

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF THE BOARD OF)
DIRECTORS FOR UTILITIES OF THE)
DEPARTMENT OF PUBLIC UTILITIES OF THE)
CITY OF INDIANAPOLIS, D/B/A CITIZENS)
ENERGY GROUP, CWA AUTHORITY, INC., THE)
CITY OF INDIANAPOLIS AND ITS)
DEPARTMENT OF WATERWORKS AND ITS)
SANITARY DISTRICT FOR APPROVALS IN)
CONNECTION WITH THE PROPOSED)
TRANSFER OF CERTAIN WATER UTILITY)
ASSETS TO THE BOARD AND THE PROPOSED)
TRANSFER OF CERTAIN WASTEWATER)
UTILITY ASSETS TO THE AUTHORITY,)
INCLUDING: (A) APPROVAL OF INITIAL RATES)
AND RULE FOR WATER AND WASTEWATER)
SERVICE, AS WELL AS THE TERMS OF)
CERTAIN AGREEMENTS FOR WASTEWATER)
TREATMENT AND DISPOSAL SERVICE; (B))
APPROVAL OF AN ENVIRONMENTAL)
COMPLIANCE PLAN UNDER IND. CODE 8-1-28)
AND AN ADJUSTMENT MECHANISM FOR)
WASTEWATER RATES TO PROVIDE TIMELY)
RECOVERY OF COSTS NECESSARY TO)
COMPLY IN WHOLE OR IN PART WITH THE)
SAFE DRINKING WATER ACT AND/OR CLEAN)
WATER ACT; (C) APPROVAL OF PROPOSED)
ALLOCATIONS OF CORPORATE SUPPORT)
SERVICES COSTS AMONG AFFECTED)
UTILITIES; (D) APPROVAL OF AN OPERATING)
AGREEMENT BETWEEN CITIZENS ENERGY)
GROUP AND CWA AUTHORITY, INC.; (E))
APPROVAL OF DEPRECIATION RATES AND)
OTHER ACCOUNTING MATTERS RELATED TO)
THE WATER AND WASTEWATER ASSETS; AND)
(F) ANY OTHER APPROVALS NEEDED IN)
CONNECTION THEREWITH)

CAUSE NO. 43936

PREHEARING CONFERENCE
ORDER

APPROVED: SEP 22 2010

BY THE COMMISSION:
David E. Ziegner, Commissioner
Scott R. Storms, Chief Administrative Law Judge

On August 11, 2010, the City of Indianapolis, Indiana (“City”), the Department of Waterworks (“DOW”), of the City, acting by and through its Board of Waterworks, the Sanitary District (“Sanitary District”) of the City, acting by and through its Board of Public Works, the Board of Directors for Utilities of the Department of Public Utilities of the city, as successor trustee of a public charitable trust, d/b/a Citizens Energy Group (“Board”) and CWA Authority, Inc. (“Authority”), (collectively the “Joint Petitioners”) filed their Verified Joint Petition with the Indiana Utility Regulatory Commission (“Commission”) in this matter. On August 27th and 30th 2010, the Joint Petitioners filed their case-in-chief testimony in this matter.

Pursuant to notice and as provided for in 170 IAC 1-1.1-15, a Prehearing Conference in this Cause was held on September 13, 2010 at 1:30 p.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Proofs of publication of the notice of the Prehearing Conference have been incorporated into the record and placed in the official files of the Commission. The Petitioner and the Indiana Office of Utility Consumer Counselor (“Public”) appeared and participated at the Prehearing Conference. Intervenors, Citizens Action Coalition of Indiana, Inc. (“CAC”); Indianapolis Water/Sewer Industrial Group (“Industrial Group”); and Veolia Water Indianapolis, LLC (“Veolia Water”) also participated in the Prehearing Conference.¹ Members of the general public were in attendance at the Prehearing Conference.

Prior to the opening of the record an informal discussion was held among the parties regarding procedural and scheduling matters in this Cause. The parties were unable to reach agreement on a procedural schedule and presented testimony in support of their respective proposed procedural schedules. The Joint Petitioners presented the testimony of Mr. Carey B. Lykins, President and Chief Executive Officer for Citizens Energy Group and Mr. Chris W. Cotterill, Chief of Staff for the Office of Mayor Gregory A. Ballard of the City of Indianapolis, Indiana. The OUCC presented the testimony of Mr. Scott A. Bell, Director of its Water\Wastewater Section. At the conclusion of the testimony the Presiding Officers took the proposals of the parties under advisement.

