

Petitioner's Exhibit No. 1

**INDIANA-AMERICAN WATER COMPANY, INC.**

**CAUSE NUMBER 45609 SEI-1**

**DIRECT TESTIMONY**

**OF**

**GREGORY D. SHIMANSKY**

**ON**

**SERVICE ENHANCEMENT IMPROVEMENTS**

**SPONSORING ATTACHMENT GDS-1 THROUGH GDS-3**

IURC  
PETITIONER'S  
EXHIBIT NO. 1  
2-2-23 DATE CR REPORTER

**OFFICIAL  
EXHIBITS**

**DIRECT TESTIMONY  
OF  
GREGORY D. SHIMANSKY**

**Background**

1   **Q.    Please state your name and business address.**

2    A.    My name is Gregory D. Shimansky, and my business address is 153 N. Emerson  
3        Avenue, Greenwood, IN 46143.

4   **Q.    By whom are you employed and in what capacity?**

5    A.    I am employed by American Water Works Service Company, Inc. ("Service  
6        Company") as Director, Rates & Regulatory. The Service Company is a subsidiary  
7        of American Water Works Company, Inc. ("American Water") that provides  
8        support services to American Water's subsidiaries, including Indiana-American  
9        Water Company, Inc. ("Indiana American" or the "Company").

10   **Q.    Please summarize your educational background and work experience.**

11   A.    I earned a Bachelor of Arts degree in Economics from the University of California,  
12        Los Angeles in June 1993. I also earned a Master of Science in Management, with  
13        concentrations in Finance and Marketing, from Purdue University in May 1998.

14        I began my employment with Indiana American in August 2018. I also serve on  
15        the National Association of Regulatory Utility Commissioners (NARUC) as a Rate  
16        School instructor. Prior to that, I was employed by San Diego Gas and Electric  
17        Company ("SDG&E") as the General Rate Case ("GRC") Program Manager for  
18        both SDG&E and Southern California Gas Company ("SoCalGas"), both regulated

1 affiliates of Sempra Energy, covering various GRC chapters and the companies'  
2 Cost of Capital proceedings. I held that position since June of 2013. Prior to that  
3 position, I was the Regulatory Accounts and Financial Services Manager at  
4 SDG&E in the Financial Analysis Department for 3 years. In that position, I was  
5 responsible for managing the process for the development, implementation, and  
6 analysis of regulatory balancing and memorandum accounts as well as supervising  
7 the treasury function at SDG&E. I had been employed with SDG&E, SoCalGas  
8 and/or Sempra Energy since June 30, 2003. In addition to the position in the GRC  
9 organization, I served as the Financial Planning Manager for Sempra Energy, the  
10 Regulatory Reporting Manager at SDG&E/SoCalGas, and from June 2003 through  
11 August 2008, I worked for SDG&E in utility planning.

12 **Q. What are your current employment responsibilities?**

13 A. I am responsible for rate and rate related activities for Indiana American which  
14 includes the preparation of written testimony, exhibits and work papers in support  
15 of rate applications and other regulatory filings.

16 **Q. Have you testified before the Indiana Utility Regulatory Commission**  
17 **("IURC", or "Commission") or any other regulatory agencies with respect to**  
18 **regulatory matters?**

19 A. Yes. I have testified before the IURC in numerous Causes, most recently I filed  
20 written testimony in Cause No. 45753 for Indiana American's acquisition approval  
21 of the Town of Claypool system and in Cause No. 45785 in support of Indiana  
22 American's request to update its system development charges for water and

1 establish system development charges for wastewater.. In addition, I have testified  
2 before the California Public Utilities Commission on a number of proceedings,  
3 most recently the Test Year 2019 General Rate Case of SDG&E and SoCalGas  
4 (Application 17-10-007/008 cons.).

5 **Q. Please describe the business of Indiana American.**

6 A. Indiana American is an operating public utility incorporated under the laws of the  
7 State of Indiana, with its principal office and place of business in the City of  
8 Greenwood, Johnson County, Indiana. The Company provides residential,  
9 commercial, industrial and municipal water utility service, including sales for  
10 resale, and public and private fire service, to approximately 320,000 water  
11 customers and wastewater utility service to approximately 2,200 wastewater  
12 customers in and around the State of Indiana.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to describe Indiana American's proposed System  
15 Enhancement Improvements charge, better known as "SEI." I will describe the  
16 accounting for two types of expenditures for eligible additions, those made pursuant  
17 to an approved plan (referred to herein as the "first category"), and those for eligible  
18 additions that are replacements (the "second category"). I will discuss the recovery  
19 of each of those types of investments and briefly explain the accounting for  
20 investments in service. I will offer proposed tariff changes to incorporate the  
21 changes proposed in the charge. As I will explain, since this petition combines both  
22 categories, I understand a subdocket will be created to address the second category.

1 My testimony and attachments are prepared in such a fashion that it can be admitted  
2 in both the main docket and the subdocket.

3 **Q. Please identify the attachments which you will be sponsoring with your direct**  
4 **testimony.**

5 A. I am sponsoring the following attachments:

- 6 - Attachment GDS-1  
7 Revenue and Rate calculation worksheets
- 8 - Attachment GDS-2a and Attachment GDS-2b  
9 SEI-1 IAWC Water Tariff to reflect SEI charges in clean and redline
- 10 - Attachment GDS-3  
11 Schedule of deferred balances  
12  
13

14 **Q. Were Attachments GDS-1 through GDS-3 prepared by you or under your**  
15 **direction and supervision?**

16 A. Yes.

17 **Q. Please identify and discuss the document that has been marked as Attachment**  
18 **GDS-1?**

19 A. Attachment GDS-1 is Petitioner's Revenue Requirement and fixed charge  
20 calculation, filed in Excel. As explained below, the calculation considers the most  
21 up to date capital structure and costs of capital and uses the Return on Equity  
22 previously approved in the Company's most recent Rate Case (Cause No. 45142).  
23 Further, the attachment calculates property taxes and depreciation recovered in the  
24 Revenue Requirement and shows the 80% recovery of that Revenue Requirement  
25 also explained below.

1   **Q.    Please identify and discuss the documents that have been marked as**  
2       **Attachments GDS-2a and GDS-2b?**

3    A.   Attachments GDS-2a and GDS-2b are Petitioner’s proposed SEI-1 rate schedule  
4       tariffs, both redline and clean copies. The Company is proposing to treat the SEI-  
5       1 2022 surcharge consistent with the prior Distribution System Improvement  
6       Charges (“DSIC”) filings in that the rate will be a fixed rate based on meter size.  
7       In this attachment, I present two versions of the tariff. As explained later in this  
8       testimony, asset and investments deemed “replacements” and not subject to the pre-  
9       approval plan filing will be evaluated in a sub-docket in this cause. As such, I  
10      present one tariff, marked Attachment GDS-2a, with just the pre-approved plan  
11      investments and a second tariff, marked Attachment GDS-2b, that combines the  
12      pre-approved plan investments with the replacement investments.

13   **Q.    Please identify and discuss Attachment GDS-3.**

14   A.   This presents in summary fashion the deferred depreciation and post-in-service  
15      carrying charges (“PISCC”) on both categories of eligible additions, which  
16      amounts are included in the net investor supplied SEI additions as I will explain  
17      herein. Details of the calculations which were used to prepare Attachment GDS-3  
18      are included in my workpapers.

19                           **Service Enhancement Improvements**

20   **Q.    Please explain the statutory basis for this SEI filing.**

21   A.   Indiana Code ch. 8-1-31.7 (referred to herein as “Chapter 31.7” or the “SEI

1 Statute”) allows a public utility to recover depreciation, property taxes, and pretax  
2 return on “eligible additions,” which consist of utility plant that has been procured,  
3 installed or constructed with expenditures that are “service enhancement  
4 improvements.” “Service enhancement improvements” are expenditures that are  
5 (1) made or to be made and are related to direct or indirect compliance with  
6 “requirement(s),” or related to installation of new plant or equipment that is not  
7 replacement of a plant or equipment and that the Commission determines is  
8 reasonable and appropriate to further health, safety, or environmental protection for  
9 the eligible utility’s customers, employees, or the public (collectively what I refer  
10 to as the first category); or (2) are replacement of a plant or equipment to maintain  
11 existing health, safety, or environmental protection for the eligible utility’s  
12 customers, employees, or the public (the second category). On September 3, 2021,  
13 the Company filed Cause No. 45609 to obtain pre-approval of the utility’s plan for  
14 expenditures from the Commission resulting from the first category of service  
15 enhancement improvements. The Company’s plan was approved on March 16,  
16 2022. This filing seeks approval of a rate adjustment to recover the SEI Statute  
17 revenue requirement for both the first and second category.

18 **Q. Please explain the process.**

19 A. The process began with the afore-mentioned filing (Cause No. 45609  
20 petition and case-in-chief) seeking approval from the Commission of the  
21 utility’s plan for expenditures. Once that plan was approved, the Company  
22 was authorized to file a petition to establish or adjust an adjustment rider to

1 our rate schedules to allow timely recovery of Service Enhancement  
2 Improvement Costs associated with the first category of eligible additions.  
3 Preapproval of a plan is not required for the second category to implement  
4 a rate adjustment. Pursuant to Ind. Code §8-1-31.7-12(h), a utility may  
5 combine both categories in its rate adjustment application. The  
6 Commission has 60 days after filing to approve the SEI Rider to incorporate  
7 the first category of eligible additions. To the extent any individual  
8 application for a rate adjustment also includes the second category of  
9 eligible additions, I understand the Commission will create a sub-docket in  
10 the rider proceeding so that the replacement eligible additions can be  
11 considered within 120 days.

12 **SEI Revenue Requirement and Recovery**

13 **Q. Several times you have used the phrase Service Enhancement Improvement**  
14 **Costs. What do you mean by this phrase?**

15 **A.** I mean the costs the Company incurs in connection with an eligible addition,  
16 including depreciation expense, property tax expense and pretax return. I also use  
17 the phrase "revenue requirement" to mean the same thing as Service Enhancement  
18 Improvement Costs. In order to show the description of the service enhancement  
19 improvement costs associated with the proposed service enhancement  
20 improvements, Attachment GDS-1 Schedule 1 shows the costs the Company incurs  
21 in connection with eligible additions, including depreciation expense, property tax  
22 expense, and pretax return, as discussed in more detail below. The testimony of



1 Company witnesses Stacy Hoffman and Dan Halverstadt describe the capital cost  
2 component of the improvements. Their testimony will also address the extent to  
3 which the eligible additions do not increase revenues by connecting new customers;  
4 are used and useful; were procured, installed or constructed with expenditures that  
5 are service enhancement improvements; and were not included in rate base in the  
6 Company's most recent general rate case. My testimony and the accompanying  
7 Attachment GDS-1 show the total service enhancement improvement costs to be  
8 recovered or deferred, which I also refer to as the revenue requirement.

9 **Q. How will recovery of the revenue requirement work?**

10 A. Service enhancement improvement costs will be recovered through  
11 customer rates as provided under the SEI Statute. The costs are collected  
12 based on a fixed meter charge based upon equivalent meter size. The SEI  
13 Statute provides for the following recovery of this revenue requirement:

- 14 1. Recovery immediately of eighty percent (80%) of the revenue requirement  
15 amount via the SEI rider; and
- 16 2. Twenty percent (20%) of the revenue requirement, including depreciation,  
17 allowance for funds used during construction, and post in service carrying  
18 costs, compounded monthly and based on the overall cost of capital most  
19 recently approved by the Commission, shall be deferred and recovered as  
20 part of the Company's next general rate case.

1     **Q.     What costs are included in calculating the revenue requirement?**

2     A.     The revenue requirement is calculated with respect to “eligible additions,”  
3             which, for non-replacement improvements (i.e., the first category), include  
4             any new utility plant or equipment (1) that does not increase revenues by  
5             connecting to new customers, even though the plant or equipment may  
6             provide the Company with greater available capacity; and (2) that: (i) is  
7             used and useful; (ii) is procured, installed, or constructed by the public  
8             utility with expenditures that are service enhancement improvements; and  
9             (iii) was not included in rate base in the Company’s most recent general rate  
10            case. For replacement improvement projects (the second category), the  
11            revenue requirement is also calculated on eligible additions, including  
12            replacement of utility plant or equipment (1) that does not increase revenues  
13            by connecting to new customers, even though the plant or equipment may  
14            provide the Company with greater available capacity; and (2) that: (i) is  
15            used and useful; (ii) is procured, installed, or constructed by the public  
16            utility with expenditures that are service enhancement improvements; and  
17            (iii) was not included in rate base in the Company’s most recent general rate  
18            case.

19    **Q.     With respect to the first category, Ind. Code § 8-1-31.7-9 sets forth additional**  
20            **requirements if actual costs exceed the projected costs. Are those**  
21            **requirements applicable here?**

22    A.     No. That section provides that should the actual costs in the aggregate of

1 the first category of eligible additions exceed by more than twenty-five  
2 percent (25%) the projected costs for which approval was granted in the  
3 March 16, 2022 decision in Cause No. 45609, the Company must seek  
4 specific approval by the Commission before including those costs in the  
5 next rate case. As explained by Witness Hoffman, actual costs do not exceed  
6 the projections by greater than twenty-five (25%).

7 **Q. Please explain how the depreciation expenses proposed for recovery was**  
8 **calculated.**

9 A. Indiana American is including for recovery within the revenue requirement the  
10 depreciation expense associated with the new capital investments for the eligible  
11 additions and replacements. I have used the currently approved depreciation rates.  
12 Depreciation expense has been grossed up to include the uncollectible expense and  
13 IURC fees. .

14 **Q. How has property tax expense been calculated?**

15 A. Property tax expense included for recovery reflects an annualized level of expense  
16 related to the eligible addition based upon the first assessment date following its  
17 placement in service. The annualized property tax expenses are calculated by  
18 multiplying the plant investment balances by the current or most recent tax rate for  
19 the projected period. For the replacement projects (the second category), I have  
20 computed a weighted average property tax rate. Property tax expense has been  
21 grossed up to include the uncollectible expense and IURC fees.

1     **Q.     How will pre-tax return on new capital investment be calculated?**

2     A.     The pre-tax return on the new capital investment was calculated by multiplying the  
3             pre-tax rate of return, based on the weighted average cost of capital (“WACC”), by  
4             total new capital investment related to the eligible additions.

5     **Q.     What is the proposed WACC to be used in the revenue requirements for SEI?**

6     A.     In accordance with the SEI Statute, Indiana American is using our actual regulatory  
7             capital structure and actual cost rates for long-term debt, as of October 2022, the  
8             latest closed period available to be incorporated prior to filing this testimony. I am  
9             using the authorized return on equity of 9.80%, as determined in Cause No. 45142,  
10            our most recent general rate case. The revenue requirement is grossed up using the  
11            current state and federal income tax rates and public utility fee rate. Utility Receipt  
12            Taxes are no longer included in Indiana American filings since the repeal of the tax  
13            in House Bill 1002 in March 2022.

14    **Q.     Please explain the deferral of the remaining 20% of eligible revenue**  
15            **requirement amounts not recovered through the SEI Rider.**

16    A.     As provided for in the SEI Statute, the rate adjustment is to recover 80% of the  
17            revenue requirement under the SEI Statute. The remaining 20% of eligible revenue  
18            requirement amounts shall be deferred for recovery as part of the Company’s next  
19            base rate proceeding. Consistent with the recoverable portion, the revenue  
20            requirement calculation discussed later in my testimony will be used to derive the  
21            20% deferred for future recovery. The remaining 20% of eligible revenue  
22            requirement is shown on line 18 on each of Attachment GDS-1 Schedules 2 (total),

1           6 (first category), and 10 (second category).

2   **Q.    How has the Company addressed the accrual of depreciation expense and**  
3       **PISCC after each eligible addition is in service but before the costs are**  
4       **included in rates?**

5   A.    Indiana American, according to the Order in Cause No. 45609, has been deferring  
6       depreciation expense and accruing PISCC on all eligible additions, from each  
7       addition's in-service date until depreciation expense is approved to be included for  
8       recovery in rates. Commencing on the date each project is placed in service, the  
9       depreciation expense is charged to Depreciation Expense with a corresponding  
10      credit to Accumulated Depreciation. Concurrently, the deferral of depreciation is  
11      recorded to Account 186, Miscellaneous Deferred Debits, until such point as the  
12      assets are included for recovery in rates. For PISCC, this accrual is recorded as a  
13      debit to the same Account No. 186, with corresponding credit to income under  
14      Account 420 for the equity specific component of the PISCC and Account No. 420  
15      for the debt specific component of the PISCC. For both depreciation and PISCC,  
16      the entries are in compliance with GAAP, NARUC accounting, and the IURC  
17      before, for example in Cause No. 45236.<sup>1</sup> Attachment GDS-3 summarizes the  
18      balances in those account as of October 31, 2022. As indicated previously, my  
19      workpapers show the detailed calculations of these amounts. There is one  
20      regulatory asset for the deferrals and accruals for the first category of eligible

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<sup>1</sup> Indiana American's Petition for authority to continue the capitalization of allowance for funds used during construction and to defer depreciation on its water utility improvement projects in Richmond, Muncie and Noblesville Operations following their placement in service. Order issued October 8, 2019.

1 additions and a second regulatory asset for the second category. Both of these  
2 regulatory assets are included in Net Investor Supplied Water SEI Additions for  
3 purposes of computing the revenue requirement in Attachment GDS-1.

4 **Q. Will the deferral of depreciation and accrual of PISCC cease after approval of**  
5 **the requested rider?**

6 A. Only for the 80% of the revenue requirement recovered through the rate adjustment.

7 This is the portion of pretax return and depreciation that will then be recovered  
8 through the SEI Rider. For the portion of pretax return and depreciation associated  
9 with the 20% of service enhancement improvement costs that are deferred for  
10 recovery, the PISCC will cease upon approval of rates in the ensuing general rate  
11 case whereby that 20% is included in net original costs for ratemaking purposes.

12 This deferral and accrual will be recorded to the same regulatory assets I have  
13 described.

14 **Q. What rates will be used to calculate PISCC on the portion of eligible additions**  
15 **placed in service but not yet recovered through rates?**

16 A. The PISCC rates used is the WACC as set forth in the SEI Statute, compounded  
17 monthly.

18 **Q. How will the amortization of the PISCC deferred balance be calculated?**

19 A. As I explained, there are two regulatory assets – one for the first category and one  
20 for the second category. The Company proposes that the amortization for each  
21 regulatory asset will be done over the weighted average remaining life of the

1 eligible additions in each category and will be part of the revenue requirement  
2 included in the calculation of the SEI Rider (for 80%) and in the rate case (for the  
3 remaining 20%). Future SEI Rider filings will record to these respective two  
4 regulatory assets and will be amortized over the same lives resulting here, with the  
5 ability to adjust the amortization period in future general rate cases if the weighted  
6 average lives of the underlying eligible additions become materially different over  
7 time.

8 **Building the Revenue Requirement**

9 **Q. Please identify and describe the exhibit marked as Attachment GDS-1.**

10 A. Attachment GDS-1 shows the worksheets and calculations to reflect the revenues  
11 and rates produced for 1.) the additions from the plans approved in Cause No.  
12 45609; 2.) the additions from the replacement projects; and 3.) a summary of both  
13 the pre-approved plan investments and the replacement projects. This attachment  
14 has been structured such that the pre-approved plan investment revenue  
15 requirement can be easily separated and evaluated from the replacement investment  
16 while also seeing the overall impact of all of the SEI investments. The general form  
17 of Attachment GDS-1 matches the exemplar attachment to my testimony in Cause  
18 No. 45609, except it now contains actual numbers and combines eligible additions  
19 of the second category.

