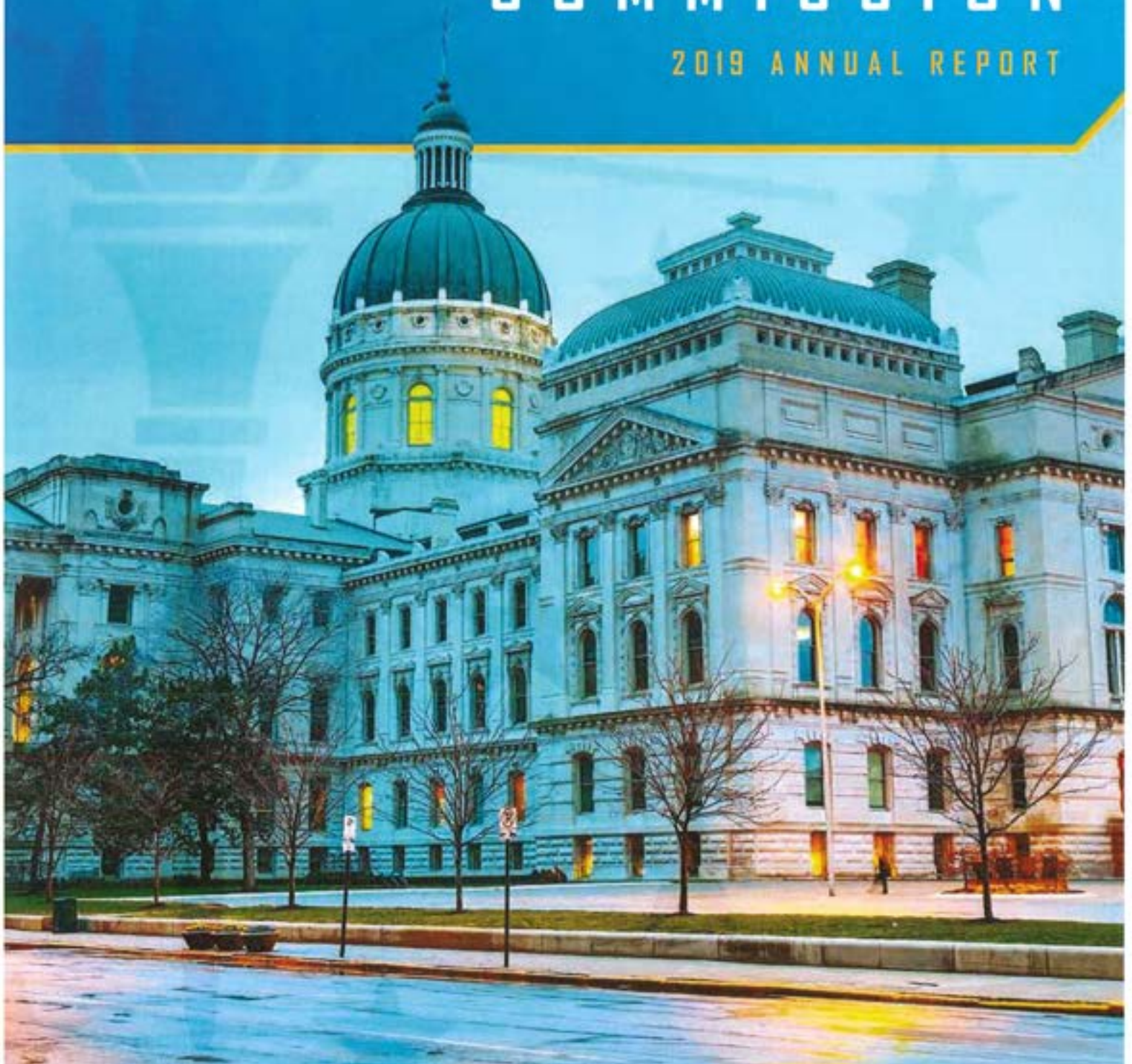




# INDIANA UTILITY REGULATORY COMMISSION

2019 ANNUAL REPORT



2019 IURC ANNUAL REPORT

WELCOME



## Dear Governor Holcomb and Members of the General Assembly,

We are proud to present the Indiana Utility Regulatory Commission's (Commission) Annual Report for Fiscal Year 2019. This report shares with you the Commission's work and accomplishments, provides updates on the implementation and impact of recent state and federal legislation, and delves into emerging developments and trends in the utility industries.

We take seriously the responsibility and trust granted to us by Hoosiers and the Indiana General Assembly. Through the authority granted to us by Indiana law, we are committed to ensuring regulated utilities provide safe and reliable service to Hoosiers at just and reasonable rates. In an effort to achieve our mission, we continue to make every effort to conduct business in an open and transparent manner with the highest level of integrity.

Aging infrastructure, innovative technology, and changing federal regulatory environments continue to impact the utility industry in profound ways. Indiana policymakers must continue to thoughtfully navigate through these changes and challenges that are contributing to a rising cost environment. As policymakers tackle these issues, the Commission and its dedicated staff stand ready to be a resource regarding Indiana's utilities and the regulatory process.

Thank you for your service to our great state, and please do not hesitate to contact us if you have any questions. The Commission is always open to you.

*Sincerely,*

James F. Huston  
Chairman

Sarah E. Freeman  
Commissioner

Stefanie N. Krevda  
Commissioner

David L. Ober  
Commissioner

David E. Ziegner  
Commissioner



ERIC HOLCOMB  
Governor of Indiana



SUZANNE CROUCH  
Lt. Governor

2019 IURC ANNUAL REPORT

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# ABOUT THE COMMISSION



## Our Mission

The Indiana Utility Regulatory Commission (Commission) is an administrative agency that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. The Commission is required by state statute to be impartial and make decisions in the public interest to ensure regulated utilities provide safe and reliable service at just and reasonable rates.

The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana's utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utility issues affecting Indiana.

*Upon taking office in January 2017, Governor Eric Holcomb outlined five priorities to guide his administration:*

1. Cultivate a strong and diverse economy to ensure that Indiana remains a magnet for jobs
2. Fund a long-term roads and bridges plan that takes the greatest advantage of our location
3. Develop a 21st century skilled and ready workforce
4. Attack the drug epidemic
5. Provide great government service at a great value for taxpayers

The Commission, with its mission and statutory framework as guideposts, has adopted objectives for 2019 that align with the Governor's priorities to take Indiana to the Next Level:

## IURC Next Level Priorities for 2019

1. Improve internal communication and collaboration on the docketed case process.
2. Evaluate day-to-day internal processes and procedures.
3. Create processes for knowledge transfer within and between divisions.

In accordance with Indiana Code § 8-1-1-14, the Commission offers to the Indiana General Assembly the suggestion to review the many and varied statutes that require the Commission to submit reports to the Governor and the Indiana General Assembly, and assess which of these requirements are still necessary and whether the reporting requirements should be consolidated to provide one reporting deadline.

## Regulatory Responsibility

The Commission was created by and receives its authority primarily from Indiana Code Title 8, which sets forth the types of utilities under the Commission's jurisdiction and the framework for the Commission's determinations.

The Commission regulates various aspects of Indiana public utilities' business including rates and charges, financing, bonding, environmental compliance plans, and service territories. The Commission has regulatory oversight concerning construction projects as well as acquisition of additional plant and equipment assets.

It also has the authority to initiate investigations of regulated utilities' rates and practices and to promulgate rules governing utility service and various processes and procedures.

The bipartisan Commission consists of five commissioners who are appointed by the Governor to four-year terms. A dedicated and well-educated professional staff, who have earned various degrees including accounting, finance, economics, engineering, and law, advises the Commission regarding regulatory matters and pending cases.

The Commission also includes the Pipeline Safety Division, which oversees compliance with state and federal pipeline safety regulations. In addition, the Commission has a Consumer Affairs Division, which provides dispute resolution services for customers and utilities.

You can view the Commission's annual budget and the public utility fee budget in *Appendix A*.



## The Commissioners

**JIM HUSTON** was appointed to the Commission by Governor Pence on Sept. 3, 2014, and reappointed by Governor Holcomb on March 31, 2017. He was named Chairman of the Commission by Governor Holcomb in March 2018. He serves on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Gas and also serves on the Gas Technology Institute's Public Interest Advisory Committee. Before his appointment, Chairman Huston served as chief of staff at the Indiana State Department of Health. During Governor Daniels's administration, he served as executive director of the Office of Faith-Based and Community Initiatives.

Chairman Huston worked as the scheduler and travelling aide to Governor Robert Orr and has served as assistant deputy treasurer for the State of Indiana and as deputy commissioner for the Bureau of Motor Vehicles. He also served as deputy chief of staff to Congressman David McIntosh, district director to Congressman Steve Buyer, and deputy chief of staff to Congressman Todd Rokita.

Chairman Huston earned his Bachelor of Science and Master of Arts degrees from Ball State University. He also is a 1987 recipient of the Sagamore of the Wabash Award and is a member of Brownsburg Kiwanis.

Chairman Huston and his wife Christy have been married 32 years and are the proud parents of four boys: John (wife Lauren) of Washington, D.C.; Lt. Luke, U.S. Army, who is deployed in the Middle East; David, who is a student at the Indiana University School of Medicine; and Joseph who is at home with mom and dad. The Hustons reside in Brownsburg and are members of Calvary United Methodist Church.



**JIM HUSTON**  
*Commission Chair*

**SARAH FREEMAN** was appointed by Governor Mike Pence as Commissioner on September 19, 2016, and reappointed by Governor Eric Holcomb on Dec. 29, 2017. She is a member of the NARUC Committee on Critical Infrastructure and Committee on Telecommunications. Commissioner Freeman serves as Treasurer of the Board of Directors for the Organization of MISO States (OMS) and is a member of the Board of Directors for the Universal Service Administrative Company and of the Advisory Board for the Financial Research Institute at the University of Missouri. She previously represented the Commission on the Board of Directors for the Organization of PJM States (OPSI).

Prior to her appointment, Commissioner Freeman served as a senior staff attorney with the nonpartisan Indiana Legislative Services Agency for 16 years, where she drafted utility and transportation legislation and served as counsel to numerous legislative committees. In addition, Commissioner Freeman was a member of the Executive Committee of the National Conference of State Legislatures (NCSL) and the NCSL Task Force on Cybersecurity.

A native Hoosier, Commissioner Freeman earned her undergraduate degrees in psychology, French, and political science from Indiana University – Bloomington and her juris doctor degree from the Indiana University Maurer School of Law.



**SARAH FREEMAN**  
*Commissioner*

**STEFANIE KREVDÁ** was appointed Commissioner by Governor Eric Holcomb on May 21, 2018. She is a member of the National Association of Regulatory Utility Commissioners (NARUC) Committee on Energy Resources and the Environment and a member of the NARUC Subcommittee on Clean Coal and Carbon Management. For ten years, Commissioner Krevda has worked in public service and the non-profit sector. Before her appointment as Commissioner, she served as Executive Director of External Affairs at the Commission.



**STEFANIE KREVDÁ**  
*Commissioner*



Prior to her role at the Commission, she served as Chief of Staff and Interim Director at the State Personnel Department, which delivers human resources services to state agencies, collectively serving more than 28,000 employees. She also worked as Special Assistant to the CEO/President at Lumina Foundation, and was a legislative and policy gubernatorial aid in the office of Governor Mitch Daniels. She is a 2014 graduate of the Richard G. Lugar Excellence in Public Service Series and a 2011 graduate of the Indiana Leadership Forum.

Commissioner Krevda is a 2009 graduate of Purdue University. She and her husband reside in Zionsville, Indiana, with their daughter.

**DAVID OBER** was appointed by Governor Eric Holcomb on April 2, 2018. He is a member of the NARUC Committee on Water and the Mid-America Regulatory Conference. He also serves as a member of the Board of Directors for the Organization of PJM States, Inc. (OPSI).

Prior to his appointment, Commissioner Ober served House District 82 in the Indiana House of Representatives representing Allen, Elkhart, LaGrange, Noble and Whitley counties (2012-2018).

Commissioner Ober has held a variety of leadership positions throughout his career in state government, including service as a member of the House Ways and Means Committee, as Assistant Majority Whip for the House Republican Caucus (2014-2016), and as Chairman of the House Committee on Energy, Utilities and Telecommunications from 2016 to 2018.

Commissioner Ober is a 2009 graduate of Purdue University Northwest. He and his wife Maggie reside in Indianapolis, Indiana and attend Traders Point Christian Church.



**DAVID OBER**  
*Commissioner*

**DAVID ZIEGNER** was appointed to the Commission on Aug. 25, 1990, by Governor Evan Bayh and has received continuous reappointments from Governor Frank O'Bannon, Governor Mitch Daniels, Governor Mike Pence, and Governor Eric Holcomb, with the most recent reappointment occurring in March 2019.



**DAVID ZIEGNER**  
*Commissioner*

Commissioner Ziegner is the Treasurer of NARUC and a member and former vice-chair of the NARUC Committee on Electricity and is former chair of its Clean Coal and Carbon Sequestration Subcommittee. He is a member of the Mid-America Regulatory Conference.

Additionally, he is a former chairman of the Advisory Council of the Center for Public Utilities at New Mexico State University and of the Consortium for Electric Reliability Technology Solutions Industry Advisory Board. He is a former member of the Advisory Council of the Electric Power Research Institute.

Commissioner Ziegner earned his Bachelor of Arts degree in history and journalism from Indiana University in 1976. He obtained his juris doctor degree from the Indiana University School of Law in Indianapolis in 1979 and was admitted to the Indiana Bar and U.S. District Court in that same year.

Prior to joining the Commission, he served as a staff attorney for the Legislative Services Agency, where he developed his background in both utility and regulatory issues. As the agency's senior staff attorney, he specialized in legislative issues concerning utility reform, local measured telephone service, the citizens' utility board, and pollution control. He also served as the general counsel for the Commission prior to his appointment.

Commissioner Ziegner and his wife Barbara reside in Greenwood and are members of Northminster Presbyterian Church.

## Executive Team

**RYAN HEATER** leads the Commission's legislative, media, and stakeholder management strategies and advises the Commission on related issues. He oversees the Consumer Affairs Division, which provides dispute resolution services to customers and utilities. Additionally, he directs the disbursement strategy of the Underground Plant Protection Account fund, intended to raise awareness of Indiana's 811 law and provide education on safe digging practices. Heater is a graduate of Purdue University and Indiana University Robert H. McKinney School of Law. He joined the Commission staff in July 2018.



**RYAN HEATER**  
*Executive Director of  
External Affairs*

**LORAIN SEYFRIED** leads the Commission's staff of administrative law judges who, along with the Commissioners, preside over docketed proceedings before the Commission.



**LORAIN SEYFRIED**  
*Chief Administrative  
Law Judge*

She assists in the management of the Commission's hearing docket by making initial recommendations on case assignments and procedure, overseeing the hearing process, and providing advice in the preparation and review of Commission decisions. Judge Seyfried earned a Bachelor of Arts degree from Purdue University and a juris doctor degree from Southern Illinois University School of Law. She has served the Commission for 14 years.

**BETH HELINE** serves as the chief legal advisor to the Commission, as well as the Commission's ethics officer. She manages the Office of General Counsel attorneys and legal assistant, who provide complete legal support for all aspects of the Commission's operations and statutory requirements. Additionally, they conduct legal research on a wide range of issues, participate in matters before the Federal Energy Regulatory Commission (FERC) and Federal Communications Commission (FCC), and oversee Commission rulemakings. Heline earned a Bachelor of Arts degree from Western Michigan University and a juris doctor from Valparaiso University School of Law. She has served at the Commission for 14 years.



**BETH HELINE**  
*General Counsel*

**BOB VENECK** leads the technical operations team and is the senior supervisory authority over the Commission's energy; water/wastewater; communications; research, policy, and planning; pipeline safety; and information technology divisions, providing technical advice to the Commission. In addition, Veneck is the liaison to the State Utility Forecasting Group at Purdue University for matters requested by the Commission. Veneck earned a Bachelor of Science in Engineering from the University of Nebraska. He has served the Commission for 10 years.



**BOB VENECK**  
*Executive Director of  
Technical Operations*

## Administrative Law Judges

Chief Administrative Law Judge Loraine Seyfried and her team of five judges preside over docketed proceedings before the Commission and provide legal research, advice, and support to the Commissioners in the drafting of orders. The team of administrative law judges have diverse legal backgrounds gained through prior private practice and working for other state and local agencies. This division is supported by two court reporters and two paralegals.

## Office of General Counsel

The Commission's General Counsel Beth Heline leads a team of three assistant general counsels and a legal assistant. The Office of General Counsel works on Commission assignments including appeals of Commission orders, rulemakings, review of Commission contracts and affiliate contracts, consumer affairs questions and appeals, pipeline safety violations, legislative affairs, public record requests, comments and filings to regional and federal agencies, and other legal research. Members of the team also act as legal counsel to Commission testimonial staff and provide legal support to the Indiana Underground Plant Protection Advisory Committee.

## External Affairs

Executive Director of External Affairs Ryan Heater leads a team that serves to maintain productive and transparent relationships with the media, legislators, customers, sister agencies, and other stakeholders. The team provides neutral policy and legislative analysis, develops internal and external communication and outreach strategies, provides information and educates stakeholders on Commission processes and procedures, engages with customers and utilities to resolve disputes, and advises the Commission regarding external issues. The team works cross-functionally in the organization to effectively respond to and communicate about complex industry matters.

## Consumer Affairs Division

Consumer Affairs Division Director Kenya McMillin leads a team of four analysts and an intake coordinator, who are responsible for providing dispute resolution services through reasonable and timely determinations for customers of jurisdictional utilities, in accordance with Indiana Code, Indiana Administrative Code, and Commission-approved tariffs. The types of issues handled by the division include extension of service and credit, deposits, billing, termination of service, customer rights, and utility responsibilities. Director McMillin earned a Bachelor of Science degree from Indiana University-Purdue University Indianapolis and has served the Commission for 19 years.

## Technical Operations

Executive Director of Technical Operations Bob Veneck manages the technical operations divisions that monitor and evaluate regulatory, legislative, and policy initiatives that affect the electric, natural gas, water, wastewater, telecommunications, information, and video industries and their customers. The technical operations divisions perform research, analyze testimony in docketed proceedings, advise the Commission, and address utility issues outside of docketed proceedings.

In addition to working on major rate cases, the technical divisions analyze requests by utilities (with the exception of the telecommunications industry) to adjust their rates and charges through many types of regulatory filings, including fuel adjustment, federal environmental compliance, and infrastructure improvement proceedings. Regulatory cases can span anywhere from three months to almost a year, involving the review of hundreds of pages of evidence submitted by several parties in each case. The technical divisions also administer utilities' 30-day filings. The 30-day filing process is designed to allow certain types of requests, such as changes to reconnect fees and rate adjustment mechanisms, to be reviewed and approved by the Commission in a more expeditious

and less costly manner than a formal docketed case. Additionally, staff analyzes the annual reports for all jurisdictional utilities. Staff also reviews the periodic earnings review of each utility with more than 5,000 customers.

Technical operations also includes the Pipeline Safety Division that administers federal and state pipeline safety standards that apply to all intrastate natural gas and hazardous liquid pipeline operators.

## Energy Division

Energy Division Director Jane Steinhauer leads a team of 12 employees who assist the Commission in regulating the rates and charges of electricity utilities, natural gas local distribution companies, and intrastate pipelines. Steinhauer earned a Bachelor of Science from Indiana University-Purdue University Indianapolis and a Master in Business Administration from Butler University. She has served the Commission for 34 years.

The Energy Division monitors and evaluates regulatory and policy initiatives affecting the state's electric and natural gas industries. It also reviews and analyzes evidence to advise the Commission on regulatory proceedings initiated by Indiana electric and natural gas utilities involving increases in rates, environmental compliance plans, permission to build or purchase power generation plants, energy-efficiency programs, reliability, fuel cost adjustments, service territories, Commission-initiated investigations, pipeline safety violation appeals, and many other issues.

In addition, the division works closely with the Commission's Pipeline Safety Division and Research, Policy, and Planning Division.

## Research, Policy and Planning Division

Research, Policy, and Planning Division Director Dr. Brad Borum leads a team of three chief technical advisors. Dr. Borum earned a Bachelor of Science from Coe College, a Master of Economics, and a PhD in Economics from Michigan State University and has served the Commission for 32 years. The Research, Policy, and Planning Division was established to provide the Commission with an analysis of the electric industry, including monitoring of regional transmission organizations, reviewing regulatory matters at the Federal Energy Regulatory Commission (FERC), and analyzing integrated resource plans. The division provides advice and education to the Commission on a wide variety of topics. Integrated resource planning, because it is related to all aspects of the electric and natural gas industries, is the primary focus of this division. However, the division also monitors federal and regional electric grid issues and developments, evaluates changes in federal and state regulation, and reviews the economics of the energy industry to understand the impacts on Indiana.

## Water and Wastewater Division

Water and Wastewater Division Director Curt Gassert leads a team of five analysts who monitor and evaluate regulatory and policy issues affecting the water and wastewater industries. Gassert earned a Bachelor of Science from Indiana University and is a Certified Public Accountant. He has served with the Commission for 13 years.

The majority of the division's time is spent reviewing evidence in regulatory proceedings and advising the Commission. The types of regulatory proceedings include rate increases, acquisitions, financing

requests, service territory matters, infrastructure and revenue trackers, and other matters. Division staff also provide assistance with Commission rulemakings and complaints submitted to the Consumer Affairs Division. The division assists in Commission investigations, both formal and informal, that frequently involve the resolution of problems related to at-risk water or wastewater utilities.

## Communications Division

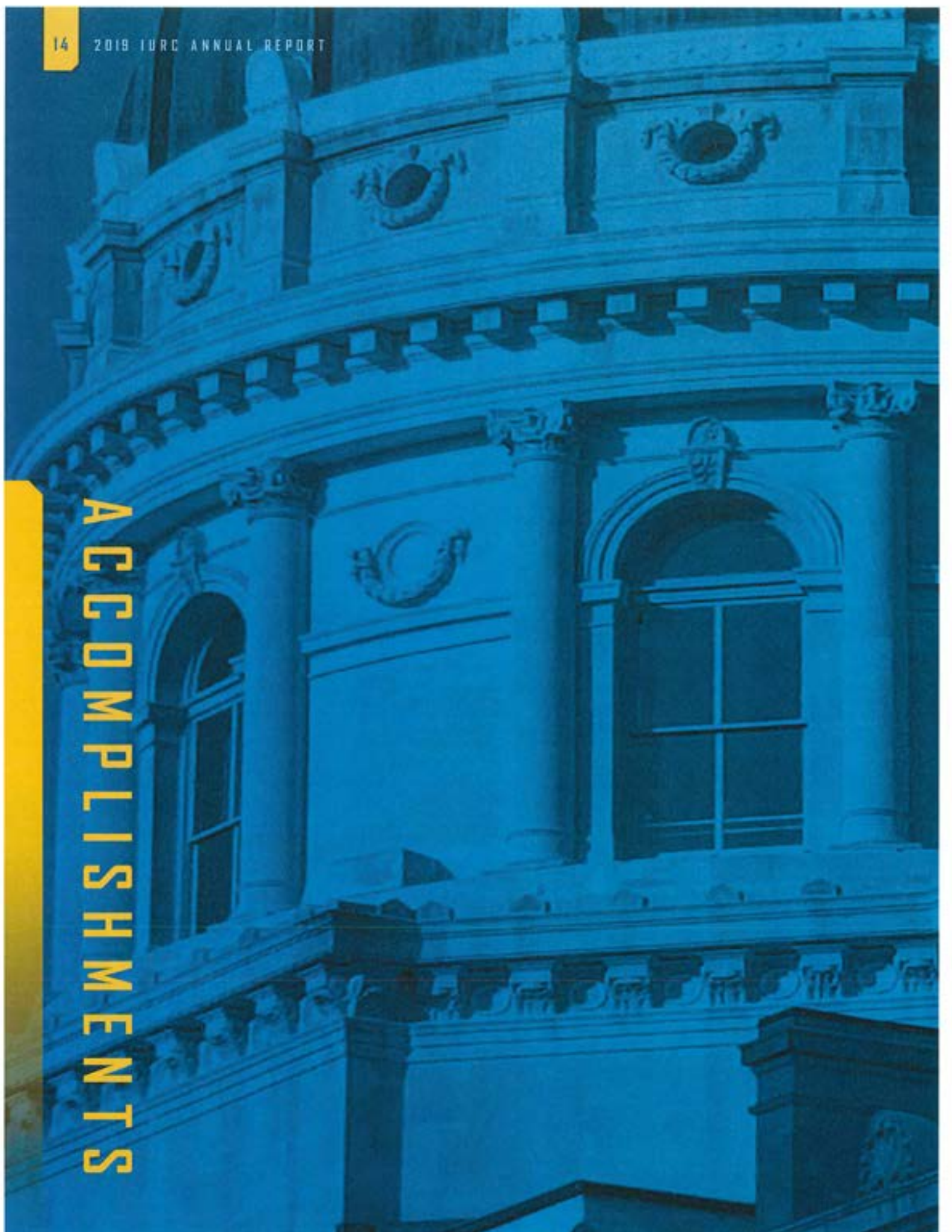
Communications Division Director Pamela Taber leads a team of three analysts who manage Indiana-specific issues related to telecommunications and video services, as the Commission is both the sole video franchise authority and the direct marketing authority for video service providers in Indiana. Taber earned a Bachelor of Science in Accounting from Ball State University and is a Certified Public Accountant. She has served the Commission for 36 years. The division provides advice on telecommunications issues, such as numbering issues, slamming and cramming, telecommunications providers of last resort, eligible telecommunications carriers (ETCs), and disputes between carriers. The division also advises the Commission on the certification of communications service providers and monitors competition in the communications industry by tracking and storing information about all types of communications providers and the areas where they offer their services. In addition, the division monitors the federal Lifeline Program in Indiana, which provides essential phone service to low-income Hoosiers.

## Pipeline Safety Division

The Pipeline Safety Division's primary focus is to ensure compliance with federal and state pipeline safety standards that apply to all intrastate natural gas and hazardous liquid pipeline operators, regardless of whether they are under the Commission's regulatory authority for rates and charges. The Director of Pipeline Safety, Bill Boyd, leads a team of 12 pipeline professionals with over 200 years of combined experience. Boyd earned a Bachelor of Science in Business from Indiana University and has 45 years of pipeline safety experience; he has served the Commission for 16 years. Boyd serves on the National Association of Pipeline Safety Representatives (NAPSR)'s legislative committee, which reviews the Pipeline and Hazardous Materials Safety Administration's (PHMSA) proposed federal regulatory initiatives to evaluate the cost-benefit analysis and risk assessment, as well as the practicability, feasibility, and reasonableness, of each proposal. Boyd also serves on NAPSR's Liaison Committee, which along the same lines, attempts to interpret federal proposals and gather and share NAPSR's opinions and analyses.

Pipeline safety engineers enforce the safety standards established by the U.S. Department of Transportation (U.S. DOT) as they apply to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. The division also enforces the U.S. DOT's anti-drug program for gas operators within Indiana, as well as U.S. DOT's integrity management, operator qualification, and damage prevention regulations. In addition, the division is responsible for investigating possible violations of the Indiana 811 law (Ind. Code chapter 8-1-26).

ACCOMPLISHMENTS





# ACCOMPLISHMENTS

## Highlights

The Commission strives to deliver on its mission to ensure utilities provide safe and reliable service at just and reasonable rates. As articulated in Governor Holcomb's Next Level agenda, over the last fiscal year the Commission worked to provide great government service at great value to ratepayers.

**316** Cases adjudicated that include rate, infrastructure improvement, environmental compliance, gas cost adjustment, and other types of cases.

**\$200 MILLION+** Total amount of annual tax reductions to base rates and charges approved by the Commission across all utility industries as of July 30, 2019 (some cases still pending).

**950** The number of attendees at this year's NARUC Summer Policy Summit hosted here in Indianapolis in July.

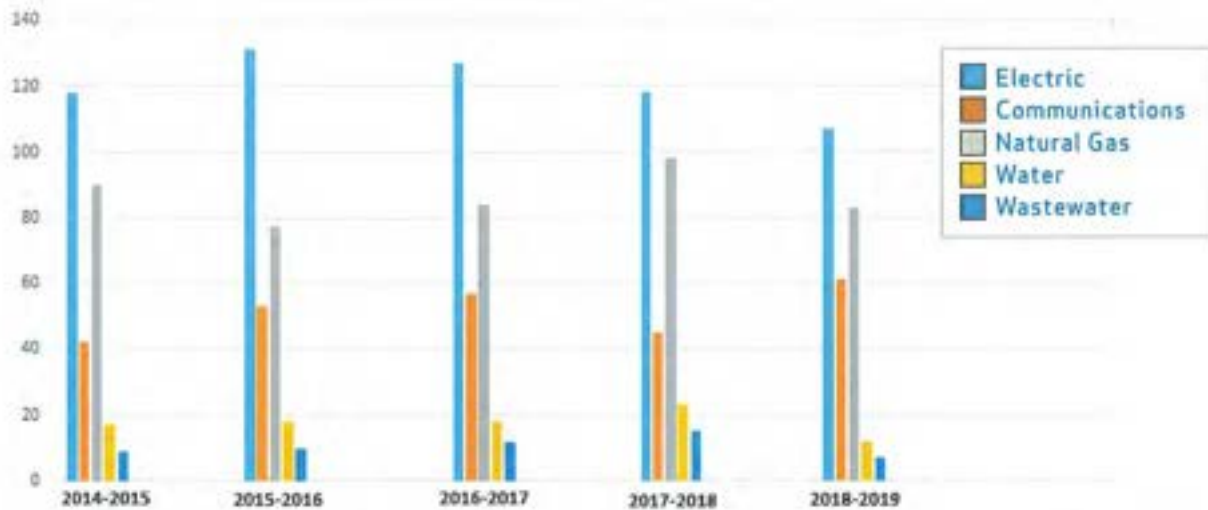
**#1** Indiana was ranked number one in the nation in 811 awareness in the Common Ground Alliance's annual survey.

**\$1,316,933.03** Amount invested from fines levied by the Commission for pipeline safety violations toward awareness, education, and training programs to support the Indiana 811 law.

**972** Pipeline inspections completed in Calendar Year 2018 to ensure the safety of the intrastate pipeline system.

**\$206,106.68** Amount refunded to utility customers via dispute resolution services provided by the Consumer Affairs Division.

### PETITIONS FILED BY INDUSTRY (5-YEAR COMPARISON)



## Docketed Cases

During Fiscal Year 2019, more than 270 new petitions were filed with the Commission. Petitions are given a docket number upon receipt and generally assigned both an administrative law judge and a commissioner, who serve as the presiding officers.

To access information pertaining to a docketed case, visit our Online Services Portal at <https://iurc.portal.in.gov/>. Here, you can search for a case by entering the cause number, industry, petition type, case status, petition filing date, or petitioner, and clicking Search. To watch hearings that are live streamed, please visit [www.in.gov/iurc/2624.htm](http://www.in.gov/iurc/2624.htm).

## Tax Legislation and Impact

On January 3, 2018, the Commission issued an Order initiating an investigation of the impact of the newly-signed federal Tax Cuts and Jobs Act of 2017 on investor-owned utilities in the state. The Tax Cuts and Jobs Act, which was signed into law by President Donald Trump on December 22, 2017, contains provisions reducing the corporate tax rate of 35 percent to 21 percent and revising the federal tax structure. The purpose of the Commission's investigation is to review

and consider the impacts from the federal tax legislation and how any resulting benefits may be realized by Hoosier ratepayers. The purpose of the Commission's investigation is to review and consider the impacts from the federal tax legislation and how any resulting benefits may be realized by Hoosier ratepayers.

In the Order, the Commission created a process moving forward that minimized the regulatory process timing and provided the opportunity for quick approval for the pass-through of a majority of the benefits to customers, which are those directly related to the ongoing reduced federal tax burden. On a different regulatory track, supplemental benefits that will occur over a longer time horizon – those related to the deferred tax liability adjustments – are generally being determined in the Commission's standard deliberative processes. As of July 30, 2019, the total amount of annual tax reductions to base rates and charges approved by the Commission across all utility industries is more than \$200 million (some cases still pending).

Additional information about the tax investigation and its impacts can be found within each division section of this report.



## Assistance for Small Water and Wastewater Utilities

Due to challenges that small water and wastewater utilities face, such as the replacement of aging infrastructure and small customer bases to share infrastructure improvement costs, the Commission's Water and Wastewater Division provides small water and wastewater utilities with educational assistance. The Commission has focused its educational assistance in two major areas: hands-on training and information on its website. Based on prior successes, the Commission continues to hold workshops on how to complete the Commission's small utility rate application and annual report, the basics of utility accounting, and tools for strategic planning and asset management.

To make educational materials more accessible, the Commission continues to find ways to improve its website by providing useful documents to utilities, such as standard operating procedures, generic maintenance plans and forms, best practice guides, emergency response, conservation, and board training. The Commission's website also houses a small utility toolkit that provides Commission-specific regulatory information, infrastructure funding options, and other assistance.

In 2019, two utilities completed the rate application for small utilities without the use of a consultant, greatly reducing rate case expenses that are ultimately passed along to customers. Senate Enrolled Act (SEA) 472 increased the number of utilities that can file small rate applications from those serving less than 5,000 customers to those serving less than 8,000 customers, and expanded eligibility to divisions of large utilities that serve less than 5,000 customers. With these enhancements, the Commission expects more utilities will take advantage of this efficient, cost-saving measure in the future.

## Integrated Resource Planning

Consistent with statutory obligations and Commission rules, Indiana's five investor-owned utilities, which are Duke Energy Indiana (Duke), Indiana Michigan Power (I&M), Indianapolis Power & Light (IPL), Northern Indiana Public Service Company (NIPSCO), and Vectren/CenterPoint Energy (Vectren), as well as the three wholesale power utilities: Indiana Municipal Power Agency (IMPA), Hoosier Energy, and Wabash Valley Power Association (WVPA), are required to provide safe and reliable service in an efficient and cost-effective manner. To ensure adequate resources have been planned to meet future obligations, Indiana's largest electric utilities employ state-of-the-art tools and work with their stakeholders to develop credible integrated resource plans (IRPs). IRPs evaluate a broad range of feasible and economically viable resource alternatives over a 20-year planning period. These alternatives can include traditional resources, energy efficiency, demand response, and customer-owned resources.

These utilities submit an IRP once every three years on a staggered schedule. The Commission's updated IRP and energy efficiency rules went into effect December 2018. Due to the dynamics of the electric industry in 2018- 2019, NIPSCO submitted an IRP in November 2018, Duke and I&M on July 1, 2019, and IPL is expected to submit an IRP on Dec. 16, 2019. Vectren is expected to submit its IRP on May 1, 2020.

IRPs are analytically challenging and complex and affect virtually all aspects of utility operations and long-term objectives. To address the inherent complexities of IRPs, the Commission hosts an annual Contemporary Issues Technical Conference to discuss IRPs. The Commission, with the assistance of various stakeholders, invite experts to discuss methods for addressing complex issues. The Commission held the most recent Technical Conference on April 15, 2019.

## Utility Collaboratives

In recent electric rate cases, the Commission directed Indianapolis Power & Light (IPL), NIPSCO, and Indiana Michigan Power (I&M) to participate in public collaborative processes with interested stakeholders, including Commission staff, the OUCC, local communities, and customer and industrial advocacy groups. The purpose was to increase transparency by developing and implementing performance-based metrics that are reviewed annually. Generally, performance metrics were developed in the areas of public safety, reliability, customer satisfaction, utility operations, and affordability, with more specific metrics established based on the utility. The stakeholders met frequently to develop comprehensive, performance-based metrics for the utilities. These collaborations are of significant value to the Commission and ratepayers, allowing a better, more transparent assessment of the utility and its performance over time through the required reporting of metrics. Annual performance metrics reports were recently filed with the Commission by all three utilities.

## Underground Plant Protection Account

The Underground Plant Protection Account (UPPA) is funded by fines levied by the Commission for violations of the Indiana 811 law. Funds are used to provide programs designed to reduce damages to buried utility facilities during excavation.

During Fiscal Year 2019, the Commission-administered fund supported more than \$1 million in awareness, training, and education initiatives focused on underground utility safety. A sample of these programs included:

- Partnering with the Indiana Broadcasters Association (IBA) to air approximately 50,000 public service announcements across Indiana on broadcast TV, as well as AM and FM radio stations.

- Hosting seven Indiana 811 law-focused safety training sessions across central, northern, and southern Indiana in spring 2019 for approximately 1,000 excavators, operators, locators, EMS responders, and civic leaders. These sessions were held in Columbus, Evansville, Fort Wayne, Noblesville, Scottsburg, South Bend, and Schererville. The Commission partnered with training companies Enertech and Baker Utility Partners, as well as local emergency service providers across Indiana, to provide a day of classroom training focused on the Indiana 811 law, best practices for safe excavation, and a live, mock line-strike demonstration with emergency response.

- Sponsoring the Midwest Damage Prevention Training Conference and providing admission for the training conference to 115 new excavator attendees who consistently work near underground facilities.

The Commission continues to expand its free, online safety training system designed for professionals who work in excavation. Those professionals include, but are not limited to, landscapers, plumbers, concrete workers, and heavy construction workers. Expanded topics include “Safe Digging and Best Practices”, which outlines safe and proper ways to approach working on a jobsite, and “Documenting Your Worksite”, which explains how to document the conditions of your jobsite and why it’s crucial that every excavator keep an accurate record with clear photographic evidence. Additional training modules will be added. The free training courses can be accessed at [www.SafeDigIndiana.com](http://www.SafeDigIndiana.com) and are open to any individual wanting to learn more about how the Indiana 811 law and 811 system affects them. More than 600 excavation-related professionals have taken the online training.

## NARUC Summer Policy Summit

In July, Indianapolis and the Indiana Utility Regulatory Commission hosted the 2019 National Association of Regulatory Commissioners (NARUC) Summer Policy Summit in Indianapolis. The Commission was honored to host peers from across the nation. Staff and Commissioners attended meetings during the multi-day event, and the Chairman and Commissioners also

participated in panels and committee meetings. It was a great opportunity to discuss important issues relating to the energy, water and wastewater, and telecommunications industries right here in the Hoosier state.

## Field Hearings & IRP Stakeholder Meetings

The Commissioners heard from the public on several important issues before the Commission over the last year, including traveling to eight field hearings for base rate cases and several IRP stakeholder meetings around the state.

Field hearings are public hearings that give utility customers an opportunity to speak in favor of or against pending cases before the Commission. If a utility seeks an increase in revenue in a base rate case that exceeds \$2.5 million, at least one field hearing held in the largest municipality within a utility's service territory is required. Hearings are documented by a court reporter, and testimony is offered in the case as evidence by the Indiana Office of Utility Consumer Counselor. In Fiscal Year 2019, the Commission held eight hearings around the state: one in Evansville for a Vectren CPCN case, one in New Albany for a Floyds Knobs water rate case, one in Fort Wayne for a water rate case, two for the Indiana American Water rate case (Gary and Seymour), two in Indianapolis for the CWA Authority, Inc. rate case, and one in Hammond for the NIPSCO electric rate case.

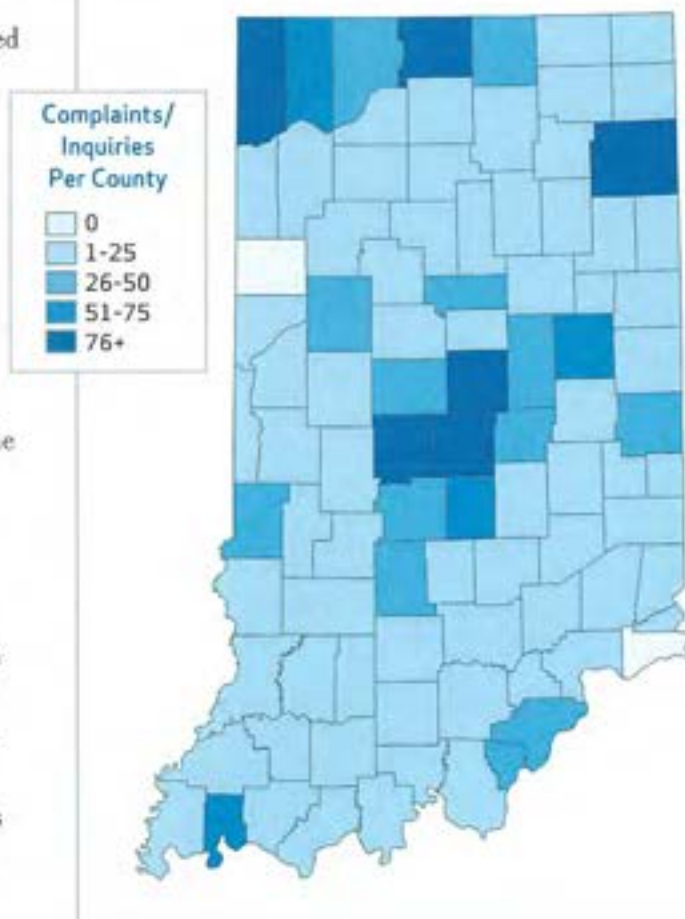
A hallmark of Indiana's IRP process is open stakeholder participation in a concerted effort to narrow areas of controversy in cases and facilitate timely decisions by the Commission regarding future resources. The Commission has diligently sought to encourage broad stakeholder participation to ensure a variety of perspectives are considered. Utilities generally hold at least three public advisory sessions to provide meaningful input into the development of the IRPs. As the importance of the IRPs and the

potential costs of resource decisions have increased, utilities have scheduled more meetings to better address stakeholder concerns. The utilities also provide educational programs for participants in the stakeholder process. This year, public advisory sessions were held by Duke and I&M, with ongoing sessions for IPL and Vectren.

