Fellow Hoosiers:

It is my pleasure to share the Indiana Office of Utility Consumer Counselor’s (OUCC’s) Annual Report with you.

These pages summarize the OUCC’s activities throughout the 2016-2017 Fiscal Year. Within them, you’ll see how our dedicated team works daily to fulfill our mission. Our 55 lawyers, technical experts, and administrative staffers are committed to helping achieve the lowest utility rates reasonably possible through dedicated advocacy, consumer education, and creative problem solving.

Utility costs are rising for a number of reasons including aging infrastructure replacements, federal regulations, and technological changes. We are working diligently at the OUCC to keep these costs in check while helping ensure the safe, reliable delivery of electricity, natural gas, and water to consumers statewide. This requires daily efforts on our part in making the Indiana ratepayer’s voice heard in the state and federal utility regulatory arenas.

As new challenges and emerging issues continue to affect the utility industry, the OUCC will continue its vigilance as an active, dependable advocate for all of our state’s consumers.

We hope you will find this report informative and beneficial. We also invite you to visit our website, www.in.gov/oucc, and sign up for our monthly newsletter to stay informed throughout the year.

Sincerely,

BILL FINE
Indiana Utility Consumer Counselor
TO REPRESENT ALL INDIANA CONSUMERS TO ENSURE QUALITY, RELIABLE UTILITY SERVICES AT THE MOST REASONABLE PRICES POSSIBLE THROUGH:

• DEDICATED ADVOCACY
• CONSUMER EDUCATION
• CREATIVE PROBLEM SOLVING
SUMMARY

When you flip a light switch, turn on your furnace, or turn on a water faucet, you may not think of the work that goes into producing the energy or treating the water, or the miles of power lines, natural gas lines, and water mains that deliver the products to your home or business. You may also not be aware of the extraordinarily complicated accounting, financial, engineering, and legal issues that arise when setting the prices you’ll pay.

That’s where we come in.

When state and federal regulators make decisions about utility rates and services, the Indiana Office of Utility Consumer Counselor’s (OUCC’s) attorneys, technical experts, and administrative team are committed to giving consumers the strongest representation possible.

We are the statutory representative of Hoosier ratepayer interests and the only entity representing all Indiana consumers (residential, commercial, and industrial) in cases before the Indiana Utility Regulatory Commission (IURC). Our 55-member team has hundreds of years of legal, accounting, engineering, financial, and economic experience. We use our knowledge and commitment to work for Indiana consumers each day.

During the State of Indiana’s most recent fiscal year (July 2016 through June 2017), the OUCC helped achieve more than $327 million in savings for ratepayers. For each dollar in the agency’s budget, consumers received $53 through reductions to utility rate increase requests.

In this time period, the OUCC participated in 371 docketed cases before the IURC. These included 31 general rate cases and 166 cost tracker proceedings.

In addition, the OUCC participates in specific cases before the Indiana Court of Appeals and Indiana Supreme Court. We also appear before the Federal Energy Regulatory Commission (FERC) in cases that may affect Indiana ratepayers.

Several people on the OUCC’s staff are active in leadership positions at the national level, as noted later in this report. This plays a key role in keeping the agency on the cutting edge of energy and water/wastewater issues.

This report demonstrates how the office continues to fulfill its mission to help ensure quality, reliable utility services at the most reasonable prices possible. The next several pages outline the OUCC’s accomplishments on behalf of consumers throughout the fiscal year and describe some key challenges we face.

NOTE: Each case before the IURC is assigned a five-digit cause number. Cause numbers throughout this report are shown in brackets.

Our website and monthly newsletter are two of the ways we keep consumers informed. To subscribe to our newsletter, please email us at uccinfo@oucc.in.gov.
WE ARE THE STATUTORY REPRESENTATIVE OF HOOSIER RATEPAYER INTERESTS AND THE ONLY ENTITY REPRESENTING ALL INDIANA UTILITY CONSUMERS
The energy industry is changing rapidly. However, the basic needs of the consumer are still the same. Every electric and natural gas utility customer expects the safe, reliable service the utilities are required by law to provide. And each consumer wants the products and services to be affordable. Today’s major energy issues include the changing dynamics of the nation’s electric generation supply, with natural gas-fueled generation and renewable energy sources taking on a larger role. New technology, dramatic shifts in federal environmental policy, and other factors have led to an increasingly complex caseload for the OUCC. As issues and challenges continue to change, the complexities will continue to grow.
Analysts in the OUCC’s Electric, Natural Gas, and Energy Resources divisions are committed to staying on top of changing dynamics and new trends in the energy marketplace. Working with our attorneys and administrative staff, our technical experts remain focused on ensuring the safe and dependable delivery of energy at the most reasonable prices possible.

Energy-related cases before the IURC come in different sizes and scopes, but the OUCC’s commitment to closely reviewing costs, examining the proposals, and raising concerns when necessary is the same in each docket.

Rates for electric and natural gas utilities are set and changed through two major types of cases before the IURC: base rate cases and tracker proceedings.

**BASE RATE CASES**

A base rate case – or general rate case – is the fundamental venue for reviewing a utility’s operations and its financial health. Each case is unique due to numerous fiscal, engineering, and policy considerations. Rate cases for electric utilities, in particular, are more complex than ever due to the ongoing shift in the generating fuel mix, the development of new technology, legal uncertainty pertaining to federal regulations, and numerous additional factors.

In each base rate case, the OUCC’s attorneys, accountants, economists, and engineers closely review the utility’s testimony, exhibits, and work papers. The agency also reviews consumer comments, information from outside experts, and responses by utilities and intervening parties to discovery questions from the OUCC’s attorneys and technical staff. A utility’s evidence must include the most accurate cost estimates possible, clear justification of all costs, and documentation showing that the utility has done its due diligence in planning to meet not only the company’s future needs, but also the needs of its customers.

In each case, the OUCC carefully reviews the utility’s request from an accounting, engineering, financial, and legal perspective. This includes visits to the utility’s service territory to conduct accounting and engineering reviews. We also attempt to negotiate settlement agreements that provide fair resolutions for utility customers. When these negotiations are successful, ratepayers benefit from the reduced expense of litigation (costs utilities may recover through rates).

But if the OUCC is unable to negotiate a fair settlement, it will present its litigation position based on the agency’s review through testimony and exhibits it files with the Commission. Litigation testimony may recommend denial, partial denial, or partial approval of the utility’s request. Recommendations in each case are based on the facts and circumstances unique to each utility and each request.

