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Commission orders deny \$2.6 billion in rate requests: OUCC statement

Indiana Utility Consumer Counselor David Stippler made the following statement regarding today's Indiana Utility Regulatory Commission (IURC) orders denying the 7-year infrastructure plans filed by Duke Energy and Indiana Michigan Power (I&M):

“The IURC orders denying the requests from Duke Energy and Indiana Michigan Power (I&M) are significant victories for consumers. They also send a strong statement to utilities that when they seek higher rates, they must clearly justify their requests with sufficient cost support.

“A 2013 Indiana law allows energy utilities to seek IURC approval of seven-year plans for basic infrastructure improvements, and then recover the costs through rates as they are incurred. Duke Energy's \$1.87 billion infrastructure plan included numerous projects beyond the law's scope. But more importantly, Duke Energy's case-in-chief did not include line-item breakdowns or other sufficient details - as required by law - that would have allowed for a meaningful review of its cost estimates. The OUCC and additional consumer parties to this case argued that the utility's request should be rejected for those reasons.

“I&M's effort to increase rates to pay for vegetation management was among the OUCC's principal concerns regarding I&M's \$787 million plan. OUCC witnesses argued that these costs may be appropriately sought and recovered through a general rate case which allows for a full review of the utility's finances, but are beyond the scope of the expedited rate relief allowed under the 2013 law. By denying I&M's requested seven-year plan, the IURC held both I&M and Duke Energy to the same standard.

“We are genuinely pleased with the results contained in these Commission orders.”

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(IURC Cause Nos. 44526, 44542, 44543)

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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