



H. J. Umbaugh & Associates
Certified Public Accountants, LLP
925 Dora Lane
Suite 1
P.O. Box 697
Plymouth, IN 46563-0697
Phone: 574-935-5178
Fax: 574-935-5928
www.umbaugh.com

August 20, 2012

RECEIVED
AUG 22 2012
INDIANA UTILITY
REGULATORY COMMISSION

Mr. E. Curtis Gassert
Director Water/Wastewater Division
Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500 East
Indianapolis, Indiana 46204-3419

RE: Frankfort (Indiana) Municipal Utilities – Outside User Rate Petition

Dear Mr. Gassert:

On behalf of the City of Frankfort, please find the Petition for Approval of Rate Differential Between Property Within and Property Outside the Corporate Boundaries of the City. If at any time you have any questions or need additional information, please feel free to contact myself or Mr. Lester Bergum, Jr., City Attorney.

Very truly yours,

UMBAUGH



Jeffrey P. Rowe

JPR/jf

Enclosure: Petition

cc: Ms. Judith Suter, Clerk-Treasurer
Mr. Lester Bergum, Jr., Attorney at Law

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF FRANKFORT)
FOR APPROVAL OF RATE AND CHARGE)
DIFFERENCE BETWEEN PROPERTY) **CAUSE NO. _____**
WITHIN AND PROPERTY OUTSIDE THE)
CORPORATE BOUNDARIES OF FRANKFORT)

Pursuant to Indiana Code §8-1.5-3-8.3(c), Petitioner, the City of Frankfort, Indiana (“Frankfort”), by counsel, respectfully petitions 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 Frankfort. In support of its Petition, Petitioner states:

1. The ordinances setting rates and charges for property within and property outside the municipality’s corporate boundaries took effect on June 9, 2008 for the Municipal Water Utility and June 14, 2010 for the Municipal Sewage Works.
2. Attached as “Exhibit A” are copies of the ordinances.
3. The works that are the subject of the ordinances are (select one):
 - a. Water utility works _____
 - b. Wastewater utility works _____
 - c. Both water and wastewater utility works X
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 25%.

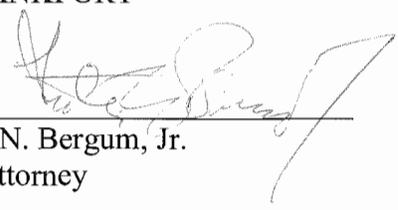
5. If the percentage difference in #4 above varies based upon the amount of consumption, please provide a charge illustrating the various consumption levels in 1,000 gallon increments with the corresponding surcharge and attach to this Petition. N/A
6. Lester N. Bergum, Jr., Attorney at Law, 2 East Washington Street, Suite 300, Frankfort, Indiana, 46041, is counsel of record for Petitioner in this matter and is duly authorized to accept service of papers in this cause on behalf of the Petitioner.

WHEREFORE, The City of Frankfort, Indiana, requests 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 Frankfort and for other just and reasonable relief.

Dated: August 15, 2012.

CITY OF FRANKFORT

BY: _____

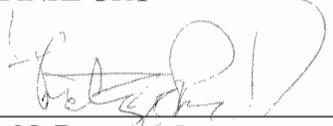

Lester N. Bergum, Jr.
City Attorney

ACKNOWLEDGMENT

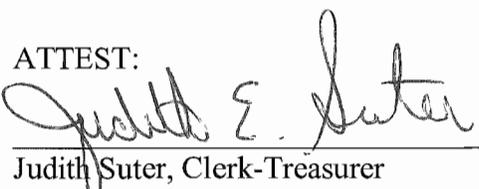
I, Lester N. Bergum, Jr., City Attorney, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

CITY OF FRANKFORT

BY: _____


Lester N. Bergum, Jr.
City Attorney

ATTEST:



Judith Suter, Clerk-Treasurer

Lester Bergum, Jr.
Robison Robison Bergum & Johnson
2 East Washington Street, Suite 300
Frankfort, Indiana 46041
Phone: 765-654-8776
Email: lbergum@rbjlawyers.com

FRANKFORT (INDIANA) MUNICIPAL UTILITIES

EXHIBIT A

ORDINANCE NO. 10-06

ORDINANCE ESTABLISHING SEWAGE RATES AND CHARGES
FOR THE USE OF SERVICES RENDERED BY THE SEWAGE
WORKS UTILITY OF THE CITY OF FRANKFORT, INDIANA

WHEREAS, pursuant to Ind. Code §§ 36-9-23-1 *et seq.*, the City of Frankfort (the "City") owns, operates, manages and controls sewage works for the purpose of providing a sufficient capacity to collect and treat wastewater from the inhabitants and around the City, and properly protecting the health, well-being and property of the City and its inhabitants; and

WHEREAS, the Utility Service Board ("USB") has separately determined that capital improvements are needed for the sewage works utility for which additional long-term debt should be issued and additional debt service and debt service reserve will be incurred; and