## Consumer Affairs Division

In Fiscal Year 2019, the Commission's Consumer Affairs Division handled 10,163 calls, 811 online cases, 73 emails, 56 letters, 9 faxes, 1,655 cases filed via phone and 7 walk-ins resulting in 2,611 complaints/inquiries. The complaints/inquiries spanned all

### CONSUMER AFFAIRS DIVISION COMPLAINTS/INQUIRIES BY COUNTY



industries concerning a wide-ranging list of utility-related issues, but billing was the most common, followed by service-related issues. Billing issues can be complicated, often involving customer confusion over bill formats or questions regarding unexpected increases in bill amounts. Service-related issues involve outage reports and matters related to the utility's facilities. \$206,106.68 in billing adjustments were refunded to customers via the Consumer Affairs Division.

Although the Commission does not have jurisdiction over rates and charges for video and telecommunications providers, inquiries about these providers are a significant portion of the division's workload. In fact, more than 31 percent of complaints/inquiries received in Fiscal Year 2019 by the Consumer Affairs Division were related to video and telecommunication providers. Even with limited statutory authority, the Consumer Affairs Division continues to be a resource for customers by connecting with telecommunications providers to come to a resolution. A table with a breakdown of complaints/inquiries by county during Fiscal Year 2019 can be found in *Appendix B*.

If customers cannot resolve their concerns with their regulated utility, they may contact the Commission's Consumer Affairs Division by phone at 1-800-851-4268 or online at <https://iurc.portal.in.gov/>.

## Interventions and Comments

In order to ensure Indiana's interests are represented at the federal and regional levels, one of the various duties the Office of General Counsel undertakes is drafting and filing pleadings or comments with federal and regional entities. The Office of General Counsel is also responsible for intervening in cases where the Commission or state of Indiana's interests should be represented. The Office of General Counsel, on behalf of the Commission, intervened, provided comments, or participated in various proceedings 31 times since July 1, 2018.

*These include the following:*

- One comment and five interventions to the Federal Energy Regulatory Commission (FERC).
- Eight filings, resolutions, or letters through the Commission's participation in the Organization of PJM States, Inc. (OPSI), regarding the PJM Interconnection, LLC (PJM).
- 17 filings, resolutions, or letters through the Commission's participation in the Organization of MISO States (OMS), regarding the Midcontinent Independent System Operator (MISO).

## General Administrative Orders

*The Commission issued the following General Administrative Order (GAO):*

- GAO 2018-4 – Policy Governing the Interest Rate for Gas Customer Deposits approved Dec. 27, 2018, which set the interest rate gas utilities must credit on customer deposits.

## Rulemakings

Before the Commission can adopt rules or make changes to its existing rules, it must follow the formal rulemaking process. This ensures the opportunity for public comment and allows the issues at hand to be fully vetted. In addition to the formal process dictated by state procedures, it is the practice of the Commission to hold informal workshops and discussions with stakeholders prior to initiating a formal rulemaking. Although the rule development process can extend the time the rule is discussed, it helps achieve common ground among stakeholders before the formal process begins. For more information or to access documents and public comments related to these rulemakings, please visit [www.in.gov/iurc/2658.htm](http://www.in.gov/iurc/2658.htm).

*The following are rulemakings completed in Fiscal Year 2019:*

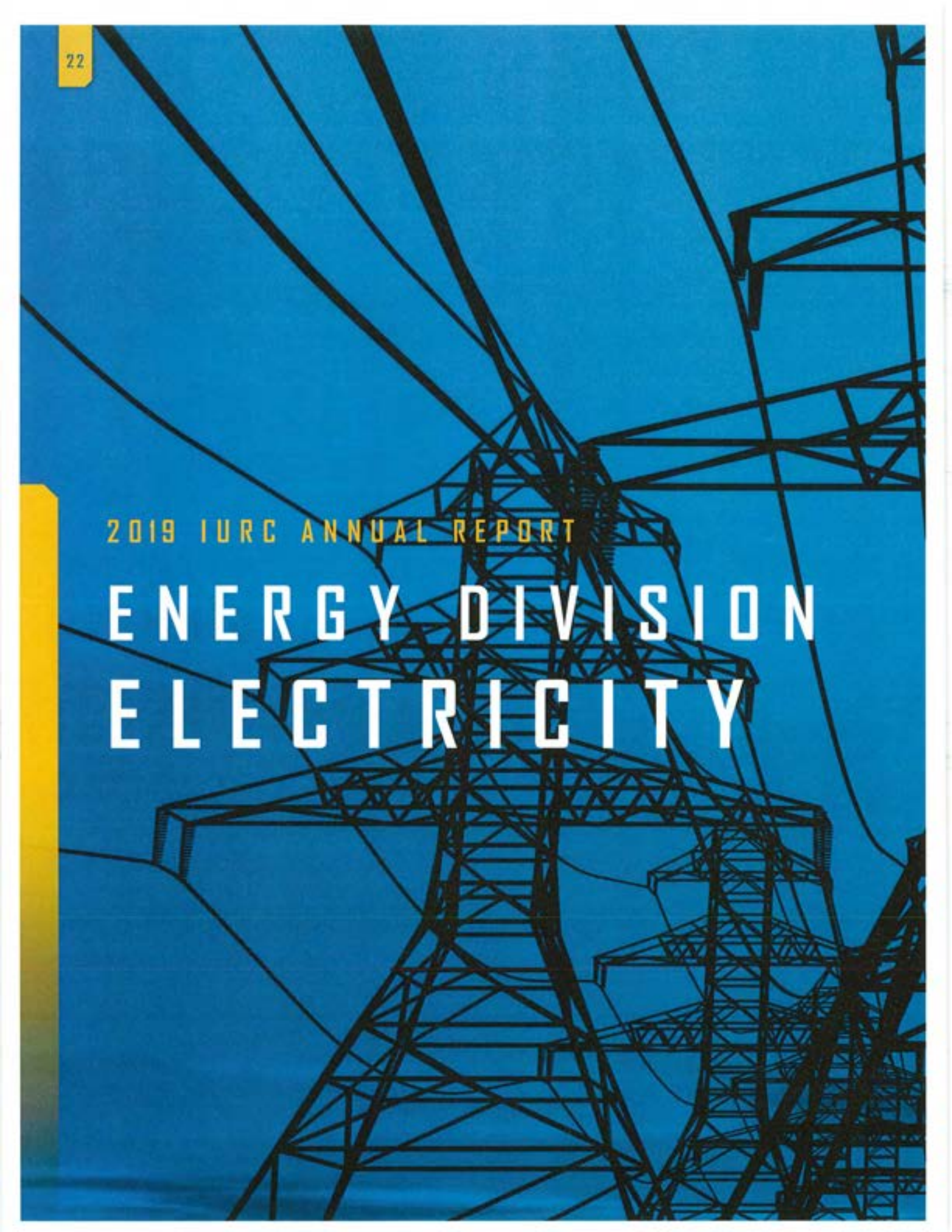
- **Update to Pipeline Safety Standards (IURC RM #17-02; LSA #17-448):** Updates the rule regarding pipeline safety standards, 170 IAC 5-3-0.6, to incorporate changes to those standards at the federal level through June 1, 2017, which is required under Indiana state law (Indiana Code chapter 8-1-22.5). The Notice of Intent to Adopt a Rule was published on October 11, 2017; the public hearing was held on July 6, 2018; and the Final Rule was approved by the Commission on July 31, 2018. The Indiana Register published the final rule on September 20, 2018, which became effective on October 20, 2018.
- **Integrated Resource Plans (IRPs) and Energy Efficiency Plans (EEPs) (IURC RM #15-06; LSA #18-127):** Rulemaking required after the 2015 legislative session to update the IRP rule and add rules for EEPs. The Notice of Intent to Adopt a Rule was published on March 14, 2018; and the public hearing was held on August 20, 2018. The Commission adopted the final rule on October 24, 2018. The Indiana Register published the final rule on December 5, 2018, which became effective on January 4, 2019.
- **2019 Re-adoptions (IURC RM #19-01; LSA #19-136):** Readopted rules that would have expired on Jan. 1, 2020, including 170 IAC 1-2 regarding construction and filing of schedules of rates, tolls and charges by public utilities; 170 IAC 1-3 regarding advertising expenditures by public utilities; 170 IAC 4 regarding electric utilities; 170 IAC 5-1 regarding standards of service; 170 IAC 6-1 regarding standards of service; 170 IAC 6-1.1 regarding distribution system improvement charges (DSIC); 170 IAC 6-1.5 regarding extension of water mains; 170 IAC 6-2 regarding classification of accounts for class a, b, and c water utilities; 170 IAC 6-5 regarding water tracker procedure; 170 IAC 8 regarding private rural sewage utilities; 170 IAC 8.5 regarding sewage disposal services; 170 IAC 8.6 regarding sewer tracker; 170 IAC 10-1 regarding telephone companies; and 170 IAC 11 regarding combination gas and electric private utilities. These rule re-adoptions became effective on May 8, 2019.

*The following are current rulemakings at the Commission:*

- **Revisions to Procedural Rules (IURC RM #18-02 – previously IURC RM #15-02):** Rules will be revised to address the management of electronic filing; this rule also addresses inconsistencies in the ex parte rule. The rule development process for this rulemaking was started in 2015 when the Commission started the revision of its database system and a draft proposed rule has been circulated to stakeholders for comments and input. The rule is currently with the State Budget Agency for review of the fiscal and financial impact of the rule.
- **Repeal of Outdated Rules (RM19-04):** Outdated rules will be repealed to clean up 170 IAC and include 170 IAC 6-3, titled *Central Station Hot Water Heating Utilities*, 170 IAC 9, titled *Rural Electrification Administration*, and 170 IAC 12, titled *Residential Conservation Service Program*. The rule is currently with Office of Management and Budget for consideration as an exception to the rulemaking moratorium.
- **Revisions to Commission Review of Municipal Utility Rates and Charges (RM19-06):** Rule will be revised to incorporate changes made by the General Assembly in 2013 to Ind. Code 8-1.5-3-8.3. In addition, certain changes are being made to bring the filing requirements into compliance with the Commission's procedural rules and to lessen the regulatory burden on petitioners. The draft proposed rule was circulated for stakeholder feedback, and the proposed rule will be submitted for the necessary approvals from the Office of Management and Budget and the State Budget Agency.

2019 IURC ANNUAL REPORT

# ENERGY DIVISION ELECTRICITY





# ELECTRICITY

## Regulatory Responsibility and Jurisdiction

There are three types of electric utilities in Indiana—investor-owned utilities (IOUs), municipally-owned utilities, and rural electric membership cooperatives (REMCs). The Commission has full jurisdiction over IOUs, including rates and charges, as well as customer service terms and conditions. In addition, the Commission reviews and approves long-term financing for IOUs, municipals that have not opted out of the Commission's jurisdiction for rates and charges, the Indiana Municipal Power Agency (IMPA), and Wabash Valley Power Association (WVPA). Generally, all Indiana electric utilities wanting to build, buy, or lease new generation facilities must first have their proposals reviewed and approved by the Commission. The Commission also has jurisdiction over all Indiana electric utilities' retail service territories. The electric utilities under the Commission's rate jurisdiction served more than 2.4 million customers and had total revenues of more than \$9.4 billion for Calendar Year 2018 (*see Appendix C*).

## Investor-Owned Utilities

Five major IOUs operate in Indiana and are for-profit enterprises funded by debt (bonds) and equity (stock).

The five IOUs, all of which are fully regulated by the Commission, are listed below. The simplified map (right) shows the counties in which the investor-owned electric utilities have service territory.

Electric cooperatives serve most of the rural areas (see map on page 26).

- Duke Energy Indiana, LLC (Duke) is locally based in Plainfield, Indiana, and is a subsidiary of Duke Energy Corporation headquartered in Charlotte, North Carolina. The utility serves 813,000 customers in 69 of the 92 counties located in Indiana.
- Indiana Michigan Power Company (I&M) is based in Fort Wayne, Indiana, and is a subsidiary of American Electric Power Company, Inc. (AEP) headquartered in Columbus, Ohio. The utility serves 463,000 customers in two noncontiguous parts of northeastern and north central Indiana.
- Indianapolis Power and Light Company (IPL) is based in Indianapolis, Indiana, and is a subsidiary of the AES Corporation headquartered in Arlington, Virginia. The utility serves 487,000 customers in the greater Indianapolis area.
- Northern Indiana Public Service Company (NIPSCO) is a subsidiary of NiSource Inc., which is headquartered in Merrillville, Indiana. The utility serves 464,000 electric customers in northwestern Indiana.
- Southern Indiana Gas and Electric Company (Vectren) is based in Evansville, Indiana, and is a subsidiary of CenterPoint Energy headquartered in Houston, Texas. The utility serves 148,000 customers in southwestern Indiana, including Evansville.

### ELECTRIC SERVICE TERRITORIES

#### Indiana Utilities

- I&M
- Duke Energy
- IPL
- NIPSCO
- Vectren



### Merger of CenterPoint Energy and Vectren

On February 1, 2019, CenterPoint Energy and Vectren Corporation completed the approximately \$6 billion merger of the two companies, whereby Vectren became a wholly-owned subsidiary of CenterPoint Energy. Because this was a holding company-level transaction, the Commission did not have statutory authority regarding the approval of the merger. The combined company serves 4.5 million gas utility customers and 2.5 million electric utility customers in eight states and maintains operations across more than three dozen states, with assets totaling \$29 billion and approximately 14,000 employees.



## Municipally Owned Utilities

The municipally owned electric utilities under the Commission's rate jurisdiction are Anderson, Auburn, Crawfordsville, Frankfort, Kingsford Heights, Lebanon, Richmond, and Tipton. In 1980, a group of municipalities created IMPA to jointly finance and operate generation and transmission facilities, as well as meet members' power needs through a combination of member-owned generating facilities, member-dedicated generation, and purchased power. Of the 72 municipally owned electric utilities in the state, 60 are members of IMPA, including seven of the eight municipal electric utilities regulated by the Commission. See Appendix D.

## Rural Electric Membership Cooperatives

REMCs are customer-owned distribution utilities, most of which are members of either Hoosier Energy, located in the southern part of the state, or WVPA, located in the northern part of the state. Hoosier Energy and WVPA are power generating and transmission cooperatives formed to supply power to the REMCs.

The Commission's regulation of Hoosier Energy and WVPA is primarily limited to decisions to purchase,

## STATEWIDE MAP OF INDIANA MUNICIPAL POWER AGENCY MEMBERS AND GENERATING RESOURCES

### Jurisdictional IMPA Members

Anderson  
Frankfort  
Crawfordsville  
Kingsford Heights  
Lebanon  
Richmond  
Tipton



build, or lease generation facilities, the review of their integrated resource plans (IRPs), and service territory changes. No REMCs remain under Commission authority for rate regulation.

A map of the REMCs can be found on the *next page*.

### INDIANA ELECTRIC COOPERATIVES MEMBER COOPERATIVES



### 2018 STATE AVERAGE ELECTRICITY PRICES (INCLUDES ALL RATE CLASSES, IN CENTS/KWH)



## Competitiveness of Rates

Indiana's average retail prices for electricity continue to be competitive both nationally and regionally. However, the utility rates are not as low as they used to be. State average electricity prices are the composite average price for all rate classes, including residential, commercial, and industrial customers.

Indiana's average total customer retail rates historically have compared favorably to those of the rest of the nation. They ranked as the 4th lowest in 2002 and the 23rd lowest in 2018, according to Electric Power Monthly. The variability in ranking is the result of many factors, including environmental requirements, the

timing of rate cases (both in and out of state), required investments to maintain infrastructure, and fluctuations in the cost of fuel. Investment costs to address environmental mandates and general trends in coal and natural gas prices have influenced Indiana's relative price advantage.

Neighboring states' total customer retail rate rankings for 2018 are as follows: Kentucky – 8th, Illinois – 20th, Ohio – 28th, and Michigan – 38th. Indiana has a relatively favorable ranking compared to neighboring states in 2018. However, rates and rankings can fluctuate from year to year, depending on environmental regulations and the commodity prices of coal and natural gas.

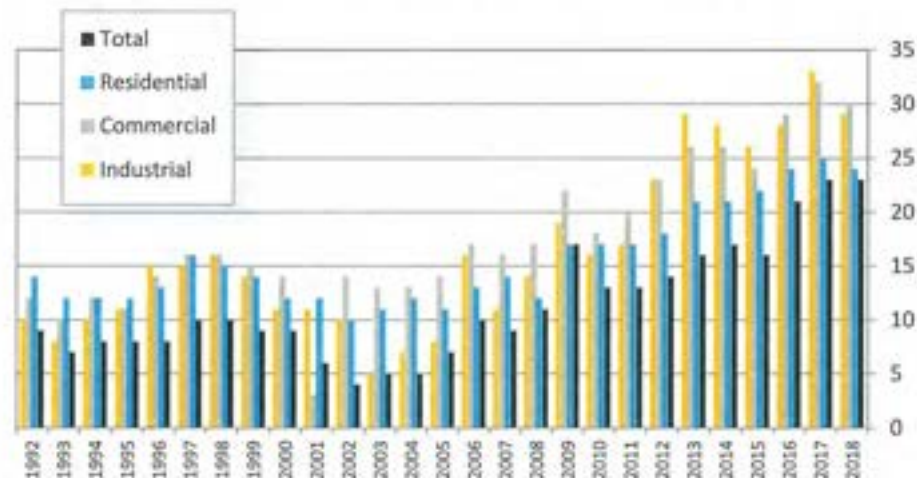
## How Indiana Compares

Differences and variations in rates can be seen between the various customer classes: residential, commercial, and industrial. Due to a number of factors, each class has been affected differently from a ranking standpoint. Industrial customers have slipped in ranking more than other customer classes, from 5th least expensive in 2003 to 29th least expensive in 2018.

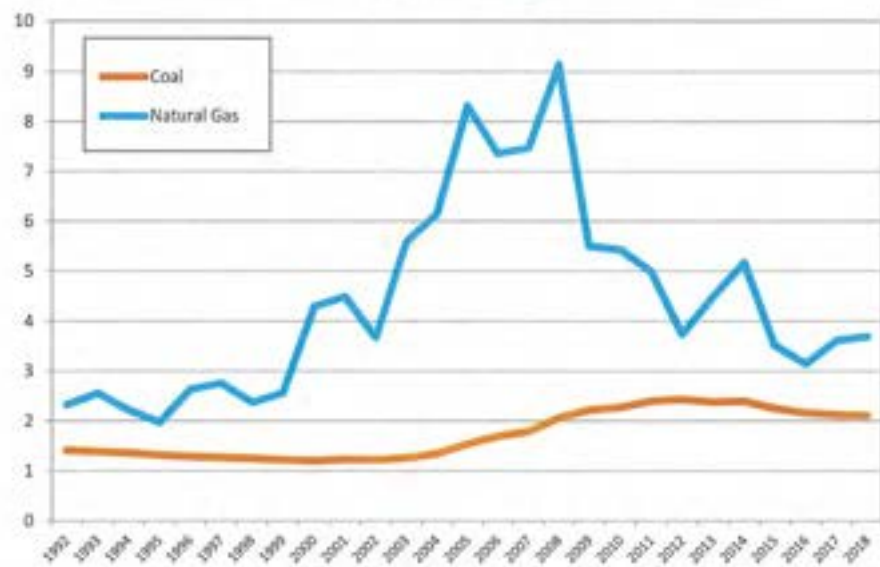
Indiana's consistent use of coal as a fuel source for electricity generation has contributed to the state's relatively low-cost electricity, which has historically created an important economic development advantage. However, investment costs to address environmental mandates, the general trending of increased coal prices observed since 2003, decreasing natural gas and renewable energy prices, and the replacement of aging infrastructure have reduced Indiana's relative price advantage.

Some of the factors driving increases in the cost of coal and the decreases in the cost of natural gas include more stringent permitting requirements for coal mining and the emergence of shale gas supply.

### INDIANA CUSTOMER CLASS RATE NATIONAL RANKING



### AVERAGE COST OF FUEL, ELECTRIC UTILITIES, NATIONWIDE (\$/MMBTU)



When focusing solely on rankings, Indiana is still competitive; however, its average electricity price ranking has lost ground to other states in recent years due to changes in the commodity markets and compliance with federal environmental regulations. If Indiana is to remain competitive moving forward, long-term planning and a well-developed, holistic evaluation of potential solutions to address rising costs are critical.

## Customer Bills

The Commission issues a residential electric bill survey annually that compares the rates of Indiana regulated utilities. This information is summarized in *Appendices E-H*.

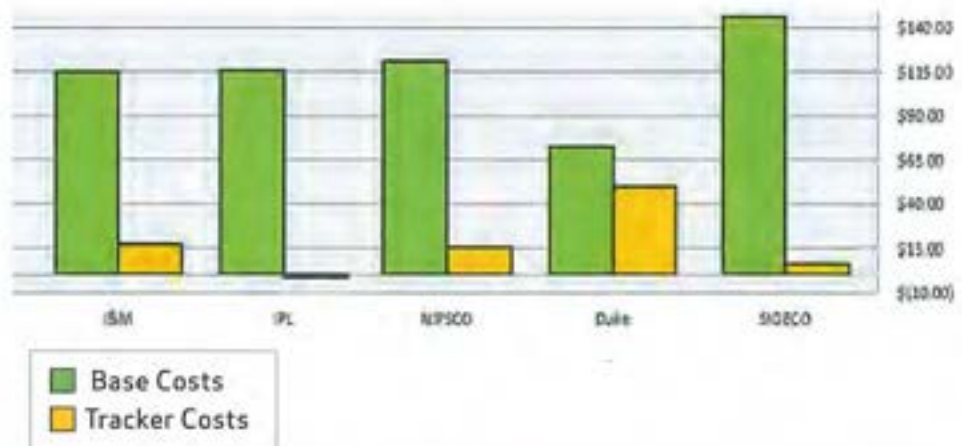
In addition, the following chart shows a breakdown of how base rates, expense adjustments (e.g., maintenance costs, administrative costs, and fuel costs), and capital adjustments (e.g., investments in facilities, machinery, and equipment) contribute to a residential customer's bill for each of Indiana's electric IOUs. Indiana's regulatory statutes include rate adjustment mechanisms, also known as trackers, for certain expenses and capital investments. Rate adjustment mechanisms provide timelier flow-through of specifically defined and approved costs to retail rates, compared to adjustments that would occur as the result of a rate case. The relative weighting of elements in customer bills varies in part due to the size of a utility's construction program and how much time has passed since its last base rate case.

## Federal Tax Cuts and Jobs Act of 2017

On December 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA contained provisions reducing the corporate tax rate of 35 percent to 21 percent and revising the federal tax structure.

As a result of the TCJA, the Commission initiated an investigation into the federal income tax embedded in rates of all jurisdictional, investor-owned utilities. While

RESIDENTIAL BILL COMPONENTS FOR THE INVESTOR-OWNED UTILITIES



there are still pending cases before the Commission involving the tax investigation, as of July 30, 2019, the Commission has approved annual reductions to base rates and charges of more than \$147 million for electric utility customers.

## Infrastructure and TDSIC

Indiana Code chapter 8-1-39, enacted in 2013 as Senate Enrolled Act (SEA) 560, provides incentives for regulated electric and natural gas utility companies to replace aging infrastructure. To encourage investment in transmission and distribution systems, the legislature created a rate adjustment mechanism called the Transmission, Distribution, and Storage System Improvement Charge (TDSIC), which covers projects related to safety, reliability, system modernization, and economic development. Examples of electric utility projects include investments in substations, circuits, underground cables, and breakers/transformers. Absent the TDSIC mechanism, these investments would have to await consideration for cost recovery in a base rate case. Now, utilities can petition for cost recovery on a timelier basis.

House Enrolled Act (HEA) 1470 was signed into law by Governor Holcomb on April 24, 2019. The law

made a number of changes to the TDSIC law enacted in 2013. The new law further defined what constituted “eligible transmission, distribution, and storage system improvements.” It also allowed utilities to submit TDSIC plans ranging between five to seven years instead of only seven years. HEA 1470 also delineated that a utility can include new projects or improvements as it moves along in its TDSIC plan.

## TDSIC Update

A utility-specific TDSIC plan includes projects to upgrade infrastructure over a five- to seven-year time period. After the Commission approves the initial plan, utilities file updates to the plans for ongoing review and recovery of investments. The table below shows that current TDSIC plans have been approved to invest a total of \$3.1 billion in eligible projects.

IPL filed its first TDSIC plan with the Commission on July 24, 2019, in IURC Cause No. 45264. This case is still pending before the Commission.

Wabash Valley Power Alliance (WVPA) are required to submit an integrated resource plan (IRP) to the Commission.

## Integrated Resource Planning

Consistent with statutory obligations and Commission rules, Indiana’s five IOUs, as well as the three wholesale power utilities – IMPA, Hoosier Energy, and WVPA – are required to provide safe and reliable service in an efficient and cost-effective manner. To ensure adequate resources have been planned to meet future obligations, Indiana’s largest electric utilities employ state-of-the-art tools and work with their stakeholders to develop IRPs. IRPs evaluate a broad range of feasible and economically viable resource alternatives - including traditional resources, energy efficiency, demand response, and customer-owned resources - over a 20-year planning period.

Utilities submit an IRP once every three years on a staggered schedule. The Commission’s updated IRP and energy efficiency rules became effective December

2018. Due to the dynamics of the electric industry in 2018- 2019, NIPSCO submitted an IRP in November 2018, Duke and I&M on July 1, 2019, and IPL is expected to submit an IRP on Dec. 16, 2019. Vectren is expected to submit its IRP on May 1, 2020.

### CURRENT TDSIC UTILITY PLANS APPROVED

Utility Name	7-year Plan Approved Investment Amount	7-year Plan Approved Investments to Date	Percent of Approved Amount in Rates
Duke Energy Indiana	\$1,408,300,000	\$271,347,943	19.3%
NIPSCO	\$1,251,954,035	\$ 319,932,846	25.6%
Vectren	\$446,508,000	\$59,199,082	13.3%
Total	\$3,106,762,035	\$650,479,871	20.9%

## Generation

Indiana’s Commission-regulated electric utilities are required to supply power from an integrated portfolio of resources at the lowest reasonable cost, while providing safe and reliable service. To accomplish this, utilities must strategically plan on both a short-term and long-term basis, a process known as integrated resource planning. Each IOU, IMPA, Hoosier Energy, and

IRPs are analytically challenging and complex and affect virtually all aspects of utility operations and long-term objectives. To address the inherent complexities of IRPs, the Commission hosts an annual Contemporary Issues Technical Conference to discuss IRPs. The Commission, with the assistance of various stakeholders, invite experts to discuss methods for addressing complex issues. In 2019, the Commission held the Technical Conference on April 15.

Indiana's IRP process allows open stakeholder participation in a concerted effort to facilitate timely analysis regarding future resources. The Commission has assiduously sought to encourage broad stakeholder participation to ensure a variety of perspectives are considered. Utilities hold at least three public advisory sessions to solicit input into the development of the IRPs. As the importance of the IRPs and the potential costs of resource decisions have increased, utilities have scheduled more meetings to more fully discuss stakeholder concerns. The utilities also provide educational programs for participants in the stakeholder process. Recent public advisory sessions were held by Duke and I&M prior to submittal of their IRPs, and IPL's sessions are continuing.

The IRP process requires the utilities to anticipate how they will comply with federal environmental regulations, how they evaluate continued investments in existing plants, and the viability of alternative options to meet customer demand.

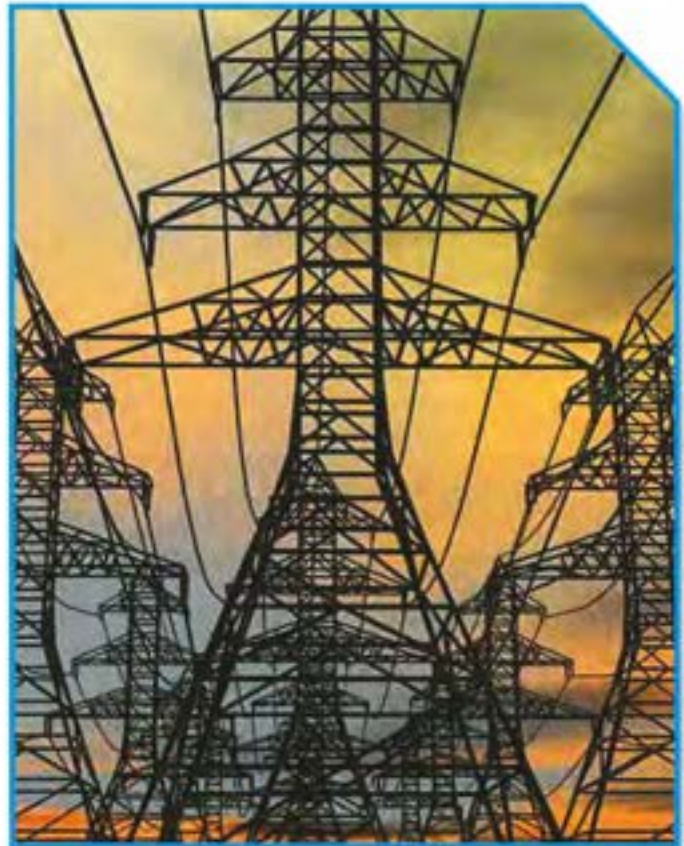
Some options include, but are not limited to: 1) retiring existing plants; 2) converting coal-fired plants to natural gas-fired plants; 3) building new generating plants; 4) additional purchases of renewable energy using power purchase agreements (PPAs); and 5) expanding energy efficiency and demand response programs to reduce customers' energy needs.

State law generally requires utilities that intend to construct, own, or lease a generation facility to receive approval from the Commission through the certificate process before proceeding. This process provides the Commission and interested parties an opportunity to evaluate the merits of a project before it is undertaken and includes consideration of the utility's IRP. If the Commission approves a project, the utility is granted a certificate of public convenience and necessity (CPCN). The Commission is required to find that an IOU allowed third parties to submit firm and binding bids in a competitive bidding process for the construction of new generation facilities greater than 80 MW before granting a CPCN. In addition, there is a simplified approval

process for solar, wind and organic waste biomass projects, which are less than 50 MW and selected through a competitive procurement process.

Indiana utilities may purchase incremental electricity through PPAs, which are contractual purchases of energy, rather than build their own power plants. The Commission conducts a separate review process for PPAs. Like the CPCN process, a utility files a petition with the Commission seeking approval to determine prudence for the purposes of future cost recovery of the purchases made through the PPA. Petitions for PPA rate recovery are generally filed under Ind. Code chapter 8-1-8.8.

Energy efficiency refers to measures or technologies that reduce the consumption of energy, while demand response refers to measures, technologies, or incentives and pricing programs that reduce or curtail usage during periods of peak demand. Energy efficiency and demand response programs are also examined within the utilities' IRPs.



## Indiana's Generation Fuel Mix

In 2009, the fuel sources for electric power generation meeting Indiana's needs were:

- Coal: 88.5 percent
- Nuclear: 4.6 percent<sup>1</sup>
- Natural gas: 3.1 percent
- Wind: 1.1 percent
- Other fuels: 2.5 percent

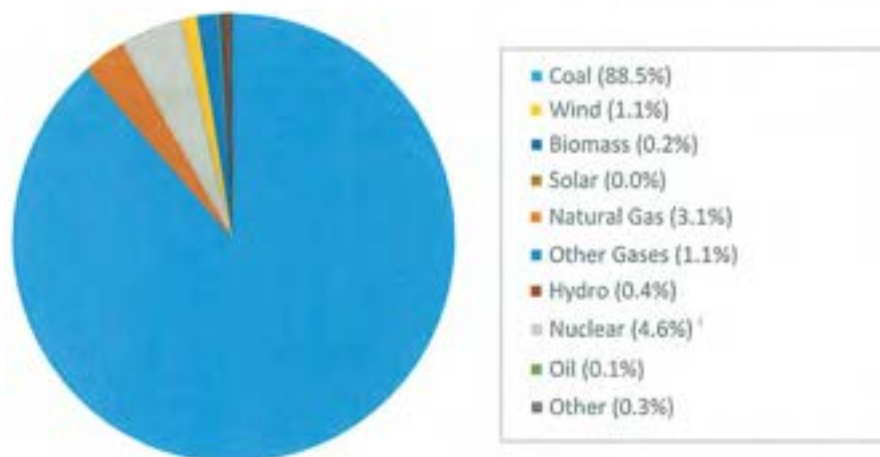
Since that time, large wind farms harnessing Indiana's abundant wind energy resources have joined the Indiana generation fleet and natural gas prices have decreased. The current U.S. Energy Information Administration (EIA) and FERC data projects Indiana's fuel source mix for 2018 as follows (see the following pie chart):

- Coal: 64.3 percent
- Natural gas: 16.4 percent
- Nuclear: 10.8 percent
- Wind: 4.2 percent
- Other fuels: 4.3 percent

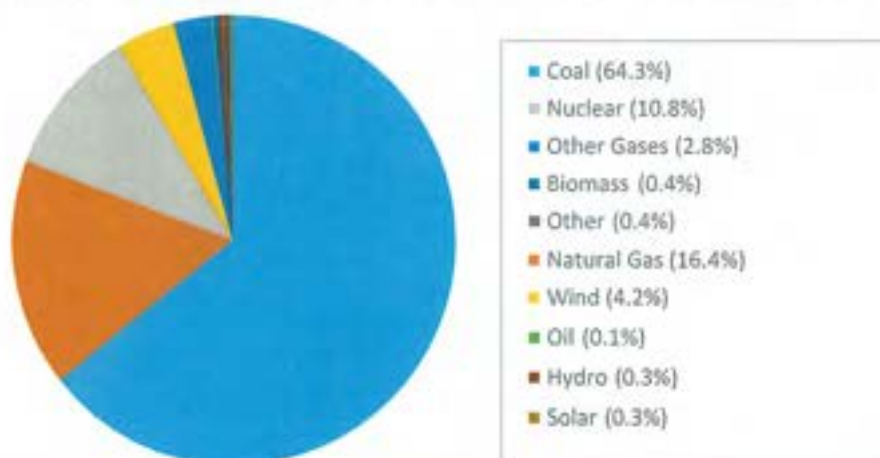
Although the majority of Indiana's electrical energy needs are met through coal-fired, natural gas-fired, and nuclear generation at utility-owned facilities, wind and other renewable energy sources are increasingly contributing to the generation of electricity consumed in the state.

<sup>1</sup> I&M's Cook Unit 1 went out of service in September 2008 due to a catastrophic steam turbine failure. The unit did not return to service until December 19, 2009. As a result, output by the Cook Nuclear Plant was substantially reduced compared to a more normal year.

### GENERATION OF ELECTRICITY BY FUEL TYPE FOR INDIANA CONSUMERS IN 2009



### GENERATION OF ELECTRICITY BY FUEL TYPE FOR INDIANA CONSUMERS IN 2018



**DUKE ENERGY INDIANA**

1. Gibson	3,132
2. Wabash River	Retired
3. Cayuga	1,094
4. Edwardsport	595
5. Gallagher	280
6. Noblesville	285
7. Connersville	Retired
8. Henry County	129
9. Madison (OH)	576
10. Miami Wabash	Retired
11. Vermillion 1-5	355
12. Wheatland	460
38. Markland	45

**HOOSIER ENERGY**

13. Merom	982
14. Holland (IL)	312
15. Ratts	Retired
16. Lawrence	176
17. Worthington	175

**INDIANA MUNICIPAL POWER AGENCY**

18. Georgetown 263	146
19. Trimble County (KY)	162
20. Anderson	139
21. Richmond	68
22. Whitewater Valley	Inactive
39. Prairie State	200

**INDIANA MICHIGAN POWER**

23. Rockport	2,600
24. Cook (MI)	2,160
25. Tonners Creek	Retired

**INDIANAPOLIS POWER & LIGHT**

18. Georgetown 164	150
26. Petersburg	1,715
27. Harding Street	628
28. Eagle Valley	671

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**

29. Schahfer	1,780
30. Sugar Creek	535
31. Bailly	Inactive
32. Michigan City	469
33. Mitchell	Retired

**VECTREN SOUTH**

34. Warrick	150
35. Brown	640
36. Calley	360
37. Broadway/Northeast	75

**WABASH VALLEY POWER**

2. Wabash River Highland	162
8. Vermillion 6-8	240
14. Holland (IL)	314
16. Lawrence	86

**ELECTRIC GENERATION SERVING INDIANA  
(SUMMER MW RATINGS)**

The following map shows the electric generation plants owned by Indiana's five IOUs, IMPA, WVPA, and Hoosier Energy.





## Coal Plant Retirements and Projected Unit Retirements

Indiana has seen a significant number of coal-fired generation units retire from 2010 to 2018. 28 of the 56 coal-fired generation units in Indiana have retired. Of the 28 units to retire, only four of the retiring units were less than 50 years old. Environmental regulations caused a number of these units to retire earlier than might have otherwise been the case, but increasingly these units are retiring because they are no longer competitive in a power market with low natural gas prices and declining renewable energy prices.

Based on IRPs, Indiana utilities are planning to retire as many as 14 coal generation units between 2019 and 2028. It is important to remember that these are projected retirements, not definite.

### RETIRED COAL UNITS SINCE 1-1-2010

Generating Unit (year-in-service)	Owner	Summer Rating (MW)	Retire Date	Age at Retire Date
Edwardsport Unit 7 (1949)	Duke	45	01-01-10	61
Edwardsport Unit 8 (1951)	Duke	75	01-01-10	59
Mitchell Unit 11 (1970)	NIPSCO	110	09-01-10	40
Mitchell Unit 5 (1959)	NIPSCO	125	09-01-10	51
Mitchell Unit 6 (1959)	NIPSCO	125	09-01-10	51
Gallagher Unit 1 (1959)	Duke	140	01-31-12	53
Gallagher Unit 3 (1960)	Duke	140	01-31-12	52
State Line Unit 1 (1929)	Merchant	197	01-31-12	83
State Line Unit 2 (1929)	Merchant	318	01-31-12	83
Harding Street Unit 3 (1941)	IPL	35	07-01-13	72
Harding Street Unit 4 (1947)	IPL	35	07-01-13	66
Ratts Unit 2 (1970)	Hoosier	121	12-31-14	44
Ratts Unit 1 (1970)	Hoosier	42	03-10-15	45
Tanners Creek Unit 1 (1951)	I&M	145	06-01-15	64
Tanners Creek Unit 2 (1952)	I&M	142	06-01-15	63
Tanners Creek Unit 3 (1953)	I&M	195	06-01-15	62
Tanners Creek Unit 4 (1956)	I&M	500	06-01-15	59
Eagle Valley 3 (1951)	IPL	40	04-15-16	65
Eagle Valley 4 (1953)	IPL	55	04-15-16	63
Eagle Valley 5 (1955)	IPL	61	04-15-16	61
Eagle Valley 6 (1956)	IPL	100	04-15-16	60
Wabash River Unit 2 (1953)	Duke	85	04-15-16	63
Wabash River Unit 3 ((1954)	Duke	85	04-15-16	62
Wabash River Unit 4 (1955)	Duke	85	04-15-16	61
Wabash River Unit 5 (1956)	Duke	95	04-15-16	60
Wabash River Unit 6 (1968)	Duke	318	04-15-16	48
Bailly Unit 7 (1962)	NIPSCO	160	05-31-18	56
Bailly Unit 8 (1968)	NIPSCO	320	05-31-18	50

### PROJECTED COAL UNIT RETIREMENTS FROM RECENT IRPs

Generating Unit (year-in-service)	Owner	Summer Rating (MW)	Fuel	Retire Date	Age at Retire Date
Gallagher Unit 4 (1961)	Duke	140.0	Coal	2023	62
Gallagher Unit 2 (1958)	Duke	140.0	Coal	2023	65
Shahfer Unit 14 (1976)	NIPSCO	431.0	Coal	2023	47
Shahfer Unit 15 (1979)	NIPSCO	472.0	Coal	2023	44
Shahfer Unit 17 (1983)	NIPSCO	361.0	Coal	2023	40
Shahfer Unit 18 (1986)	NIPSCO	361.0	Coal	2023	37
Brown Unit 1 (1979)	Vectren South	227.8	Coal	2024	40
Brown Unit 2 (1986)	Vectren South	233.1	Coal	2024	37
Gulley Unit 2 (1966)	Vectren South	88.3	Coal	2024	37
Gibson 4 (1979)	Duke	622.0	Coal	2026	47
Cayuga Unit 1 (1970)	Duke	500.0	Coal	2028	58
Cayuga Unit 2 (1972)	Duke	495.0	Coal	2028	56
Rockport Unit 1 (1984)	I&M	1,300.0	Coal	2028	44
Michigan City Unit 12 (1976)	NIPSCO	469.0	Coal	2028	52

## Renewable Energy

Although it is still a small portion of the generation mix in Indiana, electricity generation from renewable energy sources continues to increase. In addition to net metering, utility-scale renewable generation facilities, and utility PPAs, the Commission has approved feed-in tariffs, which allow utilities to pay for renewable energy generated locally and to diversify their generation portfolios.

