

ORIGINAL

Commissioner	Yes	No	Not Participating
Zay			√
Deig	√		
Swinger	√		
Veleta	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE PETITION OF THE TOWN OF)
NEW CARLISLE, INDIANA, FOR APPROVAL OF A) CAUSE NO. 46314
REGULATORY ORDINANCE ESTABLISHING A SERVICE)
TERRITORY FOR THE TOWN’S MUNICIPAL WATER) APPROVED: APR 29 2026
SYSTEM PURSUANT TO IND. CODE CH. § 8-1.5-6)**

ORDER OF THE COMMISSION

**Presiding Officers:
Bob Deig, Commissioner
Sean Gorman, Administrative Law Judge**

On October 27, 2025, the Town of New Carlisle, St. Joseph County, Indiana (“New Carlisle,” “Petitioner,” or the “Town”) filed a petition (“Petition”) with the Indiana Utility Regulatory Commission (“Commission”) requesting approval of a water regulatory ordinance pursuant to Ind. Code § 8-1.5-6. That same day, New Carlisle prefiled the direct testimony of Jared M. Huss, Professional Engineer (“P.E.”) at Lawson-Fisher Associates P.C., and Jeffrey P. Rowe, Certified Public Accountant (“C.P.A.”) and Principal with Baker Tilly LLP.

On November 10, 2025, the Commission issued a Docket Entry requiring notices to potentially impacted utilities. On November 17, 2025, New Carlisle submitted its Notice Concerning Potentially Affected Utilities.

On December 12, 2025, St. Joseph County, Indiana (“County”), and the St. Joseph County Redevelopment Commission (“Redevelopment Commission”) (collectively, the “County Parties”) filed a Petition to Intervene. On the same day, the St. Joseph Energy Center, LLC (“SJEC”), filed a Petition to Intervene.

On December 22, 2025, the Presiding officers granted the County Parties’ and the SJEC’s Petitions to Intervene.

On January 7, 2026, SJEC prefiled the direct testimony of Albert Taylor, Jr., Vice President for SJEC. Also on January 7, 2026, the Office of Utility Consumer Counselor (“OUCC”) prefiled the direct testimony of Scott A. Bell, Director of OUCC’s Water/Wastewater Division.

On January 16, 2026, New Carlisle prefiled the rebuttal testimony and exhibits of Mr. Rowe and Mr. Huss.

On January 27, 2026, New Carlisle and the County Parties submitted a Stipulation and Settlement Agreement (“Settlement Agreement”). The same day, New Carlisle submitted the Settlement Testimony of Mr. Huss and the County Parties submitted the Settlement testimony of William S. Schalliol, Executive Director of Economic Development for the County.

On February 9, 2026, the Presiding Officers requested New Carlisle’s response to two Docket Entry questions. New Carlisle filed its Response on February 11, 2026.

The Indiana Utility Regulatory Commission (“Commission”) held an evidentiary hearing on February 12, 2026, at 9:30 a.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. New Carlisle, the County Parties, SJEC, and the OUCC participated in the evidentiary hearing by counsel and offered their respective testimony and exhibits, which were admitted into the record without objection.

Based on the applicable law and the evidence herein, the Commission now finds:

1. Statutory Notice and Commission Jurisdiction. Notice of the time and place of the hearing conducted by the Commission in this Cause was given as required by law. New Carlisle owns a water utility as that term is defined in Ind. Code § 8-1.5-6-1(1). Under Ind. Code 8-1.5-6-9, the Commission has jurisdiction over the enforceability of a regulatory ordinance adopted by a municipality after December 31, 2012. Therefore, the Commission has jurisdiction over New Carlisle and the subject matter of this proceeding.

2. Petitioner’s Characteristics. New Carlisle is a municipality located in St. Joseph County. Petitioner owns and operates a municipal water utility that provides water service to customers as explained in the verified direct and rebuttal testimonies of Mr. Rowe and Mr. Huss. New Carlisle withdrew from the Commission’s jurisdiction over rates and charges on December 24, 1988.

3. Petitioner’s Requested Relief. New Carlisle requested approval of New Carlisle Ordinance No. 1478 adopted pursuant to Ind. Code § 8-1.5-6-3 on November 6, 2024 (the “Regulatory Ordinance”). New Carlisle sought to provide water service to certain areas that are within four miles of New Carlisle’s corporate boundaries as depicted in Petitioner’s Exhibit 4 (the “New Carlisle Service Area”).

4. Summary of the Evidence.

A. New Carlisle’s Direct Evidence. New Carlisle presented the direct testimony and exhibits of Jared M. Huss, P.E., and Jeffrey P. Rowe, C.P.A.

i. Jared M. Huss, P.E. Mr. Huss stated that he is a registered P. E employed by Lawson-Fisher Associates P.C. and that Mr. Huss’s engineering firm has served as the Town Engineer for New Carlisle for approximately 12 years. Mr. Huss testified about New Carlisle’s water facilities and plan to serve the New Carlisle Service Area. He also explained why New Carlisle should be the exclusive water service provider in the New Carlisle Service Area.

Mr. Huss described New Carlisle’s water utility. Mr. Huss testified that the Town operates two water treatment plants (“WTP”), the Cliffs WTP and the SJEC WTP. He described the Cliffs WTP as producing softened, potable water for customers within the town limits in addition to most industrial users in the unincorporated areas east of New Carlisle. He explained that the Cliffs WTP has two 750,000-gallon storage tanks, one 60,000-gallon reverse osmosis storage tank, and an

elevated water tower of 100,000 gallons connected to the Town's distribution system. Mr. Huss further explained that the Cliffs WTP distributes water at a pressure of 95 psi for unincorporated industrial areas and 60 psi within the Town's incorporated limits, with watermain sizes ranging from 6" to 24". Mr. Huss stated that the Cliffs WTP produces an average daily volume of 2.0 million gallons per day ("MGD") and a peak daily volume of 2.8 MGD, with a firm capacity of 3.0 MGD. He explained that there are ongoing efforts to increase the capacity of the Cliffs WTP. Mr. Huss testified that the SJEC WTP has three 600,000-gallon storage tanks and a 1.25 MGD elevated tower currently under construction. He described the SJEC WTP as having a firm capacity of 16.0 MGD, serving all other users in the unincorporated industrial area with a distribution system of watermains ranging in size from 16" to 24". Mr. Huss stated that the SJEC WTP produces an average daily volume of 3.0 MGD and peak daily volume of 5.0 MGD. He noted that average and peak daily usage limits are likely to increase as large industrial projects are completed.

Mr. Huss testified that New Carlisle serves 920 customers, located inside and outside of its current boundaries. He explained that 812 of the customers are residential, 86 are commercial customers, 12 are governmental customers, and 10 are industrial customers. Mr. Huss stated that New Carlisle's largest users are located outside of the Town's current boundaries and within the New Carlisle Service Area. He explained that the Town's existing facilities within the New Carlisle Service Area contain sufficient capacity to provide service to the area. Mr. Huss explained that the Town has separate, existing agreements with multiple large water users in the New Carlisle Service Area, as well as a proposed agreement with a General Motors joint venture for provision of service to a battery plant. He testified that many of the agreements contemplate or specifically state that New Carlisle will be the exclusive water provider for the respective facilities. He also explained that the New Carlisle Town Council adopted the Regulatory Ordinance on November 6, 2024, to identify an exclusive service territory within a four-mile radius of the Town's municipal boundaries. Mr. Huss also included a map as Petitioner's Exhibit 2 depicting New Carlisle's existing facilities in relation to the New Carlisle Service Area.

