

**RULES, REGULATIONS AND CONDITIONS**  
**OF**  
**SEWER SERVICE**

ISSUED PURSUANT TO

44533

DATE: 4/29/2015  
INDIANA UTILITY REGULATORY COMMISSION

**EFFECTIVE**

**JUN 30 2015**

INDIANA UTILITY  
REGULATORY COMMISSION

Issued By: Thomas M. Bruns, President, Aqua Indiana, Inc. 5750 Castle Creek Parkway N. Drive, Suite 314,  
Indianapolis, Indiana 46250

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**APPENDIX**

1. List of Standard Documents

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# RULES, REGULATIONS AND CONDITIONS OF SERVICE

## SEWER

### 1.0 CUSTOMER SERVICE

#### 1.1 Definitions

- 1.1.1 COMPANY means AQUA INDIANA, INC., an Indiana corporation, having its general offices at 5750 Castle Creek Parkway N. Drive, Suite 314, Indianapolis, Indiana 46250, its successors and assigns, said Company being engaged in the business of rendering sanitary sewage disposal service to the public.
- 1.1.2 CUSTOMER means any person, firm, corporation, association, municipality or other government agency which has agreed, orally or otherwise, to pay for sewage disposal service rendered, or caused to be rendered, by the Company; provided that pursuant to certain limitations of the Rules and Regulations of the Indiana Utility Regulatory Commission, the word "customer" might be limited to mean persons who have agreed to pay for such service exclusively for residential purposes.
- 1.1.3 DISCONNECTION means the termination or discontinuance of sewage disposal service.
- 1.1.4 LATE PAYMENT CHARGE means the one time penalty assessed by the Company upon all current bills at such time as they become delinquent.
- 1.1.5 COMMISSION means the Indiana Utility Regulatory Commission.
- 1.1.6 LATERAL SEWER means sewerage pipe owned, operated or maintained by the Company which is used to transport sewage, but does not include "service pipe".
- 1.1.7 SERVICE PIPE means the pipe which runs from the customer's premise to the lateral sewer and which receives sewage from the customer's premises.
- 1.1.8 PREMISES mean a tract of land or real estate, including buildings and other appurtenances thereon.
- 1.1.9 A TAP means a fitting owned by the Company and inserted in the lateral sewer to which the service pipe is connected.
- 1.1.10 SEWAGE DISPOSAL SERVICE means any utility service whereby liquid and solid waste, sewage, night soil and industrial waste (except as limited by

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the Rules and Regulations of the Commission) of any single territorial area is collected, treated, purified and disposed of in a sanitary manner, and includes all sewage treatment plant or plants, main sewers, sub-main sewers, local and/or lateral sewers, intercepting sewers, outfall sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

## 1.2 Application for Sewer Service

- 1.2.1 All applications for sewer service must be made on the form provided by the Company. Upon acceptance thereof, such application shall constitute a contract between the applicant as a Customer and the Company.
- 1.2.2 If, for the convenience of the applicant, an application is accepted orally, via telephone or otherwise, the taking of sewer service shall constitute a contract between the applicant and the Company, obligating the applicant as a customer to pay for, and the Company to furnish, service as specified herein and to comply with all applicable provisions of the Company's Rules and Regulations. If the application is accepted orally, the customer shall, if requested by the Company, sign a written application. A telephone application for service will not be accepted from a third party who will not be the customer.
- 1.2.3 A new application must be made upon any change in tenancy, where the tenant has contracted for the sewer service or by the new Owner upon any change in ownership where the Owner has contracted for such service. When more than one tenant is served through a single service pipe, the application for the sewer service must be made by the Owner of the property.
- 1.2.4 No agreement for sewer service will be entered into by the Company with any applicant until all arrears and charges due by such applicant for sewer service of the same class supplied by the Company to any premises then or theretofore owned or occupied by such applicant shall have been paid.
- 1.2.5 Sewage disposal service shall be rendered to all customers of Company on a nondiscriminatory basis in accordance with the rates and charges attached hereto, made a part hereof and filed with the Indiana Utility Regulatory Commission, or such rates in effect at the time such service is rendered. No change shall be made in the said rates or charges until after such charge has been approved by the Indiana Utility Regulatory Commission.
- 1.2.6 Any contractor, builder or developer shall be liable for the minimum monthly charge from time of connection until notification of occupancy, if such contractor, builder or developer fails to notify Company of such occupancy.

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### 1.3 Bills and Payment for Sewer Service

- 1.3.1 A customer who has applied for sewer service to premises shall be held liable for all sewer service furnished to such premises until such time as the customer notifies the Company to discontinue the customer's service or until service for a new customer is established at the premises. A temporary discontinuance of sewer service for a period of less than six months does not constitute a discontinuance of sewer service.
- 1.3.2 Billings will be made on the basis of the Company's effective rates and are due and payable at the stated rates on or before the twenty-first (21st) calendar day following the date of the postmark of the bill, or, if said twenty-first (21st) day falls on a Saturday, Sunday or legal holiday, then on the first day thereafter not a Saturday, Sunday or legal holiday. All bills for utility service not paid on or before the past due date shall be considered delinquent and subject to a late fee. In the case of lots or campsites, the Company reserves the right to file a lien against the property of anyone who is delinquent in payment of sewer bills.
- 1.3.3 Sewer bills will be rendered monthly to all customers of the Company and contain the following information:
- 1.3.3.1 The date of the bill, the time period for which the bill is rendered or the dates and readings of the water meter, if used as the basis for the sewage bill, at the beginning and end of the billing period,
- 1.3.3.2 The number and kind of units of service supplied, if based upon metered water consumption,
- 1.3.3.3 The billing rate code, if any,
- 1.3.3.4 The previous balance, if any,
- 1.3.3.5 The amount of the bill,
- 1.3.3.6 The sum of the amount of the bill and the late payment charge, if any,
- 1.3.3.7 The date on which the bill becomes delinquent and on which a late payment charge will be added to the bill,
- 1.3.3.8 If an estimated bill of a customer whose sewage bill is based on metered water service, a clear and conspicuous coding or other indication identifying the bill as an estimated bill,
- 1.3.3.9 Printed statements and/or actual figures on either side of the bill shall inform the customer of the seventeen (17) day non-penalty period,

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1.3.3.10 An explanation, which can be readily understood, of all the codes and/or symbols used on the bill.

1.3.4 Bills for sewer service will be mailed or delivered to the Customer's last address as shown by the records of the Company when due, but failure to receive a bill will not relieve the Customer from the obligation to pay the same.

1.3.5 Where availability charges are applicable, the Company shall in its initial and final bill to any customer include such charges as prorated. For the initial bill, charges will be prorated from that date prior to the said initial billing when the customer first became responsible to pay for sewer service to the specific premises. For the final bill, charges will be prorated from the first day of the billing period until that date on which the customer is no longer responsible to pay for sewer service to the specific premises.

