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INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF INDIANA-AMERICAN WATER)
COMPANY, INC. (“INDIANA AMERICAN”) FOR (1))
APPROVAL OF ITS LEAD SERVICE LINE PLAN)
PURSUANT TO IND. CODE CHAP. 8-1-31.6 AND (2))
APPROVAL OF ASSOCIATED CHANGES TO)
INDIANA AMERICAN’S RULES AND)
REGULATIONS FOR WATER SERVICE.)**

CAUSE NO. 45043

OUCR REDACTED TESTIMONY

OF

CYNTHIA M. ARMSTRONG – PUBLIC’S EXHIBIT NO. 1

ON BEHALF OF THE

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

APRIL 13, 2018

Respectfully Submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



Scott Franson, Atty. No. 27839-49
Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Office of Utility Consumer Counselor Redacted Testimony Cynthia M. Armstrong* has been served upon the following counsel of record in the captioned proceeding by electronic service on April 13, 2018.

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OUCC REDACTED TESTIMONY OF CYNTHIA M. ARMSTRONG
CAUSE NO. 45043
INDIANA-AMERICAN WATER COMPANY, INC.

1 **Q: Please state your name and business address.**

2 A: My name is Cynthia M. Armstrong, and my business address is 115 W. Washington
3 St., Suite 1500 South, Indianapolis, IN, 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed as a Senior Utility Analyst in the Electric Division for the Indiana
6 Office of Utility Consumer Counselor ("OUCC"). A summary of my qualifications
7 can be found in Appendix A.

I. INTRODUCTION

8 **Q: What is the purpose of your testimony in this proceeding?**

9 A: The purpose of my testimony is to address Indiana-American Water Company,
10 Inc.'s ("Indiana-American") proposed Customer Lead Service Line Replacement
11 Plan ("LSLR Plan" or "Plan"). Specifically, I address areas of the Plan that are
12 either lacking detail or need revision before they are suitable for approval. While
13 the Plan lacks sufficient detail in many areas, I still recommend approval of Indiana
14 American's LSLR Plan under the condition that Indiana American makes the
15 OUCC's recommended changes to the program and supplies additional information
16 through an Annual Report for the program.

17 **Q: What did you do to prepare for your testimony?**

18 A: I reviewed the Verified Petition, Direct Testimony, Exhibits, and Data Responses
19 submitted by Indiana-American in this Cause. I have also researched the health
20 risks of lead, sources of lead, the Lead and Copper Rule, and potential benefits and
21 risks of partial and full lead service line replacements.

1 **Q: What is Indiana-American requesting in this Cause?**

2 A: Indiana-American is requesting the Commission to approve its Customer Lead
3 Service Line Replacement Plan pursuant to Ind. Code 8-1-31.6, which will allow
4 Indiana-American to recover the costs of customer lead service line improvements
5 as eligible infrastructure improvements under Ind. Code 8-1-31. Indiana-American
6 is also requesting an Addendum to Section 4 of its Rules and Regulations.

II. LEAD EXPOSURE CONCERNS

7 **Q: What concerns does exposure to lead raise?**

8 A: Lead is a neurotoxin that is classified as a persistent, bioaccumulative, and toxic
9 (“PBT”) chemical. PBT chemicals are a class of chemicals that resist degradation
10 and persist in the environment for an extensive time period, and when inhaled,
11 ingested, or consumed, they bioaccumulate in the fat tissues, bones, and brains of
12 organisms. Exposure to lead can have severe health impacts on humans and can
13 lead to death at high doses. Lead primarily targets the nervous system, but
14 cardiovascular, kidney, digestive, and reproductive impacts have also been noted
15 with high levels of exposure. There is no conclusive proof that lead causes cancer,
16 but the United States Environmental Protection Agency (“EPA”) has determined
17 that lead is a probable human carcinogen.¹

18 Children are more sensitive to the health effects of lead than adults, and no safe
19 blood level in children has been determined. They have more severe symptoms at
20 lower exposures than adults. Infants and young children also have more

¹ Agency for Toxic Substances and Disease Registry (ATSDR). (August 2007.) Toxicological Profile for Lead. <https://www.atsdr.cdc.gov/toxprofiles/tp13.pdf>.

1 opportunities for exposure through other ingestion pathways because they are more
2 likely to put their hands into their mouths after they may have come in contact with
3 lead-laden particles or lead-contaminated objects such as paint chips or soil.
4 Exposures in infancy or early childhood can have significant negative impacts on
5 blood, development, or behavior. Even exposures at less severe levels may slow
6 mental development and cause lower intelligence later in childhood. These effects
7 may persist beyond childhood.²

8 While water utilities must treat and meet standards for lead before water is sent
9 from the drinking water treatment facility, one of the greatest risk of lead exposure
10 to customers occurs as a result of sending the water through the distribution system.
11 Lead can enter drinking water when service pipes or household plumbing that
12 contain lead corrode. Homes built before 1986 are more likely to have lead pipes,
13 fixtures and solder. The EPA's Lead and Copper Rule ("LCR") addresses this
14 exposure by requiring drinking water providers to collect and test tap water from a
15 certain number of households likely to have lead piping. If 10 percent or more of
16 the samples tested exceed the action level of 15 parts per billion ("ppb") or
17 micrograms per liter (ug/L), the water provider must take steps to further treat or
18 reduce customer's lead exposure, including adding corrosion control treatments to
19 the water supply or replacing company-owned portions of lead service lines with
20 lead-free materials.³

² *Id.*

³ <https://www.epa.gov/dwreginfo/lead-and-copper-rule>.

1 **Q: Are Indiana-American's service territories in compliance with the LCR?**

2 A: Yes. OUCC Attachment CMA-1 shows Indiana-American's most recent lead
3 testing results as reported in its Consumer Confidence Reports and General Water
4 Quality Reports. Although all service territories meet the standard, there are a few
5 systems that are close to the 15 ppb standard.

6 **Q: Is replacement of lead service lines ("LSLs") an effective way to reduce the
7 level of lead in drinking water?**

8 A: Many experts believe that full lead service line replacement ("LSLR") is the best
9 method to reduce lead in drinking water and that partial lead service line
10 replacement ("PLSLR") should be avoided if possible. When reviewing possible
11 revisions for the Lead and Copper Rule, the EPA National Drinking Water
12 Advisory Council ("NDWAC") stated that the most proactive way to improve
13 public health protection from lead in drinking water is to remove full lead service
14 lines from contact with drinking water to the fullest extent possible, and that
15 reduction of lead exposure via drinking water could not be achieved by the LCR
16 alone. The NDWAC also noted that PLSLRs were not preferable treatment methods
17 for reducing lead, as they may increase lead levels in household drinking water, and
18 recommended that stronger corrosion control methods be implemented in cases
19 where full LSLR was not possible.⁴

⁴ National Drinking Water Advisory Council (December 15, 2015). Recommendations to the Administrator for the Long Term Revisions to the Lead and Copper Rule. <https://www.epa.gov/sites/production/files/2016-01/documents/ndwacrecommtoadmin121515.pdf>. See also, Final Report of the Lead and Copper Rule Working Group To the National Drinking Water Advisory Council. (August 24, 2015). <https://www.epa.gov/sites/production/files/2016-01/documents/ndwaclcrwgfinalreportaug2015.pdf>.

