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Indiana Utility Regulatory Commission Public Field Hearing

NOV 26 2018

Indiana American Water Co. (IAWC) Rate Case

Cause Number 45142

If you would like to comment for the record in this case you must complete this form.
Testimony is welcome whether it is oral and/or written. (Both carry equal consideration.)

(Please print)

NAME MAYOR DAVID URAN (You-Ran)

ADDRESS 101 N. EAST ST Crown Point IN 46307

Are you a customer of this utility? *(circle one)* YES NO

Do you wish to speak or provide written comments? *(circle one)* SPEAK WRITTEN BOTH

If you are representing any firm or organization, please provide the name:

CITY of Crown Point

SIGNATURE: [Signature] DATE: 11/26/18

I OFFER THE FOLLOWING WRITTEN TESTIMONY:

(You may make both written and oral comments.)

OFFICIAL
EXHIBITS

IURC
PUBLIC'S 6-FH-1
EXHIBIT NO. 11-26-18 UR
DATE REPORTER

You may continue your comments on the back of this sheet or attach them.

You may also send comments to the OUCC at:

Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204

web: www.IN.gov/OUCC
email: uccinfo@oucc.IN.gov
fax: (317) 232-5923



You can go directly to the OUCC's electronic contact form by scanning this code:

My name is David Uran, I am the Mayor for the City of Crown Point. I am here to speak on behalf of the Crown Point Municipal water utility and its approximate 13,500 customers and the approximately 30,000 residents of Crown Point.

Crown Point has operated its municipal water utility since 1895. To obtain the naturally soft, quality water of Lake Michigan, Crown Point municipal water utility in 1997 began purchasing its water from North West Indiana Water Company. That utility was acquired by Indiana American in 1999. Crown Point's water utility is Indiana American's second largest sale for resale water purchaser. Last year we paid Indiana American about \$2.4 million dollars.

Since 2001 Indiana American has increased its water rates through base rate cases six times and has increased its rates through **Distribution System Investment Charges** (DSIC) adjustments 12 times. That's 18 rate increases in 17 years! Also, since that time, Indiana American has acquired 16 Indiana water utilities, 9 of which were municipal utilities. In just the last 10 years Indiana American's parent company, American Waterworks' stock has increased from about \$13 per share to over \$90 per share. Indiana American grows its earning through utility acquisitions and increasing the rates it charges for water. While that upward spiral business plan has worked quite well for the Company's shareholders, it has only worked hardship upon the people and the water utility of Crown Point by forcing us to pay increasing rates that include costs that have no connection to the wholesale bulk water service we receive. In this case they are suggesting an approximate 25% increase for Crown Point.

I am here to say there must be change in the "**Rate Making**" for **sale for resale water** customers like Crown Point. Change that recognizes our municipal water utility is dedicated to meeting the public need for safe, reliable, reasonably priced potable water for residential, commercial, industrial, and fire protection uses. **Sale for Resale** water customers like Crown Point are particularly different from Indiana American's other water

customers. We are not an end use customer. We purchase huge volumes of water to serve the public convenience and necessity of the residents of Crown Point. We serve the people of Crown Point. Revenue from our municipal water sales isn't used to pay shareholder dividends or to finance a holding company or to purchase other old water utilities. It is used for the people of Crown Point, to repair, replace, maintain and improve Crown Point's Municipal water utility infrastructure that the people and businesses of Crown Point rely upon to survive.

Crown Point has its own old water lines that we must pay to replace. We have our own water utility improvements that we must pay for. Crown Point pays for those water utility capital needs, not Indiana American, not other customers of Indiana American. Crown Point pays for everything Crown Point. Yet incredibly as Crown Point plans and works to pay for its water improvements Indiana American has been allowed to charge Crown Point for capital improvements in the aging water systems it has purchased in distant places like Seymour, Kokomo, Farmersburg, Georgetown, Russiaville, Merom, Whiteland, Riley, Waveland, Sheridan, and Charlestown. Crown Point cannot afford to pay and should not be forced to pay for Indiana American rebuilding those old distant water utilities. We must pay for our own water utility improvements. Such distant acquired water utilities that have absolutely nothing to do with providing Lake Michigan water to Crown Point's Municipal utility.

When Indiana American purchases an old water utility, the owners of that utility enjoy a large pay off, often after years of collecting rates but not properly maintaining their system. And what sale for resale municipal utility customers like Crown Point get, are higher bills to help pay for restoring the old distant water utilities across Indiana. I am here to ask you to put an end to that clear injustice. Crown Point didn't make the problems of Indiana American's distant Indiana water utilities, didn't get the big purchase price check when Indiana American purchased them, doesn't receive water from them and should not now pay rates that include costs for rebuilding those distant systems.

Crown Point and other sale for resale customers have their own water capital improvement plans that must be tended to. At Crown Point, we are engaged in main replacements, upsizing of mains, plant improvements and the construction of new water storage. To me it is utter lunacy that at the same time that Crown Point is incurring these major expenses to maintain the operation of its municipal water utility, it would be sent a bill for the restoration of old water utilities that were purchased by Indiana American.

The State of Indiana has recently given much focus on crumbling infrastructure, and particularly the improvement of aged water utility infrastructure. Crown Point is already paying a lot to replace its own aging infrastructure. We cannot, and our customers cannot, at the same time continue to pay for the crumbling infrastructure of Indiana American's distant acquired utilities. It makes absolutely no sense that at the same time the State is attempting to avoid water utilities from becoming "troubled utilities" it would take money needed for Crown Point capital improvements and give it to Indiana American. It makes no sense force sale for resale utilities like Crown Point to choose between making capital improvements needed to avoid falling into disrepair or delay those needed improvements to pay higher wholesale water costs to Indiana American.

On behalf of the 30,000 residents of Crown Point and on behalf of the Crown Point Municipal Water Utility I respectfully ask that you approve rates in this case that will not require Crown Point to pay for the costs of distant unrelated acquired utility operations. We need low bulk purchase water rates for Lake Michigan water gathered and treated by Indiana American in Lake County that reflects the public service purpose of Crown Point's municipal water utility.

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6.22

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NAME

Alex Wheeler Jr

ADDRESS

1581 Calhoun St Gary 46406

Are you a customer of this utility? *(circle one)* YES NO

Do you wish to speak or provide written comments? *(circle one)* SPEAK WRITTEN BOTH

If you are representing any firm or organization, please provide the name:

SIGNATURE:

Alex Wheeler Jr

DATE:

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