



Water Rates in and Adjacent to:

Northwest Indiana Operations (*Burns Harbor, Chesterton, Gary, Hobart, Merrillville, Portage, Porter and South Haven*)

Schedule of Rates and Tariffs

Indiana American Water’s tariff governs company operations. The tariff is available under the Regulation Section of the Indiana American Water website.

Effective October 10, 2007

GENERAL WATER SERVICE CUSTOMERS

General water service is available to all customers who regularly use the Company’s water service throughout the year (and also to seasonal users so long as they pay regularly at least the Minimum Payment) and who are located on distribution mains of the company suitable and adequate for supplying the service requested in the territory served by the Company.

Bi-Monthly Rate Schedule*			
Volume Thousand Gallons	Price/Thousand Gallons	Volume Hundred Cubic Feet	Price per Hundred Cubic Feet
For the first 6	\$5.1688	For the first 8	\$3.8766
For the next 24	\$4.3591	For the next 32	\$3.2693
For the next 10	\$4.3591	For the next 13.34	\$3.2693
For the next 260	\$3.2185	For the next 346.67	\$2.4139
For the next 700	\$2.1719	For the next 933.33	\$1.6289
For the next 6,500	\$1.6719	For the next 8,666.67	\$1.2539
For the next 72,500	\$1.6719	For the next 96,666.67	\$1.2539
For the next 160,000	\$1.5153	For the next 213,333.33	\$1.1365
Over 240,000	\$1.3904	Over 320,000.00	\$1.0428

*Subject to the Distribution System Improvement Charge listed on page 7.

Bi-monthly Minimum Payment – Northwest Operations*

The Customer’s minimum payment under this rate shall be determined by the size of the customer’s meter and the number of meters. A separate minimum payment shall be charged for each meter as follows:

Bi-Monthly Minimum Payment*			
Size of Meter	Thousand Gallons	Hundred Cubic Feet	Minimum Bi-monthly Payment
5/8"	6	8	\$31.02
3/4"	9	12	\$44.10
1"	15	20	\$70.24
1 1/2"	30	40	\$135.64
2"	48	64	\$204.98
3"	90	120	\$340.14
4"	150	200	\$533.26
6"	300	400	\$1,016.04
8"	480	640	\$1,406.98
10"	780	1,040	\$2,058.54
12"	1,290	1,720	\$3,021.16

*Subject to the Distribution System Improvement Charge listed on page 7.

Monthly Rate Schedule*			
Volume Thousand Gallons	Price/Thousand Gallons	Volume Hundred Cubic Feet	Price per Hundred Cubic Feet
For the first 3	\$5.1688	For the first 4	\$3.8766
For the next 12	\$4.3591	For the next 16	\$3.2693
For the next 5	\$4.3591	For the next 6.67	\$3.2693
For the next 130	\$3.2185	For the next 173.33	\$2.4139
For the next 350	\$2.1719	For the next 466.67	\$1.6289
For the next 3,250	\$1.6719	For the next 4,333.33	\$1.2539
For the next 36,250	\$1.6719	For the next 48,333.33	\$1.2539
For the next 80,000	\$1.5153	For the next 106.666.67	\$1.1365
Over 120,000	\$1.3904	Over 160,000.00	\$1.0428

*Subject to the Distribution System Improvement Charge listed on page 7.

Monthly Minimum Payment – Northwest Operations*

The Customer's minimum payment under this rate shall be determined by the size of the customer's meter and the number of meters. A separate minimum payment shall be charged for each meter as follows:

Monthly Minimum Payment*			
Size of Meter	Thousand Gallons	Hundred Cubic Feet	Minimum Bi-monthly Payment
5/8"	3	4	\$15.51
3/4"	4.5	6	\$22.05
1"	7.5	10	\$35.12
1 1/2"	15.0	20	\$67.82
2"	24.0	32	\$102.49
3"	45.0	60	\$170.07
4"	75.0	100	\$266.63
6"	150.0	200	\$508.02
8"	240.0	320	\$703.49
10"	390.0	520	\$1,029.27
12"	645.0	860	\$1,510.58

*Subject to the Distribution System Improvement Charge listed on page 7.

**SALE FOR RESALE CUSTOMERS
Northwest Operations**

Volumetric Rates – based on consumption*

	Volume – Thousand Gallons	Price Per Thousand Gallons	Volume – Hundred Cubic Feet	Price Per Hundred Cubic Feet
First	37,500	\$1.7301	50,000	\$1.2976
Over	37,500	\$1.5431	50,000	\$1.1573

Customer Charge*

All metered sale for resale customers shall pay a customer charge based on the size of the meter installed (or multiple meters installed – in which case the charge is based on the total of all meters installed). The customer charge rates are listed below and do not include any allowance for water usage.

Size of Meter	Monthly Charge
2"	\$90.70
3"	\$170.08
4"	\$283.45
6"	\$566.92
8"	\$907.08
10"	\$1,473.99
12"	\$2,437.75

*Subject to the Distribution System Improvement Charge listed on page 7.

Billing Frequency

Bills for sale for resale service shall be rendered on a monthly basis.

FIRE SERVICE CUSTOMERS: Private Fire Service**Availability**

Private water connections for fire protection are available to customers who are located on distribution mains of the company suitable and adequate for supplying the service requested in the territory served by the company.

Character of Service

Service under this rate shall consist of stand-by service for fire emergencies. All water taken through such connection shall be restricted to fire emergencies only. The Company reserves the right to install either a meter or flow detector from time to time to ensure that the service is restricted to fire-fighting purposes. If the Company elects to install a meter or flow detector, the customer shall provide, in a suitable location, flange connections in the customer's service header and a suitable vault for the meter or flow detector.

