stock under other circumstances, when the ownership of a utility is at issue, the matter is different. Our statute is clear on the matter.

(a) No public utility...shall sell, assign, transfer, lease, or encumber its franchise, works or system to any other person, partnership, limited liability company, or corporation, or contract for the operation of any part of its works or system by any other person, partnership, limited liability company, or corporation, without the approval of the commission after hearing....

(d) Every contract by any public utility for the purchase, acquisition, assignment, or transfer to it of any of the stock of any other public utility by or through any person, partnership, limited liability company, or corporation without the approval of the commission shall be void and of no effect, and no such transfer or assignment of such stock upon the books of the corporation pursuant to any such contract shall be effective for any purpose.

I.C. § 8-1-2-83.

As noted above, Mr. Beacham relied on the opinion of counsel that the Commission does not have jurisdiction over utility stock transfers. This is an argument that the Commission has seen in the past, and as support for this proposition we have seen parties cite *Ind. Bell Tel. Co., Inc. v. Ind. Util. Regulatory Comm'n*, 715 N.E.2d 351 (Ind. 1999) (“Indiana Bell”). In *Indiana Bell*, the Commission initiated an investigation into the merger between Ameritech and SBC. Indiana Bell was (and is) a public utility and at the time was a subsidiary of Ameritech. Ameritech and SBC, both holding companies, were contemplating a merger. The court held that the Commission had no authority to review the merger between Ameritech and SBC because the transaction was between two holding companies. *Ind. Bell* at 355.

Citing *Office of Util. Consumer Counselor v. Pub. Svc. Co. of Indiana, Inc.*, 608 N.E.2d 1362 (Ind. 1993), the Court held that “the holding of the case, clearly based on the language of the statute, is that transactions by a public utility’s *shareholders* do not require Commission approval.” *Id.* at 356 (emphasis added). Once the merger was completed, the transfer was not of Indiana Bell’s “franchise, works or system,” but a swap by Indiana Bell shareholders of one holding company’s (Ameritech) stock for that of another holding company (SBC). The Court

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<sup>6</sup> The named counsel were two attorneys in Evansville not affiliated with Mr. Beacham.

cited previous Commission orders stating that “[m]ere ownership interest in the *stock* of a utility does not transform an individual or corporation from an investor into a public utility.” *Id.* at 358 (internal citations omitted, emphasis added.)

Care must be taken to read *Indiana Bell*’s proscription against Commission jurisdiction over transactions by a utility’s shareholder, as this phrase is only true to the extent it is qualified by the type of transaction. If a sale, assignment, lease, or encumbering of a utility’s franchise, works or system, or a change of control occurs through the sale of stock, the Commission has jurisdiction because the inquiry focuses on what entity is being sold, assigned, etc., and what the operational outcome is as a result of that sale, etc. Even if the control and franchise, works or system of a utility is transferred *to* a holding company, this jurisdictional requirement is not undone. Thus, the focus in *Indiana Bell* is on whether it is an action by a *public utility* and whether or not the utility’s franchise, works or system is the subject of a sale, assignment, transfer, lease or encumberment as set forth in I.C. § 8-1-2-83. As the *Indiana Bell* Court stated, “the prohibition[s] of [I.C. 8-1-2-83(a)] operate[] on public utilities, not anyone else,” *id.* at 355, and the Commission has jurisdiction when there is an actual change in control or ownership of the utility, along with a transfer of the franchise, works or system of the utility. *Id.* at 356. We therefore explicitly state and reaffirm that *whenever an entity seeks to transfer control or ownership of a utility, along with a transfer of the franchise, works or system of a utility, Commission approval is required under I.C. § 8-1-2-83.* Transactions between a utility and a would-be utility owner are jurisdictional for the Commission; a stock swap by a utility shareholder as a result of the merger of two holding companies is not.

Therefore, the stock transfer by which Mr. Beacham acquired ownership and control of OSUC should have been subject to review and approval by the Commission prior to the transfer.

**B. Requirements for the Transfer of a Certificate of Territorial Authority under I.C. 8-1-2-89.** The reasoning for Commission oversight of a change in the ownership of a public utility is clear. Just as the Commission must determine whether an initial applicant has the requisite ability to manage a utility, so must any successor demonstrate the ability to comply with those regulatory requirements.

The transfer of the ownership of a utility from one owner to another triggers the requirements of I.C. § 8-1-2-89(j), in which a transfer of a CTA is subject to the approval of the Commission after hearing. As with a new applicant, the language of the statute requires that the Commission find regarding “any application for a certificate of territorial authority” that the applicant has the lawful power and authority to apply for and operate the proposed service; the financial ability to install, commence, and maintain the service; and that the “public convenience and necessity require the rendering of the proposed service in the proposed rural area by this particular sewage disposal company[.]” I.C. § 8-1-2-89(e). In addition, the Commission has developed rules governing applications for CTAs. *See*, 170 I.A.C. § 8.5-3-1.

In addition, applicants must provide balance sheets; revenue and operating statements; cash flow statements; the original cost of the plant if now operating as a public utility, as prescribed in the NARUC Uniform System of Accounts; estimated construction costs of the new plant or additions; the method of financing costs; and *pro forma* revenue and expenses by year for a period of ten (10) years, including supporting details to *pro forma* revenues. 170 I.A.C. §

8.5-3-2(5). The personal guarantee by a CTA applicant when deemed necessary requires the applicant to swear to “operate and maintain the plant and property of the [utility] in a satisfactory and reasonable manner so as to serve its customers with adequate service as authorized and directed by the [Commission] and [t]o supply, from time to time, sufficient working capital to said [utility] if and when such capital shall be needed to carry out the guarantee herein set forth.” 170 I.A.C. § 8.5-3-3(b).

When Mr. Beacham acquired OSUC through the transfer of stock by the Probate Court, he did not apply to the Commission for a transfer of the CTA. Mr. Beacham stated that he and his firm were “initially retained to transfer [OSUC]’s sewer facilities to the EWSU<sup>7</sup>, or to restructure [OSUC]’s revenues to assure and continue adequate sewage disposal service in its CTA to [OSUC]’s patrons ... and to restructure [OSUC]’s rates and calculations for [OSUC]’s patrons comprised of EWSU’s charges for sewage processing services[.]” *Direct Testimony of Charles Beacham*, p. 3, A10.

In the initial filing in this Cause, Mr. Beacham requested a determination regarding the amount and equity of the rates charged by EWSU to OSUC. As noted in the Presiding Officers’ docket entry of March 11, 2009, those issues were previously and decisively resolved through a number of Commission and Court of Appeals decisions.<sup>8</sup> These cases established that the Commission had no jurisdiction to address the validity or application of EWSU’s rates to OSUC.<sup>9</sup> Notwithstanding those findings, Mr. Beacham spent time pursuing these claims again in this Cause and charged OSUC legal fees.

Mr. Beacham used the utility to pay for his home phone, electric, and Internet services, including 50% of his cable bill. Public Ex. 1, p. 10, lines 1-6. Mr. Beacham paid himself legal fees and director’s fees while failing to pay the obligations of the utility. *Id.* at pp. 10-12. In 2007, the year after he took over OSUC, Mr. Beacham paid himself \$48,600 and nothing to EWSU for sewage treatment. According to EWSU’s emergency motion and request for a receiver filed against OSUC in the Vanderburgh County action, “[f]rom at least September 2006 to present, [OSUC did] not pa[y] EWSU any fees for the City’s sewage treatment service, except for sporadic, minimal payments.” *Verified Motion for the Immediate Appointment of a Receiver and Emergency Hearing*, ¶ 9, Cause No. 82D03-0710-CC-05218 (dated Mar. 12, 2009) (attached to docket entry in this Cause dated June 12, 2009). The only payment EWSU received from OSUC was in 2008 in the amount of \$21,000 as ordered by the bankruptcy court. *Id.* at ¶ 11. In that same time period, Mr. Beacham paid himself \$30,500. Pub. Ex. 1, p. 11, lines 15-20.

Mr. Beacham was apparently billing all of his time, “regardless of activity[] at \$200 per hour”, and none of his bills were detailed. Pub. Ex. 1, p. 10. Similarly, Mr. Beacham submitted a bill for “professional fees” to the Receiver on July 28, 2009 for \$66,190, with no documentation

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<sup>7</sup> The record reflects that Mr. Beacham was unsuccessful in his bid to have the EWSU take over OSUC. At the time of this Order, negotiations are on-going between the Receiver and EWSU for the purchase of OSUC by EWSU.

<sup>8</sup> *City of Evansville v. Old State Utility Corp.*, 550 N.E.2d 1339, 1341 (Ind. App. 1990); *In the Matter of the Complaint Against and Request for Investigation of Old State Utility Corporation*, Cause No 39068, 1991 PUC LEXIS 142 (Ind. Util. Regulatory Comm’n May 1, 1991); *Customers of Old State Utility Corp. v. Old State Utility Corp.*, 576 N.E.2d 1311 (Ind. App. 1991).

<sup>9</sup> As noted in I.C. § 8-1-2-1(g), municipal sewage treatment entities are specifically excluded from the definition of utility.

supporting his claim. See, *Receiver's Response to Docket Entry*, October 30, 2009, Ex. A, 1 of 2.<sup>10</sup> Mr. Beacham also paid himself out of the utility's accounts after the receiver was appointed, in contravention of the Vanderburgh Superior Court's order, and was thereafter required to disgorge funds in the amount of \$2,600. *Id.*; see also *Receiver's Verified Interim Report for June, 2009* in Cause No. 82D03-0710-CC-05218, p. 2, ¶¶ 2, 5.

Simultaneously, the utility was experiencing system failures, and customers had to hire outside contractors to stop the flow of sewage into their homes. Pub. Ex. 2, Attachment 1. When contacted by those customers for assistance, Mr. Beacham advised them that the utility had no money for repairs. *Id.*

It was only through the filing of this case that these matters have come to light, and the appointment of the Receiver in the Vanderburgh Case is recognition of the fact that it is not in the public interest for Mr. Beacham to continue the operation of this utility. While we cannot know with certainty the outcome had Mr. Beacham followed the prescribed procedure, at least the Commission would have had an opportunity to coordinate efforts with regard to EWSU's purchase of OSUC. The evidence of his mismanagement is a sobering reminder that the Commission exists to balance the interests of the utility and the public, and in this case, the consumer was not well served by its purported or nominal owner. Mr. Beacham's removal has already been effectuated, which is all that this Commission could have done once evidence of his malfeasance came to light. We note that in the absence of fining authority, we have no punitive measures to employ, even in a case as egregious as this.

We now move to consideration of the Settlement presented to the Commission.

**C. Approval of the Settlement.** As we have previously stated, settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Indiana Gas Corp.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition v. PSI Energy*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

Furthermore, any Commission decision, ruling, or order – including the approval of a settlement – must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition v. Public Service Co.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 I.A.C. § 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of I.C. § 8-1-2, and that such agreement serves the public interest.

Based on the testimony presented in this Cause, we find that the Settlement Agreement represents a significant resolution of the issues presented in this matter, is in the public interest, and should be approved. We find, therefore, that OSUC is authorized to increase its rates and

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<sup>10</sup> The Receiver did not authorize payment to Mr. Beacham regarding this claim.

charges for utility service to reflect a monthly rate of \$80.14 based on 5,000 gallons of water use, or a 96.47% increase over OSUC's existing monthly rate of \$40.97 for 5,000 gallons, and that OSUC should meet all of its commitments under the Settlement Agreement.

The Presiding Officers noted to the parties at the time of evidentiary hearing that the settlement as presented was something of a stop-gap measure. This statement is borne out by the record and the settlement evidence, both of which reflect that these rates do not provide funds for needed system replacement and repair. OSUC has been operating under the same rates for 28 years and the system has fallen into disrepair, as clearly illustrated by the testimony of Messrs. Buchanan and Pettijohn. See, Pub. Ex. 2, Direct of Roger A. Pettijohn, p. 5. Therefore, an absence of funds for rehabilitation as part of the rates agreed to in this Settlement is of concern to this Commission.

We are aware of the appointment of Ms. Roth as Receiver, both by her appearance in this case and our participation in informal conferences in the Vanderburgh case. We strongly encourage her efforts to find a suitable resolution to the systemic problems of OSUC, including a sale of the utility. In the absence of such a resolution, the utility and its customers will both find themselves in dire straits.

We also note that the percentage size of the increase here is significant and we are keenly aware that it may impose a burden on customers of OSUC. This is complicated by the number of years in which funds appear to have been insufficient or not directed to timely repairs and maintenance, and by the small customer base over which to spread fixed costs. We are sensitive to this burden and direct Ms. Roth to be vigilant in seeking a long-term solution that may ease these obligations.

To that end, we find that the parties shall file a report on or before the forty-fifth (45<sup>th</sup>) day after this Order regarding the status of discussions with the City of Evansville for the purchase of OSUC. Such report shall be filed under this Cause and a copy provided to the Vanderburgh Superior Court in the Vanderburgh Cause.

The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434 (Ind. Util. Regulatory Comm'n, Mar. 19, 1997).

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION, that:**

1. The Joint Stipulation and Settlement Agreement is hereby approved and the terms and conditions thereof are incorporated herein as part of this Order. The parties shall comply with the provisions of the Joint Stipulation and Settlement Agreement.
2. OSUC is hereby authorized to increase its rates and charges as provided in this Order.

3. OSUC shall file with the Commission's Water/Sewer Division within twenty-one (21) days of the date of this Order a new tariff setting forth rates and charges consistent with this Order. New rates and charges shall be effective when approved by the Commission's Water/Sewer Division and cancel all prior rates and charges.

