

Hoosiers NEED a Customer Bill of Rights



Indiana's utilities have been granted state franchised monopolies that protect them from competition and guarantee them profit in exchange for providing adequate and reliable service at the lowest reasonable cost to the public.

In exchange, they accept the obligation to be regulated by the state, more specifically the Indiana Utility Regulatory Commission (IURC). The primary function of the IURC is to act as a surrogate to competition.

The IURC's role is to ensure that rates are just and reasonable and that the utility earns a fair profit that is not excessive. Additionally, the IURC is a creature of statute, meaning they must act within the authority and guidance provided them by the Indiana General Assembly (IGA).

Due to the enormous influence and political campaign contributions of Indiana's monopoly utilities, major utility legislation has been enacted by the IGA in recent years. **This legislation has tipped the scales so far in favor of the utilities that the authority and flexibility of the IURC to effectively do their job has been significantly eroded.**

Hoosiers' ability to meaningfully participate in the process at the IURC has been also been substantially diminished. At the same time, **our ability to control our energy costs and make our own energy choices is constantly under attack year after year at the IGA.**

Requests for rate increases made by Indiana's utilities are increasing to never before seen levels. Many of these requests are largely foregone conclusions as the laws virtually compel the IURC to rubber stamp what the utilities want. **This is leading to frequent and significant increases in monthly utility bills,** as well as an unmanageable workload for the IURC.

As a result, we Hoosiers have learned that the utility regulatory process is working only for the utilities, and is harming the interests of everyday average Hoosiers.

The Solution is Simple: A Customer Bill of Rights

- **Public Accountability of Indiana Utility Regulators**

The IURC is comprised of five commissioners and all of them are appointed by the Governor.

Indiana is one of only three states where regulators are appointed by the Governor with NO oversight by either the public or the legislative branch. (The others are New Hampshire and Nevada.)

All the other states either have an appointment process by which one or both legislative bodies confirms the appointed candidate, or the members of the utility regulatory commission are elected by voters.

Indiana state law should allow the public to elect the Indiana Utility Regulators. At a minimum, the law should require that IURC nominees are publicly vetted by the General Assembly and given a public up or down vote.

- **Direct Election of the Indiana Utility Consumer Counselor**

The Indiana Utility Consumer Counselor is appointed by and serves at the pleasure of the Governor. They oversee the Office of the Utility Consumer Counselor (OUCC). The OUCC's mission is, **"To represent all Indiana consumers** to ensure quality, reliable utility services at the most reasonable prices possible..."

It only makes sense that the individual that heads the agency charged with representing the public should actually be elected by the public. The Utility Consumer Counselor should be elected by and serve at the pleasure of the public, NOT appointed by the Governor.

Take Action!

Legislators are ignoring policies that benefit and protect ratepayers. Instead, they work to protect the monopoly utilities at taxpayer and ratepayer expense.

Contact your State legislators:

- ◆ Urge them to author or sponsor legislation calling for a Customer Bill of Rights including one or all of the proposed solutions listed in this fact sheet.
- ◆ Let them know that Hoosiers spend more money on utility bills than State taxes, and ratepayers deserve accountable regulators, an elected Consumer Counselor, and fairness and transparency in the regulatory process.
- ◆ Tell them to REJECT any more trackers for the electric and gas monopolies!

To look up and/or e-mail your legislators, visit: <http://iga.in.gov/legislative/find-legislators/>

Indiana Senate

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Indiana House of Representatives

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• Repeal Anti-Consumer Legislation and Related Trackers

Indiana's utilities have pursued a strategy which will:

- allow them to recover costs from ratepayers as quickly and automatically as possible;
- reduce or eliminate regulatory oversight of planning, revenue, and profits;
- create new incentives on top of their base rates to increase their profits;
- avoid and delay filing base rate cases at the IURC where they must open their books for public scrutiny.

The utilities have accomplished these goals by convincing the Indiana General Assembly (IGA) to pass laws which:

- eliminate or reduce the discretion and flexibility of the IURC
- impose trackers (aka riders) on your monthly bills. Trackers allow the utilities to raise your rates when their costs go up in some areas without having to also reduce rates when their costs have gone down in other areas.

