

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE PETITION OF)
BLOOMINGTON, INDIANA, FOR)
APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES FOR WATER) CAUSE NO. 45533
UTILITY SERVICE AND FOR AUTHORITY)
TO ISSUE AND APPROVAL OF BONDS,)
NOTES, OR OTHER OBLIGATIONS)**

JOINT STIPULATION AND SETTLEMENT AGREEMENT

On April 16, 2021, the City of Bloomington, Indiana (“Petitioner” or “Bloomington”) filed with the Indiana Utility Regulatory Commission (the “Commission”) its Petition initiating this Cause and its case-in-chief. Washington Township Water Authority (“WTWA”) and the Trustees of Indiana University on behalf of its Bloomington Campus (“IU”), respectively, filed petitions to intervene in this Cause, which were each granted by the presiding officers.

The Indiana Office of the Utility Consumer Counselor (“OUCC”), WTWA and IU (collectively, the “Consumer Parties”) filed their respective cases-in-chief on July 30, 2021. The Consumer Parties filed their cross-answering evidence on September 3, 2021. Petitioner filed its rebuttal evidence on September 3, 2021.

Bloomington, the OUCC, IU and WTWA (collectively, the “Parties”, and individually, a “Party”) have after arms-length and protracted settlement negotiations reached an agreement with respect to all of the issues before the Commission in this Cause. The Parties therefore stipulate and agree for purposes of resolving all of the issues in this Cause, to the terms and conditions set forth in this Joint Stipulation and Settlement Agreement (this “Settlement”).

1. Borrowing Authority.

- A. Approval of Debt; Authorization to Issue Bonds. The Parties stipulate and agree that the Commission should approve Bloomington's request for authorization to issue water utility revenue bonds (the "Bonds") in an amount not to exceed the \$17.2 million principal amount at interest rates not to exceed six percent (6%) per annum as described in the testimony of Bloomington's witness, Jennifer Z. Wilson.
- B. Borrowing Authority & Capital Projects. Petitioner agrees to forego its request for additional borrowing authority beyond that approved as part of this Settlement and associated with the identified projects and costs in its Capital Improvement Program ("CIP") as set forth in Attachment JZW-1 to its case-in-chief. Petitioner agrees to fund an additional \$333,000 of its CIP from that set forth in its case-in-chief through the Bonds and as a result, to reduce the rate revenue funding of the CIP from the amount set forth in its case-in-chief. While the amount of the CIP to be funded by the Bonds increased by \$333,000 from the case-in-chief, the Parties acknowledge that, as set forth in Attachment 1 to this Settlement, other changes related to the change in coupon rates result in a net increase of \$205,000 to the par amount of the issuance from the \$15,745,000 set forth in Petitioner's case-in-chief. Bloomington agrees to use all reasonable efforts to obtain, at least, the interest yields set forth in Attachment 1 at the time the Bonds are issued at market. The Parties stipulate and agree that the annual revenue funded portion of Bloomington's proposed CIP in Phase II will be reduced to \$3,700,000. Petitioner retains discretion as to what capital projects it undertakes. For example, in the event the costs of the capital projects proposed in this case are higher than shown in Attachment JZW-1 and not all can be completed or that unexpected capital projects must be completed. Petitioner agrees it will prioritize the projects identified in Attachment JZW-1 unless, in Petitioner's discretion, unanticipated and unforeseen events arise making an unidentified project necessary to complete in order to continue the provision of safe drinking water.

- i. Petitioner agrees to file annual status reports in this Cause within sixty (60) days of the end of the calendar year identifying which capital projects it completed during the preceding period, the final costs for each project (total and a detailed breakdown, including soft costs (e.g., engineering costs)), and identifying any project not included in its CIP (as shown in Attachment JZW-1) that was completed during the preceding period including final costs (total and a detailed breakdown, including soft costs) (e.g., engineering costs).
- C. Termination of Borrowing Authority. Petitioner agrees that any financing authority not used by Petitioner expires twelve (12) months after a Final Order has been issued in this Cause.
- D. True-Up. Within thirty (30) days of closing on the Bonds, Bloomington shall file a report with the Commission and serve a copy on the Consumer Parties, explaining the terms of the new loan, including an amortization schedule, the amount of debt service reserve, and all issuance costs (e.g., fee for bond counsel, municipal advisor, rating agency, and all other fees). The report should include a revised tariff and also calculate the rate impact in the same manner as the schedules set forth in Attachment 1 hereto (“Agreed Schedules”). Bloomington’s rates should be adjusted to match its actual cost of debt service, whether lower or higher up to an interest rate of six percent (6%) per annum.
 - i. The Parties agree that the OUCC and any interested intervenor has no less than fourteen (14) days after service of the true-up report to file an objection with the Commission. The Parties agree that Petitioner has fourteen (14) days to file a response to the objection Party or Parties. Thereafter, the Commission should resolve any issue raised through a process it deems appropriate. Any true-up report should state the time frames for objections or responses.
 - ii. If both parties state in writing that the increase or decrease indicated by the report need not occur because the increase or

decrease would be immaterial, the true-up need not be implemented.

