

STRATMAN LAW OFFICE

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Jeffrey E. Stratman
Attorney at Law

Received
October 04, 2012
INDIANA UTILITY
REGULATORY COMMISSION

Email
stratman.jeff@gmail.com

October 4, 2012

Attn: Dana Lynn
Indiana Utility Regulatory Commission
Water & Wastewater Division
PNC Center
101 West Washington Street
Suite 1500 E
Indianapolis, Indiana 46204

RE: City of Aurora Petition to Differentiate Inside and Outside City Utility Rates

Dear Ms. Dana Lynn:

Please consider this letter a formal request on behalf of the City of Aurora, and the Aurora Municipal Utility to partially withdraw our recently filed petition to differentiate the water and wastewater rates charged to customers inside and outside the City of Aurora.

I mistakenly filed a Petition that included both Water and Wastewater. However, our Water Utility is already regulated by the IURC. Therefore, our petition should have only included Wastewater rates.

Please withdraw those portions of our petition related to our Water Utility. We are only requesting the relief related to differentiated rates related to our Wastewater Utility.

If you need anything else on this matter, please don't hesitate to contact me and let me know.

Sincerely,

Jeffrey E. Stratman

SEP 28 2012

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY

REGULATORY COMMISSION

PETITION OF AURORA MUNICIPAL)
 UTILITY FOR APPROVAL OF RATE AND)
 CHARGE DIFFERENCE BETWEEN) CAUSE NO: _____
 PROPERTY WITHIN AND PROPERTY)
 OUTSIDE THE CORPORATE BOUNDARIES)
 OF THE CITY OF AURORA)

PETITION REGARDING OUTSIDE AND INSIDE RATE DIFFERENTIAL

Pursuant to I.C. § 8-1.5-3-8.3(C), Petitioner, the City of Aurora and the Aurora Municipal Utility, by counsel, Jeffrey E. Stratman, respectfully petition the Indiana Utility Regulatory Commission (“Commission”) for Approval of the rate and charge difference between property within and property outside the corporate boundaries of the City of Aurora, Indiana (“City”). In support of this Petition, Petitioner states:

1. The current ordinance regarding water and sewer rates and charges for the property within and property outside the City’s corporate boundaries were adopted on October 3, 2005, and November 20, 2006, respectively.

2. Attached as Exhibits A and B are true and exact copies of the current ordinances setting rates and charges in effect for the City.

3. The works that are the subject of this petition and the ordinance are both water and wastewater utility works.

4. The percentage difference between rates and charges imposed on users of the works for service to property located outside the corporate boundaries of the City and to the property located within the corporate boundaries varies based on consumption level and whether the user

is a residential or commercial consumer. However, the maximum percentage difference for each utility is as follows:

Water 24.35%

Wastewater 20.65%

5. As stated above, the percentage fee varies based on consumption level and whether the user is a residential or commercial customer. However, in no event is the percentage difference greater than the maximum percentage difference provided in paragraph 4 above.

6. Petitioner considers and states that Indiana Code § 8-1.5-3-8.3(C), among other statutes, to be applicable to the relief being requested in this Petition.

7. Jeffrey E. Stratman is counsel of record for the Petitioner in this matter and is duly authorized to accept service of papers in this matter on behalf of the Petitioner.

WHEREFORE, the City of Aurora, Indiana, and the Aurora Municipal Utility respectfully request that the Commission issue an Order approving the percentage rate and charge difference between property within and property outside the corporate boundaries of the City of Aurora, and for any other just and proper relief.

Respectfully Submitted,



Jeffrey E. Stratman, Attorney for Petitioner
Attorney ID # 20678-53
P.O. Box 178
Aurora, Indiana 47001
(812) 584-0386 phone
(877) 848-5270 fax
stratman.jeff@gmail.com

VERIFICATION

I, Jeffrey E. Stratman, affirm under penalties for perjury that the foregoing representations are true and accurate to the best of my knowledge, information and belief.

Dated: September 28, 2012



Jeffrey E. Stratman, Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that the above petition was served this 28th day of September, 2012, upon the OUCC, via regular U.S. Mail, Electronic Mail and Fax.



