

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

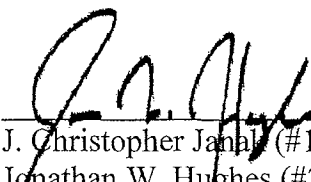
PETITION OF THE CITY OF FORT WAYNE,)
INDIANA, FOR AUTHORITY TO ESTABLISH)
AND IMPLEMENT A SYSTEM)
DEVELOPMENT CHARGE FOR WATER) CAUSE NO. 45124
SERVICE)

PETITION OF THE CITY OF FORT WAYNE,)
INDIANA, FOR AUTHORITY TO ISSUE)
LONG-TERM DEBT TO FINANCE WATER)
SYSTEM IMPROVEMENTS AND TO ADJUST) CAUSE NO. 45125
ITS RATES AND CHARGES FOR WATER)
SERVICE)

SETTLEMENT TESTIMONY OF ERIC J. WALSH, CPA
ON BEHALF OF PETITIONER, THE CITY OF FORT WAYNE, INDIANA

Settlement Testimony of Eric J. Walsh, CPA
Joint Stipulation and Settlement Agreement

Petitioner's Exhibit 32
Petitioner's Exhibit 33



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SETTLEMENT TESTIMONY OF ERIC J. WALSH, CPA

January 4, 2019

On Behalf of Petitioner
City of Fort Wayne
Municipal Water Utility

IURC
PETITIONER'S 322
EXHIBIT NO. 1-23-19
DATE REPORTER

FORT WAYNE MUNICIPAL WATER UTILITY

IURC Cause No. 45125

Settlement Testimony of Eric J. Walsh

I. Introduction

1
2
3 **1. Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Eric J. Walsh and my business address is 112 IronWorks Avenue,
5 Suite C. Mishawaka, Indiana 46544.
6

7 **2. Q. ARE YOU THE SAME ERIC WALSH WHO PREVIOUSLY PREFILED**
8 **DIRECT TESTIMONY AND PREFILED REBUTTAL TESTIMONY IN**
9 **THESE CAUSES?**

10 A. Yes, I am. My direct testimony and exhibits in Cause 45124 were prefiled as
11 Petitioner's Exhibits 1, 2, 3, and 4. My rebuttal testimony and exhibits in
12 Cause 45124 were prefiled as Petitioner's Exhibits 5 and 6. My direct
13 testimony and exhibits in Cause No. 45125 were prefiled as Petitioner's
14 Exhibits 10, 11, and 12. My rebuttal testimony and exhibits in Cause No.
15 45125 were prefiled as Petitioner's Exhibits 13, 14, 15, 16, 17, 18, 19, 20, 21,
16 and 22.
17

18 **3. Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS**
19 **PROCEEDING AND WHAT IS THE PURPOSE OF YOUR**
20 **SETTLEMENT TESTIMONY?**

21 A. I am appearing on behalf of the City of Fort Wayne ("Fort Wayne", "City", or
22 "Petitioner") Municipal Water Utility ("Utility"). My purpose is to present
23 testimony to the Indiana Utility Regulatory Commission ("Commission") in
24 support of the Settlement Agreement reached by and between the Petitioner,
25 the Office of the Utility Consumer Counselor ("OUCC"), General Motors,

1 LLC ("GM"), and the City of New Haven, Indiana ("New Haven"),
2 (collectively referred to as "Settling Parties") in this Cause.

3
4 **4. Q. PLEASE DESCRIBE SOME OF THE MATERIALS YOU REVIEWED**
5 **TO PREPARE YOUR SETTLEMENT TESTIMONY?**

6 A. In addition to the data and information referred to in my direct testimony and
7 my rebuttal testimony in both Causes, I have read and analyzed the prefiled
8 settlement testimony of Edward R. Kaufman which was filed on behalf of the
9 Office of Utility Consumer Counselor (OUCC) and the settlement testimony of
10 Gregory T. Guerrettaz filed on behalf of New Haven. I have also read and
11 analyzed the Joint Stipulation and Settlement Agreement ("Agreement") which
12 is attached hereto as Petitioner's Exhibit 33. This Agreement was reached by
13 and between the Settling Parties. New Haven and GM ("Intervenors") have
14 participated in this Cause and I have analyzed and assisted in responding to
15 their discovery requests as well as those of the OUCC. I have participated in
16 meetings with staff of the OUCC and also with representatives from GM. I
17 have read the responses of New Haven to discovery that were sent by the
18 Utility and also reviewed public documents related to the current rates and
19 charges of New Haven's municipal water utility.

20
21 **5. Q. DOES PETITIONER AGREE TO THE REASONABLENESS OF THE**
22 **REVENUE REQUIREMENTS BEING CALCULATED IN YOUR**
23 **SETTLEMENT EXHIBITS?**

24 A. Yes. The Settling Parties agree that Fort Wayne should be authorized to
25 increase its rates and charges for water service to reflect a total net revenue
26 requirement in the amount of \$62,360,281, resulting in a total increase of
27 \$14,792,793 or 31.1% over Fort Wayne's current revenues at existing rates.
28 The parties further agree that Fort Wayne shall implement its 31.1% (32.0%
29 for inside City and 25.9% for outside City) rate increase over five (5) phases

1 with the first phase ("Phase I") in the amount of 4.87% (3.73% for outside
2 City) to be effective upon the issuance of the Commission's final order in this
3 Cause. The second phase ("Phase II") in the amount 5.93% (5.18% for outside
4 City) will be effective on twelve months after Phase I. The third phase ("Phase
5 III"), in the amount of 5.90% (4.99% for outside City), will be effective twelve
6 months after Phase II. The fourth phase ("Phase IV") in the amount of 5.86%
7 (4.79% for outside City) will be implemented twelve months after Phase III.
8 The fifth phase ("Phase V") in the amount of 5.90% (4.89% for outside City)
9 will be implemented twelve months after Phase IV. Attached to the Settlement
10 Agreement as Exhibit A is a schedule that summarizes the agreed upon
11 revenue requirement and resulting increase. Exhibit A also identifies the
12 different adjustments agreed to by the Settling Parties. The OUCC proposed
13 certain adjustments to the revenue requirements presented by Petitioner and the
14 Settling Parties agreed to several as part of this Agreement. In my rebuttal
15 testimony, I proposed an adjustment to add an additional \$392,000 of
16 Extensions and Replacements to offset certain capital deferrals proposed in
17 Petitioner's case-in-chief. The Settling Parties have agreed to an adjustment to
18 the Extensions and Replacements that is a reasonable compromise. I believe
19 those agreed-to adjustments result in a total for the Utility's annual revenue
20 requirements that is fair and reasonable. I believe the settled revenue
21 requirement can be relied on by the Commission to establish fair and
22 reasonable rates for the Utility.
23

24 **6. Q. PLEASE DESCRIBE THE CONTRACT RATE ADJUSTMENT FOR**
25 **GM PROVIDED IN THE SETTLEMENT AGREEMENT**

26 A. In his direct testimony, GM's Witness Mr. Gorman proposed certain
27 adjustments to GM's Block III rate structure. Mr. Gorman's proposal was
28 based on a calculation of the percentage of the costs of the Capital
29 Improvement Plan that GM should be responsible to fund. In exchange for

1 GM's agreement to a five-year Service Agreement (as set forth in Paragraphs 6
2 and 7 of the Settlement), Fort Wayne has agreed to provide GM with a contract
3 rate using Mr. Gorman's analysis, but modifying the percentages GM should
4 fund.