Mr. Huss testified about the history of service in the area. He stated that the Cliffs WTP was constructed in the late 1980's to serve a new steel facility. He explained that the service area, at the time, included incorporated and unincorporated areas in and around New Carlisle as residents and other industrial developments connected to the system. Mr. Huss testified that the Town and County entered into an Agreement concerning Water Service and Related Matters, dated July 23, 2024 ("Water Agreement"), to support the ongoing industrial growth. He described the intention of the Water Agreement was to set forth a mechanism for St. Joseph County to fund, and the Town operate, certain improvements to the distribution system and the SJEC WTP. Mr. Huss testified that, under the Water Agreement, the Town and St. Joseph County agreed that the Town would provide service to areas within the New Carlisle Service Area. He testified that the Commission's approval of the Regulatory Ordinance would protect the investments made by the Town and St. Joseph County within the Water Agreement for the purpose of making safe and reliable water service.

Mr. Huss also testified about the Town's ability to serve the New Carlisle Service Area. He testified that New Carlisle drew the boundaries such that the New Carlisle Service Area contains areas in which the Town is either already providing service, can serve with existing facilities, or additional capital investments would allow for additional capacity and distribution

projects to provide such service in a logical manner. Mr. Huss expects the remaining undeveloped areas within the New Carlisle Service Area to gain additional interest for development. Further, he anticipates the occurrence of fill-in development within the remaining areas adjacent to recently installed water distribution lines.

Mr. Huss explained that New Carlisle has ample water production capabilities to meet demand in the area. He explained that, between both WTPs, the Town averages approximately 6 MGD in daily volume with a current combined firm capacity production volume of 19 MGD. He described a water aquifer study commissioned by the County and the Town which determined the safe yield for the area's existing aquifer as 44 MGD. He testified that the Water Agreement acknowledges the need for additional studies should capacity demand exceed 24 MGD. Mr. Huss described the large distribution pipes, storage facilities, and other related equipment that could be used to provide and extend service to new development in the New Carlisle Service Area. He testified that, if additional production becomes necessary, the Town has the ability to establish raw water wells and piping, construct WTP improvements, and install distribution piping as needed to reach the location within the service territory. Mr. Huss testified that, in 2019, the Town and St. Joseph County worked together to identify capacity and distribution needs for an area comparable to the proposed service territory. He testified that the previous extensions of service and facilities in the area were calculated to logically extend services within the New Carlisle Service area as it develops.

Mr. Huss testified about the Town's ability to provide safe, efficient, and cost-effective service to the New Carlisle Service Area. He explained that he has become very familiar with the Town personnel tasked with managing and maintaining the water facilities in the New Carlisle Service Area. Mr. Huss described the Town's personnel as having the requisite technical and managerial capability to operate and maintain the required facilities, demonstrated by the Town's decades of experience in providing service to customers within and around the New Carlisle Service Area. He testified that the Town has continually demonstrated the financial wherewithal to make the improvements necessary to its water system to comply with all state and federal guidelines.

Mr. Huss explained that no other utility provides water service in the New Carlisle Service Area. He explained that the Town and County have partnered to use economic development funds to construct much of the infrastructure with sufficient capacity to efficiently serve the area at competitive rates and charges. Mr. Huss testified that the only other providers in the area are the St. Joseph Regional Water and Sewer District (the "District"), which currently does not provide any water service, and the City of South Bend ("South Bend"). Mr. Huss testified that South Bend does not have any facilities within close proximity to the New Carlisle Service Area.

Mr. Huss concluded by explaining that the Regulatory Ordinance will have a positive impact on present and future economic development in the area. He believes that the Town's planned, designed, permitted, and constructed water facilities can be extended to serve prospective customers and new development projects in the area. Mr. Huss testified that the Town wishes to protect these investments by the Commission's approval of the Regulatory Ordinance. Without such protection, Multiple utilities could create duplicate facilities, potentially leading to confusion, stranded or under-utilized infrastructure, and higher rates.

ii. **Jeffrey P. Rowe, C.P.A.** Mr. Rowe testified that Baker Tilly LLP has acted as financial advisors to New Carlisle for nearly 40 years. He stated that the purpose of his testimony is to discuss the Town's financial status, the Town's water rates and charges, and the potential impact on economic development related to the Town's request to serve the New Carlisle Service Area.

Mr. Rowe described the general governance of New Carlisle's water utility and its financial status. He explained that the Town Council oversees the management, rates, and charges of the Utility, while the elected Clerk-Treasurer is responsible for the financial record. He further explained that the New Carlisle's water utility's day-to-day operation is provided by the Town's Superintendent, Mr. John Mrozinski, and staff. Mr. Rowe testified that New Carlisle's water utility is nonprofit in nature and maintains cash balances consistent with standard accounting practices. He testified that New Carlisle's water utility had a budgeted revenue of \$4,852,000, estimated expenses of \$4,397,200, and a cash position of \$503,628 as of March 31, 2025. Mr. Rowe explained that New Carlisle's water utility relies on multiple funding sources to assist with expansion and improvements, including funding from St. Joseph County for County-related economic development and expansion. He also explained that the Town has the customer base and financial ability to expand into the New Carlisle Service Area, demonstrated by the Town's existing facilities with sufficient capacity. Mr. Rowe further testified that New Carlisle has the funds available to maintain compliance with state and federal requirements.

Mr. Rowe testified that his firm prepared a cost-of-service study, dated May 21, 2025 ("Cost-of-Service Study"). Mr. Rowe explained that the Town adopted a new schedule of rates and charges for the Cliffs WTP on July 15, 2025, per Ordinance No. 1491. He testified that the Town originally established water rates for the SJEC Plant in 2018 and established a new schedule of rates on December 17, 2024, under Ordinance No. 1479. Mr. Rowe explained that customers in the New Carlisle Service Area will pay the same rates and charges applicable to the Town's existing customers. He further explained that the Utility withdrew from the Commission's jurisdiction for rates and charges in 1988 and the Council is currently responsible for any adjustment to rates and charges.

Mr. Rowe explained that the Commission's authorization and approval of the Regulatory Ordinance will have a positive effect on the Town's rates and charges. He testified that the Utility could spread the fixed cost of its current facilities over a larger customer base, resulting in greater economies of scale, while maintaining the lowest possible rates for existing and future customers. Mr. Rowe further testified that the extension of service in the New Carlisle Service Area would not come at an exorbitant cost due to the Town's existing facilities within the area. Mr. Rowe also explained that New Carlisle's rates are less than the average monthly rate approved by the Commission, as reflected by New Carlisle's 2024 Annual Report. Mr. Rowe testified that the Utility's proposed rates are just, equitable, and based on the cost of serving its customers. He also explained that the Town anticipates performing periodic cost of service studies due to the Town's mix of large and commercial users, along with a residential customer base.

