



Indiana Office of Utility Consumer Counselor

115 West Washington St.  
Suite 1500 South  
Indianapolis, IN 46204  
[uccinfo@oucc.IN.gov](mailto:uccinfo@oucc.IN.gov)  
[www.IN.gov/OUCC](http://www.IN.gov/OUCC)

Toll-free: 1-888-441-2494  
Voice/TDD: 1-317-232-2494  
Fax: 1-317-232-5923

For Immediate Release  
October 16, 2015

Contact: Anthony Swinger  
1-317-233-2747

## **OUCC recommends significant reduction to Citizens Water's proposed rate increase**

The Indiana Office of Utility Consumer Counselor (OUCC) is recommending that Citizens Water receive roughly half of its requested rate increase.

In its pending case before the Indiana Utility Regulatory Commission (IURC), Citizens is seeking approximately \$37.7 million in new annual operating revenues for its water utility. The OUCC, which represents consumer interests in IURC cases, has filed testimony recommending that the increase be limited to about \$20.5 million.

The utility's request would raise its annual water revenues by 22 percent overall with the specific rate impact varying by customer class (residential, commercial, etc.). Under the OUCC's recommendations, the water utility's revenues would rise approximately 11.8 percent.

In testimony filed this week, the OUCC recommends:

- Maintaining Citizens' current funding structure for water distribution system extensions and replacements. 75 percent of the utility's extensions and replacements are funded through rates, with the other 25 percent funded through long-term debt. Citizens is proposing to fund 100 percent of this infrastructure through rates. The OUCC's recommendation on this aspect of the case alone would reduce the requested rate increase by about \$12.3 million annually. The OUCC's testimony explains how preserving the current structure would not jeopardize the utility's financial health.
- Keeping the utility's flat, monthly customer charge at \$8.71. Citizens is proposing to raise the charge to \$12.16 for a residential customer using at least 300 cubic feet (or 2,244 gallons) per month. OUCC testimony notes that the utility's proposed customer charge increases would discourage water conservation while causing disproportionate rate shock for low-volume users.
- Various changes to line items for the water utility's operating expenses including chemical costs, purchased power costs, legal expenses, and bad debt expenses.
- Reducing the disparity in incentive pay between executive and non-executive employees.
- Approval of and recommended improvements to the utility's proposal to create a new fund to assist low-income customers.

**(Continued)**

Citizens provides water utility service to approximately 318,000 customers in Marion County and surrounding counties. Its current water rates were approved in March 2014.

The utility's rebuttal testimony in the water rate case is due November 9, 2015 with an IURC evidentiary hearing scheduled to start on December 8, 2015.

Citizens is seeking an increase in its sewer utility's rates in a separately pending case. The OUCC anticipates filing testimony in that case in January 2016. More information on both cases is available on the OUCC's website at [www.in.gov/oucc/2738.htm](http://www.in.gov/oucc/2738.htm).

# # #

(IURC Cause No. 44644)

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.

Visit us at [www.IN.gov/OUCC](http://www.IN.gov/OUCC), [www.twitter.com/IndianaOUCC](http://www.twitter.com/IndianaOUCC), or [www.facebook.com/IndianaOUCC](http://www.facebook.com/IndianaOUCC).