

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF CWA AUTHORITY, INC. FOR (1) )  
AUTHORITY TO INCREASE RATES AND CHARGES )  
FOR WASTEWATER UTILITY SERVICE IN THREE )  
PHASES AND APPROVAL OF NEW SCHEDULES OF )  
RATES AND CHARGES APPLICABLE THERETO; ) CAUSE NO. 45151  
(2) APPROVAL OF A LOW-INCOME CUSTOMER )  
ASSISTANCE PROGRAM; AND (3) APPROVAL OF )  
CERTAIN CHANGES TO ITS GENERAL TERMS )  
AND CONDITIONS FOR WASTEWATER SERVICE )**

**VERIFIED SUPPLEMENTAL TESTIMONY  
of  
KORLON L. KILPATRICK II**

**On Behalf of  
CWA Authority, Inc.**

**Petitioner's Exhibit No. 21**

1        **INTRODUCTION AND BACKGROUND**

2        **Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3        A1. Korlon L. Kilpatrick II. My business address is 2020 North Meridian Street,  
4        Indianapolis, Indiana 46202.

5        **Q2. ARE YOU THE SAME KORLON L. KILPATRICK II THAT**  
6        **PREVIOUSLY TESTIFIED IN THIS PROCEEDING ON BEHALF OF**  
7        **THE PETITIONER, CWA AUTHORITY, INC. (“CWA”)?**

8        A2. Yes, I am.

9        **Q3. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY IN**  
10       **THIS PROCEEDING?**

11       A3. The purpose of my supplemental testimony is to explain and offer support for the  
12       Stipulation and Settlement Agreement on Less than All Issues (“Settlement  
13       Agreement”), which was entered into by and among CWA, the Office of Utility  
14       Consumer Counselor (“OUCC”), the CWA Industrial Group (“Industrial Group”),  
15       Citizens Action Coalition of Indiana, Inc. (“CAC”), and the Indiana Community  
16       Action Association, Inc. (“INCAA”) (collectively “Settling Parties”) in resolution  
17       of all but one of the outstanding issues in this case. My testimony includes the  
18       Settlement Agreement as Attachment A along with Attachments B and C, which  
19       are clean and red-lined versions of the revised rate schedules respectively.

20       **Q4. PLEASE BRIEFLY DESCRIBE THE PROCESS THAT RESULTED IN**  
21       **THE SETTLEMENT AGREEMENT.**

1       A4.    The Settlement Agreement is the product of negotiations that began after CWA  
2           filed its prepared rebuttal testimony on February 21, 2019.  The Settling Parties  
3           were able to reach a settlement on all but one of the issues in this proceeding,  
4           subject to the Commission's approval.

5                        On March 12, 2019, the Settling Parties notified the presiding  
6           Administrative Law Judge that the parties had made significant progress in  
7           negotiations, and that it was expected that they would reach a settlement on less  
8           than all issues.  As a result, on March 15, 2019, the Settling Parties moved the  
9           Commission to continue the March 18, 2019 evidentiary hearing to March 20,  
10          2019, while they determined for the Commission's consideration suggested  
11          procedural schedules of the settled and contested issues.  In response to a  
12          Commission Docket Entry, on March 19, 2019, the Settling Parties filed a  
13          proposed procedural schedule and outlined the unsettled issue in this Cause.  In  
14          particular, the Settling Parties stated that they anticipated the unsettled issue to  
15          consist of OUCC witness Parks' recommendation that: "CWA retain ownership  
16          of the grinder pumps it has installed and use its maintenance staff to provide  
17          emergency response and repairs for the grinder pumps and ongoing pump  
18          replacements when they reach the end of their service lives" and associated  
19          recommendations regarding additions to Petitioner's revenue requirement relating  
20          to such responsibilities (the "Grinder Pump Issue").  (Public's Exh. 4 at 48 and  
21          49).  The Parties further explained that while they had not agreed to specific terms

1 with respect to all other issues in this Cause, they expected the remaining issues to  
2 be settled.

3 Thereafter, the Settling Parties had further discussions and ultimately, with  
4 the exception of the Grinder Pump Issue, reached a complete settlement on all  
5 other issues, including with respect to the manner in which the total agreed upon  
6 annual revenue requirement should be allocated among the customer classes. The  
7 Settling Parties' agreement is set forth in the Settlement Agreement.

8 **AGREED TO REVENUE REQUIREMENT AND RELATED ISSUES**

9 **Q5. WHAT IS THE AMOUNT OF THE INCREASE THE SETTLING**  
10 **PARTIES AGREED SHOULD BE AUTHORIZED?**

11 A5. The Settling Parties agreed that CWA's total *pro forma* operating revenues at  
12 present rates are \$268,338,030. Under the Settlement Agreement, the Settling  
13 Parties agreed Petitioner's operating revenues from rates and charges should be  
14 increased in three phases. Pursuant to the agreed to Phase 1 (as that term is  
15 defined in Paragraph 1 of the Settlement Agreement) increase, Petitioner would  
16 increase its rates and charges upon the issuance of an Order in this Cause to  
17 generate additional revenues in the amount of \$31,869,738 to arrive at total  
18 annual operating revenues at proposed rates of \$300,207,769, representing an  
19 11.88% increase in CWA's annual operating revenues. Upon implementation of  
20 the agreed to Phase 2 (as that term is defined in Paragraph 7 of the Settlement  
21 Agreement) increase, Petitioner would increase its rates and charges to generate

1 additional revenues in the amount of \$13,931,090 to arrive at total operating  
2 revenues of \$314,138,859, representing a 4.64% increase over Phase 1 operating  
3 revenues. Petitioner will be able to implement the Phase 2 increase upon  
4 releasing the relevant issuance documents as described in the paragraph 8 in the  
5 Settlement Agreement and providing notification to the Commission and OUCC  
6 of such release. Upon implementation of the agreed to Phase 3 (as that term is  
7 defined in Paragraph 10 of the Settlement Agreement) increase, Petitioner would  
8 increase its rates and charges to generate additional revenues in the amount of  
9 \$11,974,903 to arrive at total operating revenues of \$326,113,762, representing a  
10 3.81% increase over Phase 2 operating revenues. Petitioner will be able to  
11 implement the Phase 3 increase upon releasing the relevant issuance documents as  
12 described in the paragraph 11 in the Settlement Agreement and providing  
13 notification to the Commission and OUCC of such release. A further breakdown  
14 of the revenue requirement elements is provided in Attachment A to the  
15 Settlement Agreement, which shows the Phase 1, Phase 2, and Phase 3 increases.

16 The following table summarizes Petitioner's revised proposed revenue  
17 requirements:

	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>
O&M Expense	77,247,012	77,460,540	77,553,878
Tax Expense	28,510,840	30,056,855	30,678,848
Extensions & Replacements	66,000,000	70,000,000	75,000,000
Debt Service	138,537,726	146,829,463	153,102,141
<b>Total Revenue Requirement</b>	<b>310,295,578</b>	<b>324,346,859</b>	<b>336,334,867</b>
Less: Other Income, Net	(2,180,250)	(2,180,250)	(2,180,250)
Connection Fee Offset	(8,121,088)	(8,121,088)	(8,121,088)
<b>Plus: Incremental Net Write Off</b>	<b>213,527</b>	<b>93,338</b>	<b>80,232</b>
<b>Net Revenue Requirement</b>	<b>300,207,767</b>	<b>314,138,858</b>	<b>326,113,761</b>
Less: Revenue @ current rates, subject to increase	(265,964,888)	(297,834,623)	(311,765,714)
Other Operating Revenue	(2,373,144)	(2,373,144)	(2,373,144)
<b>Net Revenue Increase Required</b>	<b>31,869,738</b>	<b>13,931,090</b>	<b>11,974,903</b>
<b>Percent Increase Required, Total Revenue</b>	<b>11.88%</b>	<b>4.64%</b>	<b>3.81%</b>
<b>Percent Increase Required, Revenue Subject to Increase</b>	<b>11.98%</b>	<b>4.68%</b>	<b>3.84%</b>

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**Q6. THE OVERALL AGREED INCREASES DIFFERED FROM WHAT CWA PROPOSED IN ITS CASE-IN-CHIEF. PLEASE SUMMARIZE THE ADJUSTMENTS THAT WERE MADE TO CWA'S PROPOSED REVENUE REQUIREMENT TO REACH THE AGREED UPON INCREASES IN ALL THREE PHASES.**

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A6. Through compromise and for purposes of settlement, the Settling Parties have agreed to certain reductions in CWA's *pro forma* revenue requirements for

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1 operation and maintenance expenses; extensions and replacements; and certain  
2 changes to CWA's debt service cost. I will address each of those in turn.

3 Operation and Maintenance Expenses. The OUCC proposed reductions to  
4 CWA's *pro forma* operating expenses in the categories of rate case expense,  
5 executive compensation, payroll taxes, labor costs, and other specified expenses  
6 including membership dues, storm water costs, and an Indiana Department of  
7 Environmental Management ("IDEM") fine. The Industrial Group proposed  
8 reductions to CWA's *pro forma* labor costs based on (i) lower projected annual  
9 pay increases; and (ii) a reduced allocation of labor costs.

10 In determining the agreed Phase 1 revenue requirement for CWA, through  
11 compromise, the Settling Parties agreed to reduce CWA's proposed annual  
12 revenue requirement for operating expenses of \$77,897,013 by a total amount of  
13 \$650,000 to \$77,247,012, based on the following stipulated adjustments: (i) a  
14 \$7,000 decrease reflecting removal of a fine of that amount paid to IDEM; (ii) a  
15 \$69,980 decrease to *pro forma* labor costs reflecting a compromise between  
16 CWA's proposed 3% pay increase and the Industrial Group's proposed 2% pay  
17 increase; (iii) a \$558,631 decrease to the *pro forma* STIP payout applicable to all  
18 employees; and (iv) a \$14,389 decrease for the amount of *pro forma* rate case  
19 expenses. Additionally, the Settling Parties agreed no adjustment was made to the  
20 *pro forma* amount of executive compensation included in Petitioner's case-in-  
21 chief. The Settling Parties agreed, for purposes of settlement, that the total

1 amount of executive compensation allocated to CWA was reasonable for  
2 ratemaking purposes and should be included in CWA's revenue requirement in  
3 this Cause.

4 Extensions and Replacements. CWA agreed to reduce the amount of its  
5 proposed *pro forma* revenue funded extensions and replacements ("E&R")  
6 revenue requirement from \$72 million in Phase 1, \$76 million in Phase 2, and \$80  
7 million in Phase 3, as proposed in CWA's case-in-chief, to \$66 million in Phase  
8 1, \$70 million in Phase 2, and \$75 million in Phase 3, respectively, for purposes  
9 of settlement.

10 Debt Service Cost. The Settling Parties agreed upon the following changes  
11 that impact CWA's proposed *pro forma* debt service cost: (a) a \$1 million annual  
12 reduction in capital spending funded through debt service during Phase 1, as well  
13 as Phases 2 and 3; (b) interest rate assumptions using the following rates, subject  
14 to true-up as described in paragraphs 28 and 29 of the Settlement Agreement and  
15 further discussed below: Phase 1 – 3.55%; Phase 2 – 3.80%; and Phase 3 –  
16 4.05%; and (c) an increase in debt issued related to CWA's agreement to forgo  
17 seeking certain System Integrity Adjustment revenues, as further described in  
18 Paragraph 12 of the Settlement Agreement and discussed below.

19 **Q7. WHAT IS THE BASIS FOR THE PROPOSED INCREASE IN THE**  
20 **AGREED UPON PRO FORMA OPERATING REVENUES AT PRESENT**  
21 **RATES TO REACH THE AGREED UPON INCREASE IN PHASE 1?**



1       A7.    The agreed to Phase 1 increase that would authorize Petitioner to increase its rates  
2            and charges to generate additional revenues in the amount of \$31,869,738 to  
3            arrive at total operating revenues of \$300,207,769 is based on: (1) Petitioner's  
4            issuance of debt; (2) an increase in the revenue funded E&R revenue requirement  
5            from current rates to \$66 million per year; and (3) increases to taxes, including  
6            Payments in Lieu of Taxes ("PILT") and operation and maintenance expenses as  
7            described above and set forth in more detail in Attachment A to the Settlement  
8            Agreement.

9        **Q8.    WHAT IS THE BASIS FOR THE PROPOSED INCREASE IN THE**  
10           **AGREED UPON PHASE 1 REVENUES TO REACH THE AGREED UPON**  
11           **INCREASE IN PHASE 2?**

12       A8.    The agreed to Phase 2 increase that would authorize Petitioner to increase its rates  
13            and charges to generate additional revenues in the amount of \$13,931,090 to  
14            arrive at total operating revenues of \$314,138,859 is based on: (1) Petitioner's  
15            planned issuance of debt on approximately August 1, 2020, as described in the  
16            case-in-chief testimony of John R. Brehm; (2) an increase in the revenue funded  
17            E&R revenue requirement from \$66,000,000 in Phase 1 to \$70,000,000 per year;  
18            and (3) an increase in the tax expense, related to an increase in PILT, from  
19            \$28,510,840 in Phase 1 to \$30,056,855.

1       **Q9. WHAT IS THE BASIS FOR THE PROPOSED INCREASE IN THE**  
2       **AGREED UPON PHASE 2 REVENUES TO REACH THE AGREED UPON**  
3       **INCREASE IN PHASE 3?**

4       A9. The agreed to Phase 3 increase that would authorize Petitioner to increase its rates  
5       and charges to generate additional revenues in the amount of \$11,974,903 to  
6       arrive at total operating revenues of \$326,113,762 is based on: (1) Petitioner's  
7       planned issuance of debt on approximately August 1, 2021, as described in the  
8       case-in-chief testimony of John R. Brehm; (2) an increase in the revenue funded  
9       E&R revenue requirement from \$70,000,000 in Phase 2 to \$75,000,000 per year;  
10      and (3) an increase in tax expense, related to an increase in PILT, from  
11      \$30,056,855 in Phase 2 to \$30,678,848.

12      **Q10. DO YOU BELIEVE THERE IS SUFFICIENT EVIDENCE TO SUPPORT**  
13      **THE OVERALL AGREED UPON INCREASES IN OPERATING**  
14      **REVENUES IN PHASES 1, 2, AND 3?**

15      A10. Yes. Like with any settlement, the agreed upon Phase 1, Phase 2, and Phase 3  
16      increases are the product of the give and take of settlement negotiations where  
17      each of the Settling Parties receives certain benefits of the bargain in exchange for  
18      concessions from their respective litigating positions. The overall increase in  
19      CWA's revenue requirement is less than what CWA proposed in its case-in-chief,  
20      but more than the increases proposed by the OUCC and the Industrial Group, as  
21      presented in their respective cases-in-chief. The amount the Settling Parties have

1           agreed to for the revenue requirement elements is the result of adjustments to  
2           some of the components upon which there were disagreements between and  
3           among the Settling Parties. For example, in response to lower proposals by the  
4           OUCC and Industrial Group on the issue of revenue funded E&R, CWA agreed to  
5           reduce the amount of revenue funded E&R it proposed in its case-in-chief by \$6  
6           million, \$6 million and \$5 million, respectively, for Phases 1, 2 and 3.  
7           Additionally, CWA agreed to a reduction in the *pro forma* debt service costs to  
8           reflect an overall \$3 million reduction in the capital spending during the periods  
9           rates approved in this proceeding will be in effect. Further, CWA accepted some  
10          of the adjustments to operation and maintenance expenses proposed by the  
11          Settling Parties, including a compromise on the labor expense adjustment the  
12          Industrial Group proposed regarding the percentage pay increase for employees.  
13          As such, the overall agreed increase in the revenue requirements is within the  
14          range of potential determinations the Commission could have made regarding  
15          these issues based on the evidence presented without a settlement.

16       **Q11. WILL THE AGREED INCREASES IN PHASE 1, 2 AND 3 RATES**  
17       **RESULT IN OPERATING REVENUES AND RATES AND CHARGES**  
18       **THAT ARE REASONABLE AND JUST?**

19       A11. Yes. I believe the rates and charges that result from the Settlement Agreement are  
20       reasonable and just and will produce an income in each Phase sufficient to  
21       maintain CWA's utility property in a sound physical and financial condition so as

1 to render adequate and efficient service.

2 **Q12. WHAT AGREEMENT DID THE SETTLING PARTIES REACH**  
3 **REGARDING THE SYSTEM INTEGRITY ADJUSTMENT (“SIA”)?**

4 A12. The Settling Parties agreed that CWA will not seek to recover Cause No. 44990  
5 SIA 2 revenues uncollected as of the issuance of the Final Order in this Cause and  
6 CWA also will not seek to recover any revenue shortfall for the period from  
7 August 2018 through July 2019 (i.e., SIA 3) either through the filing of a new SIA  
8 petition or through the final reconciliation of the SIA approved in Cause No.  
9 44990. As a result of the foregoing, the Settling Parties agreed to CWA’s  
10 increased debt issuance, the cost of which is reflected in Attachment A to the  
11 Settlement Agreement.

12 **Q13. WHAT AGREEMENT DID THE SETTLING PARTIES REACH**  
13 **REGARDING THE BALANCED BILLING ISSUE?**

14 A13. The Settling Parties agreed that CWA should implement a billing mechanism  
15 whereby Residential customers will be billed for wastewater service based on the  
16 lower of a) their average use for the prior winter or b) their actual consumption  
17 during the months of May through November. This mechanism is set forth in  
18 CWA’s Sewer Rate 1, which is included in Attachment B to my Supplemental  
19 Testimony, and will result in reduced billed volumes by Sewer Rate 1 customers.

20 **Q14. HOW MUCH WILL BILLED VOLUMES BE REDUCED BY AS A**  
21 **RESULT OF THE “LOWER OF” BILLING MECHANISM?**

1 A14. As further illustrated in the table below, the Settling Parties agreed that a  
2 reduction of 680,000 CCF should be made to the *pro forma* billing determinants  
3 of the Non-Industrial class, which was used to design the rates that are being  
4 proposed to implement the approved revenue requirement and are included in  
5 Attachment B to my Supplemental Testimony.