Many bills of note have been passed by the IGA in the last two decades that have enabled trackers and should be repealed:

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| ○ Senate Enrolled Act 29 (2002) | ○ SEA340 (2014) | These laws are: | ○ harming vulnerable low and fixed income Hoosiers who can least afford these frequent and significant increases in monthly bills. |
| ○ SEA251 (2011) | ○ SEA412 (2015) | ○ eroding the financial health of Hoosiers | |
| ○ SEA560 (2013) | ○ SEA309 (2017) | ○ impeding investments in energy efficiency and renewable energy | |
| | ○ HEA1470 (2019) | | |

• Repeal SEA309 (2017) & Reinstate Indiana's Net Metering Rule

Because of the significant reduction in the cost of rooftop solar and the increase in monthly electric bills, more and more customers across the country are taking matters into their own hands and installing solar systems on their property. **The monopoly utilities see this competition as a threat to their revenues and their profits.**

In 2017 the Indiana utilities convinced the IGA to pass SEA309 which ends net metering in Indiana by July 2022. **Net metering is a billing arrangement which allows customers who install solar (or wind) on their property to receive the same price for the energy they send to the grid as they pay for the energy they use from the grid, an even swap.**

SEA309 prohibits utilities from offering net metering after June 2022. It replaces net metering with a billing arrangement which will compensate customers for the energy they send to the grid at a level approximately 75% lower than what the utilities are allowed to charge for the energy they send to the grid. **This means that when you generate energy that is then used by your neighbor, the utility gets to charge your neighbor a buck for the energy from your solar panels, and you get a quarter.**

SEA309 must be repealed and Indiana's net metering rule must be reinstated to increase customer choice, invite competition, protect personal property rights, restore fairness, and prevent monopoly abuse and excess.



• Guarantee Universal Service FOR ALL & Institute a Public Purpose Charge

Affordable and reliable utility service is an essential human service necessary for participation in everyday society. All Hoosiers, regardless of their means, should have access. These essential services include electricity, gas and other heating fuels, water, and telecommunications networks, including broadband. The COVID-19 health crisis and the resulting stay-at-home mandates have underscored **the need to ensure that all households have uninterrupted access to electricity, heat, water, and high-speed internet.** Furthermore, the crisis has displayed that despite broadband internet being defined as a "universal service" since 1996, far too many customers, most notably those in rural communities, still lack access to affordable and quality broadband services.

Instituting a public purpose charge, collected from all utility customers, would provide badly needed funding to provide bill assistance and weatherization services to low-income households. It would also provide additional funding to support the build-out of broadband infrastructure to unserved and underserved communities. Funds collected could also be used to invest in energy efficiency and renewable energy at public schools and other taxpayer funded properties. Indiana customers already pay the Utility Receipts Tax on all utility bills. However, the funds collected from this tax are dumped into the State's general fund. **We should rename the Utility Receipts Tax the Indiana Public Purpose Charge and earmark those funds for the benefit of utility customers.**

• Repeal Anti-Energy Efficiency Legislation & Restore Energizing Indiana

CAC has been steadfast in our support of energy efficiency (EE). **It is the cheapest resource available, emits no carbon or other toxic pollution, reduces monthly bills, creates local jobs which cannot be outsourced, and improves public health and quality of life.** Additionally, energy efficiency programs should be administered and delivered by independent, non-profit entities. These programs should be free from the influence of the monopoly utilities, who are in the business of selling electricity and gas. **The most effective way to guarantee robust energy efficiency programs is by enacting an energy efficiency resource standard, or EERS, which puts in place energy savings goals to drive adequate funding and investment.**

In 2009, Indiana adopted an EERS which led to significant funding for EE and resulted in the creation of Energizing Indiana, a statewide program of EE service offerings available to most Indiana consumers. At the behest of the monopoly utilities, the legislature passed SEA340 in 2014 and SEA412 in 2015. Collectively these bills repealed Indiana's EERS and ended Energizing Indiana. **We must repeal both SEA340 and SEA412, reinstate the EERS, and restore Energizing Indiana.**