

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
LAFAYETTE, INDIANA, FOR (1) AUTHORITY TO)
ISSUE BONDS, NOTES, OR OTHER)
OBLIGATIONS; (2) APPROVAL OF A SYSTEM)
DEVELOPMENT CHARGE; (3) AUTHORITY TO) CAUSE NO. 46310
INCREASE ITS RATES AND CHARGES FOR)
WATER SERVICE; AND (4) APPROVAL OF A NEW)
SCHEDULE OF WATER RATES AND CHARGES)
APPLICABLE THERETO)

PETITION

Petitioner, the City of Lafayette, Indiana (“Lafayette”), by counsel, hereby files its Petition with the Indiana Utility Regulatory Commission (the “Commission”) seeking authority to adjust its rates and charges, approval of a new System Development Charge (“SDC”), and approval to issue of water utility revenue bonds in more than one series. In support of its Petition, Lafayette states:

1. Customers and Area Served. Lafayette owns and operates a water utility that serves over 30,000 customers, including one wholesale customer (*i.e.*, the Town of Dayton), and customers located both inside and outside of Lafayette’s municipal corporate limits in Tippecanoe County, Indiana.

2. Jurisdiction. Lafayette is a “municipally owned utility” as defined in Ind. Code § 8-1-2-1(h) and is subject to the jurisdiction of the Commission to the extent provided by the Public Service Commission Act, Ind. Code Art. 8-1 *et seq.*, as amended, and other laws.

3. Existing Rates Insufficient. Lafayette’s existing schedule of rates and charges for water utility service were approved by Commission Order in Cause No. 45006, issued on May 16, 2018. Therein, the Commission approved a settlement between Lafayette and the Indiana Office

of the Utility Consumer Counselor (the “OUCC”), that authorized an across-the-board increase in rates and charges in two phases, including an across-the-board basis by 32.76% in Phase I and 11.95% in Phase II over adjusted test year revenues to increase: (a) Phase I annual operating revenues by \$9,705,741 to produce Phase I total annual operating revenues of \$9,705,741; and (b) Phase II annual operating revenues by \$1,131,751 to produce Phase II total annual operating revenues of \$10,837,490. Lafayette’s rates were subsequently adjusted following repeal of the utility receipts tax in 30-day Filing No. 50514, which was approved by Commission Conference Minutes on June 28, 2022.

Such rates and charges no longer produce sufficient revenue to: (a) pay all the legal and other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, and interest charges on bonds or other obligations; (b) provide a sinking fund for the liquidation of bonds or other obligations; (c) provide a debt service reserve for bonds and other obligations; (d) provide adequate money for working capital; (e) provide adequate money for making extensions and replacements to the extent not provided for through depreciation; (f) provide funds for the payment of any taxes that may be assessed against the utility; and (g) compensate Lafayette for taxes that would be due Lafayette on utility property if it were privately owned. The existing rates and charges are, therefore, insufficient, confiscatory, and unlawful under Ind. Code § 8-1.5-3-8.

4. Proposed Bonds. Lafayette must continue to make necessary additions, extensions, replacements, and improvements to its waterworks system (the “Capital Projects”). Lafayette proposes to obtain the necessary funds for these Capital Projects from revenues of the utility and from the issuance of two or more series of new water utility revenue bonds (the “Proposed Bonds”). The Proposed Bonds will be issued in an aggregate amount not to exceed Seventy Million

Two Hundred Twenty-Five Thousand Dollars (\$70,225,000). Lafayette’s current rates and charges do not produce sufficient revenue to pay debt service expense on the Proposed Bonds. The principal and interest of the Proposed Bonds will be payable solely from the future revenues of Lafayette’s water utility.

