

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE TOWN OF ELLETTSVILLE,)
INDIANA, BY ITS TOWN COUNCIL, FOR)
AUTHORITY TO INCREASE ITS RATES AND)
CHARGES FOR WATER SERVICE, FOR APPROVAL) CAUSE NO. 44670
OF A NEW SCHEDULE OF RATES AND CHARGES)
FOR WATER SERVICE AND FOR AUTHORITY TO)
ISSUE BONDS, NOTES OR OTHER OBLIGATIONS)

SETTLEMENT TESTIMONY OF

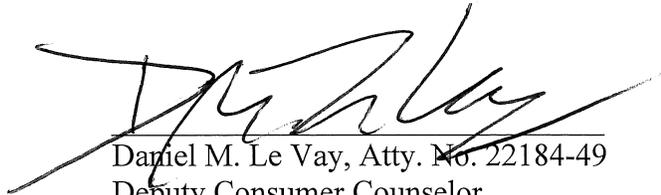
RICHARD J. COREY – PUBLIC’S EXHIBIT NO. 1

ON BEHALF OF THE

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

DECEMBER 22, 2015

Respectfully submitted,



Daniel M. Le Vay, Atty. No. 22184-49
Deputy Consumer Counselor

SETTLEMENT TESTIMONY OF OUCC WITNESS RICHARD J. COREY
CAUSE NO. 44670
TOWN OF ELLETTSVILLE

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Richard J. Corey, and my business address is 115 West Washington
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (OUCC) as a
6 Utility Analyst.

7 **Q: Please describe your educational background and experience.**

8 A: I graduated from Indiana University in May 1978 with a Bachelor of Science
9 degree majoring in accounting. Upon graduation, I took a position as an
10 accountant for Tousley-Bixler Construction Company for whom I worked until
11 1984. At that time, I began attending Indiana University School of Law. After
12 graduating from law school in 1988, I was employed by the public accounting
13 firm of Boyd, Stamper & Leeds and participated in the preparation of
14 compilations, audits, and corporate, individual and municipal tax returns. From
15 1990 to 1993, I worked for the CPA firm of Myers & Stauffer, which specializes
16 in Medicaid accounting, consulting and rate setting. After a short tenure with the
17 OUCC as a Principal Accountant in 1993, I became Controller, Corporate
18 Secretary, and a member of the Board of Directors of General Acceptance
19 Corporation. I returned to the OUCC in 1998 as an Assistant Utility Consumer
20 Counselor and represented the interests of the public before the Indiana Utility

1 Regulatory Commission (IURC or Commission) in a variety of Gas, Water and
2 Telecommunications cases. I assumed my current position as a Utility Analyst
3 with the OUCC in April of 2005. Since joining the OUCC, I have attended the
4 NARUC Annual Regulatory Studies Program, the NARUC Utility Rate School,
5 and other continuing education programs.

6 I became licensed as a Certified Public Accountant in 1983. Having left
7 the practice of public accounting in 1993, my license is currently inactive. I am
8 also an inactive member of the Indiana Bar in good standing.

9 **Q: What is the purpose of your testimony?**

10 **A:** The purpose of my testimony is to explain and support the settlement reached
11 between the town of Ellettsville (“Petitioner” or “Ellettsville”) and the OUCC
12 with respect to the relief requested in this proceeding.

13 **Q: Have you previously testified before the Indiana Utility Regulatory**
14 **Commission?**

15 **A:** Yes. I have testified in many cases before the Commission including a number of
16 applications by municipal, not-for-profit and investor owned water utilities for
17 financing authority and changes to rates and charges.

18 **Q: Please describe the review and analysis you conducted to prepare your**
19 **testimony.**

20 **A:** I read the testimony of Petitioner’s witness, Douglas Baldessari, C.P.A., and
21 reviewed the schedules and workpapers he filed in this Cause. I participated in
22 the preparation of discovery requests and reviewed discovery responses. I
23 conducted a field audit and reviewed Petitioner’s books and records at its offices
24 on October 28 and 29, 2015.

1 **Q: Please explain how Petitioner's rate increase should be determined.**

2 A: Rates for municipal utilities are established in accordance with Indiana Code § 8-
3 1.5-3-8. Rates for a municipal water utility are derived by first determining the
4 amount of the adjusted (i.e., *pro forma*) net operating expenses based on the
5 utility's current rates. The municipal utility's *pro forma* expenses are based on
6 known recurring expenses updated to include changes that are fixed in time,
7 known to occur, and measurable in amount. This means specific changes in
8 expenses that will occur within twelve months following the end of the test year.

9 To that end, charges for required taxes, working capital, extensions and
10 replacements, debt service, and debt service reserve requirements are added to
11 total operating expenses. After totaling those revenue requirement elements,
12 interest income, penalties and other income earned by the utility are then
13 subtracted to determine the municipal utility's net revenue requirement. From the
14 total net revenue requirement, *pro forma* revenues at current rates (subject to
15 increase) are subtracted to determine the net revenue increase required. The
16 increase in net revenue is then "grossed up" for the additional utilities receipts tax
17 related to the increased revenue and income.

18 **Q: What schedules do you sponsor?**

19 A: I sponsor the following schedules, which are based on the OUCC's review and
20 analysis:

21 OUCC Schedule S1 – Comparison of Petitioner's and OUCC's Revenue
22 Requirement

23 OUCC Schedule S2 – Comparative Balance Sheets for the Twelve Months
24 Ended August 31, 2014, December 31, 2013 and
25 December 31, 2012

1	OUCC Schedule S3 –	Income Statements for the Twelve Months Ending
2		August 31, 2014, December 31, 2013 and
3		December 31, 2012
4	OUCC Schedule S4 -	<i>Pro-forma</i> Net Operating Income Statement
5	OUCC Schedule S5 -	Revenue Adjustments
6	OUCC Schedule S6 –	Expense Adjustments
7	OUCC Schedule S7 -	Extensions and Replacements
8	OUCC Schedule S8 –	Debt Service
9	OUCC Schedule S9 -	Debt Service Reserve
10	OUCC Schedule S10 -	Current and Proposed Rates and Charges

II. PROPOSED RATE INCREASE

11 **Q: What level of rate increase did Petitioner request?**

12 A: Petitioner requested approval of an across the board rate increase of 24.65%.

13 **Q: What level of rate increase have the parties settled upon??**

14 A: The parties have settled on a rate increase of 21.72% over present rates. Table 1
15 summarizes the settlement agreement:

