

Roads, Beth Krogel

From: Scott Miller [miller@umbaugh.com]
Sent: Monday, July 16, 2007 10:57 AM
To: Roads, Beth Krogel
Subject: Proposed Changes to 30 Day Filing Procedures

Beth:

Here are my proposed changes to the strawman draft for the new 30 day filing procedures. My comments try to reflect the perspective of small rural not-for-profit and municipal utilities.

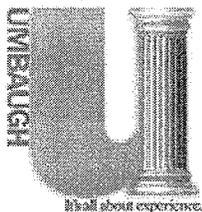
1. In many cases, these utilities use the 30 day filing procedures to update their non-recurring charges such as tap fees, bad check charges and reconnect/disconnect fees. It is also common for these utilities to use the procedures for tracking factor adjustments.
2. Personally, I don't believe the proposed notice requirement is too onerous. However, it is possible that the notice will not even reach the intended recipients in some cases; for example, a change to a tap fee. In this case, a tap fee would only be charged to a new customer not even connected to the system at the time of the filing. Instead of requiring publication in a newspaper, perhaps it would be better to simply require posting of the existing rates and charges as well as the proposed charges at the utility's office.
3. My major concern deals with the objection provisions. The 30 day filing is an important and cost effective tool for utilities to make necessary changes to their rates and charges. I worry about allowing a single person's objection to stop the process. It is not uncommon to find a local "objector" in many communities. In many cases, this is a person that objects to anything the municipality/utility tries to accomplish regardless of the validity or necessity of the proposal. I can appreciate your desire to institute an objection process. Rather than allowing a single objection to stop the process, perhaps it makes more sense to copy the provisions related to opting out of the Commission. Instead of one person, a petition signed by the number of persons identified in IC 8-1.5-3-9.1 (d) and IC 3-8-6-3 would be more appropriate. In addition, rather than stopping the process, a valid objecting petition should result in an expedited hearing before the Commission. This would still provide a means for rate payers to express their concerns while giving the utility some protection from frivolous objections.
4. Finally, I believe that tracking factors should be exempt from the process. In most cases, the tracking factors have already been approved by the Commission in prior docketed rate cases. The procedures and calculations for tracking factors are straightforward and routine. I can foresee, utility customers banding together to object to a tracking factor because they don't want their rates to increase. Of course, nobody is fond of a rate increase, but utilities must have a quick and easy means to adjust their rates to reflect changes in their purchased cost. Restricting the use of tracking factors will lead to more frequent and costly docketed rate cases for these utilities.

Thank you very much for the opportunity to participate in this process. I look forward to seeing the comments made by the other participants and continuing the discussion at the upcoming meeting in August.

Sincerely,

7/16/2007

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