

New proposal for gas deposits sparks concern

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

By **JOSEPH DITS**
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INDIANAPOLIS — A proposed rule over natural gas deposits could feed into a looming 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 70 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 result may be "a (space) heater by a curtain, 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.



Landry



Fox



Umble

See **DEPOSITS/A4**

To give your input

Want to file your opinion on the Indiana Utility Regulatory Commission's proposed rule on natural gas deposits? You have until Oct. 17. Such comments can be read on the Web site listed below. The deadline for writing rebuttals to those comments is Oct. 31.

In your written comments, include your name, address and a reference to "IURC Rulemaking No. 05-03." Mail them to Consumer Services

Staff, Indiana Office of Utility Consumer Counselor, 100 N. Senate Ave., Room N501, Indianapolis, IN 46204-2215.

Note: In making their decision about the rule, officials will also consider the comments made at the two public hearings held on last year's proposed rule changes.

To read the proposed rule, go to the Web site

www.IN.gov/iurc/rules/rules_index.html. Look for "RM#05-03." Or request a paper copy at (888) 441-2494.

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 IURC proposed another rule that was more expensive. That would have cut deposits from four down to two months of average bills for all kinds of utilities.

The IURC scrapped it, saying that proposal was trying to do too much.

This is a rewrite, and Jay Freeland, who oversees needy outreach at Little Flower Catholic Church in South Bend, calls it a "callous response" to the hundreds 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 35,000 customers, including the Northern Indiana Public Service Co.

Gas companies could charge a deposit of up to only two months' average bills 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 size 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-financed 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's Le-

gal Aid Clinic.

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 trustee.

"The (township) trustees 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 medication, was staying with him.

"What happens when the cost of utility is so high you have to choose between a mortgage and NIPSCO ... or food and medicine?" he said.

Charities are losing loads of money by helping clients like these to pay for the deposits — money that could be used for human services, said Jeni Hiett Umble, former director of Church Community Services in Elkhart, who now lives in Indianapolis.

Dawn Chapla, 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 \$58,000 went for the bills themselves, she said.

"This looks as if it was written in a utility's office," said state Rep. Win Moses, D-Fort Wayne, of the proposal.

He asked the IURC to add a section that would ensure that homeowners don't have to wait over a weekend to have their gas turned back on.

NIPSCO officials didn't speak at the hearing, opting to file comments in writing.

But NIPSCO announced Tuesday that it is seeking the

IURC's permission to continue a pilot project called Winter Warmth, which offers aid to help low-income people pay for deposits and back bills. The money comes from an average charge of 65 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' bad debt would have to be paid by other customers.

He said gas companies know that this winter's spike in gas prices is "downright scary" and that charities are burdened.

"There is no silver bullet to this problem," Simcox said. "Can the (state) legislature do something by appropriating money? Yes, they can."