Sewer Rate 1	Reduction CCF	Reduction 1,000 Gallons
Tier 1	626,182	469,636.5
Tier 2	53,818	40,363.5
Total	680,000	510,000

6 **Q.15. DOES THIS RESOLUTION ADDRESS THE CONCERNS REGARDING**  
7 **BALANCED BILLING IDENTIFIED IN CAUSE NO. 44685?**

8 A15. Yes. In that case, CWA had proposed to bill Residential and Multi-family  
9 customers the lower of their actual usage in the Summer Months or their Base  
10 Average Usage billed during the months of December through March, but later  
11 CWA withdrew that proposal based upon an agreement with the OUCC and  
12 Industrial Group. While the Commission accepted CWA's withdrawal of the  
13 proposal, it expressed concern that under the current billing mechanism, CWA  
14 was billing for volume that it was not treating during the summer months. In  
15 ordering CWA to work with the other parties and address the issue again in this  
16 case, the Commission stated, "By billing the lower of a customer's actual usage or  
17 average winter usage, the Balanced Billing Changes would allow CWA to better  
18 reflect actual treated volumes in its revenues and expenses." Under the agreed

1 upon "lower of" billing mechanism, Residential customers will be billed the lower  
2 of a) their actual usage or b) their Base Average Usage during the months of May  
3 through November. Multi-family customers will no longer be subject to any  
4 billing mechanism and will be billed on their actual usage year-round.

5 **Q16. DID THE SETTLING PARTIES REACH AGREEMENT WITH**  
6 **RESPECT TO A LOW-INCOME CUSTOMER ASSISTANCE**  
7 **PROGRAM?**

8 A16. Yes. The Settling Parties agreed that the implementation of a Low-Income  
9 Customer Assistance Program is in the public interest. The Low-Income  
10 Customer Assistance Program will provide benefits to Petitioner's low-income  
11 wastewater customers by reducing their total wastewater bills and making such  
12 bills more manageable.

13 **Q17. WERE THERE ANY MODIFICATIONS TO THE LOW-INCOME**  
14 **CUSTOMER ASSISTANCE PROGRAM FROM WHAT WAS**  
15 **PRESENTED IN PETITIONER'S CASE-IN-CHIEF AND REBUTTAL**  
16 **TESTIMONY?**

17 A17. Yes. CWA proposed a Low-income customer assistance program that would be  
18 entirely paid for through a \$.79 monthly customer charge that could be adjusted  
19 based on program costs. The OUCC opposed an adjustable customer charge and  
20 recommended that the program be paid for through other means including  
21 voluntary customer contributions and contributions from CEG's business entities.

1 As part of a global settlement in this Cause, the Settling Parties agreed to a  
2 program in which customers would pay a charge designed to collect \$1.3 million  
3 per year for the program and CWA would contribute \$200,000 per year to the  
4 program. The specific details of the Low-Income Customer Assistance Program  
5 as modified and agreed upon in the Settlement Agreement are as follows: (a)  
6 Low-income customers will be eligible for the bill credit component of  
7 Petitioner's Low-Income Customer Assistance Program if the customer has  
8 applied and is eligible for assistance from the State's Energy Assistance Program;  
9 (b) ratepayer funding designed to recover \$1,300,000 annually will be recovered  
10 via a fixed monthly charge of \$0.45 per bill, which is based on CWA's current  
11 bill count; (c) such funding will be recovered from ratepayers receiving service  
12 under Sewer Rate Nos. 1, 2 and 5 (a copy of Rider C is included in Attachment B  
13 of my Supplemental Testimony); (d) each year CWA will supply an additional  
14 \$200,000 to Petitioner's Low-Income Customer Assistance Program; (e)  
15 assistance will be provided to low-income customers as described in paragraph 17  
16 of the Settlement Agreement; and (f) the Frequently Asked Questions section on  
17 customer bills will include a question and answer that explains that as part of the  
18 sewer charges, each customer pays 45 cents each month to fund the Low-Income  
19 Customer Assistance Program. Further, the Settling Parties agreed any unspent  
20 Program funds in a given year would be set aside and used for the Program in  
21 subsequent years. Any such unspent funds shall be in addition to funding as

1           described above.

2           **Q18. HOW WILL ASSISTANCE BE PROVIDED UNDER THE LOW-INCOME**  
3           **CUSTOMER ASSISTANCE PROGRAM?**

4           A18. Customers participating in the Low-Income Customer Assistance Program will  
5           receive a bill credit depending on the level of need. Such an approach should  
6           increase the number of customers assisted compared to providing one fixed credit  
7           without regard to the level of need. Available bill credits will be designed to  
8           make wastewater bills more manageable for Petitioner's low-income customers  
9           commensurate with their income level. Those bill credits will be in the amounts  
10          and are proposed to be distributed among participating customers as follows:

Tier	Discount
1	<b>\$ 6.00</b>
2	<b>\$ 10.75</b>
3	<b>\$ 15.00</b>



1 In addition to the bill credit, \$400,000 of Low-Income Customer Assistance  
2 Program funding will be allocated to a wastewater infrastructure fund to be used  
3 to help low-income customers keep their bills lower in the long run through  
4 infrastructure investment assistance. Eligible and qualifying low-income  
5 customers may receive infrastructure investment assistance for: (1) water  
6 conservation, such as for water saving appliances; and (2) water- and sewer-  
7 related infrastructure repairs, such as leaking service lines.

8 **Q19. HOW WILL THE WASTEWATER INFRASTRUCTURE FUND BE**  
9 **ADMINISTERED?**

10 A19. As I explained in my case-in-chief testimony, the wastewater infrastructure fund  
11 will be administered in the same manner and using the same guidelines for  
12 infrastructure-related assistance that is available to low-income gas, water and  
13 wastewater customers through Citizens' Warm Heart Warm Home Foundation  
14 with the exception that it will be limited to wastewater customers. Those  
15 guidelines include: (a) the customer's gross household income must be at or  
16 below 70% of State Median Income; (b) the customer's account must be  
17 designated as residential wastewater service; (c) the customer must reside at the  
18 service address; and (d) the customer must own the home at the service address.

19 **Q20. DID CWA AGREE TO ANY REPORTING REQUIREMENTS AS A PART**  
20 **OF THE IMPLEMENTATION OF THE LOW-INCOME CUSTOMER**  
21 **ASSISTANCE PROGRAM?**

1       A20. Yes. Based upon the OUCC's recommendation, CWA agreed first in its rebuttal  
2       testimony and then in the Settlement Agreement, that during the term of its Low-  
3       Income Customer Assistance Program, it will file a report with the Commission  
4       on or before August 31 of each year, which includes information regarding the  
5       following metrics for the prior program year:

6       (a)    Participation. The number of customers who participated in the program  
7       during the program year.

8       (b)    Value of Assistance. The dollar amount of assistance that was disbursed  
9       directly to customers because of the program via the bill credit and the  
10      infrastructure fund.

11      (c)    Demand. The number of customers who requested and received assistance  
12      and the number of customers who requested but were unable to receive  
13      assistance.

14      (d)    Money at Risk. The total value of accounts in arrears for customers  
15      considered low-income.

16      **Q21. DO ANY OF THE AGREED UPON MODIFICATIONS CHANGE THE**  
17      **OBJECTIVE OF THE LOW-INCOME CUSTOMER ASSISTANCE**  
18      **PROGRAM?**

19      A21. No. The reduction in funding for the Low-Income Customer Assistance Program  
20      will reduce the number of customers able to participate from the estimated 15,000  
21      customers as originally proposed. However, the objectives of Petitioner's Low-

1           Income Customer Assistance Program are unchanged. In particular, consistent  
2           with the policy established in Senate Enrolled Act 416, the objectives of the  
3           Program have been to protect the long-term affordability of wastewater services  
4           through bill credits and infrastructure repairs for Petitioner's most vulnerable  
5           customers at a time when Petitioner is proposing to increase rates to allow it to  
6           timely complete its Federal Consent Decree obligations and address aging  
7           infrastructure. Through the consistent sources and levels of rate and CWA  
8           funding, the Low-Income Customer Assistance Program still furthers that  
9           objective and is therefore in the public interest and should be approved by the  
10          Commission.

11          **REVENUE ALLOCATION, COST OF SERVICE AND RATE DESIGN**

12          **Q22. WHAT AGREEMENT DID THE SETTLING PARTIES REACH**  
13          **REGARDING THE ALLOCATION OF THE TOTAL ANNUAL**  
14          **REVENUE REQUIREMENT AMONG THE CUSTOMER CLASSES**  
15          **OVER ALL THREE PHASES?**

16          A22. The Settling Parties agreed that the allocations of the annual revenue requirement  
17          to the customer classes in Phase 1, Phase 2 and Phase 3 would be as reflected in  
18          the tables included in the Settlement Agreement. Those allocations are the result  
19          of a compromise of the various positions presented by the parties and are  
20          described in more detail in paragraphs 19-23 of the Settlement Agreement.

1           Additionally, the Settling Parties agreed that the Non-Industrial Monthly Base  
2           Charge would be \$21.25 across all three Phases.

3           **AGREEMENTS REGARDING OTHER ISSUES**

4           **Q23. ARE THERE OTHER ISSUES RESOLVED IN THE SETTLEMENT**  
5           **AGREEMENT?**

6           A23. Yes. The Settlement Agreement resolves certain other issues that were raised in  
7           this proceeding, including the following:

8                       Required Information for Capital Projects. CWA agreed upon the type of  
9           information that it would provide in its case-in-chief, as well as upon request, for  
10          those costs that make up the capital program portion of its revenue requirement,  
11          whether funded through rate revenue or debt. As a part of that, the Settlement  
12          Agreement included an example of how the information regarding the projects  
13          would be presented as a part of its case-in-chief. Additionally, CWA agreed that  
14          in its next rate case, it would not object to data request(s) that sought completion  
15          dates and project costs or amounts spent during the Capital Investments  
16          Requirements Period (i.e. August 1, 2019 through July 31, 2022) for certain  
17          identified projects, subject to its right to protect the confidentiality of its responses  
18          as appropriate.

19                      Septic Tank Elimination Program Reporting. CWA agreed to the type of  
20          information that it would include as part of the annual Septic Tank Elimination  
21          Program (“STEP”) report that it files with the Commission pursuant to Paragraph

1           10 of the final order in Cause No. 44305, in which the Commission directed CWA  
2           to submit a detailed, prioritized list of planned STEP projects.

3                     Debt Service True-up and Other Matters. CWA agreed to file with the  
4           Commission a true-up report and revised rate schedules that contain certain  
5           details within 30 days of the issuance of debt contemplated in each Phase as a part  
6           of this rate case. Further, the Settling Parties established a mechanism to address  
7           potential over collection of incremental revenues attributable to the Phase I SRF  
8           debt service, if the issuance of the Phase 1 SRF debt is completed after November  
9           1, 2019.

10                    Terms and Conditions for Service. The Settling Parties agreed that the  
11           miscellaneous provisions to CWA's General Terms and Conditions for  
12           Wastewater Service set forth in Petitioner's Attachment KLK-2 and KLK-3 are  
13           "non-discriminatory, reasonable, and just," and should be approved by the  
14           Commission.

15                    Detailed Billing Information. CWA agreed to do the following to further  
16           make customers aware of their option to request a detailed bill: (1) add a question  
17           and answer to the Frequently Asked Questions section on customer bills, which  
18           will include certain information on how to request a detailed bill; and (2) once per  
19           year, include in customer bills an explanation of how customers may request the  
20           detailed billing option and a sample of a detailed bill.

1        **CONCLUSION**

2        **Q24. WHAT DO YOU RECOMMEND TO THE COMMISSION?**


3        A24. I recommend that the Commission approve the Settlement Agreement in its  
4            entirety as consistent with the public interest and authorize CWA to implement  
5            the Settlement Agreement by Final Order.

6        **Q25. MR. KILPATRICK, DOES THAT CONCLUDE YOUR SUPPLEMENTAL**  
7            **TESTIMONY IN THIS PROCEEDING?**

8        A25. Yes, it does.

**VERIFICATION**

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge, information and belief.



Korlon L. Kilpatrick II

**BEFORE THE**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF CWA AUTHORITY, INC. FOR (1) )  
AUTHORITY TO INCREASE ITS RATES AND )  
CHARGES FOR WASTEWATER UTILITY )  
SERVICE IN THREE PHASES AND APPROVAL OF )  
NEW SCHEDULES OF RATES AND CHARGES )  
APPLICABLE THERETO; (2) APPROVAL OF A ) CAUSE NO. 45151  
LOW-INCOME CUSTOMER ASSISTANCE )  
PROGRAM; AND (3) APPROVAL OF CERTAIN )  
CHANGES TO ITS GENERAL TERMS AND )  
CONDITIONS FOR WASTEWATER SERVICE. )**

**STIPULATION AND SETTLEMENT AGREEMENT**  
**ON LESS THAN ALL ISSUES**

On October 12, 2018, CWA Authority, Inc. (“CWA” or “Petitioner”), filed with the Indiana Utility Regulatory Commission (“Commission”) a Verified Petition requesting the relief set forth in the above-captioned proceeding along with its case-in-chief in support thereof. On October 22, 2018, Citizens Action Coalition of Indiana, Inc. (“CAC”) filed a Petition to Intervene, which the Presiding Officers granted by Docket Entry dated October 26, 2018. On November 29, 2018, CWA Authority Industrial Group (“Industrial Group”)<sup>1</sup> filed a Petition to Intervene, which the Presiding Officers granted by Docket Entry dated December 14, 2018. The Indiana Community Action Association, Inc. (“INCAA”) filed a Petition to Intervene on December 26, 2018, which the Presiding Officers granted by Docket Entry dated January 8, 2019.

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<sup>1</sup> The Industrial Group comprises the following CWA customers: Indiana University, IU Health and Vertellus Agriculture & Nutrition Specialties, Inc.



On January 25, 2019, the Indiana Office of Utility Consumer Counselor (“OUCC”), the Industrial Group and CAC/INCAA filed their respective cases-in-chief. CWA filed its rebuttal testimony and exhibits on February 21, 2019.

Following the filing of CWA’s rebuttal testimony, CWA, the OUCC, the Industrial Group and CAC/INCAA (collectively the “Settling Parties”) conducted face-to-face meetings and otherwise communicated with each other regarding resolution of the issues in this proceeding through a settlement, subject to the Commission’s approval. On March 19, 2019, the Settling Parties notified the presiding Administrative Law Judge that a partial settlement in principle had been reached regarding all matters aside from the OUCC’s recommendation that: “CWA retain ownership of the grinder pumps it has installed and use its maintenance staff to provide emergency response and repairs for the grinder pumps and ongoing pump replacements when they reach the end of their service lives” (OUCC witness Parks, Public’s Exh. No. 4 at 48) and associated recommendations regarding potential additions to Petitioner’s annual revenue requirement relating to such responsibilities (the “Grinder Pump Issue”). The Settling Parties requested that the Commission adopt a procedural schedule in this Cause designed to allow time for the Settling Parties to reduce their settlement in principle to writing and prepare and file supporting settlement testimony and exhibits and present the parties’ respective positions with respect to the unsettled Grinder Pump Issue.

The Settling Parties’ agreement with respect to all issues other than the Grinder Pump Issue is set forth in this Stipulation and Settlement Agreement on Less than All Issues (“Settlement Agreement”). The Settling Parties, solely for purposes of compromise and settlement and having been duly advised by their respective staff,

experts and counsel, stipulate and agree that the terms and conditions set forth in this Settlement Agreement represent a fair, just and reasonable resolution of all matters raised in this proceeding except for the contested Grinder Pump Issue, subject to incorporation by the Commission into a final, non-appealable order without modification or further condition that may be unacceptable to any Settling Party (“Final Order”).

**I. Phase 1 Operating Revenues and Revenue Requirements**

1. The Settling Parties agree that CWA’s total *pro forma* annual operating revenues from present rates and charges are \$268,338,030. Upon the Commission’s adoption of a Final Order approving the terms and conditions of this Settlement Agreement, the Settling Parties agree CWA’s *pro forma* annual operating revenues should be increased by \$31,869,738 in order to arrive at agreed total annual operating revenues of \$300,207,769 for the period referred to herein as “Phase 1.”

2. The Settling Parties’ agreement with respect to CWA’s *pro forma* Phase 1 revenue requirement is reflected by line item in Column E of Attachment A, attached hereto and incorporated herein by reference.

3. The OUCC proposed reductions to CWA’s *pro forma* operating expenses in the categories of rate case expense, executive compensation, payroll taxes, and other specified expenses including membership dues, storm water costs, and an Indiana Department of Environmental Management (“IDEM”) fine. The Industrial Group proposed reductions to CWA’s *pro forma* labor costs based on (i) lower projected annual pay increases; and (ii) a reduced allocation of shared services labor costs. Through compromise, the Settling Parties have agreed CWA’s *pro forma* operating expenses shall be decreased by a total amount of \$650,000. The Settling Parties have agreed to: (i) a

\$7,000 decrease reflecting removal of a fine of that amount paid to IDEM; (ii) a \$69,980 decrease to *pro forma* labor costs reflecting a compromise between CWA's proposed 3% pay increase and the Industrial Group's proposed 2% pay increase; (iii) a \$558,631 decrease to *pro forma* labor costs reflecting a reduction to STIP payout applicable to all employees; and (iv) a \$14,389 decrease to the amount of *pro forma* rate case expenses. No adjustment was made to the *pro forma* amount of executive compensation included in Petitioner's case-in-chief. The Settling Parties agree for purposes of settlement that the total amount of executive compensation allocated to CWA is reasonable for ratemaking purposes and should be included in CWA's revenue requirement in this Cause. The Settling Parties agree that, based on the foregoing stipulated adjustments, CWA's total *pro forma* operating expenses shall be \$77,247,012.

4. As reflected in Attachment A to this Settlement Agreement, CWA has agreed to reduce the amount of its proposed *pro forma* revenue funded extensions and replacements ("E&R") included in the Phase 1 revenue requirement from \$72 million, as proposed in CWA's case-in-chief and rebuttal, to \$66 million.

5. Attachment A to this Settlement Agreement further reflects the following agreed upon changes that impact CWA's proposed *pro forma* debt service cost: (a) a \$1 million annual reduction in capital spending funded through debt service during Phase 1, as well as Phases 2 and 3 (as respectively defined in paragraphs 7 and 10 hereof) along with the associated annual debt service cost; (b) interest rate assumptions based on the following rates, subject to true-up as described in paragraphs 29 and 30: Phase 1 – 3.55%; Phase 2 – 3.80%; and Phase 3 – 4.05%; and (c) an increase in debt issued related to CWA's agreement to forgo seeking certain System Integrity Adjustment revenues, as

further described in paragraph 12. The Settling Parties agree that, based on the foregoing stipulated adjustments, CWA's Phase 1 *pro forma* debt service shall be \$138,537,726.