Indiana law requires the IURC to issue a final rate case order within 300 days of the utility’s initial filing, provided the initial filing includes the utility’s full case-in-chief with testimony, exhibits, and work papers. As a result, the OUCC typically has just under 100 days to review hundreds or even thousands of pages of evidence, formulate its position, and file testimony and exhibits before the Commission.

Deputy Consumer Counselor Karol Krohn and Senior Analyst Peter Boerger, Ph.D. prepare for a hearing.
Indianapolis Power & Light Co. (IPL) is expected to file a new rate case before the end of 2017. In the meantime, a number of utilities have sought general rate changes in the past year.

The latest fiscal year saw the conclusion of Northern Indiana Public Service Company’s (NIPSCO’s) most recent general electric rate case [44688]. The IURC approved a settlement agreement among the OUCC, industrial customers, municipal governments, the United Steelworkers, and NIPSCO. The agreement reduced NIPSCO’s requested annual increase by $54 million and limited the base rate increase for residential customers to less than half of the utility’s original request. Additional benefits in the agreement included a new rate that supports LED street light conversions for municipalities in NIPSCO’s electric service territory and expansion of the utility’s interruptible program for industrial customers.

In the NIPSCO electric rate order, the IURC implemented a collaborative process for ongoing discussions among the utility, IURC staff, the OUCC, and additional parties. The NIPSCO collaborative is expected to continue for some time with a focus on performance metrics and regular reports to be filed with the IURC and OUCC.

The NIPSCO collaborative is similar to the collaborative created in the IURC’s March 2016 rate/investigation orders for IPL. In the IPL collaborative, the parties discussed and established a specific set of performance metrics focused on system reliability and service quality. Specific measurements are submitted on a regular basis and are compared with other utilities’ metrics. It is intended to be a multi-year effort that will also assess IPL’s staffing and financial commitments while ensuring implementation of an industry consultant’s recommendations for improving the safety and reliability of IPL’s downtown network.

The OUCC has committed many hours of staff time to the collaborative discussions concerning both IPL and NIPSCO, helping to ensure compliance with the orders and proper utility planning.

Since the last fiscal year concluded, NIPSCO’s natural gas utility has filed a rate case seeking $143 million in new, annual revenues. The OUCC is using its legal and technical resources to review NIPSCO’s request, and expects to file testimony in January 2018.

Indiana Michigan Power (I&M) was expected to file a new rate case during the last fiscal year. However, due to the efforts of the OUCC and additional parties, a settlement agreement pertaining to regional electric transmission costs [43774 PJM 4S1] resulted in a one-year delay in I&M’s rate case filing. I&M ultimately submitted its rate filing [44967] in July 2017. The request would raise rates by $263 million annually, which is a 19.7 percent increase over I&M’s current Indiana revenues. I&M’s case-in-chief includes nearly 6,000 pages of testimony, exhibits, work papers, and additional evidence. The case involves most of the OUCC’s staff and is a major time commitment for those who file testimony and assist in its preparation.

A recent unique rate case was Citizens Thermal Energy’s proposal to decrease its rates [44781]. The request came after Citizens Thermal completed the transition of the Perry K. Steam Plant from coal to natural gas. The plant provides steam utility service to buildings throughout downtown Indianapolis. OUCC staff and industrial customers who intervened identified additional savings in the utility’s filing, which resulted in a larger rate decrease than first requested, expanding the reduction from $2.15 million to $2.44 million.

Farheen Ahmed and Heather Poole of the OUCC’s Natural Gas Division prepare for one of the many hearings they’ve taken part in during the last fiscal year.
Additional rate cases involving electric and natural gas utilities in the most recent fiscal year have included requests from:

- The Frankfort and Crawfordsville municipal electric utilities. The OUCC and municipalities negotiated settlement agreements in both cases, reducing the utilities’ requests by 14.5 percent and 9.7 percent, respectively.
- Citizens Gas of Westfield. A 2.8 percent rate increase was approved in this settlement, compared to a 9.2 percent raise the utility had requested.
- Ohio Valley Gas. The OUCC and the utility reached a partial settlement resolving all but one of the case’s issues. The parties did not agree on the utility’s proposed pension expense, but negotiated resolutions on cost of equity, operating and maintenance costs, and other matters.
- Midwest Natural Gas Corporation. This utility, which serves 10 southern Indiana counties, requested an annual revenue increase of more than $1.2 million. The OUCC recommended limiting the increase to just under $552,000. In its order, the Commission awarded an increase of about $873,000.
- Community Natural Gas Company. The IURC approved a $633,000 rate increase in this litigated case. The OUCC’s position would have limited the increase to about $451,000 while the utility requested more than $706,000.

Along with rates and charges, the IURC has financing authority over regulated utilities. The OUCC participates actively in these cases, with electric utilities requesting nearly $3.2 billion in financing over the last fiscal year.

**Tracker Proceedings**

Utilities can also seek rate increases through a variety of rate recovery mechanisms known as “trackers.” The first rate trackers for electric and natural gas utilities were created more than 30 years ago, and were designed to help utilities recover specific costs beyond their control. Either the General Assembly or the IURC may create a tracker and set specific parameters for the types of costs a utility may recover through it. Each tracker filing involves a limited examination of the utility’s operations and finances, including OUCC review within short, prescribed timeframes.

The number of trackers, particularly for electric utilities, has grown significantly over the last 15 years. Trackers allow utilities to raise rates to recover costs for environmental compliance, energy efficiency programs, regional transmission, and additional specific items.

Indiana’s five investor-owned electric utilities use a total of 38 trackers to recover costs beyond the scope of their base rates. Trackers affect rates to varying degrees, can raise or reduce them, and can be changed every three, six, or 12 months.

**Seven-Year Infrastructure Plans with Accelerated Rate Recovery**

Trackers that have especially affected the OUCC’s workload include the Transmission, Distribution, and Storage System Improvement Charges (TDSICs) that can be used by electric and natural gas utilities. TDSICs are now being used by Vectren’s natural gas utilities, NIPSCO’s electric and natural gas utilities, and Duke Energy.

Before using the TDSIC to seek rate changes every six to twelve months, an energy utility must receive IURC approval of a seven-year infrastructure improvement plan. Once a utility files a seven-year plan, the Commission must issue a final order within 210 days. Projects in the plan typically include replacement of aging infrastructure such as electric lines, gas mains, poles, substations, transformers, etc. Natural gas utilities may also include projects to extend service to rural areas.