1.3.6 A fee shall be assessed to the Customer as provided in tariffs on file with the Commission when a check for payment of the Customer's bill has been returned to the Company unpaid for whatever reason.

#### 1.4 Adjustment of Bills

1.4.1 Water meters on which a sewage bill is based shall be subject to being tested in accordance with Section 1.4 of the Company's Rules, Regulations & Conditions of Water Service.

1.4.2 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.

1.4.3 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.

#### 1.5 Customer Deposits

1.5.1 The Company may require a reasonable deposit from the customer to secure payment of charges for services if the Company determines that customer or applicant does not meet the criteria for creditworthiness set forth in the Rules and Regulations of the Commission.

1.5.2 The Company shall determine the creditworthiness of an applicant or customer in an equitable and nondiscriminatory method without regard to the economic character of the area (or any part thereof) where the applicant resides and shall determine the creditworthiness solely upon the credit risk

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of the individual without regard to the collective reputation of the area in which he lives.

- 1.5.3 Such deposit, if required, may not exceed one-sixth (1/6) of the expected annual billings for the premises served if the customer has (1) been mailed disconnect notices for two consecutive months or any three months within the preceding twelve months or (2) had service discontinued for nonpayment of bills. If the deposit required is in excess of \$70, it may be paid in equal installments over a period not to exceed eight weeks, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection.
- 1.5.4 A deposit made pursuant to this Rule and held by the Company for more than twelve months will earn interest from the date of deposit to the date that it is mailed or personally delivered to the customer, or otherwise lawfully disposed of in accordance with this rule at the rate currently in effect as prescribed by the Commission.
- 1.5.5 For each deposit, the Company will provide a written receipt and maintain a record showing: (1) the name of the customer, (2) the current address of the customer, so long as he maintains an active account with the Company in his name, (3) the amount of the deposit, (4) the date the deposit was made, and (5) a record of each transaction affecting the deposit. If a customer desires a refund of his deposit but is unable to locate his receipt and the Company's records reflect that the deposit was made and the customer is entitled to a refund, the Company will make the refund based on a written statement from the customer stating he made the deposit and requests the refund.
- 1.5.6 Satisfactory payment for a period of either nine consecutive months or ten out of any twelve consecutive months, unless said payments were late payments for any two consecutive months, will entitle the customer to a refund of his deposit, plus interest, if any. The Company will also refund the deposit plus accrued interest, if any, if the customer demonstrates his credit-worthiness by providing the Company with a written statement which establishes that he satisfies the criteria of one of the following subparagraphs:
- 1.5.6.1 The customer (a) has been a customer of any utility within the last two years, (b) owes no outstanding bills for service rendered by any utility, (c) did not have during the last twelve consecutive months that the service was provided, more than two bills which were delinquent to any utility, or, if such service has been rendered for a period of less than twelve months, did not have more than one delinquent bill in such period, and (d) within the last two years did not have a service disconnected by a utility.

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1.5.6.2 The customer has not been a customer of a utility during the previous two years, but fulfills the requirements of any two of the following lettered clauses: (a) He has been employed by his present employer for two years or has been employed by his present employer for less than two years, but has been employed by only one other employer during the past two years, or has been employed by the present employer for less than two years and has no previous employment due to having recently graduated from a school, university, vocational program or has recently been discharged from military service, (b) He owns or is buying his home or is renting a home or an apartment and has occupied the premises for more than two years, (c) He has credit cards, charge accounts, or has been extended credit by a bank or commercial concern, unless a credit check shows that he has been in default on any such account more than twice within the last twelve months.

1.5.7 Upon disconnection of service, the Company will apply the customer's deposit, plus accrued interest, if any, to the customer's unpaid balance and the excess, if any, of the deposit and interest over the unpaid balance will be returned to the customer. If service is terminated at the request of the customer, the Company will apply the deposit, plus accrued interest, if any, to the customer's final bill unless at the time he requests termination the customer requests that the Company refund the deposit to him directly, in which case the Company will do so within fifteen days after payment of the customer's final bill.

1.5.8 Any deposit made by a customer which has remained unclaimed for seven years after the Company has made diligent efforts to locate the customer or the heirs of the customer shall be presumed abandoned and, after making any lawful deductions, will be treated in accordance with the provisions of the Indiana Uniform Disposition of Unclaimed Property Act, IC 32-9-1-6.

#### 1.6 Discontinuance of Service

1.6.1 Sewer service rendered under any application, contract or agreement may be discontinued by the Company five (5) days after delivery or eight (8) days after the mailing (whichever is earlier) of written notice for any of the following reasons:

1.6.1.1 For failure to protect and maintain the Customer service pipe or other fixtures on the Customer's property in a condition satisfactory to the Company, and consistent with Section 3.1 of these Rules, Regulations and Conditions of Service and the provisions of the Indiana Plumbing Code.

1.6.1.2 For molesting or tampering by customer or others with the Customer's knowledge with the Company Service pipe, manholes or connections.

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- 1.6.1.3 For violation of the Rules Governing Sewer Service set forth in Section 2.0 of these Rules, and Regulations.
- 1.6.1.4 For failure to provide the Company's employees free and reasonable access to the premises or property served, or for obstructing the way of ingress to Customer or Company sewer laterals, fixtures, or other appliances.
- 1.6.1.5 For failure of the customer to make a cash deposit as provided for in section 1.5, or to pay for the same class of service rendered at a different meter point, residence, or location, provided such bill has remained unpaid for at least 45 days.
- 1.6.1.6 In case of vacancy of the premises by the customer, when no one has assumed responsibility for payment of the bill for service to the premises.
- 1.6.1.7 For material misrepresentation in an application as to the premises or property to be supplied or type of service to be supplied or failure to report a change in the type of service.
- 1.6.1.8 When continuation of service to the Customer creates conditions that jeopardize the integrity of the service provided to other customers.
- 1.6.2 The Company may discontinue sewer service immediately upon oral or written notice to a Customer, if the rendering of further service to that Customer would endanger the health and safety of the Customer or other parties or if civil authorities request the Company to discontinue service.
- 1.6.3 Intentionally omitted.
- 1.6.4 Owners or Customers requesting temporary discontinuance of sewer service for repairs within their property will be charged a sum equal to the costs to the Company for disconnecting and restoring service.
- 1.6.5 Discontinuance of sewer service to a property or premises under the provisions of this Rule shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due.
- 1.6.6 The Company reserves the right at any time to shut off the flow of sewage in the collection mains as is necessary. This includes cooperation with civil authorities, in case of accident or emergency, for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons.

