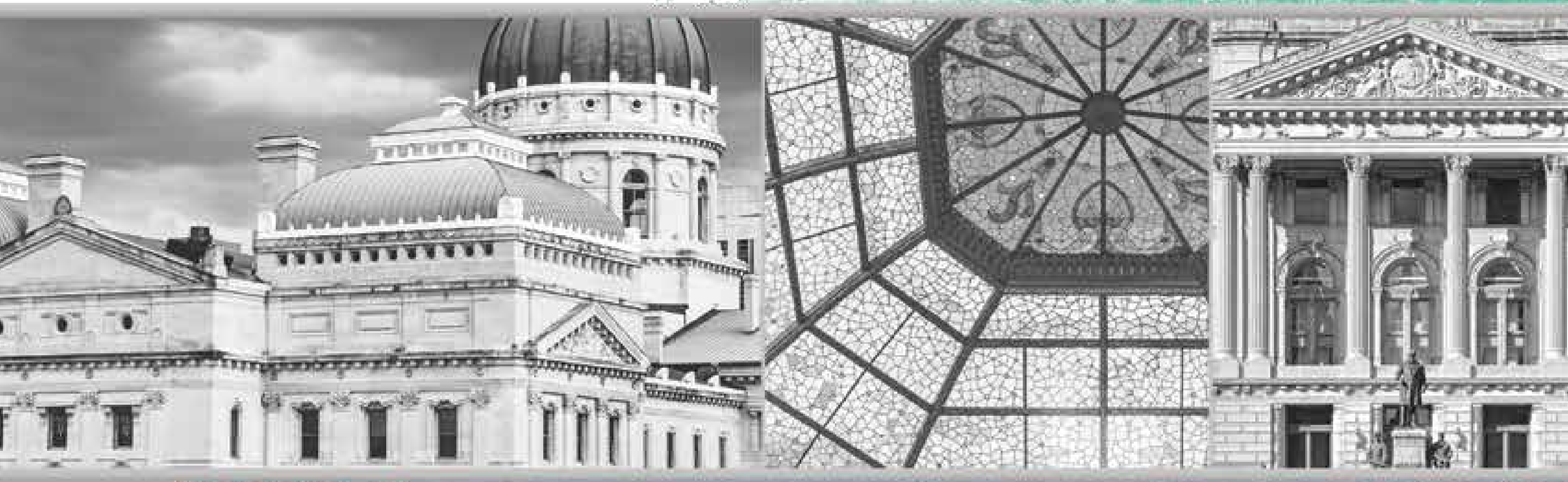

Indiana Utility Regulatory Commission

2020 ANNUAL REPORT

Dear Governor Holcomb and Members of the General Assembly,

Eric Holcomb
Governor of Indiana

Suzanne Crouch
Lt. Governor

We are proud to present the Indiana Utility Regulatory Commission's (Commission's) Annual Report for Fiscal Year 2020. This report shares with you the work of the Commission over the past year and how the Commission continues to look forward at emerging trends and innovations, recognize challenges like aging infrastructure, and adapt to legislative updates made at the state and federal levels. As always, we take seriously our responsibility to ensure utilities in the state provide safe and reliable service at just and reasonable rates.

This year presented some unprecedented challenges as well; the public health emergency due to the novel coronavirus (COVID-19) pandemic caused several processes and procedures to change at the Commission. Our staff began working remotely, hearings and weekly Conferences were hosted via teleconference, and certain requirements for filings were temporarily lifted. And through it all, we made every effort to conduct business in an open and transparent way with the highest level of integrity, and we will continue to do so.

The Commission is grateful for the opportunity to continue serving Hoosiers. We are aware that changes continue to impact the utility industry in profound ways. As we've stated before, Indiana policymakers must continue to thoughtfully navigate through these changes and challenges that are contributing to a rising cost environment. And as policymakers tackle these issues, the Commission and its dedicated staff stand ready to be a resource regarding Indiana's utilities and the regulatory process.

Thank you for your service to our great state, and please do not hesitate to contact us if you have any questions. The Commission is always open to you.

Sincerely,

James F. Huston
Chairman

Sarah E. Freeman
Commissioner

Stefanie N. Krevda
Commissioner

David L. Ober
Commissioner

David E. Ziegner
Commissioner

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2020 IURC ANNUAL REPORT

Our Mission

The Indiana Utility Regulatory Commission (Commission or IURC) is an administrative agency that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. The Commission is required by state statute to be impartial and make decisions in the public interest to ensure regulated utilities provide safe and reliable service at just and reasonable rates.

The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana's utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utility issues affecting Indiana.

Upon taking office in January 2017, Governor Eric Holcomb outlined five priorities to guide his administration:

1. **Cultivate a strong and diverse economy to ensure that Indiana remains a magnet for jobs.**
2. **Fund a long-term roads and bridges plan that takes the greatest advantage of our location.**
3. **Develop a 21st century skilled and ready workforce.**
4. **Attack the drug epidemic.**
5. **Provide great government service at a great value for taxpayers.**

The Commission, with its mission and statutory framework as guideposts, has adopted objectives for Fiscal Year 2020 that align with the Governor's priorities to take Indiana to the Next Level:

IURC Next Level Priorities for 2020

1. **Improve communication and collaboration on the docketed case process.**
2. **Evaluate day-to-day internal processes and procedures.**
3. **Create processes for knowledge transfer within and between divisions.**
4. **Work with stakeholders to determine opportunities to improve procedural efficiencies.**

In accordance with Indiana Code § 8-1-1-14, the Commission offers to the Indiana General Assembly the suggestion to review the many and varied statutes that require the Commission to submit reports to the Governor and the Indiana General Assembly and assess which of these requirements are still necessary and whether the reporting requirements should be consolidated to provide one reporting deadline.

Regulatory Responsibility

The Commission was created by and receives its authority primarily from Indiana Code Title 8, which sets forth the types of utilities under the Commission's jurisdiction and the framework for the Commission's determinations.

The Commission regulates various aspects of Indiana public utilities' business, including rates and charges, financing, bonding, environmental compliance plans, and service territories. The Commission has regulatory oversight concerning construction projects, as well as acquisition of additional plant and equipment assets. It also has the authority to initiate investigations of regulated utilities' rates and practices and to promulgate rules governing utility service and various processes and procedures.

The bipartisan Commission consists of five commissioners who are appointed by the Governor to staggered four-year terms. A dedicated and well-educated professional staff (who have earned various degrees including accounting, finance, economics, engineering, and law) advises the Commission regarding regulatory matters and pending cases. The Commission also includes the Pipeline Safety Division, which oversees compliance with state and federal pipeline safety regulations, and a Consumer Affairs Division, which provides dispute resolution services for customers and utilities.

You can view the Commission's annual budget and the public utility fee calculation in *Appendix A*.

The Commissioners

Jim Huston
Commission Chair

Jim Huston was appointed Chairman of the Commission in March 2018 following the retirement of Jim Atterholt. Chairman Huston was initially appointed to the Commission by Governor Pence on Sept. 3, 2014, and reappointed by Governor Holcomb on March 31, 2017. He serves on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Gas and also serves on the Gas Technology Institute's Public Interest Advisory Committee. Before his appointment, Chairman Huston served as chief of staff at the Indiana State Department of Health. During Governor Daniels' administration, he served as executive director of the Office of Faith-Based and Community Initiatives.

Chairman Huston worked as the scheduler and traveling aide to Governor Robert Orr and has served as assistant deputy treasurer for the State of Indiana and as deputy commissioner for the Bureau of Motor Vehicles. He also served as deputy chief of staff to Congressman David McIntosh, district director to Congressman Steve Buyer, and deputy chief of staff to Congressman Todd Rokita.

Chairman Huston earned his Bachelor of Science and Master of Arts degrees from Ball State University. He also is a 1987 recipient of the Sagamore of the Wabash Award and is a member of Brownsburg Kiwanis.

Chairman Huston and his wife Christy have been married 34 years and are the proud parents of four boys: John (wife Lauren) of Washington, D.C.; Lt. Luke, who is based at Fort Bragg, N.C.; David, who is a student at the Indiana University School of Medicine; and Joseph, who is at home with mom and dad. The Hustons reside in Brownsburg and are members of Calvary United Methodist Church.

Sarah Freeman
Commissioner

Sarah Freeman was appointed by Governor Mike Pence as Commissioner on Sept. 19, 2016, and reappointed by Governor Eric Holcomb on Dec. 29, 2017. Commissioner Freeman chairs National Association of Regulatory Utility Commissioners (NARUC's) Subcommittee on Education and Research and is a member of the NARUC Committee on Critical Infrastructure and Committee on Telecommunications. Commissioner Freeman is a member of the Board of Directors for the Organization of MISO States (OMS) and for the Universal Service Administrative Company as well as the Advisory Board for the Financial Research Institute at the University of Missouri. She previously represented the Commission on the Board of Directors for the Organization of PJM States (OPSI).

Prior to her appointment, Commissioner Freeman served as a senior staff attorney with the nonpartisan Indiana Legislative Services Agency for 16 years, where she drafted utility and transportation legislation and served as counsel to numerous legislative committees. In addition, Commissioner Freeman was a member of the Executive Committee of the National Conference of State Legislatures (NCSL) and the NCSL Task Force on Cybersecurity.

A native Hoosier, Commissioner Freeman earned her undergraduate degrees in psychology, French, and political science from Indiana University – Bloomington and her juris doctor degree from the Indiana University Maurer School of Law.

Stefanie Krevda
Commissioner

Stefanie Krevda was appointed Commissioner by Governor Eric Holcomb on May 21, 2018. She is a member of the National Association of Regulatory Utility Commissioners (NARUC) Committee on Energy Resources and the Environment and a member of the NARUC Subcommittee on Clean Coal and Carbon Management. For ten years, Commissioner Krevda has worked in public service and the non-profit sector. Before her appointment as

Commissioner, she served as Executive Director of External Affairs at the Commission.

Prior to her role at the Commission, she served as Chief of Staff and Interim Director at the State Personnel Department, which delivers human resources services to state agencies, collectively serving more than 28,000 employees. She also worked as Special Assistant to the CEO/President at Lumina Foundation, and was a legislative and policy gubernatorial aid in the office of Governor Mitch Daniels. She is a 2014 graduate of the Richard G. Lugar Excellence in Public Service Series and a 2011 graduate of the Indiana Leadership Forum.

Commissioner Krevda is a 2009 graduate of Purdue University. She and her husband reside in Zionsville, Indiana, with their daughter.

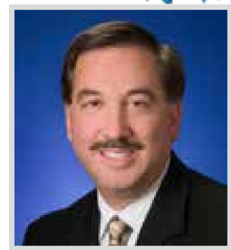
David Ober
Commissioner

David Ober was appointed by Governor Eric Holcomb on April 2, 2018, and was reappointed by Governor Eric Holcomb on Jan. 24, 2020. He is a member of the National Association of Regulatory Utility Commissioners (NARUC) Committee on Water, the Mid-America Regulatory Conference, and he serves as Vice-chair of the National Regulatory Research Institute Board of Directors. He also serves as a member of the Board of Directors and executive committee for the Organization of PJM States, Inc. (OPSI).

Prior to his appointment, Commissioner Ober served House District 82 in the Indiana House of Representatives representing Allen, Elkhart, LaGrange, Noble and Whitley counties (2012-2018).

Commissioner Ober has held a variety of leadership positions throughout his career in state government, including service as a member of the House Ways and Means Committee, as Assistant Majority Whip for the House Republican Caucus (2014-2016), and as Chairman of the House Committee on Energy, Utilities and Telecommunications from 2016 to 2018.

Commissioner Ober is a 2009 graduate of Purdue University Northwest. He and his wife reside in Zionsville, Indiana and attend Traders Point Christian Church.



David Ziegner
Commissioner

David Ziegner was appointed to the Commission on Aug. 25, 1990, by Governor Evan Bayh and has received continuous reappointments from Governor Frank O'Bannon, Governor Mitch Daniels, Governor Mike Pence, and Governor Eric Holcomb, with the most recent reappointment occurring in March 2019.

Commissioner Ziegner is former Treasurer of the National Association of Regulatory Utility Commissioners (NARUC) and a member and former vice-chair of the NARUC Committee on Electricity and is former chair of its Clean Coal and Carbon Sequestration Subcommittee. He is a member of the Mid-America Regulatory Conference.

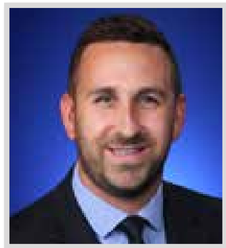
Additionally, he is a former chairman of the Advisory Council of the Center for Public Utilities at New Mexico State University and of the Consortium for Electric Reliability Technology Solutions Industry Advisory Board. He is a former member of the Advisory Council of the Electric Power Research Institute.

Commissioner Ziegner earned his Bachelor of Arts degree in history and journalism from Indiana University in 1976. He obtained his juris doctor degree from the Indiana University School of Law in Indianapolis in 1979 and was admitted to the Indiana Bar and U.S. District Court in that same year.

Prior to joining the Commission, he served as a staff attorney for the Legislative Services Agency, where he developed his background in both utility and regulatory issues. As the agency's senior staff attorney, he specialized in legislative issues concerning utility reform, local measured telephone service, the citizens' utility board, and pollution control. He also served as the general counsel for the Commission prior to his appointment.

Commissioner Ziegner and his wife Barbara reside in Greenwood and are members of Northminster Presbyterian Church.

Executive Team

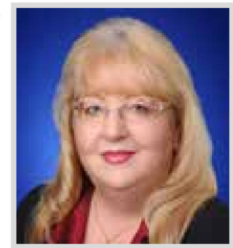


Ryan Heater
Chief of Staff

Ryan Heater leads all operational areas of the Commission, including Administrative Law Judges, External Affairs, Office of General Counsel, and Technical Operations (including energy, water/wastewater, communications, research, policy and planning, pipeline safety, and information technology divisions) as Chief of Staff. He also serves as strategic advisor to the Commission Chair and Commissioners. Ryan is a graduate of Purdue University and Indiana University Robert H. McKinney School of Law. He joined the Commission staff in July 2018.

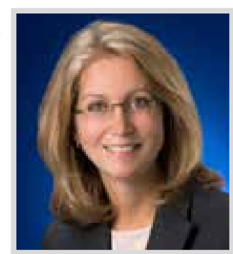
Ryan Hadley
Executive Director of External Affairs

Ryan Hadley leads the Commission's legislative, media, and stakeholder management strategies and advises the Commission on related issues. He oversees the Consumer Affairs Division, which provides dispute resolution services to customers and utilities. Additionally, he directs the disbursement strategy of the Underground Plant Protection Account fund, intended to raise awareness of Indiana's 811 law and provide education on safe digging practices. Ryan is a graduate of the University of Southern Indiana. He joined the Commission staff in May 2015.



Beth Heline
General Counsel

Beth Heline serves as the chief legal advisor to the Commission, as well as the Commission's ethics officer. She manages the Office of General Counsel attorneys and legal assistant, who provide complete legal support for all aspects of the Commission's operations and statutory requirements. Additionally, they conduct legal research on a wide range of issues, participate in matters before the Federal Energy Regulatory Commission (FERC) and Federal Communications Commission (FCC), and oversee Commission rulemakings. Heline earned a Bachelor of Arts degree from Western Michigan University and a juris doctor from Valparaiso University School of Law. She has served the Commission for 15 years.



Loraine Seyfried
Chief Administrative Law Judge

Loraine Seyfried leads the Commission's staff of administrative law judges who, along with the Commissioners, preside over docketed proceedings before the Commission.

She assists in the management of the Commission's hearing docket by making initial recommendations on case assignments and procedure, overseeing the hearing process, and providing advice in the preparation and review of Commission decisions. Judge Seyfried earned a Bachelor of Arts degree from Purdue University and a juris doctor degree from Southern Illinois University School of Law. She has served the Commission for 15 years.

Technical Operations

In addition to overseeing all operational areas of the Commission, including Administrative Law Judges, External Affairs, and the Office of General Counsel, Chief of Staff Ryan Heater manages the technical operations divisions that monitor and evaluate regulatory, legislative, and policy initiatives that affect the electric, natural gas, water, wastewater, telecommunications, information, and video industries and their customers. The technical operations divisions perform research, analyze testimony in docketed proceedings, advise the Commission, and address utility issues outside of docketed proceedings.

The technical divisions analyze requests by utilities (with the exception of the telecommunications industry) to adjust their rates and charges through rate cases and many types of regulatory filings, including fuel adjustment, federal environmental compliance, and infrastructure improvement proceedings. Regulatory cases can span anywhere from three months to almost a year, involving the review of hundreds of pages of evidence submitted by several parties in each case. The technical divisions also review the utilities' 30-day administrative filings. The 30-day administrative filing process is designed to allow certain types of requests, such as changes to reconnect fees and rate adjustment mechanisms, to be reviewed and approved by the Commission in a more expeditious and less costly manner than a formal docketed case. Additionally, staff analyzes the annual reports for all jurisdictional utilities. Staff also reviews the periodic earnings review of each utility with more than 8,000 customers.

Technical operations also includes the Pipeline Safety Division which administers federal and state pipeline safety standards that apply to all intrastate natural gas and hazardous liquid pipeline operators.

Administrative Law Judges

Chief Administrative Law Judge Loraine Seyfried and her team of five judges preside over docketed proceedings before the Commission and provide legal research, advice, and support to the Commissioners in the drafting of orders. The team of administrative law judges have diverse legal backgrounds gained through prior private practice and working for other state and local agencies. This division is supported by two court reporters and two paralegals.

Office of General Counsel

The Commission's General Counsel Beth Heline leads a team of three assistant general counsels and a legal assistant. The Office of General Counsel works on a variety of assignments, including appeals of Commission orders, rulemakings, review of Commission contracts and affiliate contracts, consumer affairs questions and appeals, pipeline safety violations, legislative affairs, public record requests, comments and filings to regional and federal agencies, and other legal research. Members of the team also act as legal counsel to Commission testimonial staff and provide legal support to the Indiana Underground Plant Protection Advisory Committee.

External Affairs

Executive Director of External Affairs Ryan Hadley leads a team that serves to maintain productive and transparent relationships with the media, legislators, customers, sister agencies, and other stakeholders. The team provides neutral policy and legislative analysis, develops internal and external communication and outreach strategies, provides information and educates stakeholders on Commission processes and procedures, engages with customers and utilities to resolve disputes, and advises the Commission regarding external issues. The team works cross-functionally in the organization to effectively respond to and communicate about complex industry matters.

Consumer Affairs Division

Consumer Affairs Division Director Kenya McMillin leads a team of four analysts and an intake coordinator, who are responsible for providing dispute resolution services through reasonable and timely determinations for customers of jurisdictional utilities, in accordance with Indiana Code, Indiana Administrative Code, and Commission-approved tariffs. The types of issues handled by the division include extension of service and credit, deposits, billing, termination of service, customer rights, and utility responsibilities. Director McMillin earned a Bachelor of Science degree from Indiana University-Purdue University Indianapolis and has served the Commission for 19 years.

Energy Division

Energy Division Director Jane Steinhauer leads a team of 12 employees who assist the Commission in regulating the rates and charges of electricity utilities, natural gas local distribution companies, and intrastate pipelines. Director Steinhauer earned a Bachelor of Science from Indiana University-Purdue University Indianapolis and a Master in Business Administration from Butler University. She has served the Commission for 35 years.

The Energy Division monitors and evaluates regulatory and policy initiatives affecting the state's electric and natural gas industries. It also reviews and analyzes evidence to advise the Commission on regulatory proceedings initiated by Indiana electric and natural gas utilities involving changes in rates, environmental compliance plans, permission to build or purchase power generation plants, energy-efficiency programs, reliability, fuel cost adjustments, service territories, Commission-initiated investigations, pipeline safety violation appeals, and many other issues.

In addition, the division works closely with the Commission's Pipeline Safety Division and Research, Policy, and Planning Division.

Research, Policy, and Planning Division

Research, Policy, and Planning Division Director Dr. Brad Borum leads a team of three chief technical advisors. Dr. Borum earned a Bachelor of Science from Coe College and a Master of Economics and a PhD in Economics from Michigan State University, and has served the Commission for 33 years. The Research, Policy, and Planning Division was established to provide the Commission with an analysis of the electric industry, including monitoring of regional transmission organizations, reviewing regulatory matters at the Federal Energy Regulatory Commission (FERC), and analyzing integrated resource plans. The division provides advice and education to the Commission on a wide variety of topics. Integrated resource planning, because it is related to all aspects of the electric and natural gas industries, is the primary focus of this division. However, the division also monitors federal and regional electric grid issues and developments, evaluates changes in federal and state regulation, and reviews the economics of the energy industry to understand the impacts on Indiana.

Water and Wastewater Division

Water and Wastewater Division Director Curt Gassert leads a team of five analysts who monitor and evaluate regulatory and policy issues affecting the water and wastewater industries. Director Gassert earned a

Bachelor of Science from Indiana University and is a Certified Public Accountant. He has served the Commission for 14 years.

The majority of the division's time is spent reviewing evidence in regulatory proceedings and advising the Commission. The types of regulatory proceedings include rate increases, acquisitions, financing requests, service territory matters, infrastructure and revenue trackers, and other matters. Division staff also provide assistance with Commission rulemakings and complaints submitted to the Consumer Affairs Division. The division assists in Commission investigations, both formal and informal, that frequently involve the resolution of problems related to at-risk water or wastewater utilities.

Communications Division

Communications Division Director Pamela Taber leads a team of three analysts who manage Indiana-specific issues related to telecommunications and video services, as the Commission is both the sole video franchise authority and the direct marketing authority for video service providers in Indiana. Taber earned a Bachelor of Science in Accounting from Ball State University and is a Certified Public Accountant. She has served the Commission for 37 years. The division provides advice on telecommunications issues, such as numbering issues, slamming and cramming, telecommunications providers of last resort, eligible telecommunications carriers (ETCs), and disputes between carriers. The division also advises the Commission on the certification of communications service providers and monitors competition in the communications industry by tracking and storing information about all types of communications providers and the areas where they offer their services. In addition, the division monitors the federal Lifeline Program in Indiana, which provides essential phone service to low-income Hoosiers.

Pipeline Safety Division

Pipeline Safety Division (PSD) Director Bill Boyd leads a team of 12 pipeline professionals with over 200 years of combined experience. Director Boyd earned a Bachelor of Science in Business from Indiana University and has 45 years of pipeline safety experience; he has served the Commission for 17 years. Director Boyd serves on the National Association of Pipeline Safety Representatives (NAPSR)'s legislative committee, which reviews the Pipeline and Hazardous Materials Safety Administration's (PHMSA) proposed federal regulatory initiatives to evaluate the cost-benefit analysis and risk assessment, as well as the practicability, feasibility, and reasonableness, of each proposal. Director Boyd also serves on NAPSR's Liaison Committee, which, along the same lines, attempts to interpret federal proposals and gather and share NAPSR's opinions and analyses.

The primary focus of the division is to ensure compliance with federal and state pipeline safety standards that apply to all intrastate natural gas and hazardous liquid pipeline operators, regardless of whether or not they are under the Commission's regulatory authority for rates and charges.

Pipeline safety engineers enforce the safety standards established by the U.S. Department of Transportation (U.S. DOT) as adopted in Indiana, which apply to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. The division also enforces state law adopting the U.S. DOT's anti-drug program for gas operators within Indiana, as well as U.S. DOT's integrity management, operator qualification, and damage prevention regulations. In addition, the division is responsible for investigating possible violations of the Indiana 811 law (Ind. Code chapter 8-1-26).

INDIANA UTILITY REGULATORY COMMISSION

Accomplishments

Accomplishments

Highlights

The Commission strives to deliver on its mission to ensure utilities provide safe and reliable service at just and reasonable rates. As articulated in Governor Holcomb's Next Level agenda, over the last fiscal year the Commission worked to provide great government service at great value to ratepayers.

280 ***Cases adjudicated in the last fiscal year that include rate, infrastructure improvement, environmental compliance, gas cost adjustment, and other types of cases.***

$220 million+ ***Total amount of annual tax reductions to base rates and charges approved by the Commission across all utility industries as of July 30, 2020 (one case still pending).***

$609,253.68 ***Amount invested to increase 811 awareness, education, training, and incentives, from fines levied by the Commission for Indiana 811 law violations.***

963 ***Pipeline inspections completed in Calendar Year 2019 to ensure the safety of the intrastate pipeline system.***

100% ***The score the Pipeline Safety Division's gas program received from PHMSA during its annual inspection.***

400+ ***The number of municipalities contacted to proactively inform them of the law change regarding water and wastewater main extension rules, as passed in HEA 1131 (2020).***

$130,892 ***Amount refunded to utility customers via dispute resolution services provided by the Consumer Affairs Division.***

Docketed Cases

During Fiscal Year 2020, 283 new petitions were filed with the Commission. Petitions are given a docket number upon receipt and generally assigned both an administrative law judge and a commissioner, who serve as the presiding officers.

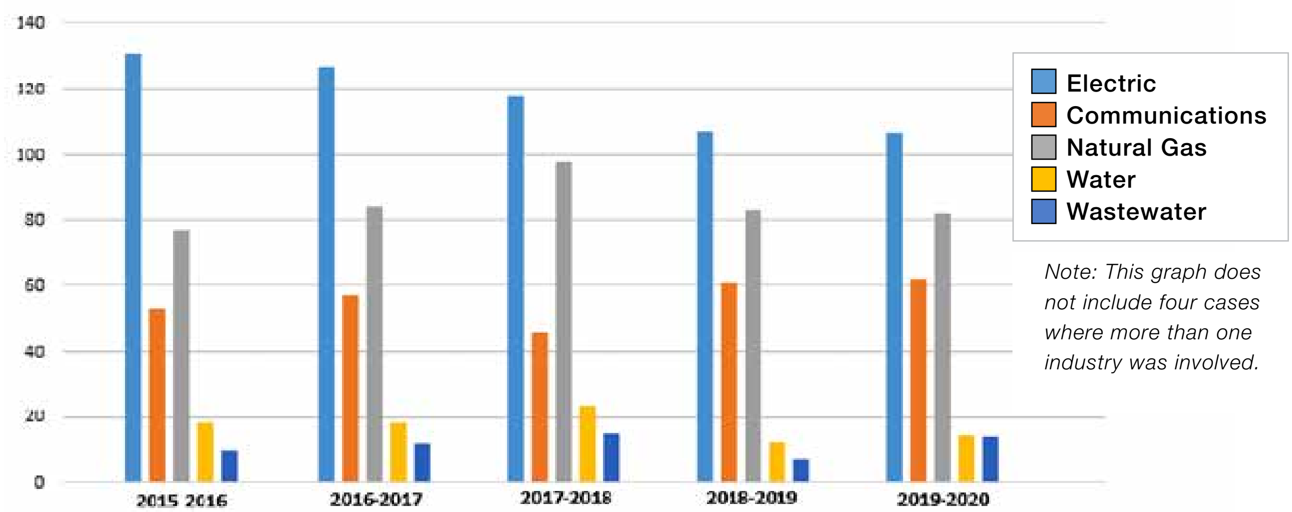
To access information pertaining to a docketed case, visit our Online Services Portal at *https://iurc.portal.in.gov/*. Here, you can search for a case by entering the cause number, industry, petition type, case status, petition filing date, or petitioner, and clicking Search. To watch hearings that are livestreamed, please visit *www.in.gov/iurc/2624.htm*.

For purposes of the graph below, case numbers for 2019-2020 by sector are: electric—107; communications—62; gas and pipeline safety—82; water—14; wastewater—14. These numbers add up to 279—but it is because three of the cases were combined water and wastewater cases, and one was a combined electric/gas/water/wastewater case.

Agency Response to COVID-19 Pandemic

Beginning in mid-March 2020, the Commission implemented a number of updates and procedural changes to help ease the regulatory burden during the public health emergency caused by the novel coronavirus (COVID-19) and to reiterate utilities' flexibility regarding customers' bills and fees, in accordance with Indiana Administrative Rules. The Commission also implemented several procedural and logistical changes to ensure the safety of the agency's employees and its stakeholders upon the reopening of the Commission's office. Per the request of the Legislative Council, a summary of actions taken during the public health emergency, as well as preparations that have been taken or will be taken by the Commission to address future emergencies, were compiled in an Emergency Response Report submitted to the Legislative Council in mid-September. To learn more about the procedural changes and logistical actions taken by the Commission during the COVID-19

PETITIONS FILED BY INDUSTRY (5-YEAR COMPARISON)



Note: This graph does not include four cases where more than one industry was involved.

pandemic, the full report can be found on the Commission's website.

Additionally, on May 27, 2020, the Commission initiated an investigation (IURC Cause No. 45380) into the impact of COVID-19 on Hoosier ratepayers and utilities. The investigation includes two phases; an Order was issued in Phase 1 of the investigation on June 29, 2020. In the Phase 1 Order, the Commission denied utilities' request for lost revenue and found that the service rules and tariffs of jurisdictional utilities should be temporarily amended to prohibit utility service disconnections for 45 days beyond the expiration of Executive Order 20-28, through Aug. 14, 2020, for all customers of jurisdictional utilities, and prohibited the collection of certain utility fees (late fees, convenience fees, deposits, and reconnection fees).

On Aug. 12, 2020, the Commission issued an Order requiring extended payment arrangements (a minimum of six months long) be offered by jurisdictional utilities through Oct. 12, 2020. In the Order, the Commission also continued to suspend the collection of certain utility fees, including late fees, deposits, and disconnection/reconnection fees) for an additional 60 days, until Oct. 12, 2020, for residential customers.

Many utilities implemented a disconnection moratorium voluntarily prior to the Governor's Executive Order. As of July 1, 2020, the Consumer Affairs Division had received 177 complaints/inquiries related to the Governor's Executive Order moratorium.

Phase 2 is pending before the Commission. For more information about the case, including filings and other documents, visit the Commission's Online Services Portal at *https://iurc.portal.in.gov/*, click on "Search for a Docketed Case" and search by the IURC Cause Number 45380.

Report to the 21st Century Energy Policy Development Task Force

In 2019, as part of House Enrolled Act 1278, the Indiana General Assembly created the 21st Century Energy Policy Development Task Force ("Task Force") under Ind. Code chapter 2-5-45, and directed the Commission to study and report on statewide impacts of transitions and changes regarding electricity generation under Ind. Code § 8-1-8.5-3.1 (b). Specifically, the Commission was directed to:

"[C]onduct a comprehensive study of the statewide impacts, both in the near term and on a long term basis, of:

(1) transitions in the fuel sources and other resources used to generate electricity by electric utilities; and

(2) new and emerging technologies for the generation of electricity, including the potential impact of such technologies on local grids or distribution infrastructure…

on electric generation capacity, system reliability, system resilience, and the cost of electric utility service for consumers."

As part of the study, the State Utility Forecasting Group (SUFG) modeled future scenarios. The Commission sought input from staff at the U.S. Department of Energy's Lawrence Berkeley National Laboratory, with which the Commission ultimately signed a contract to perform research for the report. A separate contract was signed with Indiana University for additional research.

The Commission held a stakeholder meeting in August 2019. Dr. Doug Gotham from the SUFG provided an overview of his modeling system, including capabilities and limitations. After the presentation, the Commission staff and Dr. Gotham answered questions regarding the modeling or scenario development process.

Following the stakeholder meeting, Commission staff requested comments and stakeholder input regarding key scenario variables and sensitivities. Originally due on July 1, 2020, Governor Holcomb extended the timeline for the report to Aug. 14, 2020, through Executive Order 20-31. The Commission's report is available on its website at: *https://www.in.gov/iurc/3142.htm*.

Tax Legislation and Impact

On Jan. 3, 2018, the Commission issued an Order initiating an investigation of the impact of the newly-signed federal Tax Cuts and Jobs Act of 2017 on investor-owned utilities in the state. The Tax Cuts and Jobs Act, which was signed into law by President Donald Trump on Dec. 22, 2017, contains provisions reducing the corporate tax rate of 35 percent to 21 percent and revising the federal tax structure. The purpose of the Commission's investigation is to review and consider the impacts from the federal tax legislation and how any resulting benefits may be realized by Hoosier ratepayers. The purpose of the Commission's investigation is to review and consider the impacts from the federal tax legislation and how any resulting benefits may be realized by Hoosier ratepayers.

In the Order, the Commission created a process moving forward that minimized the regulatory process timing and provided the opportunity for quick approval for the pass-through of a majority of the benefits to customers, which are those directly related to the ongoing reduced federal tax burden. On a different regulatory track, supplemental benefits that will occur over a longer time horizon – those related to the deferred tax liability adjustments – are generally being determined in the Commission's standard deliberative processes. As of July 30, 2020, the total amount of annual tax reductions to base rates and charges approved by the Commission across all utility industries is more than $220 million (one case still pending).

Additional information about the tax investigation and its impacts can be found within each division section of this report.

Improving Procedural Efficiencies Initiative

As part of its Next Level priorities for 2019 and strategic planning, the Commission and its staff evaluated its processes and procedures and identified some areas in which possible improvements could be made. In particular, Commission staff reviewed and discussed ways to improve procedural efficiencies with regards to the Commission's docketed cases, in order to ensure each case record is as robust as possible for decision-making.

Commission staff identified two general areas of focus, including improving the information provided in initial filings and improving the organization of information, with more specific items for consideration under each area.

In April 2020, Commission staff invited all interested stakeholders to provide additional items that they believe should be considered by the Commission, whether they fell into the two focus areas or not. External stakeholders provided an initial round of comments in early June 2020. Commission staff has begun conducting additional outreach and expects the effort to result in the Commission issuing General Administrative Orders (GAOs), as well as starting a rulemaking to amend the Commission's minimum standard filing requirements in Indiana Administrative Code (IAC) 170 IAC 1-5.

This will be an ongoing effort beyond 2020; information about the process so far, comments submitted by stakeholders, and more specifics about the issues being discussed, can be found on the Commission's website here: *https://www.in.gov/iurc/3156.htm*.

Information Provided to Small Water and Wastewater Utilities and Municipalities

Due to challenges that small water and wastewater utilities face, such as the replacement of aging infrastructure and small customer bases to share infrastructure improvement costs, the Commission's Water and Wastewater Division provides small water and wastewater utilities with educational assistance. The Commission has focused its educational assistance in two major areas: hands-on training and information on its website. Based on prior successes, the Commission continues to hold workshops on how to complete the Commission's small utility rate application and annual report, the basics of utility accounting, and tools for strategic planning and asset management.

To make educational materials more accessible, the Commission continues to find ways to improve its website by providing useful documents to utilities, such as standard operating procedures, generic maintenance plans and forms, best practice guides, emergency response, conservation, and board training. The Commission's website also houses a small utility toolkit, which provides Commission-specific regulatory information, infrastructure funding options, and other assistance.

In 2020, six utilities completed the rate application for small utilities without the use of a consultant, greatly reducing rate case expenses that are ultimately passed along to customers. Ind. Code § 8-1-2-61.5, amended by Senate Enrolled Act (SEA) 472 (2019), increased the number of utilities that can file small rate applications from those serving fewer than 5,000 customers to those serving fewer than 8,000 customers, and expanded eligibility to divisions of large utilities that serve fewer than 5,000 customers. With these enhancements, the Commission expects more utilities will take advantage of this efficient, cost-saving measure in the future.

In addition, Commission staff communicated with more than 400 municipalities regarding the passage of House Enrolled Act (HEA) 1131 in the 2020 legislative session. HEA 1131 adds Ind. Code § 8-1-2-101.5, which requires municipally owned water and wastewater utilities to comply with the Commission's main extension rules with regards to main extension agreements entered into after June 30, 2020. Commission staff created a detailed document about the law change, a one-page overview, and two documents regarding the dispute resolution process and contract information.

Integrated Resource Planning

Under Indiana law, Indiana's five investor-owned utilities, which are Duke Energy Indiana, LLC (Duke), Indiana Michigan Power Company (I&M), Indianapolis Power & Light Company (IPL), Northern Indiana Public Service Company, LLC (NIPSCO), and Southern Indiana Gas and Electric Company (Vectren), as well as the three wholesale power utilities – Indiana Municipal Power Agency (IMPA), Hoosier Energy Rural Electric Cooperative (Hoosier Energy), and Wabash Valley Power Association (WVPA) – are required to provide safe and reliable service in an efficient and cost-effective manner. To ensure adequate resources have been planned to meet future obligations, Indiana's largest electric utilities employ state-of-the-art tools and work with their stakeholders to develop credible integrated resource plans (IRPs). IRPs evaluate a broad range of feasible and economically viable resource alternatives, including traditional resources, energy efficiency, demand response, and customer-owned resources, over a 20-year planning period.

These utilities submit an IRP once every three years on a staggered schedule, pursuant to the Commission's IRP rule, 170 IAC 4-7. Due to the dynamics of the electric power industry, Duke and I&M submitted IRPs on July 1, 2019, and IPL submitted its IRP on Dec. 16, 2019. Vectren submitted its IRP on June 29, 2020. IMPA, Hoosier Energy and WVPA are expected to submit their IRPs during 2020.

IRPs are analytically challenging and complex and affect virtually all aspects of utility operations and long-term objectives. To address the inherent complexities of IRPs, the Commission hosts an annual Contemporary Issues Technical Conference to discuss IRPs. The Commission, with the assistance of various stakeholders, invites experts to discuss methods for addressing complex issues. The 2020 Technical Conference was held as a virtual meeting on Aug. 25, 2020, with a second Technical Conference scheduled on Sept. 24, 2020. This year's meeting included presenters from Midcontinent Independent System Operator (MISO) and PJM Interconnection, LLC (PJM). The presenters focused on a variety of topics related to the work of the regional transmission organizations (RTOs), resource adequacy, and implications of the changing resource mix.

Utility Collaboratives

In recent electric rate cases, the Commission directed IPL, NIPSCO, I&M, and most recently, Duke, to participate in public collaborative processes with interested stakeholders, including Commission staff, the Indiana Office of Utility Consumer Counselor (OUCC), local communities, and customer and industrial advocacy groups, for the purpose of increasing transparency by developing and implementing performance-based metrics that are reviewed annually. Generally, performance metrics were developed in the areas of public safety, reliability, customer satisfaction, utility operations, and affordability, with more specific metrics established based on the utility. The stakeholders met frequently to develop comprehensive, performance-based metrics for the utilities. These collaborations are of significant value to the Commission and ratepayers, allowing a better, more transparent assessment of the utility and its performance over time through the required reporting of metrics. Annual performance metric reports were recently filed with the Commission by IPL, NIPSCO, and I&M, and Duke's first filing is expected within 90 days of the collaborative's initial meeting.

Underground Plant Protection Account

The Underground Plant Protection Account (UPPA) is funded by fines levied by the Commission for violations of the Indiana 811 law. Funds are used to provide public awareness, education, and incentive programs designed to reduce damages to buried utility facilities during excavation.

During Fiscal Year 2020, the Commission-administered fund supported more than $600,000 in awareness, training, incentive, and education initiatives focused on underground utility safety. UPPA investment was significantly affected by COVID-19. More details about how COVID-19 altered UPPA safety efforts can be found on page 100. A sample of these programs included:

- Partnering with the Indiana Broadcasters Association (IBA) to air approximately 50,000 public service announcements across Indiana on broadcast TV, as well as AM and FM radio stations
- Purchasing 1,000 Hit Kits as giveaway incentives to assist with damage investigation efforts by contractors
- Partnering with Paradigm Alliance to provide attendance outreach and excavator training assistance to all four Indiana damage prevention councils
- Partnering with the State of Indiana's Management Performance Hub (MPH) to create an interactive pipeline damage information map using the Commission's Pipeline Safety Division's damage data

The Commission continues to expand its free, online safety training system designed for professionals who work in excavation. These professionals include, but are not limited to, landscapers, plumbers, concrete workers, and heavy construction workers. Expanded topics include "Continuous Improvement", which teaches the basics of implementing Safety Management Systems (SMS) at your jobsite and why SMS is important to utilize, and "Working in Indiana", which explains how the laws relating to excavating in Indiana differ from neighboring states. Additional training modules will be added in the coming months. The free training courses can be accessed at *www.SafeDigIndiana.com* and are open to any individual wanting to learn more about how the Indiana 811 law and 811 system affects them. More than 1,200 excavation-related professionals have taken the online training, which is approximately double that of this time last year.

Courtroom Dedication Ceremony

On Aug. 20, 2019, the Commission hosted a ceremony to dedicate its two courtrooms – Judicial Courtroom 222 and Judicial Courtroom 224 – to recognize the commitment and years of service of two former Chairmen. Judicial Courtroom 222 was dedicated to Leslie (Les) Duvall, who served at the Commission from 1957 to 1960, and from 1985 to 1989, and Judicial Courtroom 224 was dedicated to William D. McCarty, who served at the Commission from mid-June 1997 to mid-September 2005. Both men also served Indiana as State Senators in the Indiana General Assembly.

The program included remarks from former and current Commission Chairmen and commissioners, as well as other stakeholders and staff, and was attended by both former Chairmen, their families, current staff members, and many industry representatives. Additionally, both former Chairmen were presented with a Distinguished Hoosier award on behalf of Governor Eric Holcomb.

Field Hearings & IRP Stakeholder Meetings

The Commissioners and Commission staff heard from the public on several important issues before the Commission over the last fiscal year, including traveling to 11 field hearings for base rate cases and several IRP stakeholder meetings around the state.

Field hearings are public hearings that give utility customers an opportunity to speak in favor of or against pending cases before the Commission. If a utility seeks an increase in revenue in a base rate case that exceeds $2.5 million, at least one field hearing held in the largest municipality within a utility's service territory is required. Field hearings may also be requested by customers or parties in certain circumstances. Field hearings are documented by a court reporter, and testimony is entered in the case as evidence by the Indiana OUCC. In Fiscal Year 2020, the Commission held 11 hearings around the state: three for the I&M rate case (South Bend, Muncie, and Lafayette), two in Indianapolis in the IPL transmission, distribution, and storage system improvement charge (TDSIC) case, three for the Duke rate case (Carmel, Terre Haute, and New Albany), one for the Howard County Utilities rate case (Kokomo), one for the Aqua Indiana – Darlington Division rate case (Darlington), and one for the Richmond Power & Light rate case (Richmond).

A hallmark of Indiana's IRP process is open stakeholder participation in a concerted effort to narrow areas of controversy in cases and facilitate timely decisions by the Commission regarding future resources. The Commission has assiduously sought to encourage broad stakeholder participation to ensure a variety of perspectives are considered. Utilities generally hold at least three public advisory sessions to provide meaningful input into the development of the IRPs. As the importance of the IRPs and the potential costs of resource decisions have increased, utilities have scheduled more meetings to better address stakeholder concerns. The utilities also provide educational programs for participants in the stakeholder process. Recent public advisory sessions were held by Duke and I&M prior to submittal of their IRPs on July 1, 2019, and by IPL before its submittal on Dec. 16, 2019. Vectren hosted a series of public advisory sessions, with the last one on June 15, 2020, followed by a submittal of their IRP on June 29, 2020.

Commission's Veterans Initiative

On Jan. 16, 2018, Governor Eric Holcomb and Lt. Governor Suzanne Crouch launched the Next Level Veterans Initiative, aimed at bringing together public and private organizations to recruit, employ and connect discharging military personnel to Indiana and retain veterans who are already in the state. Governor Holcomb encouraged both agency and non-agency partnerships in this effort. The Commission launched its initiative in 2019 to be a conduit between both veterans and military personnel looking for employment and utility companies with jobs to fill, to augment the Next Level Veterans Initiative.