6. The Phase 1 rates and charges shall remain in effect until replaced by the Phase 2 rates and charges, as set forth in Section II, below.

## **II. Phase 2 Operating Revenues and Revenue Requirements**

7. The Settling Parties agree a Final Order approving this Settlement Agreement should authorize Petitioner to increase the agreed Phase 1 operating revenues to generate \$13,931,090 of additional revenues to arrive at total annual operating revenues of \$314,138,859 for the period referred to herein as "Phase 2." This increase is based on Petitioner's planned issuance of debt on approximately August 1, 2020, as described in the case-in-chief testimony of John R. Brehm, as well as an increase in the revenue funded E&R revenue requirement from Phase 1 of \$66,000,000 to \$70,000,000 per year and an increase in tax expense related to an increase in Payments in Lieu of Taxes ("PILT") from Phase 1 of \$28,510,840 to \$30,056,855. The Settling Parties' agreement with respect to CWA's *pro forma* Phase 2 revenue requirement is reflected by line item in Column G of Attachment A.

8. CWA will file a notice with the Commission in this Cause indicating it has released the Official Statement for its open-market 2020 bonds and, if applicable, has obtained State Revolving Fund pre-closing and closing documents. Once CWA has released the Official Statement for the 2020 bonds and any State Revolving Fund pre-closing documents, if applicable, CWA may implement the above-described Phase 2 rate increase pursuant to the Phase 2 rates and charges without further action by the Commission or the OUCC. CWA will file the true-up report in accordance with

paragraph 28.

9. The Phase 2 rates and charges shall remain in effect until replaced by the Phase 3 rates and charges as set forth in Section III, below.

### **III. Phase 3 Operating Revenues and Revenue Requirements**

10. The Settling Parties agree a Final Order approving this Settlement Agreement should authorize Petitioner to increase the agreed Phase 2 operating revenues to generate \$11,974,903 of additional revenues to arrive at total operating revenues of \$326,113,762 for the period referred to herein as “Phase 3.” This increase is based on Petitioner’s planned issuance of debt on approximately August 1, 2021, as described in the case-in-chief testimony of John R. Brehm, as well as an increase in the revenue funded E&R revenue requirement from Phase 2 of \$70,000,000 to \$75,000,000 per year and an increase in tax expense related to an increase in PILT from Phase 2 of \$30,056,855 to \$30,678,848. The Settling Parties’ agreement with respect to CWA’s *pro forma* Phase 3 revenue requirement is reflected by line item in Column I of Attachment A.

11. CWA will file a notice with the Commission in this Cause indicating it has released the Official Statement for its open-market 2021 bonds and, if applicable, State Revolving Fund pre-closing and closing documents. Once CWA has released the Official Statement for the 2021 bonds and any State Revolving Fund pre-closing documents, if applicable, CWA may implement the above-described Phase 3 rate increase pursuant to the Phase 3 rates and charges without further action by the Commission or the OUCC. Petitioner will file the true-up report in accordance with paragraph 28.

#### **IV. System Integrity Adjustment (“SIA”)**

12. CWA will not seek to recover Cause No. 44990 SIA 2 revenues uncollected as of the issuance of the Final Order in this Cause. CWA also will not seek to recover any revenue shortfall for the period from August 2018 through July 2019 (*i.e.*, SIA 3) either through the filing of a new SIA petition or through the final reconciliation of the SIA approved in Cause No. 44990. As a result of the foregoing agreement, the Settling Parties agreed to CWA’s increased debt issuance, the cost of which is reflected in Attachment A.

#### **V. Balanced Billing Mechanism**

13. The Settling Parties agree the balanced billing mechanism will be replaced with a “lower of” mechanism in which Residential customers will be billed for wastewater service based on their monthly average winter use or actual consumption for that month, whichever is lower. The “lower of” mechanism will not apply to multi-family customers, who will be billed based on their actual consumption on a monthly basis.<sup>2</sup> Accordingly, the Settling Parties agree CWA should incorporate the following language in its Sewer Rate No. 1:

#### **BILLING FOR RESIDENTIAL CUSTOMERS FROM MAY THROUGH NOVEMBER:**

In the case of Residential customers, the monthly billing for Sewage Disposal Service for the Months of May through November (which are billed June – December) shall be based upon the monthly average of the water billed during the previous Months of December through March *or* the Customer’s actual usage, whichever is lower. In the event the monthly average of the water billed during such previous Months of December through March is less than 3,000 gallons (4 CCF), the Customer will pay the Monthly Minimum Charge reflected in the above table. This would

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<sup>2</sup> Multi-family dwellings that are individually metered will continue to be considered residential customers and will be eligible for the “lower of” mechanism.

apply to new Residential customers that did not have usage billed in any or all of the Months of December through March. CCF refers to 100 cubic feet and is approximately equivalent to 750 gallons.

14. As a result of the implementation of the foregoing language and resulting reduction in billed volumes by Sewer Rate No. 1 customers, the Settling Parties agree a reduction of 680,000 CCF (626,182 CCF from Tier 1 and 53,818 from Tier 2) should be made to the *pro forma* billing determinants of the Non-Industrial class to design the rates that will be used to implement the approved revenue requirement. The foregoing revision has been included in the rate design set forth in Section VII, below.

#### **VI. Low-Income Customer Assistance Program**

15. The Settling Parties agree Petitioner's Low-Income Customer Assistance Program is in the public interest. The Settling Parties agree the Commission should authorize CWA to implement a Low-Income Customer Assistance Program in accordance with paragraphs 16 through 18 of this Settlement Agreement.

16. Until a final order has been issued in CWA's next rate case, CWA will operate the Low-Income Customer Assistance Program in accordance with the following: (a) Low-income customers will be eligible for the bill credit component of Petitioner's Low-Income Customer Assistance Program if the customer has applied and is eligible for assistance from the State's Energy Assistance Program; (b) ratepayer funding is designed to be \$1,300,000 annually and will be recovered via a fixed monthly charge of \$0.45 per bill, based on CWA's current bill count; (c) such funding will be recovered from ratepayers receiving service under Sewer Rate Nos. 1, 2 and 5; (d) each year CWA will supply an additional \$200,000 to Petitioner's Low-Income Customer Assistance Program; (e) assistance will be provided to low-income customers as described in

paragraph 17 below; and (f) the Frequently Asked Questions section on customer bills will include the following question and answer:

**Q. Does my bill for wastewater service include a charge to fund the Low-Income Customer Assistance Program?**

A. Yes. As part of your sewer charges, each month you pay 45 cents to fund the Low-Income Customer Assistance Program. The Low Income Customer Assistance Program (“LICAP”) provides a credit on wastewater service to qualified customers. LICAP also provides qualifying customers assistance with water-saving appliances and repairs. More information about our program can be found at: [insert web address here].

17. Customers participating in the Low-Income Customer Assistance Program will receive a bill credit depending on their level of need. Available bill credits will be designed to make wastewater bills more manageable for Petitioner’s low-income customers commensurate with their income level. In addition to the bill credits, \$400,000 of Low-Income Customer Assistance Program funding will be allocated to a wastewater infrastructure fund to be used to help low-income customers keep their bills lower in the long run through infrastructure investment assistance. Eligible and qualifying low-income customers may receive infrastructure investment assistance for: (1) water conservation, such as for water saving appliances; and (2) water- and sewer-related infrastructure repairs, such as leaking service lines. The wastewater infrastructure fund will be administered in the same manner and using the same guidelines for infrastructure-related assistance that is available to low-income gas, water and wastewater customers through Citizens’ Warm Heart Warm Home Foundation with the exception that it will be limited to wastewater customers. Those guidelines include: (a) the customer’s gross household income must be at or below 70% of State Median Income; (b) the customer’s account must be designated as residential wastewater service; (c) the customer must



reside at the service address; and (d) the customer must also own the home at the service address. The Settling Parties agree that unspent funds, if any, shall be set aside and used for the Program in subsequent years. Any such unspent funds shall be in addition to funding as described in paragraph 16.

18. During the term the Low-Income Customer Assistance Program remains in effect, CWA will file a report with the Commission on or before August 31 of each year, which includes information regarding the following metrics for the prior Program year (i.e., July 1 through June 30):

- (a) Participation. The number of customers who participated in the Program during the Program year.
- (b) Value of Assistance. The dollar amount of assistance that was disbursed directly to customers as a result of the program via: (1) the bill credit and (2) the infrastructure fund.
- (c) Demand. The number of customers who requested and received assistance and the number of customers who requested but were unable to receive assistance.
- (d) Money at Risk. The total value of accounts in arrears for customers considered low-income.

## **VII. Revenue Allocation, Cost of Service and Rate Design**

19. The Settling Parties agree the annual revenue requirement in Phase 1 of \$300,207,769 shall be allocated between and among the customer classes as set forth below and that rates designed to recover the agreed upon allocated revenues consistent with the terms of the Settlement Agreement may be implemented upon the filing and

approval of the Phase 1 Compliance rates following the Commission's issuance of a Final Order approving the Settlement Agreement in its entirety without modification unacceptable to any Settling Party.

<b>CLASS</b>	<b>EXISTING REVENUE</b>	<b>AGREED ALLOCATION OF PHASE 1 SETTLEMENT REVENUES</b>	<b>PERCENTAGE CHANGE FROM EXISTING REVENUES</b>
<b>NON-INDUSTRIAL</b>	\$220,283,400	\$251,196,262	14.0
<b>SELF-REPORTER</b>	\$22,939,500	\$23,883,109	4.1
<b>SURCHARGES</b>			
<b>BOD</b>	\$12,192,100	\$10,778,659	-11.6
<b>TSS</b>	\$2,285,900	\$2,310,847	1.1
<b>NH3-N</b>	\$280,600	\$234,592	-16.4
<b>SEPTIC HAULERS</b>	\$152,600	\$152,600	0
<b>GREASE HAULERS</b>			
<b>COMMERCIAL FOG</b>	\$1,374,600	\$1,374,600	0
<b>SATELLITE-K</b>	\$5,769,900	\$7,045,100	22.1
<b>SATELLITE-T</b>	\$686,100	\$858,900	25.2
<b>SUBTOTAL</b>	\$265,964,700	\$297,834,669	12.0
<b>OTHER REVENUE</b>	\$2,373,100	\$2,373,100	0
<b>TOTAL</b>	\$268,337,800	\$300,207,769	11.9

20. The Settling Parties agree the rates and charges designed to recover the annual revenue requirement in Phase 2 of \$314,138,859 shall be implemented upon the filing of the Official Statement for the open-market 2020 bonds and, if applicable, State Revolving Fund pre-closing and closing documents and allocated between and among the customer classes as set forth below:

	<b>AGREED PHASE 1 REVENUES</b>	<b>AGREED ALLOCATION OF PHASE 2 SETTLEMENT REVENUES</b>	<b>PERCENTAGE CHANGE FROM AGREED PHASE 1 REVENUES</b>
<b>NON-INDUSTRIAL</b>	\$251,196,262	\$262,665,381	4.6
<b>SELF-REPORTER</b>	\$23,883,109	\$24,851,080	4.1
<b>SURCHARGES</b>			
<b>BOD</b>	\$10,778,659	\$10,778,659	
<b>TSS</b>	\$2,310,847	\$2,310,847	0
<b>NH3-N</b>	\$234,592	\$234,592	0
<b>SEPTIC HAULERS</b>	\$152,600	\$152,600	0
<b>GREASE HAULERS</b>			
<b>COMMERCIAL FOG</b>	\$1,374,600	\$1,374,600	0
<b>SATELLITE-K</b>	\$7,045,100	\$8,497,200	20.6
<b>SATELLITE-T</b>	\$858,900	\$900,800	4.9
<b>SUBTOTAL</b>	\$297,834,669	\$311,765,759	4.7
<b>OTHER REVENUE</b>	\$2,373,100	\$2,373,100	0
<b>TOTAL</b>	\$300,207,769	\$314,138,859	4.6

21. The Settling Parties agree the rates and charges designed to recover the annual revenue requirement in Phase 3 of \$326,113,762 shall be implemented upon the filing of the Official Statement for the open-market 2021 bonds and, if applicable, State Revolving Fund pre-closing documents and allocated between and among the customer classes as set forth below:

<b>CLASS</b>	<b>AGREED PHASE 2 REVENUES</b>	<b>AGREED ALLOCATION OF PHASE 3 SETTLEMENT REVENUES</b>	<b>PERCENTAGE CHANGE FROM AGREED PHASE 2 REVENUES</b>
<b>NON-INDUSTRIAL</b>	\$262,665,381	\$272,065,451	3.6
<b>SELF-REPORTER</b>	\$24,851,080	\$25,634,513	3.2
<b>SURCHARGES</b>			
<b>BOD</b>	\$10,778,659	\$10,778,659	0
<b>TSS</b>	\$2,310,847	\$2,310,847	0
<b>NH3-N</b>	\$234,592	\$234,592	0
<b>SEPTIC HAULERS</b>	\$152,600	\$152,600	0
<b>GREASE HAULERS</b>			
<b>COMMERCIAL FOG</b>	\$1,374,600	\$1,374,600	0
<b>SATELLITE-K</b>	\$8,497,200	\$10,256,700	20.7
<b>SATELLITE-T</b>	\$900,800	\$932,700	3.5
<b>SUBTOTAL</b>	\$311,765,759	\$323,740,662	3.8
<b>OTHER REVENUE</b>	\$2,373,100	\$2,373,100	0
<b>TOTAL</b>	\$314,138,859	\$326,113,762	3.8

22. The Settling Parties agree that the monthly base charge for the Non-Industrial rate class will be set at \$21.25 for Phases 1, 2 and 3. The volume charge is designed to recover the remaining class revenue allocation. The rates for unmetered Non-Industrial customers will be designed on the basis of Petitioner's case-in-chief, modified as necessary to reflect the agreed upon revenue requirement and associated class allocations. The monthly Fats, Oils, and Grease Charge (Sewer Rate No. 3) and Grease Hauler charges (Sewer Rate No. 4) should remain the same as those approved by the Commission in Cause No. 44685.

23. The Settling Parties acknowledge and agree that the foregoing allocation of the revenue requirements among the customer classes and resulting rates are based on a compromise of the revenue requirements set forth in this Settlement Agreement. The Settling Parties agree that in light of the proposed and agreed upon rate design and allocation among customer classes, no specific cost of service model was adopted, and request that the Commission not issue any finding approving any particular cost of service study. Except as otherwise expressly stated in this Settlement Agreement, no Settling Party, by entering into the Settlement Agreement, has acquiesced in or waived any position with respect to the appropriate methodology for determining cost of service, cost allocation, or rate design in any other proceeding, including future CWA proceedings. The Settling Parties reserve all rights to present evidence and advocate positions with respect to cost of service, cost allocation, and rate design issues different from those set forth in this Settlement Agreement in all other proceedings, including future CWA proceedings. As part of its next rate case proceeding, CWA agrees to present a cost of service study reflecting an allocation of Inflow and Infiltration (“I/I”) costs by customer class and wastewater volumes attributable to each class weighted at a minimum of 75% by the number of customer accounts, either as its proposed cost study or as an alternative to its proposal if it proposes an allocation less than 75/25 for I/I costs.

#### **VIII. Capital Improvements and the Septic Tank Elimination Program**

24. In its future rate cases, CWA agrees that for those costs that make up the capital program portion of its revenue requirement, whether funded through rate revenue or through the issuance of debt, CWA will provide the following information in its case-in-chief, in a spreadsheet format: (a) project name; (b) project number; (c) a brief

description of the project including an explanation why the project is needed at this time; (d) any prioritization ranking of the project, if applicable; (e) a brief description of alternatives considered, if applicable; (f) whether the project addresses new or existing infrastructure; (g) identification of the project name and number latest, or most applicable, engineering report for the project, if available; (h) estimated project start date; (i) estimated completion date; (j) the total project cost estimate class; (k) estimated total project cost estimate at completion (broken down between construction cost and total non-construction cost (one value)), which will be provided confidentially; (l) a brief explanation of how the estimated total project cost was determined (*i.e.* historical costs; estimated cost from a detailed engineering report; estimate or opinion of typical cost; an assignable balance or budget number; a per unit cost, *etc.*); and (m) amount of project cost included in the annual revenue requirement. The narrative description, which may often times be repetitive due to the nature of the projects, is intended to be sufficient for the OUCC to understand why the project needs to be completed, without unduly burdening CWA in preparing its case-in-chief. Additionally, the listing of projects will be current as of filing CWA's case-in-chief. However, because of the nature and magnitude of capital projects undertaken by this utility, constantly changing needs of the utility, unplanned events and projects, public improvement impacts, *etc.*, the listing of capital projects will be representative of the planned capital program at the time of filing but may not be the actual program that is constructed. An example of the information to be provided is set forth below\*:

(a) Project Name	(c) Project Description and Need	(d) Project Rank	(e) Alternatives Considered	(f) New or Existing Infrastructure	(g) Relevant Engineering Report	(k1) Construction Cost	(k2) Non-Constr. Cost	(l) Basis of Cost Estimate
Lift Station 522	The Lift Station 522 Replacement Project, 92LS01969, will consist of a full replacement of the lift station due to corrosion of the metal dry well, non-standard equipment and insufficient capacity during wet weather.	4.18 / 5	The project scope considered a 1) do nothing alternative 2) combining this LS with LS 521 and increasing the capacity of the combined LS 3) rehabilitation of the existing LS as specified	Utilizes predominantly existing infrastructure	L 511 Evaluation Report / Basis of Design Memo Project No.: 20LS2112157	\$1,200,000	\$330,000	Engineer's Report, 20LS2112157

*\*Agreed upon and simple, straight forward headings were left off for presentation purposes.*

25. CWA represents that due to the nature or repetitiveness of certain projects, engineering reports explaining the need for these specific projects may not have been developed. To the extent the OUCC has asked for copies of or access to reports or studies that exist and are voluminous or difficult to access, CWA will communicate that fact as soon as possible so CWA and the OUCC may work together to find reasonable solutions to avoid unnecessary burden to CWA, while affording reasonable access to the OUCC without undue delay. Nothing herein shall be construed as prohibiting the OUCC from specifically identifying and asking for more detail, documents or information other than what CWA has agreed to provide in this section, including other or historical reports previously completed.