Table 1: Comparison of Calculated Revenue Requirement

	<u>Per Petitioner</u>	<u>Per Settlement</u>	<u>Settlement More (Less)</u>
Operating Expenses	\$ 1,412,897	\$ 1,386,033	\$ (26,864)
Taxes other than Income	22,847	20,282	(2,565)
Extensions and Replacements	163,376	163,376	0
Payment in Lieu of Taxes	16,100	16,100	0
Debt Service	179,223	170,959	(8,264)
Debt Service Reserve	23,324	21,581	(1,743)
Total Revenue Requirements	<u>1,817,767</u>	<u>1,778,332</u>	<u>(39,435)</u>
Less: Other Income (Rental)	<u>(28,263)</u>	<u>(28,263)</u>	<u>0</u>
Net Revenue Requirements	1,789,504	1,750,069	(39,435)
Less: Rev at current rates subject to Increase	(1,388,711)	(1,402,395)	(13,684)
Other revenues at current rates	<u>(61,037)</u>	<u>(47,353)</u>	<u>13,684</u>
Net Revenue Increase Required	339,756	300,321	(39,435)
Add: Additional IURC Fee	<u>2,601</u>	<u>4,264</u>	<u>1,663</u>
Recommended Increase	<u>\$ 342,357</u>	<u>\$ 304,585</u>	<u>\$ (37,772)</u>
Recommended Percentage Increase	<u>24.65%</u>	<u>21.72%</u>	<u>-2.93%</u>

III. REVENUE ADJUSTMENTS

1 **Q: Did you accept any of Petitioner's *pro forma* revenue adjustments?**

2 A: Yes. On behalf of the OUCC, I accepted Petitioner's adjustments for revenue
3 normalization and the elimination of the outside town surcharge.

4 **Q: Did you agree with Petitioner's allocation of revenues that are and are not
5 subject to increase?**

6 A: No. In its filing, Petitioner has represented that the following accounts not be
7 subject to its increase in rates:

Table 2: Revenue Not Subject to Rate Increase

<u>Revenue Account</u>	<u>Amount</u>
Forfeited Discounts	\$ 13,684
Tap Fees	17,225
Other Water Revenue	4,287
Reconnect and NSF Fees	21,027
Other Service Charges	4,793
Reimbursements	21
Tank Rental	26,619
Interest Income	1,644
	<u>\$ 89,300</u>

1 (See Petitioner’s Accounting Report, page 12.)

2 Forfeited discounts are penalties, the amount of which is based on the

3 charge for water service. Therefore, as water sales increase, so do the forfeited

4 discounts. Accordingly, the settlement schedules reflect forfeited discount

5 revenues as subject to the increase. The remaining revenue accounts in Table 2

6 are not subject to the increase.

IV. OPERATING EXPENSE ADJUSTMENTS

7 **Q: Did you accept any of Petitioner’s *pro forma* operating expense adjustments?**

8 A: Yes. I accepted Petitioner’s adjustments to Purchased Water, Salaries and Wages,

9 FICA, Public Employee Retirement Fund Expense (“PERF”), Medical Insurance,

10 Management Contract Expense, and Periodic Maintenance.

B. Capital or Non-recurring items

1 **Q: Please describe Petitioner's adjustment for Capital or Non-recurring Items.**

2 A: Petitioner eliminated \$76,919 from test year operating expenses for expenditures
3 that are either non-recurring, or capital in nature. These expenditures include
4 clean up costs for flooding, leak detection, and legal fees.

5 **Q: Do you agree with Petitioner's proposed eliminations?**

6 A: Yes. But I also proposed eliminating other expenditures that should have been
7 disallowed as non-recurring or as capital in nature.

8 **Q: What do you mean by "non-recurring items"?**

9 A: "Non-recurring items" refers to expenditures that occurred in the test year that are
10 not likely to reoccur in the normal course of the utility's day to day or prospective
11 operations.

12 **Q: What non-recurring items have the parties agreed be eliminated?**

13 A: During the test year Petitioner was forced to move due to flooding at its long time
14 office located at 221 North Sale Street, Ellettsville, IN, to an office space located
15 at 200 East Association Street, Suite 106, Ellettsville, IN. Upon moving into its
16 new location, Petitioner made numerous expenditures relating to the preparation
17 of the new office space. These expenditures were recorded in account no. 630-
18 800.00-00625.00, repairs and maintenance expense, and were included as an
19 operating expense revenue requirement in Petitioner's current rate increase
20 proposal.¹

¹ See Attachment RJC No. 1.

1 Since these expenditures are not likely to reoccur in the normal course of
 2 the utility's day to day business, and because most could be considered to be the
 3 addition of permanent fixtures, the parties have agreed these expenditures are
 4 non-recurring and/or capital in nature and as such should be removed from
 5 operating expense for the purposes of rate setting. This is not to say that such
 6 expenses should not have occurred, it is simply improper for those expenses be
 7 used as a basis to set rates. Settlement Schedule 6, Adjustment 6 and the
 8 following table lists the additional capital and non-recurring expenditures:

Table 3: Settlement's Additional Non-recurring, and Capital Items

<u>Date</u>	<u>Category</u>	<u>Description</u>	<u>Amount</u>
01/13/2014	Repairs and Maint - ADM	Cabinets	(553)
01/13/2014	Repairs and Maint - ADM	Locks and Keys	(149)
01/13/2014	Repairs and Maint - ADM	Cables - Network	(31)
01/13/2014	Repairs and Maint - ADM	Set up Materials	(505)
01/13/2014	Repairs and Maint - ADM	Painting	(300)
01/27/2014	Repairs and Maint - ADM	Window Panes	(219)
01/27/2014	Repairs and Maint - ADM	Space Heaters	(3)
01/27/2014	Repairs and Maint - ADM	USB Caables	(22)
01/27/2014	Repairs and Maint - ADM	Electirical Work	(817)
02/10/2014	Repairs and Maint - ADM	Deadbolt	(99)
02/10/2014	Repairs and Maint - ADM	Signage	(277)
02/10/2014	Repairs and Maint - ADM	Security System	(193)
02/10/2014	Repairs and Maint - ADM	Phone System	(445)
02/10/2014	Repairs and Maint - ADM	Server Set UP	(720)
02/10/2014	Repairs and Maint - ADM	Welding - Drop Box.	(34)
2/24/2014	Repairs and Maint - ADM	Drop Box	(1,312)
			<u>(5,681)</u>

C. Utility Receipts Tax

1 **Q: Please explain the settlement adjustment for *pro forma* Indiana Utility**
2 **Receipts Tax.**

3 A: In its filing, Petitioner used its *pro forma* proposed revenues to calculate its *pro*
4 *forma present* utility receipts tax expense in a single adjustment. See Petitioner's
5 Accounting Report, page 10, Adjustment No. 9. The settlement takes a two phase
6 approach in calculating total utility receipts tax expense by first calculating its *pro*
7 *forma present* Indiana utility receipts tax adjustment based on the *pro forma*
8 present revenues, which consist of the test year revenues which have been
9 adjusted by the agreed upon revenue adjustment decreases for (1) normalization
10 and (2) the elimination of the outside city surcharge.

11 In its second step the settlement adds the additional utility receipts tax for
12 its *pro forma proposed* rate increase on Settlement Schedule 1 through the use of
13 a revenue conversion factor which is applied to the increase in rates that is
14 justified by Petitioner's revenue requirement. See Settlement Schedule 6,
15 Adjustment No. 9, Settlement Schedule No. 1, and Settlement Schedule No. 4.

