



**For Immediate Release**

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## **OUCC recommends substantial reduction to American Suburban Utilities rate request**

The Indiana Office of Utility Consumer Counselor (OUCC) is recommending a short-term sewer rate decrease for customers of American Suburban Utilities, Inc., (ASU) and recommending that the utility's long-term increase be limited to only half of its requested rate increase amount.

The OUCC filed testimony with the Indiana Utility Regulatory Commission (IURC) in this case Wednesday evening. ASU is requesting a three-phase rate increase for its sewer utility in Tippecanoe County. The OUCC's recommendations would lower rates for one year, allow them to rise to a level closer to current rates in the second phase, and then implement a new rate in the third phase.

ASU's current flat monthly residential sewer rate of \$47.50 took effect in 2000. The utility's request and OUCC's recommendations would change the rate as follows:

	Phase 1: Effective when order is issued	Phase 2: Effective approx. Jan. 2017	Phase 3: Effective approx. July 2018
ASU Request	\$59.32	\$71.47	\$89.63
OUCC Recommendations	\$34.12	\$39.36	\$55.22

ASU is requesting an overall rate increase of 88.7 percent at the end of the third phase. The OUCC's recommendations would limit the increase to nearly 16.3 percent. The OUCC's recommendations, if approved, would:

- Reduce the utility's proposed cost of equity from 11.0 percent to 9.5 percent.
- Reduce various requested line items for capital spending along with various operating and maintenance expenses.
- Take into account the utility's failure to project future revenues of nearly \$121,900.
- Require ASU to scale back the expansion of the Carriage Estates Treatment Plant, based on data showing the proposal would give the utility far more treatment capacity than necessary.
- Require ASU to file new information, subject to OUCC review and IURC approval, before the Phase 2 and Phase 3 rates are implemented.

Along with its testimony, the OUCC filed written comments from more than 80 ASU customers regarding the case. In addition, the IURC received public comments at a November 16, 2015 public field hearing in West Lafayette.

ASU has until February 2, 2016 to file rebuttal testimony.

An IURC evidentiary hearing is scheduled for February 17, 2016 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. ASU and the OUCC will file closing arguments in the weeks following the February hearing.

(IURC Cause No. 44676)

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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