

**OUCC**


**ANNUAL  
REPORT  
2023-24**

**Indiana Office of Utility Consumer Counselor**

Representing Indiana Utility Ratepayers




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# Our Mission



*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.*



Several members of our team from left-to-right: Mohab Nouredin, Shawn Dellinger, Lorraine Hitz, Patrick Kelley, Destiny Weaver, Greg Krieger, Brien Krieger, Jason Compton, Thomas Harper, John Hanks, Anthony Swinger, & Sara Marichal.

# Welcome

Thank you for reading the Indiana Office of Utility Consumer Counselor’s (OUCC’s) latest Annual Report.

I commend the OUCC’s technical experts and attorneys on their hard work throughout the State of Indiana’s 2023-2024 fiscal year. Our team helped save consumers approximately \$250 million through litigated cases and settlement agreements, reducing rate increase amounts from those requested by utilities. We represented residential, commercial, and industrial customer interests in more than 400 cases before the Indiana Utility Regulatory Commission (IURC).

The complexity of our casework continues to grow as our state’s energy and water/wastewater energies continue to change at a rapid pace. We face numerous challenges to maintain affordability in the face of spending pressures from various sources, ensure that our electric grid has the reliable generation sources needed to satisfy current and future needs, and address long deferred expenditures to upgrade and maintain our aging water infrastructure.



Our team is more dedicated than ever to tackling these challenges and continuing with our strong commitment to dedicated advocacy for all Hoosier ratepayers. I invite you to learn more throughout this report.

*Bill Fine*

**Bill Fine**  
**Indiana Utility Consumer Counselor**



# OUCC Team

Each day, Hoosiers will turn on their lights, charge their cellphones, turn on their furnaces/air conditioners, make dinner, wash their dishes, and flush their toilets. Each small action throughout the day is simple enough. But it takes a steady and reliable supply of electricity, natural gas, and water to each home and business to make it all happen. The processes of delivering energy and water are very complex and involve numerous “behind the scenes” components that are necessary to make sure utility services are provided in a reliable, safe, and affordable way.

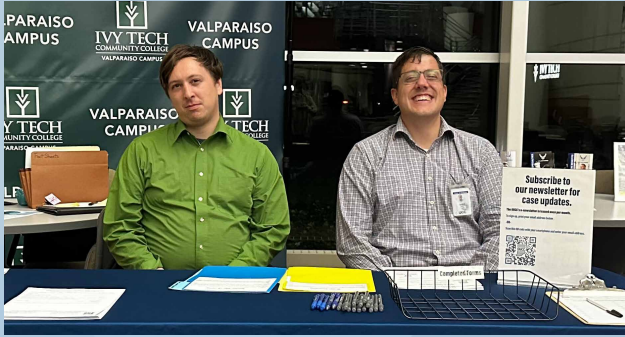
Electric, natural gas, water, and sewer utilities are monopoly service providers. As a result, the utility regulatory process serves as the surrogate for competition. This process happens at either the federal, state, or local government level depending on the utility.

State-regulated utilities, including Indiana’s major investor-owned utilities, need approval from the Indiana Utility Regulatory Commission (IURC) to change their rates or issue financing. The IURC and public utility commissions in other states function much like civil courts. When a utility makes a request to the Commission, it does so through a formal, legal process through attorneys and expert witnesses. The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency representing consumer interests in these cases, and does so with its teams of attorneys and technical witnesses, including accountants, economists, and engineers.

State law requires the IURC to consider evidence and weigh arguments from both sides - and from parties that may intervene - before making decisions and issuing orders. OUCC analysts and attorneys present formal testimony to the Commission after closely reviewing a utility’s request. This includes reviewing hundreds and even thousands of pages of testimony, exhibits, and accounting work papers in any given case.

The OUCC does not establish policy on energy and water matters, but represents consumer interests within the framework set by the Indiana General Assembly. The Five Pillars of Electric Utility Service - reliability, affordability, resiliency, stability, and environmental sustainability - must be considered and balanced in all electric utility cases while setting examples for other utilities. Indiana law has established policy declaring the importance of affordability in all cases.

Certain utilities are not under IURC jurisdiction but are regulated at the local level instead. Most municipal water, sewer, electric, and natural gas utilities are regulated by elected city and town councils throughout the state. Each rural electric membership cooperative (REMC) is governed by a board of directors whose members are directly elected by the cooperative’s customers, or member-owners.



Kaleb Lantrip (left) of the Electric Division & Jared Hoff (right) of the Natural Gas Division, offer their accounting and engineering expertise, respectively.

**TECHNICAL STAFF** *The OUCC's Electric, Natural Gas, and Water/Wastewater Divisions include dedicated experts who work tirelessly to examine utility requests in pending cases. Accountants, environmental specialists, economists, engineers, and financial analysts present formal testimony and make recommendations on utility requests.*

**ADMINISTRATIVE STAFF** *No agency would operate properly without the expertise of administrative professionals. The OUCC relies on its legal assistants to issue and receive legal discovery questions and responses, and to file testimony in formal cases. OUCC case filings may involve dozens, hundreds, or even thousands of pages depending on the size of the utility, complexity of the case, and other factors. Our Business Office is responsible for the successful performance and operations of the whole team.*



Dezara Atherton (left) & Mary Lyons (right) provide administrative help & coordinate training for staff throughout the agency.



