

STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA-AMERICAN )  
WATER COMPANY, INC. FOR (1) )  
AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR WATER AND )  
WASTEWATER UTILITY SERVICE )  
THROUGH A THREE-STEP RATE )  
IMPLEMENTATION, (2) APPROVAL OF )  
NEW SCHEDULES OF RATES AND )  
CHARGES APPLICABLE TO WATER AND )  
WASTEWATER UTILITY SERVICE, )  
INCLUDING A NEW UNIVERSAL )  
AFFORDABILITY RATE, (3) APPROVAL OF )  
REVISED DEPRECIATION RATES )  
APPLICABLE TO WATER AND )  
WASTEWATER PLANT IN SERVICE, (4) )  
APPROVAL OF NECESSARY AND )  
APPROPRIATE ACCOUNTING RELIEF, (5) )  
APPROVAL OF THE EXTENSION OF )  
SERVICE TO AN INFRASTRUCTURE )  
DEVELOPMENT ZONE IN MONTGOMERY )  
COUNTY, INDIANA AND AUTHORITY TO )  
IMPLEMENT A SURCHARGE UNDER IND. )  
CODE § 8-1-2-46.2, AND (6) APPROVAL OF )  
PETITIONER'S PLANS TO DEVELOP )  
FUTURE WATER SOURCES OF SUPPLY )  
UNDER IND. CODE § 8-1-2-23.5. )

CAUSE NO. 45870

**PETITION FOR GENERAL RATE INCREASE AND ASSOCIATED RELIEF UNDER IND. CODE § 8-1-2-42.7, SURCHARGE UNDER IND. CODE § 8-1-2-46.2, AND APPROVAL OF PLANS TO DEVELOP FUTURE WATER SOURCES UNDER IND. CODE § 8-1-2-23.5 AND NOTICE OF PROVISION OF INFORMATION IN ACCORDANCE WITH THE MINIMUM STANDARD FILING REQUIREMENTS**

INDIANA-AMERICAN WATER COMPANY, INC. (“Petitioner” or “Indiana-American”) respectfully requests that the Indiana Utility Regulatory Commission (“Commission” or “IURC”) issue an order (i) authorizing Petitioner to increase its rates and charges for water and wastewater through a three-step rate implementation, (ii) approving new schedules of rates and charges, (iii) approving revised depreciation rates applicable to its water and wastewater plant in service, (iv) approving the regulatory accounting treatment described herein and in Petitioner’s case-in-chief, (v)

approving Petitioner’s extension of service to an infrastructure development zone in Montgomery County and authorizing Petitioner to implement a surcharge under Ind. Code § 8-1-2-46.2, and (vi) approving Petitioner’s plans to develop future sources of water supply.

In accordance with the Commission’s General Administrative Order 2013-5 (Rate Case Standard Procedural Schedule and Recommended Best Practices for Rates Cases Submitted under Ind. Code § 8-1-2-42.7) (“GAO 2013-5”), Petitioner hereby provides its Notice of Provision of Information in Accordance with the Minimum Standard Filing Requirements (“MSFRs”), 170 I.A.C. 1-5-1 *et. seq.*, as applicable to provide support for this Petition.

In support of this request, Petitioner shows the Commission:

**Petitioner’s Corporate and Regulated Status**

1. Petitioner is a public utility incorporated under the laws of the State of Indiana with its principal office address located at 153 North Emerson Avenue, Greenwood, Indiana. Petitioner is a “public utility” as defined in Ind. Code § 8-1-2-1 and a “water or wastewater utility” as defined in Ind. Code § 8-1-2-46.2 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the laws of the State of Indiana.

**Petitioner’s Operations**

2. Petitioner is engaged in the provision of water utility service to the public in and around numerous communities and counties throughout the State of Indiana. Petitioner also provides wastewater utility service in Clark, Delaware, Hamilton, Wabash and Vigo Counties. Petitioner renders such water and wastewater utility service by means of utility plant, property, equipment and related facilities owned, leased, operated, managed and controlled by it (collectively referred to as the “Utility Properties”) which are used and useful for the convenience of the public in the production, treatment, transmission, distribution and sale of water for residential, commercial, industrial, public authority, and sale for resale purposes, for the provision of public and private fire service, and for the

provision of wastewater service. Petitioner provides water service to approximately 328,000 customers and wastewater service to approximately 2,400 customers.