- E. Smart Meter Contract. To the extent Commission approval is required for the Smart Meter Contract (Attachment JU-1), the OUCC, IU and WTWA agree not to contest the Commission's approval of the Smart Meter Contract and the annual expense associated with the Smart Meter Contract as set forth in the Agreed Schedules.
- F. Solar Contracts. To the extent Commission approval is required for the Solar Energy Contract and the Solar Energy Lease Agreement (Attachments JU-3 and JU-4, respectively; the "Solar Contracts"), the OUCC, IU and WTWA agree not to contest the Commission's approval of the Solar Contracts and the annual expense associated with the Solar Contracts as set forth in the Agreed Schedules.

2. Stipulated Revenues.

- A. Test Year Operating Revenues. The Parties stipulate and agree that Bloomington's adjusted test year operating revenue at present rates is \$17,802,751, which is the test year Operating Revenues amount of \$17,704,598 plus an adjustment of \$98,153 to metered sales as depicted on Schedule 4 to the Agreed Schedules.
- B. Revenue Requirement. The Parties stipulate and agree that Bloomington's current rates and charges are inadequate and that, subject to the True-Up provision set forth in Paragraph 1.D. above, Bloomington's rates and charges should be increased as follows:
 - i. Phase I: Bloomington's rates and charges should be immediately increased upon the issuance of a Commission Order pursuant to the allocations set forth in Section 3 below by 8.39% so as to produce \$1,424,754 in additional annual operating revenue.
 - ii. Phase II: Effective on January 1, 2024, Bloomington's Phase I rates and charges should be increased pursuant to the allocations set forth in Section 3 below by 9.11% so as to produce \$1,675,788 in additional annual operating revenue.

The Parties stipulate and agree that the compound increase in revenues for the foregoing Phase I and Phase II increases is 18.26%.

- C. Pro Forma Authorized Revenues. After adjustments (including the issuance of the Bonds), subject to the True-Up provision set forth in Paragraph 1D above, the Parties stipulate and agree that Bloomington's pro forma operating revenues (total revenue requirements with additional utility receipts tax) will be \$19,227,505 for Phase I, and \$20,903,711 for Phase II, as shown in Schedule 3 of the Agreed Schedules. The Parties further stipulate and agree that Bloomington's revenue requirements for the rate increase is depicted on Schedule 3 to the Agreed Schedules. The Parties stipulate and agree that the revenue increases provided herein are just and reasonable and should be approved.
- D. Financial Schedules. The Parties stipulate for settlement purposes to the Agreed Schedules, including all adjustments identified therein.

3. Stipulated Cost Allocation and Rate Design.

- A. Allocations Limited to 1.5 Times System Average Maximum Increase. The Parties agree that in order to resolve their differences on cost of service issues and rate design issues, and guided by principles of gradualism as previously applied by the Commission, the amount of the revenue requirement increase should be allocated as set forth on Attachment 2 hereto, which limits the maximum increase for any rate class, except Irrigation, to 1.5 times the system average increase.
- B. Agreed Tariff. The Parties agree that the proposed tariff setting forth Phase I and anticipated Phase II rates attached as Attachment 3 hereto sets forth rates that are reasonable, just and non-discriminatory and that such proposed tariff should be approved.
- C. No Approval of Cost of Service Study. The Parties agree that the foregoing allocation of the revenue requirement among the customer classes and resulting rates are based on a compromise of the revenue requirement set forth in this Settlement. The Parties agree that in light of the proposed and agreed upon rate design and allocation among the customer classes, no specific cost of service

model was adopted. Commission approval of this Settlement will resolve the cost of service and rate designs issues in this case without the need for Commission determination on the merits of the cost of service study and the Parties request that the Commission make no finding approving any particular cost of service study. Except as expressly stated in this Settlement, no Party, by entering into this Settlement, 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 proceedings initiated by Petitioner. Accordingly, in all future proceedings, including those initiated by Petitioner, no presumption will be given to any prior methodology for determining cost of service or rate design, and the 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.

4. Next Rate Case and Cost of Service Study.

A. Next Rate Case Prior to 2029. Petitioner agrees to file a new rate case so that new rates are effective no later than 2029 when debt service is expected to decline as shown on Page 24 of 32 of Attachment JZW-1. If Petitioner files its case-in-chief for the rate case on or before December 31, 2027, it shall be deemed to have satisfied this condition provided that: (1) the case makes provision for the removal of the debt service associated with the 2020B Refunding bonds and any other bonds which have been fully amortized between this rate case and that future rate case; and (2) in the absence of agreement by parties to such a case to extend the schedule, it seeks implementation of those rates on or prior to January 1, 2029.

