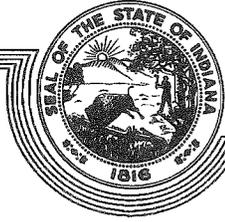


STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
101 WEST WASHINGTON STREET, SUITE 1500 EAST
INDIANAPOLIS, INDIANA 46204-3419

<http://www.in.gov/iurc>
Office: (317) 232-2701
Facsimile: (317) 232-6758

October 24, 2012

Beth McFadin Higgins
McFADIN HIGGINS & FOLZ, LLP
227 Main Street
Mount Vernon, IN 47620

Dear Ms. Higgins:

On September 24, 2012, the Indiana Utility Regulatory Commission (“Commission”) received the City of Mount Vernon’s Petition for Approval of Rate and Charge Difference Between Property Within and Property Outside the Corporate Boundaries of the City of Mount Vernon pursuant to IC § 8-1.5-3-8.3 and General Administrative Order 2012-2 (“GAO 2012-2”).

Under GAO 2012-2, the Commission delegated its authority to the Director of the Water/Wastewater Division to review this Petition to determine whether it satisfies the requirements of IC § 8-1.5-3-8.3(c) and, upon such finding, to approve the Petition including the percentage difference between rates and charges, or in the alternative, upon finding that the Petition does not satisfy the statutory requirements, to disapprove the Petition. The Director’s determination does not include reviewing any financial documents or calculations that may have been prepared to support the outside city rates. The Commission review is limited by IC § 8-1.5-3-8.3 and GAO 2012-2 to an administrative review of the ordinance to verify the percent surcharge(s) listed and that the approval date was prior to March 31, 2012.

This letter serves as confirmation that the Petition submitted by the City of Mount Vernon on September 24, 2012, satisfies the requirements of IC § 8-1.5-3-8.3(c) and that the Petition, including the percentage difference between water rates and charges as set forth in the City of Mount Vernon’s Ordinance Number 82-11, dated April 26, 1982; and the percentage difference between wastewater rates and charges as set forth in the City of Mount Vernon’s Ordinance Number 90-13, dated June 25, 1990, attached thereto is hereby approved.

Please be advised that under GAO 2012-2, any party wishing to appeal the Director’s Decision must file a Petition, in writing and in compliance with the Commission’s Rules of Procedure, 170 IAC 1-1.1 et seq. The Petition must be received by the Commission no later than ten (10) days after the issuance of this Decision. Because of the Commission’s limited review, petitions to appeal are likely to be based upon one or more of the following reasons:

1. That the percentage differential for outside customers falls outside the range of 15%-50% of the inside rates;

2. That the Ordinance in question was not in effect prior to March 31, 2012; and/or
3. That the Ordinance in question has been amended, superseded, or by other reason is no longer in effect.

Petitions to appeal the Director's Decision should be sent to the attention of:

Brenda Howe, Secretary to the Commission
Indiana Utility Regulatory Commission
101 W. Washington Street, Suite 1500E
Indianapolis, IN 46204

If you have any questions, please call me at (317) 232-2749.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Curtis Gassert". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

E. Curtis Gassert, Director
Water/Wastewater Division