



Received: March 26, 2018
IURC 30-Day Filing No.: 50163
Indiana Utility Regulatory Commission

David L. Pippen
General Counsel
Indiana-American Water Company, Inc.
153 Emerson Avenue
Greenwood, IN 46142-0570
(317) 807-2460
David.Pippen@amwater.com

March 26, 2018

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

Dear Ms. Becerra:

Pursuant to the Commission's Order dated February 16, 2018 in Cause No. 45032, Indiana American Water Company, Inc. ("Indiana American") was ordered to submit a tariff pursuant to this Commission's 30-day filing procedure set forth in 170 IAC 1-6 that would reflect the effects of the reduction in the federal income tax rate implemented by the Tax Cuts and Jobs Act, had the reduced rate been reflected in Indiana American's last general rate case. The Order confirms that this submission may be withdrawn pursuant to 170 IAC 1-6-8 at any time before it has been approved. Indiana American's right to withdraw this tariff is further confirmed by the Docket Entry issued in this Cause on March 7, 2018. Since this Commission is, by rule, prohibited from taking action on this submission for at least thirty (30) days, Indiana American understands it has at least that long to exercise its rights to withdraw. This submission is made pursuant to the Commission's Order, 170 IAC 1-6, and the Commission's Docket Entry of March 7, 2018. This filing is a permissible filing within the meaning of 170 IAC 1-6-3(7) and (8).

Enclosed herewith please find the required tariff submission in redline and clean form, along with workpapers setting forth the calculation. Further, submitted herewith is a verified declaration indicating arrangements have been made to provide notice pursuant to 170 IAC 1-6-6. Indiana American does not have local customer service offices.

Should there be any questions, please do not hesitate to ask. Communications regarding this filing can be directed to my attention using the contact information provided above.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Pippen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David L. Pippen

Enclosures
DMS 11396702v1

**Verified Statement of Indiana-American Water Company, Inc.
Concerning Notification of Customers Affected by March 26, 2018 30-Day Filing**

Indiana-American Water Company, Inc. ("Indiana American") complied with the Notice Requirements under 170 IAC 1-6-6 in the following manner:

- (1) The attached notice was posted on Indiana American's website under "Your Water Rates" (<https://amwater.com/inaw/customer-service-billing/your-water-rates>);
- (2) I have caused to be published a legal notice in the Northwest Indiana Times, a newspaper of general circulation that has a circulation encompassing the highest number of Indiana American's customers; and
- (3) I affirm under the penalties for perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Dated this 26th day of March, 2018.



Joe Loughmiller
External Affairs Manager

Legal Notice

To all customers of Indiana American Water Company: Please take note that pursuant to the Commission's Order dated February 16, 2018 in Cause No. 45032, Indiana American Water Company, Inc. ("Indiana American") was ordered to submit a tariff pursuant to the Commission's 30-day filing procedure set forth in 170 IAC 1-6 that would reflect the effects of the reduction in the federal income tax rate implemented by the Tax Cuts and Jobs Act, had the reduced rate been reflected in Indiana American's last general rate case. The submission will be filed on March 26, 2018. The Order does not constitute a general rate case review and confirms that the submission may be withdrawn pursuant to 170 IAC 1-6-8 at any time before it has been approved. Indiana American's right to withdraw this tariff is further confirmed by the Docket Entry issued in Cause No. 45032 on March 7, 2018.

Since this Commission is, by rule, prohibited from taking action on this submission for at least thirty (30) days, Indiana American has at least that long to exercise its rights to withdraw. If the submission is not withdrawn and if it is approved, the impact on your bill will vary based on the amount of usage, but the Company believes this change may reduce your current bill and/or impact of any future required increase to cover costs. If the submission is not withdrawn, the Commission cannot approve it sooner than April 25, 2018.

If you have any questions about this Notice please contact the Company at:

Indiana American Water Company
153 North Emerson Avenue
Greenwood, IN 46143
Phone: (317) 807-2460

Or you may contact the Indiana Utility Regulatory Commission at:

Secretary to the IURC
PNC Center
101 West Washington Street
Indianapolis, IN 46204
(317) 232-2701

Or you may contact the Office of Utility Consumer Counselor at:

Office of Utility Consumer Counselor
PNC Center
115 West Washington Street
Suite 1500 South
Indianapolis, IN 46204
(317) 232-2494

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE

Available For

All general water service customers except sale for resale customers.

Billing Frequency

Bills for general water service shall be rendered on a monthly basis. The following sets forth the schedules of volumetric rates on a monthly basis.

