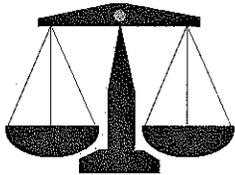


Bradley K. Kage
Attorney at Law



814 South State Street
Post Office Box 328
North Vernon, Indiana 47265
Telephone: (812) 346-6566
Fax: (812) 352-8676
E-mail address: bkage@frontier.com

RECEIVED

JUL 17 2012

INDIANA UTILITY
REGULATORY COMMISSION

July 13, 2012

Indiana Utility Regulatory Commission
PNC Center
Suite 1500 East
Indianapolis, IN 46204

RE: Town of Vernon, Indiana

Dear Sir or Madam:

Enclosed is the Town of Vernon's Petition for Approval of Rate and the supporting attached documents.

Thank you in advance!

Sincerely,

A handwritten signature in black ink, appearing to read "BK Kage".

Bradley Kage

BK/mr

Enclosures as mentioned

cc: Jean Rockey

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

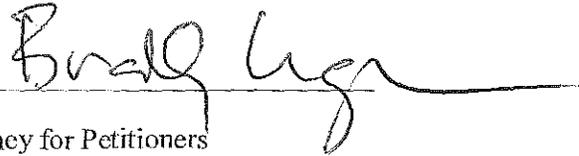
PETITION FOR APPROVAL OF RATE)
AND CHARGE DIFFERENCE BETWEEN)
PROPERTY WITHIN AND PROPERTY) CAUSE NO.
OUTSIDE THE CORPORATE BOUNDARIES)
OF Vernon, IN {MUNICIPALITY})

Pursuant to Indiana Code § 8-1.5-3-8.3(c), Petitioner, Town of Vernon, Indiana, {Municipality} by counsel, respectfully petitions the Indiana Utility Regulatory Commission ("Commission") for approval of the rate and charge difference between property within and property outside the corporate boundaries of Town of Vernon, IN {Municipality}. In support of its Petition, Petitioner states:

1. The ordinance setting rates and charges for property within and property outside the municipality's corporate boundaries took effect on (date) 1/1/11
2. Attached as "Exhibit A" is a copy of the Ordinance.
3. The works that is the subject of the Ordinance is a (select one):
 - a. water utility works _____
 - b. wastewater utility works _____
 - c. both water and wastewater utility works x _____
4. The percentage difference between the rates and charges imposed on users of the works for service to property located outside the corporate boundaries of the municipality and to property located within the corporate boundaries is 18%
5. If the percentage difference in #4 above varies based upon the amount of consumption, please provide a chart illustrating the various consumption levels in 1,000 gallon increments with the corresponding percent surcharge and attach to this Petition.
6. Petitioner considers Ind. Code § 8-1.5-3-8.3(c), among other statutes, to be applicable to the relief requested by this Petition.
7. Bradley Kage is counsel of record for Petitioners in this matter and is duly authorized to accept service of papers in this cause on behalf of Petitioners.

WHEREFORE Town of Vernon, IN{Municipality} requests that the Commission issue an Order approving the percentage rate and charge difference between property within and property outside the corporate boundaries of Town of Vernon {Municipality} and for other just and reasonable relief.

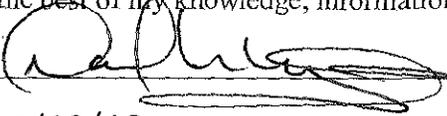
Respectfully submitted,



Attorney for Petitioners

Verification

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

Signed  {Representative of Municipality}

Date 7/12/12

Attorney Contact Information

Bradley Kage
Attorney at Law
814 South State Street
P.O. Box 328
North Vernon, IN 47265-0328
Telephone: (812) 346-6566
Attorney #5539-40

ATTACHMENT A

TOWN OF VERNON, INDIANA
ORDINANCE NO. 95

BE IT ORDAINED this 12th day of December, 1990, by the Common Town Council of Vernon, Indiana pursuant to IND. CODE 8-1.5-3-9.1 as follows:

The Vernon, Indiana Water Department is hereby removed from the jurisdiction of the Indiana Utility Regulatory Commission for the approval of rates and charges and of the municipal issuance of stocks, bonds, notes, or other evidence of indebtedness.