20 **Q. Please describe Schedule 1, Schedule 5, and Schedule 9 of Attachment GDS-1.**

21 A. I lump these three schedules together when speaking of Attachment GDS-1 because

1        they all serve the same purpose. The difference in the schedules reflects the types  
2        of SEI investment – Schedule 1 shows an aggregate of Schedules 5 and 9. Schedule  
3        5 (the first category) shows the revenue requirement for each of the additions  
4        included in Cause No. 45609 whereas Schedule 9 (the second category) shows the  
5        revenue requirement for the replacement projects in this SEI filing. Investments,  
6        less retirements, plus cost of removal, plus PISCC and deferred depreciation from  
7        Attachment GDS-3 sum to the Net Investor Supplied figure on line 6 on each of  
8        these schedules. While the SEI statute would authorize the deferral of property tax  
9        expense, the Company is not currently deferring property tax expense and so has  
10       not included any amount of deferred property tax expense. The investments are  
11       multiplied by the pre-tax return, or WACC (calculated on schedule 13 and  
12       discussed below) to show the pre-tax return on line 8. Property taxes are added to  
13       the revenue requirement on line 10 (calculated on line 11 of schedules 8, and 12  
14       and discussed below). The depreciation amounts (calculated on line 13 of  
15       schedules 7, and 11 and discussed below) are shown on line 12. Line 13 adds  
16       amortization of the regulatory asset for PISCC and deferred depreciation. The total  
17       SEI revenue requirement is shown on line 16. This represents 100% of the revenues  
18       for each of the projects or investment type listed.

19    **Q.    Please describe Schedule 2, Schedule 6, and Schedule 10 of Attachment GDS-**  
20    **1.**

21    A.    Schedules 2 (total), 6 (first category) and 10 (and second category) again are  
22    lumped together as all three represent what Meter Rates would be for the Total SEI-



1        1 Rider, the SEI-1 Rider for pre-approved plan investments, and the SEI-1 Rider  
2        for replacement investments, respectively. Per the SEI Statute, the SEI revenues are  
3        collected on a fixed meter charge based on size of meter. Indiana American is using  
4        the American Water Works Association standard equivalent meter flow-based ratio  
5        as the basis for the calculation. These schedules adjust the revenues calculated on  
6        Schedule 1, 5, and 9 discussed above to apply an 80% factor to reflect the amount  
7        to be recovered through the periodic rate adjustment rider. As discussed above, the  
8        remaining 20% will be held in a regulatory asset and, along with post-in-service  
9        carrying costs, will be recovered in the next rate case. Line 2 of Schedules 2, 6, and  
10       10 shows the 80% of revenues to be added to the SEI Rider. Beginning on line 4,  
11       the schedule applies the meter equivalents to the number of billing units for the 12  
12       months using October 31, 2022 meters to arrive at a per meter amount. The meter  
13       charge for a residential 5/8" meter after all projects in this Cause are complete will  
14       be \$1.11 (total). The impacts of individual projects can be seen in columns G  
15       through K of Schedule 6. The meter charge for a residential 5/8" meter after the  
16       first category of projects is complete will be \$0.91.

17    **Q.     Please describe Schedule 3, Schedule 7, and Schedule 11 of Attachment GDS-**  
18        **1.**

19    A.     Schedules 3 (total), 7 (first category), and 11 (second category) shows the  
20        depreciation calculation done for the total SEI-1 investments, the pre-plan  
21        investments, and the replacement investments, respectively. Schedule 3 is largely  
22        for informational purposes, as the amounts for depreciation expense for both

1 categories are drawn from Schedules 7 and 11. The depreciation expense  
2 calculations reflect the annualized depreciation expense and is used on Schedules  
3 1, 5, and 9 to calculate the revenue requirement. The depreciation rates established  
4 in Cause No. 44992, Indiana American Water's Depreciation Study, and  
5 implemented as part of the most recent rate case, Cause No. 45142, are applied to  
6 the original cost of the SEI additions. The subtotal of depreciation for each eligible  
7 addition is reflected in column H.

8 **Q. Please describe Schedule 4, Schedule 8, and Schedule 12 of Attachment GDS-**  
9 **1.**

10 A. Property taxes are calculated per eligible addition based on the rates in effect in  
11 2020 and payable in 2021. Like depreciation, Schedule 4 is largely informational,  
12 as the amounts for property tax expense is drawn from Schedules 8 and 12.  
13 Schedules 8 (first category) and 12 (second category) shows the County,  
14 Municipality, Map Location and Parcel numbers of locales near where these SEI  
15 additions are located. The schedules further show the total payments made for those  
16 parcels and divides that figure by the Total Assessment to arrive at the average  
17 effective property tax rate by taxing district (see column K). This is done to  
18 determine a rate to apply to the book basis to most closely represent what property  
19 taxes would be if calculated on a tax basis. When an exact location and comparable  
20 rate could be found, like in the case for Charlestown Filtration Improvements, the  
21 tax rate for that parcel was multiplied by the Net Investor Supplied Additions less  
22 PISCC and deferred depreciation. When an exact or comparable rate could not be

1 directly found, the weighted average for the approximate parcels were used (by  
2 summing the total payments by parcel and dividing by the total assessment value  
3 for those parcels). In those cases, the weighted average property tax rates were  
4 multiplied by the Net Investor Supplied Additions less PISCC and deferred  
5 depreciation.

6 **Q. Please describe Schedule 13 of Attachment GDS-1.**

7 A. The rate of return used in this proceeding is shown on line 7 of Schedules 1, 5, and  
8 9 and the calculation is shown on Schedule 13. The Petitioner's weighted average  
9 cost of capital is based on the most recent data available through October 31, 2022.  
10 The long-term debt cost rate used in this calculation is 4.73%. The common equity  
11 rate of return is 9.80%, as approved in the Order in Cause No. 45142. The weighted  
12 average cost of capital used is 6.21% after tax. Schedule 13 of Attachment GDS-1  
13 shows the derivation of the weighted cost of capital of 6.21% and the pre-tax rate  
14 of return of 7.74%.

15 **Q. What is the priority of recovery?**

16 A. It is consistent with the Order in Cause No. 45609. In that Cause, I presented  
17 Attachment GDS-3 illustrating the priority of recovery of the 80% SEI Rider in  
18 terms of accounting with the first dollar representing the full return (line 1) and the  
19 remaining amounts covering a portion of the incremental expenses (lines 2 and 3).  
20 This methodology as laid out in the Cause No. 45609 Schedule 1 is required to  
21 ensure the Company receives the return granted by the SEI Statute on its investment  
22 in accordance with Financial Accounting Standards Board ("FASB") Accounting

1 Standards Codification (“ASC”) Topic 980.

2 **Q. Does this accounting prioritization impact the amount recoverable in the**  
3 **Company’s SEI or the amount deferred for future recovery?**

4 A. No. The amounts included for recovery in the SEI are and will continue to represent  
5 an amount equal to 80% of the total annual revenue requirement. The remaining  
6 amount, equal to 20% of the total annual revenue requirement, is and will continue  
7 to be the amount deferred for future recovery in a base rate case. The manner of  
8 recovery as I have described is required by accounting rules to recognize the full  
9 return on investment.

10 **Q. How was the net operating income level grossed up for state and federal**  
11 **income taxes?**

12 A. Also shown on Schedule 13 of Attachment GDS-1 is the Company’s calculation of  
13 a gross revenue conversion factor of 134.6335% utilizing those taxes and rates in  
14 effect during the time the SEI Revenues are billed. These taxes, fees, and expenses  
15 are the IURC Fee of 0.1202%, Uncollectible/Bad debt rate of 1.0167%, the State  
16 Income Tax of 4.90%, and the Federal Income Tax of 21%. The gross revenue  
17 conversion factor was multiplied by the weighted cost of the non-debt components  
18 of the capital structure to determine the pre-tax return of 7.74%. To gross up  
19 depreciation and property tax expenses, a separate gross up factor was used that  
20 includes Uncollectible (1.0167%) and IURC fees (0.1202041%). That can be found  
21 on lines 30 through 46 of Attachment 1 Schedule 13.

1    **Q.    Will this proposed SEI Rider require a tariff change?**

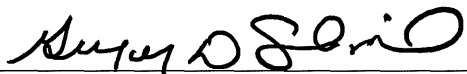
2    A.    Yes. Attachments GDS-2a and GDS-2b show new tariffs for SEI and includes all  
3           the additions submitted in this Cause. A rider update filing will be updated no more  
4           than once every 12 months.

5    **Q.    Does this conclude your direct testimony?**

6    A.    Yes, it does.

### VERIFICATION

I, Gregory Shimansky, Director Rates & Regulatory, American Water Works Service Company, Inc., affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Gregory Shimansky

Date: November 18, 2022

ATTACHMENT GDS-1 FILED AS EXCEL DOCUMENT

I.U.R.C. No. W-21-A

Cancelling All Previously Approved Tariffs

(W-20-A)

Third Revised Page 3 of 10

CLASSIFICATION OF SERVICE  
GENERAL WATER SERVICE AND  
SALE FOR RESALE

Customer Charge

All metered general water service and sale for resale customers shall pay a Customer Charge based on the size of meter installed (or multiple meters installed--in which case, the charge is based on the total of all meters installed). The Customer Charge rates are listed below and do not include any allowance for water usage.

Size of Meter	<u>Monthly</u>	
	Customer Charge*	Sale for Resale Only*
5/8"	\$ 15.47	\$ 23.23
3/4"	21.92	33.34
1"	28.72	45.36
1-1/2"	53.79	77.62
2"	98.27	137.74
3"	154.90	223.63
4"	240.80	356.27
6"	436.17	670.84
8"	672.41	1,049.89
10"	1,061.76	1,677.80
12"	1,699.19	2,723.72

Note: Unless specified rates are for all areas.

The following rates and charges are applicable to customers\* located in the acquired areas within the former Rivers Edge Utility Inc.'s Certificate of Territorial Authority:

Recurring Charges:

Mobile Home and Camp Lots

A flat fee of \$64.50 per month  
(6-month minimum)

Non-Recurring Charges:

Disconnection Fee

\$45

Reconnection Fee

\$45

Residential Water Connection Charge

\$200

RV Site Water Connection Charge

\$75

Returned Check Charge

\$25

Tampering Fee

\$200

Late Fee Water

10% of the first \$3, and 3% of the excess \$3

\* Subject to the Distribution System Improvement Charge listed on Appendix A and the System Enhancement Improvement Charge on Appendix B.

Issued:

Effective: \_\_\_\_\_

Issued by: Matthew Prine, President  
 153 North Emerson Avenue  
 Greenwood, Indiana 46143



I.U.R.C. No. W-21-A  
Cancelling All Previously Approved Tariffs  
(W-20-A)  
Original Appendix B

**SYSTEM ENHANCEMENT IMPROVEMENTS**  
**(SEI)**

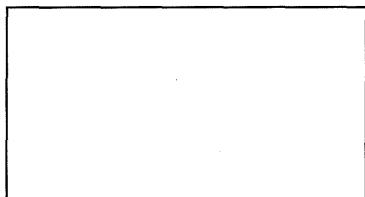
The System Enhancement Improvements (SEI) fixed meter charge set forth on this schedule is applicable where clearly denoted on other rate schedules, and this SEI Charge by Meter Size shall be added to all charges billed. Changes to the SEI shall be occasioned by filings in accordance with Indiana Code Chapter 8-1-31.7-8.

**All Water Groups**

<b>SEI Charge by</b>	
<b>Meter Size</b>	<b><u>Meter Size</u></b>
5/8"	\$0.91
3/4"	\$1.37
1"	\$2.29
1 1/2"	\$4.57
2"	\$7.32
3"	\$13.72
4"	\$22.86
6"	\$45.72
8"	\$73.15
10"	\$118.87
12"	\$196.60

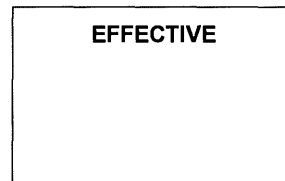
Issued;

Effective: \_\_\_\_\_



Issued by: Matthew Prine, President  
153 North Emerson Avenue  
Greenwood, Indiana 46143

**EFFECTIVE**



I.U.R.C. No. W-21-A  
Cancelling All Previously Approved Tariffs  
(W-20-A)  
~~Second-Third~~ Revised Page **3** of **10**

CLASSIFICATION OF SERVICE  
GENERAL WATER SERVICE AND  
SALE FOR RESALE

Customer Charge

All metered general water service and sale for resale customers shall pay a Customer Charge based on the size of meter installed (or multiple meters installed--in which case, the charge is based on the total of all meters installed). The Customer Charge rates are listed below and do not include any allowance for water usage.

<u>Size of Meter</u>	<u>Monthly</u> <u>Customer Charge*</u>	<u>Sale for Resale Only*</u>
5/8"	\$ 15.47	\$ 23.23
3/4"	21.92	33.34
1"	28.72	45.36
1-1/2"	53.79	77.62
2"	98.27	137.74
3"	154.90	223.63
4"	240.80	356.27
6"	436.17	670.84
8"	672.41	1,049.89
10"	1,061.76	1,677.80
12"	1,699.19	2,723.72

\* Subject to the Distribution System Improvement Charge listed on Appendix A

Note: Unless specified rates are for all areas.

The following rates and charges are applicable to customers\* located in the acquired areas within the former Rivers Edge Utility Inc.'s Certificate of Territorial Authority:

Recurring Charges:	
Mobile Home and Camp Lots	A flat fee of \$64.50 per month (6-month minimum)
Non-Recurring Charges:	
Disconnection Fee	\$45
Reconnection Fee	\$45
Residential Water Connection Charge	\$200
RV Site Water Connection Charge	\$75
Returned Check Charge	\$25
Tampering Fee	\$200
Late Fee Water	10% of the first \$3, and 3% of the excess \$3

\* Subject to the Distribution System Improvement Charge listed on Appendix A and the System Enhancement Improvement Charge on Appendix B.

Issued:

Effective: \_\_\_\_\_

Issued by: Matthew Prine, President  
153 North Emerson Avenue  
Greenwood, Indiana 46143

I.U.R.C. No. W-21-A  
Cancelling All Previously Approved Tariffs  
(W-20-A)  
Original Appendix B

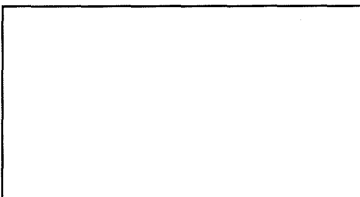
SYSTEM ENHANCEMENT IMPROVMENTS  
(SEI)

The System Enhancement Improvements (SEI) fixed meter charge set forth on this schedule is applicable where clearly denoted on other rate schedules, and this SEI Charge by Meter Size shall be added to all charges billed. Changes to the SEI shall be occasioned by filings in accordance with Indiana Code Chapter 8-1-31.7-8.

All Water Groups

Meter Size	SEI Charge by
	<u>Meter Size</u>
5/8"	\$0.91
3/4"	\$1.37
1"	\$2.29
1 1/2"	\$4.57
2"	\$7.32
3"	\$13.72
4"	\$22.86
6"	\$45.72
8"	\$73.15
10"	\$118.87
12"	\$196.60

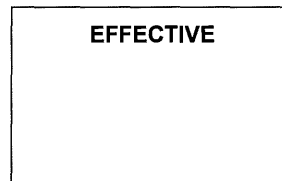
Issued:



Effective: \_\_\_\_\_

Issued by: Matthew Prine, President  
153 North Emerson Avenue  
Greenwood, Indiana 46143

**EFFECTIVE**



**I.U.R.C. No. W-21-A**  
**Cancelling All Previously Approved Tariffs**  
**(W-20-A)**  
**First Revised Appendix B**

**SYSTEM ENHANCEMENT**  
**IMPROVMENTS (SEI)**

The System Enhancement Improvements (SEI) fixed meter charge set forth on this schedule is applicable where clearly denoted on other rate schedules, and this SEI Charge by Meter Size shall be added to all charges billed. Changes to the SEI shall be occasioned by filings in accordance with Indiana Code Chapter 8-1-31.7-8.

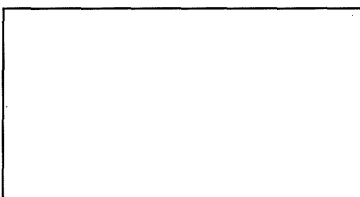
**All Water Groups**

<b>Meter Size</b>	<b>SEI Charge by</b>
	<b><u>Meter Size</u></b>
5/8"	\$1.09
3/4"	\$1.64
1"	\$2.73
1 1/2"	\$5.47
2"	\$8.74
3"	\$16.40
4"	\$27.33
6"	\$54.65
8"	\$87.45
10"	\$142.10
12"	\$235.01

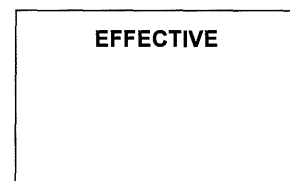
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Issued:

Effective: \_\_\_\_\_



Issued by: Matthew Prine, President  
153 North Emerson Avenue  
Greenwood, Indiana 46143



**EFFECTIVE**

I.U.R.C. No. W-21-A  
Cancelling All Previously Approved Tariffs  
(W-20-A)  
~~Original~~ First Revised Appendix B

SYSTEM ENHANCEMENT  
IMPROVMENTS (SEI)

The System Enhancement Improvements (SEI) fixed meter charge set forth on this schedule is applicable where clearly denoted on other rate schedules, and this SEI Charge by Meter Size shall be added to all charges billed. Changes to the SEI shall be occasioned by filings in accordance with Indiana Code Chapter 8-1-31.7-8.