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- 1.6.7 The temporary shutting off of sewer service to any premises for any cause, whether for nonpayment of bills, leaking pipes, fixtures, etc., shall not entitle the customer to a reduction in the amount of the bill during the time of such temporary shut-off. The temporary shut-off of sewer service shall not cancel a contract for sewer service except at the option of the Company or upon written notice from the customer.
- 1.6.8 Restoration of service or reconnection of a Customer sewer lateral connection will be made after the Customer has:
- 1.6.8.1 Paid all unpaid bills for service;
  - 1.6.8.2 Paid a deposit as required in accordance with 170 I.A.C. 8.5-2-3;
  - 1.6.8.3 Reimbursed the Company for any labor, material and associated restoration costs involved in disconnecting and reconnecting service;
  - 1.6.8.4 Corrected any condition found in violation of any applicable provision of these Rules and Regulations.

1.7 Disconnections

- 1.7.1 The Company 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 Company with a medical statement from a licensed physician or public health official which states that a 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 additional ten (10) day period upon the provisions of an additional such medical statement.
- 1.7.2 The Company may not disconnect service to a customer: (a) Upon his failure to pay for the service rendered at a different metered point, residence or location if such bill has remained unpaid for less than forty-five (45) days; or (b) Upon his failure to pay for services to a previous occupant of the premises to be served, unless the Company has good reason to believe the customer is attempting to defraud the Company by using another name; or (c) Upon his failure to pay for a different form or class of sewage disposal service.
- 1.7.3 The Company may not disconnect service to the customer if he shows cause for his inability to pay the full amount due (financial hardship shall constitute cause) and (a) the customer pays a reasonable portion (not to exceed \$10.00 or one tenth of the bill, whichever is less, unless the customer agrees to a greater portion) of the bill; and (b) he agrees to pay the remainder of the outstanding bill within three (3) months; and (c) he agrees to pay all undisputed future bills for service as they become due, and (d) he has not

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breached a similar agreement with the Company made pursuant to this rule within the past twelve (12) months. Such agreement shall be put in writing.

- 1.7.4 If a customer is unable to pay a bill, which 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 water meter, or any human or mechanical error of the Company 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 bills immediately preceding the bill in question, and (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, providing such agreement is reduced in writing.
- 1.7.5 The Company shall not add to the outstanding bill referred to in the preceding rule any late fee.
- 1.7.6 If a customer proceeds with a review pursuant to the Rules and Regulations of the Commission, the Company will disconnect only as provided by the Rules and Regulations of the Commission.
- 1.7.7 The Company shall disconnect service only between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time. Disconnections pursuant to Section 1.6.2 are not subject to this limitation.
- 1.7.8 The Company may not disconnect service for nonpayment on any day on which the Company office is closed to the public, or after 12:00 noon of the day immediately preceding any day when the Company office is not open to the public.
- 1.7.9 Except as otherwise provided by these rules, service to any residential customer shall not be disconnected for a violation of any rule or regulation of the Company or for the nonpayment of a bill, except after seven (7) days prior written notice to the customer by either
  - 1.7.9.1 Mailing the notice to such residential customer at the address shown on the records of the Company; or
  - 1.7.9.2 Personal delivery of the notice to the residential customer or a responsible member of his household at the address shown on the records of the Company. No disconnect notice for nonpayment may be rendered by the Company prior to the date on which the account becomes delinquent.
- 1.7.10 The language of a disconnect notice must be clear, concise and easily understandable to a layman and shall state in separately numbered large type or printed paragraphs:

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- 1.7.10.1 The date of the proposed disconnection.
- 1.7.10.2 The specific actual basis and reason for the proposed disconnection.
- 1.7.10.3 The telephone number of the Company office at which the customer may call during regular business hours in order to question the proposed disconnection or seek information concerning his rights.
- 1.7.10.4 A reference to the pamphlet or the copy of the rules furnished to the customer for information as to the customer's rights.
- 1.7.11 Immediately preceding the actual disconnection of service, the employee of the Company designated to perform such function shall make a reasonable attempt to identify himself to the customer or any other responsible person then upon the premises and shall make a record thereof to be maintained for at least thirty (30) days.
- 1.7.12 The employee shall have in his possession information sufficient to enable him to inform the customer or other responsible person of the reason for the disconnection, including the amount of any delinquent bill of the customer, and shall request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute pursuant to review under the Commission's rules. Upon the presentation of such credible evidence, service shall not be disconnected.
- 1.7.13 The employee shall not accept payment from the customer or other responsible person in order to prevent the service from being disconnected. The customer shall make payment to the Company at its office in order to prevent the service from being disconnected, and the customer shall be so informed.
- 1.7.14 When the employee has disconnected the service, he shall give a responsible person on the 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 Company where the customer may arrange to have the service reconnected.

#### 1.8 Interruption of Service

- 1.8.1 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 Company 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.

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## 1.9 Complaints and Review

- 1.9.1 This Section 1.9 is intended to implement the Commission's regulations appearing at 170 I.A.C. 16. In the event of any conflict or inconsistency between the terms of those regulations and these rules, the Commission's regulations shall control.
- 1.9.2 In computing any period of time specified in this Section 1.9, the day of the act from which the designated period of time begins to run shall not be included. The last day of the period so computed is to be included unless it is a Saturday, Sunday, legal holiday as defined by state statute or day that the Company or Commission office in which the act is to occur is closed during regular business hours. The period of time runs until the end of the next day that is not a Saturday, Sunday, legal holiday, or day on which the applicable office is closed.
- 1.9.3 The Company shall endeavor to resolve disputes regarding any service or billing matter in accordance with Section 1.9.4. Disputes that have not been resolved by the Company may be resolved through the following process: (a) Customer may appeal Company's proposed resolution of a dispute by filing an informal complaint with Consumer Affairs in accordance with Section 1.10.5; and (b) Customer or Company may request Commission review of a Consumer Affairs decision in accordance with Section 1.9.6.
- 1.9.4. A customer may bring a dispute to the Company's attention by telephone, in writing, through the Company's website, or at the Company's business office. The Company shall take the following actions with regard to each dispute: (a) inform the customer that any portion of a bill that is undisputed must be paid by the date due stated on the bill in order to avoid disconnection of service in accordance with Section 1.9.7; (b) investigate the matter promptly and thoroughly; (c) make a good faith effort to resolve the matter; (d) advise the customer of the Company's proposed resolution by telephone, written notice mailed to the customer's billing address, e-mail, or another means reasonably calculated to reach the customer; (e) advise the customer that if he or she is not satisfied with the Company's proposed resolution, the customer may submit an informal complaint to Consumer Affairs within seven (7) days of the date the proposed resolution is received; (f) offer to provide the customer with the Consumer Affairs' mailing address, toll free complaint number, and local telephone number.
- 1.9.5 If a customer is dissatisfied with a Company's proposed resolution of a dispute, the customer may appeal the proposed resolution to Consumer Affairs by submitting an informal complaint. A complaint must be submitted under this section within seven (7) days of the date the customer receives the Company's proposed resolution. At its discretion, Consumer Affairs may waive the time limitation for good cause, including failure to receive timely notice of the Company's proposed resolution. A complaint shall be

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file a complaint with Consumer Affairs by telephone, in writing, or by completing a form available at the Commission's office and on the Commission's website. If a customer or Company is dissatisfied with the Consumer Affairs resolution of the informal complaint, either party may request a review by the director of Consumer Affairs or director's designee within seven (7) days of the date of receipt of the proposed resolution of the informal complaint. Notwithstanding any other provision in this Section 1.9.5, Consumer Affairs may refer a complaint to the Commission for review at any time during the review process based on the complexity of issues or circumstances involved in a complaint as determined by the director of Consumer Affairs or director's designee.