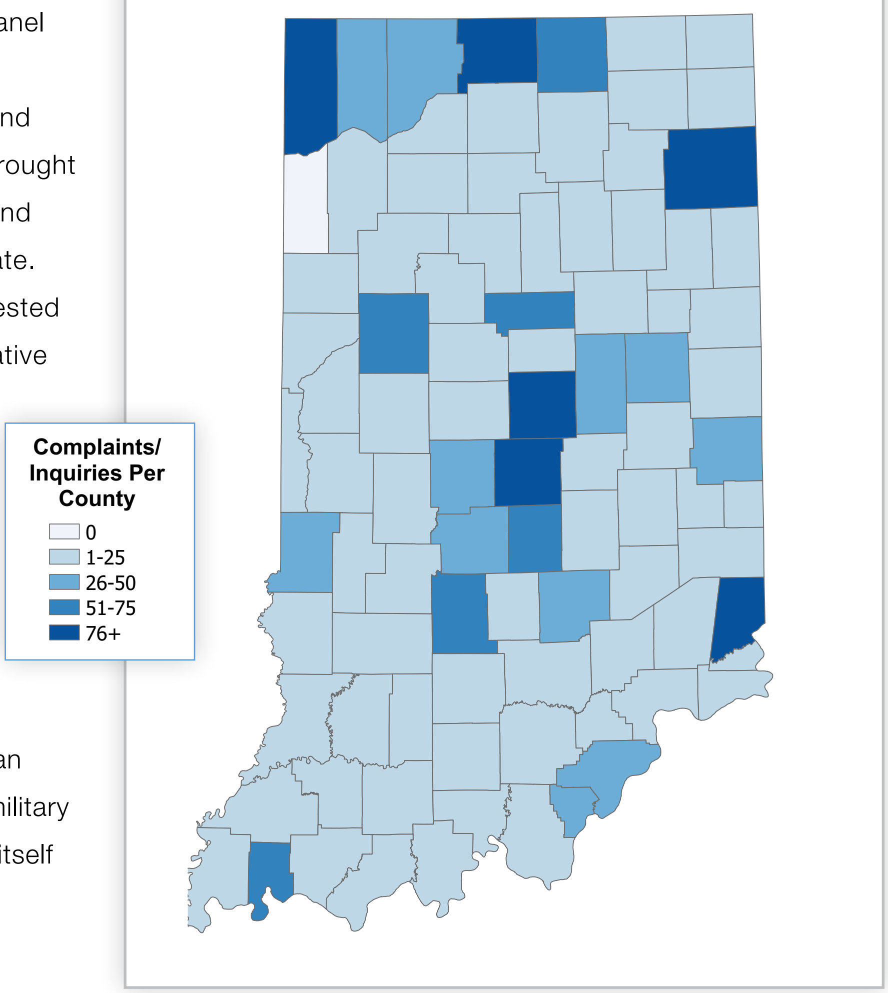
The Commission partnered with Indiana Department of Veteran Affairs (IDVA), INVets and the Indiana National Guard (INNG) to host a forum in March 2019, regarding veteran employment in the state.

The forum consisted of two panels, one with veteran group members who spoke on the importance and benefit to hiring veterans and military personnel, while a second panel consisted of utility representatives and their individual hiring needs, processes and willingness to hire veterans. The forum brought in veteran groups, hiring organizations, and utility representatives from across the state. Following the forum, feedback was requested from participants to continue on the initiative in the coming years.

The Commission, along with the IDVA, the INNG, and other supporting organizations, were originally planning two tours in 2020, with accompanying debrief sessions: first, a tour at a military installation in the summer months to give utility HR representatives an introduction to the type of trainings that military professionals are receiving that may lend itself to utility jobs (i.e., line men, cybersecurity positions, field work, etc.), and second, a tour at a central Indiana utility for military organizations and veteran hiring organizations to see what utility jobs are available and what skills are needed for those jobs, as well as to help veteran service organizations better understand available opportunities for service members in the utility sector.

However, due to the COVID-19 pandemic, these tour plans are now expected to occur in 2021. Until we are able to move forward with such events, the Commission and its partnering agencies/organizations are collecting information to help better proceed with our events next year.

CONSUMER AFFAIRS DIVISION COMPLAINTS/INQUIRIES BY COUNTY



** Due to a glitch in the system, the total call volume may be understated.*

Consumer Affairs Division

In Fiscal Year 2020, the Commission's Consumer Affairs Division handled 9,658 calls*, 734 online complaints, 37 emails, 56 letters, 4 faxes, and 7 walk-ins, resulting in 2,533 complaints/inquiries. The complaints/inquiries spanned all industries concerning a wide-ranging list of utility-related issues, but billing was the most common. Billing issues can be complicated, often involving customer confusion over bill formats or questions regarding unexpected increases in bill amounts. $130,892 in billing adjustments were refunded to customers due to the Consumer Affairs Division's resolutions to customer complaints.

Although the Commission has limited authority over video, telecommunications, and information services providers, complaints/inquiries about these providers are a significant portion of the division's workload. In fact, more than 39 percent of complaints/inquiries received in Fiscal Year 2020 by the Consumer Affairs Division were related to video, telecommunication, and information services providers. Even with limited statutory authority, the Consumer Affairs Division continues to be a resource for customers by connecting with these providers to come to a resolution. A table with a breakdown of complaints/inquiries by county during Fiscal Year 2020 can be found in *Appendix B*.

If customers cannot resolve their concerns with their regulated utility, they may contact the Commission's Consumer Affairs Division by phone at 1-800-851-4268 or online at *https://iurc.portal.in.gov/*.

Interventions and Comments

In order to ensure Indiana's interests are represented at the federal and regional levels, the Office of General Counsel drafts and files pleadings or comments with federal and regional entities on behalf of the Commission. The Office of General Counsel intervened, provided comments, or participated in proceedings 39 times in Fiscal Year 2020. These include the following:

- Three comments and seven interventions to the FERC.
  - In comments filed in FERC docket ER20-857, et al, on Feb. 11, 2020, the Commission protested against the MISO's proposed methodology to allocate costs for certain transmission projects solely to the Transmission Pricing Zones where the projects are located even where some or all of the benefits of the transmission projects accrue outside the relevant zone.
  - In comments filed in FERC docket EL20-30 on May 1, 2020, the Commission argued to preserve state jurisdictional authority over determining the billing period for retail electric station power sales to generating stations in Indiana and therefore protested against a petition arguing for FERC jurisdiction over retail billing periods.
  - In comments filed in FERC docket EL20-42, on June 15, 2020, the Commission and the Indiana Office of Energy Development protested against a petition requesting FERC to assert jurisdiction over net metering transactions between a retail customer and a utility when the retail customer offsets some or all of its usage through its own generation, typically rooftop photovoltaic panels. The protest argued for the continuation of state jurisdiction over the practice.
- Ten filings, resolutions, or letters through the Commission's participation in Organization of PJM States, Inc., regarding the PJM.
- Twenty-two filings, resolutions, or letters through the Commission's participation in the Organization of MISO States, regarding the MISO.

General Administrative Orders

The Commission issued the following General Administrative Orders (GAO) in Fiscal Year 2020:

- **GAO 2019-1** – ***Policy Governing Certificates of Territorial Authority for Communications Service Providers,*** approved Aug. 29, 2019, which provides the process and forms to request, or notify changes to, a certificate of franchise authority.
- **GAO 2019-2** – ***Policy Governing Net Metering Reports and Queues,*** approved Aug. 29, 2019, which provides guidance regarding Ind. Code § 8-1-40-10, Ind. Code § 8-1-40-12, and Ind. Code § 8-1-40-13.
- **GAO 2019-3** – ***Policy Governing the Procedures for Study to the 21st Century Energy Policy Development Task Force,*** approved Aug. 7, 2019, which provides the process for stakeholders to provide feedback to IURC staff.
- **GAO 2019-4** – ***Policy Governing Certificates of Franchise Authority for Video Service Providers,*** approved Nov. 27, 2019, which provides the process and forms to request, or notify changes to, a certificate of franchise authority.
- **GAO 2019-5** – ***Policy Governing Eligible Telecommunications Carriers Designations, Relinquishments and Filing Guidelines,*** approved Dec. 27, 2019, which provides guidance regarding the designation and relinquishment of eligible telecommunications carriers and supersedes GAO 2013-2.
- **GAO 2019-6** – ***Policy Governing Certificates of Territorial Authority for Communications Service Providers,*** approved Nov. 27, 2019, which provides the process and forms to request, or notify changes to, a certificate of franchise authority and revises the forms from GAO 2019-1.
- **GAO 2019-7** – ***Policy Governing the Interest Rate for gas Customer Deposits,*** approved Dec. 27, 2019, which sets the interest rate gas utilities must credit on customer deposits.
- **GAO 2020-1** – ***Policy Governing Participation via Electronic Communication,*** approved March 18, 2020, which provides the policy for IURC commissioners to participate electronically in the public meetings to approve orders.
- **GAO 2020-2** – ***Policy Governing Direct Marketing Authority by a Video Service Provider,*** approved May 13, 2020, which provides the process and forms to apply for direct marketing authority to market services and products offered by a holder of a video service franchise and supersedes GAO 2013-4.
- **GAO 2020-3** – ***Policy Governing Participation via Electronic Communication,*** approved June 29, 2020, which provides the policy for IURC commissioners to participate electronically in the public meetings to approve orders and supersedes the policy in GAO 2020-01.

Rulemakings

Before the Commission can adopt rules or make changes to its existing rules, it must follow the formal rulemaking process. This ensures the opportunity for public comment and allows the issues at hand to be fully vetted. In addition to the formal process dictated by state procedures, it is the practice of the Commission to hold informal workshops and discussions with stakeholders prior to initiating a formal rulemaking. Although the rule development process can extend the time before the rule is adopted, it helps achieve common ground among stakeholders before the formal process begins. For more information or to access documents and public comments related to these rulemakings, please visit *www.in.gov/iurc/2658.htm*.

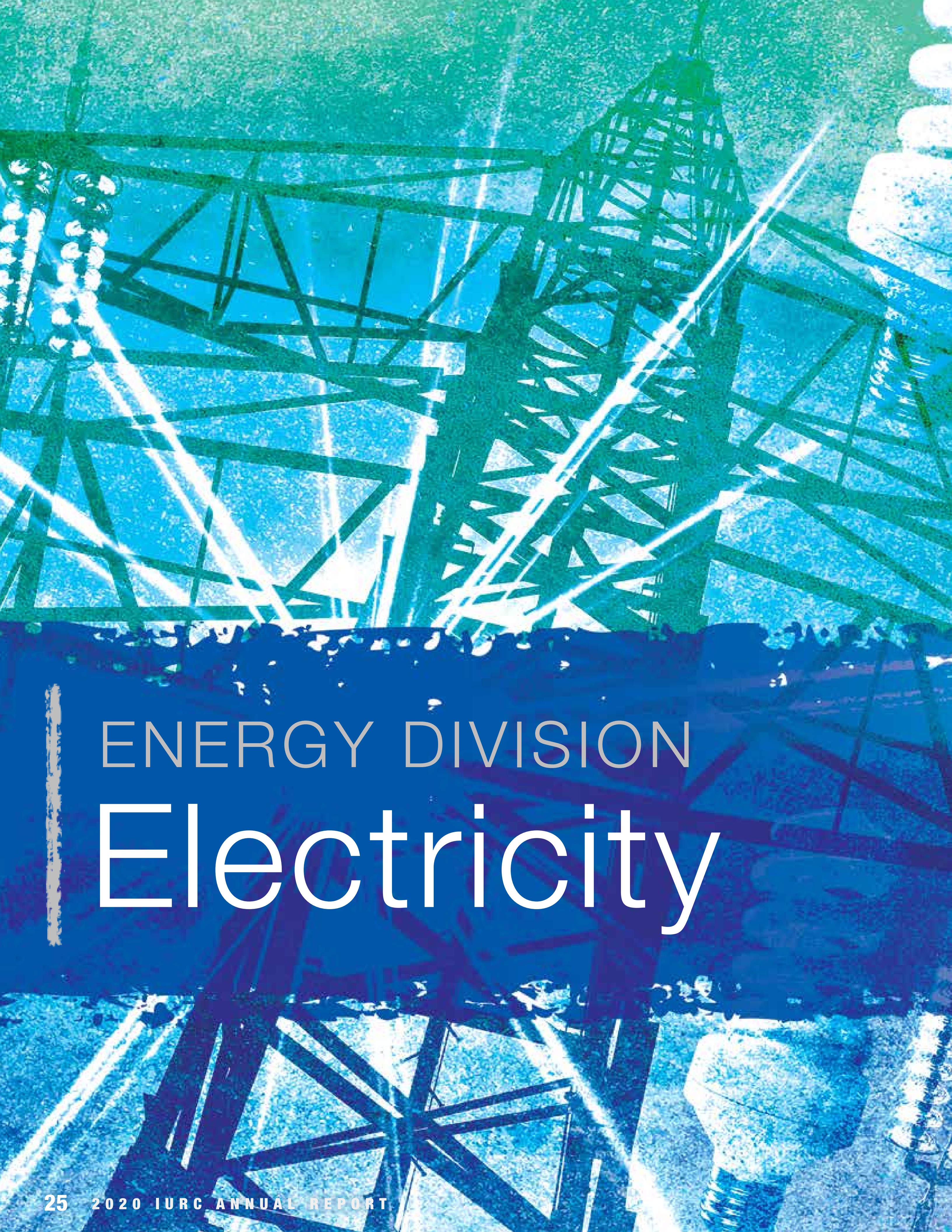
The following are rulemakings completed in Fiscal Year 2020:

- **Revisions to Procedural Rules (IURC RM #18-02 – previously IURC RM #15-02; LSA # 19-378):** Rules are revised to address the management of electronic filing; this rule also addresses inconsistencies in the ex parte rule. The rule development process for this rulemaking was started in 2015 when the Commission started the revision of its database system and a draft proposed rule has been circulated to stakeholders for comments and input. The rule was filed with the Legislative Services Agency on June 10, 2020, and took effect on July 10, 2020.
- **Repeal of Outdated Rules (RM19-04; LSA #19-410):** Since there were no internal or external indications that these rules were still in use, including no feedback during the public hearing and public comment period, this rulemaking was withdrawn and the outdated rules were allowed to sunset to clean up 170 IAC. The expired rules were 170 IAC 6-3, titled *Central Station Hot Water Heating Utilities*, 170 IAC 9-1, titled *Accounting System Requirements for Telephone Company Borrowers*, 170 IAC 9-2.1, titled *Accounting System Requirements for Electric Borrowers*, and 170 IAC 12, titled *Residential Conservation Service Program*. The rules sunset on Jan. 1, 2020.
- **2020 Re-adoptions (IURC RM #20-01; LSA #20-84):** Readopted rules that would have expired on Jan. 1, 2021, including 170 IAC 1-1.5 regarding *Ex Parte Contacts*, 170 IAC 1-6 regarding *Thirty-Day Administrative Filing Procedures and Guidelines*, and 170 IAC 14 regarding *Small Utilities*. These rule re-adoptions became effective on May 13, 2020.

The following are current rulemakings at the Commission:

- **Revisions to Commission Review of Municipal Utility Rates and Charges (RM19-06; LSA #20-89):** Rule will be revised to incorporate changes made by the General Assembly to Ind. Code § 8-1.5-3-8.3.
  In addition, certain changes are being made to bring the filing requirements into compliance with the Commission's procedural rules and to lessen the regulatory burden on petitioners. The draft proposed rule has been circulated for stakeholder feedback, the Office of Management and Budget approved an exception to the rulemaking moratorium on Feb. 2, 2020, and the Notice of Intent was published on March 11, 2020. The proposed rule was submitted to the State Budget Agency for the necessary fiscal approvals on March 4, 2020.

- **Revisions to Sub-billing rules (RM #20-02):** Rule will be revised to incorporate changes made by the Indiana General Assembly in House Enrolled Act 1664-2019, which amended Ind. Code § 8-1-2-1.2 to expand the ability to sub-bill to include not only landlords, but also to condominium associations and homeowners associations. The rule will also clarify certain provisions in the rule with respect to sub-billing for water and wastewater service. The rule is in the rule development phase to receive input from stakeholders.
- **Revisions to Minimum Pipeline Safety Standards (RM # 20-03):** Rule will amend 170 IAC 5-3 concerning minimum pipeline safety standards to incorporate new federal pipeline safety standards through 2019 and to make various updates and revisions to Indiana-specific safety standards related to relieve valves, farm taps, low pressure stations, uprate plans, construction packets, and the establishment of Maximum Allowable Operating Pressure on distribution systems. The rule is in the rule development phase to receive input from stakeholders.



ENERGY DIVISION

Electricity

ENERGY DIVISION

Electricity

Regulatory Responsibility

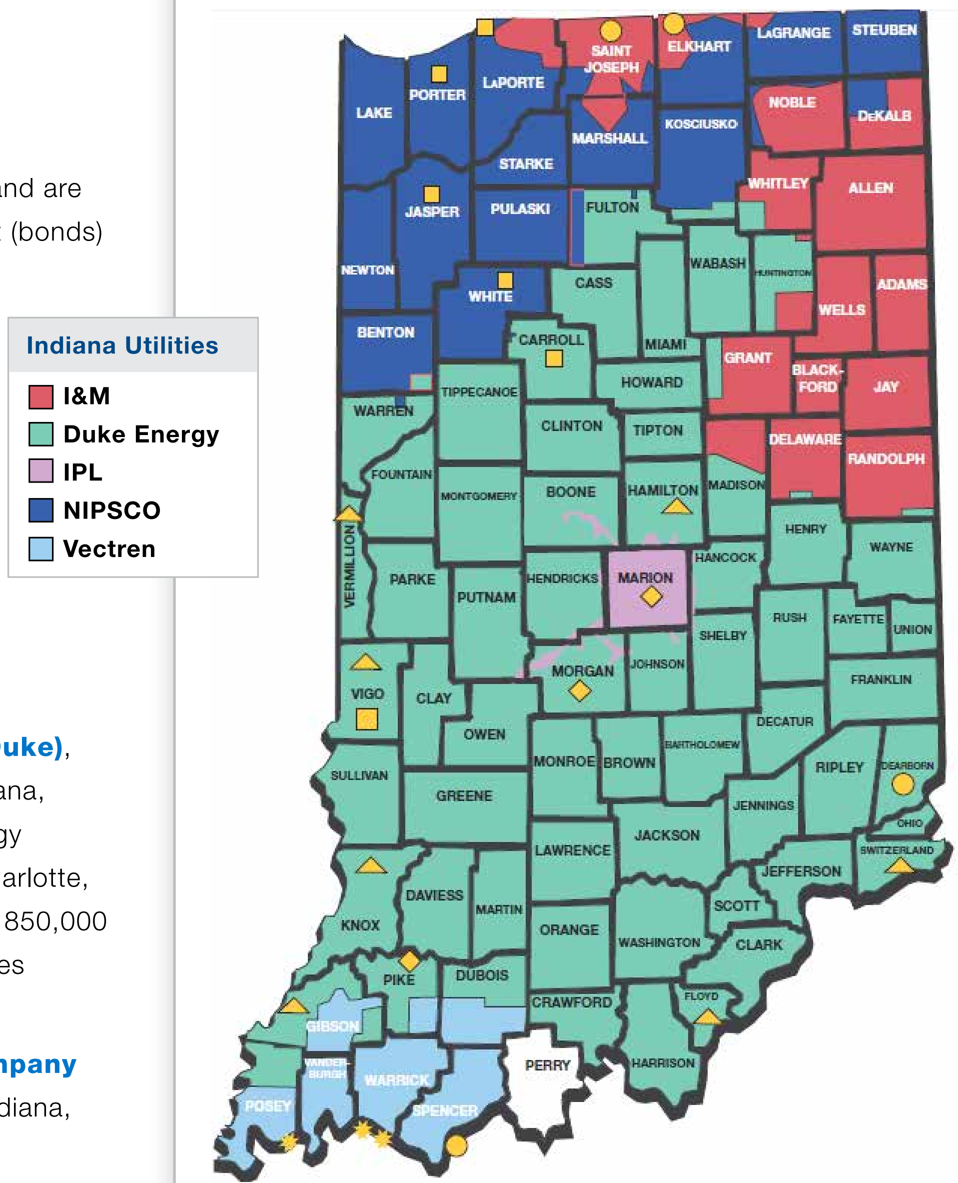
There are three types of electric utilities in Indiana—investor-owned utilities (IOUs), municipally-owned utilities, and rural electric membership cooperatives (REMCs). The Commission has full jurisdiction over IOUs, including rates and charges, as well as customer service terms and conditions. In addition, the Commission reviews and approves long-term financing for IOUs, municipals that have not opted out of the Commission's jurisdiction for rates and charges, the Indiana Municipal Power Agency (IMPA), and Wabash Valley Power Association (WVPA). Generally, all Indiana electric utilities wanting to build, buy, or lease new generation facilities must first have their proposals reviewed and approved by the Commission. The Commission also has jurisdiction over all Indiana electric utilities' retail service territories. The electric utilities under the Commission's rate jurisdiction served more than 2.4 million customers and had total revenues of more than $8.6 billion for Calendar Year 2019 *(see Appendix C)*.

Investor-Owned Utilities

Five major IOUs operate in Indiana and are for-profit enterprises funded by debt (bonds) and equity (stock).

The five IOUs, all of which are fully regulated by the Commission, are listed below. The simplified map to the right shows the counties in which the investor-owned electric utilities have service territory. Electric cooperatives serve most of the rural areas *(see map on page 29)*.

ELECTRIC SERVICE TERRITORIES



- **Duke Energy Indiana, LLC (Duke)**, is locally based in Plainfield, Indiana, and is a subsidiary of Duke Energy Corporation headquartered in Charlotte, North Carolina. The utility serves 850,000 customers in 69 of the 92 counties located in Indiana.
- **Indiana Michigan Power Company (I&M)** is based in Fort Wayne, Indiana, and is a subsidiary of American Electric Power Company, Inc. (AEP) headquartered in Columbus, Ohio. The utility serves 470,000 customers in two noncontiguous parts of northeastern and north central Indiana.
- **Indianapolis Power and Light Company (IPL)** is based in Indianapolis, Indiana, and is a subsidiary of the AES Corporation headquartered in Arlington, Virginia. The utility serves 508,000 customers in the greater Indianapolis area.
- **Northern Indiana Public Service Company, LLC (NIPSCO)**, is a subsidiary of NiSource Inc., which is headquartered in Merrillville, Indiana. The utility serves 476,000 electric customers in northwestern Indiana.
- **Southern Indiana Gas and Electric Company (Vectren)** is based in Evansville, Indiana, and is a subsidiary of CenterPoint Energy headquartered in Houston, Texas. The utility serves 148,000 customers in a part of southwestern Indiana, including Evansville.

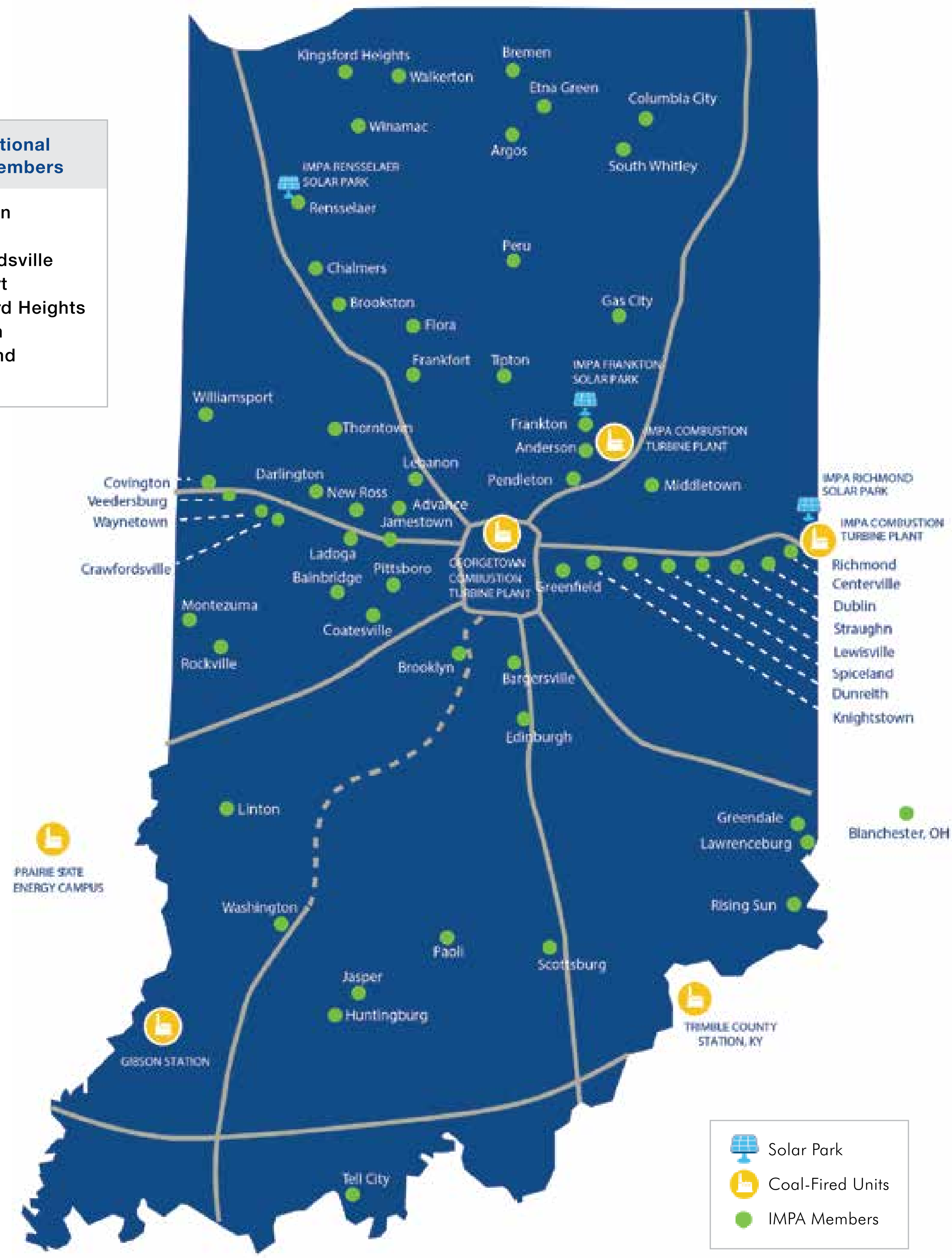
Municipally Owned Utilities

The municipally owned electric utilities under the Commission's rate jurisdiction are Anderson, Auburn, Crawfordsville, Frankfort, Kingsford Heights, Lebanon, Richmond, and Tipton. In 1980, a group of municipalities created IMPA to jointly finance and operate generation and transmission facilities, as well as meet members' power needs through a combination of member-owned generating facilities, member-dedicated generation, and purchased power. Of the 72 municipally owned electric utilities in the state, 60 are members of IMPA, including seven of the eight municipal electric utilities regulated by the Commission. *See Appendix D*.

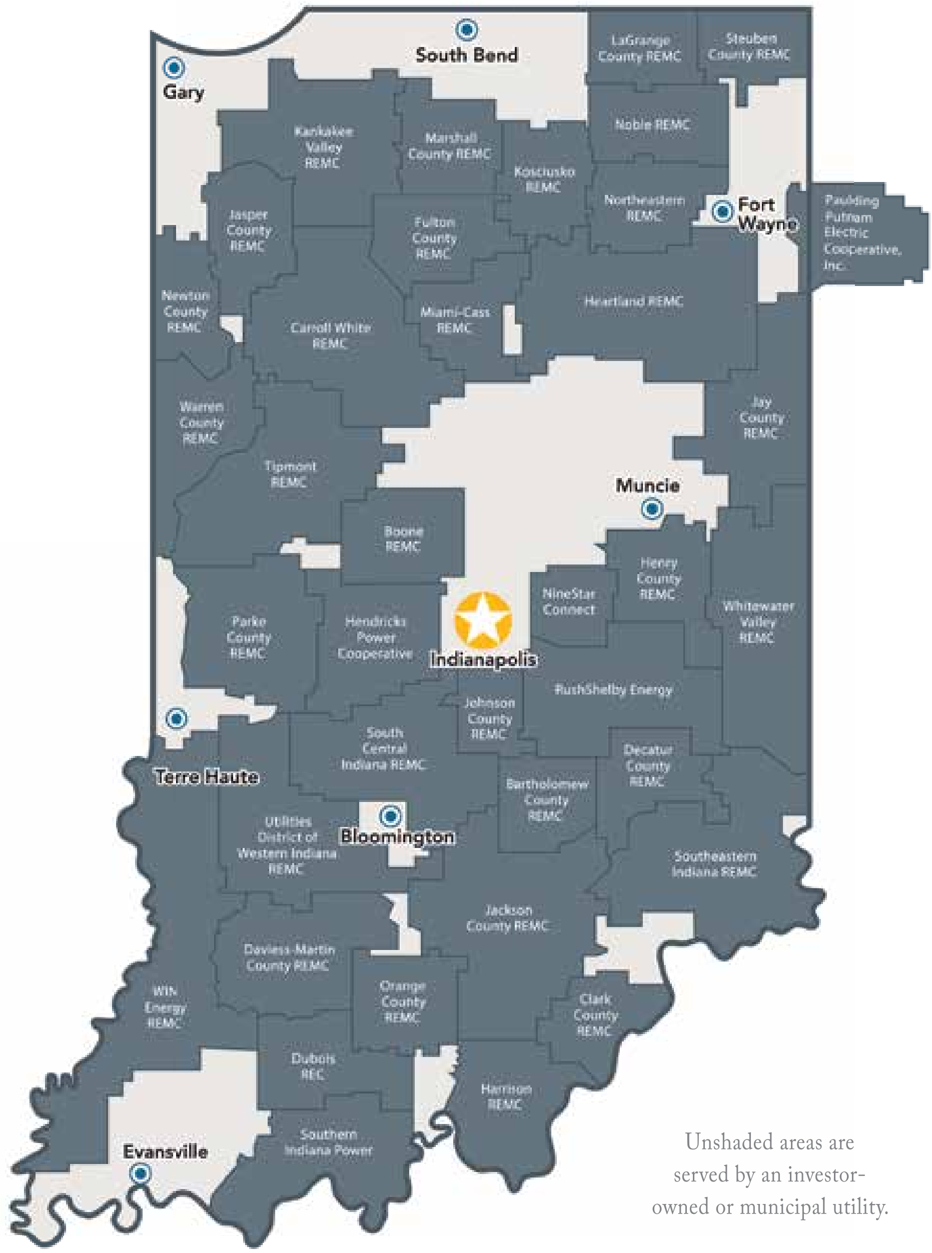
Jurisdictional IMPA Members

Anderson
Auburn
Crawfordsville
Frankfort
Kingsford Heights
Lebanon
Richmond
Tipton

STATEWIDE MAP OF INDIANA MUNICIPAL POWER AGENCY MEMBERS AND GENERATING RESOURCES



INDIANA ELECTRIC COOPERATIVES MEMBER COOPERATIVES



Unshaded areas are served by an investor-owned or municipal utility.

Rural Electric Membership Cooperatives

REMCs are customer-owned distribution utilities, most of which are members of either Hoosier Energy, located in the southern part of the state, or WVPA, located in the northern part of the state. Hoosier Energy and WVPA are power generating and transmission cooperatives formed to supply power to the REMCs.

The Commission's regulation of Hoosier Energy and WVPA is primarily limited to decisions to purchase, build, or lease generation facilities, the review of their integrated resource plans (IRPs), and service territory changes by their members. No REMCs remain under Commission authority for rate regulation.

Competitiveness of Rates

Indiana's average retail prices for electricity continue to be competitive both nationally and regionally. State average electricity prices are the composite average price for all rate classes, including residential, commercial, and industrial customers.

Indiana's average total customer retail rates historically have compared favorably to those of the rest of the nation. They ranked as the 2nd lowest in 2002 and the 28th lowest in 2019, according to Electric Power Monthly. The variability in ranking is the result of many factors, including environmental requirements, the timing of rate cases (both in and out of state), required investments to maintain infrastructure, and fluctuations in the cost of fuel. Investment costs to address environmental mandates and general trends in coal and natural gas prices have influenced Indiana's relative price advantage.

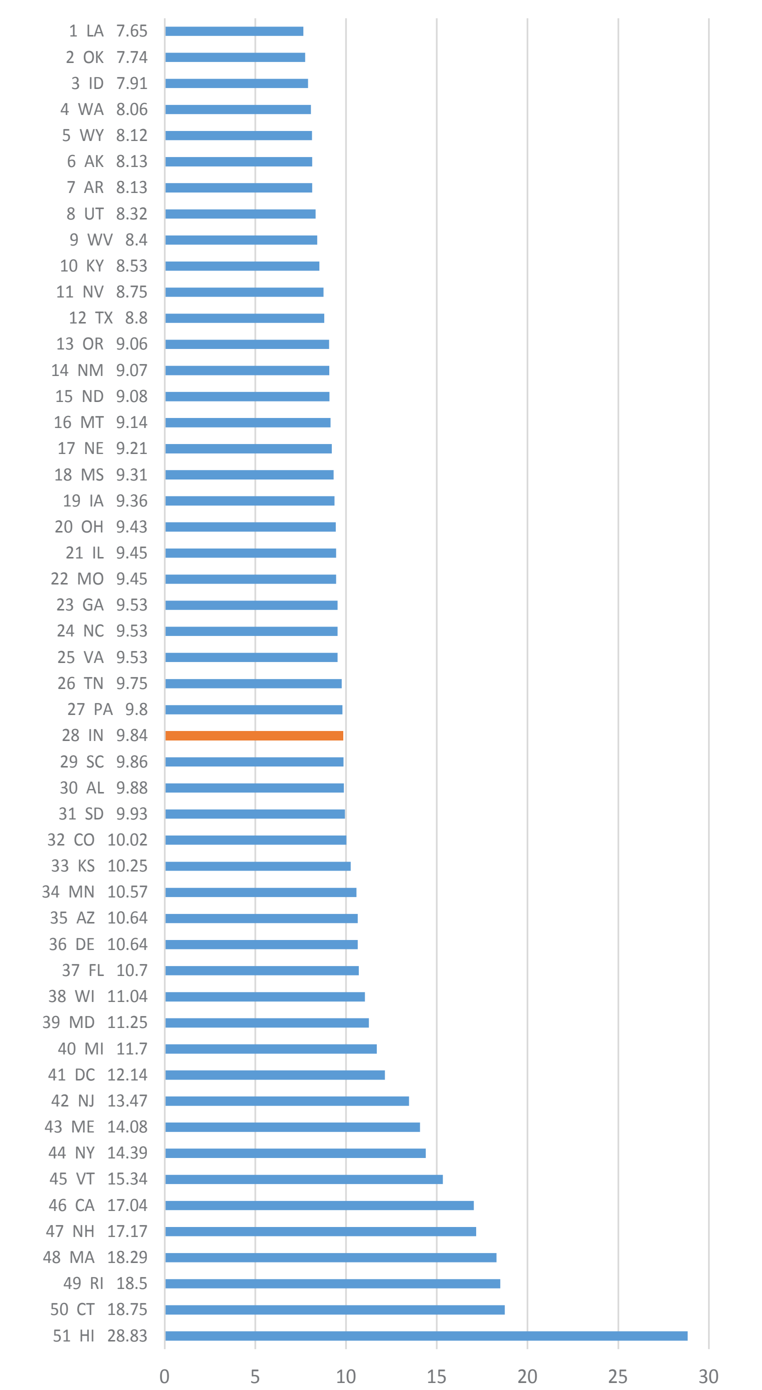
Neighboring states' total customer retail rate rankings for 2019 are as follows: Kentucky – 10th, Illinois – 21st, Ohio – 20th, and Michigan – 40th. Rates and rankings can fluctuate from year to year, depending on environmental regulations and the commodity prices of coal and natural gas.

How Indiana Compares

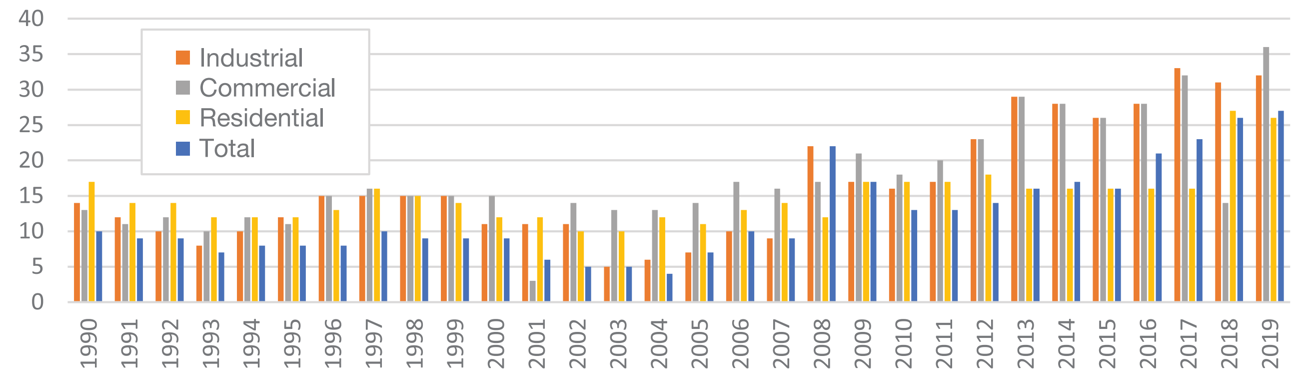
Differences and variations in rates can be seen between the various customer classes—residential, commercial, and industrial. Due to a number of factors, each class has been affected differently from a ranking standpoint. Industrial customers have slipped in ranking more than other customer classes, from 5th least expensive in 2003 to 32nd least expensive in 2019.

Indiana's dependence on coal as a fuel source for electricity generation has contributed to the state's relatively low-cost electricity, which has historically created an important economic development advantage. However, investment costs to address environmental mandates, the general trending of increased coal prices observed since 2003, low natural gas and renewable energy prices, and the replacement of aging infrastructure have reduced Indiana's relative price advantage.

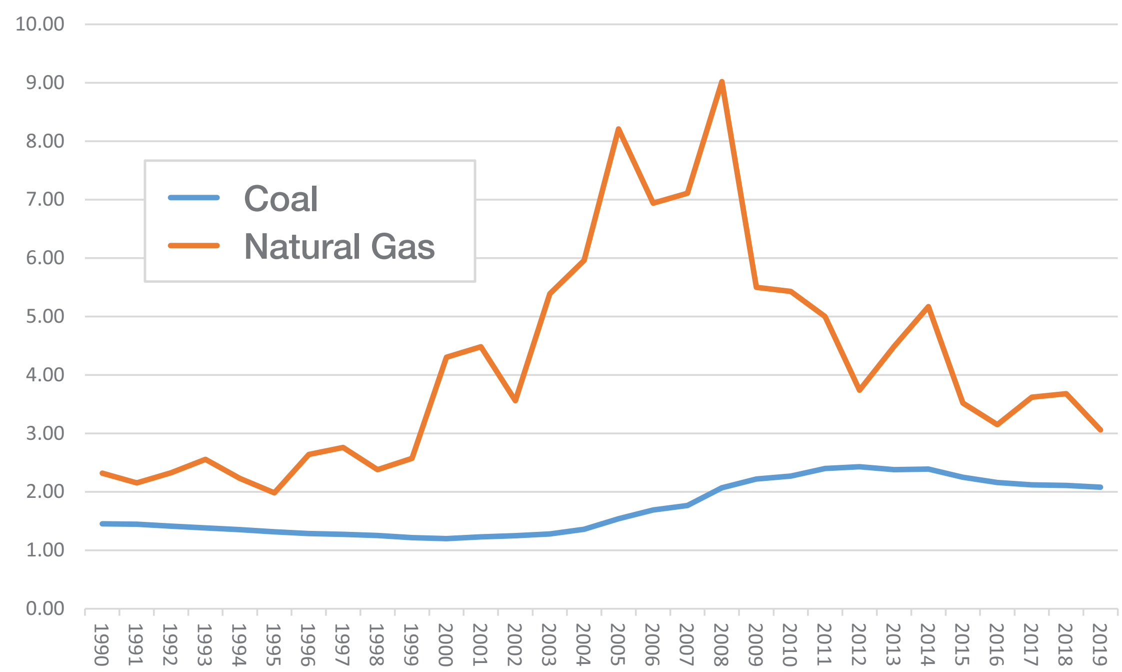
2019 STATE AVERAGE ELECTRICITY PRICES
(INCLUDES ALL RATE CLASSES, IN CENTS/KWH)



INDIANA CUSTOMER CLASS RATE NATIONAL RANKING



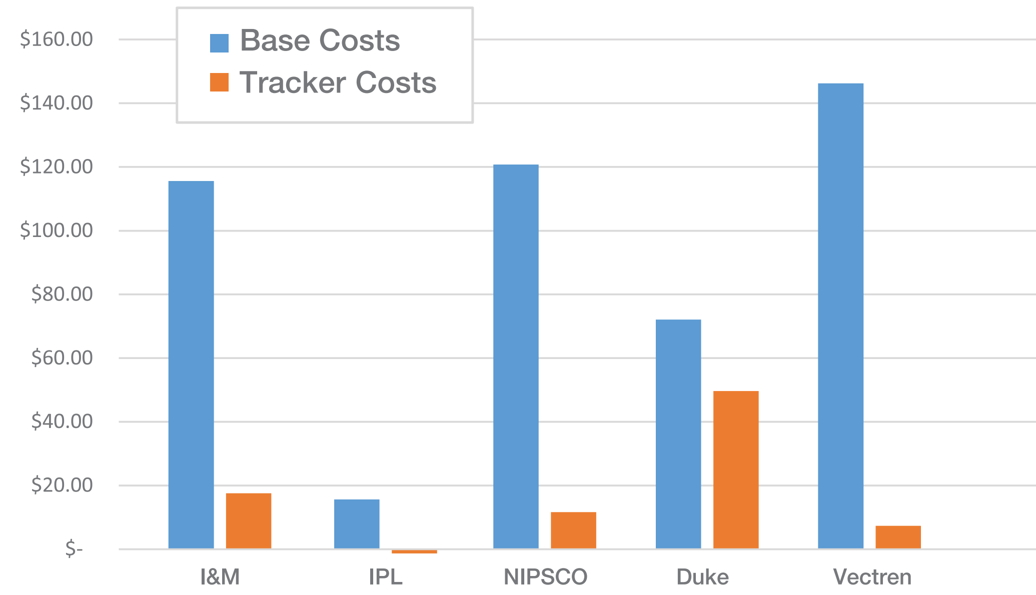
AVERAGE COST OF FUEL, ELECTRIC UTILITIES, NATIONWIDE ($/MMBTU)



Some of the factors driving the coal cost increases and natural gas cost decreases include more stringent permitting requirements for coal mining and the abundance of shale gas supply.

When focusing solely on rankings, Indiana is still competitive; however, long-term planning and a well-developed, holistic evaluation of potential solutions to address rising costs are critical.

RESIDENTIAL BILL COMPONENTS FOR THE INVESTOR OWNED UTILITIES



Customer Bills

The Commission issues a residential electric bill survey annually that compares the rates of Indiana regulated utilities. This information is summarized in *Appendices E-H*.

In addition, the above chart shows a breakdown of how base rates, expense adjustments *(e.g., maintenance costs, administrative costs, and fuel costs),* and capital adjustments (e.g., investments in facilities, machinery, and equipment) contribute to a residential customer's bill for each of Indiana's electric IOUs. Indiana's regulatory statutes include rate adjustment mechanisms, also known as trackers, for certain expenses and capital investments. Rate adjustment mechanisms provide timelier flow-through of specifically defined and approved costs to retail rates, compared to adjustments that would occur as the result of a rate case. The relative weighting of elements in customer bills varies in part due to the size of a utility's construction program and how much time has passed since its last base rate case.

Federal Tax Cuts and Jobs Act of 2017

On Dec. 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA contained provisions reducing the corporate tax rate of 35% to 21% and revising the federal tax structure.

As a result of the TCJA, the Commission initiated an investigation into the federal income tax embedded in rates of all jurisdictional, investor-owned utilities. As of July 30, 2020, the Commission has approved annual reductions to base rates and charges of more than $162 million for electric utility customers.

Infrastructure and TDSIC

Indiana Code chapter 8-1-39 provides incentives for regulated electric and natural gas utility companies to replace aging infrastructure. To encourage investment in transmission and distribution systems, the legislature created a rate adjustment mechanism called the Transmission, Distribution, and Storage System Improvement Charge (TDSIC), which covers projects related to safety, reliability, system modernization, and economic development. Examples of electric utility projects include investments in substations, circuits, underground cables, and breakers/transformers. Absent the TDSIC mechanism, these investments would have to await consideration for cost recovery in a base rate case. Now, utilities can petition for cost recovery on a timelier basis.

The TDSIC statute, Ind. Code chapter 8-1-39, was amended in 2019 by House Enrolled Act (HEA) 1470 to further define what constitutes "eligible transmission, distribution, and storage system improvements," and allow utilities to submit five to seven-year TDSIC plans, instead of only seven-year plans. HEA 1470 also delineated that a utility can include new projects or improvements throughout the course of its TDSIC plan.