Dan Le Vay (left), Thomas Harper (middle), & Victor Peters (right) are attorneys serving the Legal Division.

**LEGAL STAFF** *Utility regulation requires legal practitioners who understand courtroom procedures, litigation, settlement negotiations, and numerous additional skills. The OUCC has twelve highly trained attorneys working on cases at the state and federal levels. Utility law is particularly complex and specialized due to the highly technical nature of case issues and utility operations.*

**EXTERNAL AFFAIRS STAFF** *The public face of the agency, our External Affairs Division serves as a point of contact for media, legislative, and consumer inquiries. This includes the promotion of consumer comment opportunities in pending cases, and ensuring that consumer comments are properly filed for Commission review in pending cases.*



Alyson Sanders (left) & Olivia Rivera (right) of our External Affairs team welcome consumers to a public field hearing.



# Regulatory Basics

When a state-regulated utility seeks a rate increase or approval for new financing, it files a case before the IURC which largely resembles a civil court case. The major difference is that all testimony is filed in writing due to its technical nature. This is consistent with the way cases are handled by public utility commissions throughout the United States.

Indiana law sets a 300-day timeframe for base rate cases, provided the utility files all of the required information on Day One. OUCC witnesses and attorneys typically receive just under 100 days to complete their reviews and file testimony.

Other utility cases may take several months to complete, to ensure a thorough review and allow time for all parties to do their due diligence. Certain cases with much narrower scopes are completed within 60 and 90-day timeframes.

## INDIANA GENERAL ASSEMBLY

Elected State Senators and State Representatives determine Indiana's energy policy, as approved through statutes and interpreted by the courts. The OUCC and IURC work within the laws enacted by the legislature.

## INDIANA UTILITY REGULATORY COMMISSION (IURC)

The Commission has jurisdiction over many utilities' rates and charges. State law requires the IURC to balance utility and ratepayer interests and base its decisions on the evidence presented in each case.

## INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR (OUCC)

As a separate state agency, the OUCC represents residential, commercial, and industrial consumer interests in cases before the IURC. OUCC attorneys, accountants, economists, and engineers analyze utility requests to make recommendations through written testimony and briefs.

# CASE OVERVIEW

A rate case before the IURC includes the following steps and usually must be completed within 300 days. Other cases include most or all of these steps.

## UTILITY CASE-IN-CHIEF & EXHIBITS

The utility presents its case in written testimony from expert witnesses.

### OUCC REVIEW

OUCC technical experts and attorneys analyze the utility's filing and develop testimony on behalf of the public. This is typically a three-and-a-half-month review.

### PUBLIC COMMENTS

Written consumer comments are invited for the record in all cases. In certain cases, the IURC may hold one or more public field hearings.

### OUCC TESTIMONY

OUCC attorneys and technical experts file analysis and recommendations.

### REBUTTAL TESTIMONY

The utility may respond to OUCC and intervenor testimony.

## EVIDENTIARY HEARING

Attorneys for the OUCC, utility, and intervenors may cross-examine each other's technical witnesses.

## CLOSING ARGUMENTS & PROPOSED ORDERS

The OUCC, utility, and intervenors may file closing briefs and proposed orders in the weeks following the evidentiary hearing.

## FINAL IURC ORDER

The IURC renders a decision after considering all evidence.

## LEGAL DIVISION

Chief Deputy Consumer Counselor  
Carol Sparks Drake

Senior Deputy Consumer Counselors  
Lorraine Hitz  
Dan Le Vay  
Jason Haas

Deputy Consumer Counselors  
Thomas Harper  
Matthew Kappus  
Adam Kashin  
Victor Peters

Paralegal  
Cheryl Williams

## THE NUMBERS

Hundreds and even thousands of pages of information may be filed in a case, depending on its subject and complexity.

The following summarize the number of pages OUCC staff filed in three major cases in 2023 and 2024.



**CAUSE #s:**  
45870, 45967 & 45990



**6,368<sub>PGS</sub> EXHIBITS**



**7,632<sub>PGS</sub> TESTIMONY**



**14,000<sub>PGS</sub> TOTAL**





# Electric

The electric industry throughout the United States continues to change dramatically due to market forces, federal environmental regulations, growing customer demand, and the need to repair and replace aging infrastructure.

These changes are affecting Indiana significantly because of the state's traditionally heavy reliance on coal for its electric generation. The percentage of coal used in Indiana's generation mix has fallen from more than 85 percent two decades ago to less than 50 percent now, following national trends.

Each of Indiana's five major electric utilities develops an "integrated resource plan" (IRP) every three years, which projects the utility's anticipated supply needs over the next two decades. The OUCC and additional stakeholders participate in numerous meetings and discussions as each plan is developed. IRPs are submitted to the Commission but are non-binding plans that do not require approval.