Based upon the testimony presented at the Prehearing Conference and its consideration of the issues, the Commission now enters the following Findings and Order which shall become a part of the record in this proceeding:

1. **Evidentiary Hearing on the Joint Petitioners Case in Chief Testimony.** An initial Evidentiary Hearing to allow for the presentation of the Joint Petitioners’ direct case-in-chief testimony and cross examination of its witnesses is scheduled for December 6-8, 2010, beginning each day at 9:30 a.m., in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana.

2. **Settlement Hearing.** A Settlement Hearing in this Cause shall be convened on January 11, 2011 at 9:30 a.m., in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. If the parties reach settlement, the agreement and supporting testimony and

1. The Petitions to Intervene filed by the CAC and the Industrial Group were granted on the record at the Prehearing Conference.

exhibits shall be submitted to the Commission five (5) business days prior to the Evidentiary Hearing.

3. **Public's and Intervenors' Prefiling Date.** The Public and all Intervenors shall prefile with the Commission the prepared testimony and exhibits constituting their respective cases-in-chief on or before January 14, 2011. Copies of same shall be served upon all parties of record.

4. **Petitioner's Rebuttal Prefiling.** The Petitioner shall prefile with the Commission its prepared rebuttal testimony on or before January 28, 2011. Copies of same shall be served upon all parties of record.

5. **Evidentiary Hearing on the OUCC's and Intervenors' Cases-In-Chief and the Joint Petitioners' Rebuttal Testimony.** In the event this Cause is not settled, the case-in-chief of the Public and any Intervenors, and the rebuttal testimony of the Joint Petitioners shall be presented in an Evidentiary Hearing on February 14-16, 2011, commencing each day at 9:30 a.m., in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana.

6. **Sworn Testimony.** Any witness testimony to be offered into the record of this proceeding shall be made under oath or affirmation. In accordance with 170 IAC 1-1.1-18(h), if the prefiled testimony of a witness is to be offered into evidence at the Evidentiary Hearing, and the witness sponsoring the prefiled testimony is not required to, and does not, attend the Evidentiary Hearing, the prefiled testimony shall be accompanied by the witness's sworn affidavit or written verification at the time the evidence is offered into the record.

7. **Discovery.** Discovery is available for all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten (10) calendar days of the receipt of such request.

8. **Prefiling of Workpapers and Additional Requirements Regarding Prefiled Exhibits.** When prefiling technical evidence with the Commission, each party shall concurrently file copies of the work papers used to produce that evidence. Copies of same shall also be provided to any other party requesting such in writing. When submitting workpapers to the Commission, two (2) copies of each document shall be filed with the Commission. The parties shall provide readable/writeable disks for any spreadsheets provided in this matter.

9. **Number of Copies/Corrections.** With the exception of work papers, the parties shall file with the Commission an original and five (5) copies of all prefiled testimony and exhibits. Any corrections to prefiled testimony shall be made in writing as soon as possible after discovery of the need to make such corrections. Although the Commission's rules require that original copies be one-sided, it is the Commission's preference that duplicate copies use both sides of the paper.

Parties may also elect to file documents with the Commission using the Commission's Electronic Filing System in lieu of filing paper documents. Pursuant to the terms and conditions of the Electronic Filing System, documents filed electronically are deemed filed the date they are

submitted, subject to verification and acceptance by the Commission, and will receive an electronic file stamp. For filings greater than thirty (30) pages in length, a party shall file with the Commission an original and one (1) paper copy within two (2) business days of the electronic filing. When supplying such copies, the party must provide a copy of the email reflecting the electronic filing was accepted by the Commission.

10. **Objections to Prefiled Testimony and Exhibits.** Any objections to the admissibility of prefiled testimony or exhibits shall be filed with the Commission and served on all parties of record no less than two (2) business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.

11. **Intervenors.** Any party permitted to become an Intervenor in this Cause shall be bound by the record as it stands at the time its Petition to Intervene is granted, pursuant to 170 IAC 1-1.1-11.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

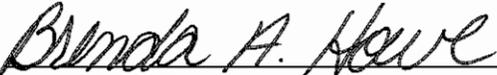
1. The determinations of the Prehearing Conference set forth in this Order are made a part of the record in this Cause and shall be binding on all present and future parties of record during the proceedings of this Cause.

2. This Order shall be effective on and after the date of its approval.

HARDY, ATTERHOLT, LANDIS, MAYS AND ZIEGNER CONCUR:

APPROVED: SEP 22 2010

I hereby certify that the above is a true and correct copy of the Order as approved.



Brenda A. Howe
Secretary to the Commission