

# ARTICLE 6. WATER UTILITIES

## Rule 1. Standards of Service

### 170 IAC 6-1-1 Definitions

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-1

Sec. 1. (a) Where applicable, the definitions set forth in IC 8-1-2-1 shall be applied to these rules.

(b) "AWWA Standards" means the standards contained in the fourth edition of the American Water Works Association M6 Manual of Water Supply Practices, "Water Meters – Selection, Installation, Testing, and Maintenance", published in 1999 and available for purchase from the American Water Works Association, 6666 West Quincy Avenue, Denver, CO 80235. The AWWA Standards are hereby incorporated by reference and do not include any later amendments or editions.

(c) "Commission" means the Indiana utility regulatory commission.

(d) "Customer" means any:

- (1) person;
- (2) firm;
- (3) corporation;
- (4) municipality; or
- (5) other government agency;

that has agreed, orally, or otherwise, to pay for water service received from a water utility, provided, that, for the purposes of sections 15 through 17 of this rule, the term shall be limited to mean persons who have agreed to pay for such service exclusively for residential purposes.

(e) "Disconnection" means the termination or discontinuance of water service.

(f) "Late payment charge" means the one-time penalty assessed by a water utility upon all current bills at the time as they become delinquent.

(g) "OUCC" means the Indiana office of utility consumer counselor.

(h) "Utility" or "water utility" means any public water utility that is:

- (1) subject to the jurisdiction of the commission under:
    - (A) IC 8-1-2; or
    - (B) any other statute of the state of Indiana; and
  - (2) engaged in the:
    - (A) production;
    - (B) sale; or
    - (C) distribution;
- of water service.

*(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 1; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 678; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

### 170 IAC 6-1-2 Applicability of rules

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2

Sec. 2. This rule shall apply to any public water utility that meets the definition in section 1(h) of this rule. *(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 2; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 679; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-3 Retention of records**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-12; IC 8-1-2-40

Sec. 3. All records required by this rule shall be preserved for at least three (3) years except as otherwise provided herein or by IC 8-1-2-40. Such records shall be:

- (1) kept within Indiana:
  - (A) at the principal place of business of the water utility; or
  - (B) at such other places within Indiana as the utility shall designate after notification to the commission; and
- (2) open for examination by:
  - (A) the commission;
  - (B) its representatives; or
  - (C) the OUCC.

*(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 3; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 679; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-4 Meter records and reports**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2

Sec. 4. (a) Whenever any meter is tested, a record shall be preserved containing:

- (1) the information necessary for identifying that particular meter;
- (2) the reason for making the test;
- (3) the reading of the meter before the test;
- (4) the result of the test; and
- (5) all data taken at the time of the test;

in sufficiently complete form to permit the convenient checking of the methods employed.

- (b) Permanent records shall:
  - (1) be kept;
  - (2) be systematically arranged; and
  - (3) contain for each meter owned or used by any water utility the:
    - (A) year of purchase;
    - (B) information specifically identifying the meter; and
    - (C) record of the last test to which the meter was subjected, including:
      - (i) the dates; and
      - (ii) general results;

of the test.

These requirements apply to all meters purchased after the effective date of these rules and to all other meters insofar as the information is available. To the extent practicable, utilities are encouraged to keep such records in a searchable electronic format.

(c) If required by the commission, annual tabulations of the results of all meter tests shall be made, arranged according to types and sizes of meters and intervals of tests or as the commission may request. *(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 4; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 679; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-5 Location of meters**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-34; IC 8-1-2-35

Sec. 5. (a) The location of meters may be determined by the utility pursuant to the utility's rules and specifications.

(b) The meter may be located:

- (1) in an outdoor pit;
- (2) inside the building or premises of the customer being served; or
- (3) in a standardized location pursuant to:
  - (A) utility rules; or
  - (B) local ordinance.

(c) When the meter is to be installed in an underground pit, the pit shall be located in a convenient and readily accessible location. Upon request by the customer before the installation is made, the pit will be located at the point requested, if feasible under proper utility standards. The pit must be constructed to protect the meter from freezing and damage by vehicular traffic. The pit location and design should prevent, as far as possible, the inflow of surface water.

(d) Meters installed in underground pits, to the extent practical, shall not be installed where they are likely to sustain damage due to being struck or crushed, as in driveways, parking lots, etc. When this is not possible, heavy duty tile, ring, and lid assemblies shall be used to protect the installation and adjoining service or main, or both.

(e) When, following the installation of an underground pit by the utility, a customer causes damage due to changes in property usage to:

- (1) the underground pit;
- (2) adjoining service;
- (3) the water main; or
- (4) any combination of the facilities listed in subdivisions (1) through (3);

the customer shall be responsible for the payment of necessary repairs to the damaged facilities.

(f) If the customer wishes to change the location of a properly located underground pit subsequent to its installation by the utility, the customer shall bear the cost of removal and reinstallation, including new service line and retapping of the main, if necessary.

(g) When the meter is to be installed indoors, it shall be located:

- (1) as near as practical to where the service pipe enters the building;
- (2) in a clean, dry, safe place that is:
  - (A) protected from freezing and hot water; and
  - (B) not subject to wide temperature variations; and
- (3) so as to be at all times accessible for:
  - (A) reading;
  - (B) inspection; and
  - (C) removal for testing.

(h) If:

- (1) a customer requests and the utility approves; or
- (2) the utility determines that it is desirable in order to facilitate meter reading;

a remote reading register device may be installed outside the building at an accessible location. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 5; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 679; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-6 Meter register**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2

Sec. 6. (a) All meters used to measure the volume of water sales shall register in:

- (1) U.S. gallons;
- (2) cubic feet; or
- (3) metric units.

(b) The meter register face shall clearly indicate whether the register is in:

- (1) U.S. gallons;
- (2) cubic feet; or
- (3) metric units.

(c) Registers shall have the required numerals on the register's face, so that the meter can be correctly read to the nearest:

- (1) one hundred (100) cubic feet;
- (2) one thousand (1,000) U.S. gallons; or
- (3) metric equivalent thereof.

*(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 6; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 680; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-7 Testing facilities; portable test meters**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2

Sec. 7. (a) Each water utility furnishing water to any of its customers on a metered basis shall provide facilities:

- (1) at the utility itself; or
- (2) provided by another company;

for testing and adjusting its meters satisfactory to the commission.

(b) Where portable test meters are used to determine the accuracy of meters in service, they shall be recalibrated by suitable testing apparatus at sufficiently frequent intervals to ensure correct registration at the specified rates of flow.

(c) A utility, at its discretion, may outsource meter testing without having to obtain special exemption from the commission.

(d) All testing performed, whether by the utility or another company, shall be pursuant to the AWWA Standards. *(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 7; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 680; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-8 Accuracy of meters**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-35

Sec. 8. (a) All meters and appurtenances used for measuring quantity of water delivered to a customer shall be:

- (1) in good mechanical condition;
- (2) adequate in size and design for the type of service that they measure; and
- (3) accurate to within generally accepted standards.

(b) For determination of minimum test flow and normal test flow limits, the specifications of the AWWA Standards shall be used for test flows for cold water meters. *(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 8; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 680; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-9 Determination of meter accuracy**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-35

Sec. 9. Cold water meters shall be tested according to the AWWA Standards. A meter shall not be placed in service if it does not comply with the testing requirements of the AWWA Standards. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 9; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 681; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-10 Periodic inspections and tests**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-35

Sec. 10. (a) For testing the accuracy of water meters, the utility may:

- (1) adopt the method set out in subsection (b); or
- (2) request approval of an alternative method, as provided for in subsection (c).

(b) Each consumer water meter installed shall be periodically inspected and tested or replaced in accordance with the following schedule, or more often if the results may warrant, to ensure that the meter accuracy is maintained within the limits set out in section 9 of this rule:

|                        |   |
|------------------------|---|
| 5/8 inch meters        | 10 years, or for 100,000 cubic feet or equivalent units registered                            |
| 5/8 by 3/4 inch meters | 10 years, for 100,000 cubic feet or equivalent units registered                               |
| 3/4 inch meters        | 8 years, or for each 150,000 cubic feet or equivalent units registered                        |
| 1 inch meters          | 6 years, or for each 300,000 cubic feet or equivalent units registered                        |
| 1 1/2 inch and over    | On an as needed basis, based on consumption and revenue, but not less frequently than 4 years |

(c) If a utility can furnish evidence that the method outlined in subsection (b) is not necessary, an alternate testing method may be used if submitted to and approved by the commission through the commission's thirty (30) day administrative filing procedure. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 10; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 681; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-11 Customer request for meter test; application to utility**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-35

Sec. 11. (a) Each water utility shall make a test of the accuracy of registration of a meter upon written request by a customer. A second test of the customer's meter may be requested after twelve (12) months. The first and second tests of a customer's meter shall be at no cost to the customer.