Volumetric Rates

The following shall be the rates for consumption:

Area One Group includes: Crawfordsville, Johnson County, Kokomo, Merom, Muncie, Newburgh, Noblesville, Northwest, Richmond, Russiaville, Seymour, Shelbyville, Somerset, Southern Indiana, Sullivan, Summitville, Wabash, Wabash Valley, Warsaw, Waveland, West Lafayette, and Yankeetown

Area Two Group includes: Mooresville and Winchester

Area One Group:

	<u>Hundred Gallons</u>	<u>Rate Per 100 Gallons</u>
For the first	150	\$ 0.41819
For the next	37,250	0.33731
For all over	37,400	0.19230

Area Two Group:

For the first	150	\$ 0.36259
For the next	37,250	0.26600
For all over	37,400	0.17484

Note: Unless specified rates are for all areas.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE (CONT'D)

Yankeetown Surcharge

A \$10.00 per customer surcharge is applicable to all general water service customers that were taking service through the Yankeetown system as of March 26, 2014. Pursuant to the Commission's final order in Cause No. 44400 this surcharge will remain in effect through April 28, 2024.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE AND
SALE FOR RESALE

Customer Charge

All metered general water service and sale for resale customers shall pay a Customer Charge based on the size of meter installed (or multiple meters installed--in which case, the charge is based on the total of all meters installed). The Customer Charge rates are listed below and do not include any allowance for water usage.

<u>Size of Meter</u>	<u>Monthly</u>	
	<u>Customer Charge*</u>	<u>Sale for Resale Only*</u>
5/8"	\$ 14.23	\$ 17.48
3/4"	19.82	24.82
1"	23.28	31.92
1-1/2"	33.67	51.72
2"	66.08	95.30
3"	94.55	146.64
4"	140.21	229.17
6"	235.00	419.75
8"	350.53	649.88
10"	538.71	1,029.89
12"	834.14	1,655.97

* Subject to the Distribution System Improvement Charge listed on Appendix A

Note: Unless specified rates are for all areas.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
SALE FOR RESALE

Available For

All sale for resale customers.

Billing Frequency

Bills for sales for resale service shall be rendered on a monthly basis. The following schedules of volumetric rates are set forth on a monthly basis.

Volumetric Rates

The following shall be the rates for consumption:

	<u>Hundred</u> <u>Gallons</u>	<u>Rate Per 100</u> <u>Gallons</u>
For the first	300,000	\$ 0.27075
For all over	300,000	0.24838

Note: Unless specified rates are for all areas.

CONTRACTED WATER SERVICE

Sale for resale customers taking service pursuant to a written contract shall honor any minimum purchase obligation set forth in said contract.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
FIRE SERVICE

PRIVATE FIRE SERVICE

For all districts the rates for private fire service are based upon the size of the service, and no additional charges will be made for fire hydrants, hose connections or standpipes connected to and supplied by such private fire services.

Monthly Rate per connection (flat rate, not metered)

<u>Size of Service</u>	<u>Monthly Charge</u>
2" Diameter	\$ 3.04
2-1/2" Diameter	5.45
3" Diameter	8.80
4" Diameter	18.76
6" Diameter	54.47
8" Diameter	116.10
10" Diameter	208.78
12" Diameter	337.24

Note: Unless specified rates are for all areas.

PRIVATE FIRE HYDRANT SERVICE

Available only to customers receiving private fire hydrant service.

Monthly Surcharge per hydrant - \$ 54.47

Note: Unless specified rates are for all areas.

Issued:

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153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
FIRE SERVICE

PUBLIC FIRE HYDRANTS

Each municipality or governmental entity responsible for public fire service in the areas listed below shall pay for each public fire hydrant within its boundaries.

Monthly surcharge per hydrant: \$63.12

Where applicable: Clarksville, Seymour, and Summitville.

PUBLIC FIRE PROTECTION SURCHARGE

Applicability

Applies to all customers, with the exception of Sale for Resale customers, not located within the boundaries of the governmental entities responsible for public fire service in the areas listed in Public Fire Hydrants. Applicable to any water customer, with the exception of Sale for Resale customers, located in areas within municipal boundaries or to any water customer within 1,000 feet of a public fire hydrant (measured from the hydrant to the nearest point on the property line of the customer) on the Company's distribution mains in areas not within municipal boundaries. In addition to the charges for water service under currently approved tariffs, a public fire protection surcharge shall be charged to, and collected from, each customer to whom said surcharge is hereby made applicable. If multiple meters are installed the surcharge(s) shall be based upon the total of all meters installed.

Size of Meter	Monthly Charge- Area One and Two	West Lafayette Only	Seymour Only
5/8"	\$ 4.54	\$ 3.18	\$ 3.98
3/4"	6.81	4.76	5.97
1"	11.33	7.94	9.95
1-1/2"	22.69	15.87	19.89
2"	36.29	25.40	31.82
3"	68.04	47.62	59.66
4"	113.40	79.37	99.43
6"	226.81	158.73	198.86
8"	362.89	253.98	318.17
10"	589.69	412.73	517.02
12"	975.27	682.58	855.08

Note: Unless specified rates are for all areas.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

INDIANA-AMERICAN WATER COMPANY, INC.
GREENWOOD, INDIANA

SCHEDULES OF RATES AND TARIFFS
FOR SEWER SERVICE
IN AND ADJACENT TO

SOMERSET
And
DELAWARE COUNTY (Muncie Sewer)

Issued: _____

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

SCHEDULE OF CHARGES FOR SEWER SERVICE

Availability

Available to any sewer Customer. Applicant must be located on Company's collecting mains suitable for supplying the service requested in Somerset and adjacent areas and Farmington and Farmington Meadows subdivisions located north of the City of Muncie in Delaware County and adjacent areas.

