New proposal for gas deposits sparks concern

Some argue it will only worsen likely heating cost crisis this winter.

By JOSEPH DITS
Trishneet Sethi, Writer

INDIANAPOLIS — A proposed rule over natural gas deposits could lead into a booming disaster this winter, advocates from northern Indiana said Tuesday.

It could lead to house fires, the advocates said.

"Natural gas prices are already expected to rise by about 20 percent this winter. And, while the proposed rule would cut the deposits some needy people have to pay to turn their gas back on, others will still have to pay four months of their average bills."

State Rep. Gregory Porter of Indianapolis said the rule may be a "big threat to a family, by something flammable because they don't have gas to heat their home."

At least half a dozen people from the South Bend area and about 20 from Fort Wayne came to speak at a public hearing before the Indiana Utility Regulatory Commission on the proposed rule.

Amy Jones of South Bend came with one of her six children to complain about the $1,900 she said she owes to turn her gas back on after it was shut off last week. Two of her children have sickle cell anemia.

To give your input

Want to take your opinion on the Indiana Utility Regulatory Commission's proposed rule on natural gas deposits? You have until Oct. 17. Submit comments as soon as possible. The deadline for writing rebuttals to those comments is Oct. 31.

In your written comments, include your name, address and a reference to "IDUI Rulemaking No. 20-03." Mail them to Consumer Services Staff, Indiana Office of Utility Consumer Counselor, 100 N. Senate Ave., Room 6001, Indianapolis, IN 46224-2215.

Visit indiana.gov/energy/ through the "Rulemaking" tab to see the public hearing schedule. To read the proposed rule, go to the Web site www.indiana.gov/energy/.

For more information, call 800-552-4681.
Deposits

"My kids are complaining because they've got to take a shower in cold water," she said.

Many were here a year earlier when the FNPC proposed meter rates that were more expensive. They would have paid deposits from four to six months of average bills for all kinds of utilities.

The FNPC scrapped it, saying that proposal was trying to take too much.

This is a rewrite, and is Freal Landry, who owns a small outlet at Little Flower Catholic Church in South Bend, calls it a "colossal response" to the high rates who came to a public hearing in South Bend last December to back the previous proposal.

This year's proposal sets a deposit cap for utilities with more than 32,000 customers, including the Northern Indiana Public Service Co.

Gas companies could charge a deposit of up to only two months' average bill for new customers with poor credit histories. But they could charge up to four months' bills to those who were customers in the previous four years and had outstanding or late bills.

The state of the deposit would drop back to two months' bills between Dec. 1 and March 15 but only for those who qualify for the government's Energy Assistance Program.

Advocates, preferring a one-month cap on deposits, said many of their clients wouldn't qualify for the two-month cap.

The proposal "makes the current bad situation even worse," said Judy Fox, a law professor who advises needy clients at the University of Notre Dame Law School.

She said it creates the need for the deposit in the first place. Clients must have a shut-off notice before they can receive aid from the township charity.

The township leaders have told us they will not pay for deposits because that will bankrupt them," Fox said.

The Rev. Joe Smith of Fort Wayne said he had to pay a gas bill of $500 and a deposit of $1,000 last winter. His mother, on a medication waging with him, said, "What happens when the cost of utility is so high you have to choose between a mortgage and NIPSCO ... or food and medicine?"

Utilities are loosing loads of money by helping clients like these to pay for their deposits -- money that could be used to help low-income households and the elderly, said a report in last December's edition of Church Community Services in Elkhart, who now live in Indianapolis.

Dawn Chaplin, who coordinates a task force of agencies in St. Joseph County who are dealing with the utility issue, pointed out a one-time pool of money that the United Way of St. Joseph County used to help needy clients with gas costs. About $122,000 went to helping with deposits. Only $50,000 went for the bills themselves, she said. "This looks on the outside as a success in a publicity's office, said state Rep. Wm. Morrow, D-Fort Wayne, at the proposal.

He asked the NIPCO to add a sentence that would ensure that homeowner's don't have to wait over a weekend to have their gas turned back on.

NIPSCo officials didn't speak at the hearing, citing the need to file comments in writing. But NIPSCO announced Tuesday that it is seeking the FNPC's permission to add Winter Warmth, which offers aid to help low-income people pay for deposits and back bills. The money comes from an average charge of 6 cents per customer per month.

Ed Simcox was the only speaker who defended the proposed rule. He's president of the Indiana Energy Association, a trade group for NIPSCO and 14 other gas and electric utilities.

He said that if gas companies didn't charge a deposit, customers' hard-earned would have to be paid by other customers.

He said gas companies know that this winter's spike in gas prices is "depressing" and that charities are burdened. "There is no silver bullet to this problem," Simcox said. "Can the (state) legislature do something for appropriate people? Yes, they can."