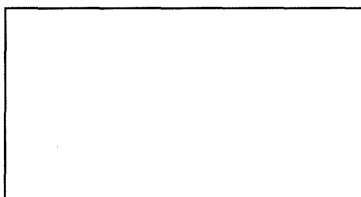
All Water Groups

**SEI Charge by**

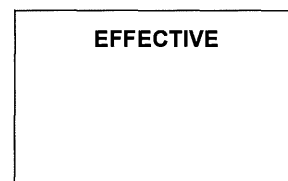
<b>Meter Size</b>	<b>Meter Size</b>
5/8"	\$0.94 <u>1.09</u>
3/4"	\$1.37 <u>1.64</u>
1"	\$2.29 <u>2.73</u>
1 1/2"	\$4.57 <u>5.47</u>
2"	\$7.32 <u>8.74</u>
3"	\$13.72 <u>16.40</u>
4"	\$22.86 <u>27.33</u>
6"	\$45.72 <u>54.65</u>
8"	\$73.15 <u>87.45</u>
10"	\$118.87 <u>142.10</u>
12"	\$196.60 <u>235.01</u>

Issued:

Effective: \_\_\_\_\_



Issued by: Matthew Prine, President  
153 North Emerson Avenue  
Greenwood, Indiana 46143



**ATTACHMENT GDS-3 FILED AS EXCEL DOCUMENT**

Cause No. 45609 SEI-1  
Indiana American Water Company  
Attachment GDS-1

**FILED**  
November 18, 2022  
INDIANA UTILITY  
REGULATORY COMMISSION





Revenue Requirement Calculation for All Investments

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of SEI Water Revenue Requirement

Line Number	Description	Eligible for Property Taxes	Pre-Approved Plan Investments	Replacement Investments	Total
1	Water Plant Additions Subject to SEI (From Sch-5 and Sch-9):	*	\$45,051,785	\$6,404,551	\$51,456,336
2	Less: Water Retirements (From Sch-5 and Sch-9):	*	1,699,681	1,086,679	2,786,359
3	Plus: Cost of Removal (Cost of Removal less Salvage) (From Sch-5 and Sch-9):	*	224,231	957,650	1,181,880
4	Plus: PISCC, Deferred Depreciation, Deferred Property Tax Reg Asset		1,699,931	1,903,724	3,603,655
5	Net Investor Supplied Water SEI Additions (Line 1 - Line 2 + Line 3 - Line 4):		\$45,276,266	\$8,179,246	\$53,455,512
6					
7	Pre-Tax Rate of Return (From Attachment GDS-1 Schedule 13):		7.74%	7.74%	7.74%
8	Pre-Tax Return on Additions (From Sch-5 and Sch-9):		\$3,503,136	\$632,848	\$4,135,984
9					
10	Property Taxes on Water SEI Additions (From Sch-5 and Sch-9):		\$955,223	\$171,361	\$1,126,584
11					
12	Depreciation on Water SEI Additions (From Sch-5 and Sch-9):		\$1,038,504	\$300,512	\$1,339,016
13	Amortization of Deferred Asset		\$43,820	\$76,368	\$120,188
14			\$1,082,324	\$376,880	\$1,459,204
15					
16	Total SEI Revenues to Determine SEI Per Meter Rate (Line 8 + Line 11 + Line 13):		\$5,540,683	\$1,181,089	\$6,721,772
17					

Fixed Charge Calculation for All Investments

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Calculation of SEI Charge

Calculation of SEI Fixed Charge Rate Based on Meter Size  
Using Meter Billing Units for the Twelve Months Ended October 31, 2022

		Meter Billing Units by Meter Size	AWWA Equivalent			Annualized SEI		
		For the 12 Months Ended 10/31/2022	Meter Flow- Based Ratio	Meter Equivalents	Revenue All Projects	Pre-Approved Plan Investments Meter Size	Replacement Investments Meter Size	Total Meter Size
1	SEI Revenue (Per Line 15 of Attachment GDS-1, Schedule 1):					\$5,540,683	\$1,181,089	\$6,721,772
2	80% of the Revenue Rider, with 20% being held in a Regulatory Asset					\$ 4,432,546	\$ 944,872	\$ 5,377,418
3	Monthly Rate per Equivalent 5/8" Meter (Total Revenue/Total Meter Equivalents):					\$0.91	\$0.19	\$1.11
Illustration of potential rates								
4	5/8"	3,590,811	1.0	3,590,811	\$3,983,452.50	\$0.91	\$0.19	\$1.11
5	3/4"	4,829	1.5	7,244	8,035.55	1.37	0.29	1.66
6	1"	131,703	2.5	329,259	365,261.77	2.29	0.49	2.77
7	1 1/2"	17,069	5.0	85,347	94,678.93	4.57	0.97	5.55
8	2"	68,506	8.0	548,048	607,975.40	7.32	1.56	8.87
9	3"	5,872	15.0	88,087	97,718.76	13.72	2.92	16.64
10	4"	3,366	25.0	84,156	93,358.03	22.86	4.87	27.73
11	6"	1,546	50.0	77,283	85,733.05	45.72	9.75	55.47
12	8"	348	80.0	27,806	30,846.04	73.15	15.59	88.75
13	10"	72	130.0	9,337	10,357.74	118.87	25.34	144.22
14	12"	0	215.0	0	-	\$196.60	\$41.91	\$238.51
15	Total	3,824,123		4,847,376	\$5,377,417.76			
16								
17	20% of the Revenue Rider being held in a Regulatory Asset					\$ 1,108,137	\$ 236,218	\$ 1,344,354
18								

Note: The American Water Works Association (AWWA) standard Equivalent Meter Flow-Based Ratio is used at the basis for calculation. For example, the safe operating capacity of a 5/8 inch meter is 20 gallons per minute, which is used as the base ratio of 1.0. In contrast to this, a two inch meter has a safe operating capacity of 160 gallons per minute. Thus, on a continuity basis, a two inch meter is the equivalent of eight 5/8 inch meters, and thus the equivalent flow ratio for a two inch meter is 8.0.

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of Depreciation for SEI Projects

Line Number	Account Number	Account Description	SEI Additions	Less: Retirements	Net SEI Additions	Weighted Avg Depreciation Rate	Depreciation Expense
1							
2							
3		Pre-Approved Investments	45,051,785	1,699,681	43,352,104	2.37%	1,026,710
4		Replacements Investment	6,404,551	1,086,679	7,491,229	3.97%	297,099
2							
3		Grand Total:	<u>\$51,456,336</u>	<u>\$2,786,359</u>	<u>\$50,843,333</u>		<u>\$1,323,809</u>

Indiana-American Water Company  
 Cause No. 45609 SEI-1 2022  
 Service Enhancement Improvement Charge  
 Property Taxes  
 Based on 2021 Property Taxes Payable in 2022  
 Property Taxes Calculation for All Investments

Attachment GDS-1  
 Schedule 4

Indiana Property Taxes  
 (Indiana - American Water Co.)

2021 Payable in 2022					
Current Parcel	May 10th	Nov. 13th	Total Payment	Total Assessment	Tax Rate
Pre-Approved Plan Investments	3,590,020	1,383,040	2,769,155	86,194,340	3.21%
Replacement Investments	294,887	294,679	589,566	21,838,822	2.70%
	3,884,907	1,677,719	3,358,721	108,033,162	3.11%
			<b>Weighted Average</b>		<b>3.11%</b>

Revenue Requirement Calculation for Pre-Approved Plan Investments only

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of SEI Water Revenue Requirement

		I10-750014	I10-580004	I10-750020	I10-900049		
		Southern Filter Backwash Residuals Management Improvements		Mooresville Filtration Improvements	Charlestown Filtration Improvements	Northwest Borman Park Chlorine and Chemical Storage Improvements	Total
Line Number	Description	Eligible for Property Taxes	Improvements	Improvements	Improvements	Improvements	
1	Water Plant Additions Subject to SEI (From Attachment SSH-1):	*	\$2,668,685	\$21,660,651	\$13,033,278	\$7,689,171	\$45,051,785
2	Less: Water Retirements (From Attachment SSH-1):	*	4,037	508,863	795,286	391,495	\$1,699,681
3	Plus: Cost of Removal (Cost of Removal less Salvage) (From Attachment SSH-1):	*	\$49,500	\$47,801	\$79,078	\$47,852	\$224,231
4	Plus: PISCC, Deferred Depreciation, Deferred Property Tax Reg Asset		186,887	867,156	397,316	248,572	\$1,699,931
5	Net Investor Supplied Water SEI Additions (Line 1 - Line 2 + Line 3 - Line 4):		\$2,901,035	\$22,066,745	\$12,714,386	\$7,594,100	\$45,276,266
6							
7	Pre-Tax Rate of Return (From Attachment GDS-1 Schedule 13):		7.74%	7.74%	7.74%	7.74%	7.74%
8	Pre-Tax Return on Additions (Line 5 X Line7):		\$224,460	\$1,707,359	\$983,743	\$587,574	\$3,503,136
9							
10	Weighted Avg Property Tax Muni Rate (From Attachment GDS-1 Schedule 8):		3.00%	1.33%	2.59%	3.58%	3.23%
11	Property Taxes on Water SEI Additions (Lines 1-3 X Line10):		\$82,269	\$284,883	\$322,207	\$265,864	\$955,223
12							
13	Depreciation on Water SEI Additions (From Attachment GDS-1 Schedule 7):		\$2,691	\$608,837	\$276,844	\$150,132	\$1,038,504
14	Amortization of Deferred Asset		\$4,758	\$24,960	\$8,988	\$5,114	\$43,820
15			\$7,448	\$633,798	\$285,832	\$155,246	\$1,082,324
16							
17	Total SEI Revenues to Determine SEI Per Meter Rate (Line 8 + Line 11 + Line 13):		\$314,177	\$2,626,039	\$1,591,782	\$1,008,684	\$5,540,683
18							

Fixed Charge Calculation for Pre-Approved Plan Investments only

Attachment GDS-1  
Schedule 6  
Page 1 of 1

Indiana-American Water Company  
Calculation of SEI Charge  
Cause No. 45609 SEI-1 2022  
Calculation of SEI Fixed Charge Rate Based on Meter Size  
Using Meter Billing Units for the Twelve Months Ended October 31, 2022

		Meter Billing	AWWA		(Projects listed in order of estimated close dates. Subject to change)					
		Units by Meter Size	Equivalent		Annualized SEI	I10-750014	I10-580004	I10-750020	I10-900049	
		For the 12 Months	Meter Flow-	Meter	Revenue	SEI Charge by	SEI Charge by	SEI Charge by	SEI Charge by	Total
Line	Meter Size	Ended 10/31/2022	Based Ratio	Equivalents	All Projects	Meter Size	Meter Size	Meter Size	Meter Size	Meter Size
1	SEI Revenue (Per Line 15 of Attachment GDS-1, Schedule 5):					\$314,177	\$2,626,039	\$1,591,782	\$1,008,684	\$5,540,683
2	80% of the Revenue Rider, with 20% being held in a Regulatory Asset					\$ 251,342	\$ 2,100,831	\$ 1,273,426	\$ 806,947	\$ 4,432,546
3	Monthly Rate per Equivalent 5/8" Meter (Total Revenue/Total Meter Equivalents):					\$0.05	\$0.43	\$0.26	\$0.17	\$0.91
Illustration of potential rates										
4	5/8"	3,590,811	1.0	3,590,811	\$3,283,516.01	\$0.05	\$0.43	\$0.26	\$0.17	\$0.91
5	3/4"	4,829	1.5	7,244	6,623.61	0.08	0.65	0.39	0.25	1.37
6	1"	131,703	2.5	329,259	301,081.26	0.13	1.08	0.66	0.42	2.29
7	1 1/2"	17,069	5.0	85,347	78,042.80	0.26	2.17	1.31	0.83	4.57
8	2"	68,506	8.0	548,048	501,147.43	0.41	3.47	2.10	1.33	7.32
9	3"	5,872	15.0	88,087	80,548.49	0.78	6.50	3.94	2.50	13.72
10	4"	3,366	25.0	84,156	76,953.99	1.30	10.83	6.57	4.16	22.86
11	6"	1,546	50.0	77,283	70,668.81	2.59	21.67	13.14	8.32	45.72
12	8"	348	80.0	27,806	25,426.05	4.15	34.67	21.02	13.32	73.15
13	10"	72	130.0	9,337	8,537.77	6.74	56.34	34.15	21.64	118.87
14	12"	0	215.0	0	-	\$11.15	\$93.18	\$56.48	\$35.79	\$196.60
15	Total	3,824,123		4,847,376	\$4,432,546.22					
16										
17										
18	20% of the Revenue Rider being held in a Regulatory Asset					\$ 62,835	\$ 525,208	\$ 318,356	\$ 201,737	\$ 1,108,137
19										

Note: The American Water Works Association (AWWA) standard Equivalent Meter Flow-Based Ratio is used at the basis for calculation. For example, the safe operating capacity of a 5/8 inch meter is 20 gallons per minute, which is used as the base ratio of 1.0. In contrast to this, a two inch meter has a safe operating capacity of 160 gallons per minute. Thus, on a continuity basis, a two inch meter is the equivalent of eight 5/8 inch meters, and thus the equivalent flow ratio for a two inch meter is 8.0.

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**Calculation of Depreciation for SEI Projects**

Line Number	Account Number	Account Description	SEI Additions	Less: Retirements	Net SEI Additions	Depreciation Rate	Depreciation Expense
1	<b>110-750014</b>	<b>SIOTC Backwash Improvements</b>					
2	304200	Struct & Imp Pumping	\$0	\$0	\$0	2.63%	\$0 *
3	304300	Struct & Imp WT	109,722	4,037	105,685	2.52%	2,660 **
4	305000	Collect & Impounding	0	0	0	1.24%	0
5	311200	Pump Equipment Electric	0	0	0	1.39%	0
6	320191	WT Equipment Filter Plant Piping (IN)	0	0	0	2.69%	0
7	320100	WT Equipment	2,558,963	0		2.31%	0
8	346190	Remote Control & Instrument	0	0	0	6.67%	0
9		<b>Sub-Total:</b>	<b>\$2,668,685</b>	<b>\$4,037</b>	<b>\$105,685</b>	<b>2.52%</b>	<b>\$2,660</b>
10	<b>110-580004</b>	<b>MOR Filtration Plant</b>					
11	303400	Land and Land Rights WT	\$0	0	\$0	0.00%	\$0
12	304100	Struct & Imp Supply	(747)	22,613	(23,360)	3.22%	(752)
13	304200	Struct & Imp Pumping	(1,494)	47,974	(49,468)	2.63%	(1,303) *
14	304300	Struct & Imp WT	(4,481)	74,589	(79,071)	2.52%	(1,990) **
15	304400	Struct & Imp T&D	(1,867)	6,488	(8,355)	2.77%	(231)
16	304500	Struct & Imp General	(5,228)	48,724	(53,953)	3.75%	(2,023)
17	304600	Struct & Imp Offices	(747)	12,707	(13,453)	3.66%	(492)
18	304700	Struct & Imp Store,Shop,Garage	0	0	0	2.08%	0
19	304800	Struct & Imp Misc	(373)	10,203	(10,576)	1.45%	(153)
20	304610		2,730,857	0	2,730,857	3.69%	100,769
21	309000	Supply Mains	(747)	9,372	(10,119)	1.42%	(144)
22	311300	Pumping Equipment	(373)	1,016	(1,390)	4.39%	(61)
23	311500	Pumping Equipment	(373)	976	(1,349)	3.00%	(40)
24	311530		2,135,200	0	2,135,200	3.00%	64,056
25	320192		4,997,012	0	4,997,012	2.69%	134,420
26	334130	Electric meter	(373)	7,113	(7,486)	4.48%	(335)
27	334300	Vault	(373)	6,273	(6,646)	2.93%	(195)
28	340230	Comp & Periph Equip	(2,241)	15,966	(18,207)	20.00%	(3,641)
29	340325	Software	(1,120)	24,691	(25,811)	20.00%	(5,162)
30	307000	Wells & Springs	(373)	3,000	(3,373)	2.77%	(93)
31	310000	Power Generation Equip	0	0	0	2.28%	0
32	311200	Pump Equipment Electric	(2,988)	83,620	(86,608)	1.39%	(1,204)
33	311520	Pump Equip SOS & Pumping	(2,241)	29,574	(31,815)	3.00%	(954)
34	320100	WT Equip Non-Media	2,318,128	38,641	2,279,487	2.31%	52,656
35	320190	WT Equipment Set Basin,Clear Well	3,081,883	0	3,081,883	2.69%	82,903
36	320191	WT Equipment Filter Plant Piping (IN)	5,432,446	0	5,432,446	2.69%	146,133
37	320193	WT Equipment Chemical Feed (IN)	753,678	23,958	729,720	2.69%	19,629
38	320200	WT Equipment Filter Media	246,551	0	246,551	9.40%	23,176
39	340100	Office Furniture & Equip	(1,867)	3,470	(5,338)	5.00%	(267)
40	343000	Tools,Shop,Garage Equip	(2,614)	3,701	(6,315)	4.00%	(253)
41	344000	Laboratory Equipment	(1,120)	3,320	(4,441)	6.67%	(296)
42	345000	Power Operated Equipment	0	0	0	2.25%	0
43	346190	Remote Control & Instrument	(1,867)	29,132	(31,000)	6.67%	(2,068)
44	347000	Misc Equipment	(1,494)	\$1,741	(3,235)	5.00%	(162)
45		<b>Sub-Total:</b>	<b>\$21,660,651</b>	<b>\$508,863</b>	<b>\$21,151,789</b>	<b>2.85%</b>	<b>\$601,923</b>
46	<b>110-750020</b>	<b>SIO Charlestown WTF Improvements</b>					
47	304300	Struct & Imp WT	\$214,335	\$185,535	\$28,800	2.52%	\$725 **
48	303200		\$261,156	\$0	\$261,156	0.00%	\$0
49	303600		\$1,065	\$0	\$1,065	0.00%	\$0
50	310000	Power Generation Equip	0	0	0	2.28%	0
51	311200	Pump Equipment Electric	49,766	9,230	40,536	1.39%	563
52	311530	Pump Equip Wtr Treatment	17,081	311,135	(294,054)	3.00%	(8,822)
53	320100		12,408,942	0	12,408,942	2.31%	286,647
54	320190	WT Equipment Set Basin,Clear Well	0	0	0	2.69%	0
55	320191	WT Equipment Filter Plant Piping (IN)	31,015	0	31,015	2.69%	834
56	320193	WT Equipment Chemical Feed (IN)	6,688	89,516	(82,828)	2.69%	(2,228)
57	320200	WT Equipment Filter Media	4,550	0	4,550	9.40%	428
58	304800		0	21,540	(21,540)	1.45%	(312)
59	304500		0	178,329	(178,329)	3.75%	(6,687)
60	340100		1,649	0	1,649	5.00%	82
61	344000	Laboratory Equipment	606	0	606	6.67%	40
62	346190	Remote Control & Instrument	36,425	0	36,425	6.67%	2,430
63		<b>Sub-Total:</b>	<b>\$13,033,278</b>	<b>\$795,286</b>	<b>\$12,237,992</b>	<b>2.24%</b>	<b>\$273,700</b>
64	<b>110-900049</b>	<b>NWI BP Chlorine Improvements</b>					
65	303400	Land and Land Rights WT	\$0	\$0	\$0	0.00%	\$0 \$0
	303200		\$808,398	\$0	\$808,398	0.00%	\$0 ##
	320100		\$6,880,772	\$3,075	\$6,877,697	2.31%	\$158,875
66	304300	Struct & Imp WT	0	0	0	2.52%	0 **
67	311200	Pump Equipment Electric	0	0	0	1.39%	0

68	320193	WT Equipment Chemical Feed (IN)	0	388,419	(388,419)	2.69%	(10,448)
69	346190	Remote Control & Instrument	0	0	0	6.67%	0
70		<b>Sub-Total:</b>	<b>\$7,689,171</b>	<b>\$391,495</b>	<b>\$7,297,676</b>	<b>2.03%</b>	<b>\$148,427</b>
71	<b>I10-700014</b>	<b>TER Mecca East Pressure Zone Impr</b>					
72	303400	Land and Land Rights WT	\$0	\$0	\$0	0.00%	\$0
73	304200	Struct & Imp Pumping	0	0	0	2.63%	0 *
74	304400	Struct & Imp T&D	0	0	0	2.77%	0
75	310000	Power Generation Equip	0	0	0	2.28%	0
76	311200	Pump Equipment Electric	0	0	0	1.39%	0
77	311500	Pump Eqp Other	0	0	0	3.00%	0
78	311540	Pump Eqp T&D	0	0	0	3.00%	0
79	331001	TD Mains Not Classified	0	0	0	1.70%	0
80	331200	TD Mains 6in to 8in	0	0	0	1.70%	0
81	346190	Remote Control & Instrument	0	0	0	6.67%	0
82		<b>Sub-Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
83							
84		<b>Grand Total:</b>	<b>\$45,051,785</b>	<b>\$1,699,681</b>	<b>\$40,793,141</b>	<b>2.52%</b>	<b>\$1,026,710</b>



Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of Depreciation Rate for 304200 and 304300

Line Number	Subsidiary Account	Account Description	NARUC Account	Utility Plant In Service Per Books 12/31/2016	Proposed Annual Depreciation Rate	Total Proposed Depreciation Expense
9	304200	Struct & Imp Pumping - Johnson County	304.20	4,058,379.00	2.62%	106,430.00
10	304200	Struct & Imp Pumping - Carter Street	304.20	3,598,452.59	2.59%	93,045.00
11	304200	Struct & Imp Pumping - Northwest	304.20	9,875,306.79	2.82%	278,199.00
12	304200	Struct & Imp Pumping - Hertzsch and Babb	304.20	2,870,781.64	2.69%	77,342.00
13	304200	Struct & Imp Pumping - Other	304.20	5,459,573.70	2.31%	126,158.00
14				25,862,493.72	2.63%	681,174.00 *
15						
16	304300	Struct & Imp WT - Johnson County	304.30	5,688,776.95	2.45%	139,203.00
17	304300	Struct & Imp WT - Carter Street	304.30	5,211,502.87	2.85%	148,482.00
18	304300	Struct & Imp WT - White River and Buck Creek	304.30	4,853,731.80	3.22%	156,289.00
19	304300	Struct & Imp WT - Northwest	304.30	20,372,644.68	2.39%	486,829.00
20	304300	Struct & Imp WT - Middle Fork and Main Station	304.30	4,052,722.77	2.69%	108,973.00
21	304300	Struct & Imp WT - Hertzsch and Babb	304.30	13,002,029.38	2.50%	325,613.00
22	304300	Struct & Imp WT - Warsaw	304.30	4,587,342.60	2.53%	116,275.00
23	304300	Struct & Imp WT - West Lafayette	304.30	8,282,595.53	2.51%	208,212.00
24	304300	Struct & Imp WT - Other	304.30	6,387,283.92	2.08%	133,220.00
25				72,438,630.50	2.52%	1,823,096.00 **

