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Consumer groups: Deposit cap too high for heat strapped Utilities say new rule balances customers' rights

By KEITH BENMAN

Consumer groups say a new Indiana regulation capping what utilities can charge to turn the heat back on does not go far enough in the face of this winter's high heat bills.

The Indiana Utility Regulatory Commission on Wednesday approved a rule that will limit utility deposits to two months for most customers and four months for those with troubled credit.

"The new rule is designed to make deposits more affordable, while at the same time minimizing the cost of bad debt imposed on rate payers," the IURC said in a prepared release.

Consumer groups say some customers in dire straits still will have to come up with deposits equal to four months' bills to get the heat back on, which could place families at risk.

"It should be the goal of utilities to keep people connected, not just to tag them with big deposits," said David Menzer, utility campaign organizer for the Citizens Action Coalition.

The CAC had argued for setting a cap of as little as one month on deposits. The State Office of Utility Consumer Counselor had argued for a cap of one month for most utility customers, and two months for those with poor payment histories.

"While respecting the Commission's decision, we are disappointed in today's final rule," said Indiana Utility Consumer Counselor Susan L. Macey in a prepared release. "We had

hoped that this proceeding would lead to even lower maximum limits for natural gas utility deposits, especially as consumers face very high heating bills this winter."

Utilities expressed satisfaction with the new rule, saying they will work hard to strike the appropriate balance between deposits and the risk of unpaid bills.

"We believe the new rule balances the interests of all our customers and keeps deposits as low as possible, plus it protects those who pay their bills on time," said Tom Cuddy, a NIPSCO spokesman.

The new IURC rule provides special protection for those who qualify for the Low Income Home Energy Assistance Program (LIHEAP). Those customers can only be charged two months' deposit during the heating season from Nov. 1 to March 15.

In Illinois, natural gas utilities Ameren, Nicor Gas and Peoples Energy have waived deposits and reconnection fees entirely this winter for those who qualify for LIHEAP assistance after prodding from Gov. Rod Blagojevich.

The IURC rule passed Wednesday made its way to passage by twist and turns over a three-year period. An earlier proposal was scrapped entirely last spring despite public hearings that attracted hundreds.