



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 (Water) 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 (Water) 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 (Water) Division.

Also pursuant the Commission's February 16, 2018 Order in Cause No. 45032, Aqua Indiana's Lake County (Water) Division requests Commission approval the cost option set forth in 170 IAC 6-1.5-33(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 WATER RATES AND CHARGES - W-2

Applicability: Applicable to current and future customers receiving water 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. CUSTOMER CHARGES

All metered general water service customers shall pay a customer charge based on the size of meter or meters installed regardless of the amount of water used.

Meter Size Monthly Charge	<u>Monthly Charge</u>	
	Positive Displacement	Turbine
5/8"	\$7.80	
3/4"	17.40	
1"	20.97	
1 1/2"	39.31	
2"	58.97	
3"	107.46	\$124.50
4"	175.61	210.99
6"	347.29	431.16
8"	551.73	542.55
10"	790.25	996.00
12"	1,221.40	1,473.02

When two or more meters are installed or parallel the customer charges will be based on one meter size larger.

2. USAGE CHARGES

The following shall be the rates for water usage and are in addition to the customer charge and public fire protection charge.

<u>Monthly Usage – Gallons</u>	<u>Rates per 1,000 Gallons</u>
First 10,000	\$4.96*
Over 10,000	\$2.17*

Multiply units – When multiple units are served by one meter, the above usage rates shall be applied on a "per unit" basis.

3. PUBLIC FIRE PROTECTION CHARGES

Application to all metered water service customers (except for Sales for Resale) located in a municipality, township, or fire protection district in which public fire hydrants are connected to Company's water mains.

Monthly Charge

All metered water service customers (except Sales for Resale) located in a municipality, township, or fire protection district in which public fire hydrants are connected to Company's water mains shall pay a Public Fire Protection Service Charge in the amount as set forth below, such charge being in addition to the rates and charges set forth elsewhere in this tariff for regular water service.

<u>Location</u>	<u>5/8"</u>	<u>3/4"</u>	<u>1"</u>	<u>1 1/2" & Larger</u>
Lake County	0.77	1.15	1.93	3.84

* Subject to the water tracking factor in Appendix A.

4. WATER PLANT FUND

All applications for new water service connections shall be accompanied by a contribution as follows:

Domestic:

Single Family Residence	\$200.00
Apartment – 3 Bedroom.....	\$200.00
Apartment – 2 Bedroom.....	\$150.00
Apartment – 1 Bedroom.....	\$100.00
Apartment – Efficiency.....	\$50.00
Mobile Home.....	\$120.00

Commercial and Industrial:

Each 100 gals. per day average usage..... \$50.00

In the case of commercial and industrial customers, the initial determination of the amount of contribution will be made by the Company based on information supplied by the prospective customer relating to quantities of water to be used. If, during the period of water service to such customers, the quantity of water actually used by such customer is found to be substantially (more than 10%) different from originally estimated, the contribution required herein will be recomputed based on actual usage and the difference between the original contribution and the recomputed contribution will be paid by the customer if the recomputed contribution is higher or refunded by the Company if the recomputed contribution is lower.

All contributions received by the Company in accordance with this Rule will be identified as such on the books of the Company and will be used only for the purpose of providing additional source of supply, pumping, purification, storage or water transmission facilities. Any such facilities provided will at all times be the property of the Company.

MISCELLANEOUS CHARGES

Miscellaneous charges shall be as stated in the Rules, Regulations and Conditions of Service on file with the Commission or as set forth below:

The reconnection fee charged by the Company shall be \$25.00.

The charge for the testing of meters one inch (1") and smaller shall be \$7.50, and the charge for the testing one and one-quarter (1¼") and two inch (2") meters will be \$15.00.

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

The minimum charge for water provided for building and construction purposes shall be \$5.00, payable in advance.

Appendix A

Lake County Water Division
Schedule of Water Rates and Charges

Water Tracking Adjustment – The water 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 water, in accordance with 170 IAC 6-5-1.

Water Tracking Rate\$2.10 per 1,000 gallons

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

Exhibit 2

SCHEDULE OF WATER RATES AND CHARGES - W-2

Applicability: Applicable to current and future customers receiving water 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. CUSTOMER CHARGES

All metered general water service customers shall pay a customer charge based on the size of meter or meters installed regardless of the amount of water used.

<u>Monthly Charge</u>	<u>Meter Size</u>	<u>Positive Displacement</u>	<u>Positive Turbine</u>	<u>Monthly Charge</u>	<u>Turbine</u>
<u>Monthly Charge</u>	<u>Meter Size</u>	<u>Displacement</u>			<u>Turbine</u>
\$ 8.18	5/8"	17.88			
17.40	3/4"	22.00			
20.97	1"	41.25			
39.31	1 1/2"	61.88			
58.97	2"	112.76		\$ 130.63	
107.46	3"	184.26		221.39	
175.61	4"	364.40		452.41	
347.29	6"	578.92		569.29	
551.73	8"	829.19		1,045.08	
790.25	10"	1,281.59		1,473.02	
1,221.40	12"				

When two or more meters are installed or parallel the customer charges will be based on one meter size larger.

2. USAGE CHARGES

The following shall be the rates for water usage and are in addition to the customer charge and public fire protection charge.

<u>Monthly Usage – Gallons</u>	<u>Rates per 1,000 Gallons</u>
First 10,000	\$5.20 <u>*4.96*</u>
Over 10,000	\$2.28 <u>*2.17*</u>

Multiply units – When multiple units are served by one meter, the above usage rates shall be applied on a "per unit" basis.

3. PUBLIC FIRE PROTECTION CHARGES

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<u>Location</u>	<u>5/8"</u>	<u>3/4"</u>	<u>1"</u>	<u>1 1/2" & Larger</u>
Lake County	0.81 <u>0.77</u>	1.21 <u>1.15</u>	2.02 <u>1.93</u>	4.03 <u>3.84</u>

* Subject to the water tracking factor in Appendix A.

4. WATER PLANT FUND

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Water Tracking Rate\$2.10 per 1,000 gallons

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

Exhibit 3

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

		Current
1) Operating Revenues		305,032
2) Operating and Maintenance Expense		147,111
3) Depreciation Expense		33,180
4) Amortization Expense		-
5) Taxes Other Than income Tax Exp		19,078
6) State Income tax expense		7,139
7) Total above the line deductions		206,508
8) Balance		98,524
9) Interest Expense		25,863
10) Taxable Income		72,661
11) FIT at previous rate	35%	25,431
12) FIT at current rate	21%	15,259
13) Total reduction in FIT		10,173
14) Revenue Conversion (See attached schedule)		1,408,198.58
15) Revenue Impact		14,325
16) Percentage decrease		4.70%

Net Operating Income allowed in Cause 43962-U 73,091

Calculated Net Operating Income:

Line 10 above		72,661
Add Line 9 above		25,863
Less Line 11 above		<u>(25,431)</u>
Calculated Net Operating Income		<u>73,093</u>

Aqua Indiana - Lake County Water
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%

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 (Water) 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 water 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.