When a seven-year plan is proposed, the utility has the burden of proof to show the proposed projects are necessary, within the scope of the statute, and that the utility is pursuing the least cost option. In the tracker proceedings, the utility may update its plan. However, immediate rate recovery is not allowed for projects not in the originally approved plan.
Once a seven-year plan is approved, and if the utility chooses to seek rate recovery through the TDSIC, then the OUCC must file testimony within 60 days. An IURC order on the tracker request is due within 90 days.

In each TDSIC tracker filing, OUCC analysts and attorneys review all projects completed in the last six to 12 months, compare actual costs to projected costs, and analyze future cost estimates in light of broader operational and engineering issues.

According to statute, TDSIC rate increases cannot increase the utility’s total retail revenues by more than two percent in a twelve-month period.

The TDSIC tracker allows the utility to recover 80 percent of the plan’s costs as they are incurred. The remaining costs are deferred until the utility’s next general rate case, which must be filed before the end of the seven-year period.

The most recently approved seven-year plans are those for NIPSCO’s electric utility [44733], Duke Energy [44720], Community Natural Gas Corp. [44710], Midwest Natural Gas Co. [44942], and Vectren’s electric utility [44910]. Plans for the NIPSCO and Vectren natural gas utilities were approved in 2013 and 2014, respectively.

For NIPSCO, the seven-year electric plan now in place was approved in July 2016. The Commission’s order approved a $1.25 billion settlement agreement among the OUCC, municipal governments, industrial customers, and NIPSCO. This agreement will save NIPSCO electric customers $80 million when compared to the utility’s original request.

The IURC approved a $1.4 billion settlement agreement for Duke Energy’s seven-year plan in June 2016, saving customers $400 million compared to the proposal the utility filed in 2015. Settling parties included the OUCC, industrial customers, Wabash Valley Power Association, Hoosier Energy, the Indiana Municipal Power Agency, the Environmental Defense Fund, and Duke Energy.

Community Natural Gas has chosen to recover its project costs – all related to rural extensions – through base rates rather than the TDSIC tracker mechanism. Midwest Natural Gas Company’s seven-year plan received approval after the last fiscal year ended. The OUCC recommended approval of the plan, which consists of one proposed pipeline project in Daviess County. In its filings, the utility noted it had not determined whether to use the TDSIC tracker or seek project cost recovery in a future general rate case.

Vectren’s approach to its natural gas TDSIC is unique, as it uses a “Compliance and System Improvement Adjustment” (CSIA) to recover costs for two types of projects aimed at replacing aging infrastructure: 1) The TDSIC and 2) “Federal Compliance Projects.” These are separate projects that are required to comply with federal pipeline safety laws, including those pertaining to natural gas pipelines and storage facilities. A 2011 Indiana law allows gas utilities to recover these costs. Other utilities recover them through separate mechanisms not related to the TDSIC.

A recently approved settlement agreement will reduce Vectren’s seven-year electric plan by $67.5 million. It placed a $446 million cap on capital costs and substantially reduced the new monthly fixed charges that will increase customers’ bills. It also removed certain projects from the plan that the OUCC viewed as beyond the TDSIC statute’s scope.

Implementation of the 2013 TDSIC statute continues to be a challenge, with the Indiana Court of Appeals interpreting the law in several cases. Vectren [44429, 44430 TDSIC 3] attempted to add a $68 million project in the Lafayette area to its previously approved seven-year natural gas plan. The Commission denied Vectren’s attempt indicating the Lafayette project was not included as part of Vectren’s approved seven-year plan. While the OUCC agrees the utility needs to make infrastructure improvements to provide safe and reliable service, the agency’s position is that projects not in the seven-year plan should not be eligible for immediate tracker rate recovery. They should be eligible for rate recovery in a utility’s general rate case. Vectren appealed the Commission’s decision to
Among utilities now recovering costs through the TDSIC, the monthly residential rate impacts to date are as follows:


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<th>Tracker</th>
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<th>Increase over previous TDSIC tracker (1000 kWh)</th>
<th>Cumulative increase over base rates (1000 kWh)</th>
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### NIPSCO Electric TDSIC [44733] - Seven-Year Plan Approved on July 12, 2016.

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### NIPSCO Gas TDSIC [44403] - Seven-Year Plan Approved on April 30, 2014.

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<th>Portion for TDSIC projects</th>
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### Vectren North CSIA [44430] - Seven-Year Plan Approved on August 27, 2014.

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<th>Tracker</th>
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### Vectren South CSIA [44429] - Seven-Year Plan Approved on August 27, 2014.

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<th>Portion for Federal Compliance Projects</th>
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the Indiana Court of Appeals. In April 2017, the Court of Appeals decision agreed with the OUCC’s and IURC’s interpretation that the plan could not be expanded to allow immediate rate recovery through the trackers.

In addition, the IURC’s orders on NIPSCO’s last three natural gas TDSIC [44403 TDSIC 4/5/6] filings have been appealed. Issues in the appeals have centered largely on whether the Commission allowed the utility to include projects for TDSIC recovery that were not identified in NIPSCO’s seven-year plan. The latter two cases are still pending before the Indiana Court of Appeals. In the other case, TDSIC 4, the Court upheld the Commission order, and a group of NIPSCO industrial customers is seeking to have the case heard by the Indiana Supreme Court.

In the four fiscal years since the TDSIC statute was enacted, the OUCC has committed more than 22,000 staff hours to cases involving proposed seven-year plans and TDSIC rate recovery.

**Fuel Cost Recovery Trackers**

**Fuel Adjustment Clause** (FAC) cases allow electric utilities to adjust rates periodically to reflect changes in costs for coal, natural gas, and other generating fuels. **Gas Cost Adjustment** (GCA) cases allow natural gas utilities to recover wholesale natural gas costs. Cost recovery through both the FAC and GCA is a straight pass-through of a utility’s incurred expenses on a dollar-for-dollar basis.

FAC and GCA filings can either raise or reduce customer bills. Most utilities make these requests every three months while others file them every six months. In these cases, the OUCC reviews the filings to ensure utilities are recovering fuel and gas costs without profit or markup, shopping prudently in the competitive wholesale markets, and meeting all legal requirements. The OUCC may recommend that the IURC disallow certain costs if they fall outside of these parameters.