4. After the date of this Order, but before the first bill is sent, the Receiver of OSUC shall send a letter to each customer explaining: (1) her actions to date in managing the utility, (2) the impending increase in customer bills, and (3) efforts to find a buyer or other long-term solution for OSUC and its customers.

5. The parties shall file a report on or before the forty-fifth (45<sup>th</sup>) day after this Order regarding the status of discussions with the City of Evansville for the purchase of OSUC. Such report shall be filed under this Cause and a copy provided to the Vanderburgh Superior Court in Cause No. 82D03-0710-CC-05218, *Old State Utility Corporation v. Evansville Water and Sewer Utility, et al.*

6. This Order shall be effective on and after the date of its approval.

**HARDY, ATTERHOLT AND MAYS CONCUR; LANDIS AND ZIEGNER ABSENT:**

**APPROVED: MAY 11 2010**

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**



**Brenda A. Howe,  
Secretary to the Commission**

OFFICIAL  
EXHIBITS

FILED  
February 16, 2010  
INDIANA UTILITY  
REGULATORY COMMISSION

STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE )  
EMERGENCY PETITION FOR )  
INVESTIGATION OF AND )  
AUTHORITY TO CHANGE )  
RATES AND CHARGES OF OLD )  
STATE UTILITY CORPORATION )

CAUSE NO. 43627

IURC  
JOINT

EXHIBIT No. 1

2-22-10  
DATE

REPORTER

**JOINT STIPULATION AND SETTLEMENT AGREEMENT**

This Joint Stipulation and Settlement Agreement ("Settlement Agreement") is entered into this 12<sup>th</sup> day of February, 2010, by and between Rosanne F. Roth, acting as the duly appointed Receiver of Old State Utility Corporation ("Receiver"), and the Office of the Utility Consumer Counselor ("OUCC"), who stipulate and agree for purposes of settling all matters in this Cause that the terms and conditions set forth below represent a fair and reasonable resolution of all issues in this Cause, subject to their incorporation in a final Indiana Utility Regulatory Commission ("Commission") Order.

**Terms and Conditions of Settlement Agreement**

1. **Requested Relief, Prefiled Evidence, and Related Trial Court Action.** On January 2, 2009, Old State Utility Corporation ("Old State") initiated this Cause by filing a Verified Petition with the Commission requesting authority to adjust its rates and charges for sewer service. On March 9, 2009, Old State prefiled the direct evidence of Mr. Charles H. Beacham, its owner, and Ms. Roth, its outside accountant. On May 11, 2009, the OUCC filed the direct evidence of Harold H. Ricemand and Roger A. Pettijohn. On May 26, 2009, Old State filed the rebuttal evidence of Mr. Beacham and Ms. Roth. On or about April 13, 2009, Vowels and Schaaf, CPA, by Ms. Roth, was appointed as Receiver of Old State by the Vanderburgh Superior Court in Cause No. 82D03-0710-CC-5218. That Receivership continues in effect as of this filing, with oversight by the Vanderburgh

Superior Court. The Court has been advised of this proceeding, including the pendency of this Settlement Agreement, in status calls involving the parties to this proceeding and the Presiding Administrative Law Judge. The last call was on January 13, 2010; the next call is scheduled for February 18, 2010. As part of the Vanderburgh proceedings, Receiver has filed monthly reports, with a copy to the Commission and the OUCC, detailing operational issues and an ongoing revenue shortfall of Old State. Those reports are attached to this Settlement Agreement as Exhibits 1, 2, 3, 4 and 5; they are further offered as an evidentiary basis for this Agreement.

2. **Settlement.** After review, analysis, discussion, and negotiation, and as aided by their respective technical staff and experts, Receiver and the OUCC have now agreed on

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terms and conditions set forth herein that resolve all issues between them in this Cause.

3. **Revenue Requirement and Rates.** The parties agree that Old State should be authorized to increase its rates and charges for utility service to reflect a monthly rate of \$80.14 for 5,000 gallons of water, or a 96.47% increase over Old State's existing monthly rate of \$40.97 for 5,000 gallons. Filed contemporaneously with this Settlement Agreement, as the Settlement Testimony and Exhibits of Harold H. Riceman, are accounting schedules that reflect the agreed upon revenue requirement, as well as the rates and charges, for Old State. These computations are based upon the actual ongoing expenses of Old State as filed in the monthly reports of the Receiver to the Vanderburgh Court and attached to this Agreement.

4. **Admissibility and Sufficiency of Evidence.** The parties hereby stipulate to the admission without objection of the Prefiled Direct and Rebuttal Testimony and Exhibits of Charles H. Beachman, Rosanne F. Roth, Harold H. Riceman and Roger A. Pettijohn, as well as the Settlement Testimony of Mr. Riceman. The parties further agree that such evidence constitutes substantial evidence sufficient to support this Settlement Agreement and provides an adequate evidentiary basis upon which the Commission can

make all findings of fact and conclusions of law necessary for the approval of this Settlement Agreement as filed.

5. **Non-Precedential Effect of Settlement.** The parties agree that the facts in this Cause are unique and all issues presented fact specific. Therefore, the Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission or any court of competent jurisdiction. This Settlement Agreement is solely the result of compromise in the settlement process, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that either party may take with respect to any issue in any future regulatory or non-regulatory proceeding.

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6. **Authority to Execute.** The undersigned have represented and agreed that they are fully authorized to execute the Settlement Agreement on behalf of their designated clients who will hereafter be bound thereby.

7. **Approval of Settlement Agreement in its Entirety.** As a condition of this settlement, the parties specifically agree that if the Commission does not approve this Joint Stipulation and Settlement Agreement in its entirety and incorporate it into the Final Order as provided above, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the parties. The parties further agree that in the event the Commission does not issue a Final Order in the form that reflects the Agreement described herein, the matter should proceed to be heard by the Commission as if no settlement had been reached unless otherwise agreed to by the parties in a writing that is filed with the Commission.

8. **No Other Agreements.** There are no agreements in existence between the parties relating to the matters covered by this Settlement Agreement that in any way affect this Settlement Agreement.

**OLD STATE UTILITY CORPORATION  
BY RECEIVER VOWELS AND SCHAAF,  
CPA, ROSANNE F. ROTH**



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Robert K. Johnson  
Attorney No. 5045-49  
Robert K. Johnson, Attorney, Inc.  
2454 Waldon Dr.  
Greenwood, IN 46143  
Phone: (317) 506-7348  
Fax: (317) 888-7428  
[rjohnson@utilitylaw.us](mailto:rjohnson@utilitylaw.us)

**INDIANA OFFICE OF THE UTILITY  
CONSUMER COUNSELOR**

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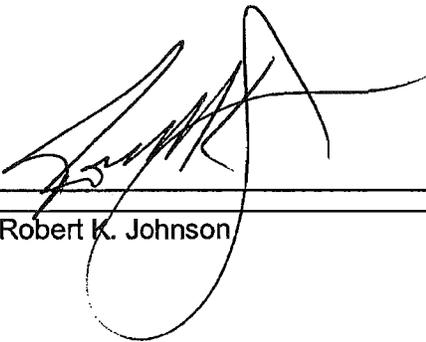
Jeffrey M. Reed, Attorney No. 11651-49  
Assistant Consumer Counselor  
Indiana Office of Utility Consumer Counselor  
National City Center  
115 W. Washington St., Suite 1500 South  
Indianapolis, Indiana 46204  
Phone: (317) 232-2494  
Fax: (317) 232-5923  
[jreed@oucc.in.gov](mailto:jreed@oucc.in.gov)

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing "Joint Stipulation and Settlement Agreement" was served upon the following by electronic mail this 15th day of February, 2010:

Jeffrey M. Reed  
Indiana Office of Utility Consumer Counselor  
National City Center  
115 W. Washington St., Suite 1500 South  
Indianapolis, Indiana 46204  
[jreed@oucc.in.gov](mailto:jreed@oucc.in.gov)

Charles W. Beacham  
[beachamc@aol.com](mailto:beachamc@aol.com)



---

Robert K. Johnson

# Exhibit 1

IURC  
JOINT

EXHIBIT No. 1-1  
2-22-10 UL  
DATE REPORTER

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OFFICIAL  
EXHIBITS

STATE OF INDIANA )  
 ) SS: IN THE VANDERBURGH SUPERIOR COURT #3  
COUNTY OF VANDERBURGH ) CAUSE NO.:82D03-0710-CC-5218

OLD STATE UTILITY CORPORATION, )  
 )  
Plaintiff, Counterclaim-Defendant )  
and Counterclaimant )

vs. )

CITY OF EVANSVILLE, INDIANA, )  
 )  
a Municipal Corporation and )  
The Council of the City of Evansville, and )  
Evansville Water & Sewer Utility, )  
a Public Water & Sewer Utility, )

VANDERBURGH SUPERIOR COURT  
★ FILED ★

JUL 08 2009

*Susan K. Kuhl*  
CLERK

Defendants, Counterclaimant )  
and Counterclaim-Defendant )

RECEIVER'S VERIFIED INTERIM REPORT FOR JUNE, 2009

Comes now Receiver of Old State Utility Corporation, Vowells & Schaaf by Rosanne F. Roth, and respectfully submits the Receiver's Verified Interim Report for June, 2009, per this Courts Order of April 30, 2009, appointing the Receiver, as amended and modified by this Court's Order of June 25, 2009, and states as follows:

1. During the month of June, 2009, the undersigned Receiver received \$5,759.74 of receipts from customer billings, and disbursed \$5,451.50 for expenses of the Old State Utility Corporation Receivership (OSUCR). Attached hereto, made a part hereof and marked as Exhibit A, is an accounting showing all receipts and disbursements made by the Receiver. As noted in the attached accounting, the receipts received by the undersigned Receiver were insufficient to pay the outstanding current liabilities of OSUCR, including the judgment of Evansville Water & Sewer Utility (EWSU). Prior to disbursing any funds in June, 2009, the outstanding current

liabilities of OSUCR was \$137,068.02.

2. The undersigned Receiver received requests for reimbursement from Mr. Charles Beacham, which are reflected in Exhibit A. However, per the instruction of this Court, no payments from OSUCR funds were made to Mr. Beacham. In addition, the undersigned Receiver established billing to Mr. Beacham for his personal utility services from OSUC, despite past practices of nonbilling for such services.

3. The Receiver established a checking account at Old National Bank in the name of Old State Utility, Inc., Vowells & Schaaf, LLP, Receiver. Rosanne Roth is the only authorized signatory on the account. ~~Beginning July 1, 2009, LockBox receipts from OSUCR's customers~~  
will be deposited in the new Old National account. The undersigned Receiver closed the existing account of OSUC held at Fifth Third Bank, and will be closing OSUC's existing account at Old National Account, transferring any remaining funds to the Receivership's account at Old National Bank, once the June, 2009 bank reconciliation has confirmed the account balance and no deposits or disbursements are outstanding.

4. On or about June 24, 2009, the undersigned Receiver mailed letters to OSUC's customers and creditors informing them of the appointment of the Receiver. Per the the Court's June 25, 2009 Order, the Receiver will send a notice to customers enclosing a copy of the Court's June 25, 2009 Order with the next billing cycle in mid-July.

5. On June 23, 2009, the Receiver joined EWSU in the filing of a motion for disgorgement of funds of payments made by Mr. Beacham in May, 2009 after the appointment of the Receiver and in contravention of this Court's Order of April 30, 2009. On June 29, 2009, the Court granted the Motion for Disgorgement. On July 1, 2009, Mr. Beacham made payment of

\$2600 to OSUCR, per the Court's Order. The disgorged funds received are not reflected in Exhibit A attached hereto as such funds were received on July 1, 2009.

6. Communications have commenced by and between counsel for the undersigned Receiver and counsel for EWSU regarding an agreeable plan for the payment of the judgment entered herein.

7. The undersigned Receiver, by and through her counsel, Susan K. Roberts, has retained counsel, Robert Johnson, who specializes in utility law, to advise and assist with proceedings before the Indiana Utility Regulatory Commission, and other pending matters or ~~issues relating to utility law, including the merits of an appeal on the substantive issues therein.~~

as alleged by OSUC in its Motion to Correct Errors and Appellant's Case Summary. The agreed rate for such legal is \$265.00 per hour.

8. The undersigned Receiver's counsel, Susan K. Roberts, has determined that the appeal regarding the appointment of the Receiver was untimely and should not be pursued. However, the appeal also raised other issues, which were timely filed. In order to not preclude OSUC's right to an appeal, the receiver negotiated to make a partial payment to the court reporter for payment of the transcript for the appeal, and to allow Mr. Johnson an opportunity to determine and advise the undersigned as to the merits of the substantive issues on the appeal.

9. The undersigned Receiver has engaged in discussions with Hydromax relating to advice and consultation with regard to OSUC's responsibilities for repairs, maintenance, or other duties required of the utility. Hydromax has agreed to continue its previous protocol with regard to determining the responsibility of the costs for repairs of utility lines necessary for its customers. And will so advise the undersigned Receiver.

10. On or about June 5, 2009, OSUC was served with a complaint by the State of Indiana, Department of Local Government Finance, which is pending in Vanderburgh Superior Court # 3, Cause No. 82D03-0906-CC-2830. Receiver's counsel, Susan K. Roberts, has appeared and requested an extension of time to answer or other wise respond to the complaint, such answer or response is due July 29, 2009.