1.9.6 Either party may request Commission review of the Consumer Affairs' decision within twenty (20) days of the date of receipt of the decision of the director of Consumer Affairs' or director's designee. A request under this section must be in writing and shall be considered filed upon receipt by the Commission. Upon receiving a request for Commission review, the Commission shall provide a copy of the request to the opposing party and the Office of the Utility Consumer Counselor (OUCC) within seven (7) days from the date the review is requested. The non-requesting party and the OUCC shall be permitted to file an answer within the time frames provided in 170 I.A.C. 1-1.1-10(c). Commission review of a Consumer Affairs decision shall be reasonably limited to the matters raised in the request for review and the answer, and to a review of the Consumer Affairs record as compiled during the review conducted under Section 1.9.5, or as otherwise determined by the presiding officer.

1.9.7 If a customer receiving service has paid and continues to pay all undisputed charges, the Company shall not disconnect any service related to the disputed charges: (a) while the Company's proposed resolution is under review by Consumer Affairs or the Commission; or (b) sooner than ten (10) days after a decision by Consumer Affairs or the Commission. If a customer and Company cannot agree what portion of the charges in a bill is undisputed, to avoid disconnection, the customer should pay on the disputed bill an amount equal to one-twelfth (1/12) of the estimated annual billing for service to be rendered to the customer. For a customer who has been a customer for at least twelve (12) months, the estimate will be based on the customer's average bill for the twelve (12) months immediately preceding the disputed bill.

#### 1.10 Information to Applicants and Customers

1.10.1 The Company will publish and distribute, without request, to all applicants for service a copy of Company rules approved by the Commission.

1.10.2 The Company 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.

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1.10.3 The Company whenever it petitions the Commission for a change in any of its base rate schedules shall furnish 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.

1.10.4 The Company shall maintain up-to-date maps, plans or records of its entire force main and collection systems, with such other information as may be necessary to enable the Company to advise prospective customers, and others entitled to the information, as to the facilities available for serving any locality.

#### 1.11 Posting Rate Schedules and Rules

1.11.1 If documents are filed with the Commission, they shall also be on file in the local office of the sewage disposal company, 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.

## 2.0 SEWAGE RESTRICTIONS

### 2.1 Definitions

2.1.1 "BOD" (denoting Biochemical Oxygen Demand). BOD measurements are used as a measure of the organic strength of wastes in water. It is the quantity of oxygen used in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, (68°F) expressed in milligrams per liter.

2.1.2 "Cooling water" means the water discharged from any system of condensation, air conditioning, cooling, refrigeration or other, but which shall be free from odor and oil. It shall contain no polluting substances that would produce BOD or suspended solids each in excess of ten (10) milligrams per liter.

2.1.3 "Suspended Solids" means solids that either float on the surface of, or are in suspension in, water, sewage or other liquids and that are removable by laboratory filtering.

### 2.2 Clear Water Discharges

No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run-off, sub-surface drainage, cooling water or unpolluted industrial process waters into any sanitary sewer.

### 2.3 Discharge Characteristics Not Permitted

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Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary sewer:

- 2.3.1 Any water or waste that may contain more than (100) parts per million, by weight, of fat, oil or grease (FOG).
- 2.3.2 Any ashes, cinders, sand, mud, straw, shavings, metal, glass, tar, wood or any other solid or viscous substance capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewage treatment plant.
- 2.3.3 Any liquid or vapor having a temperature higher than 150°F.
- 2.3.4 Any gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquid, solid or gas.
- 2.3.5 Any garbage that has not been properly shredded through a disposal unit or other shredding device, with no particle greater than one-half (1/2) inch in any dimension.
- 2.3.6 Any ground or shredded garbage where a major portion of the organic loading on the facility would be ground garbage such as from a produce department of a supermarket, restaurant, or similar establishment.
- 2.3.7 Any water or waste having a pH less than 5.5 or greater than 9.0, or having any other corrosive property capable of causing damage or hazard to structures, pipes, equipment and personnel of the sewer or treatment plant.
- 2.3.8 Any water or waste having a toxic or poisonous substance in sufficient quantity so as to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the sewage treatment plant.
- 2.3.9 Any waters or waste containing suspended solids of such character and quantity that unusual attention or expenses are required to handle such materials at the sewage treatment plant.
- 2.3.10 Any noxious or malodorous gas or substance capable of creating a public nuisance.

#### 2.4 Discharge Characteristics Subject to Review and Approval

Discharges with the following characteristics are subject to the review and approval of the company:

- 2.4.1 Any water or waste containing more than two hundred (200) parts per million by weight of biological oxygen demand BOD.

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- 2.4.2 Any water or waste containing more than two hundred fifty (250) parts per million by weight of Suspended Solids.
- 2.4.3 Any water or wastes containing in excess of two milligrams per liter of cyanides as CN.
- 2.4.4 Any water or wastes that contain phenols in excess of 0.50 milligrams per liter.
- 2.4.5 Effluent from a significant industrial user.
- 2.4.6 Any average daily sewage flow greater than two (2) percent of the average daily flow of the service area.
- 2.4.7 Having an average daily flow greater than two (2) percent of the average daily sewage flow of the service area, shall be subject to review and approval of the Company.

### 3.0 CUSTOMER MAINTENANCE AND TREATMENT RESPONSIBILITY

#### 3.1 Customer Maintenance Responsibilities

The Customer shall not allow their service pipe to become broken, obstructed, inferior, defective, leaky or imperfect so that sewage or drainage escapes into surrounding soil or into adjacent premises or ground or surface water or other matter enters the sewer. When such conditions are discovered, the Company reserves the right to discontinue service unless immediate repairs or replacements are made. Such replacements or repairs shall be made by, and at the expense of the applicant.