Rate per month: \$73.19

The equivalent daily usage per unit of a multi-family customer is equivalent to .70 of a single family residence. Accordingly, the number of units of a multi-family customer shall be multiplied by .70 to determine the billing units to be charged the monthly rate above.

Issued: _____

Effective: _____

Issued by: Deborah D. Dewey, President
153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE

Available For

All general water service customers except sale for resale customers.

Billing Frequency

Bills for general water service shall be rendered on a monthly basis. The following sets forth the schedules of volumetric rates on a monthly basis.

Volumetric Rates

The following shall be the rates for consumption:

Area One Group includes: Crawfordsville, Johnson County, Kokomo, Merom, Muncie, Newburgh, Noblesville, Northwest, Richmond, Russiaville, Seymour, Shelbyville, Somerset, Southern Indiana, Sullivan, Summitville, Wabash, Wabash Valley, Warsaw, Waveland, West Lafayette, and Yankeetown

Area Two Group includes: Mooresville and Winchester

Area One Group:

	<u>Hundred Gallons</u>	<u>Rate Per 100 Gallons</u>
For the first	150	\$ 0. 4181944057
For the next	37,250	0. 3373135536
For all over	37,400	0. 1923020259

Area Two Group:

For the first	150	\$ 0. 3625938200
For the next	37,250	0. 2660028024
For all over	37,400	0. 1748418420

Note: Unless specified rates are for all areas.

Issued:

Effective: _____

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 Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE (CONT'D)

~~Wabash Volumetric Rates:~~

	<u>Hundred</u> <u>Gallons</u>	<u>Rate Per</u> <u>100 Gallons</u> <u>Effective 1/29/15</u>	<u>Rate Per</u> <u>100 Gallons</u> <u>Effective 1/29/16</u>	<u>Rate Per</u> <u>100 Gallons</u> <u>Effective 1/1/17</u>
For the first	150	\$-0.40996	\$-0.43665	\$-0.44057
For the next	37,250	0.30575	0.33177	0.35536
For all over	37,400	0.18560	0.19483	0.20259

~~Wabash Monthly Charge:~~

<u>Size of Meter</u>	<u>Effective 1/29/15*</u>	<u>Effective 1/29/16*</u>	<u>Effective 1/1/17*</u>
5/8"	\$-14.46	\$-14.79	\$-14.99
3/4"	19.25	20.15	20.88
1"	24.78	24.75	24.53
1-1/2"	39.51	37.65	35.47
2"	67.61	68.88	69.62
3"	108.54	104.50	99.61
4"	169.61	159.33	147.71
6"	312.19	281.12	247.58
8"	484.21	428.67	369.29
10"	768.62	671.14	567.55
12"	1,239.33	1,063.98	878.79

~~* Subject to the Distribution System Improvement Charge listed on Appendix A~~

~~Note: Unless specified rates are for all areas.~~

Yankeetown Surcharge

A \$10.00 per customer surcharge is applicable to all general water service customers that were taking service through the Yankeetown system as of March 26, 2014. Pursuant to the Commission's final order in Cause No. 44400 this surcharge will remain in effect through April 28, 2024.

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CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE AND
SALE FOR RESALE

Customer Charge

All metered general water service and sale for resale customers shall pay a Customer Charge based on the size of meter installed (or multiple meters installed--in which case, the charge is based on the total of all meters installed). The Customer Charge rates are listed below and do not include any allowance for water usage.

<u>Size of Meter</u>	<u>Monthly</u>	
	<u>Customer Charge*</u>	<u>Sale for Resale Only*</u>
5/8"	\$ <u>14.23</u> 14.99	\$ <u>17.48</u> 18.42
3/4"	<u>19.82</u> 20.88	<u>24.82</u> 26.15
1"	<u>23.28</u> 24.53	<u>31.92</u> 33.63
1-1/2"	<u>33.67</u> 35.47	<u>51.72</u> 54.49
2"	<u>66.08</u> 69.62	<u>95.30</u> 100.40
3"	<u>94.55</u> 99.64	<u>146.64</u> 154.49
4"	<u>140.21</u> 147.74	<u>229.17</u> 241.44
6"	<u>235.00</u> 247.58	<u>419.75</u> 442.22
8"	<u>350.53</u> 369.29	<u>649.88</u> 684.67
10"	<u>538.71</u> 567.55	<u>1,029.89</u> 1,085.02
12"	<u>834.14</u> 878.79	<u>1,655.97</u> 1,744.61

* Subject to the Distribution System Improvement Charge listed on Appendix A

Note: Unless specified rates are for all areas.

Issued:

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 153 North Emerson Avenue
 Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
SALE FOR RESALE

Available For

All sale for resale customers.

Billing Frequency

Bills for sales for resale service shall be rendered on a monthly basis. The following schedules of volumetric rates are set forth on a monthly basis.

Volumetric Rates

The following shall be the rates for consumption:

	<u>Hundred</u> <u>Gallons</u>	<u>Rate Per 100</u> <u>Gallons</u>
For the first	300,000	\$ 0. 2707528524
For all over	300,000	0. 2483826167

Note: Unless specified rates are for all areas.

CONTRACTED WATER SERVICE

Sale for resale customers taking service pursuant to a written contract shall honor any minimum purchase obligation set forth in said contract.

