



For Immediate Release

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Vectren Electric Infrastructure Case: Consumer Comments Invited on Proposed \$514 Million Plan

If you would like to comment on Vectren Energy Delivery's proposed electric infrastructure improvement plan, with corresponding rate increases, you have the chance to do so. The Indiana Office of Utility Consumer Counselor (OUCC) is inviting written consumer comments through April 27, 2017 on the utility's proposed \$514 million plan for electric transmission and distribution system improvements.

Vectren has filed its plan with the Indiana Utility Regulatory Commission (IURC) under a 2013 Indiana law.

- The law allows an investor-owned electric or natural gas utility to seek IURC approval of a seven-year infrastructure improvement plan. The IURC must rule on the request within 210 days.
- If the plan is approved, the utility may then adjust rates every six months, subject to OUCC review and IURC approval, to recover project costs as they are incurred. The OUCC and IURC review periods are limited to 60 and 90 days, respectively.
- The rate adjustments – under a Transmission, Distribution, and Storage System Improvement Charge (TDSIC) mechanism – may not exceed two percent of the utility's total retail revenues.
- Recovery of 20 percent of the costs must be deferred until the utility's next base rate case, which must be filed before the end of the seven-year period.

Vectren's testimony and exhibits state that:

- The proposed projects – aimed at improving system reliability while replacing aging infrastructure – would be built from 2017 through 2023.
- Projects would include the installation of advanced metering infrastructure throughout Vectren's southwestern Indiana electric service territory. Other projects include distribution system and underground network upgrades, along with replacements and improvements of substations, transformers, circuit breakers, poles, and lines.
- If the seven-year plan is approved by the IURC, Vectren's first electric TDSIC rate increase of about 0.83 percent would take effect in 2018.
- Estimated TDSIC rate increases from 2018 through 2024 would vary each year, ranging between 0.83 percent and 1.72 percent annually. Vectren's testimony and exhibits show that the proposed increases on residential bills would be added as fixed charges that would not vary by usage or among customers. The projected residential charge added in 2018 would be \$1.29, rising to \$3.29 in 2019. The monthly charge would continue to rise annually, reaching \$13.46 in 2024.

The OUCC – the state agency representing consumer interests in cases before the IURC – is reviewing the utility's plan and is scheduled to file testimony on May 4, 2017. A number of additional parties have intervened and are also expected to file testimony on May 4. They include Valley Watch, Inc., the Citizens Action Coalition of Indiana, CountryMark Refining and Logistics, LLC, and Toyota Motor Manufacturing of Indiana, Inc.

Under the law's timing requirements, the IURC must issue an order on the plan by late September 2017.

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The new tracker rate increases requested in this case are in addition to Vectren's current base electric rates, which were approved in 2011, and in addition to various other trackers through which Vectren may currently adjust its rates subject to OUCC review and IURC approval. All Indiana investor-owned electric utilities use trackers, with Vectren using them to recover costs for generating fuel, environmental compliance, regional transmission, energy efficiency programs, and system reliability.

Consumers who wish to submit written comments for the case record may do so via the OUCC's Website at www.in.gov/oucc/2361.htm, or by mail, email or fax:

- Mail: Consumer Services Staff
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204
- email: uccinfo@oucc.IN.gov
- Fax: (317) 232-5923

The OUCC needs to receive all written consumer comments no later than April 27, 2017 so that it can: 1) Consider them in preparing its testimony and 2) File them with the Commission to be included in the case's formal evidentiary record. Comments should include the consumer's **name, mailing address**, and a reference to "**IURC Cause No. 44910.**"

Consumers with questions about submitting written comments can contact the OUCC's consumer services staff toll-free at 1-888-441-2494.

An IURC evidentiary hearing is scheduled to start on June 26, 2017 at the PNC Center (101 W. Washington St.) in Indianapolis. While evidentiary hearings are open to the public, participation is typically limited to attorney and Commission questioning of witnesses who have filed technical testimony on behalf of the case's formal parties.

The OUCC is posting case updates online at www.in.gov/oucc/2871.htm.

Vectren provides electric utility service to more than 144,000 customers in seven southwestern Indiana counties. Natural gas rates and services are not at issue in this case. Seven-year infrastructure plans for both of Vectren's Indiana gas utilities received IURC approval in 2014.

Other utilities that have received approval to implement seven-year plans include Duke Energy, Northern Indiana Public Service Company (NIPSCO), and Community Natural Gas Corp.

(IURC Cause No. 44910)

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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