



115 W. Washington St.
Suite 1500 South
Indianapolis, IN 46204
www.IN.gov/OUCC

Toll-free 1-888-441-2494
Voice/TDD (317) 232-2494
Fax (317) 232-5923
UCCINFO@oucc.IN.gov

Indiana American Water Co. Rate Case IURC Cause No. 43680

PUBLIC FIELD HEARING – BASIC FACTS

An Indiana Utility Regulatory Commission (IURC) public field hearing is a formal, legal proceeding.

- It is presided over by an Administrative Law Judge and recorded by a court reporter, with at least one Commissioner present.

The sole purpose of the field hearing is to accept sworn testimony from IAWC customers under oath.

- Field hearings do not include presentations by utilities.
- Indiana American Water Company's (IAWC's) technical witnesses filed written testimony and exhibits in this case earlier this year and were cross-examined during a formal evidentiary hearing earlier this month.
- Technical witnesses for the Indiana Office of Utility Consumer Counselor (OUCC) – which represents consumer interests in IURC cases – are scheduled to file testimony and exhibits on October 23. Several intervening parties may also file testimony on the same date.
- IURC Commissioners are not allowed to answer questions, as they will ultimately weigh the evidence and render a final decision.
- IURC and OUCC staff are available to answer procedural questions on an individual basis.

Consumers may make sworn written or oral comments on the pending case.

- Consumer comments are given equal consideration whether they are written or oral.

Attorneys for the case's formal parties – including the utility and the OUCC – participate.

- As this is a legal proceeding, the attorneys are entitled, but not required, to ask questions following your testimony.

No final decision in the case will be made tonight.

- The procedural schedule in this case includes future steps as outlined in the "Timeline" section of this fact sheet.

IAWC REQUEST – OVERVIEW

Indiana American Water Co. (IAWC) is seeking an increase in its rates and charges. The utility's request is pending before the **Indiana Utility Regulatory Commission (IURC)** in Cause No. 43680.

- IAWC provides service to approximately 283,000 residential, commercial and industrial customers throughout Indiana. The utility's Northwest Indiana service territory includes Burns Harbor, Chesterton, Gary, Hobart, Merrillville, Portage, Porter, and South Haven.
- In direct testimony, IAWC states that it is seeking \$46.8 million in new annual operating revenues. The exact impact of the utility's request would vary by service territory as outlined in the attached chart.
- In its testimony and exhibits in this case, IAWC has stated that the proposed base rate increase is due to infrastructure improvements throughout its service territories. Northwest Indiana improvements include new transmission mains, a pump station, and a new backwash recycle system at Ogden Dunes.
- Any changes in a regulated utility's base rates must be approved by the IURC before taking effect. Indiana law allows regulated utilities to petition for base rate cases no more frequently than once every 15 months.
- IAWC's current rates were approved in 2007.

Only the retail water rates for Indiana American Water are at issue in this case. Under Indiana law, municipal sewer and stormwater utilities are not under IURC jurisdiction. Also, trash and solid waste removal services are not under IURC jurisdiction.

The IURC's investigation of issues related to service disconnection by Indiana American Water for non-payment of combined sewer and trash charges with the Gary Sanitary District is pending in a separate docket (Cause No. 43668).

OUCS INVOLVEMENT – OVERVIEW

The **Indiana Office of Utility Consumer Counselor (OUCC)** is a separate agency from the IURC, and is the statutory representative for the interests of all utility consumers (residential, commercial and industrial) in cases before the IURC.

- The OUCC is scheduled to file testimony in this case on October 23, 2009. In the meantime, the agency's accountants, economists, engineers and attorneys continue to review IAWC's request and evidence.
- After it is filed, the OUCC's testimony will be available online at www.in.gov/oucc/2556.htm.

INTERVENING PARTIES – OVERVIEW

Several additional parties have formally intervened in this case through legal counsel, as allowed by Indiana law. These parties include the City of Crown Point, Town of Schererville, City of West Lafayette, City of Noblesville, Town of Clarksville, City of Jeffersonville, Ramsey Water Company, Inc., and a group of Indiana American Water industrial customers (including Arcelormittal USA, Praxair, Inc., and United States Steel Corporation).

Testimony from intervening parties is due October 23, 2009.

IAWC RATE CASE TIMELINE

April 30, 2009: Indiana American Water Co. filed its petition with the IURC initiating this case. The utility filed testimony and exhibits in support of its request on May 4, 2009.

