

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

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

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

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

Petitioner's Exhibit No. 10

1 **INTRODUCTION AND BACKGROUND**

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

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

5 **Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A2. I am employed by the Board of Directors for Utilities of the Department of Public
7 Utilities of the City of Indianapolis (the "Board of Directors" or "Board"), which
8 does business as Citizens Energy Group. Citizens Energy Group ("Citizens
9 Energy Group" or "Citizens") also is affiliated with CWA Authority, Inc. ("CWA
10 Authority" or "CWA"), which owns the wastewater utility that provides
11 wastewater collection and treatment utility services in Indianapolis and
12 wastewater treatment services to surrounding communities. Pursuant to a
13 Management and Operating Agreement approved by this Commission in Cause
14 No. 43936, Citizens Energy Group provides management and operational services
15 for the operation of the wastewater utility owned by CWA. CWA is the Petitioner
16 in this proceeding and is referred to interchangeably in my testimony as "CWA"
17 and "Petitioner." I currently serve as the Director of Regulatory Affairs.

18 **Q3. PLEASE DESCRIBE THE DUTIES AND RESPONSIBILITIES OF YOUR**
19 **PRESENT POSITION.**

20 A3. As Director, Regulatory Affairs, I oversee the development, implementation, and
21 administration of Citizens' regulated utilities' rates and charges and Terms and
22 Conditions for Service. I direct the preparation of cost of service studies and rate

1 design testimony for Citizens' regulated utilities. In addition, I am responsible for
2 the preparation of GCA and FAC changes, and other miscellaneous rate matters.

3 **Q4. HOW LONG HAVE YOU BEEN EMPLOYED BY CITIZENS ENERGY**
4 **GROUP?**

5 A4. I have been employed by the Board since October of 2010.

6 **Q5. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

7 A5. I hold a Bachelor of Arts degree with a major in Computer Science from Harvard
8 College and a Master of Business Administration degree with a major in Finance
9 from the University of North Carolina at Chapel Hill.

10 **Q6. PLEASE DESCRIBE YOUR PRIOR BUSINESS EXPERIENCE.**

11 A6. I began my employment with Citizens Energy Group in 2010 as a Manager, Rates
12 & Business Applications. Prior to joining Citizens Energy Group, I worked for
13 the Indiana Office of Utility Consumer Counselor ("OUCC") as a Utility Analyst.
14 In that capacity, my work focused on economic and financial analysis of various
15 regulatory issues including demand-side management and energy efficiency
16 issues and cost of equity analysis. I regularly attended Midwest ISO stakeholder
17 committee meetings and served as the Public Consumer Advocate sector
18 representative to their Finance subcommittee. Prior to that, I was part of the
19 senior management team of a start-up business, and prior to that, I worked for
20 several years as a management consultant performing economic and financial
21 analysis for clients in various industries.

22 **Q7. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

1 A7. Yes. I have testified in numerous proceedings, including Cause Nos. 44305 and
2 44685, which were the last two base rate cases filed by CWA. I also testified in
3 Cause No. 44163, in which the Commission approved revisions to Citizens
4 Water's Terms and Conditions for Water Service, and in Cause No. 44685-S1, in
5 which the Commission approved Sewer Rate No. 6 along with certain Special
6 Contracts for specific satellite communities transitioning to Sewer Rate No. 6.

7 **Q8. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
8 **PROCEEDING?**

9 A8. My testimony serves multiple purposes. First, I describe the need for and the
10 details of Petitioner's low-income customer assistance program ("LICAP"),
11 including the new Rider C. I also discuss Petitioner's response to the balanced
12 billing issue that was raised in Cause No. 44685. Additionally, I address the
13 impact on this proceeding of Petitioner's previous and recent System Integrity
14 Adjustment ("SIA") filings, as well as the Special Contracts with certain satellite
15 communities. Further, I discuss the proposed true-up process for the debt service
16 costs in the event there is a variance between the principal amount of the bonds,
17 the financing term or the actual interest rate on the bonds and the estimated terms
18 used in developing debt service costs reflected in Petitioner's case-in-chief.
19 Following those issues, a large portion of my testimony is devoted to the overall
20 revenue requirements of CWA (including several of the underlying adjustments to
21 the financial results for the test year ended May 31, 2018). Lastly, I sponsor
22 Petitioner's Terms and Conditions for Sewage Disposal Service and rate
23 schedules, including the proposed changes thereto.

1 **Q9. WHAT HAVE YOU DONE TO PREPARE YOURSELF TO TESTIFY IN**
2 **THIS PROCEEDING?**

3 A9. I have read the Verified Petition and am familiar with its contents. I also have
4 read the direct testimony and attachments Petitioner filed in this proceeding, and
5 prepared or reviewed the operating revenues and various revenue requirements of
6 CWA for the test year and pro forma period. For the proposed changes to CWA's
7 Sewage Disposal Terms and Conditions for Service, I met with and received input
8 from the managers and supervisors of those areas most affected by the proposed
9 changes. In terms of the SIA impact on this proceeding, I have read the
10 testimony and Order in Cause No. 44990 as well as CWA's filings in Cause No.
11 44990 SIA 2, and have participated in internal meetings on this topic. Lastly,
12 regarding Petitioner's proposed affordability initiative, I have participated in
13 internal meetings and attended a recent affordability conference hosted by
14 AWWA.

15 **AFFORDABILITY INITIATIVE AND PROPOSAL**

16 **Q10. MR. HARRISON ADDRESSES HIS CONCERN ABOUT POVERTY IN**
17 **MARION COUNTY AND AFFORDABILITY OF CWA'S SERVICES.**
18 **PLEASE DESCRIBE THE LOW-INCOME SITUATION IN**
19 **PETITIONER'S TERRITORY.**

20 A10. The level of poverty among Petitioner's customer base is significant and
21 continues to increase. As noted by Petitioner's witness Jeffrey A. Harrison, a
22 recent United Way report shows that 18 percent of Indianapolis residents are
23 living in poverty. It has also been reported that from 2000-2015, the number of

1 residents living in poverty grew by almost as much as the city population grew in
2 that same period, and that over 30% of children in Indianapolis live in poverty.
3 At the same time, median wages have stagnated or declined and the gap between
4 the affluent and the poor has only widened.¹ However, the low-income situation
5 in Marion County extends beyond just those living below the poverty level.
6 According to that recent United Way report, 47 percent of Marion County
7 households are unable to meet their basic needs.

8 We understand that poverty and affordability are broad and complex
9 community-wide issues that cannot be solved by Citizens alone. However, we are
10 concerned about the impacts that increasing sewer rates, driven by a federally-
11 mandated Consent Decree and aging infrastructure, will have on those who will
12 be disproportionately affected and are already struggling to get by. Therefore, in
13 this case, CWA is proposing a rate-funded customer assistance program
14 comprised of monthly bill discounts and a fund for wastewater infrastructure
15 repair and replacement assistance that will mitigate those impacts. Not only do
16 those measures directly benefit participating customers and are really the right
17 thing to do, but they also serve the larger public interest by protecting public
18 health and by reducing barriers to inclusion that are a threat to economic growth.

¹ See, e.g., Colombo, Hayleigh “Nearly Half of Marion County Families Struggling to Get By, Report Says,” Indianapolis Business Journal, September 6, 2018; Colombo, Hayleigh, “Mayor Joe Hogsett Tries to Chip Away at Poverty,” Indianapolis Business Journal, August 10, 2018; Colombo, Hayleigh, “1 in 5 Indianapolis Residents Lives in Poverty. And Many Areas Are Getting Worse,” Indianapolis Business Journal, May 11, 2018; Colombo, Hayleigh, “Rise in Poverty in Indy Nearly Outpaces Growth in Population over 15 Years,” Indianapolis Business Journal, October 21, 2017.

1 **Q11. DOES THE LOW-INCOME SITUATION DEMONSTRATE A NEED FOR**
2 **UTILITY ASSISTANCE IN MARION COUNTY?**

3 A11. Yes. Again, 47% of Marion County households are unable to meet their basic
4 needs, which includes utilities as a part of housing costs. Further, a recent report
5 by Connect2Help211 showed that from July 2017 through June 2018, the most
6 frequent request it received was for utility assistance. Of the 145,725 calls
7 received in Marion County, there were 185,045 requests for some kind of
8 assistance and 33 percent of those were for utility assistance.

9 **Q12. HAS CITIZENS PERFORMED ANY OF ITS OWN ANALYSIS**
10 **REGARDING THE NEED FOR UTILITY ASSISTANCE?**

11 A12. Yes. Citizens' own analysis further supports the need for assistance with utility
12 bills, in general, and sewer bill assistance, in particular. According to a
13 commonly accepted benchmark, customers should not spend more than 5 percent
14 of their annual income on utilities. This concept is sometimes referred to as "share
15 of wallet." In other words, when annual utility expenditures exceed 5 percent of a
16 customer's share of wallet, customers may struggle to make utility payments.
17 Based on that, Citizens conducted a review of income levels using 2015 tax data
18 and average utility expenses in zip codes with sewer service. Some observations
19 from that analysis showed:

- 20
 - About 46,000 customers are located in zip codes where the share of
- 21 wallet on utility expenditures exceeds 5 percent.

- 1 • In the zip codes where share of wallet on utility expenditures exceeds
2 5 percent, collection activity on water and sewer accounts is over 20
3 percent and in some areas is over 30 percent.
- 4 • The average annual spending on utilities in general does not vary
5 much based upon income level.

6 **Q13. HAS CITIZENS PERFORMED ANY OTHER TYPES OF ANALYSIS?**

7 A13. Yes. As explained by Mr. Harrison, Citizens has developed a machine-learning
8 model that helps identify residential customers who are at-risk of not being able to
9 afford paying their utility bills. An at-risk customer has been identified as an
10 active, residential customer, who displays similar attributes to other Citizens'
11 customers that have received other types of assistance. For CWA, the model has
12 identified approximately 42,000 customers that are most likely to qualify for some
13 type of assistance.

14 **Q14. ARE THERE PROGRAMS THAT HAVE RECOGNIZED A NEED FOR**
15 **LOW-INCOME UTILITY ASSISTANCE?**

16 A14. Yes. Programs exist for low-income energy and telecommunications customers.
17 For example, the Low-Income Home Energy Assistance Program ("LIHEAP") is
18 a federally funded program that is administered through the State's Energy
19 Assistance Program ("EAP") and provides assistance to gas and electric
20 customers. Additionally, Citizens Gas's customers may receive assistance
21 through its Universal Service Program ("USP"), which the Commission approved
22 in 2004. The USP provides bill discounts and crisis assistance to qualified and
23 eligible customers. Further, there is a Lifeline program for low-income telephone

1 and broadband customers that provides monthly bill discounts. Recently, during
2 National Telephone Lifeline Awareness week, the Commission issued a press
3 release stating that it “recognizes the importance of Lifeline access in Hoosier
4 communities.” It then recommended that payment-troubled customers contact
5 their local telephone providers to see if they qualified for a discount.

6 **Q15. ARE THERE ANY SIMILAR TYPES OF PROGRAMS FOR**
7 **WASTEWATER CUSTOMERS, AT LEAST AS IT PERTAINS TO CWA?**

8 A15. No. There are no similar low-income assistance programs for CWA’s customers.
9 The same is true for the customers of Citizens Water. However, low-income
10 assistance programs should be available for water and wastewater services. Water
11 and wastewater are basic human needs that are essential for survival, even more
12 so than other types of utilities.

13 **Q16. DOES A UTILITY’S NEED TO INCREASE RATES TO COMPLY WITH**
14 **FEDERAL MANDATES IMPACT A LOW-INCOME CUSTOMER’S**
15 **ABILITY TO PAY HIS OR HER BILL?**

16 A16. Yes. There is a competing force between i) a utility’s need to increase rates to
17 cover the cost of maintaining and replacing aging infrastructure and meeting
18 federal Consent Decree mandates, and ii) a customer’s fundamental ability to
19 afford the utility services. CWA is not alone in facing this situation. A study
20 sponsored by the AWWA Water Utility Council, “Thinking Outside the Bill: A
21 Utility Manager’s Guide to Assisting Low-Income Water Customers,” (“Study”)
22 begins by observing that:

1 "Clean safe drinking water and reliable sanitary wastewater
2 disposal services cost money to provide. Although most people
3 understand that concept, the fact is not everyone can afford these
4 services.

...

5 For most customers and utilities alike, this situation is not
6 sustainable. Low-income customers may find themselves choosing
7 between paying their water bills or buying food or paying rent.
8 Utilities may be caught with increased utility costs for collections
9 and bad debt while juggling a budget that already must
10 accommodate the increased demands of infrastructure replacement
11 and regulatory mandates.

...

12 Because water and sanitary services are lifeline issues, water and
13 wastewater utilities have a public health obligation to find a way to
14 provide services to low-income customers while still maintaining
15 sustainable finances. Many water utilities have policies that allow
16 minimal quantities or an amount for essential needs to customers
17 who cannot fully afford water service. Other utilities have
18 programs that take a proactive approach through conservation, rate
19 discounts, and alternative rate structures or payment plans to assist
20 customers who have trouble paying their bills."

21 See, Study at page 1 (2nd ed. 2014).

22 **Q17. HAS THE INDIANA GENERAL ASSEMBLY RECOGNIZED AND**
23 **SOUGHT TO ADDRESS THESE COMPETING POLICY CONCERNS OF**
24 **INCREASING RATES AND WATER AND WASTEWATER**
25 **AFFORDABILITY?**

26 A17. Yes. In 2017, the Indiana General Assembly passed Senate Enrolled Act 416
27 ("SEA 416"), which is codified at Ind. Code § 8-1-2-46. The statute declares that
28 water and wastewater customer assistance programs that impact rates and charges
29 for service are not discriminatory. Notably, SEA 416 provides that in considering
30 whether to approve a proposed customer assistance program, the Commission

1 shall determine that the program furthers the interests set forth in Ind. Code § 8-1-
2 2-0.5, which states as follows:

3 The general assembly declares that it is the continuing policy of
4 the state, in cooperation with local governments and other
5 concerned public and private organizations, to use all practicable
6 means and measures, including financial and technical assistance,
7 in a manner calculated to create and maintain conditions under
8 which utilities plan for and invest in infrastructure necessary for
9 operation and maintenance while protecting the affordability of
10 utility services for present and future generations of Indiana
11 citizens.

12 **Q18. HAS CWA IMPLEMENTED ANY INITIATIVES SINCE THE**
13 **ACQUISITION OF THE WASTEWATER UTILITY TO ADDRESS THE**
14 **HARDSHIPS OF ITS LOW-INCOME CUSTOMERS?**

15 A18. Yes. Shortly after the acquisition, Citizens expanded the scope of Warm Heart
16 Warm Home, a non-profit foundation Citizens originally formed to provide
17 assistance to low-income customers of the gas utility, so that it also could provide
18 assistance to water and wastewater customers. Warm Heart Warm Home is
19 funded by customer and Citizens contributions and all proceeds that Citizens
20 receives from the Utility Shield Program. Warm Heart Warm Home supports low-
21 income customers through bill and other types of assistance such as infrastructure
22 repairs (e.g., furnace, water heater, and gas, water, and sewer lines).

23 **Q19. HAS THAT INITIATIVE BEEN SUFFICIENT TO ADDRESS THE**
24 **ASSISTANCE NEEDED BY CWA'S CUSTOMERS?**

25 A19. No. Warm Heart Warm Home funds are not sufficient to meet all of the requests
26 for assistance that we receive. For example, in fiscal year 2018, about \$519,000

1 in Warm Heart Warm Home funds were used to provide assistance to about
2 11,000 households for water, sewer, or gas-related needs. However, as noted
3 above, using our machine-learning model, we have determined there are
4 approximately 42,000 wastewater customers alone that are most likely to qualify
5 for some type of assistance. Inevitably, each year the Warm Heart Warm Home
6 funds run out, but the needs do not.

7 **Q20. DID CWA TRY TO IMPLEMENT ANY OTHER INITIATIVES**
8 **FOLLOWING THE ACQUISITION?**

9 A20. Yes. In Cause No. 44685, CWA proposed a discount tariff rate that would
10 provide eligible and qualifying low-income customers a 15 percent reduction in
11 both their monthly volumetric and fixed charges. CWA also proposed a crisis
12 fund that would be funded with non-rate revenue and assist qualified and eligible
13 low-income customers with a variety of needs, including bill payment and water
14 conservation. Although the low-income rate was withdrawn as part of the
15 settlement process, the Commission expressed concern about it stating that the
16 low-income rate, “would result in a discriminatory rate in violation of Ind. Code
17 § 8-1.5-3-8(b) and would require increases to the rates of other customer classes
18 to meet [CWA’s] authorized revenue requirement.” In rejecting the proposed
19 crisis fund, the Commission explained, in part, that, “While we acknowledge that
20 low-income customers are increasingly in need of assistance to pay their utility
21 bills, we do not believe that it is reasonable to charge captive customers for such
22 assistance.” (Order at page 23).

1 **Q21. DOES SEA 416 ADDRESS THE ISSUE OF DISCRIMINATORY RATE**
2 **MAKING FOR PURPOSES OF LOW-INCOME CUSTOMER**
3 **ASSISTANCE PROGRAMS?**

4 A21. Yes. As indicated above, SEA 416, which was enacted following the Order in
5 Cause No. 44685, expressly provides that water and wastewater customer
6 assistance programs are non-discriminatory. It states:

7 [u]pon request by a water or wastewater utility in a general rate
8 case, the commission may allow . . . a water or wastewater utility
9 to establish a customer assistance program that . . . provides
10 financial relief to residential customers who qualify for income
11 related assistance. A customer assistance program established
12 under this subsection that affects rates and charges for service is
13 not discriminatory for purposes of this chapter or any other law
14 regulating rates and charges for service.

15 **Q22. IS CWA TAKING ADDITIONAL STEPS IN CONNECTION WITH THIS**
16 **PROCEEDING TO ASSIST LOW-INCOME WASTEWATER**
17 **CUSTOMERS?**

18 A22. Yes. Petitioner is proposing to implement a rate-funded low-income customer
19 assistance program (“LICAP”) to increase its ability to meet the growing needs of
20 its low-income customers. Petitioner’s proposed LICAP has two components.
21 The first component is a bill discount. Eligible and qualifying low-income
22 customers will receive a percentage reduction in their monthly wastewater bills.
23 The second component is a wastewater infrastructure fund that will assist eligible
24 and qualifying low-income customers with, among other things, water
25 conservation and plumbing repairs. I will address the broader public interest of
26 such a proposal, as well as the individual components in turn.

1 *Public Interest of LICAP*

2 **Q23. IN YOUR OPINION, DOES IMPLEMENTATION OF PETITIONER'S**
3 **PROPOSED LICAP FURTHER THE INTERESTS SET FORTH IN IND.**
4 **CODE § 8-1-2-0.5?**

5 A23. Yes. Petitioner's proposed LICAP fits within the State's broad policy objectives
6 outlined above. Petitioner is proposing to increase its base rates and charges in
7 three phases to put the utility in a position to timely complete its federal Consent
8 Decree obligations and continue to address its aging infrastructure. Petitioner's
9 proposed LICAP creates conditions under which Petitioner is able to do so while
10 at the same time protecting the affordability of rates for its most vulnerable
11 customers by providing discounts to their monthly bill and by helping them keep
12 their bills lower long-term through infrastructure repair and replacement.

13 **Q24. IN YOUR OPINION, IS IMPLEMENTATION OF PETITIONER'S**
14 **PROPOSED LICAP IN THE PUBLIC INTEREST?**

15 A24. Yes. The LICAP is in the public interest because it directly benefits low-income
16 customers who are not in a position to fully absorb increases in claims on their
17 limited financial resources. Equally important, the proposed LICAP also will
18 benefit Petitioner's non-participating customers by improving payment patterns of
19 participating customers in a more cost-effective way than traditional collection
20 practices, protecting public health, and supporting inclusive economic growth and
21 development.

22 **Q25. HOW IS THE PUBLIC INTEREST SERVED BY THE DIRECT IMPACTS**
23 **TO PARTICIPATING CUSTOMERS?**

1 A25. In terms of direct and immediate impacts, the benefits of the proposed LICAP to
2 those participating low-income customers are straightforward.

3 Through monthly bill discounts and infrastructure repair and
4 improvements, participating customers will be better positioned to:

- 5 (i) address short- and long-term issues with affordability,
- 6 (ii) retain or restore access to water services crucial to their daily life,
- 7 (iii) avoid penalties and fees associated with late payments and disconnection,
- 8 (iv) avoid the health threats, inconvenience, and stigma of water service
9 disconnection, and
- 10 (v) use water more efficiently.

11 In short, by participating in the proposed LICAP, low-income customers
12 may be better able to reduce regular billings (through bill discounts and repaired
13 and more efficient infrastructure and fixtures) to levels more within their financial
14 capabilities. Such participation will reduce the potential for undue costs for both
15 the customer and utility associated with the arrearage – disconnection –
16 reconnection cycle that plagues all too many customers. Moreover, to the extent
17 that Citizens is able to coordinate its efforts with regional social service providers,
18 program participants may be connected to other wrap-around services that are
19 available to the economically disadvantaged.

20 **Q26. ARE THERE DIRECT BENEFITS TO NON-PARTICIPATING**
21 **CUSTOMERS THAT SERVE THE PUBLIC INTEREST?**

22 A26. Yes. For program non-participants, the cost associated with nonpayment is borne
23 by remaining customers, so measures to reduce the incidence of nonpayment

1 convey system-wide benefits. In addition, by assisting customers that are unable
2 to pay, a utility is able to appropriately focus collections efforts on customers with
3 adequate financial capabilities. Fundamentally, keeping low-income customers
4 connected and on the system increases the number of customers over which the
5 utility can spread its costs.

6 These non-participant as well as participant benefits of low-income
7 assistance programs have been recognized by the Commission in the context of
8 Citizens Gas's USP. In the Commission's most recent order approving the
9 continuation of the gas USP, the Commission noted a number of benefits from the
10 program, including a reduction in "low income customer arrears in a less costly
11 way than could be accomplished through the increased use of existing collection
12 mechanisms." (Order in Cause No. 43975 at page 30). The Commission
13 concluded that "the evidence . . . further demonstrates that continuation of the
14 [gas utility low-income assistance program] will promote efficiency in the
15 rendering of retail energy services." (Order at page 31). Likewise, here, we
16 expect the implementation of the proposed LICAP will result in benefits for the
17 wastewater utility and its customers much like the gas utility's low-income
18 assistance program has achieved. These benefits also have been recognized by
19 the AWWA M1 Manual, Principles of Water Rates, Fees, and Charges, which
20 provides, in relevant part:

21 Programs appropriately designed to address affordability issues could
22 have the potential to help both the targeted customers and the utility.
23 When customers have trouble paying utility bills, the cost to the utility
24 is manifested in increased arrearages, late payments, disconnection
25 notices, and service terminations. To the extent that these are charged

1 to the nonpaying customers, their affordability problems only worsen,
2 and full payment becomes even more problematic. To the extent that
3 these costs cannot be recovered from payment-delinquent customers,
4 they are imposed on the remaining paying customers of the system.

5 See, AWWA M-1 Manual at 217.

6 **Q27. IS THE PUBLIC INTEREST ALSO SERVED BY OTHER, INDIRECT**
7 **ASPECTS OF PETITIONER'S PROPOSED LICAP?**

8 A27. Yes. While there are strong and important attributes of customer assistance
9 programs that support a business case for implementation – grounded in factors
10 like lowering arrearages, reducing collections expenses, supporting customer
11 retention, improving customer relations, and managing water resources more
12 efficiently through water use infrastructure improvements – there are also
13 profound, larger public interest benefits that cannot be discounted. These benefits
14 undergird the policy objectives manifested in SEA 416, and could not be more
15 relevant for CWA's service area.

16 Perhaps the most salient benefits relate to stemming adverse public health
17 consequences of water unaffordability. This is not simply a matter of limiting or
18 reducing the incidence of service shutoffs, with their attendant impacts on
19 disconnected residents, but also a matter of limiting instances whereby customers
20 are required to make critical choices between retaining water service and meeting
21 other important needs to maintain healthy and hygienic conditions. While CWA's
22 implementation of the federally-mandated Consent Decree program will provide
23 important community-wide public health benefits by reducing the incidence of
24 raw sewage overflows, CWA's proposed LICAP will help insulate CWA's most

1 economically disadvantaged customers from adverse health impacts that could
2 result from paying the full amount of the rates required to finance that program.

3 **Q28. ARE THERE OTHER INDIRECT ASPECTS OF THE PROPOSED LICAP**
4 **THAT FURTHER SERVE THE PUBLIC INTEREST?**

5 A28. Yes. The benefits described above also build the conditions for more inclusive
6 and vibrant economic growth and development by modestly improving the
7 economic circumstances and priorities that define many customers' opportunities.
8 As noted in a recent Brookings Institute study,² the Indianapolis region has been
9 characterized as a two-sided economy where high rankings in select economic
10 development statistics are juxtaposed with statistics that document a continuing
11 lack of opportunity for impoverished and working poor members of the
12 community. Yet this and a companion Brookings Institute study also note that
13 inclusive economic growth and development – wholly in the public interest – may
14 be advanced by improving the conditions the economically disadvantaged face
15 when seeking opportunities. Accordingly, CWA's proposed LICAP is designed
16 to help ensure that customers do not have to spend undue time, effort and
17 resources securing water service.

18 **Q29. IS THE ROLE OF WATER AND WASTEWATER UTILITIES IN**
19 **SERVING THE PUBLIC INTEREST BEING RECOGNIZED IN THE**
20 **WATER AND WASTEWATER INDUSTRY?**

² "Committing To Inclusive Growth: Lessons for metro areas from the Inclusive Economic Development Lab", by Ryan Donahue, Brad McDearman, and Rachel Barker, September 2017, pp. 10.

1 A29. Yes. Water and wastewater utilities' unique roles in serving the public interest
2 through protection of public health and advancing economic development is
3 increasingly being recognized across industry organizations, state legislatures and
4 regulatory communities. Where industry rate setting practices have previously
5 viewed customer assistance programs as ancillary to core utility functions, recent
6 dialogues have addressed how such programs may be viewed as an appropriate
7 component of utility revenue requirements.³ The EPA has cited the importance of
8 customer assistance programs as one measure for addressing adverse impacts on
9 low-income customers of rate increases required to enable implementation of
10 Clean Water Act compliance programs.⁴ Fundamentally, the industry is
11 continuing to evolve the definition of services delivered – from that of “drops of
12 potable water delivered through a meter,” or “wastewater flows treated at a
13 wastewater treatment plant,” to that of sustaining community health, inclusive
14 economic vitality, and environmental protection. In this context, CWA's
15 proposed LICAP is one attribute of its critical role in the community.

16 *Bill Discount*

17 **Q30. WHAT CUSTOMERS WILL BE ELIGIBLE TO RECEIVE THE BILL**
18 **DISCOUNT COMPONENT OF PETITIONER'S LICAP?**

³ See, e.g. , the draft “AWWA Policy Statement: Affordability posted for comment on August 3rd, 2018 and AWWA /WEF Transformative Issues symposium on Affordability.” (August 2018)

⁴ See, e.g. , materials posted by U.S. EPA Water Infrastructure and Resiliency Finance Center related to their “Collaborative Approach To Evaluate Affordability Measurement Methodologies.”

1 A30. Low-income customers will be eligible for the bill discount component of
2 Petitioner's LICAP if the customer's gross household income is at or below levels
3 established for assistance from the State's EAP, which administers LIHEAP, and
4 the customer must enroll in and qualify for assistance from LIHEAP.

5 **Q31. WILL CWA ENROLL CUSTOMERS TO PARTICIPATE IN THE BILL**
6 **DISCOUNT COMPONENT OF ITS LICAP?**

7 A31. No. As with Citizens Gas's USP, Petitioner will rely on the United Way of
8 Central Indiana ("UWCI") to enroll its low-income customers in that component
9 of the program. UWCI also will ensure that participants fill out all applications
10 that might be necessary to receive other forms of assistance.

11 **Q32. WILL PETITIONER ASSIST LOW-INCOME CUSTOMERS IN**
12 **CONTACTING UWCI?**

13 A32. Yes. Petitioner's customer service representatives are trained to identify low-
14 income, payment-challenged customers and will refer these customers to UWCI
15 for enrollment in the program. In addition, Petitioner's representatives will have
16 the added assistance of Citizens' machine-learning model, which will use the
17 customer information system to identify for them residential customers who are
18 at-risk of not being able to pay their sewer bill.

19 **Q33. WILL THERE BE OTHER WAYS THAT PETITIONER WILL PROVIDE**
20 **NOTICE TO ITS LOW-INCOME CUSTOMERS REGARDING THE**
21 **TERMS OF THE PROGRAM?**

22 A33. Yes. Citizens is planning other communication strategies to engage and inform
23 at-risk customers about available assistance, including both components of

1 Petitioner's LICAP. Those other communication strategies include monthly
2 emails or letters to at-risk customers, a web assistance tool that will help
3 customers identify assistance offerings available to them, and bill insert
4 campaigns at various times of the year for at-risk customers.

5 **Q34. WHAT DISCOUNTS WOULD BE OFFERED TO FAMILIES**
6 **PARTICIPATING IN THIS COMPONENT OF THE LICAP?**

7 A34. Participating families will receive a bill discount of 10, 18 or 25 percent,
8 depending on the level of need. These discounts are designed to make wastewater
9 bills more manageable for Petitioner's low-income customers commensurate with
10 their income level. The tiers, therefore, are modelled after the Citizens Gas USP
11 tiers so a similar measure of need is used for wastewater customers as is used in
12 the EAP eligibility determination. This further provides simplicity in the
13 administration of the program.

14 **Q35. WOULD THE DISCOUNTS SET FORTH ABOVE NECESSARILY**
15 **REMAIN CONSTANT THROUGHOUT THE TERM OF THE**
16 **PROGRAM?**

17 A35. No. It may be necessary for CWA to adjust the level of bill discounts depending
18 on the number of customers that participate in the assistance program. For the
19 upcoming 2018-2019 heating season, the EAP eligibility requirements have
20 changed from 150 percent of the poverty level to 60 percent of State Median
21 Income ("SMI"), in an effort to increase the participation rate. If the changes are
22 successful in increasing participation, Petitioner may need to alter its discount
23 tiers to manage the program costs.

1 *Wastewater Infrastructure Fund*

2 **Q36. PLEASE EXPLAIN IN MORE DETAIL HOW THE WASTEWATER**
3 **INFRASTRUCTURE FUND WILL HELP CWA'S LOW-INCOME**
4 **CUSTOMERS.**

5 A36. The wastewater infrastructure fund may be used to help customers keep their bills
6 lower in the long run through infrastructure investment assistance. Infrastructure
7 issues, such as leaks and inefficient fixtures, can be a large driver in the size of a
8 low-income customer's bill and affect the ability to pay it. Eligible and qualifying
9 low-income customers may receive assistance for: (1) water conservation, such as
10 for water saving appliances; and (2) water- and sewer-related infrastructure
11 repairs, such as leaking service lines. Importantly, these measures will help
12 customers address the underlying issues that may be causing their wastewater
13 bills to be unnecessarily high, and put them in a better position to manage their
14 wastewater bills going forward.

15 **Q37. WHY WOULD A WASTEWATER INFRASTRUCTURE FUND BE USED**
16 **FOR ASSISTANCE WITH WATER CONSERVATION OR WATER**
17 **INFRASTRUCTURE REPAIRS?**

18 A37. Generally, sewer bills are determined by the amount of water used. Inefficient or
19 leaking water appliances or infrastructure contribute directly to high wastewater
20 bills. Therefore, to help low-income customers keep their wastewater bills lower,
21 it is appropriate to address the root causes of high wastewater bills and for
22 assistance to be available to help with those issues.

1 **Q38. HOW WILL CWA ADMINISTER THE WASTEWATER**
2 **INFRASTRUCTURE FUND?**

3 A38. The wastewater infrastructure fund will be administered in the same manner and
4 using the same guidelines for infrastructure-related assistance that is available to
5 low-income gas, water and wastewater customers through Citizens' Warm Heart
6 Warm Home Foundation with the exception that it will be limited to wastewater
7 customers. Some of those guidelines include the following:

- 8 • the customer's gross household income must be at or below 70% of SMI;
- 9 • the customer's account must be designated as residential wastewater
10 service;
- 11 • the customer must reside at the service address; and
- 12 • the customer must also own the home at the service address.

13 **Q39. WHAT ARE SOME KEY FACTORS THAT WILL CONTRIBUTE TO**
14 **THE SUCCESS OF THE WASTEWATER INFRASTRUCTURE FUND?**

15 A39. CWA will be able to provide meaningful assistance to wastewater customers
16 through the wastewater infrastructure fund due to the nature and level of proposed
17 funding and the solid foundation that is already in place for such a program.
18 Through the establishment of Rider C, CWA is proposing to recover the costs of
19 the LICAP, including \$500,000 for the wastewater infrastructure fund. Therefore,
20 Rider C will provide a consistent funding source and significantly increase the
21 amount of assistance able to be provided to wastewater customers. Additionally,
22 as noted above, the wastewater infrastructure fund will be able to take advantage

1 of the existing framework by which Citizens has been successfully providing
2 infrastructure repair and replacement to customers through Warm Heart Warm
3 Home for several years.

4 *Mechanics of the Rider C – Low-Income Customer Assistance Program*

5 **Q40. WILL RIDER C APPLY TO ALL CUSTOMER CLASSES?**

6 A40. No. Petitioner proposes to recover the costs of the LICAP from customers served
7 under Sewer Rate Nos. 1, 2 and 5. Customers served under Sewer Rate No. 3 are
8 excluded because they are also customers under Sewer Rate No. 1 and would be
9 contributing under that Rate. The wastewater haulers, covered under Sewer Rate
10 No. 4, are excluded because they are not regular customers receiving a monthly
11 bill, but rather are periodic customers who haul discharge to Petitioner's facilities
12 from time to time. Given the unpredictable nature of these customers, they do not
13 reflect a fixed, known or measureable bill count. Sewer Rate No. 6 customers are
14 excluded because of the Settlement Agreement approved in Cause No. 44685-S1.

15 **Q41. HAS PETITIONER DETERMINED WHAT THE PROPOSED CHARGE**
16 **WILL BE FOR APPLICABLE CUSTOMERS?**

17 A41. Yes. The initial proposed charge per customer is \$0.79 per month. To the extent
18 a funding deficit exists at the conclusion of any given year, the foregoing charge
19 would be modified for reconciliation purposes.

20 **Q42. WHY IS PETITIONER PROPOSING A PER BILL RATE AND NOT A**
21 **VOLUMETRIC RATE?**

22 A42. Petitioner selected a per bill rate because it achieves the aims of the LICAP in a
23 way that is more reasonable than a volumetric rate. All customers should

1 contribute to the LICAP, as all customers benefit in some way from it. With a per
2 bill rate, all customers are charged the same amount, and large volume customers,
3 especially those served under Sewer Rate Nos. 2 and 5, are not disproportionately
4 impacted as they would be with a volumetric rate.

5 **Q43. PLEASE DESCRIBE HOW THE LICAP RATE WAS DETERMINED.**

6 A43. Initially, Petitioner determined the number of potential participants in the
7 program. Then, Petitioner calculated the estimated cost of the program. The rate
8 calculation is simply the program costs divided by the number of customer bills.
9 This calculation is shown in Petitioner's Attachment KLK-6. I shall describe it in
10 detail here.

11 In determining the number of potential participants, Petitioner utilized the
12 results of its machine-learning data analytics. This approach uses numerous data
13 to categorize customers. First, Petitioner identified a subset of residential
14 wastewater customers who have a risk characteristic similar to customers who
15 have received EAP assistance in the past. Petitioner's analysis classified
16 approximately 18,000 wastewater customers in this group. Given the profile of
17 this group, Petitioner used these customers as its initial potential participant
18 population. Petitioner then adjusted that number based upon a couple of
19 competing factors. First, based on experience gained through Citizens Gas's
20 USP, Petitioner understands that not all customers who are eligible for assistance
21 will apply for it. Further, the change in EAP requirements are designed to
22 increase the number of customers eligible for participation. Given this
23 information, Petitioner believes it is appropriate to reduce the potential participant

1 pool slightly. Therefore, the initial participant pool used in the rate calculation is
2 15,000.

3 After determining the participant pool, it was next important to make an
4 estimate of the number of program participants in each of the three tiers.
5 Petitioner looked at the distribution of customers by tier experienced by Citizens
6 Gas over the last two years, as well as the resulting distribution of combining the
7 two. Balancing the resultant distributions with the stated objective of increasing
8 EAP participation via eligibility changes, Petitioner determined that a 10-60-30
9 distribution in the 10-18-25 percent tiers, respectively, was reasonable.

FY2017		FY2018		FY2017 & 2018 Combined		Proposed %
#	%	#	%	#	%	
1,965	32.17	1,998	38.25	3,963	34.97	30.00
3,582	58.64	2,956	56.60	6,538	57.70	60.00
561	9.18	269	5.15	830	7.33	10.00

10 After determining the potential participant pool and the distribution within
11 the discount tiers, Petitioner determined the average monthly bill. Using test year
12 data, the average monthly discharge for a residential customer is estimated to be 6
13 Ccf. Using the proposed Phase 1 rate for Non-Industrial customers and the SIA 2
14 rate filed with the IURC on September 18, 2018, Petitioner calculated a monthly
15 bill of \$61.01.

16 Using the customer distribution, respective discounts and average monthly
17 bill, Petitioner was able to calculate the estimated cost of the bill discount portion
18 of the customer assistance program. As seen in Petitioner's Attachment KLK-6,
19 this cost is estimated to be \$1.790 million. Petitioner also proposes to include

1 \$500,000 for the infrastructure fund. When adding these two cost components
2 together, the total estimated cost of LICAP is \$2.290 million.

3 Petitioner proposes to recover the cost of the program on a fixed-charge
4 basis applying a surcharge per bill. The final step in the rate calculation is the
5 determination of number of customer bills. Using the customers from Sewer Rate
6 Nos. 1, 2 and 5, the number of applicable bills is 2,903,709. Dividing this number
7 into the total estimated costs derives a monthly LICAP rate of \$0.79 per bill.

8 **Q44. WHY ARE THE BILLS OF INDUSTRIAL AND SELF REPORTER**
9 **CUSTOMERS INCLUDED IN THE RATE CALCULATION?**

10 A44. As indicated earlier, all customers benefit from, among other things, keeping as
11 many customers on the system, mitigating arrearages, and protecting public
12 health. In the Citizens Gas USP, industrial customers participate in the recovery
13 of program costs. Here, the Industrial and Self Reporter customers are estimated
14 to contribute approximately \$3,100 of the \$2.290 million in program costs or less
15 than 0.14 percent of the total estimated costs. The proposed \$0.79 per bill rate
16 represents an even smaller portion of the monthly bill for several of the Industrial
17 and Self Reporter customers. This is a small price to pay to protect themselves as
18 well as other customers from possible increased arrearages and collection efforts
19 and, just as important, to promote public health, inclusive economic growth, and
20 assist those customers who struggle to afford the essential service that sewer
21 disposal service represents.

1 **Q45. ASSUMING THERE WILL BE ADJUSTMENTS TO THE LICAP RATE**
2 **IN THE FUTURE, HOW DO YOU ENVISION THE PROCESS TO**
3 **ADJUST THE RATE?**

4 A45. Program costs will vary from year to year as the number of participating
5 customers changes based on the number of customers determined to be eligible,
6 as well as consideration of the proposed rate increases in Phases 2 and 3. As the
7 final State's EAP eligibility determinations are made in March of each year,
8 Petitioner will calculate the revised program costs for the upcoming eligibility
9 year. Consistent with the Citizens Gas USP calculation, the revised costs would
10 include a reconciliation of a prior program year when that data is available.
11 Petitioner would make a compliance filing to adjust the rates in May, with the
12 new rate going into effect on July 1st, and remaining in effect through June 30th.
13 On occasion, Petitioner may determine that the bill discounts need to be adjusted
14 in order to control program costs. Any adjustment would be identified in the May
15 compliance filing.

16 **Response to Balanced Billing Issue from Cause No. 44685**

17 **Q46. WHAT IS BALANCED BILLING?**

18 A46. Balanced billing is a consistent monthly sewer bill during the seven-month period
19 of May through November ("Summer Billing Months") based on a customer's
20 average billed water usage during the months of December through March ("Base
21 Average Usage"). Each individual customer's Base Average Usage is established
22 based on the customer's water usage during the immediately preceding winter
23 months, and this Base Average Usage is used as the customer's wastewater billing

1 determinant for the Summer Billing Months. A new Base Average Usage is
2 established for each customer every May based on the individual customer's
3 water usage during the most recent winter months. The customer's monthly bill is
4 calculated using the customer's Base Average Usage and CWA's rates in effect at
5 the time of billing. If the customer's bill using the Base Average Usage results in
6 a bill that is less than the monthly minimum charge, the customer will be billed
7 the monthly minimum charge.

8 Balanced billing provides a consistent bill amount during the Summer
9 Billing Months, with the only change occurring in the event CWA implements
10 new rates during the course of the Summer Billing Months or the customer's Base
11 Average Usage is adjusted due to leaks in the winter months. Each customer will
12 receive a balanced bill based on their own Base Average Usage. Summer lawn
13 watering and other incremental summer water use is excluded from the charges
14 because the balanced bill consumption is based only on winter water meter
15 readings.

16 **Q47. DOES THIS APPLY TO ALL CUSTOMER CLASSES?**

17 A47. No. The balanced billing mechanism only applies to customers in the Residential
18 and Multi-Family classes.

19 **Q48. WHY IS BALANCED BILLING NECESSARY?**

20 A48. Balanced billing provides for consistency of billing during the Summer Billing
21 Months, which is a benefit to customers for planning and budgeting purposes.
22 The billing also excludes seasonal watering demands related to irrigation and
23 other uses that are not discharged to the wastewater system.