The OUCC reviewed 28 FACs and 64 GCAs in the last fiscal year.

Every GCA filing receives a thorough review by the OUCC within 30 days after the utility files its petition with the IURC. Each FAC filing receives such a review within 35 days. While scrutinizing these filings, the OUCC communicates regularly with utilities to ensure the information reported is accurate. During the latest fiscal year, the OUCC saved ratepayers more than $1.9 million due to errors found in GCA filings. The utilities corrected those errors before the final rates received IURC approval.

One example demonstrating the importance of OUCC advocacy in these proceedings is a recent Valley Rural Utility Company case [42115 GCA 13]. The utility serves approximately 550 customers in Dearborn County. In its December 2016 GCA filing, Valley Rural disclosed it had added a charge to customer bills for recovery of bad debt expense. The OUCC advocated that bad debt expense should not be passed through to customers in the GCA and should be refunded. The IURC’s final order in June 2017 stated that the utility already has an amount for bad debt expense embedded in base rates, and therefore is not allowed to recover any deviation through rates absent a base rate case. The IURC ordered Valley Rural to cease collections of this charge and refund more than $39,000 to customers.

**THE FUEL MIX AND ENVIRONMENTAL RULES: BIG CHANGES**

Planning for Indiana’s future energy needs is crucial, and the OUCC plays a vital role in this process by reviewing and commenting on long-term utility plans and engaging in dialogue with multiple stakeholders regarding each plan.

Electric utilities file **Integrated Resource Plans** (IRPs) with the IURC on a regular basis. Each plan projects the utility’s generation needs over the next 20 years along with plans to meet those needs. IPL, NIPSCO, and Vectren have filed IRPs within the last fiscal year.

**Traditional Generation Sources**

Although the costs are substantial, the development of new gas-fired generation facilities (including the IPL Eagle Valley plant in Morgan County) and the implementation of coal emissions reduction technology at plants throughout the state are essential to meeting the state’s energy resource needs. They are also necessary to keep the utilities in compliance with federal environmental
regulations. The OUCC continues to monitor requests for power plant resource additions and environmental upgrades in Indiana while closely reviewing filings through which utilities seek to recover these costs.

Four of the state’s electric utilities (Duke Energy, IPL, I&M, and NIPSCO) seek rate adjustments every 6 to 12 months through their Environmental Compliance Riders (ECRs). Approximately $613 million were recovered through ECR trackers during the state’s most recent fiscal year, compared to about $555 million over the previous year.

OUCC analysts and attorneys continue to closely examine filings regarding the Duke Energy Edwardsport IGCC plant to ensure compliance with settlement agreements. The agreements among the OUCC, Duke Energy, and additional parties were approved in 2012 and 2016. Together, they are shielding Duke Energy ratepayers from approximately $1 billion in construction cost overruns.

In addition, the agreements ensure the Edwardsport plant’s assets are valued at the capped costs for the project’s life, meaning the asset values will not rise as they would under normal utility accounting practices. This will save ratepayers significant dollars (projected at up to $2 billion) over the next 30 years. Additional negotiated consumer benefits include Duke Energy’s contributions to low-income home energy assistance and the Indiana Utility Rate Payer Trust, and $1.5 million for renewable energy storage research at southern Indiana’s Battery Innovation Center.

I&M’s Rockport Generating Station is also a key focus, with the utility seeking to install new emissions technology at the plant’s second unit, aimed at complying with the terms of a federal consent decree. Rockport Unit 2 generates a substantial portion of I&M’s baseload power supply. The utility’s October 2016 request before the IURC would add approximately $137 million to its Indiana customers’ rates. The OUCC recommended approval under the current circumstances in February 2017, noting that if the technology were not installed, I&M would violate the terms of the unit’s lease. This would put customers at risk of paying an early termination fee of about $608 million.

However, I&M later notified the Commission and OUCC of developments in federal courts raising the possibility of modifying the consent decree. The IURC case is still pending as the federal court proceedings continue.

**Nuclear Life Cycle**

Though there are no nuclear power plants in Indiana, approximately two-thirds of the power generated by the D.C. Cook Nuclear Plant in Bridgman, Michigan is dedicated to I&M’s Indiana customers (who, in turn, pay for about two-thirds of the plant’s operations). In 2013, I&M received approval of a $1.15 billion Life Cycle Management (LCM) plan, with authority to recover costs through tracker rate increases. These projects are focused on extending the plant’s life span, which provides approximately half of I&M’s baseload, 24/7 generation.

Beyond the LCM projects, the U.S. Nuclear Regulatory Commission (NRC) is requiring I&M to complete additional projects at the Cook plant. These projects will continue for at least the next seven years and will take priority over the LCM projects.

**Environmental Regulations**

Federal environmental regulations directly affect utilities and their customers, with state law allowing utilities to recover compliance costs through rates. The recent federal administration change may result in the repeal or replacement of major rules. However, Hoosier utilities remain obligated to comply with existing law and plan accordingly. In addition, a vast amount of federal court activity is ongoing. In the meantime, stakeholders must balance the uncertainty of these rules with the need to ensure reliable service to each utility’s customers and throughout the grid at large.

One example is the US Environmental Protection Agency’s (EPA’s) Coal Combustion Residuals rule. Three Indiana electric utilities (Duke Energy, IPL, and NIPSCO) filed proposals in the last year for construction projects that would allow them to comply with this coal ash disposal rule. The OUCC and additional parties have negotiated settlement agreements with the utilities in all three cases. The Duke Energy and IPL settlements have received
IURC approval, with the IPL agreement reducing the ratepayer impact by nearly $19 million from the utility’s original request. The Duke Energy agreement provided a reduction of nearly $50 million. The NIPSCO agreement is still pending.

**Renewable Energy**

Renewable energy resources represent an increasing role in the generation mix for Indiana and throughout North America. As in the past, the OUCC continues to support the development of cost-effective renewable energy projects as shown in a number of cases before the Commission.

Over the latest fiscal year, the OUCC supported the development of Duke Energy’s new 17 MW solar facility at NSC Crane, reaching a settlement agreement that received IURC approval [44734]. In two other cases, the OUCC supported Duke Energy’s request to buy power from four additional solar energy facilities and reached a settlement allowing renovations and continued use of the Markland Dam hydroelectric facility in southeastern Indiana [44767].

Elsewhere, Vectren’s electric utility received IURC approval for a group of solar projects in the Evansville area. The OUCC’s testimony recommended approval, with modifications [44909].