Requests for Certificates of Public Convenience and Necessity (CPCN) are the formally docketed cases in which utilities seek approval to build, operate, and/or purchase new generation facilities, or convert existing facilities to different fuel sources. Cases include new natural gas generation, new renewable energy projects, and agreements through which a utility seeks to buy power on the wholesale market. In most of these cases, utilities seek rate recovery for construction and financing costs as well as preapproval for future cost recovery in base rates.

OUCC analysts make recommendations on the cost-effectiveness of proposed CPCNs, with the IURC making the final decisions.

## SUPPLY NEEDS

The OUCC is carefully monitoring and following potential capacity shortfall concerns throughout the Midwestern United States. Four of Indiana's five major electric utilities belong to the Midcontinent Independent System Operator (MISO) with Indiana Michigan Power participating in the PJM Interconnection (PJM). MISO, PJM, and other regional transmission operators (RTOs) throughout North America oversee wholesale power markets and manage the transmission grid.

Issues facing RTOs include capacity reserve (or power supply) margins, generating unit retirements, federal environmental regulations accelerating retirements, a queue backlog for new energy sources, and demands for large loads by new customers. MISO's Summer 2025 forecasted projections range from a 2.7-gigawatt (GW) shortfall to a 1.1 GW surplus based on generation additions and other factors. PJM projects a shortfall of generation could begin as soon as 2029.

## RATE CASES

All of Indiana's major electric utilities have sought base rate increases over the last two years, requesting a total of \$1.25 billion in new annual revenues.

Large portions of these requests included recovery of costs the Commission had pre-approved.

In June 2023, **AES Indiana** (45911) requested a \$134.2 million increase in its annual operating revenues. The OUCC negotiated a settlement reducing the amount to under \$73 million. The agreement included additional consumer parties and allowed the monthly residential customer service charge to increase by 25 cents instead of the \$9.00 increase AES had requested. It also includes customer protections for remote disconnections and new reporting requirements regarding storm restoration.

**CenterPoint Energy's** southwestern Indiana electric utility sought a \$118.8 million increase when filing its current rate case (45990) in December 2023. The OUCC's analysis shows a \$48.3 million increase is warranted based on the case's evidence and applicable law, primarily due to major capital improvements that have received preapproval in prior IURC cases.

The utility and its industrial customers have reached a settlement agreement that would allow for an \$80 million increase if approved. The OUCC is opposing the agreement with a Commission order expected in early 2025.

The original request from CenterPoint Energy would have kept its authorized return on equity (ROE) at 10.4 percent. All other Indiana electric utilities have ROEs below 10 percent. While the pending settlement would reduce the ROE below 10 percent, the OUCC's recommendations would reduce it even further.

This case drew substantial consumer interest, with its Feb. 29, 2024 public field hearing in Evansville attracting a larger crowd and more speakers than any other IURC field hearing in the last decade. In addition, the OUCC received and filed more than 2,300 written consumer comments for the formal case record.

A settlement agreement among the OUCC, additional parties, and **Indiana Michigan Power** (I&M) allowed for a \$56.9 million increase instead of the \$116.4 million the utility originally requested (45933). This agreement received Commission approval in May 2024. It reduced I&M's requested ROE of 10.5 percent to 9.85 percent. Depreciation and nuclear decommissioning expenses were also reduced.

**Duke Energy** - Indiana's largest electric utility - has requested a \$491.5 million (16.2%) annual increase in

revenues in its pending rate case (46038). The OUCC's analysis shows that an increase of approximately \$184.7 million (6.1%) is warranted instead, based on the case's evidence and applicable law.

Depreciation expenses and differences in the recommended ROE are among the major factors in this case.

The OUCC has received and filed more than 5,600 pages of consumer comments in this case, the most significant number to be filed in well over a decade. In addition, dozens of customers testified during a series of four public field hearings. A Commission order is expected in early 2025.

**Northern Indiana Public Service Company** is seeking a \$368.7 million increase (46120) in a rate case filed in September 2024. The OUCC is reviewing the request and is scheduled to file testimony in mid-December.

NIPSCO filed its pending request shortly after receiving approval for new rates in August 2024 (45772). The utility had requested a \$395 million increase. But a settlement agreement among the OUCC, additional consumer parties, and NIPSCO reduced the amount to \$298.1 million. The agreement included a 9.8 percent ROE instead of the 10.4 percent the utility had requested.

## TRACKER PROCEEDINGS

A tracker or rider is a mechanism allowing utilities to raise or reduce rates through expedited proceedings outside of base rate cases. All major Indiana utilities use trackers to varying degrees to recover environmental compliance, regional transmission, and additional costs. Each of the state's major electric utilities has used the Fuel Adjustment Clause (FAC) tracker for more than 40 years to adjust rates due to changes in generating fuel costs. These costs are recovered on a dollar-for-dollar basis with FAC adjustments happening every three months for most utilities.

Indiana electric utilities track billions of dollars in capital and operational expenses for rate recovery each year. The OUCC reviews each tracker filing to ensure it is accurate and in compliance with statutory requirements. Each tracking mechanism has been created and approved by either the Indiana General Assembly or the IURC.