(b) The customer may be required to bear the reasonable cost of any subsequent test of his or her meter if the:

- (1) meter was:
  - (A) tested within the prior thirty-six (36) months at the customer's request; and
  - (B) found to be in compliance with section 9 of this rule;
- (2) test is made:
  - (A) at the customer's request; or
  - (B) due to a billing dispute; and
- (3) meter is found to be in compliance with section 9 of this rule.

(c) If the utility requires payment from the customer under subsection (b), the utility shall disclose to the customer the cost of the test prior to the test being performed.

(d) A written report giving the results of the tests shall be made to the customer within ten (10) days after the test is complete, and a complete record of the test shall be kept on file in the office of the utility.

(e) Any appeal, in regard to the results of the customer's meter test, shall be filed with the commission under section 12 of this rule within five (5) days of the date of the report. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 11; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 682; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-12 Customer request for meter test; application to commission**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-35

Sec. 12. (a) Upon application of any customer to the commission, and at the discretion of the commission, a test shall be made of a customer's meter by the utility or its contractor under the supervision of an employee of the commission. The commission shall promptly notify the utility of any application. No fee shall be payable by the customer for the test, except as may be charged under section 11(b) of this rule.

(b) This section shall not interfere with the practice of a utility in its tests of water service meters except that, upon receiving notice of a written application to the commission by a customer for a test, the utility shall not:

- (1) remove;
- (2) interfere with; or
- (3) discard;

the meter until completion of the test without the prior written consent of the customer, unless the removal of the meter is required in order to perform the requested test. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 12; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 682; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-13 Bills**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2

Sec. 13. Bills for Water Service. (A) Bills rendered periodically to customers for water service shall show at least the following information:

- (1) The dates and meter readings of the meter at the beginning and end of the period for which the bill is rendered and the billing date,
- (2) The number and kind of units of service supplied,
- (3) The billing rate code, if any,
- (4) The previous balance, if any,
- (5) The amount of the bill,
- (6) The sum of the amount of the bill and the late payment charge, if any,
- (7) The date on which the bill becomes delinquent and on which a late payment charge will be added to the bill,
- (8) If an estimated bill, a clear and conspicuous coding or other indication identifying the bill as an estimated bill,
- (9) Printed statements and/or actual figures on either side of the bill shall inform the customer of the seventeen (17) day non-penalty period.
- (10) An explanation, which can be readily understood, of all codes and/or symbols shall be shown on the bill.

(B) Delinquencies. (1) A utility service bill which has remained unpaid for a period of more than seventeen (17) days following the mailing of the bill shall be a delinquent bill.

- (2) A utility service bill shall be rendered as a net bill. If the net bill is not paid within seventeen (17) days after the bill is

mailed, it shall become a delinquent bill and a late payment charge may be added in the amount of ten (10) percent of the first three (3) dollars and three (3) percent of the excess of three (3) dollars.

(C) Estimated Billing. A water utility may estimate the bill of any customer pursuant to a billing procedure approved by the Commission or for other good cause, including, but not limited to: request of customer; inclement weather; labor or union disputes; inaccessibility of a customer's meter if the utility has made a reasonable attempt to read it; and other circumstances beyond the control of the utility, its agents and employees. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 13; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 683; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

#### **170 IAC 6-1-14 Billing adjustments**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-34

Sec. 14. Adjustment of Bills. (A) Adjustments Due to Meter Error. If any service meter shall be found to have a percentage of error greater than that allowed in Rule 9 [170 IAC 6-1-9], the following provisions for the adjustment of bills shall be observed:

(1) Fast Meters. When a meter is found to have a positive average error, i.e., is fast, in excess of two (2) percent, the utility shall refund or credit the customer's account with the amount in excess of that determined to be an average charge for one-half of the time elapsed since the previous test, or one (1) year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be fast. No part of a minimum service charge need be refunded.

(2) Stopped or Slow Meters. When a meter is stopped or has a negative average error, i.e., is slow, in excess of two (2) percent, the utility may charge the customer an amount estimated to be an average charge for one-half of the time elapsed since the previous test or one (1) year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be slow or stopped. Such action may be taken only in cases where the utility is not at fault for allowing the stopped or slow meter to remain in service.

(B) Adjustment for Interruption of Service. In the event the customer's service is interrupted for a reason other than the act of the customer or the condition of customer controlled equipment, and the service remains interrupted for more than two (2) days after being reported or found to be out of order, appropriate adjustments or refunds shall be made to the customer. Each company shall file with the commission a tariff detailing the method and amount of refund in such cases.

(C) Other Billing Adjustments. All other billing errors, including incorrect tariff applications, may be adjusted to the known date of error or for a period of one year, whichever period is shorter. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 14; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 684; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

#### **170 IAC 6-1-15 Creditworthiness of customer; deposit; refund**

Authority: IC 8-1-1-3

Affected: IC 8-1-2; IC 32-34-1-20

Sec. 15. (a) Each utility shall determine the creditworthiness of residential applicants or customers in an equitable and nondiscriminatory method:

(1) without regard to the economic character of the area wherein the applicant or customer resides; and

(2) solely upon the credit risk of the individual without regard to the collective credit reputation of the area in which he or she lives.

(b) Each new applicant for residential water service shall be deemed creditworthy and shall not be required to make a cash deposit as a condition of receiving service if the applicant satisfies the following criteria:

(1) If the applicant has been a customer of any utility within the last two (2) years, the applicant:

(A) owes no outstanding bills for service rendered within the past four (4) years by any such utility;

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WATER UTILITIES

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(B) during the last twelve (12) consecutive months that the service was provided, did not have more than two (2) bills that were delinquent to any utility or, if service was rendered for a period for less than twelve (12) months, did not have more than one (1) delinquent bill in such period; and

(C) within the last two (2) years did not have a service disconnected by a utility for nonpayment of a bill for services rendered by that utility.

(2) If the applicant has not been a customer of a utility during the previous two (2) years, any two (2) of the following criteria are met:

(A) The applicant either:

(i) has been employed by his or her present employer for two (2) years;

(ii) has been employed by his or her present employer for less than two (2) years, but has been employed by only one (1) other employer during the past two (2) years; or

(iii) has been employed by the present employer for less than two (2) years and has no previous employment due to recently:

(AA) graduating from a school, university, or vocational program; or

(BB) being discharged from military service.

(B) The applicant either:

(i) owns or is buying his or her home; or

(ii) is renting a home or an apartment and has occupied the premises for more than two (2) years.

(C) The applicant has credit cards, charge accounts, or has been extended credit by a bank or commercial concern unless a credit check shows that the applicant has been in default on any such account more than twice within the last twelve (12) months.

(c) If the applicant fails to establish that he or she is creditworthy, under subsection (b), the applicant may be required to make a reasonable cash deposit. Such deposit shall not exceed one-sixth ( $\frac{1}{6}$ ) of the estimated annual cost of service to be rendered to the applicant. If a deposit is greater than seventy dollars (\$70), the utility shall advise the applicant or customer simultaneously with making a demand for a deposit that the applicant or customer may pay such deposit in equal installment payments over a period of no less than eight (8) weeks; service shall be connected upon receipt by the utility of the first such payment.

(d) If the utility requires a cash deposit as a condition of providing service, then it must immediately notify the applicant in writing stating the precise facts upon which the utility based its decision and provide the applicant with an opportunity to rebut such facts and show other facts demonstrating his or her creditworthiness.

(e) A utility may require a present customer to make a reasonable cash deposit when:

(1) the customer has been mailed disconnect notices for two (2) consecutive months;

(2) the customer has been mailed disconnect notices for any three (3) months within the preceding twelve (12) month period; or

(3) the service to the customer has been disconnected within the past four (4) years pursuant to section 16 of this rule.

The amount of such deposit may not exceed an amount equal to one-sixth ( $\frac{1}{6}$ ) of the expected annual billings for the customer at the address at which service is rendered. In the event the required deposit is in excess of seventy dollars (\$70), the utility shall advise the customer that he or she may pay such deposit in equal installment payments over a period of up to eight (8) weeks, except where such deposit is required as a result of a disconnection for nonpayment, in which case full payment of the deposit may be required prior to reconnection.

(f) Requirements for interest upon deposits shall be as follows:

(1) Deposits held more than twelve (12) months shall earn interest from the date of deposit at a rate of six percent (6%) per annum or at such other rate of interest as the commission may prescribe following a public hearing.

(2) The deposit shall not earn interest after the date it is mailed or personally delivered to the customer, or otherwise lawfully disposed.