11. Per this Court's Orders, the undersigned Receiver submits for approval the invoices of Vowells & Schaaf for current services rendered on behalf of the Receiver in the amount of \$1217.50. One of the invoices attached hereto also reflects the prior outstanding balance owed to Vowells & Schaaf for prior services provided to OSUC in the amount of \$3687.50. True and accurate copies of said invoices from Vowells & Schaaf are attached hereto as Exhibit B.

12. The undersigned Receiver requests the Court approve the sum of \$1,217.50 for the Receiver's current fee and expenses. The fee and expenses have not previously been approved by the Court.

WHEREFORE, the undersigned Receiver respectfully submits the Report's Verified Interim Report for June, 2009 and prays that the Court approve said Report and approve the amounts requested as fee and expenses of the undersigned Receiver.

**I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT THE FOREGOING REPRESENTATIONS ARE TRUE, TO THE BEST OF MY BELIEF AND KNOWLEDGE.**

  
\_\_\_\_\_  
Old State Utility Corporation, Receiver  
Vowells and Schaaf, LLP by Rosanne Roth



SUSAN K. ROBERTS  
*Stuart & Branigin LLP*  
300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
P: 765-423-1561  
F: 765-742-8175  
E: [skr@stuartlaw.com](mailto:skr@stuartlaw.com)  
Attorney No.: 10954-37

#### CERTIFICATE OF SERVICE

I certify that on the 8<sup>th</sup> day of July, 2009, service of a true and complete copy of the  
~~above and foregoing pleading or paper~~ was made upon:

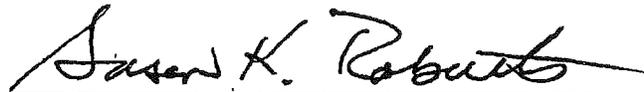
Charles W. Beacham, Esquire  
*Beacham & Associates*  
301 Ladonna Blvd.  
Evansville, IN 47711

Linda Cooley, Esquire  
Steven Sherman, Esquire  
*Kreig DeVault, LLP*  
One Indiana Square, Suite 2800  
Indianapolis, IN 46204-2079

Nicholas K. Kile, Esquire  
11 South Meridian Street  
Indianapolis, IN 46204

Ross E. Rudolph, Esquire  
221 NW 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Evansville, IN 47706

by depositing the same in the United States mail in an envelope properly addressed and with sufficient first class postage affixed.



SUSAN K. ROBERTS

OLD STATE UTILITIES  
Monthly Report  
From 6/01/09 to 6/30/09

Date	Invoice	Total Due	Current Portion	for	Due Date	Check Number	Amounts Paid	Deposits	Balance
5/31/2009	Account Balance								2,216.67
5/31/2009				Bank Service fee			(253.33)		84.54
6/2/2009	Deposit							122.30	206.84
6/3/2009	Deposit							81.58	288.42
6/4/2009	Deposit							81.58	370.00
6/5/2009	Deposit							122.37	492.37
6/8/2009	Deposit							371.32	863.69
6/9/2009	Deposit							81.58	945.27
6/10/2009	Deposit							81.58	1,026.85
6/11/2009	Deposit							81.58	1,108.43
6/15/2009	Deposit							656.85	1,765.28
6/16/2009	Deposit							1,386.86	3,152.14
6/16/2009	Vanderburgh Cnty Tx	1,367.98	1,367.98	Personal Property Taxes	6/16/2009	1302	(1,367.98)		1,784.16
6/17/2009	Deposit							367.11	2,151.27
6/18/2009	Deposit							367.11	2,518.38
6/19/2009	Deposit							407.90	2,926.28
6/22/2009	Deposit							326.32	3,252.60
6/23/2009	Deposit							448.69	3,701.29
6/24/2009	Deposit							244.74	3,946.03
6/26/2009	Deposit							163.15	4,109.19
6/26/2009	Darren J. Newman	750.00	375.00	transcript fee-appeal	for appeal	1303	(375.00)		3,734.19
6/26/2009	IN Utility Reg Comm	79.95	19.99	Utility Fee (Qtrly. Pmt.)	7/1/2009	1304	(19.99)		3,714.20
6/29/2009	Deposit							203.95	3,918.15
6/29/2009	Hydromax Svcs	10,307.19	10,307.19	Sewer Maintenance	monthly	1305	(200.00)		3,718.15
6/29/2009	EV Water & Sewer	32,334.67	4,776.84	Water bill	6/29/2009	1306	(3,175.00)		543.15
6/30/2009	Deposit							163.16	706.31
	EV Water & Sewer	130,293.20	130,293.20	Judgment					706.31
	Hydromax USA	2,137.50	2,137.50	Sewer Maintenance					706.31
	Vowells & Schaaf, LLP	3,141.76	3,141.76	prior accounting svcs					706.31
	Vowells & Schaaf, LLP	925.00	925.00	May billing-acctg					706.31
	Vowells & Schaaf, LLP	292.50	292.50	May billing-receivership					706.31
	Mr. Beacham*	750.00	-	"wages" 6/1/09-6/15/09					706.31
	Mr. Beacham	24.75	24.75	Certified mail-appeal					706.31
	Mr. Beacham	38.21	38.21	Copying-appeal					706.31
	Mr. Beacham	215.10	215.10	IURC Hearing-hotet					706.31
6/30/2009				Bank Service fee (estimate)			(160.00)		546.31
		3,378,163.20	3,378,163.20					1,386.86	4,764.17

\*no support provided

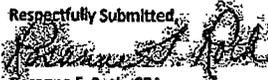
Respectfully Submitted  
  
 Rosanne F. Roth, CPA  
 Receiver for Old State Utility Corporation

EXHIBIT A



**VOWELLS & SCHAAF, LLP**

*Certified Public Accountants*

July 03, 2009

Old State Utility Corporation  
301 Ladonna Blvd  
Evansville, IN 47711-1863

Re: Bond Applications

Phone with Steve Sherman

Swear in

Meet with Mr. Beacham - turn over check book; pay bills

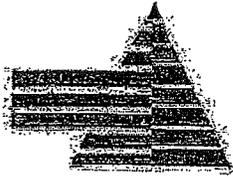
	<u>Amount</u>
Professional Services Rendered	\$292.50
Receivership	
Balance Due	\$292.50

**EXHIBIT B**

**BOONVILLE**  
501 W. Main St.  
Phone: (812) 897-0120  
Fax: (812) 897-1079

**EVANSVILLE**  
501 S.E. ML King Jr. Blvd  
P.O. Box 119  
Phone: (812) 421-4170  
Fax: (812) 421-4179

**PRINCETON**  
121 E. State St.  
P.O. Box 384  
Phone: (812) 385-4872  
Fax: (812) 424-9171



**VOWELLS & SCHAAF, LLP**

*Certified Public Accountants*

July 03, 2009

Old State Utility Corporation  
P O Box 119  
Evansville, IN 47701

---

Re: Monthly Billing  
Work on Rebuttal

Previous Balance	\$3,687.50
Professional Services Rendered	925.00
	<hr/>
Balance Due	\$4,612.50

**BOONVILLE**  
501 W. Main St.  
Phone: (812) 897-0120  
Fax: (812) 897-1079

**EVANSVILLE**  
601 S.E. ML King Jr. Blvd  
P.O. Box 119  
Phone: (812) 421-4170  
Fax: (812) 421-4179

**PRINCETON**  
121 E. State St.  
P.O. Box 384  
Phone: (812) 385-4872  
Fax: (812) 424-9171

**Exhibit 2**

IURC  
JOINT

EXHIBIT No. 1-2  
2-22-10 UR  
DATE REPORTER

---

OFFICIAL  
EXHIBITS

STATE OF INDIANA )  
 )  
 ) SS: IN THE VANDERBURGH SUPERIOR COURT #3  
COUNTY OF VANDERBURGH ) CAUSE NO.:82D03-0710-CC-5218

OLD STATE UTILITY CORPORATION, )  
 )  
 ) Plaintiff, Counterclaim-Defendant )  
 ) and Counterclaimant )

vs. )

CITY OF EVANSVILLE, INDIANA, )  
 ) a Municipal Corporation and )  
 ) The Council of the City of Evansville, and )  
 ) Evansville Water & Sewer Utility, )  
 ) a Public Water & Sewer Utility, )

VANDERBURGH SUPERIOR COURT  
★ FILED ★  
AUG 17 2009  
*Susan K. Kirk*  
CLERK

)  
 )  
 ) Defendants, Counterclaimant )  
 ) and Counterclaim-Defendant )

**RECEIVER'S VERIFIED INTERIM REPORT FOR JULY, 2009**

Comes now Receiver of Old State Utility Corporation, Vowells & Schaaf by Rosanne F. Roth, and respectfully submits the Receiver's Verified Interim Report for July, 2009, per this Court's Order of April 30, 2009, appointing the Receiver, as amended and modified by this Court's Order of June 25, 2009, and states as follows:

1. During the month of July, 2009, the undersigned Receiver had total receipts of \$8,249.42, comprised of \$5,629.09 of receipts from customer billings, \$2600.00 from Mr. Beacham per this Court's Order for disgorgement, and a reflection of the actual bank charge compared to the estimated bank charge for the month of June in the amount of \$20.33. During the month of July, 2009, the undersigned Receiver, disbursed \$8,527.34 for current expenses and past due balances of the Old State Utility Corporation Receivership ("OSUCR"), including an estimated bank charge in the amount of \$150.00. The disbursement of funds also included

payment of \$750.00 to Evansville Water & Sewer Utility toward the judgment entered by this Court. Attached hereto, made a part hereof and marked as Exhibit A, is an accounting showing all receipts and disbursements made by the Receiver. The receipts were not sufficient to pay the outstanding liabilities of OSUC. The Receiver was able to negotiate with creditor Hydromax to waive interest and/or late charges on the outstanding balance owed if the Receiver made payment toward the outstanding balance due Hydromax.

2. The undersigned Receiver received an additional request for reimbursement from Mr. Charles Beacham in the amount of \$66,190.00 for fees for prior professional services, which is reflected in Exhibit A. Per this Court's Order of June 25, 2009, Mr. Beacham was directed to submit to the Court for approval any claims for attorney's fees and expenses.

3. In closing OSUC's existing account at Old National Account, the Receiver notified the bank to cancel two outstanding stale checks. The funds from the two stale checks in the amount of \$1200.00 were received in August, 2009 and thus will be reflected in the Receiver's August, 2009 Report.

4. Per the Court's June 25, 2009 Order, the Receiver sent a copy of the Court's June 25, 2009 Order with the July statements. The Receiver also has been reviewing its Aging Accounts Receivable Report, and in consultation with the Receiver's counsel, is developing procedures for collection of past due amounts.

5. The complaint by the State of Indiana, Department of Local Government Finance, Vanderburgh Superior Court # 3, Cause No. 82D03-0906-CC-2830, was successfully negotiated and settled by counsel for the Receiver for a payment of \$100.00 to the State of Indiana. The State of Indiana has dismissed its complaint with prejudice.

6. The undersigned Receiver, by and through her counsel, Susan K. Roberts and Robert Johnson, is continuing to evaluate the merits of an appeal regarding the substantive issues raised in Mr. Beacham's Motion to Correct Errors and Appellant's Case Summary.

7. Per this Court's Orders, the undersigned Receiver submits for approval the invoice of Vowells & Schaaf for current services rendered on behalf of the Receiver in the amount of \$2,827.64. The fees and expenses have not been previously approved by the Court. A true and accurate copy of the Receiver's invoice is attached hereto as Exhibit B.

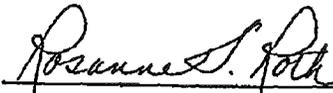
8. Attorney Robert Johnson continues to advise the Receiver and her counsel regarding utility law matters and assist with proceedings before the Indiana Utility Regulatory Commission, and other pending matters or issues relating to utility law, including the merits of an appeal on the substantive issues therein, as alleged by OSUC in its Motion to Correct Errors and Appellant's Case Summary. Per this Court's Orders, Mr. Johnson's invoice for current services rendered on behalf of the Receiver in the amount of \$4,637.50 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Robert Johnson is attached hereto as Exhibit C.

9. Attorney Susan Roberts continues to advise the Receiver regarding her duties and obligations as Receiver, including, among other things, continuing to evaluate the merits of an appeal, consulting with Attorney Johnson regarding utility law matters, and preparing the Receiver's Report, assisting the Receiver and EWSU in pursuing the disgorgement of funds from Mr. Beacham. Per this Court's Orders, Ms. Roberts' invoice for current services rendered on behalf of the Receiver in the amount of \$2,240.91 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said

invoice from Attorney Robert Johnson is attached hereto as Exhibit D.

WHEREFORE, the undersigned Receiver respectfully submits the Report's Verified Interim Report for July, 2009 and prays that the Court approve said Report and approve the amounts requested as fee and expenses of the undersigned Receiver.

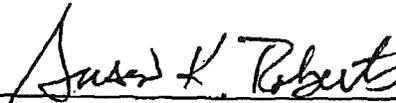
I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT THE FOREGOING REPRESENTATIONS ARE TRUE, TO THE BEST OF MY BELIEF AND KNOWLEDGE.



