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CAC to IURC: Affordability Must Be Considered in NIPSCO Rate Case Ask by NIPSCO Would Lead to Astronomical Rise in Household Electric Bills

INDIANAPOLIS – Yesterday, Citizens Action Coalition (“CAC”) filed the testimony of Ben Inskeep, CAC Program Director, in the pending electric rate case of NIPSCO making numerous recommendations to the Indiana Utility Regulatory Commission (“IURC”) intended to mitigate the impact of this obscene proposal on captive ratepayers. If NIPSCO’s petition is approved, a typical residential customer will see their bill increase from \$136.53 as of September 2024, to \$178.79 by March 2026, or an increase of \$42.26 (31.0%), excluding sales tax.

Inclusive of sales tax, a typical residential bill will increase from \$146.08 as of September 2024 to \$191.30 as of March 2026, an increase of \$45.22. Said differently, NIPSCO’s rate increase will produce an increase in the amount of sales tax paid by a residential customer from \$9.56 per month as of September 2024 to \$12.52 per month as of March 2026, resulting in an extra \$35.50 in annual sales taxes paid by NIPSCO ratepayers. ***This shocking and unprecedented increase is equivalent to a \$543 increase in the average annual cost of electric service.***

“NIPSCO’s costly proposal would lead to astronomical bill increases on Hoosier families so NIPSCO can further line the pockets of shareholders and give millions more in subsidies to profitable industrial customers,” said Mr. Inskeep. “While NIPSCO’s stock has soared to new heights as Wall Street hypes it as a ‘data center darling,’ its residential customers struggle to afford the most expensive electric bills in the state. The Commission should reject this radical proposal and remind NIPSCO that utility affordability is a priority and a requirement under the law.”

Mr. Inskeep’s testimony recommended that the IURC:

- Deny NIPSCO’s proposal to increase the residential monthly fixed charge.
- Reduce NIPSCO’s authorized Return on Equity (ROE), or profit
- Reduce or eliminate punitive charges and fees such as deposits, late fees, reconnection charges
- Approve NIPSCO’s proposal for its shareholders to absorb the cost of per transaction convenience fees assessed on third-party payments.
- Approve NIPSCO’s proposed multi-family rate and proposed low-income assistance program.
- Deny NIPSCO’s request to force customers to pay for membership dues in civic organizations and trade associations, and rate case expenses for lawyers and expert witnesses.
- Impose a 12-month moratorium on disconnections to allow time for NIPSCO and interested stakeholders to establish and implement affordability and health/safety measures.

Evidentiary hearings in the case before the IURC are scheduled to commence on February 5th in Indianapolis with a final order expected from the IURC in the third quarter of 2025.