**Each IURC case is assigned a five-digit cause number, as noted throughout this report.**

## ELECTRIC DIVISION

Director

Michael Eckert, CPA

Assistant Directors

April Paronish

Cynthia Armstrong

Senior Utility Analyst

Kaleb Lantrip, CPA

Utility Analysts

Brittany Baker

John Hanks

Patrick Kelley

Greg Krieger

Brian Latham, CPA

Derek Leader

Timothy Martin

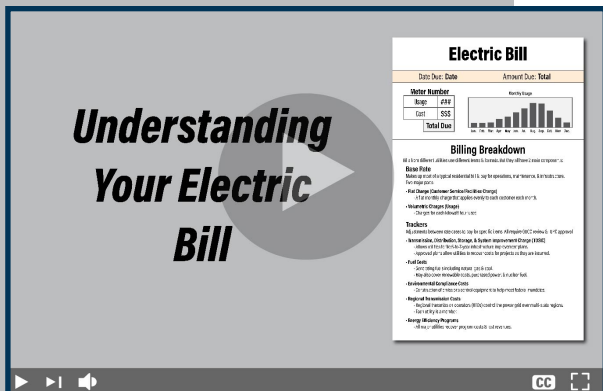
Roopali Sanka

Brian Wright

Administrative Assistants

Kimberly Remy

Adrienne Nelson



The OUCC's External Affairs team works with the technical divisions to create informational guides for ratepayers, such as this video walkthrough of a typical electric bill.

## TRANSMISSION, DISTRIBUTION, & STORAGE IMPROVEMENT CHARGES

Indiana law encourages electric and natural gas utilities to establish long-term infrastructure improvement plans and recover most costs through rates as they are incurred. The Indiana General Assembly enacted the Transmission, Distribution, and Storage System Improvement Charge (TDSIC) statute in 2013 and updated it in 2019.

Under the statute, a utility may file a five-to-seven year TDSIC plan with the Commission. If the plan is approved, the utility can then recover 80 percent of the costs as they are incurred through TDSIC tracker filings as often as every six months. The remaining 20 percent are deferred until the utility's next base rate case, which must be filed before the end of the plan's term.

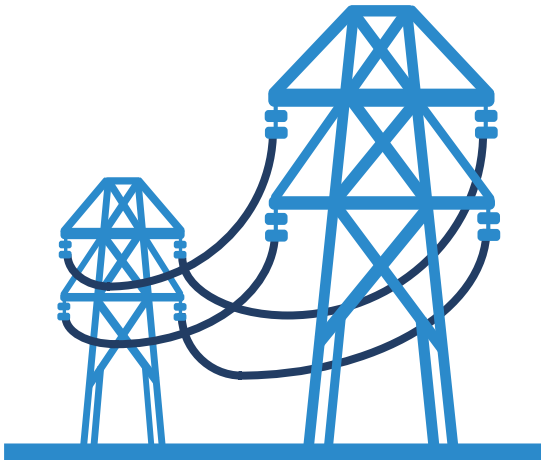
When a utility seeks approval of a TDSIC plan, the OUCC reviews the request and makes recommendations based on the reasonableness of the proposed costs and on whether the proposed plan meets the TDSIC law's requirements. Once a plan is approved, OUCC analysts review utilities' accounting schedules, engineering designs, and actual costs incurred for completed projects in the tracker filings, determining whether any cost changes are both justifiable and reasonable.

Four of the state's five major electric utilities currently use the TDSIC statute.

### Major Electric Utilities: TDSIC & Base Rate Approval Dates

Utility	Current TDSIC Plan	Current Base Rate Order
AES Indiana	2020	2024
CenterPoint Energy	2023	2011*
Duke Energy	2022	2020*
I&M	N/A	2024
NIPSCO	2022	2023*

\*Base Rate Case Currently Pending



# TRANSMISSION DEVELOPMENT

One of the most significant issues the nation faces is the need for new electric transmission. The interstate grid is aging, and parts are in need of replacement. In addition, new renewable energy facilities need new transmission infrastructure to connect to the grid. The retirements of coal-fired power plants and their replacements with new alternatives at different locations will necessitate the extension of new transmission lines and related infrastructure.

Transmission issues are playing an increasingly important role at the state and federal levels, including the costs and how they are recovered from customers. The OUCC's federal division intervenes in interstate transmission cases before the Federal Energy Regulatory Commission (FERC) as warranted, and participates regularly in the stakeholder input and planning processes for both regional transmission operators that serve Indiana (MISO and PJM).

Each grid operator and its highly specialized employees address numerous complex engineering, legal, and economic issues, both on a daily basis and in planning efforts for the long term. With regional transmission costs ultimately recovered through electric utility rates, consumer advocate participation at the federal and regional levels is vital.



Arthur Iler (left) & Scott Jones (right) handle federal issues for the agency.