5
6 As noted in his Settlement Testimony, Mr. Schipper reviewed the Capital
7 Improvement Plan and identified that 70% of the Capital Improvement Plan is
8 attributable to GM. Using that calculation, I applied the 70% calculation to the
9 settled revenue requirement in this Cause, and reduced GM's Block III water
10 rate by a commensurate amount. Exhibit B to the Settlement Agreement tracks
11 this calculus and provides the rates applicable to GM.

12
13 These rates represent a reasonable settlement to GM, and Fort Wayne is
14 offering this contract rate to GM without offsetting the rates to any other
15 customer. In the event Fort Wayne falls short of its Revenue Requirement
16 based on its collections from GM, it will absorb that cost by reducing its
17 Revenue Requirement accordingly. Absent a Cost of Service Study, this
18 calculation reasonably resolves the issues between GM and Fort Wayne in this
19 Cause without any negative impacts to other customers.

20
21 **7. Q. PLEASE DESCRIBE THE CONTRACT RATE ADJUSTMENT FOR**
22 **NEW HAVEN PROVIDED IN THE SETTLEMENT AGREEMENT**

23 A. In its direct testimony, New Haven's Witnesses provided various adjustments
24 to its proposed rates and charges. In exchange for New Haven's agreement to
25 purchase all of the water it needs from Fort Wayne under certain terms
26 including certain volumetric, peak flow, and equivalent residential unit limits,
27 the Settling Parties have agreed to provide New Haven with a contract rate.
28

1 The starting point for the New Haven contract rate was for Fort Wayne to
2 apply the same calculation I applied above for GM to New Haven. New
3 Haven did not have a Block III consumption rate, so the calculation was
4 slightly different, but the methodology was similar. Using that calculation, I
5 applied the 70% calculation to the settled revenue requirement in this Cause,
6 and reduced New Haven's water rate by a commensurate amount. As Mr.
7 Schipper explains, Fort Wayne and New Haven also agreed to charge New
8 Haven a private fire protection rate rather than the public rate as a settlement of
9 that issue. Exhibit C to the Settlement Agreement tracks all of this calculus
10 and provides the contract rates applicable to New Haven.

11
12 These rates represent a reasonable settlement to New Haven and Fort Wayne.
13 Absent a Cost of Service Study, this calculation resolves the issues between
14 New Haven, the OUCC, and Fort Wayne in this Cause in a reasonable manner.
15

16 **8. Q. PLEASE DESCRIBE THE AGREEMENT THE PARTIES HAVE**
17 **REACHED ON THE PROPOSED FINANCING?**

18 A. As part of the Agreement, Petitioner will seek to issue the Proposed
19 Waterworks Revenue Bonds in an amount of Eighty Five Million Five
20 Hundred Seventy Thousand Dollars (\$85,570,000) and at an interest rate not to
21 exceed 7%. The proceeds from the revenue bonds will be used to pay certain
22 costs of issuance and pay to complete certain capital improvements that are
23 identified in Petitioner's Exhibit 6 in Cause No. 45125 and in our June 22,
24 2018 Accounting Report on Proposed Improvement Projects and Increase in
25 Rates and Charges (i.e. Petitioner's Exhibit 12 in Cause No. 45125, at page 14)
26 ("Proposed Bonds"). In his direct testimony in Cause No. 45125, Mr.
27 Kaufman identified certain adjustments to the Proposed Bonds. I identified in
28 my rebuttal testimony the items Fort Wayne proposed to accept and the
29 adjustments thereto. The Settling Parties have agreed with my proposal as

1 contained in my Rebuttal Testimony in Cause No. 45125. Petitioner has also
2 agreed to seek 0% financing from the SRF for replacement of lead lines, wrap
3 the amortization of the Proposed Bonds in the manner I recommended in my
4 direct and rebuttal testimonies in Cause No. 45125, use good faith efforts to
5 market the Proposed Bonds to SRF and/or to the open market. However, if the
6 market reacts unfavorably to the delay in principal payments (ie: requesting
7 higher interest rates in order to accommodate the wrapping), the Parties have
8 agreed that Petitioner will attempt to pursue other cost saving financing
9 alternatives and communicate with the Settling Parties. The parties also agreed
10 that if Fort Wayne receives grant funds for capital improvements that are
11 contained in its Capital Improvement Plan in this Cause, Fort Wayne will
12 reduce its debt issuance(s) by the amount of grant funds used in the Capital
13 Improvement Plan projects.

14
15 Also, as part of the Agreement, the Settling Parties have agreed that the Utility
16 will issue the Proposed Bonds in separate series, an aggregate amount of
17 \$41,010,000 of Proposed Bonds in 2019. Fort Wayne will later seek to market
18 and issue an aggregate amount of \$44,560,000 of Proposed Bonds in 2022.
19 Petitioner will make a True-Up Filing with the Commission within twenty-one
20 (21) days after completing the sale of each series of the Proposed Bonds. The
21 Parties have agreed that the True-Up Filing will include the exact amount of
22 bonds that were issued, the exact amortization schedule, the interest rates that
23 were achieved and the exact annual debt service. Furthermore, the Settling
24 Parties have agreed that the Utility, with approval from the Commission, can
25 "true-up" the approved rates based on the actual results of the sale of the
26 Proposed Bonds.

27
28 I believe the Agreement reached by the Settling Parties on the Proposed Bonds
29 is reasonable and should be approved.

1
2 9. Q. IS THE AGREEMENT TO REPORT EXPENDITURES FROM THE
3 DEBT SERVICE RESERVE FUND THAT ARE NOT FOR THE
4 RETIREMENT OF FINAL BOND PAYMENTS A REASONABLE
5 REQUIREMENT OF THE AGREEMENT?