TDSIC Update

A utility-specific TDSIC plan includes projects to upgrade infrastructure over a five to seven-year time period. After the Commission approves the initial plan, utilities file updates to the plans for ongoing review and recovery of investments. The table below shows that current TDSIC plans have been approved to invest a total of $4.3 billion in eligible projects.

IPL filed its first TDSIC plan with the Commission on July 24, 2019, in IURC Cause No. 45264. On March 4, 2020, the Commission approved IPL's proposed TDSIC Plan. The case is currently on appeal with the Indiana Court of Appeals.

CURRENT TDSIC UTILITY PLANS APPROVED

Utility Name	7-year Plan Approved Investment Amount	7-year Plan Approved Investments to Date	% of Approved Amount in Rates
Duke	$1,408,300,000	$506,652,101	36.0%
IPL	$1,218,454,910	$0	0.0%
NIPSCO	$1,251,954,035	$ 500,864,670	40.0%
Vectren	$446,508,000	$152,318,962	34.1%
Total	$4,325,216,945	$1,159,835,733	26.8%

Generation

Indiana's Commission-regulated electric utilities are required to supply power from an integrated portfolio of resources at the lowest reasonable cost, while providing safe and reliable service. To accomplish this, utilities must strategically plan on both a short-term and long-term basis, a process known as integrated resource planning. Each IOU, IMPA, Hoosier Energy, and WVPA are required to submit an integrated resource plan (IRP) to the Commission.

Integrated Resource Planning

To ensure adequate resources have been planned to meet future obligations, Indiana's largest electric utilities employ state-of-the-art tools and work with their stakeholders to develop IRPs. IRPs evaluate a broad range of feasible and economically viable resource alternatives, including traditional resources, energy efficiency, demand response, and customer-owned resources – over a 20-year planning period.

Utilities submit an IRP once every three years on a staggered schedule, pursuant to the Commission's IRP rule, 170 IAC 4-7. Due to the dynamics of the electric power industry, Duke and I&M submitted IRPs on July 1, 2019, and IPL submitted its IRP on Dec. 16, 2019. Vectren submitted its IRP on June 29, 2020. IMPA, Hoosier Energy and WVPA are expected to submit their IRPs during 2020.

IRPs are analytically challenging and complex and affect virtually all aspects of utility operations and long-term objectives. To address the inherent complexities of IRPs, the Commission hosts an annual Contemporary Issues Technical Conference to discuss IRPs. The Commission, with the assistance of various stakeholders, invites experts to discuss methods for addressing complex issues. The 2020 Technical Conference was held as a virtual meeting on Aug. 25, 2020, with a second Technical Conference scheduled for Sept. 24, 2020. This year's meeting included presenters from Midcontinent Independent System Operator (MISO) and PJM Interconnection, LLC (PJM). The presenters focused on a variety of topics related to the work of the regional transmission organizations (RTOs), resource adequacy, and implications of the changing resource mix.

Indiana's IRP process allows open stakeholder participation in a concerted effort to facilitate timely analysis regarding future resources. The Commission has encouraged broad stakeholder participation to ensure a variety of perspectives are considered. Utilities hold at least three public advisory sessions to solicit input into the development of the IRPs. As the importance of the IRPs and the potential costs of resource decisions have increased, utilities have scheduled more meetings to more fully discuss stakeholder concerns. The utilities also provide educational programs for participants in the stakeholder process. Recent public advisory sessions were held by Duke and I&M prior to submittal of their IRPs on July 1, 2019, and by IPL before its submittal on Dec. 16, 2019. Vectren hosted a series of public advisory sessions, with the last one on June 15, 2020, followed by a submittal of its IRP on June 29, 2020.

The IRP process requires the utilities to anticipate how they will comply with federal environmental regulations, how they evaluate continued investments in existing plants, and the viability of alternative options to meet customer demand.

Some options include, but are not limited to: 1) retiring existing plants; 2) converting coal-fired plants to natural gas-fired plants; 3) building new generating plants; 4) additional purchases of renewable energy using power purchase agreements (PPAs); and 5) expanding energy efficiency and demand response programs to reduce customers' energy needs.

Indiana Code chapter 8-1-8.5 generally requires utilities that intend to construct, own, or lease a generation facility to receive approval from the Commission through the certificate of need process before proceeding. This process provides the Commission and interested parties an opportunity to evaluate the merits of a project before it is undertaken and includes consideration of the utility's IRP. If the Commission approves a project, the utility is granted a certificate of public convenience and necessity (CPCN). The statute requires the Commission to find that an IOU allowed third parties to submit firm and binding bids in a competitive bidding process for the construction of new generation facilities greater than 80 MW before granting a CPCN. In addition, Ind. Code § 8-1-8.5-7(4) simplifies the approval process for solar, wind and organic waste biomass projects, which are less than 50 MW and selected through a competitive procurement process.

Indiana utilities may purchase incremental electricity through PPAs, which are contractual purchases of energy, rather than build their own power plants. The Commission conducts a separate review process for PPAs. Like the CPCN process, a utility files a petition with the Commission seeking approval to determine prudency for the purposes of future cost recovery of the purchases made through the PPA. Petitions for PPA rate recovery are generally filed under Ind. Code chapter 8-1-8.8.

Energy efficiency refers to measures or technologies that reduce the consumption of energy, while demand response refers to measures, technologies, or incentives and pricing programs that reduce or curtail usage during periods of peak demand. Energy efficiency and demand response programs are also examined within the utilities' IRPs.

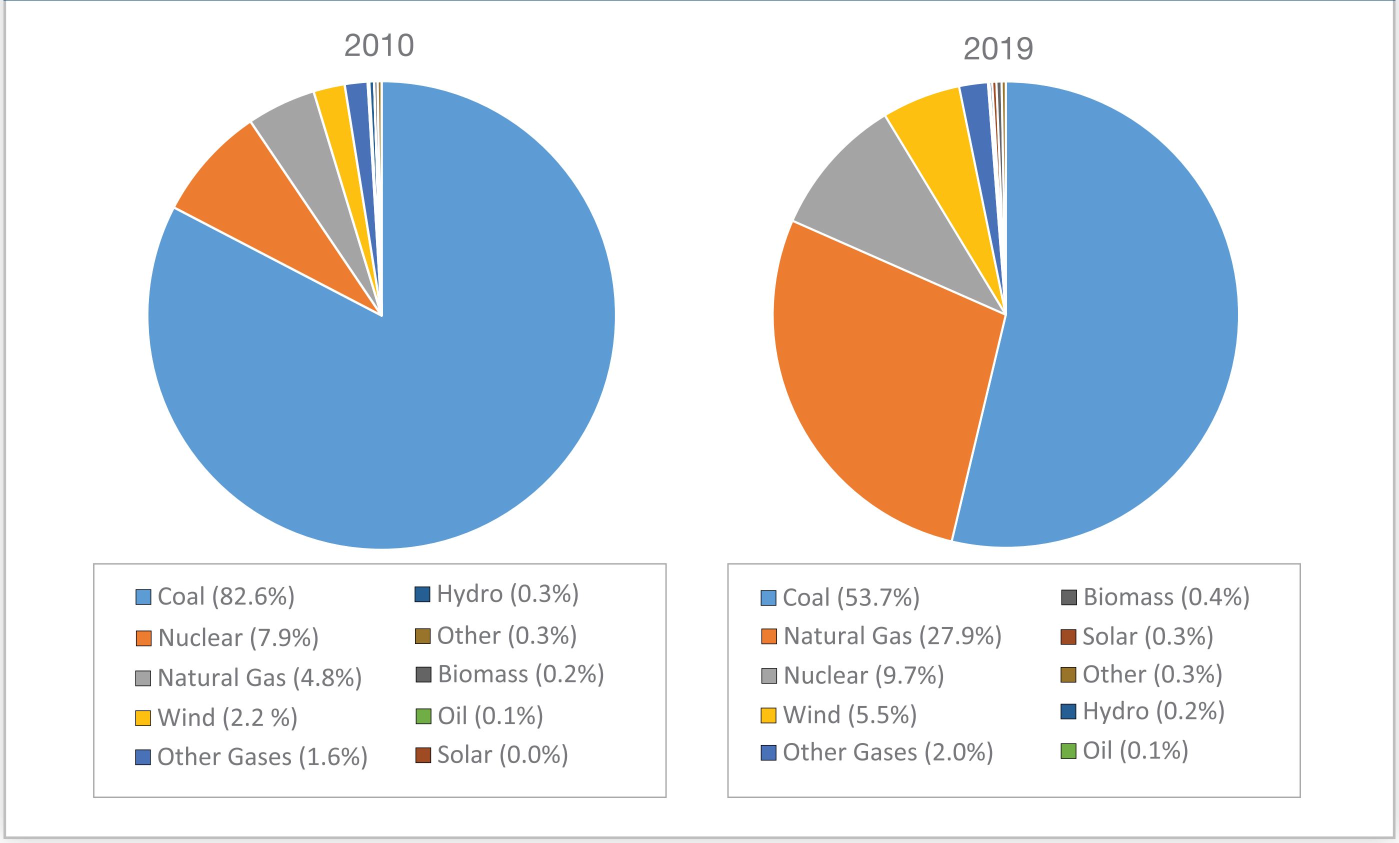
Indiana's Generation Fuel Mix

In 2010, the fuel sources for electric power generation meeting Indiana's needs were:

- Coal: 82.6%
- Nuclear: 7.9%
- Natural gas: 4.8%
- Wind: 2.2%
- Other fuels: 2.5%

Since that time, large wind farms harnessing Indiana's abundant wind energy resources have joined the Indiana generation fleet and natural gas prices have decreased. The current U.S. Energy Information Administration (EIA) and FERC data

GENERATION OF ELECTRICITY BY FUEL TYPE FOR INDIANA CONSUMERS



projects Indiana's fuel source mix for 2019 as follows *(see the above pie charts):*

- Coal: 53.7%
- Natural gas: 27.9%
- Nuclear: 9.7%
- Wind: 5.5%
- Other fuels: 3.2%

Although the majority of Indiana's electrical energy needs are met through coal-fired, natural gas-fired, and nuclear generation at utility-owned facilities, wind and other renewable energy sources are increasingly contributing to the generation of electricity consumed in the state.

Additionally, I&M's Cook nuclear plant in Michigan is represented by the nuclear portion of the pie chart above because approximately 67% of the total production of that generation is dedicated to serve Hoosiers in I&M's service territory. In 2018, coal generation for Indiana customers accounted for 64.3% of Indiana's needs. Coal generation's share of the generation fuel mix decreased in 2019 to 53.7%. This is due to a variety of factors, including environmental regulations, market prices, and the continued shift away from fossil fuel generation that is prevalent in the industry, not only in Indiana, but across the nation.

DUKE ENERGY INDIANA

1. Gibson 3,132
2. Wabash River .... Retired
3. Cayuga 1,085
4. Edwardsport..................... 595
5. Gallagher 280
6. Noblesville....................... 285
7. Connersville................. Retired
8. Henry County..................... 129
9. Madison (OH)..................... 576
10. Miami Wabash .... Retired
11. Vermillion 1-5 355
12. Wheatland 460
38. Markland.............................45

HOOSIER ENERGY

13. Merom 983
14. Holland (IL)....................... 307
15. Ratts.......................... Retired
16. Lawrence 176
17. Worthington...................... 175

INDIANA MUNICIPAL POWER AGENCY

18. Georgetown 2&3 146
19. Trimble County (KY)........... 162
20. Anderson......................... 139
21. Richmond 68
22. Whitewater Valley 98
39. Prairie State 202

INDIANA MICHIGAN POWER

23. Rockport 2,223
24. Cook (MI)....................... 2,154
25. Tanners Creek............. Retired

INDIANAPOLIS POWER & LIGHT

18. Georgetown 1&4................ 158
26. Petersburg 1,670
27. Harding Street 954
28. Eagle Valley...................... 671

NORTHERN INDIANA PUBLIC SERVICE COMPANY

29. Schahfer 1,625
30. Sugar Creek...................... 535
31. Bailly .... Inactive
32. Michigan City.................... 469
33. Mitchell...................... Retired

VECTREN SOUTH

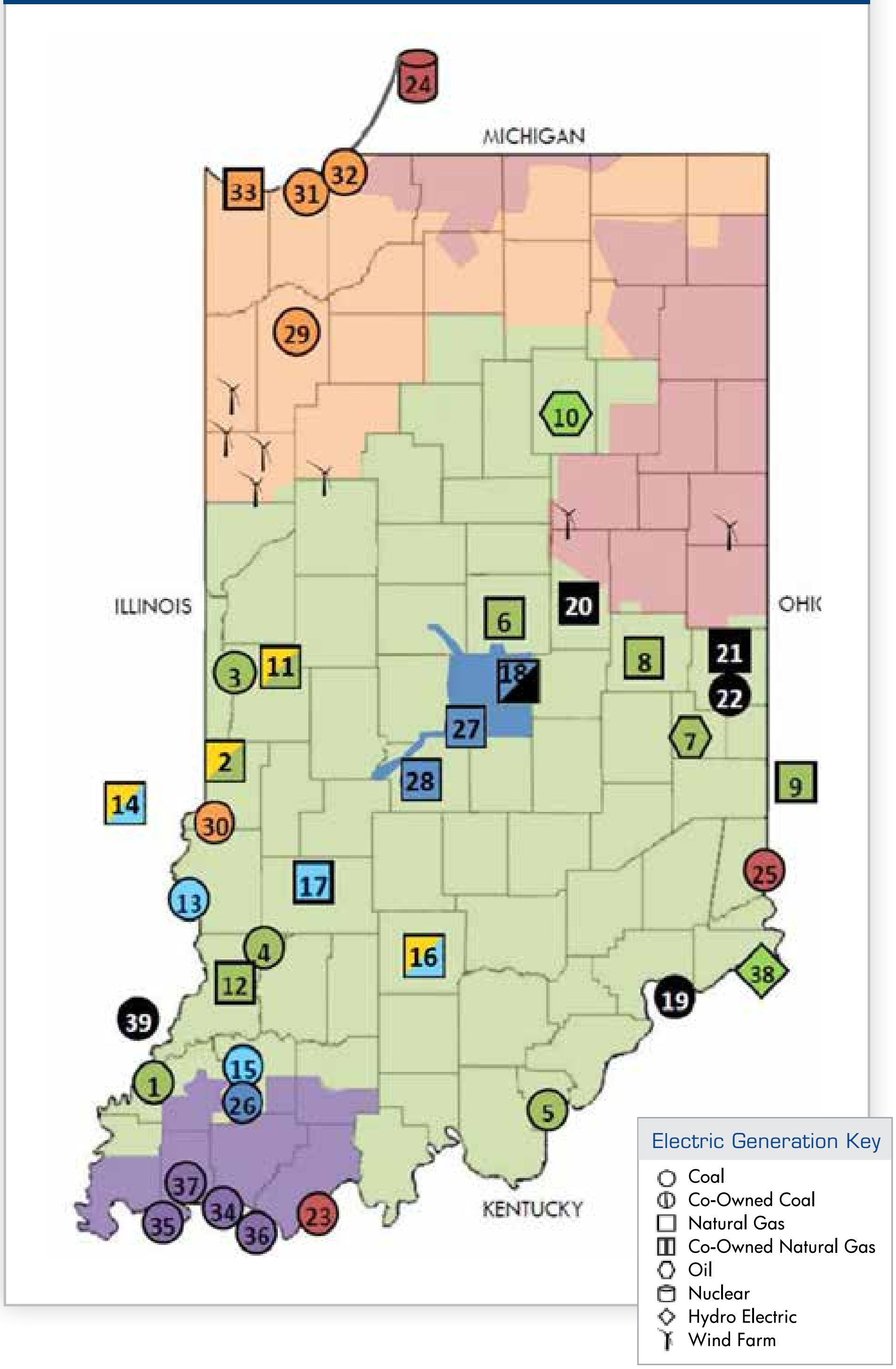
34. Warrick 150
35. Brown 640
36. Culley 360
37. Broadway/Northeast 75

WABASH VALLEY POWER

2. Wabash River Highland....... 162
11. Vermillion 6-8 240
14. Holland (IL) 314
16. Lawrence 86

The following map shows the electric generation plants owned by Indiana's five IOUs, IMPA, WVPA, and Hoosier Energy.

ELECTRIC GENERATION SERVING INDIANA (SUMMER MW RATINGS)



Coal Plant Retirements and Projected Unit Retirements

Indiana has seen a significant number of coal-fired generation units retire from 2010 to 2019. Twenty-eight of the 57 coal-fired generation units in Indiana have retired. Of the 28 units to retire, only four of the retiring units were fewer than 50 years old. Environmental regulations caused a number of these units to retire earlier than might have otherwise been the case, but increasingly these units are retiring because they are no longer competitive in a power market with low natural gas prices and declining renewable energy prices.

Based on IRPs, Indiana utilities are planning to retire as many as 21 coal generation units between 2020 and 2028. It is important to remember that these are projected retirements, not definite.

In the 2020 legislative session, the Indiana General Assembly enacted House Enrolled Act (HEA) 1414 on Electric Generation. HEA 1414 adds sections to Ind. Code chapter 8-1-8.5 that provide that a public utility may not retire, sell, or transfer a reliable capacity resource with a capacity of at least 80 megawatts before May 1, 2020, unless: (1) a public utility first provides written notice to the Commission of the public utility's intent to do so;

RETIRED COAL UNITS SINCE 1-1-2010

Coal Unit (year-in-service)	Owner	Summer Rating (MW)	Retire Date	Age at Retire Date
Edwardsport Unit 7 (1949)	Duke	45	01-01-10	61
Edwardsport Unit 8 (1951)	Duke	75	01-01-10	59
Mitchell Unit 11 (1970)	NIPSCO	110	09-01-10	40
Mitchell Unit 5 (1959)	NIPSCO	125	09-01-10	51
Mitchell Unit 6 (1959)	NIPSCO	125	09-01-10	51
Gallagher Unit 1 (1959)	Duke	140	01-31-12	53
Gallagher Unit 3 (1960)	Duke	140	01-31-12	52
State Line Unit 1 (1929)	Merchant	197	01-31-12	83
State Line Unit 2 (1929)	Merchant	318	01-31-12	83
Harding Street Unit 3 (1941)	IPL	35	07-01-13	72
Harding Street Unit 4 (1947)	IPL	35	07-01-13	66
Ratts Unit 2 (1970)	Hoosier	121	12-31-14	44
Ratts Unit 1 (1970)	Hoosier	42	03-10-15	45
Tanners Creek Unit 1 (1951)	I&M	145	06-01-15	64
Tanners Creek Unit 2 (1952)	I&M	142	06-01-15	63
Tanners Creek Unit 3 (1953)	I&M	195	06-01-15	62
Tanners Creek Unit 4 (1956)	I&M	500	06-01-15	59
Eagle Valley 3 (1951)	IPL	40	04-15-16	65
Eagle Valley 4 (1953)	IPL	55	04-15-16	63
Eagle Valley 5 (1955)	IPL	61	04-15-16	61
Eagle Valley 6 (1956)	IPL	100	04-15-16	60
Wabash River Unit 2 (1953)	Duke	85	04-15-16	63
Wabash River Unit 3 ((1954)	Duke	85	04-15-16	62
Wabash River Unit 4 (1955)	Duke	85	04-15-16	61
Wabash River Unit 5 (1956)	Duke	95	04-15-16	60
Wabash River Unit 6 (1968)	Duke	318	04-15-16	48
Bailly Unit 7 (1962)	NIPSCO	160	05-31-18	56
Bailly Unit 8 (1968)	NIPSCO	320	05-31-18	50

PROJECTED COAL UNIT RETIREMENTS

Coal Unit (year-in-service)	Owner	Summer Rating (MW)	Retire Date	Age at Retire Date
Petersburg 1 (1967)	IPL	220	12-31-2021	54
Gallagher 2 (1958)	Duke	140	12-31-2022	64
Gallagher 4 (1961)	Duke	140	12-31-2022	61
Brown 1 (1979)	SIGECO	245	12-31-2023	44
Brown 2 (1986)	SIGECO	245	12-31-2023	37
Culley 2 (1966)	SIGECO	90	12-31-2023	57
Merom 1 (1983)	Hoosier	501	12-31-2023	40
Merom 2 (1982)	Hoosier	482	12-31-2023	41
Petersburg 2 (1969)	IPL	410	12-31-2023	54
Schafer 14 (1976)	NIPSCO	431	12-31-2023	47
Schafer 15 (1976)	NIPSCO	472	12-31-2023	44
Schafer 17 (1983)	NIPSCO	361	12-31-2023	40
Schafer 18 (1986)	NIPSCO	361	12-31-2023	37
Warrick 4 (1970, ALCOA, 50%)	SIGECO	150	12-31-2023	53
Gibson 5 (1982)	Duke	620	05-31-2026	44
Whitewater Valley Unit 1 (1955)	IMPA	38	12-31-2026	71
Whitewater Valley Unit 2 (1973)	IMPA	60	12-31-2026	53
Cayuga 2 (1972)	Duke	495	05-31-2028	56
Cayuga 1 (1970)	Duke	500	05-31-2028	58
Michigan City 12 (1976)	NIPSCO	469	12-31-2028	54
Rockport 1 (1984)	I&M	1300	12-31-2028	44

RENEWABLE GENERATION OPERATING IN INDIANA		
Resource Type	**Installed MW**	**% of Total Installed Renewable MW in State**
Wind	2,324.8	82.6%
Solar	356.1	12.7%
Hydro	61.9	2.2%
Biomass Digesters/ Landfill Gas	70.6	2.5%

and (2) the Commission conducts a public hearing to receive information concerning the reasonableness of the planned retirement, sale, or transfer. In part, utilities must give the Commission at least three years notice before retiring a legacy resource and may not retire or otherwise transfer the ownership of a reliable capacity resource without regulatory approval.

The act requires utilities that own generation units (i.e., Duke, Hoosier Energy, I&M, IMPA, IPL, NIPSCO, Vectren, and WVPA) to file a notice with the Commission that they plan to retire the facility as indicated in their preferred portfolio of the integrated resource plan (IRP) before May 1, 2021. The Commission must conduct a public hearing and issue its analysis and conclusions regarding the planned retirement within 120 days after the utility provides its notice.

Renewable Energy

Although it is still a small portion of the generation mix in Indiana, electricity generation from renewable energy sources continues to increase in the state. In addition to net metering, utility-scale renewable generation facilities, and utility PPAs, the Commission has approved feed-in tariffs, which allow utilities to diversify their generation portfolios by purchasing renewable energy generated in their service territory.

The use of batteries to store energy is expected to be a significant factor in the continued expansion of renewable generation. IOUs currently operate, or are in the process of bringing online, the following battery projects in Indiana:

INDIANA IOU BATTERY PROJECTS				
Utility	**Location**	**Battery Type**	**Capacity**	**Status**
Duke	Camp Atterbury, Bartholomew County	Lithiumion	5 MW	Operating
	Naab, Clark & Scott Counties	Lithiumion	5 MW	Expected In-service 2020
I&M	Churubusco, Whitley County	Sodium sulfur	2 MW	Operating
IPL	Indianapolis, Marion County	Lithiumion	20 MW	Operating
Vectren	Highway 41 Facility, Vanderburgh County	Lithiumion	4 MW	Operating

Net Metering / Distributed Generation

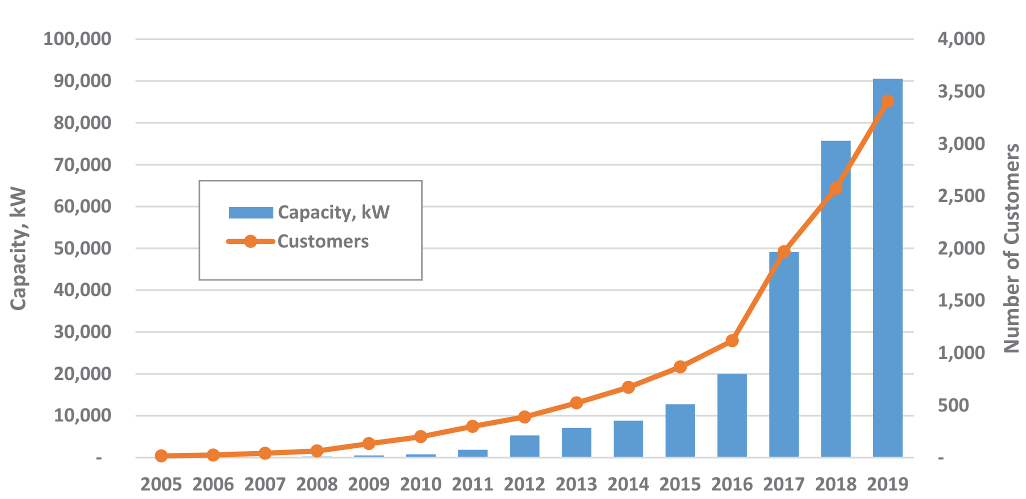
Indiana electric customers may self-supply a portion of their electric usage by installing renewable energy facilities, such as wind turbines or solar panels, while also relying on the electric utility as a back-up provider. If the amount of electricity the customer receives from the utility is greater than the amount of generation from the customer's facility supplied to the utility, the difference is charged to the customer. If the amount the customer receives from the utility is less than the amount of generation delivered to the utility from the customer's facility, the customer receives a credit on their next bill for the excess supply. Net metering means that the credit is a one-to-one credit at essentially the retail electric rate.

The Commission established its net metering rule in 2004 requiring investor-owned electric utilities to interconnect and credit customers that had qualifying facilities. The rule was expanded in 2011 to make net metering available to all customer classes with energy production facilities with a capacity of 1 megawatt (MW) or less. Additionally, a utility could limit the total capacity under the net metering tariff to 1% of its most recent summer peak load.

In 2017, Indiana Code chapter 8-1-40 was enacted, increasing the capacity of Indiana's net metering tariff by 50% of a utility's most recent summer peak load, from 1% in the Commission's rule to 1.5%. Of that 1.5%, the law provides a 40% capacity reservation for residential customers and 15% reservation for organic waste biomass within net metering tariffs. The Commission updated its net metering rule accordingly.

Ind. Code chapter 8-1-40 also provided for a transition from net metering. Customers who installed qualifying facilities before Dec. 31, 2017, remain net metering customers until July 1, 2047, and customers who install facilities between Jan. 1, 2018, and June 30, 2022, or until the utility reaches 1.5% of its summer peak load (whichever is earlier), remain net metering customer until July 1, 2032. These grandfathered customers will be credited at the net metering rate, which is essentially the retail rate (approximately 12 cents per kilowatt-hour (kWh)

NET METERING CAPACITY (KW) AND PARTICIPATION IN INDIANA



on average), for their excess electricity. A new distributed generation rate will apply for excess electricity generated by customers after these grandfather periods end for qualified customers, as well as for new customers who did not install distributed generation within the grandfathered periods. Under the statute, the credit for excess distributed generation is the average annual wholesale price (approximately 3 cents per kWh) plus 25%. On May 8, 2020, Vectren filed a petition with the Commission for approval of a proposed excess distributed generation rate, as Vectren is nearing the thresholds for customer net metering capacity. At time of publication of this report, this case is still pending. More information about net metering can be found on the Commission's website at *https://www.in.gov/iurc/2946.htm*.

The graph on the previous page shows that approximately 3,400 customers had installed net metering capacity of 90.5 MW as of the end of 2019.

State Utility Forecasting Group

Ind. Code § 8-1-8.8-14 requires the State Utility Forecasting Group (SUFG), based at Purdue University, to conduct an annual study on the use, availability, and economics of using the clean energy resources listed in Ind. Code § 8-1-37-4(a)(1) through Ind. Code § 8-1-37-4(a)(6). The Commission may also direct the SUFG to study the use of additional clean energy resources in the state. The SUFG's 2019 Indiana Renewable Energy Resources Study is available on the SUFG's website at *https://www.purdue.edu/discoverypark/sufg/resources/publicationsphp*.

Voluntary Clean Energy Portfolio Standard Program

Ind. Code chapter 8-1-37 established a voluntary program that provides incentives to participating electricity suppliers that supply specified percentages of clean energy to their Indiana retail electric customers. In part, Ind. Code § 8-1-37-12(a)(1) ties incentives with a goal that "clean energy" be "at least ten percent (10%) of the total electricity obtained by the participating electricity supplier to meet the energy requirements of its Indiana retail electric customers during the base year" by December 31, 2025. Each participating utility is required to submit a report on the following:

- Efforts made during the prior year to meet annual clean energy goals
- Amount of clean energy supplied to retail customers
- Amount of clean energy generated by facilities owned or operated by the utility
- Amount of clean energy purchased from other suppliers of clean energy
- Number of clean energy credits purchased by the participating utility

To date, no utilities have sought to participate in the Voluntary Clean Energy Portfolio Standard program; however, the 10% clean energy goal may have been met due to other factors. According to an S&P Global analysis, Indiana's total installed renewable capacity is approximately 2,700 MW. Indiana's total generation capacity is 26,642 MW. See "Indiana's Slowed Energy Transition Could Soon be Picking Up Momentum." S&P Global (accessed Jul. 23, 2020).

Indiana's Electricity Outlook

The SUFG was established by statute to provide an independent forecast of Indiana's electricity needs. In its "Indiana Electricity Projections: The 2019 Forecast Update," SUFG updated the 2018 forecast.

The updated forecast shows slightly lower growth in both electricity sales and demand. The compound average compound growth rate in energy over the next 20 years is 0.67%. This compares to 0.88% in the 2018 forecast. The peak demand is projected to increase by just 0.060% in the next 20 years compared to 0.83% in the 2018 forecast. Despite the forecast for residential and commercial sectors to increase slightly, the industrial electricity sales are anticipated to slow from 1.45% in the 2018 forecast to 1.26% in the updated forecast. With slower growth in peak demand, the future resource needs are delayed and reduced.

The first year in which Indiana requires additional resources is pushed back from 2023 to 2024. Long-term resource needs are projected to be about 5,700 MW by 2030 but this is lower than the amount forecast in 2017 by 600 MW. By 2037, Indiana will need an additional 14,000 MW. It is important to note that SUFG does not advocate any specific means of achieving the resource needs or the location. The SUFG's Indiana Electricity Projections report is available at: *https://www.purdue.edu/discoverypark/sufg/resources/publications.php*.

The SUFG's forecast predicts Indiana electricity prices will continue to rise in real (inflation adjusted) terms but peak in 2021 rather than 2023 and are about 0.7 cents per kilowatt-hour lower in the long term than previously projected due to fewer resource additions, lower projected natural gas prices, and lower tax rates. The price projections include costs attributable to existing environmental regulations but not proposed or future rules. Even without new environmental regulations, many aging coal-fired units are facing retirement or earlier-than-expected shutdown in the next several years due to existing environmental regulations and market forces such as the relatively low price projections for natural gas. As a result of the retirement of coal-fired generation, new resources will be acquired which will affect future prices.

It should be noted that SUFG's forecast was made prior to the public health emergency and the resulting reductions, which may or may not be temporary, in electricity usage.

Report to the 21st Century Energy Policy Development Task Force

In 2019, as part of House Enrolled Act 1278, the Indiana General Assembly created the 21st Century Energy Policy Development Task Force (Task Force) under Ind. Code chapter 2-5-45, and directed the Commission to study and report on statewide impacts of transitions and changes regarding electricity generation under Ind. Code § 8-1-8.5-3.1 (b). Specifically, the Commission was directed to:

"[C]onduct a comprehensive study of the statewide impacts, both in the near term and on a long term basis, of:

> (1) transitions in the fuel sources and other resources used to generate electricity by electric utilities; and
>
> (2) new and emerging technologies for the generation of electricity, including the potential impact of such technologies on local grids or distribution infrastructure…

on electric generation capacity, system reliability, system resilience, and the cost of electric utility service for consumers."

As part of the study, the State Utility Forecasting Group (SUFG) modeled future scenarios. The Commission sought input from staff at the U.S. Department of Energy's Lawrence Berkeley National Laboratory, with which the Commission ultimately signed a contract to perform research for the report. A separate contract was signed by Indiana University for additional research.

The Commission held a stakeholder meeting in August 2019. Dr. Doug Gotham from the SUFG provided an overview of his modeling system, including capabilities and limitations. After the presentation, the Commission staff and Dr. Gotham answered questions regarding the modeling or scenario development process.

Following the stakeholder meeting, Commission staff requested comments and stakeholder input regarding key scenario variables and sensitivities. Originally due on July 1, 2020, Governor Holcomb extended the timeline for the report to Aug. 14, 2020, through Executive Order 20-31. The Commission's report is available on its website at: *https://www.in.gov/iurc/3142.htm*.

The Impact of Federal Environmental Regulations

The impact of federal environmental regulations is greater in Indiana than in most other states because of Indiana's historical use of coal for the majority of its electricity generation. Coal-fired power plants generated 53.7% of the projected electric generation by fuel type for Indiana customers in 2019, down from approximately 82.6% in 2010. Nationally, about 28% of electricity is generated from coal, down from 45% in 2010, according to 2019 EIA data.

Complicating the electric utilities' planning for compliance with federal environmental regulations is the number of regulations and uncertainty regarding what final rules will require. The regulations include:

- The U.S. EPA's Cross State Air Pollution Rule (CSAPR), which was upheld by the U.S. Supreme Court in 2014. The U.S. EPA proposed an update to the CSAPR, and the update became effective May 2017. On Sept. 13, 2019, the US Court of Appeals for the DC Circuit remanded the CSAPR Update to the U.S. EPA to address the court's holding that the rule unlawfully allows significant contribution to continue beyond downwind attainment deadlines.

- The U.S. EPA's Mercury and Air Toxics Standards (MATS) was promulgated in 2012, upheld by the U.S. Court of Appeals for the District of Columbia Circuit in 2014, and then remanded back to the District of Columbia Circuit by the U.S. Supreme Court in 2015. In April 2016, the U.S. EPA issued a final finding that it is appropriate and necessary to set standards for emissions of air toxics from coal-fired and oil-fired power plants. In April 2020, U.S. EPA completed a reconsideration of the appropriate and necessary finding for MATS, revising the 2016 supplemental cost finding, and finding that it is not "appropriate and necessary" to regulate electric utility steam generating units under section 112 of the Clean Air Act. The MATS rule remains in effect.

- In June 2019, the EPA issued the final Affordable Clean Energy rule (ACE), which replaces the previously-proposed Clean Power Plan rule. The ACE rule establishes emission guidelines for states to use when developing plans to limit carbon dioxide at their coal-fired electric generating units. The rule also sets guidelines for states to develop performance standards for power plants to increase the amount of power produced relative to the amount of coal burned. The rule includes six candidate technologies that plants can employ to comply with the new regulations.

- The U.S. EPA's final Disposal of Coal Combustion Residuals from Electric Utilities rule became effective in October 2015. The rule establishes a comprehensive set of requirements for the disposal of coal combustion residuals (CCR), commonly known as coal ash, from coal-fired power plants. Proposed changes to the rule were signed by the EPA Administrator in March 2018 and remain pending. Additional revisions to the rule were proposed on two separate occasions in 2019 are also pending. Further changes were proposed in March 2020. All of the proposed changes would generally give states more ability to manage coal ash issues and incorporate the Water Infrastructure Improvements for the Nation Act, or WIIN Act.

- In September 2015, the U.S. EPA finalized its Steam Electric Power Generating Effluent Limitations Guidelines rule (ELG), which includes requirements for wastewater from power plants, including ash handling and scrubber wastewaters. However, in June 2017, the U.S. EPA granted petitions for administrative reconsideration of the final rule and has postponed impending deadlines until the reconsideration is complete In April 2019, the U.S. Court of Appeals for the Fifth Circuit vacated parts of the U.S. EPA's final ELG. Revisions to the rule were proposed in November 2019 and are pending.

ENVIRONMENTAL COMPLIANCE ACTIONS OF INDIANA'S INVESTOR-OWNED UTILITIES' GENERATING UNITS (2010-2020)

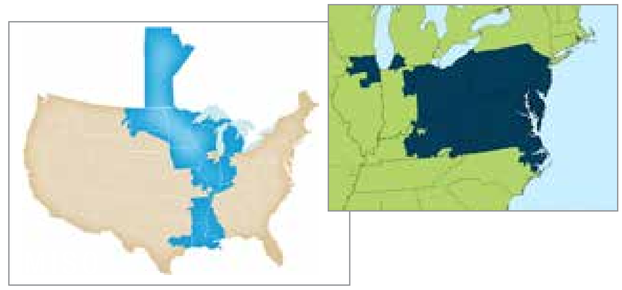
UTILITY	POLLUTION CONTROL TECHNOLOGY
Duke	• CPCN granted for dry sorbent injection (DSI) technology at Gallagher Units 2 & 4. Estimated cost $16 million. IURC Cause No. 43873, Sept. 2010. • CPCN granted for selective catalytic reduction (SCR) systems at Cayuga Units 1 & 2 and mercury control systems at all five Gibson units and Gallagher Units 1 & 2. Estimated cost $395 million. IURC Cause No. 44217, April 2013. • CPCN granted for particulate matter continuous emission monitoring systems, calcium bromide injection systems, and stack improvements at the Gibson and Cayuga Stations. Estimated cost $113 million. IURC Cause No. 44418, Aug. 2014. • CPCN granted for CCR compliance projects at Gibson and Cayuga stations. Estimated cost $365 million. IURC Cause No. 44765, May 2017.
I&M	• CPCN granted for DSI technology at Rockport Units 1 & 2. Estimated cost $258 million. IURC Cause No. 44331, Nov. 2013. • CPCN granted for SCR system on Rockport Unit 1. Estimated cost $234 million. IURC Cause No. 44523, May 2015. • CPCN granted for SCR system on Rockport Unit 2. Estimated cost $274 million. IURC Cause No. 44871, March 2018. • Enhanced DSI Project costs for Rockport Units 1 and 2 approved. Estimate cost $13 million. Rockport CCR Rule compliance project costs approved. Estimated cost $798,000. IURC Cause No. 45235, March 2020.
IPL	• CPCN granted to construct a 550–725 MW combined cycle gas turbine generation facility and to convert Harding St. Units 5 & 6 to natural gas. Estimated cost $667 million. IURC Cause No. 44339, May 2013. • CPCN granted for electrostatic precipitator enhancements/upgrades, flue gas desulfurization upgrades, and monitoring devices at Petersburg Units 1 – 4 and Harding St. Unit 7. Estimated cost $511 million. IURC Cause No. 44242, Aug. 2013. • CPCN granted for the conversion of Harding St. Unit 7 to natural gas and for various National Pollutant Discharge Elimination System projects. Estimated cost $332 million. IURC Cause No. 44540, July 2015. • CPCN granted for National Ambient Air Quality Standards (NAAQS), ELG, and CCR compliance projects at Petersburg station. Estimated cost $76 million. IURC Cause No. 44794, April 2017.
NIPSCO	• CPCNs granted for environmental controls at Schahfer Units 14, 15, 17, & 18; Michigan City Unit 12; and Bailly Units 7 & 8. Total estimated cost $798 million. IURC Cause No. 44012, Sept 2011 (Phase I), Feb. 2012 (Phase II), and Sept. 2012 (Phase III). • CPCN granted for environmental controls at Bailly Units 7 & 8 and Michigan City Unit 12; and for MATS compliance at Schahfer Units 14, 15, 17, & 18. Estimated cost $59 million. IURC Cause No. 44311, Oct. 2013. • CPCN requested for NAAQS, ELG, and CCR compliance projects. Estimated cost $188 million. IURC Cause No. 44872, Dec. 2017.
Vectren	• CPCN granted for clean energy and compliance projects. Estimated cost $89 million. IURC Cause No. 44446, Jan. 2015. • CPCN requested for ELG and CCR compliance projects for Culley Unit 3. Estimated cost $95 million. IURC Cause No. 45052, April 2019. • CPCN granted for closure of Brown Ash Pond in compliance with CCR Rule. Estimated cost $156 million. IURC Cause No. 45280, May 2020.

Transmission

Participation in regional transmission organizations (RTOs) by Indiana electric utilities provides a number of benefits for Indiana's electric customers. In addition to greater reliability, RTOs provide lower costs through more efficient regional transmission planning than is possible when individual utilities act alone. The vast regional scope of the RTOs allows Indiana's customers to experience the financial and operational benefits of a diverse resource mix and variations in customer demand. For example, Indiana might experience high peak demand due to hot weather at the same time that North Dakota has more moderate weather and lower demand, which would allow a portion of Indiana's peak demand to be satisfied with what would then be relatively lower-cost and available generation resources from the North Dakota region.

In addition, RTOs operate markets to achieve their reliability goals. These markets enable customers to realize the lowest possible wholesale energy prices while ensuring reliability. Two RTOs operate in Indiana: the Midcontinent Independent System Operator, Inc. (MISO) and PJM Interconnection, LLC (PJM). Federal Energy Regulatory Commission (FERC) regulates these organizations, and Commission staff closely monitors developments in each RTO's stakeholder processes.

REGIONAL TRANSMISSION ORGANIZATIONS



Because the reliability risk is diversified over the entirety of the RTOs' footprints – from the Rocky Mountains to the Atlantic Ocean – reserve margin needs are reduced.

A reserve margin is the amount of extra generation capacity available to serve customer loads in the event of a system contingency, such as the planned or unplanned outage of a generation plant or a high-capacity transmission line.

CHARACTERISTICS OF THE REGIONAL TRANSMISSION ORGANIZATIONS SERVING INDIANA

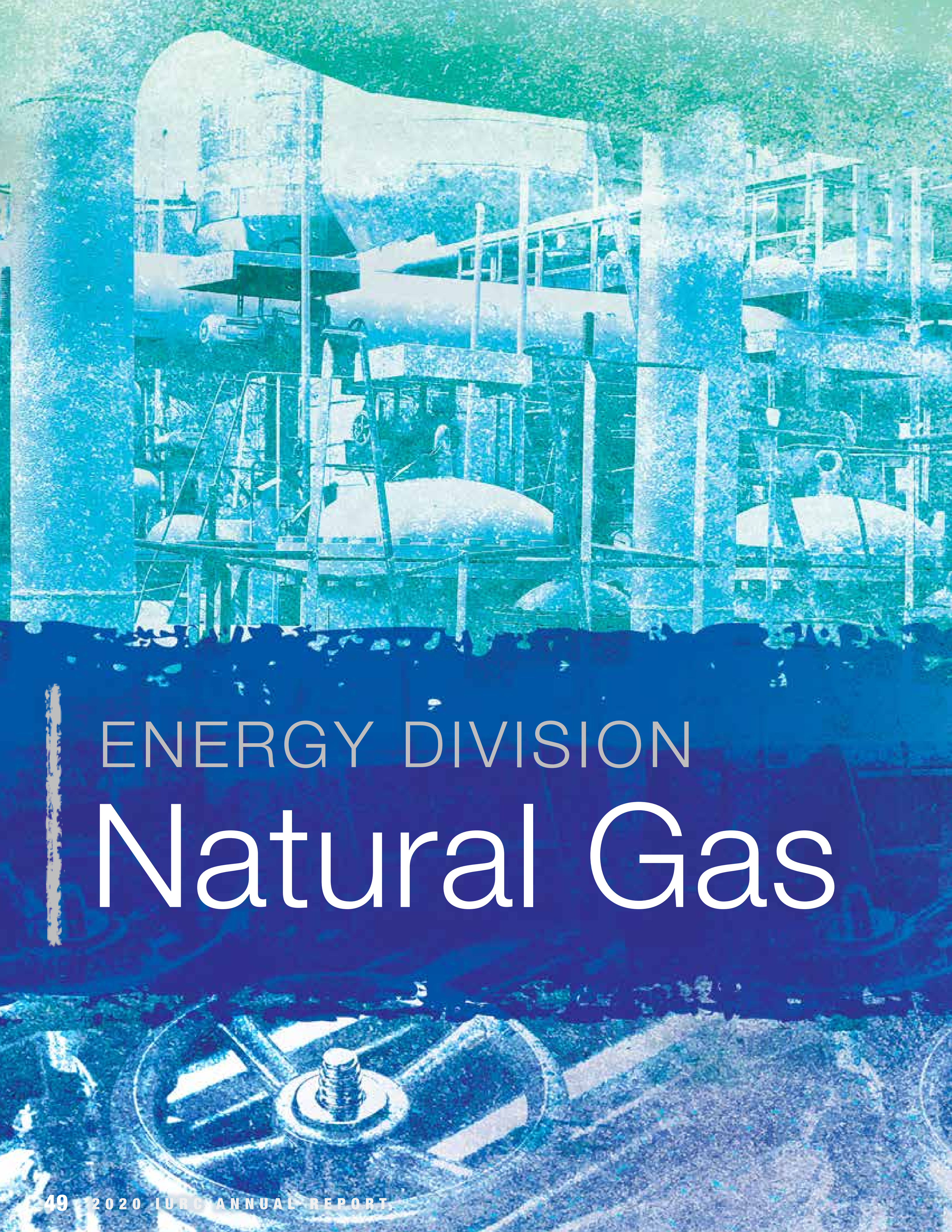
RTO Characteristics	MISO	PJM
Participating Indiana Utilities	Duke, NIPSCO, IPL, Vectren, AEP, Hoosier Energy, IMPA,and WVPA	AEP *(including its Indiana subsidiary I&M)*, IMPA, and WVPA
Transmission Lines	71,800 miles	84,236 miles
Generation Capacity	175,528 MW	180,086 MW
Annual Billings	$29.9 billion	$49.8 billion
Headquarters	Carmel, Indiana	Audubon, Pennsylvania

The electric industry historically maintained planning reserve margins in the range of 15% to 20%. However, with the development of RTOs, the necessary level of reserve margins has fallen compared to what individual utilities would have to maintain if they were not in an RTO. The comparatively reduced reserve margins reflect one of the benefits of more efficient regional coordination.