(g) Requirements for refunds shall be as follows:

(1) Any deposit or accrued interest shall be promptly refunded to the customer without the customer's request when the customer:

(A) submits satisfactory payment for a period of either:

(i) nine (9) successive months; or

(ii) ten (10) out of any twelve (12) consecutive months without late payment in two (2) consecutive months; or



- (B) demonstrates his or her creditworthiness as provided by subsection (b).
- (2) Refunds of deposits or accrued interest issued under this section must be accompanied by a statement of accounting for each transaction affecting the deposit and interest.
- (3) Following customer-requested termination of service, the utility shall:
  - (A) apply the deposit, plus accrued interest, to the final bill; or
  - (B) upon specific request from the customer, refund the deposit, plus accrued interest, within fifteen (15) days after payment of the final bill.
- (4) Each utility shall maintain a record of each applicant or customer making a deposit that shows the following:
  - (A) The name of the customer.
  - (B) The current address of the customer so long as he or she maintains an active account with the utility in his or her name.
  - (C) The amount of the deposit.
  - (D) The date the deposit was made.
  - (E) A record of each transaction affecting such deposit.
- (5) Each customer shall be provided a written receipt from the utility at the time his or her deposit is paid in full or when he or she makes a cash partial payment. The utility shall provide a reasonable method by which a customer who is unable to locate his or her receipt may establish that he or she is entitled to a refund of the deposit and payment of interest thereon.
- (6) Any deposit made by the applicant, customer, or any other person to the utility (less any lawful deductions), or any sum the utility is ordered to refund for utility service, that has remained unclaimed for one (1) year after the utility has made diligent efforts to locate the person who made such deposit or the heirs of such person, shall be presumed abandoned and treated in accordance with IC 32-9-1.5-20(c)(10) [*IC 32-9 was repealed by P.L.2-2002, SECTION 128, effective July 1, 2002.*].
- (7) A deposit may be used by the utility to cover any unpaid balance following disconnection of service under section 16 of this rule; provided, however, that any surplus be returned to the customer as provided in subsection (f) and this subsection.

*(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 15; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 684; filed Oct 28, 1998, 3:22 p.m.: 22 IR 732; errata filed Nov 22, 1999, 3:31 p.m.: 23 IR 812; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-16 Disconnection of service; prohibited disconnection; reconnection**

Authority: IC 8-1-1-3; IC 8-1-2-4  
 Affected: IC 8-1-2-4; IC 8-1-2-113

Sec. 16. (a) For disconnection of service upon the customer's request, the customer shall:

- (1) notify the utility at least three (3) days in advance of the day disconnection is desired; and
- (2) remain responsible for all service used and the billings therefor until service is disconnected pursuant to such notice.

Upon request by a customer of a utility to disconnect service, the utility shall disconnect the service within three (3) working days of the requested disconnection date. The customer shall not be liable for any service rendered to the address or location after the expiration of these three (3) days.

- (b) A utility may disconnect service without request by the customer and without prior notice only:
  - (1) if a condition dangerous or hazardous to life, physical safety, or property exists;
  - (2) upon order by any court, the commission, or other duly authorized public authority;
  - (3) if fraudulent or unauthorized use of water is detected and the utility has reasonable ground to believe the affected customer is responsible for the use; or
  - (4) if the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering.

In all other instances, a utility, upon providing the customer with proper notice as defined in subsection (e), may disconnect service subject to the other provisions of this rule.

(c) Except as otherwise provided in subsections (a) and (b), a utility shall postpone the disconnection of service for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the customer provides the utility with a medical statement from

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WATER UTILITIES

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a licensed physician or public health official that states that disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the customer. The postponement of disconnection shall be continued for one (1) additional ten (10) day period upon the provision of an additional such medical statement. A utility may not disconnect service to the customer:

- (1) upon his or her failure to pay for:
  - (A) merchandise or appliances purchased from the utility furnishing the water;
  - (B) the service rendered at a different metering point, residence, or location if the bill has remained unpaid for less than forty-five (45) days;
  - (C) services to a previous occupant of the premises to be served, unless the utility has good reason to believe the customer is attempting to defraud the utility by using another name; or
  - (D) a different form or class of utility service;

- (2) if the customer shows cause for his or her inability to pay the full amount due (financial hardship shall constitute cause) and the customer:

- (A) pays a reasonable portion (not to exceed ten dollars (\$10) or one-tenth (1/10) of the bill, whichever is less, unless the customer agrees to a greater portion) of the bill;
- (B) agrees to pay the remainder of the outstanding bill within three (3) months;
- (C) agrees to pay all undisputed future bills for service as they become due; and
- (D) has not breached any similar agreement with the utility made pursuant to this rule within the past twelve (12) months; provided, however, that the utility may add to the outstanding bill a late payment charge not to exceed the amount set under section 13(b) of this rule, and provided further, that the terms of the agreement shall be put in writing by the utility and signed by the customer and by a representative of the utility and only one (1) late payment charge may be made to the customer under this section; or

- (3) if a customer is unable to pay a bill that is unusually large due to prior incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection or functioning of the meter, prior estimates where no actual reading was taken for over two (2) months, stopped or slow meter, or any human or mechanical error of the utility, and the customer:

- (A) pays a reasonable portion of the bill, not to exceed an amount equal to the customer's average bill for the twelve (12) bills immediately preceding the bill in question;
- (B) agrees to pay the remainder at a reasonable rate; and
- (C) agrees to pay all undisputed future bills for service as they become due;

provided, however, that the utility may not add to the outstanding bill any late fee, and provided further, that the terms of agreement shall be put in writing by the utility and signed by the customer and a representative of the utility.

If a customer proceeds with a review under 170 IAC 16-1-5, the utility may disconnect only as provided in 170 IAC 16-1-7.

(d) No utility may disconnect service unless it is done between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time. Disconnections under subsections (a) and (b) are not subject to this limitation. A utility may not disconnect service for nonpayment on any day on which the utility office is closed to the public or after noon of the day immediately preceding any day on which the utility office is not open to the public.

(e) Notice is required prior to involuntary disconnection as follows:

(1) Except as otherwise provided in this article, service to any residential customer shall not be disconnected for a violation of any rule or regulation of a utility or for the nonpayment of a bill, except after seven (7) days prior written notice to the customer by either:

- (A) mailing the notice to the residential customer at the address shown on the records of the utility; or
- (B) personal delivery of the notice to the residential customer or a responsible member of his or her household at the address shown on the records of the utility.

No disconnect notice for nonpayment may be rendered prior to the date on which the account becomes delinquent.

(2) The notice must be in language that is clear, concise, and easily understandable to a layperson and shall state the following in separately numbered large typed or printed paragraphs:

- (A) The date of proposed disconnection.
- (B) The specific actual basis and reason for the proposed disconnection.
- (C) The telephone number of the utility office at which the customer may call during regular business hours in order to question the proposed disconnection or seek information concerning his or her rights.

(D) A reference to the pamphlet or the copy of the rules furnished to the customer under section 18 of this rule for information as to the customer's rights.

(f) Immediately preceding the actual disconnection of service, the employee of the utility designated to perform such function shall:

- (1) make a reasonable attempt to identify himself or herself to the customer or any other responsible person then upon the premises;
- (2) announce the purpose of his or her presence;
- (3) make a record thereof to be maintained for at least thirty (30) days;
- (4) have in his or her possession information sufficient to enable him or her to inform the customer or other responsible person of the reason for disconnection, including the amount of any delinquent bill of the customer; and
- (5) request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute pursuant to review under 170 IAC 16-1-5.

Upon the presentation of such credible evidence, service shall not be disconnected. The employee shall not be required to accept payment from the customer or other responsible person in order to prevent the service from being disconnected. The utility shall notify its customers under section 18 of this rule of its policy with regard to the acceptance or nonacceptance of payment by such employee and shall uniformly follow such policy without discrimination. When the employee has disconnected the service, he or she shall give to a responsible person at the customer's premises or, if no one is at home, shall leave at a conspicuous place on the premises a notice stating that service has been disconnected and stating the address and telephone number of the utility where the customer may arrange to have service reconnected.

(g) A utility may charge a reasonable reconnection charge, not to exceed the charge approved by the commission in the utility's filed tariffs. A utility shall inform its customers of the reconnection fee under section 18 of this rule. If the utility disconnects service in violation of this rule, the service shall immediately be restored at no charge to the customer. The utility must reconnect the service to the customer as soon as reasonably possible but at least within one (1) working day after it is requested to do so; provided, however, that the utility shall not be required to reconnect the service until:

- (1) the conditions, circumstances, or practices that caused the disconnection have been corrected;
- (2) payment of all delinquent charges owed the utility by the customer and any deposit authorized by this rule has been made; and
- (3) a responsible person is present in the premises to see that all water outlets are closed to prevent damage from escaping water.

