



March 26, 2018

Via Electronic Filing

Ms. Mary Becerra
Secretary of the Commission
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 East
Indianapolis, Indiana 46204

***RE: Aqua Indiana-South Haven, Inc.'s 30-Day Filing Pursuant to 170 IAC 1-6-1 et seq., Cause No. 45032
South Haven Division***

Dear Ms. Becerra:

Pursuant to and necessitated by the Indiana Utility Regulatory Commission's (the "Commission") February 16, 2018 Order in Cause No. 45032, Aqua Indiana-South Haven, Inc. ("Aqua Indiana" or the "Company") hereby submits for Commission approval proposed revised tariff sheets ("Proposed Tariff Sheets") reflecting the tax rate applicable to Aqua Indiana's South Haven Division as a result of the Tax Cuts and Jobs Act of 2017 (the "Act"). As set forth in the Commission's February 16, 2018 Order, pursuant to 170 IAC 1-6-3(8), this submission is being made in accordance with 170 IAC 1-6, the Commission's Thirty-Day Administrative Filing Procedures and Guidelines Rule.

The purpose of Aqua Indiana's filing is to request Commission approval and authorization to apply the schedule of rates and charges set forth on the Proposed Tariff Sheets attached hereto as Exhibit 1 to its South Haven Division.

Also pursuant the Commission's February 16, 2018 Order in Cause No. 45032, Aqua Indiana's South Haven Division requests Commission approval the cost option set forth in 170 IAC 8.5-4-32(a)(2). Aqua Indiana intends to treat the federal income tax associated with a main extension incurred by it as investment in plant, booking 100% of it as a deferred tax asset.

In support of this filing, Aqua Indiana is submitting Exhibit 1 referenced above, as well as a redline of the Proposed Tariff Sheets reflecting the requested revisions, which is attached hereto as Exhibit 2. Work papers supporting the filing are attached hereto as Exhibit 3. A verified statement by Aqua Indiana affirming that customers have been notified as required by 170 IAC 1-6-5(a)(5), stating in detail the means used for notification, and copies of any written means of communication are attached hereto as Exhibit 4. By copy of this letter, the Indiana Office of Utility Consumer Counselor is being provided with a copy of this filing.



In accordance with 170 IAC 1-6-5(a)(2), contact information for the utility regarding this filing is as follows:

Bobby D. Estep
Controller
Aqua Indiana, Inc.
14421 Illinois Road
Fort Wayne, Indiana 46814
(260) 625-4700
BDEstep@aquaamerica.com

Mark R. Alson (Atty No. 27724-64)
Ice Miller LLP
One American Square, Suite 2900
Indianapolis, Indiana 46282
(317) 236-2263
mark.alson@icemiller.com

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

Sincerely,

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

Bobby D. Estep
Controller
Aqua Indiana, Inc.

Encl.

cc: (w/ encl. – via email transmission)
Daniel M. LeVay, Office of Utility Consumer Counselor
(dlevay@oucc.in.gov, infomgt@oucc.in.gov)

Exhibit 1

SCHEDULE OF SEWER RATES AND CHARGES - S-3

Applicability: Applicable to current and future customers receiving water utility service from system operated by the South Haven Division of Aqua Indiana, Inc. and previously operated by South Haven Sewer Works, Inc. in Porter County, Indiana.

A) GENERAL SERVICE RATES

Flat Rate – Per Month
 Single family residence per month \$72.94

B) METERED COMMERCIAL RATES – PER MONTH

Metered Rates – Per Month

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

First	5,600 gallons	\$12.212
Next	9,400 gallons	\$10.870
All over	15,000 gallons	\$8.461

All other users, except Hauled-In Waste Streams 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	\$68.385	5,600
3/4 Inch	\$68.385	5,600
1 Inch	\$120.120	10,360
1 1/4 Inch	\$171.653	15,130
1 1/2 Inch	\$231.560	22,210
2 Inch	\$385.554	40,410
3 Inch	\$813.525	90,990
4 Inch	\$1,369.851	156,740
6 Inch	\$3,081.395	359,020

C) HAULED-IN WASTE

Not to fall below (per 1,000 gallons) \$59.00
 Hauled-in Waste based on per total gallons from Job Tickets for month

D) NON-RECURRING CHARGES

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

New Connection Charges – To establish service for first time at a location:

Tap Fee – for connection at lot line per residence	\$400.00
System Development Charge	\$820.00

Collection and Late Payment Charge –The Company will collect a collection or deferred payment charge of 10% on the first \$3.00 of a delinquent amount, and 3% of the delinquent amount in 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

SCHEDULE OF SEWER RATES AND CHARGES - S-3

Applicability: Applicable to current and future customers receiving water utility service from system operated by the South Haven Division of Aqua Indiana, Inc. and previously operated by South Haven Sewer Works, Inc. in Porter County, Indiana.