### **Petitioner's Utility Properties**

3. Petitioner has maintained, and continues to maintain, its Utility Properties in a good state of operating condition, complying with all state and federal regulatory requirements and standards for potable water utility operations or applicable to wastewater utility operations, as the case may be. The original cost of Petitioner's utility plant in service at July 31, 2023,<sup>1</sup> as adjusted, is projected to be approximately \$2,514,082,014, exclusive of acquisition adjustments. After adjustment for accumulated depreciation of approximately \$633,052,787 and other adjustments, the net original cost of Petitioner's rate base is projected to be approximately \$1,614,354,218 at the same date. The original cost of Petitioner's utility plant in service at April 30, 2024,<sup>2</sup> as adjusted, is projected to be approximately \$2,633,412,316, exclusive of acquisition adjustments. After adjustment for accumulated depreciation of approximately \$670,992,977 and other adjustments, the net original cost of Petitioner's rate base is projected to be approximately \$1,687,559,031 at the same date. The original cost of Petitioner's utility plant in service at April 30, 2025,<sup>3</sup> as adjusted, is projected to be approximately \$2,860,165,300, exclusive of acquisition adjustments. After adjustment for accumulated depreciation of approximately \$728,752,810 and other adjustments, the net original cost of Petitioner's rate base is projected to be approximately \$1,854,347,834 at the same date. The fair value of the Utility Properties is and will continue to be substantially in excess of the original cost thereof. Furthermore, in order to properly serve the public located in its service area and

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<sup>1</sup> July 31, 2023 is the date that is anticipated to be sixty (60) days before the evidentiary hearing in this Cause, consistent with the pending updates to the MSFRs.

<sup>2</sup> Corresponding to the beginning of the forward-looking test year proposed in this Cause.

<sup>3</sup> Corresponding to the end of the forward-looking test year proposed in this Cause.

to discharge its duties as a public utility, Petitioner is continuing to make numerous additions, replacements and improvements to its utility systems.

### **Petitioner's Existing Rates**

4. Petitioner's existing rates and charges for water and wastewater utility service were established in its compliance filing, effective as of May 1, 2020, pursuant to the Commission's Order dated June 26, 2019 in Cause No. 45142. Those rates were adjusted downward through a Settlement in Cause No. 45032 S4 (Petitioner's subdocket for addressing certain impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA")) and also to reflect the removal of Utility Receipts Tax. Petitioner also has implemented a distribution system improvement charge ("DSIC") pursuant to the Commission's Orders in Cause Nos. 42351 DSIC-12, -13 and -14 as well as a Service Enhancement Improvement ("SEI") charge pursuant to the Commission's Orders in Cause Nos. 45609 SEI 1 and 45609 SEI 1 S1. More than fifteen (15) months have passed since the filing date of Petitioner's last request for a general increase in its basic rates and charges.

### **Petitioner's Operating Results Under Existing Rates**

5. Since its basic rates and charges for utility service were last established, Petitioner has continued and will continue to make significant capital expenditures for additions, replacements and improvements to its Utility Properties. Also, the fair value of Petitioner's Utility Properties has materially increased. At the same time, some expenses and other costs have increased. As a result, Petitioner's return upon its Utility Properties will be below the level required to permit Petitioner to earn a fair return upon the fair value of its Utility Properties; to provide revenues which will enable it to continue to attract capital required for additions, replacements and improvements to its Utility Properties at a reasonable cost; to maintain and support Petitioner's credit; to assure confidence in Petitioner's financial soundness; and to earn a return on the value of its Utility Properties equal to that available on other investments of comparable risk. As a consequence, Petitioner's existing rates and

charges now are and will continue to be insufficient to provide revenues adequate to cover its necessary and reasonable operating expenses and provide the opportunity to earn the fair return to which Petitioner is lawfully entitled. The existing rates of Petitioner, therefore, are unjust, unreasonable, insufficient and confiscatory and should be increased.

