

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF CWA AUTHORITY, INC. FOR (1))	
AUTHORITY TO INCREASE ITS RATES AND)	
CHARGES FOR WASTEWATER UTILITY SERVICE)	
IN THREE PHASES AND APPROVAL OF NEW)	CAUSE NO. 45151
SCHEDULES OF RATES AND CHARGES)	
APPLICABLE THERETO; (2) APPROVAL OF A)	
LOW-INCOME CUSTOMER ASSISTANCE)	
PROGRAM; AND (3) APPROVAL OF CERTAIN)	
CHANGES TO ITS GENERAL TERMS AND)	
CONDITIONS FOR WASTEWATER SERVICE.)	

COMPLIANCE FILING

Pursuant to Finding Paragraph 10(C) and Ordering Paragraph 6 of the Commission’s Order in this Cause dated July 29, 2019, CWA Authority, Inc. (“CWA”), by counsel, hereby submits the attached Low Income Customer Assistance Program (“LICAP”) report that CWA previously indicated that it would submit on January 31, 2023, as opposed to January 31, 2022 (“January 31 LICAP Report”), for the reasons detailed in its Notice for Extension of Time (Unopposed) dated December 21, 2022. The January 31 LICAP Report contains the requirements set forth in Finding Paragraph(c), including, an interim update on the annual metrics for the period since CWA’s last annual report, which here covers the LICAP partial Program Year 4 (July 1, 2022 through November 30, 2022), and “a full analysis of LICAP, including all the factors CWA used to assess whether this program should continue in its current form after CWA's next general rate case and its analysis of these factors, as well as what modifications, if any, CWA recommends making to the program prospectively.” Final Order, p. 39.

Respectfully submitted,

s/Lauren R. Toppen

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served electronically on this 31st day of January, 2023, to the following:

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Respectfully submitted,

s/Lauren R. Toppen

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Low Income Customer Assistance Program – Interim Report

As a part of the Order in Cause No. 45151 (“Order”), CWA Authority, Inc. (“CWA”) was required to submit certain information to the Commission regarding its Low Income Customer Assistance Program (“LICAP”) to provide transparency on the program and its efficacy. Such reporting includes the following annual report to the Commission:

“CWA shall report the following at a minimum: (1) the number of customers who participated in LICAP that year for each locale; (2) the total dollar amount, regardless of funding source, that was disbursed directly to customers that year as a result of LICAP via (a) a bill credit or (b) alternative credit (identifying this alternative); (3) the total dollar amount, regardless of funding source, that was expended during the prior year on LICAP; (4) the number of CWA customers (a) who requested and received assistance and (b) the number of customers who requested but were declined assistance; (5) the estimated dollar impact LICAP has on CWA’s average bad debt amount; (6) the estimated impact LICAP had on disconnections; (7) the administrative costs associated with LICAP that year; (8) the total value of accounts in arrears for customers considered low income; (9) the average dollar amount benefit to LICAP participants; (10) a business investment analysis (ex: cost-benefit analysis); (11) copies of program communication to potential participants (ex: explanatory text on web page and brochures); and (12) any other factors or analysis CWA has developed to assess LICAP’s effectiveness.” (Order, pp. 38-39)

In addition, the Commission required CWA to submit a report on January 31, 2022, as follows:

“By January 31, 2022, CWA shall file a report with the Commission that includes the foregoing information (1) through (12) for the period since its last annual report and also provide a full analysis of LICAP, including all the factors CWA used to assess whether this program should continue in its current form after CWA’s next general rate case and its analysis of these factors, as well as what modifications, if any, CWA recommends making to the program prospectively.” (Order, p.39)

On December 22, 2021, CWA filed an unopposed notice for extension of time with the Commission regarding the January 31, 2022, report. In this notice, CWA stated it would like more time to gather representative data without the COVID-19 moratoriums being in place¹. Specifically, instead of filing the January LICAP Report on January 31, 2022, CWA indicated it planned to file the report on January 31, 2023.

Analysis of LICAP

CWA has three years’ experience with the LICAP program. CWA believes the program should continue but has identified three areas it would like to highlight for the Commission for recommended modifications to the program prospectively. Those items are as follows:

¹ Per the Commission’s Orders in Cause No. 45380, the moratorium on disconnections and collection of certain utility fees remained in effect until August 14, 2020 and October 12, 2022, respectively.

Scorecard metrics

In its order, the Commission established ten metrics to be reported on by CWA and the Utility has submitted three annual reports, beginning in August 2020. CWA has found that certain of these metrics, such as reporting on the number of participants and the amount disbursed under the program, have been more straight-forward in terms of collecting and measuring. However, there are other metrics, such as dollar impact on bad debt and impact on disconnections, that could not be isolated solely to LICAP participants and subsequently have been reported on a Utility-wide basis. In the next program year, CWA proposes the following refinements to these metrics.