Mr. Rowe also testified about the potential economic development impact within the New Carlisle Service Area. He explained that the extension of service to the area should facilitate new economic development and allow new and existing homes the option of connecting to water

service. Given the Town's existing facilities within the New Carlisle Service Area, Mr. Rowe testified that New Carlisle will be able to extend service, achieve economies of scale, and offer competitive rates, all of which will be beneficial to future economic development in the area. He explained that approval of the Regulatory Ordinance would also give developers and property owners certainty about the water provider in the area.

Mr. Rowe testified that the Town is the only provider in the area with water production, transmission, and distribution facilities with sufficient capacity to provide service in the New Carlisle Service Area. He further opined that the Utility's current facilities in and around the New Carlisle Service Area will facilitate the extension of service to unserved areas in the most cost-effective, timely manner while maintaining competitive rates. Mr. Rowe testified that current and future economic development in the area will benefit from the Town's extension of service to the New Carlisle Service Area.

B. SJEC's Direct Evidence. SJEC submitted the verified direct testimony and exhibits of Albert Taylor Jr., P.E. Mr. Taylor Jr. testified that he is the Vice President of the SJEC. Mr. Taylor Jr. explained that he also serves as Vice President of Generation for Wabash Valley Power Association, Inc. ("Wabash Valley") and in that capacity serves as representative on the Prairie State Generating Company Board and as an officer of Holland Energy LLC. He described the responsibilities of the Vice President of the SJEC as including operational and maintenance oversight of the generation facility known as St. Joseph Energy Center ("SJEC Facility I"). Mr. Taylor Jr. explained that SJEC Facility I is a 741-megawatt combined-cycle natural gas-fired electric generation facility. Mr. Taylor Jr. testified on behalf of SJEC, which is 50% owned by Wabash Valley and 50% owned by Hoosier Energy Rural Electric Cooperative, Inc. ("Hoosier Energy"). He explained that Wabash Valley and Hoosier Energy each own 50% of the ownership interests in SJEC's affiliate, St. Joseph Phase II, LLC ("SJ Phase"). Mr. Taylor Jr. testified that SJ Phase could develop and construct an additional generation facility ("SJ Facility II").

Mr. Taylor Jr. described the purpose of his testimony as providing the Commission with details about the contractual relationship between the Town and SJEC. He testified that this contractual relationship was either omitted or mischaracterized by the Town. Specifically, Mr. Taylor Jr. believes that Mr. Huss and Mr. Rowe mischaracterized the Town's service obligations with SJEC Facility I, as well as any future facility that may be constructed by SJ Phase.

Mr. Taylor Jr. testified to the contractual relationship between the Town and the SJEC regarding water service. He explained that the SJEC contracted with the County in 2015 concerning the development and construction of the SJEC Facility I. He further explained that, pursuant to that agreement, the SJEC constructed and equipped the SJEC WTP on behalf of the Town. Mr. Taylor Jr. testified that the SJEC and SJ Phase entered into a 2017 Well and Wellwater Transfer and Supply Agreement with the Town ("Supply Agreement") to transfer the SJEC Water Plant to the Town. He explained that, in consideration for that transfer, the Supply Agreement memorialized the parties' water-related service rights and obligations.

Mr. Taylor Jr. testified that the Supply Agreement contains three terms relevant to his testimony. First, he stated that Section 5.04 requires the Town's rate ordinances to be subject to the Supply Agreement with respect to SJEC. Mr. Taylor Jr. also stated that Section 3.02(c) of the

Supply Agreement provides SJEC with the first right to consume up to 6.0 MGD per day to operate SJEC Facility 1. Finally, he explained that Section 3.02(c) of the Supply Agreement provides that the Town's guaranteed capacity obligations increase to 12.0 MGD when SJ Phase proceeds with development and construction of SJEC Facility II, with 6.0 MGD owed each to SJEC Facility I and SJEC Facility II. Mr. Taylor Jr. also explained that Article VI of the Supply Agreement contains terms related to the development of SJEC Facility II and potential expansion of current SJEC WTP facilities.

Mr. Taylor Jr. testified that Mr. Huss's testimony does not clearly identify the Supply Agreement's terms. He testified that Mr. Huss failed to acknowledge the Town's guaranteed capacity obligations to the SJEC and SJ Phase pursuant to the Supply Agreement. Mr. Taylor Jr. referenced Mr. Huss's testimony regarding the Town's capacity to provide water service in the New Carlisle Service Area. Mr. Taylor Jr. testified that Mr. Huss fails to mention both the 6.0 MGD existing guaranteed capacity owed to the SJEC for SJEC Facility I and the additional 6.0 MGD of guaranteed capacity that the Town will be obligated to provide when SJEC Facility II may be constructed.

Mr. Taylor Jr. testified that Mr. Rowe's testimony does not clearly represent the terms of the Supply Agreement. He explained that Mr. Rowe inaccurately represents that SJEC is subject to the same rate structure as the Town's other water customers. Mr. Taylor Jr. testified that SJEC's rate is solely established pursuant to the Supply Agreement, unlike New Carlisle's customers who are subject to the Town's rate ordinances. He also testified that the Cost-of-Service Study has no bearing on the rate applicable to the SJEC, and he testified that the SJEC's rate is established pursuant to the Supply Agreement.

Mr. Taylor Jr. concluded by explaining that the omission of any reference to the Supply Agreement and the Town's related water service obligations to SJEC and SJ Phase painted an incomplete picture of New Carlisle's water utility. Mr. Taylor Jr. noted that the Town's ability to serve the New Carlisle Service Area may be unaffected by the Town's obligations under the Supply Agreement, but he explained that SJEC believed it was important for the Commission to understand that the obligations exist. He reasserted that the rates and charges for any new customers will necessarily differ from the rates and charges paid by SJEC pursuant to the Supply Agreement.

C. OUCC's Direct Evidence. The OUCC submitted the direct testimony and exhibits of Scott A. Bell. Mr. Bell testified about New Carlisle's request for approval of a regulated service territory. Mr. Bell explained the materials he reviewed in connection with this Cause, including the Petition and the testimonies of Mr. Huss and Mr. Rowe.

Mr. Bell testified about the New Carlisle Service Area. He explained that, under Ind. Code §§ 36-9-2-14 and 36-9-2-18, the Town may provide water utility service within four miles outside its corporate boundaries. Mr. Bell further testified that New Carlisle seeks to become the exclusive service provider of water services to the area identified in the Regulatory Ordinance, including all incorporated areas of the Town of New Carlisle and portions of unincorporated St. Joseph County located within four miles of Town boundaries.

Mr. Bell explained that New Carlisle provided the information required by Ind. Code § 8-1.5-6-9(b). He noted that the County Parties and SJEC were granted Intervenor status in this Cause. Mr. Bell further testified that New Carlisle addressed the factors set forth in Ind. Code § 8-1.5-6-8(g). Mr. Bell concluded by testifying that the Town has met all requirements set out in Ind. Code § 8-1.5-6. He further testified that the OUCC does not oppose the Commission's approval of the Regulatory Ordinance.