D. Rental Expense

16 **Q: Please explain your understanding of Petitioner's proposed rental expense**
17 **adjustment.**

18 A: In his pre-filed testimony, Mr. Baldessari indicated that the Petitioner proposed
19 including as a rental expense revenue requirement for the water utility part of the
20 cost of the new Town Hall that the Town of Ellettsville is acquiring. Specifically,
21 he stated that the rental expense adjustment for the present rate case would be

1 “calculated by allocating 25% of the total estimated costs of the Town Hall
2 including debt service on the future bonds and anticipated operating costs for the
3 Town Hall to the Water Utility.”² Petitioner’s proposed adjustment consisted of
4 taking \$42,432 of the debt service expense for the new town hall and reducing it
5 by test year rental expense of \$2,188 for a *pro forma* increase in rental expense
6 for the water utility of \$40,154.

7 **Q: Please describe the parties’ settlement position regarding rental expense.**

8 A: After considering the total estimated cost of Ellettsville new Town Hall building,
9 and the water utility’s reasonable share of office and parking space, the OUCC
10 disagreed with the proposal to allocate 25% of the cost to the water utility. For
11 settlement purposes, the parties have agreed that annual building rent for the
12 water utility would be \$18,003 per year, which equates to about 13% of the cost.
13 The parties have also agreed to add to this amount \$3,155 for the water utility’s
14 share of Town Hall utility expense for a total annual rental expense of \$21,158
15 per year. Reducing this by the test year rental expense of \$2,188 results in a *pro*
16 *forma* adjustment of \$18,970. See Settlement Schedule 6, Adjustment No. 10.

V. ANNUAL DEBT SERVICE

17 **Q: Please describe Petitioner’s proposed debt issuance.**

18 A: Petitioner proposes to borrow \$1,715,000 for specified capital projects. The
19 annual debt service on Petitioner’s combined debt, as proposed, would be
20 \$179,223.

² See Baldessari Testimony at page 12.

1 **Q: Does the OUCC agree with Petitioner's proposed borrowing?**

2 A: The OUCC had two primary concerns with Petitioner's proposed annual debt
3 service. First, to estimate the annual debt service, Mr. Baldessari relied on
4 interest rates from the May 13, 2015 Municipal Market Data Data-Line using
5 "BAA" rates. Mr. Baldessari also added 100 basis points to allow for any
6 increases in the market. As of the settlement testimony, these interest rates are
7 more than six months old and do not reflect current market conditions because
8 market conditions have changed. Therefore, the settlement uses a re-calculated
9 annual debt service amount based on updated interest rates as of October 31,
10 2015. It also reduces the proposed 100 basis point adder to 50 basis points.
11 These changes result in a settlement annual debt service of \$170,959 or a
12 reduction of \$8,264.

13 The OUCC's second potential concern with Petitioner's annual debt
14 service is the timing of the proposed debt issuance. Petitioner should not issue
15 debt and incur expenses before it needs to do so. Moreover, if Petitioner's rates
16 were increased before debt is issued, Petitioner would collect funds in rates
17 without a corresponding expense. The ratemaking effect of collecting funds
18 without a corresponding expense should be minimized to the extent possible.

19 The settlement proposes a means of addressing this issue below.

A. Interest Rates

20 **Q: Please describe how using updated interest rates to calculate annual debt**
21 **service affects Petitioner's revenue requirement.**

22 A: For its combined debt service, Petitioner has proposed an average annual cost of
23 debt service of \$179,223. The updated interest rates and smaller cushion reduce

1 Petitioner's annual debt service to \$170,959. The settlement proposed annual
2 debt service is based on a 5-year average (2017-2021). Mr. Baldessari uses the
3 same 5-year average to estimate annual debt service.

B. Debt Timing

4 **Q: When does Petitioner anticipate it will issue its proposed debt?**

5 A: According to its proposed amortization schedule, Petitioner would issue its 2015
6 Bonds on November 1, 2015. That is no longer possible. Because Petitioner
7 cannot issue debt until after an order is issued in this case, it will be several
8 months until Petitioner is able to close on its proposed debt.

9 **Q: Will there be a gap between the time Petitioner receives an order in this**
10 **Cause and when it issues its proposed debt?**

11 A: Petitioner cannot issue its proposed long-term debt until the Commission issues
12 an order in this Cause, so there will necessarily be some amount of time between
13 the date of the final order and the issuance of Petitioner's debt. This gap in time
14 becomes a concern if Petitioner does not timely issue its proposed debt because, it
15 will receive revenues to pay a debt service expense that is not being incurred.

16 **Q: When would this gap become a material concern?**

17 A: The gap in timing becomes a concern if Petitioner does not issue its proposed debt
18 within two months after it has filed a revised tariff with the Commission in this
19 Cause. Petitioner should use any funds collected in rates for its approved debt to
20 fund its debt service requirement.

C. True-up and Other Issues

1 **Q: Should reporting requirements be included as part of Petitioner's proposed**
2 **debt issuance?**

3 A: Yes. The precise interest rates and annual debt service will not be known until
4 Petitioner's debt is issued; therefore, Petitioner's rates should be trued-up to
5 reflect the actual cost of the debt. The settlement recommends the Commission
6 require Petitioner to file a report, within thirty (30) days of closing on its long
7 term debt issuance with the Commission and serve a copy on the OUCC,
8 explaining the terms of the new loan, including an amortization schedule, the
9 amount of debt service reserve and an itemized account of all issuance costs. The
10 report should include a revised tariff and also calculate the rate impact in a
11 manner similar to the OUCC's schedules.

12 **Q: How should disputes regarding Petitioner's true up report be identified?**

13 A: OUCC should have the right to challenge Petitioner's calculations of its proposed
14 true-up. The OUCC should have 20 days to challenge Petitioner's proposed true-
15 up. Thereafter, the Commission should resolve the issue through a process it
16 considers appropriate.

17 **Q: What other conditions should be placed on Petitioner's proposed debt**
18 **issuance?**

19 A: If Petitioner issues its debt for less than the amount authorized by the
20 Commission, any unused authority expires and cannot be used at a later date.

D. Debt Service Reserve

21 **Q: Is Petitioner seeking to recover funds for the debt service reserve on its**
22 **proposed 2015 bonds through rates?**

1 A: Yes. Petitioner's proposed rates include \$23,324 per year to fund its debt service
2 reserve for its 2015 bonds.

3 **Q: How is Petitioner's debt service reserve calculated?**

4 A: Petitioner's proposed rates include \$23,324 per year to fund its debt service
5 reserve. Based on Petitioner's proposed interest rates the debt service reserve
6 requirement on its proposed debt is \$182,165. Petitioner then offsets this figure
7 by \$65,543 to account for the debt service reserve on its 2010 bonds (which will
8 be paid off in 2018), leaving a reserve requirement of \$116,622. To fund this
9 requirement over five years produces an annual payment of \$23,324. However,
10 because the settlement has used lower interest rates it reduces the maximum debt
11 service payment to \$173,448. The reduced lower maximum debt service
12 payment, reduces the total debt service requirement by \$8,717 and the annual debt
13 service reserve requirement by \$1,743 to \$21,581 ($\$8,717 / 5 = \$1,743$).