Issued:

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Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
FIRE SERVICE

PRIVATE FIRE SERVICE

For all districts the rates for private fire service are based upon the size of the service, and no additional charges will be made for fire hydrants, hose connections or standpipes connected to and supplied by such private fire services.

Monthly Rate per connection (flat rate, not metered)

<u>Size of Service</u>	<u>Monthly Charge</u>
2" Diameter	\$ 3.043.20
2-1/2" Diameter	5.455.74
3" Diameter	8.809.27
4" Diameter	18.7649.76
6" Diameter	54.4757.39
8" Diameter	116.10422.34
10" Diameter	208.78249.96
12" Diameter	337.24355.29

Note: Unless specified rates are for all areas.

PRIVATE FIRE HYDRANT SERVICE

Available only to customers receiving private fire hydrant service.

Monthly Surcharge per hydrant - \$ ~~54.4757.39~~

Note: Unless specified rates are for all areas.

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153 North Emerson Avenue
Greenwood, Indiana 46143

CLASSIFICATION OF SERVICE
FIRE SERVICE

PUBLIC FIRE HYDRANTS

Each municipality or governmental entity responsible for public fire service in the areas listed below shall pay for each public fire hydrant within its boundaries.

Monthly surcharge per hydrant: \$~~63.12~~~~66.50~~

Where applicable: Clarksville, Seymour, and Summitville.

PUBLIC FIRE PROTECTION SURCHARGE

Applicability

Applies to all customers, with the exception of Sale for Resale customers, not located within the boundaries of the governmental entities responsible for public fire service in the areas listed in Public Fire Hydrants. Applicable to any water customer, with the exception of Sale for Resale customers, located in areas within municipal boundaries or to any water customer within 1,000 feet of a public fire hydrant (measured from the hydrant to the nearest point on the property line of the customer) on the Company's distribution mains in areas not within municipal boundaries. In addition to the charges for water service under currently approved tariffs, a public fire protection surcharge shall be charged to, and collected from, each customer to whom said surcharge is hereby made applicable. If multiple meters are installed the surcharge(s) shall be based upon the total of all meters installed.

Size of Meter	Monthly Charge- Area One and Two	West Lafayette Only	Seymour Only
5/8"	\$ 4.544.78	\$ 3.183.35	\$ 3.984.19
3/4"	6.817.17	4.765.02	5.976.29
1"	11.3311.94	7.948.37	9.9510.48
1-1/2"	22.6923.90	15.8716.72	19.8920.95
2"	36.2938.23	25.4026.76	31.8233.52
3"	68.0471.68	47.6250.17	59.6662.85
4"	113.40119.47	79.3783.62	99.43104.75
6"	226.81238.95	158.73167.23	198.86209.50
8"	362.89382.32	253.98267.58	318.17335.20
10"	589.69621.26	412.73434.82	517.02544.70
12"	975.271,027.47	682.58719.12	855.08900.85

Note: Unless specified rates are for all areas.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
~~153 North Emerson Avenue~~~~555 E. County Line Road~~
 Greenwood, Indiana 46143

INDIANA-AMERICAN WATER COMPANY, INC.
GREENWOOD, INDIANA

SCHEDULES OF RATES AND TARIFFS
FOR SEWER SERVICE
IN AND ADJACENT TO

SOMERSET
And
DELAWARE COUNTY (Muncie Sewer)

Issued: _____

Effective: _____

Issued by: ~~Deborah D. Dewey~~**Deron E. Allen**, President
~~153 North Emerson Avenue~~**555 E. County Line Road**
Greenwood, Indiana 46143

SCHEDULE OF CHARGES FOR SEWER SERVICE

Availability

Available to any sewer Customer. Applicant must be located on Company's collecting mains suitable for supplying the service requested in Somerset and adjacent areas and Farmington and Farmington Meadows subdivisions located north of the City of Muncie in Delaware County and adjacent areas.

Rate per month: \$~~73.19~~**77.11**

The equivalent daily usage per unit of a multi-family customer is equivalent to .70 of a single family residence. Accordingly, the number of units of a multi-family customer shall be multiplied by .70 to determine the billing units to be charged the monthly rate above.

Issued: _____

Effective: _____

Issued by: ~~Deborah D. Dewey~~**Deron E. Allen**, President
~~153 North Emerson Avenue~~**555 E. County Line Road**
Greenwood, Indiana 46143

Schedule 1
Adjustment Summary

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Operating Income Statement Per Most Recent Indiana American General Rate Case - Cause No. 44450
at 35% Federal Tax with Adjustment for Estimated TCJA Change to Tax Expense

Line Number	Description	A		B	C = A + B	
		Indiana American Most Recent Rate Case - Cause No. 44450		Estimated TCJA Change For 21% Tax Expense	Adjusted	
		Appendix A - Test Year Certification Filing Rate Case Update as of 11-30-2015				
		at 35% Federal Tax	Schedule Reference			
1.	Revenues	\$	207,529,092	Line 13, Proposed Rates	\$ (10,544,252)	\$ 196,984,840
2.	O&M	\$	68,411,812	Line 42, Proposed Rates	\$ (89,194)	\$ 68,322,618
3.	General Tax		16,780,253	Lines 48-52, Proposed Rates	(160,079)	16,620,174
4.	Depreciation and Amortization		44,961,251	Lines 44-45, Proposed Rates		44,961,251
5.	State Income Tax Expense		4,469,550	Line 58, Proposed Rates	(708,954)	3,760,596
6.	Federal Income Tax Expense		18,932,392	Line 61, Proposed Rates	(9,586,025)	9,346,367
7.	Investment Tax Credits		(218,748)	Line 64, Proposed Rates		(218,748)
8.	Net Utility Operating Income	\$	54,192,582	Line 68, Proposed Rates	\$ -	\$ 54,192,582

