

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE INDIANA UTILITY)
REGULATORY COMMISSION'S INVESTIGATION)
INTO THE IMPACTS OF THE TAX CUTS AND) Cause No. 45032
JOBS ACT OF 2017 AND POSSIBLE RATE)
IMPLICATIONS)
)
)
**RESPONDENTS: ALL JURISDICTIONAL RATE-)
REGULATED, INVESTOR-OWNED UTILITIES)****

NOTICE OF SUBMISSION OF 30-DAY FILING

Pursuant to the Indiana Utility Regulatory Commission's ("Commission") February 16, 2018 Order in this Cause, Respondent Aqua Indiana, Inc. ("Aqua Indiana") has filed with the Secretary of the Commission the attached 30-Day Filing with respect to its Darlington Division.

Respectfully submitted,

/s/ Mark R. Alson
Mark R. Alson (Atty. #27724-64)
Ice Miller LLP
One American Square, Suite 2900
Indianapolis, IN 46282-0200
Phone: (317) 236-2263
Fax: (317) 592-4698
mark.alson@icemiller.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document has been served upon the following counsel of record by electronic mail, this 26th day of March, 2018.

<p>OUC William Fine Abby R. Gray Randall C. Helmen Tiffany Murray OFFICE OF THE UTILITY CONSUMER COUNSELOR 115 W. Washington St., Suite 1500 South Indianapolis, IN 46204 wfine@oucc.in.gov agray@oucc.in.gov rhelmen@oucc.in.gov timurray@oucc.in.gov infomgt@oucc.in.gov</p>	<p>INDIANA MICHIGAN POWER COMPANY Jeffrey M. Peabody BARNES & THORNBURG LLP 11 South Meridian Street Indianapolis, IN 46204 jpeabody@btlaw.com</p>
<p>INDUSTRIAL GROUP Todd A. Richardson Aaron A. Schmoll Joseph P. Rompala LEWIS & KAPPES, P.C. One American Square, Suite 2500 Indianapolis, Indiana 46282-0003 TRichardson@lewis-kappes.com ASchmoll@lewis-kappes.com JRompala@lewis-kappes.com</p>	<p>CITIZENS ENERGY GROUP Michael E. Allen Suzanne R. Gaidoo CITIZENS ENERGY GROUP 2020 North Meridian Street Indianapolis, IN 46202 mallen@citizensenergygroup.com sgaidoo@citizensenergygroup.com</p>
<p>DUKE ENERGY INDIANA, LLC Kelley Karn Melanie Price DUKE ENERGY INDIANA, LLC 1000 East Main Street Plainfield, IN 46168 Kelley.karn@duke-energy.com <u>Melanie.price@duke-energy.com</u></p>	<p>VECTREN CORPORATION P. Jason Stephenson VECTREN CORPORATION One Vectren Square 211 N.W. Riverside Drive Evansville, IN 47708 jstephenson@vectren.com</p>
<p>NIPSCO Claudia J. Earls NISOURCE CORPORATE SERVICES – LEGAL 150 West Market Street, Suite 600</p>	<p>INDIANA-AMERICAN David Pippen INDIANA-AMERICAN WATER COMPANY, INC. 153 North Emerson Avenue</p>

<p>Indianapolis, IN 46204 cjearls@nisource.com</p> <p>Nicholas K. Kile Hillary J. Close Lauren M. Box Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 nicholas.kile@btlaw.com hillary.close@btlaw.com lauren.box@btlaw.com</p>	<p>Greenwood, IN 46143 David.pippen@amwater.com</p> <p>Nicholas K. Kile Hillary J. Close Lauren M. Box Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 nicholas.kile@btlaw.com hillary.close@btlaw.com lauren.box@btlaw.com</p>
<p>INDIANAPOLIS POWER & LIGHT COMPANY Teresa Morton Nyhart BARNES & THORNBURG LLP 11 South Meridian Street Indianapolis, IN 46204 tnyhart@btlaw.com</p>	<p>WABASH VALLEY POWER ASSOCIATION, INC.: Randolph G. Holt c/o Wabash Valley Power Association 722 North High School Road P.O. Box 24700 Indianapolis, IN 46224 R_holt@wvpa.com</p> <p>Jeremy Fetty Liane Steffes Parr Richey 251 North Illinois Street, Suite 1800 Indianapolis, IN 46204 jfetty@parlaw.com lsteffes@parlaw.com</p>
<p>COMMUNITY UTILITIES OF INDIANA, INC.: Jeffrey M. Peabody Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 jpeabody@btlaw.com</p>	<p>OHIO VALLEY GAS, INC.: Clayton C. Miller Stoll Keenon Ogden PLLC 201 North Illinois Street, Suite 1225 Indianapolis, IN 46204 Clayton.Miller@skofirm.com</p>
<p>CITIZENS ACTION COALITION OF INDIANA, INC.: Jennifer Washburn Margo Tucker Citizens Action Coalition 1915 West 18111 Street, Suite C Indianapolis, IN 46202 jwashburn@citact.org</p>	<p>HOWARD COUNTY UTILITIES, INC.: Nicholas K. Kile Hillary J. Close Lauren M. Box Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 nicholas.kile@btlaw.com</p>