1 As a part of responding to a public health concern from elevated lead levels
2 in the Washington, D.C. drinking water system, the Centers for Disease Control
3 (“CDC”) analyzed blood lead levels of children and compared children living in
4 residences with lead service lines with those residing in homes with no lead service
5 line. The CDC’s study showed that lead blood levels of children residing in homes
6 with LSLs were higher than those that did not have LSLs.⁵ Furthermore, the CDC
7 noted that when lead service lines were partially replaced, children were more likely
8 to have blood lead levels greater than or equal to 10 ug/dL,⁶ compared to children
9 living in housing with either undisturbed lead service lines or service lines that are
10 not made of lead.⁷ At that time, the CDC did not have adequate data on full LSLRs,
11 but suggested also replacing the customer owned portion as a possible solution for
12 reducing exposure to lead in homes where the utility planned to replace the public
13 portion of the LSL. Other studies have shown that lead levels can significantly
14 worsen with PLSLRs, especially with copper replacements.⁸

15 There does not appear to be many studies evaluating the effectiveness of
16 full LSLR or the potential for lead levels to increase immediately after full LSLR.

17 There is likely to be short-term increase of lead water levels following replacement

⁵ CDC. (May 20, 2010). *Important update: Washington, .D.C. Blood Lead Level Tests*.
https://www.cdc.gov/nceh/lead/blood_levels.htm.

⁶ The CDC’s reference level, or the blood lead level at which the CDC recommends that public health actions be initiated, was 10 ug/dL when it initiated the D.C. Study. The agency updated the reference level to 5 ug/dL in 2012.

⁷ CDC. (Jan. 12, 2010). *Important update: Lead-based Water Lines*.
<https://www.cdc.gov/nceh/lead/waterlines.htm>.

⁸ Renner, R. (May 2010.) *Environmental Health Perspectives*, 118 (5). *Reaction to the Solution: Lead Exposure Following Partial Service Line Replacement*.
See also, Liebert, M. (January 22, 2016). *New study identifies lead exposure risk of water pipe replacement*. <https://phys.org/news/2016-01-exposure-pipe.html>.

1 as there could be some disturbance of lead particles within plumbing structures.
2 However, a study published in Environmental Science and Technology comparing
3 PLSLRs to full LSLRs showed that full LSLR led to a 50% decrease in lead levels
4 after three days and continued to significantly decrease six months after
5 replacements. Conversely, PLSLRs more than doubled the lead water levels in the
6 short-term and did not reduce lead over the long-term.⁹

III. REVIEW OF PROPOSED LSLR PLAN

7 **Q: What criteria must a utility address in its plan for replacement of customer-**
8 **owned lead service lines in order to obtain approval from the Commission?**

9 A: According to Ind. Code 8-1-31.6-6 (a), the utility's plan must address the following
10 ten criteria:

- 11 1. The availability of grants or low interest loans and how the water utility
12 plans to use available grants or low interest loans to help the water utility
13 finance or reduce the cost of the customer lead service line
14 improvements for the water utility and the water utility's customers,
15 including any arrangements for the customer to receive available grants
16 or financing directly.
- 17 2. A description of how the replacement of customer owned lead service
18 lines will be accomplished in conjunction with distribution system
19 infrastructure replacement projects.
- 20 3. The estimated savings in costs per service line that would be realized by
21 the water utility replacing the customer owned portion of the lead
22 service lines versus the anticipated replacement costs if customers were
23 required to replace the customer owned portion of the lead service lines.
- 24 4. The number of lead mains and lead service lines estimated to be part of
25 the water utility's system.

⁹ Trueman, *et al.* (June 2016). Environmental Science and Technology, 50 (14). *Evaluating the effects of full and partial service line replacement on drinking water lead levels*. Abstract available at: <https://pubs.acs.org/doi/ipdf/10.1021/acs.est.6b01912>.

- 1 5. A range for the number of customer owned lead service lines estimated
2 to be replaced annually.
- 3 6. A range for the total feet of lead mains estimated to be replaced
4 annually.
- 5 7. The water utility's proposal for addressing the costs of unusual site
6 restoration work necessitated by structures or improvements located
7 above the customer owned portion of the lead service lines.
- 8 8. The water utility's proposal for:
9 (A) communicating with the customer the availability of the water
10 utility's plan to replace the customer owned portion of the lead
11 service line in conjunction with the water utility's replacement of the
12 utility owned portion of the lead service line; and
13 (B) documenting the customer's consent or lack of consent to replace
14 the customer owned portion of the lead service line.
- 15 9. The water utility's proposal concerning whether the water utility or the
16 customer will be responsible for future replacement or repair of the
17 portion of the new service line corresponding to the previous customer
18 owned lead service line.
- 19 10. The estimated total cost to replace all customer owned portions of the
20 lead service lines within or connected to the water utility's system and
21 an estimated range for the annual cost to be incurred by the water utility
22 under the water utility's plan.

23 The Commission must approve a water utility's plan if it finds the plan to be
24 reasonable and in the public interest. (Ind. Code 8-1-31.6-6 (b)).

25 **Q: Does Indiana-American's LSLR Plan address these 10 criteria?**

26 A: While Indiana-American addresses the ten criteria in its LSLR Plan, the OUCC has
27 concerns regarding both the lack of detail and supporting materials for information
28 presented within the Plan and with Indiana-American's proposed execution of
29 certain components of the Plan.

1 **Q: You have concerns with the incomplete information Indiana-American**
2 **provided in its Plan. Does this mean the OUCC recommends the Commission**
3 **deny approval of the Plan?**

4 A: No. The OUCC does not want to prevent Indiana-American from beginning its
5 replacement of both company and customer-owned LSLs. The OUCC recognizes
6 it is important to begin providing relief to customers that have a risk of lead
7 exposure through LSLs. However, the OUCC does recommend that Indiana-
8 American be required to improve its LSLR Plan by supplying additional
9 information and incorporating my recommended changes, which I will explain later
10 in testimony.

11 **Q: What are your specific concerns with the Plan?**

12 A: I am concerned with 1) Indiana-American's description of low interest loans or
13 grants to fund the program, 2) how Indiana-American plans to accomplish the
14 replacement of customer owned lead service lines, 3) lack of measures to determine
15 the efficacy of the program, 4) its communication plan to customers with LSLs, 5)
16 the estimated length and cost of the program, and 6) Indiana-American's request to
17 change the eligibility of service requirements for properties that have been inactive
18 for 24 or more consecutive months.

Low Interest Loans and Grants

19 **Q: What are your concerns with Indiana-American's Plan describing the**
20 **availability of low-interest loans and grants?**

21 A: The concern involves more the lack of detail describing other potential funding
22 sources that could lower program costs. For example, Indiana-American did not
23 mention specific grants that could become available to the State of Indiana as a
24 result of the Water Infrastructure Improvements for the Nation ("WIIN") Act,

1 which Congress has appropriated up to \$60,000,000 in funding to the states for lead
2 reduction projects in fiscal years 2017 through 2021¹⁰. Indiana-American should
3 inform the Commission of this grant so the Commission can consider the potential
4 future benefit in its decision process. Additionally, while Indiana-American
5 focused significantly on the low interest loans, grants, and State Revolving Fund
6 (“SRF”) Loan Program funds, which the Indiana Finance Authority (“IFA”)
7 oversees, Indiana-American did not provide any details as to where it was in the
8 process of applying for such loans or how it will inform the Commission, the
9 OUCC, and other interested parties that it has received such loans.