---

Old State Utility Corporation, Receiver  
Vowells and Schaaf, LLP by Rosanne Roth

Respectfully submitted,



---

SUSAN K. ROBERTS  
Stuart & Branigin LLP  
300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
P: 765-423-1561  
F: 765-742-8175  
E: [skr@stuartlaw.com](mailto:skr@stuartlaw.com)  
Attorney No.: 10954-37

**CERTIFICATE OF SERVICE**

I certify that on the \_\_\_ day of August, 2009, service of a true and complete copy of the above and foregoing pleading or paper was made upon:

**Charles W. Beacham, Esquire**  
*Beacham & Associates*  
301 Ladonna Blvd.  
Evansville, IN 47711

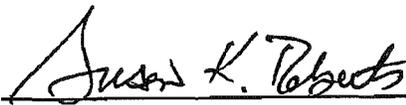
**Linda Cooley, Esquire**  
**Steven Sherman, Esquire**  
*Kreig DeVault, LLP*  
One Indiana Square, Suite 2800  
Indianapolis, IN 46204-2079

---

~~**Nicholas K. Kile, Esquire**~~  
11 South Meridian Street  
Indianapolis, IN 46204

**Ross E. Rudolph, Esquire**  
221 NW 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Evansville, IN 47706

by depositing the same in the United States mail in an envelope properly addressed and with sufficient first class postage affixed.

  
\_\_\_\_\_  
**SUSAN K. ROBERTS**

OLD STATE UTILITIES  
 Monthly Report  
 From 7/01/09 to 7/31/09

Date	Invoice	Total Due	Current Portion	for	Due Date	Check Number	Amounts Paid	Deposits	Balance
6/30/2009	Account Balance								546.31
6/30/2009				Bank Service fee-decr from estimate				20.33	566.64
7/1/2009	Deposit							40.79	607.43
7/1/2009	Deposit			Mr. Beacham-disgorgement				2,600.00	3,207.43
7/2/2009	Deposit							122.37	3,329.80
7/3/2009	Deposit							81.65	3,411.45
7/6/2009	Deposit							81.58	3,493.03
7/7/2009	Deposit							163.16	3,656.19
7/8/2009	Deposit							163.16	3,819.35
7/9/2009	Deposit							-	3,819.35
7/10/2009	Deposit							-	3,819.35
7/13/2009	Deposit							122.37	3,941.72
7/14/2009	Deposit							81.58	4,023.30
7/15/2009	Deposit							40.79	4,064.09
7/15/2009	Deposit			Payment sent directly to V&S				40.79	4,104.88
7/16/2009	Deposit							978.96	5,083.84
7/16/2009	State of Indiana	100.00	100.00	Lawsuit settlement-Late filing penalty	4/5/2009	1001	(100.00)		4,983.84
7/17/2009	Deposit							652.64	5,636.48
7/20/2009	Deposit							326.32	5,962.80
7/21/2009	Deposit							407.90	6,370.70
7/21/2009	Deposit			Payment sent directly to V&S				40.79	6,411.49
7/22/2009	Deposit							836.19	7,247.68
7/23/2009	Deposit							122.37	7,370.05
7/24/2009	Deposit							326.32	7,696.37
7/27/2009	Deposit							305.93	8,002.30
7/28/2009	Deposit							163.16	8,165.46
7/29/2009	Deposit							40.79	8,206.25
7/30/2009	Deposit			Payment sent directly to V&S				40.79	8,247.04
7/30/2009	Deposit							407.90	8,654.94
7/31/2009	Deposit							40.79	8,695.73
6/26/2009	Darren J. Newman	375.00	375.00	transcript fee-appeal	for appeal				8,695.73
6/26/2009	IN Utility Reg Comm	59.96		Utility Fee (Otrly. Prnt.)	10/1/2009				8,695.73
6/29/2009	Hydromax Svcs	10,107.19	10,107.19	Sewer Maintenance	monthly	1003	(750.00)		7,945.73
7/28/2009	EV Water & Sewer	34,697.20	5,059.84	Water bill	7/28/2009	1002	(5,059.84)		2,885.89
	EV Water & Sewer	130,293.20	130,293.20	Judgment		1004	(750.00)		2,135.89
	Hydromax USA	2,137.50	2,137.50	Sewer Maintenance		1005	(250.00)		1,885.89
	Vowells & Schaaf, LLP	3,141.76	3,141.76	prior accounting svcs		1006	(250.00)		1,635.89
	Vowells & Schaaf, LLP	925.00	925.00	May billing-accts (approved)		1006	(925.00)		710.89
	Vowells & Schaaf, LLP	292.50	292.50	May billing-receivership (approved)		1006	(292.50)		418.39
	Vowells & Schaaf, LLP	434.93	434.93	June billing-acctg					418.39
	Vowells & Schaaf, LLP	2,827.64	2,827.64	June billing-receivership					418.39
	Stuart & Branigin LLP	741.40	741.40	June billing-attorney					418.39
	Mr. Beacham*	1,000.00	-	"wages" 5/1/09-5/31/09					418.39
	Mr. Beacham*	750.00	-	"wages" 6/1/09-6/15/09					418.39
	Mr. Beacham**	24.75	24.75	Certified mail-appeal					418.39
	Mr. Beacham**	38.21	38.21	Copying-appeal					418.39
	Mr. Beacham**	215.10	215.10	IURC Hearing-hotel					418.39
	Mr. Beacham* **	66,190.00	200.00	Professional fees					418.39
7/31/2009				Bank Service fee (estimate)			(150.00)		268.39
	<b>Balances</b>	<b>209,011.99</b>	<b>141,271.99</b>				<b>(8,527.34)</b>	<b>8,249.42</b>	<b>268.39</b>

\*no support provided

\*\*per court order, Mr. Beacham was directed to submit claims for attorney fees & expenses to the Court for approval

Respectfully Submitted,

*Rosanne F. Roth*

Rosanne F. Roth, CPA

Receiver for Old State Utility Corporation

EXHIBIT A 1 of 2

OLD STATE UTILITY CORPORATION  
DAILY DEPOSITS  
July, 2009

Wednesday	01-Jul-09	40.79	
Thursday	02-Jul-09	122.37	
Friday	03-Jul-09	81.65	
Saturday	04-Jul-09	-	
Sunday	05-Jul-09	-	
Monday	06-Jul-09	81.58	
Tuesday	07-Jul-09	163.16	
Wednesday	08-Jul-09	163.16	
<hr/>			
Thursday	09-Jul-09	-	No Deposit
Friday	10-Jul-09	-	No Deposit
Saturday	11-Jul-09	-	
Sunday	12-Jul-09	40.79	Leon Jones
Monday	13-Jul-09	122.37	
Tuesday	14-Jul-09	81.58	
Wednesday	15-Jul-09	40.79	
Thursday	16-Jul-09	978.96	
Friday	17-Jul-09	652.64	
Saturday	18-Jul-09	-	
Sunday	19-Jul-09	-	
Monday	20-Jul-09	326.32	
Tuesday	21-Jul-09	407.90	
Wednesday	22-Jul-09	836.19	
Thursday	23-Jul-09	122.37	
Friday	24-Jul-09	326.32	
Saturday	25-Jul-09	40.79	John Brazeltc
Sunday	26-Jul-09	-	
Monday	27-Jul-09	305.93	
Tuesday	28-Jul-09	163.16	
Wednesday	29-Jul-09	40.79	
Thursday	30-Jul-09	448.69	Leon Jones
Friday	31-Jul-09	40.79	
		<hr/>	
		5,629.09	

EXHIBIT A 2012

# Vowells & Schaaf, LLP

A Limited Liability Partnership

Certified Public Accountants

601 SE ML KING JR BLVD  
P.O. BOX 119  
EVANSVILLE, IN 47701-0119

July 17, 2009

Invoice submitted to:

OSU

Client # 886

C/O VOWELLS & SCHAAF LLP  
PO BOX 119  
EVANSVILLE IN 47701-0119

In Reference To: \$360.00 MONTHLY BILLING  
74.93 WORK ON REBUTTAL

\$434.93

- 
- \$2827.64 RECEIVERSHIP
- a. PAY CORPORATE BILLS
  - b. COMPLETE CURRICULUM VITAE
  - c. MONTHLY REPORT - MAY
  - d. BANK RECONCILIATION JANUARY - MAY
  - e. PHONE CONSULTS: JUDGE TROCKMAN  
RECEIVERSHIP DUTIES, SUSAN  
ROBERTS, HYDROMAX
  - f. REVIEW ALL NOTICES FROM  
MR. BEACHAM; E-MAIL TO SUSAN  
ROBERTS
  - g. PREPARE & SEND NOTICES TO  
CREDITORS
  - h. PREPARE & SEND NOTICES TO  
CUSTOMERS
  - i. SET UP NEW BANK ACCOUNT
  - j. PICK UP NEW COPIES OF MAY CHECKS  
E-MAIL TO SUSAN
  - k. DELIVER CHECK TO EVANSVILLE WATER  
& SEWER
  - l. MISC FEES \$97.64

	<u>Amount</u>
For professional services rendered	\$3,090.00
Total costs	\$172.57
Total amount of this bill	<u>\$3,262.57</u>
Previous balance	\$4,905.00
Payment Check# 1006 Dated 7/31/09	<u>(\$1,467.50)</u>
Balance due	<u>\$6,700.07</u>

EXHIBIT B

**ROBERT K. JOHNSON**  
*Attorney-at-Law, Inc.*

2454 Waldon Dr., Greenwood, IN 46143-8268  
 Tel: 317-506-7348 • Fax: 317-888-7428 • Email: [RJohnson@utilitylaw.us](mailto:RJohnson@utilitylaw.us)  
[www.utilitylaw.us](http://www.utilitylaw.us)

**Bill To**  
 Susan K. Roberts, Esq.  
 STUART & BRANIGIN LLP  
 300 Main Street, Ste. 900  
 P.O. Box 1010  
 Lafayette, IN 47902-1010

Date 8/3/2009  
 Invoice # 723  
 Fed. I.D.: 20-0055371  
 Thank you!

**For Legal Services in Connection With:**

**Matter:** 14747 01. Receiver of Old State Utility Corp.

Timekeeper	Service Date	Description	Time	Amount
B. Johnson	7/7/2009	Draft, file and serve Appearance.	0.3	79.50
B. Johnson	7/8/2009	In depth review of IURC filings and related court proceedings.	1.8	477.00
B. Johnson	7/9/2009	Detailed review of IURC testimony and Motion to Correct Errors.	1.3	344.50
B. Johnson	7/11/2009	Extensive discussion with OUCC counsel regarding rate case issues and position on jurisdictional issues; further review of OUCC testimony.	1.1	291.50
B. Johnson	7/12/2009	Detailed research into relevant case law, particularly Jasper and Speedway cases and related statutes; draft list of open issues; review record for documents.	3	795.00
B. Johnson	7/13/2009	Telephone conference for Receiver regarding research findings, open questions and strategy.	0.7	185.50
B. Johnson	7/14/2009	Telephone conference with counsel for EWSU regarding open issues and procedural items regarding same; review messages from OSUC owner regarding appellate issues and timeline; review memo from counsel for receiver regarding consideration of alternative Receivers.	0.8	212.00
B. Johnson	7/15/2009	Review ALJ Docket Entry regarding open issue before IURC; review and respond to message from Receiver's counsel regarding state lawsuit.	0.3	79.50

**Total Balance Due**

EXHIBIT C

**Bill To**

Susan K. Roberts, Esq.  
 STUART & BRANIGAN LLP  
 300 Main Street, Ste. 900  
 P.O. Box 1010  
 Lafayette, IN 47902-1010

Date 8/3/2009  
 Invoice # 723  
 Fed. I.D.: 20-0055371  
 Thank you!

**For Legal Services in Connection With:**

Matters 14747 01 Receiver of Old State Utility Corp.

Timekeeper	Service Date	Description	Time	Amount
B. Johnson	7/16/2009	Telephone conference with Deputy Attorney General Dan Miller regarding Vanderburgh County action; report findings to OSUC counsel.	0.2	\$3.00
B. Johnson	7/20/2009	Draft letter to Attorney General in resolution of Vanderburgh County action forward to resolution to OSUC counsel.	0.3	79.50
B. Johnson	7/23/2009	Review Beacham response to Docket Entry; telephone conference to Docket Entry; telephone conference with OUCG counsel regarding rate case logistics; review draft dismissal order to Vanderburgh County and forward to client.	0.4	106.00
B. Johnson	7/30/2009	Research, draft and edit memo regarding merits of appeal; draft response to Docket Entry.	6.8	1,802.00
B. Johnson	7/31/2009	File response to Docket Entry and serve; telephone conference with S. Roberts regarding strategy.	0.5	132.50

**Total Balance Due \$4,637.50**

**STUART &  
BRANIGIN** LLP  
**LAWYERS**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

August 14, 2009

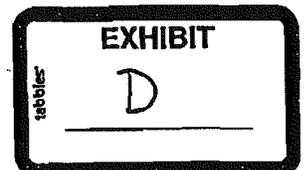
I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95013

Old State Utilities Company Receivership  
c/o Roseanne Roth  
Vowells & Schaaf LLP  
~~601 SE Martin Luther King Jr. Blvd.~~  
Evansville, IN 47713-1703

FOR LEGAL SERVICES RENDERED

General

07/01/09 S. Roberts	1.90	351.50	Review lockbox report; receive E-mail message from Mr. Johnson regarding engagement letter; send E-mail message to Mr. Johnson; review engagement letter; receive E-mail message from Ms. Roth regarding receiver's report; receive E-mail message from Ms. Roth regarding payment by Mr. Beacham and additional funds to disburse; send E-mail message to Vanderburgh Superior Court regarding payment per motion for disgorgement; receive E-mail message from Ms. Roth regarding new invoices from Mr. Beacham for his expenses; review June report and Vowells & Schaaf June invoices; send E-mail message to Ms. Roth regarding revisions to Receiver's Report
07/02/09 S. Roberts	0.10	18.50	Review court order on disgorgement; review daily lockbox report



