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March 26th, 2018

Electronically filed

RE: LMH Utilities Corporation – 30 Day Filing (Filing No. ____)

Dear Ms. Becerra,

LMH Utilities Corporation (“LMH” or “Respondent”) is a responding utility in the Commission’s investigation into the impacts of the Tax Cuts and Jobs Act of 2017 under the Commission’s Cause No. 45032. On February 16, 2018, LMH was ordered to file revised tariff sheets using the 30 day filing process of 170 IAC 1-6-5 and 170 IAC 1-6-6. In keeping with its understanding of that Order, Respondent is submitting revised tariff sheets and supportive testimony of Tracy Wyne. Additionally Respondent includes a copy of the legal notice which has been delivered to the Dearborn County Register, a newspaper of general circulation within Respondent’s service area. Respondent believes such notice will be published on or before April 5, 2018. Additionally a copy of this notice has been posted at Respondent’s offices.

Counsel for Respondent has provided a copy of this letter, and accompanying material to: Loraine Seyfriend, as the presiding Administrative Law Judge in Cause No. 45032; Jane Steinhauer, as Director of the Commission’s Energy Division; Tiffany I. Murray, Counsel for the OUCC in Cause No. 45032; and Leja Courter, Director of the OUCC Natural Gas Division.

To the extent the Commission or the OUCC needs additional information please contact the undersigned, or Respondent’s Accountant:

Tracy Wyne
Sherman, Barber & Mullikin
(812) 265-5312

Very truly yours,



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L.M.H. UTILITIES CORP.

SCHEDULE OF RATES AND CHARGES

Rates established pursuant to IURC Cause No. 43431 dated January 21, 2009

Revised per the February 16, 2018 Order of the Commission in Cause No. 45032

(I) Metered Users:

(A) Each user shall pay a monthly base charge in accordance with the following applicable size of meter installed.

Meter Size	Monthly Base Charge
5/8 - 3/4 inch meter	\$14.63
1 inch meter	\$29.99
1 1/4 inch meter	\$45.35
1 1/2 inch meter	\$63.78
2 inch meter	\$106.80
3 inch meter	\$239.93
4 inch meter	\$414.02
6 inch meter	\$936.30

(B) In addition to the monthly base charge set forth above, each user shall pay a monthly usage charge based upon their monthly water consumption.

Flow Charge (Per 1,000 gallons)	Monthly Flow Charge
	\$5.82

Wholesale Rate:

Applicable when another sewer utility requests wholesale service for their customers' waste

Flow Charge (Per 1,000 Gallons) \$8.00

(Note: No Base Charge is applicable to wholesale rate customers)

L.M.H. UTILITIES CORP.

Non-Recurring Charges

Tap-On Fee	\$625.00
	\$7.00

If the net bill is not paid within seventeen (17) days after the bill is mailed, it shall become a delinquent bill and a late payment charge will be added in the amount of ten percent (10%) of the first three (3) dollars and three (3) percent of the excess of three (3) dollars.

Customer Deposit (2 months avg bill)	
Residential Customers	\$101.86

Subject to Indiana Administrative Code 170 IAC 6-1-15

System Development Charge

A system development charge will be assessed to all applicants for sewer service. The fee will be charged at the time of sewer permit application.

5/8"	meter connection	(1 edu)	\$1,174
3/4"	meter connection	(1.5 edu)	1,760
1"	meter connection	(2.5 edu)	2,934
1 1/2"	meter connection	(5 edu)	5,868
2"	meter connection	(8 edu)	9,388
3"	meter connection	(17.5 edu)	20,537
4"	meter connection	(30 edu)	35,206
6"	meter connection	(62.5 edu)	73,347

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Tracy Wyne; my business address is 210 West Third Street, Madison, Indiana 47250.

Q2. WHAT IS YOUR OCCUPATION?

A. I am a certified public accountant specializing in utility matters.

Q3. ARE YOU AFFILIATED WITH ANY ACCOUNTING FIRMS?

A. Yes I am. I am affiliated with Sherman, Barber, and Mullikin CPAs.

Q4. DO YOU OR YOUR FIRM REGULARLY ADVISE UTILITIES ON TAX MATTERS?

A. We do.

Q5. ARE YOU FAMILIAR WITH THE COMMISSION'S INVESTIGATION INTO THE TAX CUTS AND JOBS ACT OF 2017 UNDER CAUSE NO. 45032.

A. Yes I am. In particular I reviewed the Commission's Order of February 16, 2018 which indicates that all investor owned utilities should file Revised Tariffs to implement the new federal income tax rate as Phase 1.

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY HERE?

I have been asked to assist LMH Utilities Corp. ("LMH") with the preparation of an appropriate revised tariff.

Q7. WHAT IS YOUR UNDERSTANDING OF THE COMMISSION'S ORDER OF FEBRUARY 16TH AS IT RELATES TO FILING NEW TARIFFS?

A. It is my understanding that the Commission's Order requires LMH to file new tariffs based on the revenue requirement established in its last base rate case but changed to reflect a different revenue requirement due to changes in the federal income tax rate created by the Tax Cuts and Jobs Act of 2017.

