



For Immediate Release

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Indiana American Water rates: Consumer comments invited statewide *IURC public hearings scheduled in Gary and Seymour*

If you would like to comment on Indiana American Water Company's (IAWC's) proposed rate increase, here's your chance.

Consumers may:

- **Send written comments to the Indiana Office of Utility Consumer Counselor (OUCC)** by Dec. 14, 2018, and/or
- **Speak at either of the Indiana Utility Regulatory Commission's (IURC's) public field hearings in this case.**

The IURC public hearings are scheduled for Wednesday, Nov. 7, 2018 in Seymour (Seymour High School Auditorium, 1350 W. 2nd St.) and Monday, Nov. 26, 2018 in Gary (City Hall Common Council Chambers, 401 Broadway). Each hearing starts at 6:00 p.m. local time. Consumers are encouraged to arrive by 5:45 p.m. for an overview of field hearing procedures and the rate case process. During the field hearings:

- Consumers will be able to speak directly to the Commission, under oath and on the record, regarding the case.
- Consumers will also be able to submit written comments for the case record.
- Commissioners are not allowed to answer questions during the field hearings. However, OUCC staff will be available before, during, and after each hearing to address questions about the process.

The OUCC, the state agency representing consumer interests in cases before the IURC, is using its legal and technical resources to review IAWC's request and is scheduled to file testimony on December 21, 2018.

IAWC, which provides service to approximately 302,000 customers in more than 50 Indiana communities, is a wholly owned subsidiary of Voorhees, New Jersey-based American Water Inc. In its testimony and exhibits, IAWC attributes the requested rate increase to numerous infrastructure investments, including the replacement of aging water distribution lines throughout its service territories and proposed improvements to treatment plants in Richmond and Muncie, including the addition of ultraviolet disinfection. Additional projects identified in the utility's testimony include a new water treatment plant in Noblesville, new disinfection technology at other plants, new meters, hydrants, and valves, new security systems, pumping station upgrades, tank painting and rehabilitation, and others.

The utility's request includes the recent costs of acquiring the municipal utilities in Charlestown and Sheridan, Indiana. It also includes a proposal to create a new low-income pilot program in Muncie and Terre Haute, which would provide discounts for qualifying customers. The utility is not seeking cost recovery for the pilot program in this case, but states in testimony that it intends to do so in the future.

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IAWC's proposal would raise rates in two phases, increasing its total annual operating revenues by \$38.8 million. For most residential customers using 5,000 gallons per month, the monthly bill would rise from \$43.70 to \$46.81 in July 2019, then to \$50.34 in July 2020. These amounts include fire protection surcharges. Within the rates, the utility's proposal would raise its flat, monthly residential customer charge from \$14.23 to \$20.17 in 2019, and to \$22.35 in 2020.

Key exceptions:

- In West Lafayette, the monthly residential bill for 5,000 gallons would rise from \$42.34 to \$46.08 in 2019, and then to \$50.34 in 2020.
- In Seymour, the monthly residential bill for 5,000 gallons would rise from \$43.14 to \$46.51 in 2019, and then to \$50.34 in 2020.
- In Mooresville and Winchester, the monthly residential bill for 5,000 gallons would rise from \$40.92 to \$45.33 in 2019, and then to \$50.34 in 2020.
- A \$10.00 surcharge for Yankeetown customers will stay in effect through April 2024, under a previous Commission order.
- The flat, monthly \$73.19 sewage disposal rate for IAWC **wastewater** customers in Somerset and Delaware County would remain unchanged. Sewer rates in Sheridan would remain unchanged from the rates in effect when IAWC completes its purchase of the utility.

Current base rates for IAWC received IURC approval in January 2015. However, rates have increased three times since then through the utility's Distribution System Infrastructure Charge (DSIC), a rate tracker (or adjustment mechanism) that allows investor-owned water utilities to increase rates to pay for aging infrastructure subject to OUCC review and IURC approval within extremely short timeframes. IAWC's most recent DSIC increases were approved in May 2016, March 2017, and March 2018. In October 2018, IAWC's rates were reduced due to federal tax law changes under the Tax Cuts and Jobs Act of 2017.

Consumers who wish to submit written comments for the case record may do so via the OUCC's website at www.in.gov/oucc/2361.htm, via email at uccinfo@oucc.IN.gov, or by mail at:

Consumer Services Staff
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204

The OUCC needs to receive all written consumer comments no later than December 14, 2018 so that it can: 1) Consider them in preparing its testimony and 2) File them with the Commission to be included in the case's formal evidentiary record.

Comments should include the consumer's **name, mailing address**, and a reference to "**IURC Cause No. 45142.**" Consumers with questions about submitting written comments can contact the OUCC's consumer services staff toll-free at 1-888-441-2494. Please do not include account numbers or other sensitive information.

Additional parties that have formally intervened in this case include the City of Crown Point, the Town of Schererville, the Town of Whiteland, Sullivan-Vigo Water Corporation, the Citizens Action Coalition of Indiana, the Indiana Community Action Association, and three of IAWC's industrial customers (Arcelor Mittal USA, Fiat Chrysler Automobiles, and Praxair, Inc.). Any testimony from the intervenors is due on Dec. 21, 2018.

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An IURC order is expected during the first half of 2019. The OUCC is posting updates on this case at www.in.gov/oucc/2654.htm. Case updates are also available through the agency's monthly electronic newsletter. Consumers can subscribe at www.in.gov/oucc/2877.htm.

(IURC Cause No. 45142)

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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