



Received: October 24, 2017
IURC 30-Day Filing No.: 50085
Indiana Utility Regulatory Commission

October 24, 2017

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

Re: Indiana-American Water Company, Inc. 30-day Filing Pursuant to
170 IAC 1-6-1 *et seq.*

Dear Ms. Becerra:

Pursuant to 170 IAC 1-6, the Thirty-Day Administrative Filing Procedures and Guidelines Rule, Indiana-American Water Company, Inc. ("Indiana American" or the "Company") submits herewith for filing a proposed revised tariff page (identified as Exhibit 1) establishing, in lieu of directly billed hydrant charges, public fire protection surcharges in the City of Seymour ("Seymour") based on the directly billed hydrant charges Seymour would pay pursuant to the currently applicable rates.

To recover the costs of public fire protection in the relevant community, Indiana American presently collects directly billed hydrant charges payable by Seymour. Seymour is a municipality located in Jackson County, Indiana. Attached hereto as Exhibit 2 is a copy of Ordinance No. 16, Council Bill No. 38 (2017) passed by the Seymour Common Council pursuant to Ind. Code§ 8-1-2-103(d) ("Section 103") providing that all costs for fire protection shall henceforth be recovered pursuant to a surcharge to be included in the basic rates of customers located in Seymour.

Section 103(d) provides as follows:

This subsection applies to a public utility or a municipally owned water utility that is not subject to subsection (c). Except as provided in subsection (e), in the case of a public utility or municipally owned water utility furnishing water, if the governing body of any municipality within the service area of the utility adopts an ordinance providing that costs

shall be recovered under this subsection, the charges for the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection purposes shall be included in the basic rates of all customers of the utility within the municipality. However, on or after a date specified in the ordinance, the construction cost of any fire hydrant installed at the request of a municipality, township, county, or other governmental unit that adopts an ordinance under this subsection shall be paid for by or on behalf of the municipality, township, county, or other governmental unit. The change in the recovery of current revenue authorized by the ordinance shall be reflected in a new schedule of rates to be filed with the commission at least thirty (30) days before the time the new schedule of rates is to take effect. The new schedule of rates shall:

(1) eliminate fire protection charges billed directly to governmental units, other than charges for the construction cost for new hydrants installed on and after the date specified in the ordinance; and

(2) increase the rates charged each customer of the utility, based on equivalent meter size, by an amount equal to:

(A) the revenues lost from the elimination of such fire protection charges; divided by

(B) the current number of equivalent five-eighths (5/8) inch meters.

This change in the recovery of public fire protection costs shall not be considered to be a general increase in basic rates and charges of the utility and is not subject to the notice and hearing requirements applicable to general rate proceedings. The commission shall approve the new schedule of rates that are to be effective on a date specified in the ordinance.

Section 103(d) allows the implementation of a fire-protection surcharge applicable only within Seymour without conducting a hearing pursuant to appropriate notice. Furthermore, Section 103(d) requires only that Indiana American file an amended schedule of rates “at least thirty (30) days before the time the new schedule of rates is to take effect.” Indiana American is proposing the revised tariff pages be effective no later than January 1, 2018.

Attached hereto as Exhibit 3 is the workpaper supporting the calculation of the public fire protection surcharge. The surcharge has been calculated by dividing the current monthly revenues from directly billed hydrant charges pursuant to Indiana American’s existing tariff by the current number of equivalent 5/8-inch meters located within Seymour. The calculation is revenue neutral to Indiana American.

Mary Becerra
Indiana Utility Regulatory Commission
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In support of this 30-day filing, Indiana American is submitting herewith Exhibits 1, 2, and 3 described above and a mark-up of the existing tariff sheet for reference. Indiana American is also submitting a verified statement by the Company affirming that customers have been notified as required under Rule 6, stating in detail the means used for notification, and copies of any written means of communication. By copy of this letter, the Office of Utility Consumer Counselor is being provided with a copy of this 30-day filing.

Indiana American appreciates your assistance in processing this request through the Commission's 30-Day Filing procedures. The contact information regarding this filing is as follows:

Gary M. VerDouw
Director, Rates and Regulatory
American Water Works Service
Company
727 Craig Road
Saint Louis, Missouri 63141
(314) 996-2398
Gary.VerDouw@amwater.com

Hillary J. Close (Atty No. 25104-49)
Barnes & Thornburg LLP
11 S. Meridian Street
Indianapolis, IN 46204
(317)231-7785 (phone)
(317) 231-7433 (fax)
Hillary.Close@btlaw.com

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

Sincerely,



Gary M. VerDouw

Enclosures

cc: William I. Fine, Indiana Utility Consumer Counselor (w/encl.)