## LEADERSHIP

William Fine - Utility Consumer Counselor

Abby Gray - Executive Director,  
Legal Operations

Anthony Swinger - Executive Director,  
Technical Operations

## FEDERAL DIVISION

Arthur Iler - Deputy Consumer Counselor

Scott Jones - Senior Utility Analyst

## BUSINESS OFFICE

Krista Orton - Director

Kimberly Weaver - Operations Assistant

Scott Wright - Project Manager

Mary Lyons - Professional Development &  
Technical Specialist

## EXTERNAL AFFAIRS DIVISION

Olivia Rivera - Director &  
Public Information Officer

Alyson Sanders - Specialist



# Natural Gas

The OUCC's Natural Gas Division protects consumer interests by ensuring regulated utilities meet their legal obligations with prudent wholesale gas purchases, while closely scrutinizing gas utility supply costs that are passed through customer bills as allowed by Indiana law.

As with electric, water, and wastewater utilities, gas utility rate cases allow OUCC and Commission staff to fully review a natural gas utility's financial health and overall needs.

In several dozen cases each year, Gas Division analysts closely scrutinize pass-throughs of wholesale natural gas costs to customers, ensuring utilities meet their legal obligations to shop prudently in the wholesale market and meet the other requirements for recovering these costs through rates.

## RATE CASES

**Northern Indiana Public Service Company** (NIPSCO) filed a general gas rate case in October 2023 (45967), only eight months after new rates approved in its previous rate case were fully implemented. In its newer case, NIPSCO initially sought a \$162 million increase. The OUCC challenged several aspects of NIPSCO's request and ultimately negotiated a settlement agreement that received Commission approval in July 2024. As with electric cases, most of the request in this docket covered projects that received IURC pre-approval in separate, previous cases. The approved settlement allowed NIPSCO to increase its rates and charges by approximately \$121 million, saving customers approximately \$41 million per year for the life of the rates. The monthly residential customer charge was set at \$16.50, instead of \$25.50 as NIPSCO requested.

Among Indiana's other large natural gas utilities, **CenterPoint Energy** North and South received approval of new base rates in 2021. Current base rates for **Citizens Gas** were approved in 2011.

**Ohio Valley Gas** (OVG) is one of several smaller natural gas utilities that has had a rate case in the last year. (46011). A settlement agreement in this case will allow OVG to increase its rates by \$11 million to pay for infrastructure improvements. The monthly residential customer charge was settled at \$14.75, compared to OVG's requested \$22.43 charge.

Five additional, small natural gas utilities sought base rate increases during the last fiscal year. The OUCC negotiated rate settlements with **Midwest Natural Gas Co.** (45888), **Indiana Natural Gas Corp.** (45889), and **Boonville Natural Gas Corp.** (45985-U). Each agreement received IURC approval and reduced the increases the utilities originally requested. Rate requests from **South Eastern Indiana Natural Gas** (46074-U) and **Indiana Utilities Corporation** (46086) are currently pending.

# TRANSMISSION, DISTRIBUTION, & STORAGE IMPROVEMENT CHARGES

Like their electric counterparts, natural gas utilities are also allowed to seek IURC approval of Transmission, Distribution, and Storage System Improvement Charge (TDSIC) plans and then recover costs through rates.

Both of CenterPoint Energy's Indiana gas utilities use the TDSIC mechanism, along with NIPSCO, Midwest Natural Gas, and Ohio Valley Gas. In ongoing TDSIC tracker cases, OUCC analysts verify whether the projects meet the statutory requirements, determine if the overall design for each of those projects is reasonable, and verify whether the cost support is sufficient and exists in the work order level detail required for IURC approval. Projects must be justified and reasonable to receive approval, as the OUCC reviews utilities' accounting schedules, engineering designs, and actual costs incurred for completed projects.

Major Natural Gas Utilities: TDSIC & Base Rate Approval Dates		
Utility	Current TDSIC Plan	Current Base Rate Order
CenterPoint Energy - North	2022	2021
CenterPoint Energy - South	2022	2021
Citizens Gas	NA	2011
NIPSCO	2020	2022

## FMCA FILINGS

Separately from the TDSIC statute, gas utilities may use Federally Mandated Cost Adjustment (FMCA) plans and trackers to recover costs for pipeline safety improvements under Indiana law. NIPSCO recently obtained Commission approval of a five-year FMCA Plan with capital expenditures totaling over \$219.8 million, in addition to more than \$34.1 million in operation and maintenance expenses. CenterPoint Energy and Sycamore Gas also use this mechanism.

For each FMCA filing, OUCC analysts verify whether the projects meet the statutory requirements, if the overall design for each project is reasonable, and whether the cost support is sufficient and exists in the work order level detail required for IURC approval. After an FMCA Plan is approved, the utility files tracker proceedings twice a year, with the OUCC reviewing accounting schedules, engineering designs, and actual costs incurred to determine whether any cost changes are justified and whether they meet statutory guidelines.

