



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, Inc.'s 30-Day Filing Pursuant to 170 IAC 1-6-1 et seq.  
Cause No. 45032  
Wildwood Shores 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, 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 Wildwood Shores 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 Wildwood Shores Division.

Also pursuant the Commission's February 16, 2018 Order in Cause No. 45032, Aqua Indiana's Wildwood Shores 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](mailto: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](mailto: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". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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](mailto:dlevay@oucc.in.gov), [infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov))

# Exhibit 1

**SCHEDULE OF SEWER RATES AND CHARGES - S-5**

Applicability: Applicable to current and future customers receiving water utility service from system operated by the Wildwood Shores Division of Aqua Indiana, Inc. and previously operated by Wildwood Shores Utilities Corporation in Morgan County, Indiana.

**RATES FOR SINGLE FAMILY RESIDENTIAL AND COMMERCIAL CUSTOMERS**

Sanitary Sewage Disposal Service, Flat Rate	\$ 76.80 per month per equivalent dwelling unit
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**RATE FOR SCHOOL CUSTOMERS**

Unmetered Flat Monthly Rate, during school year	\$ 1.76 per school user, based on average daily attendance
Unmetered Flat Monthly Rate, when school is not in session	\$ 123.45 per month

**NON-RECURRING RATES**

Disconnect/Reconnect Charge	\$ 875
New Tap Inspection Fee	\$ 175

**LATE PAYMENT PENALTY FEE**

The Company will collect a late payment charge in the amount of ten percent (10%) of the first three dollars (\$3.00) of a delinquent amount and three percent (3%) of the delinquent amount in excess of three dollars (\$3.00).

**SYSTEM DEVELOPMENT CHARGE**

System Development Charge	\$ 2,800 per equivalent dwelling unit
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A system development charge will be billed for each new connection to the system. One-half of the system development charge is to be paid upon request for service and one-half to be paid upon connection of service.

# Exhibit 2



# Exhibit 3

Aqua Indiana - Wildwood Shores  
Cause 45032  
Tax Cuts & Jobs Act 2017  
Rate Reduction

		Current
1) Operating Revenues		167,854
2) Operating and Maintenance Expense		54,310
3) Depreciation Expense		27,611
4) Amortization Expense		-
5) Taxes Other Than income Tax Exp		17,373 See attached schedule
6) State Income tax exepense		3,158
7) Total above the line deductions		102,452
8) Balance		65,402
9) Interest Expense		31,411
10) Taxable Income		33,991
11) FIT at previous rate	35%	11,897
12) FIT at current rate	21%	7,138
13) Total reduction in FIT		4,759
14) Revenue Conversion (See attached schedule)		1.41017866
15) Revenue Impact		6,711
16) Percentage decrease		4.00%

Net Operating Income allowed in Cause 43699 - U 53,448

Calculated Net Operating Income:

Line 10 above		33,991
Add Line 9 above		31,411
Less Line 11 above		<u>(11,897)</u>
Calculated Net Operating Income		<u>53,505</u>

Aqua Indiana - Wildwood Shores  
Cause 45032  
Tax Cuts & Jobs Act 2017  
Rate Reduction

**CAUSE NUMBER 45032**

**Gross Revenue Conversion Factor**

		<b><u>At Previous FIT Rate</u></b>	<b><u>At Current FIT Rate</u></b>
1	Gross revenue Change	100.0000%	100.0000%
2	Less: Bad Debt Rate	0.2650%	0.2650%
3	Sub-total	99.7350%	99.7350%
4	Less: IURC Fee	0.10735990%	0.10735990%
5	Income Before State Income taxes	99.6276401%	99.6276401%
6	Less: State Income Tax (8.5% of Line 5	8.4683%	8.4683%
7	Utility Receipts Tax (1.4% of Line 5	1.3963%	1.3963%
8	Income before Federal income Taxes	89.7630%	89.7630%
9	Less: Federal income Tax (35% of Line 8	31.4171%	18.8500%
10	Change in Operating Income	58.3460%	70.9130%
11	Gross Revenue Conversion Factor	171.3915%	141.0179%

Aqua Indiana - Wildwood Shores  
 Cause 45032  
 Tax Cuts & Jobs Act 2017  
 Taxes Other

	Per OUCC Schedule 4	Adj's for capped increase
Payroll tax	\$ 1,953	\$ 1,953
Property Tax	\$ 12,890	\$ 12,890
Utility Receipts Tax	\$ 3,125	\$ 2,350
IURC Fee	\$ <u>271</u>	\$ <u>180</u>
	\$ 18,239	\$ 17,373

Calculations:

Utility Receipts Tax

Revenues	\$ 167,854
Times: Rate	<u>1.40%</u>
	\$ 2,350

IURC Fee

Revenues	\$ 167,854
Times: Rate	<u>0.1073599%</u>
	\$ 180

# Exhibit 4

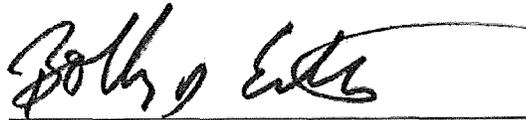
**VERIFIED STATEMENT IN SUPPORT OF 30-DAY FILING**

TO THE INDIANA UTILITY REGULATORY COMMISSION

- Aqua Indiana, Inc. ("Aqua Indiana") is requesting Commission approval of proposed revised tariff sheets for its Wildwood Shores Division in Morgan 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 has no local customer service office in or around Morgan County, Indiana.
- A Legal Notice was also published in the Reporter Times on March 24, 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 24 day of March, 2018.



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Bobby D. Estep, Controller  
Aqua Indiana, Inc.

# Exhibit A

**Aqua Indiana, Inc. Wildwood Shores Division**  
**Legal Notice of 30-Day Filing**

PUBLIC NOTICE is hereby given that on or about March 26, 2018, Aqua Indiana, 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 Wildwood Shores Division located in Morgan 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.