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: \$66.50

Where applicable: Clarksville 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"	\$ 4.78	\$ 3.35	\$ 4.19
3/4"	7.17	5.02	6.29
1"	11.94	8.37	10.48
1-1/2"	23.90	16.72	20.95
2"	38.23	26.76	33.52
3"	71.68	50.17	62.85
4"	119.47	83.62	104.75
6"	238.95	167.23	209.50
8"	382.32	267.58	335.20
10"	621.26	434.82	544.70
12"	1,027.47	719.12	900.85

Note: Unless specified rates are for all areas.

Issued:

Effective: _____

Issued by: Deborah D. Dewey, President
555 E. County Line Road
Greenwood, Indiana 46143

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Issued:

Effective: _____

Issued by: Deborah D. Dewey Deron E. Allen, President
555 E. County Line Road
Greenwood, Indiana 46143

**ORDINANCE NO. 16
COUNCIL BILL NO. 38
(2017)**

*AN ORDINANCE TO CHANGE THE METHOD OF RECOVERING THE COSTS OF
PROVIDING WATER FOR PUBLIC FIRE PROTECTION PURPOSES*

WHEREAS, Indiana-American Water Company, Inc. ("Indiana-American"), a public utility regulated by the Indiana Utility Regulatory Commission (the "IURC") provides water utility service to and within the City of Seymour, Indiana (the "City"); and,

WHEREAS, Indiana-American provides water for public fire protection purposes, the costs of which are currently recovered by directly billing the City, pursuant to rate schedules approved by the IURC; and,

WHEREAS, Indiana Code 8-1-2-103(d) authorizes a change in the way such costs are to be recovered upon passage of an ordinance by the City; and,

WHEREAS, It would be reasonable and equitable to recover such costs from all of the customers of Indiana-American in the City instead of directly billing such costs to the City; and,

WHEREAS, Indiana Code 8-1-2-103(f) provides that such a change shall also be reflected in the rates of certain customers located outside the municipal limits of the City and within 1,000 feet of a fire hydrant; and,

WHEREAS, The Common Council of the City elects to adopt the procedures specified in Indiana Code 8-1-2-103(d).

**BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SEYMOUR,
INDIANA:**

Section 1. Pursuant to Indiana Code 8-1-2-103(d), the costs for the protection, storage, transmission, sale, delivery, and furnishing of water for fire protection purposes ("public

fire costs") shall be included in the basic rates and charges of all and charges of all customers of Indiana-American within the City in the manner and to the extent permitted by such statute.

Section 2. Effective upon the date of this change in the manner of recovering public fire costs, Indiana-American shall cease directly billing the City for public fire costs (other than charges for the construction cost for new hydrants installed on and after the date of the change as hereinafter set forth).

Section 3. On and after the effective date of this ordinance, the construction cost of any fire hydrant installed at the request of the City to Indiana-American shall be paid for by the City, but any hydrant requested by a developer to Indiana-American in response to a City requirement that a hydrant, or hydrants, be installed, shall be paid by the developer.

Section 4. Public fire costs shall also be reflected in the rates of customers located in areas adjacent to the City and within 1,000 feet of a hydrant located within the City.

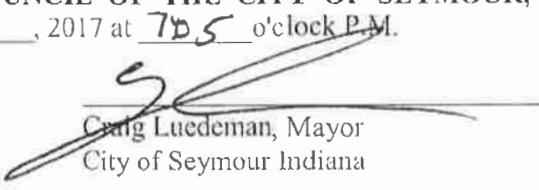
Section 5. The change in the method of recovering public fire costs described in Indiana Code 8-1-2-103(d) shall be effective upon the first day of the first month following approval by the IURC of a new schedule of rates implementing the change. Indiana-American is requested to file such revised rate schedules with the IURC within a reasonable time after being notified of the final passage of this ordinance.

All prior ordinances or parts thereof inconsistent with any provision of this ordinance are hereby repealed.

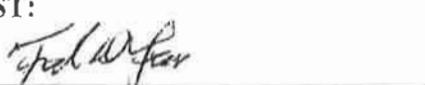
The Clerk-Treasurer shall provide a copy of the ordinance, to Indiana-American Water Company.

This ordinance shall be in full force and effect from and after its passage, approval by the Mayor, and approval by the IURC as specified in Section 5, all as by law provided.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SEYMORE, INDIANA this
23rd day of October, 2017 at 7:05 o'clock P.M.


Craig Luedeman, Mayor
City of Seymour Indiana

ATTEST:


Fred D Lewis, Clerk-Treasurer
City of Seymour, Indiana

Ordinance 16, Council Bill 38 (2017)

Adopted on a roll call vote after reading in full this 23 day of October, 2017, by a vote of 6 ayes and 0 nays.

