WHEREAS, the government of the United States has enacted legislation, including, but not limited to, the Infrastructure Investment & Jobs Act and the Inflation Reduction Act, that provides funding for certain utility-related programs; and

WHEREAS, the Indiana Finance Authority (“IFA”) receives state and federal funding for zero-cost or low-cost loans for water and wastewater utilities in Indiana;

WHEREAS, investor-owned, nonprofit, and municipally-owned utilities in Indiana may qualify for these and other state and federal funding opportunities; and

WHEREAS, the Indiana Utility Regulatory Commission (“Commission” or “IURC”) has authority to review and, as appropriate, approve plans and possible cost recovery through utility rates for infrastructure improvements for electric, natural gas, water, and wastewater utilities under its jurisdiction; and

WHEREAS, the prudent application for, and use of, these funding opportunities may assist in the utility provision of safe and reliable service at just and reasonable rates;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Guidelines Regarding Utilities and Federal-State Grant-Loan Opportunities, which are attached to this General Administrative Order as Appendix A, are adopted by this Commission effective November 1, 2022.

James F. Huston, Chairman

Sarah E. Freeman, Commissioner

Stefanie N. Krevda, Commissioner

David E. Veleta, Commissioner

David E. Ziegner, Commissioner

I hereby certify that the above is a true and correct copy of the resolution as approved.

Regina K. Joyner, Secretary of the Commission

Date: OCT 26 2022
Appendix A – GAO 2022-02

Guidelines Regarding Utilities and Federal-State Grant-Loan Opportunities

The following guidelines are effective as of November 1, 2022:

The Commission encourages jurisdictional utilities to explore possible grant and low-cost loan options that would reduce the cost of present and future projects needed to provide utility service. The costs incurred by such exploration and the acceptance of such funds should still be reasonable and prudent and not outweigh the benefit of the projects being funded.

Utilities seeking cost recovery for infrastructure improvements should include in their case-in-chief a narrative of what grant and loan opportunities they reviewed, what applications they have made for various funding options, and the results of those applications.

If utilities apply for and receive funding for infrastructure improvements that have already been included in rates, then the utilities should make a compliance filing into the IURC cause number under which the rates were approved, providing information and documentation of the funding applied for, the funding received, and how that funding should be netted from the previously approved rates.

The projects being funded by grants or low-cost loans must still be reasonable and prudent and required for the provision of reasonably adequate utility services.