Most regulated Indiana electric utilities offer Green Power billing options, giving customers the option to purchase monthly “blocks” of renewable power. For each “block,” the utility buys an equivalent amount of power from renewable resources. The OUCC supported I&M’s efforts to create a voluntary Green Power rate in the last year. In addition, the agency supported a five-year extension of Duke Energy’s voluntary GoGreen power billing program, [44933].

The state’s policy on net metering, which encourages residential use of rooftop solar and other renewable technologies, changed dramatically under a 2017 Indiana law. Under the new law, existing net metering customers who are paid a retail rate for their excess electricity (significantly higher than wholesale rates) will continue to receive that rate from their utilities for the next 30 years. Future net metering customers, however, will either receive the retail rate for a shorter period of time or a wholesale rate with a premium.

Battery storage is key to renewable energy development, crucial to practical usage of renewable power in the future, and continues to be the focus of research throughout the world. In Indiana, the OUCC continues to expand its knowledge in this area and supports the Battery Innovation Center’s research. As new battery storage technology develops in the coming years, various stakeholders, including the OUCC, will assess its viability and plan accordingly.

**Energy Efficiency**

Indiana law requires all five of the state’s investor-owned electric utilities to seek IURC approval of proposed energy efficiency plans. The law allows utilities to recover “reasonable financial incentives” and “reasonable lost revenues” for these programs through rates, while requiring consideration of such items as rate impact, whether any customer class (residential, commercial, or industrial) would be unfairly affected by the plan, and whether the proposed energy efficiency plan is consistent with the utility’s long-term integrated resource plan. Three of Indiana’s natural gas utilities also have Commission-approved energy efficiency plans.

The OUCC closely reviews all proposed plans, focusing on each program’s design, cost-effectiveness, and budget, along with its evaluation, measurement, and verification plan. Staff also reviews the shareholder incentive structure and the utilities’ requests to recover lost revenues.

Energy efficiency is an important component in meeting the state’s electric needs. As long as energy efficiency plans are cost-effective, contain reasonable lost revenues and shareholder incentives, and are within the scope of Indiana law, they will continue to receive OUCC support.
Cogeneration
An issue related to energy efficiency is cogeneration, or combined heat and power. It is an increasingly common way for industrial utility customers to capture heat and other “lost” energy from their operations and reuse it.

In the last year, SABIC Innovative Plastics sought approval of a special contract with Vectren for its Mount Vernon plant’s energy use after installing a new cogeneration project. The energy resulting from this project will produce a substantial portion of the plant’s electricity needs. The cost recovery impact on other Vectren customers has been an issue in three of its trackers, and the OUCC worked diligently to forge a one-year agreement that received IURC approval. The issue is now being revisited.

Grid Security
Cybersecurity investments are vital to ensure safe and reliable delivery of utility services. NIPSCO and Duke Energy are recovering costs for specific electric projects through Critical Infrastructure Protection (CIP) trackers, which must be reviewed for cost-effectiveness but in a confidential manner. The OUCC also collaborates regularly with other state agencies to stay abreast of cybersecurity trends, as these issues continue to emerge.

New Meter Technology
According to the US Energy Information Administration, more than 57 million residential electric customers throughout the nation now have automated meters. That number continues to grow. Duke Energy and Crawfordsville Electric Light & Power are among the regulated Indiana utilities now installing automated metering infrastructure (AMI) technology. Also known as “smart meters,” these devices allow two-way communication between the customers’ meters and the utility. The NIPSCO electric and Vectren natural gas utilities are among those deploying AMR (automated meter reading) technology. AMR allows for electronic, one-way communication from the customer’s meter to the utility.

Advanced metering technology requires front-end investment while helping utilities reduce their long-term operational costs, which should result in consumer savings. Much of the technology is also designed to help consumers better understand their daily energy usage while helping electric utilities to more quickly identify power outages. The OUCC is closely reviewing the cost-benefit analysis of this technology and is considering other issues related to advanced meters, including questions raised by customers who wish to retain their traditional meters and whether a utility may charge its customers for opting out of the technology.

ELECTRIC RELIABILITY
Managing the Grid
Regional transmission operators (RTOs) essentially act as “air traffic controllers” for the electric grid, ensuring consistent power flows and preventing outages over multi-state regions. Four of Indiana’s five investor-owned electric utilities belong to the Carmel, Indiana-based Midcontinent Independent System Operator (MISO), which coordinates power flows over 15 states and the Canadian province of Manitoba. I&M is a member of the Pennsylvania-based PJM Interconnection (PJM), which covers 13 states and the District of Columbia.

From an operational standpoint, RTOs are facing challenges and opportunities as the needs of the grid continue to change. Renewable sources are playing a greater role, requiring the construction of new electric transmission lines to accommodate the growing number of decentralized generation resources. As a result, RTOs will continue to have a greater influence on the development and use of generation and transmission projects.

From a cost standpoint, the OUCC continues to work at the state, regional, and federal levels to ensure that Indiana ratepayers are treated fairly as RTOs assess costs to utilities, and as utilities seek dollar-for-dollar recovery of those costs.
WATER/WASTEWATER

An estimated 240,000 water mains break in the United States each year, according to the American Society of Civil Engineers.

This statistic is one of many that illustrate the major challenges facing Indiana and all other states when it comes to water resources, aging infrastructure, and the need for capital improvements.

The water and wastewater industry faces many of the same challenges that confront the energy sector, as described earlier in this report, but it is more capital intensive. Aging infrastructure is a massive challenge as illustrated in a November 2016 Indiana Finance Authority report. The report estimates the cost of addressing Indiana’s immediate water infrastructure needs at $2.3 billion, with an additional $815 million needed each year for maintenance. In addition, these utilities, much like energy utilities, have been required to make major capital improvements in recent years due to federal environmental mandates.

There are many more small water and wastewater utilities in Indiana than there are energy companies. These smaller utilities face particular challenges as they do not benefit from economies of scale and have fewer customers among whom to spread their costs.
The OUCC and a number of additional state agencies are taking a proactive, long-term approach addressing current and future water needs. Ensuring a safe, reliable water supply is a complex formula requiring the daily commitment of utility employees, and oversight by consumer advocates and economic and environmental regulators. The agency strives to help ensure water and wastewater utilities have the revenue they need to provide the safe, reliable, and environmentally responsible service they are required to provide under state law.

