



For Immediate Release

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Agreement reached in Citizens Water rate case

The Indiana Office of Utility Consumer Counselor (OUCC) has reached a settlement agreement with Citizens Water in the utility's pending rate case. If approved, the agreement will save ratepayers approximately \$10 million from the utility's original request.

The agreement, also signed by industrial customers, wholesale customers, and other parties who intervened in the case, was recently filed with the Indiana Utility Regulatory Commission (IURC) which will review it as part of its deliberations. Any settlement filed with the IURC may be approved, modified or rejected.

Under the terms of the newly filed agreement:

- Citizens Water will receive an overall increase of nearly 16.1 percent in its annual operating revenues. By comparison, Citizens had requested a 22 percent increase while the OUCC recommended an 11.9 percent increase in testimony it filed in October.
- Fixed, monthly service charges for residential customers will not rise. All additional revenues through residential bills will be collected through the volumetric (or usage-based) portion of rates.
- Citizens will be allowed to fund 86 percent of extensions and replacements to its water distribution system through rates, with the remaining 14 percent funded by debt. In its original request, Citizens proposed funding 100 percent of this infrastructure through rates. The OUCC recommended maintaining the utility's current balance of 75 percent through rates and 25 percent through debt.
- A crisis fund to assist income-eligible customers with water bills will be created. Citizens will provide \$100,000 annually to the fund using revenue the utility collects from leasing cellular phone transmission facilities on water towers.
- Citizens also agrees to provide the OUCC and IURC with regular reports on non-revenue (or "lost") water, while changing its tariff language to provide a specific timeframe for returning customer deposits.

"I am pleased that the OUCC was able to reach a negotiated settlement agreement with Citizens Water in this proceeding. If approved, this agreement will bring this case to a fair resolution," said Indiana Utility Consumer Counselor David Stippler. "Our staff is particularly concerned about utilities' recent efforts to raise fixed charges in both the water/wastewater and energy sectors. We are pleased that we could resolve that issue, among others, in this case in a way that will benefit Citizens' customers."

The agreement will have no effect on Citizens' sewer rates, which are under review in a separate case. The OUCC is scheduled to file testimony in the sewer case on January 22, 2016.

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(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.

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