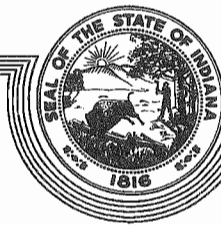


# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
101 WEST WASHINGTON STREET, SUITE 1500 EAST  
INDIANAPOLIS, INDIANA 46204-3419

<http://www.in.gov/iurc>  
Office: (317) 232-2701  
Facsimile: (317) 232-6758

October 11, 2012

John A. Hargis,  
Wagoner, Ayer, Hargis & Rudisill, LLP  
104 S. Third Street  
P.O. Box 166  
Rockport, IN 47635

Dear Mr. Hargis:

On September 28, 2012, the Indiana Utility Regulatory Commission (“Commission”) received the Town of Troy’s Petition for Approval of Rate and Charge Difference Between Property Within and Property Outside the Corporate Boundaries of the Town of Troy pursuant to IC § 8-1.5-3-8.3 and General Administrative Order 2012-2 (“GAO 2012-2”).

Under GAO 2012-2, the Commission delegated its authority to the Director of the Water/Wastewater Division to review this Petition to determine whether it satisfies the requirements of IC § 8-1.5-3-8.3(c) and, upon such finding, to approve the Petition including the percentage difference between rates and charges, or in the alternative, upon finding that the Petition does not satisfy the statutory requirements, to disapprove the Petition. The Director’s determination does not include reviewing any financial documents or calculations that may have been prepared to support the outside city rates. The Commission review is limited by IC § 8-1.5-3-8.3 and GAO 2012-2 to an administrative review of the ordinance to verify the percent surcharge(s) listed and that the approval date was prior to March 31, 2012.

This letter serves as confirmation that the Petition submitted by the Town of Troy on September 28, 2012, satisfies the requirements of IC § 8-1.5-3-8.3(c) and that the Petition, including the percentage difference between the water rates and charges as set forth in the Town of Troy’s Ordinance Number 9-01-2011, dated September 14, 2011, attached thereto is hereby approved.

Please be advised that under GAO 2012-2, any party wishing to appeal the Director’s Decision must file a Petition, in writing and in compliance with the Commission’s Rules of Procedure, 170 IAC 1-1.1 et seq. The Petition must be received by the Commission no later than ten (10) days after the issuance of this Decision. Because of the Commission’s limited review, petitions to appeal are likely to be based upon one or more of the following reasons:

1. That the percentage differential for outside customers falls outside the range of 15%-50% of the inside rates;
2. That the Ordinance in question was not in effect prior to March 31, 2012; and/or
3. That the Ordinance in question has been amended, superseded, or by other reason is no longer in effect.

Petitions to appeal the Director's Decision should be sent to the attention of:

Brenda Howe, Secretary to the Commission  
Indiana Utility Regulatory Commission  
101 W. Washington Street, Suite 1500E  
Indianapolis, IN 46204

If you have any questions, please call me at (317) 232-2749.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Curtis Gassert". The signature is written in a cursive style with a large initial "E" and a long, sweeping underline.

E. Curtis Gassert, Director  
Water/Wastewater Division