## NATURAL GAS DIVISION

Director

Heather Poole, CPA

Assistant Director

Jason Kohlmann

Chief Technical Advisor

Leja Courter, CRRA

Senior Utility Analyst

Mark Grosskopf, CPA

Utility Analysts

Jared Hoff

Brien Krieger

Zachary Leinheiser

Sara Marichal

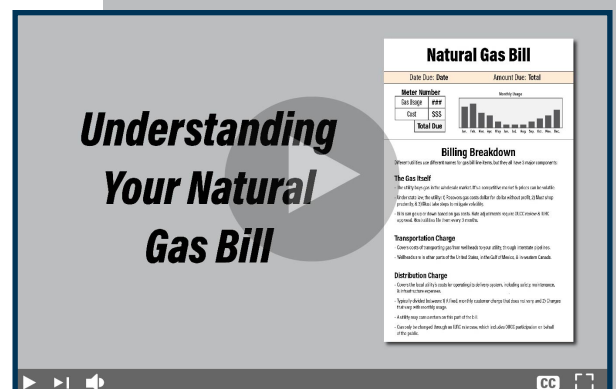
Mohab Nouredin

LaCresha Vaulx

Administrative Assistants

Dezara Atherton

Destiny Weaver



Our External Affairs staff works together with the technical divisions to create informational guides for ratepayers, such as this walkthrough of a typical natural gas bill.

## NEWSLETTER

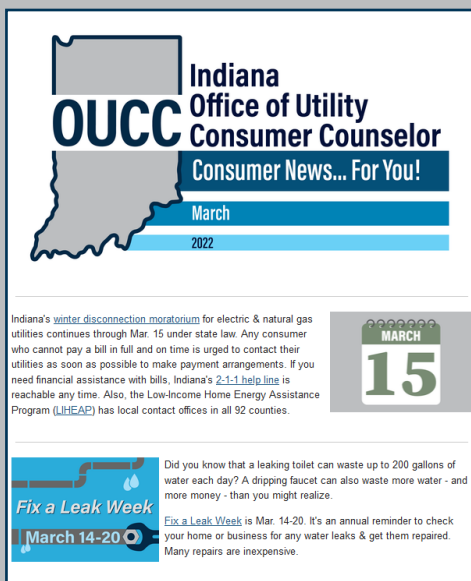
Since 2015, the OUCC has been providing consumers with a newsletter in their email inboxes at the start of each month.

“Consumer News... For You!” is designed to give the consumer an overview of current utility-related topics while providing resources and links for those who may want to dig deeper into a particular case or issue.

The newsletter includes case updates and general information covering a wide range of energy, water/wastewater, and telecommunications subjects. It works in tandem with our social media efforts as the primary source for consumer information and engagement.

During the latest fiscal year, the OUCC sent twelve newsletters to over 64,000 recipients. This is the most newsletters delivered in a year to date and has allowed the OUCC to connect with more consumers than ever before.

**Subscribe today @**  
**[www.in.gov/oucc](http://www.in.gov/oucc)**



The image shows a newsletter header for the OUCC (Office of Utility Consumer Counselor). It features a map of Indiana with the OUCC logo and the text "Indiana Office of Utility Consumer Counselor" and "Consumer News... For You!". Below this, it says "March 2022".

Indiana's [winter disconnection moratorium](#) for electric & natural gas utilities continues through Mar. 15 under state law. Any consumer who cannot pay a bill in full and on time is urged to contact their utilities as soon as possible to make payment arrangements. If you need financial assistance with bills, Indiana's [2-1-1 help line](#) is reachable any time. Also, the Low-Income Home Energy Assistance Program (LHEAP) has local contact offices in all 92 counties.

Did you know that a leaking toilet can waste up to 200 gallons of water each day? A dripping faucet can also waste more water - and more money - than you might realize.

**Fix a Leak Week**  
March 14-20

Fix a Leak Week is Mar. 14-20. It's an annual reminder to check your home or business for any water leaks & get them repaired. Many repairs are inexpensive.

## GAS COST ADJUSTMENTS

The OUCC's Natural Gas Division devotes considerable time and resources to the Gas Cost Adjustment (GCA) process for all Commission-regulated gas utilities.

State law allows utilities to recover wholesale natural gas costs on a dollar-for-dollar basis. Most utilities adjust rates through GCA cases every 3 months, though certain utilities do so every six or twelve months. These filings can increase or decrease rates based on market conditions. The OUCC scrutinizes utility GCA proposals to ensure the utility has shopped prudently in the competitive wholesale market, has taken steps to mitigate volatility, and is not attempting to profit on the cost pass-throughs.

In the State's most recent fiscal year, OUCC analysts discovered errors in twelve GCA filings. Correcting these saved ratepayers \$1.4 million.

Each year, the OUCC reviews more than 60 quarterly and biannual GCA filings, while performing annual audits of 14 gas utilities.

## ADDITIONAL ISSUES

**Energy Efficiency** Like their electric counterparts, large natural gas utilities offer ratepayer-funded energy efficiency programs. OUCC gas division staff participate on the energy efficiency oversight boards for NIPSCO and CenterPoint Energy. Each year, OUCC analysts review the amounts these utilities spent for energy efficiency efforts, as well as reconciliations relating to over- or under-recovery of prior energy efficiency amounts.

