

IURC News Release

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IURC APPROVES DISTRIBUTION SYSTEM IMPROVEMENT CHARGE OF INDIANA- AMERICAN

Today the Indiana Utility Regulatory Commission approved the first order resulting from a state law passed by the General Assembly in 2001, which allows water companies to recover expenditures for limited improvements in their distribution systems outside a rate case.

In Cause No. 42351 Indiana American asked the Commission to approve the recovery of costs for distribution expenditures placed into service between August 1, 2001 and November 30, 2002.

The Commissioners found that not all of the projects submitted for consideration were eligible to be recouped under this statute, but did allow the company to recoup more than \$5.8-million of expenditures. The Commission also asked Indiana-American to file a five-year forecast of its distribution system replacement program in its next filing under this statute.

By statute the improvements of the distribution system are defined as new, used and useful water utility plant projects that do not increase revenues by connecting the distribution system to new customers, are in service, and were not included in the most recent rate case. This process is designed to allow companies to recover expenditures in a timely manner, and minimize the impact on its customers.

The table below shows the impact on customers.

	Water Groups									
	Group No. 1	Group No. 2	Flowing Wells	Wabash	Northwest	Mooreville	Warsaw	West Lafayette	Wincheste	
<i>Current Bill</i>	\$ 25.68	\$ 22.33	\$ 17.07	\$ 20.43	\$ 18.36	24.28	\$ 21.86	\$ 15.45	\$ 20.34	
<i>DSIC Rate</i>	0.13	0.13	0.13	0.13	0.05	0.14	0.06	0.07	1.01	
<i>New Bill</i>	\$ 25.81	\$ 22.46	\$ 17.20	\$ 20.56	\$ 18.41	24.42	\$ 21.92	\$ 15.52	\$ 21.35	

*Group 1 includes: Kokomo, Muncie, Richmond, Seymour, Summitville, and Wabash Valley.

*Group 2 includes: Crawfordsville, Johnson County, Noblesville, and Southern Indiana.

Indiana American provides water utility service to approximately 268,000 customers in 21 Indiana counties.

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