WHEREAS, the City's existing schedule of fees for sewer service is contained in Code Sections 51.018, 51.020, 51.021(B) and 51.023(B) and (E), as amended; and

WHEREAS, pursuant to Ind. Code §36-9-23-26, the City's Common Council (the "Council") may change or adjust its existing schedule of fees by ordinance after notice and public hearing; and

WHEREAS, Ind. Code §36-9-23-25 authorizes this Council to adopt by ordinance a just and equitable schedule of fees for sewer service; and

WHEREAS, this Council may exercise reasonable discretion in adopting different schedules of fees, or making classifications in schedules of fees, based on variations in the costs, including capital expenditures, of furnishing services to various classes of users or to various locations, or the number of users in various locations; and

WHEREAS, the USB has caused a financial study of the municipal sewage works to be made by H. J. Umbaugh & Associates (the "Rate Study"); and

WHEREAS, the Rate Study indicates that the current rates and charges will be insufficient to meet the reasonable financial requirements and the necessary capital improvements to the utility and the sewage rates and charges should be increased; and

WHEREAS, the Council now finds the existing rates and charges for the use of and service rendered by the sewage works system of the City will be too low and are insufficient to pay all the necessary expenses incident to the operation of said sewage works, including maintenance costs, operation charges, upkeep, repairs, depreciation, debt service and debt service reserve on existing and planned obligations of the sewage works, to provide a sinking fund for the liquidation of indebtedness, and to provide adequate funds to make extensions and replacements, and to make payments in lieu of taxes, and that accordingly, such existing rates and charges will not produce income sufficient to maintain the sewage works property in sound physical and financial condition to render adequate and efficient service, all as provided in Indiana Code § 36-9-23-25, and that the existing rates and charges should be increased; and

WHEREAS, the rates adopted herein are nondiscriminatory, reasonable, just and equitable;
and

WHEREAS, it is necessary and desirable that the rates and charges be sufficient to provide revenues to compensate the City for taxes that would be due on the utility property were it privately owned.

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FRANKFORT, INDIANA as follows:

Section 1. This Council after notice, investigation, public hearing, and consideration has determined that it is necessary to replace Code Sections 51.018, 51.20 (A) and (B), 51.21(B) and 51.023 (B) and (E) with the following:

§ 51.018 MONTHLY CHARGES

(A) Monthly charges:

Per customer charge for customers served by 3/4 and 5/8 inch meters to cover customer costs and debt service (local capital costs)	\$7.88
User flow charge, per 100 cubic feet (for operation, maintenance, replacement, and debt service)	\$3.43

(B) Customers outside the city limits shall pay 125% of the calculated charges, unless governed by individual agreement between the customer and the Utility Service Board.

§ 51.020 MINIMUM CHARGES BASED ON METER SIZE

(A) Whereas meters larger than 5/8 inch and 3/4 inch are installed, the following minimum charges shall apply for operation, maintenance, replacement, and debt service:

1 inch meter	\$35.62
1 1/4 inch meter	53.43
1 1/2 inch meter	66.79
2 inch meter	89.09
3 inch meter	133.62
4 inch meter	222.70
6 inch meter	334.09

(B) The minimum charge for any service where the user is not a metered water consumer shall be based on the size of the service connection, but no such charge shall be less than \$59.36. In all cases where the user is not a metered water consumer, the city shall have

the right at all times to estimate the size and to bill the user in accordance with such estimated usage, but the monthly charge shall not be less than \$59.36.

§51.021 MULTIPLE USERS ON SINGLE METER.

(B) In the event two or more dwelling units, such as trailers, apartments, or housekeeping rooms, discharging sanitary sewage, water, or other wastes into the city's sanitary system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then, billing shall be for a single service, to which shall be added a charge of \$1.71 per month, for each dwelling in excess of one.

§51.023 SURCHARGE BASED ON STRENGTH, CHARACTER OF WASTE.

(B) Any and all commercial and industrial installations having an effluent discharge into the city's sewers with an average BOD exceeding 200 parts per million concentration and/or an average daily suspended solids exceeding 250 parts-per million concentration shall be deemed to be discharging sewage of such strength as to require a surcharge for the treatment and disposal thereof. The surcharges shall be as follows:

BOD in excess of 200 mg/l	\$0.22 per pound
S.S. in excess of 250 mg/l	\$0.18 per pound

(E) Repealed.

Section 2. To the extent not expressly modified or amended herein, all ordinances of the City which pertain to sewers, as found in Chapter 51 of the Code of the City, shall remain in full force and effect, and those provisions are hereby ratified and confirmed.

Section 3. This Council finds that Chapter 51 of the Code of the City, as amended herein, constitutes a just and equitable schedule of fees for services rendered by the City's sewage works, which fees are required to maintain the sewage works in the sound physical and financial condition necessary to render adequate and efficient service and are sufficient to:

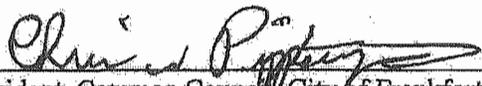
- a. Pay all expenses incidental to the operation of the works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations;
- b. Provide the sinking fund required by Ind. Code §36-9-23-21;
- c. Provide adequate money to be used as working capital; and
- d. Provide adequate money for improving and replacing the works.