B. Cooperation on Future Cost of Service Study. The Parties agree that in Bloomington's next rate case Bloomington will submit a cost of service study and adhere to the protocols set forth on Attachment 4.

5. Submission of Evidence. The Parties stipulate to the admission into evidence in this Cause of the testimony each previously filed (each Party's case-in-chief, each Consumer Party's cross-answering testimony, and Bloomington's rebuttal testimony), and any testimony in support of this Settlement offered by the Parties or any of them.

Further, each Party waives cross-examination of the other's witnesses with respect to such testimony. The Parties shall not offer any further testimony or evidence in this proceeding, other than this Settlement and the above-identified testimony and exhibits. If the Commission should request additional evidence to support the Settlement, the Parties shall cooperate to provide such requested additional evidence.

6. **Settlement Fair and Reasonable; Proposed Final Order.** The Parties stipulate and agree that the terms of this Settlement represent a fair, reasonable, and just resolution of all the issues in this Cause, provided they are approved by the Commission in their entirety without material change, except as provided in Paragraph 8 hereof. The Parties agree to cooperate on the preparation and submission to the Commission of a proposed order that reflects the terms of this Settlement and the settlement testimony submitted pursuant to Section 5 hereof.
7. **Sufficiency of Evidence.** The Parties stipulate and agree that the evidentiary material identified immediately above constitutes a sufficient evidentiary basis for the issuance of a final order by the Commission adopting the terms of this Settlement, and granting the relief as requested herein by Bloomington and agreed to by the Parties.
8. **Commission Alteration of Agreement.** The concurrence of the Parties with the terms of this Settlement is expressly predicated upon the Commission's approval of this Settlement. If the Commission alters this Settlement in any material way, unless that alteration is unanimously and explicitly consented to by the Parties, this Settlement shall be deemed withdrawn.
9. **Authorization.** The undersigned represent that they are fully authorized to execute this Settlement on behalf of their respective clients or parties, who will be bound thereby.
10. **Non-Precedential Nature of Settlement.** The Parties stipulate and agree that this Settlement shall not be cited as precedent against any Party in any subsequent proceeding or deemed an admission by any Party in any other proceeding, except as necessary to enforce the terms of this Settlement or the final order to be issued in this Cause before the Commission or any court of competent jurisdiction on these particular issues and in this particular matter. This Settlement is solely the result of compromise in the settlement process and, as provided herein, is without prejudice to

and shall not constitute a waiver of any position that any Party may take with respect to any or all of the items resolved herein in any future regulatory or other proceeding, and, failing approval by the Commission, shall not be admissible in any subsequent proceeding.

11. Counterparts. This Settlement may be executed in one or more counterparts (or upon separate signature pages bound together into one or more counterparts), all of which taken together shall constitute one agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Settlement on the dates set forth below.

City of Bloomington, Indiana

By: Phillippa M. Guthrie
for John Hamilton
Mayor

Dated: 10-6-2021

Indiana Office of the Utility Consumer Counselor

By: _____
Tiffany Murray
Deputy Consumer Counselor

Dated: _____

Trustees of Indiana University on behalf of its Bloomington Campus

By: _____
Donald S. Lukes
University Treasurer

Dated: _____

Washington Township Water Authority

By: _____
Mark Schmitter
General Manager

Dated: _____

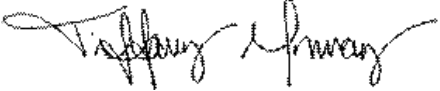
IN WITNESS WHEREOF, the Parties have executed this Settlement on the dates set forth below.

City of Bloomington, Indiana

By: _____
John Hamilton
Mayor

Dated: _____

Indiana Office of the Utility Consumer Counselor

By:  _____
Tiffany Murray
Deputy Consumer Counselor

Dated: 10/05/2021

Trustees of Indiana University on behalf of its Bloomington Campus

By: _____
Donald S. Lukes
University Treasurer

Dated: _____

Washington Township Water Authority

By: _____
Mark Schmitter
General Manager

Dated: _____

IN WITNESS WHEREOF, the Parties have executed this Settlement on the dates set forth below.

City of Bloomington, Indiana

By: _____
John Hamilton
Mayor

Dated: _____

Indiana Office of the Utility Consumer Counselor

By: _____
Tiffany Murray
Deputy Consumer Counselor

Dated: _____

Trustees of Indiana University on behalf of its Bloomington Campus

By: Donald S. Lukes
Donald S. Lukes
University Treasurer

Dated: Oct 6, 2021

Approved as to legal form by: Joseph Scodro
Joseph Scodro (Oct 6, 2021 13:24 EDT)

Washington Township Water Authority

By: _____
Mark Schmitter
General Manager

Dated: _____

IN WITNESS WHEREOF, the Parties have executed this Settlement on the dates set forth below.