*(Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 16; filed Nov 28, 1977, 3:00 p.m.: Rules and Regs. 1978, p. 687; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; errata filed Jul 21, 2009, 1:33 p.m.: 20090819-IR-170090571ACA; filed May 25, 2010, 1:52 p.m.: 20100623-IR-170090792FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1-17 Customer complaints (Repealed)**

Sec. 17. *(Repealed by Indiana Utility Regulatory Commission; filed May 25, 2010, 1:52 p.m.: 20100623-IR-170090792FRA)*

**170 IAC 6-1-18 Informational pamphlets; rate schedules; notice of proposed rate change**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2

Sec. 18. Information Provided by Utilities to Applicants and Customers. (A) All utilities except Class D water utilities must publish and distribute, without request, to all applicants for service and to all current customers, a comprehensive pamphlet which, in clear language, easily understandable to a layman, fully describes the rights and responsibilities of the customers. For Class D utilities it shall be sufficient to distribute a copy of Rules 11 to 16.2 [170 IAC 6-1-11–170 IAC 6-1-18] of these rules to their customers and applicants for service.

(B) A utility shall supply free of charge a copy of the rate schedules applicable to the types of service available to new applicants for and existing customers of residential service, upon request by the applicant or customer.

(C) Each utility, whenever it petitions the Commission for a change in any of its base rate schedules must furnish to each customer within forty-five (45) days of such request and prior to the date of the public hearing a notice which fairly summarizes the nature and extent of the proposed changes. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 16.2; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 692; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-19 Station meters and pressure surveys; records**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-33

Sec. 19. Station Meters and Pressure Surveys. (A) Each utility furnishing water service shall install at each supply station such station meters and instruments as may be necessary to obtain a daily and monthly record of the total amounts of water delivered into the mains.

(B) Each utility furnishing water service to more than 750 but less than 1,500 customers shall maintain a graphic recording pressure gauge at its plant, downtown office, or at some central point in the distribution system where continuous records shall be made of the pressure in the mains at that point.

(C) Utilities furnishing water service to 1,500 or more customers shall equip themselves with one or more portable graphic recording pressure gauges, in addition to the foregoing, and shall make records, each covering at least a 24-hour period, of the water pressure at sufficiently frequent intervals and at a sufficient number of points on the system to provide an adequate record of system pressures. The records or charts made by these meters shall be identified, dated and kept on file and available for inspection for a period of three years. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 17; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 693; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-20 Water quality standards**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-33

Sec. 20. Quality. (A) Water furnished by any water utility for human consumption or for domestic use shall be of such quality as will have the approval, or comply with the requirements, of the Indiana State Board of Health.

(B) (1) Public water supplies within the distribution pipe systems shall be adequately protected against pollution from back siphonage or cross connections with other systems on customer's property by proper installation of protective devices in accordance with the rules of the Indiana State Board of Health. Such protective devices shall be installed and maintained at the cost and expense of the customer, subject however, to the inspection test and approval of the utility before being placed in service, and at such times thereafter as recommended by the Indiana State Board of Health.

(2) Public water supplies shall also be adequately protected against any unnecessary and avoidable pollution at their own sources, and at all times after being taken therefrom, until delivery to the customer, to conform in all cases to the requirements of the Indiana State Board of Health. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 18; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 693; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-21 Flushing mains; records**

Authority: IC 8-1-1-3; IC 8-1-2-4

Affected: IC 8-1-2-33

Sec. 21. Flushing Mains. (A) Proper provision shall be made for flushing those parts of a distribution system which need flushing in order to eliminate or minimize complaints from customers arising from discoloration or other abnormal conditions of the

water.

(B) Records shall be kept of all flushings of mains, showing date, place and duration, and such records shall be used as a guide in determining the necessary frequency of flushing of the same mains thereafter. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 19; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 693; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-22 Interruptions in service; notice to customers**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-12; IC 8-1-2-113

Sec. 22. Interruptions of Service. Each utility shall keep a record of any interruption of service affecting its entire system or major division thereof, including a statement of the time, duration, extent and cause of the interruption. Whenever the service is intentionally interrupted for any purpose, such interruption shall, except in emergencies, be at a time during regular working hours of the utility which will cause the least inconvenience to customers. Customers who will be affected by such interruption shall, to the extent practical, be notified in advance. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 20; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 693; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-23 Accident reports**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-114

Sec. 23. Accidents. In addition to the reports required by statute, every utility shall give notice to the Commission of each serious accident occurring upon its or its customer's premises when the same is accompanied by flooding with water from the utility's system, and is attended with serious damage to property or human life. Said notice shall be given within 24 hours of the utility's knowledge of such accident. A written report shall also be made if the same is required by the Commission.

Neither said notice nor report shall imply or be considered an admission of any liability or responsibility in connection with the accident. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 21; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 694; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-24 Customer request for modification; liability for costs**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-4; IC 8-1-2-101

Sec. 24. Modification at Customer's Expense. If a customer requests for his convenience or by his actions requires that utility facilities be redesigned, reengineered, relocated, removed, modified, or reinstalled, the utility may require the customer to make payment to it of the full cost of performing such service. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 24; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 694; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-25 Extension of water mains (*Repealed*)**

Sec. 25. (*Repealed by Indiana Utility Regulatory Commission; filed Dec 5, 1990, 3:35 p.m.: 14 IR 566*)

**170 IAC 6-1-26 Rate schedules, rules and regulations; filing; public inspection**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-2-38; IC 8-1-2-39; IC 8-1-2-40

Sec. 26. Filing and Posting of Rate Schedules, Rules and Regulations of the Utility and of the Commission. Copies of all schedules of rates for service, forms of contracts, charges for service connections and extensions, and of all rules and regulations covering the relationship between the customer and the utility shall be filed by each utility in the office of the Commission. Complete schedules, contract forms, rules and regulations, etc., if filed with the Commission, shall also be on file in the local office of the utility, and shall be open to the inspection of the public. The attention of the public shall be called to these files of schedules, rules and regulations, by placing a suitable placard in that part of the office open to the public. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 26; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 700; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-27 Date of compliance with rules**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-1-3

Sec. 27. Date of Compliance with Rules. All water utilities shall comply with these Rules, Regulations, and Standards of Service [170 IAC 6-1] as soon as practicable and be in full compliance within 180 days after their date of effectiveness. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 27; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 700; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1-28 Saving clause**

Authority: IC 8-1-1-3; IC 8-1-2-4  
Affected: IC 8-1-1-3

Sec. 28. Saving Clause. The adoption of these rules [170 IAC 6-1] shall in no way preclude the Commission from altering or amending the same, in whole or in part, or from requiring any additional service, equipment, facility or standards, whether upon complaint or upon its own motion, or upon the application of any utility; and, further, these rules [170 IAC 6-1] shall in no way relieve any utility from any of its duties under the laws of this State. (*Indiana Utility Regulatory Commission; No. 34805: Standards of Service For Water Utilities Rule 28; filed Nov 28, 1977, 3:00 pm: Rules and Regs. 1978, p. 700; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**Rule 1.1. Distribution System Improvement Charges (DSIC)**

**170 IAC 6-1.1-1 Definitions**

Authority: IC 8-1-1-3; IC 8-1-31-17  
Affected: IC 8-1-2; IC 8-1.5-3-8

- Sec. 1. (a) The definitions in this section apply throughout this rule.
- (b) "Commission" means the Indiana utility regulatory commission.
  - (c) "Distribution system" means:
    - (1) distribution mains;
    - (2) valves;
    - (3) hydrants;
    - (4) service lines;

- (5) meters;
- (6) meter installation;
- (7) and other appurtenances;

necessary to transport treated water from the point it exits the treatment facility to the point at which it is delivered to the customer.

(d) "Distribution system improvement charges" or "DSIC" means a distribution system improvement charge approved under IC 8-1-31.

(e) "DSIC costs" means depreciation expenses and the pretax return associated with eligible distribution system improvements.

(f) "DSIC revenues" means utility revenues produced through a DSIC exclusive of revenues from all other rates and charges.

(g) "Eligible distribution system improvements" means new used and useful water utility plant projects that:

- (1) do not increase revenues by connecting the distribution system to new customers;
- (2) are in service; and
- (3) were not included in the utility's rate base in its most recent general rate case.

(h) "Utility" means every public or municipally-owned utility.

(i) "Public utility" means every:

- (1) corporation;
- (2) company;
- (3) partnership;
- (4) limited liability company;
- (5) individual; or
- (6) association of individuals;

or their lessees, trustees, or receivers appointed by a court, that may own, operate, manage, or control any plant or equipment within the state for the production, delivery, or furnishing of water.

(j) "Municipally-owned utility" includes every utility owned or operated by a municipality.