5. Proposed Revenue Increase. Lafayette needs to increase its annual revenues and income so that it can continue to operate and maintain its water utility system in satisfactory physical and financial condition to render reasonably adequate water service to its customers and to meet the requirements for reasonable and just rates and charges for services under Ind. Code § 8-1.5-3-8(c) and (d). Therefore, Lafayette proposes to increase its revenues by a total of approximately 66.2% through a two-phase implementation, wherein the first phase (“Phase I”) will result in a 30.9% rate increase, and the second phase (“Phase II”) will result in a 27.0% increase, as more fully set forth in its case-in-chief.

6. New SDC. Lafayette proposes to establish a new SDC for new water utility service customers and for existing customers requesting an increase in capacity within Lafayette’s water utility service area.

7. No Outstanding Federal Indebtedness. As required to be reported by Ind. Code § 8-1-2-61(a), Lafayette does not have any outstanding indebtedness to the federal government.

8. Test Year. Lafayette proposes a test year for purposes of determining Lafayette’s actual and pro forma operating revenues, expenses and revenue requirement under present and proposed rates based on the twelve (12) months ended December 31, 2024, and believes the financial and accounting data, when properly adjusted pursuant to Lafayette’s evidence, fairly reflect Lafayette’s annual operations. Such test year, as adjusted, therefore, is a proper basis for fixing the requested new rates for Lafayette and testing the effect of those rates.

9. Applicable Statutes and Rules. Lafayette considers Indiana Code §§ 8-1-2-61, 8-1.5-2-19, and 8-1.5-3-8 and also 170 IAC 1-1.1 *et seq.*, to be applicable to the relief requested by this Petition.

10. Counsel. Service of all petitions, motions, reports, testimony, exhibits, or papers of any kind, to be served upon Lafayette should be served on Lafayette's counsel of record identified below:

David T. McGimpsey (21015-49)
DENTONS BINGHAM GREENEBAUM LLP
212 W. 6th Street
Jasper, Indiana 47546
Tel: 812.482.5500
Facsimile: 317.236.9907
david.mcgimpsey@dentons.com

Lora L. Manion (29513-49)
Zechariah L. Banks (37506-49)
DENTONS BINGHAM GREENEBAUM
10 W. Market Street, Suite 2700
Indianapolis, Indiana 46204
Tel: 317.635.8900
Facsimile: 317.236.9907
lora.manion@dentons.com
zechariah.banks@dentons.com

11. Prehearing Conference. Lafayette anticipates entering into a stipulation with the OUCC as to the procedural schedule in this Cause that will negate the need for a prehearing conference. Until such time as such a stipulation is entered into and filed, however, Lafayette requests that the Commission promptly fix a date for a prehearing conference for purposes of establishing a procedural schedule for the filing of prepared testimony and exhibits, fixing time periods for responding to discovery, and setting dates for the field hearing and evidentiary hearing in this Cause.

WHEREFORE, Lafayette respectfully requests that the Commission make such investigation and hold such hearings as are necessary or appropriate and thereafter issue a final Dated this 15th day of October 2025. s and charges for water utility service provided by Lafayette, a new system development charge, and the issuance of the Proposed Bonds, and granting Lafayette all other appropriate relief.

Dated this 15th day of October 2025.

Respectfully submitted,



David T. McGimpsey (21015-49)
DENTONS BINGHAM GREENEBAUM LLP
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Jasper, Indiana 47546
Tel: 812.482.5500
Facsimile: 317.236.9907
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10 W. Market Street, Suite 2700
Indianapolis, Indiana 46204
Tel: 317.635.8900
Facsimile: 317.236.9907
lora.manion@dentons.com
zechariah.banks@dentons.com

*Attorneys for Petitioner,
The City of Lafayette, Indiana*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by electronic service this 15th day of October 2025, on the following:

Indiana Office of Utility Consumer Counselor
Infomgt@oucc.in.gov



An Attorney for Petitioner,
The City of Lafayette, Indiana

Additional service copy to:

Daniel M. LeVay, Esq.
Indiana Office of Utility Consumer Counselor
dlevay@oucc.in.gov