6 A. Yes. The Utility is already required to make the bond market aware of any
7 expenditure from the Debt Service Reserve Fund that is not in compliance with
8 the Bond Ordinances. Therefore, notifying the other Settling Parties and the
9 Commission of this fact will not present an undue burden on Petitioner.
10

11 10. Q. DO YOU BELIEVE THE REPORTING REQUIREMENT ON THE
12 UTILITY'S ANNUAL CAPITAL EXPENDITURES TO THE OTHER
13 SETTLING PARTIES TO BE REASONABLE?

14 A. Yes. The Settlement provides that Fort Wayne will provide a report to the
15 Settling Parties on an annual basis concerning the amounts spent on the Capital
16 Improvement Plan projects and the projects commenced and/or completed in
17 the prior twelve months, and this is a reasonable reporting requirement.
18

19 11. Q. PLEASE DESCRIBE THE SETTLEMENT THE PARTIES HAVE
20 REACHED CONCERNING THE SYSTEM DEVELOPMENT CHARGE
21 FROM CAUSE NO. 45124.

22 A. Attached to the Settlement Agreement as Exhibit D is a schedule of System
23 Development Charges ("SDC") as agreed to by the OUCC, New Haven, and
24 Fort Wayne. Exhibit D to the Settlement Agreement includes a reduction of
25 approximately \$10 for the 5/8" meter regarding the \$2,000,070 in grant
26 funding that I recommended removing in my response to the Commission's
27 December 6, 2018 Docket Entry. In addition, as a compromise Fort Wayne
28 will not charge New Haven an SDC as part of this Cause.
29

1 **12. Q. DO YOU BELIEVE THE SETTLEMENT AGREEMENT AS A WHOLE**
2 **IS REASONABLE, JUST, AND IN THE PUBLIC INTEREST?**

3 A. Yes, I do. The City has identified a number of fixed, known, and reasonable
4 improvements that need to be completed. This Agreement allows the City to
5 move forward with those improvements while minimizing rate shock to the
6 customers to the extent possible, eliminates issues for hearing, and reduces
7 litigation expense, etc.

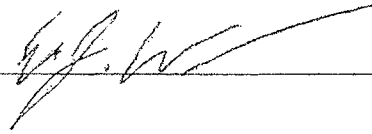
8
9 **13. Q. DOES THIS CONCLUDE YOUR PREFILED SETTLEMENT**
10 **TESTIMONY IN THIS CAUSE?**

11 A. Yes. It does

VERIFICATION

I, Eric J. Walsh, partner with H. J. Umbaugh & Associates, Certified Public Accountants, LLP, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Signed: _____



Printed _____

Eric J. Walsh

Date: _____

1/4/19

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing *Settlement Testimony of Eric J. Walsh, CPA* was served upon the following by delivering a copy thereof electronically this 8th day of January, 2019:

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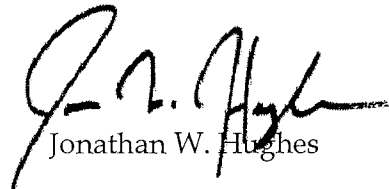
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EXHIBIT 33

IURC
PETITIONER'S
EXHIBIT NO. 33
1-28-11
DATE REPORTER

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF FORT WAYNE,)
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DEVELOPMENT CHARGE FOR WATER) CAUSE NO. 45124
SERVICE)

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INDIANA, FOR AUTHORITY TO ISSUE)
LONG-TERM DEBT TO FINANCE WATER)
SYSTEM IMPROVEMENTS AND TO ADJUST) CAUSE NO. 45125
ITS RATES AND CHARGES FOR WATER)
SERVICE)

JOINT STIPULATION AND SETTLEMENT AGREEMENT

This Joint Stipulation and Settlement Agreement ("Settlement Agreement") is entered into this 4th day of January, 2018, by and between the City of Fort Wayne, Indiana ("Fort Wayne"), General Motors, LLC ("GM"), the City of New Haven, Indiana ("New Haven"), and the Office of the Utility Consumer Counselor ("OUCC") (collectively, the "Settling Parties"), who stipulate and agree for purposes of settling all matters in these Causes between them that the terms and conditions set forth below represent a fair, reasonable, and negotiated compromise resolution of all issues in this Cause, subject to their incorporation in a final order of the Indiana Utility Regulatory Commission ("Commission").

Terms and Conditions of Settlement Agreement

1. **Requested Relief.** On July 18, 2018, Fort Wayne initiated these Causes by filing separate Petitions with the Commission requesting authority in Cause 45124 to establish and implement a system development charge for Water Utility Service and in Cause No. 45125 to adjust its rates and charges and issue bonds to provide funds to finance improvements to its waterworks.

2. **Prefiled Evidence of Parties.** In support of its Petition in Cause No. 45124, Fort Wayne filed the prefiled testimony and exhibits of Eric J. Walsh on July 18, 2018. On October 12, 2018, the OUCC filed the prefiled testimony and exhibits of Margaret A. Stull, and New Haven filed the prefiled testimony and exhibits of Gregory T. Guerrettaz. On October 29, 2018, Fort Wayne filed the prefiled rebuttal testimony and exhibits of Mr. Walsh.

In support of its Petition in Cause No. 45125, Fort Wayne filed the prefiled testimony and exhibits of Andrew G. Schipper and Eric J. Walsh, on July 18, 2018. On October 30, 2018, the OUCC filed the prefiled testimony and exhibits of Margaret A. Stull, Thomas W. Malan, James T. Parks, and Edward R. Kaufman. The OUCC also filed Consumer Comments. Also on October 30, 2018, GM filed the prefiled testimony and exhibits of Michael P. Gorman. The City of New Haven ("New Haven"), filed the prefiled testimony and exhibits of Gregory T. Guerrettaz, William Steven Seelye, and Keith Schlegel. Subsequently, on November 27, 2018, Fort Wayne filed the prefiled rebuttal testimony and exhibits of Messrs. Schipper and Walsh.

3. **Settlement.** Through analysis, discussion, and extensive negotiation, as aided by their respective technical staff and experts, Fort Wayne, GM, New Haven, and the OUCC have now agreed on the terms and conditions as described herein that resolve all issues between them in Causes 45124 and 45125.