1 **Q49. HOW WAS BALANCED BILLING ADDRESSED IN THE**
2 **COMMISSION'S ORDER IN CAUSE NO. 44685?**

3 A49. In that case, CWA had proposed to bill customers the lower of their actual usage
4 in the Summer Months or their Base Average Usage ("Balanced Billing
5 Changes"), but later withdrew that proposal based upon an agreement with the
6 Settling Parties. In response, the Commission, in its Order, provided in relevant
7 part, "By billing the lower of a customer's actual usage or average winter usage,
8 the Balanced Billing Changes would allow CWA to better reflect actual treated
9 volumes in its revenues and expenses. Therefore, we order CWA to work with
10 the OUCC and Industrial Group to address this issue in its next base rates case."
11 (Order, page 21).

12 **Q50. HAS PETITIONER COMPLIED WITH THE COMMISSION'S ORDER IN**
13 **CAUSE NO. 44685 AS IT RELATES TO BALANCED BILLING**
14 **CHARGES?**

15 A50. Yes. CWA performed an analysis of the impact on its billed volumes and
16 revenues if its balanced billing mechanism was adjusted to reflect the lower of a
17 customer's actual usage during the Summer Billing Months or Base Average
18 Usage ("Balanced Billing Change Analysis"). On June 15, 2018, pursuant to the
19 Commission's Order, CWA met with representatives of the OUCC and Industrial
20 Group and shared with them the results of the Balanced Billing Change Analysis,
21 the impact on the proposed revenue increase in this rate case, and options for
22 addressing that rate impact in this case.

1 **Q51. PLEASE DESCRIBE THE EVOLUTION OF THE BALANCED BILLING**
2 **MECHANISM.**

3 A51. In CWA's first rate case, Cause No. 44305, it proposed a Residential Balanced
4 Billing mechanism that is slightly different from what the Commission ultimately
5 ordered CWA to implement, which is what is in place today. CWA had proposed:

6 a consistent monthly sewer bill based on a residential customer's
7 average water usage during the months of December through
8 March ("Bas[e] Average Usage"). Ms. Prentice explained that each
9 individual customer's Base Average Usage is derived from the
10 customer's water usage during the immediately preceding winter
11 months. This Base Average Usage is used as the customer's
12 wastewater billing determinant for each month of the twelve-
13 month period starting each June. Ms. Prentice testified that
14 Residential Balanced Billing will provide a consistent bill amount
15 over a full twelve-month period. Ms. Prentice indicated that
16 summer lawn watering and other incremental summer water use is
17 excluded from the charges because the residential Balanced Billing
18 consumption is based only on winter water meter readings. (Order,
19 page 36, emphasis added)

20 In that same case, the OUCC recommended "CWA bill residential customers for
21 the actual water used for the months of December through March and use the
22 Base Average Usage for months starting in April instead of June of each year."

23 (Order, page 36) In its Order, the Commission found:

24 we agree with the OUCC's recommendation . . . therefore, CWA
25 shall issue a bill based on actual data for the months of December
26 through April and shall issue a bill based on the Base Average
27 Usage for the months of May through November. (Order, page 38,
28 emphasis added)

29 Based upon the Commission's Order in Cause No. 44305, CWA modified its
30 proposed balanced billing mechanism to the balanced billing mechanism in place
31 today, which I previously described in my testimony.

1 **Q52. HOW DID BALANCED BILLING BECOME AN ISSUE IN CAUSE NO.**
2 **44685?**

3 A52. CWA proposed the Balanced Billing Changes based upon a letter received from
4 the Commission. As described in the Supplemental Settlement Testimony of
5 OUCC witness Margaret A. Stull in Cause No. 44685 at pages 5 and 6,
6 “According to an August 10, 2015 letter sent by the Commission to CWA
7 regarding this issue, the Commission noted that it received complaints from
8 customers who claimed their actual summer water consumption was less than
9 their average winter consumption. The Commission further stated ‘[w]hile it is
10 not likely that these instances occur frequently, it is an event that creates an
11 inequity that should be corrected.’”

12 **Q53. WHAT WAS THE NATURE OF THE CUSTOMER COMPLAINTS?**

13 A53. Both CWA and the Commission have received complaints from customers whose
14 Base Average Usage may be set higher than what they believe to be their true
15 base usage. They have indicated they believe the average has been influenced by
16 holiday entertaining, visits from family and friends and occasional leaks. In the
17 case of landlords, their occupancy rates may have been higher in the winter
18 months and, thus, their Base Average Usage is higher than the usage that their
19 occupancy rate during the Summer Billing Months may indicate.

20 **Q54. CAN YOU FURTHER DESCRIBE PETITIONER'S PROPOSAL AND**
21 **WHY IT WAS WITHDRAWN IN CAUSE NO. 44685?**

22 A54. Yes. CWA proposed to:

1 bill customers the 'lower of' their actual usage or their Base
2 Average Usage . . . Mr. Kilpatrick said that the result of this
3 change is a decrease of approximately \$15 million in revenue using
4 present rates. Accordingly, Mr. Kilpatrick testified that while there
5 are benefits to some customers from this change, it will have an
6 upward impact on the proposed revenue requirements and resulting
7 rates in this proceeding due to the loss of billed volumes in the
8 amount of 3 million CCF. (Order, page 9).

9 During the settlement process, the Settling Parties agreed that Petitioner would
10 withdraw its proposal as presented. Furthermore, the balanced billing language
11 on Sewer Rate No. 1 would continue to read as approved by the Commission on
12 November 18, 2015. When the Commission issued its Order, it found:

13 that CWA's revenue adjustment resulting from the proposed
14 [lower of adjustment] would have a large impact on CWA's
15 operating revenues and would further increase rates for all CWA
16 customers. Conversely, only a very small proportion of CWA's
17 customers would potentially benefit from the Proposed [lower of
18 adjustment]. Given the Parties' agreement on this issue and the
19 overall reduction of CWA's revenue requirement under the
20 Settlement Agreement, we accept the withdrawal of the [lower of
21 adjustment]. (Order, page 21)

22 However, the Commission ordered CWA to work with the OUCC and Industrial
23 Group to address this issue in its next base rates case.

24 **Q55. WHAT WOULD BE THE IMPACT IN THIS RATE CASE IF**
25 **PETITIONER WERE REQUIRED TO MAKE THE BALANCED**
26 **BILLING CHANGES?**

27 A55. Using CWA's test year, Petitioner has determined the change from billing Base
28 Average Usage to the lower of Base Average Usage or actual usage would result
29 in a reduction of 1,032,307 ccf, or the equivalent of removing \$5,507,368 from
30 pro forma revenue at current rates. To affirm its approach and its results,

1 Petitioner performed a backcast analysis on the twenty-four months prior to the
2 test year. In reviewing each of the two preceding years, Petitioner's approach
3 yielded similar results of approximately a 1,000,000 ccf reduction in the discharge
4 volume. This would have an upward impact on the recommended increase and
5 resulting rates in this proceeding due to the loss of billed volumes.

6 **Q56. WHY IS THE IMPACT PRESENTED IN THIS RATE PROCEEDING SO**
7 **DIFFERENT FROM THE PREVIOUS RATE CASE?**

8 A56. Quite simply, there was an error in the data used in the prior rate case analysis
9 that determined the anticipated impact of the proposed billing change. Petitioner
10 continued to review the data after the last proceeding and it noticed that during the
11 months when a rate proration occurred, the billing system produced multiple rows
12 of certain data to process the proration. These multiple rows had an inflationary
13 effect on the prior analysis. Based on this observation, Petitioner changed the
14 data query used in the selection of its data for analysis in this rate case.

15 **Q57. IS PETITIONER PROPOSING A CHANGE TO ITS BALANCED**
16 **BILLING MECHANISM IN THIS PROCEEDING?**

17 A57. No. As with the Balanced Billing Change in Cause No. 44685, the costs here still
18 outweigh the benefits in terms of overall rate impact and impact on individual
19 customer classes. The impact of the overall increase in Phase 1 with and without
20 the "lower of adjustment" would be 17.3 percent and 14.87 percent respectively.
21 Furthermore, the average residential customer monthly bill would have increased
22 19.68 percent if a change were made to the balanced billing mechanism to reflect
23 the "lower of adjustment". Additionally, the "lower of adjustment" would have

1 pushed more than \$800,000 of revenue recovery out of the Non-Industrial class
2 and into the Industrial, Self Reporter and Strength Surcharge classes.

3 Given this, the change simply is not something CWA is willing to do to
4 benefit approximately 68,000 customers, while causing a detrimental impact to
5 the remaining 176,000 customers on our system.

6 **Impact of System Integrity Adjustment**

7 **Q58. WHAT IS A SYSTEM INTEGRITY ADJUSTMENT?**

8 A58. A System Integrity Adjustment (“SIA”) is a mechanism created by Indiana Code
9 § 8-1-31.5 that may be used by eligible water and wastewater utilities to ensure
10 they do not over or under recover the amount of revenues authorized by the
11 Commission in their most recent general rate cases. An SIA is defined by Indiana
12 Code § 8-1-31.5-9 as “an amount charged by an eligible utility to allow the
13 automatic adjustment of the eligible utility’s basic rates and charges to recover
14 from or credit to customers an adjustment amount⁵.”

15 In Cause No. 44990, the Commission approved CWA’s initial SIA of
16 \$6,139,673, which was implemented on January 1, 2018. Once a utility elects to
17 seek a recovery under the statute, it is required to file annually for a change in its
18 adjustment amount until the earlier of four years or the Commission issues an
19 order in the utility's next general rate case proceeding. On September 17, 2018,

⁵ As defined by Indiana Code § 8-1-31.5-3, "adjustment amount" means the dollar amount: (1) by which an eligible utility's actual revenues for a twelve (12) month period differ from the eligible utility's authorized revenues for the same twelve (12) month period; and (2) that the eligible utility seeks to recover from or credit to customers through a system integrity adjustment requested in a petition filed under section 12 or 13 of this chapter.

1 CWA petitioned for a change in that adjustment amount in accordance with
2 Indiana Code § 8-1-31.5-13.

3 **Q59. WHAT IMPACT DOES THE SIA HAVE ON THIS PROCEEDING?**

4 A59. As the SIA funds to be received are to be used for eligible infrastructure projects,
5 the SIA affects the amount of debt that Petitioner will need to issue during the
6 time period that the proposed rates are to be in effect. More specifically, it would
7 lower the amount of debt to be issued and the debt service to be included in the
8 rates proposed in this proceeding.

9 **Q60. HOW MUCH OF THE SIA IS BEING INCLUDED IN THIS**
10 **PROCEEDING?**

11 A60. Petitioner believes that \$22,263,316 in SIA dollars will have an impact on this
12 proceeding. The table below summarizes the calculations in Attachment KLK-7:

Amount	
SIA 1 (approved 12/28/17)	\$ 2,452,885
SIA 2 (filed 9/17/18)	9,949,843
SIA 3 (estimated)	9,860,588
Total	\$ 22,263,316

13 The \$2.4 million attributable to SIA 1 is what remains to be collected per
14 Petitioner's records through July 2018. The SIA 3 estimate in the above table is
15 based on comparing the pro forma revenue at present rates shown on page 5 of
16 Attachment KLK-1 to the adjusted Phase 2 revenues from Cause No. 44685.

17 **Q61. GIVEN THAT SIA 3 HAS NOT BEEN FILED, WHY IS PETITIONER**
18 **INCLUDING AN ESTIMATE FOR IT IN THIS PROCEEDING?**

1 A61. The twelve-month period that SIA 3 would cover is August 2018 through July
2 2019. It is estimated that an order in this proceeding would not be received prior
3 to July 2019. However, whether an order is received by then or not, Petitioner
4 will have experienced most, if not all, of the 25th through the 36th months of the
5 48 months of the SIA. Petitioner should be able to make a filing pursuant to
6 Indiana Code § 8-1-31.5-13 to reflect the results of this most recent twelve-month
7 period, or the subset thereof. At the very least, Petitioner should be able to
8 include the results of this period preceding an Order in a reconciliation filing
9 pursuant to Indiana Code § 8-1-31.5-15.

10 **Impact on the Satellite Customer Subsidy**

11 **Q62. WHAT IS THE CURRENT AMOUNT OF THE SATELLITE CUSTOMER**
12 **SUBSIDY?**

13 A62. Petitioner's witness Jeffrey A. Willman addresses in more detail in his testimony
14 the settlement reached in Cause No. 44685-S1 to eliminate the Satellite Customer
15 Subsidy over a period of years. That settlement resulted in, among other things,
16 an agreement by the Settling Parties in that case⁶ that the cost of service related to
17 the Satellite Customers at that time was \$15,323,000 and, of that amount, there
18 was a \$9,909,400 subsidy provided by the other customer classes.

19 **Q63. WHAT TYPES OF REVENUE DOES PETITIONER COLLECT FROM**
20 **ITS SATELLITE CUSTOMERS?**

⁶ Including CWA, OUCC, City of Lawrence, City of Greenwood, and Ben Davis Conservancy District.

1 A63. Petitioner collects two types of revenues from its Satellite Customers – tariff-
2 based and contract revenues. In Cause No. 44685-S1, the Commission approved
3 Sewer Rate No. 6, a wholesale sewer rate available to municipalities and other
4 wastewater service providers adjacent to Petitioner's system. Pursuant to the
5 Order in Cause No. 44685-S1, Sewer Rate No. 6 became effective September 1,
6 2017 and two Satellite Customers were placed on it. In that proceeding, it was
7 determined that these two customers were paying more than the cost of service
8 related to the Satellite Customer class. As a result, their respective rates were
9 lowered by moving them to the tariff rate and terminating their current contracts
10 in effect at the time.

11 In the same sub-docket, it was determined that there were four Satellite
12 Customers that, pursuant to the contracts they were being served under at that
13 time ("Current Contracts"), were contributing significantly less than the cost to
14 serve the Satellite Customer class. A settlement was reached, and special
15 contracts approved by the Commission provided a transition for these customers
16 to full cost-based rates over a twelve-year period ("Special Contracts"). Pursuant
17 to the Settlement Agreement approved in Cause No. 44685-S1, these four
18 customers remained on their Current Contracts through December 31, 2018. On
19 January 1, 2019, those Current Contracts terminate and Sewer Rate No. 6 will
20 become effective as to these four customers, unless modified by the terms of the
21 Special Contracts. The Special Contracts will further permit these four customers
22 to transition to the full Sewer Rate No. 6 tariff rate over a succeeding 10-year
23 period. The final adjustment to the treatment rate will occur on January 1, 2029,

1 at which point all four customers will be at full cost of service, their Special
2 Contracts will terminate and they will become solely subject to the rates and
3 terms set forth in Sewer Rate No. 6, as it may be modified by the Commission
4 from time to time.

5 **Q64. ARE THE TWO SATELLITE CUSTOMERS CURRENTLY ON TARIFF**
6 **PAYING FULL COST OF SERVICE RATES?**

7 A64. Yes. In Cause No. 44685-S1, Petitioner along with the participating Satellite
8 Customers and the OUCC agreed upon several cost of service considerations that
9 determined a wholesale sewer treatment rate of \$2.4852 per 1,000 gallons and
10 established the Sewer Rate No. 6 tariff.

11 **Q65. WHAT IMPACT DOES THIS PROCEEDING HAVE ON THE**
12 **SATELLITE CUSTOMER SUBSIDY?**

13 A65. The subsidy will grow as a result of this case. This is seen in the cost of service
14 results presented by Petitioner's witness Prabha N. Kumar. However, it is
15 important to note that an increase in the subsidy was expected due to deferrals
16 from the price protection period. As a part of the Special Contracts, a price
17 protection period was afforded to those four Satellite Customers from January 1,
18 2019 to January 1, 2025. Any increases in this period driven by a general rate case
19 would be deferred until the catch-up period starting in 2025. Because of this
20 protection and deferral, it was known that the Satellite Customer Subsidy had the
21 possibly of growing at a rate greater than it was being reduced. It is important to
22 note that while the cost of service study results do show subsidy growth in Phase
23 1, the study also shows decreases in the subsidy in Phases 2 and 3.

1 **Q66. HOW DO THE PLANNED ANNUAL RATE INCREASES FOR THESE**
2 **FOUR SPECIAL CONTRACT CUSTOMERS FACTOR INTO THE**
3 **PROPOSED REVENUE REQUIREMENT IN THIS PROCEEDING?**

4 A66. As envisioned in the Settlement Agreement approved in Cause No. 44685-S1, any
5 increases seen in the Special Contract revenue based on the planned annual rate
6 increases are revenue neutral to Petitioner's revenue requirement. The revenue
7 increases achieved from Special Contract customers are offset by revenue
8 reductions granted to retail customers. The allocation of these reductions is
9 outlined in the Settlement Agreement in Cause No. 44685 and is reflected in the
10 attachments to Ms. Kumar's testimony.

11 **Q67. WHAT IS THE AMOUNT OF THE REVENUE REDUCTIONS GRANTED**
12 **TO RETAIL CUSTOMERS IN THE THREE PHASES OF THIS RATE**
13 **CASE?**

14 A67. The retail revenue reductions achieved because of the Settlement Agreement in
15 Cause No. 44685-S1 during each phase of this rate case are as follows:

- 16 • Phase 1 \$1,275,200
- 17 • Phase 2 \$1,452,100
- 18 • Phase 3 \$1,759,500

19 **Q68. IS THE SATELLITE CUSTOMER SUBSIDY STILL ON SCHEDULE TO**
20 **BE ELIMINATED AS PLANNED?**

21 A68. Yes. Pursuant to the Special Contracts the four Satellite Customers that are
22 paying below cost of service rates will completely transition to full cost of service
23 rates effective January 1, 2029. Any increase to the Satellite Customer Subsidy,

1 as a result of this general rate case, does not alter that fact and will be addressed
2 as part of that transition.

3 **Debt Service True-Up Report**

4 **Q69. PETITIONER'S WITNESS BREHM DISCUSSES DEBT TO BE ISSUED**
5 **BY PETITIONER. WILL PETITIONER TRUE-UP THE PRO FORMA**
6 **DEBT SERVICE TO ACTUAL COST AFTER CLOSING ON THE**
7 **PLANNED DEBT FINANCINGS?**

8 A69. Yes. As Petitioner has done pursuant to its previous rate cases and debt
9 financings, we will make a true-up filing with the Commission within thirty (30)
10 days of closing on each of the debt financings to reflect the actual principal
11 amount of the bonds, the interest rate of the debt, the financing term, actual
12 average annual debt service requirements and the actual impact on Petitioner's
13 rates.

14 **Q70. ARE THERE ANY OTHER COMMENTS THAT YOU HAVE WITH**
15 **RESPECT TO THE DEBT SERVICE TRUE-UP REPORT?**

16 A70. Yes. It is important to note that the impact of the debt true-up has the potential to
17 drive base rates up or down depending on how the dynamics within the debt
18 market at the time of issuance compare to the assumptions that were made when
19 the revenue requirement for debt service was established.

20 **Summary of Pro Forma Revenue Requirement**

21 **Q71. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 1.**

22 A71. Petitioner's Attachment KLK-1, page 1 is the Summary of Pro Forma Revenue
23 Requirement beginning with the twelve months ended May 31, 2018 (the test year

1 for this proceeding) and the pro forma revenue requirements for CWA's
2 operations. Column A reflects actual test year results per books and is consistent
3 with Petitioner's witness Sabine E. Karner's Attachment SEK-1. Column B
4 shows the Phase 1 pro forma adjustments made to reflect the going level of
5 operations in order to reflect fixed, known, and measurable changes, which will
6 occur within twelve months following the end of the test year. Column C shows
7 the Phase 1 pro forma revenue requirements at current rates reflecting the
8 adjustments shown in Column B. Column D contains the Phase 1 pro forma
9 adjustments necessary to produce the proposed Phase 1 revenue requirements and
10 operating income. Column E shows the pro forma operating income after
11 adjusting for the proposed Phase 1 rate increase. Column F contains the pro
12 forma Phase 2 adjustments necessary to produce the proposed Phase 2 revenue
13 requirements and operating income. Column G shows the pro forma operating
14 income after adjusting for the proposed Phase 2 rate increase. Column H contains
15 the pro forma Phase 3 adjustments necessary to produce the proposed Phase 3
16 revenue requirements and operating income. Column I shows the pro forma
17 operating income after adjusting for the proposed Phase 3 rate increase. Colum J
18 contains references to the pages of Petitioner's Attachment KKK-1 and other
19 witness attachments containing the particular adjustments.

20 The following table summarizes Petitioner's proposed revenue
21 requirement:

	Phase 1	Phase 2	Phase 3
O&M Expense	77,897,012	78,161,944	78,260,529
Tax Expense	28,510,840	30,056,855	30,678,848
Extensions & Replacements	72,000,000	76,000,000	80,000,000
Debt Service	139,508,616	148,578,144	155,210,405
Total Revenue Requirement	317,916,468	332,796,943	344,149,782
Less: Other Income, Net	(2,180,250)	(2,180,250)	(2,180,250)
Connection Fee Offset	(8,121,088)	(8,121,088)	(8,121,088)
Plus: Incremental Net Write Off	264,932	98,585	75,912
Net Revenue Requirement	307,880,062	322,594,190	333,924,356
Less: Revenue @ current rates, subject to increase	(265,964,888)	(305,506,918)	(320,221,046)
Other Operating Revenue	(2,373,144)	(2,373,144)	(2,373,144)
Net Revenue Increase Required	39,542,031	14,714,128	11,330,166
Percent Increase Required, Total Revenue	14.74%	4.78%	3.51%
Percent Increase Required, Revenue Subject to Increase	14.87%	4.82%	3.54%

1 **Q72. IN YOUR OPINION, DOES COLUMN C OF PETITIONER'S**
 2 **ATTACHMENT KLK-1, PAGE 1, ACCURATELY REFLECT CWA'S**
 3 **OPERATIONS DURING THE TEST YEAR, AND ITS ANNUAL**
 4 **REVENUE REQUIREMENTS ADJUSTED FOR FIXED, KNOWN, AND**
 5 **MEASURABLE CHANGES WHICH WILL OCCUR WITHIN TWELVE**
 6 **MONTHS FOLLOWING THE END OF THE TEST YEAR?**

7 A72. Yes.

8 **Q73. HOW ARE THE AMOUNTS SHOWN IN PETITIONER'S**
 9 **ATTACHMENT KLK-1, PAGE 1, COLUMNS B THROUGH I, USED**
 10 **ELSEWHERE IN CWA'S CASE-IN-CHIEF?**

1 A73. Columns B through E of Petitioner's Attachment KLK-1, page 1 summarize the
2 overall revenue requirements and the adjustments used to arrive at the pro forma
3 Phase 1 revenue requirements. Columns F and G summarize the overall revenue
4 requirements and the adjustments used to arrive at the pro forma Phase 2 revenue
5 requirements. Columns H and I summarize the overall revenue requirements and
6 the adjustments used to arrive at the pro forma Phase 3 revenue requirements.
7 Petitioner's witness Prabha N. Kumar used information from Petitioner's
8 Attachment KLK-1, page 1 to prepare Petitioner's cost of service study and rate
9 design.

10 **Q74. PLEASE SUMMARIZE THE PRO FORMA REVENUE REQUIREMENT.**

11 A74. As shown on line 18 of Column E, the pro forma Phase 1 revenue requirement for
12 CWA totals \$307,880,063. Column D, line 18, of this Attachment indicates that
13 CWA requires a Phase 1 increase in base rate revenues of \$39,542,033 in order to
14 provide it with an opportunity to earn operating income of \$145,149,634, as
15 indicated on line 41 of Column E. Additionally, line 18 of Column G reflects the
16 pro forma Phase 2 revenue requirement for CWA of \$322,594,191. Column F,
17 line 18 of this Attachment indicates that CWA requires a Phase 2 increase in base
18 rate revenues of \$14,714,128 in order to provide it with an opportunity to earn
19 operating income of \$158,219,162. Lastly, line 18 of Column I reflects the pro
20 forma Phase 3 revenue requirement for CWA of \$333,924,357. Column H, line
21 18 of this Attachment indicates that CWA requires a Phase 3 increase in base rate
22 revenues of \$11,330,166 in order to provide it with an opportunity to earn
23 operating income of \$168,851,423. The net operating income from the proposed

1 rates and charges must be sufficient to meet Petitioner's annual debt service
2 obligations and provide funds for making necessary extensions and replacements.
3 Petitioner's Attachment KLK-1, pages 2 through 4, shows in a pie chart the pro
4 forma revenue requirement by cost category for Phases 1, 2 and 3, respectively.

5 **Q75. WHAT IS THE PERCENTAGE RATE INCREASE PETITIONER IS**
6 **REQUESTING?**

7 A75. Petitioner is seeking an increase in total revenues of 14.74 percent in Phase 1. In
8 Phases 2 and 3, it seeks additional increases of 4.78 percent and 3.51 percent,
9 respectively. The overall total revenue increase across the three phases is 24.44
10 percent. When the percentage increase is calculated on revenue from wastewater
11 rates, the increases are 14.87 percent, 4.82 percent and 3.54 percent, respectively,
12 in Phases 1, 2 and 3. The overall increase in rates and charges using this basis is
13 24.66 percent. The individual phase increases and the overall increase across all
14 phases are summarized in the table that follows.

	Phase 1	Phase 2	Phase 3	Total
Percent Increase, Total Revenue (%)	14.74	4.78	3.51	24.44
Percent Increase, Revenue Subject to Increase (%)	14.87	4.82	3.54	24.66

15 **Detailed Description of Revenue Adjustments**

16 **Q76. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGES 5**
17 **THROUGH 16.**

18 A76. Page 5 is a calculation of pro forma revenue at present rates using the pro forma
19 billing instances and discharge volumes. Page 6 is a presentation of the pro forma
20 change in billing determinants by rate class by adjustment. Column M shows the

1 aggregate adjustment to the billing instances and discharge volumes due to the
2 twelve individual adjustments. This column is the same as column B on page 5.
3 Page 7 is a presentation of the revenue impact to pro forma revenues at present
4 rates by rate class by adjustment. Petitioner's Attachment KLK-1, pages 8
5 through 16, set forth the various pro forma adjustments to CWA's test year
6 revenue and selected operating expenses. Taken together, these adjustments
7 represent a net decrease in test year operating revenue of \$9,574,002 (see
8 Petitioner's Attachment KLK-1, page 1, column B, line 18).

9 **Revenue Adjustments**

10 **Q77. HOW DID PETITIONER USE PRO FORMA BILLING INSTANCES AND**
11 **SALES VOLUMES TO ARRIVE AT PRO FORMA AT PRESENT RATES**
12 **REVENUE?**

13 A77. Using the pro forma billing instances and discharge volume reflected in
14 Attachment KLK-1, page 5, column C, the rates approved in Cause Nos. 44685
15 and 44685-S1 were applied to determine the pro forma revenue. The resulting pro
16 forma revenue at present rates, subject to increase is \$265,964,884. This
17 calculation is presented in Attachment KLK-1, page 5, line 39. When
18 Miscellaneous Revenues of \$2,373,144 are added, the total pro forma revenue at
19 present rates is \$268,338,030.

20 **Q78. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGES 6**
21 **AND 7.**

22 A78. As mentioned earlier in my testimony, pages 6 and 7 of this Attachment are
23 presentations of the change from test year billing determinants and revenue to pro

1 forma of the same. Both pages show the changes associated to each rate class and
2 general ledger account due to each of the twelve individual adjustments. The
3 intent of both pages is to show the various “layers” applied to the test year billing
4 determinants and revenue based on the various pro forma adjustments. This
5 provides more clarity on how the pro forma revenues were derived, shows the
6 dollar impact to the revenue requirement of each adjustment and by rate class and
7 account, and, most importantly, conforms to the best practices outlined in IURC
8 General Administrative Order 2013-5.

9 **Q79. WHAT ADJUSTMENTS TO TEST YEAR BILLING INSTANCES AND**
10 **SALES VOLUME DID PETITIONER MAKE TO ARRIVE AT PRO**
11 **FORMA BILLING INSTANCES AND SALES VOLUME?**

12 A79. To normalize the test year billing instances and discharge volumes to be reflective
13 of operating results going-forward, Petitioner made a number of adjustments.
14 Each of the adjustments can be classified into one of the five categories below:

- 15 • Period Redistribution
- 16 • Customer Change
- 17 • Normalization
- 18 • Billing Mechanism Change
- 19 • Miscellaneous / Non-Recurring

20 Each category and adjustment will be explained below.

21 **Period Redistribution**

1 **Q80. PLEASE DESCRIBE THE PERIOD REDISTRIBUTION CATEGORY**
2 **AND ITS ASSOCIATED REVENUE ADJUSTMENTS.**

3 A80. Period Redistribution ensures that the billing determinants reflect the true
4 performance of CWA by allocating billing instances and discharge volumes to
5 their appropriate period. The redistribution allows adjustments to be reflected in
6 the period in which the billing determinants originally should have appeared. The
7 redistribution allows for a more objective analysis of utility performance. By
8 recognizing billing instances and discharge volumes in the period they are
9 incurred, Petitioner can truly determine its pro forma revenues, reducing any
10 "noise" introduced from the timing mismatch between when billing determinants
11 are incurred and when they are billed. There are two adjustments that are
12 classified in the period redistribution category: a) Billing Exceptions and b)
13 Consumption Adjustment Redistribution.

14 ***Billing Exceptions***

15 **Q81. PLEASE DESCRIBE BILLING EXCEPTIONS.**

16 A81. Billing exceptions occur when a condition exists that prevents a customer account
17 from being billed. Until June 2014, Petitioner allowed the majority of these
18 billing exceptions to be resolved systematically the following month when a new
19 meter reading was posted. Effective in June 2014, CWA began clearing billing
20 exceptions as they occur. Any billing exceptions not cleared systematically are
21 reviewed manually. Some are corrected manually within a few days. Exceptions
22 that cannot be corrected manually in a few days often require intense analysis that

1 may include software and manual solutions to clear. These exceptions can take
 2 up to several months to resolve.

3 When billing exceptions are cleared, the billing instances, billed discharge
 4 volume and revenue are reflected in the customer billing system in the month they
 5 are cleared. This causes distortions in the test year when the cleared billing
 6 exceptions include transactions outside of the test year. Therefore, it is necessary
 7 to exclude billing exceptions cleared during the test year that related to billing
 8 instances and billed discharge volumes occurring prior to the test year. Likewise,
 9 it is necessary to include billing exceptions cleared during the months following
 10 the test year that relate to billing instances and billed discharge volume occurring
 11 during the test year.

12 Pages 6 and 7 of Attachment KKK-1 show that there is an increase to pro
 13 forma revenue at present rates of \$364,245 based on this adjustment. The net
 14 impact on billing determinants is shown in the table below:

	Billing Instances	Discharge Volume
Residential	(307)	(1,329)
Commercial	(13)	(433)
Multi-Family	(1)	(29)
Industrial	0	0
Fats, Oils & Grease	(6)	0
Septic Haulers	0	0
Self Reporters	18	11,744
BOD	0	472,880
TSS	0	236,925
NH₃-N	0	76
Special Contract	0	123,362

15 *Consumption Adjustment Redistribution*

1 **Q82. PLEASE DESCRIBE THE CONSUMPTION ADJUSTMENT**
2 **REDISTRIBUTION.**

3 A82. Consumption adjustments are changes made to a customer's billing discharge
4 volume. The changes may be due to billing issues related to a variety of reasons,
5 including, but not limited to, meter reading errors, billing disputes, etc. The
6 Consumption Adjustment Redistribution is made to reflect that the period in
7 which the adjustment is made in the test year is not necessarily the period to
8 which it belongs. Consumption adjustment redistributions are similar to billing
9 exceptions in this way. This adjustment moves the change to discharge volumes
10 to the appropriate period.

11 Pages 6 and 7 of Attachment KLK-1 show that there is a decrease to pro
12 forma revenue at present rates of \$1,149,586 based on this adjustment. The net
13 impact on billing determinants is shown in the table below:

	Billing Instances	Discharge Volume
Residential	0	11,958
Commercial	0	(322,830)
Multi-Family	0	5,033
Industrial	0	477
Septic Haulers	0	110
Self Reporters	0	76,648
BOD	0	665,306
TSS	0	0
NH₃-N	0	23,511

14 **Customer Change**

15 **Q83. PLEASE DESCRIBE THE CUSTOMER CHANGE CATEGORY AND ITS**
16 **ASSOCIATED REVENUE ADJUSTMENTS.**

1 A83. The Customer Change category details changes in the customer population.
2 Petitioner has reviewed its data to discern the changes to its customer numbers
3 during and after the test year period. There are three adjustments that are
4 classified in the customer change category: a) Test Year Customer Growth – Non-
5 Industrial (“TY Customer Growth Adjustment”), b) STEP Conversion and c) New
6 / Departing Customers – Non-Industrial (“New / Departing Customer
7 Adjustment”).

8 *Test Year Customer Growth – Non-Industrial Adjustment*

9 **Q84. PLEASE DESCRIBE THE TY CUSTOMER GROWTH ADJUSTMENT.**

10 A84. The TY Customer Growth Adjustment is made to account for customer changes
11 that occurred during the test year in the residential, commercial and multi-family
12 customer classes. Generally, for a customer growth adjustment to be reasonable,
13 the individual customers within the class must exhibit similar consumption
14 patterns for the proposed adjustment to accurately reflect any increase or decrease
15 in billing determinants due to the addition or reduction of customers. For this
16 reason, the adjustment has been limited to the three customer classes mentioned
17 earlier.

18 Pages 6 and 7 of Attachment KLK-1 show that there is an increase to pro
19 forma revenues at present rates of \$171,267 based on this adjustment to reflect
20 customer growth during the test year period in the Residential, Commercial and
21 Multi-Family customer classes. The growth within the Residential and
22 Commercial customer classes includes growth in both measured and flat rate

1 customer segments. The net impact on billing determinants is shown in the table
2 below:

	Billing Instances	Discharge Volume
Residential	11,105	62,822
Commercial	(720)	(43,854)
Multi-Family	(213)	(18,367)

3 ***STEP Conversion Adjustment***

4 **Q85. PLEASE DESCRIBE THE STEP CONVERSION ADJUSTMENT.**

5 A85. The STEP Conversion Adjustment is made to account for the additional
6 customers to be added during the 12 months following the test year period (“Post
7 Test Year”) because of Petitioner’s septic tank elimination program. As discussed
8 in more detail by Petitioner’s witness Mark C. Jacob, septic tanks have a limited
9 life and toward the end of that life pose serious health issues. Septic tank
10 elimination helps to mitigate these issues and serves as a source of customer
11 growth to Petitioner. As further discussed in Petitioner’s witness Jacob’s
12 testimony, Petitioner envisions completing STEP projects to provide sewers to
13 approximately 375 homes annually⁷. It is important to note that not all customers
14 actually connect once the main line low-pressure sewer system is completed.
15 Petitioner does not have the authority to compel customers to connect. However,
16 Petitioner has made changes to its septic tank elimination program that make it
17 easier for customers to connect. While the changes have not produced 100

⁷ Petitioner’s witness Jacob discusses the completion of 3,000 homes as “high priority” locations in the eight years between 2017 and 2025. The 375 number is the average number of locations to be completed over the referenced time period – i.e. 3,000 divided by 8 equals 375.

1 percent conversion, the conversion rate is very good. For the purpose of this
2 adjustment, Petitioner uses a 90 percent conversion rate or 337 homes that
3 ultimately connect Post Test Year.

4 Pages 6 and 7 of Attachment KLK-1 show that there is an increase to pro
5 forma revenue of \$159,800 based on this adjustment. The net impact on billing
6 determinants is the addition of 4,056 billing instances and 16,224 ccf to Rate 1.

7 *New / Departing Customers – Non-Industrial Adjustment*

8 **Q86. PLEASE DESCRIBE THE NEW / DEPARTING CUSTOMER**
9 **ADJUSTMENT.**

10 A86. The New / Departing Customer Adjustment is made to account for customer
11 changes in the residential, commercial and multi-family customer classes due to
12 customers leaving and joining the system Post Test Year. These adjustments are
13 based on conversations with personnel from Petitioner's customer relationships
14 group.

15 Pages 6 and 7 of Attachment KLK-1 show that there is an increase to pro
16 forma revenues at present rates of \$278,805 based on this adjustment. The net
17 impact on billing determinants is the addition of 60 billing instances and 49,738
18 ccf to Rate 1, specifically to the commercial customer class.

19 **Q87. PLEASE EXPLAIN WHY YOU HAVE CHOSEN TO ACCOUNT FOR**
20 **THE POST TEST YEAR ADJUSTMENTS IN THE MANNER THAT YOU**
21 **HAVE.**

22 A87. The STEP and New / Departing Customer Adjustments are both based on fixed,
23 known and measurable numbers derived from discussions with Petitioner's

1 customer relationships and operations personnel. While it is common to look at
2 test year growth and apply a similar growth rate to the Post Test Year period,
3 there is no basis to assume that growth in the test year period will continue at the
4 same pace during the Post Test Year period. In this instance, it would most likely
5 be a false indicator. For example, as seen in the TY Customer Growth
6 Adjustment, the Commercial customer class experienced a decline during the test
7 year. If test year growth were to be applied to the Post Test Year period,
8 Petitioner would have made an adjustment to reflect further contraction within the
9 class. However, as indicated in the New / Departing Customer – Non Industrial
10 Adjustment, Petitioner is instead making an adjustment to add commercial
11 customers based on its conversations with its customer relationships personnel
12 and on projects scheduled to be completed by May 2019.

13 **Billing Mechanism Change**

14 **Q88. PLEASE DESCRIBE THE BILLING MECHANISM CHANGE**
15 **CATEGORY AND ITS ASSOCIATED REVENUE ADJUSTMENTS.**

16 A88. The Billing Mechanism Change adjustment involves adjusting billing
17 determinants to reflect changes in billing that will result from the special contracts
18 with Satellite Customers that were approved in Cause No. 44685-S1. There is
19 one adjustment that is classified in the billing mechanism change category:
20 Special Contract Transition Adjustment.

21 *Special Contract Transition Adjustment*

22 **Q89. PLEASE DESCRIBE THE SPECIAL CONTRACT TRANSITION**
23 **ADJUSTMENT.**

1 A89. The Special Contract Transition Adjustment is made to adjust the billing
2 determinants related to the excessive strength surcharges paid by those Satellite
3 Customers on Special Contracts. Under the contracts in effect at the time of this
4 filing, some of the Satellite Customers pay a charge for unit of strength of waste
5 as characterized by periodic sampling for biochemical oxygen demand (“BOD”),
6 total suspended solids (“TSS”) and ammonia nitrogen (“NH₃-N”). With the
7 transition of some Satellite Customers to the Special Contracts effective January
8 1, 2019, there will be a threshold established for each of the pollutants. The
9 thresholds are the same as those shown on Sewer Rate No. 6. Using the sampling
10 results from the test year and taking into account the thresholds, there are several
11 months where these customers would not be assessed an excessive strength
12 surcharge. And, in the few months that the threshold(s) were exceeded, the
13 amount to be billed would be significantly less than that billed in the test year.

14 Pages 6 and 7 of Attachment KLK-1 show that there is a decrease in pro
15 forma revenue at present rates of \$235,597 based on this adjustment. The net
16 impact on billing determinants is the removal of 271,920 billing pounds of BOD,
17 575,049 billing pounds of TSS and 63,929 billing pounds of NH₃-N.

Normalization

19 **Q90. PLEASE DESCRIBE THE NORMALIZATION CATEGORY AND ITS**
20 **ASSOCIATED REVENUE ADJUSTMENTS.**

21 A90. Normalization involves adjusting billing instances and discharge volumes to
22 eliminate anomalies that may exist in the test year data. The goal of the
23 normalization adjustments is to model future billing instances and discharge

1 volumes that Petitioner can reasonably expect to see during its operations on a
2 going-forward basis. There are five adjustments that are classified in the
3 normalization category: a) Self-Reporter Minimum Volume Adjustment, b) Steam
4 Discharge Adjustment, c) Industrial / Self Reporter Tier and Rate Adjustment
5 (“Tier and Rate Adjustment”), d) Rate Normalization Adjustment and e)
6 Residential Flat Rate Adjustment.

7 *Self-Reporter Minimum Volume Adjustment*

8 **Q91. PLEASE DESCRIBE THE SELF-REPORTER MINIMUM VOLUME**
9 **ADJUSTMENT.**

10 A91. The Self-Reporter Minimum Volume Adjustment removes the excess minimum
11 volumes from the test year period. Petitioner's billing system has a limitation of
12 seven digits that can be entered into a number field. This limitation also restricts
13 the amount of volume that can be captured to 9,999,999. Some of Petitioner's
14 larger self-reporting customers have on occasion reported discharge volumes in
15 excess of 10,000,000 gallons in a given month. When this has occurred, it has
16 been resolved by adding an additional service to the account to capture the
17 volume in excess of 9,999,999. Occasionally, the amount captured in the
18 additional service has not exceeded the minimum bill allowance. In those
19 instances, the minimum bill was assessed. Those minimum bill charges had not
20 been reversed during the test year. This adjustment corrects those volumes.

21 Pages 6 and 7 of Attachment KKK-1 show that there is a decrease to pro
22 forma revenues at present rates of \$24,076 based on this adjustment. The net
23 impact on billing determinants is the removal of 7,119 ccf from Rate 5.

1 *Steam Discharge Adjustment*

2 **Q92. PLEASE DESCRIBE THE STEAM DISCHARGE ADJUSTMENT.**

3 A92. The Steam Discharge Adjustment is made to normalize billed volume changes
4 that occurred during the test year. Per Petitioner's Terms and Conditions,
5 specifically Rule 14.3, industrial or commercial customers who find it necessary
6 to discharge clear water consisting of cooling water or steam condensate into the
7 sewage disposal system will be charged. The charge will be based on their
8 measured steam usage, applicable to the preceding twelve-month period January
9 to December, converted to gallons and billed during the twelve-month period
10 April to March. In April 2018, this annual billing change occurred.