### RENEWABLE GENERATION OPERATING IN INDIANA

Resource Type	Installed MW	Percent of Total Installed Renewable MW in State
Wind	2,319.4	84.7%
Solar	290.5	10.6%
Hydro	69.4	2.5%
Biomass Digesters/Landfill Gas	60.2	2.2%

### INDIANA IOU BATTERY PROJECTS

	Location	Battery Type	Output	Status
IGN	Churubusco, Whitley County	Sodium sulfur	12 MW	Operating
IPL	Indianapolis, Marion County	Lithium ion	20 MW	Operating
DUKE	Camp Atterbury, Bartholomew County	Lithium ion	5 MW	Expected In-service October 2019
DUKE	Naab, Clark/Scott Counties	Lithium ion	5 MW	Expected In-service November 2019
VECTREN	Highway 41 Facility, Vanderburgh County	Lithium ion	2 MW	Operating

The ability to use batteries to store energy is likely to be a significant factor in the continued expansion of renewables. IOUs currently operate or have proposed to operate the battery projects in Indiana listed above:

## Net Metering

Net metering is a service that allows customers to self-supply a portion of their electric usage by installing renewable energy facilities, such as wind turbines or solar panels, while also relying on the electric utility as a back-up provider. If the amount of electricity the customer receives from the utility is greater than the

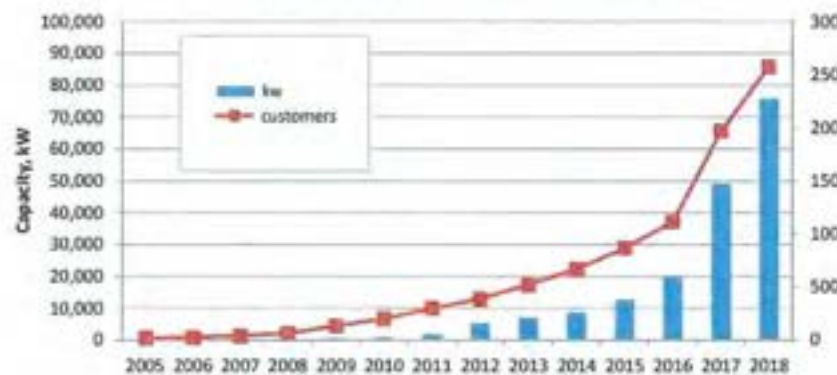
amount of generation from the customer's net metering facility supplied to the utility, the difference is charged to the customer. If the amount the customer receives from the utility is less than the amount of generation delivered to the utility from the customer's net metering facility, the customer receives a credit on their next bill for the excess supply.

In 2011, the Commission revised the net metering rule through the formal rulemaking process. As a result, net metering was made available to all customer classes with energy production facilities with a capacity of 1 megawatt (MW) or less. Additionally, a utility could limit the total capacity under the net metering tariff to 1 percent of its most recent summer peak load. Increased participation followed the 2011 rule revision and continued through 2016. At the end of 2016, participation in net metering exceeded 1,100 customers statewide, with nearly 20 MW of total capacity.

In the 2017 legislative session, the Indiana General Assembly passed and Governor Holcomb signed into law SEA 309. The law increased the capacity of Indiana's net metering tariff by 50 percent of a utility's most recent summer peak load, from 1 percent in the Commission's administrative rule to 1.5 percent. Of that 1.5 percent, the law provides a 40 percent capacity reservation for residential customers and 15 percent reservation for organic waste biomass within net metering tariffs. The grandfathering provisions were most favorable to customers who installed net metering facilities before Dec. 31, 2017.

Customers who installed net metering facilities before Dec. 31, 2017, remain a net metering customer until July 1, 2047 (30 years), and customers who install facilities between Jan. 1, 2018, and June 30, 2022, or until the utility reaches 1.5 percent of its summer

### NET METERING CAPACITY (KW) AND PARTICIPATION IN INDIANA



## Voluntary Clean Energy Portfolio Standard Program

Ind. Code chapter 8-1-37 established a voluntary program that provides incentives to participating electricity suppliers that supply specified percentages of clean energy to their Indiana retail electric customers. Each participating utility is required to submit a report on the following:

peak load (whichever is earlier) remain a net metering customer until July 1, 2032. Grandfathered customers will be credited at the retail rate (approximately 12 cents per kilowatt-hour (kWh) on average) for their excess electricity. After the grandfather periods end for qualified customers and for new customers who do not install distributed generation under the grandfather periods, they will be credited at the wholesale level (approximately 3 cents per kWh) plus 25 percent for excess electricity.

Approximately 2,500 customers had installed net metering capacity of 76 MW as of the end of 2018.

## State Utility Forecasting Group

Ind. Code § 8-1-8.8-14 requires the State Utility Forecasting Group (SUGF), based at Purdue University, to conduct an annual study on the use, availability, and economics of using the clean energy resources listed in Ind. Code § 8-1-37-4(a)(1) through Ind. Code § 8-1-37-4(a)(6). The Commission may also direct the SUGF to study the use of additional clean energy resources in the state. The SUGF's 2018 Indiana Renewable Energy Resources Study is available on the SUGF's website at <https://www.purdue.edu/discoverypark/sufg/>.

- Efforts made during the prior year to meet annual clean energy goals
- Amount of clean energy supplied to retail customers
- Amount of clean energy generated by facilities owned or operated by the utility
- Amount of clean energy purchased from other suppliers of clean energy
- Number of clean energy credits purchased by the participating utility

To date, no utilities have sought to participate in the Voluntary Clean Energy Portfolio Standard program.

## Indiana's Electricity Outlook

The SUGF was established by statute to provide an independent forecast of Indiana's electricity needs. In its "Indiana Electricity Projections: The 2018 Forecast Update," SUGF updated the 2017 forecast.

The updated forecast shows slightly lower growth in both electricity sales and demand. The compound average growth rate in energy over the next 20 years is 0.88%. This compares to 1.12% in the 2017 forecast. The peak demand is projected to increase by just 0.83% in the next 20 years compared to 1.01% in the 2017 forecast. Despite the forecast for residential and commercial sectors to increase slightly, the industrial electricity sales are anticipated to slow from 2.04% in the 2017 forecast to 1.45% in the updated forecast. With slower growth in peak demand, the future resource needs are delayed and reduced.

The first year in which Indiana requires additional resources is pushed back from 2021 to 2023. Long-term resource needs are projected to be about 5,700 MW by 2030 but this is lower than the amount forecast in 2017 by 600 MW. By 2035, Indiana will need an additional 8,200 MW, which is less than the projections made in 2017 due to lower peak demand and energy requirements. It is important to note that SUFG does not advocate any specific means of achieving the resource needs or the location. The SUFG's Indiana Electricity Projections report is available at: <https://www.purdue.edu/discoverypark/sufg/docs/publications/2018%20Indiana%20Forecast%20Update.pdf>.

The SUFG's forecast predicts Indiana electricity prices will continue to rise in real (inflation adjusted) terms but peak in 2021 rather than 2023 and are about 0.7 cents per kilowatt-hour lower in the long term than previously projected due to fewer resource additions, lower projected natural gas prices, and lower tax rates. The price projections include costs attributable to existing environmental regulations but not proposed or future rules. Even without new environmental regulations, many aging coal-fired units are facing retirement or earlier-than-expected shutdown in the next several years due to existing environmental regulations and market forces such as the relatively low price projections for natural gas. As a result of the retirement of coal-fired generation, new resources will be acquired which will affect future prices.

## 21st Century Energy Policy Development Task Force

In 2019, the Indiana General Assembly enacted HEA 1278. Among other actions, HEA 1278 adds Ind. Code chapter 2-5-45, creating a 21st Century Energy Policy Development Task Force ("Task Force"). In addition, HEA 1278 adds Ind. Code § 8-1-8.5-3.1 (b), which directs the Indiana Utility Regulatory Commission ("IURC") before July 1, 2020, to:

*[C]onduct a comprehensive study of the statewide impacts, both in the near term and on a long term basis, of:*

- (1) transitions in the fuel sources and other resources used to generate electricity by electric utilities; and*
- (2) new and emerging technologies for the generation of electricity, including the potential impact of such technologies on local grids or distribution infrastructure...*

on electric generation capacity, system reliability, system resilience, and the cost of electric utility service for consumers.

The Commission formed an internal group to lead and coordinate the work to develop the comprehensive study required by HEA 1278. The Commission anticipates working with the State Utility Forecasting Group at Purdue University and with other consultants to more fully analyze topics encompassed in the comprehensive study directive. The Commission's comprehensive study is due to the 21st Century Energy Policy Development Task Force before July 1, 2020.

## The Impact of Federal Environmental Regulations

The impact of federal environmental regulations is greater in Indiana than in most other states because of Indiana's historical use of coal. Coal-fired power plants generated 64.3 percent of the projected electric generation by fuel type for Indiana customers in 2018, down from approximately 88.5 percent in 2008. Nationally, about 28 percent of electricity is generated from coal, down from 45 percent in 2010, according to 2018 EIA data.

Complicating the electric utilities' planning for compliance with federal environmental regulations is the number of newer regulations and uncertainty regarding what the final rules will require. Some of the regulations include:

- The U.S. EPA's Cross State Air Pollution Rule (CSAPR), which was upheld by the U.S. Supreme Court in 2014. The U.S. EPA proposed an update to the CSAPR, and the update became effective May 2017. A legal challenge to the updated rule is pending at the U.S. Court of Appeals for the D.C. Circuit following oral arguments in October 2018.

- The U.S. EPA's Mercury and Air Toxics Standards (MATS) was promulgated in 2012, upheld by the U.S. Court of Appeals for the District of Columbia Circuit in 2014, and then remanded back to the District of Columbia Circuit by the U.S. Supreme Court in 2015. In April 2016, the U.S. EPA issued a final finding that it is appropriate and necessary to set standards for emissions of air toxics from coal-fired and oil-fired power plants. The EPA's final rule is currently being challenged in the D.C. Circuit; however, the D.C. Circuit Court is holding the proceeding in abeyance pending additional action of the EPA. In December 2018, the EPA issued a proposed revised Supplemental Cost Finding for the MATS rule, with a subsequent 60 day public comment period. This issuance proposes that "co-benefits" of the compliance actions need not be considered in the benefit/cost calculation of the rule. This change means that the previously EPA-calculated benefits of the rule (in 2016) of \$33 to \$90 billion annually would be adjusted to approximately \$4 to \$6 million annually. The MATS rule remains in effect.

- The implementation of the U.S. EPA's Clean Power Plan was stayed by the U.S. Supreme Court in February 2016 pending judicial review by the U.S. Court of Appeals for the District of Columbia Circuit. In April 2017, the U.S. Court of Appeals for the District of Columbia Circuit granted the U.S. EPA's request to suspend lawsuits against the Clean Power Plan. On June 19, 2019, the EPA issued the final Affordable Clean Energy rule (ACE), which replaces the previously-proposed Clean Power Plan rule. The ACE rule establishes emission guidelines for states to use when developing plans to limit carbon dioxide at their coal-fired electric generating units. The ACE rule sets guidelines for states to develop performance standards for power plants to increase the amount of power produced relative to the amount of coal burned. The rule includes six candidate technologies that plants can employ to comply with the new regulations.

- The U.S. EPA's final Disposal of Coal Combustion Residuals from Electric Utilities rule became effective in October 2015. The rule establishes a comprehensive set of requirements for the disposal of coal combustion

residuals (CCR), commonly known as coal ash, from coal-fired power plants. On March 1, 2018, the U.S. EPA issued proposed amendments to the CCR rule. The proposed changes would generally give states more ability to manage coal ash issues and incorporate new legislation titled the Water Infrastructure Improvements for the Nation Act, or WIIN Act. This legislation, passed in December 2016, allows states to establish their own coal ash mitigation plans if the plans are approved by the U.S. EPA and are at least as stringent as the federal rule. The final rule was sent on July 17, 2018, by the EPA to be published in the Federal Register. On August 21, 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an order vacating and remanding provisions of the CCR rule that allowed unlined and clay-lined surface impoundments to receive coal ash until a leak is detected and exempted inactive "legacy" impoundments. The court also rejected assertions that the EPA lacks the authority to regulate inactive impoundments.

- In September 2015, the U.S. EPA finalized its Steam Electric Power Generating Effluent Limitations Guidelines rule (ELG), which includes requirements for wastewater from power plants, including ash handling and scrubber wastewaters. However, in June 2017, the U.S. EPA granted the petitions for administrative reconsideration of the final rule and has postponed impending deadlines until the reconsideration is complete. The U.S. EPA plans to conduct a rulemaking that may result in revisions to the Obama-era effluent limitation guidelines for steam electric power generators. The agency will specifically consider the EPA's standards for bottom ash transport water and flue gas desulfurization wastewater at existing sources, with a proposed rule planned for June and a final rule expected in August 2020. On April 12, 2019, the U.S. Court of Appeals for the Fifth Circuit vacated parts of the EPA's final ELG. Parts of the rule pertaining to legacy wastewater and combustion residual leachate streams were remanded to EPA for reconsideration because the Court determined the regulations illegally relied on decades-old technology.

## ENVIRONMENTAL COMPLIANCE ACTIONS OF INDIANA'S INVESTOR-OWNED UTILITIES' GENERATING UNITS (2010-2020)

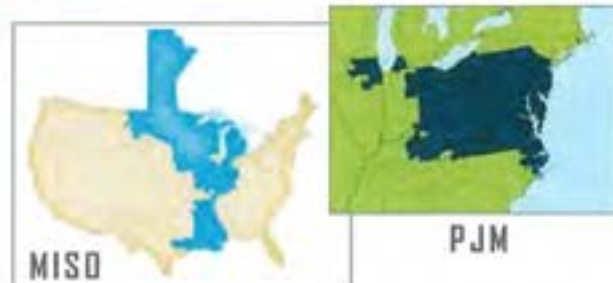
UTILITY	POLLUTION CONTROL TECHNOLOGY
DUKE	<ul style="list-style-type: none"> <li>• CPCN granted for dry sorbent injection (DSI) technology at Gallagher Units 2 &amp; 4. Estimated cost \$16 million. IURC Cause No. 43873, Sept. '10.</li> <li>• CPCN granted for selective catalytic reduction (SCR) systems at Cayuga Units 1 &amp; 2 and mercury control systems at all five Gibson units and Gallagher Units 1 &amp; 2. Estimated cost \$395 million. IURC Cause No. 44217, Apr. '13.</li> <li>• CPCN granted for particulate matter continuous emission monitoring systems, calcium bromide injection systems, and stack improvements at the Gibson and Cayuga Stations. Estimated cost \$113 million. IURC Cause No. 44418, Aug. '14.</li> <li>• CPCN granted for CCR compliance projects at Gibson and Cayuga stations. Estimated cost \$365 million. IURC Cause No. 44765, May '17.</li> </ul>
IGM	<ul style="list-style-type: none"> <li>• CPCN granted for DSI technology at Rockport Units 1 &amp; 2. Estimated cost \$258 million. IURC Cause No. 44331, Nov. '13.</li> <li>• CPCN granted for SCR system on Rockport Unit 1. Estimated cost \$234 million. IURC Cause No. 44523, May '15.</li> <li>• CPCN granted for SCR system on Rockport Unit 2. Estimated cost \$274 million. IURC Cause No. 44871, March 2018.</li> </ul>
IPL	<ul style="list-style-type: none"> <li>• CPCN granted to construct a 550–725 MW combined cycle gas turbine generation facility and to convert Harding St. Units 5 &amp; 6 to natural gas. Estimated cost \$667 million. IURC Cause No. 44339, May '13.</li> <li>• CPCN granted for electrostatic precipitator enhancements/upgrades, flue gas desulfurization upgrades, and monitoring devices at Petersburg Units 1 – 4 and Harding St. Unit 7. Estimated cost \$511 million. IURC Cause No. 44242, Aug. '13.</li> <li>• CPCN granted for the conversion of Harding St. Unit 7 to natural gas and for various National Pollutant Discharge Elimination System projects. Estimated cost \$332 million. IURC Cause No. 44540, July '15.</li> <li>• CPCN granted for National Ambient Air Quality Standards (NAAQS), ELG, and CCR compliance projects at Petersburg station. Estimated cost \$76 million. IURC Cause No. 44794, Apr. '17.</li> </ul>
NIPSCO	<ul style="list-style-type: none"> <li>• CPCNs granted for environmental controls at Schahfer Units 14, 15, 17, &amp; 18; Michigan City Unit 12; and Bailly Units 7 &amp; 8. Total estimated cost \$798 million. IURC Cause No. 44012, Sept. '11 (Phase I), Feb. '12 (Phase II), and Sept. '12 (Phase III).</li> <li>• CPCN granted for environmental controls at Bailly Units 7 &amp; 8 and Michigan City Unit 12; and for MATS compliance at Schahfer Units 14, 15, 17, &amp; 18. Estimated cost \$59 million. IURC Cause No. 44311, Oct. '13.</li> <li>• CPCN requested for NAAQS, ELG, and CCR compliance projects. Estimated cost \$188 million. IURC Cause No. 44872, Dec. 2017.</li> </ul>
VECTREN SOUTH	<ul style="list-style-type: none"> <li>• CPCN granted for clean energy and compliance projects. Estimated cost \$89 million. IURC Cause No. 44446, Jan. '15.</li> <li>• CPCN requested for ELG and CCR compliance projects for Culley Unit 3. Estimated cost \$95 million. IURC Cause No. 45052, April 2019.</li> </ul>

## Transmission

Participation in regional transmission organizations (RTOs) by Indiana electric utilities provides a number of benefits for Indiana's electric customers. In addition to greater reliability, RTOs provide lower costs through more efficient regional transmission planning than is possible when individual utilities act alone. The vast regional scope of the RTOs allows Indiana's customers to experience the financial and operational benefits of a diverse resource mix and variations in customer demand. For example, Indiana might experience high electricity demand due to hot weather at a time when North Dakota has more moderate weather; being in an RTO allows a portion of Indiana's electricity needs to be satisfied with excess and therefore relatively lower-cost generation resources from the North Dakota region of MISO.

In addition, RTOs operate markets to achieve their reliability goals. These markets enable customers to realize the lowest possible wholesale energy prices while ensuring reliability. Two RTOs operate in Indiana: the Midcontinent Independent System Operator, Inc. (MISO) and PJM Interconnection, LLC (PJM). FERC regulates these organizations, and Commission staff closely monitors developments in each RTO's stakeholder processes.

### REGIONAL TRANSMISSION ORGANIZATIONS



Because the reliability risk is diversified over the entirety of the RTOs' footprints - from the Rocky Mountains to the Atlantic Ocean - reserve margin needs are reduced.

A reserve margin is the amount of extra generation capacity available to serve customer loads in the event of a system contingency, such as the planned or unplanned outage of a generation plant or a high-capacity transmission line.

The electric industry has historically maintained planning reserve margins in the range of 15 percent to 20 percent. However, with the development of RTOs, the necessary level of reserve margins has fallen compared to what individual utilities would have to maintain if they were not in an RTO. The comparatively reduced reserve margins reflect one of the benefits of more efficient regional coordination.

### CHARACTERISTICS OF THE REGIONAL TRANSMISSION ORGANIZATIONS SERVING INDIANA

RTO Characteristics	MISO	PJM
Participating Indiana Utilities	Duke, NIPSCO, IPL, Vectren, AEP, Hoosier Energy, IMPA, and WVPA	AEP (including its Indiana subsidiary I&M), IMPA, and WVPA
Transmission Lines	71,800 miles	84,236 miles
Generation Capacity	175,528 MW	180,086 MW
Annual Billings	\$29.9 billion	\$49.8 billion
Headquarters	Carmel, Indiana	Audubon, Pennsylvania

## Electric Grid Resiliency

On September 29, 2017, DOE Secretary Rick Perry proposed a new rule to require the organized wholesale electric markets to develop and implement reforms that would fully price select generation resources necessary to maintain the reliability and resiliency of the nation's electric grid. According to the DOE, its proposed rule was designed to ensure the diversity and reliability of generation supply, boost the resilience of our grid against outages, and maximize reserve resource capacity for times of unusually high demand, including severe weather events. Under U.S. law, the disposition of DOE's proposed rule was up to FERC.

On January 8, 2018, FERC terminated the proceeding it had initiated to consider the DOE proposed resilience rule, and began an administrative docket (Docket No. AD18-7-000) on grid reliability and resilience pricing. This docket will holistically examine the resilience of the bulk power system. FERC stated that it recognized that it must remain vigilant with respect to resilience challenges, because affordable and reliable electricity is vital to the country's economic and national security. FERC's action directed the operators of the regional wholesale power markets to provide information as to whether FERC and the markets need to take additional action on resilience of the bulk power system. The goals of this proceeding are to develop a common understanding among FERC, industry and others of what resilience of the bulk power system means and requires, to understand how each regional transmission organization and independent system operator assesses resilience in its geographic footprint, and to use this information to evaluate whether additional FERC action regarding resilience is appropriate.

The comments in the FERC docket have been closed for more than a year. Although the FERC Chairman has recently mentioned the FERC docket, there is no timetable for FERC action at the time of publication of this report.







2019 IURC ANNUAL REPORT

ENERGY DIVISION  
NATURAL GAS



## NATURAL GAS

### Regulatory Responsibility

In Indiana, the Commission regulates the rates, charges, and terms of service for intrastate pipelines and local gas distribution companies (LDCs). The Commission reviews gas cost adjustments (GCAs), financial arrangements, service territory requests, and conducts investigatory proceedings. It also analyzes various forms of alternative regulatory proposals, such as rate decoupling, rate adjustment mechanisms, and customer choice initiatives.

The Commission has full regulatory authority over 17 natural gas distribution utilities in Indiana whose 2018 annual operating revenues total over \$1.8 billion (*See Appendix I*). These utilities maintain plants in service of approximately \$6.6 billion and serve roughly 1.9 million customers. Of the utilities regulated by the Commission, one is a not-for-profit, one is a municipality, and 15 are investor-owned utilities (IOUs). Citizens Gas, Northern Indiana Public Service Company (NIPSCO), Indiana Gas Company, Inc. (also known as Vectren North), and Southern Indiana Gas and Electric Company (also known as Vectren South), represent the four largest natural gas utilities in the state and collectively serve 95 percent of the state's natural gas customers. *See Appendix J* for lists of gas utilities under Commission rate jurisdiction.

## Investor-Owned Utilities

IOUs are for-profit enterprises funded by debt (bonds) and equity (stock). The largest natural gas IOUs regulated by the Commission are NIPSCO and Vectren, a CenterPoint Energy company.

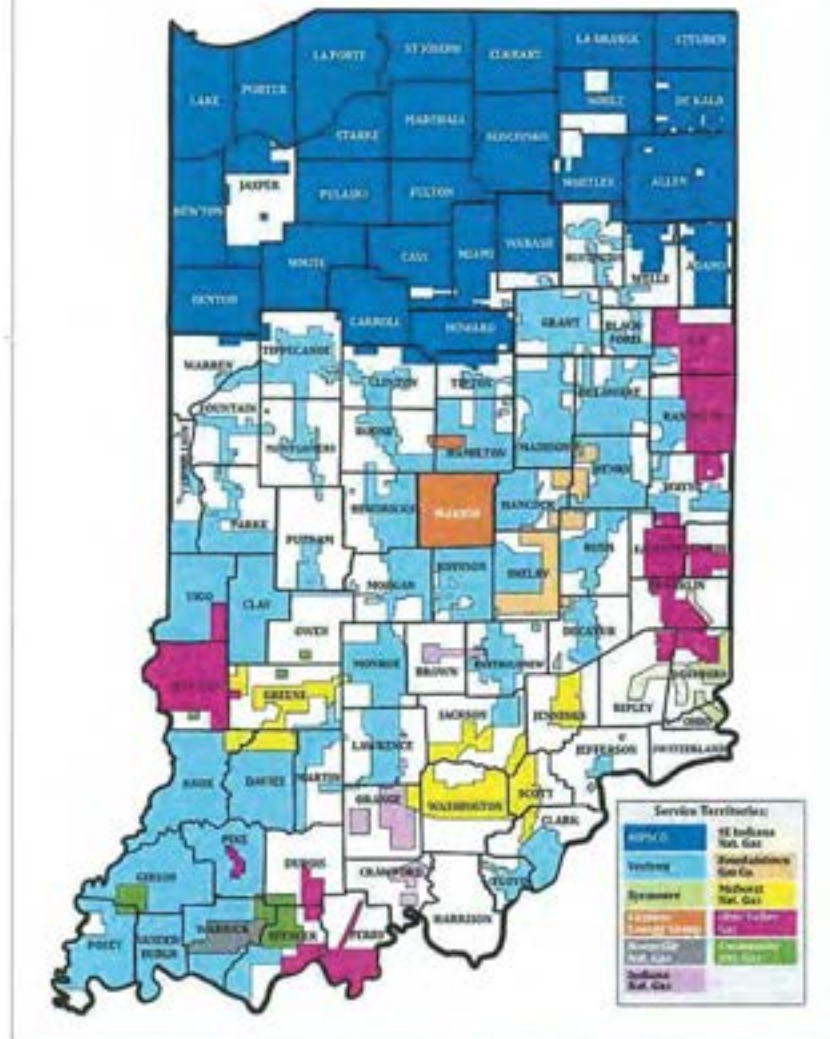
- NIPSCO is a subsidiary of NiSource, Inc., headquartered and based in Merrillville, Indiana. The natural gas utility serves more than 832,000 customers in northern Indiana.
- Vectren is based in Evansville, Indiana, and is a subsidiary of CenterPoint Energy headquartered in Houston, Texas. Vectren operates two separate entities: Vectren North and Vectren South. The natural gas utility serves over 608,000 customers in central and southern Indiana through Vectren North and an additional 112,000 customers in southwestern Indiana through Vectren South.

The Commission has jurisdiction over a number of smaller LDCs that serve Indiana residents. For a complete listing, see *Appendix J*.

## Merger of CenterPoint Energy and Vectren

On February 1, 2019, CenterPoint Energy and Vectren Corporation completed the approximately \$6 billion merger of the two companies, whereby Vectren became a wholly-owned subsidiary of CenterPoint Energy. Because this was a holding company-level transaction, the Commission did not have statutory authority regarding the approval of the merger. The combined company serves 4.5 million gas utility customers and 2.5 million electric utility customers in eight states and maintain operations across more than three dozen states, with assets totaling \$29 billion and approximately 14,000 employees.

## NATURAL GAS SERVICE TERRITORIES



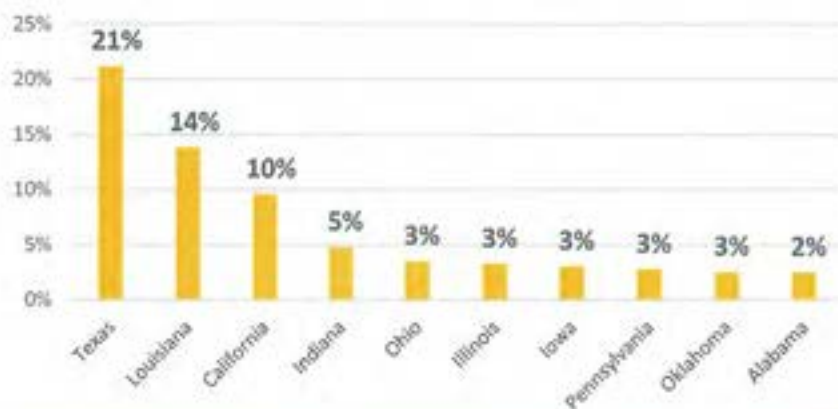
## Municipal Utilities

Citizens Gas is a public charitable trust that is treated as a municipality for regulatory purposes and serves more than 275,000 customers primarily in the Indianapolis metropolitan area. The remainder of the municipal gas utilities have elected to withdraw from Commission jurisdiction over their rates and charges and the issuance of stocks, bonds, and other evidence of indebtedness under Ind. Code § 8-1.5-3-9. However, the withdrawn utilities still remain under the jurisdiction of the Commission's Pipeline Safety Division.

## Supply and Demand

Indiana's LDCs serve three types of customers: residential, commercial, and industrial. In 2017 (the most recent year with complete data at time of publication), Indiana's residential customers consumed slightly less than 124 million dekatherms (Dth) – about 17% of the state's total gas consumed by all customers, according to the U.S. Energy Information Administration (EIA). Commercial customers used in excess of 75 million Dth in 2017 (10% of total gas consumed). Industrial customers consumed 379 million Dth in 2017 (about 50% of gas consumed in Indiana) and the fourth most in the nation. Electric utilities used approximately 152 million Dth in 2017, which is about 21% of the total natural gas delivered to customers in Indiana. Out of the 27,110 million Dth consumed in the United States in 2017, Indiana ranked tenth with slightly less than 740 million Dth, according to the EIA.

**TOP 10 STATES FOR INDUSTRIAL CONSUMPTION  
PERCENTAGE OF TOTAL NATIONAL  
INDUSTRIAL CONSUMPTION (2017)**



*\*Information from EIA for 2017. Complete information for 2018 was not available at time of publication.*

Residential consumption decreased from 125 million Dth in 2016 to 123.8 million Dth in 2017, while industrial customers' usage increased from 371 million Dth in 2016 to 379 million Dth in 2017. Natural gas

used by electric utilities declined from 174.6 million Dth in 2016 to 151.8 million Dth in 2017. Commercial customers slightly increased their natural gas use in 2017 to 75.3 million Dth from 74.1 million Dth in 2016. Natural gas for vehicles also increased their use from .121 million Dth in 2016 to .14 million Dth in 2017. Nationally, total natural gas consumption decreased slightly from 27,444 million Dth in 2016 to 27,110 million Dth in 2017.

## Drivers of Demand

The complex interactions of national and global natural gas and oil prices, economic growth, and weather are the primary factors driving demand for natural gas. Because natural gas today is less expensive than coal, natural gas-fired generation is displacing some of the primarily older, smaller, and less efficient coal-fired fleet as a fuel source for electric generation. The price difference between coal and natural gas is projected to remain,

which may result in a significant shift in Indiana's resource mix as well as the resource mix for the region and the nation.

In 2017, overall demand for natural gas decreased by 1.2%. This was one of only two years in the last 10 years that natural gas consumption has decreased. Overall, natural gas demand has increased 24% from 2005 to 2017. The growth was primarily due to increased sales to electric utilities, according to EIA.

Nationally, according to EIA's Annual Energy Outlook (AEO 2018), the industrial sector is

expected to be the largest consumer of natural gas. Natural gas used for electric power generation generally increases over the projection period but at a slower rate than in the industrial sector. This growth is supported by the scheduled expiration of renewable tax credits in the mid-2020s. Natural gas consumption in the

residential and commercial sectors remains largely flat because of efficiency gains and population shifts that counterbalance demand growth. Although natural gas use rises in the transportation sector, particularly for freight and marine shipping, it remains a small share of total natural gas consumption, and natural gas remains a small share of transportation fuel demand.

## Supply-side Factors

New technology and lower extraction costs have led to increased drilling for non-conventional gas supplies (e.g., coal bed methane, shale gas, and tight sands) in the last decade. While coal-bed methane continues to decline through 2050 because of unfavorable economics, off-shore gas production is projected to stay nearly flat over the 50-year horizon as production from new discoveries generally offset declines in current fields. Technological advancements in industry practices are expected to lower costs and increase the production volume of oil and natural gas. Taken as a whole, these production factors will continue to overwhelm swings in demand leading to relatively stable and low prices relative to coal, according to the EIA's AEO 2018.

Other developments affecting the supply in the long term include FERC approvals for liquefied natural gas (LNG) facilities (including LNG export terminals), which, according to EIA, will result in the United States becoming a net exporter of natural gas. After 2030, EIA is projecting a rapid increase in LNG exports and increased imports from Mexico to displace the LNG exports. Canadian imports are expected to remain stable for a few more years before declining.

## LNG Exports

As stated previously, EIA projects the United States will be a net exporter of natural gas by about 2040. Again, it is important to be mindful that the price and demand dynamics for natural gas, both domestically and internationally, are very complex and nuanced (e.g., subject to changes in public policy, international trade policies, economic conditions, etc.), which makes it difficult to project future conditions.

Historically, most liquefied natural gas (LNG) was traded under long-term, oil price-linked contracts, in part because oil could substitute for natural gas in industry and for power generation. However, as the LNG export market expands, contracts are expected to change with weaker ties to oil prices, especially in the United States. Thus, LNG exports will increasingly be less sensitive to the oil-to-natural gas price relationship. If the current price discrepancies between the U.S. and European Union markets persists, the price differences gives U.S. natural gas producers the opportunity to increase profits by exporting LNG.

According to FERC, which regulates LNG export facilities under Section 3 of the Natural Gas Act, U.S. LNG exports jumped from virtually zero in 2015 to an average of 635 million cubic feet per day (MMcfd) in 2016. As of May 8, 2019, there are four LNG export terminals. Construction is underway at seven LNG export terminals, with seven additional LNG export terminals that have been approved but are not yet under construction as of May 17, 2019.

## Pricing and Economics

Over the last 10 years, Indiana has consistently performed well in comparison with other states for residential and commercial delivered (bundled) gas prices. Gas moves through the transmission system to the distribution system, where LDCs deliver gas to customers on either a bundled basis (i.e., commodity and transportation) or unbundled basis (i.e., the customer buys gas from a producer or marketer and pays the LDC to transport the gas from the city gate to the customer's facilities).

Based upon the most recent data from the EIA (2017), Indiana had the 11th lowest average residential gas prices nationally and 7th lowest average residential gas prices in the Midwest (i.e., Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin) in 2017. The state average residential gas price increased from \$7.92 per thousand cubic feet in 2016 to \$8.94 per

thousand cubic feet in 2017. These prices are higher than the commonly referenced Henry Hub commodity cost because they are retail prices which include costs for pipeline transportation, storage, and local delivery in addition to the basic commodity charge for natural gas. Neighboring states' average residential retail rates per thousand cubic feet for 2017 are as follows: Illinois – \$8.83, Kentucky – \$11.62, Michigan – \$8.38, and Ohio – \$9.72.

Indiana had the 18th lowest average commercial natural gas prices nationally and 9th lowest average commercial natural gas prices in the Midwest for 2017. Indiana's 2017 average commercial price was \$7.52 per thousand cubic feet, which is lower than the 2015 average price of \$7.61 per thousand cubic feet but an increase from the \$6.55 price in 2016. Neighboring states' average commercial retail rates for 2017 were as follows: Illinois – \$7.78, Kentucky – \$9.06, Michigan – \$7.02, and Ohio – \$6.11 per thousand cubic feet.

In 2017, Indiana average industrial gas prices increased to \$5.99 per thousand cubic feet from \$4.99 per thousand cubic feet in 2016. Neighboring states' average industrial retail rates for 2017 were as follows: Illinois – \$5.76, Kentucky – \$4.46, Michigan – \$5.97, and Ohio – \$6.71 per thousand cubic feet.

*Note that the data used in this section was the most recent complete data available as of July 1, 2019. Therefore, the analysis is based on 2017 statistics. Once the information is updated by the EIA, 2018 data will be available at the EIA's website for residential, commercial, and industrial prices at [www.eia.gov](http://www.eia.gov).*

## Impact of the Tax Cuts and Jobs Act of 2017

On December 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA contained provisions reducing the corporate tax rate of 35 percent to 21 percent and revising the federal tax structure.

### 2017 STATE RESIDENTIAL GAS PRICES (\$/THOUSAND CUBIC FT.)



filings from natural gas utilities to change rates due to the TCJA. While there are still pending cases before the Commission involving the tax investigation, as of July 30, 2019, the Commission has approved annual reductions to base rates and charges of nearly \$41 million for natural gas utility customers.

## Rate Adjustment Mechanisms

When natural gas utilities incur costs beyond their control (e.g., federal regulations and market price volatility), they typically occur outside the timeframe of a rate case. For natural gas utilities to recover these costs in a timely manner, state law allows them to petition the Commission for approval of a rate adjustment mechanism to recover costs generally incurred beyond their control.

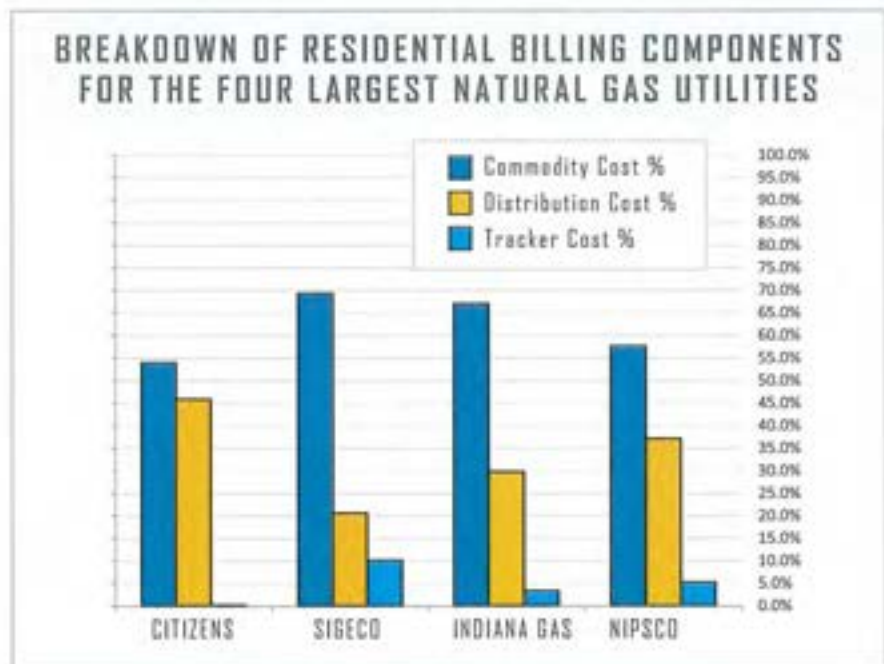
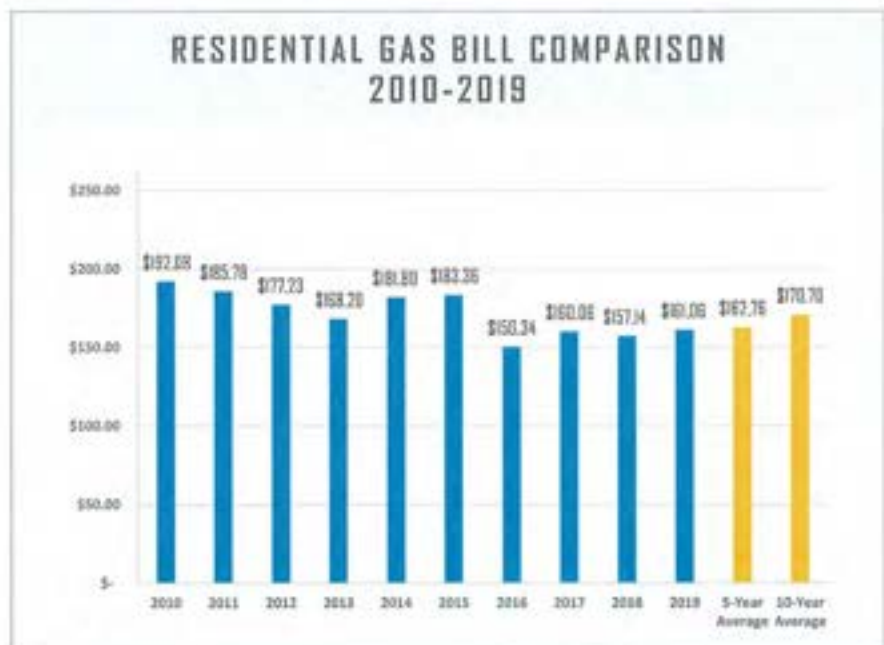
A rate adjustment mechanism assists in the timely recovery of costs, which improves the financial health of the utility. Before costs are passed on to customers, the Indiana Office of Utility Consumer Counselor reviews the underlying support for the requested rate adjustment and may provide evidence supporting or contesting the request in proceedings. The Commission considers the evidence submitted by all parties before rendering a decision.

## Residential Gas Bills

Natural gas residential customers typically paid slightly higher prices for natural gas in 2019 than in 2018. In 2018, a residential customer using 200 therms would have received a bill for \$157.14. In 2019, this bill would have increased slightly to \$170.70.

Bills in 2019 are lower than the five-year industry average of \$162.76. In addition to the following chart, residential natural gas bill survey information is located in *Appendices K and L*.

The cost of the actual natural gas commodity accounts for a majority of a customer's bill. On average, gas usage accounts for approximately 65 percent, while distribution costs account





for approximately 30 percent. Rate adjustment mechanisms approved by the Commission account for approximately 5 percent of a customer's monthly gas bill.

Utilities do not profit from the gas commodity portion of customers' bills because the cost of gas is a dollar-for-dollar pass-through. The overall weighted cost of gas and a utility's purchasing practices are reviewed before approval by the Commission. For costs to be approved, each utility must demonstrate that its purchases were prudent. This means utilities must make reasonable efforts to mitigate price volatility, which includes having a program that considers current and forecasted market conditions and the price of natural gas. One way to achieve this is by having a diversified portfolio (i.e., a balance of purchases such as fixed, spot market, and storage gas).