September 2-4, 2009: A technical evidentiary hearing was held in Indianapolis to allow for IURC, OUCC and intervener questioning of Indiana American Water Co's. technical witnesses who have filed written testimony in this case.

September 15, 2009: An IURC public field hearing is being held in Gary, Indiana. Additional public field hearings in Jeffersonville and Muncie will be scheduled with dates and locations to be determined.

October 23, 2009: The OUCC and intervening parties are scheduled to file testimony in this case.

December 15, 2009: An IURC technical evidentiary hearing is scheduled to begin in Indianapolis. While evidentiary hearings are open to the public, participation is typically limited to cross-examination of technical witnesses who have filed testimony on behalf of the case's formal parties.

The case's formal parties will likely submit additional written filings, including proposed orders and reply briefs, on dates to be determined following the conclusion of the December evidentiary hearing.

IURC final orders are issued at the Commission's weekly Conferences. Conferences are typically held on Wednesday afternoons, with agendas posted 48 hours in advance at: www.in.gov/iurc/2428.htm.

A settlement agreement is possible in any legal proceeding; the OUCC attempts to reach a fair settlement for consumers in all IURC cases. All hearing and filing dates in any legal proceeding are subject to change.

ADDITIONAL INFORMATION

All publicly filed documents in this case are available for review on the IURC Website by:

- Visiting www.in.gov/iurc
- Clicking the "Electronic Document System" link in the upper right portion of the page
- Clicking the "Search Cases" link near the upper left corner of the following page
- Entering docket number 43680 in the first field on the search page

Case updates are also available on the OUCC Website at www.in.gov/oucc/2556.htm.

GENERAL AGENCY INFORMATION

Indiana Office of Utility Consumer Counselor (OUCC)

- State agency
- Represents the interests of all Indiana utility consumers – including residential, commercial and industrial customer interests – in cases before the IURC and federal utility regulatory commissions
- Staff of attorneys, accountants, engineers, economists, consumer services and support personnel

Indiana Utility Regulatory Commission (IURC)

- State agency
- Regulates many, but not all, Indiana utilities
- Regulates utility rates, financing, service territory, quality, etc.
- Neutral, fact-finding body required by law to make decisions that balance the interests of utilities and consumers

RATE IMPACT COMPARISON BY SERVICE TERRITORY

Indiana American Water Co. Proposed Rate Increase by Territory (IURC Cause No. 43680)

All figures are based on residential usage of 700 cubic feet (approx. 5,200 gallons) per month.
All figures refer to the utility's proposed water rate increases, unless otherwise specified.

Community	Current Monthly Charges	Proposed Monthly Charges
Crawfordsville	\$29.58	\$40.84
Johnson County (Franklin, Greenwood)	\$29.58	\$40.84
Kokomo	\$33.68	\$40.84
Mooreville	\$33.12	\$29.44
Muncie *	\$29.58	\$40.84
Newburgh	\$29.58	\$40.84
Noblesville	\$33.68	\$40.84
Northwest Indiana ** (Burns Harbor, Chesterton, Gary, Hobart, Merrillville, Portage, Porter, South Haven)	\$26.37	\$34.68
Richmond	\$29.58	\$40.84
Seymour	\$33.68	\$40.84
Shelbyville	\$29.58	\$40.84
Somerset *	\$33.68	\$40.84
Southern Indiana (Clarksville, Jeffersonville, New Albany)	\$29.58	\$40.84
Summitville	\$33.68	\$40.84
Wabash	\$27.53	\$29.44
Wabash Valley (Terre Haute, Sullivan, Farmersburg)	\$29.58	\$40.84
Warsaw	\$25.27	\$29.44
West Lafayette	\$20.69	\$29.44
Winchester	\$30.14	\$29.44

* IAWC's proposal would decrease the flat monthly sewer rate for residential customers it serves in Muncie (Farmington/Farmington Meadows Subdivisions) and Somerset from \$61.29 to \$36.00.

** Figures for Northwest Indiana are based on a bi-monthly bill for 1400 cubic feet, which would increase from \$52.74 to \$69.36 under the utility's proposal.

Source of figures: Indiana American Water Co. Testimony (Exhibit GMV-7), Filed 5/4/09

Table compiled by OUCC, 9/9/09