

For Immediate Release
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BROAD COALITION: REJECT IPL'S MONTHLY INCREASE AND CREATE RATE CLASS FOR VULNERABLE POPULATIONS

Expert Testimony: Need for Assistance Program is Critical

INDIANAPOLIS – A broad and diverse coalition of consumer, human service, and social justice organizations filed testimony yesterday in the rate case of Indianapolis Power & Light (IPL), currently pending before the Indiana Utility Regulatory Commission (IURC), requesting that the IURC reject IPL's proposed increase in the fixed monthly charge and asking that the IURC order IPL to create a low-income rate class to assist vulnerable Hoosier ratepayers in managing their monthly bills.

The coalition of organizations include Citizens Action Coalition of IN (CAC), Indiana Association for Community Economic Development (IACED), Indiana Coalition of Human Services (ICHS), Indiana Community Action Association (INCAA), Indiana State Conference of the National Association for the Advancement of Colored People, Inc. (IN-NAACP), and National Association of Social Workers Indiana Chapter (NASW-IN).

Expert testimony was filed on behalf of the organizations by Mr. John Howat, Senior Policy Analyst for the National Consumer Law Center, and Mr. Derek Thomas, Senior Policy Analyst for the Indiana Institute for Working Families, a program of INCAA. The testimony clearly displays that vulnerable Hoosier households living at or below 150% of the Federal Poverty level have a disproportionate and extremely high energy burden, and as a result are experiencing serious difficulties in managing and paying their monthly IPL bills and more importantly, keeping their households connected.

"Reliable electricity service is a necessity of life. Without electricity, residents cannot participate effectively in present-day society or be secure from threats to health and safety," stated Mr. Howat. "All IPL customers, including those with low incomes, should have access to reliable and secure sources of electricity."

Mr. Howat's examination of the data reveals that households headed by a person over the age of 65 and households headed by an African American person use less electricity on a monthly basis than the average household. Therefore, IPL's proposed increase in the fixed monthly charge and proposed continuation of a declining block rate structure will disproportionately harm and exacerbate pre-existing electric utility affordability and home energy security problems faced by these households, as well as other low income households, by charging customers more per month regardless of the amount of electricity consumed.

Additionally, Mr. Howat explains that low-income residential customers face arrearage rates and balances that are much higher than those of general residential customers. As a result, low-income households in IPL's service territory receive disconnection notices and experience loss of electricity service at significantly higher rates than median and higher income households.

"These affordability problems constitute a real threat to the home energy security of IPL's low-income customers and call for program and policy interventions to mitigate that threat," Mr. Howat concluded.

In his testimony, Mr. Thomas shows that despite an improving unemployment rate, the number of impoverished and low-income Hoosiers continues to rise, median household income is still declining and income inequality in Indiana is growing. Mr. Thomas points out that today, a record-breaking 1,015,127 Hoosiers are living in poverty.

“What is more concerning is that the rate of impoverished Hoosiers, impoverished Hoosier children and low-income Hoosiers has increased at rates greater than all neighboring states and the U.S. average,” said Mr. Thomas. “While poverty rates in peer states are declining, Indiana’s rate is still increasing.”

“There’s been a lot of talk lately in Indiana regarding the affordability of home energy. It’s long overdue that we quit using that word merely as political rhetoric and that we as a community act on those words and ensure that the most vulnerable among us retain access to basic, necessary electric service,” added Kerwin Olson, Executive Director of CAC.

Citizens Energy Group, the natural gas and water utility for Indianapolis and Marion County, recently proposed a similar program for their low-income water customers in their new rate increase request also pending before the IURC. Additionally, Citizens Energy Group has had a discount program in place for their low-income gas customers for years.

“We encourage IPL to follow the lead of their partner utility here in Indianapolis and keep the financial well-being of their low-income customers in mind,” added Mr. Olson.