### **Petitioner's Proposed Rates and Charges**

6. Petitioner requests that new rates and charges be authorized which will enable Petitioner to realize a proper and adequate utility operating income, maintain and support its credit, adequately service its outstanding securities, assure confidence in its financial soundness, allow Petitioner to earn a return equal to that available on other investments of comparable risk, and raise on fair and reasonable terms such amounts of additional capital as will be required to enable Petitioner to continue to render safe, adequate and reliable water and wastewater service to the public. Petitioner proposes to cancel its existing rate schedules governing the utility service rendered by it and to file with the Commission in lieu thereof new schedules of rates and charges. The proposed rate schedules are set forth in the attachments to direct testimony of Gregory D. Shimansky, which Petitioner is filing herewith and will offer as evidence in this proceeding.

7. Petitioner is proposing to offer a Universal Affordability tariff for water service which would provide discounts to participating customers based on different levels of household income stated as multiples of the Federal Poverty Level. The tariff offers discounts on the basic 5/8" meter charge as well as volumetric charges for water service. The proposed Universal Affordability tariff is aimed at providing all participating customers discounts such that their expected bill for Basic Water Service (40 gallons of water per household member per day) will be no more than 2% of their annual household income. Petitioner's witness Chuck Rea supports the Universal Affordability tariff.

8. Petitioner's current water and wastewater depreciation rates were approved by the Commission's Order in Cause No. 44992 and made effective with the rate increase approved by the

Commission in Cause No. 45142. Petitioner is seeking approval of new water and wastewater depreciation rates in this Cause, based on the studies sponsored by Larry E. Kennedy.

### **Test Year and Rate Base Procedures**

9. Pursuant to Ind. Code § 8-1-2-42.7(d), Petitioner proposes and requests that a forward-looking test year be used in this proceeding on the basis of projected data for the twelve (12)-month period ending April 30, 2025 (“Test Year”). The historic base period utilized by Petitioner in this proceeding is the twelve (12) months ended September 30, 2022. The reasons for utilizing a base period that does not mirror the Test Year are discussed in the direct testimony of Gregory D. Shimansky.

10. Petitioner is utilizing the Test Year end, April 30, 2025, as the general rate base cutoff date. Among the capital additions included in this Cause, there are two forecasted “major projects” (as that phrase is used in the MSFRs) for which the estimated capital investment exceeds 1% of Petitioner’s rate base in this Cause: (1) the Sheridan Water Treatment Plant and Well, and (2) the Winchester Water Treatment Plant. Projected in-service amounts for these projects are \$29,817,795, and \$25,000,000, respectively. Each of these major projects is described in greater detail in the direct testimony of Matthew H. Hobbs.

11. As described in the pre-filed direct testimony of Gregory D. Shimansky, Petitioner proposes to implement the requested rate increase in three steps to reasonably reflect the utility property that is used and useful at the time rates are placed into effect. Upon the issuance of an Order in this Cause, Petition proposes to implement Step 1 rates based on the actual rate base and capital structure as of July 31, 2023 and forecasted results of operations through December 31, 2023; Step 2 rates based on the actual rate base and capital structure as of April 30, 2024 and forecasted results of operation through April 30, 2025; and Step 3 rates based on the actual rate base and capital structure as of April 30, 2025 and forecasted results of operation through April 30, 2025. The total increase

(after all three steps) is projected to be \$86,741,493, or approximately 31.1% from present rate revenues. The Step 1 increase is projected to be \$43,185,631, or approximately 15.49%; the Step 2 increase is projected to be \$18,164,335, or approximately 5.63% from Step 1; and the Step 3 increase is projected to be \$25,391,527, or approximately 7.45% from Step 2. As a rate mitigation effort, Petitioner proposes to recover 65% of its total wastewater revenue requirement (\$4,662,295 at Step 3) through wastewater rates, so that the average residential wastewater bill will be approximately \$100 per month. The balance will be recovered as part of the water revenue requirement. Increases to industrial and sales for resale classes will be capped at 1.5 times the overall water revenue increase. Public and private fire service will not increase. The remainder of the increase will be allocated to residential and commercial classes in proportion to present rate revenues. Rates for Areas 1, 2, and 3 will be fully consolidated, phased in over the three steps. See the Direct Testimony of Charles B. Rea for further information.