(k) "Pretax return" means the following:

(1) For investor-owned utilities the revenue necessary to:

- (A) produce net operating income equal to the utility's weighted cost of capital multiplied by the original cost of eligible distribution system improvements; and
- (B) pay any state and federal income taxes applicable to such income.

(2) "Pretax return" for a municipally-owned utility:

- (A) the average annual debt service associated with the distribution system improvement; or
- (B) the return on plant under IC 8-1.5-3-8 granted in its most recent rate case computed by multiplying the authorized return times the cost of eligible distribution system improvement.

*(Indiana Utility Regulatory Commission; 170 IAC 6-1.1-1; filed Sep 27, 2005, 8:45 a.m.: 29 IR 456; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.1-2 Applicability and scope**

Authority: IC 8-1-31-8

Affected: IC 8-1-2; IC 8-1-31

Sec. 2. (a) This rule applies to any utility that may now or hereafter be engaged in providing water service, subject to the jurisdiction of the commission.

(b) This rule shall in no way prohibit the recovery by a utility of costs that meet the statutory criteria of IC 8-1-31 et seq., including costs not otherwise included under Account 331, 333, 334, or 335 of the National Association of Regulatory Utility Commissioners' Uniform System of Accounts for Water Utilities, provided that the costs for which recovery is requested were incurred in a project within the utility's existing distribution system and not in projects that connect to new customers. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.1-2; filed Sep 27, 2005, 8:45 a.m.: 29 IR 457; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.1-3 Exemption**

Authority: IC 8-1-31-8

Affected: IC 8-1-2; IC 8-1-31

Sec. 3. A utility may not file a petition under this rule in the same calendar year in which the utility has filed a request for a general increase in the basic rates and charges of the utility. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.1-3; filed Sep 27, 2005, 8:45 a.m.: 29 IR 457; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.1-4 Filing**

Authority: IC 8-1-31-17

Affected: IC 8-1-2; IC 8-1-31

Sec. 4. (a) The utility shall file with the commission rate schedules establishing a DSIC that will allow the automatic adjustment of the utility's basic rates and charges to provide for recovery of DSIC costs. A petition filed to initiate a DSIC proceeding, which shall be deemed the utility's case-in-chief, shall include as attachments:

- (1) schedules;
- (2) forms;
- (3) testimony;
- (4) exhibits; or
- (5) other required supporting documentation;

as provided in section 5 of this rule.

(b) The utility shall serve the office of the utility consumer counselor a copy of its filing at the time of its filing with the commission.

(c) The utility shall give notice of the DSIC filing by United States registered mail to its wholesale customers at the time of its filing with the commission. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.1-4; filed Sep 27, 2005, 8:45 a.m.: 29 IR 457; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; filed Jan 6, 2012, 10:25 a.m.: 20120201-IR-170110426RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.1-5 Required supporting documentation**

Authority: IC 8-1-31-8

Affected: IC 8-1-2-49; IC 8-1-31

Sec. 5. (a) The utility shall submit the following supporting documentation for its petition to the commission:

- (1) A description of the DSIC project, an explanation of why the project is needed, the benefits resulting to the utility and its customers upon completion of the project, and the age of the plant that was retired.
- (2) A statement that the project is in service and was not included in the utility's rate base in its most recent general rate case. Provide the cause number and date of the utility's most recent rate order.
- (3) A statement that the project will not result in an increase in revenue resulting from the connection of new customers to the utility's distribution system.
- (4) A statement that all necessary local, state, and federal permits, approvals, and authorizations applicable to the DSIC project have been obtained.
- (5) A statement regarding whether any affiliate (as defined by IC 8-1-2-49) was directly or indirectly engaged by the utility in connection with the installation of the infrastructure that is the subject of the proposed DSIC and a copy of any such affiliated interest contract.
- (6) A statement regarding whether the utility plans to replace other distribution infrastructure in the next five (5) years and a general outline of any such plans.
- (7) A new tariff reflecting the requested DSIC in the same format as the existing tariff on file with the commission, with clear denotations on all schedules where the DSIC rate is applicable.



- (8) A statement that the utility:
  - (A) has invoices and other cost support for every item included in the project cost form; and
  - (B) is prepared to file such invoices if required by the commission or requested by the office of utility consumer counselor.
- (9) An affidavit from an officer of the utility attesting to the veracity of the statements and information submitted under this subsection.
- (10) When the petition constitutes an application to change an existing DSIC, a statement describing how the utility will satisfy any outstanding reconciliation requirement for its current DSIC.
- (11) A statement that the project costs, for which recovery is sought, represent an investment by the utility and not another funding source such as a grant, developer contribution, or transportation department reimbursement.
- (12) If the applicant is seeking debt service, a statement including the cause number that the applicant has previously obtained IURC approval to issue the long term debt.

(b) By submitting documentation in compliance with subsection (a), the utility makes a prima facie case for the eligibility of the improvements and the reasonableness of the charges. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.1-5; filed Sep 27, 2005, 8:45 a.m.: 29 IR 457; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

#### **170 IAC 6-1.1-6 Response**

Authority: IC 8-1-31-8  
Affected: IC 8-1-2; IC 8-1-31

Sec. 6. (a) The office of utility consumer counselor or other intervening party may submit a report to the commission indicating its opposition to or support of each portion of the petition within thirty (30) days after the petition is filed. The filing utility may then file its rebuttal within seven (7) days. The office of utility consumer counselor may examine information of the utility to determine whether:

- (1) the system improvements are in accordance with the requirements of section 1(f) of this rule; and
- (2) the utility properly calculated the proposed charges.

(b) For purposes of discovery, the period for responses shall be four (4) business days instead of ten (10) days. The remaining provisions of 170 IAC 1-1.1-16 shall apply. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.1-6; filed Sep 27, 2005, 8:45 a.m.: 29 IR 458; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

#### **170 IAC 6-1.1-7 Hearing and order**

Authority: IC 8-1-31-9  
Affected: IC 8-1-2; IC 8-1-31

Sec. 7. (a) Except as provided in subsection (b) or for good cause shown, the commission shall hold the hearing and issue its order not later than sixty (60) days after the petition is filed.

(b) If, subsequent to the filing of its petition, the utility files additional testimony or exhibits, other than rebuttal, to supplement its case-in-chief, or for good cause shown, the commission may reset the sixty (60) day hearing deadline established in subsection (a) of this section. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.1-7; filed Sep 27, 2005, 8:45 a.m.: 29 IR 458; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

#### **170 IAC 6-1.1-8 Reconciliation procedure**

Authority: IC 8-1-31-17  
Affected: IC 8-1-2; IC 8-1-31

Sec. 8. (a) A utility authorized to implement a DSIC shall file with the commission, no later than thirty (30) days after the expiration of each twelve (12) month period in which the DSIC rate was in effect, a report that reconciles the difference between the

DSIC revenues and the DSIC costs. The utility shall serve a copy of the report simultaneously on the office of the utility consumer counselor. Within fifteen (15) days of service, the office of the utility consumer counselor shall submit its comments to the commission and serve a copy on the utility. Upon review of the utility's report and the office of utility consumer counselor's comments, the commission may, at its discretion, convene a hearing after notice to adjust the DSIC to reconcile over recovery or under recovery of the underlying DSIC costs.

(b) In the event the utility is later authorized to change its DSIC, then the annual reconciliation shall be twelve (12) months following the authorization of the change in the DSIC, with the first reconciliation also covering the period between the last reconciliation of the previously approved DSIC and authorization to change the DSIC (the "interim period"). Reconciliation for the interim period shall use the DSIC revenues and DSIC costs associated with the DSIC in effect at the time.

(c) In the event that a utility files revised rate schedules, the commission's order will reset the DSIC and create new basic rates and charges. Upon issuance of the order, the utility shall file the reconciliation report covering previously unreconciled periods with the commission within three (3) months. The report must be completed as follows:

(1) The reconciliation report shall use the DSIC revenues and DSIC costs associated with the DSIC in effect at the time.

(2) An over or under recovery shall be shown as an addition to or reduction from DSIC costs included in the utility's first DSIC filing following implementation of the new basic rates and charges.

