

Say NO WAY to new power plant and more VECTREN rate hikes!

Vectren recently filed a request with the Indiana Utility Regulatory Commission (IURC) to **raise your rates nearly \$1 BILLION** to pay for the construction of an unneeded and oversized gas-fired power plant, and to pay for compliance projects at their obsolete coal-fired power plants.

Specifically, Vectren wants:

- **\$67 MILLION** for already completed projects at their coal-fired power plants, most of which they will be retiring soon. **If approved, this will cost residential customers \$29 per year, beginning in 2019.**
- **\$95 MILLION** for projects at the Cully Unit 3 coal-fired power plant. **If approved, this will cost residential customers \$25 per year by 2023.**
- **\$781 MILLION** to build an unneeded and oversized 850 megawatt gas-fired power plant. The annual impact on residential customers is unknown at this time.

It's difficult to predict exactly what the bill impact will be should the IURC approve the construction of the \$781M gas-fired power plant. In testimony filed before the IURC, Vectren acknowledges the "magnitude" of this investment. Vectren's current electric rates are based on an estimated rate-base of \$1.4B¹. This gas-fired power plant, if approved, will increase Vectren's electric rate-base by 57%! This is truly an investment of enormous "magnitude," and one which will clearly have a significant impact on the monthly bills of Vectren's electric ratepayers.

The amounts above do not include the \$497.5 MILLION rate hike approved by the IURC in September 2017 for projects related to their transmission and distribution networks and for the mandatory installation of smart meters at the premises of every Vectren customer. A small portion of this amount is currently being collected in rates today, but **the majority of that \$497.5M will hit the monthly electric bills of Vectren customers over the next 7 years.**

Vectren customers can't afford any more rate hikes!

Here's a breakdown of your current monthly Vectren electric bill before taxes:

Understanding your current Vectren electric bill (Based on average usage of 900 kWh per month.)*		
Current Bill		
	Charges & Rates	Total Bill
Base Charges (fixed and do not change without a base rate case being filed)		
Monthly Fixed Charge	\$11.00	\$11.00
Charge per kWh	\$0.091600	\$82.44
Fuel Charge per kWh	\$0.038890	\$35.00
Variable Production Charge	\$0.004750	\$4.28
Bill Riders, or "trackers" (variable and will change in between rate cases)		
Fuel Adjustment Clause	(\$0.005734)	(\$5.16)
Energy Efficiency Program Costs and Lost Revenues	\$0.007976	\$7.18
MISO (grid operator) Cost & Revenue Adjustment	\$0.003508	\$3.16
Reliability Cost & Revenue Adjustment	\$0.000256	\$0.23
Grid Modernization Fixed Charge	\$0.95	\$0.95
Grid Modernization Charge per kWh	\$0.000339	\$0.31
	Total:	\$139.38
*Average bill based on Vectren's current approved electric tariffs which are available here: https://www.vectren.com/information/rates , and represent an average Vectren customer using 900 kWh/per month.		

Take Action Now!

Send comments to the OUCC and make your voice heard!

Indiana Office of Utility Consumer Counselor

Attn: Bill Fine
115 W. Washington St.
Suite 1500S
Indianapolis, IN 46204
uccinfo@oucc.in.gov
(888) 441-2494 phone

Tell the OUCC and the IURC Regulators:

- To oppose Vectren's request to hike your rates by nearly ONE BILLION DOLLARS!
- To reject this oversized and unneeded gas-fired power plant!
- To protect customers from the costs and risks of continued investments in fossil fuels!

**Make sure to reference
Cause Number 45052
in your comments!**

¹45052_Vectren_Exhibit 13 Direct Testimony of J. Cas Swiz, page 29, lines 18-22

Vectren customers can't afford any more rate hikes!

Since 2005, for customers using 1,000 kilowatt hours (kWh) per month, **Vectren's average monthly residential electric bill, including taxes, has increased from \$88.67² to \$153.06³, an alarming 73%!**

Much of this increase is directly attributable to the fact that Vectren has been and remains almost exclusively reliant on coal.

Over this time period, Vectren made the business decision to spend \$500M⁴ on their coal fleet, rather than diversify their energy portfolio with clean and renewable energy, like solar and wind.

Vectren's over-reliance on coal and failure to diversify exposed their customers to tremendous risk and has led to excessive rate increases and ultimately, unaffordable monthly electric bills.

Now Vectren wants to prolong the life of the Culley 3 coal-fired power plant and replace the rest of their coal-fired fleet with an 850 megawatt gas-fired power plant. Once again putting all of their eggs in one basket, Vectren is continuing to expose their customers to the inherent risk that comes with a lack of a diverse energy portfolio.

