



For Immediate Release

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Agreement reached in Citizens sewer rate case

The Indiana Office of Utility Consumer Counselor (OUCC), industrial customers, and Citizens Energy Group have reached a settlement agreement in Citizens' pending sewer rate case. If the agreement receives approval from the Indiana Utility Regulatory Commission (IURC), it will save customers more than \$25 million annually when compared to the increased revenues sought under the utility's original request.

The IURC will review the agreement as part of its deliberations. Any settlement agreement filed with the IURC may be approved, modified, or rejected.

Under the agreement's terms:

- Citizens' sewer utility in Marion County – which does business as CWA Authority, Inc. – will receive an overall increase of approximately \$61.3 million (or 27.6 percent) in its annual operating revenues. By comparison, Citizens had requested an increase of about \$87 million (approximately 42 percent) when it filed the sewer rate case in September 2015. The increase will be implemented in two phases.
- The monthly fixed, base charge for residential and commercial customers will rise from \$13.82 to \$18.75. The utility's original request would have raised this charge to \$24.63.
- The settling parties agree not to challenge the IURC's authority to approve an order regarding the wholesale wastewater treatment rates Citizens charges to seven neighboring utilities. Wholesale charge issues are being addressed in a separate subdocket pending before the IURC.
- A crisis fund will also be established to assist income-eligible customers with wastewater bills. Citizens will contribute \$100,000 annually to the fund from non-rate revenues.

"The OUCC entered into settlement negotiations with Citizens and its industrial customers after working diligently for several months in a thorough review of the requested rate increase, which includes proposed major capital projects aimed at eliminating combined sewer overflows and septic tanks, as well as addressing other environmental concerns within the city of Indianapolis," said Indiana Utility Consumer Counselor David Stippler. "We recognize rate increases are never popular. But this request includes major remediation projects that are required to meet certain obligations imposed under a federal consent decree. Having identified as many cost savings opportunities as possible for customers, the OUCC achieved a reasonable settlement that ensures Citizens' continued compliance with the federal consent decree while taking further necessary steps to improve the city's environment for decades to come."

The OUCC and other settling parties expect to file testimony supporting the agreement later this week.

The agreement will have no effect on rates for water, natural gas, or other utility services. A settlement agreement on Citizens' water rate request is pending in a separate case before the IURC.

(IURC Cause No. 44685)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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