



**For Immediate Release**

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## **OUCC recommends substantial reduction to Aqua Indiana rate request**

The Indiana Office of Utility Consumer Counselor (OUCC) is recommending a significant reduction to the proposed sewer rate increase for Aqua Indiana’s Aboite Wastewater Division. Testimony from the OUCC was filed with the Indiana Utility Regulatory Commission (IURC) this afternoon.

Aqua Indiana is seeking approval to increase its Fort Wayne-area utility’s rates by 29.8 percent. The OUCC’s recommendations would limit the overall increase to approximately 15.6 percent, and are based on the agency’s technical and legal review of the utility’s request that started in March.

Recommendations in the OUCC’s testimony include:

- Ensuring that Aqua Indiana customers do not pay for the city of Fort Wayne’s wholesale sewage treatment.
- Reducing the utility’s authorized return on equity (ROE) to 9.0 percent. The utility currently has a 9.7 percent authorized ROE and is seeking to raise it to 10.35 percent in this case.
- Allowing the utility to recover - as authorized under state law - costs for specific capital investments it has made, including a pipe lining project to reduce infiltration, expansion of the Midwest wastewater treatment plant, and the Aboite Diversion project to help eliminate sewer backups and sanitary sewer overflows.
- Disallowing recovery of approximately \$350,000 of Aqua Indiana’s proposed operating expenses.
- Approving Aqua Indiana’s request for a one-time, \$1,300 system development charge to be borne by property developers for new connections. This charge will offset costs that otherwise would be borne by existing customers.
- Providing relief for non-metered customers. The OUCC’s recommendations would base non-metered rates on 4,000 gallons of monthly usage (an average residential amount) instead of 8,000 gallons (as currently charged).

Residential rates would be affected as follows:

|                                     | Current | Per Aqua Indiana<br>Case-In-Chief 3/1/16<br>(after complete phase-in) | Per OUCC<br>Recommendation<br>6/24/16 |
|-------------------------------------|---------|---|---------------------------------------|
| Metered customer<br>(4,000 gallons) | \$42.97 | \$55.77   | \$50.70                               |
| Unmetered customer<br>(flat rate)   | \$59.21 | \$76.83   | \$50.70                               |

**(Continued)**

The OUCC has received more than 400 written comments and petition signatures from Aqua Indiana customers regarding the case, and has filed them with its testimony for the Commission's review. In addition, the IURC received public comments at a May 17, 2016 public field hearing in Fort Wayne; those comments have already been entered into evidence.

Aqua Indiana has until July 19, 2016 to file rebuttal testimony.

An IURC evidentiary hearing is scheduled to start on August 9, 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. Written closing arguments from the case's parties will be due in the weeks following the August hearing.

(IURC Cause No. 44752)

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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