### **Submission of Case in Chief and Other Supporting Documentation**

12. Petitioner is filing its case-in-chief, including the information required by subsection (b) of Ind. Code § 8-1-2-42.7 (“Section 42.7”), contemporaneous with this Petition. As recognized in GAO 2013-5, a future test year does not align with all of the Commission’s pre-existing Minimum Standard Filing Requirements (“MSFRs”) (170 IAC 1-5-1 et seq.). While revisions to the MSFRs are pending to better align the rules with a forward-looking test period, those revised rules are not yet effective. Indiana American has used the MSFRs as guidance as to the categories of information that are appropriate for inclusion as working papers and has provided supporting documentation in line with the Commission’s MSFRs, modified where appropriate to conform with the forward-looking test year authorized by Section 42.7, including, where feasible, to conform to the most recent version of the pending revised rules.

13. Petitioner is herewith submitting the workpapers and other information that would be required by 170 IAC 1-5, as modified in accordance with the statements above. Petitioner's workpapers and supporting documentation are provided electronically and/or on CD (in Excel format where appropriate), including the supporting workpapers for all forward-looking proposed adjustments, the cost of service study and the proposed cost of equity and fair rate of return.

14. In accordance with the guidance provided by the GAO 2013-5, Indiana American provided its Notice of Intent to File Rate Case to the Commission on February 22, 2023. This Notice was provided at least 30 days prior the date of filing this Petition. Indiana American also reached out to the Indiana Office of Utility Consumer Counselor ("OUCC") and other stakeholders to discuss the filing.

#### **Confidential Information**

15. Contemporaneous with this filing, Petitioner is filing a Motion for Protection of Confidential Information in accordance with 170 IAC 1-1.1-4 and to otherwise comply with 170 IAC 1-5-3. The filing of this motion is necessary and appropriate to protect confidential information included in Petitioner's filing. The confidential information will be submitted once the Commission has issued an order preliminarily granting Petitioner's Motion. Petitioner will work with the OUCC and other intervenors to negotiate acceptable nondisclosure agreements to facilitate the production of confidential information as appropriate.

#### **Regulatory Accounting Treatment**

16. Petitioner is requesting regulatory accounting deferral treatment for Pension and OPEB expenses, Production expenses, and expenses related to the Company's proposal to implement a new Universal Affordability rate. Specifically, Petitioner seeks authority to record in a regulatory asset or liability, as the case may be, any amounts above or below the projected level of these expenses included in the revenue requirement in this Cause. Petitioner proposes to establish separate regulatory



accounts for each of the four categories: one for Pension, one for OPEBs, one for Production costs, and one for expenses associated with the Universal Affordability rate proposal. Amortization of the balances in each regulatory account would be determined in Petitioner's next general rate case. The proposed treatment is intended to ensure that customer rates ultimately reflect the actual Pension/OPEB, Production and Universal Affordability expenses incurred by the Company – no more and no less. Petitioner is not proposing to recover carrying costs associated with the deferred balances. Support for Petitioner's requested regulatory accounting treatment is included in the direct testimony of Gregory D. Shimansky.

### **Montgomery County Surcharge**

17. Petitioner is proposing a surcharge under Ind. Code § 8-1-2-46.2 to apply to Montgomery County customers only in its Crawfordsville District. The Montgomery County Board of Commissioners adopted an ordinance under Ind. Code § 6-1.1-12.5 designating a geographic area as an "infrastructure development zone." Under Ind. Code § 8-1-2-46.2(c), Petitioner has required Montgomery County to fund the vast majority of the extension. As described in greater detail in the direct testimony of Gregory D. Shimansky, because the economic development will benefit Montgomery County, Petitioner is seeking approval of a surcharge to recover only from the customers located in Montgomery County those costs not already reimbursed by the County. Petitioner's proposed tariff sheet providing the proposed surcharge is included with the direct testimony of Gregory D. Shimansky.