26. In CWA's next rate case, CWA agrees not to object to data request(s) seeking: (1) the date the following projects were completed and the total project cost for: Project Nos. 92BE02095, 92BE02630, 92SO02062, WW-BE-10-001, 92MT01601, 92LS02673, 92LS02675 and 92RR02609; and (2) the amount spent during the Capital Investment Requirements Period (i.e., August 1, 2019 through July 31, 2022) on fleet purchases under 92FL03341. CWA reserves the right to make its data request

response(s) subject to appropriate confidentiality protection. Nothing herein constitutes a limitation on the scope of discovery in any future CWA proceeding.

27. As part of the annual Septic Tank Elimination Program (“STEP”) report that CWA files with the Commission pursuant to Paragraph 10 of the final Order in Cause No. 44305, in which the Commission directed CWA to submit a detailed, prioritized list of planned STEP projects, CWA will provide the following information: (a) how many homes could be served by each STEP project, (b) how many homeowners CWA actually connects, (c) how many septic systems CWA permanently closes, (d) total amount invested in each STEP project; and (e) the cumulative amount invested in all STEP projects.

#### **IX. Debt Service True Up and Other Matters**

28. Petitioner will file with the Commission true-up reports and revised rate schedules within 30 days of the issuance of debt contemplated in each Phase as a part of this rate case that provides the following details: the terms of the debt issuance, including whether there is a debt service reserve, the interest rate and annualized amount of debt service, as well as revised rate schedules and, to the extent necessary, tariffs reflecting the actual terms of the debt issuance. The Settling Parties agree that revised rates need not be implemented following the issuance of debt if both the OUCC and CWA agree in writing that the rate change need not be implemented due to the immateriality of the change. The Commission in its sole discretion may order CWA to implement revised rates notwithstanding the agreement of CWA and the OUCC.

29. CWA represents that for Phase 1 it anticipates issuing open market debt in August of 2019 and SRF debt thereafter. The Settling Parties agree not to seek any



mechanism to address potential over-collection between the implementation of the Phase 1 rates and initial borrowing(s), so long as the Phase 1 SRF debt is issued on or before November 1, 2019. If, however, the Phase 1 SRF debt issuance is not completed on or before November 1, 2019, CWA will use incremental revenues (incremental revenues defined as the revenues attributable to the Phase 1 SRF debt service) as a result of the Phase 1 increase authorized pursuant to this Settlement Agreement and realized between the date a Final Order is issued and the date the Phase 1 SRF debt issuance is closed as an offset to the funds borrowed in connection with the Phase 1 SRF debt issuance.

#### **X. Changes to Terms and Conditions for Service**

30. The Settling Parties agree that the miscellaneous revisions to CWA's General Terms and Conditions for Wastewater Service set forth in Petitioner's Attachments KKK-2 and KKK-3 and described in the case-in-chief testimony of Korlon L. Kilpatrick II are "nondiscriminatory, reasonable, and just," and should be approved by the Commission.

#### **XI. Detailed Billing Information**

31. CWA will add the following question and answer to the Frequently Asked Questions section on customer bills:

**Q: Can I obtain a more detailed list of the charges on my bill?**

- A. Yes. Upon request, Citizens will provide monthly bills with more detail on specific charges. You can request a detailed bill by contacting a customer service representative at (317) 924-3311 or selecting the option on-line at <https://www.citizensenergygroup.com/My-Account/My-Profile/Billing-Preferences>. There is no additional charge for a detailed bill.

In addition, once per year, CWA will include in customer bills an explanation of how customers may request the detailed billing option and a sample of a detailed bill.

**XII. Settlement Agreement -- Scope and Approval**

32. Neither the making of this Settlement Agreement nor any of its provisions shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.

33. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction. This Settlement Agreement is solely the result of compromise in the settlement process and, except as necessary to enforce its terms, is without prejudice to and shall not constitute an admission or waiver of any position any of the Settling Parties may take with respect to any or all issues resolved herein in any future regulatory or other proceedings.

34. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Parties on the provisions contained herein and in the attached exhibits.

35. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged and inadmissible. All prior drafts of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged and inadmissible.

36. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party.

37. CWA and the OUCC shall, and the other Settling Parties may, offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties will waive cross-examination of each other's witnesses regarding such testimony.

38. The Settlement Agreement is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without any change or

condition that is unacceptable to any Settling Party. Each term of the Settlement Agreement is in consideration and support of each and every other term. If the Commission does not approve the Settlement Agreement in its entirety, or if the Commission makes modifications that are unacceptable to any Settling Party, the Settlement Agreement shall be null and void and shall be deemed withdrawn upon notice in writing by any party within fifteen (15) days after the date of the Final Order stating that a modification made by the Commission is unacceptable to the Settling Party.

39. The Settling Parties will work together to prepare an agreed-upon proposed order to be submitted in this Cause. The Settling Parties will request that the Commission issue a Final Order promptly accepting and approving this Settlement Agreement in accordance with its terms. The Settling Parties also will coordinate and work cooperatively on news releases or other announcements to the public about this Settlement Agreement.

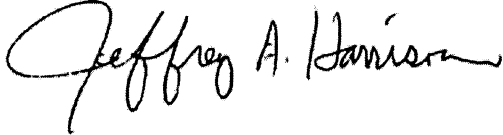
40. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions hereof) and shall not oppose this Settlement Agreement so approved in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

41. This Settlement Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

Accepted and Agreed on this 12<sup>th</sup> day of April, 2019.

CWA Authority, Inc.

Indiana Office of Utility Consumer  
Counselor



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Jeffrey A. Harrison  
President and Chief Executive Officer  
CWA Authority, Inc.

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An Attorney for the Indiana Office of  
Utility Consumer Counselor

CWA Authority Industrial Group

Citizens Action Coalition of Indiana, Inc.  
and Indiana Community Action  
Association, Inc.

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An Attorney for the CWA Authority  
Industrial Group

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An Attorney for Citizens Action Coalition  
of Indiana, Inc. and Indiana Community  
Action Association, Inc.

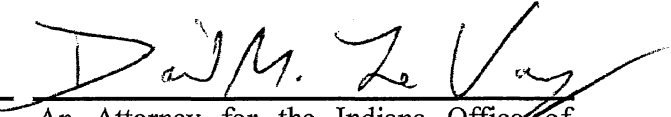
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CWA Authority, Inc.

Indiana Office of Utility Consumer  
Counselor

---

Jeffrey A. Harrison  
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Accepted and Agreed on this 12<sup>th</sup> day of April, 2019.

CWA Authority, Inc.

Indiana Office of Utility Consumer  
Counselor

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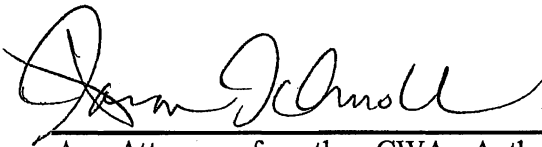
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Accepted and Agreed on this 12<sup>th</sup> day of April, 2019.

CWA Authority, Inc.

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CWA Authority  
Summary of Pro Forma Revenue Requirement

Line No.	Description	A Actual per Books	B Phase I Pro Forma Adjustments Increase (Decrease)	C Phase I Pro forma Results Based on Current Rates	D Phase I Pro Forma Adjustments Increase (Decrease)	E Phase I Pro forma Results Based on Proposed Rates	F Phase II Pro Forma Adjustments Increase (Decrease)	G Phase II Pro forma Results Based on Proposed Rates	H Phase III Pro Forma Adjustments Increase (Decrease)	I Phase III Pro forma Results Based on Proposed Rates	J Reference
<b>Operating Revenues</b>											
1	Test Year Revenues	\$277,912,032									
2	Billing Exceptions		\$364,245								page 6
3	Consumption Adjustment Redistribution		(1,149,586)								page 6
4	STEP		159,800								page 6
5	New/Departing Customers, Post Test Year (Non-Industrial)		278,805								page 6
6	Test Year Customer Growth Adjustment (Non-Industrial)		171,267								page 6
7	Lower Of		0								
8	Special Contract - Excessive Strength		(235,597)								page 6
9	Self-reporter Minimum Volumes		(24,076)								page 6
10	QSSD Adjustment		(74,060)								page 6
11	Industrial Self-Reporter		(180,720)								page 6
12	Rate Normalization		2,880,478								page 6
13	Residential Flat Rate		770								page 6
14	Miscellaneous Revenues		(53,679)								page 9
15	Other Adjustments		(11,731,651)								page 8
16	Increase in Satellite Special Contract Revenue				\$1,275,200		\$1,452,100		\$1,759,500		PNK
17	Decrease in Retail Customer Revenue				(1,275,200)		(1,452,100)		(1,759,500)		PNK
18	Revenue requirement increase				\$31,869,738		\$13,931,090		\$11,974,903		
19	Total Operating Revenues	\$277,912,032	(\$9,574,002)	\$268,338,030	\$31,869,738	\$300,207,769	\$13,931,090	\$314,138,859	\$11,974,903	\$326,113,762	
<b>Other Operating Expenses</b>											
20	Test Year Other Operating Expense	\$74,529,220									
21	Salaries and Wages		1,032,893.41								SEK
22	Benefits		862,878								SEK
23	Purchased Power		467,693								SEK
24	Bad Debt Expense		767,833		\$213,527		\$93,338		\$80,232		page 12, 14 & 16
25	Chemicals		(404,262)								SEK
26	Normalize Expense		(52,270)								SEK
27	Out of Period Expense		240,220								SEK
28	Non-Recurring Expense		(167,612)								SEK
29	Non-Allowed Expense		(28,211)								SEK
30	Amortized Regulatory Expenses		(1,169)								w/p S640-2
31	Total Other Operating Expenses	\$74,529,220	\$2,717,793	\$77,247,012	\$213,527	\$77,460,540	\$93,338	\$77,553,878	\$80,232	\$77,634,110	
<b>Depreciation &amp; Amortization</b>											
32	Test year Depreciation & Amortization	\$74,958,701									
33	Depreciation adjustment		(19,203,713)								SEK
34	Amortization adjustment		302,696								SEK
35	Pro forma Depreciation & Amortization	\$74,958,701	(\$18,901,057)	\$56,057,645	\$0	\$56,057,645	\$0	\$56,057,645	\$0	\$56,057,645	
<b>Taxes</b>											
36	Test Year Taxes other than PILOT	\$1,628,965									
37	Payroll Taxes		\$105,368								SEK
38	Non-Recurring Expense		(1,205)								SEK
39	Payments in Lieu of Taxes (PILOT)	23,945,082									
40	Pro forma change in PILOT		2,832,631				\$1,546,015		\$621,993		SEK
41	Pro forma Taxes	\$25,574,047	\$2,936,793	\$28,510,840	\$0	\$28,510,840	\$1,546,015	\$30,056,855	\$621,993	\$30,678,848	
42	Operating Income	\$102,850,064	\$3,672,469	\$106,522,533	\$31,656,211	\$138,178,744	\$12,291,737	\$150,470,481	\$11,272,678	\$161,743,159	
<b>Other Income, Net</b>											
43	Interest Income	(\$2,069,372)		(\$2,069,372)	\$0	(\$2,069,372)		(\$2,069,372)		(\$2,069,372)	SEK
44	Other Income, Net	(516,531)	\$405,654	(110,877)	0	(110,877)		(110,877)		(110,877)	SEK
45	Total Other Income, Net	(\$2,585,903)	\$405,654	(\$2,180,250)	\$0	(\$2,180,250)		(\$2,180,250)		(\$2,180,250)	
<b>Other Funds Requirements</b>											
46	Long-Term Interest and Principal		138,537,726	\$138,537,726		\$138,537,726	\$8,291,737	\$146,829,463	\$6,272,678	\$153,102,141	JRB-2
47	Debt Service		\$138,537,726	\$138,537,726	\$0	\$138,537,726	\$8,291,737	\$146,829,463	\$6,272,678	\$153,102,141	
48	Extensions and Replacements		\$66,000,000	\$66,000,000	\$0	\$66,000,000	\$4,000,000	\$70,000,000	\$5,000,000	\$75,000,000	JRB-2
<b>Cash Requirement Offsets</b>											
49	Connection Fee Offset			(\$8,121,088)		(\$8,121,088)		(\$8,121,088)		(\$8,121,088)	w/p S640-1
50	Depreciation & Amortization			(\$6,057,645)	0	(\$6,057,645)		(\$6,057,645)		(\$6,057,645)	- In 34
51	Pro forma Revenue Requirement Increase Before Write-Off Increase			\$31,656,211	\$31,656,211	\$0	\$0	\$0	(\$0)	(\$0)	
52	Percentage Increase/(Decrease) by Phase				11.88%		4.64%		3.81%	21.53%	
53	Percentage Increase/(Decrease) by Phase, revenue subject to increase				11.98%		4.68%		3.84%	21.72%	

CWA Authority, Inc.  
 2020 North Meridian Street  
 Indianapolis, Indiana 46202

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**SEWER RATE NO. 1**

**NONINDUSTRIAL SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

The Nonindustrial rates and charges shall be applied to all Nonindustrial Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service. The Monthly Base Charge, together with the variable Treatment Charges, are subject to the Monthly Minimum Charge as noted in the table below.

**RATE:**

All Nonindustrial Customers of the Utility shall pay a fixed Monthly Base Charge per connection and a variable Treatment Charge as shown in the table below.\*

<b>Metered Monthly Rates</b>	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
Monthly Minimum Charge	\$45.36	\$46.82	\$48.01
Monthly Base Charge	\$21.25	\$21.25	\$21.25
Treatment Charges:			
First 7,500 gallons (\$/1,000 gal.)	\$8.0356	\$8.5217	\$8.9202
First 10 CCF (\$/CCF)	\$6.0267	\$6.3913	\$6.6902
Over 7,500 gallons (\$/1,000 gal.)	\$8.6986	\$9.2249	\$9.6561
Over 10 CCF (\$/CCF)	\$6.5240	\$6.9817	\$7.2421

In addition to the charges above, the Environmental Compliance Plan Recovery Mechanism rate from Rider A, the System Integrity Adjustment rate from Rider B, and the Low Income Customer Assistance Program rate from Rider C shall apply.

**MINIMUM BILL PER MONTH:**

Each Nonindustrial Customer will pay a Monthly Minimum Charge if the combined Base Charge, Treatment Charges, and Rider A charge are less than the Monthly Minimum Charge. Seasonal customers will receive bills during all Months of the year even when only the Monthly Minimum Charge is due.

**\*BILLING FOR RESIDENTIAL CUSTOMERS FROM MAY THROUGH NOVEMBER:**

In the case of Residential Customers, the monthly billing for Sewage Disposal Service for the Months of May through November shall be based upon the monthly average of the water billed during the previous Months December through March *or* the Customer's actual usage, whichever is lower. In the event the monthly average of the water billed during such previous Months December through March is less than 3,000 gallons (4 CCF), the Customer will pay the Monthly Minimum Charge reflected in the above table. This would apply to new customers that did not have usage billed in any or all of the Months December through March. CCF refers to 100 cubic feet and is approximately equivalent to 750 gallons.

**CWA Authority, Inc.**  
**2020 North Meridian Street**  
**Indianapolis, Indiana 46202**

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**SEWER RATE NO. 1 - NONINDUSTRIAL SEWAGE DISPOSAL SERVICE (Cont'd.)**

**UNMETERED SEWER CUSTOMERS:**

All Residential Customers of the Utility who have an unmetered water source shall pay a monthly charge based on the number of occupants in the household. The charge will be calculated using a fixed Monthly Base Charge per connection and a variable Treatment Charge based on 1,800 gallons per occupant.

<b>Unmetered Monthly Rates</b>	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
1 occupant (Monthly Minimum Charge)	\$45.36	\$46.82	\$48.01
2 occupants (3,600 gallons)	\$50.18	\$51.93	\$53.36
3 occupants (5,400 gallons)	\$64.64	\$67.27	\$69.42
4 or more occupants (7,200 gallons)	\$79.11	\$82.61	\$85.48

All other Nonindustrial Customers of the Utility who have an unmetered water source shall pay a monthly charge based on their estimated Monthly discharge. The charge will be calculated using a fixed Monthly Base Charge per connection and a variable Treatment Charge based on tiers below.

<b>Unmetered Monthly Rates</b>	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
Small Flat Rate (5-10 ccf)	\$51.38	\$53.21	\$54.70
Large Flat Rate (11 ccf and above)	\$107.61	\$112.84	\$117.12

In addition to the charges above, the Environmental Compliance Plan Recovery Mechanism rate from Rider A, the System Integrity Adjustment from Rider B, and the Low Income Customer Assistance Program rate from Rider C shall apply to Unmetered Sewer Customers.

**WATER USED FOR FIRE PROTECTION:**

Where a metered water supply is used for fire protection as well as for other uses, the Utility may, at its sole discretion, make adjustments in the sewer user charge as may be equitable. In such cases the burden of proof as to the type of water usage shall be upon the Customer.

Where a metered water supply is used for fire protection only, the sewer user charge shall not apply.

**PAYMENT:**

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

**SEWER RATE NO. 2**

**INDUSTRIAL SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

The Industrial rates and charges shall be applied to all Industrial Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service. The Monthly Base Charge, together with the variable Treatment Charges, are subject to the Monthly Minimum Charge as noted in the table below and billed according to Rule 7.1.

**RATE:**

All Industrial Customers of the Utility shall pay a fixed Monthly Base Charge per connection, in addition to variable Treatment and Surveillance Charges as shown in the table below.

<b>Metered Monthly Rates:</b>	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
Monthly Minimum charge			
Tier 1	\$39.11	\$40.69	\$41.97
Tier 2	\$68.72	\$71.50	\$73.73
Tier 3	\$275.38	\$286.53	\$295.43
Tier 4	\$1,819.44	\$1,893.13	\$1,951.84
Monthly Base charge			
Tier 1	\$25.03	\$26.04	\$26.85
Tier 2	\$54.64	\$56.85	\$58.61
Tier 3	\$261.30	\$271.88	\$280.31
Tier 4	\$1,805.36	\$1,878.48	\$1,936.72
Treatment charges			
Per 1,000 gallons	\$4.4923	\$4.6826	\$4.8367
Per CCF	\$3.3692	\$3.5120	\$3.6275
Industrial Surveillance Rate			
Per 1,000 gallons	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	\$4.6945	\$4.8848	\$5.0389
Per CCF	\$3.5209	\$3.6637	\$3.7792

In addition, the Environmental Compliance Plan Recovery Mechanism rate from Rider A and the Low Income Customer Assistance Program rate from Rider C shall apply.

**CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202**

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**SEWER RATE NO. 2 – INDUSTRIAL SEWAGE DISPOSAL SERVICE (Cont'd)**

**TIER CLASSIFICATION:**

For the purpose of the application of the Monthly Base Charge and Monthly Minimum Charge, the Tiers are determined based on annual billed treatment volumes per discharge meter or outfall as follows:

- Tier 1: annual billed treatment volumes up to 600 CCF (450 1,000 gallons)
- Tier 2: annual billed treatment volumes greater than 600 CCF (450 1,000 gallons), but less than 4,800 CCF (3,600 1,000 gallons)
- Tier 3: annual billed treatment volumes greater than 4,800 CCF (3,600 1,000 gallons), but less than 36,000 CCF (27,000 1,000 gallons)
- Tier 4: annual billed treatment volumes greater than 36,000 CCF (27,000 1,000 gallons)

The annual billed treatment volumes per discharge meter or outfall will be based on the twelve months ending each February. The tier classifications will become effective each May and remain in effect for twelve months.

For new customers, the tier assigned will be Tier 2. For customers with less than twelve months billed treatment volume, the tier assigned will be based on an annualization of the data available (i.e. monthly average of billed discharge volumes multiplied by twelve).

**MINIMUM BILL PER MONTH:**

Each Industrial Customer will pay a Monthly Minimum Charge if the combined Monthly Base Charge, together with the variable Treatment and Surveillance Charges are less than the Monthly Minimum Charge.

**PAYMENT:**

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

**SPECIAL PROVISIONS:**

Where pretreatment is necessary in order to comply with the Utility's Terms and Conditions for Sewage Disposal or categorical pretreatment standards found in 40 CFR Chapter I, Subchapter N, Parts 405—471 and 327 IAC 5-12-6, Industrial Customers shall be subject to charges and fees established by the Utility's Board to provide for the recovery of costs of the pretreatment program. The applicable charges or fees may include: (1) fees for reimbursement of costs of setting up and operating the pretreatment program; (2) fees for monitoring, inspections and surveillance procedures; (3) fees for reviewing accidental discharge procedures and construction; (4) fees for filing appeals; (5) fees for consistent removal (by the Utility) of pollutants otherwise subject to federal pretreatment standards; (6) other fees as the Board of the Utility may deem necessary to carry out the requirements of the pretreatment program.

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

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**SEWER RATE NO. 3**

**FATS, OIL AND GREASE CHARGE**

**APPLICABILITY:**

Customers that are by Ordinance required to be licensed as a food/cooking establishment, or which the Utility, in its sole discretion determines are a commercial food/cooking establishment, shall be subject to a monthly charge for "Fats, Oil & Grease" ("FOG"). The FOG charge will support the additional costs of administering, monitoring, and treating the excessive strength waste associated with these establishments.

**RATE:**

The monthly FOG charge is shown in the table below.

<b>Monthly Rate</b>	\$30.00
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CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Original Page No. 104

**SEWER RATE NO. 4**

**WASTEWATER HAULER RATES**

**APPLICABILITY:**

Wastewater Haulers shall pay the metered rates and charges set forth below.

**RATE:**

The monthly metered rates in addition to the excessive strength surcharges applicable to Wastewater Haulers are set forth in the table below.

<b>Metered Monthly Rates:</b>	
Septic and Other Non-Grease: Per 1,000 Gallons	\$56.24
Grease Waste: Per 1,000 Gallons	\$422.08
<b>Excessive Strength Surcharges – Per pound:</b>	
BOD in excess of 6,000 mg/l (\$/lb.)	\$0.3807
TSS in excess of 15,000 mg/l (\$/lb.)	\$0.1562
NH <sub>3</sub> -N in excess of 400 mg/l (\$/lb.)	\$0.3880

In addition to the charges above, the Environmental Compliance Plan Recovery Mechanism rate from Rider A and the System Integrity Adjustment rate from Rider B shall apply to the Wastewater Hauler metered monthly volumes and not to the Excessive Strength volumes.



CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

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**SEWER RATE NO. 5**

**SELF-REPORTING SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

The Self-Reporting rates and charges shall be applied to all Self-Reporting Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service.

**RATE:**

All Self-Reporting Customers of the Utility shall pay a fixed Monthly Base Charge per discharge meter or outfall, in addition to variable Treatment and Surveillance Charges and Excessive Strength Surcharges as shown in the table below.

<b>Monthly Rates:</b>	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
Monthly Minimum Charge			
Tier 1	\$39.11	\$40.69	\$41.97
Tier 2	\$68.72	\$71.50	\$73.73
Tier 3	\$275.38	\$286.53	\$295.43
Tier 4	\$1,819.44	\$1,893.13	\$1,951.84
Monthly Base charge			
Tier 1	\$25.03	\$26.04	\$26.85
Tier 2	\$54.64	\$56.85	\$58.61
Tier 3	\$261.30	\$271.88	\$280.31
Tier 4	\$1,805.36	\$1,878.48	\$1,936.72
Treatment charges			
Per 1,000 gallons	\$4.4923	\$4.6826	\$4.8367
Per CCF	\$3.3692	\$3.5120	\$3.6275
Industrial Surveillance Rate			
Per 1,000 gallon	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	\$4.6945	\$4.8848	\$5.0389
Per CCF	\$3.5209	\$3.6637	\$3.7792
<b>Excessive Strength Surcharges-- Per pound:</b>			
BOD in excess of 250 mg/l (\$/lb.)	\$0.3807	\$0.3807	\$0.3807
TSS in excess of 300 mg/l (\$/lb.)	\$0.1562	\$0.1562	\$0.1562
NH <sub>3</sub> -N in excess of 20 mg/l (\$/lb.)	\$0.3880	\$0.3880	\$0.3880

In addition, the Environmental Compliance Plan Recovery Mechanism rate from Rider A and the Low Income Customer Assistance Program rate from Rider C shall apply.

**Current base rates effective pursuant  
to I.U.R.C. Order in Cause No. 45151**

**Effective:**

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**SEWER RATE NO. 5 – SELF-REPORTING SEWAGE DISPOSAL SERVICE (Cont'd)**

**TIER CLASSIFICATION:**

For the purpose of the application of the Monthly Base Charge and Monthly Minimum Charge, the Tiers are determined based on annual billed treatment volumes per discharge meter or outfall as follows:

- Tier 1: annual billed treatment volumes up to 600 CCF (450 1,000 gallons)
- Tier 2: annual billed treatment volumes greater than 600 CCF (450 1,000 gallons), but less than 4,800 CCF (3,600 1,000 gallons)
- Tier 3: annual billed treatment volumes greater than 4,800 CCF (3,600 1,000 gallons), but less than 36,000 CCF (27,000 1,000 gallons)
- Tier 4: annual billed treatment volumes greater than 36,000 CCF (27,000 1,000 gallons)

The annual billed treatment volumes per discharge meter or outfall will be based on the twelve months ending each February. The tier classifications will become effective each May and remain in effect for twelve months.

For new customers, the tier assigned will be Tier 2. For customers with less than twelve months billed treatment volume, the tier assigned will be based on an annualization of the data available (i.e. monthly average of billed discharge volumes multiplied by twelve).

**MINIMUM BILL PER MONTH:**

Each Self-Reporting Customer will pay a Monthly Minimum Charge, if the combined Monthly Base Charge, together with the variable Treatment and Surveillance Charges are less than the Monthly Minimum Charge.

**PAYMENT:**

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

**SPECIAL PROVISIONS:**

Where pretreatment is necessary in order to comply with the Utility's Terms and Conditions for Sewage Disposal or categorical pretreatment standards found in 40 CFR Chapter I, Subchapter N, Parts 405—471 and 327 IAC 5-12-6, Industrial Customers shall be subject to charges and fees established by the Utility's Board to provide for the recovery of costs of the pretreatment program. The applicable charges or fees may include: (1) fees for reimbursement of costs of setting up and operating the pretreatment program; (2) fees for monitoring, inspections and surveillance procedures; (3) fees for reviewing accidental discharge procedures and construction; (4) fees for filing appeals; (5) fees for consistent removal (by the Utility) of pollutants otherwise subject to federal pretreatment standards; (6) other fees as the Board of the Utility may deem necessary to carry out the requirements of the pretreatment program.

In the event a Self-Reporting Customer who does not have BOD, TSS and NH<sub>3</sub>-N fails to submit the report required by Rule 5.5.2 for three consecutive months, the Customer will be moved to Sewer Rate No. 2. The Utility shall measure usage and bill the Customer as provided for in Rule 7. The Customer will not be able to return to Sewer Rate No. 5 for twelve Months.

**SEWER RATE NO. 6**

**WHOLESALE SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

Wholesale Sewage Disposal Service shall be available to all municipalities, conservancy districts and any other entities that own and operate facilities for the collection of wastewater (“Collection Systems”) from retail customers in geographic areas located adjacent to the Utility’s Sewage Disposal System that transport wastewater to the Utility’s Sewage Disposal System for treatment and disposal, subject to satisfying each of the Special Provisions set forth below (collectively referred to below as “Communities,” and individually “Community”).

**RATE:**

**1. Variable Treatment Charge**

All Communities receiving Wholesale Sewage Disposal Service shall pay the Variable Treatment as shown in the table below:

	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
<b>Treatment Charge</b>			
Per 1,000 Gallons	\$3.1110	\$3.2630	\$3.3780

**2. Excessive Strength Surcharges**

In addition, all Communities receiving Wholesale Sewage Disposal Service shall pay the Excessive Strength Surcharges shown in the table below:

<b>Excessive Strength Surcharges – per pound</b>	<b>Phase 1 Eff.</b>	<b>Phase 2 Eff.</b>	<b>Phase 3 Eff.</b>
BOD in excess of 250 mg/1	\$0.3807	\$0.3807	\$0.3807
TSS in excess of 300 mg/1	\$0.1562	\$0.1562	\$0.1562
NH3-N in excess of 20 mg/1	\$0.3880	\$0.3880	\$0.3880

**3. Rates Subject to Change and Other Riders**

The foregoing rates are subject to change, with Commission approval. In addition, the Environmental Compliance Plan Recovery Mechanism rate from Rider A, the System Integrity Adjustment rate from Rider B, and any other changes in rates or charges due to adjustment mechanisms approved by the Commission, shall apply. Notwithstanding Ind. Code § 8-1-2-42, whenever the Utility petitions the Commission for a change in rates or charges that affects its rates or charges under this Sewer Rate No. 6, the Utility shall notify each Community in writing thirty (30) days prior to the filing of the petition of its intention to request a change in rates or charges and the estimated amount of the proposed change in rates or charges.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE (Cont'd)**

**MONTHLY MINIMUM CAPACITY CHARGE**

Each Community maintaining a metered connection to the Utility's Sewage Disposal System will pay a Monthly Minimum Capacity Charge of \$5,000 per MGD of Average Daily Flow, if the combined Variable Treatment Charge and Excessive Strength Surcharges are less than the Monthly Minimum Capacity Charge.

**CAPACITY AND CONNECTIONS**

The Utility will certify to each Community that a certain specified capacity Average Daily Flow rate and Peak Daily Flow rate is available for the Community (the "Permitted Capacity"). If a Community plans to construct larger or additional connections to the Utility's system or increase flows to the system in a manner that would exceed the certified Permitted Capacity, the Community shall first submit an application to the Utility for review and approval in the form designated by the Utility. If a Community exceeds its Peak Daily Flow on at least five days during a monthly reporting period, the Utility may assess a surcharge in the amount of ten percent (10%) of the monthly Variable Treatment Charge for the Month of exceedance.

"Average Daily Flow" shall mean the total flow as reflected on the previous 12 monthly reports submitted to CWA divided by the number of days covered by those monthly reports.

"Peak Daily Flow" shall mean the total gallons of flow in any 24-hour period which period begins at 12:00 A.M. and ends at 11:59 P.M.

**BILLING AND PAYMENT OF BILLS:**

Each month, the Utility will submit a written statement to the Community based on the number of gallons of wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System shown on the report submitted by the Community during the preceding calendar Month ("Bill"). The Bill will show the computation of the Variable Treatment Charge and the Excessive Strength Surcharge, if any, for such calendar Month. The computation of the Excessive Strength Surcharge will be applied only to flow streams specifically sampled for an Excessive Strength Surcharge and will be calculated based on the monthly flow volume specific to the sampled and analyzed flow stream. Each Bill shall be in a form and content designated by the Utility. If the Community does not pay the Bill within forty-five (45) days after its date of issue, a late payment charge will be added as provided in Appendix A.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE (Cont'd)**

**SPECIAL PROVISIONS:**

**1. Connection Obligations.**

The Community must have installed, at the Community's sole cost and expense, any connections, including, but not limited to, the connecting sewer mains and tap-in pipes, as well as any pump stations (collectively, the "Connections"), that are necessary or appropriate to connect the Community's Collection System to the Utility's Sewage Disposal System so that the wastewater generated within the Community's service area and designated by the Community to be treated by the Utility will be transported and discharged into the Utility's Sewage Disposal System. The location of such Connections must be depicted on a map the Community provides to the Utility.

**2. Metering Obligations.**

The Community is responsible to install, at the Community's sole cost and expense, all Meters designated as necessary or appropriate by the Utility to record the volume of wastewater transported and discharged into the Utility's Sewage Disposal System from the Community's Collection System. The location of all Meters is subject to the Utility's initial approval. The Community will calibrate the Meters not less than one (1) time every calendar year and at other times upon the reasonable request of the Utility. The Community will notify the Utility when such calibration is complete and maintain all records associated with the calibration for a period of two (2) years. After thirty (30) days' notice to the Community, if the Community does not perform the required calibration, notify the Utility, or maintain a record showing the calibration has been performed, the Utility may cause the calibration to be performed at the Community's cost and expense.

**3. Obligation to Sample and Test.**

The Community is responsible to install at the Community's sole cost and expense, sampling ports ("Sampling Ports") to sample wastewater transported and discharged into the Utility's Sewage Disposal System from the Community's Collection System at locations reasonably designated by the Utility. The Community shall on a frequency determined by the Utility, but no more frequently than monthly, obtain and test samples of the wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System from each Sampling Port. The tests shall consist of a 24-hour composite sample or other sampling method, as mutually agreed upon by the Community and the Utility. The tests shall determine the pH level, as well as the levels of BOD, TSS, NH<sub>3</sub>-N and any other pollutant parameter, as reasonably requested by the Utility in each wastewater sample. The results of such tests shall be reported to the Utility in writing in a form prescribed by the Utility. All measurements, tests and analysis of the characteristics of the wastewater shall be determined in accordance with the latest edition of "Standards Methods of the Examination of Water and Sewage," as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The Community will be responsible for all costs and expenses associated with the measuring, sampling and testing of the wastewater. However, the Utility may at its sole cost and expense, upon 24 hour notice to the Community, obtain samples of the wastewater being discharged from the Community's Collection System into the Utility's Sewage Disposal System using any of the Sampling Ports, and the same type of sampling and testing methodology as required by the Community, and cause tests of each such sample to be conducted to determine the characteristics of the Community's wastewater.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE**, (Cont'd)

**4. Additional Connections/Sampling Ports/Meters.**

The Community may install and construct, at the Community's sole cost and expense, additional Connections, Sampling Ports or Meters as the Community's Collection System develops over time, subject to obtaining prior written consent of the Utility. In addition, the Utility shall have the right to require the Community to install or construct additional Connections, Sampling Ports or Meters reasonably required and based solely on the Community's flow in excess of the Permitted Capacity to be transmitted to the Utility. The additional Connections/Sampling Ports/Meters will be a part of the Community's Collection System. The Utility will be afforded access to the work sites as is reasonably necessary for the Utility and its representatives to observe, inspect and test the installation and construction of the Community's Connections, Meters and Sampling Ports. The Community will not permit any wastewater to be discharged from the Community's additional Connections, Meters and Sampling Ports into the Utility's Sewage Disposal System until after the Community has completed the installation and construction of the additional Connections, Meters and Sampling Ports and the Utility has inspected and approved such additional Connections, Meters and Sampling Ports.

**5. Reporting of Metered Volumes and Sample Results.**

The Community will, on or before the last day of each calendar Month, at its sole cost and expense, submit a written report to the Utility in a form specified by the Utility and certified by an appropriate official of the Community as being true, accurate and complete. The written report will contain for the calendar month preceding the calendar month in which the report is delivered, the volumes of wastewater for each metered connection, estimated flow volumes for unmetered connections, and the Excessive Strength Surcharge test results of wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System. The written report will clearly identify which, if any, flow streams or connections were sampled for Excessive Strength Surcharges, and the results of any such tests.

**6. Plans and Specifications.**

Each Community receiving Wholesale Sewage Disposal Service as of the effective date of this Sewer Rate No. 6, has submitted plans and specifications for its existing Connections, Meters and Sampling Ports ("Plans and Specifications") to the Utility, and the Utility has approved those Plans and Specifications. For Communities that begin treatment service after January 1, 2017, the Community shall submit Plans and Specifications to the Utility for review and approval at least forty-five (45) days before the scheduled commencement date of the installation and construction.

A Community will submit any proposed modifications, amendments or additions to the Plans and Specifications to the Utility for review and approval at least forty-five (45) days before the scheduled commencement date of the installation and construction of any such improvements or modifications. The Utility will notify the Community in writing of its approval or disapproval of such revisions within thirty (30) days after submission.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE (Cont'd)**

At least annually, the Community and the Utility shall meet to discuss and review the Community's plans for wastewater service as a means for the Utility to be prepared for any significant changes in the Community's flows or loadings. This includes discussions related to significant Community wastewater expansions, changes in the number of customers and type, and other system changes that impact the Utility's ability to operate and maintain the Utility's Sewage Disposal System.