- 3.1.1 The Company has the right to give written notice to Customers to inspect for violations of Rule 3.1. Such notice will provide each such Customer a period of thirty (30) days from the date of notice to make an appointment. The inspection by the Company of the Customer's property or premises will determine whether the Customer is in compliance with Rule 3.1. The Company reserves the right to give such notices and to schedule such appointments on an area basis to accommodate availability of personnel.

3.1.1.1 The Company will issue a Certificate of Compliance for the premises found in compliance with Rule 3.1.

3.1.1.2 For premises found in non-compliance with Rule 3.1, written notice will be provided to the Customer. The notice will describe the non-compliant items and necessary corrections. The Customer shall have a period of sixty (60) days from the date of such inspection and notice to achieve compliance. A re-inspection will be scheduled by the Company.

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- 3.1.1.2.1 Should the re-inspection show compliance, the Company will issue a Certificate of Compliance for the property or premises.
- 3.1.1.2.2 Should a re-inspection show non-compliance, the Company will again give written notice to the Customer describing the non-compliant items. The Company may disconnect water service or sewer service or both, until such customer is in compliance with Rule 3.1 and receives a Certificate of Compliance.
- 3.1.1.2.3 Should the customer fail to achieve compliance referred to in subparagraph 3.2.2.2 above and make an appointment within the sixty (60) day period, the Company will disconnect water or sewer service or both, until such Customer is in compliance with Rule 3.1 and receives a Certificate of Compliance.
- 3.1.1.3 Should a Customer fail to make an appointment for inspection within the time period set forth in this Rule, or fail to permit inspection at the appointed date and time or within any time period set forth in this Rule, the Company shall give written notice of such failure. In the event that within thirty (30) days of the date of such re-notification, the Customer fails to make an appointment for inspection, or fails to permit inspection at the appointed date and time, as the case may be, the Company shall disconnect water or sewer service or both, until such Customer is in compliance with Rule 3.1 and receives a Certificate of Compliance.
- 3.1.1.4 In the event of disconnection of water service or sewer service or both pursuant to Rule 3.1, reconnection of service shall be made only pursuant to Rule 3.1 and other applicable provisions of the tariffs of the Company, including the provisions for payment of reconnection charges.
- 3.1.1.5 Any and all work, labor or materials required to enable compliance with Rule 3.1 shall be performed by and provided by the Customer, Owner or occupant and shall be at no cost to the Company. Whether compliance exists shall be the sole determination of the Company. However, in the event this determination is disputed by the Customer, Owner or occupant, the Company will accept a then current written opinion of a professional engineer registered in the State of Indiana that the premises are in compliance with Rule 3.1, such opinion to be submitted to the Company by the Customer, Owner or occupant and without cost to the Company. However, no such opinion shall be accepted in lieu of an inspection.

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3.1.1.6 Upon the issuance of a Certificate of Compliance and its acceptance by the Customer, the Company shall have the right to make inspection at reasonable hours and upon appointment for the purpose of determining whether compliance is maintained.

3.1.1.7 No determination by the Company that compliance exists and no engineering opinion to such effect as referred to in subparagraph 3 above shall bar subsequent inspection under the Company's Rules, or subsequent determination of non-compliance, or enforcement of the Company's Rules for non-compliance not discovered by the Company in any prior inspection or arising subsequently.

3.1.1.8 No determination of compliance or non-compliance by the Company and no engineering opinion as to compliance as referred to in subparagraph 3 above shall bar the enforcement by the Company of any rights and remedies it may have under law, including its tariffs.

3.1.1.9 The Company will inspect all new structures prior to commencement of water and sewer service thereto to determine compliance with Rule 3.1 or Rule 4.6. If and when the premises are in compliance, the Company shall issue a Certificate of Compliance. No service shall be rendered to such property or premises unless the Owner/Customer or occupant thereof shall have been issued a Certificate of Compliance which is in effect.

3.1.1.10 Non-compliance with Rule 3.1 exists when any connections or facilities are found by the Company that will permit storm water, surface water, groundwater, or other non-sanitary sewage drainage to enter into the sanitary sewer, regardless of whether actual flow is observed.

3.1.1.11 Should the Company find non-compliance after issuance of a Certificate of Compliance, the certificate shall be immediately voided without legal effect. The Company will then give written notice to the Customer describing the non-compliance and stating that the Customer shall have a period of thirty (30) days from the date of such notice to achieve compliance with Rule 3.1 and to make an appointment for another inspection by the Company. At the time said reinspection is conducted, the Customer will be required to provide the Company with a certified statement from a licensed plumber verifying that the infraction resulting in the non-compliance status has been corrected in a manner permanent in nature that would make the possibility of reoccurrence highly improbable.

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### 3.2 Grease, Oil, and Sand Interceptor

Grease, oil and sand interceptors shall be provided by customer when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients except that such interceptors shall not be required for private living quarter or dwelling units. All interceptors shall be of a type and capacity approved by Company and shall be located as to be readily and easily accessible for cleaning and inspection. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature, they shall be of substantial construction, water tight and equipped with easily removable covers which, when bolted in place, shall be gas tight and water tight.

- 3.2.1 Where installed, all grease, oil, and sand interceptors shall be maintained by the customer, at his sole expense, in continuously efficient operation at all times.
- 3.2.2 Customer shall provide evidence, such as invoices, that interceptors are cleaned and maintained regularly. This evidence shall be sent to the Company at least annually.

### 3.3 Industrial Waste Discharge

Neither the applicant nor any occupant of the property or premises shall discharge, or cause to be discharged, into the service pipe or into the Collection sewer any "industrial wastes" consisting of solids, liquids or gaseous wastes resulting from any industrial or manufacturing operation or process, or from the development of any natural resource, without first obtaining written permission for such discharge from the Company, and from any regulatory authority or governmental unit having jurisdiction over such a discharge of wastes.

- 3.3.1 Where necessary in the Company's opinion, the Owner shall provide, at the Owner's expense, such preliminary treatment as may be necessary to reduce objectionable characteristics or constituents to within the maximum limits provided for in these Rules and Regulations. Plans, specifications and any other pertinent information relating to proposed preliminary treatment facilities and the operational records thereof shall be submitted for the approval of the Company and the appropriate agency of the State of Indiana, and no construction of such facilities shall commence until said approvals are obtained in writing.
- 3.3.2 Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Owner at the Owner's expense and within the limitations set forth by these Rules and Regulations. Copies of all operational records shall be filed annually with the Company.

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3.3.3 Either the applicant or any occupant of premises or properties served by a service pipe carrying industrial or commercial wastes and discharging the same into a Collection sewer shall install a suitable control manhole in the Customer sewer lateral to facilitate observation, sampling and measuring of such wastes. The Company may also require the installation of automatic sampling and flow measuring devices when deemed necessary to obtain representative samples. Such required manhole and sampling device shall be publicly accessible and safely located, constructed in accordance with plans approved by the Company and installed and maintained at the expense of the applicant or occupant of premises or property to whom sewer service is supplied.