14 **Q: Will there be any restrictions on Petitioner's proposed debt service reserve?**

15 A: Yes. Once an order is issued in this cause, Petitioner should deposit \$21,581 per
16 year into its debt service reserve fund. Moreover, funds for debt service reserve
17 collected in advance of the closing are required to be added to the debt service
18 reserve.

VI. SETTLEMENT RECOMMENDATIONS

19 **Q: Please summarize the settlement recommendations to the Commission in this**
20 **cause.**

21 A: The settlement makes the following recommendations in this cause:

22 1. Petitioner should calculate its revenue increase under the assumption that
23 forfeited discounts revenue is subject to the proposed increase in rates.

1 2. Petitioner should increase its disallowance of expenditures that are non-
2 recurring or capital by \$5,681.

3 3. Petitioner should use the two step methodology described above to
4 calculate its total utility receipts tax revenue requirement.

5 4. Petitioner's *pro forma* rental expense adjustment should be reduced to
6 \$18,970.

7 5. The Commission should allow Petitioner to increase rates by 21.72%, or
8 \$304,585.

9 6. The Commission should authorize Petitioner to issue up to \$1,715,000 in
10 long-term at a maximum interest rate of 6.0%.

11 7. The Commission should include in Petitioner's rates \$170,959 for the
12 annual debt service on its current and proposed 2015 Bonds.

13 8. The Commission should include in Petitioner's rates \$21,581 for the
14 annual debt service reserve on its current and proposed 2015 Bonds.

15 9. The Commission should find the settlement agreement is in the public
16 interest and should be approved.

17 **Q: Does this conclude your testimony?**

18 **A: Yes.**

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.


Richard J. Corey
Indiana Office of Utility Consumer Counselor

December 22, 2015
Date

Cause No. 44670
Ellettsville Municipal Water

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

**Comparison of Petitioner's and Settlement
Revenue Requirements**

	<u>Per Petitioner</u>	<u>Per Settlement</u>	<u>Sch Ref</u>	<u>Settlement More (Less)</u>
Operating Expenses	\$ 1,412,897	\$ 1,386,033	4	\$ (26,864)
Taxes other than Income	22,847	20,282	4	(2,565)
Extensions and Replacements	163,376	163,376	7	-
Payment in Lieu of Taxes	16,100	16,100	4	-
Debt Service	179,223	170,959	8	(8,264)
Debt Service Reserve	23,324	21,581	9	(1,743)
Total Revenue Requirements	1,817,767	1,778,332		(39,436)
Less: Other Income	(28,263)	(28,263)	3	-
Net Revenue Requirements	1,789,504	1,750,069		(39,436)
Less: Revenues at current rates subject to increase	(1,388,711)	(1,402,395)	4	(13,684)
Other revenues at current rates	(61,037)	(47,353)	4	13,684
Net Revenue Increase Required	339,756	300,321		(39,436)
Divide by Revenue Conversion Factor (100% - 1.4%)	0.986	0.986		
Recommended Increase	<u>\$ 342,357</u>	<u>\$ 304,585</u>		<u>\$ (37,772)</u>
Recommended Percentage Increase	<u>24.65%</u>	<u>21.72%</u>		<u>-2.93%</u>

<u>Current Rate for 5,000 Gallons</u>	<u>Proposed</u>		<u>OUC</u>
	<u>Petitioner</u>	<u>OUC</u>	<u>More (Less)</u>
Current Rate = \$21.87	\$ 27.25	\$ 26.62	\$ (0.63)

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per Petitioner</u>	<u>Per Settlement</u>	<u>Settlement More (Less)</u>
Operating Revenues			
Metered Water Revenue	\$ (36,952)	\$ (36,952)	\$ -
	<u>(156,561)</u>	<u>(156,561)</u>	<u>-</u>
Total Operating Revenues	<u>(193,513)</u>	<u>(193,513)</u>	<u>-</u>
O&M Expense			
Purchased Water	(101,051)	(101,051)	-
Salaries and Wages	39,967	39,967	-
FICA	2,085	2,085	-
PERF	7,997	7,997	-
Medical Insurance	7,226	7,226	-
Capital or Non-recurring Management Contract	(76,919)	(82,600)	(5,681)
Periodic Maintenance	3,384	3,384	-
Town Hall Rent Expense	3,996	3,996	-
Taxes Other than Income	40,153	18,970	(21,183)
	1	(2,564)	(2,565)
Total Operating Expenses	<u>(73,162)</u>	<u>(102,590)</u>	<u>(29,429)</u>
Net Operating Income	<u>\$ (120,351)</u>	<u>\$ (90,923)</u>	<u>\$ 29,429</u>

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

COMPARATIVE BALANCE SHEET

As of

<u>ASSETS</u>	<u>8/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Utility Plant:			
Utility Plant in Service	\$ 6,547,627	\$ 6,522,987	\$ 6,467,039
Less: Accumulated Depreciation	(2,584,805)	(2,520,221)	(2,423,345)
Net Utility Plant in Service	<u>3,962,822</u>	<u>4,002,766</u>	<u>4,043,694</u>
Restricted Assets:			
Operating Investments	100,000	100,000	100,000
Bond and Interest Cash and Cash Equiv.	18,482	171	117
Debt Service Reserve Cash and Cash Equiv	65,543	65,660	65,742
Vehicle Transfer Fund	65,632	45,632	32,621
Meter Deposit Cash and Cash Equiv.	24,547	23,947	25,970
Water Tank Maintenance Case	35,360	44,133	20,118
Capital Improvement Cash and Cash Equiv.	2,027	6,667	625
Total Restricted Assets	<u>311,591</u>	<u>286,209</u>	<u>245,193</u>
Current Assets:			
Cash and Cash Equivalents	92,306	94,951	205,752
Accounts Receivable	141,871	166,941	154,436
Interest Receivable	0	40	35
Materials and Supplies	35,120	35,120	38,930
Total Current Assets	<u>269,297</u>	<u>297,052</u>	<u>399,153</u>
Deferred Debits			
Deferred amount on Refunding	16,813	20,176	25,220
Deferred Debt Issuance Costs	11,915	14,298	17,872
Total Deferred Debits	<u>28,728</u>	<u>34,474</u>	<u>43,092</u>
Total Assets	<u>\$ 4,572,438</u>	<u>\$ 4,620,500</u>	<u>\$ 4,731,132</u>