<p>mtucker@citact.org</p>	<p>hillary.close@btlaw.com lauren.box@btlaw.com</p>
<p>HAMILTON SOUTHEASTERN UTILITIES, INC.: Randolph L. Seger Michael T. Griffiths Bingham Greenbaum Doll LLP 2700 Market Tower 10 West Market Street Indianapolis, IN 46204 rseger@bgdlegal.com mgriffiths@bgdlegal.com</p>	<p>AMERICAN SUBURBAN UTILITIES, INC.: Nicholas K. Kile Hillary J. Close Lauren M. Box Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 nicholas.kile@btlaw.com hillary.close@btlaw.com lauren.box@btlaw.com</p>
<p>HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.: Christopher M. Goffinet Huber Goffinet & Hagedorn 727 Main Street Tell City, IN 47586 cgoffinet@hepn.com</p> <p>Mike Mooney Manager, Corporate Planning Hoosier Energy Rural Electric Cooperative P.O. Box 908 Bloomington, IN 47402-0908 mmooney@hepn.com</p>	<p>SWITZERLAND COUNTY NATURAL GAS COMPANY, INC.: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>
<p>SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>	<p>INDIANA UTILITIES CORPORATION: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>
<p>MIDWEST NATURAL GAS CORPORATION: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>	<p>FOUNTAIN TOWN GAS COMPANY INC.: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>

<p>COMMUNITY NATURAL GAS COMPANY, INC. L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>	<p>BOONVILLE NATURAL GAS CORPORATION: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>
<p>INDIANA NATURAL GAS CORPORATION: L. Parvin Price Barnes & Thornburg LLP 11 South Meridian Street Indianapolis, IN 46204 parvin.price@btlaw.com</p>	<p>NUCOR CORPORATION: Anne E. Becker Lewis Kappes, P .C. One American Square, Ste. 2500 Indianapolis, IN 46282 abecker@Lewis-Kappes.com</p>
<p>OHIO VALLEY GAS CORPORATION: Clayton C. Miller Stoll Keenon Ogden PLLC 201 North Illinois Street, Suite 1225 Indianapolis, IN 46204 Clayton.Miller@skofirm.com</p>	

/s/ Mark R. Alson
Mark R. Alson (Atty. #27724-64)
Ice Miller LLP
One American Square, Suite 2900
Indianapolis, IN 46282-0200
Phone: (317) 236-2263
Fax: (317) 592-4698
mark.alson@icemiller.com



March 26, 2018

Via Electronic Filing

Ms. Mary Becerra
Secretary of the Commission
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 East
Indianapolis, Indiana 46204

***RE: Aqua Indiana, Inc.'s 30-Day Filing Pursuant to 170 IAC 1-6-1 et seq.
Cause No. 45032
Darlington Division***

Dear Ms. Becerra:

Pursuant to and necessitated by the Indiana Utility Regulatory Commission's (the "Commission") February 16, 2018 Order in Cause No. 45032, Aqua Indiana, Inc. ("Aqua Indiana" or the "Company") hereby submits for Commission approval proposed revised tariff sheets ("Proposed Tariff Sheets") reflecting the tax rate applicable to Aqua Indiana's Darlington Division as a result of the Tax Cuts and Jobs Act of 2017 (the "Act"). As set forth in the Commission's February 16, 2018 Order, pursuant to 170 IAC 1-6-3(8), this submission is being made in accordance with 170 IAC 1-6, the Commission's Thirty-Day Administrative Filing Procedures and Guidelines Rule.

The purpose of Aqua Indiana's filing is to request Commission approval and authorization to apply the schedule of rates and charges set forth on the Proposed Tariff Sheets attached hereto as Exhibit 1 to its Darlington Division.

Also pursuant the Commission's February 16, 2018 Order in Cause No. 45032, Aqua Indiana's Darlington Division requests Commission approval of the cost option set forth in 170 IAC 6-1.5-33(a)(2). Aqua Indiana intends to treat the federal income tax associated with a main extension incurred by it as investment in plant, booking 100% of it as a deferred tax asset.