11 Pages 6 and 7 show that there is a decrease to pro forma revenues at
12 present rates of \$74,060 based on this adjustment. The net impact on billing
13 determinants is the removal of 21,899 ccf from Rate 2.

14 *Industrial / Self Reporter Tier and Rate Adjustment*

15 **Q93. PLEASE DESCRIBE THE TIER AND RATE ADJUSTMENT.**

16 A93. The Tier and Rate Adjustment is made to normalize customer movements that
17 occurred during the test year. These customer movements may occur from time
18 to time and are the result of changes approved in Petitioner's last rate case, Cause
19 No. 44685. During that proceeding, Petitioner proposed several changes to its
20 Terms and Conditions and associated Rate Schedules. With respect to the Tier
21 and Rate Adjustment, there are two changes, in particular, that are relevant. The
22 first pertains to Rule 5.5.3 of Petitioner's Terms and Conditions. Language was
23 added to Rule 5.5.3 that allowed for a Self-Reporting Customer – i.e. a customer

1 on Sewer Rate No. 5 – who does not have BOD, SS and/or NH3-N to be moved
2 to Sewer Rate No. 2 if it fails to submit the required volume report for three
3 consecutive months. Because of this change, Petitioner moved 14 customers from
4 Rate 5 to Rate 2. The second change pertained to the rate schedules for Sewer
5 Rate No. 2 and Sewer Rate No. 5. There, the Monthly Base Charge was changed
6 to a four-tiered structure. The tiers are based on annual billed discharge volumes
7 for the twelve months ending in February and the new tier classifications become
8 effective each May. In May 2018, the first tier reclassification occurred.

9 Pages 6 and 7 of Attachment KKK-1 show that there is a decrease to pro
10 forma revenues at present rates of \$160,720 based on this adjustment. The net
11 impact on billing determinants is the movement of 14 customers and 1,465 ccf
12 from Rate 5 to Rate 2, which is really a net zero change in billing determinants.
13 However, it is the re-distribution of customers among the tiers that causes the
14 change in revenue.

15 *Rate Normalization Adjustment*

16 **Q94. PLEASE DESCRIBE THE RATE NORMALIZATION ADJUSTMENT.**

17 A94. The Rate Normalization Adjustment is simply an adjustment that shows the
18 revenue impact of billing all of the billing instances and discharge volumes at
19 present rates. During the period of June 2017 to May 2018, the test year in this
20 proceeding, there were three sets of rates that were in effect. On November 4,
21 2016, a set of rates became effective based on the debt service true-up filing made
22 by Petitioner on October 21, 2016. Those rates remained in effect until they were
23 superseded on August 1, 2017 by the Phase 2 rates based on the compliance filing

1 made by Petitioner on July 26, 2017. Those rates remained in effect during
2 August 2017 and until they were superseded on September 1, 2017 by the Phase 2
3 debt service true-up filing made by Petitioner on August 21, 2017. These rates
4 remain in effect as of this filing.

5 As can be seen, the test year contains revenues generated using different
6 rate levels that will not be used going forward. Furthermore, the test year also
7 contained revenues generated at rates that precede the three listed above due to
8 prior customer bills being cancelled and re-billed. The Rate Normalization
9 Adjustment reflects the change to revenue based upon present rates, and
10 workpaper 630-11 shows that there is a positive revenue impact of \$2,880,478. It
11 is important to note that this adjustment does not adjust the billing determinants in
12 any way. This is purely a revenue adjustment based on the normalization of the
13 rates billed.

14 ***Residential Flat Rate Adjustment***

15 **Q95. PLEASE DESCRIBE THE RESIDENTIAL FLAT RATE ADJUSTMENT.**

16 A95. The Residential Flat Rate Adjustment is made to normalize changes that occurred
17 during the test year related to the number of occupants used to bill residential flat
18 rate customers. Residential Flat Rate customers are those who receive their water
19 from a well. As such, there is no meter upon which to base their billed discharge.
20 Instead, these customers are billed an estimated discharge volume based on the
21 number of occupants residing in the household. The billing is capped at four
22 occupants. From time to time, residential flat rate customers will contact
23 Petitioner to inform them of a change in the number of occupants.

1 Pages 6 and 7 show that there is an increase to pro forma revenue at
2 present rates of \$770 based on this adjustment. The net impact on billing
3 determinants is the addition of 1 billing instance and 146 ccf to Rate 1.

4 **Other Adjustments**

5 **Q96. WHAT IS THE PURPOSE OF PETITIONER'S ATTACHMENT KLK-1,**
6 **PAGE 8?**

7 A96. The purpose of Petitioner's Attachment KLK-1, page 8, is to account for
8 adjustments to remove from test year revenues a) unbilled revenues, b) revenue
9 related to the SIA, c) O&M payments from a specific Satellite Customer and d)
10 billing correction for revenue not supported by billing determinants. Unbilled
11 revenue recorded in the test year was (\$1,263,320). Because the pro forma
12 revenue reflects a calendar month billed basis, unbilled revenue is unnecessary.

13 In September 2017, Petitioner filed Cause No. 44990, its first SIA filing
14 pursuant to Senate Enrolled Act 383. Based on that filing and other accounting
15 accruals in anticipation of a subsequent filing, Petitioner recognized \$12,774,424
16 in accrued miscellaneous revenue related to the SIA. Monies collected (or
17 recognized) related to the SIA are to be used for eligible infrastructure projects
18 and are not considered revenue for rate-making purposes. As such, these
19 revenues are removed.

20 One of Petitioner's Satellite Customers pays pursuant to its current
21 contract a portion of the operations and maintenance costs associated with the lift
22 station serving them. On January 1, 2019, that community will transition to a
23 Special Contract approved in Cause No. 44685-S1 and will cease to make this

1 payment. Due to the change in contract, \$169,600 is removed from the test year
2 revenues.

3 Lastly, a billing correction of \$50,947 is removed. This adjustment
4 reflects revenue that was recorded, but could not be reconciled due to rounding
5 from the use of integer-based billing determinants.

6 These adjustments, in aggregate, result in a decrease of \$11,731,651 to the
7 test year revenues.

8 **Q97. WHAT IS THE PURPOSE OF PETITIONER'S ATTACHMENT KLK-1,**
9 **PAGE 9?**

10 A97. The purpose of Petitioner's Attachment KLK-1, page 9, is to show the amount of
11 Miscellaneous Revenues included in Petitioner's proposed pro forma revenue
12 requirement. The adjustments on page 9 of Attachment KLK-1 reflect \$1,144,663
13 in late payment charges and \$1,228,481 in other revenues. Summing these two
14 adjustments and comparing to the test year amount of \$2,426,823 results in a pro
15 forma decrease of \$53,679 to Miscellaneous Revenue. This decrease yields the
16 \$2,373,144 in Miscellaneous Revenue included in the total pro forma revenue at
17 present rates calculation.

18 **Q98. WHAT IS INCLUDED IN MISCELLANEOUS REVENUES?**

19 A98. The "other revenues" category includes all the miscellaneous charges, such as
20 reconnection and collection fees, returned check charges, sanitary permitting fees,
21 leak adjustments, flood control, fraud charges and smaller miscellaneous items.

22 **Other Operating Expenses**

23 **Q99. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 10.**

1 A99. Petitioner's Attachment KLK-1, page 10, is a computation of pro forma other
2 operating expenses, including an adjustment for net write-off based on pro forma
3 revenue at present rates and an adjustment for amortization of rate case expenses.
4 The adjustment on line 2 is described in the testimony of Petitioner's witness
5 Sabine E. Karner.

6 **Bad Debt Expense**

7 **Q100. PLEASE DESCRIBE PETITIONER'S ADJUSTMENT TO NET WRITE-**
8 **OFF.**

9 A100. The test year provision for uncollectible expense was increased by \$767,833 to
10 reflect the effect of an increase in total net write-off commensurate with the
11 proposed revenues in this case. The test year net write-off as a percent of five-
12 month lagged total revenue amounts to 0.64%. CWA proposes to recover through
13 its base rates a net write-off at a fixed ratio of 0.67% of CWA's sales revenue,
14 which is a three-year average⁸ based on a five-month lagged total write-off.
15 Multiplying the pro forma revenues at present rates of \$268,338,032 by 0.67%
16 results in a pro forma net write-off at present rates of \$1,797,865, which is
17 \$767,833 more than the test year provision for uncollectible expense of
18 \$1,030,032.

19 **Q101. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 12.**

⁸ The use of a three-year average is an established practice by Petitioner. It was presented in its prior case and accepted there. It is also a recognition that the non-recurring charges are not subject to any particular pattern that can be easily estimated. Thus, a three-year average is used as an accepted proxy.

1 A101. Petitioner's Attachment KLK-1, page 12, is a calculation of the net write-off
2 applicable to the proposed Phase 1 increase in revenue requirements of
3 \$39,542,031, and is calculated by applying the 0.67% net write-off percent to the
4 proposed Phase 1 increase in revenue requirement, resulting in a \$264,932
5 increase in net write-off.

6 **Q102. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 14.**

7 A102. Petitioner's Attachment KLK-1, page 14, is a calculation of the net write-off
8 applicable to the proposed Phase 2 increase in revenue requirements of
9 \$14,714,128, and is calculated by applying the 0.67% net write-off percent to the
10 proposed Phase 2 increase in revenue requirement, resulting in a net write-off
11 increase of \$98,585.

12 **Q103. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 16.**

13 A103. Petitioner's Attachment KLK-1, page 16, is a calculation of the net write-off
14 applicable to the proposed Phase 3 increase in revenue requirements of
15 \$11,330,166, and is calculated by applying the 0.67% net write-off percent to the
16 proposed Phase 3 increase in revenue requirement, resulting in a net write-off
17 increase of \$75,912.

18 **Q104. WHY DID YOU USE NET WRITE-OFF AS A PERCENT OF FIVE-**
19 **MONTH LAGGED TOTAL REVENUE?**

20 A104. A period of five months must pass before uncollected revenues can be written off.
21 Therefore, taking net write-off as a percent of the revenue that was billed five
22 months prior to the write-off month is a more appropriate indicator of the level of
23 net write-off.

1 **Regulatory Expense**

2 **Q105. PLEASE DESCRIBE PETITIONER'S ADJUSTMENT FOR**
3 **AMORTIZATION OF REGULATORY EXPENSE.**

4 A105. Petitioner has estimated the legal and consulting fees it expects to incur for
5 preparing and prosecuting this case. The external legal fees are projected to be
6 \$602,284. The consulting fees include estimates of expenses for cost of service
7 and rate design; capital financing and affordability; and compensation. The fees
8 for the cost of service study are estimated to be \$308,639. The capital financing
9 and affordability costs are estimated to be \$60,000, and the compensation
10 consulting costs are estimated to be \$87,966. In addition, anticipated IURC and
11 OUCC fees will be payable upon receipt of an order in this Cause. Therefore, an
12 estimate of \$150,000 was used based upon the IURC and OUCC fees incurred for
13 Cause No. 44685 as provided in the Order issued July 18, 2016, and grossed up in
14 anticipation of a fully litigated proceeding. All of these equate to a total of
15 \$1,208,889 in regulatory costs for this case. Amortization of these costs over
16 three years amounts to \$402,963. The test year amortization of regulatory
17 expenses amounts to \$387,465. Taking this into account, the adjustment for
18 regulatory expense amortization amounts to \$15,498. It is important to note that
19 the regulatory expense from Cause No. 44685 will be fully amortized in July
20 2019, prior to the time an order is anticipated to be received in this case.

21 **Connection Fee Offset**

22 **Q106. PLEASE DESCRIBE PETITIONER'S ADJUSTMENT FOR**
23 **CONNECTION FEE OFFSET.**

1 A106. The Connection Fee Offset is a projection of cash Contributions in Aid of
2 Construction ("CIAC") to be received by Petitioner during the time that rates set
3 in this case are effective. More specifically, a Connection Fee is a utility charge
4 associated with developing system capacity to accommodate the extra demand
5 placed on the system by new customers. As such, connection fees are an
6 additional source of funds for Petitioner and are treated as a reduction to
7 Petitioner's total revenue requirement.

8 Petitioner reviewed cash-based CIAC over the test year period and the
9 twenty-four months prior to it. The Connection Fee Offset is the three-year
10 average of the cash received and should be considered to reflect recurring annual
11 connection fees for Petitioner. The projection is \$8,121,088 for this case.
12 Workpaper 640-1 details the calculation.

13 **Proposed Revenue Increase**

14 **Q107. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 11.**

15 A107. Petitioner's Attachment KLK-1, page 11, shows the calculation of the increased
16 Phase 1 revenue requirement for CWA necessary to provide Phase 1 pro forma
17 operating income of \$145,149,634. The required Phase 1 revenue requirement
18 increase is determined by grossing up the pro forma Phase 1 increase in revenue
19 requirement of \$39,277,100 found on Petitioner's Attachment KLK-1, page 1,
20 column C, line 50, to account for net write-off. A total proposed increase in
21 Phase 1 revenue requirements of \$39,542,033 is required in order to produce
22 Phase 1 operating income of \$145,149,634.

23 **Q108. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 13.**

1 A108. Petitioner's Attachment KLK-1, page 13, shows the calculation of the increased
2 Phase 2 revenue requirement for CWA necessary to provide Phase 2 pro forma
3 operating income of \$158,219,162. The required Phase 2 revenue requirement
4 increase is determined by grossing up the pro forma Phase 2 increase in revenue
5 requirement of \$14,615,543 found on line 1, to account for net write-off. A total
6 proposed increase in Phase 2 revenue requirements of \$14,714,128 is required in
7 order to produce Phase 2 operating income of \$158,219,162.

8 **Q109. PLEASE DESCRIBE PETITIONER'S ATTACHMENT KLK-1, PAGE 15.**

9 A109. Petitioner's Attachment KLK-1, page 15, shows the calculation of the increased
10 Phase 3 revenue requirement for CWA necessary to provide Phase 3 pro forma
11 operating income of \$168,851,423. The required Phase 3 revenue requirement
12 increase is determined by grossing up the pro forma Phase 3 increase in revenue
13 requirement of \$11,254,254 found on line 1, to account for net write-off. A total
14 proposed increase in Phase 3 revenue requirements of \$11,330,166 is required in
15 order to produce Phase 3 operating income of \$168,851,423.

16 **Q110. WHAT IS THE IMPACT ON CUSTOMER BILLS OF THE PROPOSED**
17 **REVENUE INCREASE REFLECTED IN EACH OF THE THREE**
18 **PHASES OF THIS CASE?**

19 A110. Assuming monthly discharge volumes of 4,500 gallons or 6 Ccf, the impact on a
20 residential customer's monthly bill is shown in the table below by phase:

	Monthly Bill	Increase (\$)	Increase (%)
Existing	\$ 49.72	---	---
Phase 1	58.21	\$ 8.49	17.07%
Phase 2	60.96	2.75	4.73 %
Phase 3	62.95	1.99	3.26 %

1 **Q111. DOES THIS IMPACT REFLECT THE AMOUNT CUSTOMERS WILL**
2 **PAY INCLUDING THE SIA 2 THEY WILL BE PAYING WHEN THESE**
3 **RATES GO INTO EFFECT?**

4 A111. No. If the SIA 2 rates were reflected in the amount of the bill paid by customers
5 when the proposed rates from this proceeding go into effect, the impact on a
6 customer's bill would be as follows (based on 4,500 gallons or 6 Ccf):

	Monthly Bill	Increase (\$)	Increase (%)
Existing	\$ 51.73	---	---
Phase 1	60.22	\$ 8.49	16.41%

7 **Q112. YOU HAVE DESCRIBED THE REVENUE REQUIREMENTS**
8 **CONTAINED IN PETITIONER'S ATTACHMENT KLK-1. PAGE 1 OF**
9 **PETITIONER'S ATTACHMENT KLK-1, REFLECTS ADDITIONAL**
10 **REVENUE REQUIREMENTS NOT SPONSORED BY YOU. PLEASE**
11 **SUMMARIZE THOSE ADJUSTMENTS.**

12 A112. Several other revenue requirements for operating expenses, depreciation and
13 amortization, and taxes are set forth on Petitioner's Attachment SEK-2, which is
14 attached to the testimony of Petitioner's witness Sabine E. Karner. The revenue
15 requirement for debt service is set forth on Petitioner's Attachment JRB-1, which
16 is attached to the testimony of Petitioner's witness John R. Brehm. The revenue
17 requirement for rate-funded extensions and replacements is provided in the
18 testimony and exhibits of Petitioner's witness John R. Brehm as Petitioner's
19 Attachment JRB-2.

1 **Q113. IS PETITIONER INCLUDING AS PART OF ITS ANNUAL REVENUE**
2 **REQUIREMENT A REQUEST FOR CASH WORKING CAPITAL?**

3 A113. No.

4 **Terms and Conditions, Rate Schedules and Appendices**

5 **Q114. PLEASE BRIEFLY SUMMARIZE THE PROPOSED CHANGES TO**
6 **CWA'S TERMS AND CONDITIONS FOR SEWAGE DISPOSAL**
7 **SERVICE.**

8 A114. Petitioner's Attachments KLK-2 and KLK-3 are red-lined and clean versions of
9 Petitioner's proposed Terms and Conditions for Sewage Disposal Service. The
10 red-lined version of Petitioner's Terms and Conditions indicate the proposed
11 updates to the Terms and Conditions. The following is a summary of the
12 proposed changes to Petitioner's Terms and Conditions for Sewage Disposal
13 Service:

- 14 • Updated the Table of Contents to add the proposed Rider C and page
15 number 203;
- 16 • Changed "NH3-N" to "Ammonia-Nitrogen ("NH₃-N")", moved the term
17 to the appropriate position in the Definitions section, updated the
18 numeration of the list accordingly and changed the "NH3-N" references to
19 "NH₃-N" throughout the Terms and Conditions;
- 20 • Changed "Suspended Solids" to "Total Suspended Solids" and changed
21 the "SS" references to "TSS" throughout the Terms and Conditions;
- 22 • Struck the phrase in Rule 3.8 in the next to last sentence "...within

- 1 Hamilton County....”;
- 2 • Corrected the numbering of Rule 3.18 to Rule 3.19;
- 3 • In Rule 4.5, updated the reference in the last sentence to “Indiana
4 Unclaimed Property Act (Indiana Code 32-34-1 *et seq.*)”; and struck the
5 phrase “Disclaimer of Property Interests Act (Indiana Code 32-17.5 *et*
6 *seq.*)”;
- 7 • In Rule 10.1.21, corrected the rules referenced from “10.4 through 10.6”
8 to “10.8 through 10.10”;
- 9 • In Rule 12.1, removed the time of day inspections occur; struck the phrase
10 “to one half (1/2) the diameter of the Building Sewer” at the end of the last
11 sentence in the first paragraph; changed the time notice must be received
12 for same-day inspections from 1:00 p.m. to 2:00 p.m.; and added reference
13 to the Building Sewer Re-Inspection Fee on Appendix B; and
- 14 • In Rule 14.3 added language to define how steam condensate discharged
15 into the sewage disposal system will be calculated for a new customer.

16 **Q115. PLEASE EXPLAIN WHY THE CHANGE TO THE TABLE OF**
17 **CONTENTS IS NECESSARY.**

18 A115. The proposed change supports the placement of the proposed Rider C into
19 Petitioner’s Terms and Conditions and Rates and Schedules.

20 **Q116. PLEASE EXPLAIN WHY THE CHANGES TO THE DEFINITION**
21 **SECTION ARE NECESSARY.**

22 A116. These proposed changes are merely clean-up items to provide some consistency

1 in how the terms are referred to within Petitioner's Terms and Conditions and
2 Rates and Schedules.

3 **Q117. PLEASE EXPLAIN WHY THE CHANGE IS NECESSARY TO RULE 3.8.**

4 A117. It is appropriate to remove the provision "...within Hamilton County..." from the
5 rule to more accurately define the Utility's service area to include any area in
6 which Petitioner holds a Certificate of Territorial Authority ("CTA") approved by
7 the Commission. In addition to Hamilton County, Petitioner has a CTA to
8 provide service in an area in Johnson County.

9 **Q118. PLEASE EXPLAIN WHY THE CHANGE TO RULE 3.18 IS NECESSARY.**

10 A118. The change to Rule 3.18 is simply needed to correct the number of the rule from
11 Rule 3.18 to Rule 3.19 as there are currently two rules referred to as Rule 3.18.

12 **Q119. PLEASE EXPLAIN WHY THE CHANGE IS NECESSARY TO RULE 4.5.**

13 A119. The proposed change replaces an incorrect statutory reference with the correct
14 statutory reference. In particular, the updated language removes the reference to
15 the "Disclaimer of Property Interests Act (Indiana Code 32-17.5 *et seq.*)" and
16 replaces it with the correct reference to the "Indiana Unclaimed Property Act
17 (Indiana Code 32-34-1 *et seq.*)," which is consistent with the manner in which
18 Citizens Energy Group handles unclaimed deposits and other overpayments.

19 **Q120. PLEASE EXPLAIN WHY THE CHANGE IS NECESSARY TO RULE**
20 **10.1.21.**

21 A120. The proposed change is simply necessary to reference the correct rules regarding
22 the determination of subsequent connector fees.

23 **Q121. PLEASE EXPLAIN WHY THE CHANGES ARE NECESSARY TO RULE**

1 **12.1.**

2 A121. The reasons for the changes to Rule 12.1 are as follows:

- 3 • The inspection times are being removed from Rule 12.1 because Petitioner
4 conducts inspections beyond the stated timeframe. Petitioner's practice is to
5 conduct inspections between the hours of 8:00 a.m. to 4:30 p.m., not 3:00
6 p.m., which provides more flexibility and convenience for its customers.
- 7 • The following language at the end of the last sentence of the first paragraph is
8 being stricken, from "to one half (1/2) the diameter of the Building Sewer".
9 That sentence pertains to the building sewer that is exposed for inspection and
10 requires it to be properly bedded in accordance with Petitioner's standard
11 specifications, which are posted on Petitioner's website. The stricken
12 language within that sentence addresses only one type of bedding
13 requirement, but there are others contained in the specifications. The
14 proposed language change will better align this Rule with Petitioner's
15 standard specifications because the Rule will no longer seem to suggest that
16 there is only one type of bedding requirement.
- 17 • A new sentence was added at the end of the first paragraph to refer to the
18 Building Sewer Re-inspection Fee that, as further described below, is being
19 proposed as a part of Appendix B and will apply in the event a Building
20 Sewer fails an initial inspection.
- 21 • In the second to last sentence "1:00 p.m." was changed to "2:00 p.m." because
22 the Utility provides same day Building Sewer inspections to permit holders

1 who provide notice to the Utility by 2:00 p.m.

2 **Q122. PLEASE EXPLAIN WHY THE CHANGE IS NECESSARY TO RULE 14.3.**

3 A122. The current rule regarding discharge of clear water consisting of cooling water
4 and/or steam condensate into the sewage system, as written, does not provide
5 context to the steam condensate discharge calculation for a new customer to a
6 premises with no steam discharge history. The proposed language enhances Rule
7 14.3 and clarifies the estimation for a new customer will be based on that
8 customer's projected steam usage at the premises.

9 **Q123. PLEASE DESCRIBE PETITIONER'S ATTACHMENTS KLK-4 AND**
10 **KLK-5.**

11 A123. Petitioner's Attachments KLK-4 and KLK-5 are red-lined and clean versions of
12 CWA's proposed rate schedules and appendices.

13 **Q124. WHICH CWA WITNESS IS SPONSORING THE RATES AND CHARGES**
14 **SET FORTH IN THE PROPOSED SEWER RATES SHOWN IN**
15 **ATTACHMENTS KLK-4 AND KLK-5?**

16 A124. The rates and charges set forth in Petitioner's Attachments KLK-4 and KLK-5 are
17 supported in the testimony and attachments of Petitioner's witness Prabha N.
18 Kumar.

19 **Q125. OTHER THAN THE UPDATES TO THE RATES AND CHARGES, ARE**
20 **THERE OTHER PROPOSED CHANGES TO CWA'S RATE SCHEDULES**
21 **AND APPENDICES?**

22 A125. Yes, the following is a summary of the changes to Petitioner's Rate Schedules and
23 Appendices unrelated to rates and charges:

- 1 • Changed the tier parameters for new customers under Sewer Rate Nos. 2
2 and 5;
- 3 • Modified the name of Sewer Rate No. 4 and correspondingly changed the
4 rate description on the tariff from "Septic" to "Septic and Other Non-
5 Grease" to reflect broader categories of hauled waste;
- 6 • Changed the Building Sewer Application and Permit Fee from \$236 to
7 \$209 in Appendix B;
- 8 • Proposed a new Building Sewer Re-Inspection Fee in Appendix B; and
- 9 • Added Rider C – Low-income Customer Assistance Program and
10 modified Sewer Rate Nos. 1, 2 and 5 to refer to it.

11 **Q126. PLEASE EXPLAIN WHY THE CHANGES ARE NECESSARY TO**
12 **SEWER RATE NOS. 2 AND 5.**

13 A126. The proposed language changes to Sewer Rate Nos. 2 and 5 revise the maximum
14 tier classification assigned to a new customer from the tier based on the calculated
15 class average to Tier 2. The changes are needed because a closer analysis of the
16 customer discharge data revealed that the class average is skewed upward due to
17 the volumes of the larger Tier 3 and Tier 4 customers. This has resulted in a
18 majority of new customers moving to a lower tier during the most recent true-up
19 period. Sewer Rate Nos. 2 and 5 assign tier classifications for the purpose of the
20 application of the monthly base charge and monthly minimum charge to the
21 Industrial customer based on annual billed treatment volume per discharge meter
22 or outfall. The annual billed treatment volume is determined based on the twelve

1 months ending each February and the tier classifications become effective each
2 May and remain in effect for twelve months. When CWA implemented the tiered
3 structure in July 2016 and subsequently conducted the annual tier classification
4 true-up in May 2017, the calculated class average was Tier 3. During the
5 following true-up period in 2018, it was determined that nine of eleven new
6 customers that came on to Sewer Rate Nos. 2 and 5 between March 2017 and
7 February 2018 qualified for a lesser tier when their discharge was analyzed.
8 Based on the foregoing, implementing the proposed language change should
9 minimize tier changes for new customers during the annual true-up period, and
10 keep smaller new customers from having to unnecessarily pay higher monthly
11 charges during that initial period.

12 **Q127. PLEASE EXPLAIN WHY CHANGES TO SEWER RATE NO. 4 – SEPTIC**
13 **AND GREASE HAULER RATES ARE BEING PROPOSED.**

14 A127. The heading change from “Septic and Grease Hauler Rates” to “Wastewater
15 Hauler Rates” on Sewer Rate No. 4 is intended to provide a broader
16 categorization of the types of loads haulers bring to and discharge into the sewer
17 system. Haulers may discharge into the sewer system grease, septic, and other
18 types of loads that are not grease or septic in nature and allowed by Petitioner.
19 Due to the proposed name change to Sewer Rate 4, the rate description in the
20 tariff must also be changed from “Septic: Per 1,000 Gallons” to “Septic and Other
21 Non-Grease: Per 1,000 Gallons”. The proposed changes to Sewer Rate No. 4
22 reflect Petitioner’s intentions for haulers.

23 **Q128. PLEASE EXPLAIN THE PROPOSED CHANGES TO APPENDIX B.**

1 A128. Petitioner is proposing a new "Building Sewer Re-Inspection Fee" and change to
2 the Building Sewer Application and Permit Fee on Appendix B. The current
3 Appendix B fee structure does not provide a Building Sewer Re-Inspection Fee.
4 When a building sewer fails the initial inspection, the contractor starts the process
5 over again by submitting a new building sewer application and paying a second
6 Building Sewer Application and Permit Fee of \$236 reflected on Appendix B.
7 Instituting a Building Sewer Re-Inspection Fee will eliminate unnecessary rework
8 and cost for the customer and Petitioner. Petitioner contracts with an outside
9 party to handle inspections, which cost Petitioner \$75 per occurrence whether for
10 a first time inspection or re-inspection of a Building Sewer. Petitioner also must
11 make a corresponding change to the current \$236 Building Sewer Application and
12 Permit Fee, which currently includes \$102 for an inspection. The Building Sewer
13 Application and Permit Fee will need to be reduced to \$209 ($\$236 - \$102 + \75) to
14 reflect the lower inspection costs.

15 **Q129. PLEASE EXPLAIN WHY IT IS NECESSARY TO ADD RIDER C TO**
16 **CWA'S RATE SCHEDULES.**

17 A129. Rider C is the monthly per customer charge that is necessary to support
18 Petitioner's LICAP described earlier in my testimony.

19 **Q130. ARE THE SERVICES PROVIDED UNDER THE PROPOSED RATE**
20 **SCHEDULES CURRENTLY OFFERED BY CWA?**

21 A130. Yes, they are with the exception of Rider C, which Petitioner developed and is
22 seeking Commission approval of in an effort to meet the growing affordability
23 needs of low-income Residential customers.

1 **Conclusion**

2 **Q131. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

3 A131. I recommend that the Commission as set forth in my testimony (i) grant Petitioner
4 the authority to increase its rates and charges for wastewater service rendered by
5 it in three phases and implement new schedules of rates and charges applicable
6 thereto; (ii) approve the Low-Income Customer Assistance Program; and (iii)
7 approve certain changes to Petitioner's Terms and Conditions for sewage disposal
8 service.

9 **Q132. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

10 A132. Yes, at this time.

VERIFICATION

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


Korlon L. Kilpatrick II

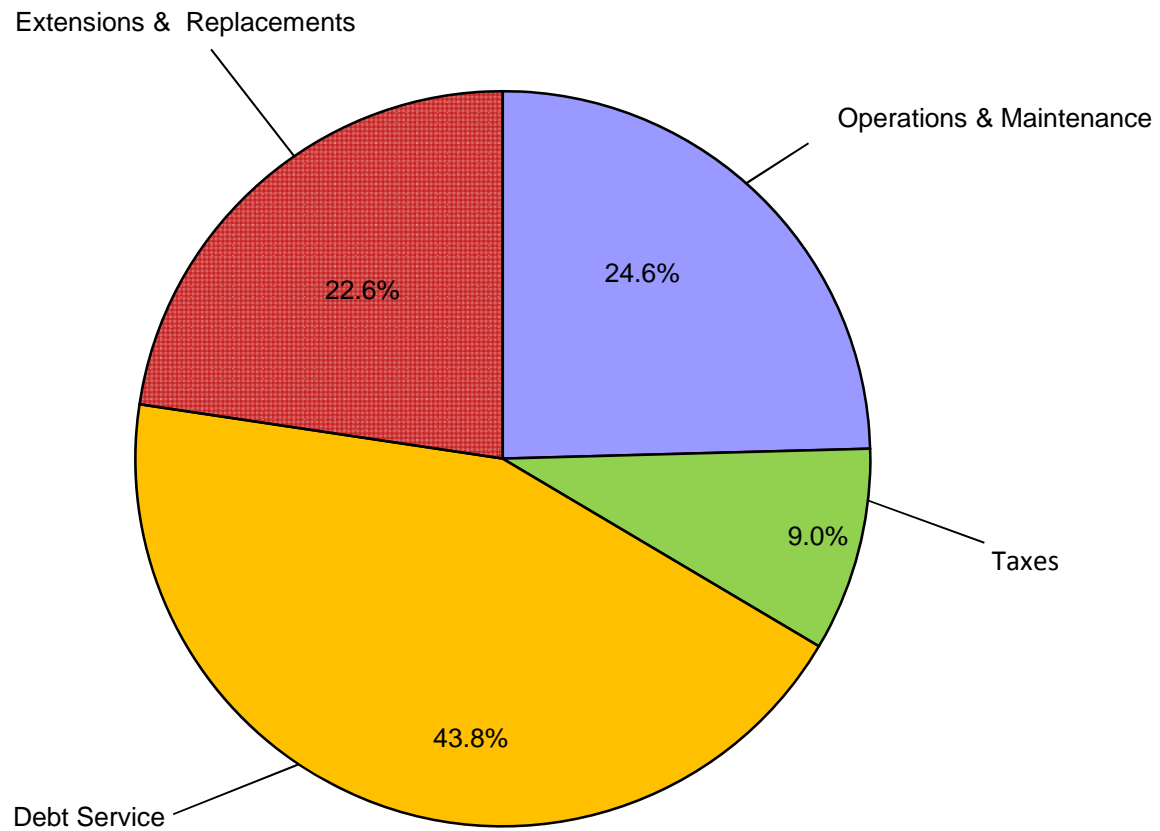
CWA Authority
Index of Attachment KLK-1

<u>Page No.</u>	
Page 1	Pro Forma Revenue Requirement
Page 2 through 4	Chart - Pro Forma Revenue Requirement - Phase 1, 2 and 3
Page 5	Pro Forma Revenue at Present Rates
Page 6	Pro Forma Billing Determinants
Page 7	Adjusted Test Year & Pro Forma Revenues at Present Rates
Page 8	Other Adjustments
Page 9	Other Revenue Adjustment
Page 10	Computation of Pro Forma Other Operating Expenses
Page 11	Revenue Increase Adjusted for Net Write-Off - Phase 1
Page 12	Adjustment for Net Write-Off on Revenue Increase - Phase 1
Page 13	Revenue Increase Adjusted for Net Write-Off - Phase 2
Page 14	Adjustment for Net Write-Off on Revenue Increase - Phase 2
Page 15	Revenue Increase Adjusted for Net Write-Off - Phase 3
Page 16	Adjustment for Net Write-Off on Revenue Increase - Phase 3

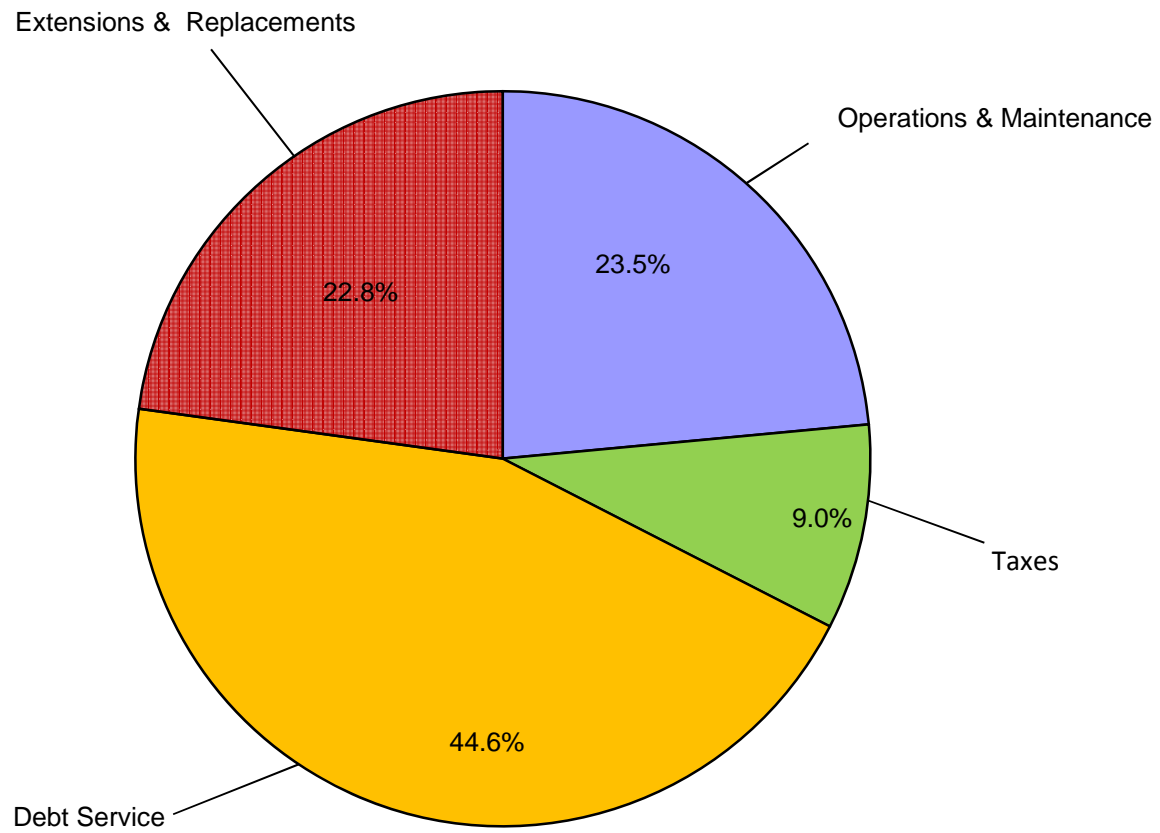
CWA Authority
 Summary of Pro Forma Revenue Requirement

Line No.	Description	A Actual per Books	B Phase I Pro Forma Adjustments Increase (Decrease)	C Phase I Pro forma Results Based on Current Rates	D Phase I Pro Forma Adjustments Increase (Decrease)	E Phase I Pro forma Results Based on Proposed Rates	F Phase II Pro Forma Adjustments Increase (Decrease)	G Phase II Pro forma Results Based on Proposed Rates	H Phase III Pro Forma Adjustments Increase (Decrease)	I Phase III Pro forma Results Based on Proposed Rates	J Reference
Operating Revenues											
1	Test Year Revenues	\$277,912,032									
2	Billing Exceptions		\$364,245								page 6
3	Consumption Adjustment Redistribution		(1,149,586)								page 6
4	STEP		159,800								page 6
5	New/Departing Customers, Post Test Year (Non-Industrial)		278,805								page 6
6	Test Year Customer Growth Adjustment (Non-Industrial)		171,267								page 6
7	Special Contract - Excessive Strength		(235,597)								page 6
8	Self-reporter Minimum Volumes		(24,076)								page 6
9	QSSD Adjustment		(74,060)								page 6
10	Industrial Self-Reporter		(160,720)								page 6
11	Rate Normalization		2,880,478								page 6
12	Residential Flat Rate		770								page 6
13	Miscellaneous Revenues		(53,679)								page 9
14	Other Adjustments		(11,731,651)								page 8
15	Increase in Satellite Special Contract Revenue				\$1,275,200		\$1,452,100		\$1,759,500		PNK
16	Decrease in Retail Customer Revenue				(1,275,200)		(1,452,100)		(1,759,500)		PNK
17	Revenue requirement increase				\$39,542,033		\$14,714,128		\$11,330,166		
18	Total Operating Revenues	\$277,912,032	(\$9,574,002)	\$268,338,030	\$39,542,033	\$307,880,063	\$14,714,128	\$322,594,191	\$11,330,166	\$333,924,357	
Other Operating Expenses											
19	Test Year Other Operating Expense	\$74,529,220									
20	Salaries and Wages		\$1,554,407								SEK
21	Benefits		862,878								SEK
22	Purchased Power		467,693								SEK
23	Bad Debt Expense		767,833		\$264,932		\$98,585		\$75,912		page 12, 14 & 16
24	Chemicals		(404,262)								SEK
25	Normalize Expense		(52,270)								SEK
26	Out of Period Expense		240,220								SEK
27	Non-Recurring Expense		(55,993)								SEK
28	Non-Allowed Expense		(28,211)								SEK
29	Amortized Regulatory Expenses		15,498								SEK
30	Total Other Operating Expenses	\$74,529,220	\$3,367,793	\$77,897,012	\$264,932	\$78,161,944	\$98,585	\$78,260,529	\$75,912	\$78,336,441	w/p S640-2
Depreciation & Amortization											
31	Test year Depreciation & Amortization	\$74,958,701									
32	Depreciation adjustment		(19,203,713)								SEK
33	Amortization adjustment		302,656								SEK
34	Pro forma Depreciation & Amortization	\$74,958,701	(\$18,901,057)	\$56,057,645	\$0	\$56,057,645	\$0	\$56,057,645	\$0	\$56,057,645	
Taxes											
35	Test Year Taxes other than PILOT	\$1,628,965									
36	Payroll Taxes		\$105,368								SEK
37	Non-Recurring Expense		(1,205)								SEK
38	Payments in Lieu of Taxes (PILOT)	23,945,082									
39	Pro forma change in PILOT		2,832,631				\$1,546,015		\$621,993		SEK
40	Pro forma Taxes	\$25,574,047	\$2,936,793	\$28,510,840	\$0	\$28,510,840	\$1,546,015	\$30,056,855	\$621,993	\$30,678,848	
41	Operating Income	\$102,850,064	\$3,022,469	\$105,872,533	\$39,277,101	\$145,149,634	\$13,069,528	\$158,219,162	\$10,632,261	\$168,851,423	
Other Income, Net											
42	Interest Income	(\$2,069,372)		(\$2,069,372)	\$0	(\$2,069,372)		(\$2,069,372)		(\$2,069,372)	SEK
43	Other Income, Net	(516,531)	\$405,654	(110,877)	0	(110,877)		(110,877)		(110,877)	SEK
44	Total Other Income, Net	(\$2,585,903)	\$405,654	(\$2,180,250)	\$0	(\$2,180,250)		(\$2,180,250)		(\$2,180,250)	
Other Funds Requirements											
45	Long-Term Interest and Principal		\$139,508,616	\$139,508,616		\$139,508,616	\$9,069,528	\$148,578,144	\$6,632,261	\$155,210,405	JRB-2
46	Debt Service		\$139,508,616	\$139,508,616	\$0	\$139,508,616	\$9,069,528	\$148,578,144	\$6,632,261	\$155,210,405	
47	Extensions and Replacements		\$72,000,000	\$72,000,000	\$0	\$72,000,000	\$4,000,000	\$76,000,000	\$4,000,000	\$80,000,000	JRB-2
Cash Requirement Offsets											
48	Connection Fee Offset			(\$8,121,088)		(\$8,121,088)		(\$8,121,088)		(\$8,121,088)	w/p S640-1
49	Depreciation & Amortization			(56,057,645)	0	(56,057,645)		(56,057,645)		(56,057,645)	- In 34
50	Pro forma Revenue Requirement Increase Before Write-Off Increase			\$39,277,101	\$39,277,101	\$0	\$0	\$0	\$0	\$0	
51	Percentage Increase/(Decrease) by Phase				14.74%		4.78%		3.51%	24.44%	
52	Percentage Increase/(Decrease) by Phase, revenue subject to increase				14.87%		4.82%		3.54%	24.66%	