	First	Second
	Y	N
Brian D'Arco	<u>Y</u>	<u>Y</u>
David Earley	<u>Y</u>	<u>Y</u>
Lloyd Hudson	<u>Abstain</u>	<u>Y</u>
Shawn Malone	<u>Y</u>	<u>Y</u>
Matt Nicholson	<u>Y</u>	<u>Abstain</u>
James Rebber	<u>Y</u>	<u>Y</u>
John J. Reinhart	<u>Y</u>	<u>Y</u>

Indiana-American Water Company, Inc.
Public Fire Service Analysis for the
City of Seymour (SAP Co Acct Assignment - IN8501* (ALL SERVICE METERS))
Using SAP (Table EASTL) as of September 8, 2017

Meter Size	City of Seymour, IN		AWWA Equivalent Meter Flow- Based Ratio	Meter Equivalents	Annualized Revenue	New Rates	Public Fire Service New Monthly Rate
	Monthly Total	Annualized Total					
5/8"	6,247	74,964.0	1.0	74,964.0	\$ 314,099.16		4.19
3/4"	0	-	1.5	-			6.29
1"	170	2,040.0	2.5	5,100.0	21,369.00		10.48
1 1/2"	44	528.0	5.0	2,640.0	11,061.60		20.95
2"	155	1,860.0	8.0	14,880.0	62,347.20		33.52
3"	16	192.0	15.0	2,880.0	12,067.20		62.85
4"	5	60.0	25.0	1,500.0	6,285.00		104.75
6"	4	48.0	50.0	2,400.0	10,056.00		209.50
8"	0	-	80.0	-			335.20
10"	0	-	130.0	-			544.70
12"	0	-	215.0	-			900.85
Total	6,641	79,692.0		104,364.0	\$ 437,285.16 (*)		
Current Hydrant Count (Per S10 Operations) :							
				548			
Revenue Neutral Revenue Benchmark-New Rates							
				\$ 437,304.00	Tariff rate:	\$ 66.50	
<u>Proposed Annualized Revenue Neutral Benchmark:</u>							
Public Hydrants				548			
<u>Monthly Public Fire Charge/Equivalent Meter revenue neutral:</u>							
				\$ 437,304.00			\$ 4.19

(*) Note - totals do not match up exactly due to rounding.

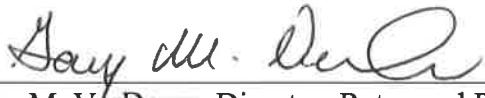
VERIFIED STATEMENT IN SUPPORT OF 30-DAY FILING

TO THE INDIANA UTILITY REGULATORY COMMISSION:

1. Indiana-American Water Company, Inc. is requesting revisions to its tariff establishing, in lieu of directly billed hydrant charges, public fire protection surcharges in the City of Seymour, Indiana ("Seymour").
2. In accordance with 170 IAC 1-6-6, affected customers are being notified by a legal notice transmitted for publication in the Tribune, a daily newspaper of general circulation published in Jackson County, Indiana that has a circulation encompassing the highest number of the utility's customers affected by the filing. The notice will also be placed on the utility's website. The utility has no local customer service office in the Seymour area that is open to the public.
3. 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 24th day of October, 2017.



Gary M. VerDouw
Gary M. VerDouw, Director, Rates and Regulatory
American Water Works Service Company, Inc.

LEGAL NOTICE

October 24, 2017

RE: Notice of Filing of Seymour Public Fire Protection Surcharge

Notice is hereby given that Indiana-American Water Company, Inc. (“Indiana American”) is filing a revised schedule of rates with the Indiana Utility Regulatory Commission (“IURC”) on or about October 24, 2017 to revise its rates for customers located within the City of Seymour (“Seymour”) for the purpose of establishing a fire protection surcharge in lieu of directly billed hydrant charges now being paid by Seymour. It is expected that the surcharge will be approved and in effect by January 2018.

The chart below shows the impact of the proposed surcharge per month by meter size for customers located in Seymour. The fire protection surcharge associated with the typical 5/8” residential water meter in Seymour is \$4.19 per month. A chart showing the specific impact per month by meter size is shown below.

Size of Meter	Monthly Charge
5/8”	\$4.19
3/4”	\$6.29
1”	\$10.48
1 ½ “	\$20.95
2”	\$33.52
3”	\$62.85
4”	\$104.75
6”	\$209.50
8”	\$335.20
10”	\$544.70
12”	\$900.85

Once the revised rates have been approved by the IURC, all customers located within Seymour or within 1,000 feet of the nearest fire hydrant (measured from the fire hydrant to the nearest point on the property line of the customer) will be assessed this fire protection surcharge on an ongoing basis. Customers that do not live within the affected areas will not be billed for the relevant amount.

If you have questions regarding this matter, please visit www.amwater.com/inaw and click on “Rates Information” located under the “Customer Service” tab at the top of the Indiana American Water homepage. If you wish to file an objection to this filing you may contact the consumer services staff at the Office of Utility Consumer Counselor at uccinfo@oucc.in.gov or by calling 1-888-441-2494. To file an objection with the IURC regarding this matter, you may contact Mary Becerra, Secretary of the IURC at mbecerra@urc.in.gov or by phone at 317-232-2701.