Electric Grid Resiliency

On June 18, 2020, the FERC issued a Notice of Inquiry (NOI) and a staff paper regarding potential enhancements to the critical infrastructure protection (CIP) reliability standards, see Docket No. RM20-12-000. In particular, the FERC's NOI sought comment on whether the CIP reliability standards adequately address a variety of areas, including (i) cybersecurity risks pertaining to data security, (ii) detection of anomalies and events, and (iii) mitigation of cybersecurity events. In addition, the FERC sought comment on the potential risk of a coordinated cyberattack on geographically distributed targets and whether FERC action including potential modifications to the CIP Reliability Standards would be appropriate to address such risk.

The FERC staff paper discussed a potential new framework for providing transmission incentives to utilities for cybersecurity investments and identifies issues for the FERC's consideration as it further evaluates providing incentives to utilities for cybersecurity investments. Additionally, the staff paper set forth two potential approaches the FERC could use to evaluate whether certain cybersecurity investments qualify for transmission incentives. Interested parties could file comments on the matters and any additional approaches for structuring an incentive for cybersecurity investments. Comments were due Aug. 17, 2020. The Commission's Office of General Counsel intervened and filed comments on behalf of the Commission.



ENERGY DIVISION

Natural Gas

ENERGY DIVISION

Natural Gas

Regulatory Responsibility

In Indiana, the Commission regulates the rates, charges, and terms of service for intrastate pipelines and local gas distribution companies (LDCs). The Commission reviews gas cost adjustments (GCAs), financial arrangements, service territory requests, and conducts investigatory proceedings. It also analyzes various forms of alternative regulatory proposals, such as rate decoupling, rate adjustment mechanisms, and customer choice initiatives.

The Commission has full regulatory authority over 17 natural gas distribution utilities in Indiana whose 2019 annual operating revenues total over $1.8 billion *(See Appendix I)*. These utilities maintain plants in service of approximately $7.3 billion and serve roughly 1.9 million customers. Of the utilities regulated by the Commission, one is a not-for-profit, one is a municipality, and 15 are investor-owned utilities (IOUs). Citizens Energy Group (Citizens Gas), Northern Indiana Public Service Company, LLC (NIPSCO), Indiana Gas Company, Inc. (also known as Vectren North), and Southern Indiana Gas and Electric Company (also known as Vectren South), represent the four largest natural gas utilities in the state and collectively serve 95% of the state's natural gas customers. See *Appendix J* for the list of gas utilities under Commission rate jurisdiction.

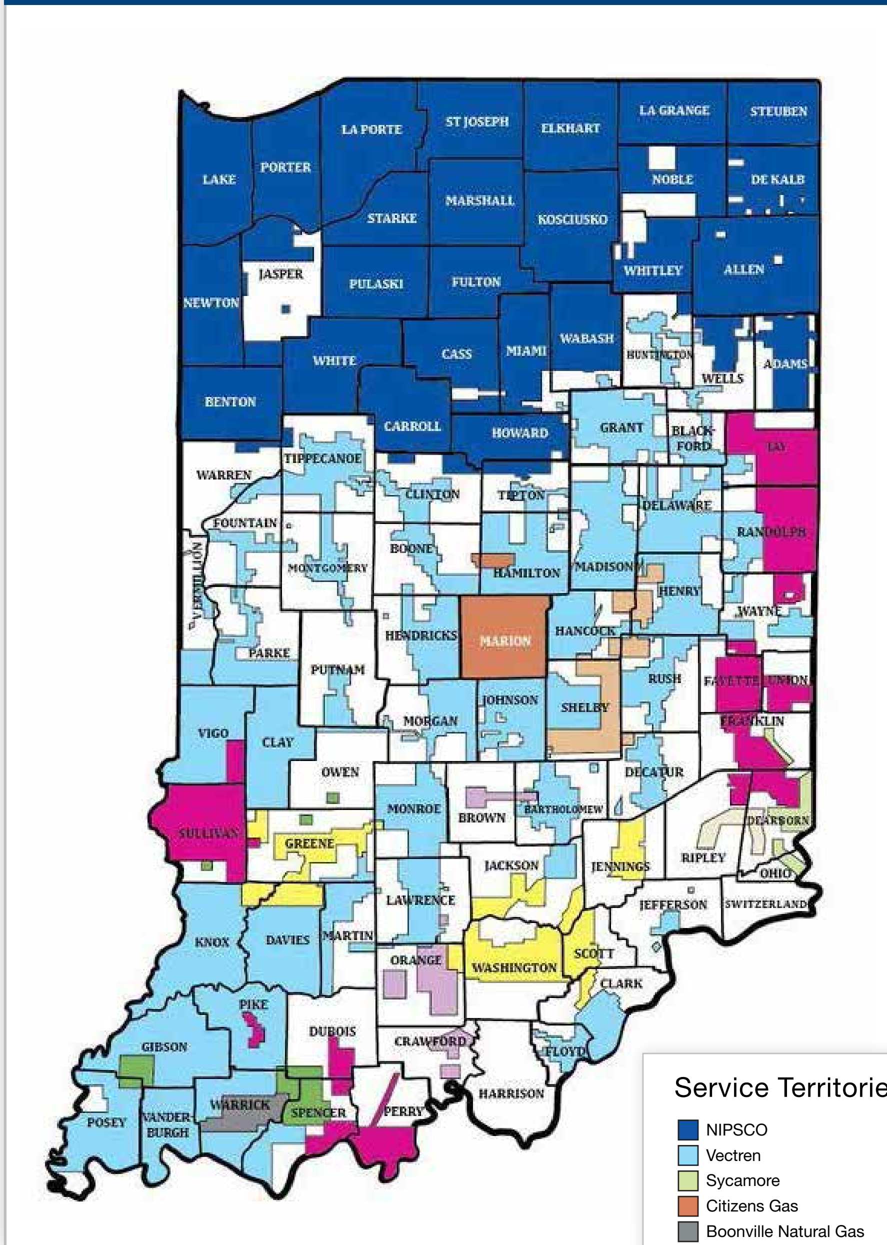
Investor-Owned Utilities

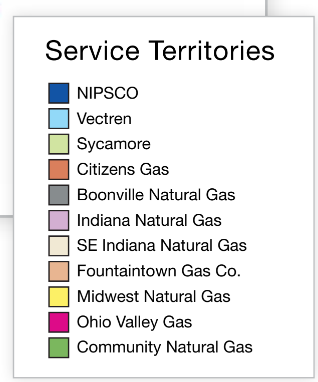
IOUs are for-profit enterprises funded by debt (bonds) and equity (stock). The largest natural gas IOUs regulated by the Commission are NIPSCO and Vectren.

- NIPSCO is a subsidiary of NiSource, Inc., headquartered and based in Merrillville, Indiana. The natural gas utility serves more than 761,000 customers in northern Indiana.
- Vectren is based in Evansville, Indiana, and is a subsidiary of CenterPoint Energy headquartered in Houston, Texas. Vectren operates two separate entities: Vectren North and Vectren South. The natural gas utility serves over 615,000 customers in central and southern Indiana through Vectren North and an additional 113,000 customers in southwestern Indiana through Vectren South.

The Commission has jurisdiction over a number of smaller LDCs that serve Indiana residents. For a complete listing, see *Appendix J*.

NATURAL GAS SERVICE TERRITORIES





Municipal Utilities

Citizens Gas is a public charitable trust that is treated as a municipality for regulatory purposes and serves more than 278,000 customers primarily in the Indianapolis metropolitan area. The remainder of the municipal gas utilities have elected to withdraw from Commission jurisdiction over their rates and charges and the issuance of stocks, bonds, and other evidence of indebtedness under Ind. Code §§ 8-1.5-3-9 and 8-1.5-3-9.1. However, the withdrawn utilities still remain under the jurisdiction of the Commission's Pipeline Safety Division.

Supply and Demand

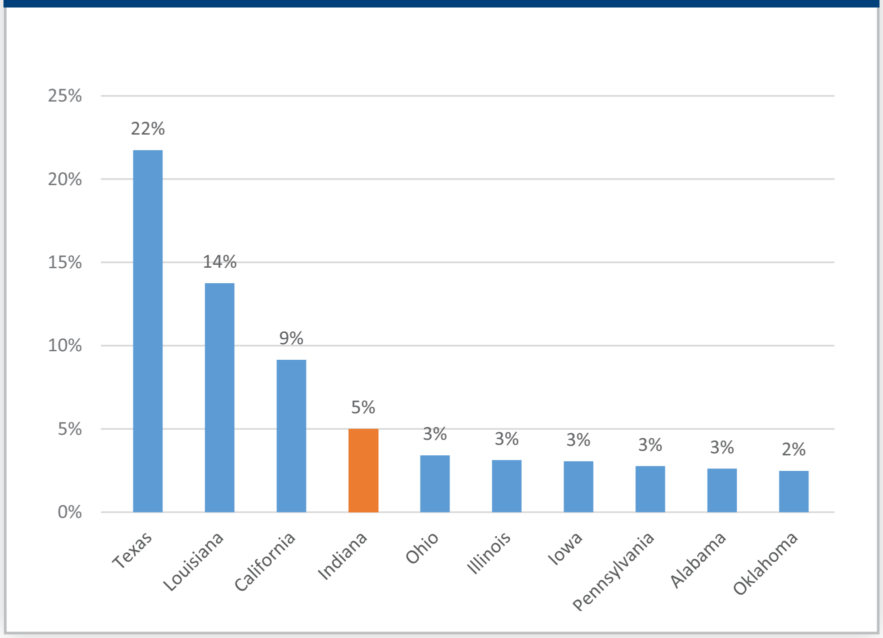
Indiana's LDCs serve three types of customers: residential, commercial, and industrial. In 2018 (the most recent year with complete data at time of publication), Indiana's residential customers consumed slightly more than 144 million dekatherms (Dth) – about 17% of the state's total gas consumed by all customers, according to the U.S. Energy Information Administration (EIA). Commercial customers used in excess of 86 million Dth in 2018 (10% of total gas consumed). Industrial customers consumed 419 million Dth in 2018 (about 49% of gas consumed in Indiana) and the fourth most in the nation. Electric utilities used approximately 196 million Dth in 2018, which is about 23% of the total natural gas delivered to customers in Indiana. Out of the 30,075 million Dth consumed in the United States in 2018, Indiana ranked tenth with slightly more than 854 million Dth, according to the EIA.

Residential consumption increased from 123.8 million Dth in 2017 to 144.2 million Dth in 2018, while industrial customers' usage increased from 379.1 million Dth in 2017 to 419.1 million Dth in 2018. Natural gas used by electric utilities increased from 132.7 million Dth in 2017 to 196.2 million Dth in 2018. Commercial customers increased their natural gas use in 2018 to 86.1 million Dth from 75.3 million Dth in 2017. Natural gas for vehicles decreased their use from .100 million Dth in 2017 to .009 million Dth in 2018. Nationally, total natural gas consumption increased from 27,145 million Dth in 2017 to 30,075 million Dth in 2018.

Drivers of Demand

The complex interactions of national and global natural gas and oil prices, economic growth, and weather are the primary factors driving demand for natural gas. Because natural gas today is less expensive than coal, natural gas-fired generation is displacing some of the primarily older, smaller, and less efficient coal-fired fleet as a fuel source for electric generation. The price difference between coal and natural gas is projected to continue, which may result in a significant shift in Indiana's resource mix as well as the resource mix for the region and the nation.

TOP 10 STATES FOR INDUSTRIAL CONSUMPTION
PERCENTAGE OF TOTAL NATIONAL INDUSTRIAL CONSUMPTION (2018)



**Information from EIA for 2018. Complete Information for 2019 was not available at time of publication.*

In 2018, overall demand for natural gas increased by 10.8%. Overall, natural gas demand has increased 36.6% from 2005 to 2018. The growth was primarily due to increased sales to electric utilities, according to EIA. Nationally, according to EIA's Annual Energy Outlook (AEO 2020), the industrial sector is expected to be the largest consumer of natural gas. Natural gas used for electric power generation generally increases over the projection period but at a slower rate than in the industrial sector. This growth is supported by the scheduled expiration of renewable tax credits in the mid-2020s. Natural gas consumption in the residential and commercial sectors remains largely flat because of efficiency gains and population shifts that counterbalance demand growth. Although natural gas use rises in the transportation sector, particularly for freight and marine shipping, it remains a small share of total natural gas consumption, and natural gas remains a small share of transportation fuel demand.

Supply-side Factors

New technology and lower extraction costs have led to increased drilling for non-conventional gas supplies (e.g., coal bed methane, shale gas, and tight sands) in the last decade. While coal-bed methane continues to decline through 2050 because of unfavorable economics, off-shore gas production is projected to stay nearly flat over the 50-year horizon as production from new discoveries generally offset declines in current fields. Growing demand in domestic and export markets leads to increasing natural gas spot prices at the U.S. benchmark Henry Hub through 2050 despite continued technological advances that support increased production. Taken as a whole, these production factors will continue to overwhelm swings in demand leading to relatively stable and low prices relative to coal, according to the EIA's AEO 2020.

Other developments affecting the supply in the long term include Federal Energy Regulatory Commission (FERC) approvals for liquefied natural gas (LNG) facilities (including LNG export terminals), which, according to EIA, will result in the United States becoming a net exporter of natural gas. After 2030, EIA is projecting a rapid increase in LNG exports and increased imports from Mexico to displace the LNG exports. Canadian imports are expected to remain stable for a few more years before declining.

LNG Exports

The United States became a net natural gas exporter on an annual basis in 2017 and continued to export more natural gas than it imported in 2018 and in 2019. In the EIA's AEO 2020 Reference case, exports to more distant destinations will increasingly dominate the U.S. natural gas trade, and the United States is projected to remain a net natural gas exporter through 2050. It is important to be mindful that the price and demand dynamics for natural gas, both domestically and internationally, are very complex and nuanced (e.g., subject to changes in public policy, international trade policies, economic conditions, etc.) which makes it difficult to project future conditions.

Historically, most was traded under long-term, oil price-linked contracts, in part because oil could substitute for natural gas in industry use and for power generation. However, as the LNG export market expands, contracts are expected to change with weaker ties to oil prices, especially in the United States. Thus, LNG exports will increasingly be less sensitive to the oil-to-natural gas price relationship. If the current price discrepancies between the U.S. and European Union markets persists, the price differences gives U.S. natural gas producers the opportunity to increase profits by exporting LNG.

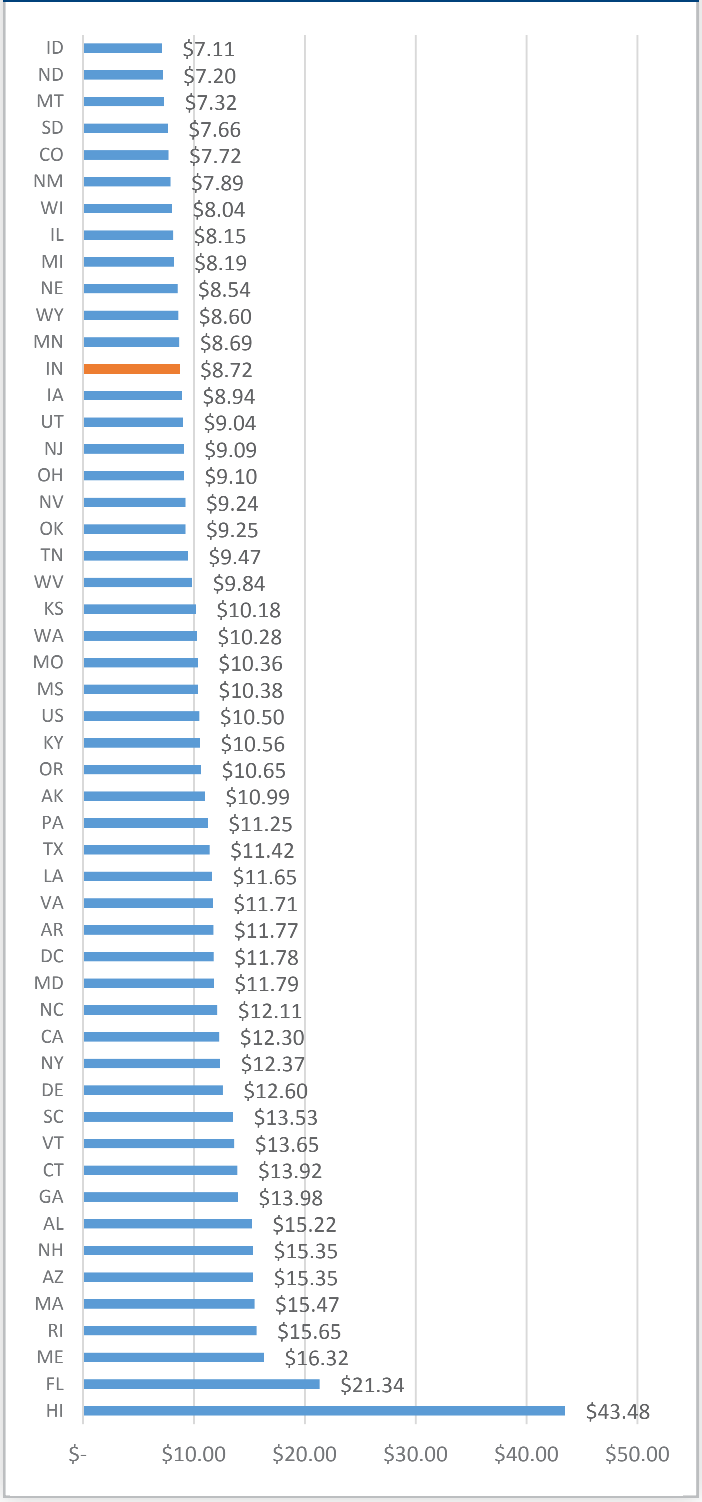
FERC regulates LNG export facilities under Section 3 of the Natural Gas Act. As of March 19, 2020, FERC reported that there are seven LNG export terminals. Construction is underway at eight LNG export terminals. Fourteen additional LNG export terminals have been approved but are not yet under construction as of March 19, 2020. In addition, seven projects currently have been proposed or are in the pre-filing stages.

Pricing and Economics

Over the last 10 years, Indiana has consistently performed well in comparison with other states for residential and commercial delivered (bundled) gas prices. Gas moves through the transmission system to the distribution system, where LDCs deliver gas to customers on either a bundled basis (i.e., commodity and transportation) or unbundled basis (i.e., the customer buys gas from a producer or marketer and pays the LDC to transport the gas from the city gate to the customer's facilities).

Based upon the most recent data from the EIA (2018), Indiana had the 13th lowest average residential gas prices nationally and 8th lowest average residential gas prices in the Midwest (i.e., Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin) in 2018. The state average residential gas price decreased from $8.94 per thousand cubic feet in 2017 to $8.72 per thousand cubic feet in 2018. These prices are higher than the commonly referenced Henry Hub commodity cost because they are retail prices which include costs for pipeline transportation, storage, and local delivery in addition to the basic commodity

2018 STATE RESIDENTIAL GAS PRICES ($/THOUSAND CUBIC FT.)



Note that the data used in this section was the most recent complete data available as of July 1, 2020. Therefore, the analysis is based on 2018 statistics. Once the information is updated by the EIA, 2019 and 2020 data will be available at the EIA's website for residential, commercial, and industrial prices at www.eia.gov.

charge for natural gas. Neighboring states' average residential retail rates per thousand cubic feet for 2018 are as follows: Illinois – $8.15, Kentucky – $10.56, Michigan – $8.19, and Ohio – $9.10.

Indiana had the 20th lowest average commercial natural gas prices nationally and 10th lowest average commercial natural gas prices in the Midwest for 2018. Indiana's 2018 average commercial price was $7.37 per thousand cubic feet, which is lower than the 2018 average price of $7.78 per thousand cubic feet. Neighboring states' average commercial retail rates for 2018 were as follows: Illinois – $7.24, Kentucky – $8.43, Michigan – $6.91, and Ohio – $5.92 per thousand cubic feet.

In 2018, Indiana average industrial gas prices increased to $6.10 per thousand cubic feet from $5.99 per thousand cubic feet in 2017. Neighboring states' average industrial retail rates for 2018 were as follows: Illinois – $5.55, Kentucky – $4.40, Michigan – $5.98, and Ohio – $6.65 per thousand cubic feet.

Impact of the Tax Cuts and Jobs Act of 2017

On Dec. 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA contained provisions reducing the corporate tax rate of 35% to 21% and revising the federal tax structure.

As a result of the TCJA, the Commission initiated an investigation into the rates of all jurisdictional, investor-owned utilities. The Commission received 17 filings from natural gas utilities to change rates due to the TCJA. These filings resulted in the Commission approving annual reductions to base rates and charges of nearly $41 million for natural gas utility customers.

Rate Adjustment Mechanisms

When natural gas utilities incur costs beyond their control (e.g., federal regulations and market price volatility), the costs typically occur outside the timeframe of a rate case. For natural gas utilities to recover these costs in a timely manner, state law allows them to petition the Commission for approval of a rate adjustment mechanism.

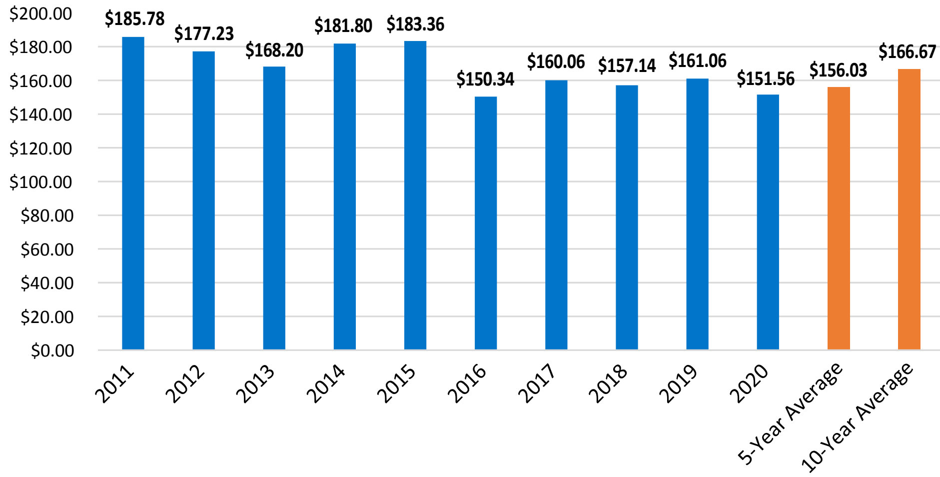
A rate adjustment mechanism assists in the timely recovery of costs, which improves the financial health of the utility. Before costs are passed on to customers, the Indiana Office of Utility Consumer Counselor reviews the underlying support for the requested rate adjustment and may provide evidence supporting or contesting the request in proceedings. The Commission considers the evidence submitted by all parties before rendering a decision.

Residential Gas Bills

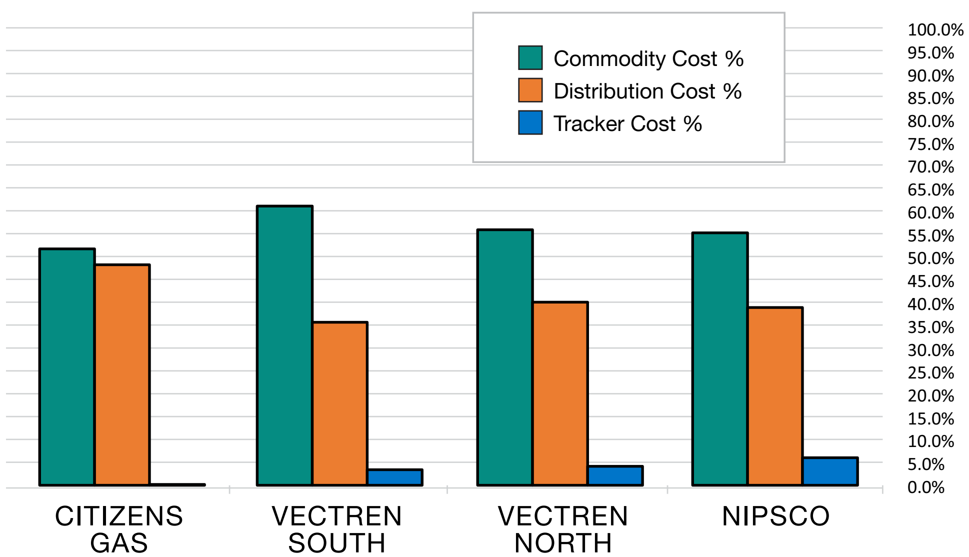
Natural gas residential customers typically paid less for natural gas in 2020 than in 2019. In 2019, a residential customer using 200 therms would have received a bill for $161.06. In 2020, this bill would have decreased to $151.56. Bills in 2020 are lower than the five-year industry average of $156.03. In addition to the following chart, residential natural gas bill survey information is located in *Appendices K and L*.

The cost of the actual natural gas commodity accounts for a majority of a customer's bill. On average, gas usage accounts for approximately 65%, while distribution costs account for approximately 30%. Rate adjustment mechanisms approved by

RESIDENTIAL GAS BILL COMPARISON (2011-2020)
200 THERMS PER MONTH



BREAKDOWN OF RESIDENTIAL BILLING COMPONENTS
FOR THE LARGEST NATURAL GAS UTILITIES



the Commission account for approximately 5% of a customer's monthly gas bill.

Utilities do not profit from the gas commodity portion of customers' bills because the cost of gas is a dollar-for-dollar pass-through. The overall weighted cost of gas and a utility's purchasing practices are reviewed before approval by the Commission. For costs to be approved, each utility must demonstrate that its purchases were prudent. This means utilities must make reasonable efforts to mitigate price volatility, which includes having a program that considers current and forecasted market conditions and the price of natural gas. One way to achieve this is by having a diversified portfolio (i.e., a balance of purchases such as fixed, spot market, and storage gas).

Infrastructure

To transport natural gas to end-use customers, utilities maintain thousands of miles of transmission pipelines and distribution mains. Over time, the natural gas industry has studied and developed best practices for the maintenance and replacement of aging infrastructure. Although age is one factor in considering whether a pipeline needs to be replaced, the type of material used (e.g., bare steel, cast iron, or plastic), its location, and the relative risk to public safety are also considered. In accordance with pipeline safety standards, utilities perform inspections of their pipeline facilities on a regular basis to help identify areas at risk. Based on the results of these inspections, corrective actions are initiated. In some cases, this includes implementing replacement programs for existing bare steel, cast iron, or wrought iron systems. Many of these pipes need to be replaced because older pipelines of this nature were not coated or cathodically protected when they were installed decades ago. Consequently, corrosion and leaks have developed over time. To enhance reliability and safety, many utilities now use plastic pipe for their distribution systems.

Age Profile

Indiana's natural gas infrastructure consists of more than 78,500 miles of intrastate pipelines, which have been placed in service over the past 80-plus years. Included in this total are more than 41,500 miles of distribution mains that transport gas within a given service area to points of connection with pipes serving individual customers. Nearly 39% of the state's distribution mains are at least 30 years old. Also included in the state's infrastructure are approximately 1,700 miles of transmission lines that transport gas from a source(s) of supply to one or more distribution centers, large-volume customers, or other pipelines that interconnect sources of supply. Typically, transmission lines differ from gas mains in that they operate at higher pressures, are longer, and have a greater distance between connections. Approximately 63% of the state's transmission mains are at least 40 years old.

TRANSMISSION LINES VS. DISTRIBUTION LINES COMPARISON

Age	Transmission Lines		Distribution Mains	
Years Old	Miles	% of Total	Miles Mains	% of Total
80+	0.08	0.01%	486	1.16%
70-80	3	0.15%	304	0.73%
60-70	238	13.37%	2,125	5.07%
50-60	635	35.59%	7,564	18.04%
40-50	243	13.64%	4,240	10.11%
30-40	171	9.58%	6,013	14.34%
20-30	228	12.80%	7,758	18.50%
10-20	151	8.44%	5,493	13.10%
0-10	99	5.53%	4,140	9.87%
Unknown	16	0.89%	3,815	9.10%
Total	1,783	100.00%	41,940	100.00%

Federal guidelines for integrity management require that operators, including LDCs, and pipeline companies make every effort to assess threats to their pipelines. The replacement of aging infrastructure continues to be a focus, as demand for service connections continues to increase. Indiana Code chapter 8-1-39 provides for recovery of the costs of replacing aging gas transmission and distribution pipelines, as well as the expansion of gas pipelines to certain unserved areas, through a rate adjustment mechanism called the transmission, distribution, and storage system improvement charge (TDSIC).

As a result of the TDSIC filings, the Commission has approved the replacement of a significant amount of aging infrastructure.

TDSIC Update

TDSIC plans include projects to upgrade infrastructure over a five- to seven-year time period. After the Commission approves the initial plan, utilities file updated plans for additional review. The table below shows that current TDSIC plans have been approved to invest a total of over $1 billion in eligible projects.

CURRENT TDSIC UTILITY PLANS APPROVED

Utility Name	7-year Plan Approved Investment Amount	Investment Amount Included in Rates to Date	% of Approved Amount in Rates
NIPSCO	$713,099,943	$434,398,427	60.92%
Vectren North	$277,442,000	$159,758,067	57.58%
Vectren South	$43,103,000	$24,935,480	57.85%
Community Natural Gas	$2,766,924	$3,052,978	110.34%*
Midwest Natural Gas	$2,284,591	$715,829	31.33%
Total	$1,038,696,458	$622,860,781	59.97%

** Community Natural Gas had two projects that exceeded the initial cost estimates due to unforeseen circumstances, such as encountering rock and the need for additional pipe to accommodate a higher number of customers and demand.*

Water and Wastewater Division

Water and Wastewater Division

Regulatory Responsibility

The Commission regulates only a fraction of the state's water and wastewater utilities (as of July 1, 2020, 71 of the 526 water utilities and 30 of the 550 wastewater utilities). As shown below, regulated water and wastewater utilities exhibit a variety of legal forms. The legal form of a utility determines the existence and extent of the Commission's regulatory authority. Although many water and wastewater utilities initially were fully regulated, state statute allows certain utility types to withdraw from the Commission's rate jurisdiction. For other water and wastewater utilities, the Commission has limited or no regulatory authority.

JURISDICTIONAL WATER & WASTEWATER UTILITIES

Type of Utility	Number of Jurisdictional Utilities
Municipal Water	25
Not-For-Profit Water	25
Investor-Owned Water	4
Conservancy District Water	3
Water Authority	3
Not-For-Profit Wastewater	5
Investor-Owned Wastewater	14
Not-For-Profit Water/Wastewater	3
Investor-Owned Water/Wastewater	8

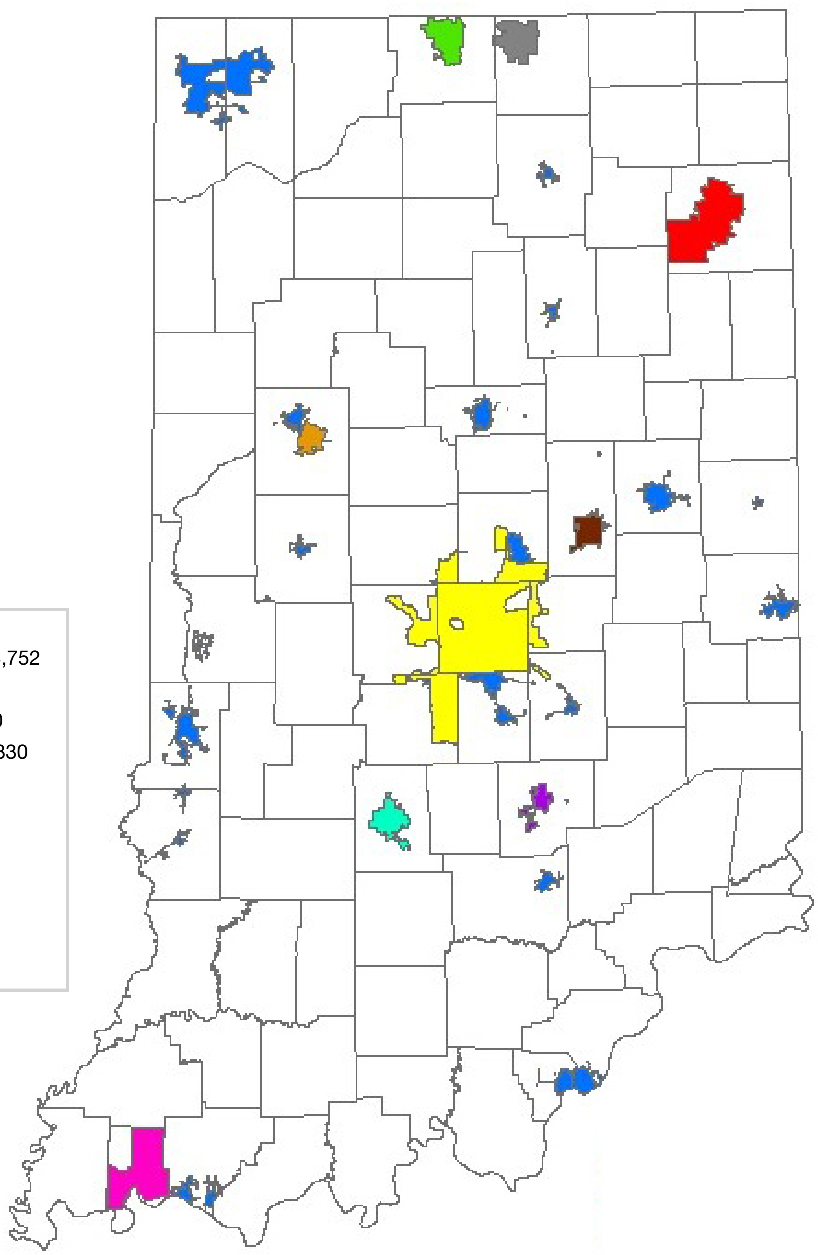
The 71 water utilities that are regulated by the Commission provide service to approximately 45% of Indiana's water residential customers. This is because the largest rate regulated water utilities serve primarily urban areas that are more densely populated. Most water utilities whose rates are not regulated by the Commission serve only a small number of customers.

The 30 wastewater utilities that are regulated by the Commission provide service to about 15% of Indiana's residential wastewater customers. This is because most customers are served by municipal wastewater systems, which are not fully regulated by the Commission. Based on data reported in 2019, only four Commission-regulated wastewater utilities serve more than 8,000 customers:

- CWA Authority, Inc. (247,037 customers)
- Hamilton Southeastern Utilities, Inc. (23,528 customers)
- Aqua Indiana, Inc. (15,806 customers)
- Citizens Wastewater of Westfield (13,830 customers)

From data reported to the Commission in 2019, which includes utilities not currently under Commission rate jurisdiction, regulated water systems have $5.40 billion of utility plant in service,

LARGEST REGULATED WATER UTILITIES AND THE NUMBER OF CUSTOMERS



- Citizens Energy Group (Citizens Water) — 324,752
- Indiana American Water — 299,575
- Fort Wayne Municipal Water Utility — 100,880
- Evansville Municipal Water Work Dept. — 62,830
- South Bend Municipal Water — 41,268
- Lafayette Municipal Water Works — 28,745
- Bloomington Municipal Water — 25,470
- Anderson Municipal Water Works — 21,873
- Elkhart Municipal Water Works — 17,899
- Columbus Municipal Utility — 16,990

Note: Fire protection customers, sales to irrigation customers, and interdepartmental sales are not included; municipal systems are based on municipal limits and may not represent the actual service territory.

annual revenues of $665.3 million *(see Appendix M)*, and a total rate base of $3.02 billion. Regulated wastewater utilities have $3.6 billion of utility plant in service, annual revenues of $331.16 million *(see Appendix N)*, and a total rate base of $1.95 billion.

Although all water and wastewater utilities are overseen at the federal level by the U.S. Environmental Protection Agency (U.S. EPA), there is no single state agency that regulates all of the water and wastewater utilities in the state. Indiana's water and wastewater utilities are regulated or provided financial assistance by five state agencies: the Commission, Indiana Department of Environmental Management (IDEM), Indiana State Department of Health (ISDH), Department of Natural Resources (DNR), and the Indiana Finance Authority (IFA). The Commission mainly regulates the economic aspects of a utility, ensuring that its rates are reasonable. IDEM and ISDH oversee water quality, and DNR has oversight on well construction and monitors Indiana's groundwater levels. The IFA manages the Wastewater and Drinking Water State Revolving Fund (SRF) Loan Programs, and provides low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure.

Under Senate Enrolled Act (SEA) 4 (2019), now Ind. Code section 5-1.2-11.5-9, IFA serves as the coordinator of water-related programs and activities in the state, including coordinating the collection and sharing of information concerning water and wastewater service and providing leadership regarding investment, affordability, supply, and economic development related to water and wastewater service.

Recent legislation changed the Commission's statutory authority over investor-owned and not-for-profit utilities. Under Ind. Code chapter 8-1-1.9, added by SEA 362 (2018), investor-owned and not-for-profit utilities organized after June 30, 2018, cannot withdraw from the Commission's rate jurisdiction until 10 years have passed from the utility's organization date. Prior to SEA 362, certain investor-owned and not-for-profit utilities were allowed to withdraw from the Commission's rate jurisdiction immediately after organization. Ind. Code chapter 8-1-1.9 was amended by House Enrolled Act (HEA) 1131 (2020) to add that a municipality that creates a water utility with fewer than 8,000 customers remains under the Commission's jurisdiction for 10 years.

STATE AGENCY JURISDICTION OVER WATER AND WASTEWATER UTILITIES

	IDEM					IURC							DNR			ISDH
Type of Utility	NPDES Permitting[1]	Construction Permits	Operator Certification	Monthly Report of Operation	Oversee Entity Start-up	Rates and Charges	Rules and Regulations	Territory Authority (CTA)	Annual Report	Ability to Withdraw from Jurisdiction	No Jurisdiction	Oversee Entity Start-up	Significant Water Withdraw Reporting	Dam/Levee Permitting (if applicable)	Oversee Entity Start-up	Permitting On-site Sewage Systems (if applicable)
Investor-Owned Water		✓	✓	✓		✓	✓		✓	✓[2]		✓	✓	✓		
Investor-Owned Wastewater	✓	✓	✓	✓		✓	✓	✓	✓	✓[2]		✓				✓
Not-for-Profit Water		✓	✓	✓		✓	✓		✓	✓[3]		✓	✓	✓		
Not-for-Profit Wastewater	✓	✓	✓	✓		✓	✓	✓	✓	✓[3]		✓				✓
Water Authority		✓	✓	✓		✓	✓		✓	✓			✓	✓		
Municipal Water		✓	✓	✓		✓			✓	✓[3]		✓	✓	✓		
Municipal Wastewater	✓	✓	✓	✓							✓					✓
Regional Water District		✓	✓	✓	✓						✓		✓	✓		
Regional Sewer District	✓	✓	✓	✓	✓						✓[4]					✓
Conservancy Water District		✓	✓	✓		✓[5]			✓[5]	✓			✓	✓	✓	
Conservancy Sewer District	✓	✓	✓	✓							✓				✓	✓

[1] A majority of wastewater utilities utilize a treatment system where effluent is discharged into an open stream and an NPDES permit is required. A small number of wastewater utilities use an onsite treatment system permitted by ISDH.

[2] Investor-owned utilities with 300 or fewer customers can opt out of the IURC's jurisdiction, per I.C. § 8-1-2.7-1.3. If organized after June 30, 2018, the utility cannot opt out until 10 years have passed from its organization date.

[3] Newly organized not-for-profit utilities and municipal water utilities with fewer than 8,000 customers cannot opt out until 10 years have passed from the organization date.

[4] Campgrounds served by regional sewer districts have the ability to appeal to the Commission's Consumer Affairs Division for an informal review of a disputed matter, per I. C. § 13-26-11-2.1.

[5] IURC has jurisdiction over water conservancy districts that make an election to provide water service under I. C. § 14-33-20 in its District Plan. Water conservancy districts with fewer than 2,000 customers can opt out of the IURC's jurisdiction, per I. C. § 8-1-2.7-1.3. The IURC has jurisdiction over wastewater conservancy district's rates for customers outside the District's boundaries.

Note: This table provides an overview of state agency jurisdiction over water and wastewater utilities to offer a concise presentation. Thus, limitations exist. For instance, many wastewater utilities send their effluent to another utility for treatment and are not required to obtain an NPDES permit. Similarly, many water utilities purchase their entire water supply and would not be required to report significant water withdraws to DNR. Also, the table does not identify every aspect of each agency's jurisdiction.

Service Areas

Indiana statutes regulate service areas for the water and wastewater industry differently. Investor-owned and not-for-profit wastewater utilities must obtain a Certificate of Territorial Authority (CTA), which prevents other utilities from serving customers within the same territory. As economic and population growth has occurred in certain parts of Indiana, wastewater utilities have requested expansion of their CTAs. Municipal water and wastewater utilities are not granted a CTA; however, municipal water and wastewater utilities have the authority to serve any customer inside the municipal boundaries and up to four miles outside of their boundaries.

In 2014, the state legislature gave the Commission authority under Indiana Code chapter 8-1.5-6 to approve municipal ordinances that establish exclusive water or wastewater territory outside municipal boundaries. Since then, 13 municipalities have filed petitions:

- Chandler
- Chesterton
- Elberfeld
- Georgetown
- Greenfield
- Huntertown
- Logansport
- Michigan City
- Muncie
- Nashville
- New Albany
- Santa Claus
- Valparaiso

Although customer growth enables utilities to generate economies of scale and provides rate stability, competition for new territory can lead to service area disputes. Service area disputes arise out of one utility's actions to claim territory in areas near another utility's territory.

Examples of such actions include the following:

- Extension of water mains to serve areas where service is marginally feasible at best, in an effort to discourage another utility from providing service.
- More than one utility installs infrastructure in the same area to serve customers.
- When one utility providing 100% of a neighboring system's water supply seeks to limit the supply provided or, in extreme cases, to completely shut off the water. When water supply is limited, a provider hopes to gain a competitive advantage to be the sole supplier to future customers.

In the first two examples, customer rates in the area might increase due to inefficient expansion of infrastructure or the duplication of facilities such as underground pipes.

The Indiana Administrative Code (IAC) includes specific rules on the route and costs when water or wastewater utilities provide service to new customers and are required to extend a water or wastewater main. However, generally speaking, municipalities are not required to follow the Commission's customer service rules in the IAC. Under Ind. Code § 8-1-2-101.5, added by HEA 1131 (2020), the state legislature directed all municipalities, regardless of whether they are under the Commission's jurisdiction for rates and charges, to follow the Commission's main extension rules in the IAC, including the ability to resolve disputes through the Commission's Consumer Affairs Division (CAD).

Cities use annexation to expand territory and municipal wastewater utilities usually require customers to connect to the wastewater system. Under Ind. Code § 8-1-30.3-6, amended by HEA 1131 (2020), a city that meets certain size criteria and that annexed service territory cannot require connection to its wastewater system, among other conditions.

Acquisition, Consolidation, and Small Utilities

For water and wastewater utilities, acquisitions and consolidations can include investor-owned utilities buying smaller investor-owned utilities, investor-owned utilities buying municipal utilities (called privatization), and municipalities buying investor-owned utilities (called municipalization).

