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CAC: IURC MUST CONSIDER AFFORDABILITY IN AES RATE CASE

PROTECT CONSUMERS & REJECT HIGHER PROFITS AND HIGHER RATES

INDIANAPOLIS – Citizens Action Coalition (“CAC”) filed the testimony of Ben Inskeep, CAC Program Director, and Justin Barnes, President of EQ Research LLC, on Tuesday asking the Indiana Utility Regulatory Commission (“IURC”) to reject outright AES Indiana’s proposed rate increase, as well as take additional actions to enhance affordability and improve the quality of service to residential customers. CAC concluded that AES Indiana’s proposed rate increase would impose an extraordinary additional financial burden on Indianapolis families who are already struggling to cope with an acute unaffordability crisis. The case is docketed before the IURC as [Cause No. 46258](#).

“The Commission should take strong action to protect residential ratepayers experiencing inexcusably poor service at increasingly unaffordable rates. AES Indiana’s residential customers have grown beyond exasperated with AES Indiana’s persistent billing and autopay issues, the woefully inadequate customer service, and overall response to AES Indiana’s mismanaged billing and autopay systems,” stated Mr. Inskeep “Adding to the strain and frustration, AES Indiana has implemented multiple large rate increases in recent years, amplifying a growing affordability crisis. And now, AES Indiana is proposing a massive \$30 per month residential rate increase without any meaningful affordability protection, while AES Indiana shareholders would walk away with one of the highest authorized ROEs in the country. Enough is enough.”

CAC recommended that the IURC:

- Deny AES Indiana’s requested rate increase in its entirety.
- To the extent the Commission approves any rate increase, it should:
 - Deny AES Indiana’s request to increase its authorized ROE and, moreover, significantly reduce AES Indiana’s current authorized ROE.
 - Deny AES Indiana’s proposed allocation of costs which forces residential customers to receive a substantially higher percentage increase than other customer classes, most notably large commercial and industrial users, and instead, approve a more balanced approach in which residential customers do not receive a rate increase higher than the system average.
 - Given AES Indiana’s refusal to furnish relevant information about the data centers that could take service within approximately the next two years, deny Phase 2 rates that are proposed to take effect January 1, 2027, insofar as stakeholders and the

IURC cannot determine whether Phase 2 rates will be just and reasonable with the game changing addition of data centers.

- Open an investigation into AES Indiana's billing system issues and deny cost recovery related to the new billing system, or the ACE Project.
- Deny AES Indiana's proposed increase in the monthly fixed customer charge and modify its request to continue using declining-block rates.
- Establish a new and lower monthly fixed customer charge for residential customers in multi-family housing.
- Direct AES Indiana to adopt a security deposit cap of \$25 for households who qualify for the Low-Income Home Energy Assistance Program, or LIHEAP, and adopt a security deposit cap of \$50 for non-LIHEAP residential customers who attest to having a household income below the statewide median household income.
- Direct AES Indiana to pause residential disconnections for nonpayment for an additional 1-year period, discontinue all disconnections for nonpayment for Medical Alert customers, and eliminate the reconnection charge for residential customers resuming service after being disconnected for a delinquent bill.
- Direct AES Indiana to automatically waive the first two late payment charges a residential customer gets over a 12-month rolling basis.
- Reject AES Indiana's request to force customers to pay for the Company's expenses related to filing for a rate increase, like experts and lawyers.
- Establish a new Affordable Power Rider designed to promote economic stability through bill discounts applied to qualifying residential customer bills.
- Take any other actions necessary to protect residential ratepayers and ensure affordability is appropriately considered and addressed.

Evidentiary hearings in the case are scheduled to begin on November 3rd at 9:30 a.m. in Room 222 at the PNC Center in downtown Indianapolis.

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CAC's testimony can be found on the IURC website in Cause No. 46258: <https://iurc.portal.in.gov/docketed-case-details/?id=bfc3a8a8-8040-f011-b4cc-001dd803db57>