

Citizens floats 27 percent hike in sewer rates, 2 years after previous increase

By John Russell
jrussell@ibj.com

Two years after pushing through a 30 percent increase in sewer rates to fund upgrades to the aging wastewater system, Citizens Energy Group says it wants to raise rates another 27 percent over the next three years for its Indianapolis-area customers.

The Indianapolis-based utility said Friday it will seek permission from state regulators to raise wastewater rates to continue funding the federally mandated work on the DigIndy Tunnel System and related projects.

If approved, the move would raise the average monthly residential bill about \$8.50 in summer 2019, \$2.75 in 2020 and \$2 in 2021. The current average monthly rate for residential sewer service is \$49.72. The proposed increase would hike the average bill to \$62.97 by 2021.

Citizens provides wastewater services to customers in Marion County, as well as some adjacent areas such as the cities of Lawrence and Greenwood. It has 300,000 customer accounts.



Standardizing the width of tunnels at 20 feet, 2 inches reduced the cost of the DigIndy project about \$50 million. (Photo courtesy of Citizens Energy Group)

“These increases are absolutely necessary to stay the course on our ongoing efforts to complete the federally mandated DigIndy Tunnel System and to rehabilitate our aging sewer system in order to prevent failures such as those that occurred downtown this past summer,” Citizens President and CEO Jeffrey Harrison said in a media statement. “None of us at Citizens takes this or any request for a rate increase lightly.”

The utility said it will complete the 28-mile DigIndy

Tunnel System, the largest infrastructure project in Indianapolis’ history, over the next seven years. The huge project is designed to nearly eliminate sewer overflows and by extension, clean local rivers.

Citizens has already completed the first 10 miles of the DigIndy Tunnel System, the result of \$1.2 billion in investments since 2011. It has also doubled the size of its two wastewater treatment plants and said it has

rehabilitated more than 80 miles of aging sewers.

Since it opened late last year, the 10-mile portion of the tunnel has prevented more than 500 million gallons of sewage from reaching the White River and Eagle Creek.

Citizens also said it is proposing additional assistance for low-income customers through a Low-Income Customer Assistance Program that will provide discounts of up to 25 percent on wastewater bills for customers who qualify. Also included in the proposal is the creation of a wastewater infrastructure fund to assist eligible low-income customers with water conservation measures and plumbing repairs.

State regulators approved a 30 percent sewer-rate increase from Citizens in July 2016. Citizens bought the city’s water and wastewater systems in 2011 for \$1.9 billion.

In a press release, Citizens pointed out that its water rates have remained flat “over the last few years,” although it did not say it raised water rates 17 percent two years ago. •