## Infrastructure

To transport natural gas to end-use customers, utilities maintain thousands of miles of transmission pipelines and distribution mains. Over time, the natural gas industry has studied and developed best practices for the maintenance and replacement of aging infrastructure. Although age is one factor in considering whether a pipeline needs to be replaced, the type of material used (e.g., bare steel, cast iron, or plastic), its location, and the relative risk to public safety are also considered. In accordance with pipeline safety standards, utilities perform inspections of their pipeline facilities on a regular basis to help identify areas at risk. Based on the results of these inspections, corrective actions are initiated. In some cases, this includes implementing replacement programs for existing bare steel, cast iron, or wrought iron systems. Many of these pipes need to

be replaced because older pipelines of this nature were not coated or cathodically protected when they were installed decades ago. Consequently, corrosion and leaks have developed over time. To enhance reliability and safety, many utilities now use plastic pipe for their distribution systems.

## Age Profile

Indiana's natural gas infrastructure consists of more than 76,000 miles of intrastate pipelines, which have been placed in service over the past 80-plus years. Included in this total are more than 41,500 miles of distribution mains that transport gas within a given service area to points of connection with pipes serving individual customers. Nearly 50 percent of the state's distribution mains are at least 30 years old. Also included in the state's infrastructure are approximately 1,800 miles of transmission lines that transport gas from a source(s) of supply to one or more distribution centers, large-volume customers, or other pipelines that interconnect sources of supply. Typically, transmission lines differ from gas mains in that they operate at higher pressures, are longer, and have a greater distance between connections. Approximately 60 percent of the state's transmission mains are at least 40 years old.

### TRANSMISSION LINES VS. DISTRIBUTION LINES COMPARISON

Age	TRANSMISSION LINES		DISTRIBUTION MAINS		
	Years Old	Miles	% of Total	Miles Mains	% of Total
80+		0.09	0.01%	514	1.24%
70-80		3	0.15%	303	0.73%
60-70		246	13.86%	2,187	5.26%
50-60		602	33.93%	7,521	18.10%
40-50		203	11.43%	4,254	10.24%
30-40		212	11.93%	5,938	14.29%
20-30		232	13.08%	7,702	18.54%
10-20		162	9.16%	5,445	13.11%
0-10		99	5.57%	3,721	8.96%
Unknown		16	0.90%	3,966	9.55%
<b>Total</b>		<b>1,774</b>	<b>100.00%</b>	<b>41,551</b>	<b>100.00%</b>

Federal guidelines for integrity management require that operators, including LDCs, and pipeline companies make every effort to assess threats to their pipelines. The replacement of aging infrastructure continues to be a focus, as demand for service connections continues to increase. Enacted in 2013, Senate Enrolled Act 560 provides for the costs of replacing aging gas transmission and distribution pipelines, as well as the expansion of gas pipelines to certain unserved areas. These costs are to be recovered through a rate adjustment mechanism called the transmission, distribution, and storage system improvement charge (TDSIC).

As a result of the TDSIC filings, the Commission has approved the replacement of a significant amount of aging infrastructure.

## TDSIC Update

TDSIC plans include projects to upgrade infrastructure over a five- to seven-year time period. After the Commission approves the initial plan, utilities file updated plans for additional review. The table below shows that current TDSIC plans have been approved to invest a total of \$1.0 billion in eligible projects.

House Enrolled Act (HEA) 1470 was signed into law by Governor Holcomb on April 24, 2019. The law made a number of changes to the TDSIC law enacted in 2013. The new law further defined what constituted “eligible transmission, distribution, and storage system improvements.” It also allowed utilities to submit TDSIC plans ranging between 5-7 years instead of only 7 years. HEA 1470 also delineated that a utility can include new projects or improvements as it moves along in its TDSIC plan.

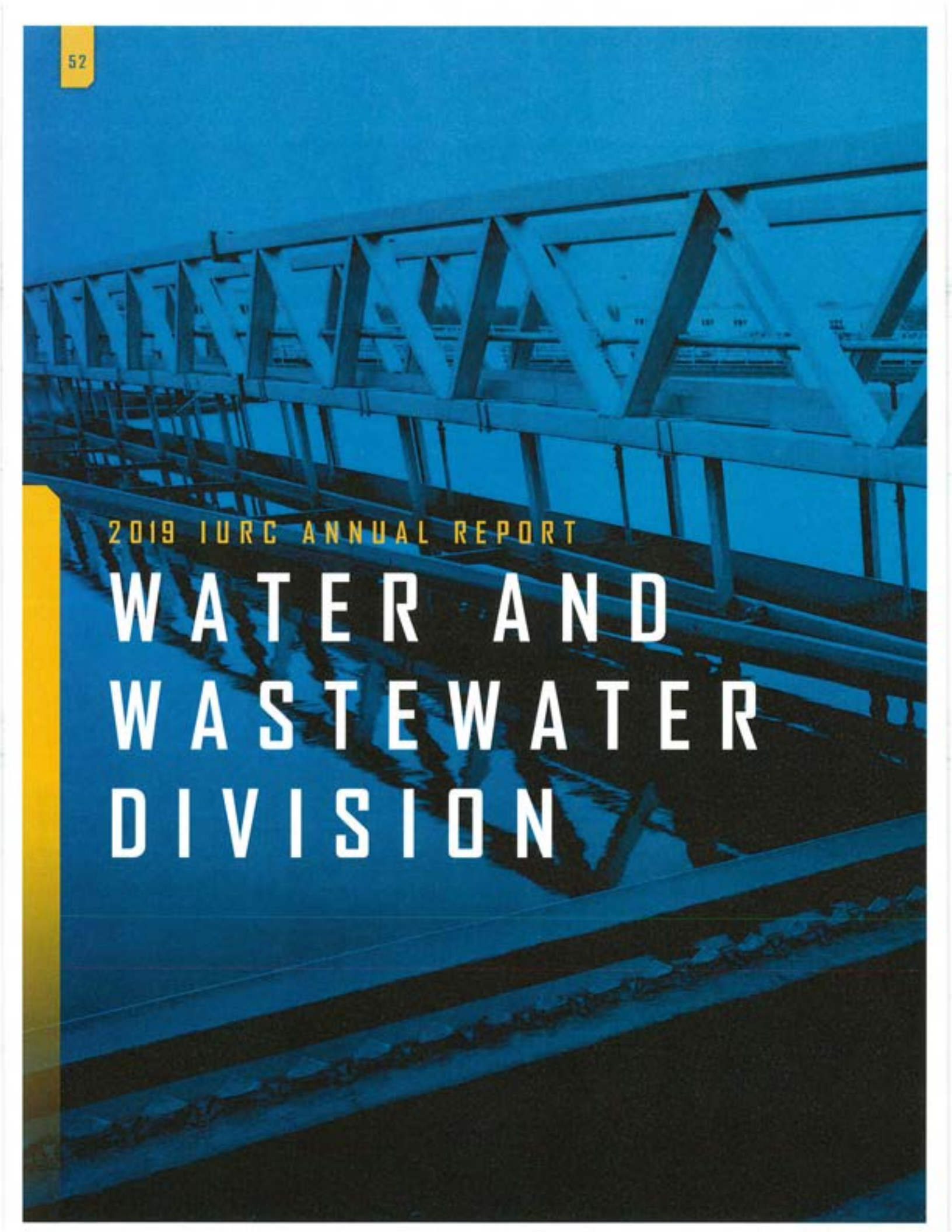
### CURRENT TDSIC UTILITY PLANS APPROVED

Utility Name	7-year Plan Approved Investment Amount	Investment Amount Included in Rates to Date	Percent of Approved Amount in Rates
NIPSCO	\$713,099,943	\$452,919,293	66.3%
Vectren North	\$277,442,000	\$151,534,190	75.88%
Vectren South	\$43,103,000	\$21,939,877	76.34%
Community Natural Gas	\$2,766,924	\$0	0.0%
Midwest Natural Gas	\$2,284,591	\$551,290	23.91%
<b>Total</b>	<b>\$1,038,696,458</b>	<b>\$629,997,628</b>	<b>68.98%</b>



2019 IURC ANNUAL REPORT

# WATER AND WASTEWATER DIVISION





# WATER AND WASTEWATER DIVISION

## Regulatory Responsibility

The Commission regulates only a fraction of the state's water and wastewater utilities (as of June 30, 2019, 70 of the 525 water utilities and 30 of the 550 wastewater utilities). As shown below, regulated water and wastewater utilities exhibit a variety of legal forms. The legal form of a utility determines the existence and extent of the Commission's regulatory authority. Although many water and wastewater utilities initially were fully regulated, state statute allows certain utility types to withdraw from the Commission's rate jurisdiction. For other water and wastewater utilities, the Commission has limited or no regulatory authority.

### JURISDICTIONAL WATER & WASTEWATER UTILITIES

TYPE OF UTILITY	NUMBER OF JURISDICTIONAL UTILITIES
Municipal Water	24
Not-For-Profit Water	25
Investor-Owned Water	4
Conservancy District Water	3
Water Authority	3
Not-For-Profit Wastewater	5
Investor-Owned Wastewater	14
Not-For-Profit Water/Wastewater	3
Investor-Owned Water/Wastewater	8

The 70 water utilities that are regulated by the Commission provide service to approximately 45 percent of Indiana's water residential customers. This is because the largest rate regulated water utilities serve primarily urban areas that are more densely populated. Most water utilities whose rates are not regulated by the Commission serve only a small number of customers.

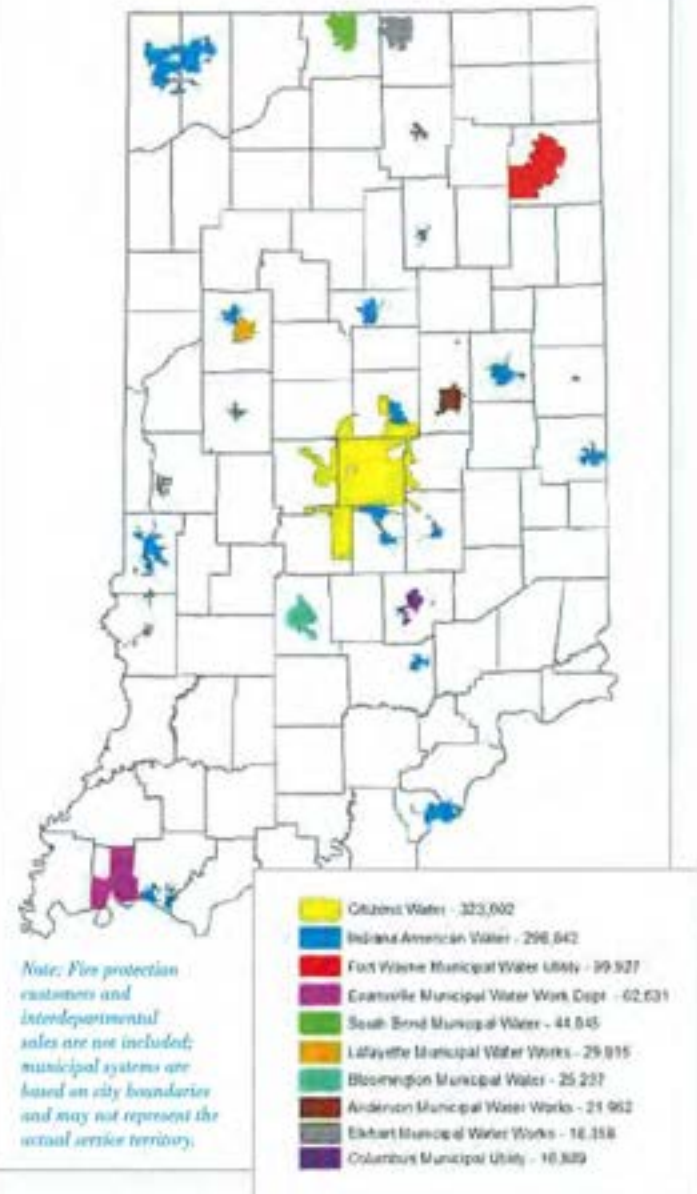
The 30 wastewater utilities that are regulated by the Commission provide service to about 15 percent of Indiana's residential wastewater customers. This is because most customers are served by municipal wastewater systems, which are not fully regulated by the Commission. Based on data reported in 2018, only four Commission-regulated wastewater utilities serve more than 5,000 customers:

- CWA Authority, Inc. (244,524 customers)
- Hamilton Southeastern Utilities, Inc. (22,370 customers)
- Aqua Indiana, Inc. (15,461 customers)
- Citizens Wastewater of Westfield (12,956 customers)

From data reported to the Commission in 2018, which includes utilities not currently under Commission rate jurisdiction, regulated water systems have \$5.33 billion of utility plant in service, annual revenues of \$675.63 million (see Appendix M), and a total rate base of \$3 billion. Regulated wastewater utilities have \$4.1 billion of utility plant in service, annual revenues of \$352.06 million (see Appendix N), and a total rate base of \$1.87 billion.

Although all water and wastewater utilities are overseen at the federal level by the U.S. Environmental Protection Agency (U.S. EPA), there is no single state agency that regulates all of the water and wastewater utilities in the state. Indiana's water and wastewater utilities are regulated or provided financial assistance by five state agencies: the Commission, Indiana Department of Environmental Management (IDEM), Indiana State Department of Health (ISDH), Department of Natural Resources (DNR), and the Indiana Finance Authority (IFA). The Commission mainly regulates the economic aspects of a utility, ensuring that its rates are reasonable. IDEM and ISDH oversee water quality, and DNR has oversight on well construction and monitors Indiana's groundwater levels. The IFA manages the Wastewater and Drinking Water State Revolving Fund (SRF) Loan Programs, and provides low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure. Under Senate Enrolled Act (SEA) 4 (2019), IFA serves as the coordinator of water-related programs and activities in the state, including coordinating the collection and sharing of information concerning water and wastewater service and

## LARGEST REGULATED WATER UTILITIES AND THE NUMBER OF CUSTOMERS



providing leadership regarding investment, affordability, supply, and economic development related to water and wastewater service.

Recent legislation changed the Commission's statutory authority over investor-owned and not-for-profit utilities. Under SEA 362 (2018), investor-owned and not-for-profit utilities organized after June 30, 2018, cannot withdraw from the Commission's rate jurisdiction until 10 years have passed from the utility's organization date. Prior to SEA 362, certain investor-owned and not-for-profit utilities were allowed to withdraw from the Commission's rate jurisdiction immediately after organization.

## STATE AGENCY JURISDICTION OVER WATER AND WASTEWATER UTILITIES

Type of Utility	IDEM					IURC					DNR		ISDH			
	NPDES Permitting <sup>1</sup>	Construction Permits	Operator Certification	Monthly Report of Operation	Oversee Entity Start-up	Rates and Charges	Rules and Regulations	Territory Authority (CTA)	Annual Report	Ability to Withdraw from Jurisdiction	No Jurisdiction	Oversee Entity Start-up	Significant Water Withdrawal Reporting	Dam/Levee Permitting (if applicable)	Oversee Entity Start-up	Permitting On-site Sewage Systems (if applicable)
Investor-Owned Water		✓	✓	✓		✓	✓		✓	✓ <sup>2</sup>		✓	✓	✓		
Investor-Owned Wastewater	✓	✓	✓	✓		✓	✓	✓	✓	✓ <sup>2</sup>		✓				✓
Not-for-Profit Water		✓	✓	✓		✓	✓		✓	✓ <sup>3</sup>		✓	✓	✓		
Not-for-Profit Wastewater	✓	✓	✓	✓		✓	✓	✓	✓	✓ <sup>3</sup>		✓				✓
Water Authority		✓	✓	✓		✓	✓		✓	✓			✓	✓		
Municipal Water		✓	✓	✓		✓			✓	✓		✓	✓	✓		
Municipal Wastewater	✓	✓	✓	✓							✓					✓
Regional Water District		✓	✓	✓	✓						✓		✓	✓		
Regional Sewer District	✓	✓	✓	✓	✓						✓ <sup>4</sup>					✓
Conservancy Water District		✓	✓	✓		✓ <sup>5</sup>			✓ <sup>5</sup>	✓			✓	✓	✓	
Conservancy Sewer District	✓	✓	✓	✓							✓				✓	✓

<sup>1</sup> A majority of wastewater utilities utilize a treatment system where effluent is discharged into an open stream and an NPDES permit is required. A small number of wastewater utilities use an onsite treatment system permitted by ISDH.

<sup>2</sup> Investor-owned utilities with 300 or fewer customers can opt out of the IURC's jurisdiction, per I.C. § 8-1-2.7-1.3. If organized after June 30, 2018, the utility cannot opt out until 10 years have passed from its organization date.

<sup>3</sup> Not-for-profit utilities organized after June 30, 2018 cannot opt out until 10 years have passed from the organization date.

<sup>4</sup> Campgrounds served by regional sewer districts have the ability to appeal to the Commission's Consumer Affairs Division for an informal review of a disputed matter, per I. C. § 13-26-11-2.1.

<sup>5</sup> IURC has jurisdiction over water conservancy districts that make an election to provide water service under I. C. § 14-33-20 in its District Plan. Water conservancy districts with fewer than 2,000 customers can opt out of the IURC's jurisdiction, per I. C. § 8-1-2.7-1.3. The IURC has jurisdiction over wastewater conservancy district's rates for customers outside the District's boundaries.

Note: This table provides an overview of state agency jurisdiction over water and wastewater utilities to offer a concise presentation. Thus, limitations exist. For instance, many wastewater utilities send their effluent to another utility for treatment and are not required to obtain an NPDES permit. Similarly, many water utilities purchase their entire water supply and would not be required to report significant water withdrawals to DNR. Also, the table does not identify every aspect of each agency's jurisdiction.

## Service Areas

Indiana statutes regulate service areas for the water and wastewater industry differently. Investor-owned and not-for-profit wastewater utilities must obtain a Certificate of Territorial Authority (CTA), which prevents other utilities from serving customers within the same territory. As economic and population growth has occurred in certain parts of Indiana, wastewater utilities have requested expansion of their CTAs. Municipal water and wastewater utilities are not granted a CTA; however, municipal water and wastewater utilities have the authority to serve any customer inside the municipal boundaries and up to four miles outside of their boundaries.

In 2014, the state legislature gave the Commission authority under Indiana Code chapter 8-1.5-6 to approve municipal ordinances that establish exclusive water or wastewater territory outside municipal boundaries. Since then, 11 municipalities have filed petitions:

- Chandler
- Elberfeld
- Greenfield
- Hometown
- Logansport
- Michigan City
- Nashville
- New Albany
- Santa Claus
- Muncie
- Georgetown

Although customer growth enables utilities to generate economies of scale and provides rate stability, competition for new territory can lead to service area disputes. Service area disputes arise out of one utility's actions to claim territory in areas near another utility's territory.

*Examples of such actions include the following:*

- Extension of water mains to serve areas where service is marginally feasible at best, in an effort to discourage another utility from providing service.
- More than one utility installs infrastructure in the same area to serve customers.
- When one utility providing 100 percent of a neighboring system's water supply seeks to limit the supply provided or, in extreme cases, to completely shut off the water. When water supply is limited, a provider hopes to gain a competitive advantage to be the sole supplier to future customers.

In the first two examples, customer rates in the area might increase due to inefficient expansion of infrastructure or the duplication of facilities such as underground pipes.

## Acquisition, Consolidation, and Small Utilities

For water and wastewater utilities, acquisitions and consolidations can include investor-owned utilities buying smaller investor-owned utilities, investor-owned utilities buying municipal utilities (called privatization), and municipalities buying investor-owned utilities (called municipalization).

In 2015, Indiana established Ind. Code chapter 8-1-30.3, to provide incentives to encourage the acquisition of poor performing water and wastewater utilities and municipal utilities serving fewer than 5,000 customers. SEA 257 (2016), provided further incentives for utility acquisitions by allowing value to be given to donated property, which is generally referred to as Contributions in Aid of Construction (CIAC). Thus, SEA 257 modified long-standing regulatory principles to allow an acquiring utility to earn a return on an acquired utility's CIAC. SEA 472 (2019) further expanded the incentives to all water or wastewater utilities serving fewer than 5,000 customers and modified some of the Commission's regulatory approval processes for streamlined acquisitions that are less than two percent of the acquiring utility's rate base.

Acquisitions and consolidations can create efficiencies, lower costs, and reduce the number of poor performing water and wastewater utilities. Since the utility acquisition legislation passed, the average cost per customer being acquired has nearly doubled and a shift toward larger municipal utilities has taken place. In eight cases prior to the passage of the acquisition legislation, the average price per customer was \$2,522 and the average size of the utility acquired was fewer than 600 customers. Since the legislation passed, the average size of an acquired utility is more than 2,200 customers and the average price per customer is \$4,827. An increase in the purchase price is likely attributed, in part, to the inclusion of donated property in the purchase price. Also, the higher average purchase



prices per customer does not include costs the acquiring utility might incur to bring the acquired utility up to a state of efficiency.

## Report Required by Ind. Code 8-1-30.3-7

As of July 1, 2019, the Commission has decided four cases utilizing Ind. Code chapter 8-1-30.3 - Georgetown (IURC Cause No. 44915), Charlestown (IURC Cause No. 44976), Lake Station (IURC Cause No. 45041), and Sheridan (IURC Cause No. 45050) - all municipalities with less than 5,000 customers acquired by Indiana-American Water Company, Inc. Details of the four cases are below:

With the recent changes to Ind. Code chapter 8-1-30.3, the Commission anticipates more acquisition filings in the foreseeable future.

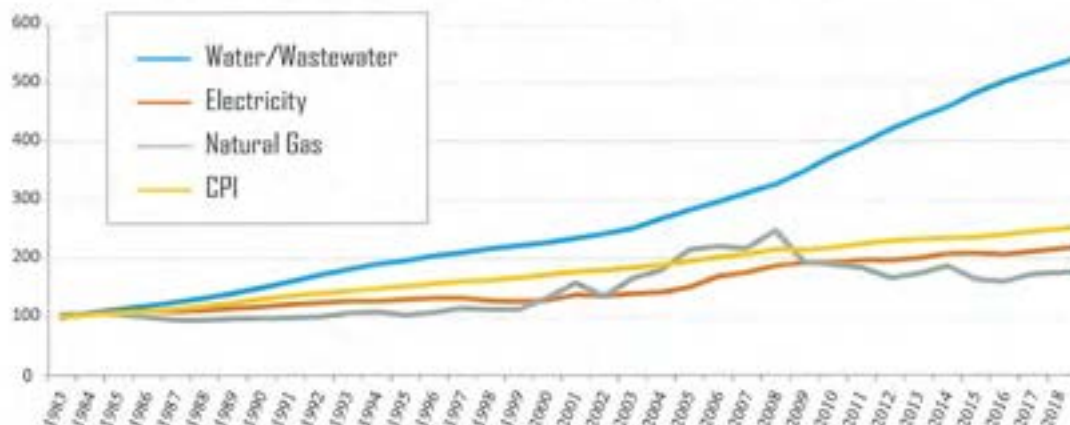
## Pricing and Economics

Nationally, water and wastewater rates are increasing more rapidly than energy rates and outpacing inflation and the overall consumer price index (CPI), which is a measure of the average change over time in the prices paid by customers. For example, from 2009 to 2018, water and wastewater rates rose 5.15 percent per year, but the CPI rose at a slower pace of 1.56 percent per year. Water and wastewater rates are increasing in Indiana for several reasons: replacement of aging infrastructure, compliance with the U.S. EPA standards (e.g., water quality and wastewater effluent), increases in expenses (e.g., labor, chemical, and power), maintenance projects to uphold the quality of service, and the relocation of facilities.

DETAILS OF THE FOUR CASES AS OF JULY 1, 2019

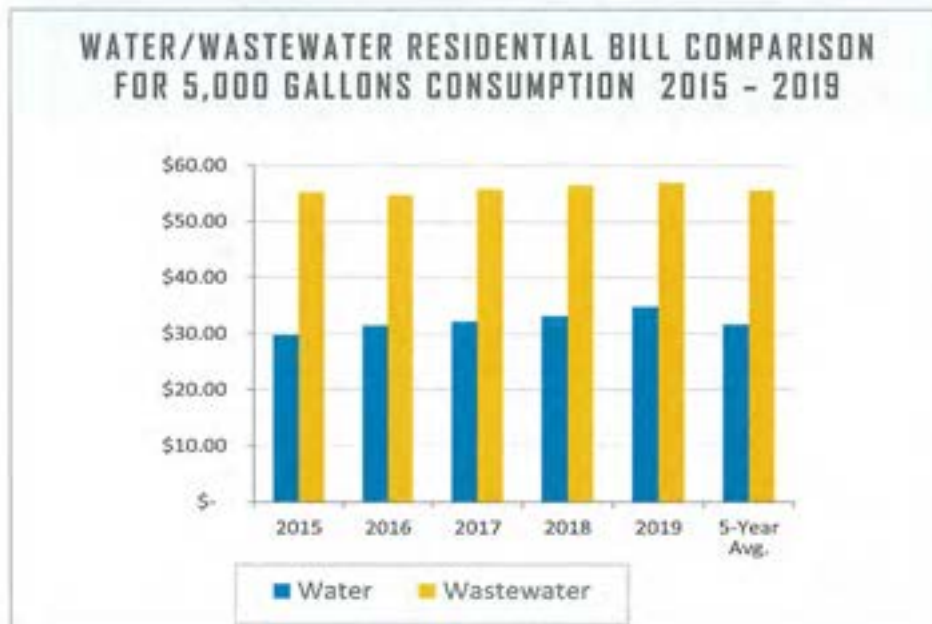
Entity Acquired	Commission Cause Number	Purchase Price + Transaction Costs (to be included in Net Original Cost Rate Base)	Number of Customers	Commission Order Date
Georgetown Water Utility	44915	\$6.529 million	1,309	10/11/2017
Charlestown Water Utility	44976	\$13.584 million	2,898	3/14/2018
Lake Station Water Utility	45041	\$20.199 million	3,443	8/15/2018
Sheridan Water and Wastewater Utility	45050	\$10.93 million	1,261 water; 1,233 wastewater	9/13/2018

COMPARISON OF UTILITY PRICES FROM 1983 TO 2018



## Financial Profile of Water Sector

One of the reasons for the general increase in water rates compared to electricity or natural gas rates is the water sector remains extremely capital intensive. For Commission regulated utilities, in 2017, investor-owned water utilities invested more capital-per-dollar of revenue generated than investor-owned electric or natural gas utilities. The ratio for the water utilities is higher due to the need for large capital investments, coupled with relatively lower revenues. Consequently, water utilities typically seek to increase general rates to replace necessary infrastructure.



## Rate Increases

Overall, in 2018, the number of general rate increase requests, which excludes rate adjustment mechanisms, was similar to those made in 2017. In 2018, nine water utilities were approved for general rate increases averaging 30 percent and two wastewater utilities were approved for general rate increases averaging 20 percent. To date in 2019, five water utilities, three wastewater utilities, and one water/wastewater utility were approved for rate increases. As of January 1, 2019, the average water and wastewater rates approved by the Commission were relatively low at \$34.76 per 5,000

gallons for water (*see Appendix O*) and \$56.85 per 5,000 gallons for wastewater (*see Appendix P*).

## Affordable Service

With rising water and wastewater rates, national organizations and Indiana are looking at affordability. Two articles in American Water Works Association (AWWA) journals in 2018 show that a low-income customer devotes a higher percentage of their total income to pay for water and wastewater service. In one article, the AWWA stated that 10.5 percent of single-family households pay 3 percent or more of their total income for water and wastewater service in 2015, up from 7.4 percent in 1990. Another article showed that a low-middle class four-person household in Indianapolis would pay 13.5 percent of their disposable income on water and wastewater service (7th highest out of 25 largest cities). An AWWA article in 2019, using 329 utilities across the United

States and 2017 water and wastewater rates, showed that households at the local 20th percentile income level must spend an average of 9.7 percent of their disposable income and/or work 9.5 hours at minimum wage to pay for monthly water and wastewater service.

The Indiana legislature has taken note of the affordability issue in a few ways. First, Indiana Code specifically mentions protecting affordability of utility service for present and future generations of Indiana citizens. Second, based on legislation passed in 2017, a Commission-regulated water or wastewater utility is allowed to establish a low-income customer assistance program for qualified customers to receive discounted rates.

In recently completed cases, Indiana American Water Company and CWA Authority have established low income programs. Indiana American Water Company has a pilot program in Muncie, Terre Haute, and Gary with funds equally coming from shareholders and ratepayers totaling \$600,000 per year. CWA Authority will provide \$1.1 million in bill credits and \$400,000 for infrastructure repairs or water conservation appliances with \$1.3 million coming from ratepayers through a surcharge on the customer's bill and \$200,000 funded by CWA Authority.

## Rate Disparity

Customers in some parts of the state pay significantly more for water and wastewater service than customers in other areas of the state (*see Appendix O and P*). In fact, of all the utility sectors, water and wastewater utilities exhibit the greatest disparity in rates. This disparity is because rates are largely dependent on the length of time between rate cases, the condition of the infrastructure, and the number of customers served.

For smaller systems, rates tend to be significantly higher due to costs being spread over a smaller number of ratepayers. Small wastewater systems, for example, typically serve a single subdivision and do not experience customer growth. Therefore, when significant upgrades are required, the cost is spread over a small

customer base, resulting in significant rate increases. When large investments are part of a rate case, the Commission has granted phase-in rates, which help mitigate bill shock. Additionally, costs incurred to maintain infrastructure is a factor in increasing rates. If a system is not well maintained, it is more expensive to repair.

## Alternative Regulatory Plan

On March 14, 2013, in IURC Cause No. 44203, the Commission approved an Alternative Regulatory Plan (ARP) for small water and wastewater utilities as part of a settlement agreement between Commission testimonial staff and the Indiana Office of Utility Consumer Counselor (OUCC). On October 9, 2018, the Commission expanded the ARP to those utilities serving greater than 3,000, but less than 5,000 customers; thereby increasing the number of eligible utilities to 65. The ARP allows eligible small systems to obtain annual rate increases without the need to file a rate petition or incur the associated costs. The ARP authorizes eligible utilities to increase rates on an annual basis for five years after its most recent rate proceeding. The rate increases are based on an annual cost index, which includes a Labor Index, Industrial Power Index, Industrial Chemical Index, and Consumer Price Index. The annual rate increases are capped at 7.5%, with a 25% cap on cumulative increases between any two general rate increases. The annual increases will allow utilities to avoid large, one-time rate increases.

The ARP motivates utilities to improve financial, managerial, and technical capabilities by requiring participants to meet annual requirements focused on improving these capabilities in return for an annual rate increase. The annual requirements, which were developed based on utility best practices, consist of mandatory and elective program elements. A utility must complete a specified number of elective program items for each of the five years.

Although a few utilities have inquired about the program, no utility has requested an annual rate increase under the ARP. Interest in the ARP may grow if the cost index increases. The cost index is relatively low, at 2.37% for 2018.

## Impact of the Tax Cuts and Jobs Act of 2017

On December 22, 2017, President Donald Trump signed into law the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA contained provisions reducing the corporate tax rate of 35 percent to 21 percent and revising the federal tax structure.

As a result of the TCJA, the Commission initiated an investigation into the rates of all jurisdictional, investor-owned utilities. The Commission received 32 filings from water or wastewater utilities to change rates due to the TCJA. Of the 32 filings, 25 rate tariffs did not change because the tax rate embedded in current rates is less than the new 21% tax rate. While there is still a pending case before the Commission involving the tax investigation, as of July 30, 2019, the Commission has approved annual reductions to base rates and charges of more than \$13.8 million for water and wastewater utility customers.

## Water Supply

Because utility rates are based on cost of service, the traditional forces of supply and demand do not determine pricing. However, as more water will be needed to keep up with demand, the cost of developing and obtaining that water requires additional investment, which is ultimately reflected in rates. Although average water use is believed to be declining, peak use is largely believed to be increasing. Unless measures are taken to mitigate peak use, additional investment may be required to meet peak demand.

Northern Indiana's groundwater resources are considered good to excellent, with access to many surface water sources, including Lake Michigan. Central Indiana's groundwater resources are fair to good, and

its access to surface water includes many rivers and streams, along with several reservoirs. Southern Indiana has a limited supply of groundwater and has access to several rivers for surface supply, but streams do not have a hydraulic connection to ground water. Reservoirs exist, but drinking water supplies are not fully utilized. This may be attributed to the higher cost of treatment and delivery associated with surface water facilities.

IFA's 2018 "Southeastern Indiana Regional Water Supply Feasibility and Cost Analysis" examines the water supply challenges within 14 specific counties in southern Indiana. While the report states that existing supplies are adequate for this part of the region, it recommends a targeted regional system consisting of utilization of an aquifer in Charlestown State Park for supply and construction of a pipeline that would supplement the existing supply to utilities in eight of the counties within the 14 county study area. The estimated "build-out" construction costs would be approximately \$219 million. The IFA is currently conducting a Central Indiana Water Study with an estimated completion date of year-end 2020.

## Development of Future Sources of Water Supply

In addition to addressing low-income customer assistance programs and replacement of customer-owned lead service lines (discussed later), Ind. Code § 8-1-2-23.5 authorizes a public water utility to petition the Commission for approval of a plan to develop a future source of water supply. The utility's plan must include a variety of components, including a timetable for the completion and in-service date of the new future source of supply. If the Commission approves the plan, the utility is allowed to earn a rate of return on the cost of developing the future source of supply, although it is not yet considered "used and useful" for providing water service. By allowing a rate of return on a utility facility not yet serving customers, Ind. Code § 8-1-2-23.5 departs from the traditional regulatory model. To date, the Commission has not received a petition to approve a plan under Ind. Code § 8-1-2-23.5.

## Water Loss

Because the cost of obtaining water resources and making that water potable is expensive, the water industry is focusing its efforts on reducing water loss to mitigate additional costs. Nationally, the AWWA has an extensive program for water utilities to complete water audits, which reveal water loss. Locally, SEA 4 (2019) requires every water utility to annually perform an audit of its water distribution system to determine the causes of the water utility’s “non-revenue” water. The results of the audit must be verified by an independent evaluator and reported to IFA in even-numbered years.

The Commission includes a section on water loss in the Annual Report forms and requires utilities with water loss greater than 10 percent to report efforts they take to reduce water loss. These efforts appear to be successful because the Commission continues to see a downward trend in the number of utilities reporting a high percentage of water loss. For example, the following table shows, in 2008, more than 40 water utilities reported water loss greater than 15 percent, but the number fell to less than 20 in 2018. A similar downward trend can be seen for utilities reporting more than 25 percent water loss.

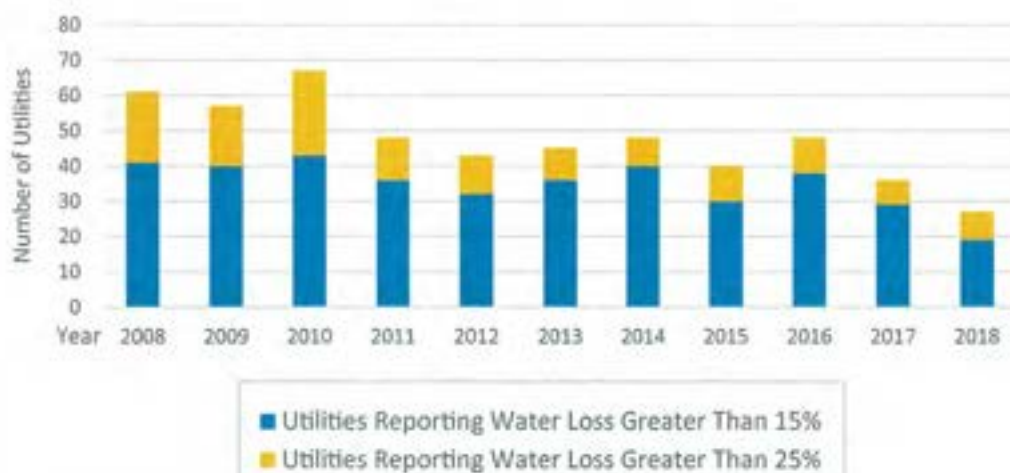
Based on the regulated water utilities’ annual reports to the Commission, more than 161.4 billion gallons of water were pumped or purchased in Calendar Year 2018, and 135.4 billion gallons of water were either sold to customers or used for firefighting or system maintenance, which is a 16.16 percent water loss. As water utilities focus efforts on improving infrastructure, covered in a later section, water loss should continue to decrease.

## Water Efficiency

Water efficiency programs are being developed by individual utilities and at the state and national levels in an effort to manage customer usage. For example, the two largest water utilities under Commission jurisdiction have had plans approved to use water more efficiently. At the state level, DNR has developed water conservation goals and objectives, as required by the Great Lakes Compact. At the national level, the U.S. EPA has developed the WaterSense program. This program labels water efficiency appliances, products, services, and practices (e.g., low-flow shower heads, low-water washing machines, and low-flow irrigation systems). For example, if a household can save 40,000

gallons per year and water rates are \$3.00 per 1,000 gallons, the savings amount to approximately \$120 per year. For many ratepayers, the wastewater bill is based on water usage, so a decrease in water consumption also reduces the wastewater bill.

WATER LOSS REPORTED BY UTILITIES



## Infrastructure

Much of the nation's infrastructure will need full-scale replacement over the next few decades. In order to have adequate, Indiana-specific data regarding infrastructure, the Indiana General Assembly instructed the IFA to review utility management and funding for infrastructure replacement, among other topics, in a series of reports. The published reports, found on the Commission's Water and Wastewater Division webpage, highlight a need for more utilities to develop asset management and infrastructure replacement schedules, and invest in the replacement of critical infrastructure at a quicker pace.

### Age Profile of Mains

Aging infrastructure is one of the most critical issues in the water and wastewater industry today because it is costly to replace infrastructure that is largely underground. Water systems are comprised of wells (for groundwater), treatment facilities, water tanks, and distribution systems. Water distribution systems are composed of pipes, valves, and pumps that move water from the treatment plant or water tanks to end users. Wastewater collection systems are composed of gravity main, pumping stations, and force mains. Throughout Indiana, these pipes vary in age and material. Many older water systems built during the turn of the last century consist of highly durable products such as cast iron and wood piping that have lasted more than 120 years. Many early wastewater collection systems utilized vitrified clay pipe, while very corrosion resistant, is susceptible to fracturing, resulting in structural problems and increased infiltration and inflow into the systems. Some modern pipe materials have failed to achieve expected life expectancies such as asbestos cement (transite), post war cast iron, and truss pipe which are now being actively targeted for replacement. Utilities have become more aggressive in their capital planning strategy, moving toward increasing investment in water infrastructure replacement that takes into

account the life expectancy of the pipe currently in the ground. Although this increased investment will have an immediate upward impact on rates, reliability of the system will improve as infrastructure replacement approaches a pace that is sustainable.

Due to the age of their water systems, Indiana's oldest communities are experiencing an increase of breaks in water mains made of cast iron pipe manufactured and installed in the mid-1940s and early 1950s. This particular generation of cast iron has prematurely become more brittle with age and is failing. Deterioration can worsen in piping that was installed in highly corrosive soils. As this generation of piping requires replacement, our oldest and largest communities are already dealing with its oldest infrastructure reaching the end of its useful life. These communities bear the greatest financial burden because these two generations of pipes represent the majority of their distribution systems.

Newer collection/distribution systems rely on polyvinyl chloride (PVC), high-density polyethylene (HDPE), and ductile iron piping. Modern plastic pipes such as PVC and HDPE have strong corrosion resistance properties but generally have weaker structural properties. This requires utilities to place greater emphasis on alteration of ground conditions and full-time construction inspection to ensure proper installation to achieve the desired longevity of the infrastructure. In many cases, utilities may prefer a structurally stronger pipe such as ductile iron at a greater material cost to mitigate the risk associated with installation errors, especially municipal utilities who are obligated to accept the lowest bid when procuring construction services.

## Projected Infrastructure Costs

In terms of wastewater needs, the U.S. EPA ranked Indiana 8th in the country for the highest documented need for combined sewer overflow (CSO) correction at \$3.2 billion reported in 2012. Although this number is staggering, the need has decreased from \$5.0 billion reported in 2008. The Commission regulates Indiana's largest CSO system (CWA Authority, a separate nonprofit corporate subsidiary of Citizens Energy Group in Indianapolis); however, the number of remaining combined systems are municipal utilities located in cities, such as Evansville, Fort Wayne, Jeffersonville, Kokomo, and Lafayette, and are regulated by their elected local governments. These combined systems are engaged in a variety of CSO control projects ranging from storage tunnels to other forms of offsite storage and satellite treatment. The most complex and expensive CSO is the Deep Rock Tunnel Connector Project in Indianapolis, which is being built by CWA Authority.

In March 2018, the U. S. EPA released its sixth report to Congress for drinking water infrastructure needs (2015 Report). Drinking Water State Revolving Fund capitalization grants for fiscal years 2018 through 2021 are allocated to states based on the 2015 Report findings. The state of Indiana's 20-year eligible needs increased when compared to the 2011 Assessment from \$7.3 billion to \$7.5 billion. As shown in the table below, "Transmission and Distribution Main" is by far the largest project needs category at \$5.1 billion.

