Citizens Action Coalition * Earth Justice

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IURC Approves NIPSCO Proposal That Will Drive Up Customers' Energy Bills

Northwest Indiana industrialists get a break, while families and small businesses pick up the tab

INDIANAPOLIS—Today, the Indiana Utility Regulatory Commission ("IURC") approved a proposal by NIPSCO which will allow six large companies to buy most of their energy from outside markets. This decision will shift between \$40M and \$60M of costs annually from the large companies to NIPSCO's remaining captive customers. These six large companies will realize significant reductions in their monthly energy bills, while the rest of NIPSCO's customers will see a hike in their bills. NIPSCO created this proposal in response to the six companies' threats that they would leave Indiana, and perhaps the United States, unless they were given special subsidies by the IURC.

Citizens Action Coalition of Indiana ("CAC") and Earthjustice represented a coalition of Hoosier ratepayers who challenged the proposal at the Commission. Sierra Club, Walmart, and the Indiana Office of Utility Consumer Counselor ("OUCC"), the state agency representing ratepayer interests, also opposed the de facto deregulation, arguing that it did not serve the public interest and failed to maintain the value of NIPSCO's retail energy service.

The groups pointed out that NIPSCO had not confirmed or even investigated the six large companies' threats to leave northwest Indiana, and that in any case NIPSCO's plan would not prevent that from happening. The groups also argued that the proposal unfairly favored six customers over the homes and business that make up the vast majority of NIPSCO customers. Finally, the groups argued that it was unwise for the IURC to make such a radical policy change on its own, without specific guidance from the Indiana Legislature.

In a positive move, the IURC also approved a settlement reached between NIPSCO, CAC, the OUCC and other parties which requires NIPSCO to submit a low-income assistance program within the next six months, and which lowers NIPSCO's monthly fixed residential charge by fifty cents a month.

"We are very disappointed with the Commission's decision to choose six multibillion dollar corporations over northern Indiana's families and other businesses." **said Earthjustice attorney Raghu Murthy**. "We intend to hold NIPSCO its commitment to address the struggle low-income families face in paying their power bills" Mr. Murthy explained.

"Once again, the Holcomb Administration and the IURC choose Wall Street over Main Street," stated Kerwin Olson, Executive Director at CAC. "Give the monopoly utilities and industrialists what they want, while ignoring the struggles of Hoosier households and small businesses. Captive customers deserve better."

Earthjustice is the premier nonprofit environmental law organization. We wield the power of law and the strength of partnership to protect people's health; to preserve magnificent places and wildlife; to advance clean energy; and to combat climate change. We are here because the earth needs a good lawyer.

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