**7. Maintenance of Connections, Meters and Sampling Ports.**

The Community, at its sole cost and expense, shall at all times maintain the Connections, Meters and Sampling Ports in good working order, condition and repair. In the event the Community fails to keep the Connections, Meters or Sampling Ports in good working order, condition and repair, the Utility may serve written notice on the Community specifying the maintenance, repair or replacement of the Connections, Meters or Sampling Ports which the Utility reasonably believes appropriate. If the Community fails to address the Utility's concerns and does not begin to perform the repairs, maintenance work or replacements within thirty (30) days of its receipt of that notice, the Utility may arrange for the maintenance, repair or replacement of the Connections, Meters, or Sampling Ports and the Community shall pay all reasonable costs and expenses incurred by the Utility in connection with such maintenance, repair or replacement. If the Utility determines the condition of the Connection, Meters or Sampling Ports poses an immediate threat to public health and safety, the Utility, without prior notice to the Community, may arrange for all corrective work to be performed and the Community shall pay reasonable costs incurred by the Utility in connection with such emergency work.

**8. Maintenance of Community's Collection System.**

The Community will, at its sole cost and expense, maintain the Community's Collection System.

**9. Right to Inspect.**

In addition to inspecting samples from the Sampling Ports as described in Section 3 of the Special Provisions, the Utility may enter and inspect, and collect samples from, any part of the Community's Collection System. This right of entry and inspection shall extend to public streets, easements and property within which the Community's Collection System is located.

The Utility also shall have, and upon request of the Utility the Community shall use its best efforts to obtain for the Utility's use, the right to enter upon private property to inspect the waste discharge of the Community's industrial customers, including on-site inspection of pretreatment and sewer facilities, observation, measurement, sampling, testing, and access to (with the right to copy) all pertinent compliance records located on the premises of the Community's industrial customers.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE**, (Cont'd)

**10. Further Obligations Regarding Discharges.**

All wastewater transported or discharged from the Community's Collection System into the Utility's Sewage Disposal System shall be substantially free from any sand, gravel, street waste, leaves, paper, cyanide, coal tar, oil, grease, acids, dry cleaning fluids, or any other foreign material or industrial wastes, and not contain materials, substances or discharges prohibited by the Sewage Restrictions set forth in Rule 16 of the Utility's Terms and Conditions for Sewage Disposal Service Within Marion County (hereinafter "Prohibited Materials"). Upon discovery or notice that Prohibited Materials in excess of what is considered reasonable are being transported or discharged from the Community's Collection System into the Utility's Sewage Disposal System, and upon notice from the Utility, the Community shall: (i) use reasonable efforts and diligence to identify the source of the Prohibited Materials; (ii) notify the source of the Prohibited Materials to immediately cease the discharge of Prohibited Materials into the Community's Collection System within twenty-four (24) hours after identifying the source of the Prohibited Materials; and (iii) disconnect the source of the Prohibited Materials from the Community's Collection System within forty-eight (48) hours after identification, if the source fails to stop discharging Prohibited Materials into the Community's Collection System within twenty-four (24) hours after the Community's request therefore. The Community also will pay all fines, penalties, costs and expenses that are incurred by the Utility in connection with or as a result of Prohibited Materials being discharged from the Community's Collection System into the Utility's Sewage Disposal System, including, without limitation, all fines levied by the State of Indiana or the EPA. The Community is further responsible for and will pay the Utility upon demand for all damages to the Utility's Sewage Disposal System caused by or resulting from the discharge of any material or waste into the Utility's Sewage Disposal System from the Community's Collection System which causes interference, pass-through, obstruction, damage or any other impairment to the Utility's Sewage Disposal System. The Community also will pay all costs and expenses incurred by the Utility to clean or repair the Utility's Sewage Disposal System and any penalty, fine or cost of compliance with injunctions or other orders of a court or governmental authority imposed against the Utility as a result of any such interference, pass-through, obstruction, damage or impairment, and all other costs and expenses incurred by the Utility as a result of any such interference, pass through, obstruction, damage or impairment, including, but not limited to, expert, consultant, and attorneys' fees.

**11. Compliance with Pretreatment Standards.**

If the Community does not have a United States Environmental Protection Agency delegated and approved pretreatment program or one implemented by the Indiana Department of Environmental Management, pursuant to 40 CFR Part 403, the Utility is obligated to implement an industrial pretreatment permitting program for industrial users that discharge flows to the Utility's facilities for treatment.

To the extent implementation of a pretreatment program is necessary for industrial customers within a Community, the Community will maintain in full force and effect a Sewer Use Ordinance providing that industrial users of the Community's system will comply with any and all pretreatment requirements set forth by the Utility and as required by any applicable federal or state statute or rule, and those currently established in 40 CFR Chapter I, Parts 405-471, the pretreatment standards set forth in 327 IAC 5-16 *et seq.*, as well as any rules and regulations adopted by Resolution of the Utility's Board in furtherance of those pretreatment standards. In addition, the Utility may require an annual certification from the Community certifying its compliance with pretreatment requirements, including results of surveys to determine whether industrial users discharge into the Community's system.



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**RIDER A**

**ENVIRONMENTAL COMPLIANCE PLAN RECOVERY MECHANISM**

The charges specified in Sewer Rate Nos. 1, 2, 4, 5, and 6 shall be adjusted from time to time to reflect an Environmental Compliance Plan (“ECP”) Recovery Mechanism. Pursuant to Indiana Code 8-1-28, the ECP Recovery Mechanism shall recover the costs of complying in whole or in part with the requirements of the Safe Drinking Water Act or the Clean Water Act.

**RATE:**

To be determined.

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**RIDER C**

**LOW INCOME CUSTOMER ASSISTANCE PROGRAM**

**APPLICABILITY:**

The Low Income Customer Assistance Program (“LICAP”) Rider is established pursuant to Ind. Code § 8-1-2-46(c) to recover the cost of providing an assistance program for qualifying low-income Nonindustrial Customers served under Sewer Rate No. 1. The charge applicable under the LICAP Rider shall be applied to all Customers served under Sewer Rate Nos. 1, 2, and 5 and shall be at the rate set forth below.

**RATES AND CHARGES:**

All Customers of the Utility served under Sewer Rate Nos. 1, 2, and 5 shall pay a fixed charge per Month as shown below:

**Applicable LICAP Rate                      \$ 0.45 Per Month**

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APPENDIX A

**NON-RECURRING CHARGES**

1. **INDUSTRIAL CUSTOMER LATE REPORTING CHARGE**

In the event that a Self-Reporting Customer fails to submit the report required under Section 5 of the Utility's Terms and Conditions for Sewage Disposal Service by the twenty-fifth (25<sup>th</sup>) day of the following Month, the Self-Reporting Customer shall pay late reporting charges according to the following schedule:

<b>Late Reports Filed in any Year</b>	<b>Charge</b>
First late report	No charge
Second late report	No charge
Each subsequent late report	\$100.00

2. **LATE PAYMENT CHARGE**

A Utility Services bill that has remained unpaid for a period of more than seventeen (17) days following the mailing of the bill shall be considered delinquent in accordance with Section 5 of the Utility's Terms and Conditions for Sewage Disposal Service. In such event, a Late Payment Charge will be added to the Utility Services bill in the amount of ten percent (10%) of the first three dollars (\$3.00) of Sewage Disposal Service and three percent (3%) on the amount in excess of three dollars (\$3.00).

3. **DELINQUENT ACCOUNT TRIP CHARGE**

A charge may be made for each visit to the Customer's Premises regarding a delinquent account. Visits may result in the disconnection of service. Such charge to the Customer shall be fourteen dollars (\$14.00).

4. **RECONNECTION CHARGE**

When Sewage Disposal Service is turned off for non-payment of a bill, or for any reason beyond the control of the Utility, and a reconnection of Sewage Disposal Service is required by any one Customer, a charge will be made by the Utility to cover the cost of discontinuance and reconnection of service; such charge shall be forty-four dollars (\$44.00) per Meter or Customer. The Customer shall pay the Reconnection Charge, along with any Sewage Disposal Service arrears due, and comply with all other requirements set forth in Section 6 of the Utility's Terms and Conditions for Sewage Disposal Service before Sewage Disposal Service will be reconnected.

5. **RETURNED CHECK CHARGE**

Each Customer that causes a check for Utility Services to be returned by their financial institution due to their account not having sufficient funds to allow such check to be processed, shall be charged eleven dollars (\$11.00) per check to cover the cost the Utility incurs to re-process the original transaction.

6. **RATE FOR TEMPORARY USERS**

Sewage Disposal Service furnished to temporary users, such as contractors, shall be charged on the basis of schedules set forth in Rate 1 or Rate 2 depending on the characteristics of the temporary user. The amount of usage shall be estimated and established by the Utility before service is rendered.

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## APPENDIX B

### MISCELLANEOUS FEES

#### 1. CONNECTION FEE

A baseline Connection Fee of two thousand five hundred thirty dollars (\$2,530.00) per equivalent dwelling unit (“EDU”), will be assessed for all new connections to the Sewage Disposal System. A new connection includes new sewer service or modification of an existing sewer service agreement; however, replacement or repair of an existing individual Building Sewer that does not increase EDU’s will not constitute a new connection. EDU’s shall be determined in accordance with industry standards and reflect the greater of the actual daily flow requirements (per 327 IAC 3), the area ratio of the water meter size serving a particular user, or such other means of determination deemed appropriate by the Utility. One (1) EDU shall be estimated as equal to three hundred ten (310) gallons per day.

#### 2. EXTENSION, AMENDMENT, OR TRANSFER OF AUTHORITY TO CONNECT TO THE SEWAGE DISPOSAL SYSTEM

The fee for extending the authority granted by the Utility to connect to the Sewage Disposal System beyond 180 days shall be \$30. The fee for amending an application for connection shall be \$30. The fee for transferring the authority granted by the Utility to connect to the Sewage Disposal System, which transfer must be done with the consent of the Utility shall be \$30.

#### 3. BUILDING SEWER FEES

The Utility shall bill the following fees when a Building Sewer permit is required to construct, repair, modify, connect or abandon any Sanitary Sewer Facility within the Utility’s service area. The fees are as follows:

**3.1 Building Sewer Application and Permit Fee:** A fee of \$209 will be assessed for the application and issuance of a Building Sewer permit.

**3.2 Building Sewer Re-Inspection Fee:** In the event a Building Sewer fails the initial inspection, a fee of \$75 will be assessed for each additional inspection.

#### 4. SANITARY SEWER FACILITY FEES

The Utility shall bill the following fees when a Sanitary Sewer Facility permit is required to construct, repair, modify, connect or abandon any Sanitary Sewer Facility within the Utility’s service area. The fees are as follows:

**4.1 Sanitary Sewer Facility Application, Initial Plan and Construction Review Fee:** A fee of \$657 will be assessed for the initial application, plan submission and review.

**4.2 Sanitary Sewer Facility Additional Plan Review Fee:** A fee of \$247 will be assessed for each additional revised plan submission and subsequent review.

**4.3 Sanitary Sewer Facility Construction Management Fee:** A fee of \$420 will be assessed at the time the application is made for a Sanitary Sewer Facility permit for the management of construction scheduling, close out, and post construction record retention.

**4.4 Sanitary Sewer Facility Construction Inspection Services Fee:** A fee of \$65 per hour will be assessed for construction inspection services provided throughout all work and construction performed on or associated with the Sanitary Sewer Facility.

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**SEWER RATE NO. 1**

**NONINDUSTRIAL SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

The Nonindustrial rates and charges shall be applied to all Nonindustrial Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service. The Monthly Base Charge, together with the variable Treatment Charges, are subject to the Monthly Minimum Charge as noted in the table below.

**RATE:**

All Nonindustrial Customers of the Utility shall pay a fixed Monthly Base Charge per connection and a variable Treatment Charge as shown in the table below.\*

<b>Metered Monthly Rates</b>	<b>Phase <del>I1</del> Eff. <del>7/20/16</del></b>	<b>Phase <del>I2</del> Eff. <del>11/4/16</del></b>	<b>Phase <del>H3</del> Eff. <del>8/1/17</del></b>
Monthly Minimum Charge	<del>\$37.92</del> <u>\$45.36</u>	<del>\$37.66</del> <u>\$46.82</u>	<del>\$39.57</del> <u>\$48.01</u>
Monthly Base Charge	<del>\$18.75</del> <u>\$21.25</u>	<del>\$18.75</del> <u>\$21.25</u>	<del>\$18.75</del> <u>\$21.25</u>
Treatment Charges:			
First 7,500 gallons (\$/1,000 gal.)	<del>\$6.39</del> <u>\$8.0356</u>	<del>\$6.30</del> <u>\$8.5217</u>	<del>\$6.93</del> <u>\$8.9202</u>
First 10 CCF (\$/CCF)	<del>\$4.79</del> <u>\$6.0267</u>	<del>\$4.72</del> <u>\$6.3913</u>	<del>\$5.20</del> <u>\$6.6902</u>
Over 7,500 gallons (\$/1,000 gal.)	<del>\$7.23</del> <u>\$8.6986</u>	<del>\$7.13</del> <u>\$9.2249</u>	<del>\$7.51</del> <u>\$9.6561</u>
Over 10 CCF (\$/CCF)	<del>\$5.42</del> <u>\$6.5240</u>	<del>\$5.35</del> <u>\$6.9817</u>	<del>\$5.63</del> <u>\$7.2421</u>

In addition to the charges above, the Environmental Compliance Plan Recovery Mechanism rate from Rider A, ~~and~~ the System Integrity Adjustment rate from Rider B, ~~and the Low Income Customer Assistance Program rate from Rider C~~ shall apply.

**MINIMUM BILL PER MONTH:**

Each Nonindustrial Customer will pay a Monthly Minimum Charge if the combined Base Charge, Treatment Charges, and Rider A charge are less than the Monthly Minimum Charge. Seasonal customers will receive bills during all Months of the year even when only the Monthly Minimum Charge is due.

**\*BILLING FOR ~~ONE, TWO, OR MULTI-FAMILY RESIDENCES~~ RESIDENTIAL CUSTOMERS FROM MAY THROUGH NOVEMBER:**

In the case of ~~one, two, or multi-family residences~~ Residential Customers, the monthly billing for Sewage Disposal Service for the Months of May through November shall be based upon the monthly average of the water billed during the previous Months December through March ~~or the Customer's actual usage, whichever is lower~~. In the event the monthly average of the water billed during such previous Months December through March is less than 3,000 gallons (4 CCF), the Customer will pay the Monthly Minimum Charge reflected in the above table. This would apply to new customers that did not have usage billed in any or all of the Months December through March. CCF refers to 100 cubic feet and is approximately equivalent to 750 gallons.

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**SEWER RATE NO. 1 - NONINDUSTRIAL SEWAGE DISPOSAL SERVICE (Cont'd.)**

**UNMETERED SEWER CUSTOMERS:**

All Residential Customers of the Utility who have an unmetered water source shall pay a monthly charge based on the number of occupants in the household. The charge will be calculated using a fixed Monthly Base Charge per connection and a variable Treatment Charge based on 1,800 gallons per occupant.

Unmetered Monthly Rates	Phase <u>I</u> Eff. <u>7/20/16</u>	Phase <u>I</u> Eff. <u>11/4/16</u>	Phase <u>II</u> Eff. <u>8/1/17</u>
1 occupant (Monthly Minimum Charge)	<del>\$37.92</del> <u>\$45.36</u>	<del>\$37.66</del> <u>\$46.82</u>	<del>\$39.57</del> <u>\$48.01</u>
2 occupants (3,600 gallons)	<del>\$41.76</del> <u>\$50.18</u>	<del>\$41.44</del> <u>\$51.93</u>	<del>\$43.73</del> <u>\$53.36</u>
3 occupants (5,400 gallons)	<del>\$53.26</del> <u>\$64.64</u>	<del>\$52.79</del> <u>\$67.27</u>	<del>\$56.22</del> <u>\$69.42</u>
4 or more occupants (7,200 gallons)	<del>\$64.76</del> <u>\$79.11</u>	<del>\$64.14</del> <u>\$82.61</u>	<del>\$68.71</del> <u>\$85.48</u>

All other Nonindustrial Customers of the Utility who have an unmetered water source shall pay a monthly charge based on their estimated Monthly discharge. The charge will be calculated using a fixed Monthly Base Charge per connection and a variable Treatment Charge based on tiers below.

Unmetered Monthly Rates	Phase <u>I</u> Eff. <u>7/20/16</u>	Phase <u>I</u> Eff. <u>11/4/16</u>	Phase <u>II</u> Eff. <u>8/1/17</u>
Small Flat Rate (5-10 ccf)	<del>\$42.71</del> <u>\$51.38</u>	<del>\$42.39</del> <u>\$53.21</u>	<del>\$44.77</del> <u>\$54.70</u>
Large Flat Rate (11 ccf and above)	<del>\$88.39</del> <u>\$107.61</u>	<del>\$87.45</del> <u>\$112.84</u>	<del>\$93.32</del> <u>\$117.12</u>

In addition to the charges above, the Environmental Compliance Plan Recovery Mechanism rate from Rider A, ~~and~~ the System Integrity Adjustment from Rider B, ~~and the Low Income Customer Assistance Program rate from Rider C~~ shall apply to Unmetered Sewer Customers.

**WATER USED FOR FIRE PROTECTION:**

Where a metered water supply is used for fire protection as well as for other uses, the Utility may, at its sole discretion, make adjustments in the sewer user charge as may be equitable. In such cases the burden of proof as to the type of water usage shall be upon the Customer.

Where a metered water supply is used for fire protection only, the sewer user charge shall not apply.

**PAYMENT:**

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

~~Third Revised Page No. 102~~  
~~Superseding Second Revised Original Page No. 102~~

**SEWER RATE NO. 2**

**INDUSTRIAL SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

The Industrial rates and charges shall be applied to all Industrial Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service. The Monthly Base Charge, together with the variable Treatment Charges, are subject to the Monthly Minimum Charge as noted in the table below and billed according to Rule 7.1.

**RATE:**

All Industrial Customers of the Utility shall pay a fixed Monthly Base Charge per connection, in addition to variable Treatment and Surveillance Charges as shown in the table below.