This ordinance shall take effect pursuant to the terms of IND. CODE 8-1.5-3-9.1.

SO ORDAINED THIS 12TH DAY OF DECEMBER, 1990.



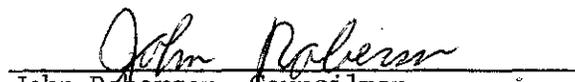
Stephen Heitzman, Mayor
Town of Vernon, Indiana



Ron Spaulding, Councilman
Town of Vernon, Indiana



Debra Marsh, Councilwoman
Town of Vernon, Indiana



John Roberson, Councilman
Town of Vernon, Indiana

TOWN OF VERNON, INDIANA
SEWER RATE ORDINANCE
ORDINANCE NO. 145

**AN ORDINANCE, AMENDING ORDINANCE NO. 109, AND
ORDINANCE NO. 137
ESTABLISHING A SCHEDULE OF RATES
AND CHARGES TO BE COLLECTED BY THE TOWN OF
VERNON, INDIANA FROM THE OWNERS OF PROEPRTY
SERVED BY THE SEWAGE WORKS OF SAID TOWN
AND OTHER MATTERS CONNECTED THEREWITH**

WHEREAS, the Town of Vernon, Indiana has conducted a study of its current rates and charges and determined that these rates and charges are not sufficient to pay expenses of maintenance and operation, and to provide funds for necessary replacements and improvements, and to pay existing debt service requirements; and

WHEREAS, it is necessary to establish a schedule of rates and charges for the Town so as to produce sufficient revenue to pay expenses of maintenance and operation and to provide funds for necessary replacements and improvements, and to pay the principal and interest on outstanding revenue bonds in accordance with the applicable bond ordinances.

NOW, THEREFORE,

THE TOWN COUNCIL OF THE TOWN OF VERNON, INDIANA ORDAIN AS FOLLOWS:

ARTICLE I

DEFINITIONS

101. "Board" shall mean the Town Council of the Town of Vernon, Indiana, acting as the Municipal Works Board.
102. "Town" shall mean the Town of Vernon, Indiana.
103. "Debt service costs" shall mean the average annual principal and interest payments on all outstanding revenue bonds or other long-term capital debt.
104. "Operation and maintenance costs" include all costs, direct and indirect, necessary to provide adequate wastewater collection and transport on a continuing basis.
105. "Other Service Charges" shall mean tap charges, connection charges, area charges, and other identifiable charges other than user charges, debt service charges and excessive strength surcharges.
106. "Person" shall mean any natural person or public or private corporation or any other entity whatever.
107. "Replacement costs" shall mean the expenditures for obtaining and installing equipment, accessories and/or appurtenances which are necessary during the useful life of the sewage works equipment to maintain the capacity and performance for which such works were designed and constructed.
108. "Shall" is mandatory. "May" is permissive.
109. "User Classes" shall mean the division of sewage service customers by source, function, and cost characteristics.
 - A. Users Within Corporate Limits. A user who introduces only normal, domestic sewage into the system. These users are located within the corporate limits of the municipal corporation and are therefore served by existing sewer facilities.
 - B. Users Outside Corporate Limits. A user who introduces only normal domestic sewage into the system. These users are located outside the corporate limits of the municipal corporation and will be served by new sewer collection facilities requiring additional capital outlay by the Town.
 - C. Other Users. A user who either introduces other than normal domestic sewage into the system or due to other factors requires the Town to expend resources in excess of the costs expended to serve another user class which they may otherwise be included within.

ARTICLE II

AUTHORITY

201. Every person whose premises are served by said sewage utility shall be charged for the services provided. These charges are established for each user class, as defined, in order that the sewer utility shall recover, from each user and user class, revenue which is proportional to its use of the system. User charges are levied to defray the cost of operation and maintenance. Debt service charges are levied to recover the capital costs of installing the system. These charges shall be uniform in magnitude within a user class. No free service shall be provided to any user including governmental. Annexation shall not be a prerequisite for service.
202. User charges are subject to the rules and regulations adopted by the United States Environmental Protection Agency, published in the Federal Register, (40 CFR 35.2140). Replacement costs, which may be recovered through the system of user charges shall be based upon the expected service life of the sewage works equipment.