07/06/09 S. Roberts	2.90	536.50	Review notice from IURC regarding amended order of receivership; send E-mail messages to R. Johnson regarding IURC proceeding and notice; receive E-mail message from R. Johnson regarding case preparations; prepare receivers June, 2009, verified interim report; send E-mail message to Ms. Roth
07/07/09 S. Roberts	0.80	148.00	Receive E-mail message from Ms. Roth regarding June Receiver's report revisions; revise Receiver's report; send E-mail message to Ms. Roth; receive and review pleadings appearance of R. Johnson for IURC; receive E-mail message from Mr. Johnson; send E-mail message to Mr. Johnson
07/08/09 S. Roberts	0.60	111.00	Telephone conference with Ms. Roth; receive E-mail message from Ms. Roth; letter to Clerk of Court; finalize June Interim Report
07/10/09 S. Roberts	0.20	37.00	Receive E-mail message from Ms. Roth regarding late charges from EWSU
07/13/09 S. Roberts	0.40	74.00	Receive E-mail messages from Mr. Sherman regarding disgorgement of funds for free utility service; send E-mail messages to Mr. Sherman regarding same; telephone conference with Mr. Johnson regarding same; review cash box receipts
07/16/09 S. Roberts	0.60	111.00	Receive E-mail message from Ms. Roth regarding current financial status; send E-mail message to Ms. Roth regarding same; send E-mail message to Mr. Sherman and Mr. Johnson regarding disgorgement of funds for non-payment of utility service
07/17/09 S. Roberts	0.20	37.00	Receive E-mail message from Mr. Sherman regarding disgorgement for nonpayment of utility bills

07/21/09 S. Roberts	0.20	37.00	Receive and review court order regarding bankruptcy issue; receive and review lock box reports
07/22/09 S. Roberts	0.40	74.00	Receive E-mail message from Mr. Beacham regarding statute entitling owner to free service; send E-mail message to Mr. Sherman regarding same; receive E-mail message from Ms. Roth regarding same
07/23/09 S. Roberts	0.20	37.00	Receive E-mail message from Ms. Roth regarding court's approval of Vowells and Schaaf fees; send E-mail message to Ms. Roth regarding same
07/24/09 S. Roberts	1.00	185.00	Prepare application for fees; review court order regarding approval of receiver's fees; send E-mail message to Ms. Roth regarding approval and authorization to pay Vowells and Schaaf; send E-mail message to Mr. Johnson
07/27/09 S. Roberts	0.30	55.50	Review montly summary of cash receipts and proposed distribution of funds
07/28/09 S. Roberts	0.40	74.00	Receive E-mail message from Ms. Roth regarding disbursement of receivership funds; send E-mail message to Ms. Roth regarding same; review proposed July report from receiver
07/29/09 S. Roberts	0.10	18.50	Receive and review correspondence; receive and review pleadings regarding appearances for EWSU for appeal
07/30/09 S. Roberts	0.70	129.50	Review revised distribution report; receive E-mail message from Ms. Roth regarding additional distributions with additional funds received; send E-mail message to Ms. Roth regarding changes to receivers report



**STUART &  
BRANIGIN<sup>LLP</sup>**

**L A W Y E R S**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

REMITTANCE ADVICE

August 14, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95013

Old State Utilities Company Receivership

~~c/o Roseanne Roth~~

Vowells & Schaaf LLP

601 SE Martin Luther King Jr. Blvd.  
Evansville, IN 47713-1703

General

TOTAL LEGAL SERVICES RENDERED	\$2,127.50
TOTAL EXPENSES ADVANCED	\$39.91
INVOICE TOTAL	\$2,167.41
PRIOR BALANCE	\$741.40
TOTAL DUE	\$2,908.81

TO ENSURE PROPER CREDIT, PLEASE RETURN THIS  
REMITTANCE ADVICE WITH YOUR PAYMENT

MAKE CHECKS PAYABLE TO STUART & BRANIGIN LLP

**Exhibit 3**

IURC  
JOINT

EXHIBIT No. 1-3

2-22-10 DATE

UR REPORTER

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OFFICIAL  
EXHIBITS

STATE OF INDIANA )  
 ) SS: IN THE VANDERBURGH SUPERIOR COURT #3  
 COUNTY OF VANDERBURGH ) CAUSE NO.:82D03-0710-CC-5218

OLD STATE UTILITY CORPORATION, )  
 )  
 Plaintiff, Counterclaim-Defendant )  
 and Counterclaimant )

vs. )

CITY OF EVANSVILLE, INDIANA, )  
 a Municipal Corporation and )  
 The Council of the City of Evansville, and )  
 Evansville Water & Sewer Utility, )  
 a Public Water & Sewer Utility, )

VANDERBURGH SUPERIOR COURT  
 ★ FILED ★  
 OCT 13 2009  
 Susan K. Kark  
 CLERK

Defendants, Counterclaimant )  
 and Counterclaim-Defendant )

**RECEIVER'S VERIFIED INTERIM REPORT FOR AUGUST, 2009**

Comes now Receiver of Old State Utility Corporation, Vowells & Schaaf by Rosanne F. Roth, and respectfully submits the Receiver's Verified Interim Report for August, 2009, per this Court's Order of April 30, 2009, appointing the Receiver, as amended and modified by this Court's Order of June 25, 2009, and states as follows:

1. During the month of August, 2009, the undersigned Receiver had total receipts of \$7,389.77, comprised of \$5,801.04 of receipts from customer billings, \$1,200.00 from voiding stale checks, a refund of \$375.00 of overpayment for the estimated cost of transcription of the record for appeal, and a reflection of the actual bank charge compared to the estimated bank charge for the month of July in the amount of \$13.73. During the month of August, 2009, the undersigned Receiver, disbursed \$7,605.71 for current expenses and past due balances of the Old State Utility Corporation Receivership ("OSUCR"). Attached hereto, made a part hereof and

marked as Exhibit A, is an accounting showing all receipts and disbursements made by the Receiver. The receipts were not sufficient to pay the outstanding liabilities of OSUC.

3. The Receiver also has been reviewing its Aging Accounts Receivable Report, and in consultation with the Receiver's counsel, is developing procedures for collection of past due amounts.

4. The undersigned Receiver, by and through her counsel, Susan K. Roberts and Robert Johnson, is continuing to negotiate a resolution of pending matters and claims with the Office of Utility Consumers Counsel regarding the pending rate case before the Indiana Utility Regulatory Commission, as well as the continuing ongoing discussions with Evansville Water

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and Sewer Utility (EWSU) regarding the outstanding judgment, the pending appeal, and current billings. Mr. Johnson was retained by the Receiver to handle the appeal, if the pending issues with EWSU are not resolved.

5. Per this Court's Orders, the undersigned Receiver submits for approval the invoice of Vowells & Schaaf for services rendered on behalf of the Receiver in the amount of \$810.00. The fees and expenses have not been previously approved by the Court.

A true and accurate copy of the Receiver's invoice is attached hereto as Exhibit B.

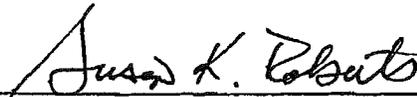
6. Attorney Robert Johnson continues to advise the Receiver and her counsel regarding utility law matters and assist with proceedings before the Indiana Utility Regulatory Commission, and the appeal. Per this Court's Orders, Mr. Johnson's invoice for current services rendered on behalf of the Receiver in the amount of \$1,298.50 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Robert Johnson is attached hereto as Exhibit C.

7. Attorney Susan Roberts continues to advise the Receiver regarding her duties and obligations as Receiver, including, among other things, continuing to evaluate the merits of an appeal, consulting with Attorney Johnson regarding utility law matters, and preparing the Receiver's Report. Per this Court's Orders, Ms. Roberts' invoice for current services rendered on behalf of the Receiver in the amount of \$2,331.00 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Roberts is attached hereto as Exhibit D.

WHEREFORE, the undersigned Receiver respectfully submits the Report's Verified ~~Interim Report for August, 2009~~ and prays that the Court approve said Report and approve the amounts requested as fee and expenses of the undersigned Receiver.

I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT THE FOREGOING REPRESENTATIONS ARE TRUE, TO THE BEST OF MY BELIEF AND KNOWLEDGE.

  
\_\_\_\_\_  
Old State Utility Corporation, Receiver  
Vowells and Schaaf, LLP by Rosanne Roth

  
\_\_\_\_\_  
SUSAN K. ROBERTS  
Stuart & Branigin LLP  
300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
P: 765-423-1561  
F: 765-742-8175  
E: [skr@stuartlaw.com](mailto:skr@stuartlaw.com)  
Attorney No.: 10954-37

**CERTIFICATE OF SERVICE**

I certify that on the 13<sup>th</sup> day of October, 2009, service of a true and complete copy of the above and foregoing pleading or paper was made upon:

**Charles W. Beacham, Esquire**  
*Beacham & Associates*  
301 Ladonna Blvd.  
Evansville, IN 47711

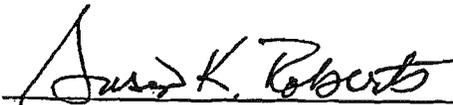
**Linda Cooley, Esquire**  
**Steven Sherman, Esquire**  
*Kreig DeVault, LLP*  
One Indiana Square, Suite 2800  
Indianapolis, IN 46204-2079

---

**Nicholas K. Kile, Esquire**  
11 South Meridian Street  
Indianapolis, IN 46204

**Ross E. Rudolph, Esquire**  
221 NW 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Evansville, IN 47706

by depositing the same in the United States mail in an envelope properly addressed and with sufficient first class postage affixed.

  
\_\_\_\_\_  
**SUSAN K. ROBERTS**

OLD STATE UTILITIES  
Monthly Report  
From 8/01/09 to 8/31/09

Date	Invoice	Total Due	Current Portion	for	Due Date	Check Number	Amounts Paid	Deposits	Balance
7/31/2009	Account Balance								268.39
7/31/2009				Bank Service fee-decr from estimate				13.73	282.12
7/31/2009				Check Order			(8.50)		273.62
8/3/2009	Correction			Deposits recorded in error				(81.58)	192.04
8/3/2009	Deposit							285.53	477.57
8/4/2009	Deposit							163.16	640.73
8/5/2009	Deposit							115.79	756.52
8/5/2009	Deposit			void outstanding checks from prior acct.				1,200.00	1,956.52
8/6/2009	Deposit							81.58	2,038.10
8/7/2009	Deposit							81.58	2,119.68
8/10/2009	Deposit							163.16	2,282.84
8/11/2009	Deposit							244.74	2,527.58
8/12/2009	Deposit							40.79	2,568.37
8/13/2009	Deposit							-	2,568.37
8/13/2009	Deposit			Payments sent directly to V&S				65.00	2,633.37
8/14/2009	Deposit							530.27	3,163.64
8/17/2009	Deposit							448.69	3,612.33
8/18/2009	Deposit							684.66	4,296.99
8/19/2009	Deposit							530.27	4,827.26
8/20/2009	Deposit							856.59	5,683.85
8/21/2009	Deposit							81.58	5,765.43
8/24/2009	Deposit							448.69	6,214.12
8/25/2009	Deposit			Payment sent directly to V&S				40.79	6,254.91
8/25/2009	Deposit							611.85	6,866.76
8/26/2009	Deposit							203.95	7,070.71
8/27/2009	Deposit							40.79	7,111.50
8/28/2009	Deposit			No Deposit				-	7,111.50
8/31/2009	Deposit							163.16	7,274.66
8/5/2009	Darren J. Newman	375.00	375.00	transcript fee-appeal		1007	(375.00)		6,899.66
8/19/2009	void check			overpayment to Mr. Newman		void 1007		375.00	7,274.66
8/19/2009	Darren J. Newman	116.75	116.75	transcript fee-appeal for appeal		1008	(116.75)		7,157.91
8/24/2009	IUPPS	140.40	37.80	Indiana 811--2nd qtr '09		1009	(37.80)		7,120.11
8/24/2009	EV Water & Sewer	35,967.29	5,823.94	Water bill	8/27/2009	1010	(4,500.00)		2,620.11
6/26/2009	IN Utility Reg Comm	59.96		Utility Fee (Ctrly. Pmt.)	10/1/2009				2,620.11
8/31/2009	Hydromax Svcs	9,357.19	9,357.19	Sewer Maintenance	monthly	1011	(500.00)		2,120.11
	EV Water & Sewer	129,543.20	129,543.20	Judgment					2,120.11
8/31/2009	Hydromax USA	1,887.50	1,887.50	Sewer Maintenance		1012	(100.00)		2,020.11
8/31/2009	Stuart & Branigin LLP	741.40	741.40	June billing-attorney		1013	(741.40)		1,278.71
	Vowells & Schaaf, LLP	2,891.76	2,891.76	prior accounting svcs					1,278.71
8/31/2009	Vowells & Schaaf, LLP	434.93	434.93	June billing-acctg (approved)		1014	(434.93)		843.78
8/31/2009	Vowells & Schaaf, LLP	2,827.64	2,827.64	June billing-recelvership (approved)		1014	(652.64)		191.14
8/13/2009	Vowells & Schaaf, LLP	437.29	437.29	July billing-Accounting					191.14
8/13/2009	Vowells & Schaaf, LLP	810.00	810.00	July billing-Recelvership					191.14
8/3/2009	Robert K. Johnson	4,637.50	4,637.50	Atty for OSUC-specialist					191.14
	Mr. Beacham*	1,000.00	-	"wages" 5/1/09-5/31/09					191.14
	Mr. Beacham*	750.00	-	"wages" 6/1/09-6/15/09					191.14
	Mr. Beacham**	24.75	24.75	Certified mail-appeal					191.14
	Mr. Beacham**	38.21	38.21	Copying-appeal					191.14
	Mr. Beacham**	215.10	215.10	IURC Hearing-hotel					191.14
	Mr. Beacham* **	66,190.00	200.00	Professional fees					191.14
8/31/2009				Bank Service fee			(138.69)		52.45
	<b>Balances</b>	<b>212,429.28</b>	<b>144,689.28</b>				<b>(7,605.71)</b>	<b>7,389.77</b>	<b>52.45</b>

