



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
Lake County (Sewer) 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 Lake County (Sewer) 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 Lake County (Sewer) Division.

Also pursuant the Commission's February 16, 2018 Order in Cause No. 45032, Aqua Indiana's Lake County (Sewer) 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-1

Applicability: Applicable to current and future customers receiving wastewater utility service from system operated by the Lake County Division of Aqua Indiana, Inc. and previously operated by Consumers Indiana Water Company in Lake County, Indiana.

1. MONTHLY RATES

Available to Residential and Commercial Users who also take water service from the Company.

Residential Users

Single Family	\$43.22 per unit*
Multiple Family	\$32.33 per unit*

Available only to those Residential and Commercial Users who do not have water service from the Company available to them.

Residential Users

Single Family	\$43.22 per unit*
Multiple Family	\$32.33 per unit*
Commercial User.....	\$2.56* per 1,000 gallons based on measurement device furnished by user and approved by Company

2. BILLING TERMS

Billings will be made on the basis of the above rates and are due and payable at the stated rates. All delinquent bills shall be increased by ten percent (10%) of the first \$3.00 of the delinquent amount and three percent (3%) of the delinquent amount in excess of \$3.00.

*Subject to the sewer tracking factor in Appendix A

Appendix A

Lake County– Sewer Division
Schedule of Sewer Rates and Charges

Sewer Tracking Adjustment – The Sewer tracking factor set forth in this schedule is applicable where clearly denoted on other rate schedules and shall be occasioned solely by changes in the wholesale cost of wastewater treatment.

Sewer Tracking Rate (Commercial Only).....\$2.47 per 1,000 gallons

Sewer Tracking Flat Rate (Residential Only).....\$16.16 per month

This tracker was approved by the Commission in conference on May 2, 2012.

Exhibit 2

SCHEDULE OF SEWER RATES AND CHARGES - S-1

Applicability: Applicable to current and future customers receiving wastewater utility service from system operated by the Lake County Division of Aqua Indiana, Inc. and previously operated by Consumers Indiana Water Company in Lake County, Indiana.

1. MONTHLY RATES

Available to Residential and Commercial Users who also take water service from the Company.

Residential Users	
Single Family	\$45.07 <u>43.22</u> per unit*
Multiple Family	\$33.71 <u>32.33</u> per unit*

Available only to those Residential and Commercial Users who do not have water service from the Company available to them.

Residential Users	
Single Family	\$45.07 <u>43.22</u> per unit*
Multiple Family	\$33.71 <u>32.33</u> per unit*
Commercial User.....	\$2.67 <u>2.56</u> * per 1,000

gallons

based on measurement device
furnished by user and
approved by Company

2. BILLING TERMS

Billings will be made on the basis of the above rates and are due and payable at the stated rates. All delinquent bills shall be increased by ten percent (10%) of the first \$3.00 of the delinquent amount and three percent (3%) of the delinquent amount in excess of \$3.00.

*Subject to the sewer tracking factor in Appendix A

Appendix A

Lake County– Sewer Division
Schedule of Sewer Rates and Charges

Sewer Tracking Adjustment – The Sewer tracking factor set forth in this schedule is applicable where clearly denoted on other rate schedules and shall be occasioned solely by changes in the wholesale cost of wastewater treatment.

Sewer Tracking Rate (Commercial Only).....	\$2.47 per 1,000 gallons
Sewer Tracking Flat Rate (Residential Only).....	\$16.16 per month.

This tracker was approved by the Commission in conference on May 2, 2012.

Exhibit 3

Aqua Indiana - Lake County Sewer
Cause 45032
Tax Cuts & Jobs Act 2017
Rate Reduction

		Current
1) Operating Revenues		473,407
2) Operating and Maintenance Expense		323,891
3) Depreciation Expense		10,081
4) Amortization Expense		-
5) Taxes Other Than income Tax Exp		32,248
6) State Income tax expense		6,433
7) Total above the line deductions		372,653
8) Balance		100,754
9) Interest Expense		2,162
10) Taxable Income		98,592
11) FIT at previous rate	35%	34,507
12) FIT at current rate	21%	20,704
13) Total reduction in FIT		13,803
14) Revenue Conversion (See attached schedule)		1.40819858
15) Revenue Impact		19,437
16) Percentage decrease		4.11%

Calculated Net Operating Income:		
Line 10 above		98,592
Add Line 9 above		2,162
Less Line 11 above		<u>(34,507)</u>
Calculated Net Operating Income		<u><u>66,247</u></u>

The Lake County Division of Aqua Indiana, previously known as Consumers Indiana Water Company, sewer rates were approved under Cause No. 42190 on June 19, 2002. The rates approved in that proceeding were rates that had been previously approved by the Illinois Commerce Commission for Consumers Indiana's affiliate, Consumers Illinois. Since these rates were set by the Illinois Commerce Commission, Aqua Indiana has no rate case records or schedules for use to calculate a rate adjustment. For the purpose of calculating a rate adjustment pursuant to Cause No. 45032, Aqua Indiana used its year ending 2017 operating results.

Aqua Indiana - Lake County Sewer
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	0.1130%	0.1130%
3	Sub-total	99.8870%	99.8870%
4	Less: IURC Fee	0.118791%	0.118791%
5	Income Before State Income taxes	99.7682%	99.7682%
6	Less: State Income Tax (8.5% of Line 5	8.4803%	8.4803%
7	Utility Receipts Tax (1.4% of Lin	1.3984%	1.3984%
8	Income before Federal income Taxes	89.8895%	89.8895%
9	Less: Federal income Tax (35% of Line	31.4613%	18.8768%
10	Change in Operating Income	58.4282%	71.0127%
11	Gross Revenue Conversion Factor	171.15023%	140.81986%

(Revenue Conversion Factor used in Lake County Water Cause No. 43962-U)

Exhibit 4

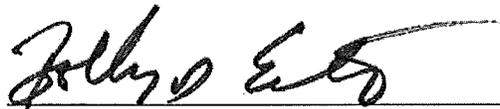
VERIFIED STATEMENT IN SUPPORT OF 30-DAY FILING

TO THE INDIANA UTILITY REGULATORY COMMISSION

- Aqua Indiana, Inc. (“Aqua Indiana”) is requesting Commission approval of proposed revised tariff sheets for its Lake County (Sewer) Division in Lake 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 Lake 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, Inc. Lake County 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 Lake County Division located in Lake 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.