

For Immediate Release
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***IURC approves plan to invest \$230 million
in drinking water system***
Residential customers to see \$4 increase on average monthly bill

INDIANAPOLIS - The Indiana Utility Regulatory Commission (IURC) today approved a settlement agreement between the Indianapolis Department of Waterworks (DOW), the Indiana Office of Utility Consumer Counselor (OUCC) and the other intervening parties - three large industrial users and the Town of Pittsboro.

DOW will 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 would not have been able to fund all of these critical investments in the drinking water system.

"We're pleased the IURC approved our settlement agreement," 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."

Beginning May 1, residential customers will see an increase of approximately 27 percent. For a single family home using 5,000 gallons per month, this will represent a bill impact of about \$4 per month. Industrial customers will see the greatest increase, at approximately 36 percent. Multi-family residential and commercial and public customers will see an increase of approximately 33 percent.

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

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.

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.

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.

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