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OPEN LETTER TO GOVERNOR ERIC HOLCOMB: VETO HB 1470

The Honorable Eric Holcomb, Governor of the State of Indiana:

As representatives of tens of thousands of ratepayers in Indiana, the undersigned organizations respectfully request that you protect Hoosier ratepayers with the same vigor with which you are fighting to protect Hoosier taxpayers. We urge that you use the authority granted to your office in Article 5, Section 14 of the Indiana Constitution to veto House Bill 1470.

While we agree with the ongoing need to keep our electricity grid safe and reliable, HB 1470 is a solution in search of a problem. This bill ignores that our electric and gas utilities are *already* required by law to provide reliable utility service 365/24/7. Furthermore, Indiana's electric and gas utilities are currently making ongoing and significant investments in their infrastructure. Indeed, the IURC has approved over \$4 billion in infrastructure plans in recent years under existing law (i.e., SEA 560 of 2013), in addition to approving cost recovery for utility investments in infrastructure in ongoing base rate case proceedings.

The only outcome the bill will produce is higher monthly utility bills for Hoosiers as a result of greatly reducing the vital discretionary authority of those who regulate Indiana's electric and gas monopolies. HB 1470 will place yet more control in the hands of an industry that is ever-pushing to increase the earnings for its shareholders, often at the expense of their customers and the public interest.

It's no secret that Indiana's status as a low-cost energy state has plummeted: In 2007, residential electric prices were the 9th lowest in the country. Today Indiana's ranking stands at 27th. Recent data from Connect2Help display that these increases are having a material impact on the daily lives of low-income Hoosier households. The latest Connect2Help annual report informs us that utility assistance is by far the #1 reason Hoosiers call 211. In particular, the #1 reason that seniors and veterans called 211 was to seek assistance with paying their utility bills.

Proponents of the legislation have pointed to the two percent rate cap contained in the original SEA 560 as a "guard rail" intended to protect consumers. However, that view is misleading because it is an annual cap – and can compound year-after-year. The risks associated from that compounding further threatens the affordability of home energy for Hoosier consumers, and furthermore, is in direct conflict with the stated policy objective of the State of Indiana which is:

*The general assembly declares that it is the continuing policy of the state, in cooperation with local governments and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to create and maintain conditions under which utilities plan for and invest in infrastructure necessary for operation and maintenance **while protecting the affordability of utility services for present and future generations of Indiana citizens. [emphasis added]**¹*

¹ Indiana Code § 8-1-2-0.5

Lastly, there are no dedicated provisions contained within HB 1470 to protect vulnerable Hoosier households on low and fixed incomes from the inevitable increases in monthly bills which the bill promises to deliver. For that reason alone, vetoing this legislation would be the just and moral response.

We respectfully request that you consider the tremendous consequences that this legislation will have on Hoosier pocketbooks, most notably the negative impact this bill would place on the quality of life for the most vulnerable among us, who survive on fixed and low incomes and are forced to make tough choices on a daily basis among food, energy, health care, and other necessities. Please protect Hoosier ratepayers, protect the least among us, protect the public interest, and protect your legacy by vetoing HB 1470.

Sincerely,

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Ed Gerardot, CCAP. Director
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Emily Weikert Bryant, President
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