10 This can be rectified through an annual reporting process, where Indiana-
11 American provides a status update on its application for the low or zero interest
12 loans or any grants the IFA is making available for lead service line replacement
13 programs. Ideally, the Annual Report would also be supplemented with an in-
14 person discussion with the Commission, the OUCC and any other interested parties.
15 This will allow for questions and feedback on any concerns that may arise. I
16 recommend annual reporting of other components of the Plan below, so this funding
17 status update should be a section of the Annual Report provided to the Commission,
18 the OUCC, and other interested parties.

Incorporating Lead into the Prioritization Model

¹⁰ Water Infrastructure Improvements for the Nation Act. Public Law 114-322 (Dec. 16, 2016). Section 2105.

1 **Q: Please explain your concerns with how Indiana-American plans to replace**
2 **customer-owned service lines.**

3 A: The main concern I have with respect to Indiana-American's proposed Plan
4 implementation is that it does not appear to be based on the areas that may currently
5 be the most at risk for higher lead levels. Instead, the replacement order of LSLs
6 proposed in the Plan is largely driven by Indiana-American's existing prioritization
7 model. If Indiana-American identifies LSLs connected to a water main that is
8 scheduled for replacement according to its prioritization model, or if an
9 unscheduled main fails, the LSLs will be replaced in conjunction with the main
10 replacement. Additionally, leaking or damaged LSLs will be replaced as soon as
11 possible in accordance with traditional leak repairs. LSLs on mains that are not at
12 the end of their useful lives and are not scheduled for replacement will be replaced
13 at a time Indiana-American determines is most efficient for resource allocation.
14 Indiana-American states that the Company will consider special situations for re-
15 prioritizing LSL replacements, such as being notified by the Indiana Department of
16 Health ("ISDH") of higher lead levels in a particular area or a U.S. Department of
17 Housing and Urban Development ("HUD") lead remediation program. However,
18 Indiana-American will not be replacing customer LSLs upon an individual
19 customer's request.

20 Indiana-American's Plan makes sense logistically, but it does not address
21 the overall goal of limiting the customers' risk of lead exposure through LSL
22 corrosion. A situation could arise where customers are being exposed to higher lead
23 levels than other Indiana American customers with LSLs, but since their service
24 lines are not on the prioritization route, leaking, higher than the required action

1 level under the Lead and Copper Rule, or high enough to warrant concern from the
2 Department of Health, their LSLs might not be replaced for many years. If customer
3 lead exposure is a risk, then it should be a major factor in driving the LSLR
4 prioritization. As I mentioned previously, Indiana-American's service areas are
5 currently in compliance with the Lead and Copper Rule's requirements. However,
6 there are service areas close to the 15 ppb action level or Indiana American has
7 collected samples in the service area that have tested above that action level. These
8 areas would include the Richmond, Northwest Operations, Wabash, Winchester,
9 and Farmersburg service areas.¹¹ While Indiana-American has identified the
10 Northwest Indiana, Winchester, and Richmond districts as having the highest
11 percentage of LSLs in its service areas, the Plan does not address whether these
12 areas are going to be replaced before other areas.

13 Indiana-American states that it has not yet incorporated a factor relating to
14 lead service lines into its prioritization model, but it is contemplating this for future
15 prioritization model runs.¹² I recognize that Indiana-American's proposal for
16 replacing LSLs while it's replacing connecting mains is a more cost efficient way
17 to replace LSLs, but a factor that takes lead into consideration in determining
18 project prioritization is crucial to the program's effectiveness. Therefore, I
19 recommend Indiana-American be required to incorporate measured lead water
20 levels as well as the concentration of lead service lines within an area into its
21 prioritization model for infrastructure improvements. I also recommend that

¹¹ OUCC Attachment CMA-1, Indiana-American Water Quality Information.

¹² OUCC Attachment CMA-2, Indiana-American Response to OUCC DR 1-23.

1 Indiana-American's methods and progress toward incorporating these factors into
2 its prioritization model be reported as part of the Annual Report I recommend for
3 Indiana-American's LSLR program.

Lead Testing to Determine Program Effectiveness

4 **Q: What concerns do you have about the lack of measures to determine the**
5 **efficacy of the projects and what measures do you recommend to address this**
6 **concern?**

7 A: As I mentioned earlier in my testimony, while the EPA and CDC indicate that full
8 lead service line replacement is the most preferable method for addressing lead in
9 drinking water, there do not appear to be many studies indicating the short-term
10 impacts of full LSLR. Lead levels may increase for a short period of time following
11 LSL replacement, even when the line is fully-replaced. This is why Indiana-
12 American is providing instructions on flushing customer service lines immediately
13 after replacement and is offering to perform flushing for the customer and lead
14 testing after flushing.¹³

15 Indiana-American's LSLR program provides a real opportunity to collect
16 data on water lead levels before and immediately following a full lead service line
17 replacement. This data can be used to inform and improve future program
18 elements. It also presents the opportunity to stop replacements if they are found to
19 cause more harm than good. For this reason, I recommend that Indiana-American
20 be required to conduct testing both before and after replacement on a certain
21 percentage of residences participating in the LSLR program. It is necessary to
22 collect data before replacement to establish a baseline with which to compare data

¹³ OUCC Attachment CMA-3, Indiana-American's Responses to OUCC DR 4-1 through 4-4.

1 collected after replacement. In addition to the testing Indiana-American is already
2 offering 72 hours after flushing, I recommend that additional testing after three
3 months and between six to twelve months after replacement. The additional testing
4 at longer time intervals will allow Indiana-American to ensure that the full LSLRs
5 do not result in increased lead levels over the short or long term and are effective
6 at decreasing lead levels overall.

7 I recognize it is not possible to have Indiana-American perform this amount
8 of testing for every residence receiving an LSLR, but I recommend that Indiana-
9 American test enough residences to obtain a robust sample size for validating the
10 effectiveness of full LSLRs. This testing would likely not need to be continued into
11 later years of the LSLR program, as enough data would have been collected to
12 inform Indiana-American, the Commission, the OUCC, and any other interested
13 parties. The additional testing will add to program costs. Indiana-American
14 estimates the cost of its proposed testing measures to cost approximately [REDACTED] per
15 test, but [REDACTED].¹⁴ The results of such tests
16 should be provided in the recommended Annual Report.

Communication Plan

17 **Q: What are your concerns with Indiana-American's communication plan for the**
18 **LSLR Plan?**

19 **A:** I have multiple concerns regarding Indiana-American's communication plan for
20 LSLRs. Indiana-American's LSLR Plan is ambitious and is likely to be a very

¹⁴ OUCC Confidential Attachment CMA-4, Indiana-American's Confidential Response to OUCC DR 4-1(a).