\*no support provided

\*\*per court order, Mr. Beacham was directed to submit claims for attorney fees & expenses to the Court for approval

Respectfully Submitted,

*Rosanne F. Roth*

Rosanne F. Roth, CPA  
Receiver for Old State Utility Corporation

Exhibit A

**Vowells & Schaaf, LLP**  
A Limited Liability Partnership  
**Certified Public Accountants**  
P.O. BOX 119  
EVANSVILLE, IN 47701-0119  
812-421-4165

August 13, 2009

**CONFIDENTIAL**

**OSU**  
c/o VOWELLS & SCHAAF, LLP  
Evansville, IN 47701-0119

Client #886

In Reference to:

**ACCOUNTING FEES**  
\$350.00 MONTHLY BILLING  
77.29 OTHER FEES  
\$437.29

**\$810.00 RECEIVER FEES**

- a. COMPLETE JUNE REPORT FOR COURT APPROVAL
- b. DEPOSIT \$2600 CHECK FROM MR BEACHAM
- c. PHONE WITH CUSTOMER WHO MOVED
- d. REVIEW INFO FROM BOB JOHNSON, ATTY
- e. NOTICE FROM IDR; PMT SENT
- f. REVIEW INFO ON FILING FOR BANKRUPTCY
- g. BANK RECONCILIATION - JUNE
- h. PAYMENT TO ESWU - DELIVER
- i. E-MAILS, PHONE WITH APPEALS TRANSCRIPTIONIST
- j. PAY JULY BILLS; WORK ON JULY REPORT
- k. MISC DEPOSITS FROM CUSTOMERS

	<u>Amount</u>
For professional services rendered	\$1,170.00
Other costs	77.29
Total amount of this bill	\$1,247.29
Less Payment 8/3/09	(\$1,467.50)
Previous balance	\$7,621.83
Balance Due	\$7,401.62

Exhibit B

**ROBERT K. JOHNSON**  
**Attorney-at-Law, Inc.**

2454 Walton Dr., Greenwood, IN 46143-8268  
 Tel: 317-506-7348 • Fax: 317-888-7428 • Email: RJohnson@utilitylaw.us  
 www.utilitylaw.us

**Bill To**  
 Susan K. Roberts, Esq.  
 STUART & BRANIGIN LLP  
 300 Main Street, Ste. 900  
 P.O. Box 1010  
 Lafayette, IN 47902-1010

Date: 8/11/2009  
 Invoice # 729  
 Fed. I.D.: 20-0055371  
 Thank you!

**For Legal Services in Connection With:**

**Matter:** 14747 01 Receiver of Old State Utility Corp.

Timekeeper	Service Date	Description	Time	Amount
B. Johnson	8/3/2009	Brief consultation with OSUC counsel to potential bankruptcy; telephone conference with OUCC counsel regarding rate case logistics.	0.2	53.00
B. Johnson	8/7/2009	Telephone conference with OUCC counsel regarding rate case negotiations.	0.2	53.00
B. Johnson	8/10/2009	Research and forward disconnection process for Receiver; telephone conference with Old State Utility Corp. counsel regarding rate discussions.	0.2	53.00
B. Johnson	8/11/2009	Telephone conference with OUCC counsel; draft and file motion to continue hearing.	0.3	79.50
B. Johnson	8/13/2009	Telephone conference with OUCC counsel regarding settlement.	0.1	26.50
B. Johnson	8/17/2009	Telephone call with counsel and Receiver regarding open issues; review draft collection letter to ratepayers.	0.7	185.50
B. Johnson	8/23/2009	Lengthy telephone conference with OUCC counsel regarding rate case and potential support on appeal.	0.2	53.00
B. Johnson	8/24/2009	Lengthy meeting with EWSU counsel regarding negotiations; draft memo to client; multiple correspondence with client regarding strategy; research regarding EWSU proposed rate increase and report to client; telephone conference with Kerry Heid regarding Receivership position.	1.7	450.50

**Total Balance Due**

Bill To  
Susan K. Roberts, Esq.  
STUART & BRANIGIN LLP  
300 Main Street, Ste. 900  
P.O. Box 1010  
Lafayette, IN 47902-1010

Date 9/1/2009  
Invoice # 729  
Fed. I.D.: 20-0055371  
Thank you!

**For Legal Services in Connection With:**

**Matter:** 14747 01 Receiver of Old State Utility Corp.

Timekeeper	Service Date	Description	Time	Amount
B. Johnson	8/25/2009	Lengthy telephone conference with OUCG staff regarding rate case and status of OSUC generally; memo to client regarding same; telephone conference with LAWC counsel regarding Receiver suggestions.	1.3	344.50
		Total Services		1,298.50

**Total Balance Due \$1,298.50**

**STUART &  
BRANIGIN** LLP  
**LAWYERS**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

September 17, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95346

Old State Utilities Company Receivership  
c/o Roseanne Roth  
Vowells & Schaaf LLP

~~601 SE Martin Luther King Jr. Blvd.~~  
Evansville, IN 47713-1703

FOR LEGAL SERVICES RENDERED

General

08/03/09	S. Roberts	0.20	37.00	Receive and review court order; send E-mail message to Ms. Roth
08/05/09	S. Roberts	1.80	333.00	Send E-mail messages to Ms. Roth regarding establishing procedures for collection of past due customer accounts; receive E-mail messages from Ms. Roth regarding collection issues and recovery of funds for state checks; review aging accounts receivable report; begin preparation of receiver's July, 2009 report to court
08/06/09	S. Roberts	1.30	240.50	Review Daily Cash Receipts Report; prepare receiver's July report
08/10/09	S. Roberts	0.90	166.50	Revise receiver's July, 2009, report; receive E-mail message from Mr. Johnson regarding negotiations for rate increase; send E-mail message to Mr. Johnson regarding same; send E-mail message to Ms. Roth
08/11/09	S. Roberts	0.70	129.50	Receive E-mail message from Ms. Roth regarding receiver's report for July; receive E-mail messages from Ms. Roth regarding billing for owner-operator; send E-mail messages to Ms. Roth regarding

**Exhibit** D

			future billings to Mr. Beacham; legal research regarding billing issues
08/12/09 S. Roberts	1.80	333.00	Legal research regarding utility law regulations regarding collections of customer accounts; prepare collection letter form for past due customer accounts
08/13/09 S. Roberts	1.30	240.50	Receive E-mail message from Mr. Sherman regarding waiver of penalties; send E-mail message to Ms. Roth regarding same; telephone conference with Ms. Roth; <del>send E-mail message to Mr. Sherman; revise collection letter</del> for past due accounts; revise and finalize July receiver's report
08/14/09 S. Roberts	0.10	18.50	Receive E-mail message from Mr. Johnson regarding IURC hearing rescheduling
08/17/09 S. Roberts	0.60	111.00	Receive E-mail message from Mr. Johnson regarding collections notice requirements; telephone conference with Ms. Roth and Mr. Johnson regarding reinstatement charges for disconnection of customer services
08/19/09 S. Roberts	1.10	203.50	Revise disconnect notice; send E-mail messages to Ms. Roth regarding disconnect notice for past due accounts; receive E-mail message from Ms. Roth regarding costs for disconnection of services
08/24/09 S. Roberts	1.30	240.50	Receive E-mail message from Mr. Roth regarding outstanding liabilities and cash flow issues; send E-mail message to Ms. Roth regarding same; review receiver's report of outstanding liabilities; receive E-mail messages from Mr. Johnson regarding sewer tracker; send E-mail messages to Mr. Johnson regarding same; send E-mail messages to Ms. Roth regarding

08/25/09 S. Roberts	0.40	74.00	same; receive E-mail messages from Ms. Roth regarding same
08/26/09 S. Roberts	0.30	55.50	Receive E-mail message from Mr. Johnson regarding pursuing potential disgorgement of funds; send E-mail message to Mr. Johnson regarding same
08/27/09 S. Roberts	0.10	18.50	Receive E-mail message from Vanderburgh Superior Court regarding court order approving receiver's report; send E-mail message to Ms. Roth regarding same
08/31/09 S. Roberts	0.70	129.50	Receive and review court docket Review Receiver's August report and revised report; review Daily Cash Receipts Report; send E-mail message to Ms. Roth

Total Hours 12.60  
 TOTAL FOR LEGAL SERVICES RENDERED \$2,331.00

*-----TIME AND FEE SUMMARY-----*			
*-----TIMEKEEPER-----*	RATE	HOURS	FEE
S. Roberts	185.00	12.60	2331.00
TOTALS		12.60	2331.00

TOTAL DUE FOR SERVICES RENDERED AND EXPENSES ADVANCED \$2,331.00  
 PRIOR BALANCE \$2,167.41  
 TOTAL DUE \$4,498.41

**STUART &  
BRANIGIN<sup>LLP</sup>**

**L A W Y E R S**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

REMITTANCE ADVICE

September 17, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95346

---

Old State Utilities Company Receivership

~~c/o Roscanne Roth~~

Vowells & Schaaf LLP

601 SE Martin Luther King Jr. Blvd.

Evansville, IN 47713-1703

General

TOTAL LEGAL SERVICES RENDERED	\$2,331.00
INVOICE TOTAL	\$2,331.00
PRIOR BALANCE	\$2,167.41
TOTAL DUE	\$4,498.41

TO ENSURE PROPER CREDIT, PLEASE RETURN THIS  
REMITTANCE ADVICE WITH YOUR PAYMENT

MAKE CHECKS PAYABLE TO STUART & BRANIGIN LLP

# Exhibit 4

IURC  
JOINT

EXHIBIT No. 1-4  
2-22-10 DATE UR REPORTER

---

OFFICIAL  
EXHIBITS

STATE OF INDIANA )  
 ) SS: IN THE VANDERBURGH SUPERIOR COURT #3  
COUNTY OF VANDERBURGH ) CAUSE NO.:82D03-0710-CC-5218

OLD STATE UTILITY CORPORATION, )  
 )  
Plaintiff, Counterclaim-Defendant )  
and Counterclaimant )

vs. )

CITY OF EVANSVILLE, INDIANA, )  
a Municipal Corporation and )  
The Council of the City of Evansville, and )  
Evansville Water & Sewer Utility, )  
a Public Water & Sewer Utility, )

Defendants, Counterclaimant )  
and Counterclaim-Defendant )

**RECEIVER'S VERIFIED INTERIM REPORT FOR SEPTEMBER, 2009**

Comes now Receiver of Old State Utility Corporation, Vowells & Schaaf by Rosanne F. Roth, and respectfully submits the Receiver's Verified Interim Report for September, 2009, per this Court's Order of April 30, 2009, appointing the Receiver, as amended and modified by this Court's Order of June 25, 2009, and states as follows:

1. During the month of September, 2009, the undersigned Receiver had total receipts of \$6,353.57, comprised of receipts from customer billings. During the month of September, 2009, the undersigned Receiver, disbursed \$6,250.45 for current expenses and past due balances of the Old State Utility Corporation Receivership ("OSUCR"). Attached hereto, made a part hereof and marked as Exhibit A, is an accounting showing all receipts and disbursements made by the Receiver. The receipts were not sufficient to pay the outstanding liabilities of OSUC.

2. The undersigned Receiver, by and through her counsel, Susan K. Roberts and

Robert Johnson, is continuing to negotiate a resolution of pending matters and claims with the Office of Utility Consumers Counsel regarding the pending rate case before the Indiana Utility Regulatory Commission, as well as the continuing ongoing discussions with Evansville Water and Sewer Utility (EWSU) regarding the outstanding judgment, the pending appeal, and current billings.

3. Mr. Johnson filed a Joint Motion for Extension of Time to extend the filing date of Appellant's Brief, as the parties continue to engage in further settlement discussions, which Motion was granted. Mr. Johnson also filed a Motion to Continue the Hearing of the rate case pending before the Indiana Regulatory Commission, which also was granted.

---

4. Attorney Robert Johnson continues to advise the Receiver and her counsel regarding utility law matters and assist with proceedings before the Indiana Utility Regulatory Commission, and the appeal. Per this Court's Orders, Mr. Johnson's invoice for current services rendered on behalf of the Receiver in the amount of \$1537.00 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Robert Johnson is attached hereto as Exhibit B.

5. Attorney Susan Roberts continues to advise the Receiver regarding her duties and obligations as Receiver, including, among other things, consulting with Attorney Johnson regarding utility law matters, and preparing the Receiver's Report. Per this Court's Orders, Ms. Roberts' invoice for current services rendered on behalf of the Receiver in the amount of \$1424.50 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Roberts is attached hereto as Exhibit C.

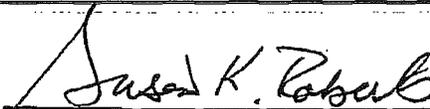
WHEREFORE, the undersigned Receiver respectfully submits the Report's Verified Interim Report for September, 2009 and prays that the Court approve said Report and approve the amounts requested as fee and expenses of the undersigned Receiver.

I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT THE FOREGOING REPRESENTATIONS ARE TRUE, TO THE BEST OF MY BELIEF AND KNOWLEDGE.