**BASE RATE CASES**

Many of Indiana’s investor-owned water and sewer utilities are under IURC jurisdiction, along with a number of municipal water utilities and not-for-profit entities. Most sewer utilities are not under IURC oversight pursuant to state law but instead are regulated at the local government level. These include municipal sewer utilities, regional sewer districts, and sewer utilities operated by conservancy districts.

With utilities that are under IURC jurisdiction, the OUCC participates actively in all cases including those affecting rates, charges, and finances. As with the divisions focusing on energy, the agency’s Water/Wastewater Division works closely with our legal and administrative staff to conduct thorough reviews of utility rate requests.

We regularly attempt to negotiate settlement agreements that provide fair resolutions for utility customers. But if the OUCC is unable to negotiate a fair settlement, we present our litigation position to the Commission through testimony and exhibits. Recommendations are based on each case’s unique facts and circumstances.

New rates for Citizens Energy Group’s sewer utility in Marion County – the largest sewer utility under IURC jurisdiction – were approved in July 2016 [44685]. In approving a settlement agreement with modifications, the IURC authorized an overall two-phase increase of about $61.3 million (or 27.6 percent). By comparison, Citizens had requested an increase of about $87 million (approximately 42 percent) when it initially filed the rate case in September 2015.

Before entering into settlement negotiations with Citizens and intervening industrial customers, OUCC staff spent several months reviewing the utility’s request, which included major capital projects aimed at eliminating combined sewer overflows and septic tanks. The request included large remediation projects required to meet the terms of a federal consent decree.

Citizens Energy Group provides wholesale sewage treatment services to seven neighboring sewer utilities under contracts reached a number of years ago between the City of Indianapolis and those utilities. When Citizens sought a sewer rate increase in 2014, the IURC noted that the contracts – some of which did not have expiration dates – provided subsidies which shifted costs from suburban wholesale customers to Marion County customers. Citizens and its wholesale customers were urged to resolve the subsidy issue, and the IURC opened a subdocket in the utility’s 2015/2016 rate case to address it.

Under a recently approved settlement agreement [44685 S1] among Citizens, the OUCC, and three of the wholesale customers (Ben Davis Conservancy District and the cities of Greenwood and Lawrence), the subsidies will be phased out over a 10-year period. The subsidies will also be phased out with the remaining four wholesale customers (Hamilton Southeastern Utilities, the City of Beech Grove, the Town of Whitestown, and Tri-County Conservancy District).

Significant investor-owned water/wastewater utilities with rate cases in the most recent fiscal year included American Suburban Utilities, Citizens Wastewater of Westfield, and Community Utilities of Indiana. A key issue in each of those three cases focused on whether the utility was making investments that were either excessive or imprudent.
American Suburban Utilities is an investor-owned entity providing sewage disposal service near West Lafayette. In its rate case [44676], the utility proposed building a new sewage treatment plant with the capacity to treat 6 million gallons per day. The OUCC’s analysis, however, showed that a 3 million gallon per day capacity would be more than sufficient to meet the utility’s short and long term needs. American Suburban proposed a three-phase increase, which would have raised the flat monthly residential rate from $47.50 to $85.17 as requested in the utility’s closing arguments. In litigating the case, the OUCC recommended limiting the increase to $60.80. The IURC order established a new rate of $76.92.

Citizens Energy Group purchased Westfield’s municipal water and sewer utilities in 2011 and operates each as a for-profit entity. In the first IURC rate case for Citizens Wastewater of Westfield [44835], a settlement agreement with the OUCC provided for a 9.2 percent rate increase instead of the 25.4 percent increase the utility requested. An additional issue in this case was the utility’s lack of a system development charge (SDC). Many water and wastewater utilities assess a one-time SDC for connections to newly developed houses and businesses, allowing for those charges to be assessed directly on the developer and not on all ratepayers. Under the settlement, Citizens Wastewater of Westfield agreed to seek an SDC in a newly filed case. It also agreed to file a cost of service study in a future rate case to ensure appropriate cost recovery among customer classes.

Community Utilities of Indiana, Inc. [44724] provides service in northwest Indiana, with its entities also known as Indiana Water Service, Inc. (IWSI), Twin Lakes Utilities, Inc. (TLUI), and Water Service Corporation of Indiana (WSCI). In this case, the OUCC identified and litigated numerous areas of concern, including overpayment to build one water tank and unnecessary construction of an additional water tank. The utility asked for water and sewer rate increases, respectively, of 50.1 percent and 30.7 percent in its initial filings. In closing arguments, the OUCC recommended limiting the increases to 18.5 percent and 10.8 percent. This case is still pending before the IURC.

It is important utilities plan for future growth in a responsible and cost-conscious manner. The OUCC will continue to review the prudency of capital investments to ensure utilities can provide the proper level of service at the most reasonable costs possible.

In the last fiscal year, Aqua Indiana [44752] received approval of new sewer rates for its Aboite Wastewater Division in Fort Wayne and neighboring communities. The utility originally sought a 29.8 percent rate increase with the OUCC recommending limiting the increase to 15.6 percent. Ultimately, the OUCC, utility, and City of Fort Wayne reached an agreement allowing for a 23.6 percent increase.

Under the approved agreement, the utility will be able to complete capital projects needed for safe, reliable, and environmentally responsible sewage disposal services over the long term. Improvements include a pipe lining project to reduce infiltration, treatment plant expansion, and a diversion project to help eliminate sewer backups and overflows. Other issues in the case included ensuring Aqua customers would not pay for the City’s sewage treatment, reducing the increase for meterless customers who pay flat rates, and the implementation of...
a one-time system development charge (SDC) for new connections, offsetting costs existing customers would otherwise pay.

Municipal water utilities are allowed to withdraw from IURC jurisdiction under state law, and more than 90 percent have done so. Approximately two dozen such utilities remain under IURC oversight. Most rate cases involving municipal water utilities result in settlement agreements that are presented to the IURC for approval. Three approved agreements in the last fiscal year are strong examples.

The OUCC and East Chicago reached a settlement in the city’s first water rate case in over 10 years [44826], which will allow it to make critical investments in its water distribution system including new water storage tanks, new meters, and fire hydrant repairs and replacements. It will also allow the city to proceed with plans to replace customer-owned lead service lines on a number of residential properties.