Size of Meter	Monthly Charge
2"	\$15.39
2 1/2 "	\$23.98
3"	\$34.59
4"	\$61.50
6"	\$138.40
8"	\$246.02
10"	\$384.42
12"	\$553.55
Private Fire Hydrant	\$69.19

Available in Burns Harbor, Chesterton, Gary, Hobart, Merrillville, Portage, Porter, South Haven and adjacent areas.

FIRE SERVICE: Public Fire Hydrant**Availability**

Public Fire Hydrant Service is available to municipalities upon entering into a written Fire Hydrant Service Contract for Fire Hydrant Service, where service can be provided from distribution mains of the company suitable and adequate for supplying the service requested in the territory served by the company.

Character of Service

Service under this rate shall be restricted to stand-by service for fire emergencies from fire hydrant installations owned by the Company.

Monthly Flat Rate

Porter Only \$34.62 per hydrant per month
Balance of Group \$47.51 per hydrant per month

Bills are due and payable within 17 days of the date of the bill.

Available in Burns Harbor, Gary, Merrillville, Porter, South Haven and adjacent areas.

PUBLIC FIRE PROTECTION SURCHARGE UNDER I.C. 8-1-2-103

In accordance with I.C. 8-1-2-103, the Company shall recover the costs for public fire protection service in certain operations from its metered customers. In addition to all other charges for water service, all metered general water service customers in the operations listed below shall pay a Public Fire Protection Surcharge under I.C. 8-1-2-103 based upon the size of the meter installed. If multiple meters are installed, the surcharge shall be based on the total of all meters installed.

Size of Meter	Portage Monthly Surcharge	Hobart Monthly Surcharge	Balance of Group (See "Where Applicable" Below) Monthly Surcharge
5/8"	\$2.37	\$2.42	\$3.21
3/4"	\$3.56	\$3.62	\$4.82
1"	\$5.93	\$6.04	\$8.04
1 1/2"	\$11.87	\$12.06	\$16.07
2"	\$18.99	\$19.30	\$25.70
3"	\$35.61	\$36.19	\$48.19
4"	\$59.34	\$60.32	\$80.30
6"	\$118.69	\$120.64	\$160.63
8"	\$189.89	\$193.03	\$257.00
10"	\$308.57	\$313.68	\$417.63
12"	\$510.33	\$518.78	\$690.68

Bills are due and payable within 17 days of the date of the bill.

Where Applicable

Applicable to the following areas: Unincorporated areas of Center, Portage and Union Townships in Porter County that are supplied with water through the South Haven Booster Pumping Station; the unincorporated area of Union township in Porter County known as Shorewood Forest; the incorporated areas of the Towns of Chesterton, Winfield and Dune Acres and the Cities of Portage and Hobart.

RATE FOR MISCELLANEOUS TEMPORARY WATER SERVICE

Miscellaneous temporary water service is available upon application for construction projected located in the vicinity of distribution mains of the Company suitable and adequate for supplying service requested in the territory served by the Company. Rates, application processes and availability of temporary water service are outlined on page 5 of the tariff, shown under the Regulation section of the Indiana American Water web site.

RECONNECTION CHARGE

Whenever service is turned off for non-payment of a bill, a charge of \$36.00 will be made by the Company to cover the cost of discontinuance and re-establishment of service. Whenever for any reason beyond the control of the company, re-establishment of service is required by a Customer more often than once in a twelve-month period, a charge of \$36.00 will be made by the Company to cover the cost of discontinuance and re-establishment of service.

INSUFFICIENT FUNDS CHARGE

When a check that has been received as payment for water service is returned by the bank unpaid, due to insufficient funds, or an automatic debit to the customer's approved bank account as payment for water service is not recognized, due to insufficient funds; a charge in the amount of nineteen dollars (\$19.00) will be assessed to cover the cost of processing such transaction. This charge will be added to, and will be due and payable on the terms and conditions of the company's billing in payment of which the dishonored instrument was so tendered.

DEFERRED MAIN EXTENSION MONTHLY PAYMENT

Deferred Main Extension Monthly Payment will apply to customers receiving water service through a main extension installed under the Rule 13. In addition to the rates and charges for General Water Service and, where applicable, Fire Service, such customers will pay a Deferred Main Extension Monthly Payment computed in accordance with Rule 13 and based on the cost of the main extension.

GARY PROJECT SURCHARGE (Effective for ten years following IURC approval on 10/31/01).

The location of the Gary Project in Gary, Indiana, is described in the State of Indiana Drinking Water Revolving Loan Program Financial Assistance Agreement dated June 15, 2001, between the State of Indiana acting through the State Budget Agency and Indiana American Water.

In addition to all other applicable rates and charges, a \$10 per month surcharge shall be collected from each general water service customer – residential customer, or in the case of master-metered apartments and trailer parks, household equivalents receiving water from the Gary Project. For each customer, the surcharge shall commence the first month after connection and shall terminate three years thereafter. In the event a customer is master metered for multiple households, the surcharge shall be calculated on the basis of the number of residential households receiving water service through any such master meter (i.e. trailer parks and apartment buildings).

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

The distribution System Improvement Charge (DSIC) set forth on this schedule is applicable where clearly denoted on other rate schedules, and shall be added to the volumetric rates billed. Changes to the DSIC shall be occasioned by filings in accordance with Indiana Code Chapter 8-1-31.

DSIC as of October 10, 2007

Northwest Operations

Rate per 100 cubic feet	\$0.00
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Rate per 1,000 gallon	\$0.00
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