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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF THE BOARD OF )  
DIRECTORS FOR UTILITIES OF THE DEPARTMENT )  
OF PUBLIC UTILITIES OF THE CITY OF )  
INDIANAPOLIS, ACTING IN ITS CAPACITY AS )  
TRUSTEE OF A PUBLIC CHARITABLE TRUST FOR )  
THE WATER SYSTEM, D/B/A CITIZENS WATER, FOR )  
APPROVAL OF A WATER CONSERVATION PLAN )

CAUSE NO. 44240

APPROVED:

MAY 22 2013

ORDER OF THE COMMISSION

**Presiding Officers:**

**Kari A. E. Bennett, Commissioner**  
**Jeffrey A. Earl, Administrative Law Judge**

On August 27, 2012, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, acting in its capacity as trustee of a public charitable trust for the water system, d/b/a Citizens Water ("Citizens Water" or "Petitioner") filed its Verified Petition with the Indiana Utility Regulatory Commission ("Commission").

On November 2, 2012, Petitioner prefiled the direct testimony and exhibits of Daniel C. Moran, Water Quality Manager for Citizens Water. On January 25, 2013, the Indiana Office of Utility Consumer Counselor ("OUCC") prefiled the direct testimony of Larry W. McIntosh, Utility Analyst in the OUCC's Water/Wastewater Division. On February 8, 2013, Petitioner prefiled the rebuttal testimony of Mr. Moran.

Pursuant to notice given and published as required by law, the Commission held an evidentiary hearing in this Cause at 9:30 a.m. on February 26, 2013, in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC appeared and presented their evidence at that hearing.

Based on the applicable law and the evidence presented, the Commission finds:

**1. Notice and Jurisdiction.** Notice of the prehearing conference and evidentiary hearing in this Cause was given and published as required by law. Under Ind. Code §§ 8-1-11.1-3 and 8-1-11.1-3.1, and the Commission's Final Order in Cause No. 43936 ("Acquisition Approval Order"), Petitioner is subject to the Commission's jurisdiction in a manner similar to a municipal utility. Specifically, the Commission has jurisdiction over changes to Petitioner's schedules of rates and charges and terms and conditions of service under Ind. Code §§ 8-1-11.1-3(c)(9) and 8-1.5-3-8. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

**2. Petitioner's Characteristics.** Petitioner is a municipal water utility with its principal office at 2020 N. Meridian Street, Indianapolis, Indiana. Petitioner owns and operates certain water utility assets, which were acquired from the City of Indianapolis and its Department of Waterworks

(the “DOW”) pursuant to an asset purchase agreement approved by the Commission in the Acquisition Approval Order. Petitioner provides water utility service in several counties in central Indiana.

3. **Relief Requested.** In the Acquisition Approval Order, the Commission approved the terms of a settlement agreement and ordered Petitioner to file a petition for approval of its Water Conservation Plan. In response, Petitioner filed this case, requesting approval of its water conservation plan (the “Citizens Water Wise Plan”).

4. **Petitioner’s Case-in-Chief.** Mr. Moran testified that Water Wise Plan was developed based on the DOW’s 2009 Water Conservation Plan that was approved in Cause No. 43645 (“2009 Plan”). Mr. Moran described the key differences between the 2009 Plan and the Water Wise Plan. He discussed 14 active conservation programs being implemented by Petitioner under the Water Wise Plan, which were ongoing under the 2009 Plan. He testified that those 14 active conservation programs include seven near-term conservation measures that were first identified in the 2009 Plan and that Petitioner agreed to pursue in the Settlement Agreement approved in the Acquisition Approval Order. Mr. Moran provided an overview of those seven near-term water conservation measures. Mr. Moran stated that Petitioner presented or shared the Water Wise Plan with stakeholders, including Petitioner’s Technical Advisory Group, the Citizens Stakeholder Alliance, the Hoosier Environmental Council, the Service Advisory Board, the City of Indianapolis, the Citizens Industrial Group, the OUCC, and Commission Staff. Finally, Mr. Moran testified that the Citizens Water Wise Plan focuses on measures unique to Petitioner’s water system. He indicated the Water Wise Plan will preserve and protect precious natural resources, promote wise water use through customer communication and education, reduce demand to relieve stress on system and supplies, and mitigate potential adverse financial impacts to preserve Petitioner’s financial integrity and strength.