In support of this filing, Aqua Indiana is submitting Exhibit 1 referenced above, as well as a redline of the Proposed Tariff Sheets reflecting the requested revisions, which is attached hereto as Exhibit 2. Work papers supporting the filing are attached hereto as Exhibit 3. A verified statement by Aqua Indiana affirming that customers have been notified as required by 170 IAC 1-6-5(a)(5), stating in detail the means used for notification, and copies of any written means of communication are attached hereto as Exhibit 4. By copy of this letter, the Indiana Office of Utility Consumer Counselor is being provided with a copy of this filing.



In accordance with 170 IAC 1-6-5(a)(2), contact information for the utility regarding this filing is as follows:

Bobby D. Estep
Controller
Aqua Indiana, Inc.
14421 Illinois Road
Fort Wayne, Indiana 46814
(260) 625-4700
BDEstep@aquaaamerica.com

Mark R. Alson (Atty No. 27724-64)
Ice Miller LLP
One American Square, Suite 2900
Indianapolis, Indiana 46282
(317) 236-2263
mark.alson@icemiller.com

Please let me know if the Commission Staff has any questions or concerns about this submission.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bobby D. Estep", with a long horizontal flourish extending to the right.

Bobby D. Estep
Controller
Aqua Indiana, Inc.

Encl.

cc: (w/ encl. – via email transmission)
Daniel M. LeVay, Office of Utility Consumer Counselor
(dlevay@oucc.in.gov, infomgt@oucc.in.gov)

Exhibit 1

SCHEDULE OF WATER RATES AND CHARGES - W-1

Applicability: Applicable to current and future customers receiving service from system operated by the Darlington Division of Aqua Indiana, Inc. in Montgomery County, Indiana.

I. General Service Rates

A. General Service Rates

The rates for General Service, other than Fire Hydrants, shall consist of a Customer Charge and a Usage Charge.

B. Customer Charge

The following Customer Charge, varying with the size of the meter, is applicable regardless of usage of water:

Meter Size	Minimum Gallons	Monthly Minimum
5/8" and 3/4"	6,000	\$46.69
1"	6,000	\$93.72
1-1/2"	6,000	\$140.57
2"	6,000	\$187.43
3"	6,000	\$281.15
4"	6,000	\$374.87

C. Usage Charge

For use of and service is based on the use of water supplied:

Water Consumption Per Month	Rate Per 1,000 Gallons
6,001 to 20,000 gallons	\$10.590
All usage over 20,000 gallons	\$7.029

D. Fire Hydrants

Fire Protection Fee (per month):	\$1,115.23
Additional fee per new hydrant added (per unit per month):	\$46.86
Private hydrant fee (per unit per month):	\$46.86

II. Non-Recurring Charges for Utility Services

A. Tap Charges

3/4" Connection	\$1,190
1" Connection	\$1,260
1 1/2" Connection	\$2,193
2" Connection	\$2,385
Larger than 2" Connection	Actual Cost

B. Disconnect/Reconnect Fee \$45.00

C. Returned Check Charge \$35.00

D. Late Fees. The Company will collect a late payment fee in the amount of ten percent (10%) of the first three dollars (\$3.00) of a delinquent amount and three percent (3%) of the delinquent amount in excess of three dollars (\$3.00).

Exhibit 2

SCHEDULE OF WATER RATES AND CHARGES - W-1

Applicability: Applicable to current and future customers receiving service from system operated by the Darlington Division of Aqua Indiana, Inc. in Montgomery County, Indiana.

I. General Service Rates

A. General Service Rates

The rates for General Service, other than Fire Hydrants, shall consist of a Customer Charge and a Usage Charge.

B. Customer Charge

The following Customer Charge, varying with the size of the meter, is applicable regardless of usage of water:

Meter Size	Minimum Gallons	Monthly Minimum
5/8" and 3/4"	6,000	\$49.82 <u>46.69</u>
1"	6,000	\$100.00 <u>93.72</u>
1-1/2"	6,000	\$150.00 <u>140.57</u>
2"	6,000	\$200.00 <u>187.43</u>
3"	6,000	\$300.00 <u>281.15</u>
4"	6,000	\$400.00 <u>374.87</u>

C. Usage Charge

For use of and service is based on the use of water supplied:

Water Consumption Per Month	Rate Per 1,000 Gallons
6,001 to 20,000 gallons	\$11.300
All usage over 20,000 gallons	\$7.500

D. Fire Hydrants

Fire Protection Fee (per month):	\$1,190.00 <u>1,115.23</u>
Additional fee per new hydrant added (per unit per month):	\$50.00 <u>46.86</u>
Private hydrant fee (per unit per month):	\$50.00 <u>46.86</u>

II. Non-Recurring Charges for Utility Services

A. Tap Charges

3/4" Connection	\$1,190
1" Connection	\$1,260
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Larger than 2" Connection	Actual Cost

B. Disconnect/Reconnect Fee \$45.00

C. Returned Check Charge \$35.00

D. Late Fees. The Company will collect a late payment fee in the amount of ten percent (10%) of the first three dollars (\$3.00) of a delinquent amount and three percent (3%) of the delinquent amount in excess of three dollars (\$3.00).