In 2015, Indiana established Ind. Code chapter 8-1-30.3, to provide incentives to encourage the acquisition of poor performing water and wastewater utilities and municipal utilities serving fewer than 5,000 customers. SEA 257 (2016), provided further incentives for utility acquisitions by allowing value to be given to donated property, which is generally referred to as Contributions in Aid of Construction (CIAC). Thus, SEA 257 modified long-standing regulatory principles to allow an acquiring utility to earn a return on an acquired utility's CIAC. SEA 472 (2019) further expanded the incentives to all water or wastewater utilities serving fewer than 5,000 customers and modified some of the Commission's regulatory approval processes for streamlined acquisitions that are less than 2% of the acquiring utility's rate base. Ind. Code § 8-1-1-9.3, amended by HEA 1131 (2020), expanded the criteria for municipalities to fewer than 8,000 customers from 5,000 customers, clarified the qualifications of an appraiser, clarified how an appraisal is determined, and expanded the criteria as to when a cost differential is reasonable.

Acquisitions and consolidations can create efficiencies, lower costs, and reduce the number of poor performing water and wastewater utilities. Since the utility acquisition legislation passed, the average cost per customer being acquired has nearly doubled and a shift toward larger municipal utilities has taken place. In eight cases prior to the passage of the acquisition legislation, the average price per customer was $2,522 and the average size of the utility acquired was fewer than 600 customers. Since the legislation passed, the average price per customer is $4,778, and the average size of the acquired utility is less than 1,700 customers. An increase in the purchase price is likely attributed, in part, to the inclusion of donated property in the purchase price. Also, the higher average purchase prices per customer does not include costs the acquiring utility might incur to bring the acquired utility up to a state of efficiency.

Report Required by Ind. Code § 8-1-30.3-7

As of July 1, 2020, the Commission has decided five cases utilizing Ind. Code chapter 8-1-30.3: Georgetown (IURC Cause No. 44915), Charlestown (IURC Cause No. 44976), Lake Station (IURC Cause No. 45041), Sheridan (IURC Cause No. 45050), and

DETAILS OF THE FIVE CASES AS OF JULY 1, 2020				
Entity Acquired	Commission Cause Number	Purchase Price + Transaction Costs *(to be included in Net Original Cost Rate Base)*	Number of Customers	Commission Order Date
Georgetown Water Utility	44915	$6.529 million	1,309	10/11/2017
Charlestown Water Utility	44976	$13.584 million	2,898	3/14/2018
Lake Station Water Utility	45041	$20.199 million	3,443	8/15/2018
Sheridan Water and Wastewater Utility	45050	$10.93 million	1,261 water; 1,233 wastewater	9/13/2018
Town of Riley Wastewater System	45290	$1.545 million	430	3/31/2020

Riley (IURC Cause No. 45290) — all municipalities with fewer than 5,000 customers acquired by Indiana-American Water Company, Inc. Details of the five cases are in the above chart.

With the recent changes to Ind. Code chapter 8-1-30.3, the Commission anticipates more acquisition filings in the foreseeable future.

Other Acquisitions

Under Ind. Code chapter 8-1.5-2, a not-for-profit utility acquired a municipality (IURC Cause No. 45138) and a municipality acquired a portion of another municipality (IURC Cause No. 45348). Under Ind. Code § 8-1-2-83, a municipality acquired a portion of an investor owned utility (IURC Cause No. 45270). Details of these three cases are below:

DETAILS OF THE THREE CASES AS OF JULY 1, 2020				
Acquisition	Commission Cause Number	Purchase Price + Transaction Costs	Number of Customers	Commission Order Date
Ninestar Connect acquiring Town of Cumberland - Gem Water	45138	$4.0 million	670	12/19/2018
City of Anderson acquiring a portion of Citizens of South Madison water system	45270	$1.00	3 including a mobile home park	1/2/2020
Town of New Palestine acquiring a portion of Town of Cumberland's wastewater system	45348	$1.15 million	140	6/17/2020

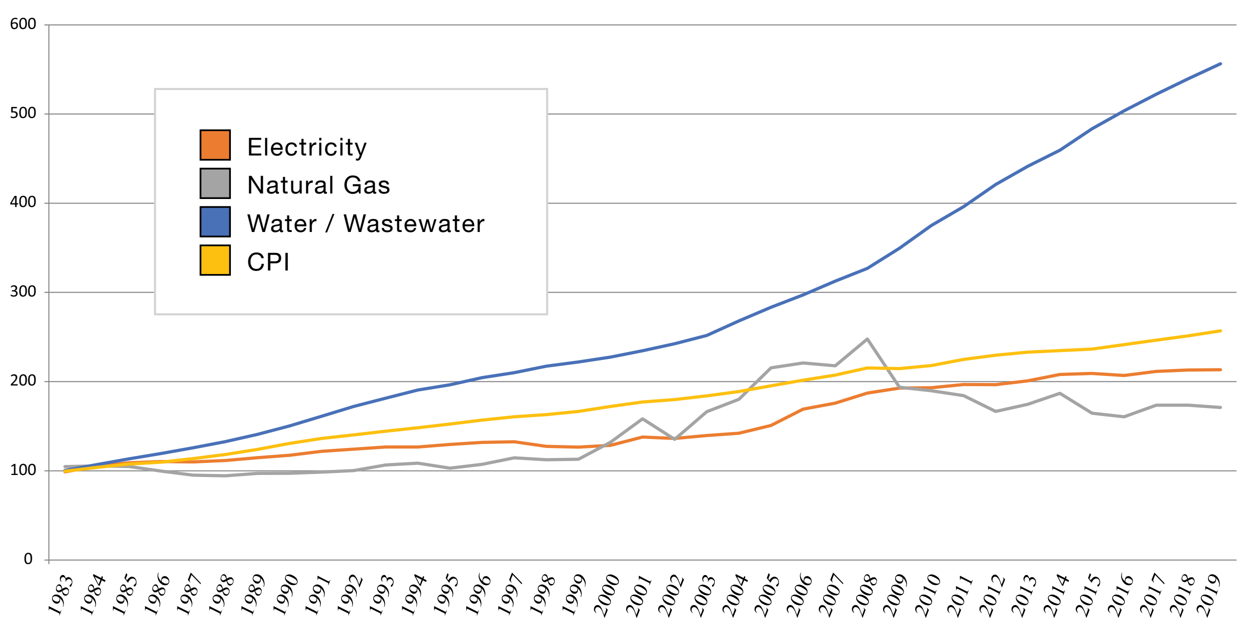
Pricing and Economics

Nationally, water and wastewater rates are increasing more rapidly than energy rates and outpacing inflation and the overall consumer price index (CPI), which is a measure of the average change over time in the prices paid by customers. For example, from 2010 to 2019, water and wastewater rates rose 4.77% per year, but the CPI rose at a slower pace of 1.82% per year. Water and wastewater rates are increasing in Indiana for several reasons: replacement of aging infrastructure, compliance with the U.S. EPA standards (e.g., water quality and wastewater effluent), increases in expenses (e.g., labor, chemical, and power), maintenance projects to uphold the quality of service, and the relocation of facilities.

Financial Profile of Water Sector

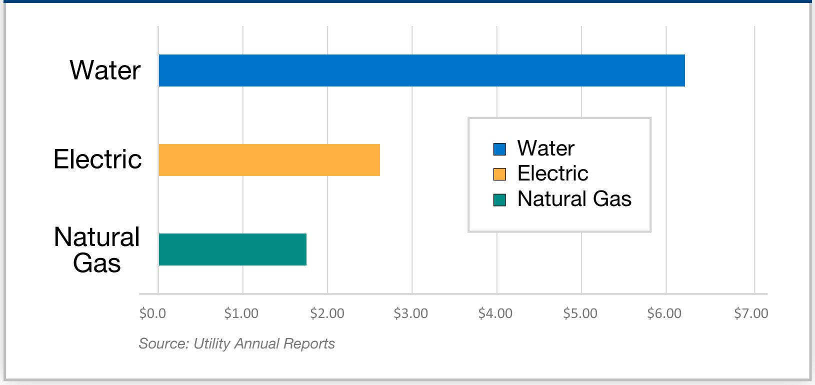
One of the reasons for the general increase in water rates compared to electricity or natural gas rates is the water sector remains extremely capital intensive. For Commission-regulated utilities, in 2018, investor-owned water utilities invested more capital-per-dollar of revenue generated than investor-owned electric or natural gas utilities. The ratio for the water utilities is higher due to the need for large capital investments, coupled with relatively lower revenues. Consequently, water utilities typically seek to increase general rates to replace necessary infrastructure as seen on the chart on the next page.

COMPARISON OF UTILITY PRICES FROM 1983 TO 2019

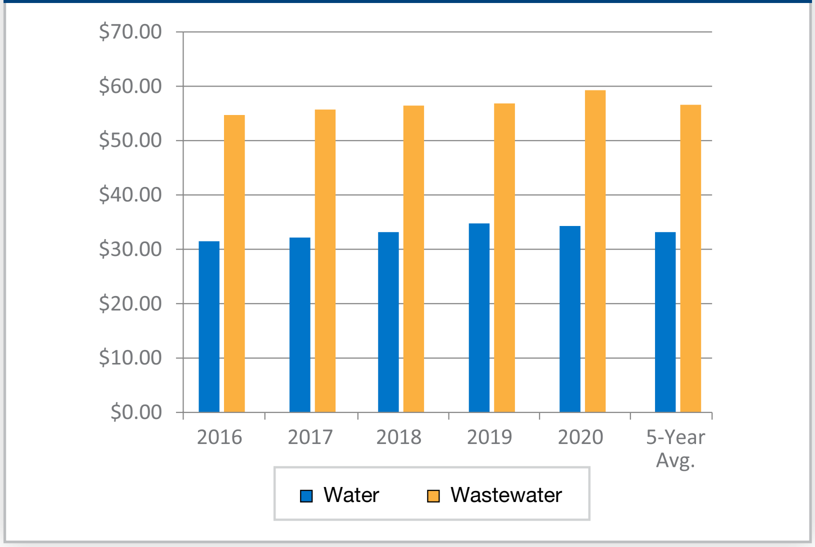


CAPITAL INVESTMENT PER DOLLAR OF REVENUE IN 2018

Amount of utility investment in utility facilities relative to each dollar earned



WATER/WASTEWATER RESIDENTIAL BILL COMPARISON FOR 5,000 GALLONS CONSUMPTION 2016 – 2020



Rate Increases

Overall, in 2019, the number of general rate increase requests, which excludes rate adjustment mechanisms, was similar to those made in 2018. In 2019, seven water utilities were approved for general rate increases averaging 24% and four wastewater utilities were approved for general rate increases averaging 45%. To date in 2020, five water utilities, one water/wastewater utility and one wastewater utility were approved for rate increases. As of Jan. 1, 2020, the average water and wastewater rates approved by the Commission were relatively low at $34.29 per 5,000 gallons for water *(see Appendix O)* and $59.27 per 5,000 gallons for wastewater *(see Appendix P)*.

Affordable Service

With rising water and wastewater rates, national organizations and Indiana are looking at affordability. Two articles in American Water Works Association (AWWA) journals in 2018 show that a low-income customer devotes a higher percentage of their total income to pay for water and wastewater service. One article showed that nationally the percentage of households in single-family buildings that paid 3% or more of their income for water and wastewater service increased, from 7.4% in 1990 to 10.5% in 2015. Another article showed that a low-middle class four-person household in Indianapolis would pay 13.5% of their disposable income on water and wastewater service (7th highest out of 25 largest cities). An AWWA article in 2019, using 329 utilities across the United States and 2017 water and wastewater rates, showed that households at the local 20th percentile income level must spend an average of 9.7% of their disposable income and/or work 9.5 hours at minimum wage to pay for monthly water and wastewater service.

The Indiana legislature has taken note of the affordability issue in a few ways. First, the Indiana General Assembly adopted a policy through statute recognizing the need for protecting affordability of utility service for present and future generations of Indiana citizens. Second, based on legislation passed in 2017, a Commission-regulated water or wastewater utility is allowed to establish a low-income customer assistance program for qualified customers to receive discounted rates.

In recently completed cases, Indiana-American Water Company and CWA Authority, Inc. have established low income programs. Indiana-American Water Company has a pilot program in Muncie, Terre Haute, and Gary. During the first three years of the pilot program, shareholders and ratepayers commit to funding a total of $600,000 each. Annually, CWA Authority, Inc. will provide $1.1 million in bill credits and $400,000 for infrastructure repairs or water conservation appliances with $1.3 million coming from ratepayers through a surcharge on the customer's bill and $200,000 funded by CWA Authority, Inc. The program will continue until a final order has been issued in CWA's next rate case.

Rate Disparity

Customers in some parts of the state pay significantly more for water and wastewater service than customers in other areas of the state *(see Appendix O and P)*. In fact, of all the utility sectors, water and wastewater utilities exhibit the greatest disparity in rates. This disparity is because rates are largely dependent on the length of time between rate cases, the condition of the infrastructure, and the number of customers served.

For smaller systems, rates tend to be significantly higher due to costs being spread over a smaller number of ratepayers. Small wastewater systems, for example, typically serve a single subdivision and do not experience customer growth. Therefore, when significant upgrades are required, the cost is spread over a small customer base, resulting in significant rate increases. When large investments are part of a rate case, the Commission has granted phased-in rates, which help mitigate bill shock. Additionally, costs incurred to maintain infrastructure is a factor in increasing rates. If a system is not well-maintained, it is more expensive to repair.

Alternative Regulatory Plan

On March 14, 2013, in IURC Cause No. 44203, the Commission approved an Alternative Regulatory Plan (ARP) for small water and wastewater utilities as part of a settlement agreement between Commission testimonial staff and the Indiana Office of Utility Consumer Counselor (OUCC). On Oct. 9, 2018, the Commission expanded the ARP to those utilities serving greater than 3,000, but fewer than 5,000 customers; thereby increasing the number of eligible utilities to 65. The ARP allows eligible small systems to obtain annual rate increases without the need to file a rate petition or incur the associated costs. The ARP authorizes eligible utilities to increase rates on an annual basis for five years after its most recent rate proceeding. The rate increases are based on an annual cost index, which includes a Labor Index, Industrial Power Index, Industrial Chemical Index, and Consumer Price Index. The annual rate increases are capped at 7.5%, with a 25% cap on cumulative increases between any two general rate increases. The annual increases will allow utilities to avoid large, one-time rate increases.

The ARP motivates utilities to improve financial, managerial, and technical capabilities by requiring participants to meet annual requirements focused on improving these capabilities in return for an annual rate increase. The annual requirements, which were developed based on utility best practices, consist of mandatory and elective program elements. A utility must complete a specified number of elective program items for each of the five years.

Although a few utilities have inquired about the program, no utility has requested an annual rate increase under the ARP. While the cost index is relatively low, at 1.58% for 2019, if the cost index increases, interest in the ARP may grow.

Tax Investigation Results

On Dec. 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA contained provisions reducing the corporate tax rate of 35% to 21% and revising the federal tax structure.

As a result of the TCJA, the Commission initiated IURC Cause No. 45032, an investigation into the rates of all jurisdictional, investor-owned utilities. The Commission received 32 filings from water or wastewater utilities to change rates due to the TCJA. Of the 32 filings, 25 rate tariffs did not change because the tax rate embedded in current rates is less than the new 21% tax rate. While there is still a pending case before the Commission involving the tax investigation, as of July 30, 2020, the Commission has approved annual reductions to base rates and charges of almost $18.8 million for water and wastewater utility customers. Included in the annual rate reductions is approximately $4.7 million associated with the amortization of CIAC, which was agreed to as part of a negotiated settlement in a TCJA related case.

Water Supply

Because utility rates are based on cost of service, the traditional forces of supply and demand do not determine pricing. However, as more water will be needed to keep up with demand, the cost of developing and obtaining that water requires additional investment, which is ultimately reflected in rates. Although average water use is believed to be declining, peak use is largely believed to be increasing. Unless measures are taken to mitigate peak use, additional investment may be required to meet peak demand.

Northern Indiana's groundwater resources are considered good to excellent, with access to many surface water sources, including Lake Michigan. Central Indiana's groundwater resources are fair to good, and its access to surface water includes many rivers and streams, along with several reservoirs. Southern Indiana has a limited supply of groundwater and has access to several rivers for surface supply, but streams do not have a hydraulic connection to ground water. Reservoirs exist, but drinking water supplies are not fully utilized. This may be attributed to the higher cost of treatment and delivery associated with surface water facilities.

Consistent with the Water Infrastructure Task Force's recommendation, IFA was to assist utilities with long term planning by establishing Water Infrastructure Study Areas. Regional study groups are scheduled to convene between June and December 2020. Given the COVID-19 pandemic currently unfolding, it remains to be seen if these study groups proceed on schedule or are forced to delay their activities. The IFA is also conducting a Central Indiana Water Study.

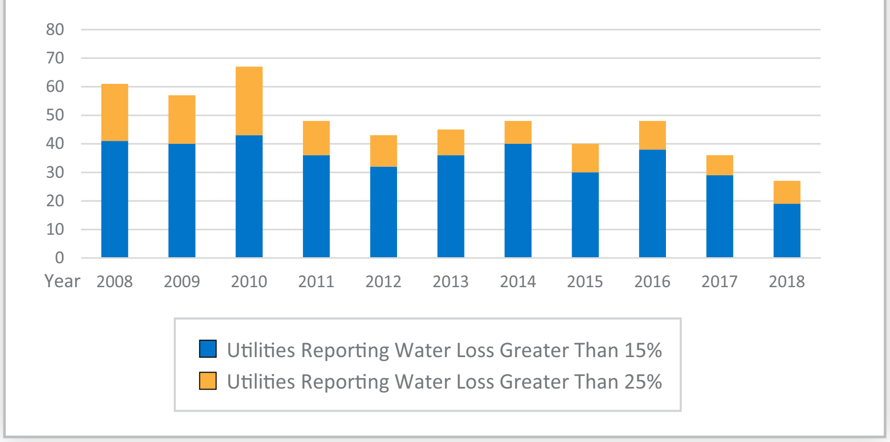
Development of Future Sources of Water Supply

Indiana Code § 8-1-2-23.5 authorizes a public water utility to petition the Commission for approval of a plan to develop a future source of water supply. The utility's plan must include a variety of components, including a timetable for the completion and in-service date of the new future source of supply. If the Commission approves the plan, the utility is allowed to earn a rate of return on the cost of developing the future source of supply, although it is not yet considered "used and useful" for providing water service. By allowing a rate of return on a utility facility not yet serving customers, Ind. Code § 8-1-2-23.5 departs from the traditional regulatory model. To date, the Commission has not received a petition to approve a plan under Ind. Code § 8-1-2-23.5.

Water Loss

Because the cost of obtaining water resources and making that water potable is expensive, the water industry is focusing its efforts on reducing water loss to mitigate additional costs. Nationally, the AWWA has an extensive program for water utilities to complete water audits, which reveal water loss. Locally, Ind. Code chapter 8-1-30.8, added by SEA 4 (2019), requires every water utility to annually perform an audit of its water distribution system to determine the causes of the water utility's "non-revenue" water. The results of the audit must be verified by an independent evaluator and reported to IFA in even-numbered years.

WATER LOSS REPORTED BY UTILITIES



The Commission includes a section on water loss in the Annual Report forms and requires utilities with water loss greater than 10% to report efforts they take to reduce water loss. These efforts appear to be successful because the Commission continues to see a downward trend in the number of utilities reporting a high percentage of water loss. For example, the above table shows, in 2008, more than 40 water utilities reported water loss greater than 15%, but the number fell to less than 20 in 2018*. A similar downward trend can be seen for utilities reporting more than 25% water loss.

Based on the regulated water utilities' annual reports to the Commission, more than 161.4 billion gallons of water were pumped or purchased in Calendar Year 2018, and 135.4 billion gallons of water were either sold to customers or used for firefighting or system maintenance, which is a 16.16% water loss. As water utilities focus efforts on improving infrastructure, covered in a later section, water loss should continue to decrease.

** Due to COVID-19, an insufficient number of utility Annual Reports were submitted to include data from 2019.*

Water Efficiency

Water efficiency programs are being developed by individual utilities and at the state and national levels in an effort to manage customer usage. For example, the two largest water utilities under Commission jurisdiction have had plans approved to use water more efficiently. At the state level, DNR has developed water conservation goals and objectives, as required by the Great Lakes Compact. At the national level, the U.S. EPA has developed the WaterSense program. This program labels water efficiency appliances, products, services, and practices (e.g., low-flow shower heads, low-water washing machines, and low-flow irrigation systems). For example, if a household can save 40,000 gallons per year and water rates are $3.00 per 1,000 gallons, the savings amount to approximately $120 per year. For many ratepayers, the wastewater bill is based on water usage, so a decrease in water consumption also reduces the wastewater bill.

Infrastructure

Much of the nation's infrastructure will need full-scale replacement over the next few decades. In order to have adequate, Indiana-specific data regarding infrastructure, the Indiana General Assembly instructed the IFA to review utility management and funding for infrastructure replacement, among other topics, in a series of reports. The published reports, found on the Commission's Water and Wastewater Division webpage at *https://www.in.gov/iurc/2338.htm*, highlight a need for more utilities to develop asset management and infrastructure replacement schedules, and invest in the replacement of critical infrastructure at a quicker pace.

Age Profile of Mains

Aging infrastructure is one of the most critical issues in the water and wastewater industry today because it is costly to replace infrastructure that is largely underground. Water systems are comprised of wells (for groundwater), treatment facilities, water tanks, and distribution systems. Water distribution systems are composed of pipes, valves, and pumps that move water from the treatment plant or water tanks to end users. Wastewater collection systems are composed of gravity main, pumping stations, and force mains. Throughout Indiana, these pipes vary in age and material. Many older water systems built during the turn of the last century consist of highly durable products such as cast iron and wood piping that have lasted more than 120 years. Many early wastewater collection systems utilized vitrified clay pipe that, while very corrosion resistant, is susceptible to fracturing, resulting in structural problems and increased infiltration and inflow into the systems. Some modern pipe materials have failed to achieve expected life expectancies such as asbestos cement (transite), post war cast iron, and truss pipe which are now being actively targeted for replacement. Utilities have become more aggressive in their capital planning strategy, moving toward increasing investment in water infrastructure replacement that takes into account the life expectancy of the pipe currently in the ground. Although this increased investment will have an immediate upward impact on rates, reliability of the system will improve as infrastructure replacement approaches a pace that is sustainable.

Due to the age of their water systems, Indiana's oldest communities are experiencing an increase of breaks in water mains made of cast iron pipe manufactured and installed in the mid-1940s and early 1950s. This particular generation of cast iron has prematurely become more brittle with age and is failing. Deterioration can worsen in piping that was installed in highly corrosive soils. As this generation of piping requires replacement, our oldest and largest communities are already dealing with its oldest infrastructure reaching the end of its useful life. These communities bear the greatest financial burden because these two generations of pipes represent the majority of their distribution systems. Many utilities are actively targeting this generation of piping for replacement in their capital improvement plans.

Newer collection/distribution systems rely on polyvinyl chloride (PVC), high-density polyethylene (HDPE), and ductile iron piping. Modern plastic pipes such as PVC and HDPE have strong corrosion resistance properties but generally have weaker structural properties. This requires utilities to place greater emphasis on alteration of ground conditions and full-time construction inspection to ensure proper installation to achieve the desired longevity of the infrastructure. In many cases, utilities may prefer a structurally stronger pipe such as ductile iron at a greater material cost to mitigate the risk associated with installation errors, especially municipal utilities who are obligated to accept the lowest bid when procuring construction services.

Projected Infrastructure Costs

In 2012, the U.S. EPA projected the 20-year need (2012- 2031) for Indiana's wastewater system to be approximately $7.2 billion. The largest category of need is combined sewer overflow (CSO) correction. In this category, Indiana has made significant improvements since 2004. However, the U.S. EPA still ranks Indiana 8th in the country for the highest documented need for CSO correction at $3.2 billion reported in 2012. The Commission regulates Indiana's largest CSO system (CWA Authority, Inc., a separate nonprofit corporate subsidiary of Citizens Energy Group in Indianapolis); however, the number of remaining combined systems are municipal utilities located in cities, such as Evansville, Fort Wayne, Jeffersonville, Kokomo, and Lafayette, and are regulated by their elected local governments. These combined systems are engaged in a variety of CSO control projects ranging from storage tunnels to other forms of offsite storage and satellite treatment. The most complex and expensive CSO is the Deep Rock Tunnel Connector Project in Indianapolis, which is being built by CWA Authority, Inc. In October 2016, the Indiana Advisory Commission on Intergovernmental Relations issued a report titled "Financial Needs for Water and Wastewater Infrastructure in Indiana (2015 – 2034)" (Report). This Report indicated the total needs for Indiana's wastewater systems over that time period is approximately $9.1 billion. The U.S. EPA and Report figures are estimates, and they did not use the same methodology or same time period to determine cost, which makes a comparison difficult.

PROJECT CATEGORY COMPARISON	
Project Category	20-Year Eligible Need (in billions January 2015 dollars)
Transmission and Distribution Main	$ 5.1
Treatment	1.2
Storage	0.7
Source	0.4
Other	0.1
Total	$ 7.5

In March 2018, the U. S. EPA released its sixth report to Congress for drinking water infrastructure needs (2015 Report). Drinking Water State Revolving Fund capitalization grants for fiscal years 2018 through 2021 are allocated to states based on the 2015 Report findings. The state of Indiana's 20-year eligible needs increased when compared to the 2011 Assessment from $7.3 billion to $7.5 billion. As shown in the table above, "Transmission and Distribution Main" is by far the largest project needs category at $5.1 billion.

Out of 38 states that fully participated, 23 reported greater needs than Indiana. The IFA's Evaluation of Indiana's Water Utilities Report in 2016 indicated the need for initial infrastructure costs of $2.3 billion and $815 million annually to maintain the infrastructure. The U.S. EPA and IFA figures are estimates, and they did not use the same methodology to determine cost, which makes a comparison difficult.

The IFA has been tasked with dividing the state into study areas to determine area water and wastewater infrastructure priorities.

State Mechanisms to Fund Infrastructure

Water and wastewater utilities have three specific mechanisms designed to recover the cost of distribution system and collection system infrastructure, the infrastructure improvement charge (IIC), the system integrity adjustment (SIA) and service enhancement improvement projects. Pursuant to Ind. Code chapter 8-1-31, water and wastewater utilities in Indiana can seek to recover costs of up to 10% of the utility's revenue in its most recent rate case for the replacement of distribution system and collection system infrastructure through an IIC. The IIC mechanism allows a utility to recover its costs outside of a general rate case, thereby receiving cost recovery more quickly. The water or wastewater utility must receive approval from the Commission before establishing an IIC surcharge. Under Ind. Code § 8-1-31-13, amended by SEA 254 (2020), infrastructure related to highway, street, or road construction does not apply to the 10% cap.

Ind. Code chapter 8-1-31.5 allows an eligible water or wastewater utility to petition the Commission to establish an SIA mechanism used to recover or credit an adjustment amount based on the eligible utility's Commission-approved revenues. A utility may collect an SIA up to 48 months after the establishment of the SIA mechanism or the date on which the Commission issues an order in the utility's next general rate case. The revenues from the SIA must fund new water distribution system or wastewater collection system infrastructure.

Since 2017, CWA Authority, Inc. filed for two SIAs, which the Commission granted in IURC Cause No. 44990. Through two orders CWA Authority, Inc. has been authorized to collect approximately $16 million. To date, no other utility has requested an SIA.

SEA 254 (2020) established Ind. Code chapter 8-1-31.7 or Service Enhancement Improvement Projects for Water and Wastewater Utilities, which is a new mechanism to fund infrastructure for all water and wastewater utilities under the Commission's jurisdiction. It creates a partial tracker (80%) for expenditures related to direct or indirect compliance with the Water Pollution Control Act; Safe Drinking Water Act; any law, order, or regulation administered by the U.S. EPA, U.S. Army Corps of Engineers; IDEM, U.S. Department of Transportation, INDOT, DNR; or local government regulation. Expenditures are also included for the installation of new plant/equipment or replacement of plant/equipment to further or maintain health, safety, or environmental protection of utility's customers, employees, or the public. The other 20% of the costs are deferred, with carrying costs, and recovered as part of a utility's next general rate case. To recover these costs, a utility must obtain preapproval of its plan from the Commission for some service enhancement improvements. If actual costs exceed by more than 25% the projected costs set forth in the utility's plan, specific approval by the Commission is required before being authorized in the next general rate case. The Commission has 210 days after the filing of a utility's case-in-chief to issue its order to approve a plan and 60 days to issue an order for the tracker.

Lead Service Lines

Water quality issues related to lead service lines have been addressed recently by both the Indiana General Assembly and the Commission. In 2017, the General Assembly addressed lead service line replacement by creating Ind. Code chapter 8-1-31.6. Traditionally, utilities typically only maintain and operate facilities and equipment that the utilities own. Through the traditional regulatory model, utilities are given an opportunity to earn a fair rate of return on the utility-owned infrastructure that is "used and useful" for the provision of safe and reliable service. Utilities do not replace or maintain (thus do not receive a rate of return on) customer-owned infrastructure (e.g., service lines). In addition to the existing ability of a utility to earn a fair rate of return on utility-owned equipment, Ind. Code chapter 8-1-31.6 allows a utility to earn a rate of return on customer-owned lead service lines that a utility has replaced through a Commission-approved plan. This allows the utility to recoup its costs for replacing the customer-owned lead service lines from all customers within its service territory. The utility may or may not own or maintain that service line in the future, depending on the utility's approved plan. A water utility can include its approved plan for replacing customer-owned lead service lines under the IIC mechanism. The costs associated with replacing customer-owned lead service lines, however, do not count against the 10% IIC revenue limitation.

In January 2018, Indiana-American Water Company filed IURC Cause No. 45043, which was Indiana's first lead service line replacement program petition. The Commission approved the plan on July 25, 2018, which entails replacing approximately 51,000 lead service lines at an approximate cost of $178 million in 2017 dollars with a completion time between 10 and 24 years. The case was appealed by the OUCC due to concerns with specific language utilized in Indiana-American Water Company's indemnification clause. In 2019, the case was reversed and remanded by the Court of Appeals with instructions for the Commission to issue additional findings with respect to the license agreement attached to the Lead Service Line Replacement Plan including the indemnification and release clause. On Aug. 7, 2019, the Commission complied with the Court of Appeals instructions. To date, Indiana-American Water Company remains the only utility in Indiana with a Commission-approved Lead Service Line program under Ind. Code chapter 8-1-31.6.

In 2019, the Indiana General Assembly amended the definition of "customer lead service line improvement" to include galvanized steel service lines, allowing an investor-owned utility the same opportunity to earn the same rate of return on the customer-owned portion of a galvanized steel service line as that of a lead service line.

Ind. Code chapter 8-1-31.6, amended by SEA 254 (2020), clarified municipal utilities can recover the cost of replacing customer-owned lead service lines. The additional sections are primarily duplication of language investor-owned utilities use to recover such costs.

Government Program Funding

To assist with the high capital costs associated with the water and wastewater industry, numerous federal and state funding options are available for infrastructure investment. These programs include the State Revolving Loan Fund, U.S. Department of Agriculture Rural Development loans and grants, the Community Focus Fund, and private activity bonds. In 2014, the federal Water Infrastructure Finance and Innovation Act (WIFIA) was enacted, which provides low interest rate financing for the construction of water and wastewater infrastructure. In 2016, the Water Infrastructure Improvements for the Nation (WIIN) was enacted. The WIIN includes the Water Resources Development Act, which authorizes $100 million for communities facing drinking water emergencies, including helping communities recover from lead contamination.

On Oct. 9, 2019, the EPA announced a $436 million Water Infrastructure Finance and Innovation Act (WIFIA) loan to the IFA. This was the first time EPA provided WIFIA financing directly to a SRF program. With the WIFIA loan, IFA will be able to lend to an additional 23 drinking water and wastewater infrastructure projects (e.g., water treatment plants, storage tanks, distribution system components, wells, pump stations, wastewater treatment plants, and tunnel construction to capture combined sewer overflows), including 10 projects located in rural communities.

Under HEAs 1001 and 1406 (2019), Indiana provided $20 million for a Water Infrastructure Assistance Fund, which is a source of money for grants, loans, and other financial assistance administered by the IFA. Forty percent of the money is targeted to utilities serving less than 3,200 customers. To receive assistance from the state fund, a utility must have and maintain an asset management program, participate in cooperative activities with one or more other utilities, and determine and eliminate causes of non-revenue water. These funds, along with federal funds, are currently being used to assist Indiana communities.

The Indiana office of the U.S. Department of Agriculture Rural Development reported that, in 2019, Indiana received grants for water and wastewater projects totaling $40 million.

Communications Division

Communications Division

Regulatory Responsibility

The Commission's Communications Division monitors communications-related regulatory proceedings and policy initiatives at the federal, state, and local levels that could affect the interests of Indiana communications service providers (CSPs) and their customers. The division assesses the possible impacts of those policies and whether comments should be filed in those proceedings or whether the information should be forwarded to other state agencies for review. As part of these monitoring efforts, the Communications Division responds to inquiries from the Indiana General Assembly, the Office of the Governor and the Office of the Lieutenant Governor, members of the media, communications service providers, and the general public on various communications-related topics. Additionally, the division implements a state universal service program and provides recommendations to the Commission on several types of matters, including numbering issues, carrier-to-carrier disputes, applications for certificates of territorial authority (CTAs) for CSPs and certificates of franchise authority (CFAs) for video service providers (VSPs). The division also implements the Commission's role as the sole franchise authority for the provision of video service in the state of Indiana and the direct marketing authority for video service providers wanting to conduct direct marketing activities in the state.

All CSPs must receive a CTA from the Commission to offer any telecommunications services, information services, or video services in Indiana. Providers of video service must hold a video service franchise from the Commission or an unexpired local franchise obtained prior to the Commission's sole franchising authority. Additionally, the Commission designates all eligible telecommunications carriers (ETCs) in the state, which enables those carriers to obtain support from the federal Universal Service Fund (USF). Federal USF support is aimed at expanding the availability of both telephone and broadband services and networks and also supports discounted phone service to eligible low-income households. The Commission is also responsible for making determinations regarding a successor provider of last resort (POLR), in the event a current POLR withdraws from a given area of the state. Although the Commission has no jurisdiction over the approval of retail rates and charges of CSPs, the Commission continues to approve intrastate access rates and charges for local exchange carriers in Indiana. From time to time, the Commission also approves changes in the monthly surcharges on customer bills for the Indiana Universal Service Fund and the Indiana Telephone Relay Access Corporation (InTRAC).

In addition, the Commission resolves carrier-to-carrier disputes, manages policies regarding telephone numbering resources, including area code relief (pursuant to federal and state law), protects customers from unauthorized changes to their service (cramming) and unauthorized changes in their service providers (slamming), and enforces federal customer service standards for video.

Communications issues under consideration at the federal level are regularly tracked and considered by the division. Because it is essential to identify and, when appropriate, act upon the many federal policy matters that have the potential to affect Indiana's economy, the division monitors, reviews, and provides analysis and recommendations to the Commission about possible Commission participation in federal rulemakings and cases. This ensures that the concerns and needs of Indiana are heard by federal agencies such as the Federal Communications Commission (FCC), the National Telecommunications and Information Administration, and the Rural Utilities Service within the U.S. Department of Agriculture, among others. Additionally, the division has brought issues under discussion at the federal level to the attention of other Indiana state agencies that would possibly be affected by action on those issues, including the Indiana Office of the Attorney General, the Lieutenant Governor's Office, the Statewide 911 Board, and the Indiana Family and Social Services Administration.

Video Franchise Authority

In 2006, the Commission became the sole franchise authority for the issuance of new video service franchises. Before this time, VSPs were subject to exclusively held local franchises. Since 2006, 66 VSPs have applied for and been granted state-issued franchises. The number of providers varies by county, with some locations being more competitive than others. The industry also has seen some consolidation over the last few years, and it is likely that trend will continue as current and future mergers are approved. For instance, in 2015, Bright House Networks, LLC, Insight Communications, and Time

Warner Cable filed notices that each were being acquired by Charter Communications, Inc. Recently, the three companies filed notice that they had merged into Spectrum Mid-America, LLC.

The technologies used to provide video service to Indiana customers include: coaxial cable, hybrid fiber coax, fiber to the premise (FTTP), fiber to the node (FTTN), very-high-bit-rate digital subscriber line (VDSL), and asymmetric digital subscriber line (ADSL). The Commission does not regulate the rates and charges for video service and does not collect or maintain programming and pricing options offered by VSPs to Indiana customers. However, through its Consumer Affairs Division, the Commission does enforce the federal video customer service standards established by the FCC.

Designation of Eligible Telecommunications Carriers (ETCs)

A CSP must be designated as an ETC to receive support from the federal universal service high-cost or Lifeline program. Under the Telecommunications Act of 1996, states are given sole authority to designate communications companies as ETCs (unless a state cedes this authority to the FCC). ETCs receive federal support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. In the case of the high-cost program, ETCs receive monetary support to deploy, maintain, and provision voice telephony and broadband service throughout their ETC service area. In the case of the Lifeline program, ETCs are reimbursed for providing a monthly discount on communications service for eligible low-income subscribers.

There are three types of ETCs in Indiana:

1. Incumbent Local Exchange Carriers (ILECs): These carriers are all eligible for high-cost support (a.k.a. Connect America Fund (CAF) support). These providers became ETCs after the passage of the federal Telecommunications Act of 1996. There are currently 42 ILECs that are ETCs in the state. This category of ETC includes all of the state's ILECs, with the exception of some portions of Indiana Bell's (now AT&T Indiana's) ILEC territory. AT&T Indiana relinquished its ETC designation for portions of its service area in 2017.

2. Competitive Facilities-based Carriers: These carriers are mobile or fixed wireless or local exchange carriers that wish to receive high-cost support to build and maintain their networks. There are currently 10 competitive carriers that are ETCs. Four of these companies have been ETCs for over 10 years. Six companies were approved as competitive ETCs in early 2019 as a result of the FCC's CAF II Reverse Auction to serve areas deemed by the FCC as unserved or underserved.

3. Lifeline-only Wireless ETCs: These carriers state they will only seek funding from the Lifeline fund, not the high-cost fund. Most of these ETCs do not have their own facilities-based network even though it is a requirement in the Telecommunications Act. The FCC found that it was in the public's interest to forbear from this requirement for mobile wireless ETCs that only provide Lifeline. There are currently 11 Lifeline-only mobile wireless ETCs.

Relinquishments of Eligible Telecommunications Carriers Designations

Telecommunications carriers that are designated as ETCs in Indiana may request to relinquish that designation pursuant to 47 U.S.C. § 214(e)(4). The Commission's role in areas served by more than one ETC is to require that the remaining ETCs ensure that all customers served by the relinquishing ETC will continue to have service, and to require sufficient notice to permit the purchase or construction of adequate facilities to meet increased demand, if needed. No ETCs sought to relinquish their designation in 2019.

FCC Designated 988 as National Suicide Hotline Number

On July 17, 2020, the FCC released an order implementing the three-digit code, 988, for the National Suicide Hotline. The FCC believes that the three-digit hotline will help ensure ubiquitous deployment of 988, thereby easing access to suicide prevention and crisis intervention services, decreasing the stigma surrounding suicide and mental health crises, and ultimately saving lives. All telecommunications carriers and VoIP providers must implement the hotline by July 16, 2022.

This FCC order will impact two Indiana area codes, 219 and 574, because it mandates 10-digit dialing for local calls rather than the 7-digit dialing still in place in those area codes. The FCC Order recognizes that some areas of the country that have not implemented 10-digit dialing and already have 988 in use as an exchange number (also known as an NXX code) will have technical difficulties implementing the three-digit hotline. To remedy this problem, the FCC mandates the implementation of 10-digit dialing for local calls in such area codes. The Commission will not need to take action to mandate 10-digit dialing, but will need to be involved in implementation planning, outreach, and education.

Competition and Pricing

The Commission is statutorily charged with analyzing the effects of competition and technological change on universal service and the pricing of all telecommunications services offered in Indiana. Because detailed information on the effects of competition and technology changes on pricing of telecommunications services offered in Indiana is unavailable, this section focuses on efforts to provide telecommunications service availability in Indiana. This is often referred to as universal service, which has been a key factor in reaching areas that are difficult to serve. In addition to various programs within the FCC's federal USF, the Commission oversees a state program called the Indiana Universal Service Fund (IUSF). Over the last few years, the FCC has expanded the definition of universal service to include federal support for both broadband and voice telephony services. With that in mind, this section also addresses several federal and state efforts to increase broadband availability.

Indiana Universal Service Fund

The IUSF was established by Commission Order in 2007 in response to revenue reductions caused by changes to the FCC rules that affected small rural ILEC territories. The Commission found that the fund would be competitively neutral and promote just, reasonable, and affordable rates for telephony-based services, as required by the federal Telecommunications Act of 1996.

The Commission oversees the IUSF through the IUSF Administrator (currently Solix, Inc.) and in consultation with the IURC Oversight Committee, which consists of representatives of various segments of the communications industry, as well as the Indiana Office of the Utility Consumer Counselor.

The IUSF is funded by a small surcharge on intrastate retail telecommunications revenue. The IUSF Oversight Committee has recommended the IUSF maintain a balance of $2 million; however, billed intrastate retail telecommunications revenue has been steadily decreasing since the establishment of the fund. In 2008, billed intrastate retail telecommunications revenue was $2.96 billion. In 2019, total revenue declined to $1.20 billion, which is a decrease of 60% since inception. As a result, the Oversight Committee has recommended, and the Commission has approved, five increases in the IUSF monthly surcharge on retail customers' bills – from 0.538% of billed Indiana telecommunications revenue at the inception of the IUSF in October 2007, to 1.09%, effective April 1, 2018.

Periodic Reviews for the IUSF

When the IUSF was established, the Commission determined it should be reviewed every three years to ensure that the operations of the IUSF are meeting the Commission's objectives of preserving and advancing universal service within the state, and ensure that the processes, funding levels, size, and operation and administration of the IUSF remain adequate and sufficient, among other considerations. The last Triennial Review was completed in 2018 and the next one will be opened in 2021.

Additionally, the Commission determined that rural telephone companies that receive IUSF monies should complete a qualifications test every three years to demonstrate continued need for IUSF support. The last qualifications test was completed in 2019. The Commission determined that 31 companies continue to qualify for IUSF support which varies in amount for each company. Annual disbursements to the 31 rural telephone companies total $11,503,682. The next qualifications test is due in 2022.

Next Level Connections Broadband Grant Program

There are significant challenges to deploy broadband in areas of the state that remain unserved. The cost to deploy broadband in some of the state's most rural and least densely populated areas remains a very expensive proposition.

Therefore, in 2018, $100 million was allocated for the deployment of broadband throughout the state of Indiana. The Grant Program is designed to promote access to broadband service to all areas of the state through funding for the deployment of broadband infrastructure. Providers that meet certain requirements, including a valid CTA to provide broadband, can submit an application to provide broadband service at speeds of up to one-gigabyte download and upload service to unserved areas of the state. The first round of funding awarded $28.41 million to 14 projects. When taking matching funds provided by the winning carriers into account, the result is a total investment of $51.68

million. Approximately $70 million of grant funding is available for new eligible projects. Applicant selections are expected to be made later in fall 2020.

The Connect America Fund ("CAF")

At the federal level, efforts by the FCC have been implemented under certain circumstances to provide financial support, through a program under the federal USF (i.e., the CAF), to provide incentive for ETCs to deploy broadband in rural areas, in addition to the voice telephony services that all ETCs are required to offer.

CAF support has been determined and awarded in two broad phases, generally known as CAF I and CAF II. Both CAF I and CAF II consisted of several phases (the CAF I program has expired). In the first phase of the CAF II program, the FCC used economic models to estimate the amount of support (also known as "model-based support") needed to extend broadband service to unserved areas within the service territory of the large ILECs. The FCC launched the model-based support phase of CAF II on Dec. 18, 2014. Nationwide, approximately $1.5 billion was allocated for unserved areas (determined at the census block level) in large ILECs' territories to deploy broadband with speeds of at least 10/1 Mbps. In Indiana, AT&T, Frontier, and CenturyLink accepted CAF II funds totaling $51.1 million annually. In addition to these three companies, Cincinnati Bell Telephone Company, which primarily serves Ohio, but also serves the Peoria and West Harrison exchanges in southeast Indiana, also received CAF Phase II support.