The utility’s original proposal provided that half of those replacement costs would be paid for by homeowners. After the OUCC encouraged East Chicago to seek alternative funding sources, the city succeeded in obtaining additional funding from the Indiana Finance Authority (IFA) at no additional cost to ratepayers. As a result, the city will be able to fund the full costs of up to 500 customer-owned service line replacements.

The agency also reached settlements with the cities of Evansville [44760] and Bloomington [44855] on their respective rate increase requests. In both cases, the OUCC’s accounting, engineering, and legal reviews showed that the utilities’ proposed capital improvements are needed to ensure safe, reliable service throughout their respective treatment and distribution systems.

Evidence in the Evansville case showed a large amount of deteriorating infrastructure. About 60 percent of the city’s water distribution system consists of cast iron mains with an average age of 90 years. The aging infrastructure issues in Evansville are emblematic of water utility systems in many other communities.

The Bloomington agreement includes approval for the city to issue $4.6 million in bonds, preliminarily aimed at jump starting the replacements of water mains that are more than 75 years old. Evidence in the Bloomington case showed a significant number of cast iron mains.

More recently, South Bend [44951] has filed a rate case for its municipal water utility, seeking its first increase in more than 10 years and proposing to implement it in two phases. The OUCC is scheduled to file testimony in November 2017.

Additional water and wastewater rate cases during the last fiscal year included:

- B&B Water Utility [44755] - This Bloomington-area utility agreed to minor reductions recommended by the OUCC.
- Eastern Bartholomew Water Corp. [44903] - If approved, a settlement agreement in this pending case will reduce the utility’s request by half.
• Hamilton Southeastern Utilities [44683] – In this litigated case, the state’s second-largest sewer utility under IURC jurisdiction sought an 8.4 percent increase while the OUCC recommended a decrease. The IURC authorized an increase of only 1.17 percent.
• LMS Conservancy District [44900-U] – This Dearborn County water utility sought to raise its 5,000 gallon monthly residential rate from $25.16 to $30.10. The Commission approved the OUCC’s recommended amount of $28.58.
• Mapleturn Utilities [44842-U, 44843-U] – Water and sewer rate cases for this Martinsville-area utility were resolved under settlement agreements that received Commission approval.

Indiana law allows municipal sewer and water utilities to seek exclusive authority to serve out-of-town customers within four miles of the city or town limits. These requests go before the IURC, with the OUCC analyzing the requests and making recommendations with all consumer interests in mind, including the impact such a request may have on other communities. The IURC can also consider complaints regarding wholesale rates for sewage treatment.

LEAD LINE REPLACEMENT
The East Chicago rate case noted on page 19 marks Indiana’s first water rate case addressing the replacement of customer-owned lead service lines and seeking permanent solutions.

Lead service lines present public health and safety concerns throughout the nation. There’s a great deal of uncertainty because many utilities throughout Indiana and the United States do not have complete data on the amount of lead service line piping and fixtures in their water distribution systems.

A new Indiana law allows investor-owned water utilities to recover customer-owned lead line service replacement costs through rates. Before doing so, they must receive IURC approval of specific plans. The OUCC will review those plans carefully to ensure they include all requirements specified in the new law, including: the availability of other funding sources (such as grants or low-interest loans) and how the utility plans to use those funds; the utility’s proposal on whether it or its customers will be responsible for the line’s future replacements and repairs; the estimated costs; and plans for communicating with customers.

Typically, a utility owns the portion of the service line connecting the main to the customer’s water meter. However, the portion of the line between the meter and the building is the customer’s property and responsibility. Replacing such a line can cost thousands of dollars. The challenge lies in the fact that if a service line includes lead and only a portion is replaced, a greater health hazard can result than if the line were left alone. The approach of a utility replacing the entire line at once is also more cost-effective. Consumer safeguards, however, are important because the costs will ultimately be recovered through all customer rates.

The Lead Service Line Replacement (LSLR) collaborative is a nationwide effort of more than two dozen organizations including the National Association of State Utility Consumer Advocates (NASUCA). OUCC Assistant Water/Wastewater Director Edward Kaufman

These corroded water mains are just two examples of aging utility infrastructure throughout the state. Infrastructure upgrades, and their costs, are among the key challenges utilities and their customers are facing.
serves as NASUCA’s representative on the collaborative. Earlier this year, the collaborative initiated an online toolkit to help communities develop lead service line removal programs and implement their plans.

**TROUBLED UTILITY ACQUISITIONS**

As previously stated, many water and sewer utilities are small. Many are well-run. Some are not. The OUCC continues to focus on small, troubled utilities and finding long-term solutions for their customers. As with many water and wastewater issues, a long-term solution can require the efforts of multiple state agencies.

One such example is the former Harbor Town Sanitary Sewage Corporation in Posey County. The OUCC requested an investigation based on information it received and on health concerns raised by the Indiana Department of Environmental Management (IDEM). The IURC conducted the investigation of Harbor Town that included extensive testimony from the OUCC and resulted in a Commission order to place the utility into receivership. The receivership has since been approved through the efforts of the Indiana Attorney General’s office, with the Indiana Finance Authority (IFA) developing long-term capital and financial solutions for the homeowners in the former Harbor Town service territory.

Separately, settlement agreements allowing NineStar Connect to purchase and operate two Hancock County sewer utilities received approval [44776] in August 2016. NineStar Connect, a rural electric and telecommunications cooperative, is believed to be the first such utility in the nation to also provide water and wastewater utility service. It purchased Philadelphia Water Works, which was not offering service several years after receiving IURC authority to do so, and Sugar Creek Utility, which was the focus of a 2001 IURC investigation [41881] in which the OUCC raised concerns about the utility’s billing practices.

**ADDITIONAL RATE MECHANISMS AND LEGISLATIVE DEVELOPMENTS**

As explained earlier in this report, electric and natural gas utilities can use trackers to adjust rates between general rate cases. State law also provides water and wastewater utilities with similar tools.

The Distribution System Improvement Charge (DSIC) has been available to investor-owned water utilities since 2000 and was expanded to include sewer utilities in 2014.

This law allows a water or sewer utility to impose a surcharge to earn a return on investment used to replace aging distribution or collection system infrastructure costs between rate cases. The surcharge may not be imposed for infrastructure used to connect new customers. Total surcharges cannot exceed 10 percent of the base revenue amount approved in the utility’s most recent general base rate case. However, customer-owned lead service line replacement costs do not count toward the 10 percent cap.