#### 3.4 Discharge Quantity and Rates

Where necessary in the Company's opinion, the Owner shall provide, at the Owner's expense, such measures as may be necessary to control the quantities and rates of discharge of waters or wastes.

### 4.0 SERVICE CONNECTIONS

#### 4.1 Adjacent Sewers

The Company will provide sewer service wherever a Collection sewer is adjacent to the property or premises to be served.

#### 4.2 Separate Service Pipes

A separate service pipe will be provided for each structure that has or may have separate ownership.

#### 4.3 Two or More Customers on One Service Pipe

If a service pipe has been installed, prior to the adoption of this rule, where two or more Customers are supplied through a single service pipe, any violation of the Rules and Regulations of the Company by either or any of such Customers shall be considered as a violation by all. The Company may take such action as may be taken for a single Customer committing the violation; provided that any notice of such action that is required for a single customer shall be given to each Customer affected.

#### 4.4 Company Service Pipe

The Company shall install and maintain that portion of the service pipe from the main to the boundary line of the easement, public road, or street, under which such lateral may be located, except as subsequently provided. The customer shall "rod" and otherwise clean the Company's portion of the service pipe serving the customer in the event the same becomes clogged or blocked as a result of debris or waste entering such service pipe from the customer's premises, as result of the customer's actions.

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#### 4.5 Customer Service Pipe

The Customer shall install and maintain that portion of the service pipe from the end of the Company's portion into the premises served. If determined to be necessary by Customer and/or Company, the Customer also shall have installed and operating on the Premises a septic tank, holding pit and/or sewer ejector pump, as well as an air pressure relief valve. Customer's septic tank, holding pit, sewer ejector pump and pressure relief valve shall meet the specifications and requirements of the Company. The Company shall have an easement and right to inspect at all reasonable times the Customer's septic tank, holding pit, sewer ejector pump and/or pressure relief valve.

#### 4.6 Service Pipe Specifications

The service pipe shall be as specified in the Indiana Plumbing Code. It shall be constructed of materials approved by the Company and be installed under the inspection of the Company.

#### 4.7 Relocation of Company Facilities for Customer Convenience

If a customer requests for his convenience or by his actions requires that Company facilities be redesigned, re-engineered, relocated, removed, modified or reinstalled, the Company will require the customer to make payment to it of the full cost of performing such service.

#### 4.8 Service Line Permit

No customer shall be allowed to connect to Company's system until after he has obtained a permit to do so from the Company. If any person shall do so, Company shall have the right to disconnect such customer from its system and refuse to connect him to Company's system until the Company has been reimbursed for its expense incurred in disconnecting such person from its system.

#### 4.9 Permits to Work on Company Facilities

No person shall do any form of work on or in connection with lines or facilities owned by Company until he has received a permit from Company to do such work.

#### 4.10 Inspections

A minimum of twenty four (24) hour notice to Company will be required prior to making inspection, and inspection to be made during the Company's normal working hours. No underground work shall be covered until Company has inspected and approved same. Company shall have the right to charge the Inspection Fee approved by the Commission in the Company's tariffs, for its services in processing each application and making each inspection. Before requesting an inspection of the making of a tap, the sewer contractor shall have the work in such state that the inspection or tap can be inspected at the scheduled time.

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## 5.0 MAIN EXTENSIONS

### 5.1 Definitions

- 5.1.1 Applicant: As used in this rule “applicant” means a person requesting the main extension in order to receive sewer utility service from the Company.
- 5.1.2 Commission: As used in this rule, “commission” refers to the Indiana utility regulatory commission.
- 5.1.3 Completion date of the main extension: As used in this rule, “completion date of the main extension” means the date the Company declares the main extension to be in service and releases it for taps.
- 5.1.4 Cost of connecting: As used in this rule, “cost of connecting” means the Company’s cost if provided by the Company for providing the tap, service pipe, and other service line appurtenances and installation thereof or portions thereof.
- 5.1.5 Cost of the main extension: As used in this rule, “cost of the main extension” means the cost of installing the main as determined in sections 5.6 through 5.8 of this rule.
- 5.1.6 Company’s service pipe: As used in this rule, “company’s service pipe” means that portion of the service pipe from the main to the boundary line of the easement, public road, or street, under which such pipe may be located.
- 5.1.7 Customer: As used in this rule, “customer” means a person being supplied with sewer utility service.
- 5.1.8 Customer’s service pipe: As used in this rule, “customer’s service pipe” means that portion of the service pipe from the end of the company’s portion into the premises serviced.
- 5.1.9 Deposit: 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 Company commencing construction of the main extension.
- 5.1.10 Estimated annual revenue: As used in this rule, “estimated annual revenue” for an applicant connecting to the main, means the Company’s annual revenue per applicant from comparable customers in the calendar year preceding such connections, adjusted to reflect any changes in the applicable rates and charges of the utility for such service.
- 5.1.11 Frontage: 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

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parallel to or curvilinear to, and immediately adjacent to a main extension in a public thoroughfare or easement.

- 5.1.12 Immediate revenue allowance: 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.
- 5.1.13 Lot: 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 5.5 of this rule.
- 5.1.14 Main: As used in this rule, “main” means a pipe owned by the Company which connects to service pipes for transmitting sewage effluent.
- 5.1.15 Main extension: as used in this rule, “main extension” means the mains and appurtenances installed by the Company to provide the sewer utility service requested by or on behalf of the applicant or prospective customer, including the company’s service but not the customers’ services pipes. Any facilities installed in connection with main extensions shall become the property of the Company.
- 5.1.16 Original depositor: As used in this rule, “original depositor” means an applicant or other person who enters into a main extension agreement and makes a deposit for an applicant or prospective customer with the Company.
- 5.1.17 Person: As used in this rule, “person” means an individual, firm, corporation, governmental agency, or other entity.
- 5.1.18 Prospective customer: 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.
- 5.1.19 Public thoroughfare: 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.
- 5.1.20 Refund: 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 Company to the original depositor for ten (10) years after the completion date of the main extension.
- 5.1.21 Revenue allowance from depositor-authorized connection: 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 Company may refund to original depositor for

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connections for lots or unplatted areas owned, controlled, or designated by the original depositor and does not include an immediate revenue allowance.