**Service Territories** Each Indiana natural gas utility must receive IURC approval to serve specific territories. If the utility wants to expand its territory, it must receive Commission approval with the OUCC's review focused on ensuring the utility meets four statutory requirements: 1) The power and authority to obtain the certificate and render the requested service; 2) The financial ability to provide the requested service; 3) Provision of the requested service giving consideration to the availability of service from any gas utility authorized to serve end use customers within the geographic area; and 4) The public interest will be served by the approval.

**Pipeline Safety** OUCC analysts review proposed Commission rulemakings related to pipeline safety standards to ensure consumer interests are protected. The gas division stays up to date on both federal and state requirements to ensure appropriate ratemaking treatment, as it analyzes proposed Pipeline Safety Adjustments (PSAs). OUCC analysts file detailed, persuasive testimony in these cases helping ratepayers receive substantial savings.



# Water / Wastewater

The water and wastewater industry is going through rapid changes, due to the need to replace aging infrastructure and address numerous environmental issues.

Analysts in the OUCC's Water/Wastewater Division continued to carry a robust caseload in the past year, representing consumer interests in numerous rate cases, reviewing multiple requests for financing approval to build new utility infrastructure, and participating in a number of additional dockets.

Division analysts also reviewed more than 30 expedited filings in the last fiscal year through the Commission's 30-day filing process, including a filing in which **Citizens Wastewater of Westfield** reduced its base charge to customers for two years due to earning excessive profits.

## RATE CASES & FINANCING CASES

Facts and issues in each base rate case can vary widely, as can the volume of each case. Dozens, hundreds, or even thousands of pages of testimony and exhibits may be filed in a given case based on its complexity, the number of issues to be considered, and the size of the utility. The outcomes can vary, as well, with some cases being litigated while others are settled.

**Indiana American Water Co. (IAWC)** is the largest water utility in the state, with its most recent rate case being litigated before the IURC (45870). IAWC initially requested an \$86.7 million increase in revenues, which would have resulted in more than a 30% rate increase for its water customers and more than a 106% rate increase for its wastewater customers. The OUCC filed testimony recommending the IURC limit the total revenue increase to \$18.6 million in this litigated case. The IURC issued an order limiting the utility's revenue increase to \$66 million, with changes to the authorized return on equity (ROE) accounting for most of the difference. Within the rate case, Indiana American also sought approval of a low-income subsidy program with 100% of the funds to come through ratepayer surcharges and no contributions by the company or its shareholders. The OUCC opposed this request; the Commission agreed it was not in the public interest and denied it.

**Community Utilities of Indiana (CUII)** provides water and sewer service in portions of four northwest Indiana counties. Its most recent rate case was also litigated (45651), with the utility proposing to raise an average residential water and sewer bill from \$103.78 to \$178.43. The OUCC recommended limiting the increase to \$126.72, with the Commission ultimately approving a final amount of \$131.97. CUII appealed the Commission's order, and the OUCC's attorneys subsequently filed briefs supporting the order. The Indiana Court of Appeals upheld the order. Issues regarding full implementation of the approved rates continued into the state's most recent fiscal year.



# WATER / WASTEWATER DIVISION

Director

Scott Bell

Assistant Director

Carl Seals

Chief Technical Advisor

Margaret Stull

Senior Utility Analyst

Shawn Dellinger, CRRA

James Parks, PE

Utility Analysts

Jason Compton

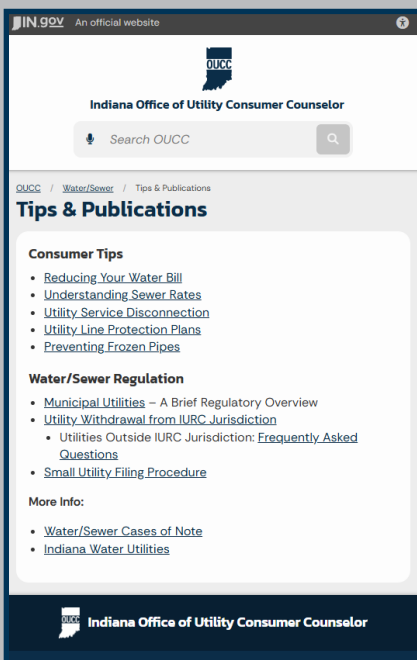
Thomas Malan

Carla Sullivan

Kristen Willoughby

Administrative Assistant

Takia Bland



The OUCC website includes tips and guides on a wide range of consumer issues.

**Citizens Water of Westfield** requested a 26.6 percent rate increase in March 2024 (46020). The OUCC and utility reached a settlement agreement reducing the request to 18.9 percent.

The City of **Evansville's** most recent water rate case included Commission approval of \$225 million of borrowing authority to fund construction of a new water treatment plant. In a subdocket to that case (45545-S1), the utility sought an additional \$46.8 million of financing authority to address higher estimated costs. The case was ultimately settled with Evansville receiving the requested amount of additional borrowing authority and agreeing to publicly bid the proposed water treatment plant project.