Dollar impact LICAP had on average bad debt

CWA has reported in each annual report all write-offs that occurred during the year to provide an estimated impact LICAP had on average bad debt. Previously, the Utility was not able to track write-offs by LICAP participants. However, CWA now can track and report write-offs for LICAP participants and plans to implement this change with the Program Year 4 annual report in August 2023.

Estimated impact LICAP had on disconnections

CWA has reported in each annual report disconnections for any of its customers that were disconnected. However, the Utility can now report disconnections for LICAP participants only and plans to begin this reporting approach for the Program Year 4 annual report.

There are no other changes planned for the metrics established by the Commission.

LICAP bill credit program administration

The process to identify CWA customers for participation in the LICAP bill credit component of the program is comprised of two separate processes. Both of which rely on the Marion County administrator of the State's Energy Assistance Program ("EAP") to enroll customers in the EAP.

One of the challenges with this process has been obtaining customer enrollment information from the EAP administrator. Initially after the LICAP was approved by the Commission, the EAP administrator was the United Way of Central Indiana. Since then, EAP administrative responsibilities for Marion County were transferred to the John Boner Neighborhood Center ("The Boner Center"). The Boner Center also agreed to other incremental administrative responsibilities following the COVID-19 pandemic, including the administration of the Low Income Household Water Assistance Program for Marion County.

Budget flexibility

The Order required \$400,000 of LICAP funding be allocated annually to a wastewater infrastructure fund ("Infrastructure Fund") to be used to help low-income customers keep their bills lower in the long-run through infrastructure investment assistance. This Infrastructure Fund has proved to be cost-effective, per the scorecard results, and in high demand. This high demand is evidenced by the spending through the first three program years of \$1,267,960. This amount is higher than what an annual budget of

\$400,000 would make available in this timeframe. To support this increased amount, CWA utilized a portion of unspent LICAP funds from Bill Credit component of the program. This use of unspent “carryover” funds is consistent with the Settlement Agreement in Cause No. 45151, approved by the Order.

While the use of unspent, or carryover, LICAP funds has increased capacity for the Infrastructure Fund, CWA believes increased flexibility regarding the timing of the use of unused funds from the Bill Credit component could improve upon this process and potentially mitigate the potential for delayed benefits to those with a need for infrastructure repairs who could be placed on hold until funds are available. In other words, CWA would like the flexibility to move funds from the Bill Credit component to the Infrastructure Fund during the program year as those funds become deemed unused. This reallocation could be made when it is determined that LICAP bill credits will be less than estimated LICAP billed amounts and Citizens’ funding for the year. This funding flexibility would help to ensure LICAP funds are utilized to benefit customers without delay.

CWA Authority, Inc.
Cause No. 45151
Low Income Customer Assistance Program (LICAP) Report
Interim Report (July 1, 2022 through November 30, 2022) Results

1. Number of customers who participated in LICAP	
Bill Credit Participants	5,400
Infrastructure Fund Participants	269
2. Total Dollar Amount Disbursed Directly to Customers	
Bill Credits.....	\$ 335,411
Alternative Credits.....	\$ 0
3. Dollar Amount Expended on LICAP	
Total Amount.....	\$ 651,985
Bill Credits.....	335,411
Infrastructure Fund	316,574
Alternative Credits.....	0
4. Number of Customers Requesting Assistance	
Requested and received assistance	5,669
Requested but were denied assistance.....	0
5. Dollar Impact LICAP had on Average Bad Debt	
Net Write Off during Program Year (net write-off 5 mos. ending 11/30/22)	\$ 1,234,133
Net Write Off for the year prior (net write-off 5 mos. ending 11/30/21)	1,221,495
6. Estimated Impact LICAP has on Disconnections	
Disconnections during the Program Year (5 mos. ending 11/30/22)	5,610
Disconnections for the year prior (5 mos. ending 11/30/21)	6,663
7. Administrative Cost Associated with LICAP	
Total Cost.....	\$ 0
8. Accounts in Arrears for Customers Considered Low Income	
Total Value	\$ 285,270
9. Average Dollar Amount Benefit to LICAP Participants	
Bill Credit Participants (annual)	\$ 62.11
Bill Credit Participants (monthly)	12.42
Infrastructure Fund Participants	1,176.86
10. Cost/Benefit Ratio of Infrastructure Projects	
Toilet Replacement Program.....	1.47
Water Heater Replacement	4.30
Water Leak Repairs	4.01
Sewer Repairs.....	1.00