



SENATOR  
**KAREN TALLIAN**  
116TH INDIANA GENERAL ASSEMBLY ★ SENATE DISTRICT 4

**NEWS RELEASE**

*For Immediate Release:*  
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**Tallian critical of NIPSCO rate increase**

*State senator urges appeal of state regulatory board's decision*

INDIANAPOLIS-- State Senator Karen Tallian (D-Portage) says she is concerned that the Indiana Utility Regulatory Commission (IURC) has become "all bark and no bite" after the Commission granted a revenue increase on electric rates to the Northern Indiana Public Service Company (NIPSCO). Tallian sent a letter today urging the Indiana Office of Utility Consumer Counselor (OUCC) to appeal the commission's August 25<sup>th</sup> decision to allow for NIPSCO's rate increase. NIPSCO provides residential, commercial and industrial electric service to 20 northern Indiana counties.

The IURC then issued a press release where it estimated that the additional revenue would result in a residential rate hike of 10 percent. However, NIPSCO's actual Compliance filing, done this week, shows residential rates going up by 16.8 percent.

"We are in the middle of a recession," said Tallian. "If ratepayers are hit with a 16 percent increase, our struggling industries and commercial businesses may be hit with a similar increase. Consumers need to know what justifies the state regulators' decision to allow this dramatic increase to happen."

Tallian noted that a group of industries, including U.S. Steel, Praxair and Arcelor Mittal, also filed a Motion for Reconsideration with the IURC. "It's clear that our big industrial employers aren't happy with this order either," Tallian added. "So I have written to the OUCC urging the appeal of this decision."

In 2002, IURC recommended a 12 percent reduction in rates. After negotiation, a 5.5 percent rate reduction was granted and has remained in effect as a credit on ratepayer bills. With last week's order, the credit expires and customers will see at least an additional 11 percent increase.

"The Consumer Counselor issued a statement in 2009 against NIPSCO's proposed 16 percent increase," Tallian said. "As the voice of the consumer, that should still be their position."

Tallian also criticized the IURC under Governor Mitch Daniel's administration for giving NIPSCO "a total pass" on customer dissatisfaction issues. "The company is top-heavy with very highly paid executives and part-time board members. This simply cannot be justified in view of their ratings. NIPSCO needs to fill vacancies and fix infrastructure," Tallian said.

"NIPSCO was ranked dead last out of 121 utilities in the country for customer satisfaction by a J.D. Power & Associates study, Tallian said in her letter to the OUCC. "Yet its rates are among the highest in the state."

Tallian represents Indiana Senate District 4, which includes portions of Porter County and Lake County, including Merrillville and Crown Point. She is the Ranking Minority Member of the Senate Pensions and Labor Committee. She also serves on the Senate Appropriations Committee, Senate Energy and Environment Affairs Committee, and the State Budget Committee.

For more information on Sen. Tallian, her legislative agenda or other State Senate business visit [www.in.gov/s4](http://www.in.gov/s4) or call 1-800-382-9467.

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