D. New Carlisle's Rebuttal Evidence. In response to Intervenor's testimony, New Carlisle provided rebuttal evidence from Mr. Rowe and Mr. Huss.

i. Jared M. Huss, P.E. Mr. Huss explained that the purpose of his rebuttal testimony is to address SJEC's claims about the Town's capacity to serve the New Carlisle Service Area.

He explained that the SJEC has a current contractual capacity of 6 MGD; however, its average daily usage in 2025 was only 2.96 MGD with a peak daily usage of 4.3 MGD. Mr. Huss explained that SJEC does have a contractual right to expand to 12 MGD if it constructs additional facilities in the area, but it has yet to exercise the option. Mr. Huss further explained that St. Joseph County has agreed to fund any such expansion under Section 4.7 of the Water Agreement. He testified that Amazon Web Services is the only other user on that portion of the Town's system and that their average daily use is minimal. He also explained that a hydrogeological study of the area has indicated the aquifer supporting New Carlisle's water supply has a safe yield of up to 44 MGD. Mr. Huss stated that SJEC WTP's average daily usage of approximately 3.1 MGD means that New Carlisle's water system for the area operates at approximately 20% of current firm capacity and approximately 17% of total capacity. He reiterated that St. Joseph County agreed to fund any expansion to meet the needs of users and usage in the area.

Mr. Huss testified that he disagreed with Mr. Taylor Jr.'s testimony that New Carlisle did not make any reference to the Supply Agreement. He stated that he provided in his direct testimony that the Town has separate agreements with large water users in the New Carlisle Service Area, including Hoosier Energy, which is one of the owners of the SJEC. Mr. Huss testified that SJEC has not provided any indication that it will need an additional 6 MGD of capacity in the near future. He reiterated that the Town currently has sufficient capacity and will reevaluate its capacity if SJEC decides to expand its facilities in the future. If SJEC expands its operations in the future, Mr. Huss testified that the Town will work with SJEC and St. Joseph County to construct improvements necessary to honor its commitments with SJEC. He further testified that if and until the SJEC elects to exercise the additional 6 MGD option, the Town will continue to serve other customers with its available capacity knowing additional improvements may be required in the future.

Mr. Huss additionally explained that, from an engineering or operational perspective, he has no doubt that the Town has sufficient capacity to serve customers in the New Carlisle Service Area. He noted that the Town has already extended service in much of the area and has sufficient capacity and facilities available to meet the foreseeable demand. Mr. Huss further noted the hydrogeological study's indication of a significant amount of water available to support additional growth and development in the area. He testified that the Town is in a good position to expand

those facilities if demand in the area requires additional improvements to support the SJEC or other customers.

Mr. Huss concluded by stating that the Town has sufficient available capacity to serve the SJEC's current operations and has agreements in place to support the SJEC's future expansions if and when they are constructed. He testified that New Carlisle will work with St. Joseph County and SJEC to construct any additional improvements if needed. Mr. Huss testified that the Town is in the best position to serve the New Carlisle Service Area and recommended that the Commission approve the Petition and Regulatory Ordinance.

ii. Jeffrey P. Rowe, C.P.A. Mr. Rowe explained that the purpose of his rebuttal testimony is to address the prefiled testimony submitted by the SJEC. Mr. Rowe testified that he was surprised to see the SJEC's testimony because the rate ordinances submitted with his direct testimony accurately reflect the rates applicable to the SJEC.

Mr. Rowe testified that he did not agree with Mr. Taylor Jr.'s claims that Mr. Rowe inaccurately represented the rate structure for the SJEC. Mr. Rowe testified that New Carlisle's rate ordinance expressly acknowledges the Town's "two (2) different rate structures," including "one (1) for service from the water facilities in and around the St. Joseph Energy Center, LLC ('SJEC') property[.]" Petitioner's Exhibit 10, p. 1. He further testified that the rate ordinance contains a specific line item for the rates applicable to the SJEC. Mr. Rowe explained that this is consistent with the Supply Agreement's Section 5.04 requirement for the SJEC's rate to be reflected in the Town's rate ordinances. He further explained that other line items within Town's rate ordinances set forth rates for other New Carlisle customers to contrast the rates applicable to the SJEC. Mr. Rowe reiterated that the customers within the New Carlisle Service Area will pay the same rates as applicable to existing customers – meaning the SJEC will pay its applicable rate, and other customers will pay the applicable rate to them. Given this, Mr. Rowe stated that he does not believe it is fair to say that he inaccurately represented the SJEC's rate structure.

Mr. Rowe concluded by stating that the Town's rates are highly competitive and should support additional economic development in the area. He further noted that New Carlisle has a plan for financing improvements to serve the area, including but not limited to, the Water Agreement with the County. Mr. Rowe testified that the Town should be the exclusive service provider to the New Carlisle Service Area, and that this proceeding will not affect the rates charged to the SJEC. Mr. Rowe recommended that the Commission approve the Town's Petition and Regulatory Ordinance to be the exclusive water service provider in the New Carlisle Service Area.

E. Settlement Agreement and Settlement Evidence. On January 27, 2026, the Town and the County Parties (collectively, the "Settling Parties") filed a Settlement Agreement resolving all issues between the Settling Parties.

i. New Carlisle's Settlement Evidence. The Town submitted settlement testimony and exhibits of Mr. Huss. Mr. Huss's included an executed copy of the Settlement Agreement to his testimony as Petitioner's Exhibit 15.

Mr. Huss explained that the Settlement Agreement reflects the agreement between the Settling Parties to resolve all issues respective to the County Parties' intervention in this Cause. He explained that the Settlement Agreement provides the County Parties' consent to the Town's proposed regulated service area set forth in the Regulatory Ordinance in exchange for New Carlisle's agreement to use commercially reasonable efforts to provide water service to projects supported by the County Parties within the New Carlisle Service Area. He further explained that the Settlement Agreement provides that, if the Town is unable to serve a project supported by the County Parties, the County Parties may seek water service from another provider, and, upon selection of another provider, New Carlisle will allow the other provider to serve said project. Mr. Huss explained that Settlement Agreement also includes general terms common to settlements filed with the Commission.

Mr. Huss also testified that provisions within the Settlement Agreement provide for the modification of the Water Agreement to reflect the service area for which the Town seeks approval of in this Cause, the New Carlisle Service Area. He explained that the Settling Parties, each passed the amendment to the Water Agreement, which is attached to Mr. Huss's settlement testimony as Petitioner's Exhibit 16 (the "Water Agreement Amendment"). Mr. Huss explained that the nature of the Settlement Agreement is intended to be consistent with the Water Agreement, and as a collaborative effort between the Town and County Parties to continue supporting the provision of water service and future development in the area. He testified that the Settlement Agreement is the culmination of discussions and various proposals between the Settling Parties regarding the provision of water service to the New Carlisle Service Area.