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**Property Taxes**  
**Based on 2021 Property Taxes Payable in 2022**

A1

Property Taxes Calculation for Pre-Approved Plan Investments onl

Indiana Property Taxes (Indiana - American Water Co.)		1 - County	Property Taxes Calculation for Pre-Approved Plan Investments onl						
		2 - Township							
		4 - School							
		5 - Other							
						2021 Payable in 2022			
County	Municipality	Tax Type:		Map Location	Current Parcel	May 10th	Nov. 13th	Total Payment	Total Assessment
Clark	Jeffersonville City	1, 2, 4	P Prop	19-50000-1341	10-009-7410	\$ 4,998.45	\$ 4,998.45	\$ 9,996.90	\$ 333,230.00
Clark	Jeffersonville City-I.F.W.	1, 2, 4	P Prop	19-51000-1660	10-010-7410	\$ 43,855.20	\$ 43,855.20	\$ 87,710.40	\$ 2,923,680.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00006-0851	10-19-01-100-347.000-009	\$ 34,548.00	\$ 34,548.00	\$ 69,096.00	\$ 2,303,200.00
Clark	Jeffersonville City-I.F.W.	1, 2, 4	R	19-00031-0300	10-19-00-101-234.000-010	\$ 904.50	\$ 904.50	\$ 1,809.00	\$ 60,300.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00053-0341	10-19-00-301-248.000-009	\$ 7,263.00	\$ 7,263.00	\$ 14,526.00	\$ 484,200.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00114-0031	10-19-01-200-677.000-009	\$ 217.00	\$ 217.00	\$ 434.00	\$ 21,700.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00114-0731	10-19-00-400-078.000-009	\$ 6,420.00	\$ 6,420.00	\$ 12,840.00	\$ 428,000.00
						\$ 98,206.15	\$ 98,206.15	\$ 196,412.30	\$ 6,554,310.00
Morgan	Mooresville Town	1, 2, 4	P Prop	021-85-00-000-018-01	55-105-00150-85	\$ 18,351.20	\$ 18,351.20	\$ 36,702.40	\$ 2,762,590.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-25-340-006-01	55-01-25-340-006.000-005	\$ 201.94	\$ 201.94	\$ 403.88	\$ 30,400.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-235-009-01	55-01-35-235-009.000-005	\$ 7.31	\$ 7.31	\$ 14.62	\$ 1,100.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-235-010-01	55-01-35-235-010.000-005	\$ 19.93	\$ 19.93	\$ 39.86	\$ 3,000.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-001-01	55-01-35-280-001.000-005	\$ 45.17	\$ 45.17	\$ 90.34	\$ 6,800.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-002-01	55-01-35-280-002.000-005	\$ 1,434.83	\$ 1,434.83	\$ 2,869.66	\$ 216,000.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-004-01	55-01-35-280-004.000-005	\$ 9.30	\$ 9.30	\$ 18.60	\$ 1,400.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-005-01	55-01-35-280-005.000-005	\$ 14.62	\$ 14.62	\$ 29.24	\$ 2,200.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-006-01	55-01-35-280-006.000-005	\$ 37.20	\$ 37.20	\$ 74.40	\$ 5,600.00
						\$ 20,121.50	\$ 20,121.50	\$ 40,243.00	\$ 3,029,090.00
Clark	Charlestown		P Prop			\$ 174,776.09	\$ 174,776.09	\$ 349,552.18	\$ 13,515,890.00
						\$ 174,776.09	\$ 174,776.09	\$ 349,552.18	\$ 13,515,890.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0037-0013	45-08-07-280-001.000-004	\$ 2,813.82	\$ 2,813.82	\$ 5,627.64	\$ 146,200.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0050-0029	45-08-10-436-002.000-004	\$ 3,481.69	\$ 3,481.69	\$ 6,963.38	\$ 183,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0052-0013	45-08-11-302-005.000-004	\$ 11,710.15	\$ 11,350.15	\$ 23,060.30	\$ 625,500.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0052-0022	45-08-11-302-003.000-004	\$ 6,459.76	\$ 6,099.76	\$ 12,559.52	\$ 330,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0052-0023	45-08-11-302-004.000-004	\$ 10,240.83	\$ 9,880.83	\$ 20,121.66	\$ 543,000.00
Lake	Gary-Calumet	1, 2, 4	R	0 45-08-20-476-005.000-003		\$ 3,231.00	\$ 2,871.00	\$ 6,102.00	\$ 177,400.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0145-0025	45-03-26-351-001.000-004	\$ 632.09	\$ 632.09	\$ 1,264.18	\$ 23,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-41-0080-0007	45-09-06-305-005.000-004	\$ 706.89	\$ 706.89	\$ 1,413.78	\$ 27,900.00
Lake	Gary-Calumet	1, 2, 4	R	25-42-0249-0001	45-08-27-161-001.000-004	\$ 759.57	\$ 579.57	\$ 1,339.14	\$ 31,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-43-0041-0002	45-08-09-476-001.000-004	\$ 2,201.16	\$ 2,201.16	\$ 4,402.32	\$ 111,800.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0055-0002	45-08-04-407-003.000-004	\$ 12,089.27	\$ 12,089.27	\$ 24,178.54	\$ 667,000.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0003	45-08-04-430-003.000-004	\$ 93.83	\$ 93.83	\$ 187.66	\$ 5,100.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0004	45-08-04-430-004.000-004	\$ 93.83	\$ 93.83	\$ 187.66	\$ 5,100.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0005	45-08-04-430-005.000-004	\$ 68.89	\$ 68.89	\$ 137.78	\$ 3,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0006	45-08-04-430-006.000-004	\$ 68.89	\$ 68.89	\$ 137.78	\$ 3,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0007	45-08-04-430-007.000-004	\$ 68.89	\$ 68.89	\$ 137.78	\$ 3,700.00

Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0008	45-08-04-430-008.000-004	\$	63.55	\$	63.55	\$	127.10	\$	3,400.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0010	45-08-04-430-011.000-004	\$	63.08	\$	63.08	\$	126.16	\$	2,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0011	45-08-04-430-018.000-004	\$	1,045.28	\$	1,045.28	\$	2,090.56	\$	46,900.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0020	45-08-04-430-009.000-004	\$	8.00	\$	3.00	\$	11.00	\$	100.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0046-0007	45-09-06-303-006.000-004	\$	901.03	\$	901.03	\$	1,802.06	\$	38,800.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0341-0024	45-08-21-479-012.000-004	\$	1,273.49	\$	913.49	\$	2,186.98	\$	39,500.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0508-0012	45-08-15-401-001.000-004	\$	368.00	\$	3.00	\$	371.00	\$	10,000.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0508-0013	45-08-15-401-002.000-004	\$	368.00	\$	3.00	\$	371.00	\$	10,000.00
Lake	Gary-Calumet	1, 2, 4	R	25-47-0325-0001	45-08-27-328-001.000-004	\$	1,478.31	\$	1,118.31	\$	2,596.62	\$	51,000.00
Lake	Gary-Calumet	1, 2, 4	P Prop	25-950072	45-704-95007-20	\$	748,559.64	\$	748,559.64	\$	1,497,119.28	\$	42,030,300.00
						\$	808,848.94	\$	805,773.94	\$	1,614,622.88	\$	45,122,600.00

Pre-Approved Plan (first)

1,101,953      1,098,878      2,200,830      68,221,890

Vigo	Terre Haute City - Harrison Twp	1, 2, 4	P Prop	0-18-0000262920	84-00-00-277-145.000-002	\$	266,112.57	\$	266,112.57	\$	532,225.14	\$	16,830,850.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0616301001	84-06-16-301-001.000-002	\$	1,217.44	\$	1,217.44	\$	2,434.88	\$	77,000.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0616352001	84-06-16-352-001.000-002	\$	494.89	\$	494.89	\$	989.78	\$	31,300.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0616377001	84-06-16-377-001.000-002	\$	1,222.19	\$	1,222.19	\$	2,444.38	\$	77,300.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0621126002	84-06-21-126-002.000-002	\$	12,792.68	\$	12,792.68	\$	25,585.36	\$	809,100.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0621126003	84-06-21-126-003.000-002	\$	858.53	\$	858.53	\$	1,717.06	\$	54,300.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0621126004	84-06-21-126-004.000-002	\$	754.19	\$	754.19	\$	1,508.38	\$	47,700.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0623251001	84-06-23-251-001.000-002	\$	453.77	\$	453.77	\$	907.54	\$	28,700.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0625129002	84-06-25-129-002.000-002	\$	256.14	\$	256.14	\$	512.28	\$	16,200.00
									284,162		568,325		17,972,450
						\$	3,590,020.44	\$	1,383,040.08	\$	2,769,155.16	\$	86,194,340.00

Y

Tax Rate

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3.00%

3.00%

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3.21%

Revenue Requirement Calculation for Replacement Investment

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of SEI Water Revenue Requirement

Line Number	Description	Eligible for Property Taxes	Replacement Projects	Total
1	Water Plant Additions Subject to SEI (From Attachment DH-1):	*	\$6,404,551	\$6,404,551
2	Less: Water Retirements (From Attachment DH-1):	*	1,086,679	1,086,679
3	Plus: Cost of Removal (Cost of Removal less Salvage) (From Attachment DH-1):	*	957,650	957,650
4	Plus: PISCC, Deferred Depreciation, Deferred Property Tax Reg Asset		1,903,724	1,903,724
5	Net Investor Supplied Water SEI Additions (Line 1 - Line 2 + Line 3 - Line 4):		\$8,179,246	\$8,179,246
6				
7	Pre-Tax Rate of Return (From Attachment GDS-1 Schedule 13):		7.74%	7.74%
8	Pre-Tax Return on Additions (Line 5 X Line7):		\$632,848	\$632,848
9				
10	Weighted Avg Property Tax Muni Rate (From Attachment GDS-1 Schedule 12):		2.70%	2.70%
11	Property Taxes on Water SEI Additions (Lines 1-3 X Line10):		\$171,361	\$171,361
12				
13	Depreciation on Water SEI Additions (From Attachment GDS-1 Schedule 11):		\$300,512	\$300,512
14	Amortization of Deferred Asset		\$76,368	\$76,368
15			\$376,880	\$376,880
16				
17	Total SEI Revenues to Determine SEI Per Meter Rate (Line 8 + Line 11 + Line 13):		\$1,181,089	\$1,181,089
18				

Fixed Charge Calculation for Replacement Investments

Attachment GDS-1

Schedule 10

Page 1 of 1

Indiana-American Water Company

Calculation of SEI Charge

Cause No. 45609 SEI-1 2022

Calculation of SEI Fixed Charge Rate Based on Meter Size

Using Meter Billing Units for the Twelve Months Ended October 31, 2022

		Meter Billing Units by Meter Size For the 12 Months Ended 10/31/2022	AWWA Equivalent Meter Flow- Based Ratio	Meter Equivalents	Annualized SEI Revenue Replacements	Replacement Projects	Total Meter Size
1	SEI Revenue (Per Line 15 of Attachment GDS-1, Schedule 9):					\$1,181,089	\$1,181,089
2	80% of the Revenue Rider, with 20% being held in a Regulatory Asset					\$ 944,872	\$ 944,872
3	Monthly Rate per Equivalent 5/8" Meter (Total Revenue/Total Meter Equivalents):					\$0.19	\$0.19
Illustration of potential rates							
4	5/8"	3,590,811	1.0	3,590,811	\$699,936.49	\$0.19	\$0.19
5	3/4"	4,829	1.5	7,244	1,411.93	0.29	0.29
6	1"	131,703	2.5	329,259	64,180.52	0.49	0.49
7	1 1/2"	17,069	5.0	85,347	16,636.13	0.97	0.97
8	2"	68,506	8.0	548,048	106,827.98	1.56	1.56
9	3"	5,872	15.0	88,087	17,170.26	2.92	2.92
10	4"	3,366	25.0	84,156	16,404.03	4.87	4.87
11	6"	1,546	50.0	77,283	15,064.24	9.75	9.75
12	8"	348	80.0	27,806	5,419.99	15.59	15.59
13	10"	72	130.0	9,337	1,819.97	25.34	25.34
14	12"	0	215.0	0	-	\$41.91	\$41.91
15	Total	3,824,123		4,847,376	\$944,871.55		
16							
17							
18	20% of the Revenue Rider being held in a Regulatory Asset					\$ 236,218	\$ 236,218
19							

Note: The American Water Works Association (AWWA) standard Equivalent Meter Flow-Based Ratio is used at the basis for calculation. For example, the safe operating capacity of a 5/8 inch meter is 20 gallons per minute, which is used as the base ratio of 1.0. In contrast to this, a two inch meter has a safe operating capacity of 160 gallons per minute. Thus, on a continuity basis, a two inch meter is the equivalent of eight 5/8 inch meters, and thus the equivalent flow ratio for a two inch meter is 8.0.

## Depreciation Calculation for Replacement Investments

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**Calculation of Depreciation for SEI Projects**

Line Number	Account Project Number	Project Description	SEI Additions	Less: Retirements	Net SEI Additions	Depreciation Rate	Depreciation Expense
1	R10-01K3.19-P-4031	MOR Filtration Plant	\$172,430	\$0	\$172,430	10.00%	\$17,243
2	T10-0185-P-1000	SIOTC Backwash Improvements	27,092	0	27,092	10.00%	2,709
3	T10-0184-P-1000	SIO Charleston WTF Improvements	103,040	0	103,040	10.00%	10,304
4	R10-70Q1.21-P-0030	NWI BP Chlorine Improvements	41,293	4111.65	45,404	3.00%	1,362
5	R10-70Q1.20-P-0019	TH Rework High Service Pump#17	26,701	8226.65	34,928	3.00%	1,048
6	R10-70Q1.20-P-0016	Replace Motor on TH High Serv Pump	17,084	14312.95	31,397	3.00%	942
7	R10-70Q1.20-P-0023	Rebuilt Pump#1 at Allendale Booster	11,761	395.49	12,157	3.00%	365
8	R10-47Q1.21-P-0014	Well 13 bearings, pump, clean	58,457	15034.52	73,492	2.77%	2,036
9	R10-47Q1.22-P-0002	DF well 15 pump replacement	44,752	10083.56	54,836	3.00%	1,645
10	R10-47Q1.21-P-0020	HH well 11 rpl pump bowl/sec of pip	19,702	3687.01	23,389	2.77%	648
11	R10-47Q1.20-P-0017	DF high service pump #2	9,616	11965.56	21,582	3.00%	647
12	R10-47Q1.20-P-0016	HH high serv pump #2	8,858	6708.28	15,566	3.00%	467
13	R10-47Q1.21-P-0019	Mac Allister generator batteries	8,758	9914.76	18,672	2.77%	517
14	R10-47Q1.20-P-0011	DF Well #16	-	3989.09	3,989	3.00%	120
15	R10-47Q1.21-P-0011	DF cla vlv rpr HSP#1	8,525	859.5	9,384	3.00%	282
16	R10-47Q1.21-P-0009	BBC repair backwash pump	7,426	1453.94	8,880	3.00%	266
17	R10-47Q1.22-P-0003	DF well 13 VFD Rpl	6,643	2621.73	9,265	2.77%	257
18	R10-47Q1.20-P-0008	HH hig pressure rel valve	-	0	0	1.70%	0
19	R10-47Q1.22-P-0007	Living Waters DF hypo pump	2,127	498.46	2,625	3.00%	79
20	R10-47Q1.21-P-0018	Rotork parts for DF	2,348	937.08	3,285	2.31%	76
21	R10-72Q1.22-P-0003	Microscope to analyze samp aera tan	1,670	0	1,670	6.67%	111
22	R10-90Q1.20-P-0020	B.P. Backwash Improvements	293,976	0	293,976	2.25%	6,614
23	R10-90Q1.20-P-0038	BP H56 Discharge Piping Replacement	121,751	96566.76	218,318	3.53%	7,707
24	R10-90Q1.20-P-0011	Repl Basin Drain Pump-BP	87,130	5322.06	92,452	3.00%	2,774
25	R10-90Q1.21-P-0005	Low Service #3 OD Pump Rebuild	75,620	64325.78	139,946	2.33%	3,261
26	R10-90Q1.20-P-0059	Manual Transfer Switch Generator BP	66,220	7309.14	73,530	1.45%	1,066
27	R10-90Q1.20-P-0034	O.D. Backwash Pump 3 Actuator	65,876	34078.98	99,955	1.39%	1,389
28	R10-90Q1.20-P-0029	B.P. Replace Shaft and Bearings #7	44,895	7183.41	52,079	3.00%	1,562
29	R10-90Q1.21-P-0002	Phosphate Pump Replacement	40,817	0	40,817	5.00%	2,041
30	R10-90Q1.21-P-0007	5 MGD HS Pump OD	33,301	0	33,301	1.39%	463
31	R10-90Q1.20-P-0032	65th & Miss. #3 Pump Seals	21,750	4133.92	25,884	3.00%	777
32	R10-90Q1.21-P-0031	NWI 13th & Jennings;	20,164	13700.79	33,865	2.52%	853
33	R10-90Q1.20-P-0023	B.P. #7 H.S. Actuator	17,378	2538.21	19,916	3.00%	597
34	R10-90Q1.21-P-0054	MLK Motor Bearing Rebuild	16,865	12725.09	29,590	1.39%	411
35	R10-90Q1.21-P-0045	Vacuum System OD	16,244	6596.53	22,840	2.25%	514
36	R10-90Q1.21-P-0016	Basin Pump Support and Drive Shaft	15,908	0	15,908	2.25%	358
37	R10-01L6.20-P-0012	Floc VFD Replacement Project	15,902	10618.21	26,520	6.67%	1,769
38	R10-90Q1.21-P-0008	Replace Bearings Blower OD	15,832	827.06	16,659	2.25%	375
39	R10-90Q1.20-P-0043	Pre Chlorine Booster Pump and Drive	15,285	1261.86	16,547	3.00%	496
40	R10-90Q1.20-P-0036	Turbidimeters - OD	11,809	7488.86	19,298	3.00%	579
41	R10-90Q1.21-P-0009	Rapid Mix OD Motor Rebuild	11,778	0	11,778	2.25%	265
42	R10-90Q1.21-P-0023	MLK Pump 3 Motor Refurb	9,475	0	9,475	2.25%	213
43	R10-90Q1.20-P-0028	O.D. Recycler 36" Valve Step Replac	9,180	4095.3	13,275	3.75%	498
44	R10-01L6.20-P-0017	Recycle VFD Comm Replacements	7,640	4330.4	11,970	6.67%	798
45	R10-90Q1.21-P-0028	Pump 1 VFD Replacement Shorewood	7,183	0	7,183	2.25%	162
46	R10-90Q1.20-P-0060	Soft Start 41st Carolina	7,169	192.37	7,361	1.39%	102
47	R10-90Q1.20-P-0049	Check Valve Pump 2 Miller	6,726	302.66	7,029	1.39%	98
48	R10-90Q1.21-P-0033	Packing Replacement OD Floc	6,370	0	6,370	2.25%	143
49	R10-90Q1.21-P-0048	Rotork Actuator Replace OD Recycle	5,750	3444.57	9,195	6.67%	613
50	R10-90Q1.20-P-0007	Raw Water Turbidimeter - BP	5,639	0	5,639	2.48%	140
51	R10-90Q1.20-P-0031	B.P. Fluoride/Ammonia Pumps	5,297	2520.39	7,817	3.00%	235
52	R10-90Q1.20-P-0042	Fluoride Sensor and Pump Upgrades	4,994	2828.2	7,822	2.48%	194
53	R10-90Q1.21-P-0029	Replacement Vacuum Prime Ball Check	4,792	0	4,792	5.00%	240
54	R10-90Q1.21-P-0035	Pump 3 41st Carolina Rebuild	4,613	0	4,613	2.25%	104
55	R10-90Q1.19-P-0067	Chlorine Analyzers - OD	4,442	3241.86	7,684	2.69%	207
56	R10-90Q1.20-P-0054	BP/OD Analyzers	4,428	5502.18	9,930	3.00%	298
57	R10-90Q1.20-P-0024	B.P. Lab Analyzers	3,213	0	3,213	6.67%	214
58	R10-60Q1.20-P-0037	Pressure Transducer Rpl Stony Crk B	4,224	0	4,224	5.00%	211
59	R10-60Q1.20-P-0049	Wells 7 - 8 PLC Replace RW	4,079	3975.23	8,054	2.28%	184
60	R10-45Q1.20-P-0004	High Service Pump Replace Somerset	23,343	1234.84	24,578	1.39%	342
61	R10-45Q1.21-P-0011	Well pump replacements Wabash plant	19,066	2740.78	21,807	3.22%	702
62	R10-80Q1.21-P-0002	Filter 2 Actuators	28,358	5839.9	34,198	2.31%	790
63	R10-80Q1.20-P-0002	Filter 1 Actuators	26,920	1544.55	28,465	2.31%	658
64	R10-80Q1.20-P-0003	HS #3 Motor	21,760	1840.61	23,600	3.00%	708
65	R10-80Q1.20-P-0011	Well #2 Pump & Pipe	14,849	3596.03	18,445	2.77%	511
66	R10-80Q1.20-P-0008	Well #1Motor	8,919	2659.13	11,578	2.77%	321
67	R10-80Q1.20-P-0010	Well #1 Pump	7,822	1761.43	9,583	2.77%	265
68	R10-80Q1.21-P-0005	Well #1 Motor	7,350	2553.21	9,903	2.77%	274
69	R10-80Q1.21-P-0006	Well #1 Capacitor Bank	6,315	969.06	7,284	2.77%	202
70	R10-80Q1.22-P-0006	Fluoride Room Relocation	4,587	2324.75	6,912	2.31%	160