4. **Revenue Requirement, Rates, and Charges.** The Settling Parties agree that Fort Wayne should be authorized to increase its rates and charges for water service to reflect a total net revenue requirement in the amount of \$62,360,281 resulting in a total increase of \$14,792,793 or 31.1% over Fort Wayne's current revenues at existing rates. The Settling Parties further agree that Fort Wayne shall implement its 31.1% (32.0% for inside City and 25.9% for outside City) rate increase over five (5) phases with the first phase ("Phase I") in the amount of 4.87% (3.73% for outside City) to be effective upon the issuance of the Commission's final order

in this Cause. The second phase ("Phase II") in the amount 5.93% (5.18% for outside City) will be effective twelve months after Phase I. The third phase ("Phase III"), in the amount of 5.90% (4.99% for outside City), will be effective twelve months after Phase II. The fourth phase ("Phase IV") in the amount of 5.86% (4.79% for outside City) will be implemented twelve months after Phase III. The fifth phase ("Phase V") in the amount of 5.90% (4.89% for outside City) will be implemented twelve months after Phase IV. Attached to the Settlement Agreement as Exhibit A is a schedule that summarizes the agreed upon revenue requirement and resulting increase. Exhibit A also identifies the different adjustments agreed to by the Settling Parties.

5. **Cost of Service Study.** As part of filing any future rate case with the Commission, Fort Wayne will prepare and file a cost of service study ("COSS"), which will include the usage data, costs, and revenues of all customers. GM and New Haven agree to provide all available consumption, usage, peak flow requirements, fire flow requirements and other information necessary to facilitate preparation of the COSS. GM will provide information pertaining to GM's Fort Wayne plant ("GM Facility") only. The Settling Parties will work collaboratively to try to arrive at acceptable industry cost allocation principles to be used in the COSS. Fort Wayne shall provide a draft proposed COSS with formulas intact and all background data and flow information to the Settling Parties (subject to non-disclosure agreements as appropriate) for their evaluation at least sixty (60) days prior to filing any such COSS. Fort Wayne shall provide other requested data necessary for the other Settling Parties to conduct their analysis of the draft COSS and rate design. During the sixty (60) day period, the Parties shall engage in verbal and written input with each other, and have scheduled meetings and discussions regarding the COSS, its inputs and methodologies and rate design.

6. **GM Water Service Agreement.** GM and Fort Wayne have agreed to the following terms of service. From the date the Settlement Agreement is first approved by the

Commission until twelve (12) months after the Phase V rates are first implemented (“Termination Date”) Fort Wayne will be GM’s sole water provider for the GM Facility. GM agrees to purchase all water it requires for the GM Facility from Fort Wayne until the Termination Date, unless Fort Wayne files a new rate case and the Commission approves new rates before the expiration of the Termination Date. In consideration thereof, prior to the Termination Date, GM will only pay the Phase I, II, III, IV, and V rates as set forth in Exhibit B unless otherwise agreed in writing by Fort Wayne and GM, or otherwise ordered by the Commission in a future rate case or as a result of a true-up described in Section 11 of this Agreement. Nothing in this Agreement shall prevent GM or its employees from purchasing bottled water for human consumption.

7. **Continuation of Service to GM after Termination Date.** Immediately after the Termination Date, GM shall continue to pay the Phase V rate as provided in the attached Exhibit B unless and until Fort Wayne adjusts its rates and charges as provided by law. Alternatively, Fort Wayne and GM may, in their sole discretions, mutually agree to extend the water Agreement on similar or modified terms. If GM decides prior to the Termination Date to develop its own source of supply, GM shall provide to Fort Wayne at least two (2) years notice of the proposed date on which the GM Facility will disconnect from Fort Wayne’s water system.

8. **New Haven Water Service Agreement.** New Haven and Fort Wayne have agreed to the following terms of service. From the date the Settlement Agreement is first approved by the Commission until twelve (12) months after the Phase V rates are first implemented (“Termination Date”) Fort Wayne will be New Haven’s sole water provider. New Haven agrees to purchase all water it requires from Fort Wayne until the Termination Date. During the term of this Water Service Agreement, the following terms apply:

- a. **Volume Limit All Connections Combined:** New Haven shall have a volume limit of 2.5 million gallons a day (“MGD”) measured on a thirty (30) day average for all of its connections combined. If New Haven exceeds its then-applicable volume limit in the average of any three consecutive billing periods, a Capital Surcharge Rate will be assessed to the flows billed during the exceedance period. The Capital Surcharge Rate shall be \$0.20/ccf. No Capital Surcharge would be applied to additional volumes obtained pursuant to subsection 8(b) of this Agreement.
- b. **Additional Volume:** New Haven may elect to increase its Volume Limit to 3.0 MGD by providing Fort Wayne with a minimum of two (2) years’ advance notice of the date of its requested implementation of the 3.0 MGD volume limit. In the event New Haven needs to provide capacity to a new large water use customer that would require higher volume limits from Fort Wayne in order for New Haven to serve them, and Fort Wayne has the necessary water capacity, New Haven would receive a waiver of the two (2) year notice requirement. If Fort Wayne asserts it does not have the necessary water capacity, Fort Wayne will provide documentation and quantification demonstrating why it lacks the necessary water capacity and the cost it would incur to create the additional water capacity.
- c. **Peak Flow Limit All Connections Combined:** New Haven shall have a peak flow limit of 2,100 gallons per minute (“gpm”) measured on a fifteen (15) minute average for all of its connections combined. If New Haven exceeds the peak flow limit for more than fifteen (15) minutes, a Peak Flow charge shall be assessed per day of exceedance. The Peak Flow Charge shall

be equal to 10% of the current monthly demand charge for exceedances up to 2,400gpm, and the current full monthly demand charge for exceedances over 2,400gpm.

- d. **Exclusions to Peak Flow Exceedances:** New Haven shall not be charged a Peak Flow Charge for peak flow exceedances related to a main break and/or fire flow needs. New Haven shall, upon request from Fort Wayne, provide any information supporting that the alleged exceedance was a result of an exception.
- e. **Contract Rate:** In consideration thereof, prior to the Termination Date, New Haven will only pay the Phase I, II, III, IV, and V rates as set forth in Exhibit C, unless otherwise agreed in writing by Fort Wayne and New Haven, or otherwise ordered by the Commission in a future rate case or as a result of a true-up described in Section 11 of this Agreement.
- f. **New Haven Fire Protection Rate:** As is described in Exhibit C, New Haven will be charged Fort Wayne's Private Fire Protection Rate based on New Haven's meter sizes.

9. **Continuation of Service to New Haven after Termination Date.** Immediately after the Termination Date, New Haven shall continue to pay the Phase V rate as provided in the attached Exhibit C unless and until thereafter Fort Wayne files a new rate case and the Commission approves higher rates. Alternatively, Fort Wayne and New Haven may, in their sole discretions, mutually agree to extend the water Agreement on similar or modified terms. Fort Wayne and New Haven agree to meet to discuss a long-term contract. New Haven and Fort Wayne will negotiate in good faith in an attempt to reach a long-term contract prior to the implementation of the Phase V rates. If New Haven decides at any point prior to or after the

Termination Date to develop its own source of supply, New Haven shall provide to Fort Wayne at least two (2) years notice of the proposed date on which New Haven will disconnect from Fort Wayne's water system.