Jeffrey E. Stratman

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AURORA MUNICIPAL)
UTILITY FOR APPROVAL OF RATE AND)
CHARGE DIFFERENCE BETWEEN) CAUSE NO: _____
PROPERTY WITHIN AND PROPERTY)
OUTSIDE THE CORPORATE BOUNDARIES)
OF THE CITY OF AURORA)

APPEARANCE

1. Name of Party/Petitioner: City of Aurora, Aurora Municipal Utility

2. Attorney Information:

Jeffrey E. Stratman
Attorney ID # 20678-53
P.O. Box 178
Aurora, Indiana 47001
(812) 584-0386 phone
(877) 848-5270 fax
stratman.jeff@gmail.com

Dated: September 28, 2012



Jeffrey E. Stratman, Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that the above Appearance was served this 28th day of September, 2012, upon the OUCC, via regular U.S. Mail, Electronic Mail and Fax.



Jeffrey E. Stratman

"EXHIBIT A"

ORDINANCE NO. 2005-17

**AN ORDINANCE INCREASING AND FIXING A NEW SCHEDULE OF RATES AND
CHARGES OF THE AURORA MUNICIPAL WATER UTILITY**

WHEREAS, the Common Council of the City of Aurora, Indiana (the "City") has authorized the making of extensions, additions and improvements to the existing municipal water works of said City for the purpose of providing adequate water service to the inhabitants of the City and customers of the water works and protecting properly the health, well-being and property of the City and its inhabitants; and

WHEREAS, in order to procure the necessary funds to pay the cost for construction and installation of said extensions, additions and improvements, it is necessary for the Aurora Water Utility to incur long-term debt which will be paid solely out of revenues of the water utility, which revenues under the existing schedule of rates and charges are insufficient to enable the water utility to finance the needed extensions, additions, and improvements; and

WHEREAS, the Common Council now finds that the existing rates and charges for the use and service rendered by the water works of said City are too low and are insufficient to enable the water works to pay all necessary expenses incident to the operation and maintenance of its utility plant, to finance extensions, additions and improvements, and to provide for working capital and a reasonable return on utility plant; that the proposed improvements, extensions and additions will improve the service rendered by said water works and make the same of greater value to the City and its inhabitants; and that the existing rates and charges should be increased.

NOW THEREFORE,

BE IT ORDAINED by the Common Council of the City of Aurora, Indiana:

SECTION 1. There shall be and hereby are established for the use of and services rendered by the municipal water works of the City, the following rates and charges:

A. Consumption.

Consumption Month	Rate per 1,000 Gallons-Inside City Limits	Rate per 1,000 Gallons-Outside City Limits
First 5,000 Gallons	\$3.10	\$3.70
Next 15,000 Gallons	2.85	3.40
Next 30,000 Gallons	2.40	2.95
Next 50,000 Gallons	2.00	2.60
Next 400,000 Gallons	1.60	2.25
Next 500,000 Gallons	1.05	1.80
Over 1,000,000 Gallons	0.90	1.00

B. Minimum Charge. Each user shall pay a minimum charge in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water set out in the above schedule of rates.

Size of Meter	Monthly Charge	
	Inside City Limits	Outside City Limits
5/8-inch meter	\$7.20	\$8.60
3/4-inch meter	10.00	11.70
1-inch meter	14.30	17.05
1-1/2 inch meter	24.05	28.70
2-inch meter	64.25	77.70
3-inch meter	68.85	105.00
4-inch meter	95.70	115.52
6-inch meter	200.65	249.50

C. Private Fire Protection Service- Extinguishing Fires Only.

Hydrant Rental-Per Hydrant Per Year	Per Year Charge	
	Inside City Limits	Outside City Limits
	\$318.38	\$381.90

Hose Connection-Standpipes	Monthly Charge	
	Inside City Limits	Outside City Limits
1-1/2 inch line	\$12.62	\$15.27
2 inch line	17.06	20.48
2-1/2 inch line	19.16	23.03
3 inch line	21.26	25.46

Sprinklers	Monthly Charge	
	Inside City Limits	Outside City Limits
4-inch	\$33.99	\$40.74
6-inch	50.93	61.22
8-inch	84.90	101.85
10-inch	148.56	178.11
12-inch	212.10	254.72

D. Public Fire Protection Service.

Hydrant Rental-Per Hydrant-Per Year \$318.38

E. Sale for Resale.

	<u>Rate Per 1,000 Gallons</u>
Town of Dillsboro & Hogan Water Co. All Consumption Per Month	\$1.88

F. Tap-In Fees.

Each user at the time he is connected with the waterworks system, shall pay a charge to cover the costs of tapping the main, furnishing and laying service pipe, corporation and stop cocks, service and meter box and installing the meter in an amount in accordance with the following schedule:

Size of Meter	Tap-In Fee
5/8 inch to 3/4 inch meter	\$300.00
For any meter greater than 5/8 inch to 3/4 inch	

An amount equal to the cost of materials and labor, but in no event shall the tap-in fee be less than \$300.00.