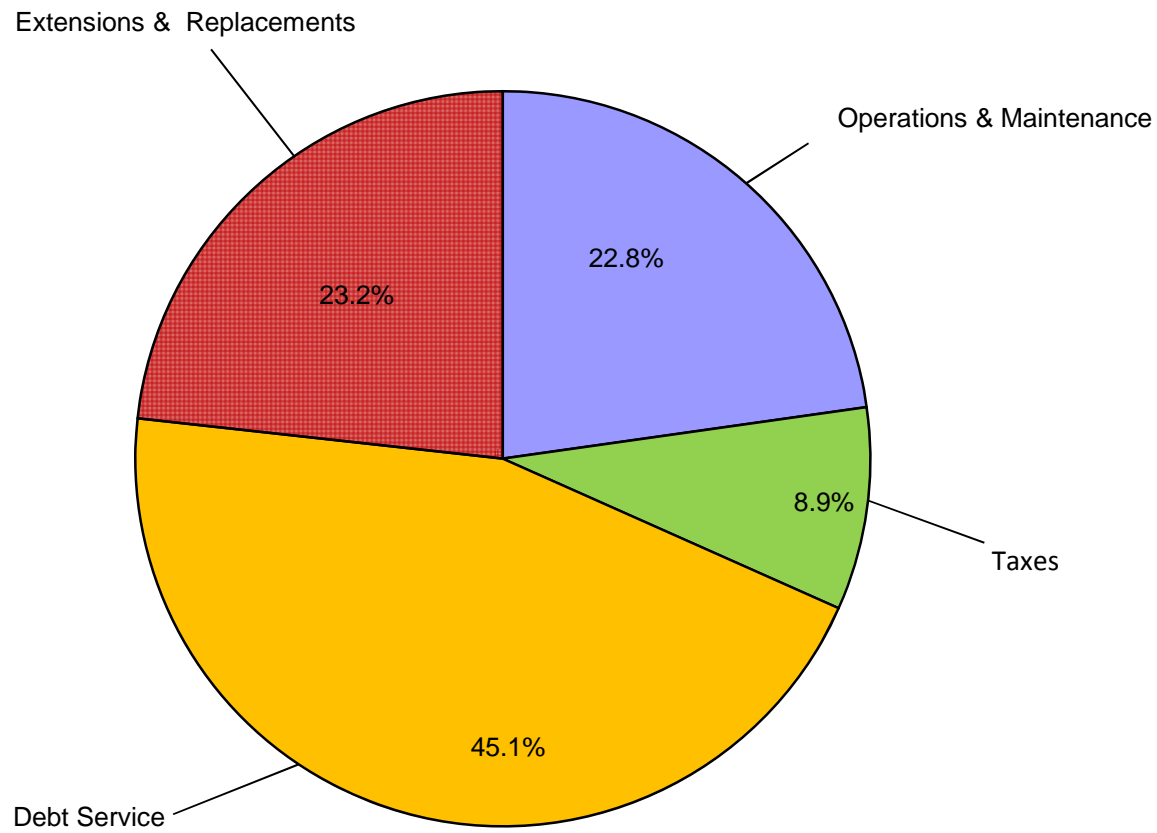
**CWA AUTHORITY
PRO FORMA REVENUE REQUIREMENTS
PHASE 1**



CWA AUTHORITY PRO FORMA REVENUE REQUIREMENTS PHASE 2



CWA AUTHORITY PRO FORMA REVENUE REQUIREMENTS PHASE 3



CWA Authority
 Pro Forma Revenues at Present Rates

Line No.	Description	Rate	A Adjusted Test Year	B Change in Billing Determinants	C Total Pro Forma
Rate 1 - Non-Industrial					
1	Residential Services	\$18.75	2,648,731	14,855	2,663,586
	Volumes				
2	First 10 CCF	\$5.1621	14,611,894	83,666	14,695,560
3	Over 10 CCF	\$5.5880	1,256,876	6,155	1,263,031
4	Total Residential Volume (ccf)		15,868,770	89,821	15,958,591
5	Commercial Services	\$18.75	202,992	(673)	202,319
	Volumes				
6	First 10 CCF	\$5.1621	1,208,236	(2,676)	1,205,560
7	Over 10 CCF	\$5.5880	11,149,943	(314,703)	10,835,240
8	Total Commercial Volume (ccf)		12,358,179	(317,379)	12,040,800
9	Multi-Family Services	\$18.75	34,041	(214)	33,827
	Volumes				
10	First 10 CCF	\$5.1621	242,233	(23)	242,210
11	Over 10 CCF	\$5.5880	2,693,160	(13,340)	2,679,820
12	Total Multi-Family Volume (ccf)		2,935,392	(13,363)	2,922,029
Rate 2 - Industrial					
13	Tier 1 Customers	\$24.03	110	60	170
14	Tier 2 Customers	\$52.46	323	(35)	288
15	Tier 3 Customers	\$250.88	203	(11)	192
16	Tier 4 Customers	\$1,733.34	24	0	24
17	Total Services		660	14	674
18	Volumes (ccf)	\$3.3819	523,439	(19,957)	503,482
Rate 3 - Fats, Oils & Grease (FOG)					
19	Total FOG Services	\$30.00	45,827	(6)	45,821
Rate 4 - Wastewater Haulers					
20	Septic	\$56.24	2,604	110	2,714
21	Grease	\$422.08	0	0	0
22	Total Discharge (1,000 gallons)		2,604	110	2,714
Rate 5 - Self Reporters					
23	Tier 1 Customers	\$24.03	688	166	854
24	Tier 2 Customers	\$52.46	1,125	(57)	1,068
25	Tier 3 Customers	\$250.88	993	(17)	976
26	Tier 4 Customers	\$1,733.34	494	(88)	406
27	Total Services		3,299	4	3,303
28	Volumes (ccf)	\$3.3819	5,864,511	79,808	5,944,319
	Strength Surcharges				
29	Biochemical Oxygen Demand	\$0.4306	27,175,960	1,138,186	28,314,146
30	Total Suspended Solids	\$0.1545	14,558,647	236,925	14,795,572
31	Ammonia Nitrogen	\$0.4640	574,711	23,587	598,298
32	Total Excessive Strength Surcharges (pounds)		42,309,318	1,398,698	43,708,016
Rate 6 - Wholesale Customers					
33	Tariff Customers Total Treatment (1,000 gallons)	\$2.4852	276,088	0	276,088
34	Special Contract Customers Total Treatment (1,000 gallons)	\$0.7959	7,126,203	123,362	7,249,565
	Strength Surcharges				
35	Biochemical Oxygen Demand	\$0.4306	271,920	(271,920)	0
36	Total Suspended Solids	\$0.1545	575,049	(575,049)	0
37	Ammonia Nitrogen	\$0.4640	70,264	(63,929)	6,336
38	Strength Surcharge (pounds)		917,234	(910,898)	6,336
39	Total Revenue		\$263,753,556	\$2,211,328	\$265,964,884
40	Miscellaneous Revenue				\$2,373,144
41	Grand Total Revenues				\$268,338,030

CWA Authority
Pro Forma Billing Determinants

Line No.	Description	Rate	Period Redistribution		Customer Change			Billing Mechanism Change		Normalization			Residential Flat Rate	Change in Billing Determinants	Account Number
			Billing Exceptions	Consumption Adjustment Redistribution	TY Cust Growth	STEP	New/Departing Non-IND	Special Contract	Self-Reporter Min Vols	Steam Discharge	Industrial Self-Reporter	Rate Normalization			
Rate 1 - Non-Industrial															
1	Residential Services	\$18.75	(307)	0	11,105	4,056	0	0	0	0	0	0	1	14,855	522110
	Volumes														
2	First 10 CCF	\$5.1621	(1,206)	5,680	62,822	16,224	0	0	0	0	0	0	146	83,666	
3	Over 10 CCF	\$5.5880	(123)	6,278	0	0	0	0	0	0	0	0	0	6,155	
4	Total Residential Volume (ccf)		(1,329)	11,958	62,822	16,224	0	0	0	0	0	0	146	89,821	
5	Commercial Services	\$18.75	(13)	0	(720)	0	60	0	0	0	0	0	0	(673)	522210
	Volumes														
6	First 10 CCF	\$5.1621	(10)	3,854	(7,120)	0	600	0	0	0	0	0	0	(2,676)	
7	Over 10 CCF	\$5.5880	(423)	(326,684)	(36,734)	0	49,138	0	0	0	0	0	0	(314,703)	
8	Total Commercial Volume (ccf)		(433)	(322,830)	(43,854)	0	49,738	0	0	0	0	0	0	(317,379)	
9	Multi-Family Services	\$18.75	(1)	0	(213)	0	0	0	0	0	0	0	0	(214)	522510
	Volumes														
10	First 10 CCF	\$5.1621	(11)	2,118	(2,130)	0	0	0	0	0	0	0	0	(23)	
11	Over 10 CCF	\$5.5880	(18)	2,915	(16,237)	0	0	0	0	0	0	0	0	(13,340)	
12	Total Multi-Family Volume (ccf)		(29)	5,033	(18,367)	0	0	0	0	0	0	0	0	(13,363)	
Rate 2 - Industrial															
13	Tier 1 Customers	\$24.03	0	0	0	0	0	0	0	0	60	0	0	60	
14	Tier 2 Customers	\$52.46	0	0	0	0	0	0	0	0	(35)	0	0	(35)	
15	Tier 3 Customers	\$250.88	0	0	0	0	0	0	0	0	(11)	0	0	(11)	
16	Tier 4 Customers	\$1,733.34	0	0	0	0	0	0	0	0	0	0	0	0	
17	Total Services		0	0	0	0	0	0	0	0	14	0	0	14	
18	Volumes (ccf)	\$3,3819	0	477	0	0	0	0	0	(21,899)	1,465	0	0	(19,957)	
Rate 3 - Fats, Oils & Grease (FOG)															
19	Total FOG Services	\$30.00	(6)	0	0	0	0	0	0	0	0	0	0	(6)	521212
Rate 4 - Wastewater Haulers															
20	Septic	\$56.24	0	110	0	0	0	0	0	0	0	0	0	110	
21	Grease	\$422.08	0	0	0	0	0	0	0	0	0	0	0	0	
22	Total Discharge (1,000 gallons)		0	110	0	0	0	0	0	0	0	0	0	110	
Rate 5 - Self Reporters															
23	Tier 1 Customers	\$24.03	6	0	0	0	0	0	0	0	160	0	0	166	
24	Tier 2 Customers	\$52.46	7	0	0	0	0	0	0	0	(64)	0	0	(57)	
25	Tier 3 Customers	\$250.88	5	0	0	0	0	0	0	0	(22)	0	0	(17)	
26	Tier 4 Customers	\$1,733.34	0	0	0	0	0	0	0	0	(88)	0	0	(88)	
27	Total Services		18	0	0	0	0	0	0	0	(14)	0	0	4	
28	Volumes (ccf)	\$3,3819	11,744	76,648	0	0	0	(7,119)	0	(1,465)	0	0	0	79,808	
Strength Surcharges															
29	Biochemical Oxygen Demand	\$0.4306	472,880	665,306	0	0	0	0	0	0	0	0	0	1,138,186	522311
30	Total Suspended Solids	\$0.1545	236,925	0	0	0	0	0	0	0	0	0	0	236,925	
31	Ammonia Nitrogen	\$0.4640	76	23,511	0	0	0	0	0	0	0	0	0	23,587	
32	Total Excessive Strength Surcharges (pounds)		709,881	688,817	0	0	0	0	0	0	0	0	0	1,398,698	
Rate 6 - Wholesale Customers															
Tariff Customers															
33	Total Treatment (1,000 gallons)	\$2,4852	0	0	0	0	0	0	0	0	0	0	0	0	523011
Special Contract Customers															
34	Total Treatment (1,000 gallons)	\$0,7959	123,362	0	0	0	0	0	0	0	0	0	0	123,362	
Strength Surcharges															
35	Biochemical Oxygen Demand	\$0.4306	0	0	0	0	0	(271,920)	0	0	0	0	0	(271,920)	523012
36	Total Suspended Solids	\$0.1545	0	0	0	0	0	(575,049)	0	0	0	0	0	(575,049)	
37	Ammonia Nitrogen	\$0.4640	0	0	0	0	0	(63,929)	0	0	0	0	0	(63,929)	
38	Strength Surcharge (pounds)		0	0	0	0	0	(910,898)	0	0	0	0	0	(910,898)	
39	Total Revenue		\$364,245	(\$1,149,586)	\$171,267	\$159,800	\$278,805	(\$235,597)	(\$24,076)	(\$74,060)	(\$160,720)	\$2,880,478	\$770	\$2,211,328	
40	Workpaper Reference		w/p 630-1	w/p 630-2	w/p 630-5	w/p 630-3	w/p 630-6	w/p 630-9	w/p 630-10	w/p 630-4	w/p 630-7	w/p 630-11	w/p 630-12		

CWA Authority
 Test Year & Pro Forma Revenues at Present Rates

Line No.	Description	A Adjusted Test Year - w/p 620 Revenue	B Billing Exceptions w/p 630-1	C Consumption Adjustment Redistribution w/p 630-2	D STEP w/p 630-3	E Steam Discharge Adjustment w/p 630-4	F Test Year Customer Growth w/p 630-5	G New/Departing Non-Industrial w/p 630-6	H Industrial/ Self-Reporter w/p 630-7	I Special Contract Transition Adjustment w/p 630-9	J Self-Reporter Minimum Volumes w/p 630-10	K Rate Normalization w/p 630-11	L Residential Flat Rate w/p 630-12	M Total	N Account Number
Operating Revenues:															
1	Rate 1 - Non-Industrial	\$219,453,561	(\$15,503)	(\$1,713,991)	\$159,800	\$0	\$171,267	\$278,805	\$0	\$0	\$0	\$1,948,710	\$770	\$220,283,419	522110
2	Residential	130,694,235	(12,668)	64,402	159,800	0	532,512	0	0	0	0	1,220,946	770	\$132,859,998	522210
3	Commercial	71,751,767	(2,659)	(1,805,615)	0	0	(255,534)	278,805	0	0	0	597,229	0	\$70,564,022	522510
4	Multi-Family	16,807,539	(176)	27,222	0	0	(105,721)	0	0	0	0	130,535	0	\$16,859,399	522510
5	Rate 2 - Industrial	1,874,964	0	1,613	0	(74,060)	0	0	1,801	0	0	7,373	0	\$1,811,690	522310
6	Rate 3 - Fats, Oil & Grease (FOG)	1,374,810	(180)	0	0	0	0	0	0	0	0	0	0	\$1,374,630	521212
7	Rate 4 - Haulers	145,021	0	6,186	0	0	0	0	0	0	0	1,430	0	\$152,638	522313
8	Rate 5 - Self-Reporters	20,927,872	41,482	259,216	0	0	0	0	(162,520)	0	(24,076)	85,932	0	\$21,127,906	522312
9	Rate 5 - Self-Reporters - Excessive Strength	14,191,627	240,262	297,390	0	0	0	0	0	0	0	25,318	0	\$14,755,598	522311
10	Rate 6 - Wholesale & Special Contract	5,708,090	98,184	0	0	0	0	0	0	0	0	649,789	0	\$6,456,063	523011
11	Rate 6 - Special Contract - Excessive Streng	77,611	0	0	0	0	0	0	0	(235,597)	0	160,926	0	\$2,940	523012
12	Total	\$263,753,556	\$364,245	(\$1,149,586)	\$159,800	(\$74,060)	\$171,267	\$278,805	(\$160,720)	(\$235,597)	(\$24,076)	\$2,880,478	\$770	\$265,964,884	

**CWA Authority
 Other Adjustments**

Line No	A	B	C	D	E	F	G
	<u>Rate 1</u>	<u>Rate 2</u>	<u>Rate 3</u>	<u>Rate 4</u>	<u>Rate 5</u>	<u>Satellite</u>	<u>Total</u>
1 Test Year Adjusted Billing Correction Adjustment	\$219,453,561	\$1,874,964	\$1,374,810	\$145,021	\$35,119,499	\$5,785,701	\$263,753,556
2 Test Year Billing Correction Adjustment	<u>219,412,983</u>	<u>1,873,719</u>	<u>1,374,462</u>	<u>144,915</u>	<u>35,212,725</u>	<u>5,785,699</u>	<u>263,804,503</u>
3 Billing Correction Adjustment	<u>\$40,578</u>	<u>\$1,245</u>	<u>\$348</u>	<u>\$106</u>	<u>(\$93,226)</u>	<u>\$2</u>	<u>(\$50,947)</u>
4 Pro forma Unbilled Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Test Year Unbilled Adjustments	<u>(1,052,218)</u>	<u>66,143</u>	<u>(808)</u>	<u>0</u>	<u>(653,989)</u>	<u>377,552</u>	<u>(1,263,320)</u>
6 Unbilled Adjustment	<u>\$1,052,218</u>	<u>(\$66,143)</u>	<u>\$808</u>	<u>\$0</u>	<u>\$653,989</u>	<u>(\$377,552)</u>	<u>\$1,263,320</u>
7 Pro forma System Integrity Adjustment (SIA)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Test Year System Integrity Adjustment (SIA)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,774,424</u>
9 System Integrity Adjustment (SIA)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$12,774,424)</u>
10 Pro forma O & M Satellite Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Test Year O & M Satellite Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>169,600</u>	<u>169,600</u>
12 O & M Satellite Adjustment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$169,600)</u>	<u>(\$169,600)</u>
13 Grand Total - Other Adjustments							<u>(\$11,731,651)</u>

CWA Authority
Miscellaneous Revenue Adjustment

<u>Line No.</u>		
1	Test Year Miscellaneous Revenue	\$2,426,823
2	Pro Forma Forfeited Discount Charge Adjustment	1,144,663
3	Pro Forma Other Waste Water Revenues Adjustment	<u>1,228,481</u>
4	Pro Forma Miscellaneous Revenue Adjustment	<u><u>(\$53,679)</u></u>

CWA Authority
Computation of Pro Forma Other Operating Expenses

<u>Line No.</u>		
1	Test Year Other Operating Expenses	\$74,529,220
2	Adjustments per Exhibit SEK	2,584,462
3	Adjustment for Net Write-Off Phase 1	767,833
4	Adjustment for Rate Case Expense	<u>15,498</u>
5	Pro Forma Other Operating Expense	<u><u>\$77,897,012</u></u>

CWA Authority
Revenue Increase Adjusted
for Net Write-Off - Phase 1

<u>Line No.</u>		
1	Total Revenue Increase Before Net Write-Off - Phase 1	\$39,277,101
2	One	1.0000
3	Less: Net Write Off	<u>0.67%</u>
4	Incremental Revenue Conversion Factor	<u>0.9933</u>
5	Total Increase in Revenue - Phase 1	<u><u>\$39,542,033</u></u>

CWA Authority
Adjustment for Net Write-Off
on Revenue Increase - Phase 1

**Line
No.**

1	Pro Forma Increase in Revenue - Phase 1	\$39,542,033
2	Net Write-Off as % of Revenue	<u>0.67%</u>
3	Pro Forma Increase in Net Write-Off - Phase 1	<u><u>\$264,932</u></u>

CWA Authority
Revenue Increase Adjusted
for Net Write-Off - Phase 2

<u>Line No.</u>			
1	Total Revenue Increase Before Net Write-Off - Phase 2		\$14,615,543
2	One	1.0000	
3	Less: Net Write Off	<u>0.67%</u>	
4	Incremental Revenue Conversion Factor		<u>0.9933</u>
5	Total Increase in Revenue - Phase 2		<u><u>\$14,714,128</u></u>

CWA Authority
Adjustment for Net Write-Off
on Revenue Increase - Phase 2

<u>Line No.</u>		
1	Pro Forma Increase in Revenue - Phase 2	\$14,714,128
2	Net Write-Off as % of Revenue	<u>0.67%</u>
3	Pro Forma Increase in Net Write-Off - Phase 2	<u><u>\$98,585</u></u>

CWA Authority
Revenue Increase Adjusted
for Net Write-Off - Phase 3

**Line
No.**

1	Total Revenue Increase Before Net Write-Off - Phase 3		\$11,254,254
2	One	1.0000	
3	Less: Net Write Off	<u>0.67%</u>	
4	Incremental Revenue Conversion Factor		<u>0.9933</u>
5	Total Increase in Revenue - Phase 3		<u><u>\$11,330,166</u></u>

CWA Authority
Adjustment for Net Write-Off
on Revenue Increase - Phase 3

<u>Line No.</u>		
1	Pro Forma Increase in Revenue - Phase 3	\$11,330,166
2	Net Write-Off as % of Revenue	<u>0.67%</u>
3	Pro Forma Increase in Net Write-Off - Phase 3	<u><u>\$75,912</u></u>

**SEWAGE DISPOSAL SERVICE TARIFF
RATES, TERMS AND CONDITIONS
FOR SEWAGE DISPOSAL SERVICE WITHIN
MARION COUNTY, INDIANA
AND CONTIGUOUS AREAS**

Issued By The

**Department of Public Utilities for the City of Indianapolis,
acting by and through the Board of Directors for Utilities,
as Trustee, in furtherance of the Public Charitable Trust
for the Wastewater System, and CWA Authority, Inc.**

**2020 North Meridian Street
Indianapolis, Indiana 46202**

**Daniel C. Appel
President of
Board of Directors**

**Jeffrey A. Harrison
President, and
Chief Executive Officer**

**SEWAGE DISPOSAL SERVICE TERMS AND CONDITIONS
I.U.R.C. CAUSE NO. 44685**

EFFECTIVE: ~~July-20,~~ 2016

TABLE OF CONTENTS

	<u>Page Number</u>
1 Definitions	4 - 9 8
2 Application of Tariff	9
3 Commencement of Service	9 - 13
4 Deposits	13 - 15
5 Billing and Payment of Bills	15 - 18
6 Discontinuance / Reconnection of Service	189 - 223
7 Meters	223 - 245
8 Responsibility for Service	245
9 Complaint Procedure	256
10 Main Extensions	267 - 324
11 Sewer Construction Requirements	334
12 Mandatory Inspection and Right of Entry	334 - 335
13 Interruption of Service	345
14 Prohibition Against Clear Water Discharges	345
15 Dewatering Discharge	356
16 Sewage Restrictions	356 - 389
17 Required Installation of Food Waste Disposer	389
18 Grease Interceptor	389
19 Industrial Customer or Self-Reporting Customer Waste Discharge	3940
20 Accidental Discharge	3940 - 401
21 Maintenance of Building Sewer Connections	401 - 412
22 Wastewater Haulers	412 - 423
23 Incorporation by Reference	423

Active Available Sewer Rates

	<u>Page Number</u>
Rate No. 1 Nonindustrial Sewage Disposal Service	101 - 101A
Rate No. 2 Industrial Sewage Disposal Service	102 - 102A
Rate No. 3 Fats, Oil, and Grease Charge	103
Rate No. 4 Wastewater Septic and Grease Hauler Rates	104
Rate No. 5 Self-Reporting Sewage Disposal Service	105 - 105A
Rate No. 6 Wholesale Sewage Disposal Service	106 - 106E

Riders

	<u>Page Number</u>
Rider A Environmental Compliance Plan Recovery Mechanism	201
Rider B System Integrity Adjustment	202
Rider C Low Income Customer Assistance Program	203

Appendices

	<u>Page Number</u>
A Non-recurring Charges	301 - 301A
B Miscellaneous Fees	302

**RULES
APPLICATION**

The terms and conditions for service, as set forth here and as amended and supplemented from time to time, shall govern all Sewage Disposal Service rendered or to be rendered by the Utility. They shall be binding upon every Customer and the Utility, and shall constitute a part of the terms and conditions of every contract for Sewage Disposal Service.

1. DEFINITIONS

Except where the context indicates a different meaning or intent, the following terms, when used in any Rule of the Utility's Rates and Terms and Conditions for Sewage Disposal Service, shall have the meanings ascribed below:

- 1.1 ACCIDENTAL DISCHARGE**
An unintentional release of a material that could potentially violate the requirements of Rule 17 of these Terms and Conditions for Sewage Disposal Service.
- 1.2 AMMONIA NITROGEN (“NH₃-N”)**
Denotes ammonia nitrogen. All of the nitrogen in water, sewage or other liquid waste present in the form of ammonia, ammonia ion or in the equilibrium NH₄+ NH₃ + H⁺.
- 1-21.3 APPLICANT**
Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group thereof applying to receive or use the Utility's Sewage Disposal Service.
- 1-31.4 BIOCHEMICAL OXYGEN DEMAND (“BOD”)**
The quantity of oxygen used in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, (68°F) expressed in milligrams per liter. BOD measurements are used as a measure of the organic strength of wastes in water.
- 1-41.5 BOARD**
The Board of Directors for Utilities, as Trustee, in furtherance of the Public Charitable Trust for the Wastewater System, which serves as the Board of Directors of CWA Authority, Inc.
- 1-51.6 BUILDING DRAIN**
That part of the lowest horizontal piping of a drainage system that receives the discharge from solid waste and other drainage pipes inside the walls of the building and conveys it to the Building Sewer, beginning five (5) feet (one and one-half (1.5) meters) outside the inner face of the building wall.
- 1-61.7 BUILDING SEWER**
The extension from the Building Drain to the Public Sewer or other place of disposal and shall include that portion of the drain within the public right-of-way.
- 1-71.8 CITIZENS GAS**
The Board of Utilities of the Department of Public Utilities of the City of Indianapolis, successor trustee of a public charitable trust for the gas system, doing business as Citizens Gas, 2020 North Meridian Street, Indianapolis, Indiana 46202.
- 1-81.9 CITIZENS WATER**
The Department of Public Utilities for the City of Indianapolis, acting by and through the Board of Directors for Utilities, as trustee of a public charitable trust for the water system, doing business as Citizens Water, 2020 N. Meridian Street, Indianapolis, Indiana 46202, or any professional management firm that has been retained by Citizens Water to operate its water utility facilities and that is acting in its capacity as the agent or representative of Citizens Water.

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

Original Page No. 5

4.91.10 CLEAN WATER ACT

The primary federal law in the United States governing water pollution, which is codified at 33 U.S.C. § 1251 *et seq.*

1.101.11 COMBINED BILL

A bill issued to a Residential Customer and commercial Customer for any combination of more than one of the Utility Services. A Combined Bill will not be issued to an Industrial Customer.

1.111.12 COMMISSION

The Indiana Utility Regulatory Commission.

1.121.13 COMMISSION'S RULES

Rules, Regulations and Standards of Service for Utilities Rendering Sewage Disposal Service in Indiana pursuant to 170 IAC 8.5-1 et al, as revised, supplemented and replaced from time to time.

1.131.14 CONNECTION FEE

A per equivalent dwelling unit ("EDU") charge to be paid by all new connections to the Sewage Disposal System as a contribution of capital toward existing or future facilities necessary to meet the service needs of new customers.

1.141.15 COOLING WATER

The water discharged from any system of condensation, air conditioning, cooling, refrigeration or other, but which shall be free from odor and oil. Cooling Water shall not contain polluting substances that would produce BOD or Suspended Solids each in excess of ten (10) milligrams per liter.

1.151.16 CUSTOMER

Any individual, partnership, association, firm, public or private corporation, limited liability company, municipality, government agency, institution or group that has agreed, orally or otherwise, to pay for Sewage Disposal Service rendered by the Utility.

1.161.17 DOMESTIC WASTEWATER

Wastewater of the type commonly introduced into Sewage Disposal System by residential users.

1.171.18 EQUIVALENT DWELLING UNIT ("EDU")

Shall be determined in accordance with industry standards and shall reflect the greater of the actual daily flow requirements (per 327 IAC 3), the area ratio of the water meter size serving a particular user, or other such means of determination deemed appropriate by the Utility. One (1) EDU shall be estimated as equal to three hundred ten (310) gallons per day.

1.181.19 FOUNDATION DRAINS

Any network of pipes, pumps or drainage mechanism located at, near or under a footing, foundation or floor slab of any building or structure that intentionally or unintentionally conveys groundwater away from a building or structure.

1.191.20 GARBAGE

Solid wastes from the domestic and commercial preparation, cooking and dispensing of food and from the handling, storage and sale of produce.

1.201.21 HEAT PUMP DISCHARGE

Water discharged from a heat pump or other device that uses water as a heat source or heat sink.

~~1.21~~ **1.22 INDUSTRIAL CUSTOMER**

Any Customer of the Utility, who discharges, causes or permits the discharge of non-Domestic Wastewater into the Sewage Disposal System, including industrial or commercial entities who find it necessary to discharge clear water consisting of Cooling Water and/or steam condensate.

~~1.23~~ **1.23 INTERFERENCE**

Any discharge that, alone or in conjunction with a discharge or discharges from other sources, both: (1) inhibits or disrupts the Sewage Disposal System, its treatment processes or operations, or its sludge processes, use or disposal; and (2) therefore is a cause of a violation of any requirement of the Sewage Disposal System's National Pollutant Discharge Elimination System ("NPDES") permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder (or more stringent state or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the SWDA), the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

~~1.231~~ **1.24 MONTH**

One-twelfth (1/12) of a year, or the period between two (2) consecutive readings of the Utility's meters, as nearly every thirty (30) days as practicable.

~~1.24~~ **NH3-N**

~~Denotes ammonia-nitrogen. All of the nitrogen in water, sewage or other liquid waste present in the form of ammonia, ammonia ion or in the equilibrium $\text{NH}_4^+ \rightleftharpoons \text{NH}_3 + \text{H}^+$.~~

1.25 NONINDUSTRIAL CUSTOMER

All Customers of the Utility that discharge into the Sewage Disposal System sewage normally Discharged by a Residence.

1.26 NPDES PERMIT

A permit issued under the National Pollutant Discharge Elimination System for discharge of wastewaters to the navigable water of the United States pursuant to 33USC1251.

1.27 PASS-THROUGH

A discharge that exits the Sewage Disposal System into waters of the State in quantities or concentrations that, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the Sewage Disposal System's NPDES permit (including an increase in the magnitude or duration of a violation).

1.28 pH

A measure of how acidic or base a substance is with a range of 0 to 14. The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.

- 1.29 POLLUTANT**
Includes, but is not limited to, any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical materials, chemical wastes, biological materials, Radioactive Materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, municipal and agricultural waste discharged into water.
- 1.30 PREMISES**
One contiguous piece of property owned by a single Customer, which is not intersected by a public right-of-way or thoroughfare.
- 1.31 PROPERLY SHREDDED GARBAGE**
Wastes from the preparation, cooking and dispensing of food that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in Public Sewers, with no particle greater than one-half (1/2) inch (one and twenty-seven one-hundredths (1.27) centimeters) in any dimension.
- 1.32 PUBLIC SEWER**
Any combined or sanitary sewer or lift station that is owned and operated by the Utility.
- 1.33 RADIOACTIVE MATERIAL**
Any material (solid, liquid or gas) that spontaneously emits ionizing radiation and that is regulated by the Nuclear Regulatory Commission or the Indiana State Board of Health. This may include naturally occurring radioactive material, by-product material, accelerator produced material, source material or special nuclear material.
- 1.34 RESIDENTIAL CUSTOMER**
A person being supplied with Sewage Disposal Service by the Utility exclusively for residential purposes and introduces only Domestic Wastewater into the Sewage Disposal System.
- 1.35 SELF-REPORTING CUSTOMER**
A Customer who provides to the Utility monthly estimates of volume discharged into the Sewage Disposal System including a representative value of the strength of waste, including but not limited to BOD, TSS, and NH₃-N.
- 1.36 SEWAGE DISPOSAL SERVICE**
Utility service whereby liquid and solid waste, sewage, night soil and industrial waste (except as limited by the Rules and Regulations of the Commission) of any single territorial area is collected, treated, purified and disposed of in a sanitary manner, and includes all sewage treatment plant or plants, main Sewers, submain Sewers, local and/or Building Sewers, intercepting Sewers, outfall Sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

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1.37 SEWAGE DISPOSAL SYSTEM

The system by which the Utility provides Sewage Disposal Service, which includes the sewage treatment plant or plants, main Sewers, submain Sewers, local and/or Building Sewers, intercepting Sewers, outfall Sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

- 1.38 SEWAGE NORMALLY DISCHARGED BY A RESIDENCE**
The liquid waste contributed by a residential living unit and shall not exceed a volume of ten thousand five hundred (10,500) gallons per Month, thirty (30) pounds of BOD per month, and thirty-five (35) pounds of ~~TSS~~Suspended Solids per Month.
- 1.39 SEWER**
A pipe or conduit for carrying sewage.
- 1.40 SLUG**
Any discharge of wastewater that, in concentrations of any given constituent, as measured by a grab sample, exceeds more than five (5) times the allowable discharge limits as specified in these Terms and Conditions for Sewage Disposal Service and/or in quantity of flow exceeds more than five (5) times the user's average flow rate as authorized in the user's industrial discharge permit, for a period of duration longer than fifteen (15) minutes.
- 1.41 TOTAL SUSPENDED SOLID ("TSS")**
Solids that either float on the surface of, or are in suspension in, water, sewage or other liquids and that are removable by laboratory filtering.
- 1.42 UPSET**
An exceptional incident in an Industrial Customer's facility, in which there is unintentional and temporary noncompliance with applicable pretreatment standards because of factors beyond the reasonable control of the Industrial Customer. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance or careless or improper operation.
- 1.43 UTILITY**
CWA Authority, Inc., 2020 North Meridian Street, Indianapolis, Indiana 46202 or any professional management firm that has been retained by CWA Authority, Inc. to operate its Sewage Disposal System and that is acting in its capacity as the agent or representative of the CWA Authority, Inc.
- 1.44 UTILITY SERVICES**
Shall include one or more of the following services: (1) sewage disposal service provided by the Utility; (2) water services provided by Citizens Water; and/or (3) gas delivery and gas supply services provided by Citizens Gas.
- 1.45 UTILITY'S RATE SCHEDULES**
The Utility's schedules of rates and charges as approved by the Commission and as revised, supplemented, and replaced from time to time. The schedule of rates and charges is available at <http://www.citizenswater.com>.

1.46 WASTEWATER HAULER

Any person who engages in the activity, service, business or leasing of vehicles for the purpose of transporting domestic wastewater to another location for disposal.

2. APPLICATION OF TARIFF

- 2.1 A copy of all rates and charges and these Terms and Conditions for Sewage Disposal Service is on file with the Commission and may be inspected by the public in the principal office of the Utility at 2020 North Meridian Street, Indianapolis, Indiana 46202.
- 2.2 All Sewage Disposal Service furnished by the Utility shall be subject to said rates and charges and these Terms and Conditions for Sewage Disposal Service, which are by reference made a part of all standard contracts for service, (except when modified by special contract approved by the Commission or as otherwise provided herein).
- 2.3 The failure of the Utility to enforce any rate and/or provision of these Terms and Conditions for Sewage Disposal Service shall not be deemed a waiver of its rights to do so.

3. COMMENCEMENT OF SERVICE

- 3.1 A written application or contract properly executed in a form acceptable to the Utility, may be required from the Customer before the Utility is obligated to supply Sewage Disposal Service to the Customer, or as a condition for the continued supply of Sewage Disposal Service, provided, however, that the Utility shall have the right to reject an application for service if the applicant is unwilling or unable to comply with terms of service required by these rules.
- 3.2 The taking of Sewage Disposal Service shall constitute a contract between the Customer and the Utility, obligating the Customer to pay for, and the Utility to furnish, service as specified herein and to comply with all applicable provisions of these Terms and Conditions for Sewage Disposal Service.
- 3.3 Where two or more parties join in one application for Sewage Disposal Service, such parties shall be jointly and severally liable there under, and only one bill shall be rendered for service supplied in accordance therewith.
- 3.4 No promises, agreements or representations of any agent, employee or authorized representative of the Utility, or its predecessor, shall be binding upon the Utility unless the same shall have been incorporated in a written contract or application.
- 3.5 Sewage Disposal Service furnished to any Customer is for the use of that Customer on his or her designated Premises, and shall not be resold or extended by Customer to serve additional lots, Premises or improvements as an alternative to that person or entity receiving Sewage Disposal Service from the Utility, unless otherwise specifically included in its agreement with the Utility for service.

- 3.6 Any contractor, builder or developer shall be liable for the minimum monthly charge from the time of connection until notification of occupancy, if such contractor, builder or developer fails to notify the Utility of such occupancy.
- 3.7 No person shall be allowed to connect to the Utility's system until after he has obtained a permit to do so from the Utility. If any person connects to the Sewage Disposal System without obtaining said permit, the Utility shall have the right to disconnect such Customer from its system and refuse to connect him to the Utility's system until the Utility has been reimbursed for any expense incurred in disconnecting such person from its system.
- 3.8 No person shall do any form of work on or in connection with lines or facilities owned by the Utility until he has received a Building Sewer permit from the Utility to do such work. A Building Sewer permit is also required to construct, repair, modify, connect, or abandon any Building Sewer within the Utility's service area, which generally includes Marion County and certain areas ~~within Hamilton County~~ for which the Utility has a Certificate of Territorial Authority from the Commission. All work must be in compliance with the Utility's Sanitary District Standard Specifications.
- 3.9 A baseline Connection Fee per EDU, as set forth in Appendix B, will be assessed for all new connections to the Sewage Disposal System. A new connection includes new Sewage Disposal Service or modification of an existing Sewage Disposal Service agreement.
- Replacement or repair of an existing individual Building Sewer that does not increase EDUs will not constitute a new connection.
- 3.10 An application for a new connection to the Sewage Disposal System shall be made on a form prescribed by the Utility and may require the following information:
- 3.10.1 Name and address of the owner;
- 3.10.2 Name, address and telephone number of the contractor;
- 3.10.3 Address and, if necessary, the legal description of the Premises where the work is to be done;
- 3.10.4 Plans for the Building Sewer and connections, which at a minimum must consist of drawing(s) of the building, the parcel boundaries, the connection detail, including grease interceptor connection detail where applicable, materials of construction and installation method; and
- 3.10.5 Any other information as may be deemed reasonable and necessary by the Utility.

- 3.11 Application for a connection to the Sewage Disposal System shall be made only by the following:
- 3.11.1 A plumbing contractor licensed by the State and registered in accordance with Chapter 875 of the Revised Code of the Consolidated City of Indianapolis; or
 - 3.11.2 A contractor (other than a plumbing contractor) who has met the surety bond and insurance requirements of the City of Indianapolis Department of Code Enforcement. Surety bond requirements are met if the Building Sewer contractor has filed and maintains with the City of Indianapolis a surety bond, as set forth in Chapter 875 of the Revised Code of the Consolidated City of Indianapolis. Insurance requirements are met if the contractor has secured and maintains a public liability and property damage insurance policy as set forth in Chapter 875 of the Revised Code of the Consolidated City of Indianapolis.
- 3.12 All sewer work and other construction actually performed on or associated with the Building Drain, Building Sewer and the connection of the Building Sewer to the Sewage Disposal System shall be in accordance with the rules and regulations of the Indiana Fire Prevention and Building Safety Commission and standard specifications of the Utility.
- 3.13 The permit granted by the Utility to connect to the Sewage Disposal System shall be given in writing and expire by operation of law and shall no longer be of any force or effect if work is not initiated within one hundred eighty (180) days from the date thereof. The Utility may, however, for good cause shown in writing, extend the duration of the permit for an additional period that is reasonable under the circumstances to allow commencement of the construction activity. In no event shall the extension exceed a period of sixty (60) days.
- If the construction activity has been commenced but only partially completed, and thereafter substantially no construction activity occurs on the construction site over a period of one hundred eighty (180) days, the permit shall expire by operation of law and no longer be of any force or effect; provided, however, the Utility may, for good cause shown in writing, extend the authority to connect to the Sewage Disposal System for an additional period that is reasonable under the circumstances to allow resumption of construction activity. The Utility shall give the contractor written notice that the request for extension has been approved or denied. The fee for an extension under this Rule is set forth in Appendix B.
- 3.14 After the Utility has granted the permit, the plumbing contractor or contractor as defined in Rule 3.11 shall give prompt written notice to the Utility of any addition to or change in the information contained in the permit application.

- 3.15 After the Utility has in writing, granted authority to connect to the Sewage Disposal System, any material deviation or change in the information contained in the application or the plans shall be considered an amendment subject to approval by the Utility. Before construction has begun, the contractor shall file with the Utility a written request for amendment, including a detailed statement of the requested change and the submission of any amended plans. The Utility shall give the contractor written notice that the request for amendment has been approved or denied. The fee for the amendment of an application for connection is set forth in Appendix B.
- 3.16 A permit may be transferred with the approval of the Utility to a person, partnership or corporation that would be eligible to obtain such authority in the first instance (hereinafter called "Transferee"), after both the payment of a fee as provided in Appendix B and the execution and filing of a transfer form furnished by the Utility. Such transfer form shall contain, in substance, the following certifications, release and agreement:
- 3.16.1 The person who obtained the original connection approval from the Utility or a person who is employed by and authorized to act for the obtainer (hereinafter called "Transferor") shall:
- a. Certify under penalties for perjury that such person is familiar with the sanitary Sewer construction activity to be accomplished pursuant to the permit; such person is familiar with the construction standards and procedures of the Utility; and to the best of such person's knowledge, information and belief the construction activity, to the extent performed, is in conformity with all standards and procedures required by the Utility; and
 - b. Sign a statement releasing all rights and privileges secured under the permit granted by the Utility to the Transferee.
- 3.16.2 The Transferee shall:
- a. Certify that the Transferee is familiar with the information contained in the original application requesting authority to connect to the Sewage Disposal System, the design plans and specifications, and any other documents filed in support of the application;
 - b. Certify that the Transferee is familiar with the present condition of the Premises on which the construction activity is to be accomplished pursuant to the permit; and
 - c. Agree to adopt and be bound by the information contained in the original application, the design plans and specifications, and other documents supporting the original application; or in the alternative, agree to be bound by such application plans and documents modified by plan amendments submitted to the Utility for approval.

