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For Immediate Release
June 6, 2012

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Indiana American Water Rate Case Order: A Win for Consumers

Today's order in the Indiana American Water Company (IAWC) rate case is a substantial victory for the utility's customers, according to the state's utility consumer advocate.

The Indiana Utility Regulatory Commission today denied IAWC's request for an increase of more than 8 percent in its annual operating revenues, granting a 1 percent increase instead. The Indiana Office of Utility Consumer Counselor (OUCC) had recommended a 4 percent *decrease*.

"On behalf of IAWC ratepayers, I am very pleased with today's outcome, which reflects the efforts of OUCC staff who have worked diligently on this case over the last 13 months. Today's decision means Indiana American Water's customers will pay nearly \$15 million less in annual rates than they otherwise could have paid," said Indiana Utility Consumer Counselor David Stippler.

"More importantly, the Commission's order sends a clear message that while utilities are entitled to a fair return on their investments, rate requests will continue to be closely scrutinized," Stippler continued. "Difficult economic times make it even more imperative that rate reviews be conducted in a thorough, comprehensive manner."

OUCC staff who testified made a strong case for a much lower authorized return on equity than the utility requested, while also recommending numerous reductions to IAWC's requested increases for operating expenses.

The 1 percent increase approved today applies to total annual revenues for IAWC's statewide operations. Effects on the utility's specific service territories throughout the state will vary and will be detailed in a new tariff IAWC will be required to file in the coming weeks.

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(IURC Cause No. 44022)

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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