### **Future Water Sources of Supply**

18. Petitioner has prepared plans to develop future water sources of supply in its Sheridan, Crawfordsville and Noblesville Operations. Petitioner has included these plans with the direct testimony of Matthew H. Hobbs and seeks approval of the plans pursuant to § 8-1-2-23.5. As

described in the direct testimony of Mr. Hobbs, the future water source of supply plans are reasonable and prudent for the provision of safe and reliable service because Petitioner is projecting demands for water in these operations in excess of the capacities of the existing sources of supply. Petitioner is submitting its plans so that appropriate land can be secured before the property develops in a fashion that is inconsistent with a future source of supply. In accordance with § 8-1-2-23.5(b), Petitioner seeks authority to add the actual costs of the sources of supply to the value of its property under § 8-1-2-6 in this rate case proceeding.

### **Prehearing Conference and Preliminary Hearing Requested**

19. Pursuant to the best practices set forth in the Commission's GAO 2013-5 (July 3, 2013), Petitioner is reaching out to the OUCC and other potential intervenors and will endeavor to file a proposed agreement as to a procedural schedule and other procedural matters for this case based on Petitioner's discussions with those parties under 170 IAC 1-1.1-9(a)(8). Petitioner requests the Commission approve the proposed procedural schedule to be submitted or, pursuant to 170 IAC 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, Petitioner requests that a date be promptly fixed for a prehearing conference and preliminary hearing for the purpose of fixing a procedural schedule in this proceeding and considering other procedural matters.

### **Customer Notification**

20. In accordance with Ind. Code § 8-1-2-61(a), Petitioner will publish notice of the filing of this Petition in a newspaper of general circulation in each Indiana county in which Petitioner renders service. Petitioner will provide its customers with a notice summarizing the nature and extent of the proposed changes as required by the Commission's rules. These notices will be late-filed as attachments to the direct testimony of Matthew Prine.

**Applicable Statutory Provisions**

21. Petitioner considers that the provisions of Ind. Code §§ 8-1-2-4, -6, -7, -10, -19, -20, -21, -23, -23.5, -39, -42, -42.7, -46, -46.2, -61, -68 and -71, among others, are applicable to the subject matter of this Petition.

**Attorneys for Petitioner**

22. The names and addresses of Indiana American’s duly authorized representatives, to whom all correspondence and communications concerning this Petition should be sent, are as follows:

Nicholas K. Kile (Atty No. 15203-53)  
Hillary J. Close (Atty No. 25104-49)  
Lauren M. Box (Atty No. 32521-49)  
Lauren Aguilar (Atty. No. 33943-49)  
Barnes & Thornburg LLP  
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Copy to:  
Gregory D. Shimansky  
Director Rates and Regulatory  
Indiana-American Water Company, Inc.  
153 N. Emerson Ave.  
Greenwood, Indiana 46143  
Phone: (317) 734-9183  
Email: [Gregory.Shimansky@amwater.com](mailto:Gregory.Shimansky@amwater.com)

WHEREFORE, Petitioner respectfully prays that the Commission approve the proposed procedural scheduled to be filed as referenced in Paragraph 19 above, or otherwise promptly conduct a prehearing conference and preliminary hearing in this proceeding; make such investigation and hold

such hearings as are necessary or advisable; and thereafter, issue an Order in this Cause in accordance with the timeframe established in Section 42.7 and GAO 2013-5:

- (a) Finding that Petitioner's existing rates for water and wastewater service are unjust, unreasonable, insufficient, confiscatory and inadequate to provide the opportunity to earn a fair return on the fair value of Petitioner's Utility Properties used and useful for the convenience of the public in rendering water and wastewater utility service;
- (b) Determining, and by order fixing, increased water and wastewater service rates and charges to be imposed, observed and followed in the future by Petitioner in lieu of those found to be unjust, unreasonable, insufficient and confiscatory;
- (c) Authorizing and approving the filing by Petitioner of new schedules of increased rates and charges applicable to the water and wastewater utility service rendered by Petitioner so as to provide just, reasonable, sufficient and nonconfiscatory rates;
- (d) Approving a Universal Affordability tariff for water service to provide discounts to participating customers as described herein and in Petitioner's case-in-chief;
- (e) Approving the extension of service to an infrastructure development zone in Montgomery County, Indiana and authorizing Petitioner to implement a surcharge for customers in Montgomery County as described herein and in Petitioner's case-in-chief;
- (f) Authorizing Indiana-American to revise its depreciation rates as described herein and in Petitioner's case-in-chief;
- (g) Granting accounting authority necessary to implement the relief authorized in a Final Order in this Cause;

- (h) Approving Petitioner's plans for development of future water sources of supply as described herein and in Petitioner's case-in-chief;
- (i) Approving the other requests set forth in this Petition and in Indiana-American's evidence herein; and
- (j) Granting to Petitioner such other and further relief as may be appropriate and proper.

