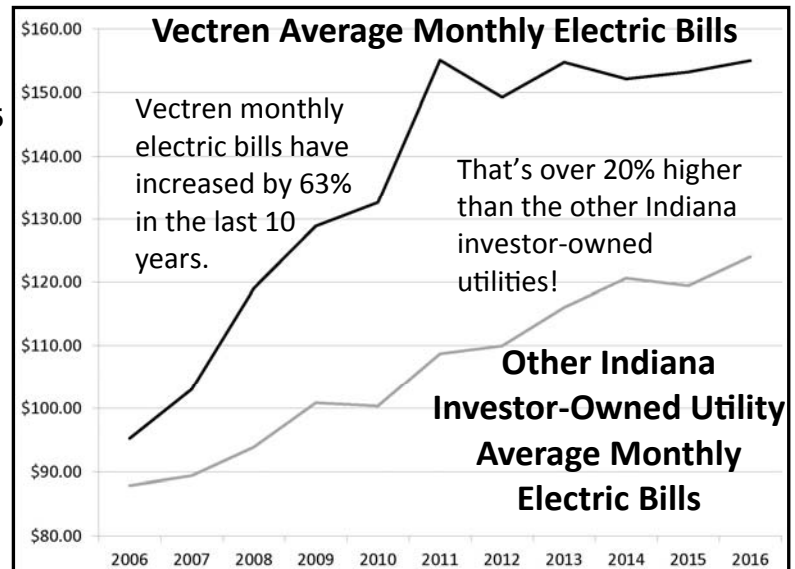


Say NO to Vectren smart meters and more fixed charges!

Tell the IURC to reject the settlement. No Vectren rate hike!

Vectren has recently reached a settlement with the Office of Indiana Utility Consumer Counselor (OUCC) and the Vectren Industrial Group which, if approved by the Indiana Utility Regulatory Commission (IURC), **will raise your rates \$446.5 MILLION** to pay for investments to their transmission and distribution system. The plan was enabled by a bill (SEA560) that Vectren lobbied Indiana State Legislators to pass in 2013.

- **The average monthly electric bill of Vectren electric customers has already increased by 63% in the last ten years.** That's over 20% higher than the other Indiana investor-owned utilities.
- **Additionally, this requested rate increase does not include the nearly \$100M in costs for environmental compliance projects which Vectren has yet to collect from customers.** Vectren has previously indicated they will seek those costs beginning in 2020.



Ratepayers can't afford any more increases!

If approved, Vectren claims that the settlement will increase rates between 0.72% to as high as 1.65% every year until 2024. Adding insult to injury, Vectren is seeking to recover a portion of those increases in a fixed monthly charge, rather than a charge per kilowatt hour consumed. **If approved, the settlement will allow Vectren to raise the monthly fixed charge on your electric bill by \$1.00 every year beginning in 2017 and continuing through 2024.**

Allowing Vectren to recover these costs in a fixed monthly charge removes any incentive for the company to control their costs. Charging more for using less through higher fixed charges disproportionately hurts households on low or fixed incomes and it diminishes the longstanding principal of encouraging conservation. It also imposes an unfair "tax" on farms, homes, and businesses that choose to make their properties more energy efficient, or install solar panels, wind turbines, or other distributed energy technologies on their property.

Customers should not be penalized for investing their own money to make their properties more efficient or to generate their own energy!

The settlement will also allow Vectren to install expensive, invasive, and unnecessary smart meters in all 152,000 home and business in their Indiana service territory. Smart meters should not be mandatory. Vectren should be required to offer the smart meters to customers as a voluntary option. **Ratepayers should not be forced to pay for a smart meter they don't need and they don't want.** Additionally, many concerns have been expressed about privacy and cyber security related to the installation and use of smart meters. All of these concerns must be addressed prior to any approval for a smart meter rollout.

Take action: Stop Vectren from raising your rates AGAIN!

Contact the Indiana Utility Regulatory Commission and tell them to:

- Reject the settlement
- Oppose any new FIXED COSTS for Vectren;
- Request that they reduce Vectren's ROE (profit) should they approve the settlement.

Please reference Cause No. 44910 in your correspondence.