*(Indiana Utility Regulatory Commission; 170 IAC 6-1.1-8; filed Sep 27, 2005, 8:45 a.m.: 29 IR 458; readopted filed Sep 23, 2011, 11:52 a.m.: 20111019-IR-170110397RFA; filed Jan 6, 2012, 10:25 a.m.: 20120201-IR-170110426RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

## **Rule 1.5. Extension of Water Mains**

### **170 IAC 6-1.5-1 "Applicant" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 1. As used in this rule, "applicant" means a person requesting the main extension in order to receive water utility service from the utility. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-1; filed Dec 5, 1990, 3:35 p.m.: 14 IR 559; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

### **170 IAC 6-1.5-2 "Commission" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 2. As used in this rule, "commission" refers to the Indiana utility regulatory commission. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-2; filed Dec 5, 1990, 3:35 p.m.: 14 IR 559; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

### **170 IAC 6-1.5-3 "Completion date of the main extension" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 3. As used in this rule, "completion date of the main extension" means the date the utility declares the main extension to be in service and releases it for taps. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-3; filed Dec 5, 1990, 3:35 p.m.: 14 IR 559; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-4 "Cost of connecting" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 4. As used in this rule, "cost of connecting" means the average of the utility's costs for the same size service connection incurred during the preceding calendar year including, if provided by the utility, the service pipe, service stop, meter and meter vault, tap, and installation thereof or portions thereof; however, the cost of connecting shall not be applicable under this rule for those portions of such cost recovered from an applicant by a utility in the form of a tap or similar charge. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-4; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-5 "Cost of the main extension" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 5. As used in this rule, "cost of the main extension" means the cost of installing the main as determined in sections 31 through 32 of this rule. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-5; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-6 "Customer" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 6. As used in this rule, "customer" means a person being supplied with water utility service. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-6; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-7 "Deposit" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 7. As used in this rule, "deposit" means the amount required to be deposited by or on behalf of each applicant or prospective customer for a main extension prior to the utility commencing construction of the main extension. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-7; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-8 "Estimated annual revenue" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 8. As used in this rule, "estimated annual revenue" for an applicant connecting to the main means the utility's average annual revenue per applicant from comparable customers in the calendar year preceding such connection, adjusted to reflect any changes in the applicable rates and charges of the utility for such service. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-8; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr*

11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)

**170 IAC 6-1.5-9 "Frontage" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 9. As used in this rule, "frontage" means the footage, ten (10) feet minimum length, of a lot or tract (but not an easement) boundary that is parallel to or curvilinear to, and immediately adjacent to a main extension in a public thoroughfare or easement. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-9; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-10 "Immediate revenue allowance" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 10. As used in this rule, "immediate revenue allowance" means the amount of three (3) times the estimated annual revenue less the cost of connecting for an applicant. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-10; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-11 "Lot" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 11. As used in this rule, "lot" means a parcel of land as platted or, if the area to be served is not platted, the equivalent of a parcel of land as determined in accordance with section 30 of this rule. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-11; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-12 "Main" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 12. As used in this rule, "main" means a pipe owned by the utility which delivers water to fire hydrants and service pipes. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-12; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-13 "Main extension" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 13. As used in this rule, "main extension" means the mains, hydrants, and appurtenances installed by the utility to provide the water utility service requested by or on behalf of the applicant or prospective customer, but does not include the service pipes. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-13; filed Dec 5, 1990, 3:35 p.m.: 14 IR 560; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-14 "Original depositor" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 14. As used in this rule, "original depositor" means an applicant who enters into a main extension agreement and makes a deposit with the utility. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-14; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-15 "Person" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 15. As used in this rule, "person" means an individual, firm, corporation, governmental agency, or other entity. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-15; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-16 "Prospective customer" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 16. As used in this rule, "prospective customer" means a person who is not an original depositor, but whose lot or frontage directly abuts the main extension between its original beginning and its original end point. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-16; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-17 "Public thoroughfare" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 17. As used in this rule, "public thoroughfare" means a road, street, or way which has been dedicated for use by the public and accepted by the appropriate governmental authority. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-17; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-18 "Refund" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 18. As used in this rule, "refund" means the subsequent connector's fees, subsequent connector's revenue allowances, and revenue allowances from depositor-authorized connections of lots included in the original depositor's main extension agreement that must be paid by the utility to the original depositor for ten (10) years after the completion date of the main extension. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-18; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-19 "Revenue allowance from depositor-authorized connection" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 19. As used in this rule, "revenue allowance from depositor-authorized connection" means the amount of three (3) times the estimated annual revenue less the cost of connecting that the utility may refund to original depositor for connections for lots or unplatted areas owned, controlled, or designated by the original depositor and does not include an immediate revenue allowance. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-19; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-20 "Service pipe" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 20. As used in this rule, "service pipe" means a supply line leading directly into the premises supplied or to be supplied from the main adjacent to such premises. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-20; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-21 "Service stop" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 21. As used in this rule, "service stop" means a valve inserted in the service pipe between the main and the meter for the purpose of turning water on and off. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-21; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-22 "Subsequent connector" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 22. As used in this rule, "subsequent connector" means a person who was not an original depositor but subsequently applies for water service and who connects to the main within ten (10) years after the completion date of the main extension. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-22; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-23 "Subsequent connector's fee" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 23. As used in this rule, "subsequent connector's fee" means the cash fee equal to the cost per lot of the main extension determined in accordance with sections 30 through 32 of this rule, multiplied by the number of lots for which service is requested. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-23; filed Dec 5, 1990, 3:35 p.m.: 14 IR 561; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-24 "Subsequent connector's revenue allowance" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 24. As used in this rule, "subsequent connector's revenue allowance" means three (3) times the estimated annual revenue for the subsequent connector less the cost of connecting. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-24; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-25 "Tap" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 25. As used in this rule, "tap" means a fitting owned by the utility and inserted by it into a main to which a service pipe is attached. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-25; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-26 "Total required deposit" defined**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 26. As used in this rule, "total required deposit" means the amount by which the cost of the main extension exceeds the immediate revenue allowance for the original depositor. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-26; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-27 Free extension**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 27. A utility, upon written request for service by an applicant, shall extend a main and connect the applicant free of charge to provide the service requested if:

- (1) the cost of the main extension does not exceed the immediate revenue allowance for the applicant; and
- (2) the applicant agrees to take service within nine (9) months following the completion date of the main extension.

(*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-27; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-28 Main extension; exception to commission approval**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
Affected: IC 8-1-12

Sec. 28. If the cost of the main extension is greater than the free extension cost provided in section 27 of this rule, that extension shall be made, upon receipt by the utility of a signed agreement and a deposit from the applicant, without specific approval of the agreement by the commission. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-28; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-*

170190136RFA)

**170 IAC 6-1.5-29 Main extension route**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 29. (a) The utility shall use good engineering and water utility practices in determining the route for all main extensions.

(b) The utility shall determine the total length of the extension from its existing main to serve the extension to the end of the lot or frontage of the most remote applicant to be served.

(c) However, if the end lot or frontage is a corner lot or frontage abutting an intersecting street in which an existing main is located, the end of the new extension must connect with the existing main located in that intersecting street.

(d) If the end lot or frontage is a corner lot or frontage abutting an intersecting street in which no main is located, the end of the new extension may not extend beyond the intersecting street corner of that lot.

(e) If the street in which the main is to be laid dead ends in a cul-de-sac or appears to be permanently dead ended against a railroad, creek, river, or other major physical or natural barrier, the end point of the main extension, if serving the most remote lot or frontage, shall be the point of the most remote service pipe connection, which connection point shall be at least ten (10) feet beyond the lot line. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-29; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-30 Number of lots served by main extension**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 30. A determination shall be made of the number of lots to be served by the main extension. The determination may include only lots which directly abut the main extension between its original beginning and its original end point. If any part of the main extension is located within an area platted or to be platted, the number of lots shown within the plat to be served shall be included in the determination. If any part of the main extension is located in an unplatted area, the number of lots to be included shall be determined by dividing the total frontage of the main extension within the unplatted area on either or both sides of the public thoroughfare or easement in which the main is located by one hundred (100) feet and rounded to the nearest whole number of lots, provided either or both sides are available for future development and not restricted against usage because of limited access or other reasons. The determination of the number of lots for a particular extension may include a combination of platted and unplatted lots as defined in this section. Any further main extension subsequently connected to the original main extension shall, for all purposes under this rule, constitute a separate main extension. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-30; filed Dec 5, 1990, 3:35 p.m.: 14 IR 562; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-31 Main extension cost**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 31. (a) The cost of the main extension may, as determined by the utility, be either:

(1) the computed cost based on the average costs for similar main extensions experienced by the utility during its preceding fiscal year, plus or minus any amount necessary to adjust for known cost increases or decreases;

(2) the estimated cost of the extension; or

(3) the actual cost of a developer-installed extension.

(b) In the absence of representative cost data for the previous year for any size or type of main or for any special construction, or for any other facility involved in a main extension, the cost shall be the utility's best estimate of the cost of the main, special construction, or related facilities based upon current available information.



(c) If the cost of the main extension is computed or estimated under subsection (a)(1) or (a)(2), it shall be based on an eight (8) inch main unless the utility determines that a larger or smaller main is reasonably necessary to serve the applicant, including fire protection service, in which event the cost, computed or estimated, shall be based on the size of main determined reasonably necessary.