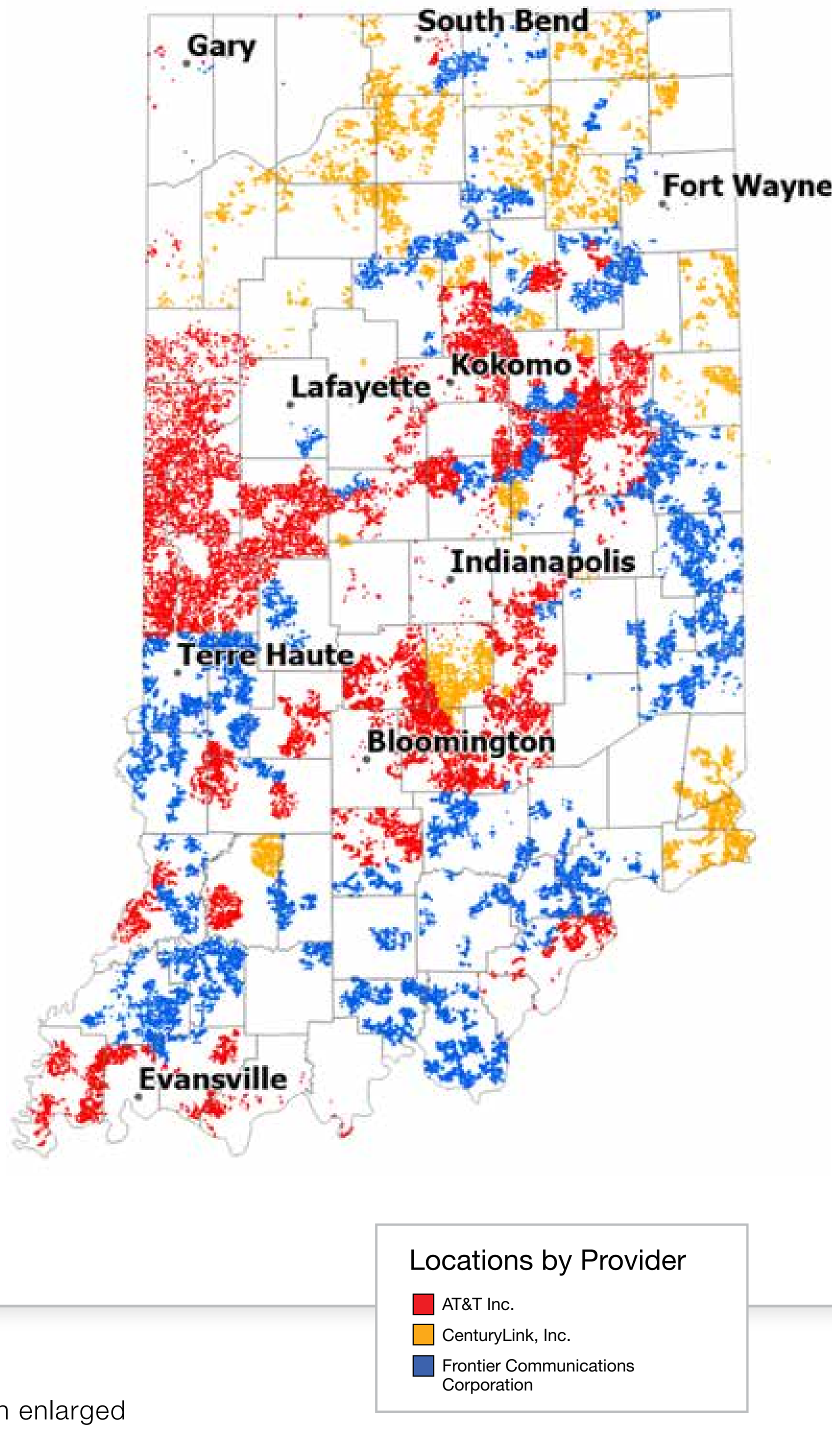
It is important to be aware of how the FCC determined unserved areas in the CAF II program and how this could potentially cause some rural Indiana consumers without access to broadband service to be left out of both the federal CAF II program and Indiana's Next Level Connections Broadband Grant Program. In determining the areas eligible for CAF II support, the FCC first compiled a list of census blocks eligible for support and then determined the number of locations to be served within each census block. If some residences or businesses were not counted in the original number of locations or were built at a later date, the carrier would not be required to serve every location within a CAF II designated census block. They would only be required to serve the number of locations they originally agreed to serve. In addition, the CAF II program's broadband deployment obligations are based upon the total number of supported locations within a state. Further, the large ILEC may elect to deploy to just 95% of the supported locations in a given state, although its funding would be reduced. If a consumer resides at a location that was not identified as a supported location, the large ILEC serving this census block is not required to deploy broadband to its location.

At the same time, the Next Level Connections Broadband Grant Program considers an unserved location to be in a census block that does not have at least one broadband provider offering speeds of at least 10/1 Mbps and where there is not a potential provider for which the census block has been designated through a federal funding program to deploy that minimum level of service by a specified date. Therefore, an unserved location within a CAF II census block would likely be considered ineligible by the state broadband grant program as well.

However, when a carrier already is receiving federal support for a particular census block, that census block may no longer qualify for state support under the Next Level Connections (NLC) Broadband Grant Program. Under the NLC Broadband Grant Program, receipt of CAF or other federal grants for even just one location within a census block negates the full census block from being eligible to receive NLC funding at this time since many of these are ongoing deployments. This is meant to avoid duplicate funding for the same locations. The result is, in some situations, a particular location(s) within such a census block could be excluded from the opportunity to have broadband service deployed to it from either program.

Each year, providers are required to report the address of each location within assigned census blocks where broadband has been made available using CAF II funds. The map to the right gives a general idea of the locations where each provider has made broadband available at speeds of at least 10/1 Mbps using CAF II model-based support funds for 2016 to 2019. The location points are for individual addresses and have been enlarged for visual purposes. Therefore, each location point is not a representation of the location's actual size.

2016-2019 CAF II MODEL-BASED SUPPORT FUNDED BROADBAND DEPLOYMENT LOCATIONS



NUMBER OF CAF II FUNDED DEPLOYED LOCATIONS

	AT&T	CenturyLink	Frontier	Total Deployed Locations
2016	248	1,153	5,573	6,974
2017	16,469	2,955	19,166	38,590
2018	10,810	3,006	12,269	26,085
2019	22,032	13,363	9,860	45,255
	49,559	20,477	46,868	116,904

In 2018, CAF II deployment data indicated all price cap carriers reached 60% or greater as required by the program. The 2019 deployment data is continuing to be settled by USAC. CenturyLink notified the FCC and this Commission that it may not have met its 80% interim broadband deployment milestone in 23 states as of Dec. 31, 2019, including Indiana.

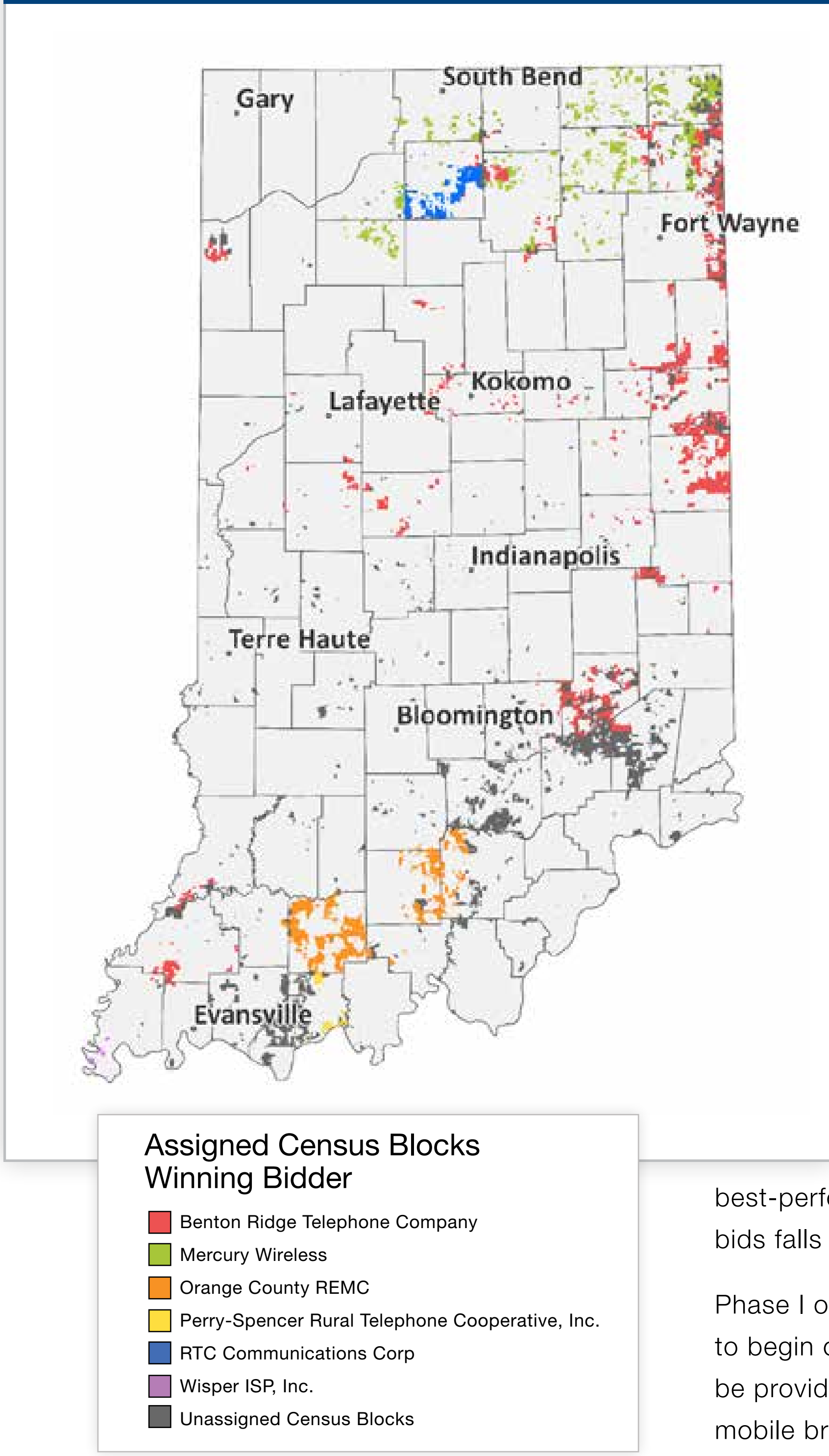
In the second phase of the CAF II program (the reverse auction phase), the FCC identified eligible census blocks where AT&T, Frontier, and CenturyLink had previously elected not to accept an offer of model-based support (in CAF II, Phase I). The funding was awarded through a reverse auction (FCC Auction 903), in which carriers submitted bids to provide the highest performance broadband networks and services at the lowest cost (simplistically, the lowest bidder in a particular area wins) Six winning bidders were selected for Indiana:

- Benton Ridge Telephone Company
- Mercury Wireless
- Orange County REMC
- Perry-Spencer Rural Telephone Cooperative, Inc.
- RTC Communications Corp.
- Wisper ISP, Inc.

At the end of the auction, out of 33,847 total eligible Indiana locations, the FCC had assigned 24,530 Indiana locations to those six companies; 9,317 locations remained unassigned in Indiana at the conclusion of the auction. The census blocks with unassigned locations are indicated in dark gray on the map on the next page. In order to receive CAF II auction support, the FCC required winning bidders to obtain ETC designation. The Commission designated the six winning bidders, listed above, as ETCs on Feb. 20, 2019. These ETCs are required to meet and report on their first broadband deployment milestone of 40% of the locations by the end of the third year of support, which will be in 2022. They are required to achieve an additional 20% deployment every following year until reaching 100% deployment at the end of the sixth year of support.

The map on the next page shows census blocks in Indiana containing locations assigned to these six winning bidders in FCC Auction 903 to provide broadband service. The map also includes census blocks with unassigned locations.

CAF II AUCTION (903) RESULTS – CENSUS BLOCKS WITH ASSIGNED AND UNASSIGNED LOCATIONS



The Rural Digital Opportunity Fund (RDOF)

In January 2020, the FCC adopted the Rural Digital Opportunity Fund (RDOF), allocating up to $20.4 billion over 10 years through a two-phase competitive auction to help connect millions of unserved rural homes and small businesses to high-speed broadband. The RDOF Phase I auction (Auction 904) will provide up to $16 billion to target areas that current data show are unserved, including nearly six million unserved rural homes and businesses. Phase II will provide up to $4.4 billion and is intended to address partially served locations and to provide broadband support for precision agriculture applications on eligible farms and ranches. Phase II will also target areas not won in Phase I.

RDOF will more than double the minimum speeds that were required in the Connect America Fund Phase II auction to 25/3 Mbps, weighting bids for services with faster speeds (up to gigabit) and lower latency more heavily in the auction, and awarding support to the bidder offering the best-performing network once the total price of all bids falls below the auction's budget.

Phase I of the RDOF auction is currently scheduled to begin on Oct. 29, 2020. RDOF support will only be provided for fixed locations; support for 5G mobile broadband will be provided through the new 5G Fund.

PERFORMANCE TIERS & LATENCY OPTIONS FOR THE RDOF PHASE I AUCTION

Performance Tier	Speed	Monthly Usage Allowance	Weight
Minimum	≥ 25/3 Mbs	≥ 250 GB or U.S. Median, whichever is higher	50
Baseline	≥ 50/5 Mbs	≥ 250 GB or U.S. Median, whichever is higher	35
Above Baseline	≥ 100/20 Mbs	≥ 2 Terabytes (TB)	20
Gigabit	≥ 1 Gbs/500 Mbs	≥ 2TB	0

Latency	sort by Requirement	sort by Weight
Low Latency	≤ 100 ms	0
High Latency	≤ 750 ms; Mean Opinion Score (MOS) of ≥ 4 for voice communications	40

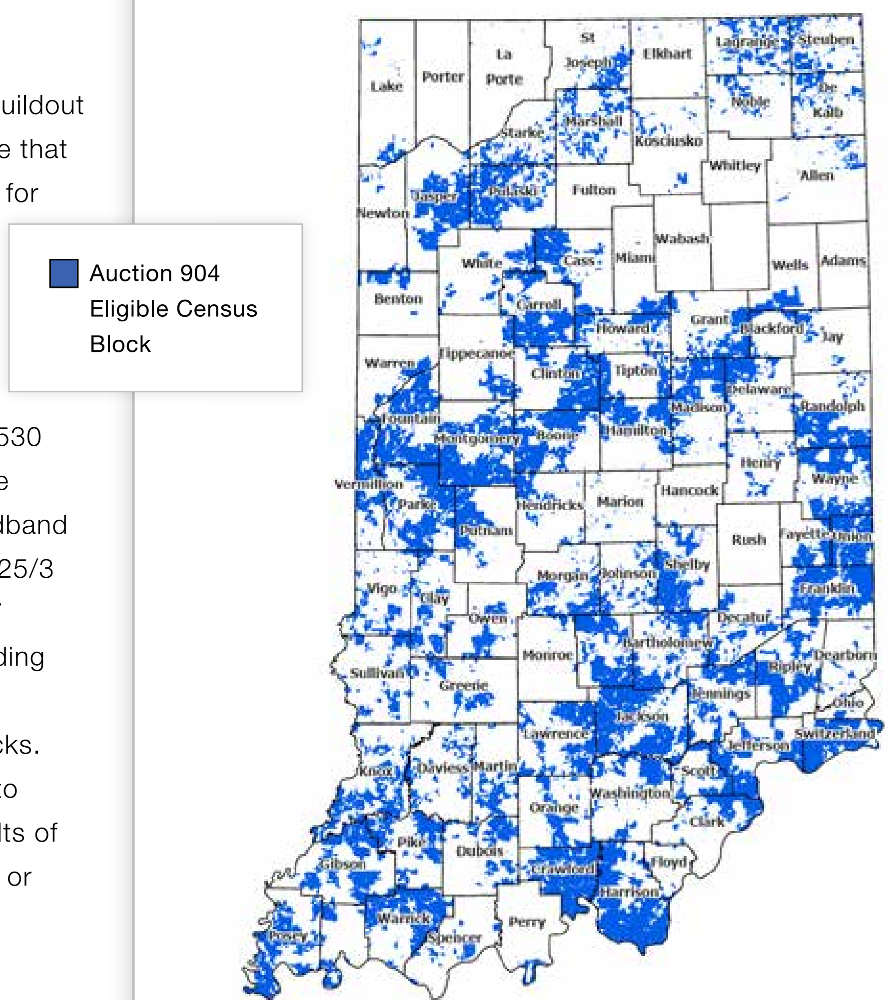
There are four performance tiers and two latency options for the RDOF Phase I auction.

Rural Digital Opportunity Fund support recipients are permitted to offer a variety of broadband service offerings as long as they offer at least one stand-alone voice plan and one service plan that provides broadband at the relevant performance tier and latency requirements, and these plans must be offered at rates that are reasonably comparable to rates offered in urban areas. For voice service, a support recipient will be required to certify that the pricing of its service is no more than the applicable reasonably comparable rate benchmark that the FCC releases each year. For broadband services, a support recipient will be required to certify that the pricing of a service that meets the required performance tier and latency performance requirements is no more than the applicable reasonably comparable rate benchmark, or that it is no more than the non-promotional price the support recipient charges for a comparable fixed wireline broadband service in urban areas in the state or U.S. territory where the ETC receives support.

In addition, the FCC has established the following timeframes to govern RDOF I broadband deployment efforts, which are shown in the table on the next page: RDOF Phase I recipients must serve 40% of the estimated number of locations in a state by the end of third year of support and an additional 20% by the end of the fourth and fifth years of support. Revised location totals will be announced by the end of year six. If there are fewer actual locations than originally estimated by the cost model, support recipients must serve 100% of the actual (revised) number of locations. If there are more locations than originally estimated by the cost model, support recipients must serve 100% of the estimated number of locations (by the end of year six) and must serve the remainder of the locations by the end of year eight. All support recipients must serve locations newly built after the revised location total but before the end of year eight upon reasonable request. Notwithstanding these overall buildout deadlines, it is important to note that the exact deployment schedule for each individual location is determined by the carriers themselves, not the FCC.

On June 25, 2020, the FCC estimated that there are 5,392,530 initially eligible locations that are completely unserved with broadband operating at speeds of at least 25/3 mbps, spread out over 796,267 census blocks. The corresponding figures for Indiana are 162,980 locations in 24,505 census blocks. All of those figures are subject to change, depending on the results of the ongoing challenge process, or other updates to FCC data.

RDOF PHASE 1 (AUCTION 904) ELIGIBLE CENSUS BLOCKS



RDOF DEPLOYMENT OBLIGATIONS

RDOF Phase I	
End of Year 3 (tentatively, 12/31/23)	40% of funded (estimated) locations
End of Year 4 (tentatively, 12/31/24)	60% of funded (estimated) locations
End of Year 5 (tentatively, 12/31/25)	80% of funded (estimated) locations
End of Year 6 (tentatively, 12/31/26)	TBD by FCC
RDOF Phase II	
End of Year 8 (tentatively, 12/31/28)	100% of actual locations, if greater than the original estimate

Video Franchise Fee Report

In 2012, the Indiana General Assembly passed legislation that requires the Commission to gather information from local government units that receive video franchise fees under a certificate issued by the Commission or an unexpired local franchise issued by the unit before July 1, 2006. For Calendar Year 2019, the Commission received responses from 212 local government units, which is down from the 260 units reporting for 2018 (134 units responded for 2017). Of those 212 local units responding for 2019, eight indicated that no franchise fees were collected. Three hundred and seventeen video franchises were reported as providing service and paying franchise fees in the remaining 204 reporting units. Of those 317 franchises, 304 were providing service under a state-issued franchise and 13 were providing service under a local franchise. The responding units reported payments of franchise fees totaling approximately $19.4 million.

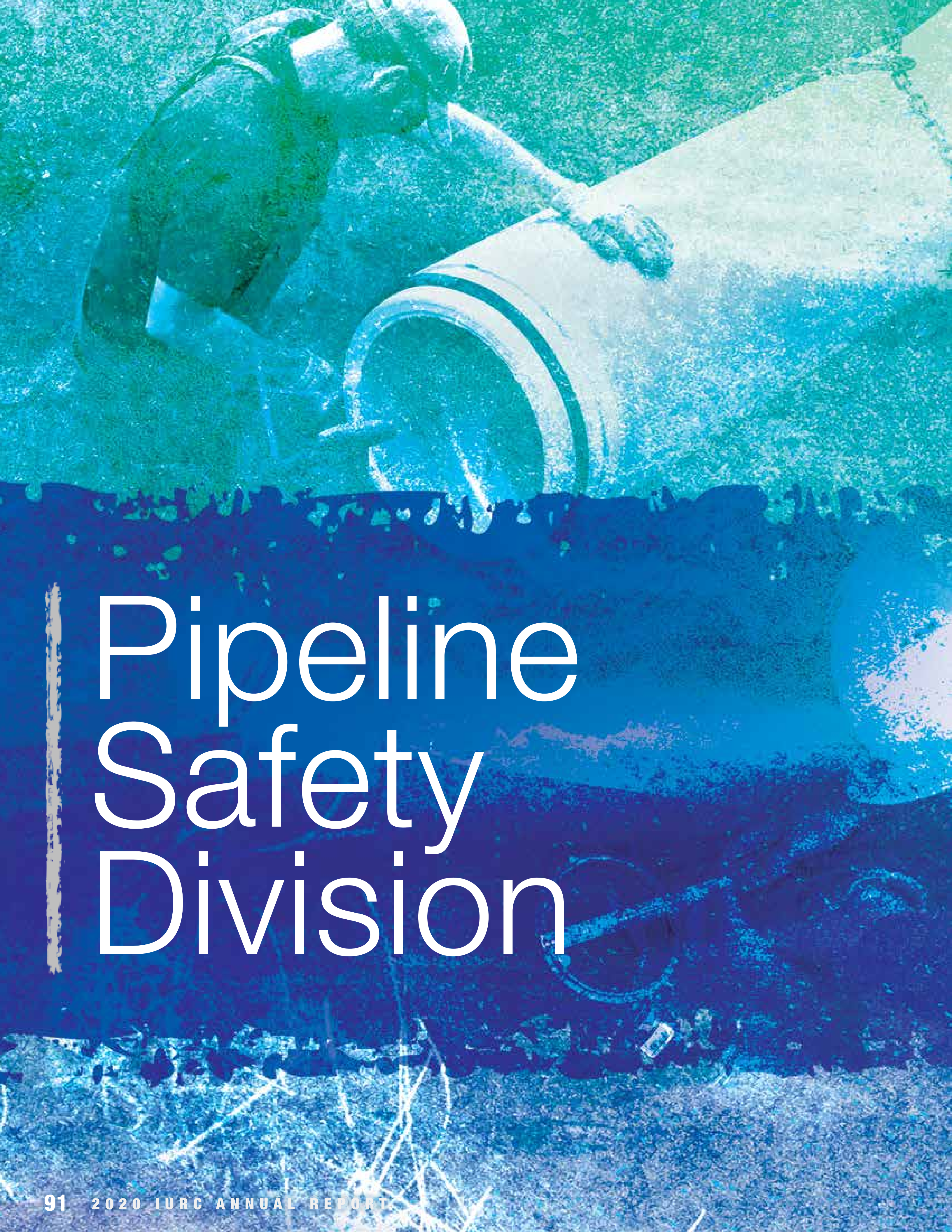
The following is a broad analysis of the data reported for 2019:

- Responses were received from 17 of the 92 counties in Indiana; those responses are included in the 212 total responses received in 2019 and described above.
- The majority of the reporting units deposit video franchise fees in their respective general funds.
- Most of the reporting units use the video franchise fees for public safety or to cover general operating expenses. Some use the fees for maintenance of rights-of-way, roads, and other infrastructure.
- 162 units reported the franchise fee rates. Those rates vary from 1-5%, with the majority set at either 3 or 5%.
- Many units did not provide the requested information about the rate charged, how the rate was established, and the date the rate was set. Conversations with some clerk-treasurers in previous years indicated that turnover in the office makes it difficult to provide that type of information in a timely fashion.

To view the Video Franchise Fee Report, see *Appendix Q*.

Biennial Video Service Area Reporting and Video Competition

In each odd-numbered year, VSPs are required by statute to report the areas in the state by census block group where they offer video service under a state-issued video franchise certificate. Biennial reporting data was not collected this year. However, the Commission will be reaching out at the end of the year to the holders of the 80 active state-issued video franchise certificates to remind them that they will need to submit 2020 year-end census block data by March 1, 2021.



Pipeline Safety Division

Pipeline Safety Division

Regulatory Responsibility

The Commission's Pipeline Safety Division is responsible for enforcing state regulations, which incorporate federal safety regulations for Indiana's intrastate gas pipeline facilities, as established under Indiana Code chapter 8-1-22.5.

The Pipeline Safety Act of 1968 established the federal pipeline safety program. This program establishes a framework and organizational structure for federal certification of state pipeline safety programs (49 U.S.C. chapter 601). This framework promotes pipeline safety through exclusive federal authority for the regulation of interstate pipeline facilities and federal certification of participating states for responsibility over all or part of intrastate pipeline facilities.

The federal/state partnership is the cornerstone for ensuring uniform implementation of the pipeline safety program nationwide. It also authorizes federal grants to reimburse in part a state agency's personnel, equipment, and activity costs. Grant amounts (up to 80% of program costs) are primarily determined through annual evaluations of the state's program, its annual reporting, and the availability of federal grant dollars. Indiana's program, as established by state statute (Ind. Code chapter 8-1-22.5), has historically received high marks from the annual federal evaluations.

Indiana's Pipeline Safety Program

The division's primary mission is to ensure the safe and reliable operation of Indiana's intrastate pipeline transportation system. This is largely accomplished through inspections, as well as training, outreach programs, enforcement through injunctions and monetary sanctions, and investigations of pipeline accidents. During Calendar Year 2019, the division completed 963 inspection days of 61 operators and 97 associated inspection units, safely resolving 248 probable violations.

The division operates in partnership with the U.S. Department of Transportation's (U.S. DOT) Pipeline and Hazardous Materials Safety Administration's (PHMSA) under a certification agreement. PHMSA provides a grant on a calendar year basis designed to provide reimbursement of up to 80% of the costs of operating the program. The actual reimbursement amount of the grant is determined by the levels of funding available to PHMSA and the program's overall annual performance score. The annual performance score is based on the results of an annual visit and review of the program by PHMSA evaluators, as well as the level of compliance with certification requirements reported in the Annual Progress Report, which is provided to PHMSA. For Calendar Year 2018, the program received an overall score of 100%. The program received a two point reduction, which did not affect the overall score, due to the state legislature not adopting higher maximum civil penalty levels as prescribed in the certification agreement.

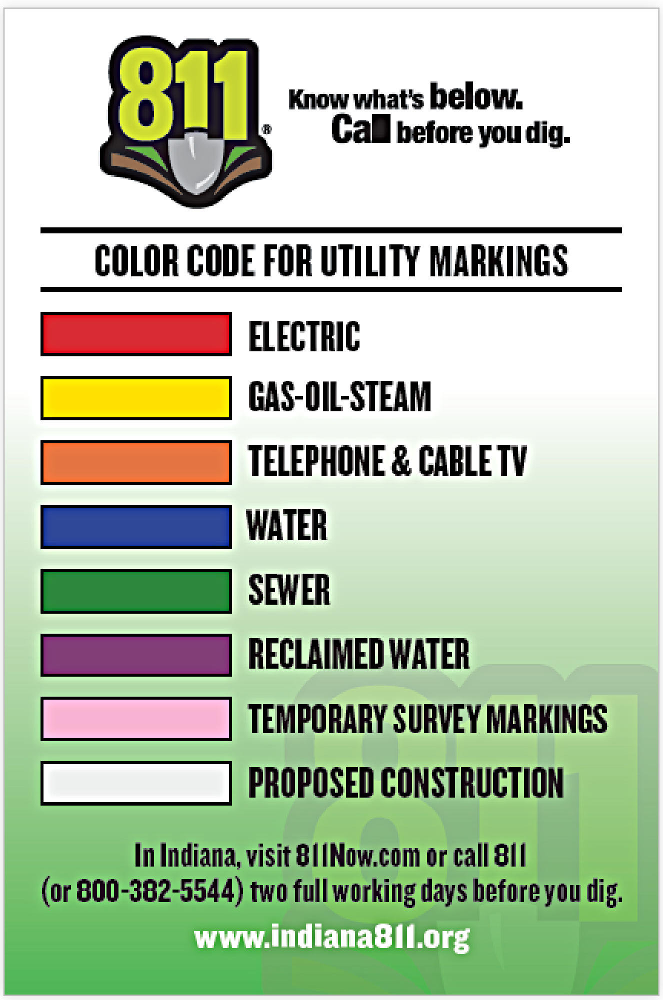
Additionally, the division is responsible for tracking and investigating all alleged violations of the state's Indiana 811 law (Ind. Code chapter 8-1-26) and is active in a variety of damage prevention efforts. In Calendar Year 2019, the division investigated 2,065 excavation damage cases. As a result of these investigations, the Commission ordered the issuance of 223 warning letters and required training in 205 instances for pipeline safety violations, as recommended by the Underground Plant Protection Advisory Committee (UPPAC). In addition, UPPAC recommended and the Commission approved 469 civil penalties, totaling $948,600. Where violations were found, 29% were operator violations, 44% were excavator violations related to dig tickets, and 27% were other types of excavator error.

The penalties assessed against excavators and operators under the Indiana 811 law are remitted to the Underground Plant Protection Account. By statute, the IURC administers the account, providing programs for public awareness, training and education, and incentives to reduce excavation-related damages.

For Calendar Year 2018, PHMSA awarded Indiana a perfect score on its Indiana 811 program and a perfect score on its Excavation Damage Evaluation. Indiana's program continues to serve as a model for other states to create and/or refine their damage prevention programs.

Based on a settlement agreement between the Commission's Pipeline Safety Division and Northern Indiana Public Service Co. LLC (NIPSCO) approved by the Commission on Nov. 29, 2017 (IURC Cause No. 44970), the division filed petitions for penalties against NIPSCO for violations occurring in Calendar Years 2017 and 2018. The petitions cited violations stemming from failures by NIPSCO to keep accurate maps and records of its underground facilities, and its failure to locate its pipelines in two days as required by its own pipeline safety procedures. The Commission approved a penalty of $765,000 on Oct. 2, 2019, for 153 violations occurring in 2017, and approved a penalty of $1,110,000 in penalties for violations (related to NIPSCO's failure to locate or mark its pipelines in two days as required by its own pipeline safety procedures) occurring in 2018 on Aug. 5, 2020.

Based on a similar settlement agreement between the division and Vectren Energy Delivery of Indiana, Inc. (Vectren), the division petitioned for penalties against Vectren for 2018 pipeline safety violations. The Commission approved a penalty of $584,000 on April 29, 2020, related to 178 violations committed by Vectren. In addition to a monetary fine, in a related case, Vectren is required to provide quarterly performance metrics applicable to locating its facilities to assist the division with tracking Vectren's performance over time.



The penalties assessed against NIPSCO and Vectren cases under Ind. Code chapter 8-1-22.5 are remitted to the state's General Fund.

Indiana 811 Law

Excavation damages pose the single greatest risk to safe operations of natural gas and hazardous liquid pipeline systems throughout the country. To help address this risk, Indiana's Damage to Underground Facilities Law (Ind. Code chapter 8-1-26), also known as the Indiana 811 law, establishes requirements that both excavators and underground facility owners must follow regarding excavation projects. The law also establishes an enforcement process that includes possible civil penalties of up to $10,000 for each violation of the law.

The UPPAC was established by Ind. Code chapter 8-1-26 and is comprised of representatives from various stakeholder groups appointed by the Governor. The UPPAC acts in an advisory capacity and makes penalty recommendations to the Commission after reviewing the findings of the division's investigations of alleged violations.

The division is actively engaged with various damage prevention stakeholder groups through Damage Prevention Councils, which are comprised of underground facility owners, locating firms, individual excavators, and Indiana 811. These councils are designed to facilitate open communication and transparency and foster industry relationships. They provide an open forum for stakeholders to offer ideas for improvement, express concerns, and discuss matters concerning their performance with damage prevention.

Additionally, the division hosts stakeholder meetings designed to facilitate additional discussions and open communication among the various stakeholder groups including pipeline operators, excavators, locators, Indiana 811, etc. These meetings result in the identification of several areas of mutual concern and the development of potential solutions.

Depth Study

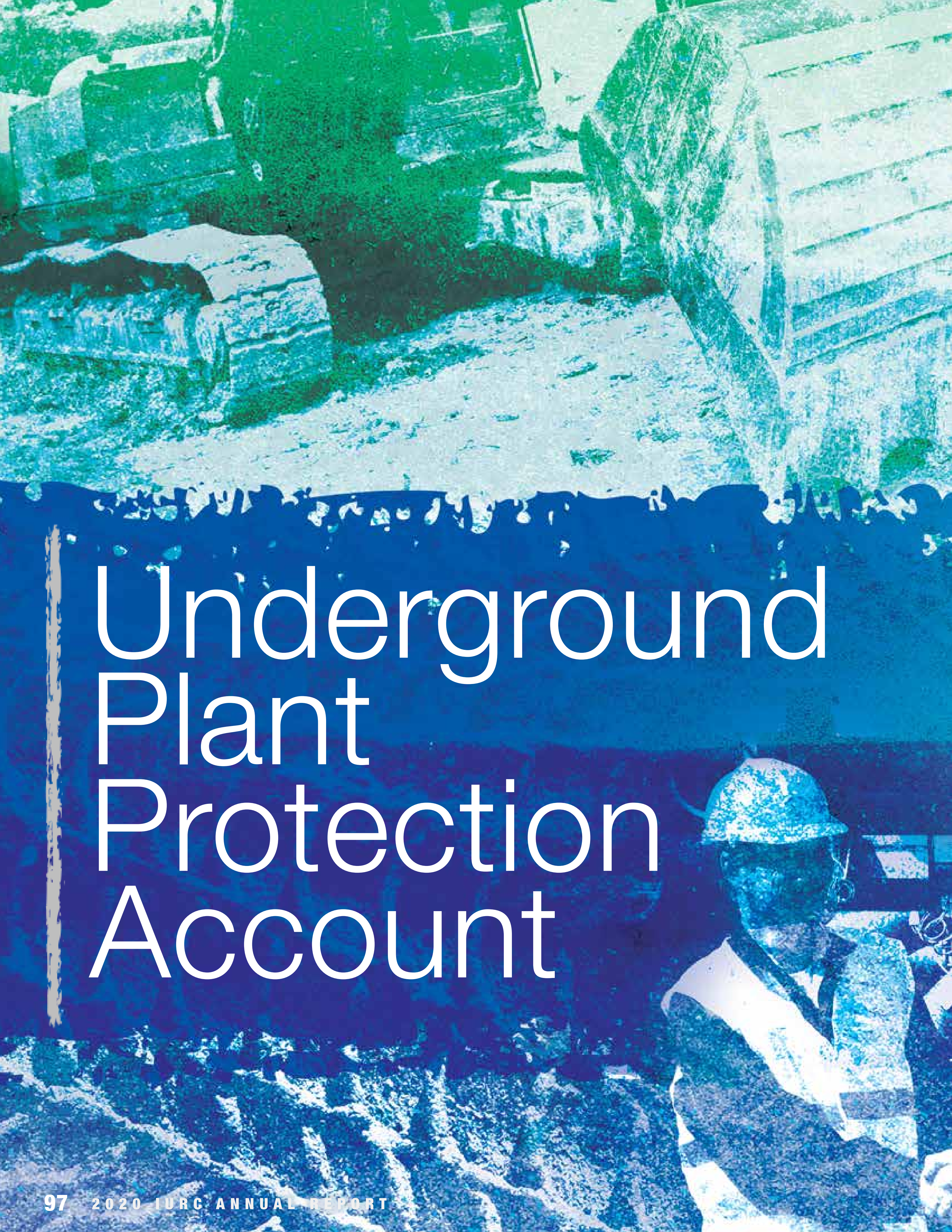
In 2009, the Indiana General Assembly mandated a report for best practices concerning the vertical location of underground facilities for purposes of Ind. Code chapter 8-1-26, specifically looking at the viability and economic feasibility of technologies used to locate underground facilities.

In March 2011, the Common Ground Alliance (CGA), a national, member-driven association dedicated to public and environmental safety and the prevention of damage to underground facilities, completed a study sponsored by the U.S. DOT. This study identified the best practices regarding damage prevention.

Generally, the CGA recommends hand digging or soft digging within a 24-inch tolerance zone on all sides of underground facilities as the safest practice. Vacuum digging (the use of high-pressure water or air that breaks up the soil), accompanied by a powerful vacuum that removes the loosened soil, is also an acceptable alternative identified by CGA.

The CGA, equipment manufacturers, and the division all strongly recommend hand digging, air cutting, or vacuum excavation to expose underground pipe for visual verification.

Emerging technologies, such as new mapping techniques using utility marker balls and cell phones for mapping facilities in Geographic Information Systems (GIS), are being developed to help reduce excavation damages and improve operator facility maps. Marker balls also allow locators to more easily and accurately identify the location of underground facilities in certain situations. Although new technology continues to be explored to address problems associated with difficult-to-locate gas lines and determining the depth of such lines, providing pipeline depth information to those performing excavation activities could result in unintended consequences, such as the over-reliance on pipeline depth information and the use of mechanical equipment within specified tolerance zones where hand digging would be a safer alternative. Therefore, the division does not recommend providing excavators a linear elevation of underground facilities.



Underground Plant Protection Account

Underground Plant Protection Account

UPPA Fund

The Underground Plant Protection Account (UPPA) fund was established in 2009 under Ind. Code chapter 8-1-26 (Indiana's Damage to Underground Facilities law, also known as the Indiana 811 law). The fund is the accumulation of civil penalties that were approved by the Commission, levied, and collected due to violations of the Indiana 811 law.

Permitted Use of UPPA Funds

UPPA funds are used to provide programs designed to reduce damages to buried facilities during excavation and violations of the Indiana 811 law. Per Indiana law, uses of UPPA funds must fall into at least one of three categories:

- Public awareness programs concerning underground plant protection
- Training and educational programs for contractors, excavators, locators, operators, and other persons involved in underground plant protection
- Incentive programs for contractors, excavators, locators, operators, and other persons involved in underground plant protection to reduce the number of Indiana 811 law violations

All uses of UPPA funds strictly follow state of Indiana procurement guidelines. UPPA funds are overseen by a committee of Commission representatives, which includes:

- Commission Chair
- Commissioner
- Chief Administrative Law Judge
- Chief of Staff
- Executive Director of External Affairs
- General Counsel
- Director of Pipeline Safety
- UPPA Fund Program Manager

The following list summarizes several uses of the UPPA fund during Fiscal Year 2020.

- Through the Commission's renewal of the Indiana Broadcasters Association's (IBA) Public Education Program (PEP), the Commission has continued to run significant Indiana 811 law messaging on AM radio, FM radio, and broadcast television stations based in Indiana. Approximately 50,000 spots ran across the state during Fiscal Year 2020.

- Through UPPA, the Commission continued to contract with professional excavation management company Paradigm Alliance to improve coordination between the four Indiana Damage Prevention Councils, increase outreach to potential attendees, and arrange for dedicated training sessions to improve the safety skills of DPC members that meet throughout the state.

- The Commission expanded its free, online safety training system for professionals who work in excavation by adding two additional training modules. The training program has doubled the number of users over the last year to more than 1200 professional excavators who have taken safe digging practices training since its launch.

- The Commission, through the UPPA fund, worked with the state's Management Performance Hub to create an interactive map using damage data available to the Pipeline Safety Division. The map allows for the visualization of pipeline damages and an improved ability to see trends, which will lead to more targeted and effective use of UPPA fund dollars. The project involved the creation of both an external and internal version of the map. The map's publically-available dashboard is slated to launch in Q4 of 2020. A link will be found on the Commission's website here: *http://www.in.gov/iurc/2640.htm*.

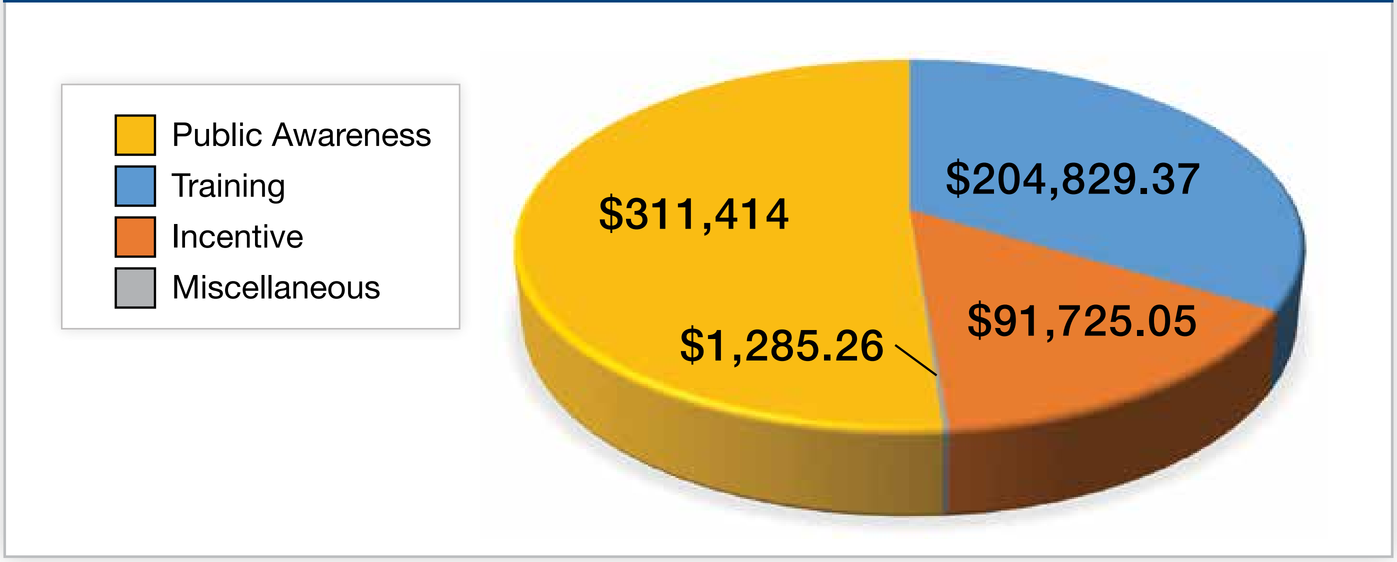
Total investment in safety programs through the UPPA fund in Fiscal Year 2020 was $609,253.68.

The Commission maintains a dedicated UPPA fund website at *www.in.gov/iurc/2847.htm*, where current account balances, spending and deposit history, training opportunities, and awarded grants and contracts are regularly updated. UPPA-specific spending can be tracked on an interactive spending map that can be viewed at *www.in.gov/iurc/2950.htm*.

UPPA funds are statutorily dedicated to training, education, incentive, and public awareness efforts focused on utility safety and do not revert to the state's General Fund at the end of a fiscal year.

Those interested in creating a project focused on increasing underground facility safety can apply for a grant from the UPPA fund or contact the UPPA Fund Manager at *www.in.gov/iurc/2854.htm*.

FISCAL YEAR 2020 UPPA SPENDING BREAKDOWN



COVID-19 Effects on the UPPA Program

The novel coronavirus (COVID-19) pandemic has had a significant impact on businesses around the country, and the UPPA fund is no exception. A number of programs were planned and approved, but could not be implemented due to social distancing best practices, stay-at-home orders, and other factors related to COVID-19.