Indiana Utility Regulatory Commission

Attn: Consumer Affairs
PNC Center
101 W. Washington St, Ste 1500E
Indianapolis, IN 46204
Phone: (800) 851-4268
Fax: (317) 233-2410

Online consumer complaint form:
<https://iurc.portal.in.gov/>

If approved, this settlement would give them excessive profit to do something they are supposed to be doing anyway: provide reliable electric service. The projects included in the \$446.5 plan by Vectren are investments Vectren is required to make to meet their legal obligation of providing reliable electricity to their captive customers: distribution system upgrades and replacements as well as improvements to substations, transformers, circuit breakers, poles, and lines. **This bill tracker would shift the burden of cost and risk of running a monopoly utility company from voluntary investors to captive ratepayers.** As a result, the utilities guaranteed rate of return should be reduced to reflect the reduction in risk. Despite this reduction in risk for Vectren, the settlement filed with the IURC gives Vectren their full 10.4% rate of return.

If ratepayers are going to be forced to assume the risk, then ratepayers should realize some of the reward. Vectren's ROE (profit) should be reduced!

The Problem with Higher Fixed Charges

There's a disturbing trend developing in Indiana. As a result of slow electric load growth due to many factors, including economic downturns, increased energy efficiency and decreased costs of distributed generation, most notably rooftop solar, Indiana's electric utilities are seeking to increase fixed monthly charges on their customers. Utilities love to collect costs in fixed charges - it reduces their risk and bolsters their revenues and profits.

Other businesses with fixed costs – the oil industry, hotels and grocery stores for example – do not impose mandatory fees to cover their fixed costs. Instead, these costs are reflected in the product price, and consumers can control how much they spend by how much they purchase. The same should be true for electric consumers.

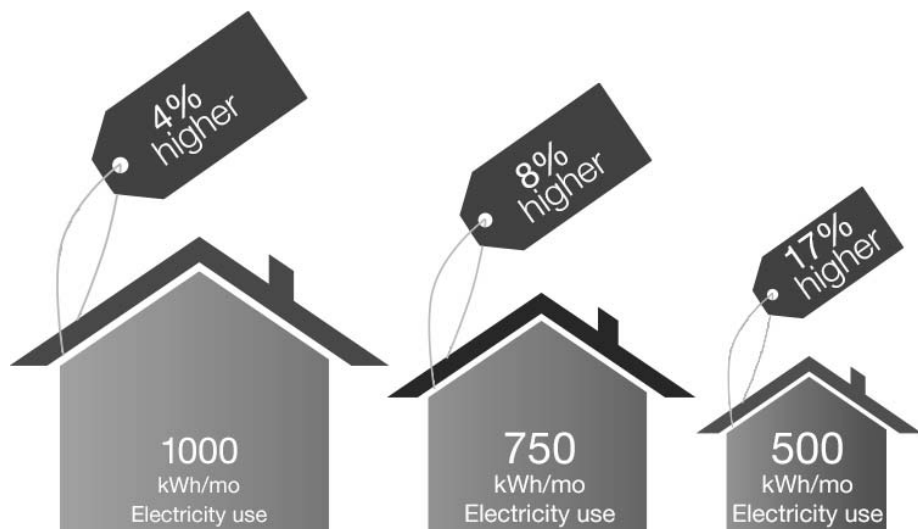
Increasing fixed costs is unfair. They hit low electricity users harder than high electricity users. Bills will go up much higher for customers living in small apartments than for those living in spacious homes.

Increasing fixed costs is inequitable. Low income customers bear a disproportionate burden. Fixed fee increases consume a larger share of the incomes of those who are least able to pay, most notably vulnerable populations on fixed incomes like seniors and people with disabilities.

Increasing fixed costs is anticompetitive. Higher fixed charges reduce the economic return from saving energy and generating your own electricity at home with solar panels or other distributed energy technology. The utility steals a portion of your bill savings into its bottom line.

Higher fixed costs also cause you to lose some of your ability to control your electric bill. When you have to pay more each month regardless of how much electricity you use, you're not as able to control your family's energy costs. The illustrative example below from the excellent "Caught in a Fix" report by Consumers Union and Synapse Energy Economics displays the inequity of higher fixed charges. The full report can be found at <http://consumersunion.org/news/new-report-from-consumers-union-exposes-problems-with-fixed-charges-on-electricity-bills/>

How Mandatory Fixed Fees Hurt Electricity Customers



With fixed fees for electricity, homes using **less** power can be hit with **steeper** bill increases. This example models the impact of increasing fixed fees from \$9 to \$25 per month, with a corresponding decrease in the charge per kilowatt-hour (kWh) used.

Source: "Caught in a Fix" Report prepared for Consumers Union by Synapse