

**ORIGINAL**

Commissioner	Yes	No	Not Participating
Zay	√		
Deig	√		
Swinger	√		
Veleta	√		
Ziegner			√

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**IN THE MATTER OF THE PETITION )**  
**OF THE TOWN OF INGALLS, )**  
**MADISON COUNTY, INDIANA FOR )** **CAUSE NO. 46313**  
**APPROVAL OF A REGULATORY )**  
**ORDINANCE ESTABLISHING A )**  
**SERVICE TERRITORY FOR THE )** **APPROVED: APR 22 2026**  
**TOWN’S MUNICIPAL WATER )**  
**SYSTEM PURSUANT TO INDIANA )**  
**CODE §§ 8-1.5-6-1 ET ESQ. )**

**ORDER OF THE COMMISSION**

**Presiding Officers:**

**Anthony F. Swinger, Commissioner**  
**Kristin E. Kresge, Administrative Law Judge**

On October 17, 2025, the Town of Ingalls, Madison County, Indiana (“Ingalls,” the “Town,” or “Petitioner”) filed its Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) requesting approval of a water regulatory ordinance under Ind. Code ch. 8-1.5-6. Ingalls contemporaneously filed the direct testimony and exhibits of Neil Stevenson, Town Manager/Director of Planning and Development for Ingalls. On November 26, 2025, Petitioner provided notice concerning potentially affected utilities.

On December 22, 2025, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed the testimony and attachments of Carl N. Seals, Assistant Director of the OUCC’s Water/Wastewater Division.

On January 12, 2026, Ingalls filed the rebuttal testimony and attachments of Mr. Stevenson.

The Commission conducted an evidentiary hearing in this Cause on February 2, 2026, at 10:00 a.m. in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC participated in the evidentiary hearing, during which their respective testimony and exhibits were admitted without objection.

Based upon the applicable law and the evidence herein, the Commission finds:

1. **Statutory Notice and Commission Jurisdiction.** Notice of the hearing in this Cause was given and published as required by law. Ingalls owns and operates a municipal utility as that term is defined in Ind. Code § 8-1.5-6-1. Under Ind. Code §§ 8-1.5-6-6 and 8-1.5-6-9, the Commission has jurisdiction to approve a municipality’s regulatory ordinance. Therefore, the Commission has jurisdiction over Ingalls and the subject matter of this proceeding.

2. **Petitioner’s Characteristics.** Ingalls is a municipality located in Madison County, Indiana. Ingalls owns and operates a municipal water utility, which provides service to the public.

**3. Petitioner’s Requested Relief.** Ingalls requests approval of a regulatory ordinance, specifically Ingalls Ordinance No. 042825, which was adopted by the Ingalls Town Council on June 9, 2025 (“Ingalls Regulatory Ordinance”). The Ingalls Regulatory Ordinance states Ingalls’ intention to be the exclusive provider of water service to areas within four miles of Ingalls’ corporate boundaries as initially described and depicted in Attachment NS-1 to Petitioner’s Exhibit No. 2. (“Proposed Service Area” or “Territory”).

**4. Summary of Evidence.**

**A. Ingalls’ Direct Evidence.** Mr. Stevenson testified that Ingalls has been serving customers since 1976. He noted that Ingalls has made significant investments in existing infrastructure, approximating \$8 million. Mr. Stevenson testified that Ingalls is seeing rapid growth with four new subdivisions, several new businesses, and a very large retail store. Mr. Stevenson explained why Ingalls adopted the Ordinance and is seeking approval. He also explained that the Territory matches the agreement reached with the Town of Pendleton and approved in Cause No. 46087.

He testified that Ingalls has the capacity to serve the proposed area. He stated the Town is currently constructing a second water treatment facility (“WTF”) and a new water tower, both scheduled to be operational by late summer 2026. He explained that Ingalls also brings more than 1,400 new customers online in the proposed territory. In addition, engineering and design work is complete for a major portion of a planned water looping line that will extend over 16,500 feet of new water main into the area, further enhancing ability to provide reliable service.

Mr. Stevenson testified that he does not believe any other utilities are capable of providing service within the Proposed Service Area. He explained that Ingalls is the only utility with the capacity and ability to provide service within the Proposed Service Area. The Town has invested millions of dollars into existing infrastructure in the area and continues to expand that capacity through major projects, including a second WTF and a new tower scheduled for completion in late summer 2026. He explained that Ingalls has also completed engineering and design for over 16,500 feet of new water main as part of a planned water looping line into the territory. Given the existing and planned infrastructure, no other utility is positioned to provide the same level of reliable service to the area.