Mr. Huss testified that the Settlement Agreement is in the public interest and memorializes the Town's intent in filing this proceeding. He explained that the establishment of a specific water service area for New Carlisle is consistent with both the Town's current provision of service to existing customers in the New Carlisle Service Area and the Water Agreement between the Settling Parties. Mr. Huss testified that the Settlement Agreement promotes economic development, will have a positive effect on rates and charges, and is consistent with the service history of the area. He further testified that the Settling Parties recognize that their cooperation is important in fostering economic development within the New Carlisle Service Area, and the Settlement Agreement represents one of many examples of this collaboration. Mr. Huss testified that the Settlement Agreement promotes continued cooperation between the Settling Parties in a manner agreed upon by each party. He further testified that the Settlement Agreement protects long-term infrastructure improvements and financial investments by creating certainty regarding future service areas and promotes the coordination of improvements that will help avoid duplicative infrastructure in the area.

Mr. Huss concluded by testifying that the Settlement Agreement is both reasonable and in the public interest. He recommended that the Commission approve the Settlement Agreement, the Regulatory Ordinance, and the New Carlisle Service Area.

ii. **County Parties' Settlement Evidence.** The County Parties submitted the Settlement Testimony of William S. Schalliol. As Executive Director of Economic Development, Mr. Schalliol stated that he coordinates with public and private agencies to assist

business and economic development activities throughout St. Joseph's County. He explained that the purpose of his testimony is to provide support for the Settlement Agreement.

Mr. Schalliol testified that the County Parties request that the Commission find the Settlement Agreement to be reasonable and that it be approved. Mr. Schalliol testified about the key provisions within the Settlement Agreement. He explained that the Settlement Agreement sets forth an agreement between the Settling Parties by which the Town will use commercially reasonable efforts to provide water service to projects supported by the County Parties and, if the Town is unable to serve, the Town will take all necessary steps to allow another utility to serve. He explained that, under the Settlement Agreement, these necessary steps may include the Town's provision of a consent to serve or relinquishing of its exclusive regulated service area if required by law. Mr. Schalliol further explained that the Settlement Agreement includes the Water Agreement Amendment so that the service area in the Water Agreement reflects the New Carlisle Service Area. He testified that the Settlement Agreement is intended to be consistent with, and does not modify, amend, supersede, or conflict with, the Water Agreement.

Mr. Schalliol also explained the Water Agreement. He explained that the Town entered into the Water Agreement to make certain improvements to the Cliffs WTP and SJEC WTP. Mr. Schalliol further testified that the Town agreed, pursuant to the Water Agreement, to provide water service to areas within the New Carlisle Service Area. He stated that the Water Agreement has two main purposes: (1) to describe how certain water facilities will be designed, financed, constructed, operated, and maintained; and (2) to ensure that St. Joseph County and the Town implement procedures and standards to attract the best possible development to the service area. Mr. Schalliol explained that the Water Agreement sets forth certain water needs that the Town's facilities will be used to serve, including anticipated new facilities and improvements to the Cliffs WTP and the SJEC WTP. He explained that the County Parties agreed to fund the necessary infrastructure and improvements to enable the Town to provide service. Mr. Schalliol further explained that the Water Agreement sets forth how the County Parties will work together to design, plan, and construct new facilities that may be needed in the future to serve new, large-scale development. He testified that, upon completion of any improvements, the County Parties will transfer any improvements to the Town to own, operate, and maintain. Mr. Schalliol testified that the Water Agreement references new development and contemplates the likelihood of new, large-scale developments locating within the area. He testified that it is important to the County Parties that the Water Agreement is preserved, and that the Settling Parties agreed in the Settlement Agreement to execute Water Agreement Amendment so that service area within includes the New Carlisle Service Area as described in the Regulatory Ordinance.

Mr. Schalliol testified that the Settlement Agreement is reasonable and in the public interest. He explained that the Settling Parties engaged in good faith negotiations to resolve the issues in this Cause, resulting in the Settlement Agreement that is beneficial not only for the Settling Parties but also for potential customers. He testified that the Settling Parties' consensus under the Water Agreement that the Town provide water service to the New Carlisle Service Area is bolstered by the Settlement Agreement's requirement that the Town's use commercially reasonable efforts to provide water service to projects supported by the County Parties located within the area. Mr. Schalliol further explained that if the Water Agreement expires or terminates, or despite the Settling Parties' efforts under the Water Agreement the Town remains unable to

reasonably provide water service, the Settlement Agreement will allow another provider to provide water service, increasing the likelihood of connection to water service and ensuring that availability of water service is not a deterrent to projects seeking to develop in St. Joseph County. In such a case, the Town agreed pursuant to the Settlement Agreement to take steps necessary to allow such other provider to serve, which may include a consent to serve or relinquishing its exclusive regulated service area if required by law to do so.

Mr. Schalliol explained that Mr. Huss identified the District and South Bend as water providers near the New Carlisle Service Area. Mr. Schalliol noted that the District does not currently provide water service and that, according to Mr. Huss, South Bend does not have facilities in close proximity to the New Carlisle Service Area. He further noted that neither the District nor South Bend intervened in this proceeding. Mr. Schalliol testified that the Town is already providing service in and around the New Carlisle Service Area, has agreed under to the Water Agreement to provide service, and, according to Mr. Huss, can provide service with existing facilities or additional capital investments. He testified that this weighs in favor of approval of the Regulatory Ordinance.

Mr. Schalliol testified that, as set forth in Mr. Rowe's testimony, the Town will charge customers its existing rates and charges based on cost of service. He referenced Mr. Rowe's testimony that approval would allow the Town to spread its fixed costs over a larger customer base, which weighs in favor of approval of the Regulatory Ordinance. Mr. Schalliol anticipates economic development in St. Joseph County to increase, including in the undeveloped areas within the New Carlisle Service Area. He testified that approval of the Regulatory Ordinance will provide assurances to developers that the Town will be their water provider, and approval of the Settlement Agreement will ensure that developers will be able to obtain water service from another provider if the Town is unable to reasonably provide water service. He testified that these assurances are likely to have a positive impact on economic development in St. Joseph County, weighing in favor of the approval of the Regulatory Ordinance.

Mr. Schalliol also testified about the Town's existing facilities and water service agreements within the New Carlisle Service Area. He testified that, pursuant to the Water Agreement, the Town agreed to provide water service to areas within the New Carlisle Service Area. He further testified that the Water Agreement sets forth certain plans to fund improvements to the Town's water system that will ultimately be transferred to and operated by the Town. Mr. Schalliol additionally stated that the Town has planned to provide, is under agreement to provide service, and is already providing service within the New Carlisle Service Area. Mr. Schalliol testified that these factors all favor approval of the Regulatory Ordinance.

Mr. Schalliol concluded by addressing additional factors that favor Commission approval of the Regulatory Ordinance and the Settlement Agreement. He explained that Ind. Code § 8-1.5-6-10 contains a preference for mutual agreement between utilities that resolves disputes over regulated territories, so long as the agreement is in the public interest. Mr. Schalliol reiterated that the Settlement Agreement is in the public interest and should be viewed favorably. He testified that the Settlement Agreement has been approved by each respective party, with the Town acquiring the requisite approval at a public meeting on January 7, 2026, and the County Parties each acquiring the requisite approval at public meetings on January 12, 2026. Mr. Schalliol

testified that the County and Redevelopment Commission recommend that the Commission approve the Settlement Agreement in its entirety and grant the Town's requested relief subject to the terms and conditions of the Settlement Agreement.