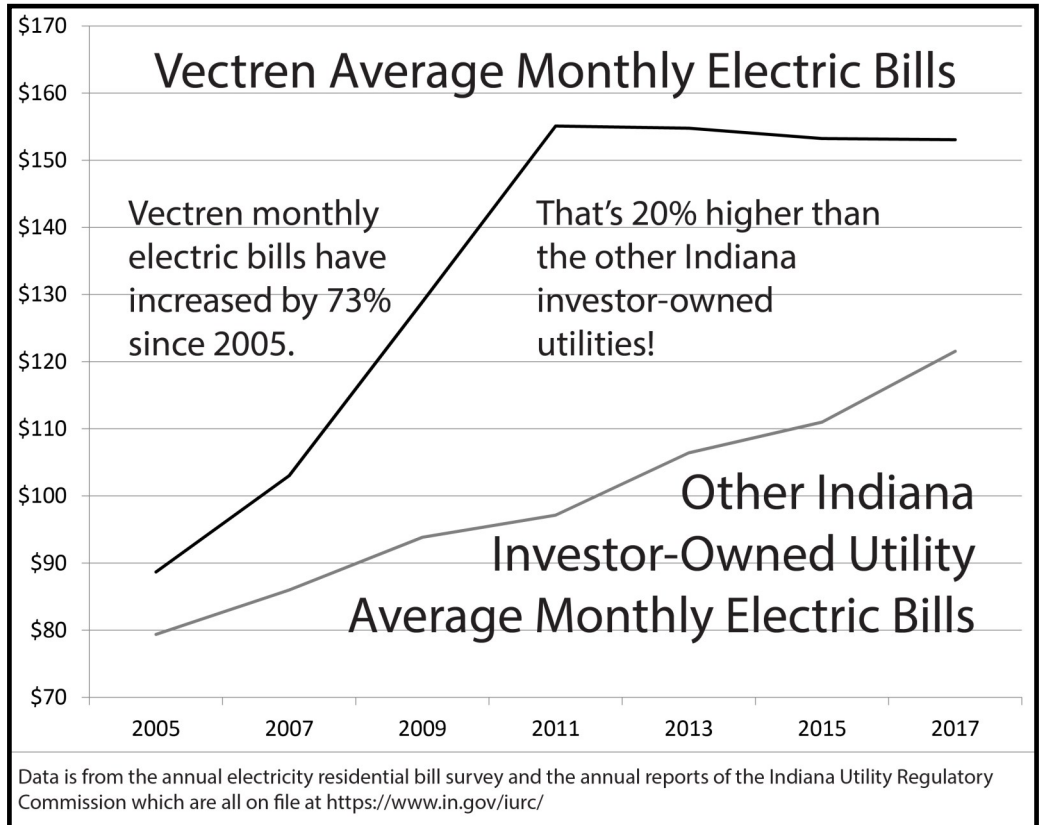
Fuel prices fluctuate, regulations change, competition provides price pressures, and supplies face disruptions from things like the markets, pipeline restraints, and weather. Considering all of this put together, **continued investments in coal and new investment in gas, aka fossil fuels, are risky and volatile.**

In fact, the Office of Utility Consumer Counselor (OUCC), who represents the public in proceedings before the Indiana Utility Regulatory Commission (IURC), now recognizes the costs and risks associated with continued investments in fossil fuels.

In testimony recently filed in the current base rate case of Indianapolis Power & Light, **the OUCC wrote that "coal-fired generation deployment is uneconomic and that even natural gas fired generation is becoming uneconomical when compared to renewable deployment. The economic viability of those gas fired units is even riskier as battery deployment and technology advances."**

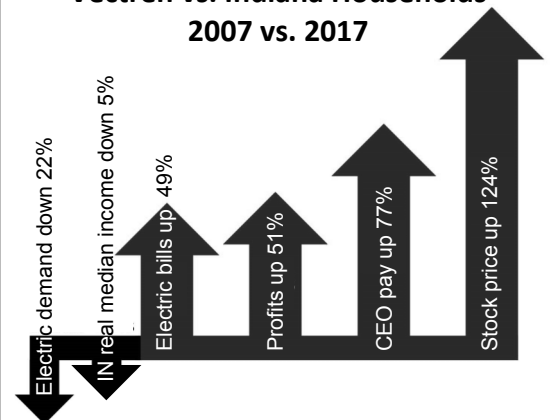
Vectren should stop throwing good money after bad and begin to transition away from fossil fuels by making meaningful investments in energy efficiency and sustainable and truly clean energy, like solar and wind. **Utility-scale solar and wind are now cheaper than coal-fired power plants and are cost-competitive with new gas-fired power plants.**

Investments in energy efficiency, and solar and wind power provide local jobs which can't be outsourced, are far better for our environment and our health, and utilize the inexhaustible and free resources of Indiana sunshine and wind, without polluting our air and water and exposing customers to significant risk.



Tell the IURC and the OUCC to stop the shakedown!

Vectren vs. Indiana Households 2007 vs. 2017



The illustration above highlights the percentage change between 2007 and 2017 for Vectren's reported electric demand, Indiana real median income, residential bills, Vectren's profits, Vectren CEO pay, and Vectren's stock price. (Data for Indiana real median income is for 2016.)

No more rate hikes for Vectren!!

²https://www.in.gov/iurc/files/ar_05.pdf page 36

³https://www.in.gov/iurc/files/2017%20Residential%20Bill%20Survey_Presentation.pdf

⁴45052_Vectren_Exhibit 1 Direct Testimony of Carl Chapman, page 3, line 14