G. Temporary Users.

Water furnished to temporary users such as contractors, circuses, etc. shall be charged on the basis of the metered gallon rates hereinabove set forth as estimated and established by the Water Works Superintendent.

H. 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.

I. Reconnection Charge.

When the service is turned off for non-payment of bill, or whenever for any reason beyond the control of the water utility a re-establishment of service is required by any one customer more often than once in a twelve month period, a charge of \$5.00 will be made by the water utility to be paid by the customer to cover a part of the cost of discontinuance and re-establishment of service when such service is re-established during normal working hours. If re-establishment of service is performed after normal working hours, a charge of \$20.00 will be made by the water utility to be paid by the customer to cover the cost.

J. Customer Visit to Collect Delinquent Account.

Whenever the water utility makes a visit to the customer in order to collect a delinquent bill or account, whatever the reason for the delinquency or non-payment, a fee of \$5.00 will be charged to the customer for each visit made by the utility.

K. Bad Check Charge.

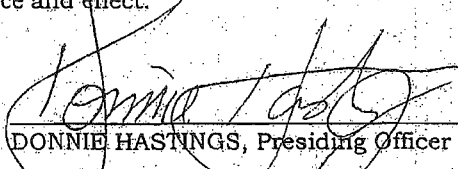
Whenever the water utility has a check returned by the bank for the reason of "insufficient funds" or for which the check has been returned marked "Account Closed" the water utility shall charge the customer a fee of \$10.00 for each check so returned.

SECTION 2. Measurement of gallonage of sewage shall be based upon a figure from municipal water meter readings of each municipal water customer.

SECTION 3. Any fees and charges previously established which are not specifically addressed herein shall remain in full force and effect and are not intended to be changed, modified or repealed by this ordinance. All ordinance and parts of ordinances that are in conflict with the rates and charges fixed and established herein, are hereby repealed.

SECTION 4. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Aurora, Indiana and approved by the Mayor, provided however, that the schedule of rates and charges herein set out shall not become effective unless approved by the Indiana Utility Regulatory Commission, or until such time as the Commission may direct. Until such time as the new schedule of rates and charges fixed in

this ordinance is approved by the Commission and become effective, the existing schedule of water rates and charges shall remain in full force and effect.


DONNIE HASTINGS, Presiding Officer


Passed and adopted by the Common Council of the City of Aurora, Indiana by the following roll call vote on this 3rd day of October, 2005.

AYES: John E. Bergman, Michael Cridler
Charles E. Hays, Jr., J. L. [unclear]
Robert Buffton

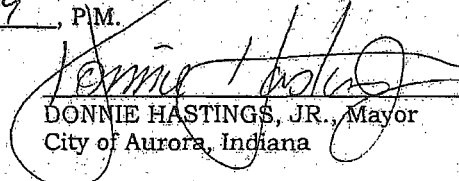
NAYES: _____

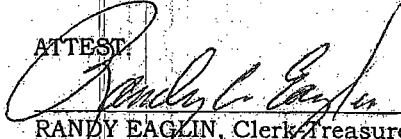
ABSENT: _____

Presented by me to the Mayor of the City of Aurora, Indiana this 3rd day of October, 2005 at 7:19, P.M.


RANDY EAGLIN, Clerk-Treasurer
City of Aurora, Indiana

Signed and approved by me, Mayor of the City of Aurora, Indiana this 3rd day of October, 2005 at 7:19, P.M.