City of Bloomington, Indiana

By: _____
John Hamilton
Mayor

Dated: _____

Indiana Office of the Utility Consumer Counselor

By: _____
Tiffany Murray
Deputy Consumer Counselor

Dated: _____

Trustees of Indiana University on behalf of its Bloomington Campus

By: _____
Donald S. Lukes
University Treasurer

Dated: _____

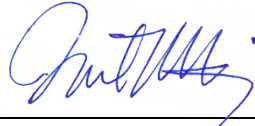
Washington Township Water Authority

By:  _____
Mark Schmitter
General Manager

Dated: 10/6/2021

This 6th Day of October, 2021.

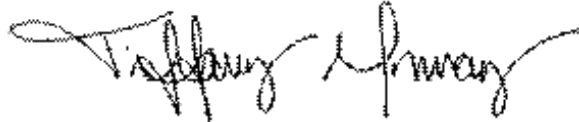
Respectfully submitted,



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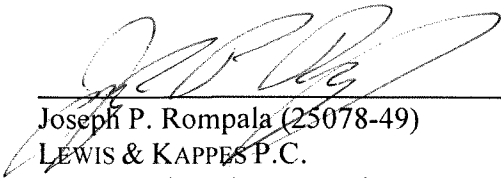
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of its Bloomington Campus*

/s/ Mark Cooper

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Settlement Amortization Schedule

Date	Principal	Coupon (1)	Interest	Period Total	Fiscal Total
7/1/22			\$ 152,234	\$ 152,234	
1/1/23			152,234	152,234	\$ 304,468
7/1/23			152,234	152,234	
1/1/24			152,234	152,234	304,468
7/1/24	\$ 385,000	1.03 %	152,234	537,234	
1/1/25	380,000	1.16	150,251	530,251	1,067,485
7/1/25	385,000	1.16	148,047	533,047	
1/1/26	385,000	1.31	145,814	530,814	1,063,861
7/1/26	390,000	1.31	143,292	533,292	
1/1/27	390,000	1.48	140,738	530,738	1,064,030
7/1/27	400,000	1.48	137,852	537,852	
1/1/28	395,000	1.58	134,892	529,892	1,067,744
7/1/28	400,000	1.58	131,771	531,771	
1/1/29	405,000	1.71	128,611	533,611	1,065,382
7/1/29	410,000	1.71	125,148	535,148	
1/1/30	410,000	1.81	121,643	531,643	1,066,791
7/1/30	420,000	1.81	117,932	537,932	
1/1/31	415,000	1.88	114,131	529,131	1,067,063
7/1/31	425,000	1.88	110,230	535,230	
1/1/32	425,000	1.97	106,235	531,235	1,066,465
7/1/32	430,000	1.97	102,049	532,049	
1/1/33	435,000	2.00	97,814	532,814	1,064,863
7/1/33	445,000	2.00	93,464	538,464	
1/1/34	440,000	2.04	89,014	529,014	1,067,478
7/1/34	450,000	2.04	84,526	534,526	
1/1/35	450,000	2.08	79,936	529,936	1,064,462
7/1/35	460,000	2.08	75,256	535,256	
1/1/36	460,000	2.11	70,472	530,472	1,065,728
7/1/36	465,000	2.11	65,619	530,619	
1/1/37	475,000	2.14	60,713	535,713	1,066,332
7/1/37	480,000	2.14	55,630	535,630	
1/1/38	480,000	2.17	50,494	530,494	1,066,124
7/1/38	490,000	2.17	45,286	535,286	
1/1/39	490,000	2.20	39,970	529,970	1,065,256
7/1/39	505,000	2.20	34,580	539,580	
1/1/40	500,000	2.23	29,025	529,025	1,068,605
7/1/40	510,000	2.23	23,450	533,450	
1/1/41	515,000	2.26	17,763	532,763	1,066,213
7/1/41	525,000	2.26	11,944	536,944	
1/1/42	525,000	2.29	6,011	531,011	1,067,955
Totals	\$ 15,950,000		\$ 3,850,773	\$ 19,800,773	
Average Annual Debt Service (2024-2041)					<u>\$1,066,213</u>
Net Interest Cost					<u>2.16%</u>

(1) Coupon rates are based on A rates as of July 1, 2021, plus 65 basis points.