DATED this 31st day of March, 2023.

Respectfully submitted,



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Nicholas K. Kile (Atty No. 15203-53)  
Hillary J. Close (Atty No. 25104-49)  
Lauren M. Box (Atty No. 32521-49)  
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Attorneys for Petitioner  
Indiana-American Water Company, Inc.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was served this 31st day of March, 2023 by electronic mail to:

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*Hillary J. Close*

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Hillary J. Close

**Indiana-American Water Company, Inc.  
2023 General Rate Case**

**Index of Issues, Requests, and Supporting Witnesses<sup>1</sup>**

Subject	General	Supporting Witness
Test Year	<ul style="list-style-type: none"> <li>• Twelve Months Ending April 30, 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2)</li> </ul>
Historical Base Period	<ul style="list-style-type: none"> <li>• Twelve Months Ending September 30, 2022</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2)</li> </ul>
Minimum Standard Filing Requirements	<ul style="list-style-type: none"> <li>• Organization of workpapers and other information in support of requested relief in accordance with the <b>Commission's GAO 2013-05</b> and the Minimum Standard Filing Requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2)</li> </ul>

Revenue Requirement		
Subject	Request	Supporting Witness
Overall Revenue Increase	<ul style="list-style-type: none"> <li>• Total increase in revenue projected to be \$86,741,493, or approximately 31.1% from present rate revenues, to be phased in over three (3) steps</li> <li>• Step 1 increase is projected to be \$43,185,631, or approximately 15.49%.</li> <li>• Step 2 increase is projected to be \$18,164,335, or approximately 5.63% from Step 1.</li> <li>• Step 3 increase is projected to be \$25,391,527, or approximately 7.45% from Step 2.</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2) (overview)</li> <li>• Prine (No. 1) (policy)</li> <li>• Financial Exhibit (No. 13)</li> </ul>
Financial Forecast	<ul style="list-style-type: none"> <li>• Set rates based on Test Year financial forecast</li> <li>• Reflect forecasted revenues, O&amp;M and capital investments in rates</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2) (forecasted pro forma net operating income, depreciation and amortization expense, regulatory expense)</li> <li>• Hobbs (No. 3) (overall development of capital forecast).</li> <li>• Britto (No. 4) (operations overview, commitment to water quality and safety and</li> </ul>

<sup>1</sup> This Index of the Company's case-in-chief is intended to highlight issues and is not an exhaustive list of the requests in this proceeding. A complete account of the requested relief can be found in the case-in-chief, including but not limited to petition, testimony, attachments and workpapers.