71	R10-01Q1.21-P-0007	NBG Clearwell Bypass (Zube)	74,125	0	74,125	2.31%	1,712
72	R10-85Q1.21-P-0005	Filter Valve Replacement	24,519	353.67	24,873	3.00%	746
73	R10-85Q1.21-P-0010	RPL Pump Well #3	13,200	5529.63	18,730	3.00%	562
74	R10-85Q1.20-P-0009	RPL Water Line Chemical Feed Buildi	10,549	5931.16	16,481	3.22%	531
75	R10-85Q1.20-P-0010	Electrical upgrade for Filters	7,573	3217.69	10,791	3.22%	347
76	R10-85Q1.21-P-0013	Well #1 Pump Replacement	6,861	3601.66	10,463	2.77%	290
77	R10-85Q1.21-P-0006	RPL Backwash Meter	5,339	3767	9,106	2.28%	208
78	R10-85Q1.22-P-0005	NEW Lab Spectrophotometer for water	4,880	0	4,880	6.67%	326
79	R10-85Q1.21-P-0009	RPL Water Line Chemical Feed Bldg	5,299	2402.3	7,701	3.22%	248
80	R10-85Q1.20-P-0002	RPL Effluent Valve	4,284	2227.42	6,512	9.40%	612
81	R10-75Q1.19-P-0016	Replace 4 filter Flow control valve	348,122	0	348,122	6.67%	23,220
82	R10-75Q1.20-P-0010	Charlestown Well field Electrical	120,952	0	120,952	3.22%	3,895
83	R10-75Q1.20-P-0009	Atkins MCC	84,013	13636.96	97,650	6.67%	6,513
84	R10-55Q1.22-P-0005	New motor for well 1 East side	14,100	10133.48	24,234	3.22%	780
85	R10-55Q1.20-P-0022	WRE 2 new pump column and check val	11,781	4289.55	16,071	3.75%	603
86	R10-55Q1.20-P-0007	Replace WRE well 2 motor	-	0	0	3.22%	0
87	R10-55Q1.21-P-0026	New pump for well 1 Sugar Creek	9,676	5908.08	15,584	3.22%	502
88	R10-55Q1.20-P-0012	London Rd well 4 pump repair	-	0	0	3.22%	0
89	R10-55Q1.21-P-0016	New VFD for Marlin Well 5	7,692	6749.8	14,442	3.22%	465
90	R10-55Q1.21-P-0024	New motor for Marlin well 5	5,945	0	5,945	3.75%	223
91	R10-55Q1.21-P-0007	London Rd Well 3 Pump	5,794	12290.82	18,085	3.22%	582
92	R10-55Q1.20-P-0009	Replaced Well pump WRE 3	-	0	0	2.52%	0
93	R10-55Q1.22-P-0003	New west well 1 pump	5,068	3186	8,254	3.22%	266
94	R10-55Q1.21-P-0019	Repair #6 well pump	4,527	2801.64	7,328	3.22%	236
95	R10-55Q1.20-P-0010	Replace check valve well3 WR East	-	0	0	3.22%	0
96	R10-65Q1.20-P-0011	Replace High Service #3 at BRWTP	20,690	4496.91	25,187	3.00%	756
97	R10-65Q1.20-P-0012	Replace High Service #1 Motor at BR	9,709	683.16	10,393	3.00%	312
98	R10-65Q1.20-P-0017	Replace pump and column pipe on Wel	7,409	3791.05	11,200	3.00%	336
99	R10-65Q1.20-P-0009	Replace Pump on Well #4	6,310	5002.07	11,312	5.00%	566
100	R10-25Q1.21-P-0011	Low Service & G st Roads	23,780	0	23,780	3.75%	892
101	R10-50Q1.20-P-0006	Replace Flow Meters at MCO at wells	31,862	283.75	32,146	2.77%	890
102	R10-50Q1.20-P-0004	Replace Aerator Pipe MCO	12,315	4460.79	16,776	2.31%	388
103	R10-50Q1.20-P-0008	Aerator Replacement Tubing Liabilit	11,173	654.1	11,827	3.00%	355
104	R10-50Q1.21-P-0012	MCO WEll#1 Rpr Pump/REpl Column Pip	8,134	343.44	8,477	3.00%	254
105	R10-50Q1.21-P-0009	4" DeZurik Butterfly valves repl WA	3,460	124.31	3,585	2.31%	83
106	R10-50Q1.22-P-0004	<b>Rebuild Aertor Blower on Aerator</b>	3,579	155.51	3,734	2.31%	86
107	R10-50Q1.22-P-0002	New Auto Flusher for Hydrants at Montgon	2,760	0	2,760	4.00%	110
108	R10-70Q1.20-P-0022	Repl TH High Serv #17 starter w/VFD	49,774	8208.09	57,982	3.00%	1,739
109	R10-70Q1.20-P-0024	Upgrade/Replace TH hoist/cranes ins	23,061	0	23,061	2.25%	519
110	R10-70Q1.20-P-0004	Repl 2 Rotork Actuator-C#3 Influent	19,275	8853.67	28,129	2.69%	757
111	R10-70Q1.21-P-0019	Repl Peerless Pmp Shrine Hill Bstr	18,135	210.74	18,346	3.00%	550
112	R10-70Q1.21-P-0018	Rpl Sull Well #5 Pump	15,051	3162.2	18,213	3.00%	546
113	R10-70Q1.20-P-0006	Repl Ammonium Sulf Feed Pump#2 T.H.	11,464	1165.62	12,629	3.00%	379
114	R10-70Q1.20-P-0011	Repl Lift Station Pump TH Plant	(0)	0	(0)	3.00%	0
115	R10-70Q1.21-P-0013	Rpl aged Rotork Actuator /Basins 3&	10,514	1050	11,564	2.25%	260
116	R10-70Q1.20-P-0018	TH Repl rotork actuator for cell#1	9,765	493.49	10,258	2.31%	237
117	R10-70Q1.20-P-0015	Replace TH Lab Incubator	8,045	4717.24	12,762	6.67%	851
118	R10-70Q1.20-P-0012	Repl Cla-Valve Farmersburg	5,729	164.97	5,894	1.70%	100
119	R10-70Q1.22-P-0002	Rpl flow trans pressure filter #5 T	2,467	190.23	2,658	6.67%	177
120	R10-70Q1.22-P-0006	Rpl damaged flouride tank trns pmp	1,572	0	1,572	5.00%	79
121	R10-70Q1.22-P-0005	Spare trns pmp for phosphate tanks	1,124	0	1,124	5.00%	56
122	R10-70Q1.22-P-0016	New PAPR resp sys chang chlor cylin	484	0	484	5.00%	24
123	R10-47Q1.21-P-0003	DF Living waters OSEC B pack genera	29,955	11159.61	41,115	2.31%	950
124	R10-47Q1.20-P-0015	DF Hypo Unit pack generator	28,686	0	28,686	2.31%	663
125	R10-47Q1.20-P-0019	HH analyzer repl pump & parts	3,403	666.09	4,070	3.00%	122
126	R10-47Q1.22-P-0004	Bollards installed at Water Salesma	2,045	0	2,045	3.22%	66
127	R10-72Q1.21-P-0002	Repl muff monst@raw wtr influent RW	75,073	8096.25	83,169	3.70%	3,077
128	R10-72Q1.20-P-0005	Riley WW Electrical upgrade/replace	12,845	1179.63	14,025	2.61%	366
129	R10-72Q1.20-P-0007	Repl Hydromatic pump RWW Lagoon lif	9,461	303.87	9,765	3.70%	361
130	R10-72Q1.20-P-0006	Riley WW Repl Gear Box om Clarifier	8,632	780.65	9,413	1.95%	184
131	R10-72Q1.21-P-0008	Repl Teledyne Isco 5800 reffridge RW	7,278	736.3	8,014	1.95%	156
132	R10-72Q1.21-P-0004	Rpl backup lift stat pump Frye Rd-R	7,229	13896.14	21,125	3.70%	782
133	R10-90Q1.21-P-0018	BP Low Service Actuators	88,191	10280.39	98,471	2.25%	2,216
134	R10-90Q1.20-P-0010	Coagulant Upgrade - OD	51,904	255.56	52,159	2.31%	1,205
135	R10-01L6.20-P-0015	Shorewood PLC Replacement	48,177	4184.33	52,362	6.67%	3,493
136	R10-90Q1.21-P-0027	Rapid Mix Motor OD	9,950	0	9,950	2.25%	224
137	R10-90Q1.20-P-0033	O.D. Residual Pumps	9,030	3664.48	12,694	3.00%	381
138	R10-01L6.20-P-0010	Control Panel Removal and Installat	7,273	2227.33	9,501	6.67%	634
139	R10-90Q1.20-P-0047	Electrical Upgrade Replace Cloth Wi	6,994	3879.08	10,873	3.75%	408
140	R10-10Q1.20-P-0062	Carbon Exchange	94,002	75057.54	169,060	2.31%	3,905

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Property Taxes

Attachment GDS-1  
Schedule 12

Indiana Property Taxes  
(Indiana - American Water Co.)

Based on 2020 Property Taxes Payable in 2021

Property Taxes Calculation for Replacement Investments

		2021 Payable in 2022					
County	Municipality	Avg. May 10th	Avg. Nov. 13th	Avg. Total Payment	Avg. Total Assessment	Tax Rate	
Clark	Charlestown	\$ 25,074.33	\$ 25,071.90	\$ 50,146.22	\$ 1,951,284.29	2.57%	
Porter	Chesterton	\$ 8,830.34	\$ 8,825.34	\$ 17,655.68	\$ 705,767.50	2.50%	
Montgomery	Crawfordsville	\$ 40,421.67	\$ 40,421.67	\$ 80,843.34	\$ 2,270,023.33	3.56%	
Howard	Kokomo	\$ 14,757.77	\$ 14,755.41	\$ 29,513.18	\$ 983,753.60	3.00%	
Morgan	Mooreville	\$ 2,238.29	\$ 2,236.90	\$ 4,475.19	\$ 336,565.56	1.33%	
Delaware	Muncie City	\$ 44,172.14	\$ 44,165.59	\$ 88,337.73	\$ 2,945,593.75	3.00%	
Warrick	Newburgh	\$ 7,913.57	\$ 7,913.57	\$ 15,827.15	\$ 726,446.67	2.18%	
Wabash	Noble	\$ 8,169.53	\$ 8,166.20	\$ 16,335.73	\$ 1,261,878.33	1.29%	
Hamilton	Noblesville	\$ 13,321.44	\$ 13,319.58	\$ 26,641.02	\$ 1,093,359.44	2.44%	
Wayne	Richmond City	\$ 15,041.32	\$ 15,040.90	\$ 30,082.22	\$ 1,015,852.58	2.96%	
Vigo	Riley	\$ 3,818.29	\$ 3,638.29	\$ 7,456.58	\$ 291,095.00	2.56%	
Jackson	Seymour City	\$ 26,650.02	\$ 26,650.02	\$ 53,300.05	\$ 1,983,520.00	2.69%	
Shelby	Shelbyville	\$ 20,893.19	\$ 20,893.19	\$ 41,786.39	\$ 1,448,000.00	2.89%	
Hamilton	Sheridan	\$ 8,961.17	\$ 8,958.61	\$ 17,919.78	\$ 582,353.33	3.08%	
Vigo	Terre Haute	\$ 26,028.37	\$ 26,027.46	\$ 52,055.83	\$ 1,646,868.18	3.16%	
Wabash	Wabash	\$ 9,881.08	\$ 9,880.08	\$ 19,761.15	\$ 1,099,265.00	1.80%	
Kosciusko	Warsaw	\$ 18,714.29	\$ 18,714.29	\$ 37,428.57	\$ 1,497,195.71	2.50%	
		<b>Weighted Average</b>				<b>2.70%</b>	
		<b>\$ 294,886.81</b>	<b>\$ 294,679.01</b>	<b>\$ 589,565.82</b>	<b>\$ 21,838,822.28</b>	<b>2.70%</b>	

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Rate of Return Calculation

Based on Actual Capital figures as of October 31, 2022. ROE as Approved in Cause No. 45142

Line Number	Class of Capital	Amount as of 10/31/2022	Percent of Total	(%) Cost	Weighted Cost	Pre-Tax Weighted Cost
1.	Long Term Debt	\$ 557,834,343	38.09%	4.73%	1.80%	1.80%
2.						
3.	Accumulated Deferred Investment Tax Credits - Pre 1971	263,433,226	17.99%	0.00%	0.00%	0.00%
4.						
5.	Job Development Investment Tax Credits (JDITC) - Post 1970	617,419	0.04%	7.47%	0.00%	0.00%
6.						
7.	Other Capital Elements	(15,922,394)	-1.09%	0.00%	0.00%	0.00%
8.						
9.	Common Equity	658,396,350	44.96%	9.80%	4.41%	5.93%
10.						
11.	Total Capitalization	\$ 1,464,358,944	100.00%		6.21%	7.74%
12.						
13.	<b>Tax Gross-Up Calculation:</b>					
14.	Gross Revenue Change		100.0000%			
15.	Less: Uncollectible Expense		1.0167%			
16.	Total Before Gross Income and IURC Fees (Line 14 - Line 15)		98.9833%			
17.						
18.	Less: IURC Fee IURC Fee Rate for 2018/2019 Rate: 0.1202041%	0.1202%	0.1190%			
19.	Total Before Gross Income Taxes (Line 16 - Line 18)		98.8643%			
20.						
21.	Less: State Income Tax	4.9000%	4.8444%			
22.	Less: Utility Receipts Tax	0.0000%	0.0000%			
23.	Total before Federal Income Taxes (Line 19 - Line 21 - Line 22)		94.0199%			
24.						
25.	Less: Federal Income Taxes (21% X Line 23)	21.00%	19.7442%			
26.						
27.	Total after Income Taxes (Line 23 - Line 25)		74.2757%			
28.						
29.	Gross Revenue Conversion Factor (1 / Line 27)		134.6335%			
30.	<b>Expenses Tax Gross-Up Calculation:</b>					
31.	Gross Revenue Change		100.0000%			
32.	Less: Uncollectible Expense		1.0167%			
33.	Total Before Gross Income and IURC Fees (Line 14 - Line 15)		98.9833%			
34.						
35.	Less: IURC Fee IURC Fee Rate for 2018/2019 Rate: 0.1202041%	0.1202%	0.1190%			
36.	Total Before Gross Income Taxes (Line 16 - Line 18)		98.8643%			
37.						
38.	Less: State Income Tax	0.0000%	0.0000%			
39.	Less: Utility Receipts Tax	0.0000%	0.0000%			
40.	Total before Federal Income Taxes (Line 19 - Line 21 - Line 22)		98.8643%			
41.						
42.	Less: Federal Income Taxes (21% X Line 23)	0.00%	0.0000%			
43.						
44.	Total after Income Taxes (Line 23 - Line 25)		98.8643%			
45.						
46.	Gross Revenue Conversion Factor (1 / Line 27)		101.1487%			

**Calculation of Blended Indiana State Income Tax Rate:**

Description	Rate Year	Income Tax Rate	Number of Months at Rate	Percentage of Months at Rate	Weighted Rate
4.90% Tax Rate Effective 7/1/2021 - 6/30/2022	2021	4.90%	12	100.0%	4.9000%
					4.9000%

Gross Up and ROE from Final Order Cause No. 45142.