Settlement Sources and Uses for Proposed Bonds

	Amount
<u>Sources of Funds:</u>	
Par Amount	\$ 15,950,000
Total Sources of Funds	<u>\$ 15,950,000</u>
<u>Uses of Funds:</u>	
Project Fund - Original Petition	14,104,000
Additional Projects to Fund from Settlement	333,000
Debt Service Reserve Fund	1,068,605
Insurance Expense (50 bps)	99,004
Underwriter's Discount (1% of Par)	159,500
IURC Regulatory Fee	39,875
Other Costs of Issuance	146,016
Total Uses of Funds	<u>\$ 15,950,000</u>

Settlement Revenue Requirements

	Phase I	Phase II
Adjusted Operation and Maintenance Expense	\$ 9,791,599	\$ 9,791,599
Adjusted Taxes Other Than Income Taxes	560,814	580,761
Average Annual Debt Service Outstanding Debt (2021-2025)	5,278,299	5,278,299
Estimated Average Annual Debt Service Proposed Bonds	304,468	1,066,213
Average Annual Lease Payment: Equipment for Advance Meter Infrastructure	456,755	456,755
Annual Lease Payment: Solar Lease	79,683	79,683
Average Annual Extensions and Replacements	2,809,000	3,700,000
Less: Revenue Offsets from Settlement	<u>(73,060)</u>	<u>(73,060)</u>
Total Revenue Requirements	19,207,558	20,880,250
Less: Adjusted Operating Revenues	<u>(17,802,751)</u>	<u>(19,227,923)</u>
Deficit	1,404,807	1,652,327
Divide by: Revenue Conversion Factor	<u>0.986</u>	<u>0.986</u>
Revenue Increase Required	1,424,754	1,675,788
Divide by: Adjustable Operating Revenues	<u>16,986,560</u>	<u>18,411,732</u>
Percent Rate Increase Required	<u>8.39%</u>	<u>9.11%</u>
Compounded Rate Increase		<u>18.26%</u>
Total Revenue Requirements with Additional Utility Receipts Tax	<u>\$ 19,227,505</u>	<u>\$ 20,903,711</u>

Settlement Revenue Requirements with Adjustments from Petition

	Phase I			Phase II		
	Petition	Adjustment	Settlement	Petition	Adjustment	Settlement
Adjusted Operation and Maintenance Expense	\$ 9,868,378	\$ (76,779) (1)	\$ 9,791,599	\$ 9,868,378	\$ (76,779) (1)	\$ 9,791,599
Adjusted Taxes Other Than Income Taxes	560,814		560,814	588,528	(7,767) (6)	580,761
Average Annual Debt Service Outstanding Debt (2021-2025)	5,278,299		5,278,299	5,278,299		5,278,299
Estimated Average Annual Debt Service Proposed Bonds	493,512	(189,044) (2)	304,468	1,181,756	(115,543) (2)	1,066,213
Average Annual Lease Payment: Equipment for AMI	456,755		456,755	456,755		456,755
Annual Lease Payment: Solar Lease	189,646	(109,963) (3)	79,683	189,646	(109,963) (3)	79,683
Average Annual Extensions and Replacements	2,809,000		2,809,000	3,866,500	(166,500) (7)	3,700,000
Less: Revenue Offsets from Settlement		(73,060) (4)	(73,060)	-	(73,060) (4)	(73,060)
Total Revenue Requirements	19,656,404	(448,846)	19,207,558	21,429,862	(549,612)	20,880,250
Less: Adjusted Operating Revenues	<u>(17,704,598)</u>	<u>(98,153) (5)</u>	<u>(17,802,751)</u>	<u>(19,685,608)</u>		<u>(19,227,923)</u>
Deficit	1,951,806		1,404,807	1,744,254		1,652,327
Divide by: Revenue Conversion Factor	0.986		0.986	0.986		0.986
Revenue Increase Required	1,979,519		1,424,754	1,769,020		1,675,788
Divide by: Adjustable Operating Revenues	16,888,407	(98,153) (5)	16,986,560	18,869,417		18,411,732
Percent Rate Increase Required	<u>11.73%</u>		<u>8.39%</u>	<u>9.38%</u>		<u>9.11%</u>
Compounded Rate Increase						<u>18.26%</u>
Total Revenue Requirements with Additional Utility Receipts Tax	<u>\$ 19,684,117</u>		<u>\$ 19,227,505</u>	<u>\$ 21,454,628</u>		<u>\$ 20,903,711</u>

- (1) Adjustment to include budgeted overtime in lieu of test year overtime and related employee benefits and taxes, system delivery adjustment to account for normalization and growth adjustments (see adjustment 5), and removal of various non-recurring or unallowed invoices.
- (2) Adjustment to debt service related to (a) the Parties' mutual agreement to shift a portion of the funding of the Petitioner's Capital Improvement Plan from pay as you go, which is funded through the Extensions and Replacements revenue requirement, to bond financing and (b) an adjustment to the estimated interest rates.
- (3) Reduction to the Utility's annual provision for its share of the Solar Lease.
- (4) Revenue offsets including interest income and other utility income.
- (5) Revenue normalization and customer growth adjustment
- (6) Reduction to additional Utility Receipts Tax required due to decrease in Phase I rate increase.
- (7) Reduction to the Phase II provision for Average Annual Extensions and Replacements to reflect \$333,000 of additional projects financing through the proposed bonds in lieu of pay as you go capital funding.