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

COMPARATIVE BALANCE SHEET

As of

<u>LIABILITIES</u>	<u>8/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Equity			
Invested in Capital Assets, Net of Related Debt	\$ 3,698,752	\$ 3,692,099	\$ 3,645,256
Restricted	287,044	262,262	219,223
Unrestricted	184,150	116,901	238,025
	<u>4,169,946</u>	<u>4,071,262</u>	<u>4,102,504</u>
Long-term Debt			
Revenue Bonds Payable	256,830	306,920	397,010
Unamortized Bond Discount	(4,706)	(5,647)	(7,058)
Unamortized Bond Premium	18,962	22,755	28,443
	<u>271,086</u>	<u>324,028</u>	<u>418,395</u>
Current Liabilities			
Accounts Payable	-	99,731	77,789
Wages Payable	-	9,314	8,032
Customer Deposits Payable	21,712	21,112	23,135
Meter Deposits Payable	2,835	2,835	2,835
Sales Tax Payable	8,981	146	8,127
Accrued Taxes Payable	-	1,042	315
Accrued Interest Payable	2,768	-	
Current Portion of Bonds Payable	95,110	91,030	90,000
	<u>131,406</u>	<u>225,210</u>	<u>210,233</u>
Other Current Liabilities			
	<u>402,492</u>	<u>549,238</u>	<u>628,628</u>
Total Liabilities			
	<u>402,492</u>	<u>549,238</u>	<u>628,628</u>
Total Liabilities and Equity	<u>\$ 4,572,438</u>	<u>\$ 4,620,500</u>	<u>\$ 4,731,132</u>

**TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670**

**COMPARATIVE INCOME STATEMENT
Twelve Months Ended**

	<u>8/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Operating Revenues			
Metered Water Revenue	\$ 1,493,810	\$ 1,471,783	\$ 1,524,797
Fire Protection	88,414	112,879	126,344
Forfeited Discounts	13,684	10,276	11,298
Miscellaneous Revenues	30,128	31,188	44,526
Total Operating Revenues	<u>1,626,036</u>	<u>1,626,126</u>	<u>1,706,965</u>
Operating Expenses			
Purchased Water	747,639	725,613	739,815
Salaries and Wages	293,562	285,716	289,696
Employee Benefits	90,616	95,103	101,510
Purchased Power	17,111	15,046	15,590
Utilities	3,039	3,217	2,868
Materials and Supplies	92,650	117,575	134,244
Repairs and Maintenance	38,635	105,542	132,137
Contractual Services	171,572	137,671	128,984
Customer Refunds	1,619	1,324	3,351
Bad Debt Expense		24,330	
Insurance	16,832	15,745	15,192
Advertising	350	71	234
Transportation	12,416	11,161	15,222
Miscellaneous Expense	19	-	448
Utility Receipts Tax	22,846	25,529	23,422
Total O&M Expense	<u>1,508,906</u>	<u>1,563,643</u>	<u>1,602,713</u>
Depreciation Expense	96,876	96,876	96,876
Amortization Expense			
Payment in Lieu of Taxes	16,100	16,100	16,100
Total Operating Expenses	<u>1,621,882</u>	<u>1,676,619</u>	<u>1,715,689</u>
Net Operating Income	4,154	(50,493)	(8,724)
Other Income (Expense)			
Tap Fees	17,225	16,260	23,113
Water Tank Rental Income	26,619	26,215	25,626
Interest Income	1,644	1,716	1,933
Interest Expense	(17,962)	(20,599)	(24,417)
Interest Expense - Amortization	(4,341)	(4,341)	(4,341)
Total Other Income (Expense)	<u>23,185</u>	<u>19,251</u>	<u>21,914</u>
Net Income	<u>\$ 27,339</u>	<u>\$ (31,242)</u>	<u>\$ 13,190</u>

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

Pro-forma Net Operating Income Statement

	12 Months Ended 8/31/14	Adjustments	Sch Ref	Pro-forma Present Rates	Adjustments	Sch Ref	Pro-Forma Proposed Rates
Operating Revenues							
Metered Water Revenue	\$ 1,493,810	\$ (36,952)	5-1	\$ 1,300,297	\$ 282,410	1	\$ 1,582,707
		(156,561)	5-2				
Fire Protection	88,414			88,414	19,203	1	107,617
Forfeited Discounts	13,684			13,684	2,972	1	16,656
Tap Fees	17,225			17,225			17,225
Miscellaneous Revenues	30,128			30,128			30,128
Total Operating Revenues	<u>1,643,261</u>	<u>(193,513)</u>		<u>1,449,748</u>	<u>304,585</u>		<u>1,754,333</u>
O&M Expense	1,486,060			1,386,033			1,386,033
Purchased Water		(101,051)	6-1				
Salaries and Wages		39,967	6-2				
FICA		2,085	6-3				
PERF		7,997	6-4				
Medical Insurance		7,226	6-5				
Capital or Non-recurring Management Contract		(82,600)	6-6				
Periodic Maintenance		3,384	6-7				
Town Hall Rent Expense		3,996	6-8				
		18,970	6-10				
Depreciation Expense	96,876			96,876			96,876
Payment in Lieu of Taxes	16,100	0		16,100	0		16,100
Utility Receipts Tax	22,846	(2,564)	6-9	20,282	4,264	1	24,546
Total Operating Expenses	<u>1,621,882</u>	<u>(102,590)</u>		<u>1,519,292</u>	<u>4,264</u>		<u>1,523,556</u>
Net Operating Income	<u>\$ 21,379</u>	<u>\$ (90,923)</u>		<u>\$ (69,544)</u>	<u>\$ 300,321</u>		<u>\$ 230,777</u>

**TOWN OF ELLETTSVILLE
 CAUSE NUMBER 44670**

Revenue Adjustments

(1)

Water Revenue Normalization

To normalize water revenues.

	1000's Gallons Sold	Revenues
Test Year	281,911	\$ 1,493,810
Calendar year 2014	<u>270,046</u>	<u>1,456,858</u>
Reduction	<u>11,865</u>	<u>\$ 36,952</u>
% Reduction	<u>4.21%</u>	<u>2.47%</u>

Adjustment Increase (Decrease) \$ (36,952)

(2)

Elimination of Outside of Town Surcharge

To adjust for the elimination of outside of Town surcharge.

Eliminate outside of town surcharge	\$ (160,526)
Less: Normalization adjustment (2.47%)	<u>\$ 3,965</u>

Adjustment Increase (Decrease) \$ (156,561)

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

Expense Adjustments

(1)

Purchased Water

To adjust test year purchased water expense to reflect a reduction in water loss.

Test year purchased water (1,000 gallons) (Page 25)	\$ 373,096	
Estimated reduction in water loss	<u>9.97%</u>	
Estimated reduction in purchased water due to decrease water loss	(37,198)	
Revenue normalization adjustment (11,865*1.1447%)	(13,582)	
Subtotal	(50,780)	
Times rate per 1,000 gallons	<u>\$ 1.99</u>	
Adjustment Increase (Decrease)		<u>\$ (101,051)</u>

(2)

Salaries and Wages

To adjust test year payroll expense to reflect *pro forma* salary and wage expense.