5. **OUCC’s Case-in-Chief.** Mr. McIntosh described his understanding of the reasons for and nature of Petitioner’s proposed changes to the 2009 Plan. He testified that he generally supports those proposed changes, subject to a few recommendations. Mr. McIntosh further stated his belief that Petitioner has complied with the Acquisition Approval Order regarding its use of the 2009 Plan while preparing an updated water conservation plan. Mr. McIntosh recommended that Petitioner file an annual report with the Commission with a copy served on the OUCC with the following information: (1) annual progress achieved through conservation measures under the Citizens Water Wise Plan; (2) a list of any educational programs conducted by Petitioner during the prior year on or related to water conservation; (3) annual revenue impacts associated with implementing the Citizens Water Wise Plan; (4) annual costs associated with implementing the Citizens Water Wise Plan; (5) any proposed changes to the Citizens Water Wise Plan; and (6) any other information the Commission or Petitioner deems pertinent to water conservation efforts under the Citizens Water Wise Plan. Mr. McIntosh concluded by recommending approval of the Citizens Water Wise Plan, stating it is expected to continue promoting reasonable water conservation efforts, thereby serving the public interest.

6. **Petitioner’s Rebuttal Testimony.** Mr. Moran stated that Petitioner would agree to provide the information described in Mr. McIntosh’s testimony to the Commission and the OUCC.

7. **Commission Discussion and Findings.** In the Acquisition Approval Order, the Commission ordered Petitioner to develop a water conservation plan using the 2009 Plan. The evidence shows that the Citizens Water Wise Plan, which was developed based upon the 2009 Plan, satisfies the requirements of the Acquisition Approval Order regarding the development and submission of a water conservation plan. The evidence also shows that the Citizens Water Wise Plan

should promote reasonable water conservation efforts and thereby will serve the public interest. Therefore, we find that the Citizens Water Wise Plan is reasonable. In addition, we find that the reporting requirements recommended by the OUCC are reasonable and that Petitioner has agreed to comply with the recommendation.

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

1. The Citizens Water Wise Plan is approved.
2. No later than April 15, 2014, and annually thereafter until otherwise directed by the Commission or the Commission Staff, Citizens Water shall file under this Cause a report that complies with the OUCC's recommendations in Paragraph 5 above and specifically reports the following:
  - a. Annual progress achieved through conservation measures under the Citizens Water Wise Plan;
  - b. A list of any educational programs on or related to water conservation conducted by Petitioner during the prior year;
  - c. Annual revenue impacts associated with implementing the Citizens Water Wise Plan;
  - d. Annual costs associated with implementing the Citizens Water Wise Plan;
  - e. Any proposed changes to the Citizens Water Wise Plan; and
  - f. Any other information the Commission deems pertinent to Citizens Water's conservation efforts under the Water Wise Plan.
3. In accordance with Ind. Code § 8-1-2-70, within 20 days from the date of this Order, Citizens Water shall pay to the Secretary of the Commission the following itemized charges, as well as any additional costs that were incurred in connection with this Cause:

Commission charges:	\$ 670.45
OUCC charges:	\$ 186.33
Legal Advertising Charges:	\$ 95.06
TOTAL	\$ 951.84

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

**ATTERHOLT, BENNETT, MAYS AND ZIEGNER CONCUR; LANDIS ABSENT:**

**APPROVED:      MAY 22 2013**

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

  
**Brenda A. Howe**  
**Secretary to the Commission**