Mr. Stevenson provided Ingalls’ existing rates and charges with his testimony and explained that the Town intends to apply the same rates throughout the proposed Territory at this time. He stated, if necessary, Ingalls will adjust its rates in the future to ensure that rates within the Territory are concurrent with costs of service. He testified if Ingalls determines that customers outside the corporate boundaries should be charged different rates than customers within the corporate boundaries, the difference in the rates for customers outside the corporate boundaries would not differ by more than 15% without Ingalls first seeking Commission approval pursuant to Ind. Code § 8-1.5-3-8.3.

Mr. Stevenson discussed the customers the Town currently serves and identified proposed economic development projects in the Territory. He stated the Town currently serves several customers along Reformatory Road who live outside of town limits, the State Correctional

Facility<sup>1</sup>, and residents in the Summerlake subdivision, Springbrook Subdivision, the Roselake Estates Mobile Home Park, and the Maple Lane Mobile Home Park. He discussed the proposed Ingalls Innovation District within the Territory. He explained that with over \$200 million in planned investments, including private investments focused on advanced manufacturing and industrial development, access to reliable water services will be a key factor in attracting and retaining businesses. He stated Ingalls' expansion includes the construction of a second WTF and a new tower, both expected to be operational by late summer 2026. These improvements will ensure that the territory can support more than 3,500 new customers, facilitating business growth and residential development.

Mr. Stevenson identified the utilities that may be impacted and indicated that if the Town were to learn that these utilities were in fact already serving in the Territory, the Town would authorize the utility to continue serving by a reasonable agreement. He explained that Ingalls and Southern Madison Utilities, LLC ("SMU")<sup>2</sup> have a Service Area and Wholesale Water Supply Agreement, where the parties have already established boundaries, and the proposed Territory is consistent with that agreement.

Mr. Stevenson finally addressed other factors supporting the Town's regulatory Ordinance. He stated first, having an exclusive area of service allows the Town to plan for expansion of its service without concerns of what and when annexation occurs. Second, with the approval of the Ingalls Regulatory Ordinance, the Commission will limit duplication of facilities and eliminate unnecessary service costs through inefficiencies. Third, the Territory brings consistency of governance by aligning with other existing service boundaries.

**B. OUC's Direct Evidence.** Mr. Seals discussed what is required of a Petitioner seeking approval of a regulatory ordinance pursuant to Ind. Code § 8-1.5-6. He testified that Petitioner has satisfied those requirements. Mr. Seals discussed whether Petitioner should have notified the Town of Fortville about the filing for approval of a regulatory ordinance. He stated it is unclear why the Town of Fortville could not potentially be affected by the regulatory ordinance due to its close proximity.

Mr. Seals discussed what the Commission should consider when evaluating whether the proposed regulatory ordinance is in the public interest under Ind. Code § 8-1.5-6-8(g). Regarding the ability of another utility to provide service in the regulated territory, he pointed out that Mr. Stevenson explained in his testimony several steps Petitioner is undertaking to expand the utility's capacity and ability to serve. Regarding the potential effect on customer rates and charges for service provided in the regulated territory, Mr. Seals noted that Mr. Stevenson stated that the rates charged within the regulated territory will be the same rates charged to existing Ingalls customers; however, if the utility determines at some point that it should charge customers outside corporate

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<sup>1</sup> For clarification purposes, the Commission notes that the State Correctional Facility includes the Pendleton Correctional Facility, Pendleton Correctional Industrial Facility, and Pendleton Juvenile Correctional Facility, as depicted in Petitioner's Exhibit No. 2 Attachment A.

<sup>2</sup> Per *Jt. Pet. of Southern Madison Utilities, LLC and Citizens Water of Westfield, LLC*, Cause No. 45800 (IURC 6/6/2023), Southern Madison Utilities, LLC d/b/a Citizens of South Madison and Citizens Water of Westfield, LLC ("Citizens Water of Westfield") have been merged and Citizens Water of Westfield is now serving the area formerly served by Southern Madison Utilities.

boundaries a rate premium of 15% or more, it would seek Commission approval. Regarding economic development, Mr. Seals noted that Mr. Stevenson explained that Ingalls already serves customers within the proposed, expanded territory and in addition, a \$200 million economic development project “encompassing multi-family residences, commercial spaces, office facilities, industrial complexes, and advanced manufacturing ventures” is proposed. Regarding the history of service, Mr. Seals noted Mr. Stevenson testified that the dispute between Ingalls and Pendleton has been resolved through settlement and he added that Ingalls and SMU have already established boundaries consistent with the Wholesale Water Supply Agreement. Mr. Seals indicates that Ingalls has a Master Plan in draft form and has developed an Asset Management Plan.