<b>Metered Monthly Rates:</b>	<b>Phase <del>I</del> Eff. <del>7/20/16</del></b>	<b>Phase <del>I</del> Eff. <del>11/4/16</del></b>	<b>Phase <del>H</del> Eff. <del>8/1/17</del></b>
Monthly Minimum charge	<del>\$35.79</del> <u>\$39.11</u>	<del>\$35.64</del> <u>\$40.69</u>	<del>\$37.65</del> <u>\$41.97</u>
Tier 1	<del>\$64.76</del> <u>\$68.72</u>	<del>\$64.61</del> <u>\$71.50</u>	<del>\$66.08</del> <u>\$73.73</u>
Tier 2			
Tier 3	<del>\$259.29</del> <u>\$275.38</u>	<del>\$259.14</del> <u>\$286.53</u>	<del>\$264.50</del> <u>\$295.43</u>
Tier 4	<del>\$1,712.68</del> <u>\$1,819.44</u>	<del>\$1,712.53</del> <u>\$1,893.13</u>	<del>\$1,746.96</del> <u>\$1,951.84</u>
Monthly Base charge	<del>\$22.46</del> <u>\$25.03</u>	<del>\$22.46</del> <u>\$26.04</u>	<del>\$24.03</del> <u>\$26.85</u>
Tier 1	<del>\$51.43</del> <u>\$54.64</u>	<del>\$51.43</del> <u>\$56.85</u>	<del>\$52.46</del> <u>\$58.61</u>
Tier 2			
Tier 3	<del>\$245.96</del> <u>\$261.30</u>	<del>\$245.96</del> <u>\$271.88</u>	<del>\$250.88</del> <u>\$280.31</u>
Tier 4	<del>\$1,699.35</del> <u>\$1,805.36</u>	<del>\$1,699.35</del> <u>\$1,878.48</u>	<del>\$1,733.34</del> <u>\$1,936.72</u>
Treatment charges			
Per 1,000 gallons	<del>\$4.2408</del> <u>\$4.4923</u>	<del>\$4.1927</del> <u>\$4.6826</u>	<del>\$4.3365</del> <u>\$4.8367</u>
Per CCF	<del>\$3.1806</del> <u>\$3.3692</u>	<del>\$3.1445</del> <u>\$3.5120</u>	<del>\$3.2523</del> <u>\$3.6275</u>
Industrial Surveillance Rate			
Per 1,000 gallons	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	<del>\$4.4430</del> <u>\$4.6945</u>	<del>\$4.3949</del> <u>\$4.8848</u>	<del>\$4.5387</del> <u>\$5.0389</u>
Per CCF	<del>\$3.3323</del> <u>\$3.5209</u>	<del>\$3.2962</del> <u>\$3.6637</u>	<del>\$3.4040</del> <u>\$3.7792</u>

In addition, the Environmental Compliance Plan Recovery Mechanism rate from Rider A and the Low Income Customer Assistance Program rate from Rider C shall apply.

Current base rates effective pursuant  
to I.U.R.C. Order in Cause No. 44685-45151

Effective: **September 1, 2017**

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Original Page No. 102A

**SEWER RATE NO. 2 – INDUSTRIAL SEWAGE DISPOSAL SERVICE (Cont'd)**

**TIER CLASSIFICATION:**

For the purpose of the application of the Monthly Base Charge and Monthly Minimum Charge, the Tiers are determined based on annual billed treatment volumes per discharge meter or outfall as follows:

- Tier 1: annual billed treatment volumes up to 600 CCF (450 1,000 gallons)
- Tier 2: annual billed treatment volumes greater than 600 CCF (450 1,000 gallons), but less than 4,800 CCF (3,600 1,000 gallons)
- Tier 3: annual billed treatment volumes greater than 4,800 CCF (3,600 1,000 gallons), but less than 36,000 CCF (27,000 1,000 gallons)
- Tier 4: annual billed treatment volumes greater than 36,000 CCF (27,000 1,000 gallons)

The annual billed treatment volumes per discharge meter or outfall will be based on the twelve months ending each February. The tier classifications will become effective each May and remain in effect for twelve months.

For new customers, the tier assigned will be ~~based on the class average for Rate 2 and Rate 5 Customers, but will not be greater than~~ Tier ~~3~~2. For customers with less than twelve months billed treatment volume, the tier assigned will be based on an annualization of the data available (i.e. monthly average of billed discharge volumes multiplied by twelve).

**MINIMUM BILL PER MONTH:**

Each Industrial Customer will pay a Monthly Minimum Charge if the combined Monthly Base Charge, together with the variable Treatment and Surveillance Charges are less than the Monthly Minimum Charge.

**PAYMENT:**

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

**SPECIAL PROVISIONS:**

Where pretreatment is necessary in order to comply with the Utility's Terms and Conditions for Sewage Disposal or categorical pretreatment standards found in 40 CFR Chapter I, Subchapter N, Parts 405—471 and 327 IAC 5-12-6, Industrial Customers shall be subject to charges and fees established by the Utility's Board to provide for the recovery of costs of the pretreatment program. The applicable charges or fees may include: (1) fees for reimbursement of costs of setting up and operating the pretreatment program; (2) fees for monitoring, inspections and surveillance procedures; (3) fees for reviewing accidental discharge procedures and construction; (4) fees for filing appeals; (5) fees for consistent removal (by the Utility) of pollutants otherwise subject to federal pretreatment standards; (6) other fees as the Board of the Utility may deem necessary to carry out the requirements of the pretreatment program.



CWA Authority, Inc.  
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Original Page No. 103

**SEWER RATE NO. 3**

**FATS, OIL AND GREASE CHARGE**

**APPLICABILITY:**

Customers that are by Ordinance required to be licensed as a food/cooking establishment, or which the Utility, in its sole discretion determines are a commercial food/cooking establishment, shall be subject to a monthly charge for “Fats, Oil & Grease” (“FOG”). The FOG charge will support the additional costs of administering, monitoring, and treating the excessive strength waste associated with these establishments.

**RATE:**

The monthly FOG charge is shown in the table below.

<b>Monthly Rate</b>	\$30.00
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CWA Authority, Inc.  
 2020 North Meridian Street  
 Indianapolis, Indiana 46202

~~Fourth Revised Page No. 104~~  
~~Superseding Third Revised Original Page No. 104~~

**SEWER RATE NO. 4**

**SEPTIC AND GREASE HAULER WASTEWATER HAULER RATES**

**APPLICABILITY:**

~~Septic and grease Wastewater H~~aulers shall pay the metered rates and charges set forth below ~~for septic waste and grease.~~

**RATE:**

The monthly metered rates in addition to the excessive strength surcharges applicable to ~~septic and grease Wastewater h~~aulers are set forth in the table below.

<b>Metered Monthly Rates:</b>	<b>Phase I Eff. 7/20/16</b>
Septic <del>and Oe</del> ther <del>N</del> on-Grease: Per 1,000 Gallons	<del>\$53.83</del> \$56.24
Grease Waste: Per 1,000 Gallons	\$422.08
<b>Excessive Strength Surcharges – Per pound:</b>	
BOD in excess of 6,000 mg/l (\$/lb.)	<del>\$0.4279</del> \$0.3807
TSS in excess of 15,000 mg/l (\$/lb.)	<del>\$0.1533</del> \$0.1562
NH <sub>3</sub> -N in excess of 400 mg/l (\$/lb.)	<del>\$0.4625</del> \$0.3880

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In addition to the charges above, the Environmental Compliance Plan Recovery Mechanism rate from Rider A and the System Integrity Adjustment rate from Rider B shall apply to the ~~Septic and Grease Wastewater Hauler~~ metered monthly volumes and not to the Excessive Strength volumes.

Current base rates effective pursuant  
 to I.U.R.C. Order in Cause No. ~~44685-~~ 45151

Effective: **January 1, 2018**

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

~~Third Revised Page No. 105~~  
~~Superseding Second Revised Original Page No. 105~~

**SEWER RATE NO. 5**

**SELF-REPORTING SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

The Self-Reporting rates and charges shall be applied to all Self-Reporting Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service.

**RATE:**

All Self-Reporting Customers of the Utility shall pay a fixed Monthly Base Charge per discharge meter or outfall, in addition to variable Treatment and Surveillance Charges and Excessive Strength Surcharges as shown in the table below.

<b>Monthly Rates:</b>	<b>Phase <del>I</del>1 Eff. <del>7/20/16</del></b>	<b>Phase <del>I</del>2 Eff. <del>11/4/16</del></b>	<b>Phase <del>I</del>3 Eff. <del>8/1/17</del></b>
Monthly Minimum Charge	<del>\$35.79</del> <u>\$39.11</u>	<del>\$35.64</del> <u>\$40.69</u>	<del>\$37.65</del> <u>\$41.97</u>
Tier 1	<del>\$64.76</del> <u>\$68.72</u>	<del>\$64.61</del> <u>\$71.50</u>	<del>\$66.08</del> <u>\$73.73</u>
Tier 2			
Tier 3	<del>\$259.29</del> <u>\$275.38</u>	<del>\$259.14</del> <u>\$286.53</u>	<del>\$264.50</del> <u>\$295.43</u>
Tier 4	<del>\$1,712.68</del> <u>\$1,819.44</u>	<del>\$1,712.53</del> <u>\$1,893.13</u>	<del>\$1,746.96</del> <u>\$1,951.84</u>
Monthly Base charge	<del>\$22.46</del> <u>\$25.03</u>	<del>\$22.46</del> <u>\$26.04</u>	<del>\$24.03</del> <u>\$26.85</u>
Tier 1	<del>\$51.43</del> <u>\$54.64</u>	<del>\$51.43</del> <u>\$56.85</u>	<del>\$52.46</del> <u>\$58.61</u>
Tier 2			
Tier 3	<del>\$245.96</del> <u>\$261.30</u>	<del>\$245.96</del> <u>\$271.88</u>	<del>\$250.88</del> <u>\$280.31</u>
Tier 4	<del>\$1,699.35</del> <u>\$1,805.36</u>	<del>\$1,699.35</del> <u>\$1,878.48</u>	<del>\$1,733.34</del> <u>\$1,936.72</u>
Treatment charges			
Per 1,000 gallons	<del>\$4.2408</del> <u>\$4.4923</u>	<del>\$4.1927</del> <u>\$4.6826</u>	<del>\$4.3365</del> <u>\$4.8367</u>
Per CCF	<del>\$3.1806</del> <u>\$3.3692</u>	<del>\$3.1445</del> <u>\$3.5120</u>	<del>\$3.2523</del> <u>\$3.6275</u>
Industrial Surveillance Rate			
Per 1,000 gallon	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	<del>\$4.4430</del> <u>\$4.6945</u>	<del>\$4.3949</del> <u>\$4.8848</u>	<del>\$4.5387</del> <u>\$5.0389</u>
Per CCF	<del>\$3.3323</del> <u>\$3.5209</u>	<del>\$3.2962</del> <u>\$3.6637</u>	<del>\$3.4040</del> <u>\$3.7792</u>
<b>Excessive Strength Surcharges-- Per pound:</b>			
BOD in excess of 250 mg/l (\$/lb.)	<del>\$0.4279</del> <u>\$0.3807</u>	<del>\$0.4235</del> <u>\$0.3807</u>	<del>\$0.4333</del> <u>\$0.3807</u>
TSS in excess of 300 mg/l (\$/lb.)	<del>\$0.1533</del> <u>\$0.1562</u>	<del>\$0.1519</del> <u>\$0.1562</u>	<del>\$0.1555</del> <u>\$0.1562</u>
NH <sub>3</sub> -N in excess of 20 mg/l (\$/lb.)	<del>\$0.4625</del> <u>\$0.3880</u>	<del>\$0.4562</del> <u>\$0.3880</u>	<del>\$0.4669</del> <u>\$0.3880</u>

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In addition, the Environmental Compliance Plan Recovery Mechanism rate from Rider A and the Low Income Customer Assistance Program rate from Rider C shall apply.

**Current base rates effective pursuant  
to I.U.R.C. Order in Cause No. ~~44685~~ - 45151**

**Effective: September 1, 2017**

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Original Page No. 105A

**SEWER RATE NO. 5 – SELF-REPORTING SEWAGE DISPOSAL SERVICE (Cont'd)**

**TIER CLASSIFICATION:**

For the purpose of the application of the Monthly Base Charge and Monthly Minimum Charge, the Tiers are determined based on annual billed treatment volumes per discharge meter or outfall as follows:

- Tier 1: annual billed treatment volumes up to 600 CCF (450 1,000 gallons)
- Tier 2: annual billed treatment volumes greater than 600 CCF (450 1,000 gallons), but less than 4,800 CCF (3,600 1,000 gallons)
- Tier 3: annual billed treatment volumes greater than 4,800 CCF (3,600 1,000 gallons), but less than 36,000 CCF (27,000 1,000 gallons)
- Tier 4: annual billed treatment volumes greater than 36,000 CCF (27,000 1,000 gallons)

The annual billed treatment volumes per discharge meter or outfall will be based on the twelve months ending each February. The tier classifications will become effective each May and remain in effect for twelve months.

For new customers, the tier assigned will be ~~based on the class average for Rate 2 and Rate 5 Customers, but will not be greater than~~ Tier 3. For customers with less than twelve months billed treatment volume, the tier assigned will be based on an annualization of the data available (i.e. monthly average of billed discharge volumes multiplied by twelve).

**MINIMUM BILL PER MONTH:**

Each Self-Reporting Customer will pay a Monthly Minimum Charge, if the combined Monthly Base Charge, together with the variable Treatment and Surveillance Charges are less than the Monthly Minimum Charge.

**PAYMENT:**

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

**SPECIAL PROVISIONS:**

Where pretreatment is necessary in order to comply with the Utility's Terms and Conditions for Sewage Disposal or categorical pretreatment standards found in 40 CFR Chapter I, Subchapter N, Parts 405—471 and 327 IAC 5-12-6, Industrial Customers shall be subject to charges and fees established by the Utility's Board to provide for the recovery of costs of the pretreatment program. The applicable charges or fees may include: (1) fees for reimbursement of costs of setting up and operating the pretreatment program; (2) fees for monitoring, inspections and surveillance procedures; (3) fees for reviewing accidental discharge procedures and construction; (4) fees for filing appeals; (5) fees for consistent removal (by the Utility) of pollutants otherwise subject to federal pretreatment standards; (6) other fees as the Board of the Utility may deem necessary to carry out the requirements of the pretreatment program.

In the event a Self-Reporting Customer who does not have BOD, TSS and NH<sub>3</sub>-N fails to submit the report required by Rule 5.5.2 for three consecutive months, the Customer will be moved to Sewer Rate No. 2. The Utility shall measure usage and bill the Customer as provided for in Rule 7. The Customer will not be able to return to Sewer Rate No. 5 for twelve Months.

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Current base rates effective pursuant  
to I.U.R.C. Order in Cause No. ~~44685~~ 45151

Effective: ~~June 20, 2016~~

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

~~First Revised Page No. 106~~  
~~Superseding Original Page No. 106~~

**SEWER RATE NO. 6**

**WHOLESALE SEWAGE DISPOSAL SERVICE**

**AVAILABILITY:**

Wholesale Sewage Disposal Service shall be available to all municipalities, conservancy districts and any other entities that own and operate facilities for the collection of wastewater (“Collection Systems”) from retail customers in geographic areas located adjacent to the Utility’s Sewage Disposal System that transport wastewater to the Utility’s Sewage Disposal System for treatment and disposal, subject to satisfying each of the Special Provisions set forth below (collectively referred to below as “Communities,” and individually “Community”).

**RATE:**

**1. Variable Treatment Charge**

All Communities receiving Wholesale Sewage Disposal Service shall pay ~~the e-~~Variable Treatment ~~-~~ as shown in the table below: ~~Charges per 1,000 gallons of \$2.4852 per 1,000 gallons.~~

	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>
<u>Treatment Charge</u>	<u>Eff.</u>	<u>Eff.</u>	<u>Eff.</u>
<u>Per 1,000 Gallons</u>	<u>\$3.1110</u>	<u>\$3.2630</u>	<u>\$3.3780</u>

**2. Excessive Strength Surcharges**

In ~~-~~addition, ~~-~~all ~~-~~Communities ~~-~~receiving ~~-~~Wholesale ~~-~~Sewage ~~-~~Disposal ~~-~~Service ~~-~~shall pay ~~-~~the Excessive Strength Surcharges shown in the table below:

<u>Excessive Strength Surcharges – per pound</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>
	<u>Eff.</u>	<u>Eff.</u>	<u>Eff.</u>
BOD in excess of 250 mg/1	<del>\$0.4306</del> <u>\$0.3807</u>	<u>\$0.3807</u>	<u>\$0.3807</u>
<u>TSS</u> in excess of 300 mg/1	<del>\$0.1545</del> <u>\$0.1562</u>	<u>\$0.1562</u>	<u>\$0.1562</u>
NH3-N in excess of 20 mg/1	<del>\$0.4640</del> <u>\$0.3880</u>	<u>\$0.3880</u>	<u>\$0.3880</u>

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**3. Rates Subject to Change and Other Riders**

The foregoing rates are subject to change, with Commission approval. In addition, the Environmental Compliance Plan Recovery Mechanism rate from Rider A, the System Integrity Adjustment rate from Rider B, and any other changes in rates or charges due to adjustment mechanisms approved by the Commission, shall apply. Notwithstanding Ind. Code § 8-1-2-42, whenever the Utility petitions the Commission for a change in rates or charges that affects its rates or charges under this Sewer Rate No. 6, the Utility shall notify each Community in writing thirty (30) days prior to the filing of its intention to request a change in rates or charges and the estimated amount of the proposed change in rates or charges.

Current base rates ~~rates~~ effective pursuant  
to I.U.R.C. Order in Cause No. 45151-44685-S1

Effective: August 1, 2017

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Original Page No. 106A

**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE**, (Cont'd)

**MONTHLY MINIMUM CAPACITY CHARGE**

Each Community maintaining a metered connection to the Utility's Sewage Disposal System will pay a Monthly Minimum Capacity Charge of \$5,000 per MGD of Average Daily Flow, if the combined Variable Treatment Charge and Excessive Strength Surcharges are less than the Monthly Minimum Capacity Charge.

**CAPACITY AND CONNECTIONS**

The Utility will certify to each Community that a certain specified capacity Average Daily Flow rate and Peak Daily Flow rate is available for the Community (the "Permitted Capacity"). If a Community plans to construct larger or additional connections to the Utility's system or increase flows to the system in a manner that would exceed the certified Permitted Capacity, the Community shall first submit an application to the Utility for review and approval in the form designated by the Utility. If a Community exceeds its Peak Daily Flow on at least five days during a monthly reporting period, the Utility may assess a surcharge in the amount of ten percent (10%) of the monthly Variable Treatment Charge for the Month of exceedance.