10. **Authority to Issue Long Term Debt.** The Settling Parties stipulate and agree that Fort Wayne should be authorized to issue revenue bonds ("Revenue Bonds") in an amount not to exceed Eighty Five Million Five Hundred Seventy Thousand Dollars (\$85,570,000) and at an interest rate not to exceed 7%. The proceeds from the Revenue Bonds will be used to pay certain costs of issuance and pay to complete certain capital improvements that are identified in Petitioner's Exhibit 6 in Cause 45125 and in Mr. Walsh's June 22, 2018, Accounting Report on Proposed Improvement Projects and Increase in Rates and Charges (i.e. Petitioner's Exhibit 12 in Cause 45125, at page 14).

11. **Terms of Financing and True-Up Report.** Consistent with Exhibit A, Fort Wayne will seek to market and issue the Revenue Bonds in separate series, will seek low interest debt from SRF where cost advantageous (including applying for 0% financing for replacing lead lines), and will wrap the amortization schedules around its existing debt in the manner proposed by Mr. Walsh in his Direct and Rebuttal Testimonies in Cause 45125. Fort Wayne will seek to market and issue an aggregate amount of \$41,010,000 of Revenue Bonds in 2019. Fort Wayne will later seek to market and issue an aggregate amount of \$44,560,000 of Revenue Bonds. If Fort Wayne receives grant funds for capital improvements that are contained in its Capital Improvement Plan in this Cause, Fort Wayne shall reduce its debt issuance(s) by the amount of grant funds used in the Capital Improvement Plan projects. Fort Wayne shall issue the \$44,560,000 of revenue bonds in or before 2022. The Phase IV rates shall not go into effect until 45 days before the issuance of the 2022 Revenue Bonds. In the event Fort Wayne does not or cannot issue the Revenue Bonds within 45 days of the Phase IV rate increase, Petitioner should

use funds collected to pay debt service on the yet, unissued debt to offset the amount it needs to borrow. Within twenty-one (21) days after completing the final issuance of each series of the Revenue Bonds, Fort Wayne shall file a true-up report with the Commission identifying the exact amount of bonds that were issued, the exact amortization schedule, and the interest rate on such bonds. To the extent the costs of issuance or interest rate(s) materially impact revenue requirements, Fort Wayne will adjust or “true-up” its rates to reflect the same.

12. **Expenditures from Debt Service Reserve.** If Fort Wayne spends any of the funds from its Debt Service Reserve for any reason other than to make the last payment on the underlying debt, Fort Wayne agrees to spend such funds for only the prepayment of principal and interest on any outstanding bond indebtedness on capital projects and/or on capital expenditures for the water utility (excluding tank maintenance and painting). Upon expenditure of any funds from its Debt Service Reserve, Fort Wayne will provide a report to the Commission and the Settling Parties within ten (10) business days after such expenditure that states: (i) how much Fort Wayne spent from its Debt Service Reserve; (ii) why and on what it spent the funds from its Debt Service Reserve; (iii) a cite to and quote from any applicable loan documents that allow Fort Wayne to spend funds from its Debt Service Reserves; (iv) how Fort Wayne plans to replenish its Debt Service Reserve; and (v) any cost cutting activities Fort Wayne has implemented to forestall spending funds from its Debt Service Reserve.

13. **System Development Charge.** Fort Wayne, the OUCC and New Haven, as parties to Cause No. 45124 have agreed to the following resolution of Cause No. 45124:

- a. **Calculation of SDC.** Fort Wayne’s system development charge (“SDC”) calculation as provided in attached Exhibit D should be implemented pursuant to the terms of this Settlement Agreement.

b. **New Haven Not Subject to SDC.** The Fort Wayne SDC will not be applicable to nor will it be charged to New Haven. However, Fort Wayne retains its rights to seek approval of an SDC applicable to New Haven in its next post Phase V water base rate case and New Haven retains its rights to oppose it. However, if New Haven has by then approved its own SDC, Fort Wayne will not try to also charge a Fort Wayne SDC to New Haven.

14. **Fort Wayne's Report of Capital Improvements.** On an annual basis, Fort Wayne will provide a report to the Settling Parties (Fort Wayne will send New Haven's copy to the Clerk Treasurer of New Haven) concerning the amounts spent on the Capital Improvement Plan projects and the projects commenced and/or completed in the prior twelve (12) months.

15. **Admissibility and Sufficiency of Evidence.** The Settling Parties agree that the prefiled evidence constitutes substantial evidence sufficient to support this Settlement Agreement and provides an adequate evidentiary basis upon which the Commission can make all findings of fact and conclusions of law necessary for the approval of this Settlement Agreement as filed.

16. **Non-Precedential Effect of Settlement.** The Settling Parties agree that the facts in this Cause are unique and all issues presented are fact specific. Therefore, the Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission or any court of competent jurisdiction. This Settlement Agreement is solely the result of compromise in the settlement process, and is without prejudice to and shall not constitute a waiver of any position that either Settling Party may take with respect to any issue in any future regulatory or non-regulatory proceeding. The Settlement Agreement provides the Settling Parties with certain agreed upon benefits without the uncertainty, risk, and expense of further protracted litigation.

17. **Authority to Execute.** The undersigned hereby represent and agree that they are fully authorized to execute the Settlement Agreement on behalf of their designated clients who will hereafter be bound thereby.

18. **Proposed Order.** The Settling Parties hereby agree to submit a single proposed final order resolving both Causes for the issuance by the Commission which the Settling Parties will file after the evidentiary hearing in this matter.

19. **Evidentiary Support for Agreement.** The Settling Parties stipulate to the admissibility of the testimony and exhibits presented by the Settling Parties in these Causes. The Settling Parties further agree that the testimony and exhibits presented by the Settling Parties' cases-in-chief in both Causes, Petitioner's rebuttal in both Causes, and the settlement testimony of Petitioner, the OUCC, and New Haven constitute evidence sufficient to support this Settlement Agreement and provides an adequate evidentiary basis upon which the Commission can make the findings of fact and conclusions of law that are necessary for approval of this Agreement.