Mr. Seals testified that Petitioner has met all requirements set out in Ind. Code § 8-1.5-6. He stated the only possible concern may be the apparent failure to provide notice to the adjacent Town of Fortville. Mr. Seals further testified that the OUCC does not oppose approval of the Ingalls Regulatory Ordinance.

**C. Ingalls’ Rebuttal Evidence.** Mr. Stevenson clarified why certain utilities were notified regarding the Ingalls Regulatory Ordinance and provided a copy of the notification that was provided to Town of Fortville out of an abundance of caution. He stated in addition to the typical statutory considerations, Ingalls also wanted to make sure that parties who were notified of or participated in the *Pendleton*, Cause No. 46087 (IURC July 16, 2025) ordinance proceeding were notified of Ingalls’ proceeding. He stated the Town of Fortville is located in Hancock County, Indiana, while Ingalls is located in Madison County, Indiana. He explained that per Ind. Code § 36-1-3-9(c)(2) “whenever a statute authorizes a municipality to exercise a power in areas outside its corporate boundaries, the power may be exercised: [...] in a county other than the county in which the municipal hall is located, but not inside the corporate boundaries of another municipality, only if both the municipality and the other county, by ordinance, enter into an agreement under Ind. Code ch. 36-1-7.” He stated he is not aware of any such agreement among the Town of Fortville, Ingalls, and Madison County, Indiana, that would allow the Town of Fortville to serve in the area. He explained that Mr. Seals is comparing the Town of Fortville to the City of Greenfield, which is further away, but their proximity is not why Ingalls notified the City of Greenfield. The City of Greenfield was notified, because they were notified in the *Pendleton*, Cause No. 46087, matter. He explained that the OUCC asked discovery about notification to the Town of Fortville and Ingalls indicated it would do so if the OUCC preferred. He explained that Ingalls took Mr. Seals’ testimony to indicate that the OUCC would prefer the Town of Fortville be notified. As such, on January 2, 2026, Ingalls provided notice to the Town of Fortville. He stated Ingalls also notified SMU/Citizens Water of Westfield, because the parties have already established boundaries by way of an agreement, and the proposed Territory is consistent with that agreement.

## **5. Commission Discussion and Findings.**

**A. Sufficiency of the Petition.** Under Ind. Code § 8-1.5-6-9(b), a municipality’s petition for approval of a regulatory ordinance must contain the following information:

- (1) A description of the service territory established in the regulatory ordinance;
- (2) Proposed rates and charges for the services to be provided in the service

territory;

- (3) A list of any administrative or judicial proceedings involving the regulatory ordinance; and
- (4) A list of any utilities actually or potentially affected by the regulatory ordinance.

The Ingalls Regulatory Ordinance describes the Ingalls Regulated Territory and includes a map that depicts the Ingalls Regulated Territory. The Commission has evidence that indicates the rates and charges for the services to be provided in the Proposed Service Area are set forth in Attachment NS-3 to Petitioner's Exhibit No. 2. The Verified Petition also stated that the Regulatory Ordinance is not the subject of any other administrative or judicial proceeding. Additionally, the Verified Petition lists the utilities that may be impacted: a) City of Anderson, Indiana, b) City of Greenfield, Indiana, c) Town of Lapel, Indiana, d) Town of Pendleton, Indiana, and e) SMU. Even though, as explained by Ingalls witness Stevenson, they would not be eligible to serve in the area, out of an abundance of caution after being raised by the OUCC, Ingalls also notified the Town of Fortville.

None of the potentially impacted utilities intervened in this proceeding.

Mr. Seals discussed his review and testified that Petitioner has satisfied the requirements of Ind. Code § 8-1.5-6.

Based on our review, the Commission finds that Petitioner has complied with the requirements of Ind. Code § 8-1.5-6-9(b).

**B. Public Interest Factors.** Under Ind. Code § 8-1.5-6-9(c), the Commission must consider Ingalls' request for approval of its regulatory ordinance in light of the public interest factors outlined in Ind. Code § 8-1.5-6-8(g), which we describe in turn below, namely:

- (1) The ability of another utility to provide service in the regulated territory.
- (2) The effect of a commission order on customer rates and charges for service provided in the regulated territory.
- (3) The effect of the commission's order on present and future economic development in the regulated territory.
- (4) The history of utility service in the regulated territory, including any contracts for utility service entered into by the municipality that adopted the regulatory ordinance and any other municipalities, municipal utilities, or utilities.
- (5) Any other factors the commission considers necessary.