In a proceeding during the past fiscal year [42351 DSIC 10], Indiana American Water Co. received IURC approval to increase its DSIC to approximately 6.6 percent over its base rates that were approved in 2015. DSIC cases operate under extremely tight timeframes. State law requires the OUCC to file its report within 30 days of the utility’s filing. A Commission order must be issued within 60 days.

Senior Analyst Cindy Armstrong and Consumer Services Coordinator Lyndsey Lane assist consumers as they sign in at a public field hearing in Fort Wayne.
FOR EVERY $1 THE OUCC SPENT IN THE LAST FISCAL YEAR, RATEPAYERS SAVED $53.
In DSIC cases, including the most recent Indiana American case, the OUCC’s review is generally limited to whether the infrastructure additions are within the scope of the statute and whether the surcharge is being calculated correctly.

Other recent legislative developments include extending tax and economic development incentives currently available to natural gas providers to water and wastewater utilities, passage of a new law easing the process for investor-owned utilities to buy water and sewer systems from municipalities, new incentives for water utilities to acquire wellfields for future use, and the creation of a new Infrastructure Assistance Fund. The fund will be operated by the Indiana Finance Authority (IFA) and is expected to leverage sources to help municipalities fund capital improvements to their water and sewer utilities.

Another recent law created a new system integrity adjustment (SIA). This tracker allows a water or sewer utility to seek an expedited rate adjustment if its annual revenues do not fall within a specific range of those authorized in its most recent rate case.
TELECOMMUNICATIONS
The vast majority of telecommunications services are not regulated at the state level in Indiana, under the deregulation law passed by the General Assembly in 2006. Indiana was the second state to approve such a law, which includes the finding that “competition has become commonplace in the provision of telecommunications services.”

However, the 2006 law did leave some telecom issues under IURC jurisdiction, with the OUCC continuing to participate in cases as warranted.

One such issue is area code relief. In October 2016, the 317 telephone area code serving Indianapolis and most of its suburbs completed its transition to mandatory ten-digit dialing for all local calls. The new dialing pattern was implemented to make way for the addition of the new 463 area code, which will be assigned to new numbers in the future as the 317 area code reaches maximum capacity.

The change was needed due to industry projections showing the 317 area code would use all available numbers by the end of 2016. All new area codes added in the United States since 2008 have used the “overlay” method, which superimposes the new code over the original code’s area. Although the overlay requires all consumers to adapt to a new dialing pattern, its biggest advantage is that it allows all consumers with existing phone numbers to keep them.
Indiana is one of 30 states requiring ten-digit dialing for local calls to some degree. The recent transition in the 317 area was identical to the change made throughout southern Indiana in 2015, with the new 930 area code joining the region served by the 812 area code.

With both transitions, the OUCC worked with the IURC and the telecommunications industry to educate the public and help make sure consumers were prepared to use the new dialing pattern. The agencies and industry also worked to inform the public that the new dialing pattern does not affect rates, and that calls to three-digit numbers including 911 still work the same way as before.

Both the 317 and 812 area codes had been projected to run out of available numbers in the early 2000s due to the proliferation of cell phones, pagers, second lines for fax machines, etc. However, efforts by state government helped conserve numbers, allowing both area codes to go on without changes until more recently, pushing back the exhaust dates by more than a decade.

Additional telecommunications issues being addressed include rural broadband expansion and universal service funding, which is aimed at extending telecommunications services into unserved and underserved areas.

**CONSUMER EDUCATION**

Along with dedicated advocacy and creative problem solving, consumer education is an important component to the OUCC’s mission.

The agency invites consumer comments in all cases before the IURC and issues news releases encouraging public input in base rate cases and other major proceedings. In cases that include public field hearings in the utility’s service area, the OUCC plays an integral role in facilitating consumer participation.
The OUCC also continued to expand its social media presence throughout the last fiscal year, with regular posts on its Twitter, LinkedIn, and Facebook pages.

“Consumer News... For You” continues to evolve as the OUCC’s primary means of updating consumers on key cases and other ongoing issues. This monthly newsletter is now in its third year. We invite all Hoosiers to sign up for this free service on our website at www.in.gov/oucc.

VALUE TO HOOSIERS

Providing great government service at a great value to taxpayers is one of Governor Eric J. Holcomb’s five pillars for taking Indiana to the next level. As a state agency, the OUCC is committed to operating efficiently and giving Hoosier ratepayers the best value for its services.

In the past fiscal year, the OUCC developed an internal mechanism to effectively detail and project when and how to spend budget dollars, as part of its ongoing efforts to control internal costs. The office also reduced its monthly rental fees by renegotiating its lease this summer.

NATIONWIDE COLLABORATION AND LEADERSHIP

The OUCC plays an active role with the National Association of State Utility Consumer Advocates (NASUCA). NASUCA includes 53 utility consumer advocate entities in 41 states and the District of Columbia. Collaboration with our peers throughout the nation is an important element used to improve our advocacy by sharing best practices and staying informed of the latest industry trends.

Three of NASUCA’s national committees are chaired by members of the OUCC team. OUCC Federal Division Director Robert Mork chairs the NASUCA Electric Committee. Senior Utility Analyst Margaret Stull chairs the organization’s Tax and Accounting Committee, and revived the committee’s activities after it had not met for several years.

The NASUCA Water/Wastewater Committee is chaired by Edward Kaufman, the Assistant Director of the OUCC’s Water/Wastewater Division. Mr. Kaufman also serves on the Board of Directors for the Society of Utility and Regulatory Financial Analysts (SURFA). This not-for-profit organization includes experts from government agencies, academia, and the utility and financial industries.

Robert Mork, who leads the OUCC’s Federal Division, recently finished a two-year term as president of the Consumer Advocates of PJM States (CAPS). This organization includes all state consumer advocate offices in the 13-state region in which PJM Interconnection manages all or part of the power grid.

In June 2017, former Indiana Utility Consumer Counselor David Stippler received NASUCA’s Irwin A. Popowsky Award for Outstanding Service, honoring nearly nine years of service with the agency and recognizing his service as NASUCA’s secretary and as a member of the organization’s executive committee. Mr. Stippler retired in January 2017. NASUCA awards the honor to one individual each year who exemplifies strong consumer advocacy. The award is named after Irwin (Sonny) Popowsky, who served as the Consumer Advocate of Pennsylvania from 1990 until his retirement in 2012. Stippler, pictured below on the left, received this year’s award from NASUCA President Robert Nelson of Montana.
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