1 intrusive activity on customers. Effective customer communication will be key to
2 preventing mass confusion, anger, or refusal to participate in the program.

3 First, I am concerned about the information being presented in the written
4 materials. The written materials Indiana-American provides as part of its
5 communication plan contain a lot of information, but they need to be simple and
6 easy to understand for all customers. For example, Louisville Water, when
7 undertaking its LSL Replacement plan, found that the term “flushing the water line”
8 was confusing to customers, and several customers thought it simply meant to flush
9 a toilet. The company had to redesign its materials and create a visual that explained
10 the correct way to flush the lines.¹⁵ I recognize that being able to improve written
11 customer communications will be a trial and error process for the company, but
12 Indiana-American needs to be prepared to possibly change these materials as it
13 proceeds through the program. Indiana-American should also take advantage of the
14 lessons other water utilities, such as Louisville Water, have learned through
15 undertaking their LSLR programs.

16 Next, it is important to ensure that Indiana-American is focusing on the
17 face-to-face element of communicating its LSLR efforts with customers.
18 Customers must be able to speak to Indiana-American personnel or contractors
19 qualified and knowledgeable enough on project specifics to provide answers to
20 questions that may not easily be answered by the written materials. Although
21 Indiana-American's materials provide project contact information, Indiana-

¹⁵ Smith, K. (April 2018). **Opflow**, 44 (4). *Lead Communication: It's Not What You Say but How You Say It*. <https://www.awwa.org/publications/opflow/abstract/articleid/71069302.aspx>.

1 American should make sure that there are enough staff available for responding to
2 customer questions or concerns on a particular project. For example, one individual
3 should not be the listed contact for all of the LSLRs in a service territory, as it would
4 be difficult for the individual to be able to promptly return phone calls if hundreds
5 of customers were impacted simultaneously. Additionally, Indiana-American needs
6 to train or coordinate training with its contractors to make sure that they are able to
7 effectively answer customer questions or concerns, as many customers may have
8 questions or issues as the work is being completed. Indiana-American did not
9 indicate that it would be completing specialized training with its contractors
10 regarding LSL replacement.¹⁶ Since Indiana-American personnel may not be on
11 site supervising its contractors,¹⁷ the contractor needs to be prepared to interact with
12 customers and respond to any basic questions or concerns they may have.
13 Additionally, there should be a known escalation process if the contractor cannot
14 address the customer's concerns such as referring the customer to the company
15 project contact.

16 I am also concerned Indiana-American is not communicating its LSLR Plan
17 to other important state agencies or organizations. In particular, it does not appear
18 that Indiana-American has shared or communicated its Plan to the Indiana State
19 Dept. of Health ("ISDH").¹⁸ The ISDH may be able to provide helpful input on the
20 Plan or how to communicate it to customers. At the very least, the ISDH needs to

¹⁶ OUCC Attachment CMA-5, Indiana-American's Responses to OUCC DRs 1-9 and 1-15.

¹⁷ *Id.*

¹⁸ OUCC Attachment CMA-6, Indiana American's Responses to OUCC DRs 1-11, 1-12, and 3-8.

1 be aware of the Plan, as it may receive calls from concerned constituents regarding
2 the information received from Indiana-American.

3 I recommend that Indiana-American provide updates on its efforts to
4 communicate LSLRs with customers, the ISDH, and other interested parties in the
5 Annual Report. This would include any changes that Indiana-American has found
6 necessary to improve customer communications as well as any lessons learned over
7 the previous year.

8 The final concern is how Indiana-American will communicate with
9 subsequent property owners at a location where the previous property owner has
10 refused customer LSL replacement. Since the program as proposed does not allow
11 a customer to receive LSLR after the company has been in the area, the next
12 property owner may not be aware that he or she has a LSL nor that they are
13 ineligible for the program as the previous owner refused replacement. Indiana-
14 American indicated to the OUCC that it is looking at a means to flag its billing
15 system to allow notification if an account is closed and a new customer requests
16 service at the location.¹⁹ I recommend that Indiana-American make these changes
17 to its system, if possible, to keep customers informed of their potential risk of
18 exposure to lead.

19 **Q: Do you have any other concerns about the Water Service Line Replacement**
20 **agreement?**

21 A: Yes. The agreement to have Indiana-American replace a customer's LSL contains
22 very broad indemnification language. This language unduly shifts all risk to the

¹⁹ OUCC Attachment CMA-7, Indiana-American's Responses to OUCC DRs 1-13, 1-22, 2-6, and 3-10.

1 customer for any acts or omissions of Indiana-American or its contractors. Any
2 potential liability for damage should already have been built into the estimate
3 Indiana-American provided for the replacement of the lead service lines and the
4 customers should not be held responsible for damage caused by Indiana-American
5 or the contractors Indiana-American has selected to replace the lead service
6 lines. Moreover, Indiana American is in the best position to negotiate
7 indemnification from its contractors and this risk should not be shifted to the
8 customer. Based on the OUCC's experience it is the normal course of business to
9 have the utility include indemnification provisions in the agreements reached with
10 the contractors it selects. I recommend the indemnification language be removed
11 from the Water Service Line Replacement agreement.

Estimated Program Costs

12 **Q: Please explain your concern with regard to the estimated program costs**
13 **provided by Indiana-American.**
14 A: Additional information was requested to support the \$3,500 estimated average cost
15 of replacement per line presented on page 8 of Indiana-American's LSLR Plan.
16 Indiana-American based this estimate on the cost of the 81 customer LSLRs it
17 performed in 2017.²⁰ I am concerned this historical average cost experienced over
18 a relatively small number of replacements may not be representative of efforts
19 going forward and therefore recommend that Indiana-American collect and report
20 similar cost information in Annual Report for the program. Since unusual site
21 restorations could also add significant cost to the program, I would also recommend

²⁰ OUCC Attachment CMA-8, Indiana-American's Responses to OUCC DR 1-14 and 2-2.

1 that the Annual Report contain the number and cost of replacements requiring
2 unusual site restorations and how these unusual site restorations were managed by
3 Indiana-American.

Program Length

4 **Q: Please explain your concerns with the proposed length of the program.**

5 A: I am concerned about the potential of the program to last 10 to 20 years with no
6 opportunity to reassess the effectiveness of the Plan and make necessary changes
7 to it. This will be the first plan approved under the Customer Owned Lead Service
8 Lines statute and it is important to re-evaluate the Plan after Indiana-American has
9 some experience replacing the LSLs. I recommend that a re-authorization date of
10 five years be placed on the Plan, where the Commission can have the opportunity
11 to re-visit the program and decide whether it is reasonable to continue with the
12 current Plan, or if changes are merited, to alter the Plan. The five-year re-
13 authorization period is reasonable, as Indiana-American does not prepare detailed
14 capital investments beyond a five-year period.²¹

Proposed Addendum 4.4 to Indiana American's Rules and Regulations

15 **Q: Do you agree with Indiana-American's proposal for Addendum 4.4 of its Rules**
16 **and Regulations?**

17 A: No. I do not agree that Addendum 4.4 is necessary for Indiana-American to
18 implement its program. The 24-month time frame for account inactivity seems
19 arbitrary and could exacerbate urban blight in neighborhoods where there are
20 multiple homes in foreclosure. If other customers can remain connected to Indiana-

²¹ Petitioner's Attachment GMV-1, pg. 11.