Among the programs that were planned, but not implemented:

- Seven Indiana Safety Days training events around the state
- Midwest Damage Prevention Training Conference sponsorship
- Indianapolis Indians 811 marketing
- Indianapolis Flower and Patio Show 811 marketing
- Indiana State Fair 811 Marketing
- Digital marketing efforts to encourage call-in 811 users to become online 811 users

2020 IURC ANNUAL REPORT

Appendices

Appendices

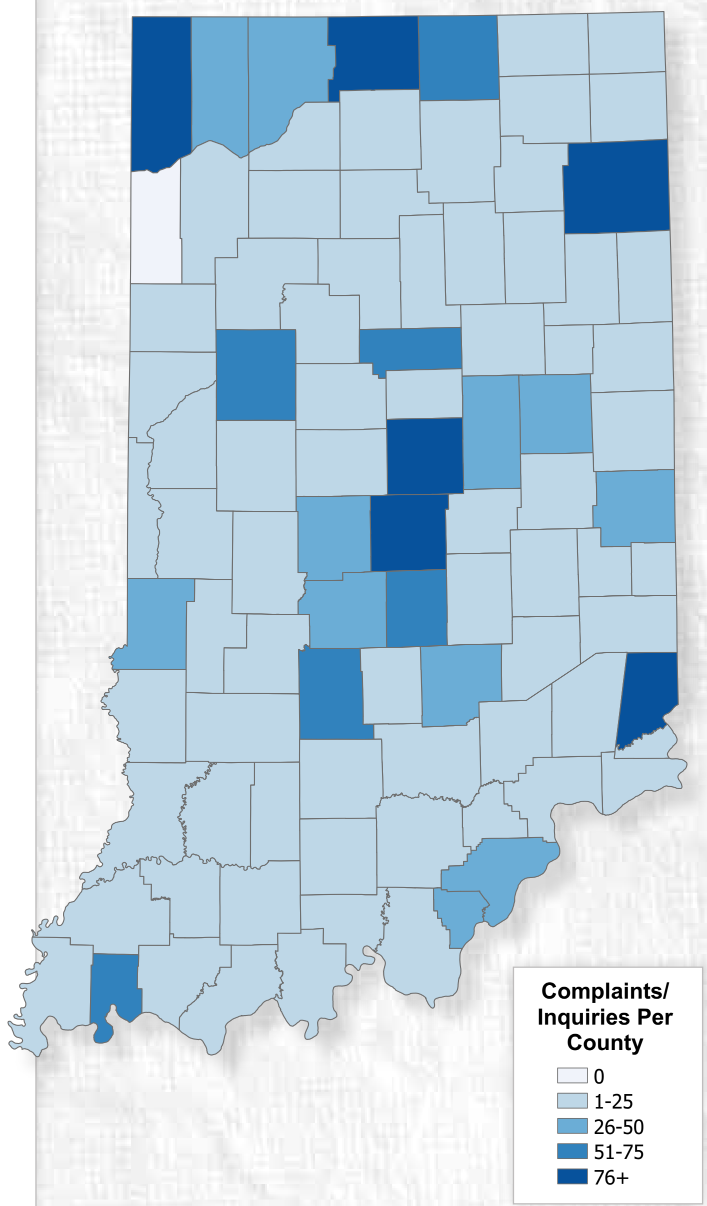
Commission's Budget and 2020-2021 Public Utility Fee Calculation

2020-2021 (FY21) BUDGET AS PASSED				
Utility Regulatory Commission	$	9,896,454.00		
Utility Consumer Counselor	$	6,935,790.00		
Expert Witness Fund	$	809,410.00		
Contingency Fund	$	250,000.00		
Total 2020-2021 Budget			$	17,891,654.00
2019-2020 (FY20) BUDGET AUGMENTATIONS				
Utility Regulatory Commission			$	—
Utility Consumer Counselor			$	—
2018-2019 (FY19) REVERSIONS				
Utility Regulatory Commission	$	810,708.70		
Utility Consumer Counselor	$	532,845.69		
Expert Witness Fund	$	33,383.07		
Contingency Fund	$	250,000.00		
Bond Fee Collections	$	255,500.00		
Municipal Fee Collections	$	297,470.66		
Other Revenue	$	—		
Total 2018-2019 (FY19) Reversions			$	2,179,908.12
PRIOR YEAR ADJUSTMENTS				
Expert Witness Fund adjustment	$	2,197.95		
IURC Pre-FY2019 Purchase Orders reduced in FY2019	$	10,541.12		
OUCC Pre-FY2019 Purchase Orders reduced in FY2019	$	9,395.79		
Pipeline Safety Grant Revenue	$	—		
Total Adjustments			$	22,134.86
Billable Portion of the 2020-2021 (FY21) Budget			$	15,689,611.02
2019 UTILITY INTRA-STATE REVENUES				
Electric Utilities	$	9,214,110,612.04		
Gas Utilities	$	1,561,471,928.34		
Sewer Utilities	$	53,769,071.07		
Telecommunication Utilities	$	1,239,827,123.50		
Water Utilities	$	249,403,069.22		
Total Utility Intra-State Revenues			$	12,318,581,804.17
2020-2021 PUBLIC UTILITY FEE BILLING RATE				
Billable Portion of the 2020-2021 Budget	$	15,689,611.02		
Divide by: Total 2019 Utility Intra-State Revenues	$	12,318,581,804.17		
2020-2021 Public Utility Fee Billing Rate				0.001273654

Consumer Affairs Division Complaints / Inquiries by County

COUNTY	COUNT OF CASE #
Adams	6
Allen	96
Bartholomew	26
Benton	3
Blackford	7
Boone	22
Brown	9
Carroll	10
Cass	7
Clark	45
Clay	16
Clinton	5
Crawford	6
Daviess	3
De Kalb	8
Dearborn	85
Decatur	10
Delaware	45
Dubois	5
Elkhart	64
Fayette	9
Floyd	32
Fountain	3
Franklin	2
Fulton	3
Gibson	10
Grant	15
Greene	6
Hamilton	110
Hancock	23
Harrison	10
Hendricks	48
Henry	10
Howard	51
Huntington	13
Jackson	13
Jasper	9
Jay	4
Jefferson	16
Jennings	12
Johnson	52
Knox	9
Kosciusko	23
La Porte	37
Lagrange	3
Lake	197
Lawrence	12
Madison	30
Marion	639
Marshall	7
Martin	5
Miami	12
Monroe	61
Montgomery	18
Morgan	29
Noble	11
Orange	4
Owen	1
Parke	12
Perry	1
Pike	3
Porter	46
Posey	7
Pulaski	3
Putnam	9
Randolph	9
Ripley	12
Rush	5
Scott	6
Shelby	12
Spencer	3
St. Joseph	101
Starke	7
Steuben	6
Sullivan	8
Switzerland	2
Tippecanoe	54
Tipton	3
Union	1
Vanderburgh	63
Vermillion	6
Vigo	35
Wabash	11
Warren	3
Warrick	20
Washington	11
Wayne	28
Wells	1
White	8
Whitley	8
Grand Total	2,533

There were two additional complaints without county information.



Revenues for Jurisdictional Electric Utilities

Revenues For Year Ending Dec. 31, 2019

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	Duke Energy Indiana, LLC	$2,992,978,509	34.54%
2	Northern Indiana Public Service Company, LLC	$1,702,994,314	19.65%
3	Indiana Michigan Power Company d/b/a AEP	$1,548,488,000	17.87%
4	Indianapolis Power & Light Company	$1,481,643,182	17.10%
5	Southern Indiana Gas & Electric Company (Vectren)	$570,273,867	6.58%
6	Anderson Municipal Light & Power Company	$82,720,240	0.95%
7	Richmond Municipal Power & Light	$80,978,473	0.93%
8	Citizens Thermal Energy	$64,964,628	0.75%
9	Auburn Municipal Electric	$39,736,431	0.46%
10	Crawfordsville Municipal Electric	$35,083,068	0.40%
11	Frankfort Municipal Light & Power	$30,186,496	0.35%
12	Lebanon Municipal Utilities - Electric	$22,578,279	0.26%
13	Tipton Municipal Electric	$13,261,520	0.15%
14	Greenfield Mills, Inc.	$17,281	0.00%
Total		$8,665,904,288	100.00%

Jurisdiction Over Municipal Electric Utilities

MUNICIPAL UTILITIES UNDER THE COMMISSION'S JURISDICTION		
Anderson	Frankfort	Lebanon
Auburn	Kingsford Heights	Richmond
Crawfordsville		Tipton

MUNICIPAL UTILITIES WITHDRAWN FROM THE COMMISSION'S JURISDICTION (IND. CODE § 8-1.5-3-9)		
Advance	Etna Green	New Ross
Argos	Ferdinand	Oxford
Avilla	Flora	Paoli
Bainbridge	Frankton	Pendleton
Bargersville	Garrett	Peru
Batesville	Gas City	Pittsboro
Bluffton	Greendale	Rensselaer
Boswell	Greenfield	Rising Sun
Bremen	Hagerstown	Rockville
Brooklynn	Huntingburg	Scottsburg
Brookston	Jamestown	South Whitley
Cannelton	Jasper	Spiceland
Centerville	Knightstown	Straughn
Chalmers	Ladoga	Tell City
Chrisney	Lawrenceburg	Thorntown
Coatesville	Lewisville	Troy
Columbia City	Linton	Veedersburg
Covington	Logansport	Walkerton
Crane	Middletown	Warren
Darlington	Mishawaka	Washington
Dublin	Montezuma	Waynetown
Dunreith	New Carlisle	Williamsport
Edinburgh		Winamac

Residential Electric Bill Survey

July 1, 2020

MUNICIPAL UTILITIES	(KWH USE)			
	500 KWH	1000 KWH	1500 KWH	2000 KWH
Anderson Municipal Light & Power Company	$ 67.24	$ 114.78	$ 162.31	$ 209.84
Auburn Municipal Electric	$ 59.10	$ 111.20	$ 163.30	$ 215.39
Crawfordsville Municipal Electric	$ 60.21	$ 105.42	$ 150.63	$ 195.84
Frankfort Municipal Light & Power	$ 54.07	$ 100.14	$ 146.22	$ 192.29
Kingsford Heights Municipal	$ 53.08	$ 102.65	$ 152.23	$ 201.80
Lebanon Municipal Utilities - Electric	$ 60.29	$ 110.82	$ 157.54	$ 204.27
Richmond Municipal Power & Light	$ 57.10	$ 98.67	$ 140.23	$ 180.06
Tipton Municipal Electric	$ 53.52	$ 101.04	$ 146.27	$ 191.50

INVESTOR-OWNED UTILITIES	(KWH USE)			
	500 KWH	1000 KWH	1500 KWH	2000 KWH
Duke Energy Indiana, LLC	$ 69.87	$ 119.61	$ 164.68	$ 209.73
Indiana Michigan Power Company d/b/a AEP	$ 78.77	$ 153.34	$ 271.15	$ 388.96
Indianapolis Power & Light Company	$ 68.19	$ 111.55	$ 154.90	$ 198.25
Northern Indiana Public Service Company, LLC	$ 83.05	$ 152.40	$ 221.76	$ 291.12
Southern Indiana Gas & Electric Company (Vectren)	$ 85.38	$ 156.75	$ 228.13	$ 299.51

ALL JURISDICTIONAL UTILITIES	(KWH USE)			
	500 KWH	1000 KWH	1500 KWH	2000 KWH
Average for 2020 Survey	$ 65.37	$ 118.34	$ 173.80	$ 229.12
Average for 2019 Survey	$ 63.00	$ 113.31	$ 162.80	$ 212.14
% Change	3.77%	4.44%	6.75%	8.00%

Residential Electric Bill Survey
Year-To-Year Comparison

(Based On 1,000 KWH)

MUNICIPAL UTILITIES	2020	2019	% CHANGE
Anderson Municipal Light & Power Company	$ 114.78	$ 112.19	2.3%
Auburn Municipal Electric	$ 111.20	$ 84.93	30.9%
Crawfordsville Municipal Electric	$ 105.42	$ 105.42	0.0%
Frankfort Municipal Light & Power	$ 100.14	$ 100.97	-0.8%
Kingsford Heights Municipal	$ 102.65	$ 102.65	0.0%
Lebanon Municipal Utilities - Electric	$ 110.82	$ 106.99	3.6%
Richmond Municipal Power & Light	$ 98.67	$ 98.99	-0.3%
Tipton Municipal Electric	$ 101.04	$ 103.72	-2.6%
Municipal Averages	$ 105.59	$ 101.98	3.5%

INVESTOR-OWNED UTILITIES	2020	2019	% CHANGE
Duke Energy Indiana, LLC**	$ 119.61	$ 121.76	-1.8%
Indiana Michigan Power Company d/b/a AEP*	$ 153.34	$ 132.53	15.7%
Indianapolis Power & Light Company	$ 111.55	$ 114.30	-2.4%
Northern Indiana Public Service Company, LLC*	$ 152.40	$ 136.37	11.8%
Southern Indiana Gas & Electric Company (Vectren)	$ 156.75	$ 152.27	2.9%
Investor-Owned Averages	$ 138.73	$ 131.44	5.5%

** Implemented new base rates in the past year.*

*** The Commission approved new base rates for Duke Energy Indiana on June 29, 2020, which were not implemented as of July 1, 2020.*

Residential Electric Bill Comparison

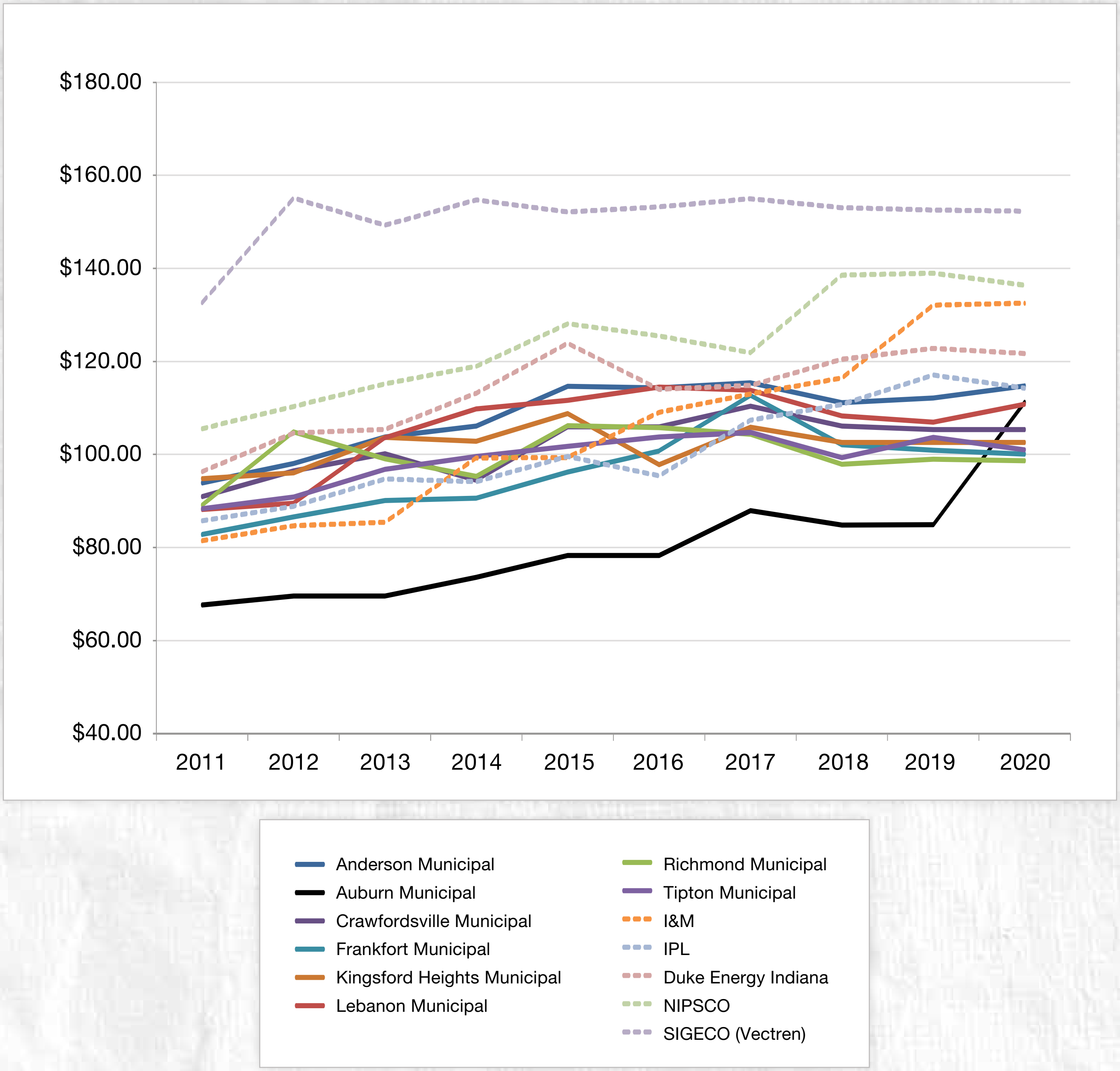
Residential Bill for 1,000 KWH Usage, July 1 of Each Year

MUNICIPAL UTILITIES	2011	2020	CHANGE	% CHANGE
Anderson Municipal Light & Power Company	$ 93.92	$ 114.78	$ 20.86	22%
Auburn Municipal Electric	$ 67.63	$ 111.20	$ 43.57	64%
Crawfordsville Municipal Electric	$ 90.95	$ 105.42	$ 14.47	16%
Frankfort Municipal Light & Power	$ 82.79	$ 100.14	$ 17.35	21%
Kingsford Heights Municipal	$ 94.82	$ 102.65	$ 7.83	8%
Lebanon Municipal Utilities - Electric	$ 88.18	$ 110.82	$ 22.64	26%
Richmond Municipal Power & Light	$ 89.16	$ 98.67	$ 9.51	11%
Tipton Municipal Electric	$ 88.32	$ 101.04	$ 12.72	14%

INVESTOR-OWNED UTILITIES	2011	2020	CHANGE	% CHANGE
Duke Energy Indiana, LLC	$ 104.61	$ 119.61	$ 15.00	14%
Indiana Michigan Power Company d/b/a AEP	$ 84.65	$ 153.34	$ 68.69	81%
Indianapolis Power & Light Company	$ 88.86	$ 111.55	$ 22.70	26%
Northern Indiana Public Service Company, LLC	$ 110.37	$ 152.40	$ 42.03	38%
Southern Indiana Gas & Electric Company (Vectren)	$ 155.10	$ 156.75	$ 1.65	1%

Yearly Residential Electric Bill Comparison Chart

Residential Bill for 1,000 KWH Usage, July 1 of Each Year



Revenue of Jurisdictional Natural Gas Utilities

Operating Revenues for Year Ending Dec. 31, 2019

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	Northern Indiana Public Service Company, LLC – Gas	$ 799,647,731	43.64%
2	Indiana Gas Company, Inc. (Vectren North)	$ 589,610,717	32.18%
3	Citizens Energy Group (Citizens Gas)	$ 248,212,873	13.55%
4	Southern Indiana Gas and Electric Company – Gas (Vectren South)	$ 100,204,252	5.47%
5	Ohio Valley Gas Corporation & Ohio Valley Gas, Inc.	$ 33,443,533	1.83%
6	Midwest Natural Gas Corporation	$ 15,078,481	0.82%
7	Sycamore Gas Company	$ 9,612,033	0.52%
8	Indiana Natural Gas Corporation	$ 7,482,868	0.41%
9	Community Natural Gas Company, Inc.	$ 7,250,399	0.40%
10	Citizens Gas of Westfield	$ 4,680,309	0.26%
11	Fountaintown Gas Company, Inc.	$ 4,431,169	0.24%
12	Boonville Natural Gas Corporation	$ 4,400,569	0.24%
13	Indiana Utilities Corporation	$ 4,322,731	0.24%
14	South Eastern Indiana Natural Gas Company, Inc.	$ 2,159,693	0.12%
15	Switzerland County Natural Gas Company, Inc.	$ 1,223,658	0.07%
16	Valley Rural Utility Company	$ 454,440	0.02%
	Total Operating Revenues	$ 1,832,215,456	100.00%

Jurisdiction Over Natural Gas Utilities

MUNICIPAL UTILITIES WITHDRAWN FROM THE COMMISSION'S JURISDICTION (IND. CODE § 8-1.5-3-9) *		
Aurora	Jasonville	New Harmon
Bainbridge	Jasper	Osgood
Batesville	Lapel	Pittsboro
Chrisney	Linton	Poseyville
Grandview	Montezuma	Rensselaer
Huntingburg	Napoleon	Roachdale

INVESTOR-OWNED UTILITIES UNDER THE COMMISSION'S JURISDICTION	
Boonville Natural Gas Corporation	Ohio Valley Gas Corporation
Community Natural Gas Company, Inc.	Ohio Valley Gas, Inc.
Citizens Gas of Westfield	South Eastern Indiana Natural Gas Company, Inc.
Fountaintown Gas Company, Inc.	Switzerland County Natural Gas Company
Indiana Natural Gas Corporation	Sycamore Gas Company
Indiana Utilities Corporation	Vectren North
Midwest Natural Gas Corporation	Vectren South
Northern Indiana Public Service Company	

NOT-FOR-PROFIT UTILITIES UNDER THE COMMISSION'S JURISDICTION
Valley Rural Utility Company

MUNICIPAL UTILITIES UNDER THE COMMISSION'S JURISDICTION
Citizens Energy Group (Citizens Gas)

**Please note that these utilities are still under the jurisdiction of the Commission's Pipeline Safety Division.*

Residential Natural Gas Bill Survey

Comparison by 200 Therm Usage (Jan. 1, 2020)

UTILITY NAME	Owner-ship	Cause No. Last Rate Case	150 Therms	200 Therms	250 Therms
South Eastern Indiana Natural Gas Company, Inc.	IOU	45027	$144.17	$184.47	$224.78
Valley Rural Utility Company	NFP	42115	141.19	182.99	224.79
Indiana Utilities Corporation	IOU	45116	138.66	177.30	215.94
Ohio Valley Gas Corp. (TXG)	IOU	44891	134.13	173.92	213.72
Ohio Valley Gas, Inc.	IOU	44891	129.96	168.37	206.77
Sycamore Gas Company	IOU	45072	133.48	168.11	202.75
Switzerland County Natural Gas Company, Inc.	IOU	45117	129.26	164.98	200.70
Ohio Valley Gas Corporation & Ohio Valley Gas, Inc.	IOU	44891	125.81	162.83	199.85
Boonville Natural Gas Corporation	IOU	45215	126.63	162.39	198.16
Fountaintown Gas Company, Inc.	IOU	44292	118.23	152.28	186.34
Midwest Natural Gas Corporation	IOU	44880	113.18	143.42	173.66
Community Natural Gas Company, Inc.	IOU	45214	112.30	140.85	169.41
Citizens Gas of Westfield	IOU	43624	110.34	137.67	164.99
Indiana Natural Gas Corporation	IOU	44453	106.64	137.36	168.09
Citizens Energy Group (Citizens Gas)	MUN	43975	95.47	121.80	148.12
Northern Indiana Public Service Company, LLC – Gas	IOU	44988	92.16	118.20	144.27
Indiana Gas Company, Inc. (Vectren North)	IOU	43298	93.26	117.79	142.31
Southern Indiana Gas and Electric Company – Gas (Vectren South)	IOU	43112	90.87	113.30	135.74
Industry Average			118.65	151.56	184.47

Residential Natural Gas Bill
5-year comparison (2016-2020)

Bills Calculated on Rates in Effect Jan. 1 of Each Year

RANK	UTILITY NAME	CONSUMPTION OF 200 THERMS					
		5-year average	2020 Bills	2019 Bills	2018 Bills	2017 Bills	2016 Bills
1	Valley Rural Utility Company	$182.86	$182.99	$190.33	$158.08	$187.85	$195.03
2	Ohio Valley Gas Corp. (TXG)	182.66	173.92	188.13	191.51	182.26	177.50
3	Indiana Utilities Corporation	182.37	177.30	171.64	184.57	178.65	199.70
4	Ohio Valley Gas, Inc.	176.18	168.37	182.57	184.43	175.14	170.38
5	Boonville Natural Gas Corporation	174.00	162.39	167.82	183.30	180.40	176.10
6	Sycamore Gas Company	172.60	168.11	174.60	168.28	181.84	170.16
7	Ohio Valley Gas Corp. (TXG)	169.17	162.83	177.03	176.47	167.14	162.38
8	South Eastern Indiana Natural Gas Company, Inc.	166.44	184.47	163.76	162.01	153.71	168.26
9	Community Natural Gas Company, Inc.	152.72	140.85	163.56	158.79	165.24	135.16
10	Switzerland County Natural Gas Company, Inc.	151.91	164.98	148.48	151.77	146.29	148.01
11	Citizens Gas of Westfield	151.44	137.67	163.25	151.39	160.75	144.15
12	Midwest Natural Gas Corporation	150.73	143.42	165.01	150.80	166.15	128.27
13	Fountaintown Gas Company, Inc.	146.04	152.28	162.72	138.28	137.65	139.28
14	Indiana Natural Gas Corporation	145.45	137.36	145.94	146.36	158.94	138.65
15	Citizens Energy Group (Citizens Gas)	134.80	121.80	141.78	136.88	144.54	129.02
16	Indiana Gas Company, Inc. (Vectren North)	131.03	117.79	134.37	138.38	143.56	121.07
17	Southern Indiana Gas and Electric Company — Gas (Vectren South)	122.38	113.30	127.53	132.62	131.58	106.85
18	Northern Indiana Public Service Company, LLC — Gas	115.77	118.20	130.51	114.64	119.31	96.20
	Industry Average	156.03	151.56	161.06	157.14	160.06	150.34

Revenues for Jurisdictional Water Utilities

Revenues for Year Ending Dec. 31, 2018

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	Indiana-American Water Company, Inc.	$ 218,735,387	32.88%
2	Citizens Energy Group (Citizens Water)	206,610,352	31.06%
3	Fort Wayne Municipal Water Utility	47,833,177	7.19%
4	Evansville Municipal Water Works Dept.	33,876,382	5.09%
5	Bloomington Municipal Water	17,864,909	2.69%
6	South Bend Municipal Water	16,775,158	2.52%
7	Anderson Municipal Water Works	11,024,728	1.66%
8	Lafayette Municipal Water Works	8,704,340	1.31%
9	Michigan City Municipal Water Works	7,732,556	1.16%
10	Elkhart Municipal Water Works	7,490,449	1.13%
11	Schererville Municipal Water Works	6,764,617	1.02%
12	East Chicago Municipal Water Dept.	6,717,460	1.01%
13	Columbus Municipal Water Utility	5,034,488	0.76%
14	Stucker Fork Conservancy District	4,446,358	0.67%
15	Marion Municipal Water Works	4,131,683	0.62%
16	Brown County Water Utility, Inc.	3,616,494	0.54%
17	Jackson County Water Utility, Inc.	3,527,722	0.53%
18	Chandler Municipal Water Works	3,090,270	0.46%
19	Silver Creek Water Corporation	3,041,936	0.46%
20	Auburn Municipal Water Utility	2,805,963	0.42%
21	Martinsville Municipal Water Utility	2,666,278	0.40%
22	Community Utilities of Indiana, Inc.	2,684,017	0.40%
23	Edwardsville Water Corporation	2,595,178	0.39%
24	Princeton Municipal Water	2,234,819	0.34%
25	New Castle Municipal Water Works	2,229,369	0.34%
26	Eastern Heights Utilities, Inc.	2,064,255	0.31%
27	Morgan County Rural Water Corporation	2,055,781	0.31%
28	Gibson Water, Inc.	1,934,421	0.29%
29	Ellettsville Municipal Water Utility	1,882,648	0.28%
30	Eastern Bartholomew Water Corporation	1,798,904	0.27%
31	Boonville Municipal Water Works	1,687,892	0.25%
32	East Lawrence Water Authority	1,658,025	0.25%
33	Southwestern Bartholomew Water Corporation	1,644,153	0.25%
34	German Township Water District, Inc.	1,608,236	0.24%
35	Floyds Knobs Water Company, Inc.	1,512,279	0.23%
36	Southern Monroe Water Authority	1,255,516	0.19%

(continued)

Revenues for Jurisdictional Water Utilities *(continued)*

Revenues for Year Ending Dec. 31, 2018

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
37	Town of Cedar Lake Utilities	$ 1,216,357	0.18%
38	Fortville Municipal Water Works	929,314	0.14%
39	Tri-Township Water Corporation	984,002	0.15%
40	Marysville Otisco Nabb Water Corporation	860,026	0.13%
41	Van Buren Water, Inc.	858,825	0.13%
42	Washington Township Water Corporation of Monroe County	815,871	0.12%
43	North Dearborn Water Corporation	793,295	0.12%
44	Aqua Indiana, Inc.	778,287	0.12%
45	B & B Water Project, Inc.	734,786	0.11%
46	Charlestown Municipal Water Dept.	726,940	0.11%
47	LMS Townships Conservancy District	723,980	0.11%
48	Sullivan-Vigo Rural Water Corp.	677,655	0.10%
49	Cataract Lake Water Corporation	576,285	0.09%
50	Clinton Township Water Company	473,571	0.07%
51	Tri-County Conservancy District	433,333	0.07%
52	Ogden Dunes Municipal Water	333,940	0.05%
53	Everton Water Corporation	332,628	0.05%
54	St. Anthony Water Utilities, Inc.	315,146	0.05%
55	Mapleturn Utilities, Inc.	286,689	0.04%
56	Kingsbury Utility Corporation	278,719	0.04%
57	Painted Hills Utilities Corporation	242,640	0.04%
58	Pioneer Water, LLC	195,330	0.03%
59	Apple Valley Utilities, Inc.	82,776	0.01%
60	Libertytree Campground Owners and Members Assoc.	71,820	0.01%
61	Pleasantview Utilities, Inc.	62,279	0.01%
62	Wastewater One d/b/a River's Edge Utility, Inc.	48,582	0.01%
63	NineStar Connect	47,767	0.01%
64	J.B. Waterworks, Inc.	40,453	0.01%
65	Shady Side Drive Water Corporation	21,518	< 0.01%
66	Wells Homeowners Association, Inc.	13,560	< 0.01%
67	Country Acres Property Owners Association	5,703	< 0.01%
68	Bluffs Basin Utility Company, LLC	5,679	< 0.01%
69	Kingsford Heights	Did Not Report	< 0.01%
70	Pence Water Works	Did Not Report	< 0.01%
	Total Revenues	$665,303,956	100.00%

Revenues for Jurisdictional Wastewater Utilities

Revenues for Year Ending Dec. 31, 2018

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	CWA Authority, Inc.	$275,878,658	83.31%
2	Hamilton Southeastern Utilities, Inc.	14,537,671	4.39%
3	Aqua Indiana, Inc.	13,145,783	3.97%
4	Citizens Wastewater of Westfield, LLC	12,118,264	3.66%
5	Aqua Indiana South Haven	4,016,241	1.21%
6	American Suburban Utilities, Inc.	3,665,468	1.11%
7	Community Utilities of Indiana, Inc.	2,514,508	0.76%
8	Eastern Richland Sewer Corporation	1,054,481	0.32%
9	Driftwood Utilities, Inc.	829,929	0.25%
10	LMH Utilities Corporation	719,889	0.22%
11	Kingsbury Utility Corporation	524,447	0.16%
12	Mapleturn Utilities, Inc.	482,005	0.15%
13	Indiana American Water	448,913	0.14%
14	Apple Valley Utilities, Inc.	232,214	0.07%
16	Doe Creek Sewer Utility, Inc.	230,207	0.07%
17	Howard County Utilities, Inc.	179,518	0.05%
18	NineStar Connect	117,001	0.04%
19	Sani Tech, Inc.	107,272	0.03%
20	Pleasantview Utilities, Inc.	94,148	0.03%
21	Southeastern Utilities, Inc.	72,269	0.02%
22	JLB Development, Inc.	54,266	0.02%
23	Hillview Estates Subdivision Utilities, Inc.	41,528	0.01%
24	Lakeland Lagoon Corp.	27,788	0.01%
25	Country Acres Property Owners Association	22,812	0.01%
26	Wastewater One dba River's Edge Utility, Inc.	22,384	0.01%
27	Anderson Lakes Estates Homeowners Association, Inc.	11,490	< 0.01%
28	Bluffs Basin Utility Company, LLC	11,011	< 0.01%
29	Webster Development, LLC	3,376	< 0.01%
30	Gutting Environmental	1,150	< 0.01%
	Total Revenues	$331,164,691	100.00%

Residential Water Bill Survey

Comparison by Gallon Usage (Jan. 1, 2020)

UTILITY NAME	OWNERSHIP	LAST RATE CASE CAUSE NO.	ORDER DATE	AVE. MO. BILL FOR 5,000 GAL.
Anderson Municipal	Municipal	44510	3/4/15	$27.88
Apple Valley	IOU	44551-U	4/6/16	$25.72
Aqua Indiana, Inc.	IOU			
Darlington Water Division	IOU	43609	6/10/09	$46.69
Lake County Water Division	IOU	43962	7/27/11	$46.12
Wedgewood Park Water Division	IOU	44814	12/28/16	$32.68
Auburn*	Municipal	44985	4/18/18	$32.07
B&B Water Project	NFP	44755	10/13/16	$38.22
Bloomington, inside city*	Municipal	44855	3/29/17	$26.50
Bloomington, outside city*	Municipal	44855	3/29/17	$27.82
Bluffs Basin	IOU	42188	3/5/03	$28.15
Boonville - Inside City*	Municipal	45069	4/17/19	$46.41
Boonville - Outside City*	Municipal	45069	4/17/19	$50.59
Brown County	NFP	44648	11/18/15	$66.07
Cataract Lake Water Corporation	NFP	44897-U	5/31/17	$45.68
Cedar Lake - Eastside	Municipal	45180	7/10/19	$43.55
Cedar Lake - Westside	Municipal	45180	7/10/19	$43.55
Cedar Lake - Robins Nest Waterworks	Municipal	45180	7/10/19	$26.31
Cedar Lake - Krystal Oaks Subdivision	Municipal	45180	7/10/19	$35.50
Chandler, Town*	Municipal	45062	2/6/19	$35.33
Citizens Water	Municipal	44644	4/20/16	$33.23
Citizens Water of Westfield	IOU	44273	11/25/13	$33.41
Clinton Township	NFP	43696	10/14/09	$38.59
Columbus*	Municipal	39425	3/29/94	$10.69
Community Utilities of Indiana	IOU	44724	12/27/18	$43.19
Cordry Sweetwater - outside district	C.D.		5/20/71	$18.65
Country Acres	NFP	36972	12/8/82	$6.00
East Chicago	Municipal	44826	4/26/17	$18.66
East Lawrence Water	NFP	43630	9/16/09	$47.55
Eastern Bartholomew	NFP	44903	11/21/17	$27.35
Eastern Heights	NFP	42839	4/20/06	$21.59
Edwardsville Water	NFP	44642	12/27/15	$45.89
Elkhart	Municipal	43191	7/11/07	$12.84
Ellettsville	Municipal	44670	4/13/16	$30.58
Evansville	Municipal	45073	12/19/18	$37.93

(continued)

Residential Water Bill Survey *(continued)*

Comparison by Gallon Usage (Jan. 1, 2020)

UTILITY NAME	OWNERSHIP	LAST RATE CASE CAUSE NO.	ORDER DATE	AVE. MO. BILL FOR 5,000 GAL.
Everton	NFP	44744	8/2/16	$42.08
Floyds Knobs	NFP	45112-U	3/20/19	$50.97
Fort Wayne, inside City	Municipal	45125	4/10/19	$26.79
Fort Wayne, outside City	Municipal	45125	4/10/19	$30.54
Fortville	Municipal	43551-U	10/7/09	$27.15
Fortville, outside City*	Municipal	43551-U	10/7/09	$35.40
German Township	NFP	42282	3/26/03	$32.05
Gibson Water	NFP	45080	11/21/18	$47.18
Hancock Rural Telephone Corporation d/b/a Ninestar Connect - GEM Water System	NFP	45138	12/19/18	$32.40
Hancock Rural Telephone Corporation d/b/a Ninestar Connect - Sugar Creek & Philadelphia	NFP	44776	9/30/16	$44.40
Hancock Rural Telephone Corporation d/b/a Ninestar Connect - Heartland Resort Campground	NFP	44776	9/30/16	$18.36
Indiana-American Water Company, Inc.	IOU			
Area One* Crawfordsville, Johnson County (Franklin, Greenwood, New Whiteland), Kokomo (Kokomo, Russiaville, Sheridan), Muncie, Newburgh (Newburgh, Yankeetown, Noblesville), Northwest (Burns Harbor, Chesterton, Gary, Hobart, Merrillville, Portage, Porter, South Haven), Richmond, Seymour, Shelbyville, Somerset, Southern Indiana (Jeffersonville, Charlestown, Clarksville, Georgetown, New Albany), Sullivan (Sullivan, Merom), Summitville, Wabash, Terre Haute (Wabash Valley) (Terre Haute, Marion Heights, Farmersburg, Mecca), Warsaw, Waveland, West Lafayette	IOU	45142	6/26/19	$44.77
Yankeetown*	IOU	45142	6/26/19	$54.77
West Lafayette*	IOU	45142	6/26/19	$43.37
Seymour*	IOU	45142	6/26/19	$44.19
Sheridan*	IOU	45142	6/26/19	$44.77
Area Two*				
Mooresville*	IOU	45142	6/26/19	$39.43
Winchester*	IOU	45142	6/26/19	$39.73
J.B. Waterworks	IOU	44115	5/9/12	$27.43
Jackson County	NFP	44986	4/17/19	$57.17
Kingsbury	IOU	44589-U	7/5/18	$52.26
Kingsford Heights	Municipal	43502-U	3/4/09	$35.35
Lafayette	Municipal	45006	5/16/18	$18.03
Lafayette- rural	Municipal	45006	5/16/18	$18.82
LMS Townships	C.D.	44900-U	8/2/17	$28.58
Libertytree Campground	NFP	41662	12/22/04	$8.58

(continued)

Residential Water Bill Survey *(continued)*

Comparison by Gallon Usage (Jan. 1, 2020)

UTILITY NAME	OWNERSHIP	LAST RATE CASE CAUSE NO.	ORDER DATE	AVE. MO. BILL FOR 5,000 GAL.
Mapleturn	NFP	37039	9/28/03	$30.00
Marion*	Municipal	42720	3/30/05	$27.02
Martinsville*	Municipal	44153	12/12/12	$37.45
Marysville-Otisco-Nabb	NFP	42476-U	1/14/04	$43.10
Michigan City*	Municipal	44538	5/27/15	$27.05
Morgan County Rural	NFP	45198	10/29/19	$62.45
New Castle	Municipal	42984	9/13/06	$27.14
North Dearborn	NFP	43736	10/1/09	$17.13
Ogden Dunes	Municipal	44384-U	4/9/14	$35.47
Painted Hills	IOU	37017	10/17/83	$27.75
Pence	NFP	44051	2/1/12	$35.00
Pioneer	IOU	44309-U	1/15/14	$40.85
Pleasant View	IOU	44352-U	3/12/14	$48.45
Princeton	Municipal	43652	3/3/10	$39.36
Schererville*	Municipal	42872	12/14/05	$28.36
Shady Side Drive	NFP	45014-U	4/11/18	$54.50
Silver Creek*	NFP	37734	6/5/85	$30.90
South Bend, inside*	Municipal	44951	3/7/18	$21.96
South Bend, outside*	Municipal	44951	3/7/18	$24.27
Southern Monroe	NFP	43952	5/11/11	$34.80
Southwestern Bartholomew	NFP	44754	8/24/16	$48.64
St. Anthony	NFP	39193	10/19/91	$42.35
Stucker Fork Conservancy Dist. (City of Austin customers)	C.D.	44987	7/25/18	$38.79
Stucker Fork Conservancy Dist.	C.D.	44987	7/25/18	$30.05
Sullivan-Vigo	NFP	42599	6/23/04	$73.50
Tri-County Conservancy District	C.D.	Conference Minutes	6/11/08	$39.85
Tri-Township	NFP	40327	4/17/96	$19.85
Van Buren Water	NFP	44566	8/26/15	$35.65
Washington Twp. Of Monroe	NFP	44469	6/25/14	$47.32
Wastewater One, LLC dba River’s Edge Utility, Inc.	IOU	44876-U	8/9/17	$64.50
Wedgewood Park	IOU	44369	11/6/13	$31.15
Wells Homeowners Association	NFP	40056	4/12/95	$30.00

** Fire protection surcharge of 5/8 inch meter included.*

Residential Wastewater Bill Survey

Comparison by Gallon Usage (5,000 Gallons or 668.4028 CU. FT. – Jan. 1, 2020)

UTILITY NAME	OWNERSHIP	LAST RATE CASE CAUSE NO.	ORDER DATE	AVERAGE MONTHLY BILL
American Suburban Utilities, Inc.	IOU	44676	11/30/2016	$53.23
Apple Valley Utilities, Inc.	IOU	44551	4/4/2016	$49.40
Aqua Indiana, Inc.				
Lake County Wastewater Division (formerly Consumers Indiana Water Company)	IOU	42190	6/19/2002	$57.50
Southern Hills Wastewater Division (formerly Heir Industries, Inc.)	IOU	43949	7/27/2011	$64.85
Aboite Wastewater Division - Unmetered (formerly Utility Center, Inc.)	IOU	43874	4/13/2011	$58.68
Aboite Wastewater Division - Metered (formerly Utility Center, Inc.)	IOU	44752	4/13/2011	$53.88
South Haven Division	IOU	44533	5/28/2019	$70.91
Wildwood Wastewater Division (formerly Wildwood Shores Utilities Corporation)	IOU	43699-U	5/19/2010	$66.85
Wymberly Wastewater Division (formerly Wymberly, Chimneywood, Wastewater One, Galena)	IOU	42877-U	3/22/2006	$76.06
Crawford County (Formerly White Oak Sewage Treatment, LLC)	IOU	44811	1/4/2017	$45.00
Bluffs Basin Utility Company, LLC	IOU	42188	3/5/2003	$46.88
Citizens Wastewater of Westfield	IOU	44835	5/31/2017	$55.80
Citizens Wastewater of Westfield (Unmetered)	IOU	44835	5/31/2017	$86.38
Community Utilities of Indiana	IOU	44724	1/24/2018	$61.34
Country Acres Property Owners Association	NFP	36972	12/16/1982	$6.00
CWA Authority, Inc. (Citizens Energy Group)				
CWA Authority, Inc. (Metered)	NFP	45151	8/1/2019	$61.03
CWA Authority, Inc. (Unmetered - 1 occupant)	NFP	45151	8/1/2019	$45.30
CWA Authority, Inc. (Unmetered - 2 occupants)	NFP	45151	8/1/2019	$50.02
CWA Authority, Inc. (Unmetered - 3 occupants)	NFP	45151	8/1/2019	$64.18
CWA Authority, Inc. (Unmetered - 4 occupants)	NFP	45151	8/1/2019	$78.34
Damon Run Conservancy District (outside district)	CD	44146	6/19/2013	$97.73

(continued)

Residential Wastewater Bill Survey *(continued)*

Comparison by Gallon Usage *(5,000 Gallons or 668.4028 Cu. Ft. – Jan. 1, 2020)*

UTILITY NAME	OWNERSHIP	LAST RATE CASE CAUSE NO.	ORDER DATE	AVERAGE MONTHLY BILL
Devon Woods Utilities, Inc.	IOU	40234-U	1/31/1996	$41.88
Doe Creek Sewer Utility	IOU	43530-U	6/10/2009	$48.00
Driftwood Utilities, Inc.	NFP	43790-U	6/3/2010	$38.10
Eastern Richland Sewer Corporation	NFP	44271-U	6/26/2013	$42.46
Gutting Real Estate, LLC	IOU	44387	4/29/2015	$50.00
Hamilton Southeastern Utilities, Inc.	IOU	44683	11/9/2016	$35.04
Hancock Rural Telephone Corporation dba Ninestar Connect	COOP	44776	8/24/2016	$48.27
Hillview Estates Subdivision Utilities, Inc.	IOU	45132-U	1/24/2019	$64.00
Howard County Utilities, Inc.	IOU	43294	1/23/2008	$69.00
Indiana American Water Company-Muncie & Somerset	IOU	44450	1/28/2015	$76.50
JLB Development, Inc.	IOU	39868	4/28/1995	$65.53
Kingsbury Utility Corporation	IOU	44590	9/19/2018	$46.90
Kingsbury Utility Corporation (unmetered)	IOU	44590	9/19/2018	$46.27
Lakeland Lagoon Corp.	NFP	41597-U	12/5/2012	$73.14
LMH Utilities Corporation	IOU	43431	1/21/2009	$43.13
Mapleturn Utilities, Inc.	NFP	44843-U	2/1/2017	$65.03
Pleasantview Utilities, Inc.	IOU	44351-U	3/26/2014	$45.77
Sani Tech, Inc.	IOU	43793-U	9/8/2010	$76.00
South County Utilities, Inc.	IOU	43799-U	6/16/2010	$64.85
Southeastern Utilities, Inc.	IOU	43794-U	4/7/2010	$61.71
Wastewater One, LLC dba Rivers Edge	IOU	43115	8/25/2010	$39.85
Webster Development, LLC (w/out meter)	IOU	44244-U	5/22/2013	$98.60
Webster Development, LLC (w/meter)	IOU	44244-U	5/22/2013	$100.60

