

The Game is Rigged!

Contact your State Senator and Representative: Tell them to Support a “Customer Bill of Rights”

Indiana large gas and electric utilities have been granted state franchised monopolies that protect them from competition and guarantee them profit in exchange for providing adequate and reliable service at the lowest reasonable cost to the public. In exchange, they accept the obligation to be regulated by the state, more specifically the Indiana Utility Regulatory Commission (IURC). The primary function of the IURC is to act as a surrogate to competition. The IURC's role is to ensure that rates are just and reasonable and that the utility earns a fair, but not excessive, profit. Additionally, the IURC is a 'creature of statute,' meaning they must act within the authority and guidance provided them by the legislature.

Unfortunately due to the enormous influence (and political contributions) of the monopoly utilities over the Indiana legislature and the Governor, major legislation has been enacted in recent years which has tipped the scales so far in favor of the utilities that the authority and flexibility of the IURC to effectively do their job has been eroded. Additionally, the public's ability to meaningfully participate in the process at the IURC has been diminished, while the public's ability to control their energy costs and make their own energy choices is being threatened.

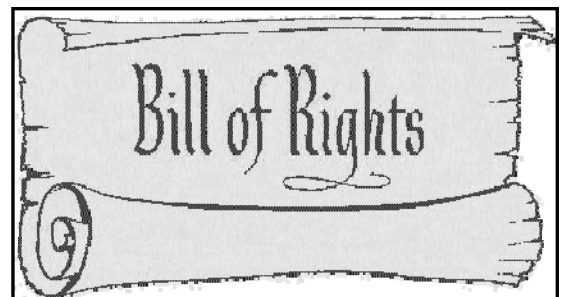


Requests for rate increases made by the utilities are increasing to never before seen levels and these requests are largely foregone conclusions as the laws virtually compel the IURC to rubber stamp what the utilities want. This is leading to frequent and significant increases in monthly utility bills, an unmanageable workload for the IURC, and an overall lack of public trust in the regulatory process.

The Solution is Simple: A Five-Point ‘Customer Bill of Rights’

- **Public Accountability of Utility Regulators, Join 47 Other States and Let the Sun Shine In**

The IURC is comprised of five Commissioners and all of them are appointed by the Governor of Indiana. Indiana is one of only three states where regulators are appointed by the Governor with **NO** oversight by either the public or the legislative branch. (The others are New Hampshire and Nevada.) All the other states either have an appointment process by which one or both legislative bodies confirms the appointed candidate, or the members of the utility regulatory commission are elected by voters. **We need to change Indiana law to allow the public to elect the Indiana Utility Regulators.** At a minimum, the law should require that IURC nominees are publicly vetted by the General Assembly and given a public up or down vote.



- **Direct Election of the Indiana Utility Consumer Counselor**

The Indiana Utility Consumer Counselor is appointed by and serves at the pleasure of the Governor. They oversee the Office of the Utility Consumer Counselor (OUCC). According to the OUCC website, *“The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency representing ratepayer interests in cases before state and federal utility regulatory commissions.”* Embedded in the OUCC mission statement is *“To represent all Indiana consumers...”*

The OUCC also indicates on their website that it is *“Our job is to give all Indiana consumers a voice when decisions are made that could affect utility rates and services.”* It only makes sense that the individual that heads the agency charged with representing the public actually be elected by the public, similar to the Attorney General. **The advocate for the public should be elected by and serve at the pleasure of the public, NOT appointed by the Governor.**

• Repeal Anti-Consumer Legislation and the Related “Trackers”

Indiana’s large electric and gas utilities have pursued a strategy which will (1) allow them to recover costs from ratepayers as quickly and automatically as possible; (2) reduce or eliminate regulatory oversight of planning, revenue, and profits; (3) create new incentives on top of their base rates to increase their profits; (4) avoid filing base rate cases at the IURC where they must “open their books” for public scrutiny..

The utilities have accomplished these goals by convincing elected officials to pass laws which impose “trackers”, or riders on your monthly bills. Basically, trackers allow the utilities to raise your rates when their costs go up without having to simultaneously consider where their costs have gone down, and in turn, reduce your rates.



Three bills of note have been passed by the legislature enabling trackers and should be repealed. **Senate Bill 29 (2002), Senate Bill 251 (2011), and Senate Bill 560 (2013) should be immediately repealed** as they are threatening ratepayer wallets, impeding investments in energy efficiency and renewable energy, and placing at great risk the energy security, health, and the overall quality of life of low and fixed income households who can least afford these frequent and significant increases in monthly bills.

• Protect & Expand Indiana’s Net Metering Rule

Because of the significant reduction in the cost of rooftop solar and the increase in monthly electric bills, more and more utility customers across the country are taking matters into their own hands and installing solar systems on their property. The utilities don’t like the competition and see this development as a threat to their revenues and their profits. The Indiana utilities pursued legislation in 2015 (House Bill 1320) which would have eviscerated Indiana’s net metering rule, which allows utility customers to install solar (or wind) on their property, connect that system to the grid, and receive the same price for the energy they send to the grid as they pay for the energy they use from the grid, an even swap.

The legislation would have allowed the monopolies to fix market prices for the power you generate, and create so many hoops to jump through that rooftop solar (and other renewables) would no longer be a viable option for most customers. **Indiana’s net metering rule must be protected** to increase customer choice, invite competition, protect personal property rights, and prevent monopoly abuse and manipulation of the system.

• Institute a Public Purpose Charge to Fund Energy Efficiency and Protect Vulnerable Populations

CAC has been steadfast in our support of energy efficiency. It is the cheapest resource available and reduces monthly bills. Additionally, CAC believes strongly that affordable and reliable utility service is an essential human service necessary for participation in everyday society and that all Hoosiers, regardless of their means, should have access.

We strongly believe that the preferred method for the funding of both energy efficiency and assistance programs is through the establishment of a public purpose fund paid by all utility customers in Indiana. These programs would ideally be administered and delivered by independent, non-profit entities. This method would (1) be equitable, as all ratepayers of all classes pay into it; (2) eliminate the complications that arise from compensating utilities for service offerings (energy efficiency) designed to reduce their sales; and (3) remove the arguments against ratepayer subsidies designed to benefit one ‘class’ of ratepayers, in this case, income-qualified customers.

Legislators are ignoring policies that benefit and protect ratepayers. Instead, they work to protect the monopoly utilities at taxpayer and ratepayer expense. We need a “Customer Bill of Rights” Now!

Take Action! Contact your State legislators!

- ◆ Urge them to author or sponsor legislation calling for a Customer Bill of Rights including one or all of these proposed solutions.
- ◆ Let them know that Hoosiers spend more money on utility bills than State taxes, and ratepayers deserve accountable regulators, an elected Consumer Counselor, and fairness and transparency in the regulatory process.
- ◆ Tell them to say no to any more trackers for the electric and gas monopolies!

To look up and/or
e-mail your legislators, visit:
<http://iga.in.gov/legislative/find-legislators/>

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