1 American's distribution system with customer-owned LSLs by refusing to
2 participate in the program, it does not seem fair that customers should be denied
3 service for failing to replace their LSLs. The customer reconnecting to the system
4 should be given all of the appropriate lead communication materials to understand
5 the importance of replacing the service line. In turn, Indiana-American would not
6 be required to replace the service line for the re-connection.

7 I recommend that Addendum 4.4 be denied. If a property re-activates its
8 account, Indiana-American can provide the customer with the appropriate
9 educational materials and obtain the customer's signature of acknowledgment that
10 Indiana-American has informed the customer of the presence of the LSL as
11 described on Pages 6-7 of the LSLR Plan.

IV. FIXED CHARGE

12 **Q: Does Indiana-American's LSLR Plan include a description of how it plans to**
13 **calculate its monthly charge for costs incurred under the Plan?**

14 A: No. The statute does not require a utility to provide this information as part of its
15 plan. However, there may be different ways to calculate the monthly charge. Until
16 such a calculation is provided, the OUCC is not able to determine if that calculation
17 appropriately covers the costs incurred. The OUCC's position in this Cause should
18 not be deemed as approval for any methodology Petitioner uses to calculate future
19 fixed monthly charges.

V. CONCLUSION

20 **Q: Please summarize your recommendations:**

21 A: I recommend the following:

- 1 1. Indiana-American's proposed LSLR Plan be approved for five years subject to
2 conditions and the reporting requirements discussed in my testimony. Indiana-
3 American can seek re-authorization of its Plan (or propose a revised Plan)
4 beyond five years if it decides to continue its LSLR program.
- 5 2. Indiana-American be required to conduct additional tests on lead water levels
6 for a portion of program participants, where water would be sampled prior to
7 replacement, approximately 1-3 months after replacement, and again 6 to 12
8 months after replacement.
- 9 3. Indiana-American be required to incorporate the presence of lead service lines
10 or lead water levels in its prioritization model for infrastructure improvements.
- 11 4. Indiana-American be required to remove the indemnification clause from its
12 customer water service line agreement.
- 13 5. Indiana-American be required to provide an Annual Report of the Customer
14 LSLR program's progress. The Annual Report should contain, at a minimum:
 - 15 a. An update on the progress toward applying for and obtaining low
16 interest loans or grants for LSLRs.
 - 17 b. An update on how Indiana-American has incorporated lead into its
18 prioritization model.
 - 19 c. The results of lead testing prior to and after LSLRs.
 - 20 d. An update on Indiana-American's communication efforts with
21 customers, including any lessons learned from the previous year or
22 changes to Indiana-American's implementation of the communication
23 plan.

- 1 e. Updated cost information for LSLRs by location.
- 2 f. The number and cost of replacements requiring unusual site restorations
- 3 as discussed in Plan Item 7 and how these were managed by Indiana-
- 4 American.
- 5 6. Within 60 days of filing the Annual Report, Indiana-American should contact
- 6 the OUCC and any other interested parties to determine if the OUCC has any
- 7 comments or questions about the report or would like to meet to discuss the
- 8 report.
- 9 7. Denial of the proposed Addendum 4.4 to Indiana-American's Rules and
- 10 Regulations.

11 **Q: Does this conclude your testimony?**

12 **A: Yes.**

APPENDIX A

1 **Q: Please summarize your professional background and experience.**

2 A: I graduated from the University of Evansville in 2004 with a Bachelor of Science
3 degree in Environmental Administration. I graduated from Indiana University,
4 Bloomington in May 2007 with a Master of Public Affairs degree and a Master of
5 Science degree in Environmental Science. I also completed internships with
6 Vectren's Environmental Affairs Department in the spring of 2004, with the U.S.
7 Environmental Protection Agency in the summer of 2005, and with the U.S.
8 Department of the Interior in the summer of 2006. I obtained my OSHA Hazardous
9 Operations and Emergency Response (HAZWOPER) Certification. I have been
10 employed by the OUCC since May 2007. As part of my continuing education at
11 the OUCC, I have attended the National Association of Regulatory Utility
12 Commissioners' (NARUC) week-long seminar in East Lansing, Michigan, and
13 completed 8-hour OSHA HAZWOPER refresher courses to maintain certification.

14 **Q: Please describe some of your duties at the OUCC.**

15 A: I review and analyze utilities' requests and file recommendations on behalf of
16 consumers in utility proceedings. Depending on the case at hand, my duties may
17 also include analyzing state and federal regulations, evaluating rate design and
18 tariffs, evaluating utilities' policies and practices, examining books and records,
19 inspecting facilities, and preparing various studies. Since my expertise lies in
20 environmental science and policy, I assist in many cases where environmental
21 compliance is an issue.

1 **Q: Have you previously provided testimony to the Indiana Utility Regulatory**
2 **Commission?**

3 **A: Yes.**

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



By: Cynthia M. Armstrong
Cause No. 45043
Indiana Office of
Utility Consumer Counselor

4/13/2018
Date:

Service Location	Typical Water Quality Information Sheet, 90th Percentile (ug/L)	2016 Annual Water Quality Report				2017 Preliminary Updated Testing		
		90th Percentile (ug/L)	Number of Samples Taken	Number of Samples Above Action Level	Year Sampled	90th Percentile (ug/L)	Number of Samples Taken	Number of Samples Above Action Level
Farmersburg	9	3	10	1	2014	9	10	1
Crawfordsville	1	1	30	0	2014	1	30	0
Northwest Operations	10	10	51	2	2015			
East Chicago	10 (Northwest Operations)	8.4	30	0	2016			
Southern Indiana Operations	ND	ND	30	0	2015			
Johnson County	1	1	40	1	2015			
Mecca	4	4	10	0	2015			
Merom	1	ND	5	0	2015			
Mooreville	1	1	20	0	2016			
Muncie	2	2	30	0	2016			
Newburgh	3	3	30	1	2016			
Noblesville	3	6	30	0	2014	3	31	0
Richmond	10	14	30	3	2014	10	30	0
Russiaville	3	3	11	0	2015			
Seymour	3	2	30	0	2014	3	30	0
Shelbyville	3	7	30	0	2014	3	30	0
Somerset	2	2	5	0	2015			
Sullivan	1	3	20	0	2014	1	20	0
Summitville	6	3	10	0	2014	6	10	0
Terre Haute	3	3	30	0	2016			
Wabash	11	3	31	0	2014	11	30	3
Warsaw	2	1	31	0	2015			
Waveland	4	4	10	0	2015			
West Lafayette	ND	ND	31	0	2014			
Westwood	3	2	5	0	2015			
Winchester	13	4	20	0	2014	13	20	2
Yankeetown	ND	ND	10	0	2015			

≥ 5 ug/L

≥ 10 ug/L or sample above action level

Source: Indiana American Water Company. [Water Quality Reports](https://amwater.com/inaw/water-quality/water-quality-reports). <https://amwater.com/inaw/water-quality/water-quality-reports>.

