



For Immediate Release

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Agreement Reached in Indiana American Water Rate Case

The Indiana Office of Utility Consumer Counselor (OUCC), Indiana American Water Co. (IAWC), and all additional parties in the utility's pending rate case have reached a comprehensive settlement agreement. The agreement was filed Monday with the Indiana Utility Regulatory Commission (IURC), which may accept, deny, or modify any agreement before it.

"Our legal staff and technical analysts have negotiated with IAWC and all parties to this case to achieve a fair resolution for the utility's customers," said Indiana Utility Consumer Counselor Bill Fine. "Between new evidence presented during the case and the OUCC's strong support for utility investments in aging, necessary infrastructure, we have come to a mutual resolution. It provides a reasonable balance between investments needed for safe, dependable water and fair rates to cover the costs."

The agreement's terms include:

- An overall revenue increase of \$17.5 million annually, to be implemented in two phases. By comparison, the utility had requested \$38.8 million.
- A 9.8 percent authorized return on equity, compared to the 10.8 percent IAWC requested.
- Resolution of all issues pertaining to the federal Tax Cuts and Jobs Act (TCJA) of 2017, and the proper sharing of federal tax relief with customers.
- Approval of a low-income pilot program that will be funded with an even balance of ratepayer and shareholder dollars. The pilot program will focus on customers in Gary, Muncie, and Terre Haute.

Additional settling parties include the Citizens Action Coalition of Indiana, the Indiana Community Action Association, industrial customers (Arcelor Mittal USA, Fiat Chrysler Automobiles, and Praxair, Inc.), municipal governments (Crown Point, Schererville, and Whiteland), and Sullivan-Vigo Water Corporation.

An IURC settlement hearing is scheduled for April 11, 2019, with an order expected in the following weeks.

Updates on this case are being posted on the OUCC's website at www.in.gov/oucc/2654.htm and through the agency's monthly newsletter. To subscribe, visit 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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