<b>Calculation for JDITC Cost Percent</b>					
Debt	\$557,834,343	45.87%	4.73%	2.17%	
Equity	658,396,350	54.13%	9.80%	5.31%	
	1,216,230,693.25	100.00%		7.47%	

Cause No. 45609 SEI-1  
Indiana American Water Company  
Corrected Attachment GDS-3

**FILED**  
December 9, 2022  
INDIANA UTILITY  
REGULATORY COMMISSION

## SEI Deferral Summary

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**PISCC, Depreciation, and Property Tax Deferral**

	Deferred PISCC	Deferred Depreciation	Accrued Property Taxes
<b>Pre-Approved Projects:</b>			
Mooreville Filtration 580004	\$ 608,398	\$ 258,757	
Southern Filter 750014	\$ 137,694	\$ 49,193	
Charleston Filtration 750020	\$ 295,995	\$ 101,321	
Northwest Borman Park 900049	\$ 194,548	\$ 54,025	
Subtotal Pre-Approved (first category)	\$ 1,236,635	\$ 463,296	\$ -
<b>Recurring</b> (second category)	\$ 655,132	\$ 409,991	
<b>Total SEI 10/31/2022</b>	<b>\$ 1,891,767</b>	<b>\$ 873,287</b>	<b>\$ -</b>
			- Nothing booked or recorded yet

**TOTAL**

\$	867,156
\$	186,887
\$	397,316
\$	248,572
<hr/>	
\$	1,699,931

\$	1,065,123
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\$	2,765,054
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Cause No. 45609 SEI-1  
Indiana American Water Company  
Corrected Attachment GDS-1

**FILED**  
December 9, 2022  
INDIANA UTILITY  
REGULATORY COMMISSION

[illegible]



Revenue Requirement Calculation for All Investments

Attachment GDS-1 R1  
Schedule 1  
Page 1 of 1

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of SEI Water Revenue Requirement

Line Number	Description	Eligible for Property Taxes	Pre-Approved Plan Investments	Replacement Investments	Total
1	Water Plant Additions Subject to SEI (From Sch-5 and Sch-9):	*	\$45,051,785	\$6,404,551	\$51,456,336
2	Less: Water Retirements (From Sch-5 and Sch-9):	*	1,699,681	1,086,679	2,786,359
3	Plus: Cost of Removal (Cost of Removal less Salvage) (From Sch-5 and Sch-9):	*	224,231	957,650	1,181,880
4	Plus: PISCC, Deferred Depreciation, Deferred Property Tax Reg Asset		1,699,931	1,065,123	2,765,054
5	Net Investor Supplied Water SEI Additions (Line 1 - Line 2 + Line 3 - Line 4):		\$45,276,266	\$7,340,645	\$52,616,911
6					
7	Pre-Tax Rate of Return (From Attachment GDS-1 Schedule 13):		7.74%	7.74%	7.74%
8	Pre-Tax Return on Additions (From Sch-5 and Sch-9):		\$3,503,136	\$567,964	\$4,071,100
9					
10	Property Taxes on Water SEI Additions (From Sch-5 and Sch-9):		\$955,223	\$171,361	\$1,126,584
11					
12	Depreciation on Water SEI Additions (From Sch-5 and Sch-9):		\$1,038,504	\$300,512	\$1,339,016
13	Amortization of Deferred Asset		\$43,820	\$42,728	\$86,548
14			\$1,082,324	\$343,239	\$1,425,563
15					
16	Total SEI Revenues to Determine SEI Per Meter Rate (Line 8 + Line 11 + Line 13):		\$5,540,683	\$1,082,565	\$6,623,248
17					

## Fixed Charge Calculation for All Investments

Attachment GDS-1 R1

Schedule 2

Page 1 of 1

Indiana-American Water Company

Cause No. 45609 SEI-1 2022

Calculation of SEI Charge

Calculation of SEI Fixed Charge Rate Based on Meter Size  
Using Meter Billing Units for the Twelve Months Ended October 31, 2022

		Meter Billing Units by Meter Size	AWWA Equivalent			Annualized SEI		
		For the 12 Months Ended 10/31/2022	Meter Flow- Based Ratio	Meter Equivalents	Revenue All Projects	Pre-Approved Plan Investments Meter Size	Replacement Investments Meter Size	Total Meter Size
1	SEI Revenue (Per Line 15 of Attachment GDS-1, Schedule 1):					\$5,540,683	\$1,082,565	\$6,623,248
2	80% of the Revenue Rider, with 20% being held in a Regulatory Asset					\$ 4,432,546	\$ 866,052	\$ 5,298,598
3	Monthly Rate per Equivalent 5/8" Meter (Total Revenue/Total Meter Equivalents):					\$0.91	\$0.18	\$1.09
Illustration of potential rates								
4	5/8"	3,590,811	1.0	3,590,811	\$3,925,064.91	\$0.91	\$0.18	\$1.09
5	3/4"	4,829	1.5	7,244	7,917.77	1.37	0.27	1.64
6	1"	131,703	2.5	329,259	359,907.94	2.29	0.45	2.73
7	1 1/2"	17,069	5.0	85,347	93,291.17	4.57	0.89	5.47
8	2"	68,506	8.0	548,048	599,063.98	7.32	1.43	8.74
9	3"	5,872	15.0	88,087	96,286.44	13.72	2.68	16.40
10	4"	3,366	25.0	84,156	91,989.63	22.86	4.47	27.33
11	6"	1,546	50.0	77,283	84,476.41	45.72	8.93	54.65
12	8"	348	80.0	27,806	30,393.91	73.15	14.29	87.45
13	10"	72	130.0	9,337	10,205.92	118.87	23.23	142.10
14	12"	0	215.0	0	-	\$196.60	\$38.41	\$235.01
15	Total	3,824,123		4,847,376	\$5,298,598.08			
16								
17	20% of the Revenue Rider being held in a Regulatory Asset					\$ 1,108,137	\$ 216,513	\$ 1,324,650
18								

Note: The American Water Works Association (AWWA) standard Equivalent Meter Flow-Based Ratio is used at the basis for calculation. For example, the safe operating capacity of a 5/8 inch meter is 20 gallons per minute, which is used as the base ratio of 1.0. In contrast to this, a two inch meter has a safe operating capacity of 160 gallons per minute. Thus, on a continuity basis, a two inch meter is the equivalent of eight 5/8 inch meters, and thus the equivalent flow ratio for a two inch meter is 8.0.

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of Depreciation for SEI Projects

Line Number	Account Number	Account Description	SEI Additions	Less: Retirements	Net SEI Additions	Weighted Avg Depreciation Rate	Depreciation Expense
1							
2							
3		Pre-Approved Investments	45,051,785	1,699,681	43,352,104	2.37%	1,026,710
4		Replacements Investment	6,404,551	1,086,679	7,491,229	3.97%	297,099
2							
3		Grand Total:	<u>\$51,456,336</u>	<u>\$2,786,359</u>	<u>\$50,843,333</u>		<u>\$1,323,809</u>

Indiana-American Water Company  
 Cause No. 45609 SEI-1 2022  
 Service Enhancement Improvement Charge  
 Property Taxes  
 Based on 2021 Property Taxes Payable in 2022  
 Property Taxes Calculation for All Investments

Attachment GDS-1  
 Schedule 4

Indiana Property Taxes  
 (Indiana - American Water Co.)

2021 Payable in 2022					
Current Parcel	May 10th	Nov. 13th	Total Payment	Total Assessment	Tax Rate
Pre-Approved Plan Investments	3,590,020	1,383,040	2,769,155	86,194,340	3.21%
Replacement Investments	294,887	294,679	589,566	21,838,822	2.70%
	3,884,907	1,677,719	3,358,721	108,033,162	3.11%
			<b>Weighted Average</b>		<b>3.11%</b>

Revenue Requirement Calculation for Pre-Approved Plan Investments only

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of SEI Water Revenue Requirement

		I10-750014	I10-580004	I10-750020	I10-900049		
		Southern Filter Backwash Residuals Management Improvements		Mooresville Filtration Improvements	Charlestown Filtration Improvements	Northwest Borman Park Chlorine and Chemical Storage Improvements	Total
Line Number	Description	Eligible for Property Taxes	Improvements	Improvements	Improvements	Improvements	
1	Water Plant Additions Subject to SEI (From Attachment SSH-1):	*	\$2,668,685	\$21,660,651	\$13,033,278	\$7,689,171	\$45,051,785
2	Less: Water Retirements (From Attachment SSH-1):	*	4,037	508,863	795,286	391,495	\$1,699,681
3	Plus: Cost of Removal (Cost of Removal less Salvage) (From Attachment SSH-1):	*	\$49,500	\$47,801	\$79,078	\$47,852	\$224,231
4	Plus: PISCC, Deferred Depreciation, Deferred Property Tax Reg Asset		186,887	867,156	397,316	248,572	\$1,699,931
5	Net Investor Supplied Water SEI Additions (Line 1 - Line 2 + Line 3 - Line 4):		\$2,901,035	\$22,066,745	\$12,714,386	\$7,594,100	\$45,276,266
6							
7	Pre-Tax Rate of Return (From Attachment GDS-1 Schedule 13):		7.74%	7.74%	7.74%	7.74%	7.74%
8	Pre-Tax Return on Additions (Line 5 X Line7):		\$224,460	\$1,707,359	\$983,743	\$587,574	\$3,503,136
9							
10	Weighted Avg Property Tax Muni Rate (From Attachment GDS-1 Schedule 8):		3.00%	1.33%	2.59%	3.58%	3.23%
11	Property Taxes on Water SEI Additions (Lines 1-3 X Line10):		\$82,269	\$284,883	\$322,207	\$265,864	\$955,223
12							
13	Depreciation on Water SEI Additions (From Attachment GDS-1 Schedule 7):		\$2,691	\$608,837	\$276,844	\$150,132	\$1,038,504
14	Amortization of Deferred Asset		\$4,758	\$24,960	\$8,988	\$5,114	\$43,820
15			\$7,448	\$633,798	\$285,832	\$155,246	\$1,082,324
16							
17	Total SEI Revenues to Determine SEI Per Meter Rate (Line 8 + Line 11 + Line 13):		\$314,177	\$2,626,039	\$1,591,782	\$1,008,684	\$5,540,683
18							

## Fixed Charge Calculation for Pre-Approved Plan Investments only

Attachment GDS-1

Schedule 6

Page 1 of 1

## Indiana-American Water Company

## Calculation of SEI Charge

Cause No. 45609 SEI-1 2022

## Calculation of SEI Fixed Charge Rate Based on Meter Size

Using Meter Billing Units for the Twelve Months Ended October 31, 2022

		Meter Billing	AWWA		(Projects listed in order of estimated close dates. Subject to change)					
		Units by Meter Size	Equivalent		Annualized SEI	I10-750014	I10-580004	I10-750020	I10-900049	
		For the 12 Months	Meter Flow-	Meter	Revenue	SEI Charge by	SEI Charge by	SEI Charge by	SEI Charge by	Total
Line	Meter Size	Ended 10/31/2022	Based Ratio	Equivalents	All Projects	Meter Size	Meter Size	Meter Size	Meter Size	Meter Size
1	SEI Revenue (Per Line 15 of Attachment GDS-1, Schedule 5):					\$314,177	\$2,626,039	\$1,591,782	\$1,008,684	\$5,540,683
2	80% of the Revenue Rider, with 20% being held in a Regulatory Asset					\$ 251,342	\$ 2,100,831	\$ 1,273,426	\$ 806,947	\$ 4,432,546
3	Monthly Rate per Equivalent 5/8" Meter (Total Revenue/Total Meter Equivalents):					\$0.05	\$0.43	\$0.26	\$0.17	\$0.91
Illustration of potential rates										
4	5/8"	3,590,811	1.0	3,590,811	\$3,283,516.01	\$0.05	\$0.43	\$0.26	\$0.17	\$0.91
5	3/4"	4,829	1.5	7,244	6,623.61	0.08	0.65	0.39	0.25	1.37
6	1"	131,703	2.5	329,259	301,081.26	0.13	1.08	0.66	0.42	2.29
7	1 1/2"	17,069	5.0	85,347	78,042.80	0.26	2.17	1.31	0.83	4.57
8	2"	68,506	8.0	548,048	501,147.43	0.41	3.47	2.10	1.33	7.32
9	3"	5,872	15.0	88,087	80,548.49	0.78	6.50	3.94	2.50	13.72
10	4"	3,366	25.0	84,156	76,953.99	1.30	10.83	6.57	4.16	22.86
11	6"	1,546	50.0	77,283	70,668.81	2.59	21.67	13.14	8.32	45.72
12	8"	348	80.0	27,806	25,426.05	4.15	34.67	21.02	13.32	73.15
13	10"	72	130.0	9,337	8,537.77	6.74	56.34	34.15	21.64	118.87
14	12"	0	215.0	0	-	\$11.15	\$93.18	\$56.48	\$35.79	\$196.60
15	Total	3,824,123		4,847,376	\$4,432,546.22					
16										
17										
18	20% of the Revenue Rider being held in a Regulatory Asset					\$ 62,835	\$ 525,208	\$ 318,356	\$ 201,737	\$ 1,108,137

Note: The American Water Works Association (AWWA) standard Equivalent Meter Flow-Based Ratio is used at the basis for calculation. For example, the safe operating capacity of a 5/8 inch meter is 20 gallons per minute, which is used as the base ratio of 1.0. In contrast to this, a two inch meter has a safe operating capacity of 160 gallons per minute. Thus, on a continuity basis, a two inch meter is the equivalent of eight 5/8 inch meters, and thus the equivalent flow ratio for a two inch meter is 8.0.

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**Calculation of Depreciation for SEI Projects**

Line Number	Account Number	Account Description	SEI Additions	Less: Retirements	Net SEI Additions	Depreciation Rate	Depreciation Expense
1	<b>110-750014</b>	<b>SIOTC Backwash Improvements</b>					
2	304200	Struct & Imp Pumping	\$0	\$0	\$0	2.63%	\$0 *
3	304300	Struct & Imp WT	109,722	4,037	105,685	2.52%	2,660 **
4	305000	Collect & Impounding	0	0	0	1.24%	0
5	311200	Pump Equipment Electric	0	0	0	1.39%	0
6	320191	WT Equipment Filter Plant Piping (IN)	0	0	0	2.69%	0
7	320100	WT Equipment	2,558,963	0		2.31%	0
8	346190	Remote Control & Instrument	0	0	0	6.67%	0
9		<b>Sub-Total:</b>	<b>\$2,668,685</b>	<b>\$4,037</b>	<b>\$105,685</b>	<b>2.52%</b>	<b>\$2,660</b>
10	<b>110-580004</b>	<b>MOR Filtration Plant</b>					
11	303400	Land and Land Rights WT	\$0	0	\$0	0.00%	\$0
12	304100	Struct & Imp Supply	(747)	22,613	(23,360)	3.22%	(752)
13	304200	Struct & Imp Pumping	(1,494)	47,974	(49,468)	2.63%	(1,303) *
14	304300	Struct & Imp WT	(4,481)	74,589	(79,071)	2.52%	(1,990) **
15	304400	Struct & Imp T&D	(1,867)	6,488	(8,355)	2.77%	(231)
16	304500	Struct & Imp General	(5,228)	48,724	(53,953)	3.75%	(2,023)
17	304600	Struct & Imp Offices	(747)	12,707	(13,453)	3.66%	(492)
18	304700	Struct & Imp Store,Shop,Garage	0	0	0	2.08%	0
19	304800	Struct & Imp Misc	(373)	10,203	(10,576)	1.45%	(153)
20	304610		2,730,857	0	2,730,857	3.69%	100,769
21	309000	Supply Mains	(747)	9,372	(10,119)	1.42%	(144)
22	311300	Pumping Equipment	(373)	1,016	(1,390)	4.39%	(61)
23	311500	Pumping Equipment	(373)	976	(1,349)	3.00%	(40)
24	311530		2,135,200	0	2,135,200	3.00%	64,056
25	320192		4,997,012	0	4,997,012	2.69%	134,420
26	334130	Electric meter	(373)	7,113	(7,486)	4.48%	(335)
27	334300	Vault	(373)	6,273	(6,646)	2.93%	(195)
28	340230	Comp & Periph Equip	(2,241)	15,966	(18,207)	20.00%	(3,641)
29	340325	Software	(1,120)	24,691	(25,811)	20.00%	(5,162)
30	307000	Wells & Springs	(373)	3,000	(3,373)	2.77%	(93)
31	310000	Power Generation Equip	0	0	0	2.28%	0
32	311200	Pump Equipment Electric	(2,988)	83,620	(86,608)	1.39%	(1,204)
33	311520	Pump Equip SOS & Pumping	(2,241)	29,574	(31,815)	3.00%	(954)
34	320100	WT Equip Non-Media	2,318,128	38,641	2,279,487	2.31%	52,656
35	320190	WT Equipment Set Basin,Clear Well	3,081,883	0	3,081,883	2.69%	82,903
36	320191	WT Equipment Filter Plant Piping (IN)	5,432,446	0	5,432,446	2.69%	146,133
37	320193	WT Equipment Chemical Feed (IN)	753,678	23,958	729,720	2.69%	19,629
38	320200	WT Equipment Filter Media	246,551	0	246,551	9.40%	23,176
39	340100	Office Furniture & Equip	(1,867)	3,470	(5,338)	5.00%	(267)
40	343000	Tools,Shop,Garage Equip	(2,614)	3,701	(6,315)	4.00%	(253)
41	344000	Laboratory Equipment	(1,120)	3,320	(4,441)	6.67%	(296)
42	345000	Power Operated Equipment	0	0	0	2.25%	0
43	346190	Remote Control & Instrument	(1,867)	29,132	(31,000)	6.67%	(2,068)
44	347000	Misc Equipment	(1,494)	\$1,741	(3,235)	5.00%	(162)
45		<b>Sub-Total:</b>	<b>\$21,660,651</b>	<b>\$508,863</b>	<b>\$21,151,789</b>	<b>2.85%</b>	<b>\$601,923</b>
46	<b>110-750020</b>	<b>SIO Charlestown WTF Improvements</b>					
47	304300	Struct & Imp WT	\$214,335	\$185,535	\$28,800	2.52%	\$725 **
48	303200		\$261,156	\$0	\$261,156	0.00%	\$0
49	303600		\$1,065	\$0	\$1,065	0.00%	\$0
50	310000	Power Generation Equip	0	0	0	2.28%	0
51	311200	Pump Equipment Electric	49,766	9,230	40,536	1.39%	563
52	311530	Pump Equip Wtr Treatment	17,081	311,135	(294,054)	3.00%	(8,822)
53	320100		12,408,942	0	12,408,942	2.31%	286,647
54	320190	WT Equipment Set Basin,Clear Well	0	0	0	2.69%	0
55	320191	WT Equipment Filter Plant Piping (IN)	31,015	0	31,015	2.69%	834
56	320193	WT Equipment Chemical Feed (IN)	6,688	89,516	(82,828)	2.69%	(2,228)
57	320200	WT Equipment Filter Media	4,550	0	4,550	9.40%	428
58	304800		0	21,540	(21,540)	1.45%	(312)
59	304500		0	178,329	(178,329)	3.75%	(6,687)
60	340100		1,649	0	1,649	5.00%	82
61	344000	Laboratory Equipment	606	0	606	6.67%	40
62	346190	Remote Control & Instrument	36,425	0	36,425	6.67%	2,430
63		<b>Sub-Total:</b>	<b>\$13,033,278</b>	<b>\$795,286</b>	<b>\$12,237,992</b>	<b>2.24%</b>	<b>\$273,700</b>
64	<b>110-900049</b>	<b>NWI BP Chlorine Improvements</b>					
65	303400	Land and Land Rights WT	\$0	\$0	\$0	0.00%	\$0 \$0
	303200		\$808,398	\$0	\$808,398	0.00%	\$0 ##
	320100		\$6,880,772	\$3,075	\$6,877,697	2.31%	\$158,875
66	304300	Struct & Imp WT	0	0	0	2.52%	0 **
67	311200	Pump Equipment Electric	0	0	0	1.39%	0

68	320193	WT Equipment Chemical Feed (IN)	0	388,419	(388,419)	2.69%	(10,448)
69	346190	Remote Control & Instrument	0	0	0	6.67%	0
70		<b>Sub-Total:</b>	<b>\$7,689,171</b>	<b>\$391,495</b>	<b>\$7,297,676</b>	<b>2.03%</b>	<b>\$148,427</b>
71	<b>I10-700014</b>	<b>TER Mecca East Pressure Zone Impr</b>					
72	303400	Land and Land Rights WT	\$0	\$0	\$0	0.00%	\$0
73	304200	Struct & Imp Pumping	0	0	0	2.63%	0 *
74	304400	Struct & Imp T&D	0	0	0	2.77%	0
75	310000	Power Generation Equip	0	0	0	2.28%	0
76	311200	Pump Equipment Electric	0	0	0	1.39%	0
77	311500	Pump Eqp Other	0	0	0	3.00%	0
78	311540	Pump Eqp T&D	0	0	0	3.00%	0
79	331001	TD Mains Not Classified	0	0	0	1.70%	0
80	331200	TD Mains 6in to 8in	0	0	0	1.70%	0
81	346190	Remote Control & Instrument	0	0	0	6.67%	0
82		<b>Sub-Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
83							
84		<b>Grand Total:</b>	<b>\$45,051,785</b>	<b>\$1,699,681</b>	<b>\$40,793,141</b>	<b>2.52%</b>	<b>\$1,026,710</b>



Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of Depreciation Rate for 304200 and 304300

Line Number	Subsidiary Account	Account Description	NARUC Account	Utility Plant In Service Per Books 12/31/2016	Proposed Annual Depreciation Rate	Total Proposed Depreciation Expense
9	304200	Struct & Imp Pumping - Johnson County	304.20	4,058,379.00	2.62%	106,430.00
10	304200	Struct & Imp Pumping - Carter Street	304.20	3,598,452.59	2.59%	93,045.00
11	304200	Struct & Imp Pumping - Northwest	304.20	9,875,306.79	2.82%	278,199.00
12	304200	Struct & Imp Pumping - Hertzsch and Babb	304.20	2,870,781.64	2.69%	77,342.00
13	304200	Struct & Imp Pumping - Other	304.20	5,459,573.70	2.31%	126,158.00
14				25,862,493.72	2.63%	681,174.00 *
15						
16	304300	Struct & Imp WT - Johnson County	304.30	5,688,776.95	2.45%	139,203.00
17	304300	Struct & Imp WT - Carter Street	304.30	5,211,502.87	2.85%	148,482.00
18	304300	Struct & Imp WT - White River and Buck Creek	304.30	4,853,731.80	3.22%	156,289.00
19	304300	Struct & Imp WT - Northwest	304.30	20,372,644.68	2.39%	486,829.00
20	304300	Struct & Imp WT - Middle Fork and Main Station	304.30	4,052,722.77	2.69%	108,973.00
21	304300	Struct & Imp WT - Hertzsch and Babb	304.30	13,002,029.38	2.50%	325,613.00
22	304300	Struct & Imp WT - Warsaw	304.30	4,587,342.60	2.53%	116,275.00
23	304300	Struct & Imp WT - West Lafayette	304.30	8,282,595.53	2.51%	208,212.00
24	304300	Struct & Imp WT - Other	304.30	6,387,283.92	2.08%	133,220.00
25				72,438,630.50	2.52%	1,823,096.00 **