Exhibit 3

Aqua Indiana - Darlington Water Division
Cause 45032
Tax Cuts & Jobs Act 2017
Rate Reduction

1) Operating Revenues		258,250
2) Operating and Maintenance Expense		96,732
3) Depreciation Expense		17,259
4) Amortization Expense		-
5) Taxes Other Than income Tax Exp		26,926
6) State Income tax expense		7,920
7) Total above the line deductions		148,837
8) Balance		109,413
9) Interest Expense		27,747
10) Taxable Income		81,666
11) FIT at previous rate	35%	28,583
12) FIT at current rate	21%	17,150
13) Total reduction in FIT		11,433
14) Revenue Conversion (See attached schedule)		1.41927421
15) Revenue Impact		16,227
16) Percentage decrease		6.28%

Net Operating Income allowed in Cause 43609 - U 80,830

Calculated Net Operating Income:

Line 10 above		81,666
Add Line 9 above		27,747
Less Line 11 above		<u>(28,583)</u>
Calculated Net Operating Income		<u>80,830</u>

Aqua Indiana - Darlington Water Division
Cause 45032
Tax Cuts & Jobs Act 2017
Rate Reduction

CAUSE NUMBER 45032

Gross Revenue Conversion Factor

		<u>At Previous FIT Rate</u>	<u>At Current FIT Rate</u>
1	Gross revenue Change	100.0000%	100.0000%
2	Less: Bad Debt Rate	0.8899%	0.8899%
3	Sub-total	99.1101%	99.1101%
4	Less: IURC Fee	0.1203993%	0.1203993%
5	Income Before State Income taxes	98.989701%	98.989701%
6	Less: State Income Tax (8.5% of Line 5	8.4141%	8.4141%
7	Utility Receipts Tax (1.4% of Lin	1.3875%	1.3875%
8	Income before Federal income Taxes	89.1880%	89.1880%
9	Less: Federal income Tax (35% of Line	31.2158%	18.7295%
10	Change in Operating Income	57.9722%	70.4585%
11	Gross Revenue Conversion Factor	172.4964%	141.9274%

Exhibit 4

VERIFIED STATEMENT IN SUPPORT OF 30-DAY FILING

TO THE INDIANA UTILITY REGULATORY COMMISSION

- Aqua Indiana, Inc. (“Aqua Indiana”) is requesting Commission approval of proposed revised tariff sheets for its Darlington Division in Montgomery County, Indiana. Notice has been provided to affected customers in accordance with 170 IAC 1-6-6.
- Specifically, beginning on March 23, 2018, and continuing through the filing date, a Legal Notice was posted on Aqua Indiana’s website at <https://www.aquaamerica.com/our-states/indiana.aspx>. Aqua Indiana has no local customer service office in or around Montgomery County, Indiana.
- A Legal Notice was also published in the Crawfordsville Journal Review on March 24, 2018.
- A copy of the above-referenced legal notice is attached as Exhibit A.

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Dated this 24 day of March, 2018.



Bobby D. Estep, Controller
Aqua Indiana, Inc.

Exhibit A

Aqua Indiana, Inc. Darlington Division
Legal Notice of 30-Day Filing

PUBLIC NOTICE is hereby given that on or about March 26, 2018, Aqua Indiana, Inc. (“Aqua Indiana” or the “Company”) will submit a proposed revised Schedule of Rates and Charges to the Indiana Utility Regulatory Commission (“Commission”) for approval under its 30-Day Filing procedures, 170 IAC 1-6-1, *et seq.* The referenced filing will affect only those Aqua Indiana customers in its Darlington Division located in Montgomery County, Indiana. The Company will seek Commission approval of a reduction to its rates and charges for water service to reflect the impact of the change in the federal income tax rate.

A copy of the proposed revised Schedule of Rates and Charges will be on file with the Commission on or about March 26, 2018. A decision on the 30-Day Filing is anticipated at least thirty days after March 26, 2018. Any objection to the filing should be directed to (a) the Secretary of the Indiana Utility Regulatory Commission, PNC Center, 101 West Washington Street, Suite 1500 East, Indianapolis, Indiana 46204 or (b) the Indiana Office of Utility Consumer Counselor, PNC Center, 115 West Washington Street, Suite 1500 South, Indianapolis, Indiana 46204.