

For Immediate Release  
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## *Waterworks reaches rate case settlement with state utility consumer advocate*

INDIANAPOLIS – The Indianapolis Department of Waterworks (DOW) has reached a rate case settlement with the Indiana Office of Utility Consumer Counselor (OUCC) and the other intervening parties – three large industrial users and the Town of Pittsboro – paving the way for a possible 29 percent overall rate increase for Indianapolis Water customers.

According to the settlement, residential customers would see an increase of approximately 27 percent. For a single family home using 5,000 gallons per month, this would represent a bill impact of about \$4 per month. Industrial customers would see the greatest increase, at approximately 36 percent.

In July, the DOW Board of Directors directed department staff to request an overall 32 percent rate increase average from the Indiana Utility Regulatory Commission (IURC). The IURC is the regulatory body that must approve the DOW's request for a rate increase.

DOW, the OUCC and the other parties have now reached a settlement on this rate increase request. The settlement was filed with the IURC this week.

“This settlement provides a fair rate increase for all Indianapolis Water customers,” said DOW Board President Jack Bayt. “This rate increase will provide us with needed revenue to ensure we continue to provide high-quality drinking water at reasonable rates.”

Indianapolis Water rates have been the same since 1998. When the city purchased the Indianapolis Water Company (IWC) from NiSource in 2002, the city committed to freezing rates for five years and has now fulfilled its promise to keep rates frozen.

DOW is proposing to invest approximately \$230 million through 2009 to enhance drinking water quality, increase system reliability and water supply, invest in safety and security and support economic development. Without additional revenue, DOW will not be able to fund all of these critical investments in the drinking water system.

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The settlement also includes a proposed System Development Charge (SDC) that would start at \$1,200 for a 5/8 inch meter. This charge would increase as meter size increases. This would be charged for all new system connections and is intended to help pay for system growth. Revenue generated from the SDC would be spent only on projects relating to increasing water system capacity.

Indianapolis Water customers in Morgan County and Harbour Water will see their rates drop. The Indianapolis Water Company charged customers in these areas a higher rate for water service. Now these rates will be the same as other Indianapolis Water customers.

The settlement now needs approval from the IURC. If approved, the IURC will set rates as outlined in the settlement.

DOW owns and manages Indianapolis Water, which serves about 1 million people in Central Indiana, and contracts the system's operation to Veolia Water Indianapolis.