OUCC DR 3.1

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

On Indiana American's website, it provides Water Quality Reports, or Consumer Confidence Reports, for each of its systems. Under each individual system, there are two reports labeled "Annual Water Quality Report" and "Typical Water Quality Summary." Please answer the following questions related to the reports:

- a. Please explain the difference between these reports.
- b. Does the "Typical Water Quality Summary" summarize the "Annual Water Quality Report?" Please explain.
- c. Please explain why there are significant differences between the average lead levels (90th percentile result) reported in the Typical Water Quality Summary and the 2016 Annual Water Quality Report for the following systems:
 - i. Farmersburg (Reported 9 ug/L in the Summary vs. 3 ug/L in the Annual Report)
 - ii. Noblesville (Reported 3 ug/L in the Summary vs. 6 ug/L in the Annual Report)
 - iii. Richmond (Reported 10 ug/L in the Summary vs. 14 ug/L in the Annual Report)
 - iv. Shelbyville (Reported 3 ug/L in the Summary vs. 7 ug/L in the Annual Report)
 - v. Somerset (Reported 5 ug/L in the Summary vs. 2 ug/L in the Annual Report)
 - vi. Summitville (Reported 6 ug/L in the Summary vs. 3 ug/L in the Annual Report)
 - vii. Wabash (Reported 11 ug/L in the Summary vs. 3 ug/L in the Annual Report)

- viii. Winchester (Reported 13 ug/L in the Summary vs. 4 ug/L in the Annual Report).
- d. For each of the systems listed in (c) above, please indicate which average lead level is the most accurate or up to date.

Information Provided:

- a. The Annual Water Quality Report is the IDEM required Consumer Confidence Report that provides detailed information regarding drinking water source, risk of contamination, regulated contaminants found in the drinking water, potential health effects of detected contaminants, and contact information for additional educational material. The Typical Water Quality Summary is not a regulatory report but rather resource material that we make available to our customers so they are able to quickly access commonly requested Water Quality information.
- b. The Typical Water Quality Summary summarizes a portion of the Annual Water Quality Report but does not contain all the required regulatory information or language.
- c. With the exception of Somerset, the public water systems below conducted Lead and Copper Compliance Monitoring in 2017. The Annual Water Quality Reports are required to be made available to our customers by July 1st for the previous calendar year. The Typical Water Quality Summaries for the systems below have been updated with 2017 data. The Annual Water Quality Reports will be posted on our website prior to the July 1st deadline.
 - i. The 90th percentile from our 2017 monitoring was 9 ug/L
 - ii. The 90th percentile from our 2017 monitoring was 3 ug/L
 - iii. The 90th percentile from our 2017 monitoring was 10 ug/L
 - iv. The 90th percentile from our 2017 monitoring was 3 ug/L
 - v. The 90th percentile from our 2015 monitoring was 2 ug/L. Typical Water Quality Summary has been corrected.
 - vi. The 90th percentile from our 2017 monitoring was 6 ug/L
 - vii. The 90th percentile from our 2017 monitoring was 11 ug/L
 - viii. The 90th percentile from our 2017 monitoring was 13 ug/L
- d. Answered in c. above.

OUCC DR 3.2

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

According to their 2016 Annual Water Quality Reports, the last time lead samples were obtained for several of Indiana American’s systems was in 2014, which per the Lead and Copper Rule would have required Indiana American to collect data in 2017. Please provide any updated testing information, whether final or preliminary, for lead from 2017 for the systems listed below. Please provide, at the minimum, the same information that would be reported in the Annual Water Quality Report.

- i. Farmersburg
- ii. Crawfordsville
- iii. Noblesville
- iv. Richmond
- v. Seymour
- vi. Shelbyville
- vii. Sullivan
- viii. Summitville
- ix. Wabash
- x. Winchester

Information Provided:

- i. Farmersburg

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead	2017	15	0	9	10		Yes	Corrosion of household

(ppb)						1		plumbing systems; Erosion of natural deposits
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ii. Crawfordsville

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	1	30	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

iii. Noblesville

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	3	31	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

iv. Richmond

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	10	30	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

v. Seymour

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	3	30	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

vi. Shelbyville

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	3	30	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

vii. Sullivan

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	1	20	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

viii. Summitville

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	6	10	0	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

ix. Wabash

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	11	30	3	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

x. Winchester

Substance (units)	Year Sampled	Action Level	MCLG	90th Percentile	Number of Samples Taken	Number of Samples Above Action Level	Compliance Achieved	Typical Source
Lead (ppb)	2017	15	0	13	20	2	Yes	Corrosion of household plumbing systems; Erosion of natural deposits

OUCG DR 1.23

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Please explain how the existence of lead lines in any area within Indiana-American's service area affects Indiana-American's prioritization model.

For example, does the existence of a significant number of lead service lines affect the priority of replacing the corresponding main?

Information Provided:

At this time Indiana American has not yet incorporated a factor relating to lead service lines into its prioritization model. Indiana American is contemplating that for future prioritization model runs.

OUCG DR 4.1 (PUBLIC)

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

On pages 17-18 of Indiana American's Customer Lead Service Line Replacement Plan (Page 18-19 of Attachment GMV-1), Indiana American describes its plan to flush and conduct water testing after replacing a customer's service line.

- a. What is the estimated cost to collect and test the water after replacement? Please state the estimated cost per sample.
- b. Does Indiana American plan to test a customer's water prior to lead service line replacement? Please explain why or why not.

Objection:

Petitioner objects to the Request on the grounds and to the extent the request seeks information which is trade secret or other proprietary, confidential and competitively sensitive business information of Petitioner. Petitioner has made reasonable efforts to maintain the confidentiality of this information. Such information has independent economic value and disclosure of the requested information would cause an identifiable harm to Petitioner. The responses are "trade secret" under law (Ind. Code § 24-2-3-2) and entitled to protection against disclosure. See also Indiana Trial Rule 26(C)(7).

Information Provided:

Subject to and without waiver of the foregoing objection, Petitioner states:

- a. REDACTED
- b. No, the Company does not plan to test the customer's water prior to lead service line replacement. The objective of this sampling is to assess whether the flushing was adequate to remove any loose scale or debris that may have come loose during the service line replacement. The sampling is not intended to assess a before and after condition. Rather it can be used to help the customer better manage their potential lead exposure from household plumbing such as faucets, lead solder on copper pipe or other brass fittings after the lead line was removed.

OUC DR 4.2

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Indiana American notes that if water tests are above the EPA action level, Indiana American would offer to perform flushing, sampling, and sampling analysis up to two additional times. What will Indiana American's actions be if after the second flushing and testing, it determines the water levels remained above the EPA action level?

Information Provided:

Indiana American Water will flush, sample, and conduct the sample analysis up to three times total during a lead service line replacement. If a sample continues to be above the action level for lead, we will provide the customer with educational material on lead and recommend that they contact a plumber to investigate their internal plumbing.

OUCG DR 4.3

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Has Indiana American determined how it will evaluate whether the replacement of lead service lines has been effective in reducing PPM of lead in household water? Please explain.