PROJECT CATEGORY COMPARISON	
Project Category	20-Year Eligible Need (in billions January 2015 dollars)
Transmission and Distribution Main	\$5.1
Treatment	\$1.2
Storage	\$0.7
Source	\$0.4
Other	\$0.1
<b>Total</b>	<b>\$7.5</b>

Out of 38 states that fully participated, 23 reported greater needs than Indiana. The IFA's Evaluation of Indiana's Water Utilities Report in 2016 indicated the need for initial infrastructure costs of \$2.3 billion and \$815 million annually to maintain the infrastructure. The U.S. EPA and IFA figures are estimates, and they did not use the same methodology to determine cost, which makes a comparison difficult.

The IFA has been tasked with dividing the state into study areas to determine area water and wastewater infrastructure priorities.

## State Mechanisms to Fund Infrastructure

Water and wastewater utilities have two specific mechanisms designed to recover the cost of distribution system and collection system infrastructure, the infrastructure improvement charge (IIC) and the system integrity adjustment (SIA). Pursuant to Ind. Code chapter 8-1-31, water and wastewater utilities in Indiana can seek to recover costs of up to 10 percent of the utility's revenue in its most recent rate case for the replacement of distribution system and collection system infrastructure through an IIC. The IIC mechanism allows a utility to recover its costs outside of a general rate case, thereby receiving cost recovery more quickly. The water or wastewater utility must receive approval from the Commission before establishing an IIC surcharge.

Ind. Code chapter 8-1-31.5 allows an eligible water or wastewater utility to petition the Commission to establish an SIA mechanism used to recover or credit an adjustment amount based on the eligible utility's Commission-approved revenues. A utility may collect an SIA up to 48 months after the establishment of the SIA mechanism or the date on which the Commission issues an order in the utility's next general rate case. The revenues from the SIA must fund new water distribution system or wastewater collection system infrastructure.

Since 2017, CWA Authority filed for two SIAs, which the Commission has granted in Cause No. 44990. Through these two orders CWA Authority has been authorized to collect approximately \$16 million. To date, no other utility has requested an SIA.

## Lead Service Lines

Water quality issues related to lead service lines have been addressed recently by both the Indiana General Assembly and the Commission. In 2017, the General Assembly addressed lead service line replacement by creating Ind. Code chapter 8-1-31.6. Traditionally, utilities typically only maintain and operate facilities and equipment that the utilities own. Through the traditional regulatory model, utilities are given an opportunity to earn a fair rate of return on the utility-owned infrastructure that is “used and useful” for the provision of safe and reliable service. Utilities do not replace or maintain (thus do not receive a rate of return on) customer-owned infrastructure (e.g., service lines). In addition to the existing ability of a utility to earn a fair rate of return on utility-owned equipment, Ind. Code 8-1-31.6 allows a utility to earn a rate of return on customer-owned lead service lines that a utility has replaced through a Commission-approved plan. This allows the utility to recoup its costs for replacing the customer-owned lead service lines from all customers within its service territory. The utility may or may not own or maintain that service line in the future, depending on the utility’s approved plan. A water utility can include its approved plan for replacing customer-owned lead service lines under the IIC mechanism. The costs associated with replacing customer-owned lead service lines, however, do not count against the 10 percent IIC revenue limitation.

In January of 2018, Indiana American Water Company filed Cause No. 45043, which was Indiana’s first lead service line replacement program petition. The Commission approved the plan on July 25, 2018, which entails replacing approximately 51,000 lead service lines at an approximate cost of \$178 million in 2017 dollars with a completion time between 10 and 24 years.

In 2019, the Indiana General Assembly amended the definition of “customer lead service line improvement” to include galvanized steel service lines. Prior to the 1960’s, galvanized steel was an alternative to lead. This amendment allows an investor-owned utility the same opportunity to earn the same rate of return on the customer-owned portion of a galvanized steel service line as that of a lead service line.

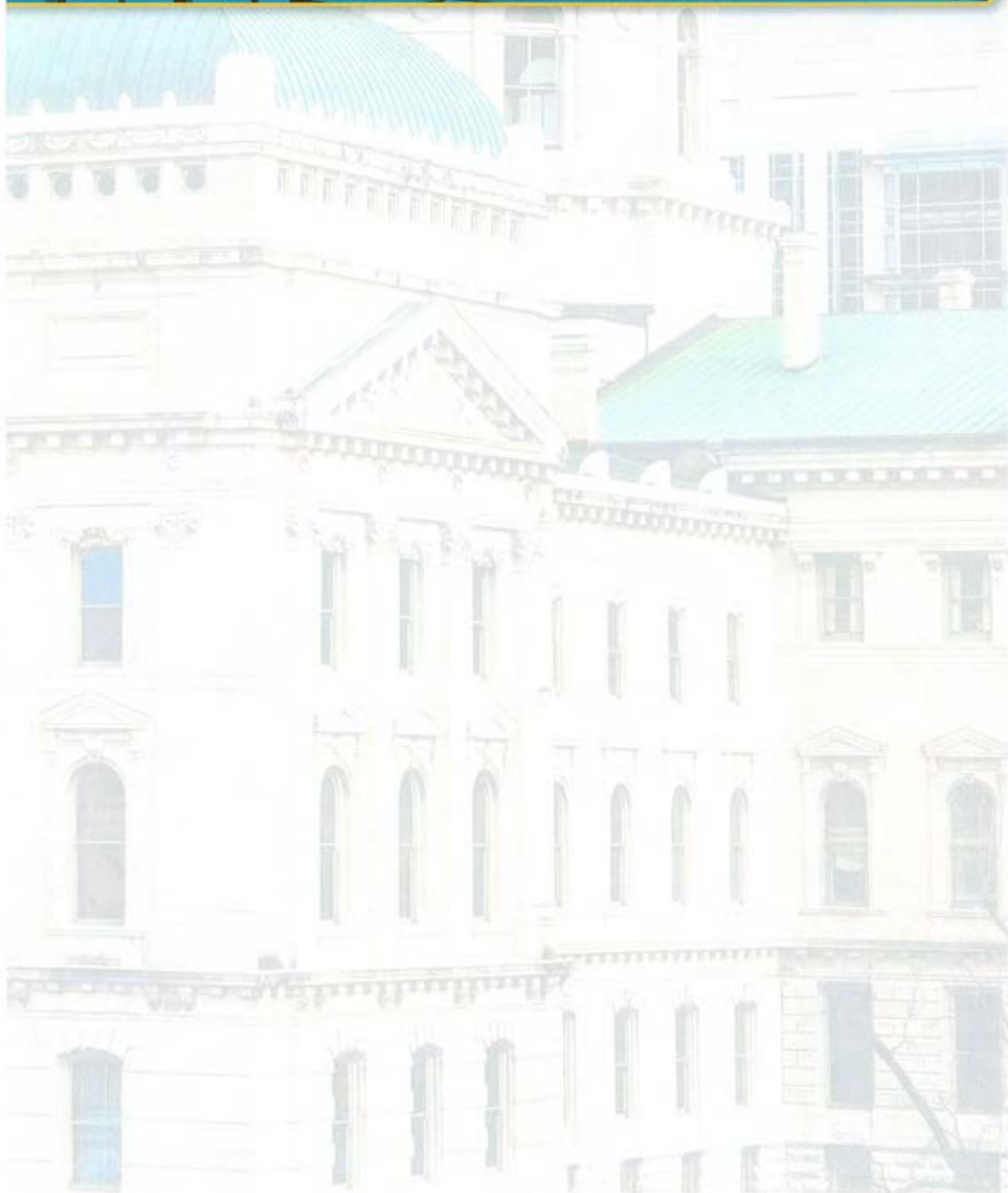
## Government Program Funding

To assist with the high capital costs associated with the water and wastewater industry, numerous federal and state funding options are available for infrastructure investment. These programs include the State Revolving Loan Fund, U.S. Department of Agriculture Rural Development loans and grants, the Community Focus Fund, and private activity bonds. In 2014, the federal Water Infrastructure Finance and Innovation Act (WIFIA) was enacted, which provides low interest rate financing for the construction of water and wastewater infrastructure. In 2016, the Water Infrastructure Improvements for the Nation (WIIN) was enacted. The WIIN includes the Water Resources Development Act, which authorizes \$100 million for communities facing drinking water emergencies, including helping communities recover from lead contamination.

Under House Enrolled Acts 1 and 1406 (2019), Indiana provided \$20 million for a Water Infrastructure Assistance Fund, which is a source of money for grants, loans, and other financial assistance administered by the IFA. Forty percent of the money is targeted to utilities serving less than 3,200 customers. To receive assistance from the state fund, a utility must have and maintain an asset management program, participate in cooperative activities with one or more other utilities, and determine and eliminate causes of non-revenue water.

The Indiana office of the U.S. Department of Agriculture Rural Development reported that, in 2019, Indiana received grants for water and wastewater projects totaling approximately \$41 million.





2019 IURC ANNUAL REPORT

# COMMUNICATIONS DIVISION



## COMMUNICATIONS DIVISION

### Regulatory Responsibility

The Commission's Communications Division monitors communications-related regulatory proceedings and policy initiatives at the federal, state, and local levels that could affect the interests of Indiana communications service providers (CSPs) and their customers. The division determines the possible impacts of those policies and whether comments should be filed in those proceedings or whether the information should be forwarded to other state agencies for review. As part of these monitoring efforts, the Communications Division responds to inquiries from the General Assembly, the Office of the Governor and the Office of the Lieutenant Governor, media, communications service providers and the general public on various communications-related topics. Additionally, the division implements a state universal service program and provides recommendations to the Commission on several types of matters, including numbering issues, carrier-to-carrier disputes, applications for certificates of territorial authority (CTAs) for CSPs and certificates of franchise authority (CFAs) for video service providers (VSPs). The division also implements the Commission's role as the sole franchise authority for the provision of video service in the state of Indiana and the direct marketing authority for video service providers wanting to conduct direct marketing activities in the state.

All CSPs must receive a CTA from the Commission to offer any telecommunications services, information services, or video services in Indiana. Providers of video service must hold a video service franchise from the Commission or an unexpired local franchise obtained prior to the Commission's sole franchising authority. Additionally, the Commission designates all eligible telecommunications carriers (ETCs) in the state, which enables those carriers to obtain support from the federal Universal Service Fund (USF). Federal USF support is aimed at expanding the availability of both telephone and broadband services and networks and also supports discounted phone service to eligible low-income households. The Commission is also responsible for making determinations regarding a successor provider of last resort (POLR), in the event a current POLR withdraws from a given area of the state. Although the Commission has no jurisdiction over the approval of retail rates and charges of CSPs, the Commission continues to approve intrastate access rates and charges for local exchange carriers in Indiana. From time to time, the Commission also approves changes in the monthly surcharges on customer bills for the Indiana Universal Service Fund and the Indiana Telephone Relay Access Corporation (InTRAC).

In addition, the Commission resolves carrier-to-carrier disputes, manages policies regarding telephone numbering resources (pursuant to federal and state law), protects customers from unauthorized changes to their service (cramming) and unauthorized changes in their service providers (slamming), and enforces federal customer service standards for video.

Communications issues under consideration at the federal level are regularly tracked and considered by the division. Because it is essential to identify and (when appropriate) act upon the many federal policy matters that have the potential to affect Indiana's economy, the division monitors, reviews, and provides analysis and recommendations to the Commission about possible Commission participation in federal rulemakings and cases. This ensures that the concerns and needs of Indiana are heard by federal agencies such as the Federal Communications Commission (FCC),

the National Telecommunications and Information Administration, and the Rural Utilities Service within the U.S. Department of Agriculture, among others. Additionally, the division has brought issues under discussion at the federal level to the attention of other Indiana state agencies that would possibly be affected by action on those issues, including the Indiana Office of the Attorney General, the Statewide 911 Board, the Indiana Family and Social Services Administration, and the Indiana Department of Corrections.

## Video Franchise Authority

In 2006, the Commission became the sole franchise authority for the issuance of new video service franchises. Before this time, VSPs were subject to exclusively held local franchises. Since 2006, 64 VSPs have applied for and been granted state-issued franchises. The number of providers by county varies, with some locations being more competitive than others. The industry also has seen some consolidation over the last few years, and it is likely that trend will continue as current and future mergers are approved. The technologies used to provide video service to Indiana customers include: coaxial cable, hybrid fiber coax, fiber to the premise (FTTP), fiber to the node (FTTN), very-high-bit-rate digital subscriber line (VDSL), and asymmetric digital subscriber line (ADSL). The Commission does not regulate the rates and charges for video service and does not collect or maintain programming and pricing options offered by VSPs to Indiana customers. Through its Consumer Affairs Division, the Commission does enforce the federal customer service standards established by the FCC.

## Designation of Eligible Telecommunications Carriers (ETCs)

A CSP must be designated as an ETC to receive support from the federal universal service high-cost or Lifeline program. Under the Telecommunications Act of 1996, states are given sole authority to designate

communications companies as ETCs (unless a state cedes this authority to the FCC). ETCs receive federal support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. In the case of the high-cost program, ETCs receive monetary support to deploy, maintain, and provision voice telephony and broadband service throughout their ETC service area. In the case of the Lifeline program, ETCs are reimbursed for providing a monthly discount on communications service for eligible low-income subscribers.

*There are three types of ETCs in Indiana:*

**1. Incumbent Local Exchange Carriers (ILECs):**

These carriers are all eligible for high-cost support (a.k.a. Connect America Fund (CAF) support). These providers became ETCs after the passage of the federal Telecommunications Act of 1996. There are currently 42 ILECs that are ETCs in the state.

**2. Competitive Facilities-based Carriers:** Mobile or Fixed Wireless or Local Exchange Carriers that wish to receive high-cost support to build and maintain their networks. There are currently 10 competitive carriers that are ETCs. Four of these companies have been ETCs for over ten years. Six companies were approved as competitive ETCs in early 2019 as a result of the FCC's CAF II Reverse Auction to serve areas deemed by the FCC as unserved or underserved.

**3. Lifeline-only Wireless ETCs:** These carriers state they will only seek funding from the Lifeline fund, not the high-cost fund. Most of these ETCs do not have their own facilities-based network even though it's a requirement in the Telecommunications Act. The FCC found that it was in the public's interest to forgo this requirement for mobile wireless ETCs that only provide Lifeline. There are currently 10 Lifeline-only mobile wireless ETCs.

## Relinquishments of Eligible Telecommunications Carriers Designations

Some companies that are designated as ETCs in Indiana have requested to relinquish that designation. The Commission's role in areas served by more than one ETC is to require that the remaining ETCs ensure that all customers served by the relinquishing ETC will continue to have service, and to require sufficient notice to permit the purchase or construction of adequate facilities to meet increased demand, if needed.

On April 24, 2017, Indiana Bell Telephone Company Incorporated, d/b/a AT&T Indiana, (AT&T) filed a petition to relinquish its ETC designation in portions of its Indiana service territory (IURC Cause No. 41052-ETC 39S1). This case differs from the other cases mentioned below because AT&T Indiana is an ILEC and, at the time of the petition, was a POLR. As an ETC, AT&T has an obligation to provide voice telephony service, including, but not limited to, Lifeline service, to any customer in its ETC service territory who requests service. In exchange for accepting this obligation, the company is eligible to receive support from the federal USF in areas where support is available. On Nov. 21, 2017, the Commission issued an Order that granted AT&T's requested relief. The Commission's order allowed AT&T to relinquish its ETC designation in those portions of its local service territory in which it did not accept federal CAF support. The specific census blocks where AT&T has retained its ETC designation were included as an attachment to AT&T's original petition in Cause No. 41052-ETC-39S1. The effective date for the relinquishment of AT&T's non-retained census blocks was March 16, 2018. In the retained census blocks, AT&T will continue to have voice telephony, broadband deployment, and Lifeline obligations. AT&T is required to file a petition with the Commission in the event it seeks to either increase or decrease the boundaries of its retained ETC-designated service area.

Furthermore, AT&T has stated that it is not discontinuing provision of voice service. AT&T elaborated that it will continue to offer and provide legacy voice services in all of its service territory (including in the relinquishment area), and it will continue to comply with applicable service obligations of federal and state law in its service territory including in the relinquishment area, unless it separately obtains any necessary permission to stop providing retail legacy voice service. Notwithstanding these reassurances, this partial relinquishment of AT&T's ETC designation could have significant implications for Hoosiers living in the ETC relinquishment areas.

AT&T relinquished its POLR status on Dec. 18, 2018, throughout its entire Indiana service area through a notice to the Commission under Indiana Code chapter 8-1-32.4. However, to date AT&T has not filed a notice of discontinuance of its legacy voice services. The FCC requires a domestic carrier that seeks to discontinue, reduce or impair service to notify all affected customers, with a copy of the notice to the public utility commission and the Governor of the State. Parties that wish to object can file their comments with the FCC within 30 days after the FCC releases public notice of the proposed discontinuance.

Some of the areas where AT&T relinquished its ETC designation and POLR status will be served by one of the six ETCs newly designated under the CAF II Reverse Auction program. But there are large portions of AT&T's relinquishment area that were either not a part of the CAF II reverse auction or did not have a successful bidder to serve the area. Therefore, the only alternative ETCs in much of AT&T's relinquishment areas are Lifeline-only, prepaid wireless ETCs.

Prior to AT&T's relinquishment, the only Indiana-designated ETCs that had sought to relinquish their ETC designation were wireless providers, most of which held ETC designations for the limited purpose of providing Lifeline service. The Lifeline program provides one monthly discount per qualified, low-income household, which means a household can get the discount for one mobile phone or landline connection (but not both).

In the last four and a half years, the Commission has approved relinquishments of Lifeline-only ETC designations for T-Mobile Central, LLC; Cricket Communications, Inc.; NEXUS Communications, Inc.; and Budget Prepay, Inc. – all mobile wireless providers.

## Competition and Pricing

The Commission is statutorily charged with analyzing the effects of competition and technological change on universal service and the pricing of all telecommunications services offered in Indiana. Because detailed information on the effects of competition and technology changes on pricing of telecommunications services offered in Indiana is unavailable, this section focuses on efforts to provide telecommunications service availability in Indiana. This is often referred to as universal service, which has been a key factor in reaching areas that are difficult to serve. In addition to various programs within the FCC's federal USF, the Commission oversees a state program called the Indiana Universal Service Fund (IUSF). Over the last few years, the FCC has expanded the definition of universal service to include federal support for both broadband and voice telephony services. With that in mind, this section also addresses several federal and state efforts to increase broadband availability.

## Indiana Universal Service Fund

The IUSF was established by Commission Order in 2007 in response to revenue reductions caused by changes to the FCC rules that affected small rural ILEC territories. The Commission found that the fund would be competitively neutral and promote just, reasonable, and affordable rates for telephony-based services, as required by the federal Telecommunications Act of 1996.

The Commission oversees the IUSF through the IUSF Administrator (currently Solix, Inc.) and in consultation with the IUSF Oversight Committee, which consists of representatives of various segments of the communications industry, as well as the Indiana Office of the Utility Consumer Counselor.

The IUSF is funded by a small surcharge on intrastate retail telecommunications revenue. The IUSF Oversight Committee has recommended the IUSF maintain a balance of \$2 million; however, billed intrastate retail telecommunications revenue has been steadily decreasing since the establishment of the fund. In 2008, billed intrastate retail telecommunications revenue was \$2.96 billion. In 2018, total revenue declined to \$1.24 billion, which is a decrease of 58.34 percent since inception. As a result, the Oversight Committee has recommended, and the Commission has approved, five increases in the IUSF monthly surcharge on retail customers' bills – from 0.538 percent of billed Indiana telecommunications revenue at the inception of the IUSF in October 2007, to 1.09 percent, effective April 1, 2018.

### *Periodic Reviews for the IUSF*

When the IUSF was established, the Commission determined it should be reviewed every three years to ensure that the operations of the IUSF are meeting the Commission's objectives of preserving and advancing universal service within the state, and ensure that the processes, funding levels, size, and operation and administration of the IUSF remain adequate and sufficient, among other considerations.

The last Triennial Review was completed in 2018. Notwithstanding the financial pressures on the IUSF described above and similarly in previous triennial reviews since the IUSF's inception in 2007, stakeholders entered into a settlement agreement in the 2018 Triennial Review proceeding to preserve the status quo of the fund; that is, no changes to funding mechanism, qualifications test, or any changes regarding the existing structure of the fund. The settling parties' rationale for maintaining the status quo was that the FCC had adopted comprehensive reforms to the federal USF and intercarrier compensation systems to accelerate broadband build-out, and the full impact of these reforms had not been completely realized. The Commission concluded its review, approved the settlement agreement, and implemented no changes to the fund at the time of its order.

The Commission also determined that rural telephone companies that receive IUSF monies should complete a qualifications test every three years to demonstrate continued need for IUSF support. The last qualifications test was completed in 2016. The Commission determined that 32 companies continue to qualify for IUSF support which varies in amount for each company. A new qualifications test was initiated on May 15, 2019, and is currently pending as of the date of this report.

## **Commission Report on the IUSF and Broadband Deployment**

House Enrolled Act (HEA) 1065 was enacted by the Indiana General Assembly and signed into law by Governor Eric Holcomb on March 21, 2018. Section 13 of the Act required the Commission to conduct a study regarding the Indiana Universal Service Fund (IUSF) and broadband deployment, which the Commission issued to the Interim Study Committee on Energy, Utilities and Telecommunications in October 2018. The statute required the Commission to study the following topics:

- (1) The types of service on which the IUSF surcharge is imposed;
- (2) The types of service for which disbursements from the IUSF may be used;
- (3) The eligibility requirements for service providers to receive disbursements from the IUSF;
- (4) Broadband deployment (expansion and improvement of access to broadband services); and
- (5) Any other matter concerning universal service reform that the Commission considers appropriate.

In its report, the Commission observed that the IUSF has been operational for over a decade, providing financial support to small, rural telephone companies to provide telecommunications services to high-cost, rural areas in the state. The IUSF is a relatively small fund for a narrow purpose and its funding source does not appear to be sustainable for the long term. Many of the characteristics of the IUSF were based upon federal rules and definitions that were in place in 2004 but are now inconsistent with current federal rules and are outdated due to the pace of technological change and consumer demands. The continuance of IUSF support is vitally important for the companies that receive that support, especially considering potential FCC changes that may alter their financial landscapes in the future. However, with a declining contributions base and limited amount of current funding it receives (approximately \$11.5 million annually), the IUSF's current capacity to support additional services, including broadband, is extremely limited. Moreover, deploying and maintaining broadband infrastructure in high-cost or uneconomic areas of the state will require ample, sustained funding over a long period of time.

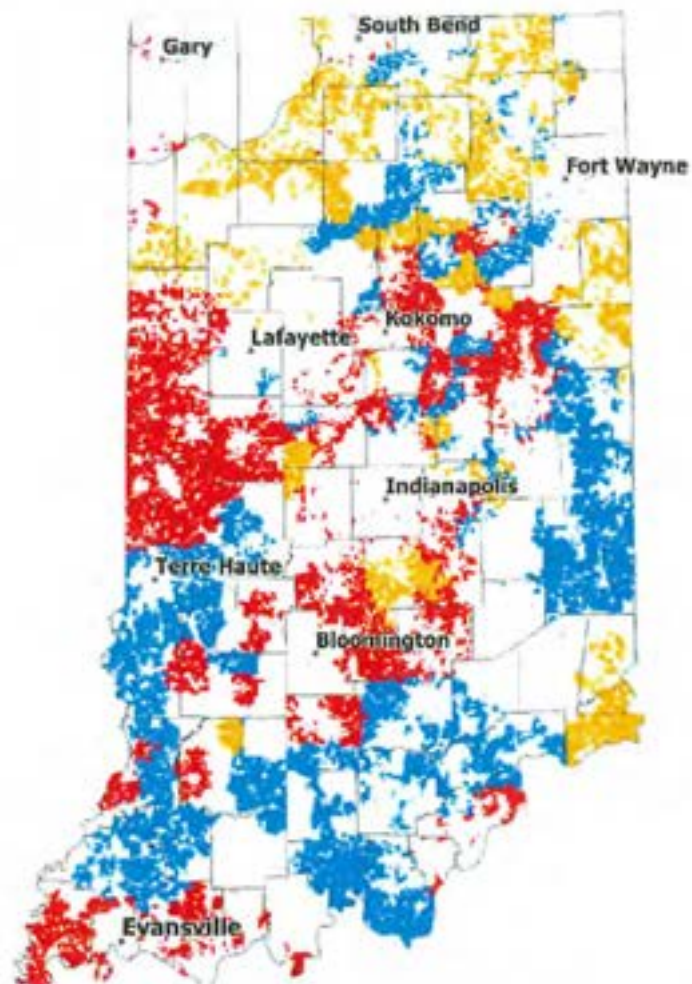
With regard to broadband, significant investments have been made, and continue to be made, by telecommunications and internet companies in Indiana. Indiana's deregulation of these industries beginning in 2006 has spurred greater investment and greater innovation. These investments naturally occur in areas of the state that are more cost effective and the most profitable. Rural territories in Indiana, and across the country, however, are much more expensive to serve and have fewer potential customers.

Additionally, there are significant challenges to deploying broadband in the areas of the state that remain unserved. One significant challenge is in developing good maps of the areas of the state that are unserved. Dependence on the data in the FCC's Form 477 can overstate the level of broadband deployment. Additionally, the cost to deploy broadband in some

of the state's most rural and least densely populated areas remains a very expensive proposition. Low adoption rates also add to the long payback periods that companies compute when determining whether to take on a project.

The 2018 Report on the Indiana Universal Service Fund & Broadband Deployment in Indiana can be found on the Commission's website at <https://www.in.gov/iurc/3010.htm>.

#### ACCEPTED CENSUS BLOCKS FOR CAF II SUPPORT AND CENSUS BLOCKS ELIGIBLE FOR AUCTION



##### Funding Accepted ILECs

- AT&T, Inc.
- CenturyLink, Inc.
- Frontier Communications Corporation



## The Connect America Fund

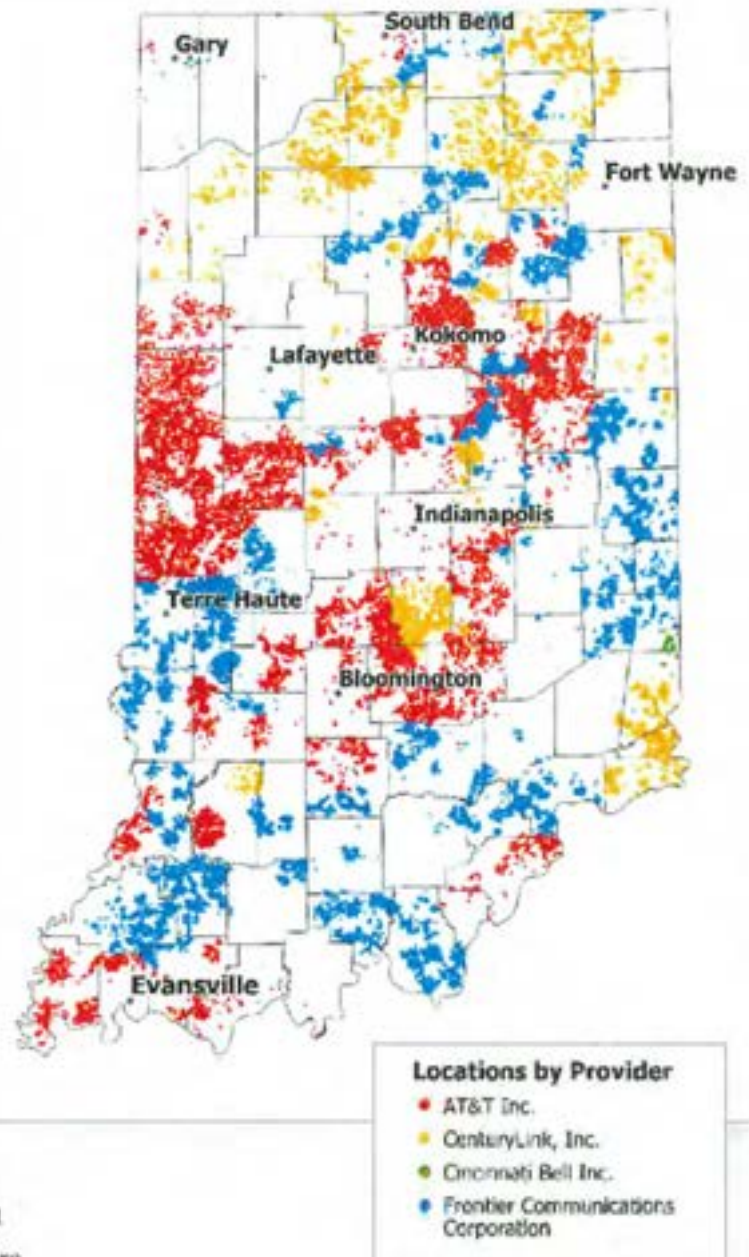
At the federal level, efforts by the FCC have been implemented under certain circumstances to provide financial support, through a program under the federal USF (i.e., the CAF), to provide incentive for companies to deploy broadband in rural areas.

The FCC launched the second phase of the CAF on Dec. 18, 2014 (CAF II model-based support). Nationwide, approximately \$1.5 billion was allocated for unserved areas in large ILECs' territories to deploy broadband with speeds of at least 10/1 Mbps. In Indiana, AT&T, Frontier, and CenturyLink accepted CAF II funds totaling \$51.1 million annually. In addition to these three companies, Cincinnati Bell Telephone Company, which primarily serves Ohio, but also serves the Peoria and West Harrison exchanges in southeast Indiana, also received CAF Phase II support. The following map shows the locations by census block where AT&T Indiana, Frontier, and CenturyLink have each accepted the first phase of CAF II model-based support in its respective service areas in the state.

It is important to note that this map is not designed to show where carriers have already deployed broadband facilities and begun offering broadband service, although in many instances that is now the case. Rather, it is designed to show where the three large carriers expect to deploy broadband facilities over a six-year period of time.

Each year, providers are required to report the address of each location within assigned census blocks where broadband has been made available using CAF II funds. The map to the right gives a general idea of the locations where each provider has made broadband

### CAF II FUNDED BROADBAND DEPLOYMENT LOCATIONS



available at speeds of at least 10/1 Mbps using CAF II funds for 2016 – 2018. The location points are for individual addresses and have been enlarged for visual purposes. Therefore, each location point is not a representation of the location's actual size.

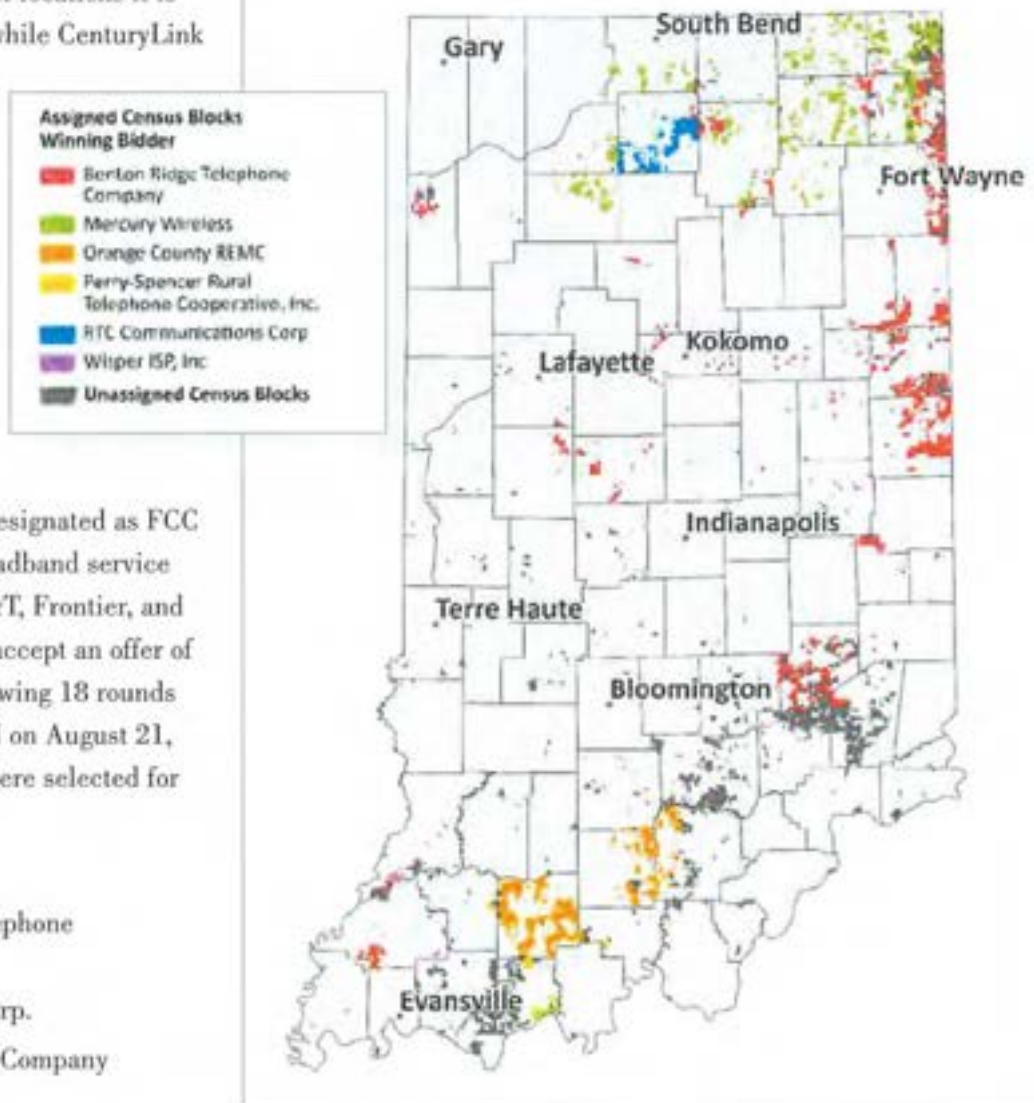
According to Universal Service Administrative Company's website, at the end of 2018, AT&T has deployed broadband to 83% of the total number of locations it is obligated to under CAF II, while CenturyLink has deployed to 64% and Frontier has deployed to 63%. Therefore, each has met the 60% completion requirement for the end of 2018.

The map to the right shows census blocks in Indiana where carriers won bids in the FCC's CAF II "reverse auction" (designated as FCC Auction 903) to provide broadband service in census blocks where AT&T, Frontier, and CenturyLink elected not to accept an offer of model-based support. Following 18 rounds of bidding, which concluded on August 21, 2018, six winning bidders were selected for Indiana:

- Orange County REMC
- Perry-Spencer Rural Telephone Cooperative, Inc.
- RTC Communications Corp.
- Benton Ridge Telephone Company
- Mercury Wireless
- Wisper ISP, Inc.

At the end of the auction, the FCC had assigned 24,530 Indiana locations to those six companies. Out of 33,847 total eligible locations, 9,317 locations remained unassigned in Indiana at the conclusion of the auction. The unassigned census blocks are indicated in dark gray on the following map.

### CAF II AUCTION RESULTS - ASSIGNED AND UNASSIGNED CENSUS BLOCKS



## Video Franchise Fee Report

In 2012, the Indiana General Assembly passed legislation that requires the Commission to gather information from local government units that receive video franchise fees under a certificate issued by the Commission or an unexpired local franchise issued by the unit before July 1, 2006. In 2018, the Commission received responses from 260 local government units, which is up from the 134 units reporting for 2017 (174 units responded for 2016). Of those 260 local units responding for 2018, 19 indicated that no franchise fees were collected. Three hundred and eighty-five video franchises were reported as providing service and paying franchise fees in the remaining 241 reporting units. Of those 385 franchises, 382 were providing service under a state-issued franchise and 3 were providing service under a local franchise. The responding units reported payments of franchise fees totaling approximately \$21 million.

*The following is a broad analysis of the data reported for 2018:*

- Responses were received from 35 of the 92 counties in Indiana; those responses are included in the 260 total responses received in 2018 and described above.
- The majority of the reporting units deposit video franchise fees in their respective general funds.
- Most of the reporting units use the video franchise fees for public safety or to cover general operating expenses. Some use the fees for maintenance of rights-of-way, roads, and other infrastructure.
- One hundred and seventy-eight units reported the franchise fee rates. Those rates vary from one to five percent, with the majority set at either three percent (39 percent of respondents) or five percent (53 percent of respondents).

- Many units did not provide the requested information about the rate charged, how the rate was established, and the date the rate was set. Conversations with some clerk-treasurers in previous years indicated that turnover in the office makes it difficult to provide that type of information in a timely fashion.

To view the Video Franchise Fee Report, see *Appendix S*.

## Biennial Video Service Area Reporting and Video Competition

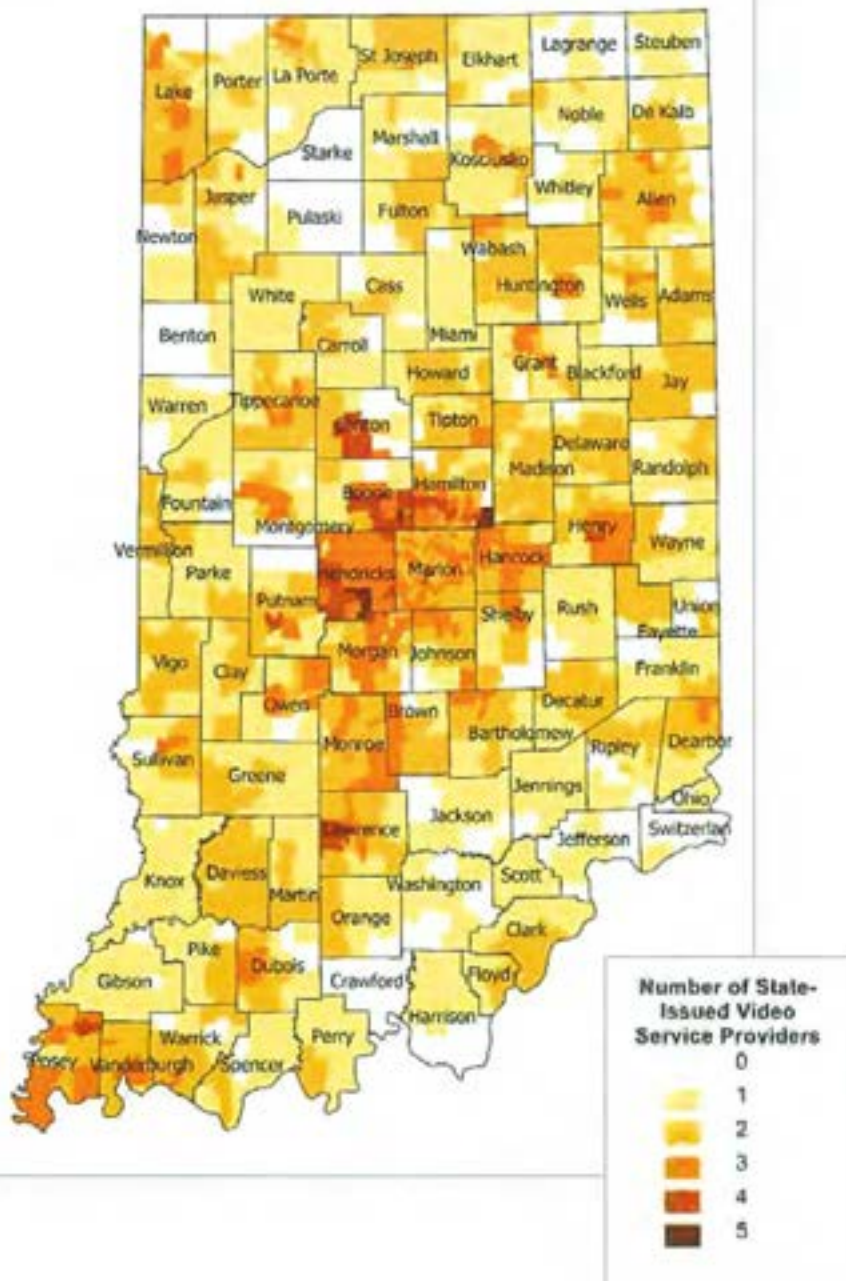
In each odd-numbered year, VSPs are required by statute to report the areas in the state by census block group where they offer video service under a state-issued video franchise certificate.

The Commission reached out to the holders of the 76 active state-issued video franchise certificates requesting they provide the required biennial information specific to each video franchise certificate held. The following map shows the number of video providers with state-issued video franchise certificates that reported offering video service to customers in a census block group at the end of 2018. It may appear that there is no video service being offered in various pockets of the state; however, it is likely that these areas are served by providers that have an unexpired local franchise agreement, which are not reported for the map. Upon the expiration of that franchise agreement, providers are required to apply for a state-issued franchise in order to continue to serve that area.

As shown in the map, Crawford County and Starke County are the only counties that were not reported to offer video service by a provider with a state-issued video franchise in any portion of either county. Thirteen counties have a single state-issued video provider offering service. Sixty-four counties have between two

and four providers, and 13 counties have five or more providers offering video service. Hamilton County has the most providers offering video service under state-issued franchises with nine providers, followed by Clinton and Hendricks counties, both with seven providers.

