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SEP 28 2012

STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY  
REGULATORY COMMISSION

**PETITION FOR APPROVAL OF RATE AND CHARGE DIFFERENCE BETWEEN  
PROPERTY WITHIN AND PROPERTY OUTSIDE THE CORPORATE BOUNDARIES  
OF NEWBURGH, INDIANA**

Pursuant to Indiana Code § 8-1.5-3-8.3(c), The Town of Newburgh, Indiana ("Newburgh"), by counsel, requests the Director of the Water and Wastewater Division of the Indiana Utility Regulatory Commission ("Commission") to approve the rate and charge difference between property within and property outside the corporate boundaries of Newburgh. In support of its request, Newburgh states:

1. The ordinance setting rates and charges for property within and property outside the municipality's corporate boundaries took effect on May 15, 2009
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   X
  - c. both water and wastewater utility works \_\_\_\_\_
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 41.6% based on the monthly minimum charge for metered customers. Additional detail for usage above the minimum is presented on the attached chart.
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. Clayton C. Miller with the law firm of Bamberger, Foreman, Oswald & Hahn, LLP, 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.

Respectfully submitted,



Clayton C. Miller, Att'y No. 17466-49  
Bamberger, Foreman, Oswald & Hahn, LLP  
201 N. Illinois Street, Suite 1225  
Indianapolis, IN 46204  
Telephone: (317) 822-6786  
Facsimile: (317) 464-1592  
Email: [cmiller@bamberger.com](mailto:cmiller@bamberger.com)

*Attorney for Petitioner*

Verification

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

Signed  {Representative of Municipality}

Print title: President of Town Council

Date 9/26/2012

Exhibit A

FILED

MAY 15 2009

ORDINANCE NO. 2009-4

Docket No  
REBECCA J. GENTRY  
Clark-Treasurer Town of Newburgh

AN ORDINANCE ESTABLISHING A NEW SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE TOWN OF NEWBURGH FROM THE OWNERS OF PROPERTY SERVED BY THE SEWAGE WORKS OF THE TOWN AND OTHER MATTERS CONNECTED THEREWITH, AMENDING ORDINANCES NO. 1987-1, 1989-8, 1990-30, 1998-1 AND 2001-3, 2002-7, 2005-1, and 2008-14.

WHEREAS, the Town has heretofore constructed and has in operation a sewage works for the purpose of collecting and disposing of the sewage of the Town and the area surrounding it in a sanitary manner and has heretofore authorized construction of, and has constructed, improvements to the treatment plant of the system; and

WHEREAS, the Town finds it necessary to expend sums to upgrade lift stations, expand sanitary sewer collection lines due to growth in the system, expand treatment plant capacity, replace structures and equipment that have reached the end of their useful life, eliminate sewer under-capacity in the collector and treatment system and create and implement capacity management, operations and maintenance systems (CMOM) to keep the sewer collection and treatment systems in compliance with IDEM and USEPA requirements; and

WHEREAS, it is necessary to establish a new schedule of rates and charges to produce sufficient revenue to pay the expense of maintenance and operation of the works, to provide funds for necessary replacements and improvements to the works, to provide funds for a reasonable return on the utility plant, to provide funds for payment in lieu of taxes, to pay the principal and interest, and to fund the debt service reserve, on outstanding, and to be issued, revenue bonds in accordance with the applicable Bond Ordinances, all in a manner in accordance with law of the State of Indiana, the Indiana Department of Environmental Management, and the U.S. Environmental Protection Agency.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NEWBURGH:

Section 1: Ordinance No. 1987-1 as amended, shall remain in force and effect except as amended herein.

Section 2.

- (a) Every person whose premises are served by said sewage works shall be charged for the services provided. These charges are established for each user class, as defined, in order that the sewage works shall recover, from

each user and user class, revenue which is proportional to its use of the treatment works in terms of volume and load. User charges are levied to defray the cost of operation and maintenance (including replacement) of the treatment works.

- (b) User charges are subject to the rules and regulations adopted by the United States Environmental Protection Agency and the law of the State of Indiana. Replacement costs, which are recovered through the system of user charges, shall be based upon the expected service life of the sewage works equipment.
- (c) The various classes of users of the treatment works for the purposes of this Ordinance, shall be as follows:

Class 1.	Residential
Class 2.	Commercial
Class 3.	Governmental/Institutional
Class 4.	Industrial

Section 3. The rates and charges for sewer service established in this Ordinance shall be payable as provided in Ordinance No. 1987-1 and those Ordinances amendatory thereto. Every user shall be billed under one of three methods set out in this section. Such rates and charges include user charges and debt service costs which shall be in an amount determinable as follows:

- (a) Metered Water Users:

The sewage rates and charges shall be based, in part, on the quantity of water used on or in the property or premises subject to such rates and charges, as the same is measured by the water meter there in use, except as herein otherwise provided. For the purpose of billing and collecting the charges for sewage service, the water meters shall be read monthly (or period equaling a month) or as determined by the water utility providing the readings to the Town's billing agency.

The water usage schedule on which the amount of said rates and charges shall be determined is as follows:

- 1) Treatment Rate - per 1,000 gallons of usage per month as is measured by the water meter there in use, according to the following schedule:

On and after November 1, 2009

	<u>Rate</u>
Inside Town	\$6.87
Outside Town	\$8.88

Plus the billing charge set out in (c) below.