(d) If the utility's future extension plans require a larger main than is reasonably necessary to serve the applicants and prospective customers, the difference in the cost for the larger main size and increased material and installation cost, if any, shall be borne by the utility.

(e) The computed or estimated cost may be adjusted to the actual cost by the utility, in which event the actual cost as finally determined shall constitute the cost of the main extension. If the main extension agreement provides for the adjustment of the computed or estimated cost of the main extension to the actual cost, the adjustment shall be made upon completion of the main extension. If the actual cost of the extension is less than the computed or estimated cost, the utility shall refund the difference to the original depositor as soon as the actual cost has been determined. If the actual cost of the extension exceeds the computed or estimated cost, then the utility shall bill the original depositor for, and that depositor shall pay, the difference between the computed or estimated cost and the actual cost.

(f) If the utility determines that a main larger than eight (8) inches is reasonably necessary to serve the domestic and fire protection requirements of the applicant, and those requirements are significantly in excess of the requirements of the other applicants or the prospective customers along the intervening route of the main, the cost of the main extension or deposit for other applicants or subsequent connector's fee for the prospective customers shall be based on the smaller size main that the utility has determined is adequate to meet the requirements of the other applicants or the prospective customers along the intervening route. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-31; filed Dec 5, 1990, 3:35 p.m.: 14 IR 563; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-32 Cost per lot**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 32. The cost per lot shall be determined by:

- (1) the total number of lots to be served by the main extension divided into the cost of the main extension; or
- (2) the cost of the main extension shall be divided proportionately on the basis of respective lot frontage for all lots to be served by the main extension.

(*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-32; filed Dec 5, 1990, 3:35 p.m.: 14 IR 563; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-33 Cost options**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 33. (a) The utility shall file with the commission, for approval, its choice of the following options with appropriately revised rules:

- (1) For the main extension, the applicant shall be required to pay the cost of the main extension, and the full gross-up state and federal taxes associated with the cost of the extension and the applicant shall receive refunds as provided in sections 36 through 37 of this rule.
- (2) For the main extension, the applicant shall be required to pay the cost of the main extension exclusive of the tax associated with the main extension, and the applicant shall receive refunds as provided in sections 36 through 37 of this rule.
- (3) For the main extension, the applicant shall be allowed the option of paying the cost of the main extension and full gross-up state and federal taxes associated with the cost of the main extension, and the applicant shall receive refunds as provided in sections 36 through 37 of this rule, or shall pay the cost of the main extension exclusive of the tax associated with the main extension and the applicant shall forfeit all rights to immediate revenue allowances and to refunds, except for subsequent

connector's fees.

(b) If the utility desires to change its option after initial filing, the utility shall submit its requested revisions to the commission for approval. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-33; filed Dec 5, 1990, 3:35 p.m.: 14 IR 563; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-34 Total required deposit**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 34. (a) In the case of a residential real estate development, immediate revenue allowance may not be deducted from the cost of the main extension in determining the amount of the total required deposit, except for those residential dwelling units, if any, where construction has commenced above the first floor level.

(b) In the case of a commercial or industrial real estate development, immediate revenue allowance may not be deducted from the cost of the main extension in determining the amount of the total required deposit, except where building construction has commenced and pertinent data, such as customer types, service pipe, metering arrangements, and water demands, have been furnished to the utility, to allow the utility to determine the estimated annual revenue from that development.

(c) The total required deposit for a main extension may either be made in a cash payment, or it may be secured by an irrevocable letter of credit acceptable to the utility and issued by a national banking association or a bank chartered under the laws of the state. The deposit may also be secured in any other manner which is mutually acceptable to the parties and which guarantees payment of the deposit immediately upon completion of the main extension.

(d) If permitted by the utility, the main extension may be installed by the developer or the developer's contractor according to the extension and installation policies of the utility, and the actual cost of the developer-installed extension shall be considered the total required deposit.

(e) A utility may allocate, or permit original depositors to allocate, the total required deposit on the basis of the number of lots, the respective lot frontage, or any other basis mutually acceptable to the original depositors. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-34; filed Dec 5, 1990, 3:35 p.m.: 14 IR 564; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-35 Subsequent connector fee**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 35. (a) Within ten (10) years after the completion date of the main extension, a utility shall not permit a subsequent connector to connect to a main extension until after the subsequent connector has paid the required subsequent connector's fee to the utility.

(b) Applicants for service connections for lots in subdivision and tract developments which are included in the original depositor's main extension agreement, are not required to pay a subsequent connector's fee, unless otherwise specifically provided for in the main extension agreement.

(c) If a prospective customer with frontage land that was unplatted on one (1) or both sides of the street at the time the main extension was installed later subdivides this frontage prior to the expiration of the ten (10) years after the completion date of the main extension in such a manner that some or all lots will not require service directly from that main extension, the customer is considered to have requested a lateral extension from that main extension to serve the customer's land. The utility, in that case, shall collect from the prospective customer prior to installing the requested lateral main extension, a subsequent connector's fee for each equivalent lot of the frontage land used in determining the main extension cost per lot and which will not be served directly by the original main extension. (*Indiana Utility Regulatory Commission; 170 IAC 6-1.5-35; filed Dec 5, 1990, 3:35 p.m.: 14 IR 564; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-1.5-36 Refunds**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 36. (a) Refunds shall be paid for a period of ten (10) years after the completion date of the main extension to the original depositor in proportion to the respective deposits, unless the original depositor for the main extension forfeited all rights to refunds, except subsequent connector's fees, as provided in section 33(a)(3) of this rule.

(b) However, no refunds shall be required to be made by the utility until the number of customers actually connected to the main extension equals the number of applicants for which an immediate revenue allowance was included in computing the total required deposit for the main extension. The refunds shall be paid annually or more frequently at regular intervals at the discretion of the utility.

(c) Total refunds to any original depositor shall not exceed the amount of the original deposit except in the case of a phased residential real estate development. In this situation the preliminary plat must be submitted to the utility at the time of the first request for a main extension. During the ten (10) year period beginning with the completion date of the first main extension, the amount of any refunds generated in excess of the deposit made on any phase of the development must be applied against the deposit made for any other phase of the development, so long as the total amount of refunds to the original depositor shall not at any time exceed the total amount of his deposits during the period. The utility shall not require any subsequent connector's fee which is in excess of the unrefunded balance of the aggregate of deposits received from all original depositors.

(d) The refund shall be made by mailing the payment to the original depositor's last known address as shown on the books and records of the utility. Any refund distribution which cannot be returned to an original depositor after the refund becomes due and payable must be reported as required by IC 32-9-1-42 *[Repealed by P.L.31-1995, SECTION 9, effective July 1, 1996.]*. (Indiana Utility Regulatory Commission; 170 IAC 6-1.5-36; filed Dec 5, 1990, 3:35 p.m.: 14 IR 564; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)

**170 IAC 6-1.5-37 Deposit**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 37. A deposit shall be held by the utility as a customer's advance for construction. Any deposit which is not subject to refund because of the running of the ten (10) year period as provided in section 36 of this rule, shall be transferred by the utility to contributions in aid of construction. If the original depositor for a main extension forfeits all rights to a refund, except for subsequent connector's fees as provided in section 33(a)(3) of this rule, the payment must be included in contributions in aid of construction, and the associated taxes shall be deducted from contributions in aid of construction. All other deposits must be held as customers' advances for construction until returned to the original depositor or be reported as required by IC 32-9-1-36 *[Repealed by P.L.31-1995, SECTION 9, effective July 1, 1996.]*. (Indiana Utility Regulatory Commission; 170 IAC 6-1.5-37; filed Dec 5, 1990, 3:35 p.m.: 14 IR 565; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)

**170 IAC 6-1.5-38 Basis for costs**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12  
 Affected: IC 8-1-12

Sec. 38. (a) Each utility shall, no later than the first quarter of each year, submit to the commission information used to establish the basis for computed costs for typical main extensions.

(b) If the applicant is required to make any payment, the utility shall, upon request, make the following available to the applicant:

(1) The information used to establish the basis for the applicable amount as submitted to the commission in compliance with this rule.

(2) The information used to establish the basis for the estimated annual revenue for a period of three (3) years to be realized by the utility from permanent and continuing customers on main extensions as required by this rule.

(3) The cost of connecting for the sizes of service connections.

*(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-38; filed Dec 5, 1990, 3:35 p.m.: 14 IR 565; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-39 Extension exception**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 39. A utility shall not be required to make extensions as described in this rule unless the applicants to be initially served by those extensions contract to use the service for a period of three (3) years. A bond may be required of the applicant in this situation. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-39; filed Dec 5, 1990, 3:35 p.m.: 14 IR 565; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-40 Special contract**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 40. (a) A utility may require a special contract when:

(1) the requested main extension is of such length and the prospective business to be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair return on the utility investment involved in such extension;

(2) the prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved;

(3) there are industrial installations requiring extensive water utility investment and where the demand for water service is expected to be slight, irregular, or of unknown quantity; or

(4) there are other abnormal or extraordinary circumstances.