The Transferee shall assume the responsibilities and obligations of and shall comply with the same procedures required of the Transferor, and shall be subject to any written directives issued by the Utility. Authority granted by the Utility for construction activity at a specified location may not be transferred to construction activity at another location.

- 3.17 The Utility may revoke a permit when:
- 3.17.1 The application, plans or supporting documents contain a false statement or misrepresentation as to a material fact; or
 - 3.17.2 The application, plans or supporting documents reflect a lack of compliance with the requirements of these Terms and Conditions for Sewage Disposal Service or other resolution of the Board.
- 3.18 The Utility may order the suspension of the pertinent construction activity ("Stop-Work Order") if the Utility determines that:
- 3.18.1 Construction activity is proceeding in an unsafe manner;
 - 3.18.2 Construction activity is proceeding in violation of a requirement of these Terms and Conditions for Sewage Disposal Service or other resolution of the Board;
 - 3.18.3 Construction activity is proceeding in a manner that is materially different from the application, plans, or supporting documents; or
 - 3.18.4 Construction activity for which Utility authority under this Rule is required is proceeding without such authority having been obtained. In such an instance, the Stop-Work Order shall indicate that the effect of the order terminates when the required authority is obtained.
- 3.19 The Stop-Work Order shall be in writing and shall state the reason for its issuance. The Stop-Work Order shall be posted on the property in a conspicuous place and, if conveniently possible, shall be given to the person doing the construction and to the owner of the property or his or her agent. The Stop-Work Order shall state the conditions under which construction may be resumed.

4. DEPOSITS

- 4.1 In accordance with the Rules and Regulations of the Commission pursuant to 170 IAC 8.5 et al, the Utility may require a Residential Customer or Applicant to pay a cash deposit as a condition of receiving or continuing to receive Sewage Disposal Service, if the Utility determines that the Residential Customer or Applicant does not meet the criteria for creditworthiness set forth in 170 IAC 8.5-2-3 of the Rules and Regulations of the Commission.
- 4.2 The Utility may require non-residential Customers or Applicants who are determined to be uncreditworthy to make a cash deposit at any time to assure payment of bills, and as a condition of receiving or continuing to receive Sewage Disposal Service.

- 4.2.1 The Utility shall determine the creditworthiness of a non-residential Applicant or Customer in an equitable, non-discriminatory manner.
- 4.2.2 A non-residential Customer shall be deemed creditworthy if it has no delinquent bills to the Utility for Sewage Disposal Service within the last twenty-four (24) months and, within the last two (2) years has not: (a) had service disconnected for nonpayment or (b) filed a voluntary petition, has a pending petition, or has an involuntary petition filed against it, under any bankruptcy or insolvency law. For purposes of this determination, a contested bill shall not be considered delinquent.
- 4.2.3 In determining the creditworthiness of non-residential Applicants, the Utility shall consider the size of the credit exposure and the availability of objective and verifiable information about the non-residential Applicant. The Utility may consider the non-residential Applicant's payment and billing history (at least twenty-four (24) months) from other utilities and verifiable conditions, such as: non-residential Applicant's credit history with the Utility or independently audited annual and quarterly financial statements. The Utility will treat all financial information provided by the non-residential Applicant as confidential to the extent allowed under applicable law and will return or at the request of the non-residential Applicant destroy materials after review has been completed. If a non-residential Applicant refuses to provide the information above for the Utility to determine their creditworthiness, the non-residential Applicant will be deemed uncreditworthy.
- 4.2.4 If the Utility requires a deposit as a condition of providing service, the Utility must: (a) provide written explanation of the facts upon which the Utility based its decision; and (b) provide the non-residential Applicant or Customer with an opportunity to rebut the facts and show other facts determining its creditworthiness.
- 4.2.5 Such deposit shall be payable in cash and not less than forty dollars (\$40.00) nor more than an amount equal to the non-residential Customer's three (3) highest months' usage based upon the most recent twelve (12) months historical usage or three (3) months of projected usages for a non-residential Applicant. If the deposit required is in excess of \$120.00, it may be paid in equal installments over a period not to exceed three months, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection. For non-residential Customers with multiple accounts, each account will be treated individually for the purposes of this Rule except in the case of bankruptcy under Rule 4.2.2. A non-residential Customer with multiple accounts that is assessed a deposit by virtue of delinquent payments on one account, will be assessed a deposit on only the delinquent accounts..
- 4.3 Interest on any deposit held by the Utility on or before December 31, 2012 will earn an interest rate of six percent (6%) per annum from the date of receipt by the Utility through December 31, 2012. Effective January 1, 2013, any deposit held for more than thirty (30) days will earn interest calculated monthly at the authorized rate of interest for the current month from the date the deposit is paid in full to the Utility. The rate of interest will be the same as that established for gas utilities by the Commission in a general administrative order pursuant to 170 IAC 5-1-15(f)(2) for each calendar year.

- 4.4 Deposits and earned interest will be returned after Customer establishes an appropriate credit history with the Utility.
- 4.4.1 Deposits from Residential Customers and earned interest will be refunded after the Residential Customer has established an acceptable payment record in accordance with the Commission's Rules and is not delinquent on any active or inactive Utility Services.
- 4.4.2 The deposit of any non-Residential Customer that has been held for two or more years, and earned interest will be refunded after the non-residential Customer has established an acceptable payment record in accordance with Rule 4.2.2.
- 4.4.3 The deposit of any Residential or non-residential Customer who fails to establish an acceptable payment record may be retained by the Utility until services are discontinued.
- 4.5 Upon discontinuance of Utility Services, the deposit and earned interest, if any, will be applied to the balance of any outstanding Utility Services bills or unbilled amounts. The remaining unapplied portion, if any, of the deposit and earned interest will be refunded to the Customer. The Customer will be billed for any balance due the Utility. The balance of any deposit and interest, after being applied to any outstanding bills that cannot be returned to the Customer after termination of service, shall be reported and disposed of as required by the [Indiana Unclaimed Property Act Disclaimer of Property Interests Act](#) (Indiana Code 32-34-147.5 *et seq.*).

5. **BILLING AND PAYMENT OF BILLS**

- 5.1 The Utility will issue bills to Customers on a Monthly basis for the applicable Utility Services. Bills are payable to the office of the Utility or to an authorized agent within seventeen (17) days from the date mailed. When the seventeenth (17th) day falls on Sunday or a legal holiday, the seventeen-day period shall be considered to end with the next business day.
- 5.1.1 If payment for a Utility Services bill from a Customer is not received by the Utility or its agent within seventeen (17) days from the date the bill is mailed, the bill shall be considered delinquent.
- 5.1.1.1 All charges follow the Customer and moving from one Premises to another in no way absolves the Customer from any unpaid charges incurred at a previous location. In the case of leased property, the landlord shall be responsible to the Utility for payment of the bill, even though the tenant may pay it.
- 5.1.1.2 The Utility may add a Late Payment Charge to a Customer's delinquent Utility Services bill set forth in Appendix A.
- 5.1.1.3 A single charge may be made for each visit to the Customer's Premises regarding a delinquent account; such charge to the Customer shall be pursuant to the Delinquent Account Trip Charge set forth in Appendix A.

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

Original Page No. 17

To the extent that a Self-Reporting Customer is using Customer's metering equipment for billing purposes, that metering equipment shall be calibrated or replaced with new meters per the following schedule:

Parshall flumes and similar open-trench meters shall be calibrated at least annually.

Discharge meters:

- 5/8-inch meters (and smaller) at least every 9 years
- 3/4-inch meters at least every 7 years
- 1-inch meters at least every 5 years
- 1 1/2-inch meters (and larger) at least every 3 years.

Metering records of calibration and replacement must be kept on the Customer Premises and made available for review at the request of the Utility.

5.5.2 To the extent the Utility does not require installation of metering equipment as provided in the foregoing section, each Self-Reporting Customer shall report to the Utility by the twenty-fifth (25th) day of the following Month on a form prescribed by the Utility an estimate of the volume discharged in the prior Month and a representative value of the strength of the waste including, but not limited to, BOD, TSS and NH₃-N, unless alternate reporting procedures are otherwise specified in writing by the Utility. All measurements, tests and analyses of the characteristics of such waste shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Sewage" as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The reports submitted shall be subject to verification by the Utility but may serve as the basis for billing with all necessary adjustments in the amounts to be made after verification. In the event an analysis and volume of the industrial waste are not furnished to the Utility by the aforementioned time, the charges shall be based upon estimates made by the Utility, in the manner provided in Rule 7.1.2.

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5.5.3 In the event a Self-Reporting Customer described in Rule 5.5.2 fails to submit the report required by Rule 5.5.2 by the twenty-fifth (25th) day of the following Month, the Self-Reporting Customer shall pay Late Payment Charge according to the schedule set forth in Appendix A.

In the event a Self-Reporting Customer who does not have BOD, TSS and NH₃-N fails to submit the report required by Rule 5.5.2 for three consecutive months, the Customer will be moved to Sewer Rate No. 2. The Utility shall measure usage and bill the Customer as provided for in Rule 7. The Customer will not be able to return to Sewer Rate No. 5 for twelve Months.

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- 5.5.4 The Utility shall have the right to enter upon the land of any Self-Reporting Customer and to set up such equipment as is necessary to certify the reports submitted. It shall be the duty of the Self-Reporting Customer to provide all necessary clearance before entry and not to unnecessarily delay or hinder the Utility in carrying out the measuring and sampling. The right of entry shall exist during any time the Self-Reporting Customer is operating or open for business.
- 5.5.5 In cases where measurements are difficult to make, or the industrial waste composition changes frequently, or representative samples are difficult to get, or where other methods of measurement are necessitated for other sound engineering reasons as determined by the Utility, the Utility shall have the authority to use such other basis for determining such charges as shall be reliably indicative of volume and BOD, TSS and NH₃-N strengths of particular industrial waste, such as, but not limited to, water purchase or usage, character of products, comparisons between the Self-Reporting Customer data and collected data from like industries.
- 5.5.6 The cost of all tests, measurements and analyses taken by the Utility pursuant to the above Sections or otherwise shall be charged to the Self-Reporting Customer tested in an amount equal to the actual average cost of such test, measurement or analysis as determined at the close of each Year. These costs shall be due and payable as provided in Rule 5.1.

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6. DISCONTINUANCE / RECONNECTION OF SERVICE

- 6.1** Water and/or Sewage Disposal Service rendered under any application, contract, agreement or otherwise may be discontinued by the Utility without request by the Customer and without notice, and the Utility may remove any of its property from the Customer's Premises without legal process for any one of the following reasons:
- 6.1.1** Where a condition dangerous or hazardous to life, physical safety, or property exists.
 - 6.1.2** Upon order by any Court, the Commission, or other duly authorized public authority, or upon written instruction by a law enforcement agency acting within its jurisdiction pursuant to Indiana Code 35-45-5-4(c).
 - 6.1.3** A fraudulent or unauthorized use of Sewage Disposal Service is detected and the Utility has reasonable grounds to believe the affected Customer is responsible for such use, including when the Utility has reasonable evidence that a Customer who is indebted to the Utility for Sewage Disposal Service at his present or other location is receiving Sewage Disposal Service under the same or a different name.
 - 6.1.4** Where the Utility's equipment has been tampered with and the Utility has reasonable grounds to believe that the affected Customer is responsible for such tampering.
 - 6.1.5** Detection of a device or scheme that has been used to avoid or attempt to avoid full payment for Sewage Disposal Service as defined by Indiana Code 35-43-5-6.
 - 6.1.6** The Customer fails to meet the terms of the Utility's 24-hour payment arrangement set forth in Rule 6.17.
- 6.2** Water and/or Sewage Disposal Service rendered under any application, contract, agreement, or otherwise may be discontinued by the Utility with notice as provided in Rule 6 of these Terms and Conditions for Sewage Disposal Service for any of the following reasons:
- 6.2.1** For failure to protect and maintain the Customer Building Sewer or other fixtures on the Customer's property in a condition satisfactory to the Utility, and consistent with Rule 21 of these Terms and Conditions for Sewage Disposal Service and the provisions of the Indiana Plumbing Code.
 - 6.2.2** For violation of the sewage restrictions set forth in Rules 14, 15 and 16 of these Terms and Conditions for Sewage Disposal Service.
 - 6.2.3** For failure to provide the Utility's employees free and reasonable access to the Premises or property served, or for obstructing the way of ingress to Customer Building Sewer, fixtures, or other appliances.
 - 6.2.4** Nonpayment of a delinquent bill.

- 6.2.5** For failure of the Customer to make a cash deposit as provided for in Rule 4 of these Terms and Conditions for Sewage Disposal Service, or failure to pay for the same class of service rendered at a different meter point, residence, or location, provided such bill has remained unpaid for at least forty-five (45) days. A Residential Customer shall not be disconnected for indebtedness incurred for Sewage Disposal Service at a different location if such bill has remained unpaid for less than forty-five (45) days.
- 6.2.6** In case of vacancy of the Premises by the Customer, when no one has assumed responsibility for payment of the bill for Sewage Disposal Service to the Premises.
- 6.2.7** For material misrepresentation in an application as to the Premises or property to be supplied service or type of service to be supplied or failure to report a change in the type of service.
- 6.2.8** When continuation of Sewage Disposal Service to the Customer creates conditions that jeopardize the integrity of the service provided to other Customers.
- 6.3** A Residential Customer may request the Utility notify a predesignated third party of a Utility Service disconnection notice issued to the Residential Customer. Such request shall be made in writing in the form of a Duplicate Notice Protection Plan Enrollment Application. When requested, the Utility shall notify the predesignated third party, by mail, of the pending Utility Service disconnection at the same time the Utility renders the disconnection notice to the Residential Customer as provided in Rule 6. The Utility may restrict the use of the Duplicate Notice Protection Plan to its Residential Customers who are elderly, handicapped, ill, or otherwise unable to act upon a service disconnection notice, as determined by the Utility.

- 6.4 Customers requesting temporary discontinuance of Sewage Disposal Service for repairs within their property will be charged a sum equal to the costs to the Utility for disconnecting and restoring service.
- 6.5 Discontinuance of the water or Sewage Disposal Service to a property or Premises under the provisions of these Terms and Conditions for Sewage Disposal Service shall not prevent the Utility from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due.
- 6.6 The Utility shall postpone the disconnection of water or Sewage Disposal Service for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the Residential Customer provides the Utility with a medical statement from a licensed physician or public health official, which states that a disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Residential Customer. The postponement of disconnection shall be continued for one additional ten (10) day period upon the provisions of an additional such medical statement.

- 6.7 The Utility may not disconnect water or Sewage Disposal Service to a Residential Customer: (a) Upon his or her failure to pay for the service rendered at a different metered point, residence or location if such bill has remained unpaid for less than forty-five (45) days; or (b) Upon his or her failure to pay for services to a previous occupant of the Premises to be served, unless the Utility has good reason to believe the Customer is attempting to defraud the Utility by using another name; or (c) Upon his failure to pay for a different form or class of Sewage Disposal Service.
- 6.8 The Utility may not disconnect Utility Services to the Residential Customer if he or she shows cause for his or her inability to pay the full amount due (financial hardship shall constitute cause) and (a) the Customer pays a reasonable portion (not to exceed \$10.00 or one tenth of the bill, whichever is less, unless the Customer agrees to a greater portion) of the bill; and (b) he or she agrees to pay the remainder of the outstanding bill within three (3) Months; and (c) he or she agrees to pay all undisputed future bills for service as they become due, and (d) he or she has not breached a similar agreement with the Utility made pursuant to this rule within the past twelve (12) Months. Such agreement shall be put in writing. The Utility may add to the Customer's outstanding bill a Late Payment Charge in the amount prescribed in the schedule set forth in Appendix A.
- 6.9 If a Customer is unable to pay a bill that is unusually large due to (1) prior incorrect reading of the meter, (2) incorrect application of the rate schedule, (3) incorrect connection or functioning of the meter, (4) prior estimates where no actual reading was taken for over two Months, (5) stopped or slow water meter, or (6) any human or mechanical error of the Utility, the Utility shall not disconnect the Customer provided the Customer (a) pays a reasonable portion of the bill, not to exceed an amount equal to the Customer's average bill for the twelve bills immediately preceding the bill in question; (b) agrees to pay the remainder within three months; and (c) agrees to pay all undisputed future bills for service as they become due. Any such agreement shall be put in writing. In case of such an agreement, no late fee shall be assessed.

- 6.10 If a Customer requests a review pursuant to the Rules and Regulations of the Commission's Rules, the Utility will disconnect only as provided in Rule 9.3 of these Terms and Conditions for Sewage Disposal Service.
- 6.11 The Utility shall disconnect water or Sewage Disposal Service only between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time. Disconnections pursuant to Rule 6.1 are not subject to this limitation.
- 6.12 The Utility shall not disconnect water or Sewage Disposal Service for nonpayment on any day on which the Utility office is closed to the public, or after 12:00 noon of the day immediately preceding any day when the Utility office is not open to the public.

- 6.13** Except as otherwise provided by these Terms and Conditions for Sewage Disposal Service, water and/or Sewage Disposal Service to any Nonindustrial Customer shall not be disconnected for a violation of these Terms and Conditions for Sewage Disposal Service or for the nonpayment of a bill, except after fourteen (14) days prior written notice to the Customer by either:
- 6.13.1** Mailing the notice to such Residential Customer at the address shown on the records of the Utility; or
 - 6.13.2** Personal delivery of the notice to the Residential Customer or a responsible member of his or her household at the address shown on the records of the Utility. No disconnect notice for nonpayment may be rendered by the Utility prior to the date on which the account becomes delinquent.
 - 6.13.3** To alert the Customers that they are in danger of losing service, disconnection notices mailed or hand delivered to Residential Customers shall be in envelopes that are appropriately marked and distinguishable from envelopes used for other purposes.
- 6.14** The language of a disconnect notice must be clear, concise and easily understandable to a layman and shall state in separately numbered large type or printed paragraphs:
- 6.14.1** The date of the proposed disconnection;
 - 6.14.2** The specific actual basis and reason for the proposed disconnection;
 - 6.14.3** The telephone number of the Utility office at which the Customer may call during regular business hours in order to question the proposed disconnection or seek information concerning his or her rights; and
 - 6.14.4** A reference to these Terms and Conditions for Sewage Disposal Service furnished to the Customer for information as to the Customer's rights, including appropriate website address.

- 6.15** Immediately preceding the actual disconnection of Utility Services, the employee of the Utility designated to perform such function shall make a reasonable attempt to identify himself to the Customer or any other responsible person then upon the Premises and shall make a record thereof to be maintained for at least thirty (30) days.
- 6.16** The employee shall have in his or her possession information sufficient to enable him or her to inform the Customer or other responsible person of the reason for the disconnection, including the amount of any delinquent bill of the Customer, and shall request from the Customer any available verification that the outstanding bill has been satisfied or is currently in dispute pursuant to review under the Commission's Rules. Upon the presentation of such credible evidence, service shall not be disconnected.

- 6.17 Through its employee, the Utility may offer the Utility's 24-hour payment arrangement as an alternative to disconnection. Upon presentation of satisfactory evidence, , or acceptance by the Customer or other responsible party of the Utility's 24-hour payment arrangement, service will not be disconnected. The Utility employee is not required to offer the Utility's 24-hour payment arrangement as an alternative to disconnection. When the employee has disconnected the service, the employee will give to a responsible person at the Residential Customer's Premises, or if no one is at home, will leave at an entry way on the Premises, a notice stating that service has been disconnected and the telephone number of the Utility where the Customer may arrange to have service reconnected.
- 6.18 When the employee has disconnected Utility Services, he or she shall give a responsible person on the Premises, or if no one is at home, shall leave at a conspicuous place on the Premises, a notice stating which Utility Services have been disconnected and stating the address or telephone number of the Utility where the Customer may arrange to have the Utility Services reconnected.
- 6.19 Restoration of Sewage Disposal Service or reconnection of a Customer Building Sewer connection will be made at the Utility's discretion as soon as reasonably possible but at least within five (5) working days after requested if conditions permit after the Customer has:
- 6.19.1 Paid all unpaid bills for Sewage Disposal Service;
 - 6.19.2 Made a required deposit to ensure future payment of Sewage Disposal Service bills;
 - 6.19.3 Reimbursed the Utility the greater of a) any labor, material and associated restoration costs involved in reconnecting Sewage Disposal Service orb) the Reconnection Charges are set forth in Appendix A; and
 - 6.19.4 Corrected any condition found in violation of any applicable provision of these Terms and Conditions for Sewage Disposal Service.

7. METERS

- 7.1 The Utility shall measure usage and bill Industrial and Nonindustrial Customers in the following manner:
- 7.1.1 To the extent possible, bills to Industrial and Nonindustrial Customers will be based on the Customer's metered water usage or estimated water usage in any given month as provided for in Rule 7.1.2.

7.1.2 In the event a Nonindustrial or Industrial Customer is not served by a public water supply or water used is not completely metered, the Utility shall estimate the volume and strength of the waste and use such estimate for the purposes of billing rates and charges. The foregoing estimates shall be based upon analyses and volumes of a similar installation to the Nonindustrial or Industrial Customer or the volume and analysis as determined by measurements and samples taken by the Utility or an estimate determined by the Utility or by any combination of the foregoing or other equitable method.

7.2 The Utility may make adjustments to bills for Sewage Disposal Service as described below:

7.2.1 If any meter, on which a Sewage Disposal Service bill is based, shall be found to have a percentage of error greater than two percent (2%), the following provisions for the adjustment of bills shall be observed:

7.2.1.1 When a meter is found to have a positive average error, *i.e.*, is fast, in excess of two percent (2%), the Utility shall refund or credit the Customer's account with the amount in excess of that determined to be an average charge for one-half of the time elapsed since the previous meter test, or one (1) year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be fast. No part of a minimum service charge shall be refunded.

7.2.1.2 When a meter is stopped or has a negative average error, *i.e.*, is slow, in excess of two percent (2%), the Utility will charge the Customer an amount estimated to be an average charge for one-half of the time elapsed since the previous meter test or one (1) year, whichever period is shorter. The average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be slow or stopped. Such action may be taken only in cases where the Utility is not at fault for allowing the stopped or slow meter to remain in service.

7.2.1.3 In the event the Customer's service is interrupted for a reason other than the act of the Customer or the condition of Customer-controlled equipment, and the service remains interrupted for more than two (2) days after being reported or found to be out of order, appropriate adjustments or refunds may be made to the Customer.

7.2.2 When an error is discovered in any billing or when billing is omitted, the Utility may adjust such error to the known date of error, but in any event within not more than twelve (12) Months from the date of such billing.

- 7.2.3 Upon detecting a device or scheme which has been utilized to avoid or attempted to avoid full payment for Sewage Disposal Service, the Utility may, after estimating the volume waste:
- 7.2.3.1 Immediately disconnect water or Sewage Disposal Service without notice pursuant to Rule 6.1.3.
 - 7.2.3.2 Bill and demand immediate payment from the person benefiting from such device or scheme the actual cost of the volume of waste, corrections and repairs, or two hundred dollars (\$200.00), whichever is more.
 - 7.2.3.3 Bill any and all damages as provided by Indiana Code 34-24-3-1 et seq. based upon the Utility's reasonable and customary estimate thereof.
- 7.2.4 Where a metered water supply is used for fire protection as well as for other uses, the Utility may, at its sole discretion, make adjustments in the Sewage Disposal Service charge as may be equitable. In such cases the burden of proof as to the type of water usage shall be upon the Customer. Where a metered water supply is used for fire protection only, the sewer user charge shall not apply.

8. RESPONSIBILITY FOR SERVICE

- 8.1 The Utility shall not be liable for damages of any kind or character for any deficiency or failure of Sewage Disposal Service, for the blockage or breaking or Sewer overload of any collection Sewer, wherever located, for any deficiency in any Utility or Building Sewer, attachment or fixtures to any collection Sewer, or any other facility used by the Utility, or for any other interruption of Sewage Disposal Service caused by breaking of machinery, stopping for repairs or for any reason or occurrence beyond the reasonable control of the Utility. The Utility shall not be liable for any damage to any property caused by any of the foregoing reasons or for any other cause beyond the reasonable control of the Utility.
- 8.2 The Utility shall not be held liable for any failure or delay in performing any of the things undertaken by it under any service contract when such failure or delay is caused by strike, acts of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission. Nor shall Utility be liable for damage caused by interruption in, or failure of service, or by sewage disposal escaping from piping on Customer's property.
- 8.3 The Utility shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot, or civil commotion, vandalism, acts of others, or acts or failure of action of any local governmental authority to enforce or provide proper surface drainage or ditches for surface runoff, or other circumstance over which Utility has no control, where the Utility has used reasonable care in installing and maintaining its system in accordance with acceptable standards in the sewer utility business.

9. COMPLAINT PROCEDURE

9.1 Complaint. A Customer may complain at any time prior to disconnection to the Utility about any Utility Services bill, a security deposit, a disconnection notice, or any other matter relating to its Utility Services and may request a conference about such matters. The complaints may be made in person, in writing, or by completing a form available from either the Commission or from the Utility at its business office. A complaint shall be considered filed upon receipt by the Utility, except mailed complaints shall be considered filed as of the postmark date. In making a complaint or requesting a conference (hereinafter "complaint"), the Customer shall state his/her name, service address and the general nature of his/her complaint. The Utility will continue service to Customer pending disposition of a complaint.

9.2 Investigation of Complaint and Notification of Proposed Disposition. Upon receiving each such complaint, the Utility will investigate the matter, confer with the Customer when requested and notify him/her, in writing, of its proposed disposition of the matter. Such written notification will advise the Customer that he/she may, within seven days following the date on which such notification is mailed, request a review of the Utility's proposed disposition by the Commission. If the Customer requests a special Meter reading, the first reading of the Customer's Meter by the Utility during its investigation shall not be subject to the charge for a special Meter reading prescribed in the Utility's Rate Schedules. Subsequent readings, however, if requested by the Customer, will be subject to the charge.

9.3 Service During Review of Complaint. If the Customer is receiving Utility Services at the time the complaint is received by the Utility, his/her Utility Services will not be disconnected until at least ten (10) days after the date on which the Utility mails the notification of its proposed disposition of the matter to the Customer.

If the Customer desires review of the Utility's proposed disposition, he must submit a written request to the Commission within seven (7) days after the mailing by the Utility of its proposed disposition of the matter. In the event that the Commission supports the Utility's proposed disposition of the matter, the Utility will not disconnect the Customer's Utility Services, except as provided under these Rules.

9.4 Record of Complaints. The Utility's record of complaints under this rule will be available during normal business hours (as set forth on www.citizenswater.com) upon request by the concerned Customer, his agent possessing written authorization, or the Commission.

9.5 This rule does not preclude the right to file a complaint with the Commission as permitted by the Commission's rules and/or by statute.

10. MAIN EXTENSIONS

10.1 DEFINITIONS

The following terms as used in Rule 10 of these Terms and Conditions for Sewage Disposal Service have the following meanings:

- 10.1.1** "Applicant" means a Person requesting the Main Extension in order to receive sewer utility service from the Utility.
- 10.1.2** "Completion Date of the Main Extension" means the date the Utility declares the Main Extension to be in service and releases it for Taps.
- 10.1.3** "Cost of Connecting" means the average of the Utility's costs for the same size service connection incurred during the preceding calendar year including, if provided by the Utility, the Service Pipe, Tap, and installation thereof or portions thereof; however, the Cost of Connecting shall not be applicable under Rule 10 of these Terms and Conditions for Sewage Disposal Service for those portions of such cost recovered from an Applicant by the Utility in the form of a Tap or similar charge.
- 10.1.4** "Cost of the Main Extension" means the cost of installing the Main as determined in Rules 10.5 through 10.7 of these Terms and Conditions for Sewage Disposal Service.
- 10.1.5** "Customer" means a Person being supplied with sewer utility service.
- 10.1.6** "Deposit" means the amount required to be deposited by or on behalf of each Applicant or Prospective Customer for a Main Extension prior to the Utility commencing construction of the Main Extension.
- 10.1.7** "Estimated Annual Revenue" for an Applicant connecting to the Main means the Utility's average annual revenue per applicant from comparable Customers in the calendar year preceding such connection, adjusted to reflect any changes in the applicable rates and charges of the Utility for such service.
- 10.1.8** "Frontage" means the footage, ten (10) feet minimum length, of a Lot or tract (but not an easement) boundary that is parallel to or curvilinear to, and immediately adjacent to a Main Extension in a Public Thoroughfare or easement.
- 10.1.9** "Immediate Revenue Allowance" means the amount of three (3) times the Estimated Annual Revenue less the Cost of Connecting for an Applicant.
- 10.1.10** "Lot" means a parcel of land as platted, or if the area to be served is not platted, the equivalent of a parcel of land as determined in accordance with Rule 10.8 of these Terms and Conditions for Sewage Disposal Service.

- 10.1.11** “Main” means a pipe owned by the Utility that connects to Service Pipes for transmitting sewage effluent.
- 10.1.12** “Main Extension” means the Mains and appurtenances installed by the Utility to provide the sewer utility service requested by or on behalf of the Applicant or Prospective Customer, but does not include the Service Pipes.
- 10.1.13** “Original Depositor” means an Applicant who enters into a Main Extension agreement and makes a Deposit with the Utility.
- 10.1.14** “Person” means an individual, firm, corporation, governmental agency, or other entity.
- 10.1.15** “Prospective Customer” means a Person who is not an Original Depositor, but whose Lot or Frontage directly abuts the Main Extension between its original beginning and its original end point.
- 10.1.16** “Public Thoroughfare” means a road, street, or way that has been dedicated for use by the public and accepted by the appropriate governmental authority.
- 10.1.17** “Refund” means the Subsequent Connector’s Fees, Subsequent Connector’s Revenue Allowances, and Revenue Allowances from Depositor-Authorized Connections of Lots included in the Original Depositor’s Main Extension agreement that must be paid by the Utility to the Original Depositor for ten (10) years after the Completion Date of the Main Extension.
- 10.1.18** “Revenue Allowance from Depositor-Authorized Connection” means the amount of three (3) times the Estimated Annual Revenue less the Cost of Connecting that the Utility may refund to Original Depositor for connections for Lots or unplatted areas owned, controlled, or designated by the Original Depositor and does not include an Immediate Revenue Allowance.
- 10.1.19** “Service Pipe” means a sanitary sewer line leading directly from the Premises to the Main adjacent to such Premises.
- 10.1.20** “Subsequent Connector” means a Person who was not an Original Depositor but subsequently applies for sewer service and who connects to the Main within ten (10) years after the Completion Date of the Main Extension.
- 10.1.21** “Subsequent Connector’s Fee” means the cash fee equal to the cost per lot of the Main Extension determined in accordance with Rules 10.84 through 10.106 of these Terms and Conditions for Sewage Disposal Service, multiplied by the number of Lots for which service is requested.

10.1.22 "Subsequent Connector's Revenue Allowance" means three (3) times the Estimated Annual Revenue for the Subsequent Connector less the Cost of Connecting.

10.1.23 "Tap" means a fitting owned by the Utility and inserted by it into a Main to which a Service Pipe is attached.

10.1.24 "Total Required Deposit" means the amount by which the Cost of the Main Extension exceeds the Immediate Revenue Allowance for the Original Depositor.

10.2 WRITTEN AGREEMENT

Persons desiring Main Extensions shall apply therefore in writing to the Utility. All Main Extensions require a prior written agreement between the Utility and the prospective Customer or Customers, who shall contract to connect to the Main within nine months after the completion date of the Main Extension and receive service from the Main Extension for a period not less than three years.

10.3 FREE EXTENSION

The Utility shall extend a Main and connect the Applicant free of charge to provide the service requested if:

10.3.1 The Cost of the Main Extension does not exceed the Immediate Revenue Allowance for the Applicant; and

10.3.2 The Applicant agrees to take service within nine (9) months following the Completion Date of the Main Extension.

10.4 MAIN EXTENSION; EXCEPTION TO COMMISSION APPROVAL

If the Cost of the Main Extension is greater than the free extension cost, that extension shall be made, upon receipt by the Utility of a signed agreement and a Deposit from the Applicant, without specific approval by the Commission.

10.5 EXTENSION EXCEPTION

The Utility shall not be required to make Main Extensions unless the Applicants to be initially served by those extensions contract to use the service for a period of three (3) years. A bond may be required of the Applicant in this situation.

10.6 SPECIAL CONTRACT

The Utility may require a special contract when: (a) the requested Main Extension is of such length and the prospective business to be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair return on the Utility investment involved in such extension; (b) the prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved; (c) there are industrial installations requiring extensive sewer utility investment and where the demand for sewer service is expected to be slight, irregular, or of unknown quantity; or (d) there are other abnormal or extraordinary circumstances.

10.7 MAIN EXTENSION ROUTE

10.7.1 The Utility shall use good engineering and sewer utility practices in determining the route for all Main Extensions. Any facilities installed in connection with Main Extensions shall become the property of the Utility.

10.7.2 The Utility shall determine the total length of the extension from its existing Main to serve the extension to the end of the Lot or Frontage of the most remote Applicant to be served.

10.7.3 If the end Lot or Frontage is a corner Lot or Frontage abutting an intersecting street in which no Main is located, the end of the new extension may not extend beyond the intersecting street corner of that Lot.

10.7.4 If the street in which the Main is to be laid dead ends in a cul-de-sac or appears to be permanently dead ended against a railroad, creek, river, or other major physical or natural barrier, the end point of the Main Extension, if serving the most remote Lot or Frontage, shall be the point of the most remote Service Pipe connection, which connection point shall be at least ten (10) feet beyond the Lot line.

10.8 NUMBER OF LOTS SERVED BY MAIN EXTENSION

A determination shall be made of the number of Lots to be served by the Main Extension. The determination may include only Lots that directly abut the Main Extension between its original beginning and its original end point. If any part of the Main Extension is located within an area platted or to be platted, the number of Lots shown within the plat to be served shall be included in the determination. If any part of the Main Extension is located in an unplatted area, the number of Lots to be included shall be determined by dividing the total Frontage of the Main Extension within the unplatted area on either or both sides of the Public Thoroughfare or easement in which the Main is located by one hundred (100) feet and rounded to the nearest whole number of Lots, provided either or both sides are available for future development and not restricted against usage because of limited access or other reasons. The determination of the number of Lots for a particular extension may include a combination of platted and unplatted Lots as defined in this Section. Any further Main Extension subsequently connected to the original Main Extension shall, for all purposes under Rule 10 of these Terms and Conditions for Sewage Disposal Service, constitute a separate Main Extension.

10.9 MAIN EXTENSION COST

10.9.1 The Cost of the Main Extension may, as determined by the Utility, be either:

10.9.1.1 The estimated cost of the extension; or

10.9.1.2 The actual cost of a developer-installed extension.

10.9.2 For any special construction, or for any other facility involved in a Main Extension, the cost shall be the Utility's best estimate of the cost of the Main, special construction, or related facilities based upon current available information.

10.9.3 If the Utility's future extension plans require a larger Main than is reasonably necessary to serve the Applicants and Prospective Customers, the difference in the cost for the larger Main size and increased material and installation cost, if any, shall be borne by the Utility.

10.9.4 The estimated cost shall be adjusted to the actual cost by the Utility, in which event the actual cost as finally determined shall constitute the Cost of the Main Extension. If the Main Extension agreement provides for the adjustment of the estimated Cost of the Main Extension to the actual cost, the adjustment shall be made upon completion of the Main Extension. If the actual cost of the extension is less than the estimated cost, the Utility shall refund the difference to the Original Depositor as soon as the actual cost has been determined. If the actual cost of the extension exceeds the estimated cost, then the Utility shall bill the Original Depositor for, and such depositor shall pay, the difference between the estimated cost and the actual cost.

10.9.5 For the Main Extension, the Applicant shall be required to pay the Cost of the Main Extension, and the full gross-up for any applicable state and federal taxes associated with the cost of the extension and the Applicant shall receive Refunds as provided in Rule 10.9 of these Terms and Conditions for Sewage Disposal Service.

10.10 COST PER LOT

The cost per lot shall be determined by:

10.10.1 The total number of Lots to be served by the Main Extension divided into the Cost of the Main Extension; or

10.10.2 The Cost of the Main Extension shall be divided proportionately on the basis of respective Lot Frontage for all Lots to be served by the Main Extension.

10.11 TOTAL REQUIRED DEPOSIT

- 10.11.1** The Total Required Deposit for a Main Extension may either be made in a cash payment or it may be secured by an irrevocable letter of credit acceptable to the Utility and issued by a national banking association or a bank chartered under the laws of the state. The Deposit may also be secured in any other manner that is mutually acceptable to the parties and that guarantees payment of the Deposit immediately upon completion of the Main Extension.
- 10.11.2** If permitted by the Utility, the Main Extension may be installed by the developer or the developer's contractor according to the extension and installation policies of the Utility, and the actual cost of the developer-installed extension shall be considered the Total Required Deposit.
- 10.11.3** The Utility may allocate, or permit Original Depositors to allocate, the Total Required Deposit on the basis of the number of Lots, the respective Lot Frontage, or any other basis mutually acceptable to the Original Depositors.

10.12 SUBSEQUENT CONNECTOR FEE

- 10.12.1** Within ten (10) years after the Completion Date of the Main Extension, the Utility shall not permit a Subsequent Connector to connect to a Main Extension until after the Subsequent Connector has paid the required Subsequent Connector's Fee to the Utility.
- 10.12.2** Applicants for service connections for Lots in subdivision and tract developments that are included in the Original Depositor's Main Extension agreement, are not required to pay a Subsequent Connector's Fee, unless otherwise specifically provided for in the Main Extension agreement.

10.12.3 If a Prospective Customer with Frontage land that was unplatted on one (1) or both sides of the street at the time the Main Extension was installed later subdivides this Frontage prior to the expiration of the ten (10) years after the Completion Date of the Main Extension in such a manner that some or all Lots will not require service directly from that Main Extension, the Customer is considered to have requested another extension from that Main Extension to serve the Customer's land. The Utility in that case shall collect from the Prospective Customer prior to installing the requested second extension, a Subsequent Connector's Fee for each equivalent Lot of the Frontage land used in determining the Main Extension cost per lot and which will not be served directly by the original Main Extension.

10.13 REFUNDS

- 10.13.1** Refunds shall be paid for a period of ten (10) years after the Completion Date of the Main Extension to the Original Depositor in proportion to the respective Deposits. A Deposit shall be held by the Utility as a Customer's advance for construction. Any Deposit that is not subject to refund because of the running of the ten (10) year period shall be transferred by the Utility to contributions in aid of construction.
- 10.13.2** However, no Refunds shall be required to be made by the Utility until the number of Customers actually connected to the Main Extension equals the number of Applicants for which an Immediate Revenue Allowance was included in computing the Total Required Deposit for the Main Extension. The Refunds shall be paid annually or more frequently at regular intervals at the discretion of the Utility.
- 10.13.3** Total Refunds to any Original Depositor shall not exceed the amount of the original Deposit except in the case of a phased residential real estate development. In this situation, the preliminary plat must be submitted to the Utility at the time of the first request for a Main Extension. During the ten (10) year period beginning with the completion date of the first Main Extension, the amount of any Refunds generated in excess of the Deposit made on any phase of the development must be applied against the Deposit made for any other phase of the development, so long as the total amount of Refunds to the Original Depositor shall not at any time exceed the total amount of his Deposits during the period. The Utility shall not require any Subsequent Connector's Fee that is in excess of the unrefunded balance of the aggregate of Deposits received from all Original Depositors.
- 10.13.4** The Refund shall be made by mailing the payment to the Original Depositor's last known address as shown on the books and records of the Utility. Any Refund distribution that cannot be returned to an Original Depositor after the Refund becomes due and payable must be reported as required by Indiana Code 32-17.5, et seq.

10.14 BASIS FOR COST

If the applicant is required to make any payment, the Utility shall, upon request, make the following available to the applicant:

- (1) The information used to establish the basis for the cost of the main extension.
- (2) The information used to establish the basis for the estimated annual revenue for a period of three years to be realized by the utility from permanent and continuing customers on main extensions as required by this rule.

11. SEWER CONSTRUCTION REQUIREMENTS

- 11.1** Except for Building Sewers serving single- or double-family residences (i.e. stand alone) or single-owner industrial facilities, connection permits will not be issued by the Utility for Building Sewers exceeding six hundred (600) feet in length as measured from the outside of the building to the center of the Public Sewer, unless the Sewer is constructed in a dedicated easement or right-of-way. No more than one hundred (100) feet of a Building Sewer shall exist within a public right-of-way.
- 11.2** No more than one (1) building will be permitted to connect to a Building Sewer. Sewers with more than one (1) connection must be constructed as a Public Sewer in a dedicated easement, unless the Utility determines that an exception is justified.
- 11.3** It shall be the responsibility of the property owner(s) whose property is benefited to provide for, install and make private connections for the use of their Premises to an existing Public or Building Sewer. As further provided in Rule 21 of these Terms and Conditions for Sewage Disposal Service, it shall be the responsibility of the owner to make all necessary repairs, extensions, relocations, changes or replacements thereof, and of any accessories thereto.

12. MANDATORY INSPECTION AND RIGHT OF ENTRY

- 12.1** Upon completion of the work described in a permit, it shall be the duty of the permit holder to notify the Utility that the work is available for inspection before backfilling the Building Sewer trench. The Utility will conduct inspections on Building Sewer connections ~~from 8:00 a.m. to 3:00 p.m., local time,~~ Monday through Friday, except for observed holidays. The Building Sewer, in its entirety from the foundation to the connection with the Public Sewer or existing Building Sewer must be exposed for inspection and be properly bedded in accordance with the Utility's standard specifications ~~to one-half (1/2) the diameter of the Building Sewer.~~ In the event the Building Sewer fails the initial inspection, additional re-inspections are subject to the Building Sewer Re-Inspection Fee as provided in Appendix B.