Additional water and wastewater rate cases in the past biennium have included requests from small utilities in Greene, Floyd, Clark, and Morgan Counties. In addition, the OUCC reached settlement agreements with the **East Chicago** and **Marion** municipal water utilities. Most municipal water rate cases before the IURC are settled, though the OUCC reviews each case on its specific facts and merits while striving to reach agreements that produce fair resolutions for customers.

A contested financing case in the last year involved **American Suburban Utilities** (46017), which provides sewage disposal service in a portion of Tippecanoe County, seeking to acquire approximately \$10 million of debt from an affiliated company. OUCC analysts and attorneys filed testimony supporting an immediate rate reduction in the case. The OUCC's request was denied, though ASU was ordered to file a new rate case in 2025.



Our Water/Wastewater staff takes a moment during a weekly team meeting. Standing: Takia Bland, Thomas Malan, Jason Compton, Shawn Dellinger, & Scott Bell. Seated: Jim Parks, Carl Seals, Margaret Stull, & Carla Sullivan.

# TRACKERS

As with electric and natural gas utilities, water and wastewater utilities may use trackers to adjust rates between base rate cases and do so within expedited timeframes.

Water/wastewater trackers created by the Indiana General Assembly include the Distribution System Improvement Charge (DSIC); the System Integrity Adjustment (SIA), which allows a utility to increase rates if it does not generate the level of revenues on which its rates were based; and the System Enhancement Improvement (SEI), which authorizes the Commission to approve service enhancement improvement charges in order to allow water and wastewater utilities to adjust their rates and charges to recover depreciation, property taxes, and pretax return incurred in connection with "eligible additions."

Citizens Water, IAWC, and CUH have sought DSIC approvals in the last two years, with IAWC also seeking approval of a System Enhancement Improvement charge through two litigated cases. Separately, Citizens Water received Commission approval of a lead service line replacement plan in 2022, with updated cost recovery being approved more recently.

# ADDITIONAL ISSUES

The OUCC's Water/Wastewater Division reviews applications by new and existing utilities to establish or expand service territory boundaries, along with territorial agreements and disputes, and issues pertaining to troubled utilities, including those with financial difficulties, environmental issues, or both.

# SOCIAL MEDIA

Our team is committed to providing consumers with regular case updates and helpful consumer tips on a variety of utility issues, including water savings, scam warnings, energy savings, safety tips, and more!

- Facebook: @IndianaOUCC
- Instagram: @Indiana.OUCC
- LinkedIn: /IndianaOUCC
- Twitter: @IndianaOUCC
- YouTube: @IndianaOUCC



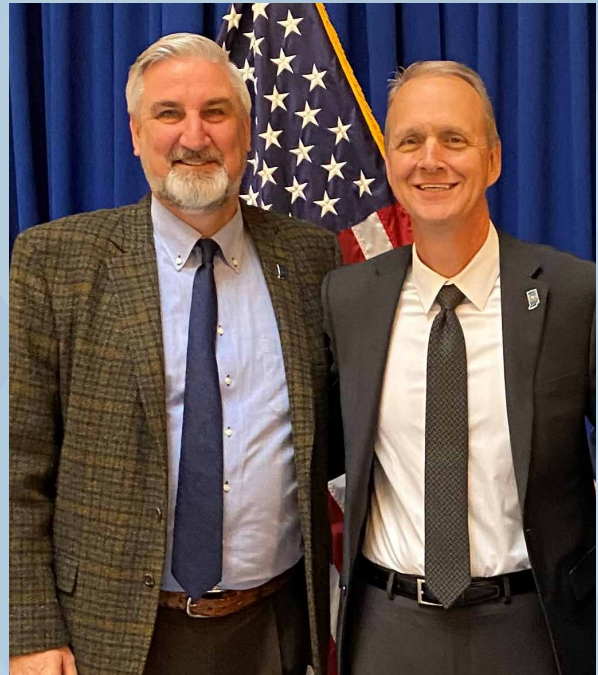
## Payment Arrangements

If you're behind on your bills, call your utility today.



# 35 YEARS OF SERVICE

**SCOTT BELL** Our Water/Wastewater Division Director celebrated 35 years of service to the State of Indiana in 2023. Mr. Bell met Governor Holcomb during a special recognition ceremony held to acknowledge state employees having given at least 35 years of public service. Mr. Bell has served the last two decades leading our water/wastewater technical staff.



Governor Eric Holcomb (left) congratulates Scott Bell (right) on 35 years of public service.

# RETIREMENTS



Wes Blakley (left) & Randy Helmen (right) at their retirement party.

**WES BLAKLEY** One of the OUCC's longest serving staff members, Mr. Blakley was with the agency for 32 years and retired late 2023. He wrote expert testimony on accounting and fiscal issues in numerous cases over the years, and was a mentor to many and a friend to all in his role as a Senior Utility Analyst.

**RANDALL HELMEN** Mr. Helmen's 41-year legal career includes 23 years with the OUCC as Chief Deputy Consumer Counselor. Mr. Helmen's passion for his job, the law, and ratepayers was infectious and will continue to be an inspiration to our team. He retired in late 2023.



# Indiana Office of Utility Consumer Counselor



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