- 5.1.22 Service pipe: As used in this rule, “service pipe” means a sanitary sewer line leading directly from the premises to the main adjacent to such premises.
- 5.1.23 Subsequent connector: As used in this rule, “subsequent connector” means a person who was not an original depositor but subsequently applies for sewer service and who connects to the main within ten (10) years after the completion date of the main extension.
- 5.1.24 Subsequent connector’s fee: As used in the rule, “subsequent connector’s fee” means the cash fee equal to the cost per lot of the main extension determined in accordance with section 5.7 of this rule, multiplied by the number of lots for which service is requested.
- 5.1.25 Subsequent connector’s revenue allowance: 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.
- 5.1.26 Tap: As used in this rule, “tap” means a fitting owned by the Company and inserted by it into a main to which a service pipe is attached.
- 5.1.27 Total required deposit: As used in this rule, “total required deposit” means the amount by which the cost of the main extension exceeds the immediate revenue allowances applicable.

## 5.2 Free extension

The Company, 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:

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

## 5.3 Main extension: exception to commission approval

If the cost of the main extension is greater than the free extension cost provided in section 5.2, of this rule, that extension shall be made, upon receipt by the Company of a signed main extension agreement and a deposit from the applicant, without specific approval of the agreement by the commission.

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#### 5.4 Main extension route

- 5.4.1 The Company shall use good engineering and sewer utility practices in determining the route for all main extensions.
- 5.4.2 Mains will be extended at locations acceptable to the Company only on public ways, alleys or easements that have been dedicated in such a manner as to clearly provide the Company with the perpetual right to own, operate and maintain a sanitary sewer system therein and in which grades have been established.
- 5.4.3 The Company shall determine the total length of the extension from its existing main to the end of the lot or frontage of the most remote applicant to be served.
- 5.4.4 If the 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.
- 5.4.5 If the street in which the main is to 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. This connection point shall be at least ten (10) feet beyond the lot line.

#### 5.5 Number of lots served by main extension

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. Lots or frontage that are adjacent to and can be served by an existing main shall be excluded from the determination. 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.

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5.6 Main extension costs

- 5.6.1 The cost of the main extension may, as determined by the Company, be either:
  - 5.6.1.1 The estimated cost of the extension; or
  - 5.6.1.2 The actual cost of a developer-installed extension.
- 5.6.2 The cost of the main extension may include but not be limited to engineering, easements, labor, equipment, material, supervision, permits, accounting and other overhead expenses.
- 5.6.3 For any special construction, or for any other facility involved in a main extension, the cost shall be the Company's best estimate of the cost of the main, special construction, or related facilities based upon current available information.
- 5.6.4 If the Company'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 Company.
- 5.6.5 The estimated cost shall be adjusted to the actual cost by the Company, 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 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 estimated cost, the Company 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 estimated cost, then the utility shall bill the original depositor for, and such depositor shall pay, the difference between the estimated cost and the actual cost.

5.7 Cost per lot

The cost per lot shall be determined by:

- 5.7.1 The total number of lots to be served by the main extension divided into the cost of the main extension; or
- 5.7.2 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.

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## 5.8 Cost options

For the main extension, the original depositor 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 receiving rights to immediate revenue allowances and refunds as provides in section 5.11 of this rule, or paying the cost of the main extension exclusive of the tax associated with the main extension, and forfeiting all rights to immediate revenue allowances and to refunds, except for subsequent connector's fees.

## 5.9 Total required deposit

- 5.9.1 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 sewer demands, have been furnished to the Company, to allow the Company to determine the estimated annual revenue from that development.
- 5.9.2 The main extension may be installed by the developer or the developer's contractor according to the extension and installation policies of the Company, and the actual cost of the developer-installed extension shall be considered the total required deposit (including cost of easements).
- 5.9.3 The original depositors may 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.

## 5.10 Subsequent connector fee

- 5.10.1 Within ten (10) years after the completion date of the main extension, the Company 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 Company.
- 5.10.2 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.
- 5.10.3 If a prospective customer with frontage land that was unplatted on one (1) or both sides of the street at the time a 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 the main extension, the customer is considered to have requested another extension from the original main extension to serve the customer's land. The Company in that case shall collect from the prospective customer prior to installing the requested second

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extension, a subsequent connector's fee for each equivalent lot of the frontage land used in determining the original main extension cost per lot and which will not be served directly by the original main extension.

5.11 Refunds

- 5.11.1 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 5.8 of this rule.
- 5.11.2 The refunds shall be paid annually or more frequently at regular intervals at the discretion of the Company.
- 5.11.3 Total refunds to any original depositor shall not exceed the amount of the original deposit plus applicable revenue allowances from depositor-authorized connections and subsequent connectors' revenue allowances.
- 5.11.4 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 Company. 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.

5.12 Basis for costs

If the applicant is required to make any payment, the Company shall, upon request, make the following available to the applicant:

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

5.13 Extension exception

The Company 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.

5.14 Special contract

5.14.1 The Company may require a special contract when:

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5.14.1.1 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 Company's investment involved in such extension;

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

5.14.1.3 There are industrial installations requiring extensive sewer utility investment and where the demand for sewer service is expected to be slight, irregular, or of unknown quantity; or

5.14.1.4 There are other abnormal or extraordinary circumstances.

5.14.2 The Company 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 a determination.

#### 5.15 Prohibition exception

This rule does not prohibit the Company 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.

### 6.0 SEWER SYSTEM LOAN PROGRAM

#### 6.1 Loan Terms and Conditions

An applicant for new single-family residential service connection under section 1.2, applicant for a main extension under section 5.0 or single-family residential service, or an existing residential customer of the Company may apply for a loan from the Company to cover Eligible Costs (as defined herein). Any such loan shall be subject to the terms and conditions set forth in this Rule.

6.1.1 To be eligible for a loan, an applicant must (a) own and live in a single-family residence that will take sewer service from the Company; (b) demonstrate an intent to be the continuing customer of the Company at the residence; (c) enter into a financing agreement; (d) obtain a Certificate of Compliance pursuant to section 3.1.1.1 and (e) not have either a defective Customer sewer lateral or connection prohibited by section 3.0.

6.1.2 For purposes of this Rule, Eligible Costs include actual costs for (a) ~~ISSUED PURSUANT TO~~ connection sewer main extension in accordance with section 5.0; (b) the

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Customer sewer lateral; (c) back flow devices; (d) alterations of or additions to plumbing within the customer's residence necessary to permit the customer to take sewer service from the Company; (e) any other facilities necessary to permit the customer to take sewer service from the Company; or (f) plumbing system modifications approved by the Company, including, but not limited to, back-flow devices or installation of Overhead Plumbing, needed to prevent wastewater flooding of the Customer's premises. The maximum principal balance for a loan made under this Rule will be \$10,000.

6.1.3 Any such loan shall be subject to the following terms and conditions.

6.1.3.1 The existence of a loan made under this Rule does not alter the responsibility of the customer for maintenance or replacement of the Customer sewer lateral or any other facilities as determined by the applicable provisions of the Company's Rule(s).