"Average Daily Flow" shall mean the total flow as reflected on the previous 12 monthly reports submitted to CWA divided by the number of days covered by those monthly reports.

"Peak Daily Flow" shall mean the total gallons of flow in any 24-hour period which period begins at 12:00 A.M. and ends at 11:59 P.M.

**BILLING AND PAYMENT OF BILLS:**

Each month, the Utility will submit a written statement to the Community based on the number of gallons of wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System shown on the report submitted by the Community during the preceding calendar Month ("Bill"). The Bill will show the computation of the Variable Treatment Charge and the Excessive Strength Surcharge, if any, for such calendar Month. The computation of the Excessive Strength Surcharge will be applied only to flow streams specifically sampled for an Excessive Strength Surcharge and will be calculated based on the monthly flow volume specific to the sampled and analyzed flow stream. Each Bill shall be in a form and content designated by the Utility. If the Community does not pay the Bill within forty-five (45) days after its date of issue, a late payment charge will be added as provided in Appendix A.

CWA Authority, Inc.  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Original Page No. 106B

**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE** (Cont'd)

**SPECIAL PROVISIONS:**

**1. Connection Obligations.**

The Community must have installed, at the Community's sole cost and expense, any connections, including, but not limited to, the connecting sewer mains and tap-in pipes, as well as any pump stations (collectively, the "Connections"), that are necessary or appropriate to connect the Community's Collection System to the Utility's Sewage Disposal System so that the wastewater generated within the Community's service area and designated by the Community to be treated by the Utility will be transported and discharged into the Utility's Sewage Disposal System. The location of such Connections must be depicted on a map the Community provides to the Utility.

**2. Metering Obligations.**

The Community is responsible to install, at the Community's sole cost and expense, all Meters designated as necessary or appropriate by the Utility to record the volume of wastewater transported and discharged into the Utility's Sewage Disposal System from the Community's Collection System. The location of all Meters is subject to the Utility's initial approval. The Community will calibrate the Meters not less than one (1) time every calendar year and at other times upon the reasonable request of the Utility. The Community will notify the Utility when such calibration is complete and maintain all records associated with the calibration for a period of two (2) years. After thirty (30) days' notice to the Community, if the Community does not perform the required calibration, notify the Utility, or maintain a record showing the calibration has been performed, the Utility may cause the calibration to be performed at the Community's cost and expense.

**3. Obligation to Sample and Test.**

The Community is responsible to install at the Community's sole cost and expense, sampling ports ("Sampling Ports") to sample wastewater transported and discharged into the Utility's Sewage Disposal System from the Community's Collection System at locations reasonably designated by the Utility. The Community shall on a frequency determined by the Utility, but no more frequently than monthly, obtain and test samples of the wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System from each Sampling Port. The tests shall consist of a 24-hour composite sample or other sampling method, as mutually agreed upon by the Community and the Utility. The tests shall determine the pH level, as well as the levels of BOD, TSS, NH<sub>3</sub>-N and any other pollutant parameter, as reasonably requested by the Utility in each wastewater sample. The results of such tests shall be reported to the Utility in writing in a form prescribed by the Utility. All measurements, tests and analysis of the characteristics of the wastewater shall be determined in accordance with the latest edition of "Standards Methods of the Examination of Water and Sewage," as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The Community will be responsible for all costs and expenses associated with the measuring, sampling and testing of the wastewater. However, the Utility may at its sole cost and expense, upon 24 hour notice to the Community, obtain samples of the wastewater being discharged from the Community's Collection System into the Utility's Sewage Disposal System using any of the Sampling Ports, and the same type of sampling and testing methodology as required by the Community, and cause tests of each such sample to be conducted to determine the characteristics of the Community's wastewater.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE**, (Cont'd)

**4. Additional Connections/Sampling Ports/Meters.**

The Community may install and construct, at the Community's sole cost and expense, additional Connections, Sampling Ports or Meters as the Community's Collection System develops over time, subject to obtaining prior written consent of the Utility. In addition, the Utility shall have the right to require the Community to install or construct additional Connections, Sampling Ports or Meters reasonably required and based solely on the Community's flow in excess of the Permitted Capacity to be transmitted to the Utility. The additional Connections/Sampling Ports/Meters will be a part of the Community's Collection System. The Utility will be afforded access to the work sites as is reasonably necessary for the Utility and its representatives to observe, inspect and test the installation and construction of the Community's Connections, Meters and Sampling Ports. The Community will not permit any wastewater to be discharged from the Community's additional Connections, Meters and Sampling Ports into the Utility's Sewage Disposal System until after the Community has completed the installation and construction of the additional Connections, Meters and Sampling Ports and the Utility has inspected and approved such additional Connections, Meters and Sampling Ports.

**5. Reporting of Metered Volumes and Sample Results.**

The Community will, on or before the last day of each calendar Month, at its sole cost and expense, submit a written report to the Utility in a form specified by the Utility and certified by an appropriate official of the Community as being true, accurate and complete. The written report will contain for the calendar month preceding the calendar month in which the report is delivered, the volumes of wastewater for each metered connection, estimated flow volumes for unmetered connections, and the Excessive Strength Surcharge test results of wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System. The written report will clearly identify which, if any, flow streams or connections were sampled for Excessive Strength Surcharges, and the results of any such tests.

**6. Plans and Specifications.**

Each Community receiving Wholesale Sewage Disposal Service as of the effective date of this Sewer Rate No. 6, has submitted plans and specifications for its existing Connections, Meters and Sampling Ports ("Plans and Specifications") to the Utility, and the Utility has approved those Plans and Specifications. For Communities that begin treatment service after January 1, 2017, the Community shall submit Plans and Specifications to the Utility for review and approval at least forty-five (45) days before the scheduled commencement date of the installation and construction.

A Community will submit any proposed modifications, amendments or additions to the Plans and Specifications to the Utility for review and approval at least forty-five (45) days before the scheduled commencement date of the installation and construction of any such improvements or modifications. The Utility will notify the Community in writing of its approval or disapproval of such revisions within thirty (30) days after submission.



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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE (Cont'd)**

At least annually, the Community and the Utility shall meet to discuss and review the Community's plans for wastewater service as a means for the Utility to be prepared for any significant changes in the Community's flows or loadings. This includes discussions related to significant Community wastewater expansions, changes in the number of customers and type, and other system changes that impact the Utility's ability to operate and maintain the Utility's Sewage Disposal System.

**7. Maintenance of Connections, Meters and Sampling Ports.**

The Community, at its sole cost and expense, shall at all times maintain the Connections, Meters and Sampling Ports in good working order, condition and repair. In the event the Community fails to keep the Connections, Meters or Sampling Ports in good working order, condition and repair, the Utility may serve written notice on the Community specifying the maintenance, repair or replacement of the Connections, Meters or Sampling Ports which the Utility reasonably believes appropriate. If the Community fails to address the Utility's concerns and does not begin to perform the repairs, maintenance work or replacements within thirty (30) days of its receipt of that notice, the Utility may arrange for the maintenance, repair or replacement of the Connections, Meters, or Sampling Ports and the Community shall pay all reasonable costs and expenses incurred by the Utility in connection with such maintenance, repair or replacement. If the Utility determines the condition of the Connection, Meters or Sampling Ports poses an immediate threat to public health and safety, the Utility, without prior notice to the Community, may arrange for all corrective work to be performed and the Community shall pay reasonable costs incurred by the Utility in connection with such emergency work.

**8. Maintenance of Community's Collection System.**

The Community will, at its sole cost and expense, maintain the Community's Collection System.

**9. Right to Inspect.**

In addition to inspecting samples from the Sampling Ports as described in Section 3 of the Special Provisions, the Utility may enter and inspect, and collect samples from, any part of the Community's Collection System. This right of entry and inspection shall extend to public streets, easements and property within which the Community's Collection System is located.

The Utility also shall have, and upon request of the Utility the Community shall use its best efforts to obtain for the Utility's use, the right to enter upon private property to inspect the waste discharge of the Community's industrial customers, including on-site inspection of pretreatment and sewer facilities, observation, measurement, sampling, testing, and access to (with the right to copy) all pertinent compliance records located on the premises of the Community's industrial customers.

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**SEWER RATE 6 - WHOLESALE SEWAGE DISPOSAL SERVICE**, (Cont'd)

**10. Further Obligations Regarding Discharges.**

All wastewater transported or discharged from the Community's Collection System into the Utility's Sewage Disposal System shall be substantially free from any sand, gravel, street waste, leaves, paper, cyanide, coal tar, oil, grease, acids, dry cleaning fluids, or any other foreign material or industrial wastes, and not contain materials, substances or discharges prohibited by the Sewage Restrictions set forth in Rule 16 of the Utility's Terms and Conditions for Sewage Disposal Service Within Marion County (hereinafter "Prohibited Materials"). Upon discovery or notice that Prohibited Materials in excess of what is considered reasonable are being transported or discharged from the Community's Collection System into the Utility's Sewage Disposal System, and upon notice from the Utility, the Community shall: (i) use reasonable efforts and diligence to identify the source of the Prohibited Materials; (ii) notify the source of the Prohibited Materials to immediately cease the discharge of Prohibited Materials into the Community's Collection System within twenty-four (24) hours after identifying the source of the Prohibited Materials; and (iii) disconnect the source of the Prohibited Materials from the Community's Collection System within forty-eight (48) hours after identification, if the source fails to stop discharging Prohibited Materials into the Community's Collection System within twenty-four (24) hours after the Community's request therefore. The Community also will pay all fines, penalties, costs and expenses that are incurred by the Utility in connection with or as a result of Prohibited Materials being discharged from the Community's Collection System into the Utility's Sewage Disposal System, including, without limitation, all fines levied by the State of Indiana or the EPA. The Community is further responsible for and will pay the Utility upon demand for all damages to the Utility's Sewage Disposal System caused by or resulting from the discharge of any material or waste into the Utility's Sewage Disposal System from the Community's Collection System which causes interference, pass-through, obstruction, damage or any other impairment to the Utility's Sewage Disposal System. The Community also will pay all costs and expenses incurred by the Utility to clean or repair the Utility's Sewage Disposal System and any penalty, fine or cost of compliance with injunctions or other orders of a court or governmental authority imposed against the Utility as a result of any such interference, pass-through, obstruction, damage or impairment, and all other costs and expenses incurred by the Utility as a result of any such interference, pass through, obstruction, damage or impairment, including, but not limited to, expert, consultant, and attorneys' fees.

**11. Compliance with Pretreatment Standards.**

If the Community does not have a United States Environmental Protection Agency delegated and approved pretreatment program or one implemented by the Indiana Department of Environmental Management, pursuant to 40 CFR Part 403, the Utility is obligated to implement an industrial pretreatment permitting program for industrial users that discharge flows to the Utility's facilities for treatment.

To the extent implementation of a pretreatment program is necessary for industrial customers within a Community, the Community will maintain in full force and effect a Sewer Use Ordinance providing that industrial users of the Community's system will comply with any and all pretreatment requirements set forth by the Utility and as required by any applicable federal or state statute or rule, and those currently established in 40 CFR Chapter I, Parts 405-471, the pretreatment standards set forth in 327 IAC 5-16 *et seq.*, as well as any rules and regulations adopted by Resolution of the Utility's Board in furtherance of those pretreatment standards. In addition, the Utility may require an annual certification from the Community certifying its compliance with pretreatment requirements, including results of surveys to determine whether industrial users discharge into the Community's system.

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**RIDER A**

**ENVIRONMENTAL COMPLIANCE PLAN RECOVERY MECHANISM**

| The charges specified in Sewer Rate Nos. 1, 2, 4, 5 and 56 shall be adjusted from time to time to reflect an Environmental Compliance Plan (“ECP”) Recovery Mechanism. Pursuant to Indiana Code 8-1-28, the ECP Recovery Mechanism shall recover the costs of complying in whole or in part with the requirements of the Safe Drinking Water Act or the Clean Water Act.

**RATE:**

To be determined.

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| Current base rates effective pursuant  
to I.U.R.C. Order in Cause No. 45151-44685

Effective: July 20, 2016

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**RIDER C**

**LOW INCOME CUSTOMER ASSISTANCE PROGRAM**

**APPLICABILITY:**

The Low Income Customer Assistance Program (“LICAP”) Rider is established pursuant to Ind. Code § 8-1-2-46(c) to recover the cost of providing an assistance program for qualifying low-income Nonindustrial Customers served under Sewer Rate No. 1. The charge applicable under the LICAP Rider shall be applied to all Customers served under Sewer Rate Nos. 1, 2, and 5 and shall be at the rate set forth below.

**RATES AND CHARGES:**

All Customers of the Utility served under Sewer Rate Nos. 1, 2, and 5 shall pay a fixed charge per Month as shown below:

| **Applicable LICAP Rate**                      \$ **0.45** Per Month

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**APPENDIX A**

**NON-RECURRING CHARGES**

**1. INDUSTRIAL CUSTOMER LATE REPORTING CHARGE**

In the event that a Self-Reporting Customer fails to submit the report required under Section 5 of the Utility's Terms and Conditions for Sewage Disposal Service by the twenty-fifth (25<sup>th</sup>) day of the following Month, the Self-Reporting Customer shall pay late reporting charges according to the following schedule:

<b>Late Reports Filed in any Year</b>	<b>Charge</b>
First late report	No charge
Second late report	No charge
Each subsequent late report	\$100.00

**2. LATE PAYMENT CHARGE**

A Utility Services bill that has remained unpaid for a period of more than seventeen (17) days following the mailing of the bill shall be considered delinquent in accordance with Section ~~8-5~~ of the Utility's Terms and Conditions for Sewage Disposal Service. In such event, a Late Payment Charge will be added to the Utility Services bill in the amount of ten percent (10%) of the first three dollars (\$3.00) of Sewage Disposal Service and three percent (3%) on the amount in excess of three dollars (\$3.00).

**3. DELINQUENT ACCOUNT TRIP CHARGE**

A charge may be made for each visit to the Customer's Premises regarding a delinquent account. Visits may result in the disconnection of service. Such charge to the Customer shall be fourteen dollars (\$14.00).

**4. RECONNECTION CHARGE**

When Sewage Disposal Service is turned off for non-payment of a bill, or for any reason beyond the control of the Utility, and a reconnection of Sewage Disposal Service is required by any one Customer, a charge will be made by the Utility to cover the cost of discontinuance and reconnection of service; such charge shall be forty-four dollars (\$44.00) per Meter or Customer. The Customer shall pay the Reconnection Charge, along with any Sewage Disposal Service arrears due, and comply with all other requirements set forth in Section 6 of the Utility's Terms and Conditions for Sewage Disposal Service before Sewage Disposal Service will be reconnected.

**5. RETURNED CHECK CHARGE**

Each Customer that causes a check for Utility Services to be returned by their financial institution due to their account not having sufficient funds to allow such check to be processed, shall be charged eleven dollars (\$11.00) per check to cover the cost the Utility incurs to re-process the original transaction.

**6. RATE FOR TEMPORARY USERS**

Sewage Disposal Service furnished to temporary users, such as contractors, shall be charged on the basis of schedules set forth in Rate 1 or Rate 2 depending on the characteristics of the temporary user. The amount of usage shall be estimated and established by the Utility before service is rendered.

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## APPENDIX B

### MISCELLANEOUS FEES

#### 1. CONNECTION FEE

A baseline Connection Fee of two thousand five hundred thirty dollars (\$2,530.00) per equivalent dwelling unit (“EDU”), will be assessed for all new connections to the Sewage Disposal System. A new connection includes new sewer service or modification of an existing sewer service agreement; however, replacement or repair of an existing individual Building Sewer that does not increase EDU’s will not constitute a new connection. EDU’s shall be determined in accordance with industry standards and reflect the greater of the actual daily flow requirements (per 327 IAC 3), the area ratio of the water meter size serving a particular user, or such other means of determination deemed appropriate by the Utility. One (1) EDU shall be estimated as equal to three hundred ten (310) gallons per day.

#### 2. EXTENSION, AMENDMENT, OR TRANSFER OF AUTHORITY TO CONNECT TO THE SEWAGE DISPOSAL SYSTEM

The fee for extending the authority granted by the Utility to connect to the Sewage Disposal System beyond 180 days shall be \$30. The fee for amending an application for connection shall be \$30. The fee for transferring the authority granted by the Utility to connect to the Sewage Disposal System, which transfer must be done with the consent of the Utility shall be \$30.

#### 3. BUILDING SEWER ~~APPLICATION AND PERMIT FEES~~

The Utility shall bill the following fees when a Building Sewer permit is required to construct, repair, modify, connect or abandon any Sanitary Sewer Facility within the Utility’s service area. The fees are as follows:

3.1 Building Sewer Application and Permit Fee: A fee of \$209 will be assessed ~~The fee for the application and issuance of a Building Sewer permit, from the Utility to construct, repair, modify, connect or abandon any Building Sewer within the Utility’s service area~~

3.2 Building Sewer Re-Inspection Fee: In the event a Building Sewer fails the initial inspection, a fee of \$75 will be assessed for each additional inspection.  
~~shall be \$236.~~

#### 4. SANITARY SEWER FACILITY FEES

The Utility shall bill the following fees when a Sanitary Sewer Facility permit is required to construct, repair, modify, connect or abandon any Sanitary Sewer Facility within the Utility’s service area. The fees are as follows:

**4.1 Sanitary Sewer Facility Application, Initial Plan and Construction Review Fee:** A fee of \$657 will be assessed for the initial application, plan submission and review.

**4.2 Sanitary Sewer Facility Additional Plan Review Fee:** A fee of \$247 will be assessed for each additional revised plan submission and subsequent review.

**4.3 Sanitary Sewer Facility Construction Management Fee:** A fee of \$420 will be assessed at the time the application is made for a Sanitary Sewer Facility permit for the management of construction scheduling, close out, and post construction record retention.

**4.4 Sanitary Sewer Facility Construction Inspection Services Fee:** A fee of \$65 per hour will be assessed for construction inspection services provided throughout all work and construction performed on or associated with the Sanitary Sewer Facility.