	<u>Test Year</u>		<u>Phase I Settlement</u>			<u>Increase/Decrease</u>	
	<u>Revenues</u>	<u>Rates</u>	<u>Revenues</u>	<u>Increase</u>	<u>Rates</u>	<u>Revenues</u>	<u>Rates</u>
Meters							
5/8" Meter	\$ 463,349 (1)	\$ 5.89	\$ 485,376	4.75% (1)	\$ 6.17	\$ 22,027	\$ 0.28
3/4" Meter	1,425,945	7.86	1,431,388	0.38%	7.89	5,443	0.03
1" Meter	431,447	10.59	433,077	0.38%	10.63	1,630	0.04
1.5" Meter	106,092	18.39	115,957	9.30%	20.10	9,865	1.71
2" Meter	167,130	26.20	177,400	6.14%	27.81	10,270	1.61
3" Meter	67,392	60.55	67,659	0.40%	60.79	267	0.24
4" Meter	99,968	99.57	100,360	0.39%	99.96	392	0.39
6" Meter	164,801	197.13	165,444	0.39%	197.90	643	0.77
8" Meter	36,542	294.69	36,684	0.39%	295.84	142	1.15
10" Meter	14,121	392.24	14,176	0.39%	393.77	55	1.53
Volumetric Revenue							
Residential / Multi Family	6,041,595 (1)	3.73	6,527,514	8.04% (1)	4.03	485,919	0.30
Comm, Gov, Interdept.	2,491,162	3.16	2,790,733	12.03%	3.54	299,571	0.38
Industrial	148,842	2.92	167,192	12.33%	3.28	18,350	0.36
Wholesale	2,479,465	2.39	2,780,321	12.13%	2.68	300,856	0.29
Indiana University (IU) Usage	840,125	2.37	942,925	12.24%	2.66	102,800	0.29
Irrigation Usage	385,328	3.42	463,070	20.18%	4.11	77,742	0.69
Fire Protection	1,633,005	Various	1,724,031	5.57%	Various	91,026	Various
Total Adjustable Revenues	16,996,309 (1)		18,423,307			1,426,998	
Other Operating Revenues	816,191		816,191			-	
Rounding	(9,749)		(11,993)			(2,244)	
Total Operating Revenues	<u>\$17,802,751</u>		<u>\$19,227,505</u>			<u>\$1,424,754</u>	
			<u>\$ 1,424,754</u>				

	Phase II Settlement			Increase/Decrease Over Phase I		Increase/Decrease Combined		
	Revenues	Increase	Rates	Revenues	Rates	Revenues	Increase	Rates
Meters								
5/8" Meter	\$ 511,336	5.35% (1)	\$ 6.50	\$ 25,960	\$ 0.33	\$ 47,987	10.36% (1)	\$ 0.61
3/4" Meter	1,438,645	0.51%	7.93	7,257	0.04	12,700	0.89%	0.07
1" Meter	435,114	0.47%	10.68	2,037	0.05	3,667	0.85%	0.09
1.5" Meter	127,610	10.05%	22.12	11,653	2.02	21,518	20.28%	3.73
2" Meter	189,456	6.80%	29.70	12,056	1.89	22,326	13.36%	3.50
3" Meter	67,960	0.44%	61.06	301	0.27	568	0.84%	0.51
4" Meter	100,812	0.45%	100.41	452	0.45	844	0.84%	0.84
6" Meter	166,197	0.46%	198.80	753	0.90	1,396	0.85%	1.67
8" Meter	36,852	0.46%	297.19	168	1.35	310	0.85%	2.50
10" Meter	14,240	0.45%	395.56	64	1.79	119	0.84%	3.32
Volumetric Revenue								
Residential / Multi Family	7,094,419	8.69% (1)	4.38	566,905	0.35	1,052,824	17.43% (1)	0.65
Comm, Gov, Interdept.	3,137,603	12.43%	3.98	346,870	0.44	646,441	25.95%	0.82
Industrial	189,111	13.11%	3.71	21,919	0.43	40,269	27.05%	0.79
Wholesale	3,143,422	13.06%	3.03	363,101	0.35	663,957	26.78%	0.64
Indiana University (IU) Usage	1,059,904	12.41%	2.99	116,979	0.33	219,779	26.16%	0.62
Irrigation Usage	554,332	19.71%	4.92	91,262	0.81	169,004	43.86%	1.50
Fire Protection	1,829,051	6.09%	Various	105,020	Various	196,046	12.01%	Various
Total Adjustable Revenues	20,096,064			1,672,757		3,099,755		
Other Operating Revenues	816,191			-		-		
Rounding	(8,544)			3,449		1,205		
Total Operating Revenues	<u>\$20,903,711</u>			<u>\$1,676,206</u>		<u>\$3,100,960</u>		
Revenue Increase	<u>\$ 1,676,206</u>							

