



For Immediate Release

July 13, 2016

News Media Contact:

Anthony Swinger, (317) 233-2747 or

aswinger@oucc.IN.gov

OUCC files testimony in Evansville water rate case

The Indiana Office of Utility Consumer Counselor (OUCC) filed its testimony this afternoon on the City of Evansville’s requested water rate increase. The case is pending before the Indiana Utility Regulatory Commission (IURC) and would only affect the city’s water rates. State law does not give the IURC jurisdiction over municipal sewer rates.

The OUCC’s four-month accounting, engineering, and legal review of Evansville’s request shows that the City’s proposed capital improvements are necessary to ensure safe and reliable service throughout the water utility’s treatment and distribution system. Evidence in this case shows a significant amount of aging and deteriorating infrastructure; approximately 60 percent of Evansville’s water distribution system consists of cast iron mains with an average age of 90 years. While capital costs and debt service are the primary drivers of the utility’s request, the evidence shows that the City is reducing the potential rate increase by deferring certain capital projects beyond this case.

Recommendations in the OUCC’s testimony include:

- Allowing an increase of \$10.04 million in the water utility’s annual operating revenues, as compared to approximately \$11.46 million the City has requested.
- Approval of the water utility’s capital improvement plan while requiring the City to provide a cost-benefit analysis supporting its recommended approach to future water treatment.
- Reductions to various line items for operating and maintenance expenses.
- Implementing the increase in two phases as requested by the City. Monthly water charges for a residential customer using 5,000 gallons would change as follows, including the fire protection surcharge:

	Current	Per Evansville Case-In-Chief 3/9/16 (after complete phase-in)	Per OUCC Recommendation 7/13/16
In City	\$22.01	\$32.81	\$31.34
Out of City	\$23.63	\$34.02	\$33.49

The average monthly residential rate for water utilities under IURC jurisdiction is \$31.36 for 5,000 gallons, based on data in the IURC’s January 2016 residential water rate survey.

The OUCC has received written comments from more than 40 Evansville water 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 25, 2016 public field hearing in Evansville; those comments have previously been entered into evidence.

The City has until August 3, 2016 to file rebuttal testimony.

An IURC evidentiary hearing is scheduled to start on August 25, 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. 44760)

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. Visit us at www.IN.gov/OUCC,

www.twitter.com/IndianaOUCC, or www.facebook.com/IndianaOUCC.