



April 30, 2018

Via E-Mail

Mr. Curt Gassert
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 East
Indianapolis, Indiana 46204

RE: Cause No. 45032; 30-Day Filing # 50139

Dear Mr. Gassert:

This letter serves as Aqua Indiana-South Haven, Inc.'s ("Aqua Indiana") response to the Indiana Office of Utility Consumer Counselor's ("OUCC") April 19, 2018 objection (the "Objection") to Aqua Indiana's 30-Day Filing (designated as Thirty Day Filing # 50139). In the Objection, the OUCC proposed that Aqua Indiana recalculate and resubmit its filing using revenues subject to increase, as opposed to total operating revenues, as the basis of the calculations in its proposed tariff sheets.

Attached hereto as Exhibit 1 are revised tariff sheets reflecting calculations based on using revenues subject to increase, as proposed by the OUCC. Attached hereto as Exhibit 2 is a redline version of the revised tariff sheets. Work papers supporting the filing are attached hereto as Exhibit 3.

Exhibits 1-3 hereto are intended to replace Exhibits 1-3 of Aqua Indiana's 30-Day Filing #50139. All other aspects of 30-Day Filing #50139 as submitted by Aqua Indiana on March 26, 2018 remain unchanged.

Please let me know if the Commission Staff has any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bobby D. Estep".

Bobby D. Estep
Controller
Aqua Indiana, Inc.

cc: Beth Heline, General Counsel of the Commission (BHeline@urc.IN.gov)
Tiffany Murray, Office of Utility Consumer Counselor (TiMurray@oucc.IN.gov,
infomgt@oucc.in.gov)

Exhibit 1

South Haven Sewer Works, Inc., d/b/a Aqua Indiana, Inc.
(Approved October 19, 2011 – Cause No. 43974)

A) GENERAL SERVICE RATES

Flat Rate – Per Month

Single family residence per month \$72.77

B) METERED COMMERCIAL RATES – PER MONTH

Metered Rates – Per Month

All other users except Hauled-In Wastestreams – (based upon water usage) Rate Per 1,000 Gallons:

First	5,600 gallons	\$12.184
Next	9,400 gallons	\$10.845
All over	15,000 gallons	\$8.442

All other users, except Hauled-In Wastestreams users, shall pay a minimum rate in accordance with the following applicable size water meter installed, for which the user will be entitled to sewerage service based upon the above schedule of metered water usage, with minimum as set forth below.

Water Meter Size	Rate	Minimum Gallons
5/8 Inch	\$68.232	5,600
3/4 Inch	\$68.232	5,600
1 Inch	\$119.850	10,360
1 1/4 Inch	\$171.267	15,130
1 1/2 Inch	\$231.039	22,210
2 Inch	\$384.687	40,410
3 Inch	\$811.696	90,990
4 Inch	\$1,366.770	156,740
6 Inch	\$3,074.464	359,020

C) Hauled-in Waste Not to fall below \$61.59
Hauled-in Waste based on per total gallons from Job Tickets for month

Re-Connection Fee – To restore service following disconnection for failure to pay bill in accordance with IURC rules for utility:

Re-Connection requiring installation of interceptor mechanism	\$400.00
Re-Connection not requiring installation of interceptor mechanism	\$100.00
Connection Charge (Tap Fee) – for connection at lot line per residence	\$400.00

System Development Charge pursuant to Cause No. 42985 \$820.00

Collection and Late Payment Charge – All bills for sewage not paid within 17 days from the billing date thereof, as stated in such bills, shall be subject to the collection or deferred payment charge of 10% on the first \$3.00, and 3% on the excess over \$3.00.

Returned Check Charge – All checks or other negotiable instruments returned for insufficient funds from a financial institution shall be assessed a fee of \$20.00.