20. **Approval of Settlement Agreement in its Entirety.** As a condition of this settlement, the Settling Parties specifically agree that if the Commission does not approve this Joint Stipulation and Settlement Agreement in its entirety, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Settling Parties. The Settling Parties further agree, unless otherwise separately agreed to in writing by the Settling Parties, that in the event the Commission does not issue a Final Order in the form that reflects the Agreement described herein, the matter should promptly proceed to litigation hearing, and the Commission should thereafter rule based on the litigation evidence of record in this proceeding. The Settling Parties agree that, in such event, the evidence of record and any post-hearing filings should be considered by the Commission as if no settlement had been

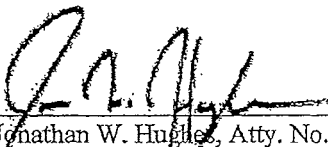
reached, unless otherwise agreed by all Settling Parties in a writing that is filed with the Commission. All settlement discussion shall be treated as privileged and confidential.

21. **Agreement is Binding on Successors and Assigns.** The Settling Parties stipulate and agree that Fort Wayne's service touches and concerns each of the properties served by Fort Wayne's utility, and this Settlement Agreement shall inure to the benefit of, and be binding upon, each Settling Party's successors, heirs, and assigns.

22. **Resolution of Pending Matters.** With approval of the Settlement Agreement, all pending motions and disputes between the Settling Parties are rendered moot and withdrawn.

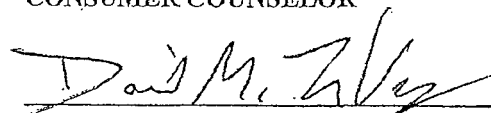
23. **Confidentiality.** The parties recognize that certain confidential information has been shared through discovery in this matter. Among such information includes (but is not limited to) the confidential usage data of General Motors and the confidential electronic Cost of Service Study performed by Kerry Heid for Fort Wayne in Cause No. 44162. Each of the parties to the Settlement Agreement has entered into a confidentiality agreement with Fort Wayne and the parties shall treat all such confidential information as confidential information in accordance with such agreement(s).

CITY OF FORT WAYNE



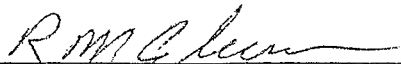
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INDIANA OFFICE OF THE UTILITY
CONSUMER COUNSELOR



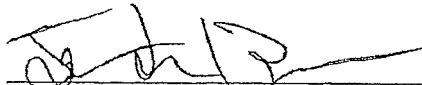
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Settlement Exhibit A

FORT WAYNE MUNICIPAL WATER UTILITY

Settlement Exhibit A

SETTLEMENT REVENUE REQUIREMENTS AND ATB TARIFF
NON-CONTRACT CUSTOMERS

	Phase I				Phase II				Phase III			
	Per OUCC	Per Settlement Revised	Ref	Variance	Per OUCC	Per Settlement Revised	Ref	Variance	Per OUCC	Per Settlement Revised	Ref	Variance
Operating Expenses*	\$24,231,062	\$24,231,062		\$ -	\$24,231,062	\$24,231,062		\$ -	\$24,231,062	\$24,231,062		\$ -
Taxes Other Than Income*	1,249,723	1,250,736	1	1,013	1,277,419	1,285,110	1	7,691	1,317,165	1,324,315	1	7,150
Extensions and Replacements	9,187,000	9,437,000	2	250,000	11,294,500	11,544,500	2	250,000	14,766,000	15,016,000	2	250,000
Payment in Lieu of Taxes	3,169,188	3,169,188		-	3,359,339	3,359,339		-	3,560,899	3,560,899		-
Debt Service												
Current Bonds	12,184,263	12,184,263		-	10,730,623	10,730,623		-	10,747,980	10,747,980		-
Proposed Bonds	508,683	508,683		-	2,513,169	2,513,169		-	2,515,240	2,515,240		-
Lease Payment	66,788	66,788		-	66,788	66,788		-	66,788	66,788		-
Debt Service Reserve	703,086	703,086		-	703,086	703,086		-	-	-		-
Total Revenue Requirements	51,299,793	51,550,806		251,013	54,175,986	54,433,677		257,691	57,205,134	57,462,284		257,150
Less Revenue Requirements Offsets:												
Interest Income	(171,684)	(171,684)		-	(171,684)	(171,684)		-	(171,684)	(171,684)		-
Miscellaneous Service Revenues	(270,192)	(270,192)		-	(270,192)	(270,192)		-	(270,192)	(270,192)		-
Other Water Revenues	(986,664)	(986,664)		-	(986,664)	(986,664)		-	(986,664)	(986,664)		-
Additional Non-Recurring Charges	(275,494)	(275,494)		-	(275,494)	(275,494)		-	(275,494)	(275,494)		-
Net Revenue Requirements	49,595,759	49,846,772		251,013	52,471,952	52,729,643		257,691	55,501,100	55,758,250		257,150
Less: Rev at current rates subj to increase	(47,564,812)	(47,567,488)	3	(2,676)	(49,557,345)	(49,815,961)		(258,616)	(52,434,581)	(52,692,811)		(258,230)
Net Revenue Increase Required	2,030,947	2,279,284		248,337	2,914,607	2,913,682		(925)	3,066,519	3,065,439		(1,080)
Additional Utility Receipts Tax	27,696	35,299	1	7,603	39,746	40,285	1	539	41,818	42,394	1	576
Recommended Increase	\$2,058,643	\$2,314,583		\$255,940	\$2,954,353	2,953,967		(\$386)	\$3,108,337	\$3,107,833		(\$504)
Recommended Percentage Increase	4.33%	4.87%		0.54%	5.96%	5.93%		-0.03%	5.93%	5.90%		-0.03%
<u>Current Rate for 535 cubic feet</u>												
(including public fire protection surcharge)	OUCC	Settlement		Settlement More (Less)	OUCC	Settlement		Settlement More (Less)	OUCC	Petitioner		Settlement More (Less)
Inside Current Rate = \$22.78	\$23.78	\$23.90		\$0.12	\$25.20	\$25.33		\$0.13	\$26.72	\$26.84		\$0.12
Outside Current Rate = \$26.26	27.08	27.24		0.16	28.49	28.65		0.16	29.98	30.08		0.10

* Payroll taxes moved from operating expense to taxes other than income for comparison purposes.