Old State Utility Corporation, Receiver  
Vowells and Schaaf, LLP by Rosanne Roth

---



SUSAN K. ROBERTS  
Stuart & Branigin LLP  
300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
P: 765-423-1561  
F: 765-742-8175  
E: [skr@stuartlaw.com](mailto:skr@stuartlaw.com)  
Attorney No.: 10954-37

**CERTIFICATE OF SERVICE**

I certify that on the 19<sup>th</sup> day of October, 2009, service of a true and complete copy of the above and foregoing pleading or paper was made upon:

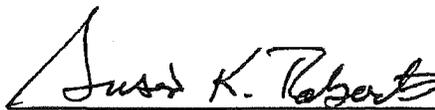
**Charles W. Beacham, Esquire**  
*Beacham & Associates*  
301 Ladonna Blvd.  
Evansville, IN 47711

**Linda Cooley, Esquire**  
**Steven Sherman, Esquire**  
*Kreig DeVault, LLP*  
One Indiana Square, Suite 2800  
Indianapolis, IN 46204-2079

**Nicholas K. Kile, Esquire**  
11 South Meridian Street  
Indianapolis, IN 46204

**Ross E. Rudolph, Esquire**  
221 NW 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Evansville, IN 47706

by depositing the same in the United States mail in an envelope properly addressed and with sufficient first class postage affixed.

  
\_\_\_\_\_  
**SUSAN K. ROBERTS**

OLD STATE UTILITIES  
Monthly Report  
From 9/01/09 to 9/30/09

Date	Invoice	Total Due	Current Portion	for	Due Date	Check Number	Amounts Paid	Deposits	Balance
8/31/2009	Account Balance								52.45
									52.45
9/1/2009	Deposit							81.58	134.03
9/2/2009	Deposit							244.74	378.77
9/3/2009	Deposit							40.79	419.56
9/4/2009	Deposit							81.58	501.14
9/8/2009	Deposit							122.37	623.51
9/9/2009	Deposit							203.95	827.46
9/10/2009	Deposit							163.16	990.62
9/11/2009	Deposit							110.00	1,100.62
9/14/2009	Deposit							81.58	1,182.20
9/15/2009	Deposit							938.17	2,120.37
9/16/2009	Deposit							938.17	3,058.54
9/17/2009	Deposit							724.22	3,782.76
9/18/2009	Deposit							244.74	4,027.50
9/21/2009	Deposit							163.16	4,200.66
9/22/2009	Deposit							775.01	4,975.67
9/23/2009	Deposit							571.06	5,546.73
9/24/2009	Deposit							122.37	5,669.10
9/25/2009	Deposit							40.79	5,709.89
9/25/2009	Deposit			Payment sent directly to V&S				40.79	5,750.68
9/28/2009	Deposit							329.02	6,079.70
9/29/2009	Deposit							122.37	6,202.07
				Payment sent directly to V&S				40.79	6,242.86
9/30/2009	Deposit							163.16	6,406.02
									6,406.02
9/10/2009	EV Water & Sewer	37,005.64	4,955.95	Water bill		1016	(2,000.00)		4,406.02
6/26/2009	IN Utility Reg Comm	39.98	19.99	Utility Fee (Qtrly. Pmt.)	10/1/2009	1015	(19.99)		4,386.03
8/24/2009	IUPPS	140.40	140.40	Indiana 811-overdue		1018	(102.88)		4,283.43
9/30/2009	Hydromax Svcs	8,857.19	8,857.19	Sewer Maintenance	monthly	1019	(400.00)		3,883.43
9/16/2009	Schultels Insurance	690.00	690.00	Annual Liability Insurance		1020	(690.00)		3,193.43
	EV Water & Sewer	129,543.20	129,543.20	Judgment					3,193.43
9/30/2009	Hydromax USA	1,787.50	1,787.50	Sewer Maintenance		1020	(100.00)		3,093.43
	Stuart & Branigin LLP	2,167.41	2,167.41	Aug billing-attorney (apprv'd)		1022	(800.00)		2,293.43
	Vowells & Schaaf, LLP	2,891.76	2,891.76	prior accounting svcs					2,293.43
9/30/2009	Vowells & Schaaf, LLP	437.29	437.29	July billing-acctg		1023	(150.00)		2,143.43
8/31/2009	Vowells & Schaaf, LLP	2,175.00	2,175.00	June billing-receivership (apprv'd)		1024	(750.00)		1,393.43
9/30/1990	Vowells & Schaaf, LLP	810.00	810.00	July billing-receivership					1,393.43
8/3/2009	Robert K. Johnson	4,637.50	4,637.50	Atty for OSUC-specialist (apprv'd)		1025	(1,100.00)		293.43
9/1/2009	Robert K. Johnson	1,298.50	1,298.50	Atty for OSUC-specialist					293.43
	Mr. Beacham*	1,000.00		"wages" 5/1/09-5/31/09					293.43
	Mr. Beacham*	750.00		"wages" 6/1/09-6/15/09					293.43
	Mr. Beacham**	24.75	24.75	Certified mail-appeal					293.43
	Mr. Beacham**	38.21	38.21	Copying-appeal					293.43
	Mr. Beacham**	215.10	215.10	IURC Hearing-hotel					293.43
	Mr. Beacham**	66,190.00	200.00	Professional fees					293.43
9/30/2009				Bank Service fee			(137.86)		155.57
	Balances	213,966.22	146,226.22				(6,350.45)	6,353.57	155.57

\*no support provided

\*\*per court order, Mr. Beacham was directed to submit claims for attorney fees & expenses to the Court for approval

Respectfully Submitted,

*Rosanne F. Roth, CPA*  
Rosanne F. Roth, CPA  
Receiver for Old State Utility Corporation

Exhibit   A

# ROBERT K. JOHNSON

Attorney-at-Law, Inc.

2454 Waldon Dr., Greenwood, IN 46142-8266  
Tel: 317-906-7348 • Fax: 317-888-7428 • Email: rjohnson@utilitylaw.us  
www.utilitylaw.us

**Bill To**

Susan K. Roberts, Esq.  
STUART & BRANIGAN LLP  
300 Main Street, Ste. 900  
P.O. Box 1010  
Lafayette, IN 47902-1010

Date 10/5/2009

Invoice # 736

Fed. ID: 20-0055371

Thank you!  
Remittance address:  
2454 Waldon Drive  
Greenwood, IN 46143

**For Legal Services in Connection With:**

Matter: 14747 01 Receiver of Old State Utility Corp.

Timekeeper	Service Date	Description	Time	Amount
B. Johnson	9/4/2009	Prolonged discussion with Evansville counsel regarding potential settlement scenarios and issues.	0.8	212.00
B. Johnson	9/8/2009	Draft detailed strategy memo to client; telephone conference with OUCC counsel regarding settlement meeting.	0.8	212.00
B. Johnson	9/10/2009	Email to client in preparation for settlement meeting; settlement meeting with OUCC and Evansville involving detailed discussion of potential global resolution; draft Court of Appeals appearance; telephone conference with with Evansville counsel regarding stay of briefing in appeal.	2.6	689.00
B. Johnson	9/11/2009	Draft Motion for Stay and forward to opposing counsel for review; edit and file same; draft motion to continue IIRC hearing and forward to opposing counsel for review; edit and file same; draft memo to client regarding settlement meeting and strategy options.	1.1	291.50
B. Johnson	9/15/2009	Telephone conference with Receiver regarding strategy determinations and additional accounting testimony.	0.5	132.50
Total Services				1,537.00
			<b>Total Balance Due</b>	<b>\$1,537.00</b>

Exhibit B

**STUART &  
BRANIGIN<sub>LLP</sub>**  
**LAWYERS**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

October 14, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95680

Old State Utilities Company Receivership  
c/o Roseanne Roth  
Vowells & Schaaf LLP

601 SE Martin Luther King Jr. Blvd.  
Evansville, IN 47713-1703

FOR LEGAL SERVICES RENDERED

General

09/02/09	S. Roberts	0.40	74.00	Receive E-mail message from Mr. Johnson; review Mr. Johnson's fee statement; send E-mail message to Ms. Roth
09/08/09	S. Roberts	0.80	148.00	Receive E-mail message from Ms. Roth regarding outstanding bills and Receiver's Report; send E-mail message to Ms. Roth
09/09/09	S. Roberts	0.70	129.50	Receive E-mail message from Ms. Roth; review Receiver's August report; review daily lockbox report for August and compare to Receiver's report
09/10/09	S. Roberts	2.40	444.00	Prepare August Receiver's report
09/11/09	S. Roberts	1.20	222.00	Review motion to continue rate case; receive E-mail messages from Ms. Roth regarding EWSU bill and penalties; review EWSU invoice; review notice of continuance from IURC; send E-mail message to Ms. Roth regarding penalties; send E-mail message to Ms. Roth regarding IURC continuance

Exhibit C

Old State Utilities Company Receivership  
 Ref: 10647.0001.051  
 October 14, 2009  
 Page 2

09/14/09 S. Roberts	0.80	148.00	Receive E-mail message from Mr. Johnson regarding use of stimulus funds for OSUC system; ref Ms. Roth regarding stimulus funds; send E-mail message to Mr. Johnson and Ms. Roth regarding stimulus funds
09/29/09 S. Roberts	1.40	259.00	Receive E-mail messages from Ms. Roth; review file; review spreadsheet of receipts and proposed disbursements; send E-mail messages to Ms. Roth

Total Hours 7.70

~~TOTAL FOR LEGAL SERVICES RENDERED~~ ~~\$1,424.50~~

\*-----TIME AND FEE SUMMARY-----\*

*-----TIMEKEEPER-----*	RATE	HOURS	FEEES
S. Roberts	185.00	7.70	1424.50
TOTALS		7.70	1424.50

TOTAL DUE FOR SERVICES RENDERED AND EXPENSES ADVANCED	\$1,424.50
PRIOR BALANCE	\$3,698.41
TOTAL DUE	<u>\$5,122.91</u>

**STUART &  
BRANIGIN<sup>LLP</sup>**

**L A W Y E R S**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

REMITTANCE ADVICE

October 14, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95680

Old State Utilities Company Receivership

~~c/o Roseanne Roth~~  
Vowells & Schaaf LLP  
601 SE Martin Luther King Jr. Blvd.  
Evansville, IN 47713-1703

General

TOTAL LEGAL SERVICES RENDERED	\$1,424.50
INVOICE TOTAL	\$1,424.50
PRIOR BALANCE	\$3,698.41
TOTAL DUE	\$5,122.91

TO ENSURE PROPER CREDIT, PLEASE RETURN THIS  
REMITTANCE ADVICE WITH YOUR PAYMENT

MAKE CHECKS PAYABLE TO STUART & BRANIGIN LLP

# Exhibit 5

IURC  
JOINT

EXHIBIT No. 1-5  
3-22-10 ul  
DATE REPORTER

---

OFFICIAL  
EXHIBITS

STATE OF INDIANA )  
 ) SS: IN THE VANDERBURGH SUPERIOR COURT #3  
COUNTY OF VANDERBURGH ) CAUSE NO.:82D03-0710-CC-5218

OLD STATE UTILITY CORPORATION, )  
 )  
Plaintiff, Counterclaim-Defendant )  
and Counterclaimant )

vs. )

CITY OF EVANSVILLE, INDIANA, )  
a Municipal Corporation and )  
The Council of the City of Evansville, and )  
Evansville Water & Sewer Utility, )  
a Public Water & Sewer Utility, )

---

Defendants, Counterclaimant )  
and Counterclaim-Defendant )

**RECEIVER'S VERIFIED INTERIM REPORT FOR OCTOBER, 2009**

Comes now Receiver of Old State Utility Corporation, Vowells & Schaaf by Rosanne F. Roth, and respectfully submits the Receiver's Verified Interim Report for October, 2009, per this Court's Order of April 30, 2009, appointing the Receiver, as amended and modified by this Court's Order of June 25, 2009, and states as follows:

1. During the month of October, 2009, the undersigned Receiver had total receipts of \$5,062.17, comprised of receipts from customer billings. During the month of October, 2009, the undersigned Receiver, disbursed \$4,982.69 for current expenses and past due balances of the Old State Utility Corporation Receivership ("OSUCR"). Attached hereto, made a part hereof and marked as Exhibit A, is an accounting showing all receipts and disbursements made by the Receiver. The receipts were not sufficient to pay the outstanding liabilities of OSUC.

2. The undersigned Receiver, by and through her counsel, Susan K. Roberts and

Robert Johnson, is continuing to negotiate a resolution of pending matters and claims with the Office of Utility Consumers Counsel regarding the pending rate case before the Indiana Utility Regulatory Commission, as well as the continuing ongoing discussions with Evansville Water and Sewer Utility (EWSU) regarding the outstanding judgment, the pending appeal, and current billings.

3. Mr. Johnson filed a Second Joint Motion for Extension of Time to extend the filing date of Appellant's Brief, as the parties continue to engage in further settlement discussions, which Motion was granted. Mr. Johnson also filed a Motion to Continue the ~~Hearing of the rate case pending before the Indiana Regulatory Commission, which also was~~ granted.

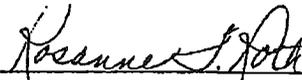
4. Attorney Robert Johnson continues to advise the Receiver and her counsel regarding utility law matters and assist with proceedings before the Indiana Utility Regulatory Commission, and the appeal. Per this Court's Orders, Mr. Johnson's invoice for current services rendered on behalf of the Receiver in the amount of \$477.00 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Robert Johnson is attached hereto as Exhibit B.