### NUMBER OF SERVICE PROVIDERS REPORTED OFFERING VIDEO SERVICE IN EACH CENSUS BLOCK GROUP





2019 IURC ANNUAL REPORT

PIPELINE  
SAFETY  
DIVISION



# PIPELINE SAFETY DIVISION

## Regulatory Responsibility

The Commission's Pipeline Safety Division is responsible for enforcing state regulations, which incorporate federal safety regulations for Indiana's intrastate gas pipeline facilities, as established under Indiana Code chapter 8-1-22.5.

The Pipeline Safety Act of 1968 established the federal pipeline safety program. This program establishes a framework and organizational structure for federal certification of state pipeline safety programs (49 U.S.C. chapter 601). This framework promotes pipeline safety through exclusive federal authority for the regulation of interstate pipeline facilities and federal certification of participating states for responsibility over all or part of intrastate pipeline facilities.

The federal/state partnership is the cornerstone for ensuring uniform implementation of the pipeline safety program nationwide. It also authorizes federal grants to reimburse in part a state agency's personnel, equipment, and activity costs. Grant amounts (up to 80 percent of program costs) are primarily determined through annual evaluations of the state's program, its annual reporting, and the availability of federal grant dollars. Indiana's program, as established by state statute (Ind. Code chapter 8-1-22.5), has historically received high marks from the annual federal evaluations.

## Indiana's Pipeline Safety Program

The Pipeline Safety Division's primary mission is to ensure the safe and reliable operation of Indiana's intrastate pipeline transportation system. This is largely accomplished through inspections, as well as training, outreach programs, enforcement through injunctions and monetary sanctions, and investigations of pipeline accidents. During Calendar Year 2018, the division conducted 972 inspections of 59 operators and 94 associated inspection units, safely resolving 709 probable violations.

The Pipeline Safety Division operates in partnership with the U.S. Department of Transportation's (U.S. DOT) Pipeline and Hazardous Materials Safety Administration's (PHMSA) under a certification agreement. PHMSA provides a grant on a calendar year basis designed to provide reimbursement of up to 80 percent of the costs of operating the program. The actual reimbursement amount of the grant is determined by the levels of funding available to PHMSA and the program's overall annual performance score. The annual performance score is based on the results of an annual visit and review of the program by PHMSA evaluators, as well as the level of compliance with certification requirements reported in the Annual Progress Report, which is provided to PHMSA. For Calendar Year 2018, the gas program received a score of 98.8 percent, and the hazardous liquids program received a 94.4 percent. Two points of the reduction in each overall score was due to the state legislature not adopting higher maximum civil penalty levels as prescribed in the certification agreement.



Additionally, the division is responsible for tracking and investigating all alleged violations of the state's Indiana 811 law and is active in a variety of damage prevention efforts. In Calendar Year 2018, the division investigated 2,032 excavation damage cases. As a result of these investigations, the Commission ordered the issuance of 494 warning letters and required training in 403 instances for pipeline safety violations, as recommended by the Underground Plant Protection Advisory Committee (UPPAC). In addition, UPPAC recommended and the Commission approved 846 civil penalties, totaling more than \$1,600,000.

For calendar year 2017, PHMSA awarded Indiana a perfect score on its Indiana 811 program and a perfect score on its Excavation Damage Evaluation. Indiana's program continues to serve as a model for other states to create and/or refine their damage prevention programs.

On August 4, 2017, the Commission's Pipeline Safety Division and Northern Indiana Public Service Co. (NIPSCO) filed a settlement agreement for \$900,000 in civil penalties for past pipeline safety violations, which included failures by NIPSCO to keep accurate maps and records of its underground facilities, and failure to locate its pipelines in two days as required by its own pipeline safety procedures. The Commission approved the settlement agreement on November 29, 2017. The civil penalties associated with this settlement are the highest in state history. NIPSCO was required to provide information and ongoing reporting to the Pipeline Safety Division and the Indiana Office of Utility Consumer Counselor (OUCC), and to pay additional civil penalties for violations it may commit through the end of 2018. In addition to a monetary fine, the Commission required NIPSCO to complete other compliance actions, including reporting performance metrics applicable to locating its facilities, implementing a pipeline safety management system, and requiring additional updates from NIPSCO to the Pipeline Safety Division regarding NIPSCO's pipeline safety compliance activities. On



February 26, 2019, the Commission opened a related case to determine the penalties payable by NIPSCO for violations that occurred in 2018. The Commission held an evidentiary hearing on June 25, 2019. A final order on the 2018 penalties is expected before the end of 2019.

On May 14, 2018, the Commission's Pipeline Safety Division and Vectren Energy Delivery of Indiana, Inc. (Vectren) filed a settlement agreement for \$736,000 in civil penalties for past pipeline safety violations, including the Camby house explosion in November 2017. The Commission approved the settlement agreement on October 9, 2018. The civil penalties associated with this settlement are the second highest in state history. The Commission required Vectren to provide information and ongoing reporting to the Pipeline Safety Division and to the OUCC, and to pay additional civil penalties for violations it may commit through the end of 2019. In addition to a monetary fine, Vectren is required to complete additional compliance actions, including reporting performance metrics applicable to locating its facilities, the continuing implementation and improvement of its pipeline safety management system, and maintaining closer coordination with the Pipeline Safety Division in carrying out its pipeline safety compliance activities.

These penalties assessed against NIPSCO and Vectren cases under Indiana Code chapter 8-1-22.5 are remitted to the state's General Fund.

## Indiana 811 Law

Excavation damages pose the single greatest risk to safe operations of natural gas and hazardous liquid pipeline systems throughout the country. To help address this risk, Indiana's Damage to Underground Facilities Law (Ind. Code chapter 8-1-26), also known as the Indiana 811 law, establishes requirements that both excavators and underground facility owners must follow regarding excavation projects. The law also establishes



Know what's below.  
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### COLOR CODE FOR UTILITY MARKINGS

	<b>ELECTRIC</b>
	<b>GAS-OIL-STEAM</b>
	<b>TELEPHONE &amp; CABLE TV</b>
	<b>WATER</b>
	<b>SEWER</b>
	<b>RECLAIMED WATER</b>
	<b>TEMPORARY SURVEY MARKINGS</b>
	<b>PROPOSED CONSTRUCTION</b>

In Indiana, visit [811Now.com](http://811Now.com) or call 811  
(or 800-382-5544) two full working days before you dig.

[www.indiana811.org](http://www.indiana811.org)

an enforcement process that includes possible civil penalties of up to \$10,000 for each violation of the law.

The Underground Plant Protection Advisory Committee (UPPAC) was established by Ind. Code chapter 8-1-26 and is comprised of representatives from various stakeholder groups appointed by the Governor. The UPPAC acts in an advisory capacity and makes penalty recommendations to the Commission after reviewing the findings of the Pipeline Safety Division's investigations of alleged violations.

The Pipeline Safety Division is actively engaged with various damage prevention stakeholder groups through Damage Prevention Councils, which are comprised of underground facility owners, locating firms, individual excavators, and Indiana 811. These councils are designed to facilitate open communication

and transparency and foster industry relationships. They provide an open forum for stakeholders to offer ideas for improvement, express concerns, and discuss matters concerning their performance with damage prevention.

Additionally, the Pipeline Safety Division hosts stakeholder meetings designed to facilitate additional discussions and open communication among the various stakeholder groups including pipeline operators, excavators, locators, Indiana 811, etc. These meetings result in the identification of several areas of mutual concern and the development of potential solutions.

## Depth Study

In 2009, the Indiana General Assembly mandated a report for best practices concerning the vertical location of underground facilities for purposes of Ind. Code chapter 8-1-26, specifically looking at the viability and economic feasibility of technologies used to locate underground facilities.

In March 2011, the Common Ground Alliance (CGA), a national, member-driven association dedicated to public and environmental safety and the prevention of damage to underground facilities, completed a study sponsored by the U.S. DOT. This study identified the best practices regarding damage prevention. Generally, the CGA recommends hand digging or soft digging within a 24-inch tolerance on all sides of underground facilities as the safest practice. Vacuum digging (the use of high-pressure water or air that breaks up the soil), accompanied by a powerful vacuum that removes the loosened soil, is also an acceptable alternative identified by CGA.

The CGA, equipment manufacturers, and the Commission's Pipeline Safety Division all strongly recommend hand digging, air cutting, or vacuum excavation to expose underground pipe for visual verification.

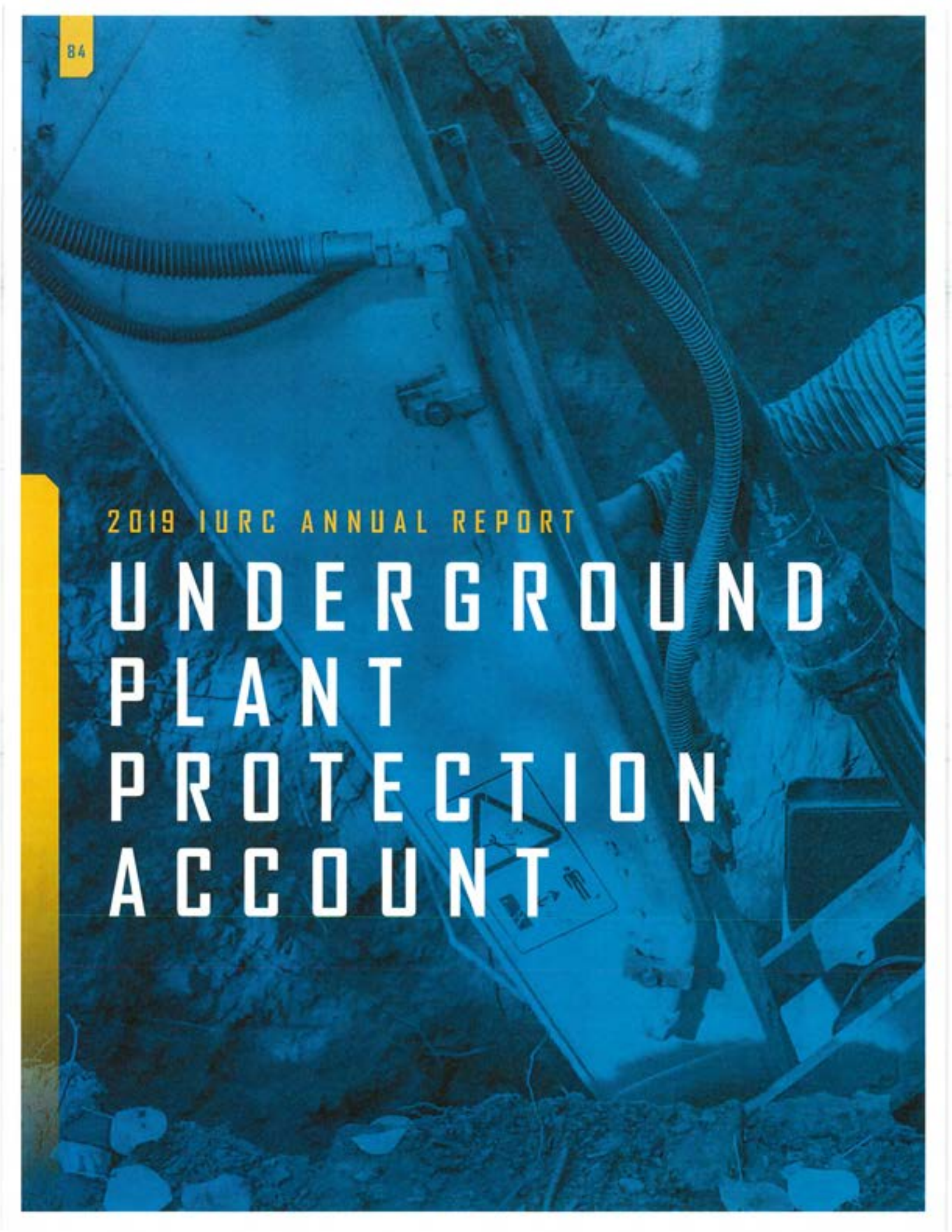
The Pipeline Safety Division further requires that all operators of locator equipment be certified by an accredited organization, thus ensuring that only qualified individuals are allowed to perform this important service. This serves to protect underground facilities and Hoosiers working around them.

Emerging technologies, such as new mapping techniques using utility marker balls and cell phones for mapping facilities in Geographic Information Systems (GIS), are being developed to help reduce excavation damages and improve operator facility maps. Marker balls also allow locators to more easily and accurately identify the location of underground facilities in certain situations. Although new technology continues to be explored to address problems associated with difficult-to-locate gas lines and determining the depth of such lines, providing pipeline depth information to those performing excavation activities could result in unintended consequences, such as the over-reliance on pipeline depth information and the use of mechanical equipment within specified tolerance zones where hand digging would be a safer alternative. Therefore, the division does not recommend providing excavators a linear elevation of underground facilities.



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# UNDERGROUND PLANT PROTECTION ACCOUNT





# UNDERGROUND PLANT PROTECTION ACCOUNT

## Underground Plant Protection Account (UPPA)

The Underground Plant Protection Account (UPPA) fund was established in 2009 under Ind. Code chapter 8-1-26. The fund is the accumulation of civil penalties that were levied and collected due to violations of Indiana's Damage to Underground Facilities law—also known as the Indiana 811 law. Civil penalties from the Indiana 811 law violations are approved by the Commission.

## Permitted Use of UPPA Funds

UPPA funds are used to provide programs designed to reduce damages to buried facilities during excavation and violations of the Indiana 811 law. Per Indiana law, uses of UPPA funds must fall into at least one of three categories:

- Public awareness programs concerning underground plant protection
- Training and educational programs for contractors, excavators, locators, operators, and other persons involved in underground plant protection
- Incentive programs for contractors, excavators, locators, operators, and other persons involved in underground plant protection to reduce the number of Indiana 811 law violations

All uses of UPPA funds strictly follow state of Indiana procurement guidelines. UPPA funds are overseen by a committee of Commission representatives, which includes:

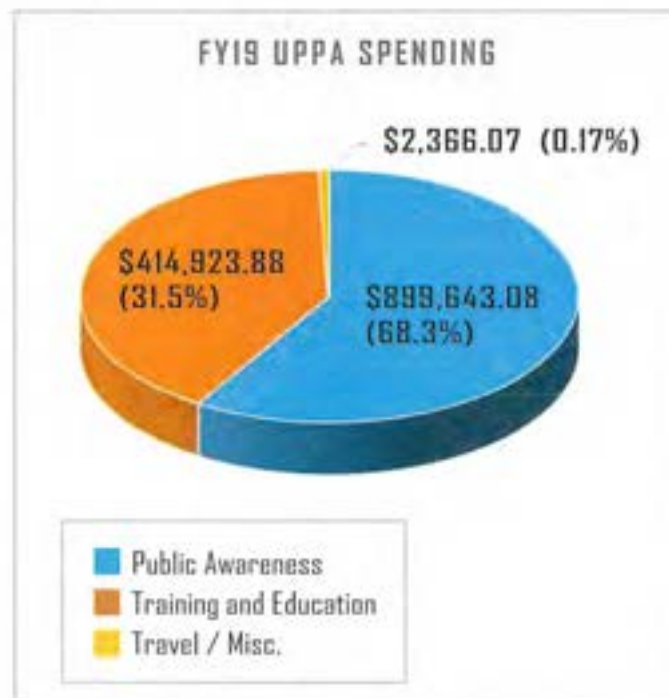
- Commission Chair
- Commissioner
- Chief Administrative Law Judge
- Executive Director of External Affairs
- Executive Director of Technical Operations
- General Counsel
- Director of Pipeline Safety
- UPPA Fund Project Manager

*The following list summarizes several uses of the UPPA fund during Fiscal Year 2019.*

- Through the Commission's renewal of the Indiana Broadcasters Association's (IBA) Public Education Program (PEP), the Commission has continued to run significant Indiana 811 law messaging on AM radio, FM radio, and broadcast television stations based in Indiana. Approximately 50,000 spots have run across the state during Fiscal Year 2019.
- The Commission supported the 2018 Indiana State Fair to increase public awareness of the Indiana 811 law. The sponsorship included safety messaging on all hand sanitizer dispensers, as well as on 40 Skyride carts. During the fair, the safety-branded hand sanitizers were used more than 400,000 times and the Skyride was used more than 75,000 times.
- UPPA funded seven Indiana 811 law-focused safety training sessions across central, northern, and southern Indiana for excavators, operators, locators, and other stakeholders in utility safety. These sessions were held in Evansville, Columbus, Fort Wayne, Noblesville, Scottsburg, South Bend, and Schererville, and included both dig law education as well as a live, mock line-strike demonstration. More than 1,000 utility stakeholders attended the various training sessions.

- August 11, 2018, was marketed as "8/11 Day" statewide with 811 safety marketing and events at all minor league baseball games occurring on August 11.
- The UPPA fund sponsored 115 new attendee scholarships for excavation professionals to the Midwest Damage Prevention Training Conference in French Lick, Indiana.
- The Commission partnered with Indiana University and Purdue University to sponsor safety marketing at all football and basketball games.
- Through UPPA, the Commission contracted with professional management to improve coordination between the four Indiana Damage Prevention Councils.
- The Commission expanded its free, online safety training system for professionals who work in excavation by adding two additional training modules. The training program has educated more than 600 professional excavators on safe digging practices since its launch.

Total investment in safety programs through the UPPA fund in Fiscal Year 2019 was \$1,316,933.03.





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# APPENDICES





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## Commission's Budget and 2019-2020 Public Utility Fee Calculation

### 2019-2020 PUBLIC UTILITY FEE CALCULATION

#### BILLABLE PORTION OF THE BUDGET

##### 2019-2020 (FY20) Budget As Passed

Utility Regulatory Commission .....	\$ 9,896,454.00
Utility Consumer Counselor .....	\$ 6,935,790.00
Expert Witness Fund .....	\$ 809,410.00
Contingency Fund .....	\$ 250,000.00
Total 2019-2020 Budget .....	<u>\$ 17,891,654.00</u>

##### 2018-2019 (FY19) Budget Augmentations

Utility Regulatory Commission .....	\$ -
Utility Consumer Counselor .....	\$ -

##### 2017-2018 (FY18) Reversions

Utility Regulatory Commission .....	\$ 455,633.73
Utility Consumer Counselor .....	\$ 208,911.87
Expert Witness Fund .....	\$ 30,268.59
Contingency Fund .....	\$ 250,000.00
Bond Fee Collections .....	\$ 21,125.00
Municipal Fee Collections .....	\$ 178,504.91
Other Revenue .....	<u>\$ 19,415.36 FY17</u>
Public Utility Fees Paid in FY18	
Total 2017-2018 (FY18) Reversions .....	<u>\$ 1,163,859.46</u>

##### Prior Year Adjustments

Expert Witness Fund adjustment .....	\$ 56,641.78
IURC Pre-FY2018 Purchase Orders reduced in FY2018 .....	\$ 189,830.15
OUCG Pre-FY2018 Purchase Orders reduced in FY2018 .....	\$ 6,631.62
Pipeline Safety Grant Revenue .....	\$ -
Total Adjustments .....	<u>\$ 253,103.55</u>
Billable Portion of the 2019-2020 (FY20) Budget .....	<u>\$ 16,474,690.99</u>

##### 2018 Utility Intra-State Revenues

Electric Utilities (43) .....	\$ 9,219,779,108.03
Gas Utilities (17) .....	\$ 1,532,823,600.84
Sewer Utilities (19) .....	\$ 54,146,892.77
Telecommunication Utilities (176) .....	\$ 1,648,584,482.20
Water Utilities (33) .....	<u>\$ 252,617,694.70</u>
Total Utility Intra-State Revenues .....	<u>\$ 12,707,951,778.54</u>

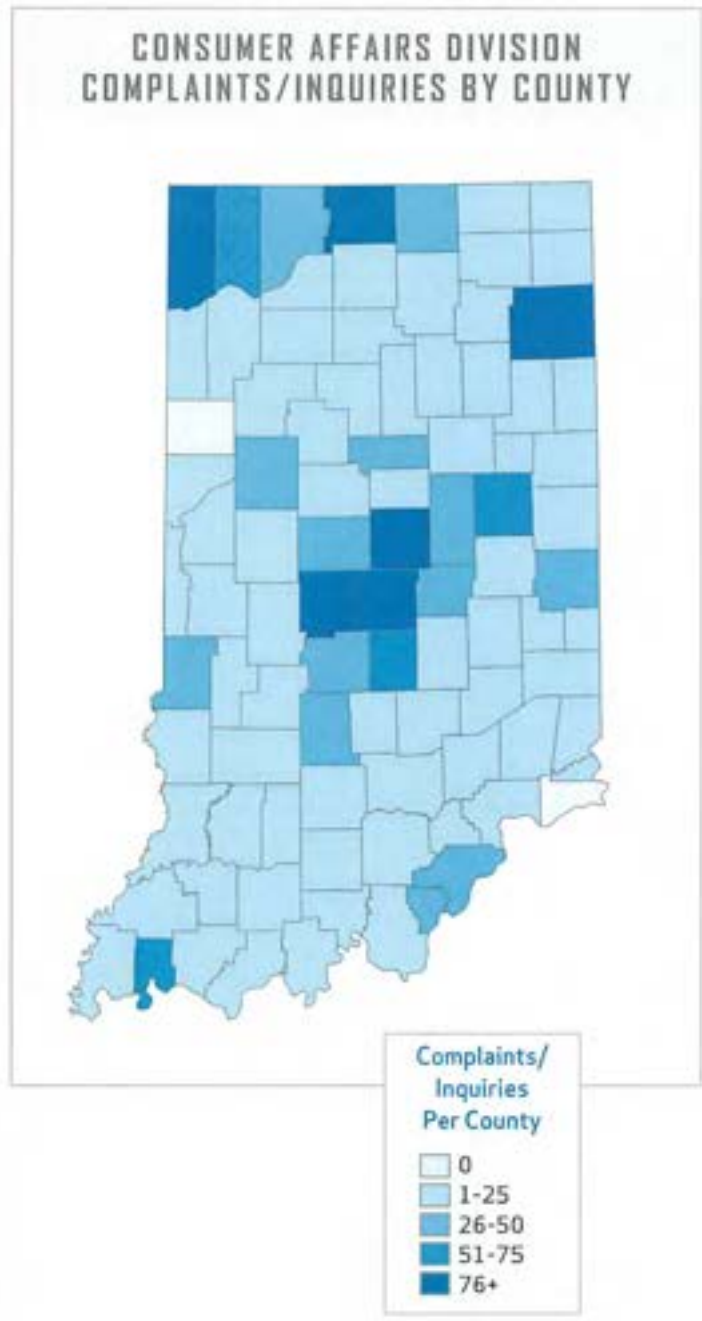
##### 2019-2020 Public Utility Fee Billing Rate

Billable Portion of the 2019-2020 Budget .....	\$ 16,474,690.99
Divide by: Total 2018 Utility Intra-State Revenues .....	<u>\$ 12,707,951,778.54</u>

**2019-2020 Public Utility Fee Billing Rate** ..... 0.001296408

## CAD Complaints/Inquiries by County

COUNTY	COUNT OF CASE #	COUNTY	COUNT OF CASE #
Adams	3	Lawrence	12
Allen	148	Madison	47
Bartholomew	20	Marion	732
Blackford	1	Marshall	7
Boone	49	Martin	3
Brown	9	Miami	6
Carroll	5	Monroe	44
Cass	12	Montgomery	5
Clark	37	Morgan	38
Clay	9	Newton	6
Clinton	3	Noble	8
Crawford	7	Ohio	6
Daviess	2	Orange	5
De Kalb	8	Owen	6
Dearborn	15	Parke	4
Decatur	4	Perry	2
Delaware	59	Pike	4
Dubois	2	Porter	58
Elkhart	47	Posey	7
Fayette	10	Pulaski	3
Floyd	34	Putnam	7
Fountain	3	Randolph	7
Franklin	5	Ripley	9
Fulton	2	Rush	3
Gibson	8	Scott	1
Grant	21	Shelby	13
Greene	4	Spencer	4
Hamilton	142	St. Joseph	97
Hancock	28	Starke	5
Harrison	7	Steuben	7
Hendricks	87	Sullivan	8
Henry	13	Tiptecanoe	41
Howard	39	Tipton	6
Huntington	9	Union	6
Jackson	9	Vanderburgh	63
Jasper	3	Vermillion	6
Jay	7	Vigo	36
Jefferson	6	Wabash	6
Jennings	6	Warren	1
Johnson	61	Warrick	24
Knox	7	Washington	5
Kosciusko	13	Wayne	31
La Porte	34	Wells	3
Lagrange	10	White	8
Lake	197	Whitley	5
LaPorte	1		
<b>Grand Total.....2611</b>			



## Revenues for Jurisdictional Electric Utilities

REVENUES FOR YEAR ENDING DECEMBER 31, 2018

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	Duke Energy Indiana, LLC	\$3,044,015,039	32.19%
2	Indiana Michigan Power Company	\$2,284,142,642	24.15%
3	Northern Indiana Public Service Co. - Electric	\$1,712,568,616	18.11%
4	Indianapolis Power & Light Company	\$1,450,504,792	15.34%
5	Vectren South	\$582,612,226	6.16%
6	Anderson Municipal Light & Power Co.	\$85,428,386	0.90%
7	Richmond Municipal Power & Light	\$83,382,567	0.88%
8	Citizens Thermal Energy	\$67,697,848	0.72%
9	Auburn Municipal Electric	\$40,442,046	0.43%
10	Crawfordsville Municipal Electric	\$36,537,532	0.39%
11	Frankfort Municipal Light & Power	\$33,386,039	0.35%
12	Lebanon Municipal Utilities - Electric	\$23,245,779	0.25%
13	Tipton Municipal Electric	\$13,221,066	0.14%
14	Greenfield Mills, Inc.	\$15,432	0.00%
	<b>TOTAL</b>	<b>\$9,457,200,010</b>	<b>100.00%</b>

## Jurisdiction over Municipal Electric Utilities

MUNICIPAL UTILITIES UNDER THE COMMISSION'S JURISDICTION		
Anderson	Frankfort	Lebanon
Auburn	Kingsford Heights	Richmond
Crawfordsville		Tipton
MUNICIPAL UTILITIES WITHDRAWN FROM THE COMMISSION'S JURISDICTION (IND. CODE § 8-1.5-3-9)		
Advance	Etna Green	New Ross
Argos	Ferdinand	Oxford
Avilla	Flora	Paoli
Bainbridge	Frankton	Pendleton
Bargersville	Garrett	Peru
Batesville	Gas City	Pittsboro
Bluffton	Greendale	Rensselaer
Boswell	Greenfield	Rising Sun
Bremen	Hagerstown	Rockville
Brooklynn	Huntingburg	Scottsburg
Brookston	Jamestown	South Whitley
Cannelton	Jasper	Spiceland
Centerville	Knightstown	Straughn
Chalmers	Ladoga	Tell City
Chrisney	Lawrenceburg	Thorntown
Coatesville	Lewisville	Troy
Columbia City	Linton	Veedersburg
Covington	Logansport	Walkerton
Crane	Middletown	Warren
Darlington	Mishawaka	Washington
Dublin	Montezuma	Waynetown
Dunreith	New Carlisle	Williamsport
Edinburgh		Winamac

## Residential Electric Bill Survey

JULY 1, 2019

MUNICIPAL UTILITIES	(kWh CONSUMPTION)			
	500 kWh	1000 kWh	1500 kWh	2000 kWh
Anderson Municipal	\$65.95	\$112.19	\$158.42	\$204.66
Lebanon Municipal	\$58.38	\$106.99	\$151.80	\$196.61
Crawfordsville Municipal	\$60.21	\$105.42	\$150.63	\$195.84
Tipton Municipal	\$54.85	\$103.72	\$150.29	\$196.85
Kingsford Heights Municipal	\$53.08	\$102.65	\$152.23	\$201.80
Frankfort Municipal	\$54.48	\$100.97	\$147.45	\$193.94
Richmond Municipal	\$57.27	\$98.99	\$140.71	\$180.71
Auburn Municipal	\$45.97	\$84.93	\$123.90	\$162.87
INVESTOR-OWNED UTILITIES	(kWh CONSUMPTION)			
	500 kWh	1000 kWh	1500 kWh	2000 kWh
So. Indiana Gas & Electric Co. D/B/A Vectren	\$81.64	\$152.27	\$222.91	\$293.54
Northern Indiana Public Service Co.	\$75.18	\$136.37	\$197.55	\$258.73
Indiana Michigan Power Company	\$71.51	\$132.53	\$193.54	\$254.55
Duke Energy Indiana	\$70.95	\$121.76	\$167.91	\$214.01
Indianapolis Power & Light Co.	\$69.57	\$114.30	\$159.02	\$203.74
ALL JURISDICTIONAL UTILITIES	(kWh CONSUMPTION)			
	500 kWh	1000 kWh	1500 kWh	2000 kWh
Average for 2019 Survey	\$63.00	\$113.31	\$162.80	\$212.14
Average for 2018 Survey	\$62.88	\$114.68	\$164.76	\$214.40
% Change	0.20%	-1.19%	-1.19%	-1.05%

## Residential Electric Bill Survey Year-to-Year Comparison

(BASED ON 1,000 KWH)

MUNICIPAL UTILITIES	2019	2018	% CHANGE
Anderson Municipal	\$112.19	\$111.16	0.9%
Auburn Municipal	\$84.93	\$84.83	0.1%
Crawfordsville Municipal	\$105.43	\$106.16	-0.7%
Frankfort Municipal	\$100.97	\$102.11	-1.1%
Kingsford Heights Municipal	\$102.65	\$102.65	0.0%
Lebanon Municipal	\$106.99	\$108.30	-1.2%
Richmond Municipal	\$98.99	\$97.94	1.1%
Tipton Municipal	\$103.72	\$99.33	4.4%
<b>Municipal Averages</b>	<b>\$101.98</b>	<b>\$101.56</b>	<b>0.4%</b>
INVESTOR-OWNED UTILITIES	2019	2018	% CHANGE
Duke Energy Indiana	\$121.76	\$122.84	-0.9%
Indiana Michigan Power Company	\$132.53	\$132.14	0.3%
Indianapolis Power & Light Co.	\$114.30	\$117.07	-2.4%
Northern Indiana Public Service Co.	\$136.37	\$138.98	-1.9%
So. Indiana Gas & Electric Co. D/B/A Vectren	\$152.27	\$152.59	-0.2%
<b>Investor-Owned Averages</b>	<b>\$131.44</b>	<b>\$132.72</b>	<b>-1.0%</b>

## Residential Electric Bill Comparison

RESIDENTIAL BILL FOR 1,000 KWH USAGE, JULY 1 OF EACH YEAR

MUNICIPAL UTILITIES	2010	2019	CHANGE	% CHANGE
Anderson Municipal	\$88.95	\$112.19	\$23.24	26%
Auburn Municipal	\$58.59	\$84.93	\$26.34	45%
Crawfordsville Municipal	\$81.29	\$105.42	\$24.13	30%
Frankfort Municipal	\$77.97	\$100.97	\$23.00	29%
Kingsford Heights Municipal	\$98.68	\$102.65	\$3.97	4%
Lebanon Municipal	\$84.52	\$106.99	\$22.47	27%
Richmond Municipal	\$84.43	\$98.99	\$14.56	17%
Tipton Municipal	\$82.78	\$103.72	\$20.94	25%

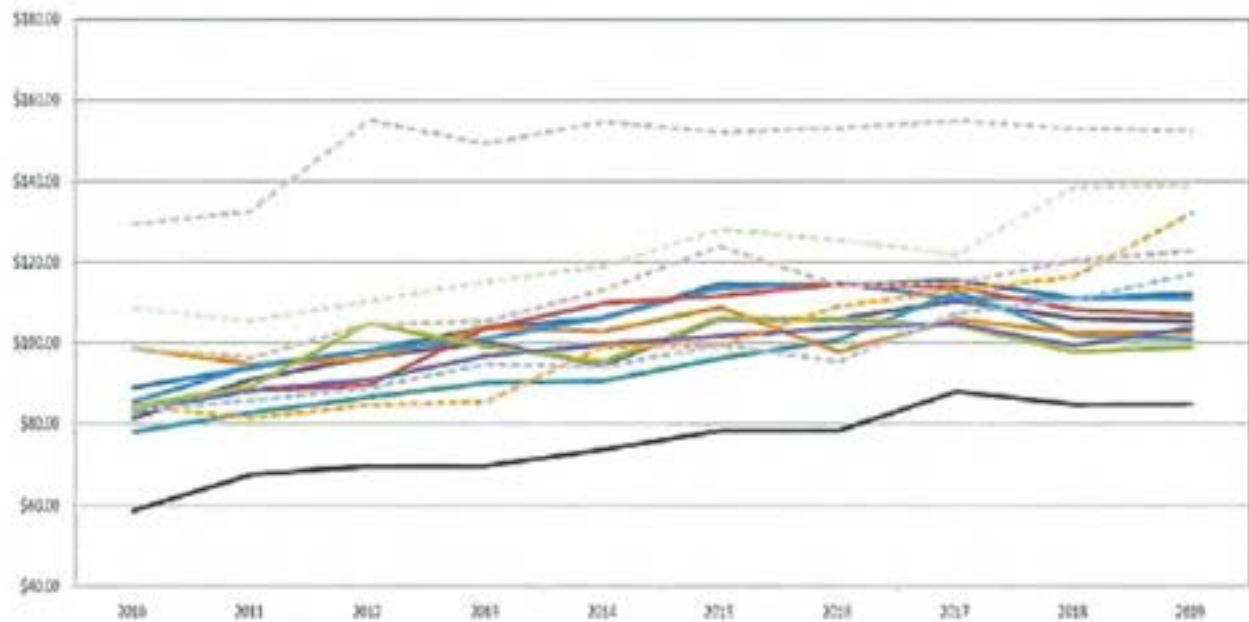
INVESTOR-OWNED UTILITIES	2010	2019	CHANGE	% CHANGE
Indiana Michigan Power Company	\$81.45	\$132.53	\$51.08	63%
Indianapolis Power & Light Co.	\$85.75	\$114.30	\$28.55	33%
Northern Indiana Public Service Co.	\$105.55	\$136.37	\$30.82	29%
Duke Energy Indiana	\$96.33	\$121.76	\$25.43	26%
Vectren South	\$132.65	\$152.27	\$19.62	15%



## Yearly Residential Electric Bill Comparison Chart

(RESIDENTIAL BILL FOR 1,000 KWH USAGE, JULY 1 OF EACH YEAR)

YEARLY RESIDENTIAL ELECTRIC BILL COMPARISON CHART



## Revenue of Jurisdictional Natural Gas Utilities

OPERATING REVENUES FOR YEAR ENDING DECEMBER 31, 2018

RANK	UTILITY NAME	OPERATING REVENUES	PERCENT OF TOTAL REVENUES
1	Northern Indiana Public Service Co - Gas	\$750,566,802	41.43%
2	Indiana Gas Company, Inc. - Vectren	\$602,685,048	33.27%
3	Citizens Gas	\$259,141,151	14.31%
4	Southern Indiana Gas and Electric Co - Gas	\$100,927,596	5.57%
5	Ohio Valley Gas Corporation	\$35,492,747	1.96%
6	Midwest Natural Gas Corporation	\$16,438,207	0.91%
7	Sycamore Gas Company	\$9,492,556	0.52%
8	Indiana Natural Gas Corporation	\$7,710,832	0.43%
9	Community Natural Gas Co., Inc.	\$7,665,879	0.42%
10	Boonville Natural Gas Corporation	\$4,643,784	0.26%
11	Citizens Gas of Westfield	\$4,487,362	0.25%
12	Indiana Utilities Corporation	\$4,394,876	0.24%
13	Fountaintown Gas Company, Inc.	\$4,253,296	0.23%
14	South Eastern Indiana Natural Gas Co., Inc.	\$1,934,045	0.11%
15	Switzerland County Natural Gas Co.	\$1,220,860	0.07%
16	Valley Rural Utility Company	\$412,701	0.02%
	<b>Total Operating Revenues</b>	<b>\$1,811,467,742.00</b>	

## Jurisdiction over Natural Gas Utilities

### MUNICIPAL UTILITIES WITHDRAWN FROM THE COMMISSION'S JURISDICTION (IND. CODE § 8-1.5-3-9)

Aurora	Jasonville	New Harmony
Bainbridge	Jasper	Osgood
Batesville	Lapel	Pittsboro
Chrisney	Linton	Poseyville
Grandview	Montezuma	Rensselaer
Huntingburg	Napoleon	Roachdale

### INVESTOR-OWNED UTILITIES UNDER THE COMMISSION'S JURISDICTION

Boonville Natural Gas Corporation	Ohio Valley Gas Corporation
Community Natural Gas Co., Inc.	Ohio Valley Gas, Inc.
Citizens Gas of Westfield	South Eastern Indiana Natural Gas Co., Inc.
Fountaintown Gas Company, Inc.	Switzerland County Natural Gas Co.
Indiana Natural Gas Corporation	Sycamore Gas Company
Indiana Utilities Corporation	Vectren North
Midwest Natural Gas Corporation	Vectren South
Northern Indiana Public Service Co.	

### NOT-FOR-PROFIT UTILITIES UNDER THE COMMISSION'S JURISDICTION

Valley Rural Utility Company

### MUNICIPAL UTILITIES UNDER THE COMMISSION'S JURISDICTION

Citizens Gas (for regulatory purposes only)

## Residential Natural Gas Bill Survey

### COMPARISON BY 200 THERM USAGE (JANUARY 1, 2019)

UTILITY NAME	OWNER-SHIP	CAUSE NO. OF LAST RATE CASE	150 THERMS	200 THERMS	250 THERMS
Valley Rural Utility Company <sup>(3)</sup>	NFP	42115	\$146.58	\$190.33	\$234.08
Ohio Valley Gas Corp. (TXG) <sup>(1)</sup>	IOU	44891	\$144.79	\$188.13	\$231.48
Ohio Valley Gas, Inc. <sup>(1)</sup>	IOU	44891	\$140.62	\$182.57	\$224.53
Ohio Valley Gas Corp. (ANR) <sup>(1)</sup>	IOU	44891	\$136.46	\$177.03	\$217.60
Sycamore Gas Company	IOU	43090	\$137.72	\$174.60	\$211.48
Indiana Utilities	IOU	44062	\$133.58	\$171.64	\$209.70
Boonville Natural Gas	IOU	44129	\$130.70	\$167.82	\$204.95
Midwest Natural Gas	IOU	44880	\$129.41	\$165.01	\$200.62
South Eastern Indiana Natural Gas Co.	IOU	45027	\$127.37	\$163.76	\$200.15
Community Natural Gas	IOU	44768	\$129.32	\$163.56	\$197.79
Citizens Gas of Westfield	IOU	44624	\$129.53	\$163.25	\$196.97
Fountaintown Gas	IOU	44292	\$126.10	\$162.72	\$199.35
Switzerland County Natural Gas	IOU	44293	\$115.41	\$148.48	\$181.53
Indiana Natural Gas	IOU	44453	\$113.07	\$145.94	\$178.81
Citizens Gas	MUN	43975	\$110.46	\$141.78	\$173.10
Indiana Gas Company (Vectren North)	IOU	73298	\$105.93	\$134.37	\$162.82
Northern Indiana Public Service Co. (NIPSCO) <sup>(2)</sup>	IOU	44988	\$101.38	\$130.51	\$159.65
Southern Indiana Gas and Electric Co. (Vectren South)	IOU	43112	\$100.77	\$127.53	\$154.31
<b>Industry Average</b>			<b>\$125.51</b>	<b>\$161.06</b>	<b>\$196.61</b>

For purposes of this comparison: 100 Therms = 100 Ccf = 10 Dth = 10 Mcf  
Rates do not include NTA.