Exhibit 2

South Haven Sewer Works, Inc., d/b/a Aqua Indiana, Inc.
(Approved October 19, 2011 – Cause No. 43974)

A) GENERAL SERVICE RATES

Flat Rate – Per Month

Single family residence per month	\$76.14 <u>72.77</u>
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B) METERED COMMERCIAL RATES – PER MONTH

Metered Rates – Per Month

All other users except Hauled-In Wastestreams – (based upon water usage) Rate Per 1,000 Gallons:

First	5,600 gallons	\$12.74 <u>12.184</u>
Next	9,400 gallons	\$11.34 <u>10.845</u>
All over	15,000 gallons	\$8.83 <u>28.442</u>

All other users, except Hauled-In Wastestreams users, shall pay a minimum rate in accordance with the following applicable size water meter installed, for which the user will be entitled to sewerage service based upon the above schedule of metered water usage, with minimum as set forth below.

Water Meter Size	Rate	Minimum Gallons
5/8 Inch	\$71.38 <u>68.232</u>	5,600
3/4 Inch	\$71.38 <u>68.232</u>	5,600
1 Inch	\$125.39 <u>119.850</u>	10,360
1 1/4 Inch	\$179.19 <u>171.267</u>	15,130
1 1/2 Inch	\$241.72 <u>231.039</u>	22,210
2 Inch	\$402.48 <u>384.687</u>	40,410
3 Inch	\$849.24 <u>811.696</u>	90,990
4 Inch	\$1,429.99 <u>1,366.770</u>	156,740
6 Inch	\$3,216.68 <u>3,074.464</u>	359,020

C) Hauled-in Waste	Not to fall below	\$61.59
Hauled-in Waste based on per total gallons from Job Tickets for month		

Re-Connection Fee – To restore service following disconnection for failure to pay bill in accordance with IURC rules for utility:

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Returned Check Charge – All checks or other negotiable instruments returned for insufficient funds from a financial institution shall be assessed a fee of \$20.00.

Exhibit 3

Aqua Indiana - South Haven Sewer Works
Cause 45032
Tax Cuts & Jobs Act 2017
Rate Reduction

	Current
1) Operating Revenues - subject to rate change	3,800,480
2) Operating Revenues - not subject to rate change	194,703
3) Operating Revenues - Total	3,995,183
4) Operating and Maintenance Expense	2,126,089
5) Depreciation Expense	397,009
6) Amortization Expense	-
7) Taxes Other Than income Tax Exp	270,393
8) State Income tax expense	83,259
9) Total above the line deductions	2,876,750
10) Balance	1,118,433
11) Interest Expense	278,006
12) Taxable Income	840,427
13) FIT at previous rate	35% 294,149
14) FIT at current rate	21% 176,490
15) Total reduction in FIT	117,660
16) Revenue Conversion (See attached schedule)	1.42813658
17) Revenue Impact	168,034
18) Percentage decrease	4.42%

Net Operating Income allowed in Cause 43609 - U	<u>824,285</u>
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Calculated Net Operating Income:

Line 12 above	840,427
Add Line 11 above	278,006
Less Line 13 above	<u>(294,149)</u>
Calculated Net Operating Income	<u>824,284</u>

Aqua Indiana - South Haven Sewer Works
Cause 45032
Tax Cuts & Jobs Act 2017
Rate Reduction

CAUSE NUMBER 45032

Gross Revenue Conversion Factor

		<u>At Previous FIT Rate</u>	<u>At Current FIT Rate</u>	% of Gross Up		
1	Gross revenue Change	100.0000%	100.0000%			168034.2
2	Less: Bad Debt Rate	1.5057%	1.5057%	1.506%	5.023%	8439.634
3	Sub-total	98.4943%	98.4943%			
4	Less: IURC Fee	0.11892500%	0.11892500%	0.119%	0.397%	666.5893
5	Income Before State Income taxes	98.3753750%	98.3753750%			
6	Less: State Income Tax (8.5% of Line 5	8.36190000%	8.36190000%	8.362%	27.893%	46869.48
7	Utility Receipts Tax (1.4% of Lin	1.37890000%	1.37890000%	1.379%	4.600%	7728.905
8	Income before Federal income Taxes	88.63457500%	88.63457500%			
9	Less: Federal income Tax (35% of Line	31.02210125%	18.61326100%	18.613%	62.088%	104329.6
10	Change in Operating Income	57.61247375%	70.02131400%	29.979%	100.000%	168034.2
11	Gross Revenue Conversion Factor	173.5735220%	142.8136580%			