A) GENERAL SERVICE RATES

Flat Rate – Per Month

Single family residence per month ~~\$76.86~~72.94

B) METERED COMMERCIAL RATES – PER MONTH

Metered Rates – Per Month

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

First	5,600 gallons	\$12.86 <u>12.212</u>
Next	9,400 gallons	\$11.45 <u>10.870</u>
All over	15,000 gallons	\$8.91 <u>58.461</u>

All other users, except Hauled-In Waste Streams 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	\$72.06 <u>468.385</u>	5,600
3/4 Inch	\$72.06 <u>468.385</u>	5,600
1 Inch	\$126.58 <u>2120.120</u>	10,360
1 1/4 Inch	\$180.88 <u>7171.653</u>	15,130
1 1/2 Inch	\$244.00 <u>5231.560</u>	22,210
2 Inch	\$406.27 <u>5385.554</u>	40,410
3 Inch	\$857.24 <u>7813.525</u>	90,990
4 Inch	\$1,443.47 <u>31,369.851</u>	156,740
6 Inch	\$3,247.00 <u>03,081.395</u>	359,020

C) HAULED-IN WASTE Not to fall below (per 1,000 gallons) ~~\$61.59~~59.00
 Hauled-in Waste based on per total gallons from Job Tickets for month

D) NON-RECURRING CHARGES

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

New Connection Charges – To establish service for first time at a location:

Tap Fee – for connection at lot line per residence	\$400.00
System Development Charge	\$820.00

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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		3,995,183
2) Operating and Maintenance Expense		2,126,089
3) Depreciation Expense		397,009
4) Amortization Expense		-
5) Taxes Other Than income Tax Exp		270,393
6) State Income tax expense		83,259
7) Total above the line deductions		2,876,750
8) Balance		1,118,433
9) Interest Expense		278,006
10) Taxable Income		840,427
11) FIT at previous rate	35%	294,149
12) FIT at current rate	21%	176,490
13) Total reduction in FIT		117,660
14) Revenue Conversion (See attached schedule)		1.42813658
15) Revenue Impact		168,034
16) Percentage decrease		4.21%

Net Operating Income allowed in Cause 43974 824,285

Calculated Net Operating Income:

Line 10 above	840,427
Add Line 9 above	278,006
Less Line 11 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>
1	Gross revenue Change	100.0000%	100.0000%
2	Less: Bad Debt Rate	1.5057%	1.5057%
3	Sub-total	98.4943%	98.4943%
4	Less: IURC Fee	0.11892500%	0.11892500%
5	Income Before State Income taxes	98.3753750%	98.3753750%
6	Less: State Income Tax (8.5% of Line 5	8.36190000%	8.36190000%
7	Utility Receipts Tax (1.4% of Lin	1.37890000%	1.37890000%
8	Income before Federal income Taxes	88.63457500%	88.63457500%
9	Less: Federal income Tax (35% of Line	31.02210125%	18.61326100%
10	Change in Operating Income	57.61247375%	70.02131400%
11	Gross Revenue Conversion Factor	173.5735220%	142.8136580%

Exhibit 4

VERIFIED STATEMENT IN SUPPORT OF 30-DAY FILING

TO THE INDIANA UTILITY REGULATORY COMMISSION

- Aqua Indiana-South Haven, Inc. (“Aqua Indiana”) is requesting Commission approval of proposed revised tariff sheets for its South Haven Division in Porter County, Indiana. Notice has been provided to affected customers in accordance with 170 IAC 1-6-6.
- Specifically, beginning on March 23, 2018, and continuing through the filing date, a Legal Notice was posted on Aqua Indiana’s website at <https://www.aquaamerica.com/our-states/indiana.aspx>. Aqua Indiana posted a Legal Notice in a public place at its local customer service office in Porter County, Indiana.
- A Legal Notice was also published in the Northwest Indiana Times on March 23, 2018.
- A copy of the above-referenced legal notice is attached as Exhibit A.

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Dated this 23 day of March, 2018.



Bobby D. Estep, Controller
Aqua Indiana, Inc.

Exhibit A

Aqua Indiana-South Haven, Inc. South Haven Division
Legal Notice of 30-Day Filing

PUBLIC NOTICE is hereby given that on or about March 26, 2018, Aqua Indiana-South Haven, Inc. (“Aqua Indiana” or the “Company”) will submit a proposed revised Schedule of Rates and Charges to the Indiana Utility Regulatory Commission (“Commission”) for approval under its 30-Day Filing procedures, 170 IAC 1-6-1, *et seq.* The referenced filing will affect only those Aqua Indiana customers in its South Haven Division located in Porter County, Indiana. The Company will seek Commission approval of a reduction to its rates and charges for sewer service to reflect the impact of the change in the federal income tax rate.

A copy of the proposed revised Schedule of Rates and Charges will be on file with the Commission on or about March 26, 2018. A decision on the 30-Day Filing is anticipated at least thirty days after March 26, 2018. Any objection to the filing should be directed to (a) the Secretary of the Indiana Utility Regulatory Commission, PNC Center, 101 West Washington Street, Suite 1500 East, Indianapolis, Indiana 46204 or (b) the Indiana Office of Utility Consumer Counselor, PNC Center, 115 West Washington Street, Suite 1500 South, Indianapolis, Indiana 46204.