(1) Test Year residential and 5/8 inch meter units adjusted for operating adjustment. Increase reflected is rate increase instead of revenue increase.

BLOOMINGTON MUNICIPAL WATER UTILITY
 Bloomington, Indiana

Schedule of Rates and Charges

Monthly usage charge applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation classes

<u>Category</u>	<u>Phase I Rates Per 1,000 Gallons</u>	<u>Phase II Rates Per 1,000 Gallons</u>
Residential	\$ 4.03	\$ 4.38
Commercial, Governmental, Interdepartmental	3.54	3.98
Industrial	3.28	3.71
Indiana University – Master Metered	2.66	2.99
Indiana University – Non-Master Metered	3.54	3.98
Irrigation	4.11	4.92

Monthly Service Charge, in Addition to Monthly Usage for the customer categories listed above

<u>Meter Size</u>	<u>Phase I</u>	<u>Phase II</u>
5/8"	\$ 6.17	\$ 6.50
3/4"	7.89	7.93
1"	10.63	10.68
1 1/2"	20.10	22.12
2"	27.81	29.70
3"	60.79	61.06
4"	99.96	100.41
6"	197.90	198.80
8"	295.84	297.19
10"	393.77	395.56

Monthly Surcharges for Fire Protection Service for the customer categories listed above (excluding Indiana University – Master Metered)

<u>Meter Size</u>	<u>Phase I Charge</u>		<u>Phase II Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 2.07	\$ 3.46	\$ 2.20	\$ 3.67
3/4"	3.09	5.21	3.28	5.52
1"	5.16	8.68	5.48	9.21
1 1/2"	10.33	17.33	10.95	18.38
2"	16.52	27.76	17.52	29.44
3"	36.15	60.72	38.34	64.40
4"	61.96	104.05	65.71	110.35
6"	129.12	216.79	136.94	229.92
8"	185.92	312.15	197.19	331.07
10"	299.51	502.94	317.67	533.42

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,480 in Phase I and \$1,480 in Phase II.

BLOOMINGTON MUNICIPAL WATER UTILITY
 Bloomington, Indiana

Schedule of Rates and Charges

Contract Sales for Resale

The rate for contract sales for resale shall be \$2.68 per one thousand gallons for Phase I and \$3.03 per one thousand gallons for Phase II.

Contract Sales for Resale Monthly Service Charge in Addition to Monthly Usage Charge

<u>Meter Size</u>	<u>Phase I</u>	<u>Phase II</u>
5/8"	\$ 6.17	\$ 6.50
3/4"	7.89	7.93
1"	10.63	10.68
1 1/2"	20.10	22.12
2"	27.81	29.70
3"	60.79	61.06
4"	99.96	100.41
6"	197.90	198.80
8"	295.84	297.19
10"	393.77	395.56

Private fire connections per connection

<u>Line Size</u>	<u>Phase I</u>		<u>Phase II</u>	
	<u>Monthly</u>	<u>Annually</u>	<u>Monthly</u>	<u>Annually</u>
4" and under	\$ 10.41	\$ 124.92	\$ 11.04	\$ 132.48
6"	28.93	347.16	30.69	368.28
8"	59.29	711.48	62.89	754.68
10"	103.85	1,246.20	110.14	1,321.68
12"	163.73	1,964.76	173.66	2,083.92

BLOOMINGTON MUNICIPAL WATER UTILITY
 Bloomington, Indiana

Non-Recurring Charges

<u>Description of Charge</u>		<u>Charges</u>
1)	5/8" to 1" Connection	- with tap \$1,533.00 - without tap \$1,327.00
2)	Greater than 1" Connection	Cost of connection but not less than charge for 5/8" to 1" connection
3)	Service Call	- During hours \$45.00 - After hours \$171.00
4)	Bad Check Charge	\$25.00
5)	Late Payment Charge	3% of unpaid balance
This charge shall be paid only once and shall be based on the unpaid over-due balance.		
6)	Deposit*	- Residential Not to exceed \$39.00 - Commercial Not to exceed 1/6 of estimated annual bill

If a present residential customer has been mailed disconnect notices for two consecutive months or any three months within the preceding twelve-month period or has had service disconnected because of nonpayment within the past four years, a security deposit not to exceed one-sixth of the expected annual billing for the customer at the address at which service is rendered may be required.