ARTICLE III

SCHEDULE OF RATES AND CHARGES

301. For the use of and the service rendered by said sewage utility, rates and charges shall be collected from the owners of each and every lot, parcel of real estate or building that is connected with the Town sanitary system or otherwise discharges sanitary sewage, water or other liquids either directly or indirectly, into the sanitary sewage system of the Town. Such rates and charges include User Charges, Debt Service Costs and other service charges, which rates and charges shall be payable as hereinafter provided and shall be in an amount determinable as follows (except that interim rates shall be assessed to users outside corporate limits as prescribed in Section 302):

	Rate Per 1,000 Gallons	Minimum Monthly Usage	Minimum Monthly Usage
<u>Users Within Corporate Limits</u>			
First 3,333 Gallons	\$ 11.53	3,000 Gallons	\$34.59
Next 6,667 Gallons	\$ 10.75		
Next 6,667 Gallons	\$ 9.17		
Next 33,333 Gallons	\$ 7.63		
Over 50,000 Gallons	\$ 6.86		
<u>Users Outside Corporate Limits</u>			
First 3,333 Gallons	\$ 13.60	3,000 Gallons	\$40.80
Next 6,667 Gallons	\$ 12.68		
Next 6,667 Gallons	\$ 10.83		
Next 33,333 Gallons	\$ 9.02		
Over 50,000 Gallons	\$ 8.09		

Other Users

At such time as users who meet the criteria to be included in this class, as defined herein, are identified, a study of the costs to serve these users shall be made and appropriate rates shall be determined.

SCHEDULE OF RATES AND CHARGES (Continued)

Users Within Corporate Limits

The minimum charge shall be \$32.94 for the first 3,000 gallons/month.

For all usage in excess of 3,000 gallons/month, the charge shall be computed in accordance with the prescribed tariff.

Users Outside Corporate Limits

The minimum charge shall be \$38.85 for the first 3,000 gallons per month. For all usage in excess of 3,000 gallons/month, the charge shall be computed in accordance with the prescribed schedule.

Users of Non-Metered Water

Within Corporate Limits: The monthly charge shall be a flat rate of \$45.44 per month.

Outside Corporate Limits: The monthly charge shall be a flat rate of \$57.28 per month.

302. For each new connection to the sewage system there shall be assessed to the user a connection fee of \$500.00, plus a capacity fee in accordance with Ordinance 110.
303. The sewer flow charges shall be based on the quantity of water as measured by the water meter used on or in the premises subject to such sewer charges. Charges for unmetered residential users shall be based on the average volume of metered residential users. Water meters shall be read once each _____, or at the option of the Council at other intervals.

ARTICLE IV

401. A user charge system of sewage collection and disposal should accomplish two primary objectives. They are:
- 1) The charges should be proportional to cost of service among user groups and within user groups. All users should pay the same except where it can be established that the cost of providing service is not the same for all users or for all classes of users.
 - 2) The charges should be sufficient to provide revenues adequate to pay for the operation and maintenance of the system, the retirement of debt and the establishment of reasonable reserves for contingencies.
402. The methodology will be that described in the User Charge System developed pursuant to 40 CFR 35.2140.

ARTICLE V

ADMINISTRATIVE AND BILLING

501. The quantity of water discharged into the sanitary sewer system and obtained from sources other than the utility that serves the Town shall be determined by the Board in such a manner as the Board shall reasonably elect and the sewage service shall be billed at the above appropriate rates; further, as is provided by Ordinance, the Board may make proper allowances after determining the sewage billed for quantities of water shown on the records to be consumed, but which are also shown to the satisfaction of the Town that such quantities do not enter the sanitary sewage system.
- (a) In the event two or more residential lots, parcels of real estate, or buildings discharging sanitary sewage water or other liquids into the Town's sanitary sewage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in each such case for billing purposes, the quantity of water used shall be averaged for each user and the base charge and the flow rates and charges shall apply to each of the number of residential lots, parcels of real estate or buildings served through the single water meter.
- (b) In the event two or more dwelling units such as mobile homes, apartments or housekeeping rooms discharging sanitary sewage, water or other liquids into the Town's sanitary sewage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in such case, billing shall be for a single service in the manner set out elsewhere herein, except that the minimum bill shall be not less than the number of such dwelling units times the applicable minimum bill per month, based on meter size. In the case of mobile home courts, the number of dwelling units shall be computed and interpreted as the total number of mobile home spaces available for rent plus any other dwelling units serviced through the meter. A dwelling unit shall be interpreted as a room or rooms or any other space or spaces in which cooking facilities are provided.

