

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

IN RE: COMMENTS TO THE PROPOSED RULEMAKING

RM 05-03

LSA Document #05-100

REPLY COMMENTS OF THE INDIANA OFFICE
OF UTILITY CONSUMER COUNSELOR

The OUCC's Reply Comments focus on the IEA's Initial Comments filed October 17, 2005. The Office of Utility Consumer Counselor (OUCC) continues to support its Comments on the Proposed Rulemaking filed on October 17, 2005 ("initial comments"). We note the overwhelming support by commenters for a one- or two-month deposit, in order to allow most customers to get connected and stay connected to the system. We further note that IC 4-22-2-29 allows for adoption of a revised version of the published rule when it is a logical outgrowth of any proposed rule as supported by any written comments submitted during the public comment period.

1. **THE OUCC'S BUDGET BILLING PROPOSAL BALANCES THE INTERESTS OF CUSTOMERS TO STAY CONNECTED WITH THE UTILITY'S INTERESTS IN CUSTOMERS PAYING THEIR BILLS.**

The OUCC maintains its support for the addition to the proposed rule which opens up the budget billing feature to those customers who may be in danger of falling too far behind on their bills. Citizens Gas, NIPSCO, Vectren, and the OUCC have been encouraging customers to enroll in the budget bill program as a mechanism to manage heating season bills that may be too much for some customers to handle without budget

billing. Extending this program to those customers that have fallen behind in their bills will reduce the risk of these customers leaving the system and provide the utilities with recovery of the arrearages. It also allows customers the opportunity to pay down their arrearages in a predictable manner while staying current on their bills rather than having a looming debt with the utility, risking disconnection, and perpetuating an untenable cycle of delinquency, disconnection and reconnection.

2. **RELIANCE ON STATISTICS THAT HAVE NOT BEEN VERIFIED IS ONLY marginally USEFUL IN DEVISING RULES.**

The Rulemaking process as set out in IC 4-22-2 *et seq.* establishes a formal process to allow all interested parties to have input in the amendment or creation of rules that have broader application of more lasting duration than the normal company-specific IURC proceeding. The OUCC is mindful that even single-utility proceedings typically allow for formal testimony, discovery, and cross-examination on the subject matter involved so that the accuracy of data and assertions can be tested and/or proven. In this Rulemaking process, though, there is no mechanism for confirming the accuracy or application of certain data or assertions. Therefore, statements such as “deposits only provide 35% of a delinquent customer’s total bad debt liability with a utility” (IEA Comments, page 6), unaccompanied by supporting documentation derived from utility books and records, are only marginally useful in devising rules of such importance. The OUCC believes the IURC should not rely heavily on the statistics used by any respondent unless the source is verified. It is largely for this reason that the OUCC recommends a three-year sunset of this rule, absent re-adoption, along with specific reporting requirements to assist review of relevant data.

3. **ALL INDIANA NATURAL GAS CUSTOMERS SHOULD HAVE THE SAME ACCESS TO AFFORDABLE UTILITY SERVICE.**

The IEA indicates on page 9 of their comments that their client companies serving less than 35,000 customers (“Small Utilities”) should be exempted from several of the new requirements set forth in the proposed rule. While the IEA did not specifically mention which portions of the proposed rule that the Small Utilities should be exempted from, it appears that the most significant changes appear in Section 15 (e) of the proposed rule, which addresses payment arrangements, and Section 15 (f), which addresses interest rates on deposits that are held by the utility. The IEA argues that additional administrative burden would be placed on their clients. The OUCC understands that staffing at the Small Utilities is minimal, but these sections address processes that all utilities, no matter the size, should already have in place.

The OUCC believes that all Indiana natural gas consumers should have the opportunity to enter into payment arrangements if they find themselves without the ability to pay, no matter which utility provides them service.

4. **THE OUCC INCLUDES ATTACHMENT 1 AS A COMPILATION OF PUBLIC COMMENTS RECEIVED BY THE OUCC AFTER OCTOBER 17, 2005.**

The OUCC submits Attachment 1 consisting of additional public comments received by the OUCC subsequent to October 17, 2005. The public has an expectation that all comments submitted to the OUCC will be forwarded to the IURC for consideration in this Rulemaking. The OUCC values this public interest and respectfully requests the Commission’s acceptance of these additional comments.

CONCLUSION

With the recent release of projected heating season commodity prices for the state's largest utilities, it is obvious that the deposits required to keep customers connected under the current and published proposed rules are now unattainable for an increased portion of Indiana's natural gas consumers. The OUCC believes that its initial comments and recommended modifications to the proposed rule relating to deposits and budget billing will shield consumers from insurmountable deposits in this unprecedented rising price environment, continue to provide fair and balanced access to this vital utility service, and meet the utilities' interest in continuity of payment from customers to maintain a sound financial status. The OUCC continues to support its suggested language as previously filed in Attachment 1 to its Initial comments and as further explained above.