7) Meter Testing

The utility shall make a free test of the accuracy of a meter upon written request by a customer and a second free test may be requested twelve months subsequent to the first test. The fee for all meter tests requested within thirty-six months after the preceding test shall be \$39.00 if the meter is found not to be at fault.

8) Inspection Charge

All inspections of new mains during normal business hours shall be free of charge. All inspections of new mains during overtime hours shall be based on the amount of time required for the inspection.

9) Temporary Service \$10.00/week

\$10.00 minimum plus a deposit equal to the cost of the meter and a charge for the water used.

10) Extension of Service

Free if estimated 3-year revenue is greater than the construction cost. Actual cost if not.

11) Unauthorized Use of Hydrants

Cost of Water billed for up to 8 hours at maximum flow rate of the hydrant for each day the hydrant is used.

*Deposit is not under the jurisdiction of the Indiana Utility Regulatory Commission (IURC).

Protocols for Next Cost of Service Study

1. In its next rate case (expected in late 2024 or early 2025, but Bloomington retains full discretion on when it files its next rate case within the parameters of Section 4.A. of the Settlement), Bloomington will present a new cost of service study (“COSS”) utilizing data collected from AMI meters. Bloomington agrees to provide opportunities for WTWA, IU and the OUCC, including their respective consultants, to participate in the preparation of Bloomington’s next COSS in good faith collaboration to address areas of concern with any study or related model. That participation will involve, but not be limited to, the sharing of all COSS related data, any COSS related workpapers, the ability to contact/meet (may be electronic meetings) with Bloomington’s consultants, and the provision of preliminary and final COSSs that Bloomington intends to present to its Utility Service Board. The sharing of information will be subject to a mutually acceptable confidentiality agreement, where appropriate.
2. Bloomington retains final discretion with respect to the presentation of its cost of service and rate design proposals in its next rate case. In order to facilitate the provision of information set forth in Paragraph 1 above, however, during the course of COSS preparation Bloomington will provide, at least, the following four (4) specific opportunities for the Parties to meet, provide input, suggest changes to, and review COSS materials:
 - a. Data Review meeting to go over test year customer billing and AMI data;
 - b. Revenue Requirement meeting;
 - c. Cost Allocation by Customer Class meeting; and
 - d. Rate Design meeting.

Bloomington agrees to provide 10-days’ written notice to WTWA, IU, and the OUCC (email notice is acceptable) of the date, time and location of each meeting. Such meetings may be held by electronic means to facilitate participation. Bloomington may not file its rate case if these four (4) meetings have not been held. In the event these meetings extend the filing of the rate case more than one year after the end of the test year, all Parties to this Settlement agree to waive staleness as an objection to the test year for rate-setting purposes provided the filing is made not more than 18 months following the close of the test year. The Parties, however, retain the right to otherwise raise any challenge to the use and reasonableness of Bloomington’s test year, and do not waive their right to challenge any test year cost, or to take any position with respect to revenue, usage, other adjustments to the test year or use of the test year for, and relating to, the COSS. The four (4) meetings identified above are not meant to be exclusive opportunities for pre-filing discussion between Bloomington and any Party, and other meetings, or other communications, may be arranged and held as appropriate. No inferences shall be drawn from a Party’s participation, or non-participation, in any pre-filing meeting.

3. Bloomington will take steps to assure that any preliminary or final cost of service models can be fully accessed, operated and manipulated by WTWA, IU and the OUCC, or their respective consultants. For purposes of effectuating this agreement, a fully accessible, operable and manipulatable cost service model shall, at a minimum, meet the following criteria:

- a. Be in Excel format with all formulas and inputs intact, unlocked and accessible
 - b. Not have hidden or otherwise protected cells, tabs or worksheets
 - c. Not include external links to data which is not also provided
 - d. Not contain formula errors
 - e. Be formatted in such a manner as to be legible without extensive re-formatting by users
 - f. Utilize consistent and readily identifiable units of service (e.g., volumes sold) across testimony, the COSS model, and discovery responses in a manner that is clearly and consistently separated by rate class.
 - g. Permit users to make modifications to any input that results in clearly updated results
 - h. Permit users to easily modify any input including the functionalization and allocation of costs.
 - i. Permit users to save modifications
4. Bloomington agrees to review the appropriateness of a wholesale storage class or sub-class, or other cost of service and rate design proposals for Wholesale contract customers that is supported by the data. Bloomington agrees that WTWA will not be assigned to a customer class consisting only of WTWA unless either 1) Bloomington develops rates unique to each wholesale customer; or 2) WTWA consents to such assignment.