<sup>(1)</sup> See last page for Areas Served

<sup>(2)</sup> See last page for Notes

<sup>(3)</sup> Applicable for consumption during November 2018

## Residential Natural Gas Bill 5-Year Comparison (2015-2019)

BILLS CALCULATED ON RATES IN EFFECT JANUARY 1 OF EACH YEAR

RANK	UTILITY NAME	5-YEAR AVE.	2019 BILLS	(CONSUMPTION OF 200 THERMS)			2015 BILLS
				2018 BILLS	2017 BILLS	2016 BILLS	
1	Ohio Valley Gas Corp. (TXG) (1)	\$190.74	\$188.13	\$191.51	\$182.26	\$177.50	\$214.30
2	Indiana Utilities	\$186.83	\$171.64	\$184.57	\$178.65	\$199.70	\$199.59
3	Valley Rural Utility Company	\$186.02	\$190.33	\$158.08	\$187.85	\$195.03	\$198.83
4	Boonville Natural Gas	\$185.80	\$167.82	\$183.30	\$180.40	\$176.10	\$221.37
5	Ohio Valley Gas, Inc. (1)	\$184.54	\$182.57	\$184.43	\$175.14	\$170.38	\$210.20
6	Sycamore Gas Company	\$176.57	\$174.60	\$168.28	\$181.84	\$170.16	\$187.98
7	Ohio Valley Gas Corp. (ANR) (1)	\$176.40	\$177.03	\$176.47	\$167.14	\$162.38	\$198.96
8	Aurora Municipal Gas	\$165.88	n/a	n/a	n/a	n/a	\$165.88
9	Citizens Gas of Westfield	\$165.58	\$163.25	\$151.39	\$160.75	\$144.15	\$208.37
10	South Eastern Indiana Natural Gas Co.	\$165.26	\$163.76	\$162.01	\$153.71	\$168.26	\$178.54
11	Community Natural Gas	\$157.14	\$163.56	\$158.79	\$165.24	\$135.16	\$162.97
12	Switzerland County Natural Gas	\$155.24	\$148.48	\$151.77	\$146.29	\$148.01	\$181.67
13	Midwest Natural Gas	\$155.20	\$165.01	\$150.80	\$166.15	\$128.27	\$165.75
14	Fountaintown Gas	\$152.66	\$162.72	\$138.28	\$137.65	\$138.28	\$185.35
15	Indiana Natural Gas	\$151.98	\$145.94	\$146.36	\$158.94	\$138.65	\$170.02
16	Citizens Gas	\$144.55	\$141.78	\$136.88	\$144.54	\$129.02	\$170.54
17	Indiana Gas Company (Vectren North)	\$139.16	\$134.37	\$138.38	\$143.56	\$121.07	\$158.42
18	Southern Indiana Gas and Electric Co. (Vectren South)	\$129.72	\$127.53	\$132.62	\$131.58	\$106.85	\$150.03
19	Northern Indiana Public Service Co. (NIPSCO) (2)	\$123.14	\$130.51	\$114.64	\$119.31	\$96.20	\$155.02
	<b>Industry Average</b>	<b>\$162.76</b>	<b>\$161.06</b>	<b>\$157.14</b>	<b>\$160.06</b>	<b>\$150.34</b>	<b>\$183.36</b>

For purposes of this comparison: 100 Therms = 100 Ccf = 10 Dth = 10 Mcf

Rates do not include NTA.

(1) See last page for Areas Served

(2) See last page for Notes

## Revenues for Jurisdictional Water Utilities

REVENUES FOR YEAR ENDING DECEMBER 31, 2017

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	Indiana-American Water Company, Inc.	\$ 222,066,288	32.87%
2	Citizens Water	203,823,098	30.17%
3	Fort Wayne Municipal Water Utility	48,546,591	7.19%
4	Evansville Municipal Water Works Dept.	29,758,483	4.40%
5	Bloomington Municipal Water	15,699,763	2.32%
6	South Bend Municipal Water	15,216,371	2.25%
7	Hammond Municipal Water Works	11,837,179	1.75%
8	Anderson Municipal Water Works	10,869,332	1.61%
9	Citizens Water of Westfield	8,969,885	1.33%
10	Michigan City Municipal Water Works	7,764,422	1.15%
11	Elkhart Municipal Water Works	7,712,315	1.14%
12	Lafayette Municipal Water Works	7,522,118	1.11%
13	Schererville Municipal Water Works	6,628,858	0.98%
14	East Chicago Municipal Water Dept.	6,212,464	0.92%
15	Columbus Municipal Water Utility	4,986,721	0.74%
16	Marion Municipal Water Works	4,064,897	0.60%
17	Stucker Fork Conservancy District	3,755,869	0.56%
18	Brown County Water Utility, Inc.	3,529,510	0.52%
19	Jackson County Water Utility, Inc.	3,438,823	0.51%
20	Silver Creek Water Corporation	3,066,834	0.45%
21	Chandler Municipal Water Works	3,043,430	0.45%
22	Martinsville Municipal Water Utility	2,575,195	0.38%
23	Edwardsville Water Corporation	2,514,655	0.37%
24	New Castle Municipal Water Works	2,505,940	0.37%
25	Auburn Municipal Water Utility	2,458,179	0.36%
26	Princeton Municipal Water	2,272,843	0.34%
27	Community Utilities of Indiana, Inc.	2,059,077	0.30%
28	Eastern Heights Utilities, Inc.	2,052,484	0.30%
29	Morgan County Rural Water Corporation	1,998,643	0.30%
30	Gibson Water, Inc.	1,770,016	0.26%
31	Ellettsville Municipal Water Utility	1,746,756	0.26%
32	Eastern Bartholomew Water Corporation	1,651,103	0.24%
33	East Lawrence Water Authority	1,626,821	0.24%
34	Southwestern Bartholomew Water Corporation	1,625,538	0.24%
35	Boonville Municipal Water Works	1,591,261	0.24%
36	German Township Water District, Inc.	1,497,799	0.22%
37	Floyds Knobs Water Company, Inc.	1,447,505	0.21%
38	Southern Monroe Water Authority	1,159,876	0.17%
39	Town of Cedar Lake Utilities	1,105,738	0.16%

*continued*

## Revenues for Jurisdictional Water Utilities *(continued)*

REVENUES FOR YEAR ENDING DECEMBER 31, 2017

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
40	Corydon Municipal Water Works	1,098,823	0.16%
41	Tri-Township Water Corporation	1,012,607	0.15%
42	Fortville Municipal Water Works	858,649	0.13%
43	Marysville Otisco Nabb Water Corporation	819,579	0.12%
44	Van Buren Water, Inc.	810,810	0.12%
45	North Dearborn Water Corporation	803,561	0.12%
46	Aqua Indiana, Inc.	762,022	0.11%
47	Charlestown Municipal Water Dept.	737,613	0.11%
48	Washington Township Water Corporation of Monroe County	700,976	0.10%
49	B & B Water Project, Inc.	700,626	0.10%
50	LMS Townships Conservancy District	673,241	0.10%
51	Sullivan-Vigo Rural Water Corp.	651,542	0.10%
52	Cataract Lake Water Corporation	491,214	0.07%
53	Clinton Township Water Company	449,702	0.07%
54	Tri-County Conservancy District	449,097	0.07%
56	Ogden Dunes Municipal Water	358,309	0.05%
57	Everton Water Corporation	321,842	0.05%
58	St. Anthony Water Utilities, Inc.	312,904	0.05%
59	Kingsbury Utility Corporation	288,842	0.04%
60	Mapleturn Utilities, Inc.	240,387	0.04%
61	Painted Hills Utilities Corporation	239,469	0.04%
62	Pioneer Water, LLC	202,341	0.03%
63	Apple Valley Utilities, Inc.	81,745	0.01%
64	Waldron Conservancy District	77,897	0.01%
65	Libertytree Campground Owners and Members Assoc.	73,613	0.01%
66	Pleasantview Utilities, Inc.	60,246	0.01%
67	NineStar Connect	47,723	0.01%
68	Wastewater One dba River's Edge Utility, Inc.	45,334	0.01%
69	J.B. Waterworks, Inc.	40,892	0.01%
70	Shady Side Drive Water Corporation	16,833	< 0.01%
71	Wells Homeowners Association, Inc.	14,060	< 0.01%
72	Pence Water Works	7,010	< 0.01%
73	Country Acres Property Owners Association	5,684	< 0.01%
74	Bluffs Basin Utility Company, LLC	5,038	< 0.01%
75	Battle Ground Conservancy District	Did Not Report	< 0.01%
76	Kingsford Heights Municipal Water	Did Not Report	< 0.01%
77	Van Bibber Lake Water Conservancy District	Did Not Report	< 0.01%
	<b>Total Revenues</b>	<b>\$ 675,632,911</b>	<b>100.00%</b>

## Revenues for Jurisdictional Wastewater Utilities

REVENUES FOR YEAR ENDING DECEMBER 31, 2017

RANK	UTILITY NAME	OPERATING REVENUES	% OF TOTAL REVENUES
1	CWA Authority, Inc.	\$ 270,897,983	76.94%
2	Sanitary District of Hammond	28,949,420	8.22%
3	Hamilton Southeastern Utilities, Inc.	14,180,908	4.03%
4	Aqua Indiana, Inc.	11,808,557	3.35%
5	Citizens Wastewater of Westfield, LLC	10,959,354	3.11%
6	Aqua Indiana South Haven	4,195,856	1.19%
7	American Suburban Utilities, Inc.	3,567,118	1.01%
8	Community Utilities of Indiana, Inc.	2,290,528	0.65%
9	Eastern Richland Sewer Corporation	1,069,619	0.30%
10	Driftwood Utilities, Inc.	823,850	0.23%
11	LMH Utilities Corporation	727,392	0.21%
12	Kingsbury Utility Corporation	501,491	0.14%
13	Mapleturn Utilities, Inc.	452,880	0.13%
14	Indiana-American Water Co. Inc.	448,967	0.13%
15	Apple Valley Utilities, Inc.	230,513	0.07%
16	Doe Creek Sewer Utility, Inc.	227,418	0.06%
17	Howard County Utilities, Inc.	181,422	0.05%
18	NineStar Connect	119,583	0.03%
19	Sani Tech, Inc.	106,535	0.03%
20	Pleasantview Utilities, Inc.	97,431	0.03%
21	Southeastern Utilities, Inc.	71,595	0.02%
22	JLB Development, Inc.	54,276	0.02%
23	Lakeland Lagoon Corp.	28,352	0.01%
24	Hillview Estates Subdivision Utilities, Inc.	25,186	0.01%
25	Wastewater One dba River's Edge Utility, Inc.	25,128	0.01%
26	Country Acres Property Owners Association	22,736	0.01%
27	Bluffs Basin Utility Company, LLC	11,336	< 0.01%
28	Anderson Lakes Estates Homeowners Association, Inc.	9,325	< 0.01%
29	Webster Development, LLC	3,574	< 0.01%
30	Gutting Environmental	1,200	< 0.01%
31	Devon Woods Utilities, Inc.	Did Not Report	< 0.01%
32	South County Utilities, Inc.	Did Not Report	< 0.01%
33	Harbortown Sanitary Sewage Corp.	Did Not Report	< 0.01%
	<b>Total Revenues</b>	<b>\$ 352,089,533</b>	<b>100.00%</b>



## Residential Water Bill Survey

COMPARISON BY GALLON USAGE (JANUARY 1, 2019)

UTILITY NAME	OWNER-SHIP	LAST RATE CASE	ORDER DATE	5,000 GAL.	7,500 GAL.
Anderson Municipal	MUN	44510	3/4/15	\$27.88	\$35.89
Apple Valley	IOU	44551-U	4/6/16	\$25.72	\$25.72
<b>Aqua Indiana, Inc.</b>	<b>IOU</b>				
Montgomery County Water Division	IOU	43609	6/10/09	\$46.69	\$54.13
Lake County Water Division	IOU	43962	7/27/11	\$46.12	\$72.32
St. Joseph County Water Division	IOU	44814	12/28/16	\$59.11	\$41.75
Auburn*	MUN	44985	4/18/18	\$32.07	\$41.02
B&B Water Project	NFP	44755	10/13/16	\$38.22	\$55.11
Bloomington, inside city*	MUN	44855	3/29/17	\$26.50	\$35.83
Bloomington, outside city*	MUN	44855	3/29/17	\$27.82	\$37.15
Bluffs Basin	IOU	42188	3/5/03	\$28.15	\$38.15
Boonville*	MUN	43477	4/8/09	\$34.14	\$49.44
Brown County	NFP	44648	11/18/15	\$65.62	\$97.09
Cataract Lake Water Corporation	NFP	44897-U	5/31/17	\$45.68	\$63.85
Cedar Lake	MUN	43655	4/29/09	\$43.55	\$62.33
Chandler, Town*	MUN	43658	1/6/10	\$29.62	\$38.84
Charlestown	MUN	42878	8/16/06	\$18.30	\$27.45
Citizens Water	MUN	44644	4/20/16	\$33.23	\$45.51
Citizens Water of Westfield	IOU	44273	11/25/13	\$33.41	\$43.09
Clinton Township	NFP	43696	10/14/09	\$38.59	\$49.15
Columbus*	MUN	39425	3/29/94	\$10.69	\$14.72
Community Utilities of Indiana	IOU	44724	12/27/18	\$43.19	\$59.22
Cordry Sweetwater - outside district	C.D.		5/20/71	\$18.65	\$22.99
Country Acres	NFP	36972	12/8/82	\$6.00	\$6.00
East Chicago	MUN	44826	4/26/17	\$18.66	\$23.26
East Lawrence Water	NFP	43630	9/16/09	\$47.55	\$66.88
Eastern Bartholomew	NFP	44903	11/21/17	\$27.63	\$39.78
Eastern Heights	NFP	42839	4/20/06	\$21.59	\$30.02
Edwardsville Water	NFP	44642	12/27/15	\$45.89	\$64.97
Elkhart	MUN	43191	7/11/07	\$12.84	\$16.13
Ellettsville	MUN	44670	4/13/16	\$30.58	\$44.18
Evansville	MUN	45073	12/19/18	\$38.08	\$51.16
Everton	NFP	44744	8/2/16	\$42.08	\$58.73
Floyds Knobs	NFP	44416-U	11/25/14	\$41.30	\$59.25
Fort Wayne, inside City	MUN	44162	12/18/13	\$25.55	\$32.46
Fort Wayne, outside City	MUN	44162	12/18/13	\$29.44	\$37.43
Fortville	MUN	43551-U	10/7/09	\$27.15	\$37.42
Fortville, outside City*	MUN	43551-U	10/7/09	\$35.40	\$45.67
German Township	NFP	42282	3/26/03	\$29.95	\$44.33
Gibson Water	NFP	45080	11/21/18	\$45.43	\$67.64
Hammond	MUN	37653	6/5/85	\$2.20	\$3.28
Hancock Rural Telephone Corporation d/b/a Ninestar Connect	NFP	44776	8/24/16	\$44.40	\$44.40
<b>Indiana American</b>	<b>IOU</b>				
<i>Burns Harbor*, Chesterton*, Clarksville, Crawfordsville*, Farmersburg*, Franklin*, Gary*, Greenwood*, Hobart*, Jeffersonville*, Kokomo*, Marion Heights*, Merrillville*, Merom*, Muncie*, New Albany*, Newburgh*, Noblesville*, Portage*, Porter*, Richmond*, Russiaville*, Shelbyville*, South Haven*, Sullivan*, Summitville, Terre Haute*, Wabash Valley*, Warsaw*, Waveland*</i>					
	IOU	44450	1/8/2015 & 7/31/18	\$43.70	\$58.17
Seymour	IOU	44450	1/8/2015 & 7/31/18	\$43.14	\$57.61

continued

## Residential Water Bill Survey (continued)

## COMPARISON BY GALLON USAGE (JANUARY 1, 2019)

UTILITY NAME	OWNER-SHIP	LAST RATE CASE	ORDER DATE	5,000 GAL.	7,500 GAL.
Yankeetown*	IOU	44450	1/28/2015 & 3/26/14; 7/31/18	\$53.70	\$68.17
West Lafayette*	IOU	44450	1/28/2015 & 7/31/18	\$42.34	\$56.81
Wabash*	IOU	44450	1/28/2015 & 7/31/18	\$42.79	\$56.81
<b>AREA 2</b>					
Mooresville*, Winchester*	IOU	44450	1/28/2018 & 7/31/18	\$40.92	\$54.00
J.B. Waterworks	IOU	44115	5/9/12	\$27.43	\$39.91
Jackson County	NFP	44461	12/9/15	\$53.75	\$79.65
Kingsbury	IOU	44589-U	7/5/18	\$52.26	\$67.89
Kingsford Heights	MUN	43502-U	3/4/09	\$35.35	\$44.25
Lafayette	MUN	45006	5/16/18	\$18.03	\$25.46
Lafayette- rural	MUN	45006	5/16/18	\$18.82	\$26.25
LMS Townships	C.D.	44900-U	8/2/17	\$28.58	\$40.53
Libertytree Campground	NFP	41662	12/22/04	\$8.58	\$8.58
Mapletown	NFP	37039	9/28/03	\$30.00	\$32.58
Marion*	MUN	42720	3/30/05	\$27.02	\$33.63
Martinsville*	MUN	44153	12/12/12	\$37.45	\$47.40
Marysville-Otisco-Nabb	NFP	42476-U	1/14/04	\$43.10	\$58.50
Michigan City*	MUN	44538	5/27/15	\$27.05	\$36.14
Morgan County Rural	NFP	42993	5/14/08	\$52.83	\$78.73
Morgan County Rural, Western Exp.	NFP	42993	5/14/08	\$62.57	\$88.47
New Castle	MUN	42984	9/13/06	\$27.14	\$34.33
North Dearborn	NFP	43736	10/1/09	\$34.25	\$55.20
Ogden Dunes	MUN	44384-U	4/9/14	\$35.47	\$51.27
Painted Hills	IOU	37017	10/17/83	\$27.75	\$37.00
Pence	NFP	44051	2/1/12	\$35.00	\$35.00
Pioneer	IOU	44309-U	1/15/14	\$40.85	\$46.69
Pleasant View	IOU	44352-U	3/12/14	\$48.45	\$72.68
Princeton	MUN	43652	3/3/10	\$39.36	\$55.46
Schererville*	MUN	42872	12/14/05	\$28.36	\$40.50
Shady Side Drive	NFP	45014-U	4/11/18	\$54.50	\$81.30
Silver Creek*	NFP	37734	6/5/85	\$30.60	\$45.13
South Bend, inside*	MUN	44951	3/7/18	\$25.74	\$31.82
South Bend, outside*	MUN	44951	3/7/18	\$27.64	\$34.56
Southern Monroe	NFP	43952	5/11/11	\$34.80	\$50.38
Southwestern Bartholomew	NFP	44754	8/24/16	\$48.64	\$71.72
St. Anthony	NFP	39193	10/19/91	\$38.50	\$56.08
Stucker Fork Conservancy Dist. (City of Austin customers)	C.D.	44987	7/25/18	\$38.79	\$49.89
Stucker Fork Conservancy Dist.	C.D.	44987	7/25/18	\$30.05	\$41.15
Sullivan-Vigo	NFP	42599	6/23/04	\$72.50	\$105.93
Tri-County Conservancy District	CD	Conference Minutes	6/11/08	\$39.85	\$52.70
Tri-Township	NFP	40327	4/17/96	\$19.85	\$27.61
Van Buren Water	NFP	44566	8/26/15	\$35.65	\$51.68
Washington Twp. Of Monroe	NFP	44469	6/25/14	\$47.32	\$66.58
Wastewater One, LLC dba River's Edge Utility, Inc.	IOU	44876-U	8/9/17	\$64.50	\$96.75
Wedgewood Park	IOU	44369	11/6/13	\$31.15	\$41.75
Wells Homeowners Association	NFP	40056	4/12/95	\$30.00	\$30.00

\*Fire protection surcharge for 3/8 inch meter included.

## Residential Wastewater Bill Survey

COMPARISON BY GALLON USAGE (5,000 GALLONS OR 668.4028 CU. FT. - JANUARY 1, 2019)

UTILITY NAME	OWNER-SHIP	LAST RATE CASE	ORDER DATE	AVERAGE MONTHLY BILL
American Suburban Utilities, Inc.	IOU	44676	11/30/2016	\$53.33
Anderson Lake Estates Homeowners Association Inc.	NFP	42478	7/7/2004	\$42.35
Apple Valley Utilities, Inc.	IOU	44551	4/4/2016	\$49.40
<b>Aqua Indiana, Inc.</b>				
Lake County Wastewater Division (formerly Consumers Indiana Water Company)	IOU	42190	6/19/2002	\$57.50
Southern Hills Wastewater Division (formerly Heir Industries, Inc.)	IOU	43949	7/27/2011	\$64.85
Aboite Wastewater Division - Unmetered (formerly Utility Center, Inc.)	IOU	43874	4/13/2011	\$58.68
Aboite Wastewater Division - Metered (formerly Utility Center, Inc.)	IOU	44752	4/13/2011	\$53.88
Wildwood Wastewater Division (formerly Wildwood Shores Utilities Corporation)	IOU	43699-U	5/19/2010	\$66.85
Wymberly Wastewater Division (formerly Wymberly Sanitary Works, Inc., Wastewater One, Galena)	IOU	42877-U	3/22/2006	\$76.06
Crawford County (Formerly White Oak Sewage Treatment, LLC)	IOU	44811	1/4/2017	\$45.00
Bluffs Basin Utility Company, LLC	IOU	42188	3/5/2003	\$46.88
Citizens Wastewater of Westfield	IOU	44835	5/31/2017	\$55.80
Citizens Wastewater of Westfield (Unmetered)	IOU	44835	5/31/2017	\$86.38
Community Utilities of Indiana	IOU	44724	1/24/2018	\$61.34
Country Acres Property Owners Association	NFP	36972	12/16/1982	\$6.00
<b>CWA Authority, Inc. (Citizens Energy Group)</b>				
CWA Authority, Inc. (Metered)	NFP	44685	7/18/2016	\$55.28
CWA Authority, Inc. (Unmetered - 1 occupant)	NFP	44685	7/18/2016	\$40.67
CWA Authority, Inc. (Unmetered - 2 occupants)	NFP	44685	7/18/2016	\$45.05
CWA Authority, Inc. (Unmetered - 3 occupants)	NFP	44685	7/18/2016	\$58.20
CWA Authority, Inc. (Unmetered - 4 occupants)	NFP	44685	7/18/2016	\$71.35
Damon Run Conservancy District (outside district)	CD	44146	6/19/2013	\$97.73
Devon Woods Utilities, Inc.	IOU	40234 - U	1/31/1996	\$41.88
Doe Creek Sewer Utility	IOU	43530-U	6/10/2009	\$48.00
Driftwood Utilities, Inc.	NFP	43790-U	6/3/2010	\$38.10
Eastern Richland Sewer Corporation	NFP	44271-U	6/26/2013	\$42.46
Gutting Real Estate, LLC	IOU	44387	4/29/2015	\$50.00
Hamilton Southeastern Utilities, Inc.	IOU	44683	11/9/2016	\$35.04
Hancock Rural Telephone Corporation dba Ninestar Connect	COOP	44776	8/24/2016	\$48.27
Hessen Utilities, Inc.	IOU	30805	7/30/1965	\$4.00
Hillview Estates Subdivision Utilities, Inc.	IOU	38737 - U	5/31/1989	\$30.00
Howard County Utilities, Inc.	IOU	43294	1/23/2008	\$69.00
Indiana American Water Company-Muncie & Somerset	IOU	44450	1/28/2015	\$76.50
JLB Development, Inc.	IOU	39868	4/28/1995	\$65.53
Kingsbury Utility Corporation	IOU	44590	9/19/2018	\$46.90
Kingsbury Utility Corporation (unmetered)	IOU	44590	9/19/2018	\$46.27
Lakeland Lagoon Corp.	NFP	41597 - U	12/5/2012	\$73.14
LMH Utilities Corporation	IOU	43431	1/21/2009	\$46.59
Mapletown Utilities, Inc.	NFP	44843-U	2/1/2017	\$65.03
Pleasantview Utilities, Inc.	IOU	44351-U	3/26/2014	\$45.77
Sani Tech, Inc.	IOU	43793-U	9/8/2010	\$76.00
South County Utilities, Inc.	IOU	43799-U	6/16/2010	\$64.85
South Haven	IOU	43974	10/19/2011	\$70.91
Southeastern Utilities, Inc.	IOU	43794-U	4/7/2010	\$61.71
Wastewater One, LLC dba Rivers Edge	IOU	43115	8/25/2010	\$39.85
Webster Development, LLC (w/out meter)	IOU	44244-U	5/22/2013	\$98.60
Webster Development, LLC (w/meter)	IOU	44244-U	5/22/2013	\$100.60

## Video Franchise Fee Report

*Disclaimer: Please note that the purpose of which funds were spent is presented in this Video Franchise Fee Report as closely as possible to a verbatim representation of the explanation provided by the local government unit in its response to the Commission. Minor punctuation and typographical errors have been corrected.*

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Adams County</b>							
Benton Ridge Telephone	State	\$ 1,876	County General	Not budgeted specifically	5%		Established by Community Fiber/Watch TV
<b>Akron, Town of</b>							
Comcast	State	\$ 1,062	101 -General Fund	The cable franchise fees the Town of Akron receipts in a calendar year are used to help the general fund expenditures. These expenditures include telephone, cable and computer/internet fees.	3%	5/7/85	Ordinance No. 7-85
Rochester Telephone Company	State	\$ 3,313	101-604 Revenue General Cable Franchise Fee		3%	7/18/00	Ordinance No. AMC2-1A 1-9
<b>Albany, Town of</b>							
Comcast	State	\$ 19,472	General Fund	Police Salaries			
<b>Albion, Town of</b>							
Mediacom Communications Corporation	State	\$ 4,727	General Fund	Franchise fees are received into and expended out from the General Fund which includes the Town of Albion's Corporation General Fund, Police Department, and Fire Department	3%	12/30/96	Ordinance No. F96-26, Pg. 6 (franchise fee)
<b>Alexandria, City of</b>							
No franchise fees collected							
<b>Allen County</b>							
Mediacom	State	\$ 14,249	Public Information Fund: \$265,066.14	The cable franchise fees received by Allen County are used to fund the County Public Information Officer and Chief of Staff to the Commissioners positions, as well as public notices printed in the newspaper required by state law, contractual services with the library to utilize their public access channel and staff to create news programs and meeting broadcasts relevant to Allen County residents, fees to utilize the library's streaming media server to make meetings available "on demand" on our website, and other misc County expenses	5%	10/24/01	Ordinance approved by the Commissioners
Frontier	State	\$172,167			5%	N/A	Not available
Comcast	State	\$475,926			5%	6/24/98	Ordinance approved by the Commissioners
Community Fiber Solutions/Benton Ridge	State	\$ 324	General Fund: \$397,599.22				
<b>Ambia, Town of</b>							
No franchise fees collected							
<b>Anderson, City of</b>							
AT&T	State	\$ 91,528	Cable TV Franchise		5%	9/13/02	Cable Communications Ordinance ORD 37-02
Comcast	State	\$550,855					
<b>Angola, City of</b>							
Mediacom Communications Corp.	State	\$ 45,040	General Fund - Cable TV Receipts (101-000.00-00364.00)	Support the Information Technology Department	5%	2/18/03	Ordinance No. 1107-2003
<b>Arcadia, Town of</b>							
Comcast	State	\$ 7,213	Town of Arcadia General Fund	Governmental Expenditures	N/A		
<b>Ashley, Town of</b>							
Comcast	State	\$ 3,586	General Fund	Governmental Expenditures		1/1/07	
Endeavor Communications	State	\$ 982				1/1/15	

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (USD)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Atlanta, Town of</b>							
Comcast	State	\$ 3,586	General Fund	Governmental Expenditures		2007	
Endeavor Communications	State	\$ 982				2015	
<b>Auburn, Civil City of</b>							
Mediacom Communications Corp.	State	\$ 31,816	General Fund	The fees are used to supplement the maintenance of the Right-of-way. Mowing, weed spraying, tree/shrub trimming. This includes the cost of labor and equipment required to perform these maintenance tasks. It is imperative to have this supplemental income so that local utility rates are not subject to increases.	3%	4/29/04	Ordinance 2004-05
Auburn Essential Services	State	\$ 18,369					
<b>Avon, Town of</b>							
Indiana Bell	State	\$ 60,477	General Fund	Governmental Expenses as approved by the Town Council	2%	11/30/1995, 3/21/1996	Ordinance 95-5, Ordinance 96-12
Charter Communications	State	\$120,530			5%	9/10/2015	Ordinance 2015-16
<b>Batesville, City of</b>							
Enhanced Telecommunication Company	State	\$ 30,089	General Fund	Public Safety			
<b>Bedford, City of</b>							
Comcast Cable	State	\$156,335	City of Bedford General Account	For general fund operating balance	5%	N/A	Unknown
Smithville Communications, Inc	State	\$ 79					
Indiana Bell	State	\$ 18,846					
<b>Berne, City of</b>							
Comcast of Illinois/Indiana/Ohio, LLC	State	\$ 22,620	General Fund	To help fund the General Fund expenses	5%	7/9/1990	Ordinance #379
Benton Ridge Telephone Company	State	\$ 953				7/8/2002	Amended Ordinance #379 with Ordinance #519
<b>Beverly Shores, Town of</b>							
Comcast	State	\$ 20,260	General Fund	The general fund is used to pay monthly reoccurring bills; i.e. water, electric, as well as paying insurance, contractors, etc.	5%	2/17/97	Ordinance No. 97-02
<b>Bicknell, City of</b>							
Avenue Broadband Communications	State	\$ 11,858	General Fund	Operating Expenses	2%, 3%, 5%	Jan-Sept 2018, Oct 2018, Nov-Dec 2018	
<b>Bluffton, City of</b>							
Craigville Telephone Co Inc db/a AdamsWells TV	State	\$ 32,194	General Fund	Public Safety, Dispatch, Police and Fire	3%	4/16/1973	Set by Ordinance 494
Mediacom LLC	State	\$ 15,790					
<b>Boonville, City of</b>							
Charter Communications	State	\$ 40,763	General	To help fund the Police Department and General Expense	5%	10/13/04	Ordinance 2004-24
Wide Open West	State	\$ 24,163				12/19/05	Ordinance 2005-11
<b>Bozwell, Town of</b>							
No franchise fees collected							

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Bourbon, Town of</b>							
Mediacom	State	\$ 25	***	Not really a Franchise Fee - Rent for building partially located on our property		4/23/18	Amendment to Lease per Attorney Mark Wagner
<b>Bremen, Town of</b>							
Mediacom Communications Corp.	State	\$ 24,075	General Fund	Funding utilized in General Operations in serving our community such as sidewalk replacement programs and other Town Property Improvements	5%	8/25/05	Council Approved on 11/22/2004
<b>Bristol, Town of</b>							
Comcast	State	\$ 16,149	General	Any general fund expenditures	3%	3/18/04	Franchise
<b>Brownburg, Town of</b>							
AT&T Video Franchise	State	\$ 68,049	101.639 Video		5%	2/10/1994	Ordinance 93-54
Comcast T.V. Franchise	State	\$136,617	101.640 T.V.				
<b>Brownstown, Town of</b>							
Comcast of Illinois/Indiana/Ohio, LLC	State	\$ 23,806	General Fund - Cable TV Franchise Fees	Support local law enforcement and services provided by the Town of Brownstown	3%	9/14/1981	Franchise Agreement (Ordinance #2000-04)
<b>Bruceville, Town of</b>							
Avenue Broadband Communications	State	\$ 2,856	General Fund - Cable TV Franchise Fee		3%	7/14/98	By Contract
<b>Burket, Town of</b>							
Comcast	State	\$ 429	General	General operating purposes			
<b>Burlington, Town of</b>							
New Wave Communications	State	\$ 230	General Fund: Revenue Name - Cable TV Franchise	To aid in the maintaining of alleyways and curbs to ensure access to cable lines	2%	4/2/85	Ordinance 85-1 A
Cable One, Inc.	State	\$ 677				4/16/01	Ordinance 2-2001 (Renewal & Extension)
<b>Burnettsville, Town of</b>							
Comcast Financial Agency	State	\$ 1,219	General Fund	Repairs and maintenance of alleys and roads			
<b>Burns Harbor, Town of</b>							
Comcast Cable Communications Group	State	\$ 25,578	General Fund	The Town of Burns Harbor uses franchise fees to assist in the payment of general service expenditures that pertain to the maintenance and policing of the public right-of-way property.	5%	4/11/07	Town Ordinance No. 200-2007
<b>Cambridge City, Town of</b>							
Comcast Cable	State	\$ 34,804	Town of Cambridge City	Payroll, Fire and Police Fuel, Fire Station, Police Vehicles, Cemetery, Parks repairs and maintenance	5%	9/22/80	Franchise agreement between the town and cable co.
<b>Camden, Town of</b>							
Cable One	State	\$ 1,350	General Fund	Maintain the right of ways the cable line runs through	2%	9/1/84	Local Agreement
<b>Campbellburg, Town of</b>							
Charter Communications	State	\$ 989					

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Carbon, Town of</b>							
New Wave Cable (Cable One)	State	\$ 421	General Fund	General operating expenses	3%	4/5/82	By ordinance
<b>Carmel, City of</b>							
AT&T	State	\$274,840	101 General Fund, Line Item# 364000 - Cable TV Franchise Fees	The franchise fees received by the unit are placed in the City's General Fund and are not ear-marked for any specific purpose. Multiple City Departments use General Fund monies for their annual budgets. The franchise fees may not cover all of the unit's communication related expenses, but go toward items including but not limited to: creating programming content and purchasing, maint. and repair of video equip. for the City's Government Channel; right of way repairs; archives and database management; channel administration and staff training.	5.0%		Pursuant to provisions set forth in I.C. 8-1-34-24(a)(2)
Charter Communications	State	\$422,212					
Comcast	State	\$ 42					
<b>Cass County</b>							
Comcast	State	\$ 83,583					
<b>Cayuga, Town of</b>							
Comcast	State	\$ 5,449	Gen/Cable TV Franchise	Several Things from general			
<b>Cedar Lake, Town of</b>							
Comcast	State	\$159,791	General Fund #101	Streetlights, maintenance of streetlights, easement maintenance	5%	11/26/02	Agreement Amendment w/ Lake County Cable TV Consortium
<b>Chandler, Town of</b>							
Charter Communications	State	\$ 9,617	General Fund	General town operating expenses	5%	9/19/05	Ordinance 2005-10
WOW	State	\$ 11,652					
<b>Chesterfield, Town of</b>							
Comcast	State	\$ 20,497	General Fund/Public Safety	All money is used to help maintain our Police Officers. It helps with salaries, up-to-date training for our officers and necessary equipment to ensure our residents are safe as well as our officers.	5%	1983	Ordinance #111.11 State Code 26-36-1-1
Indiana Bell	State	\$ 4,420					
<b>Chesterton, Town of</b>							
Comcast Cable Communications Group	State	\$192,466	General Fund	The Town of Chesterton uses franchise fees to assist in the payment of general service expenditures that pertain to the maintenance and policing of the public right of way property	5%	8/14/95	Ordinance 95-1
<b>Chrisney, Town of</b>	No franchise fees collected						
<b>Cicero, Town of</b>							
Comcast	State	\$ 32,554	General Fund	The Franchise fees are used to support the expenses in the General Fund	5%	9/9/80	Ordinance
<b>Civil Town West Terre Haute</b>							
Charter Communications	State	\$ 11,005	Gen. Cable TV Franchise	None			
<b>Clay County</b>							
Cable One	State	\$ 6,866	County General	County General Fund operating costs	1%		Unknown
Endeavor Communications	State	\$ 12,504			5%		Unknown

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (Amount)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Clayton, Town of</b>							
Tax Connex - TDS Telecom	State	\$ 3,647		Misc. expenses for maintaining all aspects of town government			
Cable One - NewWave Communication	State	\$ 5,603					
<b>Clermont, Town of</b>							
Comcast	State	\$ 23,723	General Fund	The fees are deposited into the general fund as miscellaneous revenue and spent as such	5%	3/9/95	Ordinance #217
<b>Clinton County</b>							
TaxConnex LLC	State	\$ 264	County General	General Budget			
Comcast	State	\$ 79					
Tri-County Telephone (TDS)	State	\$ 297					
Mulberry Cooperative	State	\$ 10,011					
<b>Clevedale, Town of</b>							
Clay County Rural Telephone (Endeavor)	State	\$ 5,965	Gen/Cable TV Franchise 101640		3%	3/15/05	Ordinance 1995-5
<b>Coatesville, Town of</b>							
Endeavor Communications	State	\$ 1,533	General	To lower property taxes			
Cable One	State	\$ 372					
<b>Columbia City, City of</b>							
Mediacom	State	\$ 35,045	General Fund - Franchise Fees	Funding of the General Fund operating budget	5%	10/14/80	Ordinance
<b>Columbus, City of</b>							
Comcast Financial Agency Corp	State	\$278,999	General Fund	Information Services, telephone, internet, maintenance agreements, machinery and equipment with the IT Department	5%	10/1993	Ordinance No. 44, 1993
Indiana Bell Telephone Company	State	\$ 91,652					
Smithville Telecom	State	\$ 246					
<b>Converse, Town of</b>							
Oak Hill Cable	State	\$ 1,410					
<b>Covington, City of</b>							
Cable One	State	\$ 11,614	City of Covington Electric Fund	Pole Maintenance	4%	11/1/93	Ordinance #93-15
<b>Crawfordsville, City of</b>							
Comcast Cable Communications, Inc	State	\$ 39,622			3%	10/11/05	Ordinance 26-2005
ATT Video, IND Bell Tele Inc	State	\$ 13,020				12/1/09	Letter of Agreement
Metronet Fibernet LLC	State	\$ 61,170				3/10/14	Ordinance 12-2014
<b>Crown Point, City of</b>							
Comcast Cable	State	\$384,548	General Fund	This revenue is helpful with public safety and/or any legal use of it.			
Indiana Bell Telephone Company	State	\$113,312					
<b>Culver, Town of</b>							
Mediacom	State	\$ 7,479	General Fund	The funds support the efforts of the local fire department, emergency medical services and police department as well as the clerk's office.			
<b>Cumberland, Town of</b>							
ATT	State	\$ 13,416	General	General government services and supplies	5%	2/1/95	Ordinance 1995-02
Comcast	State	\$ 40,254					

continued



## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Daleville, Town of</b>							
Indiana Bell Telephone Company	State	\$ 2,475	MISC. Revenue	General Operating	5%	9/12/83	Ordinance 83-4
<b>Danville, Town of</b>							
Indiana Bell Telephone Co.	State	\$ 15,685	General Fund - Franchise Fees 101-4-2718				
Comcast	State	\$ 49,524					
<b>Darlington, Town of</b>	No franchise fees collected						
<b>Darmstadt, Town of</b>							
Charter Communications	State	\$ 25,179	General Fund	General Fund uses	5%	5/19/82	Ordinance 1982-1
<b>Daviess County</b>							
RTC Communications	State	\$ 12,629	County General			10/1/07	State of Indiana
Smithville Communications	State	\$ 77					
Cable One	State	\$ 13,463					
<b>Decatur, City of</b>							
Mediacom Communications Corp.	State	\$ 20,563					
Benton Ridge Telephone Company CFS C4 COMM	State	\$ 139			3%	5/20/14	Ordinance No 2014-3
<b>DeKalb County</b>	No franchise fees collected						
<b>Delaware County</b>	No franchise fees collected						
<b>DeMotte, Town of</b>							
Comcast Cable	State	\$ 28,071	General - Cable TV	As part of the General Fund expenses			
<b>Dubois County</b>							
Charter Communications	State	\$ 11,173	County General	General operations of the county	3%	5/15/06	Ordinance
PSC	State	\$ 3,872			3%	4/4/16	Ordinance
<b>Dune Acres, Town of</b>							
Comcast of Indiana	State	\$ 4,820	General Fund	General Fund expenses	3%	2/26/19	Town Code of Dune Acres 38.3 (38-69)
<b>Dyer, Town of</b>							
AT&T Cable	State	\$ 67,574	General Fund	Public Safety	5%	7/14/92	Town of Dyer Ord.# 92-19
Comcast	State	\$214,882					
<b>East Chicago, City of</b>							
Indiana Bell Tel. Co.	State	\$ 26,838	City of East Chicago General Fund 0101 - Cable TV Franchise Acct. No. 364000	The cable franchise fees were used to fund the city's general fund public safety budget 2018 - \$17,074,680.00	5%	7/13/04	EC Ordinance No. 03-0025
Comcast Financial Agency Corp.	State	\$148,608					
<b>Eaton, Town of</b>							
Comcast	State	\$ 6,767	General/MVH	Maintain easements and alleys (gravel, mowing, etc.) and locates	5%	12/15/77	Ordinance #4-77
<b>Edinburgh, Town of</b>							
Cable One	State	\$ 7,482	General and Electric	Offset property tax dollars	2%	12/26/79	Ordinance 1979-24
AT&T	State	\$ 776					
<b>Ellettsville, Town of</b>							
Comcast	State	\$ 44,556	General Fund	Police and fire protection, Planning and administrative services	3%	8/4/80	by Ordinance 80-8-1
Smithville	State	\$ 8,042			5%	7/12/10	by Ordinance 10-11
<b>Elwood, City of</b>							
Indiana Bell AT&T	State	\$ 9,890	General Fund	The fees were added to general fund and general budget. This fund has over 9 departments that the revenue helps build the fund	5%	1/8/85	Ord.# 1603
Comcast	State	\$ 35,197					