Denise Abdul-Rahman, Chair of Indiana’s NAACP Environmental Climate Justice, added “It is unfair for communities of concern to continue to host and bear the burden of an antiquated infrastructure and fossil fuel energy source. Now they are subjected to the possibility of paying more, when they are already surviving by employing energy efficiency tactics out of necessity. ”

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Copies of the testimony of John Howat and Derek Thomas are available upon request.



Indiana NAACP is the umbrella organization of the thirty-five Indiana branches of the NAACP, the national civil rights organization dedicated to ensuring the political, educational, social, and economic equality of rights of all persons and to eliminate race-based discrimination. IN-NAACP recognizes that low-income communities pay a high proportion of their incomes on energy, the elderly pay the highest proportion of their often fixed incomes on energy than any other age group, and that African Americans pay the highest proportion of their incomes on energy than any other racial group. IN-NAACP recognizes that low income communities are more likely to have their electricity shut off thereby depriving them of essential services and too often resulting in dangerous circumstances through alternative heating efforts. **Contact Denise Abdul-Rahman (317) 331-0815**



Indiana Association for Community Economic Development (IACED) supports a statewide network of more than 200 community-based nonprofit organizations and associate members in government and private enterprise that build vital communities and resilient families. IACED advocates for public policies and assists the network in developing comprehensive solutions that engage local leadership to generate private and public investment. IACED recognizes that low income communities pay a high proportion of their incomes on energy and believes in a society where all persons should have the opportunity to live and work in an environment that provides economic and social opportunity. **Contact Andy Fraizer (317) 454-8535**

Indiana Coalition of Human Services (ICHS) mission is to promote public policy that betters the lives of those at



risk and in need. ICHS is Indiana's unified voice for educating, advocating and mobilizing in support of policies that empower Hoosiers striving to reach their full potential. ICHS advocates for: the inclusion of individuals and human service groups in priority setting, policy formulation, program development and evaluation; the development of comprehensive human services programming; and the delivery of quality human services programming in our state and local communities. The coalition's members voluntarily join together to communicate that all citizens are valued and to ensure that human needs are provided. ICHS recognizes that low income communities pay a high proportion of their incomes on energy and that higher utility rates and charges disproportionately affect Indiana's most vulnerable populations. **Contact David Sklar (317) 501-9314**



National Association of Social Workers Indiana Chapter (NASW-IN) mission is to advance professional Social Work practice and the profession, to strengthen human rights, social and economic justice, and insure unimpeded access to services for all. NASW-IN Social Work Strategic Initiative includes increasing awareness and outreach efforts, and providing a clear social justice/political action message that will support and encourage social workers to be involved in the political process. NASW-IN has 3,000 active members and works to support all social work practitioners in their mission to serve and strengthen relationships within diverse populations and to enhance dignity and worth of all people in the State of Indiana. **Contact Mark Fairchild (317) 923-9878**



Indiana Community Action Association (INCAA) mission is to help the state's Community Action Agencies address the conditions of poverty and it serves as an advocate and facilitator of policy, planning and programs to create solutions and share responsibility as leaders in the war against poverty. INCAA's members or network is comprised of Indiana's twenty-two (22) Community Action Agencies (CAAs), which serve all of Indiana's ninety-two (92) counties. INCAA's members administer numerous programs that serve the poor throughout Indiana, including the Federal Low-Income Home Energy Assistance Program ("LIHEAP") and Weatherization Assistance Program ("WAP"). **Contact Ed Gerardot (317) 638-4232**



Citizens Action Coalition (CAC) mission is to initiate, facilitate and coordinate citizen action directed to improving the quality of life of all inhabitants of the State of Indiana through principled advocacy of public policies to preserve democracy, conserve natural resources, protect the environment, and provide affordable access to essential human services. CAC is dedicated to protecting ratepayers and advocating for affordable healthcare and a clean environment. CAC does this through canvassing, lobbying, community organizing and litigation. **Contact Kerwin Olson (317) 702-0461**