Information Provided:

Indiana American will flush and sample the new service as well as offer a second sample to be collected by the customer within 72 hours of the initial sample after the water has sat stagnant for six hours. We will conduct the flushing and sampling up to two additional times if the sample results are over the action level for lead.

The objective of the lead service line replacement sampling is to assess whether the flushing was adequate to remove any loose scale or debris that may have come loose during the service line replacement. The sampling is not intended to assess a before and after condition. The sampling results can be used to help the customer better manage their potential lead exposure from household plumbing such as faucets, lead solder on copper pipe or other brass fittings after the lead line was removed.

OUCR DR 4.4

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Approximately how long after collection of water does it take Indiana American to receive the results of water testing and to then communicate the results to the customer?

Information Provided:

The lab is able to analyze the sample and provide the lab report to Indiana American Water within three to four business days of receiving the sample bottle. If the result comes back below the action level, a results letter is mailed to the customer on average within two to three business days. If the result comes back over the action level, the customer is contacted by phone within 24 to 48 hours to notify them of the results and steps that they can take to minimize their exposure.

“Excluded from public access per A.R. 9(G).”

CONFIDENTIAL
OUCG ATTACHMENT CMA-4
CAUSE NO. 45043

OUCC DR 1.9

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

What type of specialized training will contractors performing lead service lines receive?
Please explain.

Information Provided:

Indiana American does not train contractors in the performance of means and methods of work, safety or other aspects of the work. Indiana American employs contractors through contracts that require contractors be responsible for means and methods of work, safety, and other aspects of the work. Indiana American instructs contractors on the sample collection process. Indiana American informs contractors of the work scope through its contract documents. Indiana American will also inform contractors of communications with customers that are described in Indiana American's testimony and plan filed in this Cause.

OUCC DR 1.15

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Who will conduct construction supervision for lead line replacement projects?

Information Provided:

Indiana American supervises its own construction crews. It does not supervise contractor construction crews in the sense that it does not prescribe means and methods of contractor work. Depending on the types of service line replacements being completed, Indiana American will conduct construction observation either with its own personnel or with third party resident project representatives.

OUCC DR 1.11

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Page 5 of the Customer Lead Service Line Replacement Plan discusses “special situations that might arise in the prioritization and scheduling of lead service line replacements; such as supporting documentation from the Indiana Department of Health that links a premise to higher lead levels from other sources, or a U.S. Department of Housing and Urban Development (HUD) lead remediation program.” Has the Indiana Department of Health or U.S. Department of Housing and Urban Development been made aware of Indiana-American’s proposed lead service line replacement program? Please explain.

Information Provided:

In addition to the public filing made with the Indiana Utility Regulatory Commission, the filing has been provided to the Executive Branch and the Legislative Branch of the State of Indiana.

No formal presentation has been made to the Federal Government; however, Indiana American’s Plan has received national attention. Please see the Environmental Defense Fund blog published on February 24, 2018 and attached as OUCC DR 1.11 R-1.pdf.

Attachments:

OUCC DR 1.11 R-1.pdf

OUCC DR 1.12

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Do any formal lines of communication exist between Indiana-American and the Indiana Department of Health or U.S. Department of Housing and Urban Development? Please explain.

Objections:

Petitioner objects to the Request on the grounds and to the extent it is vague and ambiguous and provides no information from which Petitioner can determine what information is being sought. Specifically, Petitioner cannot tell what is meant by the phrase "formal lines of communication" as used in the Request. Petitioner further objects to the Request on the separate and independent grounds and to the extent it is overbroad in that it provides no subject matter or temporal context for the information requested.

Information Provided:

Subject to and without waiver of the foregoing objections, Petitioner responds as follows:

In the ordinary course of its business, Indiana-American may have occasion to communicate with the Indiana Department of Health or the U.S. Department of Housing and Urban Development. See also the response to OUCC DR 1.11.

OUCC DR 3.8

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

In its response to OUCC Data Request 1-11, Indiana American indicated that it has provided the filing of this case to the Executive Branch and the Legislative Branch of the State of Indiana.

- a. What legislators or legislative agencies did Indiana American provide a copy of its filing in this Cause?
- b. What state agencies in the Executive Branch did Indiana American provide a copy of its filing in this Cause?
- c. Has Indiana American met with any agencies or individuals in the Legislative and Executive Branch regarding its LSLR Plan? If so, please provide the agencies or individuals it met with, the date and time of any such meeting, and a copy of the agenda and any meeting notes, if available.

Information Provided:

Indiana American provided public notice of its filing as required by Commission Rules. As such, all branches of Indiana State Government were notified of this filing.

- a. The Chairman of the Senate Health Committee and the Chairman of both the Senate and House Utilities Committees.
- b. Indiana American provided a copy of this filing to the Governor's Office, the Indiana Finance Authority, the Indiana Department of Environmental Management, the Indiana Office of Utility Consumer Counselor, and the Indiana Utility Regulatory Commission.
- c. Over the past year or so, discussions were had with individuals throughout the legislative and executive branches of state government. No notes were taken at these, sometimes chance, meetings. Indiana American Water also had specific meetings with the Governor's Office, the Indiana Finance Authority, the Indiana Office of Utility Consumer Counselor, and the Indiana Utility Regulatory Commission. Agendas as available are attached. Please see "OUCC DR 3.8-R1.pdf".

**Indiana Utility Regulatory Commission (IURC) Meeting with
Indiana-American Water Company, Inc. (INAW)**

Friday, September 23, 2016 1:30
IURC's City View Conference Room

Attendees:

INAW

- Gary VerDouw, Sr. Rates Manager
- Stacy Hoffman, Director, Engineering

IURC

- Bob Veneck, Executive Director
- Curt Gassert, Director, Water/Sewer Division
- Marcus Turner, Utility Analyst

Agenda:

- Lead Line Replacement Discussion

IAW's pending docketed cases before the IURC:

Cause No. 44830 - Aqua Customer Complaint Regarding Data Usage Fees

**Indiana Utility Regulatory Commission (IURC) Meeting with
Indiana-American Water Company, Inc. (INAWC)**

April 12, 2017 9-12 AM

IURC Office, 101 E Washington Street, Suite 1500E

Purpose: Periodic informational meetings for updates on INAWC initiatives and industry trends that may be of interest to the IURC.