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Calculation of Tax Expense Change and Gross Up

Line Reference	Description	Amount	Schedule Reference
A	Authorized Federal Income Tax	\$ 18,932,392	Cause No. 44450, Appendix A, Line 64, Proposed Rates
B	A x 21%/35%	11,359,435	(21% (new tax rate) / 35% (previous tax rate)) Times Line A
C	Difference	\$ (7,572,957)	Line B less Line A
D	Gross Up	1.392356	Schedule 4, Gross Up Calculation Schedule
E = C x D	Grossed Up Difference = C x D	\$ (10,544,252)	
F = E - C	Gross Up Amount	\$ (2,971,295)	

Line Reference	Expense Categories Affected by Gross-Up	Percentage of Gross-Up	Amount of Gross-Up (F x Item %)	Financial Statement Grouping
G	Uncollectible Expense	3.0019%	\$ (89,194)	O&M Expense
H	IURC Fee	0.4679%	(13,904)	General Tax
I	State Income Tax	23.8601%	(708,954)	State Income Tax
J	Gross Receipts	4.9196%	(146,175)	General Tax
K	Federal Income Tax	67.7505%	(2,013,068)	Federal Income Tax
L = Sum G through K	Total Gross Up (ties to F)		\$ (2,971,295)	

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Cause No. 44450 - Most Recent Approved Statement of Operating Income
Test Year End Certification Filing, Appendix A

Indiana American Water Company Cause No. 44450 Operating Income at Present and Proposed Rates						Test Year End Certification Filing Appendix A	
Line #	Description	A Test Year Commencement 12/01/2014	B Adjustments	C Present Rates 11/30/2015	D Proposed Rates Adjustment	E = C + D Proposed Rates	Notes on Column C (Settlement Present Rates)
Operating Income Revenues							
1	Residential	\$ 99,411,847	\$ -	\$ 99,411,847			This compromise number is not based on any particular methodology or percentage of declining usage.
2	Commercial	40,241,494	-	40,241,494			
3	Industrial, OPA, SFR, and Misc.	31,084,866	-	31,084,866			1
4	Public and Private Fire	22,350,403	-	22,350,403			This is inclusive of fire service adjustment.
5	DSIC	7,900,441	-	7,900,441			1
6	Subtotal Water	\$ 200,989,051	\$ -	\$ 200,989,051		\$ 200,989,051	
7							
8	Sewer	\$ 393,847	\$ -	\$ 393,847			1
9							
10	Late Fees	\$ 1,276,576	\$ -	\$ 1,276,576			This represents changes to present rate revenues.
11	Other Revenues Non LateFees	2,584,512	-	2,584,512			1
12	Data Usage	653,298	-	653,298			Company agrees to continue charging usage data fees to municipalities in a manner that produces \$653,298 in annual revenues.
13	Total Revenues	\$ 205,897,284	\$ -	\$ 205,897,284	\$ 1,631,808	\$ 207,529,092	Settled rate increase is shown in total only.
14							
15	Operating Expenses:						
16	Operation and Maintenance:						
17	Purchased Water	\$ 493,603	\$ -	\$ 493,603		\$ 493,603	
18	Fuel & Power	6,737,670	-	6,737,670		6,737,670	Reflects lower revenues.
19	Chemicals	1,820,591	-	1,820,591		1,820,591	Reflects lower revenues.
20	Waste Disposal	1,228,608	-	1,228,608		1,228,608	
21	Salaries and Wages	15,168,825	-	15,168,825		15,168,825	This reflects removal of costs associated with business development and Long Term Incentive Plan
22	Pension	951,928	-	951,928		951,928	
23	Group Insurance	3,747,358	-	3,747,358		3,747,358	
24	Other Benefits	780,877	-	780,877		780,877	This reflects removal of costs associated with business development.
25	Service Company costs	20,674,435	-	20,674,435		20,674,435	This reflects removal of costs associated with business development.
26	Contract Services	986,793	-	986,793		986,793	
27	Building Maintenance & Services	945,981	-	945,981		945,981	
28	Telecommunications	577,628	-	577,628		577,628	
29	Postage, Printing, & Stationary	54,379	-	54,379		54,379	
30	Office Supplies & Services	946,629	-	946,629		946,629	
31	Advertising & Marketing	43,298	-	43,298		43,298	
32	Employee Related Expense	332,340	-	332,340		332,340	
33	Miscellaneous Expense	837,357	-	837,357		837,357	This reflects removal of non-allowed charitable contributions and the removal of costs associated with the customer assistance program.
34	Rents	619,064	-	619,064		619,064	
35	Transportation	1,375,878	-	1,375,878		1,375,878	