**i. Other Utilities' Ability to Serve the Regulatory Territory.** To evaluate whether approving a regulatory ordinance promotes the public interest, we first consider the ability of another utility to provide service within the Proposed Service Area. Mr. Stevenson testified he does not believe any other utilities can provide service within the Territory and that Ingalls is the only utility with the capacity and ability to provide service within the proposed territory. The Town has invested millions of dollars into existing infrastructure in the area and continues to expand that capacity through major projects, including a second water treatment facility and a new water tower scheduled for completion in late summer 2026. He explained that Ingalls has also completed engineering and design for over 16,500 feet of new water main as part

of a planned looping line into the territory. He testified that, given the Town's existing and planned infrastructure, no other utility is positioned to provide the same level of reliable service to the area. Further, this territory was previously in dispute in Cause No. 46087 but has been resolved between Ingalls and Pendleton. Mr. Seals, the witness from the OUCC, did not take issue with Mr. Stevenson's testimony.

ii. **Effect on Rates.** With respect to the regulatory ordinance's effect on rates, the evidence establishes that Ingalls' intent is to charge customers in the Proposed Service Area the same rates and charges as its existing rates and charges. These rates are set forth in the ordinance in Attachment NS-3 to Petitioner's Exhibit No. 2. Mr. Stevenson further explained that if necessary, Ingalls will adjust its rates to ensure that rates within the Territory are concurrent with costs of service. Mr. Seals did not take issue with Mr. Stevenson's testimony.

iii. **Effect on Economic Development.** With respect to the regulatory ordinance's effect on economic development, Mr. Stevenson discussed current customers and the proposed Ingalls Innovation District within the Territory. He explained this district is a comprehensive development initiative encompassing multifamily residences, commercial spaces, office facilities, industrial complexes, and advanced manufacturing ventures and the project is expected to attract more than \$200 million in public and private investment, with \$32 million already committed and an additional \$177 million projected in future private investments. Mr. Stevenson explained that the planned expansion of the service territory will significantly encourage economic development in the area by providing essential infrastructure to support new and existing businesses. Mr. Seals also acknowledged the \$200 million economic development project "encompassing multi-family residences, commercial spaces, office facilities, industrial complexes, and advanced manufacturing ventures." Public's Ex. No. 1 at 7.

iv. **History of Utility Service.** The Commission also considers the history of utility service when considering a regulatory ordinance. As noted by both Mr. Stevenson and Mr. Seals, a prior dispute between Ingalls and Pendleton has been resolved. Ingalls and SMU have already established boundaries consistent with the Wholesale Water Supply Agreement included as Attachment NS-4 to Petitioner's Exhibit No. 2.

v. **Other Factors.** In evaluating whether approval of Ingalls' Regulatory Ordinance is in public interest, the Commission is also permitted to consider other factors the Commission considers necessary. Mr. Stevenson testified that having an exclusive area of service allows the Town to plan for expansion without concerns of where and when annexation occurs. Second, with the approval of the Regulatory Ordinance, the Commission will limit duplication of facilities and eliminate unnecessary service costs through inefficiencies. Third, the Territory brings consistency of governance by aligning with other existing service boundaries. Mr. Seals indicated that Ingalls has a Master Plan in draft form and it has developed an Asset Management Plan. The draft Master Plan proves, in concept, that the Proposed Service Area can, indeed, be served.

vi. **Approval of the Ingalls Regulated Territory.** Based on the evidence of record, we conclude that each of the factors has been satisfactorily addressed in this case and approve Regulatory Ordinance No. 042825 and find that Ingalls shall have an enforceable

Water Regulated Territory as described in said ordinance and as depicted in the map attached to same.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. Ingalls' Verified Petition for approval of its regulatory ordinance is granted.
2. Ingalls shall be the exclusive water service provider in the Proposed Service Area as reflected on the map provided as Petitioner's Exhibit No. 1.
3. Within 30 days of this order, Ingalls shall submit to the Commission's Water/Wastewater Division, in shapefile or geodatabase format, the boundary of regulated territory reflected in its Petition. The boundary shall exclude any currently incorporated areas of Ingalls.
4. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of the Order into the state general fund described in Ind. Code § 8-1-6-2(b), through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges:	\$ 1,156.11
OUCG Charges:	\$ 1,147.26
Legal Advertising Charges:	\$ <u>68.64</u>
Total:	\$ 2,372.01

5. This Order shall be effective on and after the date of its approval.

**ZAY, DEIG, SWINGER, AND VELETA CONCUR; ZIEGNER ABSENT:**

**APPROVED: APR 22 2026**

**I hereby certified that the above is a true and correct copy of the Order as approved.**

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**Dana Kosco**  
**Secretary of the Commission**