On and after January 1, 2011

	<u>Rate</u>
Inside Town	\$ 7.48
Outside Town	\$11.31

Plus the billing charge set out in (c) below.

On and after January 1, 2012

	<u>Rate</u>
Inside Town	\$ 8.12
Outside Town	\$12.27

Plus the billing charge set out in (c) below.

2) Minimum Charge - each user shall pay a minimum monthly charge, according to the following schedule and for such charge they are entitled to 3,000 gallons.

	<u>Rate</u>
On and after November 1, 2009	
Inside Town	\$25.35
Outside Town	\$31.38

This rate includes the billing charge identified in (c) below.

	<u>Rate</u>
On and after January 1, 2011	
Inside Town	\$27.60
Outside Town	\$39.09

This rate includes the billing charge identified in (c) below.

	<u>Rate</u>
On and after January 1, 2012	
Inside Town	\$29.96
Outside Town	\$42.41

This rate includes the billing charge identified in (c) below.

(b) Unmetered Water Users:

Water furnished to unmetered residential and commercial users shall be charged on the basis of the metered gallon rates herein before set forth as estimated and established by the Town Council (assuming 4300 gallons used per month), but in no event shall the monthly charge be less than as follows:

	<u>Rate</u>
On and after November 1, 2009	
Inside Town	\$34.28
Outside Town	\$42.92

This rate includes the billing charge identified in (c) below.

	<u>Rate</u>
On and after January 1, 2011	
Inside Town	\$37.32
Outside Town	\$53.79

This rate includes the billing charge identified in (c) below.

	<u>Rate</u>
On and after January 1, 2012	
Inside Town	\$40.52
Outside Town	\$58.36

This rate includes the billing charge identified in (c) below.

(c) Billing charge:

Each user, whether billed under a minimum charge, metered usage or unmetered usage shall pay a monthly billing charge to defray the cost of the third party billing service utilized by the Town to bill sewer bills. The billing charge is included in the minimum rate and unmetered rate set out above. It is charged in addition to the metered rate set out above.

	<u>Rate</u>
On and after November 1, 2009	
In Town and out of Town	\$4.74
On and after January 1, 2011	
In Town and out of Town	\$5.16
On and after January 1, 2012	
In Town and out of Town	\$5.60

(d) For the service rendered to the Town of Newburgh, said Town shall be subject to the same rates and charges hereinabove provided.

(e) In order to recover the cost of monitoring industrial wastes, the Town shall charge the user the actual cost of monitoring but not less than \$60 per sample. This charge will be reviewed and revised on the same basis as all other rates and charges in this ordinance.

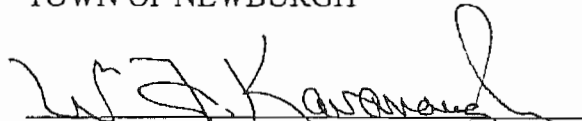
(f) Summer averaging and sewer adjustments for broken water mains shall continue as provided by Town policy.

Section 4. The rates and charges as herein set forth shall become effective on the first full billing period occurring after the date set out herein for the rate to apply.

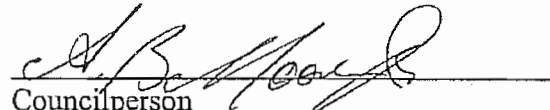
Section 5. In all other respects Ordinance 1987-1 and all Ordinances amendatory thereto remain in full force and effect.


Adopted on the 10<sup>th</sup> day of June, 2009.


TOWN COUNCIL OF THE  
TOWN OF NEWBURGH

  
\_\_\_\_\_  
President, Newburgh Town Council

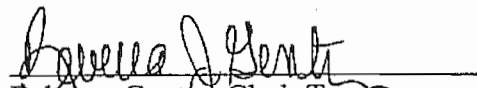
  
\_\_\_\_\_  
Councilperson

  
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Councilperson

  
\_\_\_\_\_  
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\_\_\_\_\_  
Councilperson

ATTEST:

  
\_\_\_\_\_  
Rebecca Gentry, Clerk-Treasurer



## Town of Newburgh Sewer Rate Chart

as of January 1, 2012

### For Metered Customers

Newburgh has a minimum monthly charge covering the first 3,000 gallons of metered monthly water consumption. This charge includes the required monthly billing charge of \$5.60. The monthly billing charge is the same for all customers whether inside or outside of town. The volumetric rate for each additional 1,000 gallons above the monthly minimum is \$8.12 Inside Town and \$12.27 Outside Town.

	Inside Town	Outside Town	% Difference
Monthly minimum:	\$29.96	\$42.41	41.6%
4,000 gallons:	\$38.08	\$54.68	43.6%
5,000 gallons:	\$46.20	\$66.95	44.9%
6,000 gallons:	\$54.32	\$79.22	45.8%
7,000 gallons:	\$62.44	\$91.49	46.5%
8,000 gallons:	\$70.56	\$103.76	47.1%
9,000 gallons:	\$78.68	\$116.03	47.5%
10,000 gallons:	\$86.80	\$128.30	47.8%
20,000 gallons:	\$168.00	\$251.00	49.4%

### For Unmetered Customers

	Inside Town	Outside Town	% Difference
Monthly minimum*:	\$40.52	\$58.36	44.0%

\* - Assumes 4,300 gallons used per month