502. Such rates and charges shall be prepared, billed and collected by the Town in the manner provided by law and Ordinance.

(a) The rates and charges for all users shall be prepared and billed monthly.

(b) The rates and charges may be billed to the tenant or tenants occupying the properties served, unless otherwise requested in writing by the owner, but such billing shall in no way relieve the owner from the liability in the event payment is not made as herein required. The owners of properties served, which are occupied by a tenant or tenants, shall have the right to examine the collection records of the Town for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which said records are kept and during the hours that such office is open for business.

(c) As is provided by statute, all rates and charges not paid when due are hereby declared to be delinquent and a penalty of ten percent (10%) of the amount of the rates or charges shall thereupon attach thereto. The past due date shall be the _____ day of the month after the period of service. Bills will be dated and mailed each month.

(d) The Town shall, at least annually, in conjunction with a regular billing, notify the user of the rate.

503. Any user who disputes any billing by the Town may file with the Board a written request and review of consideration within ten days after such billing is received by the user, setting forth in detail the facts supporting the user's request for reconsideration. The appeal shall, if reasonably possible, be heard by the Board within 30 days of the date of filing. Further appeal is available through the Circuit Court of Jennings County under appeal procedures provided under the Indiana Administrative Adjudication Act.

504. On a biennial basis, within a reasonable period of time following the normal accounting period, the Town shall cause a study to be made for the purpose of reviewing the proportionality of rates and charges for sewage services on a continuing basis.

Said studies shall be conducted by officers or employees of the Town, or by a firm of certified public accountants or engineers as the Town shall determine to be best under the circumstances.

505. For service rendered to any department or agency of the Town, the Town shall be subject to the sewer charges provided herein.

506. The Town shall make and enforce such ordinances, by-laws and regulations as may be deemed necessary for the safe, economical and efficient management of the Town's sewage system and pumping stations for the construction and use of house sewers and connections to the sewage system and for the regulation, collection, rebating and refunding of such rates and charges.

ARTICLE VI

SEVERABILITY

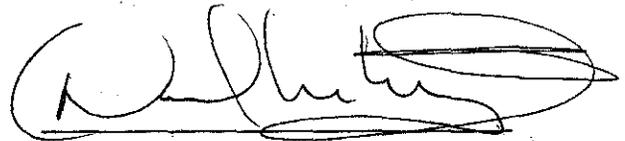
601. The invalidity of any section, clause, sentence or provision of the Ordinance shall not affect the validity of any other part of this Ordinance which can be given effect without such invalid part or parts.

ARTICLE VII

EFFECTIVE DATES

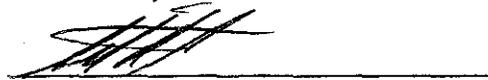
701. The rates and charges as herein set forth shall become effective on January 1, 2011.

PASSED AND ADOPTED by the Town Council of the Town of Vernon, Indiana, County of Jennings, State of Indiana, on the 2nd day of December, 2010.



MAYOR

TOWN COUNCIL:



ATTEST:


CLERK-TREASURER

TOWN OF VERNON
WATER RATE ORDINANCE
ORDINANCE NO. 138

An Ordinance amending Ordinance No. 24, Ordinance No. 64, Ordinance No. 78, Ordinance No. 99 and Ordinance No. 126 establishing rates and charges for the use of and services rendered by the municipal water distribution system of the Town of Vernon

WHEREAS, the Town Council now finds that the existing rates and charges for the use of and services rendered by the water system of the Town of Vernon are too low and insufficient to enable the Town to pay for the increased cost of purchased water from its supplier, in addition to operating costs, and that the existing rates and charges should be increased;

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE CIVIL OF TOWN OF VERNON, JENNINGS COUNTY, INDIANA:

Section 1. That for the use of and the services rendered by the Town of Vernon Water Utility, rates and charges shall be collected for the use of and services rendered by said water utility from the owners of each and every lot, parcel of real estate or building that is connected with or use such works by or through any party of the water utility system of the Town of Vernon, Indiana, or that in any way uses or is served by such works, which rates and charges shall be payable as hereinafter provided and shall be in an amount determinable as follows:

Metered User Block Schedule

<u>Consumption Per Month</u>	<u>Users Within Corporate Limits Rate Per 1,000 Gal.</u>	<u>Users Outside Corporate Limits Rate Per 1,000 Gal.</u>
First 3,333 Gallons	\$5.71*	\$8.26*
Next 6,667 Gallons	\$5.35*	\$7.73*
Next 6,667 Gallons	\$4.61*	\$6.68*
Next 33,333 Gallons	\$3.92*	\$5.65*
Over 50,000 Gallons	\$3.54*	\$5.12*

The minimum usage for a standard 5/8 inch residential meter is 3,000 gallons and the minimum charge is \$17.13 plus \$1.68 per 1,000 gallons (wholesale tracking factor) for those users within the corporate limits and \$24.78 plus \$1.68 per 1,000 gallons (wholesale tracking factor) for those users outside the corporate limits.

Metered User Minimum Schedule

<u>Meter Size</u>	<u>Minimum Usage</u>	<u>Users Within Corporate Limits Monthly Minimum Charge</u>	<u>Users Outside Corporate Limits Monthly Minimum Charge</u>
3/4" Meter or Less	3,000 Gal.	\$ 17.13*	\$ 24.78*
1" Meter	7,500 Gal.	\$ 41.33*	\$ 59.75*
1-1/4" Meter	12,000 Gal.	\$ 63.92*	\$ 92.43*
1-1/2" Meter	17,400 Gal.	\$ 88.31*	\$127.75*
2" Meter	30,000 Gal.	\$137.71*	\$198.94*
3" Meter	69,000 Gal.	\$283.37*	\$409.22*
4" Meter	123,000 Gal.	\$474.53*	\$685.70*

* Wholesale Tracking Factor

Plus \$1.68 per 1,000 gallons of water.

The water tracking factor set forth in this schedule is applicable where clearly denoted and shall be occasioned solely by changes in the wholesale cost of water, in accordance with 170IAC6-5-1.

Temporary Users - Conduit

Water furnished to temporary users, such as contractors, shall be charged on the basis of the metered rates herein before set forth as estimated and established by the Waterworks Superintendent.

Temporary Users - Vehicle

Water furnished to temporary users, such as bulk haulers, shall be charged on the basis of the metered rates herein before set forth as estimated and established by the Waterworks Superintendent.

Fire Service Per Annum

	<u>Rate Per Hydrant</u>
Municipal Hydrants	\$60.00

Connection Charge

All connections will be Two Hundred Fifty Dollars (\$250.00) payable to the Town and the user will pay the actual cost of labor, materials, power machinery, transportation and overhead incurred for installing the tap.

Each user at the time he is connected with the waterworks system shall pay a charge to cover the costs of: excavating and tapping the main; furnishing and installing service pipe from the main to the lot line; furnishing and installing corporation and stop cocks; and furnishing and installing meter crock (if outside), yoke and meter. The Town will install the meters and each meter will be the property of the Town.

Reconnection Charge

Rate Per Reconnection	\$50.00
-----------------------	---------

When the service is turned off for nonpayment of bill, or whenever for any reason beyond the control of the water utility, a reestablishment of service is required by any one customer, this charge will be made by the water utility to cover the cost of discontinuance and reestablishment of service. The charge, together with any arrears due the water utility, shall be paid by the customer before service will be reestablished.

Collection and Deferred Payment Charges

All bills for water services not paid within fifteen days from the due date thereof, as stated in such bills, shall be subject to the collection or deferred payment charge of 10% on the first \$3.00 and 3% on the excess over \$3.00.

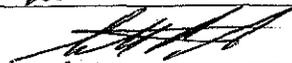
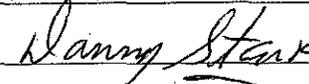
Section 2. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that the existing schedule of water rates and charges shall remain in full force and effect until this schedule of rates and charges becomes effective.

Section 3. This ordinance shall be in full force and effect from and after twenty (20) days after its passage.

Passed and adopted by the Town Council of the Town of Vernon on the 20 day of May, 2008.


MAYOR

TOWN COUNCIL:

Attest:

M. Jean Rokey
CLERK-TREASURER