(b) The utility and the applicant requesting the extension may enter into a special contract establishing the terms and conditions on which the extension will be made. In the event they are unable to agree on the terms and conditions, the matter, including the contract embodying the terms and conditions, shall be submitted to the commission for determination. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-40; filed Dec 5, 1990, 3:35 p.m.: 14 IR 565; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-1.5-41 Prohibition exception**

Authority: IC 8-1-1-3; IC 8-1-2-4; IC 8-1-12

Affected: IC 8-1-12

Sec. 41. This rule does not prohibit a utility from making free extensions of lengths greater than specified in this rule or from providing a method of return of deposits for extensions more favorable to original depositors, so long as discrimination is not practiced among applicants or original depositors whose service requirements are similar. *(Indiana Utility Regulatory Commission; 170 IAC 6-1.5-41; filed Dec 5, 1990, 3:35 p.m.: 14 IR 566; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**Rule 2. Classification of Accounts for Class A, B, and C Water Utilities**

**170 IAC 6-2-1 Classification of accounts; adoption of rules (Repealed)**

Sec. 1. *(Repealed by Indiana Utility Regulatory Commission; filed Feb 15, 1990, 4:30 p.m.: 13 IR 1136)*

**170 IAC 6-2-2 Classification of accounts for Classes A, B, and C water utilities; adoption by reference**

Authority: IC 8-1-1-3; IC 8-1-2-10  
Affected: IC 8-1-2-10; IC 8-1-2-46

Sec. 2. (a) The rules governing the classification of accounts for Classes A, B, and C water utilities operating within the state of Indiana shall be the 1996 edition of the Uniform System of Accounts as approved, prescribed, and promulgated by the National Association of Regulatory Utility Commissioners, which:

- (1) are hereby incorporated into this rule by reference; and
- (2) do not include any later amendments or editions.

(b) Copies of the 1996 edition of the Uniform System of Accounts prescribed for Classes A, B, and C water utilities, as approved, prescribed, and promulgated by the National Association of Regulatory Utility Commissioners are available for purchase from the National Association of Regulatory Commissioners, 1101 Vermont Avenue NW, Suite 200, Washington, D.C. 20005. *(Indiana Utility Regulatory Commission; 170 IAC 6-2-2; filed Feb 15, 1990, 4:30 p.m.: 13 IR 1136; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Dec 15, 2008, 11:46 a.m.: 20090114-IR-170080315FRA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**Rule 3. Central Station Hot Water Heating Utilities (Expired)**

*(Expired under IC 4-22-2.5, effective January 1, 2020.)*

**Rule 4. Small Water Utilities; Rate Changes (Repealed)**

*(Repealed by Indiana Utility Regulatory Commission; filed Jun 28, 1991, 3:20 p.m.: 14 IR 1948)*

**Rule 5. Water Tracker Procedure**

**170 IAC 6-5-1 "Application for water tracker" defined**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-42; IC 8-1-2-125; IC 8-1-2.7

Sec. 1. As used in this rule, "application for water tracker" means an application submitted to the engineering division of the commission in accordance with section 7 of this rule and IC 8-1-2-42 that functions as a request or in support of a request for a water tracker. *(Indiana Utility Regulatory Commission; 170 IAC 6-5-1; filed Dec 3, 1990, 9:34 a.m.: 14 IR 557; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; errata filed Jul 21, 2009, 1:33 p.m.: 20090819-IR-170090571ACA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-5-2 "Commission" defined**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 2. As used in this rule, "commission" refers to the Indiana utility regulatory commission. *(Indiana Utility Regulatory Commission; 170 IAC 6-5-2; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-5-3 "Supplier" defined**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 3. As used in this rule, "supplier" means a utility supplying water to a water utility. (*Indiana Utility Regulatory Commission; 170 IAC 6-5-3; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-5-4 "Water tracker" defined**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 4. As used in this rule, "water tracker" means the procedure available to a water utility under this rule to recover an increase or a decrease in costs associated with purchased water due to a change in the supplier's rates. (*Indiana Utility Regulatory Commission; 170 IAC 6-5-4; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-5-5 "Water tracker information form" defined**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 5. As used in this rule, "water tracker application form" means the forms, schedules, and instructions provided by the engineering division of the commission under this rule. The commission staff shall develop the forms, schedules, and instructions that comprise the water tracker application form and shall revise the water tracker application form as needed. (*Indiana Utility Regulatory Commission; 170 IAC 6-5-5; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-5-6 "Water utility" defined**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 6. As used in this rule, "water utility" means a utility supplying water service to the public at rates that are subject to the jurisdiction of the commission and that purchases water for ultimate resale to the public. (*Indiana Utility Regulatory Commission; 170 IAC 6-5-6; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA*)

**170 IAC 6-5-7 Water tracker procedure**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47  
Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 7. A water utility may apply to the commission to recover an increase or decrease in the costs associated with purchased water by submitting an application for water tracker to the engineering division of the commission. The application must include the following:

- (1) A completed water tracker application form. The form is available from the engineering division of the commission.
- (2) Proof of publication of notice in accordance with section 8 of this rule.
- (3) A copy of:

- (A) the resolution or ordinance of the water utility's governing body authorizing the application for water tracker; or
- (B) the minutes of the meeting of the water utility's governing body where the application for water tracker was authorized.

(4) A verified statement by an officer or manager of the water utility in support of the proposed change in the utility's schedule of rates and charges that specifies the amount of the water tracker.

(5) Two (2) unmarked copies of the water utility's current schedule of rates and charges incorporating the water tracker.

*(Indiana Utility Regulatory Commission; 170 IAC 6-5-7; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

#### **170 IAC 6-5-8 Publication of notice**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47

Affected: IC 8-1-2-42; IC 8-1-2-125; IC 8-1-2.7

Sec. 8. A water utility that files an application for water tracker shall publish notice of the filing at least twenty (20) days prior to the proposed effective date of the water tracker. Notice must be published in a newspaper of general circulation in all counties in which the water utility renders service. The notice must contain the following:

- (1) The amount of the water tracker to be applied to the water utility's schedule of rates.
- (2) A statement that the rate change is based solely on the change in the cost of water purchased by the water utility.
- (3) The name of the supplier.
- (4) A statement that the rate change will apply to the next practical consumption period following final approval by the commission in accordance with IC 8-1-2-42.

*(Indiana Utility Regulatory Commission; 170 IAC 6-5-8; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

#### **170 IAC 6-5-9 Application of water tracker**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47

Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 9. Once a water utility employs the water tracker procedure of this rule to recover an increase in the cost associated with purchased water, the utility must use the water tracker to offset its rates by any decrease the water utility experiences in the cost of purchased water. A water utility required to offset its rates by any decrease must make its application within thirty (30) days of the implementation of the decrease. *(Indiana Utility Regulatory Commission; 170 IAC 6-5-9; filed Dec 3, 1990, 9:34 a.m.: 14 IR 558; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

#### **170 IAC 6-5-10 Commission review**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47

Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 10. The commission staff shall review each application for water tracker submitted to the commission. The review must include an investigation into the following:

- (1) Whether or not the revised purchased water costs are true and correct.
- (2) Whether or not the proposed revised rates filed by the water utility are equal to the actual increase or decrease in the purchased water expense.
- (3) Whether or not the water utility's calculations are mathematically accurate.
- (4) The effective date of the supplier's rates and the nature and permanency of those rates.

*(Indiana Utility Regulatory Commission; 170 IAC 6-5-10; filed Dec 3, 1990, 9:34 a.m.: 14 IR 559; readopted filed Jul 11, 2001,*

*4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

**170 IAC 6-5-11 Commission action**

Authority: IC 8-1-1-3; IC 8-1-2-42; IC 8-1-2-47

Affected: IC 8-1-2-125; IC 8-1-2.7

Sec. 11. (a) After conducting its review in accordance with section 10 of this rule, the commission staff shall report its recommendations in writing to the commission.

(b) After reviewing the staff's recommendations the commission may:

(1) approve the application;

(2) disapprove the application; or

(3) approve a modified version of the application.

*(Indiana Utility Regulatory Commission; 170 IAC 6-5-11; filed Dec 3, 1990, 9:34 a.m.: 14 IR 559; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; readopted filed Aug 2, 2013, 2:16 p.m.: 20130828-IR-170130227RFA; readopted filed Apr 11, 2019, 9:04 a.m.: 20190508-IR-170190136RFA)*

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