

PRESS RELEASE

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LAPORTE COUNTY COMMISSIONERS AND CITIZENS ACTION COALITION JOINTLY FILE REQUEST FOR RECONSIDERATION IN NIPSCO RATE CASE ON SERVICE QUALITY ISSUES

(Indianapolis) – Attorneys for the LaPorte County Commissioners and the state's largest consumer advocacy group, Citizens Action Coalition (CAC), yesterday filed a Request for Reconsideration with the Indiana Utility Regulatory Commission (IURC) asking the agency to reconsider that portion of its recent NIPSCO rate case order dealing with customer service issues.

While the IURC has directed NIPSCO to begin a "stakeholder collaborative" process designed to measure various metrics connected with service quality, LaPorte County and CAC have requested the IURC return to tougher language which the regulatory body used in a 2010 rate order which specifically linked service quality issues to "return on equity" that the company might be allowed to receive in any rate case.

LaPorte County Commission President David Decker said that "the IURC's 2010 order sent a strong message that NIPSCO had better improve its customer satisfaction rankings or the IURC could order a lower 'return on equity' which would mean lower rates paid by customers. The LaPorte County Commission has been highlighting NIPSCO's poor rankings on J.D. Power customer satisfaction issues for years and we sure want the IURC holding the utility's feet to the fire like they did in that 2010 order."

Decker pointed out that the most recent J.D. Power surveys of customer satisfaction show that NIPSCO "ranks among the worst electric utilities in the nation in surveys of commercial businesses, 12th from the bottom of 86 utilities surveyed and that only hurts our county's efforts to attract new businesses to locate here."

CAC Executive Director Kerwin Olson echoed Decker's concerns saying that "the latest J.D. Power survey of residential customer satisfaction shows that NIPSCO is also equally disliked by its residential customers, as it shows up as 15th worst in the country out of 137 utilities surveyed by J.D. Power. That's simply unacceptable for utility execs to continue to receive huge salaries and bonuses when their long-suffering customers in Northern Indiana say they are not happy with their electric utility. While the 'stakeholder collaborative' ordered by the IURC may provide an opportunity to look 'under the hood', it is not even a slap on the wrist. It's a gentle nudge and we don't believe NIPSCO management responds to gentle nudges."

Both LaPorte County and CAC have cited prior orders by the IURC that explicitly referenced J.D. Power customer satisfaction surveys and linked improving customer satisfaction to potentially adjusting downward the "return on equity" that NIPSCO is awarded in a rate case.

J.D. Power customer satisfaction surveys of utilities are now in their 18th year and measure customer satisfaction with electric utility companies by examining six factors: power quality and reliability; price; billing and payment; corporate citizenship; communications; and customer service.

Concluded Decker, "Ever since LaPorte County successfully fought NIPSCO to keep open the maintenance hubs in 2002, we've been highlighting J.D. Power surveys and we were very pleased with the IURC's order in 2010. LaPorte County believes the tough position the IURC took in 2010

was right on the money and we hope the agency realizes it needs to hold NIPSCO's feet to the fire, not let them skate with a much weaker process that is all talk and no action."

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