F. February 9, 2026 Docket Entry Response. On February 9, 2026, the Commission entered a "Docket Entry Requesting Additional Information from Petitioner" ("February Docket Entry"), requesting New Carlisle's response to two Docket Entry questions related to its water loss reports to the Indiana Finance Authority and whether main extensions in the New Carlisle Service Area will be undertaken in accordance with Ind. Code § 8-1-2-101.5.

On February 11, 2026, New Carlisle filed its Response to the February Docket Entry ("Town's Response"). The Town's Response explained that New Carlisle reported 58.116 million gallons per year of "water supplied" with "water losses" of 6.340 million gallons per year, equaling a water loss percentage of approximately 10.9%. In support of these figures, the Town's Response included copy of the "Worksheet" tab of New Carlisle's report for the 2023 audit year, submitted to the Indiana Finance Authority in 2024. The Town's Response also confirmed that New Carlisle's main extensions will be undertaken in accordance with Ind. Code § 8-1-2-101.5.

5. Commission Discussion and Findings. In this Cause, New Carlisle seeks approval of its Regulatory Ordinance requesting to be the exclusive water service provider within the New Carlisle Service Area. At the outset of our analysis, we note that New Carlisle is the only utility seeking to serve the New Carlisle Service Area. In addition, we are also presented with a Settlement Agreement between New Carlisle and the County Parties regarding the Regulatory Ordinance and the New Carlisle Service Area.

First, we will evaluate the sufficiency of New Carlisle's Petition under Ind. Code § 8-1.5-6-9(b). Next, we will analyze the public interest factors set forth in Ind. Code § 8-1.5-6-9(c). Lastly, we will first address the Settlement Agreement presented by New Carlisle and the County Parties.

A. Sufficiency of the Petition. Under Ind. Code § 8-1.5-6-9(b), a municipality's petition for approval of a regulatory ordinance must contain the following information:

- (1) A description of the service territory established in the regulatory ordinance;
- (2) proposed rates and charges for the services to be provided in the service territory;
- (3) a list of any administrative or judicial proceedings involving the regulatory ordinance; and
- (4) a list of any utilities actually or potentially affected by the regulatory ordinance.

New Carlisle's Petition included a description of the service territory established in the Regulatory Ordinance, and included a map of the New Carlisle Service Area. The record evidence establishes that the rates and charges for services to be provided in the New Carlisle Service Area are the Town's existing rates and charges. Mr. Rowe explained that the Town adopted a new schedule of rates and charges for the Cliffs WTP on July 15, 2025, per Ordinance No. 1491. Mr. Rowe also testified that the Town originally established water rates for the SJEC Plant in 2018 and

established a new schedule of rates on December 17, 2024, under Ordinance No. 1479. The Petition also stated that New Carlisle's Regulatory Ordinance is not the subject of any other judicial proceeding and identified the utilities that may be impacted as including the District, South Bend, and Granger Water Utility, LLC. The OUCC also testified that New Carlisle included that statutorily required information in the Petition. No party offered legal arguments or evidence that New Carlisle did not meet the Ind. Cod § 8-1.5-6-9(b) filing requirements.

Based on our review of the Petition, the Commission finds that New Carlisle has complied with the filing requirements of Ind. Code § 8-1.5-6-9(b).

B. Public Interest Factors. Under Ind. Code § 8-1.5-6-9(c), the Commission must consider New Carlisle's request for approval of its regulatory ordinance in light of the public interest factors outlined in Ind. Code § 8-1.5-6-8(g), which include:

- (1) the ability of another utility to provide service in the regulated territory;
- (2) the effect of a Commission order on customer rates and charges for service provided in the regulated territory;
- (3) the effect of the Commission order on present and future economic development in the regulated territory;
- (4) the history of utility service in the regulated territory, including any contracts for utility service entered into by the municipality; and
- (5) any other factors the Commission considers necessary.

i. Ability to Provide Service to the New Carlisle Service Area. The first factor the Commission considers is the ability of another utility to provide service within the New Carlisle Service Area. New Carlisle's Petition identified the District, Granger Water, and South Bend as potentially impacted utilities. However, none of those utilities intervened or contested New Carlisle's request to exclusively serve the New Carlisle Service Area. Mr. Huss also testified that these utilities do not have facilities within close proximity to the New Carlisle Service Area. Accordingly, no evidence was offered to show that any other utility either has an interest in or the ability to serve the New Carlisle Service Area.

New Carlisle presented evidence that it has the ability to serve the New Carlisle Service Area and is already providing service to portions of the territory. Mr. Huss explained that, between the Cliffs and SJEC WTPs, the Town averages approximately 6 MGD in daily volume with a current combined firm capacity production volume of 19 MGD. Mr. Huss also described the large distribution pipes, storage facilities, and other related equipment that could be used to provide and extend service to new development in the New Carlisle Service Area. He testified that the previous extensions of service and facilities in the area were calculated to logically extend services within the New Carlisle Service area as it develops. New Carlisle also has an agreement allocating 6 MGD of capacity to the SJEC with an option for additional capacity guarantees if the SJEC builds an additional facility within the New Carlisle Service Area. However, New Carlisle presented evidence that there is sufficient current capacity to support growth within the New Carlisle Service Area. The evidence reflects that the SJEC has not yet elected to exercise its option to receive additional capacity allocations. Further, New Carlisle also presented its Water Agreement with the County Parties that provides a financing mechanism if additional improvements are needed to

provide service to the New Carlisle Service Area, including the SJEC. There is also additional water supply available for use should the Town's demand eventually necessitate additional water production. Specifically, Mr. Huss described a water aquifer study commissioned by the County and the Town which determined the safe yield for the area's existing aquifer as 44 MGD. In sum, New Carlisle demonstrated it has the current capacity to serve the New Carlisle Service Area, and that if it requires additional capacity in the future to serve its customers, it has a plan in place to construct and finance such improvements if they are needed.

New Carlisle demonstrated that it has the ability to serve the New Carlisle Service Area. The evidence establishes that the Town is the only utility currently providing water service to the New Carlisle Service Area. There is no evidence presented in this Cause that any utility, other than New Carlisle, can serve the New Carlisle Service Area. The evidence demonstrates that New Carlisle has the ability and is well positioned to serve customers in the New Carlisle Service Area. Accordingly, we find that the evidence presented in this cause sufficiently addresses the ability of another utility to provide service in the regulated territory and find that this evidence supports our approval of New Carlisle's Regulatory Ordinance.

ii. Effect on Customer Rates and Charges. New Carlisle presented evidence of the rates and charges that would be applicable to the New Carlisle Service Area. The evidence establishes that New Carlisle intends to charge customers in the New Carlisle Service Area the same rates and charges applicable to its existing customers. The evidence also establishes that New Carlisle's rates and charges are competitive for utilities in Indiana. As explained by Mr. Rowe, New Carlisle's rates are less than the average monthly rate approved by the Commission, as reflected by New Carlisle's 2024 Annual Report. Further, the approval of the New Carlisle Service Area should have a positive effect on New Carlisle's rates and charges. As explained by Mr. Rowe, it will enable New Carlisle to spread its fixed costs over a larger customer base, allowing the Town to achieve greater economies of scale. New Carlisle's evidence further demonstrates that, with relatively minor infrastructure improvements, it has the capacity and ability to add customers in the New Carlisle Service Area without incurring major additional costs or a need to increase its rates to extend infrastructure in the territory.