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**Property Taxes**  
**Based on 2021 Property Taxes Payable in 2022**

A1

Property Taxes Calculation for Pre-Approved Plan Investments onl

Indiana Property Taxes (Indiana - American Water Co.)		1 - County	Property Taxes Calculation for Pre-Approved Plan Investments only						
		2 - Township							
		4 - School							
		5 - Other							
						2021 Payable in 2022			
County	Municipality	Tax Type:		Map Location	Current Parcel	May 10th	Nov. 13th	Total Payment	Total Assessment
Clark	Jeffersonville City	1, 2, 4	P Prop	19-50000-1341	10-009-7410	\$ 4,998.45	\$ 4,998.45	\$ 9,996.90	\$ 333,230.00
Clark	Jeffersonville City-I.F.W.	1, 2, 4	P Prop	19-51000-1660	10-010-7410	\$ 43,855.20	\$ 43,855.20	\$ 87,710.40	\$ 2,923,680.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00006-0851	10-19-01-100-347.000-009	\$ 34,548.00	\$ 34,548.00	\$ 69,096.00	\$ 2,303,200.00
Clark	Jeffersonville City-I.F.W.	1, 2, 4	R	19-00031-0300	10-19-00-101-234.000-010	\$ 904.50	\$ 904.50	\$ 1,809.00	\$ 60,300.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00053-0341	10-19-00-301-248.000-009	\$ 7,263.00	\$ 7,263.00	\$ 14,526.00	\$ 484,200.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00114-0031	10-19-01-200-677.000-009	\$ 217.00	\$ 217.00	\$ 434.00	\$ 21,700.00
Clark	Jeffersonville City-O.F.W.	1, 2, 4	R	19-00114-0731	10-19-00-400-078.000-009	\$ 6,420.00	\$ 6,420.00	\$ 12,840.00	\$ 428,000.00
						\$ 98,206.15	\$ 98,206.15	\$ 196,412.30	\$ 6,554,310.00
Morgan	Mooresville Town	1, 2, 4	P Prop	021-85-00-000-018-01	55-105-00150-85	\$ 18,351.20	\$ 18,351.20	\$ 36,702.40	\$ 2,762,590.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-25-340-006-01	55-01-25-340-006.000-005	\$ 201.94	\$ 201.94	\$ 403.88	\$ 30,400.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-235-009-01	55-01-35-235-009.000-005	\$ 7.31	\$ 7.31	\$ 14.62	\$ 1,100.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-235-010-01	55-01-35-235-010.000-005	\$ 19.93	\$ 19.93	\$ 39.86	\$ 3,000.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-001-01	55-01-35-280-001.000-005	\$ 45.17	\$ 45.17	\$ 90.34	\$ 6,800.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-002-01	55-01-35-280-002.000-005	\$ 1,434.83	\$ 1,434.83	\$ 2,869.66	\$ 216,000.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-004-01	55-01-35-280-004.000-005	\$ 9.30	\$ 9.30	\$ 18.60	\$ 1,400.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-005-01	55-01-35-280-005.000-005	\$ 14.62	\$ 14.62	\$ 29.24	\$ 2,200.00
Morgan	Mooresville Town	1, 2, 4	R	021-01-35-280-006-01	55-01-35-280-006.000-005	\$ 37.20	\$ 37.20	\$ 74.40	\$ 5,600.00
						\$ 20,121.50	\$ 20,121.50	\$ 40,243.00	\$ 3,029,090.00
Clark	Charlestown		P Prop			\$ 174,776.09	\$ 174,776.09	\$ 349,552.18	\$ 13,515,890.00
						\$ 174,776.09	\$ 174,776.09	\$ 349,552.18	\$ 13,515,890.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0037-0013	45-08-07-280-001.000-004	\$ 2,813.82	\$ 2,813.82	\$ 5,627.64	\$ 146,200.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0050-0029	45-08-10-436-002.000-004	\$ 3,481.69	\$ 3,481.69	\$ 6,963.38	\$ 183,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0052-0013	45-08-11-302-005.000-004	\$ 11,710.15	\$ 11,350.15	\$ 23,060.30	\$ 625,500.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0052-0022	45-08-11-302-003.000-004	\$ 6,459.76	\$ 6,099.76	\$ 12,559.52	\$ 330,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0052-0023	45-08-11-302-004.000-004	\$ 10,240.83	\$ 9,880.83	\$ 20,121.66	\$ 543,000.00
Lake	Gary-Calumet	1, 2, 4	R	0 45-08-20-476-005.000-003		\$ 3,231.00	\$ 2,871.00	\$ 6,102.00	\$ 177,400.00
Lake	Gary-Calumet	1, 2, 4	R	25-40-0145-0025	45-03-26-351-001.000-004	\$ 632.09	\$ 632.09	\$ 1,264.18	\$ 23,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-41-0080-0007	45-09-06-305-005.000-004	\$ 706.89	\$ 706.89	\$ 1,413.78	\$ 27,900.00
Lake	Gary-Calumet	1, 2, 4	R	25-42-0249-0001	45-08-27-161-001.000-004	\$ 759.57	\$ 579.57	\$ 1,339.14	\$ 31,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-43-0041-0002	45-08-09-476-001.000-004	\$ 2,201.16	\$ 2,201.16	\$ 4,402.32	\$ 111,800.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0055-0002	45-08-04-407-003.000-004	\$ 12,089.27	\$ 12,089.27	\$ 24,178.54	\$ 667,000.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0003	45-08-04-430-003.000-004	\$ 93.83	\$ 93.83	\$ 187.66	\$ 5,100.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0004	45-08-04-430-004.000-004	\$ 93.83	\$ 93.83	\$ 187.66	\$ 5,100.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0005	45-08-04-430-005.000-004	\$ 68.89	\$ 68.89	\$ 137.78	\$ 3,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0006	45-08-04-430-006.000-004	\$ 68.89	\$ 68.89	\$ 137.78	\$ 3,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0007	45-08-04-430-007.000-004	\$ 68.89	\$ 68.89	\$ 137.78	\$ 3,700.00

Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0008	45-08-04-430-008.000-004	\$	63.55	\$	63.55	\$	127.10	\$	3,400.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0010	45-08-04-430-011.000-004	\$	63.08	\$	63.08	\$	126.16	\$	2,700.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0011	45-08-04-430-018.000-004	\$	1,045.28	\$	1,045.28	\$	2,090.56	\$	46,900.00
Lake	Gary-Calumet	1, 2, 4	R	25-44-0056-0020	45-08-04-430-009.000-004	\$	8.00	\$	3.00	\$	11.00	\$	100.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0046-0007	45-09-06-303-006.000-004	\$	901.03	\$	901.03	\$	1,802.06	\$	38,800.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0341-0024	45-08-21-479-012.000-004	\$	1,273.49	\$	913.49	\$	2,186.98	\$	39,500.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0508-0012	45-08-15-401-001.000-004	\$	368.00	\$	3.00	\$	371.00	\$	10,000.00
Lake	Gary-Calumet	1, 2, 4	R	25-46-0508-0013	45-08-15-401-002.000-004	\$	368.00	\$	3.00	\$	371.00	\$	10,000.00
Lake	Gary-Calumet	1, 2, 4	R	25-47-0325-0001	45-08-27-328-001.000-004	\$	1,478.31	\$	1,118.31	\$	2,596.62	\$	51,000.00
Lake	Gary-Calumet	1, 2, 4	P Prop	25-950072	45-704-95007-20	\$	748,559.64	\$	748,559.64	\$	1,497,119.28	\$	42,030,300.00
						\$	808,848.94	\$	805,773.94	\$	1,614,622.88	\$	45,122,600.00

Pre-Approved Plan (first)	1,101,953	1,098,878	2,200,830	68,221,890
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Vigo	Terre Haute City - Harrison Twp	1, 2, 4	P Prop	0-18-0000262920	84-00-00-277-145.000-002	\$	266,112.57	\$	266,112.57	\$	532,225.14	\$	16,830,850.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0616301001	84-06-16-301-001.000-002	\$	1,217.44	\$	1,217.44	\$	2,434.88	\$	77,000.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0616352001	84-06-16-352-001.000-002	\$	494.89	\$	494.89	\$	989.78	\$	31,300.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0616377001	84-06-16-377-001.000-002	\$	1,222.19	\$	1,222.19	\$	2,444.38	\$	77,300.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0621126002	84-06-21-126-002.000-002	\$	12,792.68	\$	12,792.68	\$	25,585.36	\$	809,100.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0621126003	84-06-21-126-003.000-002	\$	858.53	\$	858.53	\$	1,717.06	\$	54,300.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0621126004	84-06-21-126-004.000-002	\$	754.19	\$	754.19	\$	1,508.38	\$	47,700.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0623251001	84-06-23-251-001.000-002	\$	453.77	\$	453.77	\$	907.54	\$	28,700.00
Vigo	Terre Haute City - Harrison Twp	1, 2, 4	R	1-18-0625129002	84-06-25-129-002.000-002	\$	256.14	\$	256.14	\$	512.28	\$	16,200.00
									284,162		568,325		17,972,450
						\$	3,590,020.44	\$	1,383,040.08	\$	2,769,155.16	\$	86,194,340.00

Y

Tax Rate

3.00%

3.00%

3.00%

3.00%

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2.59%

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3.79%

3.69%

3.80%

3.71%

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5.33%

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4.22%

3.94%

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**3.16%**

3.21%

Revenue Requirement Calculation for Replacement Investment

Attachment GDS-1 R1  
Schedule 9  
Page 1 of 1

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of SEI Water Revenue Requirement

Line Number	Description	Eligible for Property Taxes	Replacement Projects	Total
1	Water Plant Additions Subject to SEI (From Attachment DH-1):	*	\$6,404,551	\$6,404,551
2	Less: Water Retirements (From Attachment DH-1):	*	1,086,679	1,086,679
3	Plus: Cost of Removal (Cost of Removal less Salvage) (From Attachment DH-1):	*	957,650	957,650
4	Plus: PISCC, Deferred Depreciation, Deferred Property Tax Reg Asset		1,065,123	1,065,123
5	Net Investor Supplied Water SEI Additions (Line 1 - Line 2 + Line 3 - Line 4):		\$7,340,645	\$7,340,645
6				
7	Pre-Tax Rate of Return (From Attachment GDS-1 Schedule 13):		7.74%	7.74%
8	Pre-Tax Return on Additions (Line 5 X Line7):		\$567,964	\$567,964
9				
10	Weighted Avg Property Tax Muni Rate (From Attachment GDS-1 Schedule 12):		2.70%	2.70%
11	Property Taxes on Water SEI Additions (Lines 1-3 X Line10):		\$171,361	\$171,361
12				
13	Depreciation on Water SEI Additions (From Attachment GDS-1 Schedule 11):		\$300,512	\$300,512
14	Amortization of Deferred Asset		\$42,728	\$42,728
15			\$343,239	\$343,239
16				
17	Total SEI Revenues to Determine SEI Per Meter Rate (Line 8 + Line 11 + Line 13):		\$1,082,565	\$1,082,565
18				

## Fixed Charge Calculation for Replacement Investments

Attachment GDS-1 R1

Schedule 10

Page 1 of 1

## Indiana-American Water Company

## Calculation of SEI Charge

Cause No. 45609 SEI-1 2022

## Calculation of SEI Fixed Charge Rate Based on Meter Size

Using Meter Billing Units for the Twelve Months Ended October 31, 2022

		Meter Billing Units by Meter Size For the 12 Months Ended 10/31/2022	AWWA Equivalent Meter Flow- Based Ratio	Meter Equivalents	Annualized SEI Revenue Replacements	Replacement Projects	Total Meter Size
1	SEI Revenue (Per Line 15 of Attachment GDS-1, Schedule 9):					\$1,082,565	\$1,082,565
2	80% of the Revenue Rider, with 20% being held in a Regulatory Asset					\$ 866,052	\$ 866,052
3	Monthly Rate per Equivalent 5/8" Meter (Total Revenue/Total Meter Equivalents):					\$0.18	\$0.18
Illustration of potential rates							
4	5/8"	3,590,811	1.0	3,590,811	\$641,548.90	\$0.18	\$0.18
5	3/4"	4,829	1.5	7,244	1,294.15	0.27	0.27
6	1"	131,703	2.5	329,259	58,826.68	0.45	0.45
7	1 1/2"	17,069	5.0	85,347	15,248.37	0.89	0.89
8	2"	68,506	8.0	548,048	97,916.56	1.43	1.43
9	3"	5,872	15.0	88,087	15,737.95	2.68	2.68
10	4"	3,366	25.0	84,156	15,035.64	4.47	4.47
11	6"	1,546	50.0	77,283	13,807.61	8.93	8.93
12	8"	348	80.0	27,806	4,967.86	14.29	14.29
13	10"	72	130.0	9,337	1,668.15	23.23	23.23
14	12"	0	215.0	0	-	\$38.41	\$38.41
15	Total	3,824,123		4,847,376	\$866,051.86		
16							
17							
18	20% of the Revenue Rider being held in a Regulatory Asset					\$ 216,513	\$ 216,513
19							

Note: The American Water Works Association (AWWA) standard Equivalent Meter Flow-Based Ratio is used at the basis for calculation. For example, the safe operating capacity of a 5/8 inch meter is 20 gallons per minute, which is used as the base ratio of 1.0. In contrast to this, a two inch meter has a safe operating capacity of 160 gallons per minute. Thus, on a continuity basis, a two inch meter is the equivalent of eight 5/8 inch meters, and thus the equivalent flow ratio for a two inch meter is 8.0.

## Depreciation Calculation for Replacement Investments

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Calculation of Depreciation for SEI Projects

Line Number	Account Project Number	Project Description	SEI Additions	Less: Retirements	Net SEI Additions	Depreciation Rate	Depreciation Expense
1	R10-01K3.19-P-4031	MOR Filtration Plant	\$172,430	\$0	\$172,430	10.00%	\$17,243
2	T10-0185-P-1000	SIOTC Backwash Improvements	27,092	0	27,092	10.00%	2,709
3	T10-0184-P-1000	SIO Charleston WTF Improvements	103,040	0	103,040	10.00%	10,304
4	R10-70Q1.21-P-0030	NWI BP Chlorine Improvements	41,293	4111.65	45,404	3.00%	1,362
5	R10-70Q1.20-P-0019	TH Rework High Service Pump#17	26,701	8226.65	34,928	3.00%	1,048
6	R10-70Q1.20-P-0016	Replace Motor on TH High Serv Pump	17,084	14312.95	31,397	3.00%	942
7	R10-70Q1.20-P-0023	Rebuilt Pump#1 at Allendale Booster	11,761	395.49	12,157	3.00%	365
8	R10-47Q1.21-P-0014	Well 13 bearings, pump, clean	58,457	15034.52	73,492	2.77%	2,036
9	R10-47Q1.22-P-0002	DF well 15 pump replacement	44,752	10083.56	54,836	3.00%	1,645
10	R10-47Q1.21-P-0020	HH well 11 rpl pump bowl/sec of pip	19,702	3687.01	23,389	2.77%	648
11	R10-47Q1.20-P-0017	DF high service pump #2	9,616	11965.56	21,582	3.00%	647
12	R10-47Q1.20-P-0016	HH high serv pump #2	8,858	6708.28	15,566	3.00%	467
13	R10-47Q1.21-P-0019	Mac Allister generator batteries	8,758	9914.76	18,672	2.77%	517
14	R10-47Q1.20-P-0011	DF Well #16	-	3989.09	3,989	3.00%	120
15	R10-47Q1.21-P-0011	DF cla vlv rpr HSP#1	8,525	859.5	9,384	3.00%	282
16	R10-47Q1.21-P-0009	BBC repair backwash pump	7,426	1453.94	8,880	3.00%	266
17	R10-47Q1.22-P-0003	DF well 13 VFD Rpl	6,643	2621.73	9,265	2.77%	257
18	R10-47Q1.20-P-0008	HH hig pressure rel valve	-	0	0	1.70%	0
19	R10-47Q1.22-P-0007	Living Waters DF hypo pump	2,127	498.46	2,625	3.00%	79
20	R10-47Q1.21-P-0018	Rotork parts for DF	2,348	937.08	3,285	2.31%	76
21	R10-72Q1.22-P-0003	Microscope to analyze samp aera tan	1,670	0	1,670	6.67%	111
22	R10-90Q1.20-P-0020	B.P. Backwash Improvements	293,976	0	293,976	2.25%	6,614
23	R10-90Q1.20-P-0038	BP H56 Discharge Piping Replacement	121,751	96566.76	218,318	3.53%	7,707
24	R10-90Q1.20-P-0011	Repl Basin Drain Pump-BP	87,130	5322.06	92,452	3.00%	2,774
25	R10-90Q1.21-P-0005	Low Service #3 OD Pump Rebuild	75,620	64325.78	139,946	2.33%	3,261
26	R10-90Q1.20-P-0059	Manual Transfer Switch Generator BP	66,220	7309.14	73,530	1.45%	1,066
27	R10-90Q1.20-P-0034	O.D. Backwash Pump 3 Actuator	65,876	34078.98	99,955	1.39%	1,389
28	R10-90Q1.20-P-0029	B.P. Replace Shaft and Bearings #7	44,895	7183.41	52,079	3.00%	1,562
29	R10-90Q1.21-P-0002	Phosphate Pump Replacement	40,817	0	40,817	5.00%	2,041
30	R10-90Q1.21-P-0007	5 MGD HS Pump OD	33,301	0	33,301	1.39%	463
31	R10-90Q1.20-P-0032	65th & Miss. #3 Pump Seals	21,750	4133.92	25,884	3.00%	777
32	R10-90Q1.21-P-0031	NWI 13th & Jennings;	20,164	13700.79	33,865	2.52%	853
33	R10-90Q1.20-P-0023	B.P. #7 H.S. Actuator	17,378	2538.21	19,916	3.00%	597
34	R10-90Q1.21-P-0054	MLK Motor Bearing Rebuild	16,865	12725.09	29,590	1.39%	411
35	R10-90Q1.21-P-0045	Vacuum System OD	16,244	6596.53	22,840	2.25%	514
36	R10-90Q1.21-P-0016	Basin Pump Support and Drive Shaft	15,908	0	15,908	2.25%	358
37	R10-01L6.20-P-0012	Floc VFD Replacement Project	15,902	10618.21	26,520	6.67%	1,769
38	R10-90Q1.21-P-0008	Replace Bearings Blower OD	15,832	827.06	16,659	2.25%	375
39	R10-90Q1.20-P-0043	Pre Chlorine Booster Pump and Drive	15,285	1261.86	16,547	3.00%	496
40	R10-90Q1.20-P-0036	Turbidimeters - OD	11,809	7488.86	19,298	3.00%	579
41	R10-90Q1.21-P-0009	Rapid Mix OD Motor Rebuild	11,778	0	11,778	2.25%	265
42	R10-90Q1.21-P-0023	MLK Pump 3 Motor Refurb	9,475	0	9,475	2.25%	213
43	R10-90Q1.20-P-0028	O.D. Recycler 36" Valve Step Replac	9,180	4095.3	13,275	3.75%	498
44	R10-01L6.20-P-0017	Recycle VFD Comm Replacements	7,640	4330.4	11,970	6.67%	798
45	R10-90Q1.21-P-0028	Pump 1 VFD Replacement Shorewood	7,183	0	7,183	2.25%	162
46	R10-90Q1.20-P-0060	Soft Start 41st Carolina	7,169	192.37	7,361	1.39%	102
47	R10-90Q1.20-P-0049	Check Valve Pump 2 Miller	6,726	302.66	7,029	1.39%	98
48	R10-90Q1.21-P-0033	Packing Replacement OD Floc	6,370	0	6,370	2.25%	143
49	R10-90Q1.21-P-0048	Rotork Actuator Replace OD Recycle	5,750	3444.57	9,195	6.67%	613
50	R10-90Q1.20-P-0007	Raw Water Turbidimeter - BP	5,639	0	5,639	2.48%	140
51	R10-90Q1.20-P-0031	B.P. Fluoride/Ammonia Pumps	5,297	2520.39	7,817	3.00%	235
52	R10-90Q1.20-P-0042	Fluoride Sensor and Pump Upgrades	4,994	2828.2	7,822	2.48%	194
53	R10-90Q1.21-P-0029	Replacement Vacuum Prime Ball Check	4,792	0	4,792	5.00%	240
54	R10-90Q1.21-P-0035	Pump 3 41st Carolina Rebuild	4,613	0	4,613	2.25%	104
55	R10-90Q1.19-P-0067	Chlorine Analyzers - OD	4,442	3241.86	7,684	2.69%	207
56	R10-90Q1.20-P-0054	BP/OD Analyzers	4,428	5502.18	9,930	3.00%	298
57	R10-90Q1.20-P-0024	B.P. Lab Analyzers	3,213	0	3,213	6.67%	214
58	R10-60Q1.20-P-0037	Pressure Transducer Rpl Stony Crk B	4,224	0	4,224	5.00%	211
59	R10-60Q1.20-P-0049	Wells 7 - 8 PLC Replace RW	4,079	3975.23	8,054	2.28%	184
60	R10-45Q1.20-P-0004	High Service Pump Replace Somerset	23,343	1234.84	24,578	1.39%	342
61	R10-45Q1.21-P-0011	Well pump replacements Wabash plant	19,066	2740.78	21,807	3.22%	702
62	R10-80Q1.21-P-0002	Filter 2 Actuators	28,358	5839.9	34,198	2.31%	790
63	R10-80Q1.20-P-0002	Filter 1 Actuators	26,920	1544.55	28,465	2.31%	658
64	R10-80Q1.20-P-0003	HS #3 Motor	21,760	1840.61	23,600	3.00%	708
65	R10-80Q1.20-P-0011	Well #2 Pump & Pipe	14,849	3596.03	18,445	2.77%	511
66	R10-80Q1.20-P-0008	Well #1Motor	8,919	2659.13	11,578	2.77%	321
67	R10-80Q1.20-P-0010	Well #1 Pump	7,822	1761.43	9,583	2.77%	265
68	R10-80Q1.21-P-0005	Well #1 Motor	7,350	2553.21	9,903	2.77%	274
69	R10-80Q1.21-P-0006	Well #1 Capacitor Bank	6,315	969.06	7,284	2.77%	202
70	R10-80Q1.22-P-0006	Fluoride Room Relocation	4,587	2324.75	6,912	2.31%	160