FORT WAYNE MUNICIPAL WATER UTILITY

Settlement Exhibit A

SETTLEMENT REVENUE REQUIREMENTS AND ATB TARIFF
NON-CONTRACT CUSTOMERS

	Phase IV				Phase V			
	Per OUCC	Per Settlement Revised	Ref	Variance	Per OUCC	Per Settlement Revised	Ref	Variance
Operating Expenses*	\$24,231,062	\$24,231,062		\$ -	\$24,231,062	\$24,231,062		\$ -
Taxes Other Than Income*	1,358,983	1,365,519	1	6,536	1,402,909	1,408,692	1	5,783
Extensions and Replacements	16,702,500	16,952,500	2	250,000	17,397,000	17,647,000	2	250,000
Payment in Lieu of Taxes	3,774,553	3,774,553		-	4,001,026	4,001,026		-
Debt Service								
Current Bonds	10,749,619	10,749,619		-	10,775,995	10,775,995		-
Proposed Bonds	3,244,028	3,244,028		-	5,375,479	5,375,479		-
Lease Payment	66,788	66,788		-	66,788	66,788		-
Debt Service Reserve	255,450	255,450		-	510,900	510,900		-
Total Revenue Requirements	60,382,983	60,639,519		256,536	63,761,159	64,016,942		255,783
Less Revenue Requirements Offsets:								
Interest Income	(171,684)	(171,684)		-	(171,684)	(171,684)		-
Miscellaneous Service Revenues	(270,192)	(270,192)		-	(270,192)	(270,192)		-
Other Water Revenues	(986,664)	(986,664)		-	(986,664)	(986,664)		-
Additional Non-Recurring Charges	(275,494)	(275,494)		-	(275,494)	(275,494)		-
Net Revenue Requirements	58,678,949	58,935,485		256,536	62,057,125	62,312,908		255,783
Less: Rev at current rates subj to increase	<u>(55,457,873)</u>	<u>(55,715,599)</u>		<u>(257,726)</u>	<u>(58,626,598)</u>	<u>(58,883,729)</u>		<u>(257,131)</u>
Net Revenue Increase Required	3,221,076	3,219,886		(1,190)	3,430,527	3,429,179		(1,348)
Additional Utility Receipts Tax	43,926	44,521	1	595	46,782	47,373	1	591
Recommended Increase	<u>\$3,265,002</u>	<u>\$3,264,407</u>		<u>(\$595)</u>	<u>\$3,477,309</u>	<u>\$3,476,552</u>		<u>(\$757)</u>
Recommended Percentage Increase	<u>5.89%</u>	<u>5.86%</u>		<u>-0.03%</u>	<u>5.93%</u>	<u>5.90%</u>		<u>-0.03%</u>

Current Rate for 535 cubic feet
(including public fire protection surcharge)

Inside Current Rate = \$22.78
Outside Current Rate = \$26.26

Proposed		Settlement	Proposed		Settlement
OUCC	Petitioner	More (Less)	OUCC	Petitioner	More (Less)
\$28.27	\$28.39	\$0.12	\$29.93	\$30.06	\$0.13
31.37	31.52	0.15	32.97	33.06	0.09

* Payroll taxes moved from operating expense to taxes other than income for comparison purposes.

FORT WAYNE MUNICIPAL WATER UTILITY

Settlement Exhibit A

SETTLEMENT REVENUE REQUIREMENTS AND ATB TARIFF
NON-CONTRACT CUSTOMERS
(Inside City)

Metered Rates - Monthly (Per 100 Cubic Feet)		Present (I)	Proposed Rates				
			I (4.87%)	II (5.93%)	III (5.90%)	IV (5.86%)	V (5.90%)
First	2,500 cubic feet	\$2.07	\$2.17	\$2.30	\$2.44	\$2.58	\$2.73
Next	9,500 cubic feet	1.93	2.02	2.14	2.27	2.40	2.54
Over	12,000 cubic feet	1.88	1.97	2.09	2.21	2.34	2.48
Service Charge - Monthly							
5/8 inch meter		\$9.18	\$9.64	\$10.21	\$10.81	\$11.44	\$12.11
3/4 inch meter		9.18	9.64	10.21	10.81	11.44	12.11
1 inch meter		23.40	24.55	26.01	27.54	29.15	30.87
1 1/2 inch meter		52.42	54.98	58.24	61.68	65.29	69.14
2 inch meter		92.99	97.53	103.31	109.40	115.81	122.64
2 1/2 inch meter		92.99	97.53	103.31	109.40	115.81	122.64
3 inch meter		209.38	219.59	232.61	246.33	260.76	276.14
4 inch meter		372.21	390.35	413.50	437.90	463.56	490.91
6 inch meter		837.06	877.83	929.88	984.74	1,042.45	1,103.95
8 inch meter		1,488.49	1,560.99	1,653.56	1,751.12	1,853.74	1,963.11
10 inch meter		2,325.55	2,438.81	2,583.43	2,735.85	2,896.17	3,067.04
12 inch meter		2,325.55	2,438.81	2,583.43	2,735.85	2,896.17	3,067.04
Fire Protection Services							
Public Fire Protection Surcharge - Monthly							
5/8 inch meter		\$2.53	\$2.65	\$2.81	\$2.98	\$3.15	\$3.34
3/4 inch meter		2.53	2.65	2.81	2.98	3.15	3.34
1 inch meter		6.47	6.79	7.19	7.61	8.06	8.54
1 1/2 inch meter		14.55	15.26	16.16	17.11	18.11	19.18
2 inch meter		25.87	27.13	28.74	30.44	32.22	34.12
2 1/2 inch meter		40.43	42.40	44.91	47.56	50.35	53.32
3 inch meter		58.22	61.06	64.68	68.50	72.51	76.79
4 inch meter		103.50	108.54	114.98	121.76	128.90	136.51
6 inch meter		232.87	244.21	258.69	273.95	290.00	307.11
8 inch meter		414.00	434.16	459.91	487.04	515.58	546.00
10 inch meter		646.87	678.37	718.60	761.00	805.59	853.12
12 inch meter		931.49	976.85	1,034.78	1,095.83	1,160.05	1,228.49
Private Fire Protection Charge - Monthly							
1 inch connection		\$0.29	\$0.30	\$0.32	\$0.34	\$0.36	\$0.38
1 1/2 inch connection		0.84	0.88	0.93	0.98	1.04	1.10
2 inch connection		1.79	1.88	1.99	2.11	2.23	2.36
2 1/2 inch connection		3.23	3.39	3.59	3.80	4.02	4.26
3 inch connection		5.20	5.45	5.77	6.11	6.47	6.85
4 inch connection		11.09	11.63	12.32	13.05	13.81	14.62
6 inch connection		32.23	33.80	35.80	37.91	40.13	42.50
8 inch connection		68.67	72.01	76.28	80.78	85.51	90.56
10 inch connection		123.50	129.51	137.19	145.28	153.79	162.86
12 inch connection		199.49	209.21	221.62	234.70	248.45	263.11
16 inch connection		425.12	445.82	472.26	500.12	529.43	560.67
Private Hydrant Rental - Monthly		\$32.23	\$33.80	\$35.80	\$37.91	\$40.13	\$42.50