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (USD)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Elba Green, Town of</b>							
Comcast	State	\$ 2,286	General Fund	Municipal Expenses			
<b>Evansville, City of</b>							
Spectrum (Charter Communications)	State	\$780,096	Spectrum: General Fund (0101) Finance (1011301) Spectrum (364000)	These funds are deposited into the City's General Fund and are used for operational expenses	5%	9/9/98	By Ordinance G-98-35
Wide Open West (WOW)	State	\$675,440	Wide Open West: General Fund (0101), Finance (1011301), Wide Open West! (364001)		5%	8/26/98	By Ordinance G-98-31
<b>Fayette County</b>							
Comcast	State	\$ 26,436	County General - Franchise Receipts	Our county writes a check to our local Channel 3 TV for the full amount received from both units each quarter	5%	6/3/03	Per franchise agreement with InterMedia Partners Southeast on August 7, 2001
New CMN-RUS, Inc.	State	\$ 4,179					
<b>Ferdinand, Town of</b>							
Perry-Spencer Communications	State	\$ 9,248	General Fund - Franchise Fees		3%	7/1/06	Based on franchise fee prior to 7/1/06
<b>Fishers, Town of</b>							
Comcast	State	\$263,792	General Fund 5/3 bank account	It covers basic operating expenses for the City of Fishers	5%	2/21/11	Resolution No. R022111
CMN RUS INC	State	\$ 4,202					
Indiana Bell	State	\$ 59,304					
Central Indiana Communications, Inc.	Local	\$ 1,919					
Charter Communications	State	\$ 7,746					
Central Indiana Communications	State	\$ 1,162					
<b>Flora, Town of</b>							
New Wave Communications	State	\$ 3,141	Town of Flora = 60%; Flora Electric = 40%	Funds received are used to maintain the poles throughout the community			
<b>Fort Branch, Town of</b>							
Time Warner Cable/Spectrum	State	\$ 6,191	General Fund	Fees are put into the General Operating Fund which supports the police department			
<b>Fort Wayne, City of</b>							
Comcast of Fort Wayne Limited Partnership	State	#####	General Fund, Cable Fund	General Fund deposits are used for current general operations of the city. Cable Fund deposits are used for local cable access providers and content producers.	5%	11/14/95	Local Ordinance G-27-95
Frontier Communications	State	\$804,559				7/20/95	Master Agreement
<b>Fowler, Town of</b>							
No franchise fees collected							
<b>Fowlerton, Town of</b>							
Comcast	State	\$ 1,062	General Fund	Used to help maintain sidewalk			
<b>Franceville, Town of</b>							
Mediacom	State	\$ 916	Mediacom Franchise Fees	The money was deposited into the general acct. Spent on many things	3%	1/1-12/31/2018	N/A
<b>Frankfort, City of</b>							
Comcast Cable Communications Group Company	State	\$ 31,626	General Fund, Fund 101	The funds received are utilized by the city as part of the General Fund appropriations for nonspecific lawful purposes	3%	2004	Written Agreement
Indiana Bell Telephone Company, Inc.	State	\$ 5,007					

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (USD)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Fremont, Town of</b>							
Mediacom	State	\$ 2,073	General Fund	To help fund the General Fund which funds Police, Court, Street and Town			
<b>Gibson County</b>							
Charter Communications	State	\$ 6,713	General Fund	These funds were used to supplement the County General Fund			
Cable One	State	\$ 609					
<b>Gosport, Town of</b>							
Smithville Telephone	State	\$ 4,538	General	General expenses	?	1970 or 1980	by ordinance
Comcast	State	\$ 2,042					
<b>Grabill, Town of</b>							
Mediacom	State	\$ 3,834	General - Cable TV Licenses				
<b>Grandview, Town of</b> No franchise fees collected							
<b>Grant County</b> No franchise fees collected							
<b>Gary, City of</b>							
Comcast	State	\$306,517	The funds were split between Fund 101 general fund and Fund 270 Media equipment, repairs, salaries, media events and radio broadcast.	The funds were used for general operating expenses and to pay for media purchases including broadcast and radio broadcast	5%	5/8/00	Ordinance
AT&T	State	\$ 38,527					
<b>Greendale, City of</b>							
Comcast	State	\$ 18,699	General Fund	Operating Costs (Personnel, Supplies and Services)	3%	3/5/96	By Contract/Agreement
<b>Greenfield, City of</b>							
Comcast	State	\$187,051	Info Tech Franchise Fees	Used to fund our information technology department	5%	5/23/05	Ordinance 1985-10
Indiana Bell	State	\$ 49,460					
Central Indiana Communications	State	\$ 4,828					
<b>Griffin, Town of</b>							
Smithville Communications	State	\$ 1,142	General Fund	To supplement the General Fund			
<b>Hagerstown, Town of</b>							
Comcast	State	\$ 27,559	General Fund	Emergency services, administration and operations	5%	10/4/04	Ordinance #7-2004
<b>Hamilton County</b>							
Endeavor Communications	State	\$ 3,383	County General Fund	Operations	5%	11/8/93	11/08/93/A
Metronet (CMN-RUS)	State	\$ 2,271					
Central Indiana	State	\$ 13					
<b>Hamilton, Town of</b>							
Medicom Communications Corporation	State	\$ -	General Fund	They are part of the general fund revenue that pays for general operations, police services and building maintenance. The General Fund also supports the Park and Recreation programs and park maintenance	3%	2018	
<b>Hammond, City of</b>							
AT&T	State	\$ 85,290	Cable Receipts/General Fund	Operating expenses for general fund	5%	4/14/00	Ord#4612
Wide Open West	State	\$610,879					
Comcast	State	\$163,237					

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (USD)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Hancock County</b>							
AT&T	State	\$ 30,490	General Fund 1001/Receipt Account 06006	General government expenses within general fund	3%	5/19/97	Ordinance 1997-5F
Comcast	State	\$ 72,714					
Charter Communications	State	\$ 7,507					
Central Indiana Communications	State	\$ 18,135					
Central Indiana Communications, Inc.	State	\$ 61,800					
<b>Hanover, Town of</b>							
Cinergy Metronet	State	\$ 5,312	General Fund	Personal services, supplies, other services and charges			
Charter	State	\$ 17,318					
<b>Harmony, Town of</b>							
Cable One	State	\$ 742	General	General Misc.			
<b>Hebron, Town of</b>							
Comcast	State	\$ 31,322	General Fund	Any purpose so approved by the Town of Hebron from the General Fund	3%	4/27/1982	Resolution #1982-7
<b>Highland, Town of</b>							
Comcast/Xfinity Cable	State	\$280,943	Corporation General Fund, franchise fee revenue account	It is treated a general revenue. The amount of the fees has reduced reliance on property taxes. The amount raised is nearly equal to the appropriation approved for the Fire Department. So it may be said to support public safety.	5%	3/27/2000	Ordinance 1136
Indiana Bell Telephone Company, Inc	State	\$116,056					
<b>Hobart, City of</b>							
Comcast of Illinois/Indiana/Michigan, Inc.	State	\$412,382	City of Hobart General Fund/Corporate Account	General City services to residents including Police, Fire, Sanitation and other services			
<b>Huntingburg, City of</b>							
Charter Communications	State	\$ 54,120	City of Huntingburg General Fund	Police protection, fire department services, safety, general administration-property tax replacement	5%	12/6/06	State automatically terminated local agreements by operation of law on 12/6/2006. Rate is same as negotiated by city.
Perry Spencer Communications	State	\$ 1,753					
<b>Huntington County</b>							
Comcast	State	\$ 30,564	General	Operating expenses	5%	12/2/85	Ordinance
Citizen's Telephone	State	\$ 7,055					
CMN-RUS	State	\$ 10,304					
<b>Jamestown, Town of</b>							
No franchise fees collected							
<b>Jasoville, City of</b>							
New Wave Communications	State	\$ 5,357	General Fund/Cable Franchise	These monies roll into our general fund and are used for general fund purposes	5%	3/16/81	Ordinance 1981-4
<b>Jasper, City of</b>							
Charter Communications/Spectrum/Time Warner Cable	State	\$182,209	General Fund	Used to pay the expenses of operating the City of Jasper's government, police, fire, and street departments	5%	6/7/03	Ordinance 2003-25
Perry Spencer Communications	State	\$ 607					
Smithville Fiber	State	\$ 9,734					
<b>Johnson County</b>							
Comcast	State	\$378,807	County General Fund	Help fund the county general budget	5%	7/8/2013	Ordinance 2013-09 (amended 95-22)
AT&T (Indiana Bell)	State	\$103,095					
CMN-RUS	State	\$ 30,157					
Central Indiana Communications	State	\$ 1,649					

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (total)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Kentland, Town of</b> Mediacom Communications	State	\$ 7,630	Cable TV Franchise Fee				
<b>Kingsman, Town of</b> <b>Kirklin, Town of</b> <b>Knightville, Town of</b>	No franchise fees collected						
Avenue Broadband Communications	State	\$ 774	General	Any upkeep of area surrounding lines in town	1%		
<b>Knox County</b> Avenue Broadband Communications	State	\$ 15,139	County General - Cable TV Franchise Fees 1000-000-044300		3%		
New Wave Communications	State	\$ 260					
CMN-RUS, Inc (d/b/a Cinergy Metronet, Inc)	State	\$ 6,474					
<b>Kokomo, City of</b> <b>Kosciusko County</b>	No franchise fees collected						
Comcast	State	\$ 48,065	County General/Cable TV Fees	The fees are received into the General Fund to help sustain the State approved General Fund budget			
<b>Kouts, Town of</b> Mediacom	Local	\$ 8,418	General Fund	Miscellaneous Daily Operations	5%	6/20/05	Ordinance 2005-6
<b>Lafontaine, Town of</b> New CMN-RUS, Inc	State	\$ 3,142	101311.013 General	Utilities, payroll, advertising, etc.	unknown	unknown	unknown
<b>LaGrange County</b> Comcast	State	\$ 3,821	General Fund	General Expenses			
Mediacom	State	\$ 12,500					
<b>LaGrange, Town of</b> Mediacom	State	\$ 6,380	Town of LaGrange General Fund	General operating			
<b>Lake County</b> Comcast	State	\$325,416	General Fund	General fund expenditures			
Mediacom	State	\$ 1,083					
AT&T	State	\$ 83,887					
<b>Lakeville, Town of</b> Mediacom Communications Corporation	State	\$ 2,500	101-640 General Cable Franchise Fees	General town expenses	3%	8/4/85	Town of Lakeville Ordinance #1986-3
<b>Lanesville, Town of</b> Charter Communications	State	\$ 18,017	General - CableTV Franchise receipts	Street, supplies, maintenance, miscellaneous repairs	5%	3/30/99	Negotiation and agreement
<b>Lapel, Town of</b> Swayzee Telephone Co.	State	\$ 2,803	General Fund - Cable Franchise Fee		3%	Ordinance from 2004	Contract expires July 2019
<b>LaPorte, City of</b> Comcast	State	\$279,179					
<b>La Porte County</b> Comcast	State	\$441,990	General Fund	Public Access Television	5%	9/22/98	Ordinance 98-16
<b>Lawrence County</b> Comcast Financial	State	\$ 12,449	County General Franchise Fees	County Government General Expenditures	5%	unknown	Set By State
RTC Communications	State	\$ 5,212			unknown	unknown	unknown
Smithville Communications	State	\$ 199			unknown	unknown	unknown
<b>Lawrenceburg, City of</b> Comcast	State	\$ 17,013	Municipal Development Fund	The MDF Fund is one of our most versatile funds. This fund allows for a variety of city functions, i.e. special crimes unit funding, several charity donations, as well as the local school system, etc.	3%	4/1/96	Ordinance 4-1996

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (Dollar)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Ligonier, City of</b>							
Mediacom LLC	State	\$ 1,027	General Fund	Revenue is used to help offset the decline in tax revenue due to property tax caps	3%	8/9/99	Resolution 08-09-99
Ligtel Communications Inc dba LigTV	State	\$ 5,525					
<b>Long Beach, Town of</b>							
Comcast Cable	State	\$ 30,979	General Fund 101.4640	General Fund Expenses	3%		
<b>Lyons, Town of</b>							
Comcast Cablevision	State	\$ 1,899	Cable TV Fund	Was not spent	3%	10/12/99	Ordinance
<b>Mackle, Town of</b>							
Swayzee Telephone Co.	State	\$ 419	General Fund	General Fund	3%	8/18/04	Ordinance #1993-6
<b>Mackleville, Town of</b>							
Comcast Cable	State	\$ 1,939	Cable Franchise Fund	None			
Central Indiana Communications, Inc.	State	\$ 2,699					
<b>Marshall County</b>							
Mediacom Communications Corporation, Mediacom Park, NY 10918	State	\$ 756	General Fund-Miscellaneous Reimbursements	General operating expenses of the county	3%	2/16/19	Marshall County Ordinance 1999-2
<b>Martinsville, City of</b>							
Comcast	State	\$ 96,956	General Fund; Park Fund	Various improvements such as; equipment purchase, landscaping, upkeep of building, etc.	5%	Set date 2001	Lease agreement
AT&T U-Verse	State	\$ 12,827			5%	3/2/10	
<b>McCondeville, Town of</b>							
AT&T	State	\$ -	General Fund	Fees were used or spent for any purposed allowed by the State Voard of Accounts relative to the General Fund	3%	various	Contract
Charter Communications	State	\$ 1,895					
Comcast	State	\$ 22,870					
Central Indiana Communications, Inc.	State	\$ 6,513					
<b>Mentone, Town of</b>							
Comcast	State	\$ 8,700		Operating costs			
<b>Michiana Shores, Town of</b>							
Comcast Financial Agency Corp (Comcast Cable)	State	\$ 9,708	Cab-Cable Franchise 101-640.000				
<b>Middlebury, Town of</b>							
Comcast Financial Corp	State	\$ 29,552		The Franchise fee goes into the General Fund and is used for normal Town expenses			
<b>Middletown, Town of</b>							
Comcast of Illinois/Indiana/Ohio, LLC	State	\$ 14,048	General	General (Police, Fire Department, EMS, Dispatch)	5%	7/18/97	Franchise Agreement
<b>Milford, Town of</b>							
Mediacom	State	\$ 1,399	General	General Fund purchases	*		
<b>Milton, Town of</b>							
Comcast	State	\$ 432	General Fund	Cost associated with General Fund Appropriation	3%	1/1/07	Mutual Agreement
<b>Monon, Town of</b>							
Comcast	State	\$ 5,786	Town of Monon - General Fund	TV Cable	2%	5/3/88	Agreement/Resolution with the Monon Town Council on 5/3/88
<b>Monroe City, Town of</b>							
Avenue Broadband Communications	State	\$ 1,981	Town of Monroe City General Fund	General Operating	3%	4/6/11	Agreement with Cable Company

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Ligonier, City of</b>							
Mediacom LLC	State	\$ 1,027	General Fund	Revenue is used to help offset the decline in tax revenue due to property tax caps	3%	8/9/99	Resolution 08-09-99
Ligtel Communications Inc dba LigTV	State	\$ 5,525					
<b>Long Beach, Town of</b>							
Comcast Cable	State	\$ 30,979	General Fund 101.4640	General Fund Expenses	3%		
<b>Lyons, Town of</b>							
Comcast Cablevision	State	\$ 1,899	Cable TV Fund	Was not spent	3%	10/12/99	Ordinance
<b>Markle, Town of</b>							
Swayzee Telephone Co.	State	\$ 419	General Fund	General Fund	3%	8/18/04	Ordinance #1993-6
<b>Markleville, Town of</b>							
Comcast Cable	State	\$ 1,939	Cable Franchise Fund	None			
Central Indiana Communications, Inc.	State	\$ 2,699					
<b>Marshall County</b>							
Mediacom Communications Corporation, Mediacom Park, NY 10918	State	\$ 756	General Fund-Miscellaneous Reimbursements	General operating expenses of the county	3%	2/16/19	Marshall County Ordinance 1999-2
<b>Martinsville, City of</b>							
Comcast	State	\$ 96,956	General Fund; Park Fund	Various improvements such as; equipment purchase, landscaping, upkeep of building, etc.	5%	Set date 2001	Lease agreement
AT&T U-Verse	State	\$ 12,827			5%	3/2/10	
<b>McCordsville, Town of</b>							
AT&T	State	\$ -	General Fund	Fees were used or spent for any purposes allowed by the State Board of Accounts relative to the General Fund	3%	various	Contract
Charter Communications	State	\$ 1,895					
Comcast	State	\$ 22,870					
Central Indiana Communications, Inc.	State	\$ 6,513					
<b>Mentone, Town of</b>							
Comcast	State	\$ 8,700		Operating costs			
<b>Michiana Shores, Town of</b>							
Comcast Financial Agency Corp (Comcast Cable)	State	\$ 9,700	Geb-Cable Franchise 101-640.000				
<b>Middlebury, Town of</b>							
Comcast Financial Corp.	State	\$ 29,552		The Franchise fee goes into the General Fund and is used for normal Town expenses			
<b>Middletown, Town of</b>							
Comcast of Illinois/Indiana/Ohio, LLC	State	\$ 14,048	General	General (Police, Fire Department, EMS, Dispatch)	5%	7/18/97	Franchise Agreement
<b>Milford, Town of</b>							
Mediacom	State	\$ 1,399	General	General Fund purchases			
<b>Milton, Town of</b>							
Comcast	State	\$ 432	General Fund	Cost associated with General Fund Appropriation	3%	1/1/07	Mutual Agreement
<b>Monon, Town of</b>							
Comcast	State	\$ 5,786	Town of Monon - General Fund	TV Cable	2%	5/3/88	Agreement/Resolution with the Monon Town Council on 5/3/88
<b>Monroe City, Town of</b>							
Avenue Broadband Communications	State	\$ 1,981	Town of Monroe City General Fund	General Operating	3%	4/6/11	Agreement with Cable Company

continued

## Video Franchise Fee Report

Submitting Unit (and) Franchise Holder	Type of Franchise	Amount Received (Amount)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Monroe County Auditor</b>							
Comcast Communications	State	\$178,883	2502 User Fees - Cable Franchise	Community Access Television contract, AT&T phone service, Copier Lease payments, County employee cell phones, and various other communication services within Monroe County			
AT&T	State	\$ 22,356					
Smithville Communications	State	\$437,417					
<b>Monrovia, Town of</b>							
Newwave Communications	State	\$ 834	General Fund 101.640.000 - Cable Franchise	Professional Services			
Endeavor Communications	State	\$ 691					
<b>Monroeville, Town of</b>							
Mediacom Communications Corp.	State	\$ 1,333	General Fund	To fund the general fund for all its intents and purposes			
<b>Moorestown, Town of</b>							
Indiana Bell	State	\$ 31,365	General Fund	Reported as revenue source for the purpose of funding the town's General Fund Budget			
Comcast	State	\$ 60,760					
<b>Morgan County</b>							
Endeavor	State	\$ 45,193	Fund# 1000 (GENERAL FUND)	Revenue for funding the General Fund			
Indiana Bell (AT&T)	State	\$ 74,466					
Comcast	State	\$ 70,677					
Cable One	State	\$ 8,522					
<b>Munster, Town of</b>							
Comcast	State	\$300,302	Fund 247 Technology	Video franchise fees have been used in 2018 to fund all technology personnel, equipment, software, and maintenance of said equipment	5%	12/20/82	Ordinance #727
Indiana Bell Telephone	State	\$ 93,946					
<b>Nashville, Town of</b>							
Avenue Broadband Communications, LLC	State	\$ 3,317	General Fund	The franchise fees are deposited and expended out of our general fund. The Town of Nashville calculates our general fund budget using these revenues as a source to help our public safety and public vehicles	2%	9/8/84	Ordinance 1981-5
<b>New Albany, City of</b>							
Spectrum	State	\$256,222	General Fund	To support the general operating funds of the city	3%	1/3/97	Ordinance
AT&T	State	\$ 54,143				5%	11/16/89
<b>New Carlisle, Town of</b>							
Comcast	State	\$ 14,262	General Fund	The general fund contains six departments including the Police Department, Clerk's Office, Town Council, Parks Dept, Fire Dept, and Amulance Dept. The franchise fee is used as one revenue source to support the various needs of each of these departments in the general fund including staffing, supplies, training and equipment.			
<b>New Chicago, Town of</b>							
Comcast	State	\$ 17,410		The fees are used for misc. town expenses			
<b>New Harmony, Town of</b>							
NewWave Communications	State	\$ 3,100	General Fund	Police and fire protection			

continued



## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>New Haven, City of</b>							
Comcast Cablevision	State	\$102,218	General	This money will help fund our Emergency Services such as Police, Fire, EMS, and the Dispatch Center	5%	6/24/97	Ordinance G-97-07
Frontier	State	\$ 56,456			5%	1/8/12	rate reaffirmed through Ordinance G-12-15
<b>New Palestine, Town of</b>							
Comcast	State	\$ 9,186	General	Maintenance of sidewalk and streets. Police service to protect.	3%	10/1983	Ordinance #1019-83
AT&T - Indiana Bell	State	\$ 4,890			5%	7/1910	ATT requested Orig Ord #101983
<b>New Pekin, Town of</b>							
Spectrum (Charter Communications)	State	\$ 8,158	General Fund	Police equipment, park security, update/maintenance projects as needed	5%	10/1999	Resolution #1999-06
<b>New Whiteland, Town of</b>							
Comcast	State	\$ 19,432	General Fund	Monies are used to help fund the budget - covers employees salaries, benefits, equipment, supplies and necessary services. Includes but not limited to police cars and equipment, fire vehicles and equipment, playground equipment, etc.	3%	12/2/03	Ordinance 1070
MetroNet	State	\$ 17,084					
<b>Newburgh, Town of</b>							
Wide Open West (WOW!)	State	\$ 33,776	General Fund	For any general fund expenditures	5%	11/10/93	Ordinance 1993-12
Charter Communications	State	\$ 10,853					
<b>North Liberty, Town of</b>							
Mediacom	State	\$ 4,986	Town of North Liberty - General Fund	Franchise fees are added to the other revenues of the Town of North Liberty General Fund to pay public safety expenses, street lights, town hall expenses and wage and benefits	3%	7/30/81	Ordinance 1981-5 North Liberty Cable Television Franchise
<b>North Manchester, Town of</b>							
Mediacom Communications Corp	State	\$ 3,126	Sidewalk Maintenance and Improvement Fund	The Town of North Manchester uses franchise fees to offset the cost of replacing sidewalks in the community. The property owner applies for a permit and is required to pay for half the labor to install the sidewalk. The town uses franchise fees to pay the other half of the labor and all of the cost of the concrete.	3%	10/1/03	Through franchise agreement
MetroNet, Inc.	State	\$ 3,540					
<b>North Webster, Town of</b>							
Mediacom	State	\$ 7,595	General Fund	General Expenses	3%	12/2/81	Ordinance #81-4
<b>Ogden Dunes, Town of</b>							
Comcast	State	\$ 27,546	General Fund/Franchise Fee				
<b>Oolitic, Town of</b>							
Indiana Bell	State	\$ 353			3%	12/6/06	
Comcast	State	\$ 9,117					

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Orleans, Town of</b>							
Cable One	State	\$ 253	General - Cable TV Franchise Fees	General Maint.			
<b>Osceola, Town of</b>							
Comcast of Indiana/Michigan, LLC	State	\$ 12,734	General Fund - 101640.000 Cable Franchise Fees	The franchise fees are appropriated into the annual budget each year to help pay for telephone, internet, and misc. communication expenditures	3%	11/5/01	Per agreement signed by Town Council 11/5/01
<b>Owen County Government</b>							
Comcast	State	\$ 4,610		The monies were deposited into the General Fund. Our General Fund supports the budget for the Sheriff and Jail departments.			
Smithville	State	\$ 3,729					
Edeavor	State	\$ 39,051					
<b>Owensville, Town of</b>							
Charter Communications	State	\$ 12,238	General Cable TV Franchise	General Fund	5%	5/26/08	(2006 CODE 4.1.3) (ORD. 1993-06, PASSED 3-8-1993)
<b>Oxford, Town of</b>							
No franchise fees collected							
<b>Pike County Auditor</b>							
Edeavor	State	\$ 2,656	1000-00-00044 Yearly Lease/Franchise Payments				
New Wave	State	\$ 432					
Comcast	State	\$ 804					
<b>Palmyra, Town of</b>							
Time Warner Cable	State	\$ 5,237					
<b>Paoli, Town of</b>							
Avenue Broadband Communication (New Wave)	State	\$ -	General Fund - Cable TV Franchise	These fees are deposited into our General Fund to be used for the following year to help fund our budget for the police, volunteer fire dept and town needs.	\$1.00 per subscriber or 1%	9/4/96	Contract w/Grantee passed in a Town Council Meeting and documented in the minutes
<b>Paragon, Town of</b>							
Cable One	State	\$ 60	General	Supplies			
<b>Pateka, Town of</b>							
Charter Communications	State	\$ 2,368	General Account	To fund general budget	3%		Per agreement
<b>Pendleton, Town of</b>							
Comcast	State	\$ 68,545	General Fund	Operating expenses in the general fund	5%	8/3/98	Resolution 1998-16
<b>Perry County</b>							
Comcast	State	\$ 469	Deposited into county General Fund	Added in to help supplement county general budgets			
PSC	State	\$ 19,175					
<b>Perrysville, Town of</b>							
NewWave Communications	State	\$ 985	General Fund	General Expense	3%	1/1/18	Ordinance #89-1
<b>Petersburg, City of</b>							
Cable One	State	\$ 3,893	General Fund				
<b>Pierceton, Town of</b>							
Mediacom	State	\$ 3,906	101640 Cable TV Franchise	Places into the General Fund			
<b>Pittsboro, Town of</b>							
Bright House Networks	State	\$ 14,073	General/Cable TV Franchise	General operations of the municipality	3%	10/27/94	Resolution 94-7
<b>Porter, Town of</b>							
Comcast	State	\$ 20,388	General Fund	Any legal service	5%	9/5/95	Ordinance 95-13
<b>Poseyville, Town of</b>							

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (unaudited)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
Comcast Poseyville, Town of	State	\$ 20,388	General Fund	Any legal service	5%	9/5/95	Ordinance 95-13
Time Warner Cable Princeton's Lakes, Town of	State	\$ 10,604	General Fund	The funds were deposited into the general fund of the town. The franchise fees were used to pay lawfully incurred bills of the town of Poseyville.			
NewWave Communications Princeton, City of	State	\$ 2,666	General Fund	These funds contribute to our General Fund. We are a very small town with limited resources and these funds would be greatly missed if not received.	3%	10/15/84	Ordinance #144
Charter Communication Redkey, Town of	State	\$116,683	General Fund - Cable TV Receipts	These fees are used to support our General Fund, and to provide services for our citizens	5%		Ordinance 1986-15, See also Ordinance #1973-6, 1984-4, 1998-5 & 2001-2
Comcast of Illinois/Indiana/Ohio Remington, Town of	State	\$ 11,665	General Fund/Cable TV Franchise Fees	Daily operations within the town of Redkey	5%	11/30/91 Part of the Towns Record were lost during Clerks changing before 2006	Ordinance 1991-7 (was under another company name, but has always carried forward with present company.)
Comcast Rensselaer, City of Reynolds, Town of	State	\$ 6,200	General Fund	General fund expenditures are used on office supplies, repair/maintenance, supplies/service on equipment, insurance and fuel for vehicles, Utility payments, and improvements to buildings.			
Comcast	State	\$ 326	General	Savings and for everyday supplies needed			
Comcast	State	\$ 395					
Comcast	State	\$ 410					
Comcast	State	\$ 390					
Comcast Rising Sun, City of	State	\$ 8,505	General	General government and public safety	5%	2/3/94	Ordinance
Indiana Bell, ATT Rockport, City of	State	\$ 141	General Fund	General Funds			
Charter Communications Rome City, Town of	State	\$ 9,403	General/Other	This money is included in our revenue that we submit to the DLGF each year to establish our budget			
Mediacom	State	\$ 7,677	General	Maintenance for town	3%	8/1/06	Franchise Agreement

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (Dollars)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Rosedale, Town of</b>							
Cable One	State	\$ 1,092	General Fund	General Purpose	2% rate until Nov, Dec changed to 5%		Unknown - cannot locate Ordinance
<b>Roseland, Town of</b>							
Comcast Financial Agency Corp	State	\$ 4,060	General Fund	Miscellaneous expenses; ie. Telephone, internet Svc., etc.	3%	9/13/04	Contract
Indiana Bell Telephone Co., Inc.	State	\$ 2,020			5%	6/30/06	Record not found
<b>Rossville, Town of</b>							
Comcast Cable Communications	State	\$ 4,928	Ton of Rossville General Fund	The funds were used to provide for the 2018 General Fund budget to cover shortfalls in budget due to continued cuts from State revenue and property taxes			
<b>Royal Center, Town of</b>							
No franchise fees collected							
<b>Rush County</b>							
Central Indiana Communications	State	\$ 3,619	E911	Proceeds in the E911 Fund are used for equipment or any service or product necessary to provide emergency 911 services to residents of Rush County			
<b>Rushville, City of</b>							
Comcast of Montana/Indiana/Kentucky/Utah	State	\$ 31,867	General Fund/ Cable Franchise Fee	The funds are used for broadband related expenditures, governmental programming, and education	3%	5/25/05	Per agreement dated 5/25/05
<b>Salem, City of</b>							
Charter Communications	State	\$ 30,557	General Fund	Operation of City Services (fire, police, & other services)	3%	5/5/80	Ordinance #392
<b>Saltillo, Town of</b>							
Chater Communications	State	\$ 297					
<b>Sandborn, Town of</b>							
Cable One (New Wave)	State	\$ 946	General Fund	Daily operations			
<b>Santa Claus, Town of</b>							
PSC (Perry Spencer Communications)	State	\$ 9,702	101640.000 Gen/CableTV/ Franchise	The income from the franchise fee helps offset expenditures in the general fund that has departments. 1. Clerk-Treasurer, 2. Planning and zoning, 3. police, 4. Community center and 5. fire department. The monies are used to fund the departments in various way through their budget process	3%	12/20/04	Agreement between the town of Santa Claus and PSC
<b>Schneider, Town of</b>							
Mediacom Communications Corp.	State	\$ 1,128	General Fund	Governmental activities	3%	1/1/09	Ordinance #1989
<b>Selma, Town of</b>							
Indiana Bell Franchise Fees	State	\$ 583	General Fund	To help offset the cost of the police department	5%	In 1998	Ordinance

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Seymour, City of</b>							
Comcast, Inc	State	\$ 34,434	Monies are deposited in the cities General Fund with no specific use in mind				
Cinergy Metronet	State	\$ 65,392					
<b>Shelburn, Town of</b>							
NewWave Communications	State	\$ 3,182		The fees were deposited into the General Fund of the town. The franchise fees were used to pay lawfully incurred bills of the Town of Shelburn			
<b>Shelby County Government</b>							
Central Indiana Communications	State	\$ 7,797	County General		5%	11/5/73	Ordinance
Comcast	State	\$ 43,636					
Indiana Bell Telephone Company	State	\$ 4,349					
<b>Shelbyville, City of</b>							
Comcast	State	\$ 90,236	General Fund	The majority of the City's Budget is appropriated from the General Fund. This includes the budgets of departments responsible for the City's public right-of-way, including but not limited to, the Board of Works, Street Department, Engineering Department, and Building and Planning Department. The specific monies from the franchise fees are not distinguished from other monies after entering the General Fund.	5%	7/1/06	I.C. 8-1-34-24
Indiana Bell	State	\$ 22,024					
<b>Sheridan, Town of</b>							
Swayzee Telephone Co.	State	\$ 2,003	Cable TV Franchise	No specific purpose other than miscellaneous expenses	3%	7/9/80	Ordinance No. 1980-1
<b>Shirley, Town of</b>							
Comcast	State	\$ 7,256					
Central Indiana Communications	State	\$ 1,457					
<b>Shoals, Town of</b>							
Cable One Inc.	State	\$ 1,468		The fees were deposited into the general fund of the town. The franchise fees were used to pay lawfully incurred bills of the town of Shoals.			
<b>Silver Lake, Town of</b>							
Comcast Communications	State	\$ 2,604	General Fund	Expenditures approved by the Department of Local Government and Finance (DLGF)	5%	10/4/98	Ordinance 98-10-04

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (USD)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>South Bend, City of</b>							
Comcast	State	\$714,471	Franchise fees are deposited into the General Fund general ledger accounts No. 101-0000-364-00 (Comcast) and 101-0000-366-00-00 (AT&T)	Franchise fees are spent for general fund expenditures such as general government, and police and fire fire department activities	5%	1/1/09	State Franchise Law
Indiana Bell Telephone Company, Inc (AT&T)	State	226561.62			5%	3608700%	Pursuant to a local agreement with comcast
<b>Speedway, Town of</b>							
Indiana Bell Telephone	State	\$ 55,242	General Fund/eAble TV/Franchise Fees	Speedway Cable Network - operations, equipment, etc	5%	7/1/94	Town of Speedway Ordinance 834
Comcast	State	\$109,611					
<b>Spencer County Government</b>							
Charter Communications	State	\$ 5,773	County General Fund Account: Calbe Franchise Fee Due to County				
Perry Spencer Communications	State	\$ 5,648					
<b>St. Joe, Incorporated Town of</b>							
Mediacom Communications Corp/	State	\$ 685	General Fund	General Operating			
<b>Starks County</b>							
Mediacom	State	\$ 8,474	County General Fund	Supporting revenue to assist the county's tax levy to fund the County General 2018 Budget			
<b>Stilesville, Town of</b>							
Cable One	State	\$ 235	General Fund	The monies were used for bills at the time in which they deposited			
Communication Corp. of Indiana (TDS)	State	\$ 2,635					
<b>Straughn, Town of</b>							
Comcast Cable	State	\$ 587	General	Any allowed expense allowed by the State Board of Accounts			
NLBC	State	\$ 26					
<b>Switz City, Town of</b>							
Comcast of Illinois/Indiana/Ohio, LLC	State	\$ 597	Town of Switz City General Fund	Used to supplement our annual budget for our General Fund	4%	10/1/01	Resolution No. 2001-03
<b>Tennyson, Town of</b>							
<b>Tell City, City of</b>							
Comcast Cable Communications, Inc.	State	\$ 24,969			5%	7/785	Ordinance 617
Perry-Spencer Communications, Inc. d/b/a PSC	State	\$ 28,351			5%	1/1/14	Ordinance 617

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (rounded)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Terre Haute, City of</b>							
Time Warner/Charter	State	\$279,163	General Fund	General Fund operating costs	5%	2/6/06	Special Ordinance #72, 1983
Cable One	State	\$ 8,126	General Fund				
<b>Tipton County</b>							
Endeavor	State	\$ 2,985	Cable Franchise Fees	General Fund Expenditures for the county	5%		
Comcast	State	\$ 4,333					
Tipton Telephone Company	Local	\$ 503					
Smithville Communication	State	\$ 6,852					
<b>Tipton, City of</b>							
Comcast	State	\$ 41,872	General Fund 101640	Funds are receipted into the City General Operating Fund	5%	8/12/02	Addendum to franchise agreement of 1987
Tipton Telephone Company (TD5)	State	\$225,686			5%	8/8/15	State of Indiana Cause No. 44614 VSP 01
<b>Trail Creek, Town of</b>							
Cable Tv Comcast Financial	State	\$ 23,333	General Cable TV Franchise #101640.00	Goes into General Fund and appropriated in budgets of the General Fund	5%	by Ordinance	MAX
Acme Communications	State	\$ 1,994					
<b>Troy, Town of</b>							
PSC	State	\$ 1,727	Fund# 101640 General/Cable TV Franchise	The income from the franchise fees helps offset expenditures in the general budget that are shortfalls from tax revenue	3-5%	2/1/17	Agreement between the Town of Troy/Troy Utilities and PSC
<b>Union City, City of</b>							
Charter Communications dba/ Spectrum	State	\$ 21,315	General Fund	This money is used for necessary video equipment to televise our Council meetings as well as other public meetings. The remainder of the fees are used for general expenses, as needed.	3%	9/11/00	Resolution 00-R-4 (?)
<b>Uniondale, Town of</b>							
Mediamon Communications Corp.	State	\$ 286	General	General budet			
<b>Universal, Town of</b>							
Avenue Broadband Communications	State	\$ 1,003	Town of Universal				
<b>Vanderburgh County</b>							
Charter Communications dba/Spectrum	State	\$441,383	General Fund	Helps support budget for General Fund	5%		I.C. 8-1-34-24 State Issued Franchise
Wide Open West (WOW)	State	\$241,173					Agreement/Resolution
<b>Veederburg, Town of</b>							
Cable One	State	\$ 2,231	General - Franchise Fees	Town Operations	2%	1/19/82	By Ordinance #02-82
<b>Vevay, Town of</b>							
Charter Communications	State	\$ 5,004	General Fund	General Fund expenses per budget	3%		Franchise Agreement
<b>Vincennes, City of</b>							
Cable One	State	\$ 58,957	0101 General Fund	All fees were placed in the General Fund. The General Fund is used for the operations of the city.	3%	9/13/99	City Ordinance 22-99
Cinergy Metronet	State	\$ 52,090					
<b>Wakarusa, Town of</b>							
Comcast of Indiana/Michiana, LLC	State	\$ 9,285	General Fund	Added to operating balance	3%	5/5/97	Franchise Agreement Contract

continued

## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (USD)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Walkerton, Town of</b>							
Mediacom	State	\$ 1,551	Electric	Needed supplies or maintenance of poles	3%	8/8/96	Signed Agreement between town and Mediacom
<b>Wanatah, Town of</b>							
Mediacom Communications Corp.	State	\$ 1,153	General Fund/Cable Franchising Fee	All fees are deposited into the general fund and used for accounts payable.	3%	8/8/96	By town council
<b>Warsaw, City of</b>							
Comcast	State	\$ 51,489	General Fund	Maintenance and improvements of sidewalks and curbing	3%	12/17/99 and June of 2006	Ordinance No. 99-12-2 & State Agreement
Mediacom	State	\$ 1,319				8/1/13	State Agreement
<b>Washington, City of</b>							
Avenue Broadband Communications	State	\$ 47,280	Cable TV Franchise	General Fund	3%	12/11/89	Ordinance 15-98
<b>Wayne County</b>							
Comcast Financial	State	\$ 27,665	County General	To help fund local public access TV Station WCTV (\$18,000 in 2018 and \$20,000 beginning in 2019) and balance in general fund to support maintenance of infrastructure used by cable company	4%	3/1/04	Negotiated as part of Revenue
New Lisbon Telephone	State	\$ 2,601					5%
<b>Wells County</b>							
Mediacom	State	\$ 1,596	Cable Fees	General County Business	3%	11/29/93	Follow the Regulations of the FCC Ordinance# 1993-10
Comcast	State	\$ 3,941					
Craigville Telephone	State	\$ 5,695					
<b>West Lafayette, City of</b>							
Comcast	State	\$107,136	General Fund	City operations including services for maintenance of rights of way (Engineering), City administration, and public safety (Police and Fire)	3%	2/5/96	Ord #34-95; converted in 2006 to State Franchise
CMN-RUS, Inc. (aka MetroNet)	State	\$ 71,781				2012-related Redev com TIF Bond	State Franchise
Mulberry Cooperative Telephone Co	State	\$ 786					
<b>Westville, Town of</b>							
Mediacom Communications Corp.	State	\$ 1,919	General Fund	To help fund General Fund operations (Police Dept., Fire Dept. Contract, Salaries, General Operations)			
Acme Communications	State	\$ 1,081					
<b>Whiteland, Town of</b>							
Comcast	State	\$ 17,549	General Fund	General Expenses to run local government	3%	1/1/81	Ordinance 81-1 w/ Town council
MetroNet	State	\$ 20,816			5%	1/1/06	Indiana Communications Act
<b>Whiting, City of</b>							
Comcast Financial Agency Corp.	State	\$ 45,072	General Fund Civil City	General operating expenses for the Civil City	5%	4/4/00	Based on Grantee's Gross Revenue or such other maximum amount as allowed by law

continued



## Video Franchise Fee Report

Submitting Unit (and Franchise Holder)	Type of Franchise	Amount Received (Amount)	Fund Account(s)	Purpose of Funds Used	% Charged	Date Set	Establishment Method
<b>Wilkinson, Town of</b>							
Central Indiana Cable	State	\$ 691	General Fund	General Fund	3%		
Comcast	State	\$ 343					
<b>Winamac, Town of</b>							
No franchise fees collected							
<b>Winchester, City of</b>							
Comcast of Illinois/Indiana/Ohio	State	\$ 37,081	General Fund	Technology	5%	3/20/00	Ordinance No. 2000-2
<b>Winfield, Town of</b>							
Comcast	State	\$ 59,423	General Fund	The Town of Winfield utilizes video franchise fees to repair and maintain the public right of ways along the roadways.	5%	6/15/04	Contract
AT&T (Indiana Bell)	State	\$ 11,234					
<b>Winona Lake, Town of</b>							
Comcast Cable Communication	State	\$ 10,749	General Fund	Any expenditure deemed necessary	3%	5/13/06	Ordinance No. 06-5-1
<b>Wolcott, Town of</b>							
Comcast	State	\$ 2,701	Town of Wolcott, General Fund	Salaries, employee benefits, municipal and street operating expenses, etc. The franchise fees are deposited in the Town's General Fund, which are monies to operate the municipality	2%	8/1/95	State of Indiana Wolcott Ordinance #95-2
<b>Woodlawn Heights, Town of</b>							
Indiana Bell (ATT Uverse)	State	\$ 435	Town of Woodlawn Heights, IN, General Fund	Insurance, Payroll Tax, Bond, Forms, Legal adv.			
<b>Yorktown, Town of</b>							
Comcast	State	\$ 6,626	General Fund - Cable TV Receipts	These funds were used to offset the cost of the police department expenses	3%	1997	Ordinance
Indiana Bell/AT&T	State	\$ 67,860			5%		
<b>Zionsville, Town of</b>							
Communications Corporation of Indiana	State	\$ 12,640	General	Any legal purpose (General Fund cash reserves)	3%	4/5/82	Ordinance #82-03 (Omega Cable of Zionsville)
Indiana Bell Telephone Company Incorporated	State	\$ 25,240					
Charter Communications	State	\$ 41,536					
<b>TOTAL FEES COLLECTED</b>		<b>\$21,017,759</b>					



**INDIANA UTILITY  
REGULATORY  
COMMISSION**

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