We find that the evidence presented in this Cause sufficiently addresses the effect of the Regulatory Ordinance on customer rates and that the evidence supports our approval of the Regulatory Ordinance.

iii. Effect on Economic Development. The Commission also considers the effect that approval of the regulatory ordinance would have on economic development in the area. The evidence establishes that the Regulatory Ordinance would help facilitate the extension of service into unincorporated areas of St. Joseph County within the New Carlisle Service Area that lacks such service. For example, Mr. Rowe explained that the extension of service to the area should facilitate new economic development and allow new and existing homes the option of connecting to water service. Given the Town's existing facilities within the New Carlisle Service Area, Mr. Rowe testified that New Carlisle will be able to extend service, achieve economies of scale, and offer competitive rates, all of which will be beneficial to future economic development in the area. In addition, as reflected by the Water Agreement, Water Agreement Amendment, and the testimonies of Mr. Huss and Mr. Schalliol, the Town and the County Parties have each

expended considerable resources planning and constructing infrastructure to facilitate the Town's provision of water service in and around the New Carlisle Service Area. Additionally, the evidence demonstrates that approval of the Regulatory Ordinance would provide predictability to prospective customers within the New Carlisle Service Area by establishing certainty as to the provider of water service, and that such service would be offered by a provider whose rates are competitive with neighboring utilities.

We find that the evidence presented in this Cause demonstrates that New Carlisle's requested relief will have a positive effect on economic development in the New Carlisle Service Area, and we find that the evidence supports our approval of the Regulatory Ordinance.

iv. History of Service and Contracts Within the New Carlisle Service Area. The Commission also considers the history of utility service, including any contracts regarding service, when considering a regulatory ordinance. New Carlisle presented evidence that it is currently providing service in portions of the New Carlisle Service Area. As explained by Mr. Huss, many of New Carlisle's largest users are located outside of the Town's current boundaries and within the New Carlisle Service Area. New Carlisle also has multiple agreements with large water users in the New Carlisle Service Area for water service. Likewise, New Carlisle has entered into the Water Agreement and the Water Agreement Amendment with the County Parties for the purpose of facilitating water service and economic development projects to the New Carlisle Service Area. Accordingly, granting New Carlisle's Petition would be consistent with the service that New Carlisle already provides customers in the New Carlisle Service Area. Therefore, we find that the evidence presented in this Cause sufficiently addresses the history of utility service in the New Carlisle Service Area, and we find that this evidence supports our approval of the Regulatory Ordinance.

v. Conclusion on Public Interest Factors. Based on the foregoing analysis, we find that the public interest factors weigh in favor of approving the Regulatory Ordinance and the New Carlisle Service Area. Accordingly, we find that New Carlisle's Regulatory Ordinance is in the public interest and should be approved.

C. Settlement Agreement Between New Carlisle and the County Parties. New Carlisle and the County Parties submitted a Settlement Agreement in which the County Parties agreed not to oppose the relief requested by New Carlisle in exchange for New Carlisle's agreement to use commercially reasonable efforts to provide water service to projects supported by the County Parties within the New Carlisle Service Area. As part of the Settlement Agreement, the Settling Parties also agreed to modify the Water Agreement to reflect the service area for which the Town seeks approval of in this Cause, the New Carlisle Service Area.

Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. Of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

The Commission is not required to accept a settlement simply because the parties have agreed to it, and agreements filed by some or all of the parties must still be supported by probative evidence. *Id.* Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. Of Ind., Inc. v. Pub. Serv. Co. of Ind, Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's procedural rules require that settlements be supported by probative evidence, 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine what evidence in this Cause supports the conclusion that the Settlement Agreement is reasonable, just, consistent with the purpose of Ind. Code § 8-1.5-6, and that such agreement serves the public interest.

Based on the evidence in the record, we find that the Settlement Agreement serves the public interest. The Settlement Agreement allows New Carlisle to continue operating its facilities and serving existing and future customers in the New Carlisle Service Area. In support of the Settlement Agreement, the Settling Parties also submitted a copy of the Water Agreement Amendment, which extends the terms of the Water Agreement to apply to the full New Carlisle Service Area. In addition, if the Town is unable to serve a project supported by the County Parties in a commercially reasonable manner, the Settlement Agreement allows the County Parties to seek water service from another provider, and, upon selection of another provider, New Carlisle will allow the other provider to serve that project. Accordingly, the Settlement Agreement is hereby approved.

The Settlement Agreement shall not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. With regard to future citation of the Settlement Agreement and our approval of it should be treated in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434 (IURC March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Stipulation and Settlement Agreement is approved.
2. New Carlisle's Regulatory Ordinance No. 1478 is approved.
3. New Carlisle shall have an enforceable regulated territory as described in Ordinance No. 1478.
4. New Carlisle shall provide an electronic map that defines the boundaries of the Regulated Territory in shapefile, geodatabase, or mxd format in a definable coordinate system with the Commission's Water and Wastewater Division, within 90 days of the date of this Order.

5. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of the Order into the state general fund described in Ind. Code § 8-1-6-2(b), through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges:	\$1,549.93
OUCG Charges:	\$1,187.12
Legal advertising Charges:	\$ 71.24
TOTAL:	\$2,808.29

6. This Order shall be effective on and after the date of its approval.

DEIG, SWINGER, VELETA, AND ZIEGNER CONCUR; ZAY ABSENT:

APPROVED: APR 29 2026

**I hereby certified that the above is a true
and correct copy of the Order as approved.**

Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
THE TOWN OF NEW CARLISLE, INDIANA,)
FOR APPROVAL OF A REGULATORY)
ORDINANCE ESTABLISHING A SERVICE) CAUSE NO.: 46314
TERRITORY FOR THE TOWN'S MUNICIPAL)
WATER SYSTEM PURSUANT TO IND. CODE)
CH. § 8-1.5-6)

SUBMISSION OF STIPULATION AND SETTLEMENT AGREEMENT

Petitioner, the Town of New Carlisle, Indiana (“New Carlisle”), by counsel, hereby submits its Stipulation and Settlement Agreement (“Settlement Agreement”) with Intervenors, St. Joseph County, Indiana, and the St. Joseph County Redevelopment Commission. The Settling Parties are contemporaneously filing settlement testimony with this Submission of Stipulation and Settlement Agreement. Consistent with the Procedural Schedule issued on December 16, 2025, the Settling Parties are submitting the Settlement Agreement and supporting settlement testimony at least ten (10) business days before the evidentiary hearing in this matter.

