

Memorandum

To: Chairman Huston

From: E. Curtis Gassert, Water/Wastewater Division Director

Date: December 10, 2025

Re: Summary Results of Periodic Review for Calendar Year 2024

Indiana Code § 8-1-2-42.5 requires the Commission to conduct a review of the basic rates and charges of all public, municipally owned, and cooperatively owned utilities. Utilities serving less than 8,000 customers are exempt from such a review as described in Indiana Code § 8-1-2-61.5.

Additionally, Indiana Code § 8-1-2-16 requires that a utility's accounting books and records be closed on the last day of December with the balance sheet and other information prescribed by the Commission filed on or before April 30 of the following calendar year. The Commission's administrative rules (170 IAC) prescribe the accounting and reporting requirements adopted by the Commission for each industry.

The Commission's Water/Wastewater Division conducted the periodic review as described in the Commission's GAO 2018-01 ("GAO"). Part of this process is a Level 1 review, and if necessary, further review is conducted in Level 2. The Water/Wastewater Division Staff analyzes the rate of return experienced by the utilities and what the utilities have been authorized to earn through Commission Orders for the investor-owned utilities. For the municipal and not-for-profit utilities, the actual operating revenue is compared to the authorized operating revenues. The primary threshold for a Level 1 review, depending on the utility type, is if the actual return (i.e., investor-owned utilities) or actual operating revenue (i.e., municipally-owned, not-for-profit, and cooperatively-owned) exceeds authorized return or authorized revenue by 10% or more.

Data contained in the utility's annual report was utilized by the Water/Wastewater Division to conduct a periodic review for the following water utilities:

1. Anderson Water Utility
2. Bloomington Water Utility
3. Citizens Water
4. Citizens Water of Westfield
5. Columbus Municipal Water
6. Elkhart Municipal Water
7. Evansville Municipal Waterworks
8. Fort Wayne Water Utility
9. Lafayette Municipal Water Works
10. Marion Municipal Utilities
11. Michigan City Department of Waterworks
12. Schererville Municipal Water
13. South Bend Water Works

The following water utility exceeded the Level 1 threshold as prescribed in the GAO and was subject to a Level 2 review:

1. Lafayette Municipal Water Works

Lafayette Municipal Water Works (“Lafayette”) had excess authorized revenue of 10.90% which exceeded the Level 1 threshold of 10.00% based on staff’s comparison of authorized revenues of \$10,705,541 in Cause No. 45006 (5/16/2018).¹ The actual revenues from the 2024 Annual Report were \$11,872,018.

Staff did not need to conduct a Level 2 review since Lafayette filed a rate case on October 15, 2025.

Data contained in the Annual Reports was utilized by the Water/Wastewater Division Staff to conduct a periodic review of the following wastewater utilities:

1. CWA Authority
2. Citizens Wastewater of Westfield
3. Aqua Indiana, Inc. Aboite Division

No wastewater utility exceeded the Level 1 threshold as prescribed in the GAO.

Data contained in the utility’s Annual Report provided to the Commission was utilized by the Water/Wastewater Division Staff to conduct a periodic review of the following combined water/wastewater utilities:

1. Indiana-American Water

No combined water/wastewater utility exceeded the Level 1 thresholds as prescribed in the GAO.

¹ Adjusted downward to reflect the repeal of the Utility Receipts Tax implemented in 30-day filing 50514.