Revenue Requirement		
Subject	Request	Supporting Witness
		<p>related O&amp;M)</p> <ul style="list-style-type: none"> <li>• Rea (No. 5) (forecasted revenues and customer usage).</li> <li>• Grisham (No. 8) (labor and labor-related expense, pension, OPEBs, Service Company expense, contract services, uncollectible expense).</li> <li>• Cifuentes (No. 9) (production costs, other operating expenses)</li> <li>• <b>O'Drain</b> (No. 10) (chemical pricing)</li> <li>• Baryenbruch (No. 11) (Service Company)</li> </ul>
Return on Equity (ROE)	<ul style="list-style-type: none"> <li>• Authorize 10.6% ROE</li> </ul>	<ul style="list-style-type: none"> <li>• Bulkley (No. 7)</li> </ul>
Weighted Average Cost of Capital (WACC)	<ul style="list-style-type: none"> <li>• Authorize forecasted WACC of 6.88% applied to original cost rate base as of April 30, 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Furia (No. 6) (capital structure, cost of debt)</li> <li>• Bulkley (No. 7) (ROE)</li> <li>• Financial Exhibit (No. 13, Exhibit CC)</li> </ul>
Fair Value	<ul style="list-style-type: none"> <li>• Analysis used to develop estimate of fair value of <b>Petitioner's rate base</b></li> <li>• Fair Value Increment related to Indiana Cities acquisition adjustment</li> </ul>	<ul style="list-style-type: none"> <li>• Bulkley (No. 7) (fair value rate base)</li> <li>• Shimansky (No. 2) (fair value increment for Indiana Cities AA)</li> <li>• Financial Exhibit (No. 13)</li> </ul>
Depreciation	<ul style="list-style-type: none"> <li>• Set new depreciation rates and reflect the resulting depreciation expense in base rates based on depreciation study</li> </ul>	<ul style="list-style-type: none"> <li>• Kennedy (No. 12) (depreciation)</li> </ul>
Prepaid Pension Asset	<ul style="list-style-type: none"> <li>• Reflect prepaid pension asset in capital structure at zero cost</li> </ul>	<ul style="list-style-type: none"> <li>• Furia (No. 6) (prepaid pension asset in cap structure)</li> </ul>
Taxes	<ul style="list-style-type: none"> <li>• Reflect forecasted Test Year tax expense in base rates, including amortization of EADIT</li> <li>• Apply gross revenue conversion factor (GRCF)</li> <li>• Reflect Accumulated Deferred Income Taxes (ADIT) in</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2) (EADIT amortization, GRCF, ADIT in Cap Structure and Income Tax</li> </ul>



Revenue Requirement		
Subject	Request	Supporting Witness
	<p>Capital Structure</p> <ul style="list-style-type: none"> <li>• Forecasted Income Tax Expense</li> <li>• Forecasted Taxes Other Than Income Taxes</li> <li>• Forecasted Property Tax Expense</li> </ul>	<p>Expense)</p> <ul style="list-style-type: none"> <li>• Furia (No. 6) (ADIT in Cap Structure)</li> <li>• Grisham (No. 8) (Taxes Other Than Income Taxes and Property Taxes)</li> <li>• Cifuentes (No. 9) (Property Tax Expense)</li> </ul>
Forecasted Rate Base	<ul style="list-style-type: none"> <li>• Reflect forecasted capital projects in rate base</li> <li>• Include forecasted Major Projects</li> <li>• Compliance with Cause No. 45142 Stipulation of Presentation of forecasted capital projects</li> <li>• Approval of Plans for Future Water Sources of Supply</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2) (overall forecasted rate base)</li> <li>• Hobbs (No. 3) (in-service and forecasted capital investments, Major Projects, Compliance with Stipulation in CN 45142, Plans for Future Water Sources of Supply)</li> </ul>
Regulatory Accounting Treatment	<ul style="list-style-type: none"> <li>• Deferral accounting for (1) Pension costs, (2) Other Post-Employment Benefits (OPEBs) costs, (3) Production Costs, (4) Costs associated with new Universal Affordability Tariff</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2)</li> </ul>
COVID-19 Deferral	<ul style="list-style-type: none"> <li>• Recovery of COVID-19 deferral authorized under Cause No. 45380 Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2)</li> </ul>

Subject	Cost of Service and Rate Design	Supporting Witness
Class Cost of Service Study	<ul style="list-style-type: none"> <li>• Base/Extra capacity method of allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Rea (No. 5) (cost of service)</li> </ul>
Overall Rate Design	<ul style="list-style-type: none"> <li>• Allocation of revenue increase</li> <li>• Allowance-based rate for Basic Water Service</li> <li>• Universal Affordability rate</li> </ul>	<ul style="list-style-type: none"> <li>• Rea (No. 5) (affordability and rate design)</li> <li>• Prine (No. 1) (policy)</li> </ul>
Tariffs	<ul style="list-style-type: none"> <li>• Proposed New Schedules of Rates and Charges for Water Service (IURC W-22-A)</li> <li>• Proposed New Schedules of Rates and Charges for Wastewater Service (IURC S-21-A)</li> <li>• Proposed Temporary Tariff to Credit Customers for URT Overcollection</li> <li>• Proposed Surcharge for Customers in Montgomery</li> </ul>	<ul style="list-style-type: none"> <li>• Shimansky (No. 2)</li> </ul>

Subject	Cost of Service and Rate Design	Supporting Witness
	County Infrastructure Development Zone	