DONNIE HASTINGS, JR., Mayor
City of Aurora, Indiana

ATTEST:

RANDY EAGLIN, Clerk-Treasurer

"EXHIBIT B"

ORDINANCE NO. 2006-18

AN ORDINANCE ESTABLISHING A NEW SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE CITY OF AURORA, INDIANA, FROM THE OWNERS OF PROPERTY SERVED BY THE SEWAGE WORKS OF THE CITY

WHEREAS, the City of Aurora, Indiana (the "City"), has heretofore established and constructed and currently owns and operates a sewage works by and through its Utility Service Board for the collection and treatment of sewage and other wastes (the "Sewage Works"), pursuant to the provisions of Indiana Code 36-9-23, as amended (the "Act"); and

WHEREAS, increased expenses and operating costs render it necessary to increase rates and charges to ensure that the Sewage Works remains in a sound fiscal and financial condition to render adequate and efficient service to the users thereof; and

WHEREAS, Indiana Code 36-9-23-25 requires a municipal sewer utility to set rates and charges sufficient to produce revenue to pay all legal and necessary expenses incident to the operating of the utility, including maintenance costs, operating costs, upkeep, repairs, depreciation, interest charges on bonds or other obligations including leases, to provide for a sinking fund, to provide a debt service reserve for bonds or other obligations, to provide adequate money for working capital, to provide adequate money for making extensions and replacements to the extent not provided for through depreciation, and to provide money for payment of any taxes that may be assessed against the utility; and

WHEREAS, the present rates and charges are not sufficient to comply with Indiana Code 36-9-23-25.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF AURORA, INDIANA, AS FOLLOWS:

Section 1. The existing schedule of rates and charges for use of the sewage works of the City is hereby amended by deleting it in its entirety and substituting in lieu thereof the following:

<u>Residential Rate Per Month</u>		<u>"Rate Per 1,000 Gallons Inside City Limits</u>	<u>Rate Per 1,000 Gallons Outside City Limits</u>
First	5,000 gallons	\$10.17	\$12.27
Next	15,000 gallons	\$ 9.51	\$11.40
Next	30,000 gallons	\$ 7.92	\$ 9.51
Next	50,000 gallons	\$ 6.38	\$ 7.67
Next	400,000 gallons	\$ 4.00	\$ 4.79
Next	500,000 gallons	\$ 3.18	\$ 3.79
Over	1,000,000 gallons	\$ 1.54	\$ 1.86

Residential Minimum Charge Per Month - Inside City Limits: \$23.61

Residential Minimum Charge Per Month - Outside City Limits: \$28.21

<u>Commercial and Industrial Rate Per Month</u>		<u>Rate Per 1,000 Gallons Inside City Limits</u>	<u>Rate Per 1,000 Gallons Outside City Limits</u>
First	5,000 gallons	\$10.59	\$12.76
Next	15,000 gallons	\$ 9.87	\$11.86
Next	30,000 gallons	\$ 8.23	\$ 9.87
Next	50,000 gallons	\$ 6.65	\$ 7.98
Next	400,000 gallons	\$ 4.14	\$ 5.00
Next	500,000 gallons	\$ 3.29	\$ 3.94
Over	1,000,000 gallons	\$ 1.60	\$ 1.92

Commercial Minimum Charge Per Month - Inside City Limits: \$24.38

Industrial Minimum Charge Per Month - Inside City Limits: \$376.78

Commercial Minimum Charge Per Month - Outside City Limits: \$30.84

Industrial Minimum Charge Per Month - Outside City Limits: \$376.78"

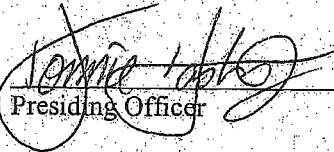
Section 2. The revised rates and charges provided in this Ordinance shall go into effect in the first full billing period after the adoption of this Ordinance.

Section 3. This Ordinance shall be effective upon its passage by the Common Council and approval by the Mayor of the City, in accordance with procedures as required by law.


* * *

Passed and adopted by the Common Council of the City of Aurora, Indiana on the
20th day of November, 2006.

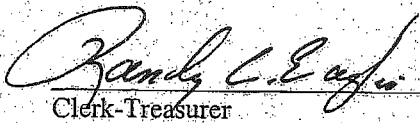
COMMON COUNCIL OF THE CITY
OF AURORA, INDIANA


Presiding Officer

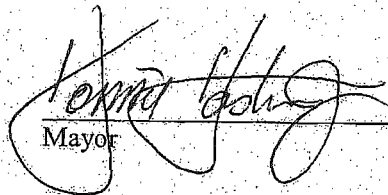
ATTEST:


Clerk-Treasurer

Presented by me to the President of the Common Council of the City of Aurora on
the 20th day of November, 2006; at 7:15 o'clock P.m.


Clerk-Treasurer

This Ordinance approved and signed by me on the 20th day of November, 2006,
at 7:15 o'clock P.m.


Mayor