Q8. HOW DID YOU DETERMINE WHAT TAX RATE WAS INCLUDED IN THE BASE RATE REVENUE REQUIREMENT?

I pulled the Commission's Order of January 21, 2009 for LMH. I considered finding E, (2), (D) on page 25 and 26 of that Order. I then reviewed the Rebuttal testimony filed in that case by LMH's accounting witness. Based on that review I determined that LMH's base rate revenue requirement included a federal income tax rate of 34.7365%.

Q.9 DID YOU CHANGE THE FEDERAL INCOME TAX RATE BASED ON THE COMMISSION'S ORDER OF FEBRUARY 16, 2018?

A. Yes I did. I used the new federal income tax rate of 21% and reran the revenue requirement for LMH. Attached is a copy of the new revenue requirement.

Q10. DID YOU USE THIS NEW REVENUE REQUIREMENT TO CREATE A REVISED TARIFF?

A. Yes I did.

Q11. PLEASE EXPLAIN HOW YOU APPLIED THE NEW REVENUE REQUIREMENT TO LMH'S EXISTING RATE IN ITS CURRENT TARIFF.

A. The new revenue requirement has been applied to both the monthly base charge and to volumetric rates.

Q12. WILL THE NEW TARIFF THAT IS BEING FILED RESOLVE ALL IMPACTS OF THE TAX CUTS AND JOBS ACT OF 2017?

A. No. As the Commission has recognized there are a number of other impacts that will have to be considered as part of a Phase 2 proceeding.

Q13. DO YOU BELIEVE THAT THE TARIFF, WHICH YOUR TESTIMONY IS ACCOMPANYING, HAS BEEN ACCURATELY CALCULATED AND FOLLOWS THE COMMISSION'S ORDER UNDER PHASE 1 OF CAUSE NO. 45032?

A. Yes I do.

LMH UTILITIES, INC.
Revenue Requirements PER IURC Cause No. 45032

	IURC Cause #43431	IURC Cause #45032
Gross Income	\$ 803,852	\$ 759,217
Utility Receipts	<u>(11,254)</u>	<u>(11,254)</u>
Subtotal	792,598	747,963
Other Income	44,107	44,107
Depreciation	(41,357)	(41,357)
Salaries and Wages	(493,557)	(493,557)
Payroll Taxes	(14,463)	(14,463)
Property Taxes	(26,789)	(26,789)
IURC	<u>(1,057)</u>	<u>(1,057)</u>
NI before Tax	259,482	214,847
State Tax	<u>22,056</u>	<u>22,056</u>
Federal Taxable income	237,426	192,791
Federal Tax	<u>82,473</u>	<u>40,486</u>
Net Operating Income	<u><u>\$ 154,953</u></u>	<u><u>\$ 152,305</u></u>

Revenue Requirements IURC Cause #43431	803,852
Revenue Requirements IURC Cause #45032	754,379
Required Reduction of Revenue	49,473
Reduction Percentage	<u><u>6.15%</u></u>

LMH UTILITIES, INC.

Revenue Requirements PER IURC Cause No. 45032
Current and Proposed Rates

	Current IURC Cause #43431	Proposed IURC Cause #45032
5/8-3/4 inch meter	15.59	14.63
1 inch meter	31.96	29.99
1 1/4 inch meter	48.32	45.35
1 1/2 inch meter	67.96	63.78
2 inch meter	113.80	106.80
3 inch meter	255.65	239.93
4 inch meter	441.15	414.02
6 inch meter	997.66	936.30
Monthly Flow Charge (per 1,000 g)	6.20	5.82

Legal Notice

To all customers of LMH Utilities Corporation: Please take note that the Company has filed revised tariffs with the Indiana Utility Regulatory Commission to change its rates to begin to implement the revised federal income tax rate paid by the Company. Such revised tariff is being filed pursuant to the Indiana Utility Commission's Order in Cause No. 45032 issued on February 16, 2018. The impact on your bill will vary based on the amount of usage. However the federal income tax rate being used is that included in the Tax Cuts and Jobs Acts of 2017. The Company believes this change will be a decrease in the bills previously paid by you. The Company believes that this change will be approved by the Indiana Utility Commission in May of this year and will then be implemented in the Company's June billing to you.

If you have any questions about this Notice please contact the Company at:

LMH Utilities Corporation
2005 Jamison Drive Suite #104
Bright, Indiana 47025
(812) 637-0015

Or you may contact the Indiana Utility Regulatory Commission at:

Secretary to the IURC
PNC Center
101 West Washington Street
Indianapolis, Indiana 46204
(317) 232-2701

Or you may contact the Office of Utility Consumer Counselor at:

Office of Utility Consumer Counselor
PNC Center
115 West Washington Street
Suite 1500 South
Indianapolis, Indiana 46204
(317) 232-2494

Verification

As an employee of LMH Utilities Corporation I affirm under the penalties of perjury that the Company has provided notice to our customers of the revised tariff filing as described by counsel for the Company in his letter to Mary M. Becerra accompanying the revised tariff sheets.


June Tucker
Secretary
LMH Utilities Corporation