It is further the duty of the permit holder to install safety barricades, fences or other safety measures while waiting for an inspection. The permit holder may backfill the Building Sewer trench if the Utility has not made an inspection within a twenty-four (24) hour period after notice has been given to the Utility. In the event the Building Sewer is not completed and ready for inspection upon the inspector's arrival or if the notification is made after 2:00 p.m., local time, Monday through Friday, the permit holder shall make the Building Sewer and connection available for a four (4) hour period on the following Utility work day. An inspection may be waived with or without conditions with the approval of the Utility.

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

Original Page No. 2439

- 12.2 The Utility shall have the right of entry to, upon or through any Premises for purposes of inspection of Sewer work and any other construction activity performed on or associated with the connection of the Building Sewer to the Sewage Disposal System including inspection for clear water discharges into the Sewage Disposal System.

13. INTERRUPTION OF SERVICE

- 13.1 Whenever the service is intentionally interrupted for any purpose, except in emergencies, such interruption shall be made during regular working hours of the Utility and at a time to cause the least inconvenience to Customers. Customers who will be affected by such interruption shall, to the extent practical, be notified in advance of the interruption of service.

14. PROHIBITION AGAINST CLEAR WATER DISCHARGES

- 14.1 Except as specifically provided in this Rule, no person shall cause or allow the connection of a Building Sewer to the Sewage Disposal System or other Building Sewer when such Building Sewer has any of the following sources of clear water connected to it:

- 14.1.1 Foundation/footing drains;
- 14.1.2 Sump pumps with Foundation Drains connected;
- 14.1.3 Roof drains;
- 14.1.4 Heat pump discharge;
- 14.1.5 Cooling Water; or
- 14.1.6 Any other sources of clear water.

- 14.2 In addition to any other provision provided herein, any person found violating any provision listed in Rule 14.1 above may be required to correct such connections at his expense.

- 14.3 In the event an industrial or commercial entity finds it necessary to discharge clear water consisting of Cooling Water and/or steam condensate into the Sewage Disposal System and the Sewage Disposal System has capacity to receive such clear water without affecting existing or future Customers, the Utility may enter into an agreement for such discharge that will define a merging system and any other requirement deemed necessary to measure the flow. In April of each year, the Utility will calculate an Industrial Customer's monthly clear water discharge flow by averaging their measured steam usage from the steam system converted to gallons applicable to the preceding twelve-month period, January through December. The Industrial Customer will be billed the calculated twelve-month steam average converted to gallons for clear water discharge during the following twelve-month period, April through March. For a new Customer, the monthly steam condensate discharged into the system will be calculated based upon the previous twelve months of steam condensate discharged for the location. If less than twelve months of steam condensate discharge is available for the location, the steam condensate discharge for a new eCustomer will be based upon an annualization of the data available (i.e. monthly average steam condensate discharge multiplied by twelve).

If no steam condensate discharge is available for the location, steam condensate discharge for a new eCustomer will be determined based on an estimate of based on the eCustomer's projected steam usage. The rate for such discharge shall be the total treatment and surveillance rate as set forth in the Utility's applicable Sewer Rate No. 2.

15. DEWATERING DISCHARGE

- 15.1** No person shall discharge the water resulting from dewatering activity to the Sewage Disposal System, whether such activity is temporary or permanent, without a valid connection permit issued by the Utility. As a condition to the issuance of a permit, the Applicant shall install, maintain and operate at the Customer's expense a metering device to measure the flow associated with such discharge.
- 15.2** Based upon the volumes determined by the measurements, the Customer will be charged appropriate fees as set forth in the Utility's applicable Rate Schedules.
- 15.3** The Customer shall be required to submit Monthly reports, subject to verification by the Utility, to serve as the basis for billing, with any necessary adjustments in the amount made after verification.

16. SEWAGE RESTRICTIONS

- 16.1** No person shall discharge or cause to be discharged into any sanitary Sewer any wastewater or Pollutants, which cause, threaten to cause or are capable of causing, either alone or by interaction with other substances:
- 16.1.1** Fire or explosion hazard;
- 16.1.2** Corrosive structural damage to the Sewage Disposal System, but in no case water with a pH lower than 5.0 or higher than 12.0;
- 16.1.3** Obstruction to the flow in the Sewers or other disruption to the proper operation of the Sewage Disposal System;
- 16.1.4** An Interference; or
- 16.1.5** A Pass-through.
- 16.2** No person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary Sewer:
- 16.2.1** A Slug or a flow rate and/or Pollutant discharge rate which is excessive over a relatively short time period so that there is a treatment process Upset and subsequent loss of treatment efficiency;
- 16.2.2** Heat in amounts which will inhibit biological activity at the wastewater treatment plant but in no case greater than sixty (60) degrees centigrade (one hundred forty (140) degrees Fahrenheit) or heat in such quantities that the temperature at the wastewater treatment plant exceeds forty (40) degrees centigrade (one hundred four (104) degrees Fahrenheit);

- 16.2.3 Any wastewater containing toxic Pollutants or any discharge which could result in toxic gases, fumes or vapors in sufficient quantity, either singly or by interaction with other Pollutants, to injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a toxic effect in the receiving waters of the Sewage Disposal System, or to exceed applicable categorical pretreatment standards;
- 16.2.4 A wastewater with a closed cup flash point of less than one hundred forty (140) degrees Fahrenheit or any liquids, solids or gases which, by reason of their nature or quantity, are or may be sufficient, either alone or by interaction with other substances, to cause fire or explosion or be injurious or hazardous in any other way to the Sewage Disposal System or to the operation of the wastewater treatment plant. At no time shall a discharge cause a reading on a meter capable of reading L.E.L. (lower explosive limit) to be greater than ten (10) percent at the point of discharge to the Sewage Disposal System or at any point in the Sewage Disposal System;
- 16.2.5 Any noxious or malodorous liquids, gases or solids which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or hazard to life or are sufficient to prevent entry into the Sewers for maintenance and repair;
- 16.2.6 Solid or viscous substances and/or other Pollutants which may cause obstruction to the flow in a Sewer or other Interference with the operation of the Sewage Disposal System such as, but not limited to, grease, Garbage other than Properly Shredded Garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, wastepaper, wood, plastics, tar, asphalt residues from refining or processing of fuel or lubricating oil, mud or glass grinding or polishing wastes, or tumbling and deburring stones;
- 16.2.7 Any substance that may cause the Sewage Disposal System's effluent or any other product of the wastewater works such as residues, sludges or scums to be unsuitable for reclamation and reuse or to interfere with the reclamation process. In no case shall a substance discharged to the Sewage Disposal System cause the Sewage Disposal System to be in noncompliance with sludge use or disposal criteria, guidelines or regulations developed under section 405 of the Federal Water Pollution Control Act;
- 16.2.8 Any substance that will cause the Sewage Disposal System to violate its NPDES Permit or the receiving stream's water quality standards;
- 16.2.9 Any wastewater with objectionable color not removed in the treatment process, such as, but not limited to, dye wastes, inks and vegetable tanning solutions;

- 16.2.10** Any wastewater containing Radioactive Material above limits contained in regulations, licenses or orders issued by the appropriate authority having control over their use. The disposal of any licensed Radioactive Material must meet applicable local, state or federal requirements;
- 16.2.11** Any wastewater containing a total petroleum hydrocarbons concentration as determined by a procedure deemed appropriate by the Utility in excess of two hundred (200) mg/l. This limitation shall apply at the point of discharge to the Sewage Disposal System and is the maximum concentration allowed in any single grab sample collected from the waste stream;
- 16.2.12** Any gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, carbides, hydrides, stoddard solvents, sulfides, epoxides, esters, amines, polynuclear aromatic hydrocarbons, pyridines, new and used motor oil, or antifreeze, except at concentrations that do not exceed levels of such substances that are routinely present in the normal wastewater discharge and do not otherwise violate the conditions of an industrial discharge permit or a special agreement; or
- 16.2.13** Polychlorinated biphenyls (PCBs) in any detectable concentrations.
- 16.3** No person shall discharge or cause to be discharged a wastewater that has a twenty-four-hour composite value in excess of the values shown below:

Pollutant	Maximum Allowable Concentration 24-Hour Composite Sample Value (mg/l)
Arsenic	4.0
Cadmium	1.2
Chromium (total)	24.0
Chromium (hex)	3.4
Copper	2.2
Cyanide (amenable)	0.4
Lead	4.7
Nickel	7.3
Phenol	46.0
Pentachlorophenol	0.012
Zinc	38.0
Mercury	0.025
Silver	4.2

16.4 The limitations set forth in Rule 16.3 apply at the point of discharge to the Sewage Disposal System. The limitations for amenable cyanide, total cyanide and phenols apply to twenty-four-hour composite samples only in those cases where the composite sample is preserved according to EPA approved methods prior to collection. Otherwise, the values set forth for amenable cyanide, total cyanide and phenols or, with the approval of the Utility, any other listed Pollutants shall apply to an instantaneous grab sample taken during prevailing discharge conditions and representative of the facility's discharge in general. The limitations and requirements imposed in Rules 16.1 and 16.2 apply at the point of discharge to the Sewage Disposal System unless specified otherwise.

16.5 No Customer shall change substantially the character or volume of the Pollutants discharged to the Sewage Disposal System without prior notification to the Utility.

17. REQUIRED INSTALLATION OF FOOD WASTE DISPOSER

17.1 Except as hereafter provided, no person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary Sewer: any Garbage that has not been properly shredded through a disposal unit or other shredding device, with no particle greater than one-half (1/2) inch in any dimension.

18. GREASE INTERCEPTOR

18.1 A grease interceptor shall be installed in the waste line leading from sinks, drains and other fixtures or equipment in restaurants, cafes, lunch counters, cafeterias, bars and clubs, hotels, hospitals, factories or school kitchens; or other establishments where grease may be introduced into the drainage or sewage system in quantities that can affect line stoppage or hinder sewage treatment. The characteristics, size and method of installation of the grease interceptor shall meet the requirements imposed by the Indiana Fire Prevention and Building Safety Commission and shall be reviewed and approved by the Utility prior to the commencement of installation. Approval of proposed facilities or equipment does not relieve the person of the responsibility of enlarging or otherwise modifying such facilities to accomplish the intended purpose. A grease interceptor is not required for individual dwelling units or for any private living quarters.

18.2 Where installed, all grease interceptors shall be maintained by the Customer, at his or her sole expense, in continuously efficient operation at all times.

18.3 The Customer shall provide evidence, such as invoices, that grease interceptors are cleaned and maintained regularly. This evidence shall be retained by the Customer for a period of at least 24 months. The Utility may discontinue water and/or Sewage Disposal Service to Customers for their refusal to provide evidence that the grease interceptor has been cleaned and regularly maintained.

19. INDUSTRIAL CUSTOMER OR SELF-REPORTING CUSTOMER WASTE DISCHARGE

- 19.1** Neither the Applicant, Customer nor any occupant of the property or Premises shall discharge, or cause to be discharged, into the Building Sewer or into the collection Sewer any "industrial wastes" consisting of solids, liquids or gaseous wastes resulting from any industrial or manufacturing operation or process, or from the development of any natural resource, without first obtaining written permission for such discharge from the Utility, and from any regulatory authority or governmental unit having jurisdiction over such a discharge of wastes.
- 19.2** Where necessary in the Utility's opinion, the Applicant or Customer shall provide, at the Applicant or Customer's expense, such pretreatment as may be necessary to reduce objectionable characteristics or constituents to within the maximum limits provided for in these Terms and Conditions for Sewage Disposal Service.
- 19.3** Self-Reporting Customers shall comply with all categorical pretreatment standards, found in 40 CFR Chapter I, Subchapter N, Parts 405-471, the pretreatment standards found in 327 IAC 5-12-6, as well as any rules and regulations adopted by Resolution of the Utility's Board in furtherance of those pretreatment standards.
- 19.4** Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Customer at the Customer's expense.
- 19.5** Where necessary in the Utility's opinion, the Customer shall provide, at the Customer's expense, such measures as may be necessary to control the quantities and rates of discharge of waters or wastes.

20. ACCIDENTAL DISCHARGE

- 20.1** Each Industrial and Self-Reporting Customer shall provide protection from Accidental Discharge of substances identified in Rule 16 of these Terms and Conditions for Sewage Disposal Service. Facilities to prevent Accidental Discharge shall be provided and maintained at the Customer's own cost and expense. Detailed plans showing facilities and operating procedures to provide this protection shall be available to the Utility for review. No Industrial or Self-Reporting Customer who commences contribution to the Sewage Disposal System shall be permitted to introduce Pollutants into the system until Accidental Discharge procedures are available.
- 20.2** In the case of an Accidental Discharge, it is the responsibility of the Industrial or Self-Reporting Customer to immediately telephone and notify the Utility of the incident. The notification shall include:
- 20.2.1** Name of Customer;
- 20.2.2** Location of Accidental Discharge;
- 20.2.3** Type of waste discharged;

- 20.2.4 Concentration and volume of waste discharged;
- 20.2.5 Corrective actions taken to minimize the impact of the discharge to the Sewage Disposal System.
- 20.3 The Industrial or Self-Reporting Customer shall notify the Utility if it is unable to comply with any requirement of this Rule because of a breakdown of its treatment equipment, accidents caused by human error, or Upsets. The notification should include the information required in Rule 20.2 above.
- 20.4 Within five (5) working days, unless extended by the Utility in writing, the Industrial Customer shall submit to the Utility a detailed written report describing the Accidental Discharge, including:
 - 20.4.1 The cause of the Accidental Discharge;
 - 20.4.2 The period of the Accidental Discharge, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue;
 - 20.4.3 Steps being taken and/or planned to reduce, eliminate or prevent recurrence of the Accidental Discharge.
- 20.5 Such notification shall not relieve the Industrial or Self-Reporting Customer of any expense, loss, damage or other liability that may be incurred as a result of damage to the Sewage Disposal System or aquatic life, fish kills, or any other damage to persons or property; nor shall such notification relieve the Industrial or Self Reporting Customer of any fines, civil penalties or other liability that may be imposed.
- 20.6 A notice shall be permanently posted on the Industrial or Self-Reporting Customer's bulletin board or other prominent place advising affected employees whom to call in the event of an Accidental Discharge. An Industrial or Self-Reporting Customer shall ensure that all employees who may cause or suffer such an Accidental Discharge to occur are advised of the emergency notification procedure.

21. MAINTENANCE OF BUILDING SEWER CONNECTIONS

- 21.1 Except as subsequently provided, the Utility shall maintain and replace if necessary that portion of the Building Sewer from the main to the Customer side of the boundary line of the easement, public road, or street, under which such Building Sewer may be located. Provided, however, the Customer shall "rod" and otherwise clean the Utility's portion of the Building Sewer serving the Customer in the event the same becomes clogged or blocked as a result of debris or waste entering such Building Sewer from the Customer's Premises, as a result of the Customer's actions.
- 21.2 The Customer shall install and maintain and replace if necessary that portion of the Building Sewer from the end of the Utility's portion into the Premises served.

- 21.3 The Customer shall not allow the Customer's portion of the Building Sewer to become broken, obstructed, inferior, defective, leaky or imperfect so that sewage or drainage escapes into surrounding soil, adjacent Premises, ground or surface water or other matter enters the Sewage Disposal System. When such conditions are discovered, the Utility reserves the right to discontinue service unless immediate repairs or replacements are made. Such replacements or repairs shall be made by, and at the expense of the Customer or Applicant. Non-compliance with the foregoing requirement exists when any connections or facilities are found by the Utility that will permit storm water, surface water, groundwater, or other non-sanitary sewage drainage to enter into the Sewage Disposal System, regardless of whether actual flow is observed.
- 21.4 To the extent repairs or maintenance must be made to the portion of the Building Sewer maintained by the Customer as set forth in Rule 21.1, the Building Sewer shall be repaired, maintained or modified as specified in the Indiana Plumbing Code. It shall be of materials approved by the Utility and subject to the inspection of the Utility upon completion of the repairs, maintenance or modification.
- 21.5 If a Customer requests for his or her convenience or by his or her actions requires that Utility facilities be redesigned, re-engineered, relocated, removed, modified or reinstalled, the Utility will require the Customer to make payment of the full cost of performing such service.

22. WASTEWATER HAULERS

- 22.1 Any disposal of wastewater into the Sewage Disposal System must be performed by a registered Wastewater Hauler as provided for by resolution of the Authority's Board. Disposal of domestic wastewater or restaurant grease trap waste generated inside or outside Marion County requires no further approval. A Wastewater Hauler disposing of industrial or commercial wastewater generated inside or outside Marion County must obtain special approval.
- 22.2 All discharging of wastewater from the Wastewater Hauler's vehicle tanks must be done at designated sites approved by the Utility. The Utility shall have the right to limit the hours of the day and the days of the week during which discharging shall be allowed. Any unpermitted discharging of wastewater into the Sewage Disposal System is prohibited unless approved by the Utility prior to discharging.
- 22.3 All Wastewater Haulers shall maintain accurate business records pertaining to wastewater hauling, and make them available to the Utility, upon request, including names, addresses, and telephone numbers of the generators of all wastewater being transported and/or disposed of, county of origin, type of waste, volume of waste, and disposal site. Customer receipts required under Rule 22.4, and approvals, permits and certifications issued by federal, state and local authorities. All such records shall be retained for a minimum of three (3) years.
- 22.4 The driver of each vehicle delivered to the wastewater treatment plant site for discharging shall have dated Customer receipts for each source of wastewater showing the names and addresses of the Customers, the nature of the wastewater, amount of wastewater in gallons, Wastewater Hauler's name and legal business address and telephone number, and vehicle driver's name.

- 22.5 All Wastewater Haulers shall compensate the Utility for the full cost of all sampling, laboratory analysis and treatment costs. Fees shall reflect the costs associated with sampling and testing, treatment and administering the program and shall be based on a fee schedule set forth in Rate No. 4.
- 22.6 The Utility shall have a right of entry to, upon or through any Premises for purposes of inspection, measuring and sampling. This right of entry shall include, but not be limited to, any equipment necessary to conduct such inspections, measuring and sampling. It shall be the duty of the Wastewater Hauler to provide all necessary clearance before entry and not to unnecessarily delay or hinder the Utility in carrying out the inspection, measuring and sampling. The right of entry shall exist at any time.
- 22.7 All Wastewater Haulers are subject to resolutions that may be adopted by the Board with respect to registration, discharge procedures, testing, enforcement procedures and testing.

23. INCORPORATION BY REFERENCE

- 23.1 All laws of the United States of America, including the Environmental Protection Agency, the State of Indiana, Rules and Regulations of the Indiana Utility Regulatory Commission and Ordinances of the City of Indianapolis applicable to the rendering of Sewage Disposal Service in the City of Indianapolis, Marion County, Indiana and contiguous areas (including those set forth in Chapters 536 and 672 of the Revised Code of the Consolidated City of Indianapolis, Marion County, Indiana) are hereby incorporated herein by reference.

**SEWAGE DISPOSAL SERVICE TARIFF
RATES, TERMS AND CONDITIONS
FOR SEWAGE DISPOSAL SERVICE WITHIN
MARION COUNTY, INDIANA
AND CONTIGUOUS AREAS**

Issued By The

**Department of Public Utilities for the City of Indianapolis,
acting by and through the Board of Directors for Utilities,
as Trustee, in furtherance of the Public Charitable Trust
for the Wastewater System, and CWA Authority, Inc.**

**2020 North Meridian Street
Indianapolis, Indiana 46202**

**Daniel C. Appel
President of
Board of Directors**

**Jeffrey A. Harrison
President, and
Chief Executive Officer**

**SEWAGE DISPOSAL SERVICE TERMS AND CONDITIONS
I.U.R.C. CAUSE NO.**

EFFECTIVE:

TABLE OF CONTENTS

	<u>Page Number</u>	
1	Definitions	4 - 9
2	Application of Tariff	9
3	Commencement of Service	9 - 13
4	Deposits	13 - 15
5	Billing and Payment of Bills	15 - 18
6	Discontinuance / Reconnection of Service	18 - 22
7	Meters	22 - 24
8	Responsibility for Service	24
9	Complaint Procedure	25
10	Main Extensions	26 - 32
11	Sewer Construction Requirements	33
12	Mandatory Inspection and Right of Entry	33
13	Interruption of Service	34
14	Prohibition Against Clear Water Discharges	34
15	Dewatering Discharge	35
16	Sewage Restrictions	35 - 38
17	Required Installation of Food Waste Disposer	38
18	Grease Interceptor	38
19	Industrial Customer or Self-Reporting Customer Waste Discharge	39
20	Accidental Discharge	39 - 40
21	Maintenance of Building Sewer Connections	40 - 41
22	Wastewater Haulers	41 - 42
23	Incorporation by Reference	42

Active Available Sewer Rates

	<u>Page Number</u>	
Rate No. 1	Nonindustrial Sewage Disposal Service	101 – 101A
Rate No. 2	Industrial Sewage Disposal Service	102 – 102A
Rate No. 3	Fats, Oil, and Grease Charge	103
Rate No. 4	Wastewater Hauler Rates	104
Rate No. 5	Self-Reporting Sewage Disposal Service	105 – 105A
Rate No. 6	Wholesale Sewage Disposal Service	106 – 106E

Riders

	<u>Page Number</u>	
Rider A	Environmental Compliance Plan Recovery Mechanism	201
Rider B	System Integrity Adjustment	202
Rider C	Low Income Customer Assistance Program	203

Appendices

	<u>Page Number</u>	
A	Non-recurring Charges	301
B	Miscellaneous Fees	302

**RULES
APPLICATION**

The terms and conditions for service, as set forth here and as amended and supplemented from time to time, shall govern all Sewage Disposal Service rendered or to be rendered by the Utility. They shall be binding upon every Customer and the Utility, and shall constitute a part of the terms and conditions of every contract for Sewage Disposal Service.

1. DEFINITIONS

Except where the context indicates a different meaning or intent, the following terms, when used in any Rule of the Utility's Rates and Terms and Conditions for Sewage Disposal Service, shall have the meanings ascribed below:

1.1 ACCIDENTAL DISCHARGE

An unintentional release of a material that could potentially violate the requirements of Rule 17 of these Terms and Conditions for Sewage Disposal Service.

1.2 AMMONIA NITROGEN (“NH₃-N”)

Denotes ammonia nitrogen. All of the nitrogen in water, sewage or other liquid waste present in the form of ammonia, ammonia ion or in the equilibrium $\text{NH}_4^+ \rightleftharpoons \text{NH}_3 + \text{H}^+$.

1.3 APPLICANT

Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group thereof applying to receive or use the Utility's Sewage Disposal Service.

1.4 BIOCHEMICAL OXYGEN DEMAND (“BOD”)

The quantity of oxygen used in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, (68°F) expressed in milligrams per liter. BOD measurements are used as a measure of the organic strength of wastes in water.

1.5 BOARD

The Board of Directors for Utilities, as Trustee, in furtherance of the Public Charitable Trust for the Wastewater System, which serves as the Board of Directors of CWA Authority, Inc.

1.6 BUILDING DRAIN

That part of the lowest horizontal piping of a drainage system that receives the discharge from solid waste and other drainage pipes inside the walls of the building and conveys it to the Building Sewer, beginning five (5) feet (one and one-half (1.5) meters) outside the inner face of the building wall.

1.7 BUILDING SEWER

The extension from the Building Drain to the Public Sewer or other place of disposal and shall include that portion of the drain within the public right-of-way.

1.8 CITIZENS GAS

The Board of Utilities of the Department of Public Utilities of the City of Indianapolis, successor trustee of a public charitable trust for the gas system, doing business as Citizens Gas, 2020 North Meridian Street, Indianapolis, Indiana 46202.

1.9 CITIZENS WATER

The Department of Public Utilities for the City of Indianapolis, acting by and through the Board of Directors for Utilities, as trustee of a public charitable trust for the water system, doing business as Citizens Water, 2020 N. Meridian Street, Indianapolis, Indiana 46202, or any professional management firm that has been retained by Citizens Water to operate its water utility facilities and that is acting in its capacity as the agent or representative of Citizens Water.

- 1.10 CLEAN WATER ACT**
The primary federal law in the United States governing water pollution, which is codified at 33 U.S.C. § 1251 *et seq.*
- 1.11 COMBINED BILL**
A bill issued to a Residential Customer and commercial Customer for any combination of more than one of the Utility Services. A Combined Bill will not be issued to an Industrial Customer.
- 1.12 COMMISSION**
The Indiana Utility Regulatory Commission.
- 1.13 COMMISSION'S RULES**
Rules, Regulations and Standards of Service for Utilities Rendering Sewage Disposal Service in Indiana pursuant to 170 IAC 8.5-1 et al, as revised, supplemented and replaced from time to time.
- 1.14 CONNECTION FEE**
A per equivalent dwelling unit ("EDU") charge to be paid by all new connections to the Sewage Disposal System as a contribution of capital toward existing or future facilities necessary to meet the service needs of new customers.
- 1.15 COOLING WATER**
The water discharged from any system of condensation, air conditioning, cooling, refrigeration or other, but which shall be free from odor and oil. Cooling Water shall not contain polluting substances that would produce BOD or Suspended Solids each in excess of ten (10) milligrams per liter.
- 1.16 CUSTOMER**
Any individual, partnership, association, firm, public or private corporation, limited liability company, municipality, government agency, institution or group that has agreed, orally or otherwise, to pay for Sewage Disposal Service rendered by the Utility.
- 1.17 DOMESTIC WASTEWATER**
Wastewater of the type commonly introduced into Sewage Disposal System by residential users.
- 1.18 EQUIVALENT DWELLING UNIT ("EDU")**
Shall be determined in accordance with industry standards and shall reflect the greater of the actual daily flow requirements (per 327 IAC 3), the area ratio of the water meter size serving a particular user, or other such means of determination deemed appropriate by the Utility. One (1) EDU shall be estimated as equal to three hundred ten (310) gallons per day.
- 1.19 FOUNDATION DRAINS**
Any network of pipes, pumps or drainage mechanism located at, near or under a footing, foundation or floor slab of any building or structure that intentionally or unintentionally conveys groundwater away from a building or structure.

- 1.20 GARBAGE**
Solid wastes from the domestic and commercial preparation, cooking and dispensing of food and from the handling, storage and sale of produce.
- 1.21 HEAT PUMP DISCHARGE**
Water discharged from a heat pump or other device that uses water as a heat source or heat sink.
- 1.22 INDUSTRIAL CUSTOMER**
Any Customer of the Utility, who discharges, causes or permits the discharge of non-Domestic Wastewater into the Sewage Disposal System, including industrial or commercial entities who find it necessary to discharge clear water consisting of Cooling Water and/or steam condensate.
- 1.23 INTERFERENCE**
Any discharge that, alone or in conjunction with a discharge or discharges from other sources, both: (1) inhibits or disrupts the Sewage Disposal System, its treatment processes or operations, or its sludge processes, use or disposal; and (2) therefore is a cause of a violation of any requirement of the Sewage Disposal System's National Pollutant Discharge Elimination System ("NPDES") permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder (or more stringent state or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the SWDA), the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.
- 1.24 MONTH**
One-twelfth (1/12) of a year, or the period between two (2) consecutive readings of the Utility's meters, as nearly every thirty (30) days as practicable.
- 1.25 NONINDUSTRIAL CUSTOMER**
All Customers of the Utility that discharge into the Sewage Disposal System sewage normally Discharged by a Residence.
- 1.26 NPDES PERMIT**
A permit issued under the National Pollutant Discharge Elimination System for discharge of wastewaters to the navigable water of the United States pursuant to 33USC1251.
- 1.27 PASS-THROUGH**
A discharge that exits the Sewage Disposal System into waters of the State in quantities or concentrations that, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the Sewage Disposal System's NPDES permit (including an increase in the magnitude or duration of a violation).

- 1.28 PH**
A measure of how acidic or base a substance is with a range of 0 to 14. The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.
- 1.29 POLLUTANT**
Includes, but is not limited to, any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical materials, chemical wastes, biological materials, Radioactive Materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, municipal and agricultural waste discharged into water.
- 1.30 PREMISES**
One contiguous piece of property owned by a single Customer, which is not intersected by a public right-of-way or thoroughfare.
- 1.31 PROPERLY SHREDED GARBAGE**
Wastes from the preparation, cooking and dispensing of food that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in Public Sewers, with no particle greater than one-half (1/2) inch (one and twenty-seven one-hundredths (1.27) centimeters) in any dimension.
- 1.32 PUBLIC SEWER**
Any combined or sanitary sewer or lift station that is owned and operated by the Utility.
- 1.33 RADIOACTIVE MATERIAL**
Any material (solid, liquid or gas) that spontaneously emits ionizing radiation and that is regulated by the Nuclear Regulatory Commission or the Indiana State Board of Health. This may include naturally occurring radioactive material, by-product material, accelerator produced material, source material or special nuclear material.
- 1.34 RESIDENTIAL CUSTOMER**
A person being supplied with Sewage Disposal Service by the Utility exclusively for residential purposes and introduces only Domestic Wastewater into the Sewage Disposal System.
- 1.35 SELF-REPORTING CUSTOMER**
A Customer who provides to the Utility monthly estimates of volume discharged into the Sewage Disposal System including a representative value of the strength of waste, including but not limited to BOD, TSS, and NH₃-N.
- 1.36 SEWAGE DISPOSAL SERVICE**
Utility service whereby liquid and solid waste, sewage, night soil and industrial waste (except as limited by the Rules and Regulations of the Commission) of any single territorial area is collected, treated, purified and disposed of in a sanitary manner, and includes all sewage treatment plant or plants, main Sewers, submain Sewers, local and/or Building Sewers, intercepting Sewers, outfall Sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

1.37 SEWAGE DISPOSAL SYSTEM

The system by which the Utility provides Sewage Disposal Service, which includes the sewage treatment plant or plants, main Sewers, submain Sewers, local and/or Building Sewers, intercepting Sewers, outfall Sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

1.38 SEWAGE NORMALLY DISCHARGED BY A RESIDENCE

The liquid waste contributed by a residential living unit and shall not exceed a volume of ten thousand five hundred (10,500) gallons per Month, thirty (30) pounds of BOD per month, and thirty-five (35) pounds of TSS per Month.

1.39 SEWER

A pipe or conduit for carrying sewage.

1.40 SLUG

Any discharge of wastewater that, in concentrations of any given constituent, as measured by a grab sample, exceeds more than five (5) times the allowable discharge limits as specified in these Terms and Conditions for Sewage Disposal Service and/or in quantity of flow exceeds more than five (5) times the user's average flow rate as authorized in the user's industrial discharge permit, for a period of duration longer than fifteen (15) minutes.

1.41 TOTAL SUSPENDED SOLID ("TSS")

Solids that either float on the surface of, or are in suspension in, water, sewage or other liquids and that are removable by laboratory filtering.

1.42 UPSET

An exceptional incident in an Industrial Customer's facility, in which there is unintentional and temporary noncompliance with applicable pretreatment standards because of factors beyond the reasonable control of the Industrial Customer. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance or careless or improper operation.

1.43 UTILITY

CWA Authority, Inc., 2020 North Meridian Street, Indianapolis, Indiana 46202 or any professional management firm that has been retained by CWA Authority, Inc. to operate its Sewage Disposal System and that is acting in its capacity as the agent or representative of the CWA Authority, Inc.

1.44 UTILITY SERVICES

Shall include one or more of the following services: (1) sewage disposal service provided by the Utility; (2) water services provided by Citizens Water; and/or (3) gas delivery and gas supply services provided by Citizens Gas.

1.45 UTILITY'S RATE SCHEDULES

The Utility's schedules of rates and charges as approved by the Commission and as revised, supplemented, and replaced from time to time. The schedule of rates and charges is available at <http://www.citizenswater.com>.

1.46 WASTEWATER HAULER

Any person who engages in the activity, service, business or leasing of vehicles for the purpose of transporting domestic wastewater to another location for disposal.

2. APPLICATION OF TARIFF

2.1 A copy of all rates and charges and these Terms and Conditions for Sewage Disposal Service is on file with the Commission and may be inspected by the public in the principal office of the Utility at 2020 North Meridian Street, Indianapolis, Indiana 46202.

2.2 All Sewage Disposal Service furnished by the Utility shall be subject to said rates and charges and these Terms and Conditions for Sewage Disposal Service, which are by reference made a part of all standard contracts for service, (except when modified by special contract approved by the Commission or as otherwise provided herein).

2.3 The failure of the Utility to enforce any rate and/or provision of these Terms and Conditions for Sewage Disposal Service shall not be deemed a waiver of its rights to do so.

3. COMMENCEMENT OF SERVICE

3.1 A written application or contract properly executed in a form acceptable to the Utility, may be required from the Customer before the Utility is obligated to supply Sewage Disposal Service to the Customer, or as a condition for the continued supply of Sewage Disposal Service, provided, however, that the Utility shall have the right to reject an application for service if the applicant is unwilling or unable to comply with terms of service required by these rules.

3.2 The taking of Sewage Disposal Service shall constitute a contract between the Customer and the Utility, obligating the Customer to pay for, and the Utility to furnish, service as specified herein and to comply with all applicable provisions of these Terms and Conditions for Sewage Disposal Service.

3.3 Where two or more parties join in one application for Sewage Disposal Service, such parties shall be jointly and severally liable there under, and only one bill shall be rendered for service supplied in accordance therewith.

3.4 No promises, agreements or representations of any agent, employee or authorized representative of the Utility, or its predecessor, shall be binding upon the Utility unless the same shall have been incorporated in a written contract or application.

3.5 Sewage Disposal Service furnished to any Customer is for the use of that Customer on his or her designated Premises, and shall not be resold or extended by Customer to serve additional lots, Premises or improvements as an alternative to that person or entity receiving Sewage Disposal Service from the Utility, unless otherwise specifically included in its agreement with the Utility for service.

- 3.6** Any contractor, builder or developer shall be liable for the minimum monthly charge from the time of connection until notification of occupancy, if such contractor, builder or developer fails to notify the Utility of such occupancy.
- 3.7** No person shall be allowed to connect to the Utility's system until after he has obtained a permit to do so from the Utility. If any person connects to the Sewage Disposal System without obtaining said permit, the Utility shall have the right to disconnect such Customer from its system and refuse to connect him to the Utility's system until the Utility has been reimbursed for any expense incurred in disconnecting such person from its system.
- 3.8** No person shall do any form of work on or in connection with lines or facilities owned by the Utility until he has received a Building Sewer permit from the Utility to do such work. A Building Sewer permit is also required to construct, repair, modify, connect, or abandon any Building Sewer within the Utility's service area, which generally includes Marion County and certain areas for which the Utility has a Certificate of Territorial Authority from the Commission. All work must be in compliance with the Utility's Sanitary District Standard Specifications.
- 3.9** A baseline Connection Fee per EDU, as set forth in Appendix B, will be assessed for all new connections to the Sewage Disposal System. A new connection includes new Sewage Disposal Service or modification of an existing Sewage Disposal Service agreement.
- Replacement or repair of an existing individual Building Sewer that does not increase EDUs will not constitute a new connection.
- 3.10** An application for a new connection to the Sewage Disposal System shall be made on a form prescribed by the Utility and may require the following information:
- 3.10.1** Name and address of the owner;
 - 3.10.2** Name, address and telephone number of the contractor;
 - 3.10.3** Address and, if necessary, the legal description of the Premises where the work is to be done;
 - 3.10.4** Plans for the Building Sewer and connections, which at a minimum must consist of drawing(s) of the building, the parcel boundaries, the connection detail, including grease interceptor connection detail where applicable, materials of construction and installation method; and
 - 3.10.5** Any other information as may be deemed reasonable and necessary by the Utility.

- 3.11** Application for a connection to the Sewage Disposal System shall be made only by the following:
- 3.11.1** A plumbing contractor licensed by the State and registered in accordance with Chapter 875 of the Revised Code of the Consolidated City of Indianapolis; or
 - 3.11.2** A contractor (other than a plumbing contractor) who has met the surety bond and insurance requirements of the City of Indianapolis Department of Code Enforcement. Surety bond requirements are met if the Building Sewer contractor has filed and maintains with the City of Indianapolis a surety bond, as set forth in Chapter 875 of the Revised Code of the Consolidated City of Indianapolis. Insurance requirements are met if the contractor has secured and maintains a public liability and property damage insurance policy as set forth in Chapter 875 of the Revised Code of the Consolidated City of Indianapolis.
- 3.12** All sewer work and other construction actually performed on or associated with the Building Drain, Building Sewer and the connection of the Building Sewer to the Sewage Disposal System shall be in accordance with the rules and regulations of the Indiana Fire Prevention and Building Safety Commission and standard specifications of the Utility.
- 3.13** The permit granted by the Utility to connect to the Sewage Disposal System shall be given in writing and expire by operation of law and shall no longer be of any force or effect if work is not initiated within one hundred eighty (180) days from the date thereof. The Utility may, however, for good cause shown in writing, extend the duration of the permit for an additional period that is reasonable under the circumstances to allow commencement of the construction activity. In no event shall the extension exceed a period of sixty (60) days.
- If the construction activity has been commenced but only partially completed, and thereafter substantially no construction activity occurs on the construction site over a period of one hundred eighty (180) days, the permit shall expire by operation of law and no longer be of any force or effect; provided, however, the Utility may, for good cause shown in writing, extend the authority to connect to the Sewage Disposal System for an additional period that is reasonable under the circumstances to allow resumption of construction activity. The Utility shall give the contractor written notice that the request for extension has been approved or denied. The fee for an extension under this Rule is set forth in Appendix B.
- 3.14** After the Utility has granted the permit, the plumbing contractor or contractor as defined in Rule 3.11 shall give prompt written notice to the Utility of any addition to or change in the information contained in the permit application.

- 3.15** After the Utility has in writing, granted authority to connect to the Sewage Disposal System, any material deviation or change in the information contained in the application or the plans shall be considered an amendment subject to approval by the Utility. Before construction has begun, the contractor shall file with the Utility a written request for amendment, including a detailed statement of the requested change and the submission of any amended plans. The Utility shall give the contractor written notice that the request for amendment has been approved or denied. The fee for the amendment of an application for connection is set forth in Appendix B.
- 3.16** A permit may be transferred with the approval of the Utility to a person, partnership or corporation that would be eligible to obtain such authority in the first instance (hereinafter called "Transferee"), after both the payment of a fee as provided in Appendix B and the execution and filing of a transfer form furnished by the Utility. Such transfer form shall contain, in substance, the following certifications, release and agreement:
- 3.16.1** The person who obtained the original connection approval from the Utility or a person who is employed by and authorized to act for the obtainer (hereinafter called "Transferor") shall:
- a. Certify under penalties for perjury that such person is familiar with the sanitary Sewer construction activity to be accomplished pursuant to the permit; such person is familiar with the construction standards and procedures of the Utility; and to the best of such person's knowledge, information and belief the construction activity, to the extent performed, is in conformity with all standards and procedures required by the Utility; and
 - b. Sign a statement releasing all rights and privileges secured under the permit granted by the Utility to the Transferee.
- 3.16.2** The Transferee shall:
- a. Certify that the Transferee is familiar with the information contained in the original application requesting authority to connect to the Sewage Disposal System, the design plans and specifications, and any other documents filed in support of the application;
 - b. Certify that the Transferee is familiar with the present condition of the Premises on which the construction activity is to be accomplished pursuant to the permit; and
 - c. Agree to adopt and be bound by the information contained in the original application, the design plans and specifications, and other documents supporting the original application; or in the alternative, agree to be bound by such application plans and documents modified by plan amendments submitted to the Utility for approval.

The Transferee shall assume the responsibilities and obligations of and shall comply with the same procedures required of the Transferor, and shall be subject to any written directives issued by the Utility. Authority granted by the Utility for construction activity at a specified location may not be transferred to construction activity at another location.

- 3.17** The Utility may revoke a permit when:
- 3.17.1** The application, plans or supporting documents contain a false statement or misrepresentation as to a material fact; or
 - 3.17.2** The application, plans or supporting documents reflect a lack of compliance with the requirements of these Terms and Conditions for Sewage Disposal Service or other resolution of the Board.
- 3.18** The Utility may order the suspension of the pertinent construction activity (“Stop-Work Order”) if the Utility determines that:
- 3.18.1** Construction activity is proceeding in an unsafe manner;
 - 3.18.2** Construction activity is proceeding in violation of a requirement of these Terms and Conditions for Sewage Disposal Service or other resolution of the Board;
 - 3.18.3** Construction activity is proceeding in a manner that is materially different from the application, plans, or supporting documents; or
 - 3.18.4** Construction activity for which Utility authority under this Rule is required is proceeding without such authority having been obtained. In such an instance, the Stop-Work Order shall indicate that the effect of the order terminates when the required authority is obtained.
- 3.19** The Stop-Work Order shall be in writing and shall state the reason for its issuance. The Stop-Work Order shall be posted on the property in a conspicuous place and, if conveniently possible, shall be given to the person doing the construction and to the owner of the property or his or her agent. The Stop-Work Order shall state the conditions under which construction may be resumed.

4. DEPOSITS

- 4.1** In accordance with the Rules and Regulations of the Commission pursuant to 170 IAC 8.5 et al, the Utility may require a Residential Customer or Applicant to pay a cash deposit as a condition of receiving or continuing to receive Sewage Disposal Service, if the Utility determines that the Residential Customer or Applicant does not meet the criteria for creditworthiness set forth in 170 IAC 8.5-2-3 of the Rules and Regulations of the Commission.
- 4.2** The Utility may require non-residential Customers or Applicants who are determined to be uncreditworthy to make a cash deposit at any time to assure payment of bills, and as a condition of receiving or continuing to receive Sewage Disposal Service.

