

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

**PETITION AND SUBMISSION OF CASE-IN-CHIEF**

Indiana-American Water Company, Inc. (“Petitioner”) respectfully requests approval of its plan for the replacement of the customer owned portion of the lead service lines within or connected to Indiana American’s system (the “Lead Service Line Plan”) and approval of associated changes to Petitioner’s Rules and Regulations for Water Service, I.U.R.C. No. W-15 as approved by and on file with the Indiana Utility Regulatory Commission (“Commission”) and certain related relief described below. In support of this request, Petitioner respectfully shows the Commission:

1. Petitioner’s Corporate and Regulated Status. Petitioner is an operating public utility, incorporated under the laws of the State of Indiana, with its principal office and place of business at 153 North Emerson Avenue, Greenwood, Indiana. Petitioner is subject to regulation by the Commission in the manner and to the extent provided by the laws of the State of Indiana, including Ind. Code § 8-1-2-1 *et seq.*

2. Petitioner’s Operations. Petitioner provides water utility service to customers in numerous municipalities and counties throughout the State of Indiana for residential, commercial, industrial, public authority, sale for resale, and public and private fire protection purposes. Petitioner also provides sewer utility service in Wabash and Delaware Counties.

3. Customer Owned Lead Service Line Statute. Ind. Code Chap. 8-1-31.6 authorizes the Commission to approve a water utility's plan for the replacement of the customer owned portion of the lead service lines within or connected to the water utility's system in order to allow the water utility to include the costs of customer lead service line improvements as eligible infrastructure improvements for purposes of Ind. Code Chap. 8-1-31 and to add the actual costs incurred in replacing and removing customer owned service lines to the value of the water utility's property for purposes of Ind. Code §8-1-2-6. Ind. Code § 8-1-31.6-5 and -6. Customer lead service line improvements are defined as an expenditure that is (a) related to a lead service line owned by a customer of a water utility, (b) made by a water utility and (c) related to a water utility's plan to replace lead service lines within or connected to the water utility's system, including lines owned by the customer and lines owned by the water utility. Ind. Code § 8-1-31.6-2. The Commission shall approve the water utility's Lead Service Line Plan if it finds the Plan addresses the requirements included within Ind. Code § 8-1-31.6-6(a) and is reasonable and in the public interest. Ind. Code § 8-1-31.6-6(a) and (b). Following the approval of a water utility's plan, the Commission shall for ratemaking purposes add to the value of the water utility's property for purposes of Ind. Code § 8-1-2-6 the actual costs incurred by the water utility in replacing the customer owned portion of the lead service lines and in removing customer owned lead service lines from service in accordance with the water utility's Lead Service Line Plan. Ind. Code § 8-1-31.6-6(b). Upon the Commission's approval of the water utility's Lead Service Line Plan under IC 8-1-31.6-6 and subject to the limitations of Ind. Code § 8-1-31.6-7, the water utility may include the actual costs incurred by the water utility in connection with completing customer lead service line improvements as eligible infrastructure improvements for purposes of Ind. Code Chap. 8-1-31. Ind. Code § 8-1-31.6-7. However, for purposes of Ind. Code Chap. 8-1-31, infrastructure improvement costs associated with

customer lead service line improvements shall not be counted as adjustment revenues in determining whether the water utility's total adjustment revenues exceed ten percent (10%) of the water utility's base revenue level approved in the water utility's most recent general rate case. *Id.* To the extent the water utility incurs an annual cost under the water utility's Lead Service Line Plan in excess of the range set forth in its Plan and approved by the Commission, the additional costs are not eligible for the ratemaking treatment provided for in Ind. Code § 8-1-31.6-6 or -7. Ind. Code § 8-1-31.6-6(c). The Commission is required to issue its final order on this Petition not later than two hundred ten (210) days after the filing of Petitioner's case-in-chief. Ind. Code § 8-1-31.6-5(c).

4. Petitioner's Proposed Plan. Petitioner is filing herewith the testimony and evidence constituting its case-in-chief. The manner in which the proposed Plan was developed and its compliance with the statutory requirements is explained in more detail in Petitioner's case-in-chief.

5. Petitioner's Proposed Changes to Rules and Regulations. Petitioner's current Rules and Regulations Applicable to Water Service, I.U.R.C No. W-15, Effective March 30, 2015, will be amended as described in Petitioner's case-in-chief to address premise locations with lead service lines that have been disconnected and inactive for a period of twenty-four consecutive months or that have been physically disconnected from the Company's mains.

6. Publication of Notice of Filing. Pursuant to the requirements of Ind. Code § 8-1-2-61(a), Petitioner is publishing notice of filing this Petition in a newspaper of general circulation published in each county in which Petitioner renders service. If requested, Petitioner will late-file the notice as an exhibit in this Cause.

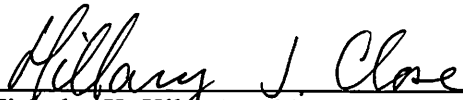
7. Applicable Statutory Provisions. Petitioner considers that the provisions of Ind. Code § 8-1-2-23 and Ind. Code Chap. 8-1-31.6, among others, are applicable to the subject matter of this Petition.

8. Attorneys for Petitioner. Nicholas K. Kile (Atty. No. 15203-53), Hillary J. Close (Atty. No. 25104-49) and Lauren M. Box (Atty. No. 32521-49) of Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204, Ph: (317) 231-7768 (Kile), (317) 231-7785 (Close) and 317-231-7289 (Box), Fax: (317) 231-7433, Email: nkile@btlaw.com, hclose@btlaw.com and lbox@btlaw.com, are counsel for Petitioner and are duly authorized to accept service of papers in this Cause on Petitioner's behalf.

WHEREFORE, Petitioner respectfully prays that the Commission promptly conduct a hearing in this proceeding in accordance with Ind. Code Chap. 8-1-31.6, and make such investigation as is necessary or advisable in this Cause. Thereafter, Petitioner respectfully prays that the Commission issue an Order in this Cause:

- (a) Approving Petitioner's Lead Service Line Plan;
- (b) Approving Changes to Petitioner's Rules and Regulations for Water Service; and
- (c) Granting to Petitioner all other proper relief.

DATED this 29<sup>th</sup> day of January, 2018.

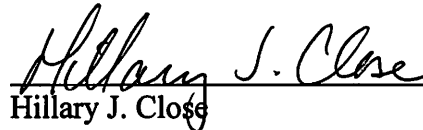
  
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Attorneys for Petitioner  
INDIANA-AMERICAN WATER COMPANY, INC.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Petition and Submission of Case-in-Chief has been served via electronic service to the Indiana Office of Utility Consumer Counselor, PNC Center, 115 West Washington Street, Suite 1500 South, Indianapolis, Indiana 46204 this 29th day of January, 2018.

  
Hillary J. Close