71	R10-01Q1.21-P-0007	NBG Clearwell Bypass (Zube)	74,125	0	74,125	2.31%	1,712
72	R10-85Q1.21-P-0005	Filter Valve Replacement	24,519	353.67	24,873	3.00%	746
73	R10-85Q1.21-P-0010	RPL Pump Well #3	13,200	5529.63	18,730	3.00%	562
74	R10-85Q1.20-P-0009	RPL Water Line Chemical Feed Buildi	10,549	5931.16	16,481	3.22%	531
75	R10-85Q1.20-P-0010	Electrical upgrade for Filters	7,573	3217.69	10,791	3.22%	347
76	R10-85Q1.21-P-0013	Well #1 Pump Replacement	6,861	3601.66	10,463	2.77%	290
77	R10-85Q1.21-P-0006	RPL Backwash Meter	5,339	3767	9,106	2.28%	208
78	R10-85Q1.22-P-0005	NEW Lab Spectrophotometer for water	4,880	0	4,880	6.67%	326
79	R10-85Q1.21-P-0009	RPL Water Line Chemical Feed Bldg	5,299	2402.3	7,701	3.22%	248
80	R10-85Q1.20-P-0002	RPL Effluent Valve	4,284	2227.42	6,512	9.40%	612
81	R10-75Q1.19-P-0016	Replace 4 filter Flow control valve	348,122	0	348,122	6.67%	23,220
82	R10-75Q1.20-P-0010	Charlestown Well field Electrical	120,952	0	120,952	3.22%	3,895
83	R10-75Q1.20-P-0009	Atkins MCC	84,013	13636.96	97,650	6.67%	6,513
84	R10-55Q1.22-P-0005	New motor for well 1 East side	14,100	10133.48	24,234	3.22%	780
85	R10-55Q1.20-P-0022	WRE 2 new pump column and check val	11,781	4289.55	16,071	3.75%	603
86	R10-55Q1.20-P-0007	Replace WRE well 2 motor	-	0	0	3.22%	0
87	R10-55Q1.21-P-0026	New pump for well 1 Sugar Creek	9,676	5908.08	15,584	3.22%	502
88	R10-55Q1.20-P-0012	London Rd well 4 pump repair	-	0	0	3.22%	0
89	R10-55Q1.21-P-0016	New VFD for Marlin Well 5	7,692	6749.8	14,442	3.22%	465
90	R10-55Q1.21-P-0024	New motor for Marlin well 5	5,945	0	5,945	3.75%	223
91	R10-55Q1.21-P-0007	London Rd Well 3 Pump	5,794	12290.82	18,085	3.22%	582
92	R10-55Q1.20-P-0009	Replaced Well pump WRE 3	-	0	0	2.52%	0
93	R10-55Q1.22-P-0003	New west well 1 pump	5,068	3186	8,254	3.22%	266
94	R10-55Q1.21-P-0019	Repair #6 well pump	4,527	2801.64	7,328	3.22%	236
95	R10-55Q1.20-P-0010	Replace check valve well3 WR East	-	0	0	3.22%	0
96	R10-65Q1.20-P-0011	Replace High Service #3 at BRWTP	20,690	4496.91	25,187	3.00%	756
97	R10-65Q1.20-P-0012	Replace High Service #1 Motor at BR	9,709	683.16	10,393	3.00%	312
98	R10-65Q1.20-P-0017	Replace pump and column pipe on Wel	7,409	3791.05	11,200	3.00%	336
99	R10-65Q1.20-P-0009	Replace Pump on Well #4	6,310	5002.07	11,312	5.00%	566
100	R10-25Q1.21-P-0011	Low Service & G st Roads	23,780	0	23,780	3.75%	892
101	R10-50Q1.20-P-0006	Replace Flow Meters at MCO at wells	31,862	283.75	32,146	2.77%	890
102	R10-50Q1.20-P-0004	Replace Aerator Pipe MCO	12,315	4460.79	16,776	2.31%	388
103	R10-50Q1.20-P-0008	Aerator Replacement Tubing Liabilit	11,173	654.1	11,827	3.00%	355
104	R10-50Q1.21-P-0012	MCO WEll#1 Rpr Pump/REpl Column Pip	8,134	343.44	8,477	3.00%	254
105	R10-50Q1.21-P-0009	4" DeZurik Butterfly valves repl WA	3,460	124.31	3,585	2.31%	83
106	R10-50Q1.22-P-0004	<b>Rebuild Aertor Blower on Aerator</b>	3,579	155.51	3,734	2.31%	86
107	R10-50Q1.22-P-0002	New Auto Flusher for Hydrants at Montgon	2,760	0	2,760	4.00%	110
108	R10-70Q1.20-P-0022	Repl TH High Serv #17 starter w/VFD	49,774	8208.09	57,982	3.00%	1,739
109	R10-70Q1.20-P-0024	Upgrade/Replace TH hoist/cranes ins	23,061	0	23,061	2.25%	519
110	R10-70Q1.20-P-0004	Repl 2 Rotork Actuator-C#3 Influent	19,275	8853.67	28,129	2.69%	757
111	R10-70Q1.21-P-0019	Repl Peerless Pmp Shrine Hill Bstr	18,135	210.74	18,346	3.00%	550
112	R10-70Q1.21-P-0018	Rpl Sull Well #5 Pump	15,051	3162.2	18,213	3.00%	546
113	R10-70Q1.20-P-0006	Repl Ammonium Sulf Feed Pump#2 T.H.	11,464	1165.62	12,629	3.00%	379
114	R10-70Q1.20-P-0011	Repl Lift Station Pump TH Plant	(0)	0	(0)	3.00%	0
115	R10-70Q1.21-P-0013	Rpl aged Rotork Actuator /Basins 3&	10,514	1050	11,564	2.25%	260
116	R10-70Q1.20-P-0018	TH Repl rotork actuator for cell#1	9,765	493.49	10,258	2.31%	237
117	R10-70Q1.20-P-0015	Replace TH Lab Incubator	8,045	4717.24	12,762	6.67%	851
118	R10-70Q1.20-P-0012	Repl Cla-Valve Farmersburg	5,729	164.97	5,894	1.70%	100
119	R10-70Q1.22-P-0002	Rpl flow trans pressure filter #5 T	2,467	190.23	2,658	6.67%	177
120	R10-70Q1.22-P-0006	Rpl damaged flouride tank trns pmp	1,572	0	1,572	5.00%	79
121	R10-70Q1.22-P-0005	Spare trns pmp for phosphate tanks	1,124	0	1,124	5.00%	56
122	R10-70Q1.22-P-0016	New PAPR resp sys chang chlor cylin	484	0	484	5.00%	24
123	R10-47Q1.21-P-0003	DF Living waters OSEC B pack genera	29,955	11159.61	41,115	2.31%	950
124	R10-47Q1.20-P-0015	DF Hypo Unit pack generator	28,686	0	28,686	2.31%	663
125	R10-47Q1.20-P-0019	HH analyzer repl pump & parts	3,403	666.09	4,070	3.00%	122
126	R10-47Q1.22-P-0004	Bollards installed at Water Salesma	2,045	0	2,045	3.22%	66
127	R10-72Q1.21-P-0002	Repl muff monst@raw wtr influent RW	75,073	8096.25	83,169	3.70%	3,077
128	R10-72Q1.20-P-0005	Riley WW Electrical upgrade/replace	12,845	1179.63	14,025	2.61%	366
129	R10-72Q1.20-P-0007	Repl Hydromatic pump RWW Lagoon lif	9,461	303.87	9,765	3.70%	361
130	R10-72Q1.20-P-0006	Riley WW Repl Gear Box om Clarifier	8,632	780.65	9,413	1.95%	184
131	R10-72Q1.21-P-0008	Repl Teledyne Isco 5800 reffridge RW	7,278	736.3	8,014	1.95%	156
132	R10-72Q1.21-P-0004	Rpl backup lift stat pump Frye Rd-R	7,229	13896.14	21,125	3.70%	782
133	R10-90Q1.21-P-0018	BP Low Service Actuators	88,191	10280.39	98,471	2.25%	2,216
134	R10-90Q1.20-P-0010	Coagulant Upgrade - OD	51,904	255.56	52,159	2.31%	1,205
135	R10-01L6.20-P-0015	Shorewood PLC Replacement	48,177	4184.33	52,362	6.67%	3,493
136	R10-90Q1.21-P-0027	Rapid Mix Motor OD	9,950	0	9,950	2.25%	224
137	R10-90Q1.20-P-0033	O.D. Residual Pumps	9,030	3664.48	12,694	3.00%	381
138	R10-01L6.20-P-0010	Control Panel Removal and Installat	7,273	2227.33	9,501	6.67%	634
139	R10-90Q1.20-P-0047	Electrical Upgrade Replace Cloth Wi	6,994	3879.08	10,873	3.75%	408
140	R10-10Q1.20-P-0062	Carbon Exchange	94,002	75057.54	169,060	2.31%	3,905

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Property Taxes

Attachment GDS-1  
Schedule 12

Indiana Property Taxes  
(Indiana - American Water Co.)

Based on 2020 Property Taxes Payable in 2021

Property Taxes Calculation for Replacement Investments

		2021 Payable in 2022					
County	Municipality	Avg. May 10th	Avg. Nov. 13th	Avg. Total Payment	Avg. Total Assessment	Tax Rate	
Clark	Charlestown	\$ 25,074.33	\$ 25,071.90	\$ 50,146.22	\$ 1,951,284.29	2.57%	
Porter	Chesterton	\$ 8,830.34	\$ 8,825.34	\$ 17,655.68	\$ 705,767.50	2.50%	
Montgomery	Crawfordsville	\$ 40,421.67	\$ 40,421.67	\$ 80,843.34	\$ 2,270,023.33	3.56%	
Howard	Kokomo	\$ 14,757.77	\$ 14,755.41	\$ 29,513.18	\$ 983,753.60	3.00%	
Morgan	Mooresville	\$ 2,238.29	\$ 2,236.90	\$ 4,475.19	\$ 336,565.56	1.33%	
Delaware	Muncie City	\$ 44,172.14	\$ 44,165.59	\$ 88,337.73	\$ 2,945,593.75	3.00%	
Warrick	Newburgh	\$ 7,913.57	\$ 7,913.57	\$ 15,827.15	\$ 726,446.67	2.18%	
Wabash	Noble	\$ 8,169.53	\$ 8,166.20	\$ 16,335.73	\$ 1,261,878.33	1.29%	
Hamilton	Noblesville	\$ 13,321.44	\$ 13,319.58	\$ 26,641.02	\$ 1,093,359.44	2.44%	
Wayne	Richmond City	\$ 15,041.32	\$ 15,040.90	\$ 30,082.22	\$ 1,015,852.58	2.96%	
Vigo	Riley	\$ 3,818.29	\$ 3,638.29	\$ 7,456.58	\$ 291,095.00	2.56%	
Jackson	Seymour City	\$ 26,650.02	\$ 26,650.02	\$ 53,300.05	\$ 1,983,520.00	2.69%	
Shelby	Shelbyville	\$ 20,893.19	\$ 20,893.19	\$ 41,786.39	\$ 1,448,000.00	2.89%	
Hamilton	Sheridan	\$ 8,961.17	\$ 8,958.61	\$ 17,919.78	\$ 582,353.33	3.08%	
Vigo	Terre Haute	\$ 26,028.37	\$ 26,027.46	\$ 52,055.83	\$ 1,646,868.18	3.16%	
Wabash	Wabash	\$ 9,881.08	\$ 9,880.08	\$ 19,761.15	\$ 1,099,265.00	1.80%	
Kosciusko	Warsaw	\$ 18,714.29	\$ 18,714.29	\$ 37,428.57	\$ 1,497,195.71	2.50%	
		<b>Weighted Average</b>				<b>2.70%</b>	
		<b>\$ 294,886.81</b>	<b>\$ 294,679.01</b>	<b>\$ 589,565.82</b>	<b>\$ 21,838,822.28</b>	<b>2.70%</b>	

Indiana-American Water Company  
Cause No. 45609 SEI-1 2022  
Service Enhancement Improvement Charge  
Rate of Return Calculation

Based on Actual Capital figures as of October 31, 2022. ROE as Approved in Cause No. 45142

Line Number	Class of Capital	Amount as of 10/31/2022	Percent of Total	(%) Cost	Weighted Cost	Pre-Tax Weighted Cost
1.	Long Term Debt	\$ 557,834,343	38.09%	4.73%	1.80%	1.80%
2.						
3.	Accumulated Deferred Investment Tax Credits - Pre 1971	263,433,226	17.99%	0.00%	0.00%	0.00%
4.						
5.	Job Development Investment Tax Credits (JDITC) - Post 1970	617,419	0.04%	7.47%	0.00%	0.00%
6.						
7.	Other Capital Elements	(15,922,394)	-1.09%	0.00%	0.00%	0.00%
8.						
9.	Common Equity	658,396,350	44.96%	9.80%	4.41%	5.93%
10.						
11.	Total Capitalization	\$ 1,464,358,944	100.00%		6.21%	7.74%
12.						
13.	<b>Tax Gross-Up Calculation:</b>					
14.	Gross Revenue Change		100.0000%			
15.	Less: Uncollectible Expense		1.0167%			
16.	Total Before Gross Income and IURC Fees (Line 14 - Line 15)		98.9833%			
17.						
18.	Less: IURC Fee IURC Fee Rate for 2018/2019 Rate: 0.1202041%	0.1202%	0.1190%			
19.	Total Before Gross Income Taxes (Line 16 - Line 18)		98.8643%			
20.						
21.	Less: State Income Tax	4.9000%	4.8444%			
22.	Less: Utility Receipts Tax	0.0000%	0.0000%			
23.	Total before Federal Income Taxes (Line 19 - Line 21 - Line 22)		94.0199%			
24.						
25.	Less: Federal Income Taxes (21% X Line 23)	21.00%	19.7442%			
26.						
27.	Total after Income Taxes (Line 23 - Line 25)		74.2757%			
28.						
29.	Gross Revenue Conversion Factor (1 / Line 27)		134.6335%			
30.	<b>Expenses Tax Gross-Up Calculation:</b>					
31.	Gross Revenue Change		100.0000%			
32.	Less: Uncollectible Expense		1.0167%			
33.	Total Before Gross Income and IURC Fees (Line 14 - Line 15)		98.9833%			
34.						
35.	Less: IURC Fee IURC Fee Rate for 2018/2019 Rate: 0.1202041%	0.1202%	0.1190%			
36.	Total Before Gross Income Taxes (Line 16 - Line 18)		98.8643%			
37.						
38.	Less: State Income Tax	0.0000%	0.0000%			
39.	Less: Utility Receipts Tax	0.0000%	0.0000%			
40.	Total before Federal Income Taxes (Line 19 - Line 21 - Line 22)		98.8643%			
41.						
42.	Less: Federal Income Taxes (21% X Line 23)	0.00%	0.0000%			
43.						
44.	Total after Income Taxes (Line 23 - Line 25)		98.8643%			
45.						
46.	Gross Revenue Conversion Factor (1 / Line 27)		101.1487%			

**Calculation of Blended Indiana State Income Tax Rate:**

Description	Rate Year	Income Tax Rate	Number of Months at Rate	Percentage of Months at Rate	Weighted Rate
4.90% Tax Rate Effective 7/1/2021 - 6/30/2022	2021	4.90%	12	100.0%	4.9000%
					4.9000%

Gross Up and ROE from Final Order Cause No. 45142.

<b>Calculation for JDITC Cost Percent</b>					
Debt	\$557,834,343	45.87%	4.73%	2.17%	
Equity	658,396,350	54.13%	9.80%	5.31%	
	1,216,230,693.25	100.00%		7.47%	

Cause No. 45609 SEI-1  
Indiana American Water Company  
Corrected Attachment GDS-3

**FILED**  
December 9, 2022  
INDIANA UTILITY  
REGULATORY COMMISSION

## SEI Deferral Summary

**Indiana-American Water Company**  
**Cause No. 45609 SEI-1 2022**  
**Service Enhancement Improvement Charge**  
**PISCC, Depreciation, and Property Tax Deferral**

	Deferred PISCC	Deferred Depreciation	Accrued Property Taxes
<b>Pre-Approved Projects:</b>			
Mooreville Filtration 580004	\$ 608,398	\$ 258,757	
Southern Filter 750014	\$ 137,694	\$ 49,193	
Charleston Filtration 750020	\$ 295,995	\$ 101,321	
Northwest Borman Park 900049	\$ 194,548	\$ 54,025	
Subtotal Pre-Approved (first category)	\$ 1,236,635	\$ 463,296	\$ -
<b>Recurring</b> (second category)	\$ 655,132	\$ 409,991	
<b>Total SEI 10/31/2022</b>	<b>\$ 1,891,767</b>	<b>\$ 873,287</b>	<b>\$ -</b>
			- Nothing booked or recorded yet

**TOTAL**

\$	867,156
\$	186,887
\$	397,316
\$	248,572
<hr/>	
\$	1,699,931

\$	1,065,123
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\$	2,765,054
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