Section 4. The user fees described herein shall be effective upon the first day of the first month following the effective date of this Ordinance.

Section 5. A copy of the schedule of fees shall be kept on file and available for public inspection in the offices of the Frankfort Sewage Works Utility.

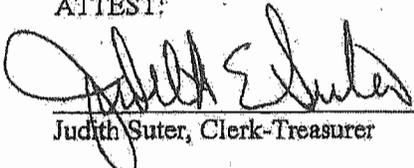
Section 6. This ordinance shall be in full force and effect upon adoption and compliance with Ind. Code § 36-4-6-14.

Adopted this 14th day of JUNE, 2010.



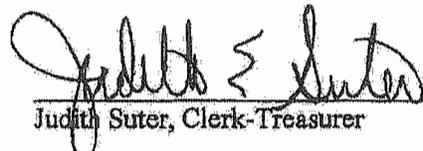
President, Common Council, City of Frankfort, Indiana

ATTEST:



Judith Suter, Clerk-Treasurer

Presented by me to the Mayor of the City of Frankfort, Indiana, on this the 14th day of JUNE, 2010, at 8:00 P.M.



Judith Suter, Clerk-Treasurer

Approved and signed by me on this the 14th day of JUNE, 2010.



Chris Pippenger, Mayor

**COMMON COUNCIL
CITY OF FRANKFORT, INDIANA
ORDINANCE NO. 2008-02**

AN ORDINANCE TO AMEND AN ORDINANCE FIXING RATES AND CHARGES TO BE COLLECTED BY THE CITY OF FRANKFORT, INDIANA, FROM THE OWNERS OF PROPERTY SERVED BY THE CITY WATER WORKS

BE IT ORDAINED by the Common Council of the City of Frankfort, Indiana, as follows:

Section 1. The provisions contained in the Code of the City of Frankfort for charges for water usage, including Use and Service Rates, Minimum Charges, Fire Hydrant Rates and Private Fire Protection Water Service, as found in Code Sections 52.10(A), 52.10(B), 52.11(A) and 52.11(B) are hereby amended by replacing those sections with the following Sections 52.10(A), 52.10(B), 52.11(A) and 52.11(B). The listed charges shall take effect on the first day of the calendar month following the month in which this Ordinance is adopted.

§52.10 (A) Use and service rates.

<u>Metered Rates Per Month</u>	<u>Rate Per 100 Cubic Feet</u>
First 6000 cubic feet	\$ 2.57
Next 6500 cubic feet	\$ 2.28
Next 55000 cubic feet	\$ 1.98
Next 65000 cubic feet	\$ 1.77
Next 132500 cubic feet	\$ 1.62
Over 265000 cubic feet	\$ 1.45

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

§ 52.10 (B) Minimum charges.

<u>Size of Meter</u>	<u>Cubic Feet Allowed</u>	<u>Per Month</u>
5/8 and 3/4 inch meter	400	\$ 10.28
1 inch meter	1610	\$ 41.38
1 1/4 inch meter	2415	\$ 62.07
1 1/2 inch meter	3020	\$ 77.61
2 inch meter	4025	\$ 103.44
3 inch meter	6050	\$ 155.34

4 inch meter	11050	\$ 269.34
6 inch meter	18830	\$ 427.73

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

§52.11 (A) Fire hydrant rates.

<u>Fire Protection</u>	<u>Per Annum</u>
Public Fire Hydrants - Per Hydrant	\$ 550.45
Private Fire Hydrants - Per Hydrant	\$ 550.45

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

§ 52.11 (B) Private fire protection water service.

Fireline up to:

2 3/4 inch line	\$ 331.63
3 inch line	\$ 497.47
4 inch line	\$ 718.55
6 inch line	\$ 1,464.71
8 inch line	\$ 2,929.40
10 inch line	\$ 4,559.92
12 inch line	\$ 5,814.94

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

Section 2. To the extent not amended by this ordinance, all ordinances of the City of Frankfort which pertain to water service, as found in Chapter 52 of the Code of the City of Frankfort, shall remain in full force and effect, and those provisions are hereby ratified and confirmed.

This Ordinance shall be in full force and effect from and after its passage and signature by the mayor, in accordance with the laws of the State of Indiana.

ADOPTED this 9th day of JUNE, 2008.

Chris V. Pappas
 President, Common Council, City of Frankfort, Indiana

ATTEST:

Judith E. Suter
City Clerk-Treasurer

Presented by me to the Mayor of the City of Frankfort, Indiana, for approval and signature following passage by the Common Council of the City of Frankfort, Indiana, this 9th day of JUNE, 2008, at 7:30 o'clock, A.m.

Judith E. Suter
Clerk-Treasurer, City of Frankfort

Approved and signed by me, this 9th day of JUNE, 2008.

Chris V. Pappas
Mayor, City of Frankfort