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Cause No. 44450 - Most Recent Approved Statement of Operating Income
Test Year End Certification Filing, Appendix A

Indiana American Water Company Cause No. 44450 Operating Income at Present and Proposed Rates						Test Year End Certification Filing Appendix A	
						Notes on Column C (Settlement Present Rates)	
Line #	Description	A Test Year Commencement 12/01/2014	B Adjustments	C Present Rates 11/30/2015	D Proposed Rates Adjustment	E = C + D Proposed Rates	
36	Uncollectible Accounts	1,740,195	-	1,740,195	13,804	1,753,999	Reflects lower revenues.
37	Customer Accounting	2,610,983	-	2,610,983		2,610,983	Reflects lower revenues.
38	Regulatory Expense	387,853	-	387,853		387,853	Parties agree that regulatory expense will be amortized over 4 years, not 3.
39	Insurance Other Than Group	1,750,844	-	1,750,844		1,750,844	
40	Maintenance Supplies & Services	3,584,891	-	3,584,891		3,584,891	
41							
42	Total Operation & Maintenance Expense: (Sum Lines 17 through 40)	\$ 68,398,008	\$ -	\$ 68,398,008	\$ 13,804	\$ 68,411,812	
43							
44	Depreciation	\$ 42,514,891	\$ 1,598,683	\$ 44,113,574		\$ 44,113,574	
45	Amortization	847,677				847,677	See Appendix D1. Actual annual depreciation expense as of 11/30/2015 balances. Reflects BT UPIS and BT Deferred Depreciation amortized over 13 years, not 10. Represents several settlement agreements. 1) BT SOP 98-1, BT Post-in-Service AFUDC, and BT CPS are to be amortized over 13 years, not 10. 2) The atrazine settlement is to be amortized over 3 years and is to be divided equally between the Company and its customers. 3) the Warsaw CPS is to be amortized over 50 years.
46	Removal Costs	-	-	847,677		-	
47	General Taxes	-		-		-	
48	IURC Fee	252,457	-	252,457	2,152	254,609	¹
49	Payroll	1,184,953	-	1,184,953		1,184,953	Reflects removal of costs associated with business development
50	URT	2,717,386	-	2,717,386	21,551	2,738,937	¹
51	Prop Tax	12,308,476	-	12,308,476		12,308,476	Reflects use of most recent tax rate rather than two-year blended tax rate.
52	Other Gen Tax	293,278	-	293,278		293,278	
53							
54	Operating Expenses before Income Tax: (Sum Lines 42 through 53)	\$ 128,517,126	\$ 1,598,683	\$ 130,115,809	\$ 37,507	\$ 130,153,316	
55							
56	Operating Income before Income Tax: (Line 13 - Line 54)	\$ 77,380,158	\$ (1,598,683)	\$ 75,781,475	\$ 1,594,301	\$ 77,375,776	
57							
58	State Income Tax	4,469,550	-	4,469,550	-	4,469,550	See Appendix E1
59	Current State Income Tax					-	
60	Deferred State Income Tax					-	
61	Federal Tax	18,932,392	-	18,932,392	-	18,932,392	See Appendix E1
62	Current Federal Income Tax					-	
63	Deferred Federal Income Tax					-	
64	Investment Tax Credits	(218,748)	-	(218,748)		(218,748)	¹
65							
66	Total Operating Expenses: (Line 54 + Sum Lines 58 through 64)	\$ 151,700,320	\$ 1,598,683	\$ 153,299,003	\$ 37,507	\$ 153,336,510	
67							
68	Net Utility Operating Income: (Line 13 - Line 66)	\$ 54,196,964	\$ (1,598,683)	\$ 52,598,281	\$ 1,594,301	\$ 54,192,582	
69							

¹ If not otherwise discussed, settlement figure is for purposes of settlement.

Schedule 4
Gross-up Calculation

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Gross Revenue Conversion Factor from Cause 44450 with New Federal Tax Rate

Line Number	Tax Gross-Up Calculation	Amount	Percentage of Gross Up
1.	Gross Revenue Change	100.0000%	
2.	Bad Debt / Uncollectible	0.8459%	3.00%
3.	Total Before Gross Income and IURC Fees (Line 1 - Line 2)	<u>99.1541%</u>	
4.	IURC Fee	0.1318638%	0.47%
5.	Total Before Gross Income Taxes (Line 3 - Line 4)	<u>99.0222%</u>	
6.	State Income Tax	6.7236%	23.86%
7.	Utilities Receipt Tax	1.3863%	4.92%
8.	Total before Federal Income Taxes (Line 1 - Line 2 - Line 4 - Line 6 - Line 7)	<u>90.9123%</u>	
9.	Less: Federal Income Taxes @ 21% (Line 8 X 21% Federal Tax Rate)	19.0916%	67.75%
10.	Total after Income Taxes (Line 8 - Line 9)	<u>71.8207%</u>	
11.	Gross Revenue Conversion Factor (1 / Line 10)	<u><u>139.2356%</u></u>	<u><u>100.00%</u></u>

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Calculation of Tariff Decrease Due to Tax Cuts and Jobs Act of 2017 Federal Income Tax Rate Change from 35% to 21%