Video Franchise Fee Report

Disclaimer: *Please note that the purpose of which funds were spent is presented in this Video Franchise Fee Report as closely as possible to a verbatim representation of the explanation provided by the local government unit in its response to the Commission. Minor punctuation and typographical errors have been corrected.*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Akron, Town of							
Comcast	State	$ 966	101 -General Fund	The cable franchise fees the Town of Akron receipts in a calendar year are used to help the general fund expenditures. These expenditures include telephone, cable and computer/internet fees.	3%	5/7/85	Ordinance No. 7-85
Rochester Telephone Company	State	$ 2,507	101-604 Revenue General Cable Franchise Fee		3%	7/18/00	Ordinance No. AMC2-1A 1-9
Albany, Town of							
Comcast	State	$ 19,813	General Fund	Police Salaries			
Albion, Town of							
Mediacom Communications Corporation	State	$ 5,722	General Fund	Franchise fees are receipted into and expended out from the General Fund which includes the Town of Albion's Corporation General Fund, Police Department, and Fire Department	3%	12/30/96	Ordinance No. F96-26, Pg. 6 (franchise fee)
Anderson, City of							
AT&T	State	$ 539,121	Cable TV Franchise		5%	9/13/02	Cable Communications Ordinance ORD 37-02
Comcast	State	$ 95,251					
Angola, City of							
Mediacom Communications Corp.	Local	$ 44,534	General Fund - Cable TV Receipts (101-000.00-00364.00	Support the Information Technology Department	5%	2/18/03	Ordinance No. 1107-2003
Arcadia, Town of							
Comcast	State	$ 5,756	Town of Arcadia General Fund	Governmental Expenditures	N/A		
Ashley, Town of							
Mediacom	State	$ 1,502	General Fund	Governmental Expenditures	5%		
Atlanta, Town of							
Comcast	State	$ 3,586	General Fund	Governmental Expenditures		2007	
Endeavor Communications	State	$ 1,041				2015	
Auburn, Civil City of							
Mediacom Communications Corp.	State	$ 30,949	General Fund	The fees are used to supplement the maintenance of the Right-of-way. Mowing, weed spraying, tree/shrub trimming. This includes the cost of labor and equipment required to perform these maintenance tasks. It is imperative to have this supplemental income so that local utility rates are not subject to increases.	3%	4/29/04	Ordinance 2004-05
Auburn Essential Services	State	$ 57,782					
Avilla, Town of							
Medicom Communications	State	$ 6,482	General Fund	General town, cable TV, internet franchise	5%	5/17/2017	Filed with the state by Mediacom Communications
Bargersville, Town of							
Comcast of Illinois/Indiana/ Ohio, LLC	State	$ 12,598	General Fund	Operating Expenses	3%	9/26/00	Written Agreement
Bedford, City of							
Comcast Cable	State	$ 153,410	City of Bedford General Account	For general fund operating balance	5%	N/A	Unknown
Smithville Communications, Inc	State	$ 7					
Indiana Bell	State	$ 19,235					
Berne, City of							
Comcast of Illinois/ Indiana/ Ohio, LLC	State	$ 22,139	General Fund	To help fund the General Fund expenses	5%	7/9/1990	Ordinance #379
Benton Ridge Telephone Company	State	$ 2,535				7/8/2002	Amended Ordinance #379 with Ordinance #519

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Beverly Shores, Town of							
Comcast	State	$ 25,237	General Fund	Part of the general fund	5%	7/15/1996 and 2/17/1997	Resolution No. 96-03 and Ordinance No. 97-02 (Amended)
Bicknell, City of							
Avenue Broadband Communications	State	$ 26,328	General Fund	Operating Expenses	5%	January-December 2019	
Bloomington, City of							
Comcast	State	$ 598,344	Non-Reverting Telecom	60% of cable franchise fees dedicated for audio/visual and information technology, public education, and gov't access-telecommunications services; 40% of fees dedicated to audio/visual and information technology, for the planning design, development, contruction, maintenance, and repair of the city's telecommunications infrastructure.	5.0%	6/19/96	Resolution 96-12
Indiana Bell Telephone Company	State	$ 132,907					
Smithville Communications, Inc.	State	$ 232					
Bluffton, City of							
Craigville Telephone Co Inc d/b/a AdamsWells TV	State	$ 39,051	General Fund	Public Safety, Dispatch, Police and Fire	3%	4/16/1973	Set by Ordinance 494
Mediacom LLC	Local	$ 18,268			5%	6/1/2009	Set by AdamsWells agreement
Boonville, City of							
Charter Communications	State	$ 44,375	General	To help fund the Police Department and General Expense	5%	10/13/04	Ordinance 2004-24
Wide Open West	State	$ 20,135				12/19/05	Ordinance 2005-11
Bourbon, Town of							
Mediacom	State	$ 25	***	Not really a Franchise Fee - Rent for building partially located on our property		4/23/18	Amendment to Lease per Attorney Mark Wagner
Brazil, City of							
New Wave Communications	State	$ 42,587	City of Brazil General Fund, Riddell National Bank	Franchise fees are added to other revenues of the city of Brazil general fund to pay for any expense that would benefit the city.	3%	11/1/93	Ordinance 12-1993 City of Brazil television franchise
Bremen, Town of							
Mediacom Communications Corp.	State	$ 24,889	General Fund	Funding utilized in General Operations in serving our community such as sidewalk replacement programs and other Town Property Improvements	5%	8/25/05	Council Approved on 11/22/2004
Bristol, Town of							
Comcast	State	$ 15,939	General	Any general fund expenditures	3%	3/18/04	Franchise
Brownsburg, Town of							
AT&T Video Franchise	State	$ 73,439	101.639 Video		5%	2/10/1994	Ordinance 93-54
Comcast T.V. Franchise	State	$ 132,203	101.640 T.V.				
Brownstown, Town of							
Comcast of Illinois/Indiana/Ohio, LLC	State	$ 23,328	General Fund - Cable TV Franchise Fees	Support local law enforcement and services provided by the Town of Brownstown	3%	9/14/1981	Franchise Agreement (Ordinance #2000-04)
Bruceville, Town of							
Avenue Broadband Communications	State	$ 5,547	General Fund - Cable TV Franchise Fee	Miscellaneous funds for our general fund budget	3%	7/14/98	By Contract
Burket, Town of							
Comcast	State	$ 440	General	general business	n/a		
Burlington, Town of							
Cable One, Inc.	State	$ 2,189	General Fund: Revenue Name - Cable TV Franchise	To aid in maintaining alleyways and curbs to ensure access to cable lines.	2%	4/16/2001 & 4/2/1985	Ordinance 2-2001 (Renewal & Extension) & Ordinance 85-1 A

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Burns Harbor, Town of							
Comcast Cable Communications Group	State	$ 25,489	General Fund	The Town of Burns Harbor uses franchise fees to assist in the payment of general service expenditures that pertain to the maintenance and policing of the public right-of-way property.	5%	4/11/07	Town Ordinance No. 200-2007
Cambridge City, Town of							
Comcast Cable	State	$ 33,885	Town of Cambridge City	Payroll, Fire and Police Fuel, Fire Station, Police Vehicles, Cemetery, Parks repairs and maintenance	5%	9/22/80	Franchise agreement between the townand cable co.
Camden, Town of							
Cable One	State	$ 2,963		Maintain the right of ways the cable line runs through	2%	9/1/84	Local Agreement
Campbellsburg, Town of							
Charter Communications	State	$ 1,062	General Fund	General operating expenses of the town			
Carbon, Town of							
NewWave Communications	State	$ 1,719	General Fund	General operating expenses	5%	4/5/82	By ordinance
Cayuga, Town of							
Comcast	State	$ 5,789	Gen/Cable TV Franchise	Several things from general fund			
Cedar Lake, Town of							
Comcast	State	$ 168,934	General Fund #101	Streetlights, maintenance of streetlights, easement maintenance	5%	11/26/02	Agreement Amendment w/ Lake County Cable TV Consortium
Chandler, Town of							
Charter Communications	State	$ 10,744	General Fund	General town operating expenses	5%	9/19/05	Ordinance 2005-10
WOW	State	$ 9,433					
Chesterfield, Town of							
Comcast	State	$ 20,197	General Fund/Public Safety	All money is used to help maintain our Police Officers. It helps with salaries, up-to-date training for our officers and necessary equipment to ensure our residents are safe as well as our officers.	5%	1983	Ordinance #111.11 State Code 26-36-1-1
Indiana Bell	State	$ 4,517					
Chesterton, Town of							
Comcast Cable Communications Group	State	$ 194,455	General Fund	The Town of Chesterton uses franchise fees to assist in the payment of general service expenditures that pertain to the maintenance and policing of the public right of way property	5%	8/14/95	Ordinance 95-1
Chrisney, Town of	No franchise fees collected						
Clayton, Town of							
Tax Connex - TDS Telecom	State	$ 8,395	General Fund	Spent on things in the general fund	3%	5/1/85	Ordinance #1-1985
Cable One	State	$ 3,220					
Clermont, Town of							
Comcast	State	$ 22,008	General Fund	The fees are deposited into the general fund as miscellaneous revenue and spent as such	5%	3/9/95	Ordinance #217
Clinton, City of							
Cable One	State	$ 21,764	General Fund	To be spent on any legal expense for city purposes			
Cloverdale, Town of							
Clay County Rural Telephone (Endeavor)	State	$ 5,965	Gen/Cable TV Franchise 101640		3%	3/15/05	Ordinance 1995-5

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Coatesville, Town of							
Endeavor Communications	State	$ 1,660	General	To lower property taxes			
Cable One	State	$ 571					
Columbia City, City of							
Mediacom	State	$ 38,348	General Fund - Franchise Fees	Funding for expenses for the general fund for the city	5%	1/1/11	Agreement with Mediacom
Columbus, City of							
Comcast Financial Agency Corp	State	$ 274,063	General Fund	Information Services, telephone, internet, maintenance agreements, machinery and equipment with the IT Department	5%	10/19/93	Ordinance No. 44, 1993
Indiana Bell Telephone Company	State	$ 90,465					
Smithville Telecom	State	$ 29					
Connersville, City of							
Comcast	State	$ 116,604	Cable Fund	All fees are used to support the City of Connersville's Local Access Television Station	5%	6/16/97	Ord. 3586
Metronet	State	$ 45,884					
Converse, Town of							
Oak Hill Cable	State	$ 1,172	General Fund	General purposes			
Covington, City of							
Cable One	State	$ 12,752	City of Covington Electric Fund	Pole Maintenance	4%	11/1/93	Ordinance #93-15
Crawfordsville, City of							
Comcast Cable Communications, Inc	State	$ 36,477			3%	10/11/05	Ordinance 26-2005
ATT Video, IND Bell Tele Inc	State	$ 12,634				12/1/09	Letter of Agreement
Metronet Fibernet LLC	State	$ 58,469				3/10/14	Ordinance 12-2014
Crown Point, City of							
Comcast Cable	State	$ 396,211	General Fund	This revenue is helpful with public safety and/or any legal use of it.			
Indiana Bell Telephone Company	State	$ 112,953					
Culver, Town of							
Mediacom	Local	$ 8,203	General Fund	The funds support the efforts of the local fire department, emergency medical services and police department as well as the clerk's office.			
Dale, Town of							
Perry Spencer Communication	State	$ 11	General	General Expenses			
Daleville, Town of							
Indiana Bell Telephone Company	State	$ 2,340	MISC. Revenue	General Operating	5%	9/12/83	Ordinance 83-4
Danville, Town of							
Indiana Bell Telephone Co.	State	$ 15,927	General Fund - Franchise Fees 101-4-2718				
Comcast	State	$ 48,697					
Decatur, City of							
Mediacom Communications Corp.	Local	$ 19,805			3%	5/20/14	Ordinance No 2014-3
Benton Ridge Telephone Company CFS C4 COMM	State	$ 2,115					
DeKalb County	No franchise fees collected						
Delaware County							
Indiana Bell Franchise	State	$ 28,661	County General	General	5%		Statute IC-8-34-24.5
DeMotte, Town of							
Comcast Cable	State	$ 28,493	General - Cable TV	As part of the General Fund expenses			
Dubois County							
Charter Communications	State	$ 11,041	County General	General operations of the county	3%	5/15/06	Ordinance
PSC	State	$ 4,310				4/4/16	Ordinance

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Dublin, Town of							
Comcast	State	$ 7,976	General Fund	Police, fire, and parks	5%	11/14/95	Ordinance
New Lisbon Telephone Company	State	$ 141					
Dune Acres, Town of							
Comcast of Indiana	State	$ 4,959	General Fund	General Fund expenses	3%	1/1/20	Town Code of Dune Acres 38.3 (38-69)
Dyer, Town of							
AT&T Cable	State	$ 64,411	General Fund	Public Safety	5%	4/11/00	Ordinance 2000-05
Comcast	State	$ 282,580					
East Chicago, City of							
Indiana Bell Tel. Co.	State	$ 27,930	City of East Chicago General Fund 0101 - Cable TV Franchise Acct. No. 364000	The cable franchise fees were used to fund the city's general fund public safety budget 2019 - $17,074,680.00	5%	7/13/04	EC Ordinance No. 03-0025
Comcast Financial Agency Corp.	State	$ 148,706					
East Germantown, Town of							
Comcast	State	$ 1,144	General Fund	Routine expenses for the town			
Comcast	State	$ 6,767	General/MVH	Maintain easements and alleys (gravel, mowingg, etc.) and locates	5%	12/15/77	Ordinanace #4-77
Edinburgh, Town of							
Cable One	State	$ 15,484	General and Electric	Offset property tax dollars	2%	12/26/79	Ordinance 1979-24
AT&T	State	$ 634					
Ellettsville, Town of							
Comcast	State	$ 40,485	General Fund - Cable Television Receipts	Police and fire protection, Planning and administrative services	3%	8/4/80	by Ordinance 80-8-1
Smithville	State	$ 139			5%	7/12/10	by Ordinance 10-11
Evansville, City of							
Spectrum (Charter Communications)	State	$ 762,566	Spectrum: General Fund (0101) Finance (1011301) Spectrum (364000)	These funds are deposited into the City's General Fund and are used for operational expenses	5%	9/9/98	By Ordinance G-98-35
Wide Open West (WOW)	State	$ 560,173	Wide Open West: General Fund (0101), Finance (1011301), Wide Open West! (364001)		5%	8/26/98	By Ordinance G-98-31
Ferdinand, Town of							
Perry-Spencer Communications	State	$ 9,227	General Fund - Franchise Fees	Fees are used for the costs and expenses incurred by the town to process and administer cable TV franchise fees and to maintain town right-of-ways used by cable TV providers	3%	7/1/06	Ordinance No. 13-02 Based on franchise fee prior to 7/1/06
Fishers, Town of							
Comcast	State	$ 343,412	First Internet Bank (General Account	It covers basic operating expenses for the City of Fishers	5%	2/21/11	Resolution No. R022111
CMN RUS INC	State	$ 28,343					
Metro Fibernet	State	$ 250					
Ninestar	State	$ 2,583					
Central Indiana Communications	State	$ 2,540					
Flora, Town of							
New Wave Communications	State	$ 7,392	Town of Flora = 60%; Flora Electric = 40%	Funds received are used to maintain the poles throughout the community			
Fort Branch, Town of							
Wide Open West Finance LLC (WOW)	State	$ 1,480	General, a franchise fee account	It is treated as general revenue. The fees are out into the general operating fund which supports the police department public safety.			
Charter Communications	State	$ 6,464					
Fort Wayne, City of							
Comcast of Fort Wayne Limited Partnership	State	$ 1,724,865	General Fund, Cable Fund	General Fund deposits are used for current general operations of the city. Cable Fund deposits are used for local cable access providers and content producers.	5%	11/14/95	Local Ordinance G-27-95
Frontier Communications	State	$ 739,104				7/20/95	Master Agreement

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Fowler, Town of	No franchise fees collected						
Fowlerton, Town of							
Comcast	State	$ 1,074	General Fund	Used to help maintain sidewalks			
Fremont, Town of							
Mediacom	Local	$ 2,166	General Fund	To help fund the General Fund which funds Police, Court, Street and Town			
Gibson County							
Charter Communications	State	$ 6,524	General Fund	These funds were used to supplement the County General Fund			
Cable One	State	$ 665					
Avenue Broadband Communications	State	$ 172					
Grabill, Town of							
Mediacom	Local	$ 4,164	General Fund - A franchise fee revenue account	Used as general revenue the funds support the effore of the local fire department and clerks office			
Grandview, Town of	No franchise fees collected						
Grant County	No franchise fees collected						
Gary, City of							
Comcast	State	$ 658,508	The funds were split between Fund 101 general fund and Fund 270 Media equipment, repairs, salaries, media events and radio broadcast.	The funds were used for general operating expenses and to pay for media purchases including broadcast and radio broadcast	5%	5/8/00	Ordinance
AT&T	State	$ 74,850					
Greendale, City of							
Comcast	State	$ 18,754	General Fund	Operating Costs (Personnel, Supplies and Services)	3%	3/5/96	By Contract/Agreement
Greenfield, City of							
Comcast	State	$ 183,080	Info Tech Franchise Fees	Used to fund our information technology department	5%	5/23/85	Ordinance 1985-10
Indiana Bell	State	$ 53,819					
Central Indiana Communications	State	$ 3,585					
Hagerstown, Town of							
Comcast	State	$ 28,001	General Fund		5%	11/1/93	Ordinance #1-1993
Hamilton County							
Endeavor Communications	State	$ 2,681			5%	11/8/93	11/08/93/A
Metronet (CMN-RUS)	State	$ 72					
Hammond, City of							
AT&T	State	$ 88,773	Cable Receipts/General Fund	Operating expenses for general fund	5%	4/14/80	Ord#4612
Wide Open West	State	$ 156,701					
Comcast	State	$ 604,363					
Hancock County							
AT&T	State	$ 31,380	General Fund 1001/Receipt Account 06006	General government expenses within general fund	3%	5/19/97	Ordinance 1997-5F
Comcast	State	$ 74,712					
Charter Communications	State	$ 8,407					
Central Indiana Communications	State	$ 24,305					
Ninestar Connect	State	$ 38,183					
Hanover, Town of							
Cinergy Metronet	State	$ 4,597	General Fund	Personal services, supplies, other services and charges			
Charter	State	$ 17,806					
Harmony, Town of							
Cable One	State	$ 3,531	General	General purposes	5%	1-Jan-19	Cable co. established
Hebron, Town of							
Comcast	State	$ 31,322	General Fund	Any purpose so approved by the Town of Hebron from the General Fund	3%	4/27/1982	Resolution #1982-7

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Highland, Town of							
Comcast/Xfinity Cable	State	$ 283,965	Corporation General Fund, franchise fee revenue account	It is treated a general revenue. The amount raised is nearly equal to the appropriation approved for the Fire Dept. So, it may be said to support public safety.	5%	3/27/2000	Ordinance 1136
Indiana Bell Telephone Company, Inc	State	$ 111,026					
Hobart, City of							
Comcast of Illinois/Indiana/Michigan, Inc.	State	$ 412,837	City of Hobart General Fund/Corporate Account				
Huntingburg, City of							
Charter Communications	State	$ 54,455	City of Huntingburg General Fund	Police protection, fire department services, safety, general administration-property tax replacement	5%	12/6/06	State automatically terminated local agreements by operation of law on 12/6/2006. Rate is same as negotiated by city.
Perry Spencer Communications	State	$ 2,877					
Huntington, City of							
Metronet	State	$ 38,634					
Comcast	State	$ 42,168					
Jasonville, City of							
NewWave Communications	State	$ 5,417	General Fund/Cable Franchise	It is used for General Fund expenses	5%	3/16/81	Ordinance 1981-4
Jasper, City of							
Charter Communications/Spectrum/Time Warner Cable	State	$ 185,910	General Fund	Franchise fees are deposited into the General Fund of the City of Jasper. Used to pay the expenses of operating the City of Jasper's government, police, fire, and street departments	5%	6/7/03	Ordinance 2003-25
Perry Spencer Communications	State	$ 688					
Smithville Fiber	State	$ 403					
Johnson County							
Comcast	State	$ 352,996	County General Fund	Help fund the county general budget	5%	7/8/2013	Ordinance 2013-09 (amended 95-22)
AT&T (Indiana Bell)	State	$ 92,586					
CMN-RUS	State	$ 42,874					
Central Indiana Communications	State	$ 5,636					
Kendallville, City of							
Mediacom Communications Corp	State	$ 39,403	Cable TV Franchise Fee	Operation of general fund	5%	8/17/99	Resolution #793
Kentland, Town of							
Mediacom Communications	State	$ 7,106	Cable TV Franchise Fee				
Town of Kentland (Reimbursement for use on Storm Water Project)	State	$ 35,000					
Kingman, Town of	No franchise fees collected						
Kirklin, Town of							
Swayzee Telephone Co.	State	$ 916	General	General Fund expenditures			
Knightsville, Town of							
Cable One	State	$ 2,120	General	Any upkeep of area surrounding lines in town			
Knox, City of							
Mediacom	Local	$ 12,603	general	It is receipted into our general fund and is used for general operations of the city			
Kosciusko County							
Comcast	State	$ 84,883	County General/Cable TV Fees	The fees are receipted into the General Fund to help sustain the State approved General Fund budget			
Kouts, Town of							
Mediacom	Local	$ 10,161	General Fund	Miscellaneous Daily Operations	5%	6/20/05	Ordinance 2005-6
LaCrosse, Town of							
Mediacom Communications Corp.	State	$ 683	General	To pay for the town's mediacom invoice for internet services	3%	10/8/08	Section 4-1-17 of LaCrosse Municipal Code

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Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
LaGrange County							
Comcast	State	$ 3,359					
Mediacom	Local	$ 12,834					
Lanesville, Town of							
Charter Communications	State	$ 30,532	General - Franchis Fee Receipts	Supplies, maintenance, vehicle	5%	3/30/99	Negotiation and agreement
Lapel, Town of							
Swayzee Telephone Co.	State	$ 3,746	General Fund	These monies were used within the general fund			
LaPorte, City of							
Comcast	State	$ 274,073					
Lawrence County							
Comcast Financial	State	$ 12,543	County General Franchise Fees	County Government General Expenditures	5%	unknown	Set By State
RTC Communications	State	$ 1,754			unknown	unknown	unknown
Lawrenceburg, City of							
Comcast	State	$ 16,480	Municipal Development Fund	The MDF Fund is one of our most versatile funds. This fund allows for a variety of city functions, ie: special crimes unit funding, several charity donations, as well as the local school system, etc.	3%	4/1/96	Ordinance 4-1996
Ligonier, City of							
Mediacom LLC	State	$ 934	General Fund	Revenue is used to help offset the decline in tax revenue due to property tax caps	3%	8/9/99	Resolution 08-09-99
Long Beach, Town of							
Comcast Cable	State	$ 30,651		General Expenses	3%	3/8/92	Town Council Ordinance 8203
Lyons, Town of							
Comcast	State	$ 1,537	Cable TV	Miscellaneous costs for right of way maintenance	3%	10/12/99	Ordianance 1999-2
Markleville, Town of							
Comcast of Illinois/Indiana/Ohio, LLC	State	$ 1,882	Cable Franchise Fund	None	3%	1/10/01	Ordinance 2001-1
Ninestar Connect	State	$ 2,035					
McCordsville, Town of							
AT&T	State	$ -	General Fund	Fees were used or spent for any purposed allowed by the State Board of Accounts relative to the General Fund	3%	various	Contract
Charter Communications	State	$ 1,989					
Comcast	State	$ 28,660					
Ninestar Connect	State	$ 4,812					
Mentone, Town of							
Comcast	State	$ 8,698		Operating costs			
Middlebury, Town of							
Comcast, Inc	State	$ 29,861	General Fund	General town expenses			
Middletown, Town of							
Comcast of Illinois/Indiana/Ohio, LLC	State	$ 14,298	General	General (Police, Fire Department, EMS, Dispatch)	5%	7/18/97	Franchise Agreement
Milford, Town of							
Mediacom	State	$ 1,374	General	General Fund purchases			
Milton, Town of							
Comcast	Local	$ 1,723	General Fund	General town expenses			
Monon, Town of							
Comcast	State	$ 5,328	Town of Monon - General Fund	TV Cable	2%	5/3/88	Agreement/Resolution with the Monon Town Council on 5/3/88
Monroe City, Town of							
Avenue Broadband Communications	State	$ 4,827	Town of Monroe City General Fund	General Operating	3%	4/6/11	Agrement with Cable Company
Monroe County Auditor							
Comcast Communications	State	$ 441,910	2502 User Fees - Cable Franchise	Community Access Television contract, AT&T phone service, Copier Lease payments, County employee cell phones, and various other communication services within Monroe County			
AT&T	State	$ 21,382					
Smithville Communications	State	$ 8,408					

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Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Monrovia, Town of							
Newwave Communications	State	$ 208					
Endeavor Communications	State	$ 483					
Monroeville, Town of							
Mediacom Communications Corp.	Local	$ 2,886	General Fund	To fund the general fund for all its intents and purposes			
Montezuma, Town of							
New Wave Communications/Cable One	State	$ 2,177	General Fund	Supplements the general fund balance for various appropriations within the General Fund budget	3%	1/1/13	Contract
Montgomery County							
Metro Fibernet	State	$ 33,967	County General	County General Budget	2%	2/27/20	Resolution No 3-2014
Monticello, City of							
Comcast	State	$ 42,291	Fund 205 Sidewalk & Curb	The City of Monticello uses the franchise fees for annual sidewalk and curb maintenance. Our street commissioner provides a list of sidewalks and curbs that need replaced annually to the mayor and city council for consideration. Annually, we are able to repair and/or install new sidewalks.	5%	11/1/05	State Issued
Lightstream	State	$ 2,439			5%	7/1/15	Ordinance 2015-6
Mooresville, Town of							
Indiana Bell	State	$ 30,116	General Fund	Reported as revenue source for the purpose of funding the town's General Fund Budget			
Comcast	State	$ 58,698					
Morgan County							
Endeavor	State	$ 48,494	Fund# 1000 (GENERAL FUND)	Revenue for funding the General Fund			
Indiana Bell (AT&T)	State	$ 75,558					
Comcast	State	$ 68,775					
Cable One	State	$ 9,786					
Munster, Town of							
Comcast	State	$ 303,566	Fund 247 Technology	Video franchise fees have been used in 2019 to fund all technology personnel, equipment, software, and maintenance of said equipment	5%	12/20/82	Ordinance #727
Indiana Bell Telephone	State	$ 90,706					
Nashville, Town of							
Avenue Broadband Communications, LLC	State	$ 9,330	General Fund	The franchise fees are deposited and expended out of our general fund. The Town of Nashville calculates our general fund budget using these revenues as a source to help our public safety and public vehicles	2%	9/8/84	Ordinance 1981-5
New Albany, City of							
Spectrum	State	$ 258,070	General Fund	To support the general opertaing funds of the city	3%	1/3/77	Ordinance
AT&T	State	$ 60,165			5%	11/16/89	Ordinance
New Carlisle, Town of							
Comcast	State	$ 14,363	General Fund	The general fund contains six departments including the Police Department, Clerk's Office, Town Council, Parks Dept, Fire Dept, and Amulance Dept. The franchise fee is used as one reveune source to support the various needs of each of these departments in the general fund including staffing, suplies, training and equipment.			
New Harmony, Town of							
NewWave Communications	State	$ 3,127	General Fund	Police and fire protection			

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Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
New Haven, City of							
Comcast Cablevision	State	$ 95,149	General	This money will help fund our Emergency Services such as Police, Fire, EMS, and the Dispatch Center	5%	6/24/97	Ordinance G-97-07
Frontier	State	$ 53,477			5%	1/8/12	rate reaffirmed through Ordinance G-12-15
New Palestine, Town of							
Comcast	State	$ 9,108	General	Public Safety	3%	10/19/83	Ordinance #1019-83
AT&T - Indiana Bell	State	$ 489			5%	7/19/10	ATT requested Orig Ord #101983
New Pekin, Town of							
Spectrum (Charter Communications)	State	$ 7,796	General Fund	Police equipment, park security, update/maintenance projects as needed	5%	10/19/99	Resolution #1999-06
New Whiteland, Town of							
Comcast	State	$ 19,134	General Fund	Fees are used to fund our annual budget	3%	12/2/03	Ordinance 1070
MetroNet	State	$ 14,456			5%		Approved by Jo. Co. RDC when MetroNet was first installed
Newburgh, Town of							
Wide Open West (WOW!)	State	$ 33,576	General Fund	For any general fund expenditures	5%	11/10/93	Ordinance 1993-12
Charter Communications	State	$ 12,332					
Charter Communications (Replacement check for 2016)	State	$ 2,620					
North Liberty, Town of							
Mediacom	State	$ 5,168	Town of North Liberty - General Fund/ 1st Source Bank	Franchise fees are added to the other revenues of the Town of North Liberty General Fund to pay public safety expenses, street lights, town hall expenses and wage and benefits	3%	7/30/81	Ordinance 1981-5 North Liberty Cable Television Franchise
North Manchester, Town of							
Mediacom Communications Corp	State	$ 2,907	Sidewalk Maintenance and Improvement Fund	The Town of North Manchester uses franchise fees to offset the cost of replacing sidewalks in the community. The property owner applies for a permit and is required to pay for half the labor to install the sidewalk. The town uses franchise fees to pay the other half of the sidewalk.	3%	10/1/03	Through franchise agreement
MetroNet, Inc.	State	$ 3,104					
Ogden Dunes, Town of							
Comcast	State	$ 27,678					
Oolitic, Town of							
Indiana Bell	State	$ 354			3%	12/6/06	
Comcast	State	$ 8,954					
Orleans, Town of							
Cable One	State	$ 253	General - Cable TV Franchise Fees	General Maint.			
Osceola, Town of							
Comcast of Indiana/ Michigan, LLC	State	$ 13,115	General Fund - 101640.000 Cable Franchise Fees	The franchise fees are appropriated into the annual budget each year to help pay for telephone, internet, and misc. communication expenditures	3%	11/5/01	Per agreement signed by Town Council 11/5/01
Owensville, Town of							
Charter Communications	State	$ 12,118	General Cable TV Franchise	Supplemental revenue for the general fund	5%		Ordinance 2005-2
Oxford, Town of	No franchise fees collected						
Palmyra, Town of							
Charter Communication/ Spectrum	State	$ 5,494					

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Paoli, Town of							
Avenue Broadband Communication (NewWave)	State	$ 387	General Fund - Cable TV Franchise	These fees are deposited into our General Fund to be used for the following year to help fund our budget for the police, volunteer fire dept and town needs.	$1.00 per subscriber or 1%	9/4/96	Contract w/Grantee passed in a Town Council Meeting and documented in the minutes
Patoka, Town of							
Spectrum	State	$ 2,545	General Acoount	Basic everyday operations of the town			
Pendleton, Town of							
Comcast	State	$ 68,615	General Fund	Operating expenses in the general fund	5%	8/31/98	Resolution 1998-16
Petersburg, City of							
Cable One	State	$ 14,446	General Fund - Cable TV Franchise Fee				
Pittsboro, Town of							
Bright House Networks	State	$ 16,147	General Cable TV Franchise	Genereal operations of the municipality	3%	10/27/94	Resolution 94-7
Plainfield, Town of							
Comcast	State	$ 78,431	Cable TV Franchise/General Fund 10100005-364000	Maintenance and improvements of right-of-ways		2/28/94	Ordinance 07-1994
Charter Communications	State	$ 14,519					
Indiana Bell Telephone Co.	State	$ 126,055					
Plymouth, City of							
Comcast Financial Agency Corporation	State	$ 28,763	General Fund - cable TV Franchise	To help fund the departments within the General Fund, including the following departments: Storm Sewer, Engineering, Building Commission, Law, Mayor, clerk-Treasurer, Sanitation, Police, Fire, City Properties and City Lights and Power	3%	9/24/90	Public Hearing
Porter, Town of							
Comcast	State	$ 80,263	General Fund	Any legal service	5%	9/5/95	Ordinance 95-13
Princeton, City of							
Charter Communicatiosn	State	$ 117,830	General Fund - Cable TV Receipts		5%	4/23/15	Ordinance 1986-15, See also Ordinance #1973-6, 1984-4, 1998-5 & 2001-2
Redkey, Town of							
Comcast of Illinois/Indiana/Ohio	State	$ 10,671			5%	11/30/91 Part of the Towns Record were lost during Clerks changing before 2006	Ordinance 1991-7 (was under another company name, but has always carried forward with present company.)
Remington, Town of							
Comcast	State	$ 6,076	General Fund	General fund expenditures are used on office supplies, repair/maintenance, supplies/service on equipment, insurance and fuel for vehicles, Utility payments, and improvements to buildings.			
Richmond, City of							
Comcast	State	$ 463,291	General Fund	40% passed through to WCTV local access television, 60% used by General Fund to support maintenance of right of ways used by cable company	5%	11/20/91	Board of Works approved agreements
Rising Sun, City of							
Comcast	State	$ 8,596	General	General government and public safety	3%	2/3/94	Ordinance
Rome City, Town of							
Mediacom	State	$ 7,933	General	Maintenance for town	3%	8/1/06	Franchise Agreement

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Rosedale, Town of							
Cable One	State	$ 2,254	General Fund	General Purpose	5%	Beginning in 2018	State Rate
Rossville, Town of							
Comcast Cable Communications	State	$ 5,123	Ton of Rossville General Fund	The funds were used to provide for the 2019 General Fund budget to cover shortfalls in budget due to continued cuts from State revenue and property taxes			
Rush County							
Central Indiana Communications	State	$ 2,938	E911	Proceeds in the E911 Fund are used for equipment or any service or prodcut necessary to provide emergency 911 services to residents of Rush County			
Rushville, City of							
Comcast of Montana/Indiana/ Kentucky/Utah	State	$ 30,356	General Fund/ Cable Franchise Fee	The funds are used for broadband related expenditures, governmental programming, and education	3%	5/25/05	Per agreement dated 5/25/05
Saltillo, Town of							
Charter Communications	State	$ 336	General fund	General operating expenses of the town			
Sandborn, Town of							
Cable One (New Wave)	State	$ 1,419	General Fund	General improvements	N/A		
Santa Claus, Town of							
PSC (Perry Spencer Communications)	State	$ 9,554	101640.000 Gen/Cable TV Franchise	The funds received from the franchise fees are used in the general budget that includes our clerk, treasurer, police, planning & zoning, community center & fire department budgets.	3%	12/20/04	Agreement between the town of Santa Claus and PSC
Schneider, Town of							
Media Communications	Local	$ 1,101	General Fund	Governmental activities	3%	1/1/09	Ordinance #1989
Selma, Town of							
Indiana Bell Franchise Fees	State	$ 749	General Fund	To help offset the cost of the police & departments	5%	In 1998	Ordinance
Shelburn, Town of							
NewWave Communications	State	$ 2,974		The fees were deposited into the General Fund of the town. The franchise fees were used to pay lawfully incurred bills of the Town of Shelburn			
Sheridan, Town of							
Swayzee Telephone Co.	State	$ 2,846	Cable TV Franchise	No specific purpose other than miscellaneous expenses	3%	7/9/80	Ordinance No. 1980-1
Shirley, Town of							
Comcast	State	$ 7,891					
Central Indiana Communications	State	$ 1,001	General - Cable TV Franchise	General funds	5%	7/1/06	Ord. 1394
Shoals. Town of							
Cable One Inc.	State	$ 3,314		The fees were deposited into the general fund of the town. The franchise fees were used to pay lawfully incurred bills of the town of Shoals.			
Silver Lake, Town of							
Comcast Communications	State	$ 2,706	General Fund	Budgeted expenditures approved by town council and the department of local government and finance	5%	10/4/98	Ordinance 98-10-04

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
South Bend, City of							
Comcast	State	$ 707,836	Franchise fees are deposited into the General Fund general ledger accounts No. 101-0000-364-00 (Comcast) and 101-0000-366-00-00 (AT&T)	Franchise fees are spent for general fund expenditures such as general government, and police and fire fire department activities	5%	1/1/09	State Franchise Law
Indiana Bell Telephone Company, Inc (AT&T)	State	$ 132,332				10/19/1998	Pursuant to a local agreement with comcast
Speedway, Town of							
AT&T	State	$ 53,869	General Fund/TV Franchise Fees	Speedway Cable Network - operations, equipment, etc	5%	7/1/94	Town of Speedway Ordinance 834
Comcast	State	$ 102,392					
Stilesville, Town of							
Cable One	State	$ 276	General Fund	Monthly bills/invoices at the time it was received.			
Communication Corp. of Indiana (TDS)	State	$ 2,926					
Stinesville, Town of							
Comcast/Xfinity Cable`	State	$ 1,152	General Fund	It is treated as general revenue.	5%	5/6/05	Ordinance #2015-5
Straughn Municipal Electric Utility							
Comcast	State	$ 291	Electric Fund	Pole rental			
Sulphur Springs, Town of							
Comcast	State	$ 648	General	Miscellaneous	2%	4/12/05	Franchise grant
Ninestar Connect	State	$ 466					
Switz City, Town of							
Comcast of Illinois/Indiana/Ohio, LLC	State	$ 664	Town of Switz City General Fund	Used to supplement our annual budget for our General Fund	3%	10/1/01	Resolution No. 2001-03
Tell City, City of							
Comcast Cable Communications, Inc.	State	$ 24,875	General fund	Cable franchise fee supports Board of Public Works & Safety efforts in maintenance of streets, materials, fuel, insurance, equipment and continuing education/training of police, dispatchers, and volunteer fire department to better protect and serve our citizens.	5%	7/7/85	Ordinance 617
Perry-Spencer Communications, Inc. d/b/a PSC	State	$ 29,185			5%	1/1/14	
Terre Haute, City of							
Charter Communication	State	$ 274,517			5%	2/6/06	Special Ordinance #72, 1983
Cable One	State	$ 11,108					
Thorntown, Town of							
CMN-RUS Metronet	State	$ 5,123	101640 Gen/Cable TV Franchise	The fees were deposited into the general fund of the town. The franchise fees were used to pay lawfully incurred bills of the town of Thorntown.			
Comcast	State	$ 424					
Tipton, City of							
Comcast	State	$ 25,821	General Fund 101640	Funds are receipted into the City General Operating Fund	5%	8/12/02	Addendum to franchise agreement of 1987
Tipton Telephone Company (TDS)	State	$ 40,549			5%	8/8/15	State of Indiana Cause No. 44614 VSP 01
Troy, Town of							
PSC	State	$ 1,725	Fund #101	Used for general town operating expenditures	3-5%	3/2/20	Interlocal Agreement
Union City, City of							
Charter Communications	State	$ 22,405	General Fund	The money was used to help fund MidWest Tv, Inc., a non-profit corporation which operates the public access TV franchise as a PEG station.	3%	8/16/90	Ordinance No. 90-10
Uniondale, Town of							
Mediacom Communications Corp.	Local	$ 308	General	General budet			
Universal, Town of							
Avenue Broadband Communications	State	$ 1,083	Town of Universal				

(continued)

Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Vanderburgh County							
Charter Communications dba/Spectrum	State	$ 629,956	General Fund	Helps support budget for General Fund	5%		I.C. 8-1-34-24 State Issued Franchise
Wide Open West (WOW)	State	$ 244,351					Agreement/Resolution
Veedersburg, Town of							
Cable One	State	$ 5,094	General - Franchise Fees	Town Operations	2%	1/19/82	By Ordinance #02-82
Vevay, Town of							
Charter Communications	State	$ 5,223	General Fund	General Fund expenses per budget	3%		Franchise Agreement
Walkerton, Town of							
Mediacom	State	$ 8,624	Electric	Needed supplies or maintenance of poles. Wages, benefits and any necessary items needed for repairs.	3%	8/8/96	Signed Agreement between town and Mediacom
Wanatah, Town of							
Mediacom Communications Corp.	State	$ 1,149	General Fund/Cable Franchising Fee	All fees are deposited into the general fund and used for accounts payable	3%	8/8/96	By town council
Warsaw, City of							
Comcast	State	$ 51,178	General Fund	Maintenance and improvements of sidewalks and curbing	3%	12/17/99 and June of 2006	Ordinance No. 99-12-2 & State Agreement
Mediacom	State	$ 1,261				8/1/13	State Agreement
Wayne County							
Comcast Financial	State	$ 28,122	County General	To help fund public access TV station WCTV ($20,000) and balance in general fun to support maintenance of infrastructure used by cable company.	4%	3/1/04	Negotiated as part of Revenue
New Lisbon Telephone	State	$ 2,861			5%	10/1/16	Contact with Commissioners' office by NL rep
Wells County							
Mediacom	State	$ 1,495	Cable Fees	General County Business	3%	11/29/93	Follow the Regulations of the FCC Ordinance# 1993-10
Comcast	State	$ 4,033					
Craigville Telephone	State	$ 6,930					
West Lafayette, City of							
Comcast	State	$ 99,852	General Fund	City operations including services for maintenance of rights of way (Engineering), City administration, and public safety (Police and Fire)	3%	2/5/96	Ord #34-95; converted in 2006 to State Franchise
CMN-RUS, Inc. (aka MetroNet)	State	$ 57,883				2012-related Redev com TIF Bond	State Franchise
Mulberry Coopoerative Telephone Co	State	$ 841					
Crown Communication LLC	State	$ 2,433					
Westport, Town of							
Comcast	State	$ 5,690	General cable franchise fee	Deposited into General Fund to distribute on Town expenses as needed.	2.5% of quarterly customer earnings	6/9/97	Agreed contract between Holder and Town Council
Sunman Telecommunications Corp - ETC	State	$ 3,000			ETC - $1500 twice a year		Agreed contract between Holder and Town of Westport
Westville, Town of							
Mediacom Communications Corp.	State	$ 1,738	General Fund	To help fund General Fund operations (Police Dept., Fire Dept. Contract, Salaries, General Operations)			
Acme Communications	State	$ 1,367					
Whiteland, Town of							
Comcast	State	$ 17,579	General Fund	General Expenses to run local government	3%	1/1/81	Ordinance 81-1 w/ Town council
Whiting, City of							
Comcast Financial Agency Corp.	State	$ 44,608	General Fund Civil City	General operating expenses for the Civil City	5%	4/4/00	Based on Grantee's Gross Revenue or such other maximum amount as allowed by law
Wilkinson, Town of							
Central Indiana Cable	State	$ 757	General Fund	General Fund	3%		
Comcast	State	$ 958					

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Video Franchise Fee Report *(continued)*

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Winamac, Town of	No franchise fees collected						
Winchester, City of							
Comcast of Illinois/ Indiana/ Ohio	State	$ 36,187	General Fund	Technology	5%	3/20/00	Ordinance No. 2000-2
Winfield, Town of							
Comcast	State	$ 59,715	General Fund	The Town of Winfield utilizes video franchise fees to repair and maintain the public right of ways along the roadways.	5%	6/15/04	Contract
AT&T (Indiana Bell)	State	$ 12,068					
Wingate, Town of							
Taxxconnexx LLC	State	$ 2,646	General Fund	Used to offset internet service charges			
Wolcott, Town of							
Comcast	State	$ 2,632	Town of Wolcott, General Fund	Salaries, employee benefits, municipal and street operating expenses, etc. The franchise fees are deposited in the Town's General Fund, which are monies to operate the municipality	2%	8/1/95	State of Indiana Wolcott Ordinance #95-2
Woodburn, City of							
Comcast	State	$ 6,209	General Fund	General Operations	3%	1/1/06	Changes made to the IC established at state level
Yorktown, Town of							
Comcast	State	$ 66,797	General Fund - Cable TV Receipts	These funds were used to offset the cost of the police department expenses	3%	1997	Ordinance
Indiana Bell/AT&T	State	$ 6,468			5%		
Zionsville, Town of							
Communications Corporation of Indiana	State	$ 15,253	General	Any legal purpose (General Fund cash reserves)	3%	4/5/82	Ordinance #82-03 (Omega Cable of Zionsville)
Indiana Bell Telephone Company Incorporated	State	$ 22,921					
Charter Communications	State	$ 44,836					
Metronet	State	$ 8,913					

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101 W. Washington Street
Suite 1500 East
Indianapolis, IN 46204
www.in.gov/iurc