6.1.3.2 The initial principal balance of the loan shall be the amount of Eligible Costs which the customer elects to borrow from the Company. The principal balance of the loan plus interest will be repaid to the Company through a fixed surcharge added to the customer's regular monthly bill for sewer service. The surcharge will be reflected as a separate service type for the customer's account.

6.1.3.3 The customer will enter into a financing agreement with the Company which specifies, among other things, the initial principal balance of the loan, the applicable interest rate determined in accordance with subsection of this Rule, the term of the loan and the amount of the monthly surcharge. The Company in its sole discretion will determine whether a financing agreement should be established for a loan related to facilities owned and maintained by the customer under the applicable provisions of the Company's Rules. The customer will agree to repay the loan over a term selected by the customer, which is no less than three years (36 months) or greater than 10 years (120 months).

6.1.3.4 Through the surcharge, the customer will make equal monthly installments over the loan term to pay the principal amount of the loan together with daily simple interest on the unpaid balance of the principal amount from time to time outstanding at the applicable rate of interest determined in accordance with subsection 6.1.3.4 of this Rule. The customer's payment schedule will amortize the unpaid balance over the loan term. Daily simple interest means that interest is charged each day after applying any payment the customer has made. All payments will be first applied to service charges first, interest that is due next and finally to the principle.

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6.1.3.5 The interest rate will be fixed for the term of a loan. For loans issued from December 31 of a year through June 29 of the following year, the interest rate will be the Posted Short-Term Debt Rate as of December 31. For loans issued from June 30 to December 30, the interest rate will be the Posted Short-Term debt rate as of June 30. The Posted Short-Term Debt will be the LIBOR rate as reported in the Wall Street Journal as of the date of posting plus 100 basis points.

6.1.3.6 Notwithstanding the provisions of subsection (3)(d), the interest rate shall not exceed 9% per annum. In the event that the Posted Short-Term Debt Rate as calculated pursuant to subsection 3(d) would, except for the provisions of this subsection 3(e), exceed 9% per annum, the Company shall have the option to suspend the making of loans under this Rule.

6.1.3.7 A customer account that includes a loan payment surcharge will not be transferred to any tenant or non-owner occupant of the residence for which a loan is made. During the loan term, the owner of the residence will remain the customer in whose name the bill for sewer service will be issued. If the residence is sold, a new owner who demonstrates intent to be the continuing customer of the Company at the residence may elect in writing on a form provided by the Company to assume responsibility for the loan payments, subject to the terms of the financing agreement. A copy of the election form will be returned to the Company prior to sale of the residence. If the new owner does not elect in writing on a form provided by the Company to assume responsibility for the loan payments or does not demonstrate intent to be the continuing customer at the residence, the loan and accrued interest shall become immediately due and payable upon sale of the premises.

6.1.3.8 The loan surcharges will appear as a separate charge on customer bills and, to the extent permitted by law, shall be subject to all provisions regarding billing for sewer service set forth in Rule 1.3 above; provided, however, failure to pay a loan surcharge when due shall not result in the disconnection of a customer's service under Rule 1.6 above.

6.1.4 For accounting purposes, the Company will establish subaccounts in which loan payments shall be recorded. In one subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Company under the applicable Rules. In another subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the customer under the applicable Rules. Loan payments shall be allocated between the two subaccounts based upon the relative initial cost of the facilities covered by that subaccount as compared to the total amount of the loan. For each

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subaccount, amounts received as loan payments will be first applied to interest that is due and then to principal and other charges.

- 6.1.5 If a loan becomes uncollectible, the unpaid principal balance of the portion of the loan, if any, which relates to facilities owned and maintained by the Company will be recorded as a debit to Contributions-In-Aid-Of-Construction, and as a credit to Accounts Receivable. The unpaid balance of interest with respect to such portion of the loan (as of the time of the debit) shall be recorded as an uncollectible account. The unpaid balance of principal and interest for the portion of a loan, if any, which relates to facilities, owned and maintained by the customer, shall be recorded as a non-utility expense.
- 6.1.6 The Company's capital structure used for rate-making purposes will not include short-term debt issued by the Company to finance loans under this Rule.

## 7.0 GENERAL

### 7.1 Liability of Company

- 7.1.1 The Company shall not be liable for damages of any kind or character for any deficiency or failure of sewer service, for the blockage or breaking or sewer overload of any Collection sewer, wherever located, for any deficiency in any Company or Customer lateral, attachment or fixtures to any Collection sewer, or any other facility used by the Company, or for any other interruption of sewer service caused by breaking of machinery, stopping for repairs or for any reason or occurrence beyond the reasonable control of the Company. The Company shall not be liable for any damage to any property caused by any of the foregoing reasons or for any other cause beyond the reasonable control of the Company.
- 7.1.2 The Company shall not be held liable for any failure or delay in performing any of the things undertaken by it under any service contract when such failure or delay is caused by strike, acts of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission, nor shall Company be liable for damage caused by interruption in, or failure of service, or by sewage disposal escaping from piping on customer's property.
- 7.1.3 The Company shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot, or civil commotion, vandalism, acts of others, or acts or failure of action of any local governmental authority to enforce or provide proper surface drainage or ditches for surface runoff, or other circumstance over which Company has no control, where the Company has used reasonable care in installing and maintaining its system in accordance with acceptable standards in the sewer utility business.

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**7.2 Amendments and Changes to Rules**

The Company reserves the right at any time to alter, amend, change or add to these Rules and Regulations or to substitute other Rules and Regulations, subject to the approval of the I.U.R.C. or other regulatory body having jurisdiction.

**7.3 Commission Approval to Changes to Rules and Regulations**

No representative, employee or agent of the Company has the right to alter or waive any of these Rules and Regulations without the consent or approval of the Indiana Utility Regulatory Commission or other regulatory body having jurisdiction thereof.

**7.4 Authority to Act for the Company**

No employee or agent of the Company shall have the right or authority to bind the Company by any promise, agreement or representation contrary to the letter or intent of these Rules and Regulations.

**7.5 Incorporation by Reference**

All laws of the State of Indiana and Rules and Regulations of the Indiana Utility Regulatory Commission applicable to the rendering of sewage disposal service in rural areas are hereby incorporated herein by reference.

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Standard Documents

1. Application for Sewage Disposal Service
2. Notice of Unauthorized Connection
3. Sewer Main Extension Agreement
4. Developer agreement for Wastewater Treatment and Disposal
5. Expression of Interest – Main Extension
6. Expression of Interest – Loan Program
7. Terms and Conditions
8. Election to Participate
9. Credit Disclosure Form
10. Amount Financed Itemization
11. Financing Agreement
12. Notice of Payment Obligation

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