INAWC Authorized Revenue Requirement, Per Cause 44450 (Includes Rate Base True-up as of 11/30/2015):	\$ 207,529,092
Less: Revenue Requirement for Cause 45032 Federal Income Tax Rate Change from 35% to 21%:	\$ (10,544,252)
Percentage of Decrease:	-5.0809%

Effect on Indiana American Water Tariffed Rates

Volumetric Rates (Currently Third Revised Page 2 of 9)

Description	Hundred Gallons	Rate Per 100 Gallons	Percentage Decrease	Decrease Amount	Adjusted Rate
<u>Area One Group:</u>					
For the first	150	\$ 0.44057	-5.0809%	\$ (0.02239)	\$ 0.41819
For the next	37,250	0.35536	-5.0809%	(0.01806)	0.33731
For all over	37,400	0.20259	-5.0809%	(0.01029)	0.19230
<u>Area Two Group:</u>					
For the first	150	\$ 0.38200	-5.0809%	\$ (0.01941)	\$ 0.36259
For the next	37,250	0.28024	-5.0809%	(0.01424)	0.26600
For all over	37,400	0.18420	-5.0809%	(0.00936)	0.17484

Wabash Volumetric Rates (Currently Third Revised Page 2a of 9) (* See Note Below)

For the first	150	\$ 0.44057	-5.0809%	\$ (0.02239)	\$ 0.41819
For the next	37,250	0.35536	-5.0809%	(0.01806)	0.33731
For all over	37,400	0.20259	-5.0809%	(0.01029)	0.19230

(*) Note - Wabash Rates to be consolidated into Area One Rates going forward.

Wabash Monthly Charge (Currently Third Revised Page 2a of 9) (* See Note Below)

Size of Meter	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
5/8"	\$ 14.99	-5.0809%	\$ (0.76)	\$ 14.23
3/4"	20.88	-5.0809%	(1.06)	19.82
1"	24.53	-5.0809%	(1.25)	23.28
1-1/2"	35.47	-5.0809%	(1.80)	33.67
2"	69.62	-5.0809%	(3.54)	66.08
3"	99.61	-5.0809%	(5.06)	94.55
4"	147.71	-5.0809%	(7.50)	140.21
6"	247.58	-5.0809%	(12.58)	235.00
8"	369.29	-5.0809%	(18.76)	350.53
10"	567.55	-5.0809%	(28.84)	538.71
12"	878.79	-5.0809%	(44.65)	834.14

(*) Note - Wabash Rates to be consolidated into Area One Rates going forward.

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Calculation of Tariff Decrease Due to Tax Cuts and Jobs Act of 2017 Federal Income Tax Rate Change from 35% to 21%

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Less: Revenue Requirement for Cause 45032 Federal Income Tax Rate Change from 35% to 21%:	\$ (10,544,252)
Percentage of Decrease:	<u>-5.0809%</u>

Effect on Indiana American Water Tariffed Rates

Customer Charge - All Customers except Sale For Resale (Currently Second Revised Page 3 of 9)

<u>Size of Meter</u>	<u>Current Rate</u>	<u>Percentage Decrease</u>	<u>Decrease Amount</u>	<u>Adjusted Rate</u>
5/8"	\$ 14.99	-5.0809%	\$ (0.76)	\$ 14.23
3/4"	20.88	-5.0809%	(1.06)	19.82
1"	24.53	-5.0809%	(1.25)	23.28
1-1/2"	35.47	-5.0809%	(1.80)	33.67
2"	69.62	-5.0809%	(3.54)	66.08
3"	99.61	-5.0809%	(5.06)	94.55
4"	147.71	-5.0809%	(7.50)	140.21
6"	247.58	-5.0809%	(12.58)	235.00
8"	369.29	-5.0809%	(18.76)	350.53
10"	567.55	-5.0809%	(28.84)	538.71
12"	878.79	-5.0809%	(44.65)	834.14

Customer Charge - Sale For Resale Only (Currently Second Revised Page 3 of 9)

<u>Size of Meter</u>	<u>Current Rate</u>	<u>Percentage Decrease</u>	<u>Decrease Amount</u>	<u>Adjusted Rate</u>
5/8"	\$ 18.42	-5.0809%	\$ (0.94)	\$ 17.48
3/4"	26.15	-5.0809%	(1.33)	24.82
1"	33.63	-5.0809%	(1.71)	31.92
1-1/2"	54.49	-5.0809%	(2.77)	51.72
2"	100.40	-5.0809%	(5.10)	95.30
3"	154.49	-5.0809%	(7.85)	146.64
4"	241.44	-5.0809%	(12.27)	229.17
6"	442.22	-5.0809%	(22.47)	419.75
8"	684.67	-5.0809%	(34.79)	649.88
10"	1,085.02	-5.0809%	(55.13)	1,029.89
12"	1,744.61	-5.0809%	(88.64)	1,655.97

Sale for Resale Volumetric Rates (Currently Second Revised Page 4 of 9)

<u>Description</u>	<u>Hundred Gallons</u>	<u>Rate Per 100 Gallons</u>	<u>Percentage Decrease</u>	<u>Decrease Amount</u>	<u>Adjusted Rate</u>
For the first	300,000	\$ 0.28524	-5.0809%	\$ (0.01449)	\$ 0.27075
For all over	300,000	0.26167	-5.0809%	(0.01330)	0.24838