Attendees:

INAWC

- Debbie Dewey, President
- Douglas Brock, Vice President, Operations
- Stacy Hoffman, Director, Engineering
- Gary VerDouw, Director, Rates and Regulatory
- Matt Prine, Director, Community and Government Affairs

IURC

- IURC Commissioners
- IURC Staff

Agenda:

- Lead Service Line Replacement
- Customer Service Metrics
- Contributors to Unaccounted for Water
- Five Year Capital Investment Plan
- Educational Tour Opportunity
- Timing of Next Rate Case Filing

INAWC's docketed cases before the IURC:

Cause No. 42351 DSIC-10 – filed January 17, 2017

**Indiana Utility Regulatory Commission (IURC) Meeting with
Indiana-American Water Company, Inc. (INAWC)**

Tuesday, August 1, 2017 – 2:00 p.m. EDT
IURC Office, 101 E Washington Street, Suite 1500E

Attendees:

Indiana American Water Company:

- Douglas Brock, Vice President – Operations
- Kari Leck, Senior Manager of Field Services/Production
- Stacy Hoffman, Director of Engineering
- Gary VerDouw, Director, Rates and Regulatory

Indiana Utility Regulatory Commission:

- Jeremy Comeau, Assistant General Counsel
- Bob Veneck, Executive Director
- Stefanie Krevda, Executive Director, External Affairs
- Kenya McMillan, Director, Consumer Affairs
- Curt Gassert, Director, Water/Sewer Division
- Marcus Turner, Water Division
- Joel Fishkin, Water Division
- Dana Lynn, Water Division
- Rebecca McClaren
- Sara Satterfield
- China Miles
- Bradley Grinnen

Agenda:

- Meter Issues
- Depreciation Study
- Customer Owned Lead Service Line Replacement

INAWC's pending docketed cases before the IURC:

- Cause No. 44915 – City of Georgetown, IN Water Utility Acquisition
- Verified Complaint and Request for Commission by NOW! Inc. and customers of the City of Charlestown against Indiana American Water Company regarding its proposed acquisition of the City of Charlestown's water utility

**Indiana Utility Regulatory Commission (IURC) Meeting with
Indiana-American Water Company, Inc. (INAWC)**

Monday, November 27, 2017 - 2:00 p.m. EST
IURC Office, 101 E Washington Street, Suite 1500E

Attendees:

Indiana American Water Company:

- Debbie Dewey - President
- David Phippen – Director, Corporate Counsel
- Matt Prine, Director, Community and Government Affairs
- Gary VerDouw, Director, Rates and Regulatory
- James Jenkins, Vice President, American Water Regulatory Services
- Edward Haye, Vice President, American Water Deputy General Counsel

Indiana Utility Regulatory Commission:

- David Ziegner, Commissioner
- Sarah Freeman, Commissioner
- Robert Veneck, Executive Director
- Beth Heline, General Counsel
- DeAnna Poon, Assistant General Counsel
- Lorraine Seyfried, Chief Administrative Law Judge
- Curt Gassert, Director, Water/Sewer Division
- Marcus Turner, Water/Sewer Staff

Agenda:

- Customer Owned Lead Service Line Replacement Plan
- Potential Structured Payments for Future Acquisitions

INAWC's pending docketed cases before the IURC:

- Cause No. 44964 – Verified Complaint and Request for Commission by NOW! Inc. and customers of the City of Charlestown against Indiana American Water Company regarding its proposed acquisition of the City of Charlestown's water utility
- Cause No. 44976 – City of Charlestown, IN Water Utility Acquisition
- Cause No. 44992 – Indiana American Water Company Depreciation Study

**Indiana Utility Regulatory Commission (IURC) Meeting with
Indiana-American Water Company, Inc. (INAWC)**

Monday, November 27, 2017 - 3:00 p.m. EST
IURC Office, 101 E Washington Street, Suite 1500E

Attendees:

Indiana American Water Company:

- Debbie Dewey - President
- David Phippen – Director, Corporate Counsel
- Matt Prine, Director, Community and Government Affairs
- Gary VerDouw, Director, Rates and Regulatory
- James Jenkins, Vice President, American Water Regulatory Services
- Edward Haye, Vice President, American Water Deputy General Counsel

Indiana Utility Regulatory Commission:

- James Atterholt, Chairman
- James Huston, Commissioner
- Beth Helene, General Counsel
- Stephanie Krevda, Executive Director
- Curt Gassert, Director, Water/Sewer Division

Agenda:

- Customer Owned Lead Service Line Replacement Plan
- Potential Structured Payments for Future Acquisitions

INAWC's pending docketed cases before the IURC:

- Cause No. 44964 – Verified Complaint and Request for Commission by NOW! Inc. and customers of the City of Charlestown against Indiana American Water Company regarding its proposed acquisition of the City of Charlestown's water utility
- Cause No. 44976 – City of Charlestown, IN Water Utility Acquisition
- Cause No. 44992 – Indiana American Water Company Depreciation Study

OUCG DR 1.13

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

When a customer refuses a lead service replacement, how will subsequent owners of the property be informed that a lead service line may exist?

Information Provided:

Indiana American is not informed when a customer's property is sold or is contemplated for sale. Having said that, Indiana American is looking at means to flag its billing system to allow notification should the account be closed and a new customer requests service at the premise.

OUCC DR 1.22

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

How are the owners of rental properties, who may not be the customer(s) of record, be included in the lead service line replacement program?

Information Provided:

Indiana American reaches out to all property owners regardless of whether or not property owners rent their properties.

OUCC DR 2.6

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

How does Indiana American intend to handle situations where a customer refuses to allow replacement of the customer-owned portion of a lead service line nor will sign the waiver or customer acknowledgement form? Will Indiana American shut off service to this customer?

Information Provided:

Indiana American does not have the authority to deny or shut off service for this reason. Indiana American will simply document the communications and the customer refusal as is described in Section 8 of Indiana American's Customer Lead Service Line Replacement Plan. Please also see the response to OUCC DR 1.13 in this Cause.

OUCC DR 3.10 (Supplemental)

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

In its Response to OUCC Data Request 1-22, Indiana American indicated that it reaches out to all property owners regardless of whether or not property owners rent their properties. Please explain how Indiana American keeps track of property owners if they are not customers. Does it keep records of each property within its service areas?

Information Provided:

To be provided.

Supplemental Information:

For customer lead service line replacements, Indiana American researches parcel owners from County parcel ownership records.

OUC DR 1.14

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Please provide a detailed breakdown of the proposed \$3,500 estimate for lead service line replacement mentioned on page 8 of the Plan to include at least the following categories:

Installation material
Installation equipment
Installation labor
Removal material
Removal equipment
Removal labor
Engineering
Planning
Construction supervision
Water quality testing

Information Provided:

Indiana American has not tracked costs with this breakdown structure and therefore cannot provide the requested information.

OUCG DR 2.2

DATA REQUEST
Indiana-American Water Company, Inc.

Cause No. 45043

Information Requested:

Please provide any studies, reports, or other documentation which supports the \$3,500 average cost estimate for the replacement of lead service lines stated on Page 9 of Petitioner's Attachment GMV-1.

Information Provided:

Please see the file attached as "OUCG DR 2.2-R1.pdf".

Attachments:

OUCG DR 2.2-R1.pdf

2017 Costs of 81 Customer Lead Service Line Replacements performed in 2017¹

Location	Quantity of services	Cost	Average Cost
Richmond	74	\$ 265,079	RIC Average \$ 3,582
Winchester	4	\$ 11,600	WIN Average \$ 2,900
Northwest	2	\$ 9,320	NWI Average \$ 4,660
Southern	1	\$ 2,079	SIO Average \$ 2,079
			Subtotal Average²
Subtotal	81	\$ 288,078	\$ 3,557

1. Some of the costs were accrued, not having invoice at time of the calculation. These costs did not include Indiana American overhead.

2. Please refer to Section 3 of Indiana Indian American's Customer Lead Replacement Plan for factors that may affect costs.