(Continued on next page)

FORT WAYNE MUNICIPAL WATER UTILITY

Settlement Exhibit A
(Cont'd)SETTLEMENT REVENUE REQUIREMENTS AND ATB TARIFF
NON-CONTRACT CUSTOMERS
(Outside City)

<u>Metered Rates - Monthly (Per 100 Cubic Feet)</u>		<u>Present (I)</u> (15%)	<u>Proposed Rates</u>				
			<u>I</u> (14%)	<u>II</u> (13%)	<u>III</u> (12%)	<u>IV</u> (11%)	<u>V</u> (10%)
First	2,500 cubic feet	\$2.39	\$2.47	\$2.60	\$2.73	\$2.86	\$3.00
Next	9,500 cubic feet	2.23	2.30	2.42	2.54	2.66	2.79
Over	12,000 cubic feet	2.17	2.25	2.36	2.48	2.60	2.73
<u>Service Charge - Monthly</u>							
5/8 inch meter		\$10.56	\$11.01	\$11.56	\$12.13	\$12.72	\$13.34
3/4 inch meter		10.56	11.01	11.56	12.13	12.72	13.34
1 inch meter		26.91	28.01	29.41	30.86	32.38	33.98
1 1/2 inch meter		60.29	62.70	65.83	69.10	72.49	76.07
2 inch meter		106.93	111.20	116.76	122.55	128.57	134.92
2 1/2 inch meter		106.93	111.20	116.76	122.55	128.57	134.92
3 inch meter		240.78	250.35	262.87	275.91	289.46	303.77
4 inch meter		428.04	445.02	467.27	490.47	514.57	540.02
6 inch meter		962.61	1,000.74	1,050.78	1,102.93	1,157.14	1,214.36
8 inch meter		1,711.77	1,779.55	1,868.54	1,961.27	2,057.67	2,159.44
10 inch meter		2,674.37	2,780.26	2,919.29	3,064.17	3,214.77	3,373.76
12 inch meter		2,674.37	2,780.26	2,919.29	3,064.17	3,214.77	3,373.76
<u>Fire Protection Services</u>							
<u>Public Fire Protection Surcharge - Monthly Charge:</u>							
5/8 inch meter		\$2.91	\$3.02	\$3.18	\$3.34	\$3.50	\$3.67
3/4 inch meter		2.91	3.02	3.18	3.34	3.50	3.67
1 inch meter		7.44	7.74	8.12	8.52	8.95	9.39
1 1/2 inch meter		16.74	17.40	18.26	19.16	20.10	21.10
2 inch meter		29.76	30.93	32.48	34.09	35.76	37.53
2 1/2 inch meter		46.49	48.34	50.75	53.27	55.89	58.65
3 inch meter		66.95	69.61	73.09	76.72	80.49	84.47
4 inch meter		119.02	123.74	129.93	136.37	143.08	150.16
6 inch meter		267.80	278.40	292.32	306.82	321.90	337.82
8 inch meter		476.09	494.94	519.70	545.48	572.29	600.60
10 inch meter		743.90	773.34	812.02	852.32	894.20	938.43
12 inch meter		1,071.21	1,113.61	1,169.30	1,227.33	1,287.66	1,351.34
<u>Private Fire Protection Charge - Monthly</u>							
1 inch connection		\$0.34	\$0.34	\$0.36	\$0.38	\$0.40	\$0.42
1 1/2 inch connection		0.97	1.00	1.05	1.10	1.15	1.21
2 inch connection		2.06	2.14	2.25	2.36	2.48	2.60
2 1/2 inch connection		3.71	3.86	4.06	4.26	4.46	4.69
3 inch connection		5.99	6.21	6.52	6.84	7.18	7.54
4 inch connection		12.76	13.26	13.92	14.62	15.33	16.08
6 inch connection		37.06	38.53	40.45	42.46	44.54	46.75
8 inch connection		78.98	82.09	86.20	90.47	94.92	99.62
10 inch connection		142.03	147.64	155.02	162.71	170.71	179.15
12 inch connection		229.41	238.50	250.43	262.86	275.78	289.42
16 inch connection		488.89	508.23	533.65	560.13	587.67	616.74
Private Hydrant Rental - Monthly		\$37.06	\$38.53	\$40.45	\$42.46	\$44.54	\$46.75

Settlement Exhibit B

FORT WAYNE MUNICIPAL WATER UTILITY

Settlement Exhibit B

SCHEDULE OF PRESENT AND PROPOSED RATES AND CHARGES

			Proposed Rates					
			Present (1)	I	II	III	IV	V
<u>Large Industrial Contract Customer</u>								
<u>Commodity Charge (per 100 cubic feet)</u>								
First	2,500 cubic feet	\$2.10	\$2.20	\$2.33	\$2.47	\$2.61	\$2.76	
Next	9,500 cubic feet	1.94	2.03	2.15	2.28	2.41	2.55	
Over	12,000 cubic feet	1.84	1.84	1.87	1.96	2.05	2.15	
-Monthly Service Charge for each Meter			(Based on Meter Size - Same as Outside-City Rates)					
-Fire Protection Service - 10" line			(Based on Meter Size - Same as Outside-City Rates)					

(1) Rates effective January 1, 2017 per IURC Order 44162.

Settlement Exhibit C

FORT WAYNE MUNICIPAL WATER UTILITY

Settlement Exhibit C

SCHEDULE OF PRESENT AND PROPOSED RATES AND CHARGES

	Present (1)	Proposed Rates				
		I	II	III	IV	V
<u>City of New Haven Contract Rate:</u>						
Monthly Demand Charge	\$12,110.10	\$11,383.19	\$12,136.30	\$12,930.01	\$13,764.87	\$14,654.68
Commodity Charge:						
- Rate per Hundred Cubic Feet	\$1.6849	\$1.6849	\$1.7126	\$1.7932	\$1.8778	\$1.9684
-Monthly Service Charge for each Meter		(Based on Meter Size - Same as In-City Rates)				
-Fire Protection Services for each Meter		(Based on Meter Size - Same as In-City Rates for Private Fire Protection)				

(1) Rates effective January 1, 2017 per IURC Order 44162.

Settlement Exhibit D

<u>Meter Size</u> (inches)	<u>Meter Ratio</u>	<u>Proposed SDC</u>
5/8	1.0	\$580
3/4	1.5	870
1	2.5	1,450
1 1/2	5.0	2,900
2	8.0	4,640
3	15.0	8,700
4	25.0	14,500
6	50.0	29,000
8	80.0	46,400
10	115.0	66,700