Pro forma payroll	\$ 330,779	
Plus Longevity pay	2,750	
Less: test year amount	<u>\$ (293,562)</u>	
Adjustment Increase (Decrease)		<u>\$ 39,967</u>

(3)

FICA

To adjust test year FICA expense to reflect *pro forma* payroll.

<i>Pro forma</i> payroll	\$ 333,529	
Times FICA rate	<u>7.65%</u>	
<i>Pro forma</i> FICA expense	25,515	
Less: Test year amount	<u>\$ (23,430)</u>	
Adjustment Increase (Decrease)		<u>\$ 2,085</u>

(4)

PERF

To adjust test year PERF expense to reflect *pro forma* payroll subject to PERF.

Pro forma payroll subject to PERF	\$ 290,215	
Times PERF rate	<u>14.20%</u>	
<i>Pro forma</i> PERF expense	41,211	
Less: Test year amount	<u>\$ (33,214)</u>	
Adjustment Increase (Decrease)		<u>\$ 7,997</u>

(5)

Medical Insurance

To adjust test year medical insurance expense to reflect the estimated insurance premium.

<i>Pro forma</i> medical insurance expense	\$ 36,447	
Less: Test year amount	<u>\$ (29,221)</u>	
Adjustment Increase (Decrease)		<u>\$ 7,226</u>

**TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670**

Expense Adjustments

(6)

Capital or Non-recurring

To adjust the test year for those expenses considered capital or non-recurring.

<u>Date</u>	<u>Category</u>	<u>Description</u>	<u>Amount</u>
4/14/2014	Materials and Supplies - TDM	Hydrant	\$ (2,016)
10/15/2013	Materials and Supplies - TDM	Software	(24,845)
1/27/2014	Contractual Services - ADM	Flooding Clean Up	(2,788)
various	Contractual Services - ADM	Rate case legal fees	(6,367)
various	Contractual Services - TDM	Leak Detection	(40,903)
01/13/2014	Repairs and Maint - ADM	Cabinets	(553)
01/13/2014	Repairs and Maint - ADM	Locks and Keys	(149)
01/13/2014	Repairs and Maint - ADM	Cables - Network	(31)
01/13/2014	Repairs and Maint - ADM	Set up Materials	(505)
01/13/2014	Repairs and Maint - ADM	Painting	(300)
01/27/2014	Repairs and Maint - ADM	Window Panes	(219)
01/27/2014	Repairs and Maint - ADM	Space Heaters	(3)
01/27/2014	Repairs and Maint - ADM	USB Cables	(22)
01/27/2014	Repairs and Maint - ADM	Electrical Work	(817)
02/10/2014	Repairs and Maint - ADM	Deadbolt	(99)
02/10/2014	Repairs and Maint - ADM	Signage	(277)
02/10/2014	Repairs and Maint - ADM	Security System	(193)
02/10/2014	Repairs and Maint - ADM	Phone System	(445)
02/10/2014	Repairs and Maint - ADM	Server Set UP	(720)
02/10/2014	Repairs and Maint - ADM	Welding - Drop Box.	(34)
02/24/2014	Repairs and Maint - ADM	Drop Box	\$ (1,312)
Adjustment Increase (Decrease)			<u>\$ (82,600)</u>

(7)

Management Contract

To adjust test year to reflect the current monthly payment for the management contract.

Pro forma management contract expense	\$ 96,398
Less: Test year amount	<u>\$ (93,014)</u>
Adjustment Increase (Decrease)	<u>\$ 3,384</u>

(8)

Periodic Maintenance

To adjust test year to reflect periodic maintenance expenses.

Annual tank maintenance contract agreement	\$ 25,492
Annual booster pump maintenance	2,000
Tank inspection and wash out (\$4,800 every three years)	1,600
less: Test year amount for tank and pump maintenance	<u>\$ (25,096)</u>
Adjustment Increase (Decrease)	<u>\$ 3,996</u>

**TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670**

Expense Adjustments

(9)

Utility Receipts Tax

To adjust test year to include the *pro forma* utility receipts tax expense at present rates.

<i>Pro forma</i> operating revenues at present rates	\$ 1,449,748	
Less: exemption	<u>(1,000)</u>	
<i>Pro forma</i> taxable revenues at present rates	1,448,748	
Times: tax rate	<u>1.40%</u>	
<i>Pro forma</i> utility receipts tax at present rates	20,282	
Less: Test year expense	<u>\$ (22,846)</u>	
Adjustment Increase (Decrease)		<u>\$ (2,564)</u>

(10)

Town Hall Rent Expense

To adjust test year to include the estimated rent expense for proposed Town Hall.

Estimated annual debt service for proposed Town Hall allocated to Water Utility	\$ 21,158	
Less: Test year expense	<u>\$ (2,188)</u>	
		<u>\$ 18,970</u>

**TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670**

Extensions and Replacements

To reflect the average amount of debt service required over a ten year period.

	<u>Total</u>
Proposed Capital improvement - 50% allocated to Water Utility	\$ 660,280
Proposed Capital Improvement - 100% Water Utility	<u>973,475</u>
	\$ 1,633,755
 Divide by 10 Years	 10
Average Annual Extensions and Replacements	<u><u>\$ 163,376</u></u>

**TOWN OF ELLETTSVILLE
 CAUSE NUMBER 44670**

Debt Service

To reflect the average amount of debt service required over a five year period.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Outstanding 2010 Bonds	\$ 109,658	\$ 109,659				\$ 219,317
Proposed 2015 Bonds	62,145	62,058	171,405	168,875	170,994	635,476
	<u>\$ 171,803</u>	<u>\$ 171,717</u>	<u>\$ 171,405</u>	<u>\$ 168,875</u>	<u>\$ 170,994</u>	<u>\$ 854,793</u>
Divide by 5 years						<u>5</u>
Average Annual Debt Service						<u>\$ 170,959</u>

**TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670**

Debt Service Reserve

To reflect the average amount of debt service reserve required over a five year period.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Description of Debt	\$ 21,581	\$ 21,581	\$ 21,581	\$ 21,581	\$ 21,581	\$ 107,905
	<u>\$ 21,581</u>	<u>\$ 107,905</u>				
Divide by 5 years						<u>5</u>
Average Annual Debt Service Reserve						<u>\$ 21,581</u>

**TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670**

Current and Settlement Rates and Charges

Metered Usage Block Schedule:

<u>Monthly Water Usage</u>			<u>Current</u>	<u>Petitioner Proposed</u>	<u>Settlement</u>
<u>Inside Town</u>					
First	3,000	Gallons	\$ 4.55	\$ 5.67	\$ 5.54
Next	5,000	Gallons	4.11	5.12	5.00
Next	12,000	Gallons	3.57	4.45	4.35
Next	30,000	Gallons	3.38	4.21	4.11
Next	50,000	Gallons	3.22	4.01	3.92
Next	100,000	Gallons	3.11	3.88	3.79
Over	200,000	Gallons	\$ 3.02	\$ 3.76	\$ 3.68
<u>Outside Town</u>					
First	3,000	Gallons	\$ 5.63	N/A	N/A
Next	7,000	Gallons	5.18	N/A	N/A
Next	90,000	Gallons	4.28	N/A	N/A
Next	100,000	Gallons	3.74	N/A	N/A
Over	200,000	Gallons	\$ 3.49	N/A	N/A

Metered User Minimum Schedule:

<u>Minimum Charges</u>	<u>Monthly Gallonage</u>	<u>Present Monthly Charge</u>	<u>Proposed Monthly Charge</u>	<u>Settlement Monthly Charge</u>
<u>Inside Town</u>				
5/8 Inch Meter	3,000	\$ 13.65	\$ 17.01	\$ 16.62
3/4 Inch Meter	3,336	15.03	18.73	18.30
1 Inch Meter	3,611	16.16	20.14	19.68
1 1/4 Inch Meter	5,826	25.26	31.48	30.75
1 1/5 Inch Meter	6,934	29.82	37.15	36.29
2 Inch Meter	11,405	46.36	57.76	56.43
3 Inch Meter	19,730	76.08	94.81	92.65
4 Inch Meter	49,765	\$ 177.65	\$ 221.32	\$ 216.15

<u>Minimum Charges</u>	<u>Monthly Gallonage</u>	<u>Present Monthly Charge</u>	<u>Proposed Monthly Charge</u>	<u>Settlement Monthly Charge</u>
<u>Outside Town</u>				
5/8 Inch Meter	2,988	\$ 16.82	N/A	N/A
3/4 Inch Meter	3,170	17.77	N/A	N/A
1 Inch Meter	3,496	19.46	N/A	N/A
1 1/4 Inch Meter	5,500	29.84	N/A	N/A
1 1/5 Inch Meter	6,170	33.31	N/A	N/A
2 Inch Meter	14,267	71.41	N/A	N/A
3 Inch Meter	24,286	114.29	N/A	N/A
4 Inch Meter	54,335	\$ 242.90	N/A	N/A

TOWN OF ELLETTSVILLE
CAUSE NUMBER 44670

Current and Settlement Rates and Charges

Municipal Hydrant User Charges

<u>Meter Size</u>		<u>Present Monthly Charge</u>	<u>Proposed Monthly Charge</u>	<u>Settlement Monthly Charge</u>
5/8	Inch Meter	\$ 1.49	\$ 1.86	\$ 1.81
3/4	Inch Meter	1.64	2.04	2.00
1	Inch Meter	2.08	2.59	2.53
1 1/5	Inch Meter	2.67	3.33	3.25
2	Inch Meter	4.31	5.37	5.25
3	Inch Meter	16.38	20.42	19.94
4	Inch Meter	\$ 43.19	\$ 53.84	\$ 52.57
Private Hydrants (Per Hydrant, Per annum)		\$ 179.45	\$ 223.68	\$ 218.43

Automatic Sprinkler Charges

<u>Meter Size</u>		<u>Present Monthly Charge</u>	<u>Proposed Monthly Charge</u>	<u>Settlement Monthly Charge</u>
1	Inch Meter	\$ 4.99	\$ 6.22	\$ 6.07
1 1/4	Inch Meter	7.79	9.71	9.48
1 1/5	Inch Meter	11.2	13.96	13.63
2	Inch Meter	19.94	24.86	24.27
3	Inch Meter	44.8	55.84	54.53
4	Inch Meter	79.75	99.41	97.07
6	Inch Meter	179.45	223.68	218.43
8	Inch Meter	\$ 319.04	\$ 397.68	\$ 388.34