5. Attorney Susan Roberts continues to advise the Receiver regarding her duties and obligations as Receiver, including, among other things, consulting with Attorney Johnson regarding utility law matters, and preparing the Receiver's Report. Per this Court's Orders, Ms. Roberts' invoice for current services rendered on behalf of the Receiver in the amount of \$1321.42 is submitted for approval. The fees and expenses have not been previously approved by the Court. A true and accurate copy of said invoice from Attorney Roberts is attached hereto

as Exhibit C.

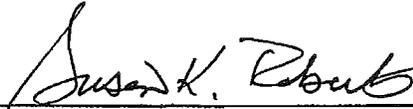
WHEREFORE, the undersigned Receiver respectfully submits the Receiver's Verified Interim Report for October, 2009 and prays that the Court approve said Report and approve the amounts requested as fee and expenses of the undersigned Receiver.

I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT THE FOREGOING REPRESENTATIONS ARE TRUE, TO THE BEST OF MY BELIEF AND KNOWLEDGE.



---

Old State Utility Corporation, Receiver  
*Vowells and Schaaf, LLP by Rosanne Roth*



---

SUSAN K. ROBERTS  
*Stuart & Branigin LLP*  
300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
P: 765-423-1561  
F: 765-742-8175  
E: [skr@stuartlaw.com](mailto:skr@stuartlaw.com)  
Attorney No.: 10954-37

**CERTIFICATE OF SERVICE**

I certify that on the 1<sup>st</sup> day of December, 2009, service of a true and complete copy of the above and foregoing pleading or paper was made upon:

**Charles W. Beacham, Esquire**  
*Beacham & Associates*  
301 Ladonna Blvd.  
Evansville, IN 47711

**Linda Cooley, Esquire**  
**Steven Sherman, Esquire**  
*Kreig DeVault, LLP*  
One Indiana Square, Suite 2800  
Indianapolis, IN 46204-2079

---

**Ross E. Rudolph, Esquire**  
221 NW 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Evansville, IN 47706

by depositing the same in the United States mail in an envelope properly addressed and with sufficient first class postage affixed.

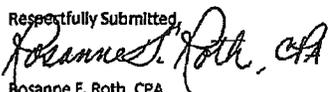
  
\_\_\_\_\_  
**SUSAN K. ROBERTS**

**OLD STATE UTILITIES**  
**Monthly Report**  
**From 10/01/09 to 10/31/09**

Date	Invoice	Total Due	Current Portion	for	Due Date	Check Number	Amounts Paid	Deposits	Balance
9/30/2009	Account Balance								155.57
									155.57
10/1/2009	Deposit							203.95	359.52
10/2/2009	Deposit							122.37	481.89
10/5/2009	Deposit							489.48	971.37
10/6/2009	Deposit							-	971.37
10/7/2009	Deposit							122.37	1,093.74
10/8/2009	Deposit							122.37	1,216.11
10/9/2009	Deposit							-	1,216.11
10/12/2009	Deposit			bank closed for Columbus Day				-	1,216.11
10/13/2009	Deposit							-	1,216.11
10/14/2009	Deposit							-	1,216.11
10/15/2009	Deposit							244.74	1,460.85
10/16/2009	Deposit							367.11	1,827.96
10/19/2009	Deposit							571.06	2,399.02
10/20/2009	Deposit							856.59	3,255.61
10/21/2009	Deposit							203.95	3,459.56
10/22/2009	Deposit							367.11	3,826.67
10/23/2009	Deposit							203.95	4,030.62
10/26/2009	Deposit			Payment sent directly to V&S				407.79	4,071.41
10/26/2009	Deposit							534.48	4,605.89
10/27/2009	Deposit							407.50	5,013.79
10/28/2009	Deposit							40.79	5,054.58
10/29/2009	Deposit							122.37	5,176.95
10/30/2009	Deposit							40.79	5,217.74
									5,217.74
10/9/2009	EV Water & Sewer	40,245.76	4,744.52	Water bill		1026	(2,500.00)		2,717.74
6/26/2009	IN Utility Reg Comm	39.98	19.99	Utility Fee (Qtrly. Pmt.)	1/1/2010				2,717.74
10/28/2009	Vanderburgh Cnty Treasurer	382.69	382.69	Fall Property taxes		1027	(382.69)		2,335.05
9/30/2009	Hydromax Svcs	8,457.19	8,457.19	Sewer Maintenance	monthly	1028	(400.00)		1,935.05
									1,935.05
	EV Water & Sewer	129,543.20	129,543.20	Judgment		1029	(100.00)		1,835.05
9/30/2009	Hydromax USA	1,687.50	1,687.50	Sewer Maintenance		1030	(100.00)		1,735.05
	Stuart & Branigin LLP	2,167.41	2,167.41	Aug billing-attorney (apprv'd)		1031	(500.00)		1,235.05
	Vowells & Schaaf, LLP	3,179.05	3,179.05	prior accounting svcs		1032	(250.00)		985.05
8/31/2009	Vowells & Schaaf, LLP	1,425.00	1,425.00	June billing-receivlership (apprv'd)			(250.00)		735.05
9/30/1990	Vowells & Schaaf, LLP	810.00	810.00	July billing-receivlership					735.05
8/3/2009	Robert K. Johnson	3,537.50	3,537.50	Atty for OSUC-specialist (apprv'd)		1033	(500.00)		235.05
9/1/2009	Robert K. Johnson	1,298.50	1,298.50	Atty for OSUC-specialist					235.05
	Mr. Beacham*	1,000.00	-	"wages" 5/1/09-5/31/09					235.05
	Mr. Beacham*	750.00	-	"wages" 6/1/09-6/15/09					235.05
	Mr. Beacham**	24.75	24.75	Certified mail-appeal					235.05
	Mr. Beacham**	38.21	38.21	Copying-appeal					235.05
	Mr. Beacham**	215.10	215.10	IURC Hearing-hotel					235.05
	Mr. Beacham* **	66,190.00	200.00	Professional fees					235.05
10/31/2009				Bank Service fee					235.05
	<b>Balances</b>	<b>211,866.22</b>	<b>144,126.22</b>				<b>(4,982.69)</b>	<b>5,062.17</b>	<b>235.05</b>

\*no support provided

\*\*per court order, Mr. Beacham was directed to submit claims for attorney fees & expenses to the Court for approval

Respectfully Submitted  
  
 Rosanne F. Roth, CPA  
 Receiver for Old State Utility Corporation

**EXHIBIT A**

**ROBERT K. JOHNSON**  
*Attorney-at-Law, Inc.*

2454 Waldon Dr., Greenwood, IN 46143-8258  
Tel: 317-506-7348 • Fax: 317-888-7428 • Email: RJohnson@utilitylaw.us  
www.utilitylaw.us

**Bill To**

Susan K. Roberts, Esq.  
STUART & BRANIGAN LLP  
300 Main Street, Ste. 900  
P.O. Box 1010  
Lafayette, IN 47902-1010

Date 11/5/2009

Invoice # 739

Fed. ID.: 30-0055371

Thank you!

**For Legal Services in Connection With:**

**Matter:** 14747 01 Receiver of Old State Utility Corp.

Timekeeper	Service Date	Description	Time	Amount
B. Johnson	10/14/2009	Telephone conference with OUCC and Evansville counsel regarding IURC continuance; message to ALJ regarding same.	0.2	53.00
B. Johnson	10/15/2009	Draft motion for continuance; file and serve same.	0.3	79.50
B. Johnson	10/22/2009	Multiple consultations with client and other parties; draft motion to continue IURC hearing; file same; draft and file motion to continue appeal.	1.3	344.50
		Total Services		477.00

**Total Balance Due** \$477.00

**EXHIBIT** B

**STUART &  
BRANIGIN<sup>LLP</sup>**  
LAWYERS

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

November 13, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95950

Old State Utilities Company Receivership  
c/o Roseanne Roth  
Vowells & Schaaf LLP  
~~601 SE Martin Luther King Jr. Blvd.~~  
Evansville, IN 47713-1703

FOR LEGAL SERVICES RENDERED

General

10/06/09	S. Roberts	0.20	37.00	Review R. Johnson's invoice for legal services
10/09/09	S. Roberts	0.40	74.00	Review file; send E-mail message to Ms. Roth; receive E-mail message from Ms. Roth
10/12/09	S. Roberts	1.10	203.50	Read e-mail from Ms. Roth; work on September's report to court; review cash receipts reports
10/14/09	S. Roberts	0.30	55.50	Work on September, 2009 receiver's report; send E-mail message to Ms. Roth regarding same
10/15/09	S. Roberts	0.30	55.50	Review daily cash box receipt reports month-to-date
10/16/09	S. Roberts	0.20	37.00	Receive E-mail message from Ms. Roth; review and finalize receiver's report
10/19/09	S. Roberts	0.30	55.50	Receive E-mail message from Ms. Roth; finalize receiver's report
10/20/09	S. Roberts	0.40	74.00	Receive E-mail messages from Mr. Karwath regarding dismissal of defendants; review file; send E-mail messages to Mr. Karwath
10/21/09	S. Roberts	1.80	333.00	Review file; analyze pending issues
10/23/09	S. Roberts	0.10	18.50	Receive and review court order approving August receiver's report

**EXHIBIT C**

10/29/09 S. Roberts	1.80	333.00	Read e-mail from Ms. Roth regarding financial status of OSUC; review preliminary cash receipts report; review month-to-date receiver's report; send e-mail to Ms. Roth
---------------------	------	--------	--

Total Hours 6.90

TOTAL FOR LEGAL SERVICES RENDERED \$1,276.50

EXPENSES ADVANCED

10/13/09 Postage	11.00
10/19/09 Postage	10.22
10/12/09 Photocopies	11.55
10/19/09 Photocopies	12.15

TOTAL FOR EXPENSES ADVANCED \$44.92

\*-----TIME AND FEE SUMMARY-----\*

*-----TIMEKEEPER-----*	RATE	HOURS	FEEES
S. Roberts	185.00	6.90	1276.50
TOTALS		6.90	1276.50

TOTAL DUE FOR SERVICES RENDERED AND EXPENSES ADVANCED \$1,321.42

PRIOR BALANCE \$4,622.91

TOTAL DUE \$5,944.33

**STUART &  
BRANIGIN<sup>LLP</sup>**

**L A W Y E R S**

300 Main Street, Suite 900  
P.O. Box 1010  
Lafayette, Indiana 47902-1010  
(765) 423-1561  
Fax (765) 742-8175  
E-mail sb@stuartlaw.com

REMITTANCE ADVICE

November 13, 2009

I.D. 35-0916210  
Ref: 10647.0001.051  
Invoice No.: 95950

Old State Utilities Company Receivership

---

c/o Roseanne Roth  
Vowells & Schaaf LLP  
601 SE Martin Luther King Jr. Blvd.  
Evansville, IN 47713-1703

General

TOTAL LEGAL SERVICES RENDERED	\$1,276.50
TOTAL EXPENSES ADVANCED	\$44.92
INVOICE TOTAL	\$1,321.42
PRIOR BALANCE	\$4,622.91
TOTAL DUE	\$5,944.33

TO ENSURE PROPER CREDIT, PLEASE RETURN THIS  
REMITTANCE ADVICE WITH YOUR PAYMENT

MAKE CHECKS PAYABLE TO STUART & BRANIGIN LLP

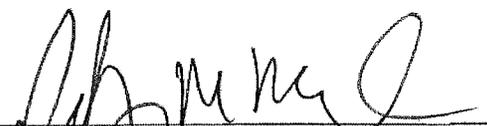
**OLD STATE UTILITY CORPORATION  
BY RECEIVER VOWELS AND SCHAAF,  
CPA, ROSANNE F. ROTH**



---

Robert K. Johnson  
Attorney No. 5045-49  
Robert K. Johnson, Attorney, Inc.  
2454 Waldon Dr.  
Greenwood, IN 46143  
Phone: (317) 506-7348  
Fax: (317) 888-7428  
[rjohnson@utilitylaw.us](mailto:rjohnson@utilitylaw.us)

**INDIANA OFFICE OF THE UTILITY  
CONSUMER COUNSELOR**



---

Jeffrey M. Reed, Attorney No. 11651-49  
Assistant Consumer Counselor  
Indiana Office of Utility Consumer Counselor  
National City Center  
115 W. Washington St., Suite 1500 South  
Indianapolis, Indiana 46204  
Phone: (317) 232-2494  
Fax: (317) 232-5923  
[jreed@oucc.in.gov](mailto:jreed@oucc.in.gov)

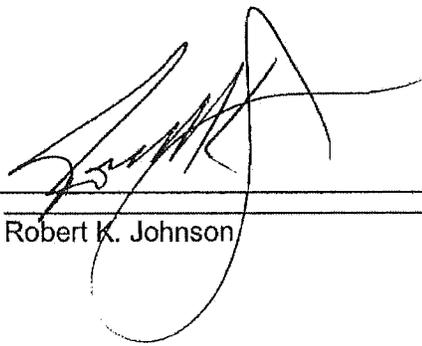
**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing "Joint Stipulation and Settlement Agreement" was served upon the following by electronic mail this 15<sup>th</sup> day of February, 2010:

16<sup>th</sup>  
JD

Jeffrey M. Reed  
Indiana Office of Utility Consumer Counselor  
National City Center  
115 W. Washington St., Suite 1500 South  
Indianapolis, Indiana 46204  
[jreed@oucc.in.gov](mailto:jreed@oucc.in.gov)

Charles W. Beacham  
[beachamc@aol.com](mailto:beachamc@aol.com)



---

Robert K. Johnson