Respectfully submitted,



J. Christopher Janak, Atty. No. 18499-49
Jacob T. Antrim, Atty. No. 36762-49
BOSE MCKINNEY & EVANS LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
(317) 684-5000
(317) 684-5173 FAX
cjanak@boselaw.com
jantrim@boselaw.com

Counsel for Petitioner

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served upon the following by electronic mail this 27th day of January, 2026:

Daniel M. LeVay
Indiana Office of Utility Consumer Counselor
dlevay@oucc.in.gov
infomgt@oucc.in.gov

Jeremy L. Fetty
J. Michael Deweese
Andrew L. Eddington
L. Robyn Zoccola
PARR RICHEY FRANSEN PATTERSON
KRUSE LLP
jfetty@parrlaw.com
jdeweese@parrlaw.com
aeddington@parrlaw.com
rzoccola@parrlaw.com

A handwritten signature in black ink, appearing to read "J. Christopher Janak", is written over a horizontal line.

J. Christopher Janak

Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
(317) 684-5000

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
THE TOWN OF NEW CARLISLE, INDIANA)
FOR APPROVAL OF A REGULATORY)
ORDINANCE ESTABLISHING A SERVICE) CAUSE NO. 46314
TERRITORY FOR THE TOWN'S)
MUNICIPAL WATER SYSTEM PURSUANT)
TO IND. CODE CH. § 8-1.5-6)

STIPULATION AND SETTLEMENT AGREEMENT

The Town of New Carlisle, acting by and through its Town Council (the "Town"), St. Joseph County, Indiana, acting by and through its Board of Commissioners (the "County"), and the St. Joseph County Redevelopment Commission, acting by and through its members (the "Redevelopment Commission"), hereby enter into this Stipulation and Settlement Agreement ("Settlement Agreement"). The Town, the County, and Redevelopment Commission may each be referred to as a "Settling Party" and together as the "Settling Parties". The Settling Parties agree that the terms and conditions set forth below represent a fair and reasonable resolution of all issues respective to the County and Redevelopment Commission's intervention in this Cause, subject to incorporation into a final order of the Indiana Utility Regulatory Commission ("Commission") without any modification or condition that is not acceptable to the Settling Parties. The Settling Parties agree as follows:

1. On or about November 6, 2024, the Town adopted Ordinance No. 1478, which is a regulatory ordinance (as defined by Ind. Code § 8-1.5-6-3 and referred to hereinafter as the "Regulatory Ordinance") establishing a service territory for the Town's water utility within the corporate boundaries of the Town and within the "regulated territory", as that term is defined in Ind. Code § 8-1.5-6-2 (the "Regulated Territory"), regulating the furnishing of water utility services therein, and prohibiting any other utility from providing water utility services within the Regulated Territory. The Town filed for Commission approval of its Regulatory Ordinance on October 27, 2025.

2. After the filing of the Town's case-in-chief and the filing of the County and Redevelopment Commission's Petition to Intervene, the Settling Parties engaged in informal discussions, which resulted in this Settlement Agreement. The Settling Parties agree that the County and Redevelopment Commission do not object to the relief requested by the Town, subject to the conditions stated herein.

3. In exchange for the County and Redevelopment Commission's consent to the Town's exclusive regulated water territory pursuant to Ind. Code ch. 8-1.5-6, the Town agrees to use commercially reasonable efforts to provide water service to projects supported by the County and Redevelopment Commission located within the Town's exclusive regulated water service area pursuant to Ind. Code ch. 8-1.5-6, subject at all times, to the Town's available system capacity, engineering feasibility, financial feasibility, and compliance with applicable laws and regulations. In addition, the Town's extension of service to projects supported by the County and Redevelopment Commission will be done consistent with Indiana law.

In the event the Town is unable to provide the requested water service, the Settling Parties agree that the County and Redevelopment Commission may seek water service from another utility provider. In such case, the Town shall take all steps necessary to allow such other provider to provide water service, including providing a consent to serve to another provider or relinquishing its exclusive regulated service area; provided, however, that to the extent relinquishment of its exclusive regulated service area is not required by applicable law to allow such other provider to provide water service, the Town shall not be required to relinquish any portion of its exclusive regulated service area so long as the Town otherwise allows such provider to serve. Notwithstanding the foregoing, the Settling Parties acknowledge and agree that this Settlement Agreement is intended to be consistent with, and not to amend, modify, supersede, or conflict with, any other agreements in effect between the Town, the County, and/or the Redevelopment Commission, including but not limited to the "Agreement Concerning Water Service and Related Matters" entered into on or about July 23, 2024, as it may be amended from time to time, with the Town, County and Redevelopment Commission agreeing to amend said Agreement Concerning Water Service and Related Matters to revise the service area and amend Exhibit A thereof to reflect the territory requested by the Town in its Petition in this Cause 46314.

4. The Settling Parties agree that all the evidence that has been filed in this Cause with respect to the relief provided herein is admissible in evidence and that such evidence constitutes a sufficient evidentiary basis for the issuance of a Commission Order approving this Settlement Agreement.

5. If the Settlement Agreement is not approved in its entirety by the Commission, the Settling Parties stipulate that the terms herein shall not be admissible in evidence or discussed by any Settling Party in a subsequent proceeding. If the Commission does not approve the Settlement Agreement in its entirety, the Settlement Agreement shall be null and void and deemed withdrawn upon notice in writing by either Settling Party within 15 days after the date of the final order stating that a modification made by the Commission is unacceptable to such Settling Party. If the Settlement Agreement is withdrawn, any Settling Party may request, and the other Settling Party shall not oppose, the convening of an attorneys' conference to establish a procedural schedule for the continued litigation of this proceeding.

6. The Settling Parties agree this reflects a fair, just and reasonable resolution, and is without prejudice to the ability of any Settling Party to propose a different term in future proceedings.

7. The Settling Parties agree that no Settling Party shall cite as precedent this Settlement Agreement or the order approving it. The Settling Parties further agree no Settling Party shall assert this Settlement Agreement or agreed order is an admission by any other Settling Party except as necessary to enforce its terms before the Commission or a court of competent jurisdiction.

8. The undersigned represent and stipulate that they are fully authorized to execute this Settlement Agreement on behalf of the respective parties who will be bound thereby.

[signature pages follow]

TOWN OF NEW CARLISLE, INDIANA:

By: Marcy Kauffman

Printed: Marcy Kauffman

Its: President, New Carlisle Town Council

ST. JOSEPH COUNTY, INDIANA:

By: _____

Printed: _____

Its: _____

**ST. JOSEPH COUNTY REDEVELOPMENT
COMMISSION:**

By: _____

Printed: _____

Its: _____

TOWN OF NEW CARLISLE, INDIANA:

By: _____

Printed: _____

Its: _____

ST. JOSEPH COUNTY, INDIANA:

By: Anthony Hazen

Printed: Anthony Hazen

Its: Vice President

**ST. JOSEPH COUNTY REDEVELOPMENT
COMMISSION:**

By: _____

Printed: _____

Its: _____

Carl H. Baxmeyer
Carl H. Baxmeyer
President

Rafael Morton
Rafael Morton
Member

**ST. JOSEPH COUNTY REDEVELOPMENT
COMMISSION**

By: Dennis J Jurdan

Printed: DENNIS J JURDAN

Its: President