



Indiana Office of Utility Consumer Counselor

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AES Indiana Rate Agreement Approved

The Indiana Utility Regulatory Commission (IURC) has issued its final order in the AES Indiana rate case, approving an uncontested settlement agreement significantly reducing the utility's requested increase.

The agreement approved in Wednesday's order was reached among the Indiana Office of Utility Consumer Counselor (OUCC), AES Indiana, the Citizens Action Coalition of Indiana, the City of Indianapolis, Walmart, Rolls Royce, The Kroger Co., and industrial customers (including Allison Transmission, Eli Lilly & Co., Indiana University, Indiana University Health, Marathon Petroleum, and Messer).

"We appreciate the Commission's approval of this agreement and the efforts of all the parties that worked diligently to achieve this outcome," said Indiana Utility Consumer Counselor Bill Fine. "The newly approved agreement will mitigate the customer rate impact while ensuring AES Indiana has the revenues needed to provide service as required under Indiana law."

AES Indiana initially requested an annual revenue increase of about \$134 million in this case. The settlement agreement reduces the total revenue increase to approximately \$71 million, with most of the approved costs for projects that received Commission approval in previous proceedings.

The utility's original request would have raised an average monthly residential electric bill, for 1,000 kilowatt hours (kWh), by \$17.49. The agreement, when fully phased in next year, will set the increase for 1,000 kWh at \$9.36.

The order approving the agreement also:

- Raises the monthly residential customer charge for most customers from \$16.75 to \$17.00, instead of the \$25.00 charge AES Indiana had proposed.
- Establishes an authorized return on equity of 9.90%. The utility had requested a 10.6% authorization in its initial request.
- Reduces depreciation expenses along with various operation and maintenance expenses.
- Creates specific protections for consumers when disconnected remotely for non-payment.

Four of Indiana's five investor-owned electric utilities have filed rate cases before the IURC within the last year, including AES Indiana. The OUCC and additional consumer parties have reached a pending settlement agreement with Indiana Michigan Power (I&M). CenterPoint Energy has filed a rate case for its southwestern Indiana electric utility, in which the OUCC is recommending a substantial reduction to the utility's request. Duke Energy filed its new Indiana rate case earlier this month; the OUCC is reviewing the request and expects to file testimony in mid-July.

(IURC Cause No. 45911)

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.