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Calculation of Tariff Decrease Due to Tax Cuts and Jobs Act of 2017 Federal Income Tax Rate Change from 35% to 21%

INAWC Authorized Revenue Requirement, Per Cause 44450 (Includes Rate Base True-up as of 11/30/2015):	\$ 207,529,092
Less: Revenue Requirement for Cause 45032 Federal Income Tax Rate Change from 35% to 21%:	\$ (10,544,252)
Percentage of Decrease:	-5.0809%

Effect on Indiana American Water Tariffed Rates

Private Fire Service (Currently First Revised Page 5 of 9)

Size of Service	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
2" Diameter	\$ 3.20	-5.0809%	\$ (0.16)	\$ 3.04
2-1/2" Diameter	5.74	-5.0809%	(0.29)	5.45
3" Diameter	9.27	-5.0809%	(0.47)	8.80
4" Diameter	19.76	-5.0809%	(1.00)	18.76
6" Diameter	57.39	-5.0809%	(2.92)	54.47
8" Diameter	122.31	-5.0809%	(6.21)	116.10
10" Diameter	219.96	-5.0809%	(11.18)	208.78
12" Diameter	355.29	-5.0809%	(18.05)	337.24
 Private Fire Hydrant - Monthly Surcharge	 \$ 57.39	 -5.0809%	 \$ (2.92)	 \$ 54.47

Public Fire Hydrants (Currently Third Revised Page 6 of 9)

Size of Service	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
Monthly Surcharge per Hydrant	\$ 66.50	-5.0809%	\$ (3.38)	\$ 63.12

Public Fire Protection Surcharge - All Except West Lafayette and Seymour (Currently Third Revised Page 6 of 9)

Size of Meter	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
5/8"	\$ 4.78	-5.0809%	\$ (0.24)	\$ 4.54
3/4"	7.17	-5.0809%	(0.36)	6.81
1"	11.94	-5.0809%	(0.61)	11.33
1-1/2"	23.90	-5.0809%	(1.21)	22.69
2"	38.23	-5.0809%	(1.94)	36.29
3"	71.68	-5.0809%	(3.64)	68.04
4"	119.47	-5.0809%	(6.07)	113.40
6"	238.95	-5.0809%	(12.14)	226.81
8"	382.32	-5.0809%	(19.43)	362.89
10"	621.26	-5.0809%	(31.57)	589.69
12"	1,027.47	-5.0809%	(52.20)	975.27

Indiana American Water Company
IURC Cause No. 45032 - Tax Cuts and Jobs Act of 2017 - Impacts and Possible Rate Implications
Calculation of Tariff Decrease Due to Tax Cuts and Jobs Act of 2017 Federal Income Tax Rate Change from 35% to 21%

INAWC Authorized Revenue Requirement, Per Cause 44450 (Includes Rate Base True-up as of 11/30/2015):	\$ 207,529,092
Less: Revenue Requirement for Cause 45032 Federal Income Tax Rate Change from 35% to 21%:	\$ (10,544,252)
Percentage of Decrease:	-5.0809%

Effect on Indiana American Water Tariffed Rates

Public Fire Protection Surcharge - West Lafayette Only (Currently Third Revised Page 6 of 9)

Size of Meter	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
5/8"	\$ 3.35	-5.0809%	\$ (0.17)	\$ 3.18
3/4"	5.02	-5.0809%	(0.26)	4.76
1"	8.37	-5.0809%	(0.43)	7.94
1-1/2"	16.72	-5.0809%	(0.85)	15.87
2"	26.76	-5.0809%	(1.36)	25.40
3"	50.17	-5.0809%	(2.55)	47.62
4"	83.62	-5.0809%	(4.25)	79.37
6"	167.23	-5.0809%	(8.50)	158.73
8"	267.58	-5.0809%	(13.60)	253.98
10"	434.82	-5.0809%	(22.09)	412.73
12"	719.12	-5.0809%	(36.54)	682.58

Public Fire Protection Surcharge - Seymour Only (Currently Third Revised Page 6 of 9)

Size of Meter	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
5/8"	\$ 4.19	-5.0809%	\$ (0.21)	\$ 3.98
3/4"	6.29	-5.0809%	(0.32)	5.97
1"	10.48	-5.0809%	(0.53)	9.95
1-1/2"	20.95	-5.0809%	(1.06)	19.89
2"	33.52	-5.0809%	(1.70)	31.82
3"	62.85	-5.0809%	(3.19)	59.66
4"	104.75	-5.0809%	(5.32)	99.43
6"	209.50	-5.0809%	(10.64)	198.86
8"	335.20	-5.0809%	(17.03)	318.17
10"	544.70	-5.0809%	(27.68)	517.02
12"	900.85	-5.0809%	(45.77)	855.08

Sewer Rates (Currently First Revised Page 2 of 2 (Tariff S-19-A))

Monthly Sewer Service Rate	Current Rate	Percentage Decrease	Decrease Amount	Adjusted Rate
Monthly Sewer Rate per Month	\$ 77.11	-5.0809%	\$ (3.92)	\$ 73.19