



Indiana Utility Regulatory Commission

News Release

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IURC Approves Modified Settlement Agreement in CWA Authority, Inc.'s Sewer Rate Case *Increase in rates attributable to EPA regulations and 2006 Consent Decree*

INDIANAPOLIS – Today the Indiana Utility Regulatory Commission (IURC) approved a modified settlement agreement between the CWA Authority, Inc. and the Office of Utility Consumer Counselor that allows for a two-phase rate increase - 21.08 percent in Phase I and 5.61 percent in Phase II.

The primary driver for the rate increases is specific remediation measures related to the 2006 Consent Decree imposed by the U. S. Environmental Protection Agency on the City of Indianapolis, the previous owner of the municipal wastewater system serving Marion County and the surrounding area. The Consent Decree requires the utility to perform infrastructure upgrades in order to reduce combined sewer overflows from the wastewater system into the City's rivers and streams. Other contributing factors for the rate increase include the need to replace aging infrastructure and the continued efforts to expand wastewater service to areas reliant on septic tank systems.

Although the modification to the settlement agreement was marginal, the IURC disallowed \$1.1 million in recovery related to the utility's executive compensation plans. This modification is consistent with the IURC's decision in Citizens Water's last water rate case, under Cause No. 44306, issued on March 19, 2014. In its decision, the IURC found the utility's level of executive compensation was not appropriate for a municipal utility and significantly limited the amount of recovery in this area.

To view today's rate case decision under Cause No. 44305, please visit our homepage at www.in.gov/iurc. The Phase I increase will be effective upon CWA Authority, Inc. filing a revised tariff and its acceptance by the IURC. The Phase II increase will then be effective October 1, 2014. Other cases still pending before the IURC include the Citizens Thermal Energy rate case, under Cause No. 44349, and an investigation into Citizen Energy Group's management and billing practices, under Cause No. 44462.

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The Commission is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.

For more information, please visit: www.in.gov/iurc.