04/14/2014	AP	INV	SUPPLIES - EAGLES LANDING	006645		38.19		1,068.00	25,787.90
04/14/2014	AP	INV	OFFICE SUPPLIES	701388195001		5.39		1,073.39	25,782.51
04/28/2014	AP	INV	OFFICE SUPPLIES	6011-1600-0022-50		78.96		1,152.35	25,703.55
04/28/2014	AP	INV	POSTAGE REIMBURSEMENT TO MAIL ME SIMPSON	POSTMASTER		1.40		1,153.75	25,702.15
05/27/2014	AP	INV	2 ROLLS OF STAMPS	STAMPS		98.00		1,251.75	25,604.15
05/27/2014	AP	INV	OFFICE SUPPLIES	708830818001		8.56		1,260.31	25,595.59
05/27/2014	AP	INV	OFFICE SUPPLIES	708830819001		2.80		1,263.11	25,592.79
05/27/2014	AP	INV	OFFICE SUPPLIES	708830653001		94.51		1,357.62	25,498.28
06/09/2014	AP	INV	MONTHLY CHARGES - WATER	WATER		3.82		1,361.44	25,494.46
07/28/2014	AP	INV	ENVELOPES	14286		74.75		1,436.19	25,419.71
08/11/2014	AP	INV	OFFICE SUPPLIES	721366636001		34.42		1,470.61	25,385.29
08/11/2014	AP	INV	FILE STORAGE BOXES	721366743001		82.49		1,553.10	25,302.80
08/31/2014			630-800.00-00620.00 MATERIALS & SUPPLIES					1,553.10	25,302.80
09/01/2013			630-800.00-00625.00 REPAIRS & MAINTENANCE					0.00	0.00
11/25/2013	AP	INV	PHONE SYSTEM REPAIR - TOWN HALL	48265		77.50		77.50	(77.50)
12/30/2013	GJ	JE	MOVE CK 11660 CARPETSPLUS TO R&M	315		1,049.40		1,126.90	(1,126.90)
12/31/2013	GJ	JE	ACCOUNTS PAYABLE 2013	405		534.26		1,661.16	(1,661.16)
01/01/2014			2014 Fiscal Year Begin					0.00	162.45
01/13/2014	AP	INV	CABINETS & COUNTERTOP - SUITE 106	47475		553.02		553.02	(390.57)
01/13/2014	AP	INV	LOCKS & KEYS - EAGLES LANDING	101133		149.29		702.31	(539.86)
01/13/2014	AP	INV	MONTHLY CHARGES - WATER	WATER		29.90		732.21	(569.76)
01/13/2014	AP	INV	COMPUTER REPAIRS & UPDATES - TOWN HALL	1548		100.00		832.21	(669.76)
01/13/2014	AP	INV	CABLES-NETWORK BOARD SETUP AT EAGLES LAN	1565		31.35		863.56	(701.11)
01/13/2014	AP	INV	MATERIALS TO SET UP EAGLES LANDING	1564		505.49		1,369.05	(1,206.60)
01/13/2014	AP	INV	PAINTING - SUITE 106	10002		300.00		1,669.05	(1,506.60)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		39.44		1,708.49	(1,546.04)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		38.66		1,747.15	(1,584.70)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		(3.51)		1,743.64	(1,581.19)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		(6.99)		1,736.65	(1,574.20)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		68.88		1,805.53	(1,643.08)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		109.00		1,914.53	(1,752.08)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		90.07		2,004.60	(1,842.15)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		153.69		2,158.29	(1,995.84)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		177.85		2,336.14	(2,173.69)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 31740497		(4.58)		2,331.56	(2,169.11)
01/27/2014	AP	INV	SUPPLIES - SUITE 106	46654		65.72		2,397.28	(2,234.83)
01/27/2014	AP	INV	REPLACE WINDOW PANES - SUITE 106	59099		218.71		2,615.99	(2,453.54)
01/27/2014	AP	INV	SPACE HEATERS - SUITE 106	691002448001		62.18		2,678.17	(2,515.72)
01/27/2014	AP	INV	USB CABLES - SUITE 106	1567		22.00		2,700.17	(2,537.72)
01/27/2014	AP	INV	CUSHIONED FLOOR MATS	098615		187.20		2,887.37	(2,724.92)
01/27/2014	AP	INV	CREDIT CARD CHARGES	WATER - 9706		139.86		3,027.23	(2,864.78)
01/27/2014	AP	INV	CREDIT CARD CHARGES	WATER - 9706		87.86		3,115.09	(2,952.64)
01/27/2014	AP	INV	CREDIT CARD CHARGES	SEWER - 9805		129.71		3,244.80	(3,082.35)
01/27/2014	AP	INV	ELECTRICAL WORK - EAGLES LANDING	23479		817.21		4,062.01	(3,899.56)
01/31/2014	GJ	JE	REVERSE 12/31/13 ACCOUNTS PAYABLE	471		(534.26)		3,527.75	(3,365.30)
02/10/2014	AP	INV	SUPPLIES - EAGLES LANDING	WATER		37.63		3,565.38	(3,402.93)
02/10/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 882-00115		12.74		3,578.12	(3,415.67)
02/10/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 882-00115		4.90		3,583.02	(3,420.57)
02/10/2014	AP	INV	SUPPLIES - SUITE 106	ACCT #: 882-00115		4.94		3,587.96	(3,425.51)
02/10/2014	AP	INV	KEYS - EAGLES LANDING	101827		15.81		3,603.77	(3,441.32)
02/10/2014	AP	INV	INSTALL DEADBOLT ON INTERIOR DOOR - SUIT	101700		98.82		3,702.59	(3,540.14)
02/10/2014	AP	INV	SIGNAGE & WINDOW TINT - EAGLES LANDING	2176		277.33		3,979.92	(3,817.47)
02/10/2014	AP	INV	SECURITY SYSTEM INSTALLATION - SUITE 106	3208		193.41		4,173.33	(4,010.88)
02/10/2014	AP	INV	PREP & RELOCATE PHONE SYSTEM - EAGLES LA	3299		445.23		4,618.56	(4,456.11)
02/10/2014	AP	INV	PREP & RELOCATE SERVER & SETUP WORKSTATI	1571		720.00		5,338.56	(5,176.11)
02/10/2014	AP	INV	ROUTE UTILITY PHONE TO RING UPSTAIRS-TOW	2948		37.50		5,376.06	(5,213.61)
02/10/2014	AP	INV	SUPPLIES - SUITE 103	99083		6.49		5,382.55	(5,220.10)
02/10/2014	AP	INV	SUPPLIES - SUITE 103	99072		9.48		5,392.03	(5,229.58)
02/10/2014	AP	INV	SUPPLIES - SUITE 103	99044		1.90		5,393.93	(5,231.48)
02/10/2014	AP	INV	WELDING FOR NEW DROP BOX - EAGLES LANDIN	199483		33.75		5,427.68	(5,265.23)
02/24/2014	AP	INV	SUPPLIES - SUITE 106	6011-1600-0022-50		31.83		5,459.51	(5,297.06)
02/24/2014	AP	INV	SUPPLIES - SUITE 106	6011-1600-0022-50		0.37		5,459.88	(5,297.43)
02/24/2014	AP	INV	CREDIT CARD CHARGES	SEWER - 9805		1,312.45		6,772.33	(6,609.88)
02/24/2014	AP	INV	CREDIT CARD CHARGES	CLERK - 7500		44.38		6,816.71	(6,654.26)
02/24/2014	AP	INV	REPAIRS TO PHONE SYSTEM	3300		193.10		7,009.81	(6,847.36)
04/14/2014	AP	INV	ELECTRICAL WORK - TOWN HALL	23665		344.35		7,354.16	(7,191.71)
08/31/2014			630-800.00-00625.00 REPAIRS & MAINTENANCE					7,354.16	(7,191.71)
09/01/2013			630-800.00-00632.00 CONTRACTUAL SERVICES - ACCOUNTING					2,290.00	(2,290.00)
12/09/2013	AP	INV	2012 ANNUAL AUDIT - WATER	35815		719.00		3,009.00	(3,009.00)
01/01/2014			2014 Fiscal Year Begin					0.00	3,010.72
08/31/2014			630-800.00-00632.00 CONTRACTUAL SERVICES - ACCOUNTING					0.00	3,010.72
09/01/2013			630-800.00-00633.00 CONTRACTUAL SERVICES - LEGAL					403.00	(403.00)
09/23/2013	AP	INV	LEGAL SERVICES	21519		247.00		650.00	(650.00)
09/23/2013	AP	INV	LEGAL SERVICES - RATE INCREASE	04563		1,051.31		1,701.31	(1,701.31)
10/15/2013	AP	INV	LEGAL SERVICES - RATE INCREASE	04600		312.50		2,013.81	(2,013.81)
10/15/2013	AP	INV	LEGAL SERVICES	21638		52.00		2,065.81	(2,065.81)
10/15/2013	AP	INV	LEGAL SERVICES	21637		32.50		2,098.31	(2,098.31)
10/15/2013	AP	INV	LEGAL SERVICES - RATE INCREASE	21640		221.00		2,319.31	(2,319.31)
11/12/2013	AP	INV	LEGAL SERVICES	04634		562.50		2,881.81	(2,881.81)
11/12/2013	AP	INV	LEGAL SERVICES	04634		31.25		2,913.06	(2,913.06)
11/25/2013	AP	INV	LEGAL SERVICES - RATE INCREASE	21764		247.00		3,160.06	(3,160.06)
12/09/2013	AP	INV	LEGAL SERVICES - RATE INCREASE	04672		375.00		3,535.06	(3,535.06)
12/23/2013	AP	INV	LEGAL SERVICES - RATE INCREASE	21891		130.00		3,665.06	(3,665.06)
12/31/2013	GJ	JE	ACCOUNTS PAYABLE 2013	405		234.00		3,899.06	(3,899.06)

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *OUCC Settlement Testimony of Richard J. Corey: Public's Exhibit No. 1* has been served upon the following counsel of record in the captioned proceeding by electronic service on December 22, 2015.

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