- 4.2.1 The Utility shall determine the creditworthiness of a non-residential Applicant or Customer in an equitable, non-discriminatory manner.
- 4.2.2 A non-residential Customer shall be deemed creditworthy if it has no delinquent bills to the Utility for Sewage Disposal Service within the last twenty-four (24) months and, within the last two (2) years has not: (a) had service disconnected for nonpayment or (b) filed a voluntary petition, has a pending petition, or has an involuntary petition filed against it, under any bankruptcy or insolvency law. For purposes of this determination, a contested bill shall not be considered delinquent.
- 4.2.3 In determining the creditworthiness of non-residential Applicants, the Utility shall consider the size of the credit exposure and the availability of objective and verifiable information about the non-residential Applicant. The Utility may consider the non-residential Applicant's payment and billing history (at least twenty-four (24) months) from other utilities and verifiable conditions, such as: non-residential Applicant's credit history with the Utility or independently audited annual and quarterly financial statements. The Utility will treat all financial information provided by the non-residential Applicant as confidential to the extent allowed under applicable law and will return or at the request of the non-residential Applicant destroy materials after review has been completed. If a non-residential Applicant refuses to provide the information above for the Utility to determine their creditworthiness, the non-residential Applicant will be deemed uncreditworthy.
- 4.2.4 If the Utility requires a deposit as a condition of providing service, the Utility must: (a) provide written explanation of the facts upon which the Utility based its decision; and (b) provide the non-residential Applicant or Customer with an opportunity to rebut the facts and show other facts determining its creditworthiness.
- 4.2.5 Such deposit shall be payable in cash and not less than forty dollars (\$40.00) nor more than an amount equal to the non-residential Customer's three (3) highest months' usage based upon the most recent twelve (12) months historical usage or three (3) months of projected usages for a non-residential Applicant. If the deposit required is in excess of \$120.00, it may be paid in equal installments over a period not to exceed three months, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection. For non-residential Customers with multiple accounts, each account will be treated individually for the purposes of this Rule except in the case of bankruptcy under Rule 4.2.2. A non-residential Customer with multiple accounts that is assessed a deposit by virtue of delinquent payments on one account, will be assessed a deposit on only the delinquent accounts..
- 4.3 Interest on any deposit held by the Utility on or before December 31, 2012 will earn an interest rate of six percent (6%) per annum from the date of receipt by the Utility through December 31, 2012. Effective January 1, 2013, any deposit held for more than thirty (30) days will earn interest calculated monthly at the authorized rate of interest for the current month from the date the deposit is paid in full to the Utility. The rate of interest will be the same as that established for gas utilities by the Commission in a general administrative order pursuant to 170 IAC 5-1-15(f)(2) for each calendar year.

- 4.4 Deposits and earned interest will be returned after Customer establishes an appropriate credit history with the Utility.
 - 4.4.1 Deposits from Residential Customers and earned interest will be refunded after the Residential Customer has established an acceptable payment record in accordance with the Commission's Rules and is not delinquent on any active or inactive Utility Services.
 - 4.4.2 The deposit of any non-Residential Customer that has been held for two or more years, and earned interest will be refunded after the non-residential Customer has established an acceptable payment record in accordance with Rule 4.2.2.
 - 4.4.3 The deposit of any Residential or non-residential Customer who fails to establish an acceptable payment record may be retained by the Utility until services are discontinued.
- 4.5 Upon discontinuance of Utility Services, the deposit and earned interest, if any, will be applied to the balance of any outstanding Utility Services bills or unbilled amounts. The remaining unapplied portion, if any, of the deposit and earned interest will be refunded to the Customer. The Customer will be billed for any balance due the Utility. The balance of any deposit and interest, after being applied to any outstanding bills that cannot be returned to the Customer after termination of service, shall be reported and disposed of as required by the Indiana Unclaimed Property Act (Indiana Code 32-34-1 *et seq.*).

5. BILLING AND PAYMENT OF BILLS

- 5.1 The Utility will issue bills to Customers on a Monthly basis for the applicable Utility Services. Bills are payable to the office of the Utility or to an authorized agent within seventeen (17) days from the date mailed. When the seventeenth (17th) day falls on Sunday or a legal holiday, the seventeen-day period shall be considered to end with the next business day.
 - 5.1.1 If payment for a Utility Services bill from a Customer is not received by the Utility or its agent within seventeen (17) days from the date the bill is mailed, the bill shall be considered delinquent.
 - 5.1.1.1 All charges follow the Customer and moving from one Premises to another in no way absolves the Customer from any unpaid charges incurred at a previous location. In the case of leased property, the landlord shall be responsible to the Utility for payment of the bill, even though the tenant may pay it.
 - 5.1.1.2 The Utility may add a Late Payment Charge to a Customer's delinquent Utility Services bill set forth in Appendix A.
 - 5.1.1.3 A single charge may be made for each visit to the Customer's Premises regarding a delinquent account; such charge to the Customer shall be pursuant to the Delinquent Account Trip Charge set forth in Appendix A.

Parshall flumes and similar open-trench meters shall be calibrated at least annually.

Discharge meters:

- 5/8-inch meters (and smaller) at least every 9 years
- 3/4-inch meters at least every 7 years
- 1-inch meters at least every 5 years
- 1 1/2-inch meters (and larger) at least every 3 years.

Metering records of calibration and replacement must be kept on the Customer Premises and made available for review at the request of the Utility.

5.5.2 To the extent the Utility does not require installation of metering equipment as provided in the foregoing section, each Self-Reporting Customer shall report to the Utility by the twenty-fifth (25th) day of the following Month on a form prescribed by the Utility an estimate of the volume discharged in the prior Month and a representative value of the strength of the waste including, but not limited to, BOD, TSS and NH₃-N, unless alternate reporting procedures are otherwise specified in writing by the Utility. All measurements, tests and analyses of the characteristics of such waste shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Sewage" as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The reports submitted shall be subject to verification by the Utility but may serve as the basis for billing with all necessary adjustments in the amounts to be made after verification. In the event an analysis and volume of the industrial waste are not furnished to the Utility by the aforementioned time, the charges shall be based upon estimates made by the Utility, in the manner provided in Rule 7.1.2.

5.5.3 In the event a Self-Reporting Customer described in Rule 5.5.2 fails to submit the report required by Rule 5.5.2 by the twenty-fifth (25th) day of the following Month, the Self-Reporting Customer shall pay Late Payment Charge according to the schedule set forth in Appendix A.

In the event a Self-Reporting Customer who does not have BOD, TSS and NH₃-N fails to submit the report required by Rule 5.5.2 for three consecutive months, the Customer will be moved to Sewer Rate No. 2. The Utility shall measure usage and bill the Customer as provided for in Rule 7. The Customer will not be able to return to Sewer Rate No. 5 for twelve Months.

- 5.5.4 The Utility shall have the right to enter upon the land of any Self-Reporting Customer and to set up such equipment as is necessary to certify the reports submitted. It shall be the duty of the Self-Reporting Customer to provide all necessary clearance before entry and not to unnecessarily delay or hinder the Utility in carrying out the measuring and sampling. The right of entry shall exist during any time the Self-Reporting Customer is operating or open for business.
- 5.5.5 In cases where measurements are difficult to make, or the industrial waste composition changes frequently, or representative samples are difficult to get, or where other methods of measurement are necessitated for other sound engineering reasons as determined by the Utility, the Utility shall have the authority to use such other basis for determining such charges as shall be reliably indicative of volume and BOD, TSS and NH₃-N strengths of particular industrial waste, such as, but not limited to, water purchase or usage, character of products, comparisons between the Self-Reporting Customer data and collected data from like industries.
- 5.5.6 The cost of all tests, measurements and analyses taken by the Utility pursuant to the above Sections or otherwise shall be charged to the Self-Reporting Customer tested in an amount equal to the actual average cost of such test, measurement or analysis as determined at the close of each Year. These costs shall be due and payable as provided in Rule 5.1.

6. DISCONTINUANCE / RECONNECTION OF SERVICE

- 6.1 Water and/or Sewage Disposal Service rendered under any application, contract, agreement or otherwise may be discontinued by the Utility without request by the Customer and without notice, and the Utility may remove any of its property from the Customer's Premises without legal process for any one of the following reasons:
- 6.1.1 Where a condition dangerous or hazardous to life, physical safety, or property exists.
- 6.1.2 Upon order by any Court, the Commission, or other duly authorized public authority, or upon written instruction by a law enforcement agency acting within its jurisdiction pursuant to Indiana Code 35-45-5-4(c).
- 6.1.3 A fraudulent or unauthorized use of Sewage Disposal Service is detected and the Utility has reasonable grounds to believe the affected Customer is responsible for such use, including when the Utility has reasonable evidence that a Customer who is indebted to the Utility for Sewage Disposal Service at his present or other location is receiving Sewage Disposal Service under the same or a different name.
- 6.1.4 Where the Utility's equipment has been tampered with and the Utility has reasonable grounds to believe that the affected Customer is responsible for such tampering.
- 6.1.5 Detection of a device or scheme that has been used to avoid or attempt to avoid full payment for Sewage Disposal Service as defined by Indiana Code 35-43-5-6.
- 6.1.6 The Customer fails to meet the terms of the Utility's 24-hour payment arrangement set forth in Rule 6.17.

- 6.2** Water and/or Sewage Disposal Service rendered under any application, contract, agreement, or otherwise may be discontinued by the Utility with notice as provided in Rule 6 of these Terms and Conditions for Sewage Disposal Service for any of the following reasons:
- 6.2.1** For failure to protect and maintain the Customer Building Sewer or other fixtures on the Customer's property in a condition satisfactory to the Utility, and consistent with Rule 21 of these Terms and Conditions for Sewage Disposal Service and the provisions of the Indiana Plumbing Code.
 - 6.2.2** For violation of the sewage restrictions set forth in Rules 14, 15 and 16 of these Terms and Conditions for Sewage Disposal Service.
 - 6.2.3** For failure to provide the Utility's employees free and reasonable access to the Premises or property served, or for obstructing the way of ingress to Customer Building Sewer, fixtures, or other appliances.
 - 6.2.4** Nonpayment of a delinquent bill.
 - 6.2.5** For failure of the Customer to make a cash deposit as provided for in Rule 4 of these Terms and Conditions for Sewage Disposal Service, or failure to pay for the same class of service rendered at a different meter point, residence, or location, provided such bill has remained unpaid for at least forty-five (45) days. A Residential Customer shall not be disconnected for indebtedness incurred for Sewage Disposal Service at a different location if such bill has remained unpaid for less than forty-five (45) days.
 - 6.2.6** In case of vacancy of the Premises by the Customer, when no one has assumed responsibility for payment of the bill for Sewage Disposal Service to the Premises.
 - 6.2.7** For material misrepresentation in an application as to the Premises or property to be supplied service or type of service to be supplied or failure to report a change in the type of service.
 - 6.2.8** When continuation of Sewage Disposal Service to the Customer creates conditions that jeopardize the integrity of the service provided to other Customers.
- 6.3** A Residential Customer may request the Utility notify a predesignated third party of a Utility Service disconnection notice issued to the Residential Customer. Such request shall be made in writing in the form of a Duplicate Notice Protection Plan Enrollment Application. When requested, the Utility shall notify the predesignated third party, by mail, of the pending Utility Service disconnection at the same time the Utility renders the disconnection notice to the Residential Customer as provided in Rule 6. The Utility may restrict the use of the Duplicate Notice Protection Plan to its Residential Customers who are elderly, handicapped, ill, or otherwise unable to act upon a service disconnection notice, as determined by the Utility.

- 6.4** Customers requesting temporary discontinuance of Sewage Disposal Service for repairs within their property will be charged a sum equal to the costs to the Utility for disconnecting and restoring service.
- 6.5** Discontinuance of the water or Sewage Disposal Service to a property or Premises under the provisions of these Terms and Conditions for Sewage Disposal Service shall not prevent the Utility from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due.
- 6.6** The Utility shall postpone the disconnection of water or Sewage Disposal Service for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the Residential Customer provides the Utility with a medical statement from a licensed physician or public health official, which states that a disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Residential Customer. The postponement of disconnection shall be continued for one additional ten (10) day period upon the provisions of an additional such medical statement.
- 6.7** The Utility may not disconnect water or Sewage Disposal Service to a Residential Customer: (a) Upon his or her failure to pay for the service rendered at a different metered point, residence or location if such bill has remained unpaid for less than forty-five (45) days; or (b) Upon his or her failure to pay for services to a previous occupant of the Premises to be served, unless the Utility has good reason to believe the Customer is attempting to defraud the Utility by using another name; or (c) Upon his failure to pay for a different form or class of Sewage Disposal Service.
- 6.8** The Utility may not disconnect Utility Services to the Residential Customer if he or she shows cause for his or her inability to pay the full amount due (financial hardship shall constitute cause) and (a) the Customer pays a reasonable portion (not to exceed \$10.00 or one tenth of the bill, whichever is less, unless the Customer agrees to a greater portion) of the bill; and (b) he or she agrees to pay the remainder of the outstanding bill within three (3) Months; and (c) he or she agrees to pay all undisputed future bills for service as they become due, and (d) he or she has not breached a similar agreement with the Utility made pursuant to this rule within the past twelve (12) Months. Such agreement shall be put in writing. The Utility may add to the Customer's outstanding bill a Late Payment Charge in the amount prescribed in the schedule set forth in Appendix A.
- 6.9** If a Customer is unable to pay a bill that is unusually large due to (1) prior incorrect reading of the meter, (2) incorrect application of the rate schedule, (3) incorrect connection or functioning of the meter, (4) prior estimates where no actual reading was taken for over two Months, (5) stopped or slow water meter, or (6) any human or mechanical error of the Utility, the Utility shall not disconnect the Customer provided the Customer (a) pays a reasonable portion of the bill, not to exceed an amount equal to the Customer's average bill for the twelve bills immediately preceding the bill in question; (b) agrees to pay the remainder within three months; and (c) agrees to pay all undisputed future bills for service as they become due. Any such agreement shall be put in writing. In case of such an agreement, no late fee shall be assessed.

- 6.10** If a Customer requests a review pursuant to the Rules and Regulations of the Commission's Rules, the Utility will disconnect only as provided in Rule 9.3 of these Terms and Conditions for Sewage Disposal Service.
- 6.11** The Utility shall disconnect water or Sewage Disposal Service only between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time. Disconnections pursuant to Rule 6.1 are not subject to this limitation.
- 6.12** The Utility shall not disconnect water or Sewage Disposal Service for nonpayment on any day on which the Utility office is closed to the public, or after 12:00 noon of the day immediately preceding any day when the Utility office is not open to the public.
- 6.13** Except as otherwise provided by these Terms and Conditions for Sewage Disposal Service, water and/or Sewage Disposal Service to any Nonindustrial Customer shall not be disconnected for a violation of these Terms and Conditions for Sewage Disposal Service or for the nonpayment of a bill, except after fourteen (14) days prior written notice to the Customer by either:
- 6.13.1** Mailing the notice to such Residential Customer at the address shown on the records of the Utility; or
 - 6.13.2** Personal delivery of the notice to the Residential Customer or a responsible member of his or her household at the address shown on the records of the Utility. No disconnect notice for nonpayment may be rendered by the Utility prior to the date on which the account becomes delinquent.
 - 6.13.3** To alert the Customers that they are in danger of losing service, disconnection notices mailed or hand delivered to Residential Customers shall be in envelopes that are appropriately marked and distinguishable from envelopes used for other purposes.
- 6.14** The language of a disconnect notice must be clear, concise and easily understandable to a layman and shall state in separately numbered large type or printed paragraphs:
- 6.14.1** The date of the proposed disconnection;
 - 6.14.2** The specific actual basis and reason for the proposed disconnection;
 - 6.14.3** The telephone number of the Utility office at which the Customer may call during regular business hours in order to question the proposed disconnection or seek information concerning his or her rights; and
 - 6.14.4** A reference to these Terms and Conditions for Sewage Disposal Service furnished to the Customer for information as to the Customer's rights, including appropriate website address.

- 6.15** Immediately preceding the actual disconnection of Utility Services, the employee of the Utility designated to perform such function shall make a reasonable attempt to identify himself to the Customer or any other responsible person then upon the Premises and shall make a record thereof to be maintained for at least thirty (30) days.
- 6.16** The employee shall have in his or her possession information sufficient to enable him or her to inform the Customer or other responsible person of the reason for the disconnection, including the amount of any delinquent bill of the Customer, and shall request from the Customer any available verification that the outstanding bill has been satisfied or is currently in dispute pursuant to review under the Commission's Rules. Upon the presentation of such credible evidence, service shall not be disconnected.
- 6.17** Through its employee, the Utility may offer the Utility's 24-hour payment arrangement as an alternative to disconnection. Upon presentation of satisfactory evidence, , or acceptance by the Customer or other responsible party of the Utility's 24-hour payment arrangement, service will not be disconnected. The Utility employee is not required to offer the Utility's 24-hour payment arrangement as an alternative to disconnection. When the employee has disconnected the service, the employee will give to a responsible person at the Residential Customer's Premises, or if no one is at home, will leave at an entry way on the Premises, a notice stating that service has been disconnected and the telephone number of the Utility where the Customer may arrange to have service reconnected.
- 6.18** When the employee has disconnected Utility Services, he or she shall give a responsible person on the Premises, or if no one is at home, shall leave at a conspicuous place on the Premises, a notice stating which Utility Services have been disconnected and stating the address or telephone number of the Utility where the Customer may arrange to have the Utility Services reconnected.
- 6.19** Restoration of Sewage Disposal Service or reconnection of a Customer Building Sewer connection will be made at the Utility's discretion as soon as reasonably possible but at least within five (5) working days after requested if conditions permit after the Customer has:
- 6.19.1** Paid all unpaid bills for Sewage Disposal Service;
- 6.19.2** Made a required deposit to ensure future payment of Sewage Disposal Service bills;
- 6.19.3** Reimbursed the Utility the greater of a) any labor, material and associated restoration costs involved in reconnecting Sewage Disposal Service orb) the Reconnection Charges are set forth in Appendix A; and
- 6.19.4** Corrected any condition found in violation of any applicable provision of these Terms and Conditions for Sewage Disposal Service.

7. METERS

- 7.1** The Utility shall measure usage and bill Industrial and Nonindustrial Customers in the following manner:
- 7.1.1** To the extent possible, bills to Industrial and Nonindustrial Customers will be based on the Customer's metered water usage or estimated water usage in any given month as provided for in Rule 7.1.2.

7.1.2 In the event a Nonindustrial or Industrial Customer is not served by a public water supply or water used is not completely metered, the Utility shall estimate the volume and strength of the waste and use such estimate for the purposes of billing rates and charges. The foregoing estimates shall be based upon analyses and volumes of a similar installation to the Nonindustrial or Industrial Customer or the volume and analysis as determined by measurements and samples taken by the Utility or an estimate determined by the Utility or by any combination of the foregoing or other equitable method.

7.2 The Utility may make adjustments to bills for Sewage Disposal Service as described below:

7.2.1 If any meter, on which a Sewage Disposal Service bill is based, shall be found to have a percentage of error greater than two percent (2%), the following provisions for the adjustment of bills shall be observed:

7.2.1.1 When a meter is found to have a positive average error, *i.e.*, is fast, in excess of two percent (2%), the Utility shall refund or credit the Customer's account with the amount in excess of that determined to be an average charge for one-half of the time elapsed since the previous meter test, or one (1) year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be fast. No part of a minimum service charge shall be refunded.

7.2.1.2 When a meter is stopped or has a negative average error, *i.e.*, is slow, in excess of two percent (2%), the Utility will charge the Customer an amount estimated to be an average charge for one-half of the time elapsed since the previous meter test or one (1) year, whichever period is shorter. The average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be slow or stopped. Such action may be taken only in cases where the Utility is not at fault for allowing the stopped or slow meter to remain in service.

7.2.1.3 In the event the Customer's service is interrupted for a reason other than the act of the Customer or the condition of Customer-controlled equipment, and the service remains interrupted for more than two (2) days after being reported or found to be out of order, appropriate adjustments or refunds may be made to the Customer.

7.2.2 When an error is discovered in any billing or when billing is omitted, the Utility may adjust such error to the known date of error, but in any event within not more than twelve (12) Months from the date of such billing.

- 7.2.3 Upon detecting a device or scheme which has been utilized to avoid or attempted to avoid full payment for Sewage Disposal Service, the Utility may, after estimating the volume waste:
- 7.2.3.1 Immediately disconnect water or Sewage Disposal Service without notice pursuant to Rule 6.1.3.
 - 7.2.3.2 Bill and demand immediate payment from the person benefiting from such device or scheme the actual cost of the volume of waste, corrections and repairs, or two hundred dollars (\$200.00), whichever is more.
 - 7.2.3.3 Bill any and all damages as provided by Indiana Code 34-24-3-1 et seq. based upon the Utility's reasonable and customary estimate thereof.
- 7.2.4 Where a metered water supply is used for fire protection as well as for other uses, the Utility may, at its sole discretion, make adjustments in the Sewage Disposal Service charge as may be equitable. In such cases the burden of proof as to the type of water usage shall be upon the Customer. Where a metered water supply is used for fire protection only, the sewer user charge shall not apply.

8. RESPONSIBILITY FOR SERVICE

- 8.1 The Utility shall not be liable for damages of any kind or character for any deficiency or failure of Sewage Disposal Service, for the blockage or breaking or Sewer overload of any collection Sewer, wherever located, for any deficiency in any Utility or Building Sewer, attachment or fixtures to any collection Sewer, or any other facility used by the Utility, or for any other interruption of Sewage Disposal Service caused by breaking of machinery, stopping for repairs or for any reason or occurrence beyond the reasonable control of the Utility. The Utility shall not be liable for any damage to any property caused by any of the foregoing reasons or for any other cause beyond the reasonable control of the Utility.
- 8.2 The Utility shall not be held liable for any failure or delay in performing any of the things undertaken by it under any service contract when such failure or delay is caused by strike, acts of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission. Nor shall Utility be liable for damage caused by interruption in, or failure of service, or by sewage disposal escaping from piping on Customer's property.
- 8.3 The Utility shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot, or civil commotion, vandalism, acts of others, or acts or failure of action of any local governmental authority to enforce or provide proper surface drainage or ditches for surface runoff, or other circumstance over which Utility has no control, where the Utility has used reasonable care in installing and maintaining its system in accordance with acceptable standards in the sewer utility business.

9. COMPLAINT PROCEDURE

9.1 Complaint. A Customer may complain at any time prior to disconnection to the Utility about any Utility Services bill, a security deposit, a disconnection notice, or any other matter relating to its Utility Services and may request a conference about such matters. The complaints may be made in person, in writing, or by completing a form available from either the Commission or from the Utility at its business office. A complaint shall be considered filed upon receipt by the Utility, except mailed complaints shall be considered filed as of the postmark date. In making a complaint or requesting a conference (hereinafter “complaint”), the Customer shall state his/her name, service address and the general nature of his/her complaint. The Utility will continue service to Customer pending disposition of a complaint.

9.2 Investigation of Complaint and Notification of Proposed Disposition. Upon receiving each such complaint, the Utility will investigate the matter, confer with the Customer when requested and notify him/her, in writing, of its proposed disposition of the matter. Such written notification will advise the Customer that he/she may, within seven days following the date on which such notification is mailed, request a review of the Utility’s proposed disposition by the Commission. If the Customer requests a special Meter reading, the first reading of the Customer’s Meter by the Utility during its investigation shall not be subject to the charge for a special Meter reading prescribed in the Utility’s Rate Schedules. Subsequent readings, however, if requested by the Customer, will be subject to the charge.

9.3 Service During Review of Complaint. If the Customer is receiving Utility Services at the time the complaint is received by the Utility, his/her Utility Services will not be disconnected until at least ten (10) days after the date on which the Utility mails the notification of its proposed disposition of the matter to the Customer.

If the Customer desires review of the Utility’s proposed disposition, he must submit a written request to the Commission within seven (7) days after the mailing by the Utility of its proposed disposition of the matter. In the event that the Commission supports the Utility’s proposed disposition of the matter, the Utility will not disconnect the Customer’s Utility Services, except as provided under these Rules.

9.4 Record of Complaints. The Utility’s record of complaints under this rule will be available during normal business hours (as set forth on www.citizenswater.com) upon request by the concerned Customer, his agent possessing written authorization, or the Commission.

9.5 This rule does not preclude the right to file a complaint with the Commission as permitted by the Commission’s rules and/or by statute.

10. MAIN EXTENSIONS

10.1 DEFINITIONS

The following terms as used in Rule 10 of these Terms and Conditions for Sewage Disposal Service have the following meanings:

- 10.1.1** “Applicant” means a Person requesting the Main Extension in order to receive sewer utility service from the Utility.
- 10.1.2** “Completion Date of the Main Extension” means the date the Utility declares the Main Extension to be in service and releases it for Taps.
- 10.1.3** “Cost of Connecting” means the average of the Utility’s costs for the same size service connection incurred during the preceding calendar year including, if provided by the Utility, the Service Pipe, Tap, and installation thereof or portions thereof; however, the Cost of Connecting shall not be applicable under Rule 10 of these Terms and Conditions for Sewage Disposal Service for those portions of such cost recovered from an Applicant by the Utility in the form of a Tap or similar charge.
- 10.1.4** “Cost of the Main Extension” means the cost of installing the Main as determined in Rules 10.5 through 10.7 of these Terms and Conditions for Sewage Disposal Service.
- 10.1.5** “Customer” means a Person being supplied with sewer utility service.
- 10.1.6** “Deposit” means the amount required to be deposited by or on behalf of each Applicant or Prospective Customer for a Main Extension prior to the Utility commencing construction of the Main Extension.
- 10.1.7** “Estimated Annual Revenue” for an Applicant connecting to the Main means the Utility’s average annual revenue per applicant from comparable Customers in the calendar year preceding such connection, adjusted to reflect any changes in the applicable rates and charges of the Utility for such service.
- 10.1.8** “Frontage” means the footage, ten (10) feet minimum length, of a Lot or tract (but not an easement) boundary that is parallel to or curvilinear to, and immediately adjacent to a Main Extension in a Public Thoroughfare or easement.
- 10.1.9** “Immediate Revenue Allowance” means the amount of three (3) times the Estimated Annual Revenue less the Cost of Connecting for an Applicant.
- 10.1.10** “Lot” means a parcel of land as platted, or if the area to be served is not platted, the equivalent of a parcel of land as determined in accordance with Rule 10.8 of these Terms and Conditions for Sewage Disposal Service.

- 10.1.11** “Main” means a pipe owned by the Utility that connects to Service Pipes for transmitting sewage effluent.
- 10.1.12** “Main Extension” means the Mains and appurtenances installed by the Utility to provide the sewer utility service requested by or on behalf of the Applicant or Prospective Customer, but does not include the Service Pipes.
- 10.1.13** “Original Depositor” means an Applicant who enters into a Main Extension agreement and makes a Deposit with the Utility.
- 10.1.14** “Person” means an individual, firm, corporation, governmental agency, or other entity.
- 10.1.15** “Prospective Customer” means a Person who is not an Original Depositor, but whose Lot or Frontage directly abuts the Main Extension between its original beginning and its original end point.
- 10.1.16** “Public Thoroughfare” means a road, street, or way that has been dedicated for use by the public and accepted by the appropriate governmental authority.
- 10.1.17** “Refund” means the Subsequent Connector's Fees, Subsequent Connector's Revenue Allowances, and Revenue Allowances from Depositor-Authorized Connections of Lots included in the Original Depositor's Main Extension agreement that must be paid by the Utility to the Original Depositor for ten (10) years after the Completion Date of the Main Extension.
- 10.1.18** “Revenue Allowance from Depositor-Authorized Connection” means the amount of three (3) times the Estimated Annual Revenue less the Cost of Connecting that the Utility may refund to Original Depositor for connections for Lots or unplatted areas owned, controlled, or designated by the Original Depositor and does not include an Immediate Revenue Allowance.
- 10.1.19** “Service Pipe” means a sanitary sewer line leading directly from the Premises to the Main adjacent to such Premises.
- 10.1.20** “Subsequent Connector” means a Person who was not an Original Depositor but subsequently applies for sewer service and who connects to the Main within ten (10) years after the Completion Date of the Main Extension.
- 10.1.21** “Subsequent Connector's Fee” means the cash fee equal to the cost per lot of the Main Extension determined in accordance with Rules 10.8 through 10.10 of these Terms and Conditions for Sewage Disposal Service, multiplied by the number of Lots for which service is requested.
- 10.1.22** “Subsequent Connector's Revenue Allowance” means three (3) times the Estimated Annual Revenue for the Subsequent Connector less the Cost of Connecting.

10.1.23 “Tap” means a fitting owned by the Utility and inserted by it into a Main to which a Service Pipe is attached.

10.1.24 “Total Required Deposit” means the amount by which the Cost of the Main Extension exceeds the Immediate Revenue Allowance for the Original Depositor.

10.2 WRITTEN AGREEMENT

Persons desiring Main Extensions shall apply therefore in writing to the Utility. All Main Extensions require a prior written agreement between the Utility and the prospective Customer or Customers, who shall contract to connect to the Main within nine months after the completion date of the Main Extension and receive service from the Main Extension for a period not less than three years.

10.3 FREE EXTENSION

The Utility shall extend a Main and connect the Applicant free of charge to provide the service requested if:

10.3.1 The Cost of the Main Extension does not exceed the Immediate Revenue Allowance for the Applicant; and

10.3.2 The Applicant agrees to take service within nine (9) months following the Completion Date of the Main Extension.

10.4 MAIN EXTENSION; EXCEPTION TO COMMISSION APPROVAL

If the Cost of the Main Extension is greater than the free extension cost, that extension shall be made, upon receipt by the Utility of a signed agreement and a Deposit from the Applicant, without specific approval by the Commission.

10.5 EXTENSION EXCEPTION

The Utility shall not be required to make Main Extensions unless the Applicants to be initially served by those extensions contract to use the service for a period of three (3) years. A bond may be required of the Applicant in this situation.

10.6 SPECIAL CONTRACT

The Utility may require a special contract when: (a) the requested Main Extension is of such length and the prospective business to be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair return on the Utility investment involved in such extension; (b) the prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved; (c) there are industrial installations requiring extensive sewer utility investment and where the demand for sewer service is expected to be slight, irregular, or of unknown quantity; or (d) there are other abnormal or extraordinary circumstances.

10.7 MAIN EXTENSION ROUTE

10.7.1 The Utility shall use good engineering and sewer utility practices in determining the route for all Main Extensions. Any facilities installed in connection with Main Extensions shall become the property of the Utility.

10.7.2 The Utility shall determine the total length of the extension from its existing Main to serve the extension to the end of the Lot or Frontage of the most remote Applicant to be served.

10.7.3 If the end Lot or Frontage is a corner Lot or Frontage abutting an intersecting street in which no Main is located, the end of the new extension may not extend beyond the intersecting street corner of that Lot.

10.7.4 If the street in which the Main is to be laid dead ends in a cul-de-sac or appears to be permanently dead ended against a railroad, creek, river, or other major physical or natural barrier, the end point of the Main Extension, if serving the most remote Lot or Frontage, shall be the point of the most remote Service Pipe connection, which connection point shall be at least ten (10) feet beyond the Lot line.

10.8 NUMBER OF LOTS SERVED BY MAIN EXTENSION

A determination shall be made of the number of Lots to be served by the Main Extension. The determination may include only Lots that directly abut the Main Extension between its original beginning and its original end point. If any part of the Main Extension is located within an area platted or to be platted, the number of Lots shown within the plat to be served shall be included in the determination. If any part of the Main Extension is located in an unplatted area, the number of Lots to be included shall be determined by dividing the total Frontage of the Main Extension within the unplatted area on either or both sides of the Public Thoroughfare or easement in which the Main is located by one hundred (100) feet and rounded to the nearest whole number of Lots, provided either or both sides are available for future development and not restricted against usage because of limited access or other reasons. The determination of the number of Lots for a particular extension may include a combination of platted and unplatted Lots as defined in this Section. Any further Main Extension subsequently connected to the original Main Extension shall, for all purposes under Rule 10 of these Terms and Conditions for Sewage Disposal Service, constitute a separate Main Extension.

10.9 MAIN EXTENSION COST

10.9.1 The Cost of the Main Extension may, as determined by the Utility, be either:

10.9.1.1 The estimated cost of the extension; or

10.9.1.2 The actual cost of a developer-installed extension.

10.9.2 For any special construction, or for any other facility involved in a Main Extension, the cost shall be the Utility's best estimate of the cost of the Main, special construction, or related facilities based upon current available information.

10.9.3 If the Utility's future extension plans require a larger Main than is reasonably necessary to serve the Applicants and Prospective Customers, the difference in the cost for the larger Main size and increased material and installation cost, if any, shall be borne by the Utility.

10.9.4 The estimated cost shall be adjusted to the actual cost by the Utility, in which event the actual cost as finally determined shall constitute the Cost of the Main Extension. If the Main Extension agreement provides for the adjustment of the estimated Cost of the Main Extension to the actual cost, the adjustment shall be made upon completion of the Main Extension. If the actual cost of the extension is less than the estimated cost, the Utility shall refund the difference to the Original Depositor as soon as the actual cost has been determined. If the actual cost of the extension exceeds the estimated cost, then the Utility shall bill the Original Depositor for, and such depositor shall pay, the difference between the estimated cost and the actual cost.

10.9.5 For the Main Extension, the Applicant shall be required to pay the Cost of the Main Extension, and the full gross-up for any applicable state and federal taxes associated with the cost of the extension and the Applicant shall receive Refunds as provided in Rule 10.9 of these Terms and Conditions for Sewage Disposal Service.

10.10 COST PER LOT

The cost per lot shall be determined by:

10.10.1 The total number of Lots to be served by the Main Extension divided into the Cost of the Main Extension; or

10.10.2 The Cost of the Main Extension shall be divided proportionately on the basis of respective Lot Frontage for all Lots to be served by the Main Extension.

10.11 TOTAL REQUIRED DEPOSIT

- 10.11.1** The Total Required Deposit for a Main Extension may either be made in a cash payment or it may be secured by an irrevocable letter of credit acceptable to the Utility and issued by a national banking association or a bank chartered under the laws of the state. The Deposit may also be secured in any other manner that is mutually acceptable to the parties and that guarantees payment of the Deposit immediately upon completion of the Main Extension.
- 10.11.2** If permitted by the Utility, the Main Extension may be installed by the developer or the developer's contractor according to the extension and installation policies of the Utility, and the actual cost of the developer-installed extension shall be considered the Total Required Deposit.
- 10.11.3** The Utility may allocate, or permit Original Depositors to allocate, the Total Required Deposit on the basis of the number of Lots, the respective Lot Frontage, or any other basis mutually acceptable to the Original Depositors.

10.12 SUBSEQUENT CONNECTOR FEE

- 10.12.1** Within ten (10) years after the Completion Date of the Main Extension, the Utility shall not permit a Subsequent Connector to connect to a Main Extension until after the Subsequent Connector has paid the required Subsequent Connector's Fee to the Utility.
- 10.12.2** Applicants for service connections for Lots in subdivision and tract developments that are included in the Original Depositor's Main Extension agreement, are not required to pay a Subsequent Connector's Fee, unless otherwise specifically provided for in the Main Extension agreement.
- 10.12.3** If a Prospective Customer with Frontage land that was unplatted on one (1) or both sides of the street at the time the Main Extension was installed later subdivides this Frontage prior to the expiration of the ten (10) years after the Completion Date of the Main Extension in such a manner that some or all Lots will not require service directly from that Main Extension, the Customer is considered to have requested another extension from that Main Extension to serve the Customer's land. The Utility in that case shall collect from the Prospective Customer prior to installing the requested second extension, a Subsequent Connector's Fee for each equivalent Lot of the Frontage land used in determining the Main Extension cost per lot and which will not be served directly by the original Main Extension.

10.13 REFUNDS

10.13.1 Refunds shall be paid for a period of ten (10) years after the Completion Date of the Main Extension to the Original Depositor in proportion to the respective Deposits. A Deposit shall be held by the Utility as a Customer's advance for construction. Any Deposit that is not subject to refund because of the running of the ten (10) year period shall be transferred by the Utility to contributions in aid of construction.

10.13.2 However, no Refunds shall be required to be made by the Utility until the number of Customers actually connected to the Main Extension equals the number of Applicants for which an Immediate Revenue Allowance was included in computing the Total Required Deposit for the Main Extension. The Refunds shall be paid annually or more frequently at regular intervals at the discretion of the Utility.

10.13.3 Total Refunds to any Original Depositor shall not exceed the amount of the original Deposit except in the case of a phased residential real estate development. In this situation the preliminary plat must be submitted to the Utility at the time of the first request for a Main Extension. During the ten (10) year period beginning with the completion date of the first Main Extension, the amount of any Refunds generated in excess of the Deposit made on any phase of the development must be applied against the Deposit made for any other phase of the development, so long as the total amount of Refunds to the Original Depositor shall not at any time exceed the total amount of his Deposits during the period. The Utility shall not require any Subsequent Connector's Fee that is in excess of the unrefunded balance of the aggregate of Deposits received from all Original Depositors.

10.13.4 The Refund shall be made by mailing the payment to the Original Depositor's last known address as shown on the books and records of the Utility. Any Refund distribution that cannot be returned to an Original Depositor after the Refund becomes due and payable must be reported as required by Indiana Code 32-17.5, et seq.

10.14 BASIS FOR COST

If the applicant is required to make any payment, the Utility shall, upon request, make the following available to the applicant:

- (1) The information used to establish the basis for the cost of the main extension.
- (2) The information used to establish the basis for the estimated annual revenue for a period of threeyears to be realized by the utility from permanent and continuing customers on main extensions as required by this rule.

11. SEWER CONSTRUCTION REQUIREMENTS

- 11.1** Except for Building Sewers serving single- or double-family residences (i.e. stand alone) or single-owner industrial facilities, connection permits will not be issued by the Utility for Building Sewers exceeding six hundred (600) feet in length as measured from the outside of the building to the center of the Public Sewer, unless the Sewer is constructed in a dedicated easement or right-of-way. No more than one hundred (100) feet of a Building Sewer shall exist within a public right-of-way.
- 11.2** No more than one (1) building will be permitted to connect to a Building Sewer. Sewers with more than one (1) connection must be constructed as a Public Sewer in a dedicated easement, unless the Utility determines that an exception is justified.
- 11.3** It shall be the responsibility of the property owner(s) whose property is benefited to provide for, install and make private connections for the use of their Premises to an existing Public or Building Sewer. As further provided in Rule 21 of these Terms and Conditions for Sewage Disposal Service, it shall be the responsibility of the owner to make all necessary repairs, extensions, relocations, changes or replacements thereof, and of any accessories thereto.

12. MANDATORY INSPECTION AND RIGHT OF ENTRY

- 12.1** Upon completion of the work described in a permit, it shall be the duty of the permit holder to notify the Utility that the work is available for inspection before backfilling the Building Sewer trench. The Utility will conduct inspections on Building Sewer connections Monday through Friday, except for observed holidays. The Building Sewer, in its entirety from the foundation to the connection with the Public Sewer or existing Building Sewer must be exposed for inspection and be properly bedded in accordance with the Utility's standard specifications. In the event the Building Sewer fails the initial inspection, additional re-inspections are subject to the Building Sewer Re-Inspection Fee as provided in Appendix B.

It is further the duty of the permit holder to install safety barricades, fences or other safety measures while waiting for an inspection. The permit holder may backfill the Building Sewer trench if the Utility has not made an inspection within a twenty-four (24) hour period after notice has been given to the Utility. In the event the Building Sewer is not completed and ready for inspection upon the inspector's arrival or if the notification is made after 2:00 p.m., local time, Monday through Friday, the permit holder shall make the Building Sewer and connection available for a four (4) hour period on the following Utility work day. An inspection may be waived with or without conditions with the approval of the Utility.

- 12.2** The Utility shall have the right of entry to, upon or through any Premises for purposes of inspection of Sewer work and any other construction activity performed on or associated with the connection of the Building Sewer to the Sewage Disposal System including inspection for clear water discharges into the Sewage Disposal System.

13. INTERRUPTION OF SERVICE

13.1 Whenever the service is intentionally interrupted for any purpose, except in emergencies, such interruption shall be made during regular working hours of the Utility and at a time to cause the least inconvenience to Customers. Customers who will be affected by such interruption shall, to the extent practical, be notified in advance of the interruption of service.

14. PROHIBITION AGAINST CLEAR WATER DISCHARGES

14.1 Except as specifically provided in this Rule, no person shall cause or allow the connection of a Building Sewer to the Sewage Disposal System or other Building Sewer when such Building Sewer has any of the following sources of clear water connected to it:

14.1.1 Foundation/footing drains;

14.1.2 Sump pumps with Foundation Drains connected;

14.1.3 Roof drains;

14.1.4 Heat pump discharge;

14.1.5 Cooling Water; or

14.1.6 Any other sources of clear water.

14.2 In addition to any other provision provided herein, any person found violating any provision listed in Rule 14.1 above may be required to correct such connections at his expense.

14.3 In the event an industrial or commercial entity finds it necessary to discharge clear water consisting of Cooling Water and/or steam condensate into the Sewage Disposal System and the Sewage Disposal System has capacity to receive such clear water without affecting existing or future Customers, the Utility may enter into an agreement for such discharge that will define a merging system and any other requirement deemed necessary to measure the flow. In April of each year, the Utility will calculate an Industrial Customer's monthly clear water discharge flow by averaging their measured steam usage from the steam system converted to gallons applicable to the preceding twelve-month period, January through December. The Industrial Customer will be billed the calculated twelve-month steam average converted to gallons for clear water discharge during the following twelve-month period, April through March. For a new Customer, the monthly steam condensate discharged into the system will be calculated based upon the previous twelve months of steam condensate discharged for the location. If less than twelve months of steam condensate discharge is available for the location, the steam condensate discharge for a new Customer will be based upon an annualization of the data available (i.e. monthly average steam condensate discharge multiplied by twelve).

If no steam condensate discharge is available for the location, steam condensate discharge for a new Customer will be determined based on an estimate of the Customer's projected steam usage. The rate for such discharge shall be the total treatment and surveillance rate as set forth in the Utility's applicable Sewer Rate No. 2.

15. DEWATERING DISCHARGE

- 15.1** No person shall discharge the water resulting from dewatering activity to the Sewage Disposal System, whether such activity is temporary or permanent, without a valid connection permit issued by the Utility. As a condition to the issuance of a permit, the Applicant shall install, maintain and operate at the Customer's expense a metering device to measure the flow associated with such discharge.
- 15.2** Based upon the volumes determined by the measurements, the Customer will be charged appropriate fees as set forth in the Utility's applicable Rate Schedules.
- 15.3** The Customer shall be required to submit Monthly reports, subject to verification by the Utility, to serve as the basis for billing, with any necessary adjustments in the amount made after verification.

16. SEWAGE RESTRICTIONS

- 16.1** No person shall discharge or cause to be discharged into any sanitary Sewer any wastewater or Pollutants, which cause, threaten to cause or are capable of causing, either alone or by interaction with other substances:
 - 16.1.1** Fire or explosion hazard;
 - 16.1.2** Corrosive structural damage to the Sewage Disposal System, but in no case water with a pH lower than 5.0 or higher than 12.0;
 - 16.1.3** Obstruction to the flow in the Sewers or other disruption to the proper operation of the Sewage Disposal System;
 - 16.1.4** An Interference; or
 - 16.1.5** A Pass-through.
- 16.2** No person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary Sewer:
 - 16.2.1** A Slug or a flow rate and/or Pollutant discharge rate which is excessive over a relatively short time period so that there is a treatment process Upset and subsequent loss of treatment efficiency;
 - 16.2.2** Heat in amounts which will inhibit biological activity at the wastewater treatment plant but in no case greater than sixty (60) degrees centigrade (one hundred forty (140) degrees Fahrenheit) or heat in such quantities that the temperature at the wastewater treatment plant exceeds forty (40) degrees centigrade (one hundred four (104) degrees Fahrenheit);

- 16.2.3** Any wastewater containing toxic Pollutants or any discharge which could result in toxic gases, fumes or vapors in sufficient quantity, either singly or by interaction with other Pollutants, to injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a toxic effect in the receiving waters of the Sewage Disposal System, or to exceed applicable categorical pretreatment standards;
- 16.2.4** A wastewater with a closed cup flash point of less than one hundred forty (140) degrees Fahrenheit or any liquids, solids or gases which, by reason of their nature or quantity, are or may be sufficient, either alone or by interaction with other substances, to cause fire or explosion or be injurious or hazardous in any other way to the Sewage Disposal System or to the operation of the wastewater treatment plant. At no time shall a discharge cause a reading on a meter capable of reading L.E.L. (lower explosive limit) to be greater than ten (10) percent at the point of discharge to the Sewage Disposal System or at any point in the Sewage Disposal System;
- 16.2.5** Any noxious or malodorous liquids, gases or solids which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or hazard to life or are sufficient to prevent entry into the Sewers for maintenance and repair;
- 16.2.6** Solid or viscous substances and/or other Pollutants which may cause obstruction to the flow in a Sewer or other Interference with the operation of the Sewage Disposal System such as, but not limited to, grease, Garbage other than Properly Shredded Garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, wastepaper, wood, plastics, tar, asphalt residues from refining or processing of fuel or lubricating oil, mud or glass grinding or polishing wastes, or tumbling and deburring stones;
- 16.2.7** Any substance that may cause the Sewage Disposal System's effluent or any other product of the wastewater works such as residues, sludges or scums to be unsuitable for reclamation and reuse or to interfere with the reclamation process. In no case shall a substance discharged to the Sewage Disposal System cause the Sewage Disposal System to be in noncompliance with sludge use or disposal criteria, guidelines or regulations developed under section 405 of the Federal Water Pollution Control Act;
- 16.2.8** Any substance that will cause the Sewage Disposal System to violate its NPDES Permit or the receiving stream's water quality standards;
- 16.2.9** Any wastewater with objectionable color not removed in the treatment process, such as, but not limited to, dye wastes, inks and vegetable tanning solutions;

- 16.2.10** Any wastewater containing Radioactive Material above limits contained in regulations, licenses or orders issued by the appropriate authority having control over their use. The disposal of any licensed Radioactive Material must meet applicable local, state or federal requirements;
- 16.2.11** Any wastewater containing a total petroleum hydrocarbons concentration as determined by a procedure deemed appropriate by the Utility in excess of two hundred (200) mg/l. This limitation shall apply at the point of discharge to the Sewage Disposal System and is the maximum concentration allowed in any single grab sample collected from the waste stream;
- 16.2.12** Any gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, carbides, hydrides, stoddard solvents, sulfides, epoxides, esters, amines, polynuclear aromatic hydrocarbons, pyridines, new and used motor oil, or antifreeze, except at concentrations that do not exceed levels of such substances that are routinely present in the normal wastewater discharge and do not otherwise violate the conditions of an industrial discharge permit or a special agreement; or
- 16.2.13** Polychlorinated biphenyls (PCBs) in any detectable concentrations.
- 16.3** No person shall discharge or cause to be discharged a wastewater that has a twenty-four-hour composite value in excess of the values shown below:

Pollutant	Maximum Allowable Concentration 24-Hour Composite Sample Value (mg/l)
Arsenic	4.0
Cadmium	1.2
Chromium (total)	24.0
Chromium (hex)	3.4
Copper	2.2
Cyanide (amenable)	0.4
Lead	4.7
Nickel	7.3
Phenol	46.0
Pentachlorophenol	0.012
Zinc	38.0
Mercury	0.025
Silver	4.2

- 16.4** The limitations set forth in Rule 16.3 apply at the point of discharge to the Sewage Disposal System. The limitations for amenable cyanide, total cyanide and phenols apply to twenty-four-hour composite samples only in those cases where the composite sample is preserved according to EPA approved methods prior to collection. Otherwise, the values set forth for amenable cyanide, total cyanide and phenols or, with the approval of the Utility, any other listed Pollutants shall apply to an instantaneous grab sample taken during prevailing discharge conditions and representative of the facility's discharge in general. The limitations and requirements imposed in Rules 16.1 and 16.2 apply at the point of discharge to the Sewage Disposal System unless specified otherwise.
- 16.5** No Customer shall change substantially the character or volume of the Pollutants discharged to the Sewage Disposal System without prior notification to the Utility.

17. REQUIRED INSTALLATION OF FOOD WASTE DISPOSER

- 17.1** Except as hereafter provided, no person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary Sewer: any Garbage that has not been properly shredded through a disposal unit or other shredding device, with no particle greater than one-half (1/2) inch in any dimension.

18. GREASE INTERCEPTOR

- 18.1** A grease interceptor shall be installed in the waste line leading from sinks, drains and other fixtures or equipment in restaurants, cafes, lunch counters, cafeterias, bars and clubs, hotels, hospitals, factories or school kitchens; or other establishments where grease may be introduced into the drainage or sewage system in quantities that can affect line stoppage or hinder sewage treatment. The characteristics, size and method of installation of the grease interceptor shall meet the requirements imposed by the Indiana Fire Prevention and Building Safety Commission and shall be reviewed and approved by the Utility prior to the commencement of installation. Approval of proposed facilities or equipment does not relieve the person of the responsibility of enlarging or otherwise modifying such facilities to accomplish the intended purpose. A grease interceptor is not required for individual dwelling units or for any private living quarters.
- 18.2** Where installed, all grease interceptors shall be maintained by the Customer, at his or her sole expense, in continuously efficient operation at all times.
- 18.3** The Customer shall provide evidence, such as invoices, that grease interceptors are cleaned and maintained regularly. This evidence shall be retained by the Customer for a period of at least 24 months. The Utility may discontinue water and/or Sewage Disposal Service to Customers for their refusal to provide evidence that the grease interceptor has been cleaned and regularly maintained.

19. INDUSTRIAL CUSTOMER OR SELF-REPORTING CUSTOMER WASTE DISCHARGE

- 19.1** Neither the Applicant, Customer nor any occupant of the property or Premises shall discharge, or cause to be discharged, into the Building Sewer or into the collection Sewer any “industrial wastes” consisting of solids, liquids or gaseous wastes resulting from any industrial or manufacturing operation or process, or from the development of any natural resource, without first obtaining written permission for such discharge from the Utility, and from any regulatory authority or governmental unit having jurisdiction over such a discharge of wastes.
- 19.2** Where necessary in the Utility’s opinion, the Applicant or Customer shall provide, at the Applicant or Customer’s expense, such pretreatment as may be necessary to reduce objectionable characteristics or constituents to within the maximum limits provided for in these Terms and Conditions for Sewage Disposal Service.
- 19.3** Self-Reporting Customers shall comply with all categorical pretreatment standards, found in 40 CFR Chapter I, Subchapter N, Parts 405-471, the pretreatment standards found in 327 IAC 5-12-6, as well as any rules and regulations adopted by Resolution of the Utility’s Board in furtherance of those pretreatment standards.
- 19.4** Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Customer at the Customer’s expense.
- 19.5** Where necessary in the Utility’s opinion, the Customer shall provide, at the Customer’s expense, such measures as may be necessary to control the quantities and rates of discharge of waters or wastes.

20. ACCIDENTAL DISCHARGE

- 20.1** Each Industrial and Self-Reporting Customer shall provide protection from Accidental Discharge of substances identified in Rule 16 of these Terms and Conditions for Sewage Disposal Service. Facilities to prevent Accidental Discharge shall be provided and maintained at the Customer’s own cost and expense. Detailed plans showing facilities and operating procedures to provide this protection shall be available to the Utility for review. No Industrial or Self-Reporting Customer who commences contribution to the Sewage Disposal System shall be permitted to introduce Pollutants into the system until Accidental Discharge procedures are available.
- 20.2** In the case of an Accidental Discharge, it is the responsibility of the Industrial or Self-Reporting Customer to immediately telephone and notify the Utility of the incident. The notification shall include:
 - 20.2.1** Name of Customer;
 - 20.2.2** Location of Accidental Discharge;
 - 20.2.3** Type of waste discharged;

- 20.2.4 Concentration and volume of waste discharged;
- 20.2.5 Corrective actions taken to minimize the impact of the discharge to the Sewage Disposal System.
- 20.3 The Industrial or Self-Reporting Customer shall notify the Utility if it is unable to comply with any requirement of this Rule because of a breakdown of its treatment equipment, accidents caused by human error, or Upsets. The notification should include the information required in Rule 20.2 above.
- 20.4 Within five (5) working days, unless extended by the Utility in writing, the Industrial Customer shall submit to the Utility a detailed written report describing the Accidental Discharge, including:
 - 20.4.1 The cause of the Accidental Discharge;
 - 20.4.2 The period of the Accidental Discharge, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue;
 - 20.4.3 Steps being taken and/or planned to reduce, eliminate or prevent recurrence of the Accidental Discharge.
- 20.5 Such notification shall not relieve the Industrial or Self-Reporting Customer of any expense, loss, damage or other liability that may be incurred as a result of damage to the Sewage Disposal System or aquatic life, fish kills, or any other damage to persons or property; nor shall such notification relieve the Industrial or Self Reporting Customer of any fines, civil penalties or other liability that may be imposed.
- 20.6 A notice shall be permanently posted on the Industrial or Self-Reporting Customer's bulletin board or other prominent place advising affected employees whom to call in the event of an Accidental Discharge. An Industrial or Self-Reporting Customer shall ensure that all employees who may cause or suffer such an Accidental Discharge to occur are advised of the emergency notification procedure.

21. MAINTENANCE OF BUILDING SEWER CONNECTIONS

- 21.1 Except as subsequently provided, the Utility shall maintain and replace if necessary that portion of the Building Sewer from the main to the Customer side of the boundary line of the easement, public road, or street, under which such Building Sewer may be located. Provided, however, the Customer shall "rod" and otherwise clean the Utility's portion of the Building Sewer serving the Customer in the event the same becomes clogged or blocked as a result of debris or waste entering such Building Sewer from the Customer's Premises, as a result of the Customer's actions.
- 21.2 The Customer shall install and maintain and replace if necessary that portion of the Building Sewer from the end of the Utility's portion into the Premises served.

- 21.3** The Customer shall not allow the Customer's portion of the Building Sewer to become broken, obstructed, inferior, defective, leaky or imperfect so that sewage or drainage escapes into surrounding soil, adjacent Premises, ground or surface water or other matter enters the Sewage Disposal System. When such conditions are discovered, the Utility reserves the right to discontinue service unless immediate repairs or replacements are made. Such replacements or repairs shall be made by, and at the expense of the Customer or Applicant. Non-compliance with the foregoing requirement exists when any connections or facilities are found by the Utility that will permit storm water, surface water, groundwater, or other non-sanitary sewage drainage to enter into the Sewage Disposal System, regardless of whether actual flow is observed.
- 21.4** To the extent repairs or maintenance must be made to the portion of the Building Sewer maintained by the Customer as set forth in Rule 21.1, the Building Sewer shall be repaired, maintained or modified as specified in the Indiana Plumbing Code. It shall be of materials approved by the Utility and subject to the inspection of the Utility upon completion of the repairs, maintenance or modification.
- 21.5** If a Customer requests for his or her convenience or by his or her actions requires that Utility facilities be redesigned, re-engineered, relocated, removed, modified or reinstalled, the Utility will require the Customer to make payment of the full cost of performing such service.

22. WASTEWATER HAULERS

- 22.1** Any disposal of wastewater into the Sewage Disposal System must be performed by a registered Wastewater Hauler as provided for by resolution of the Authority's Board. Disposal of domestic wastewater or restaurant grease trap waste generated inside or outside Marion County requires no further approval. A Wastewater Hauler disposing of industrial or commercial wastewater generated inside or outside Marion County must obtain special approval.
- 22.2** All discharging of wastewater from the Wastewater Hauler's vehicle tanks must be done at designated sites approved by the Utility. The Utility shall have the right to limit the hours of the day and the days of the week during which discharging shall be allowed. Any unpermitted discharging of wastewater into the Sewage Disposal System is prohibited unless approved by the Utility prior to discharging.
- 22.3** All Wastewater Haulers shall maintain accurate business records pertaining to wastewater hauling, and make them available to the Utility, upon request, including names, addresses, and telephone numbers of the generators of all wastewater being transported and/or disposed of, county of origin, type of waste, volume of waste, and disposal site, Customer receipts required under Rule 22.4, and approvals, permits and certifications issued by federal, state and local authorities. All such records shall be retained for a minimum of three (3) years.
- 22.4** The driver of each vehicle delivered to the wastewater treatment plant site for discharging shall have dated Customer receipts for each source of wastewater showing the names and addresses of the Customers, the nature of the wastewater, amount of wastewater in gallons, Wastewater Hauler's name and legal business address and telephone number, and vehicle driver's name.

- 22.5** All Wastewater Haulers shall compensate the Utility for the full cost of all sampling, laboratory analysis and treatment costs. Fees shall reflect the costs associated with sampling and testing, treatment and administering the program and shall be based on a fee schedule set forth in Rate No. 4.
- 22.6** The Utility shall have a right of entry to, upon or through any Premises for purposes of inspection, measuring and sampling. This right of entry shall include, but not be limited to, any equipment necessary to conduct such inspections, measuring and sampling. It shall be the duty of the Wastewater Hauler to provide all necessary clearance before entry and not to unnecessarily delay or hinder the Utility in carrying out the inspection, measuring and sampling. The right of entry shall exist at any time.
- 22.7** All Wastewater Haulers are subject to resolutions that may be adopted by the Board with respect to registration, discharge procedures, testing, enforcement procedures and testing.

23. INCORPORATION BY REFERENCE

- 23.1** All laws of the United States of America, including the Environmental Protection Agency, the State of Indiana, Rules and Regulations of the Indiana Utility Regulatory Commission and Ordinances of the City of Indianapolis applicable to the rendering of Sewage Disposal Service in the City of Indianapolis, Marion County, Indiana and contiguous areas (including those set forth in Chapters 536 and 672 of the Revised Code of the Consolidated City of Indianapolis, Marion County, Indiana) are hereby incorporated herein by reference.

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

~~Fourth Revised Page No. 101~~
~~Superseding Third Revised Original Page No. 101~~

SEWER RATE NO. 1

NONINDUSTRIAL SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

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

Metered Monthly Rates	Phase I Eff. 7/20/16	Phase I Eff. 11/4/168/1/20	Phase I Eff. 8/1/178/1/21
Monthly Minimum Charge	\$37.92 <u>\$46.12</u>	\$37.66 <u>\$48.30</u>	\$39.57 <u>\$49.88</u>
Monthly Base Charge	\$18.75 <u>\$21.95</u>	\$18.75 <u>\$22.99</u>	\$18.75 <u>\$23.74</u>
Treatment Charges:			
First 7,500 gallons (\$/1,000 gal.)	\$6.390 <u>\$8.0577</u>	\$6.3040 <u>\$8.4382</u>	\$6.9388 <u>\$8.7135</u>
First 10 CCF (\$/CCF)	\$4.7929 <u>\$6.0433</u>	\$4.7280 <u>\$6.3287</u>	\$5.2041 <u>\$6.5351</u>
Over 7,500 gallons (\$/1,000 gal.)	\$7.2375 <u>\$8.7225</u>	\$7.1396 <u>\$9.1344</u>	\$7.5113 <u>\$9.4324</u>
Over 10 CCF (\$/CCF)	\$5.4284 <u>\$6.5419</u>	\$5.3547 <u>\$6.8508</u>	\$5.6335 <u>\$7.0743</u>

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

MINIMUM BILL PER MONTH:

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

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

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

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

Effective: **January 1, 2018**

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

UNMETERED SEWER CUSTOMERS:

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

Unmetered Monthly Rates	Phase <u>I1</u> Eff. <u>7/20/16</u>	Phase <u>I2</u> Eff. <u>11/4/16</u><u>8/1/20</u>	Phase <u>I3</u> Eff. <u>8/1/17</u><u>8/1/21</u>
1 occupant (Monthly Minimum Charge)	\$37.92 <u>\$46.12</u>	\$37.66 <u>\$48.30</u>	\$39.57 <u>\$49.88</u>
2 occupants (3,600 gallons)	\$41.76 <u>\$50.96</u>	\$41.44 <u>\$53.37</u>	\$43.73 <u>\$55.11</u>
3 occupants (5,400 gallons)	\$53.26 <u>\$65.46</u>	\$52.79 <u>\$68.56</u>	\$56.22 <u>\$70.79</u>
4 or more occupants (7,200 gallons)	\$64.76 <u>\$79.97</u>	\$64.14 <u>\$83.75</u>	\$68.71 <u>\$86.48</u>

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

Unmetered Monthly Rates	Phase <u>I1</u> Eff. <u>7/20/16</u>	Phase <u>I2</u> Eff. <u>8/1/20</u><u>11/4/16</u>	Phase <u>I3</u> Eff. <u>8/1/21</u><u>8/1/17</u>
Small Flat Rate (5-10 ccf)	\$42.71 <u>\$52.17</u>	\$42.39 <u>\$54.63</u>	\$44.77 <u>\$56.42</u>
Large Flat Rate (11 ccf and above)	\$88.39 <u>\$108.55</u>	\$87.45 <u>\$113.68</u>	\$93.32 <u>\$117.39</u>

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

WATER USED FOR FIRE PROTECTION:

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

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

PAYMENT:

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

SEWER RATE NO. 2

INDUSTRIAL SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

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

Metered Monthly Rates:	Phase I1 Eff. 7/20/16	Phase I2 Eff. 11/4/168/1/20	Phase H3 Eff. 8/1/178/1/21
Monthly Minimum charge	\$35.79 <u>\$40.14</u>	\$35.64 <u>\$41.83</u>	\$37.65 <u>\$43.01</u>
Tier 1	\$64.76 <u>\$70.52</u>	\$64.61 <u>\$73.49</u>	\$66.08 <u>\$75.57</u>
Tier 2			
Tier 3	\$259.29 <u>\$282.58</u>	\$259.14 <u>\$294.48</u>	\$264.50 <u>\$302.86</u>
Tier 4	\$1,712.68 <u>\$1,866.88</u>	\$1,712.53 <u>\$1,945.48</u>	\$1,746.96 <u>\$2,000.92</u>
Monthly Base charge	\$22.46 <u>\$25.68</u>	\$22.46 <u>\$26.76</u>	\$24.03 <u>\$27.52</u>
Tier 1	\$51.43 <u>\$56.06</u>	\$51.43 <u>\$58.42</u>	\$52.46 <u>\$60.08</u>
Tier 2			
Tier 3	\$245.96 <u>\$268.12</u>	\$245.96 <u>\$279.41</u>	\$250.88 <u>\$287.37</u>
Tier 4	\$1,699.35 <u>\$1,852.42</u>	\$1,699.35 <u>\$1,930.41</u>	\$1,733.34 <u>\$1,985.43</u>
Treatment charges			
Per 1,000 gallons	\$4.2408 <u>\$4.6166</u>	\$4.1927 <u>\$4.8195</u>	\$4.3365 <u>\$4.9626</u>
Per CCF	\$3.1806 <u>\$3.4625</u>	\$3.1445 <u>\$3.6146</u>	\$3.2523 <u>\$3.7220</u>
Industrial Surveillance Rate			
Per 1,000 gallons	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	\$4.4430 <u>\$4.8188</u>	\$4.3949 <u>\$5.0217</u>	\$4.5387 <u>\$5.1648</u>
Per CCF	\$3.3323 <u>\$3.6142</u>	\$3.2962 <u>\$3.7663</u>	\$3.4040 <u>\$3.8737</u>

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

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

TIER CLASSIFICATION:

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

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

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

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

MINIMUM BILL PER MONTH:

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

PAYMENT:

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

SPECIAL PROVISIONS:

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

SEWER RATE NO. 3

FATS, OIL AND GREASE CHARGE

APPLICABILITY:

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

RATE:

The monthly FOG charge is shown in the table below.

Monthly Rate	\$30.00
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SEWER RATE NO. 4

SEPTIC AND GREASE HAULER WASTEWATER HAULER RATES

APPLICABILITY:

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

RATE:

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

Metered Monthly Rates:	Phase I Eff. 7/20/16	Phase I Eff. 11/4/16 8/1/20	Phase I Eff. 8/1/17 8/1/21
Septic and Other Non-Grease : Per 1,000 Gallons	\$53.83 <u>\$56.24</u>	\$53.83 <u>\$56.24</u>	\$56.24 <u>\$56.24</u>
Grease Waste: Per 1,000 Gallons	\$422.08	\$422.08	\$422.08
Excessive Strength Surcharges – Per pound:			
BOD in excess of 6,000 mg/l (\$/lb.)	\$0.4279 <u>\$0.3908</u>	\$0.4235 <u>\$0.3908</u>	\$0.4333 <u>\$0.3908</u>
TSS in excess of 15,000 mg/l (\$/lb.)	\$0.1533 <u>\$0.1603</u>	\$0.1519 <u>\$0.1603</u>	\$0.1555 <u>\$0.1603</u>
NH ₃ -N in excess of 400 mg/l (\$/lb.)	\$0.4625 <u>\$0.3981</u>	\$0.4562 <u>\$0.3981</u>	\$0.4669 <u>\$0.3981</u>

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

SEWER RATE NO. 5

SELF-REPORTING SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

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

Monthly Rates:	Phase I1 Eff. 7/20/16	Phase I2 Eff. 11/4/168/1/20	Phase I3 Eff. 8/1/178/1/21
Monthly Minimum Charge	\$35.79 <u>\$40.14</u>	\$35.64 <u>\$41.83</u>	\$37.65 <u>\$43.01</u>
Tier 1	\$64.76 <u>\$70.52</u>	\$64.61 <u>\$73.49</u>	\$66.08 <u>\$75.57</u>
Tier 2			
Tier 3	\$259.29 <u>\$282.58</u>	\$259.14 <u>\$294.48</u>	\$264.50 <u>\$302.86</u>
Tier 4	\$1,712.68 <u>\$1,866.88</u>	\$1,712.53 <u>\$1,945.48</u>	\$1,746.96 <u>\$2,000.92</u>
Monthly Base charge	\$22.46 <u>\$25.68</u>	\$22.46 <u>\$26.76</u>	\$24.03 <u>\$27.52</u>
Tier 1	\$51.43 <u>\$56.06</u>	\$51.43 <u>\$58.42</u>	\$52.46 <u>\$60.08</u>
Tier 2			
Tier 3	\$245.96 <u>\$268.12</u>	\$245.96 <u>\$279.41</u>	\$250.88 <u>\$287.37</u>
Tier 4	\$1,699.35 <u>\$1,852.42</u>	\$1,699.35 <u>\$1,930.41</u>	\$1,733.34 <u>\$1,985.43</u>
Treatment charges			
Per 1,000 gallons	\$4.2408 <u>\$4.6166</u>	\$4.1927 <u>\$4.8195</u>	\$4.3365 <u>\$4.9626</u>
Per CCF	\$3.1806 <u>\$3.4625</u>	\$3.1445 <u>\$3.6146</u>	\$3.2523 <u>\$3.7220</u>
Industrial Surveillance Rate			
Per 1,000 gallon	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	\$4.4430 <u>\$4.8188</u>	\$4.3949 <u>\$5.0217</u>	\$4.5387 <u>\$5.1648</u>
Per CCF	\$3.3323 <u>\$3.6142</u>	\$3.2962 <u>\$3.7663</u>	\$3.4040 <u>\$3.8737</u>
Excessive Strength Surcharges-- Per pound:			
BOD in excess of 250 mg/l (\$/lb.)	\$0.4279 <u>\$0.3908</u>	\$0.4235 <u>\$0.3908</u>	\$0.4333 <u>\$0.3908</u>
TSS in excess of 300 mg/l (\$/lb.)	\$0.1533 <u>\$0.1603</u>	\$0.1519 <u>\$0.1603</u>	\$0.1555 <u>\$0.1603</u>
NH ₃ -N in excess of 20 mg/l (\$/lb.)	\$0.4625 <u>\$0.3981</u>	\$0.4562 <u>\$0.3981</u>	\$0.4669 <u>\$0.3981</u>

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

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

Effective: September 1, 2017

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

TIER CLASSIFICATION:

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

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

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

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

MINIMUM BILL PER MONTH:

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

PAYMENT:

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

SPECIAL PROVISIONS:

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

In the event a Self-Reporting Customer who does not have BOD, TSS and NH₃-N fails to submit the report required by Rule 5.5.2 for three consecutive months, the Customer will be moved to Sewer Rate No. 2. The Utility shall measure usage and bill the Customer as provided in Rule 7. The Customer will not be able to return to Sewer Rate No. 5 for twelve Months.

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SEWER RATE NO. 6

WHOLESALE SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

1. Variable Treatment Charge

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

	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>
<u>Treatment Charge</u>	<u>Eff.</u>	<u>Eff. 8/1/20</u>	<u>Eff. 8/1/21</u>
<u>Per 1,000 Gallons</u>	<u>\$3.1109</u>	<u>\$3.2627</u>	<u>\$3.3782</u>

2. Excessive Strength Surcharges

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

<u>Excessive Strength Surcharges – per pound</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>
	<u>Eff.</u>	<u>Eff. 8/1/20</u>	<u>Eff 8/1/21</u>
BOD in excess of 250 mg/l	\$0.4306 <u>\$0.3908</u>	<u>\$0.3908</u>	<u>\$0.3908</u>
<u>TSS</u> in excess of 300 mg/l	\$0.1545 <u>\$0.1603</u>	<u>\$0.1603</u>	<u>\$0.1603</u>
NH3-N in excess of 20 mg/l	\$0.4640 <u>\$0.3981</u>	<u>\$0.3981</u>	<u>\$0.3981</u>

3. Rates Subject to Change and Other Riders

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

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

MONTHLY MINIMUM CAPACITY CHARGE

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

CAPACITY AND CONNECTIONS

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

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

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

BILLING AND PAYMENT OF BILLS:

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

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

SPECIAL PROVISIONS:

1. Connection Obligations.

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

2. Metering Obligations.

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

3. Obligation to Sample and Test.

The Community is responsible to install at the Community's sole cost and expense, sampling ports ("Sampling Ports") to sample wastewater transported and discharged into the Utility's Sewage Disposal System from the Community's Collection System at locations reasonably designated by the Utility. The Community shall on a frequency determined by the Utility, but no more frequently than monthly, obtain and test samples of the wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System from each Sampling Port. The tests shall consist of a 24-hour composite sample or other sampling method, as mutually agreed upon by the Community and the Utility. The tests shall determine the pH level, as well as the levels of BOD, TSS, NH₃-N and any other pollutant parameter, as reasonably requested by the Utility in each wastewater sample. The results of such tests shall be reported to the Utility in writing in a form prescribed by the Utility. All measurements, tests and analysis of the characteristics of the wastewater shall be determined in accordance with the latest edition of "Standards Methods of the Examination of Water and Sewage," as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The Community will be responsible for all costs and expenses associated with the measuring, sampling and testing of the wastewater. However, the Utility may at its sole cost and expense, upon 24 hour notice to the Community, obtain samples of the wastewater being discharged from the Community's Collection System into the Utility's Sewage Disposal System using any of the Sampling Ports, and the same type of sampling and testing methodology as required by the Community, and cause tests of each such sample to be conducted to determine the characteristics of the Community's wastewater.

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

4. Additional Connections/Sampling Ports/Meters.

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

5. Reporting of Metered Volumes and Sample Results.

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

6. Plans and Specifications.

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

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

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

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

7. Maintenance of Connections, Meters and Sampling Ports.

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

8. Maintenance of Community's Collection System.

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

9. Right to Inspect.

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

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

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

10. Further Obligations Regarding Discharges.

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

11. Compliance with Pretreatment Standards.

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

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

RIDER A

ENVIRONMENTAL COMPLIANCE PLAN RECOVERY MECHANISM

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

RATE:

To be determined.

RIDER C

LOW INCOME CUSTOMER ASSISTANCE PROGRAM

APPLICABILITY:

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

RATES AND CHARGES:

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

Applicable LICAP Rate \$ 0.79 Per Month

APPENDIX A

NON-RECURRING CHARGES

1. **INDUSTRIAL CUSTOMER LATE REPORTING CHARGE**

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

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

2. **LATE PAYMENT CHARGE**

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

3. **DELINQUENT ACCOUNT TRIP CHARGE**

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

4. **RECONNECTION CHARGE**

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

5. **RETURNED CHECK CHARGE**

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

6. **RATE FOR TEMPORARY USERS**

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

APPENDIX B

MISCELLANEOUS FEES

1. CONNECTION FEE

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

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

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

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

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

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

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

4. SANITARY SEWER FACILITY FEES

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

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

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

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

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

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

Original Page No. 101

SEWER RATE NO. 1

NONINDUSTRIAL SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

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

Metered Monthly Rates	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
Monthly Minimum Charge	\$46.12	\$48.30	\$49.88
Monthly Base Charge	\$21.95	\$22.99	\$23.74
Treatment Charges:			
First 7,500 gallons (\$/1,000 gal.)	\$8.0577	\$8.4382	\$8.7135
First 10 CCF (\$/CCF)	\$6.0433	\$6.3287	\$6.5351
Over 7,500 gallons (\$/1,000 gal.)	\$8.7225	\$9.1344	\$9.4324
Over 10 CCF (\$/CCF)	\$6.5419	\$6.8508	\$7.0743

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

MINIMUM BILL PER MONTH:

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

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

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

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

UNMETERED SEWER CUSTOMERS:

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

Unmetered Monthly Rates	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
1 occupant (Monthly Minimum Charge)	\$46.12	\$48.30	\$49.88
2 occupants (3,600 gallons)	\$50.96	\$53.37	\$55.11
3 occupants (5,400 gallons)	\$65.46	\$68.56	\$70.79
4 or more occupants (7,200 gallons)	\$79.97	\$83.75	\$86.48

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

Unmetered Monthly Rates	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
Small Flat Rate (5-10 ccf)	\$52.17	\$54.63	\$56.42
Large Flat Rate (11 ccf and above)	\$108.55	\$113.68	\$117.39

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

WATER USED FOR FIRE PROTECTION:

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

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

PAYMENT:

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

SEWER RATE NO. 2

INDUSTRIAL SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

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

Metered Monthly Rates:	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
Monthly Minimum charge			
Tier 1	\$40.14	\$41.83	\$43.01
Tier 2	\$70.52	\$73.49	\$75.57
Tier 3	\$282.58	\$294.48	\$302.86
Tier 4	\$1,866.88	\$1,945.48	\$2,000.92
Monthly Base charge			
Tier 1	\$25.68	\$26.76	\$27.52
Tier 2	\$56.06	\$58.42	\$60.08
Tier 3	\$268.12	\$279.41	\$287.37
Tier 4	\$1,852.42	\$1,930.41	\$1,985.43
Treatment charges			
Per 1,000 gallons	\$4.6166	\$4.8195	\$4.9626
Per CCF	\$3.4625	\$3.6146	\$3.7220
Industrial Surveillance Rate			
Per 1,000 gallons	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	\$4.8188	\$5.0217	\$5.1648
Per CCF	\$3.6142	\$3.7663	\$3.8737

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

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

TIER CLASSIFICATION:

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

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

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

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

MINIMUM BILL PER MONTH:

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

PAYMENT:

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

SPECIAL PROVISIONS:

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

SEWER RATE NO. 3

FATS, OIL AND GREASE CHARGE

APPLICABILITY:

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

RATE:

The monthly FOG charge is shown in the table below.

Monthly Rate	\$30.00
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SEWER RATE NO. 4

WASTEWATER HAULER RATES

APPLICABILITY:

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

RATE:

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

Metered Monthly Rates:	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
Septic and Other Non-Grease: Per 1,000 Gallons	\$56.24	\$56.24	\$56.24
Grease Waste: Per 1,000 Gallons	\$422.08	\$422.08	\$422.08
Excessive Strength Surcharges – Per pound:			
BOD in excess of 6,000 mg/l (\$/lb.)	\$0.3908	\$0.3908	\$0.3908
TSS in excess of 15,000 mg/l (\$/lb.)	\$0.1603	\$0.1603	\$0.1603
NH ₃ -N in excess of 400 mg/l (\$/lb.)	\$0.3981	\$0.3981	\$0.3981

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

SEWER RATE NO. 5

SELF-REPORTING SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

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

Monthly Rates:	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
Monthly Minimum Charge			
Tier 1	\$40.14	\$41.83	\$43.01
Tier 2	\$70.52	\$73.49	\$75.57
Tier 3	\$282.58	\$294.48	\$302.86
Tier 4	\$1,866.88	\$1,945.48	\$2,000.92
Monthly Base charge			
Tier 1	\$25.68	\$26.76	\$27.52
Tier 2	\$56.06	\$58.42	\$60.08
Tier 3	\$268.12	\$279.41	\$287.37
Tier 4	\$1,852.42	\$1,930.41	\$1,985.43
Treatment charges			
Per 1,000 gallons	\$4.6166	\$4.8195	\$4.9626
Per CCF	\$3.4625	\$3.6146	\$3.7220
Industrial Surveillance Rate			
Per 1,000 gallon	\$0.2022	\$0.2022	\$0.2022
Per CCF	\$0.1517	\$0.1517	\$0.1517
Total Treatment and Surveillance Rate			
Per 1,000 gallons	\$4.8188	\$5.0217	\$5.1648
Per CCF	\$3.6142	\$3.7663	\$3.8737
Excessive Strength Surcharges-- Per pound:			
BOD in excess of 250 mg/l (\$/lb.)	\$0.3908	\$0.3908	\$0.3908
TSS in excess of 300 mg/l (\$/lb.)	\$0.1603	\$0.1603	\$0.1603
NH ₃ -N in excess of 20 mg/l (\$/lb.)	\$0.3981	\$0.3981	\$0.3981

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

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

TIER CLASSIFICATION:

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

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

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

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

MINIMUM BILL PER MONTH:

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

PAYMENT:

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

SPECIAL PROVISIONS:

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

In the event a Self-Reporting Customer who does not have BOD, TSS and NH₃-N fails to submit the report required by Rule 5.5.2 for three consecutive months, the Customer will be moved to Sewer Rate No. 2. The Utility shall measure usage and bill the Customer as provided for in Rule 7. The Customer will not be able to return to Sewer Rate No. 5 for twelve Months.

SEWER RATE NO. 6

WHOLESALE SEWAGE DISPOSAL SERVICE

AVAILABILITY:

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

RATE:

1. Variable Treatment Charge

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

	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff. 8/1/21
Treatment Charge			
Per 1,000 Gallons	\$3.1109	\$3.2627	\$3.3782

2. Excessive Strength Surcharges

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

Excessive Strength Surcharges – per pound	Phase 1 Eff.	Phase 2 Eff. 8/1/20	Phase 3 Eff 8/1/21
BOD in excess of 250 mg/1	\$0.3908	\$0.3908	\$0.3908
TSS in excess of 300 mg/1	\$0.1603	\$0.1603	\$0.1603
NH3-N in excess of 20 mg/1	\$0.3981	\$0.3981	\$0.3981

3. Rates Subject to Change and Other Riders

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

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

MONTHLY MINIMUM CAPACITY CHARGE

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

CAPACITY AND CONNECTIONS

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

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

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

BILLING AND PAYMENT OF BILLS:

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

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

SPECIAL PROVISIONS:

1. Connection Obligations.

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

2. Metering Obligations.

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

3. Obligation to Sample and Test.

The Community is responsible to install at the Community's sole cost and expense, sampling ports ("Sampling Ports") to sample wastewater transported and discharged into the Utility's Sewage Disposal System from the Community's Collection System at locations reasonably designated by the Utility. The Community shall on a frequency determined by the Utility, but no more frequently than monthly, obtain and test samples of the wastewater discharged from the Community's Collection System into the Utility's Sewage Disposal System from each Sampling Port. The tests shall consist of a 24-hour composite sample or other sampling method, as mutually agreed upon by the Community and the Utility. The tests shall determine the pH level, as well as the levels of BOD, TSS, NH₃-N and any other pollutant parameter, as reasonably requested by the Utility in each wastewater sample. The results of such tests shall be reported to the Utility in writing in a form prescribed by the Utility. All measurements, tests and analysis of the characteristics of the wastewater shall be determined in accordance with the latest edition of "Standards Methods of the Examination of Water and Sewage," as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The Community will be responsible for all costs and expenses associated with the measuring, sampling and testing of the wastewater. However, the Utility may at its sole cost and expense, upon 24 hour notice to the Community, obtain samples of the wastewater being discharged from the Community's Collection System into the Utility's Sewage Disposal System using any of the Sampling Ports, and the same type of sampling and testing methodology as required by the Community, and cause tests of each such sample to be conducted to determine the characteristics of the Community's wastewater.

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

4. Additional Connections/Sampling Ports/Meters.

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

5. Reporting of Metered Volumes and Sample Results.

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

6. Plans and Specifications.

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

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

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

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

7. Maintenance of Connections, Meters and Sampling Ports.

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

8. Maintenance of Community's Collection System.

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

9. Right to Inspect.

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

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

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

10. Further Obligations Regarding Discharges.

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

11. Compliance with Pretreatment Standards.

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

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

RIDER A

ENVIRONMENTAL COMPLIANCE PLAN RECOVERY MECHANISM

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

RATE:

To be determined.

RIDER C

LOW INCOME CUSTOMER ASSISTANCE PROGRAM

APPLICABILITY:

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

RATES AND CHARGES:

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

Applicable LICAP Rate \$ 0.79 Per Month

APPENDIX A

NON-RECURRING CHARGES

1. **INDUSTRIAL CUSTOMER LATE REPORTING CHARGE**

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

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

2. **LATE PAYMENT CHARGE**

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

3. **DELINQUENT ACCOUNT TRIP CHARGE**

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

4. **RECONNECTION CHARGE**

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

5. **RETURNED CHECK CHARGE**

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

6. **RATE FOR TEMPORARY USERS**

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

APPENDIX B

MISCELLANEOUS FEES

1. CONNECTION FEE

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

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

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

3. BUILDING SEWER FEES

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

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

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

4. SANITARY SEWER FACILITY FEES

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

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

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

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

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

Low-Income Customer Assistance Program Rate Determination

CWA Authority, Inc.
Attachment KLK-6

	A	B	C	D	E	F	G	H	I
	<u>FY 2017</u>			<u>FY 2018</u>		<u>FY 2017/2018 Combined</u>			
Line No.	Tier	Participants	Tier Distribution	Participants	Tier Distribution	Participants	Tier Distribution	Proposed Tier Distribution	Estimated Participants
1	10%	1,965	32.17%	1998	38.25%	3,963	34.97%	30.00%	4,500
2	18%	3,582	58.64%	2956	56.60%	6,538	57.70%	60.00%	9,000
3	25%	561	9.18%	269	5.15%	830	7.33%	10.00%	1,500
4	Average Monthly Bill (incl. 6 Ccf, SIA 2 and LICAP rate)				\$	61.01			
	Tier	Participants	Discount	Annual Cost					
5	10%	4,500	\$ 6.10	\$ 329,400					
6	18%	9,000	\$ 10.98	1,185,840					
7	25%	1,500	\$ 15.25	<u>274,500</u>					
8	Total Estimated Cost of Bill Discount			\$ 1,789,740					
9	Infrastructure Fund			<u>500,000</u>					
10	Total Estimated Cost of LICAP			\$ 2,289,740					
11	Annual Bills applicable to LICAP			2,903,709					
12	Proposed LICAP Rate			\$ 0.79					

Calculation of System Integrity Adjustment Impacting This Case

CWA Authority, Inc.
Attachment KLK-7

Line No.

1	SIA 1 (authorized)		\$ 6,139,673
2	SIA 1 (collected, thru July 2018)		<u>3,686,788</u>
3	SIA 1 (to be collected, Aug thru Dec 2018)	ln 1 - ln 2	2,452,885
4	SIA 2 (filed)		9,949,843
5	Cause No. 44685, Phase II (adjusted for debt true-up)		278,828,017
6	Projected CWA Revenue - August 2018 to July 2019		<u>268,338,030</u>
7	Authorized revenue shortfall (overage)	ln 5 - ln 6	10,489,987
8	SIA 3 Adjustment Amount (estimated)	0.94 * ln 7	<u>9,860,588</u>
9	Total SIA impacting This Case	ln 3 + ln 4 + ln 8	\$ 22,263,316