

RESOLUTION NO. 2002-01  
OF THE BOARD OF COMMISSIONERS  
OF LAPORTE COUNTY, INDIANA

**WHEREAS**, county government is an extensive user of electric service provided by the Northern Indiana Public Service Company (NIPSCO), and

**WHEREAS**, county government, like other commercial, industrial and residential customers of NIPSCO has borne the burden of exceptionally high electric rates at considerable cost to county taxpayers, and

**WHEREAS**, NIPSCO currently charges electric rates that are the highest of the investor-owned utilities in the state of Indiana and are among the third or four highest electric rates in the nation, and

**WHEREAS**, access to a cheap, dependable source of power is often cited as one of the two or three key siting criteria for businesses or industries looking to relocate or establish new businesses, and

**WHEREAS**, residential consumers, many of whom are on layoff or fixed incomes can ill afford the rates currently charged by NIPSCO, and

**WHEREAS**, the Indiana Utility Regulatory Commission has filed an electric rate investigation (No. 41746) against NIPSCO and the staff of the IURC has recommended an across the board electric rate reduction of 11.6%, and

**WHEREAS**, Indiana law requires utility rates to be just and reasonable to both the consumers and the utilities,

**WHEREAS**, NIPSCO has indicated as part of its response to the IURC rate case that not only does it believe its rates should not be reduced, but rather they should be increased 24%, and

**WHEREAS**, the Indiana Supreme Court, in the matter of *Citizens Action Coalition v Northern Indiana Public Service Company*, 485 N.E. 2d 610, 614 (Ind. 1985) stated that "utilities are regulated in order to protect the consumers from the abuses of monopoly i.e. artificially high prices," and

**WHEREAS**, because NIPSCO's parent firm, NISOURCE undertook an expensive and very questionable acquisition of Columbia Energy Company and now must repay some \$6 billion in debt arising from the takeover of Columbia Energy, and

**WHEREAS**, investment analysts have begun to doubt NISOURCE'S ability to repay such huge debt and the highly respected rating firms of Standard & Poor's and Moody's have downgraded their credit ratings on NISOURCE because of such concerns, and

**WHEREAS**, NIPSCO in an apparent effort to raise cash to assist its parent firm, has undertaken an unprecedented series of layoffs and office and plant closings that may well slow and inhibit customer service, and

**WHEREAS**, NIPSCO has filed an application with the Indiana Utility Regulatory Commission on or about January 4, 2002 seeking to separate the utility's natural gas and electric units comprising NIPSCO

into separate companies, and

**WHEREAS**, published reports indicate that separating NIPSCO's gas and electric operations may be a means by which NISOURCE would seek to sell off either its gas or electric or both utilities to some other entity, and

**WHEREAS**, such a scenario where NIPSCO's gas or electric utility is sold off to another for-profit entity in order to raise cash for NIPSCO's parent NISOURCE is not likely to result in benefits such as better service or lower rates to county government or the homeowners, businesses and industries we serve,

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of LaPorte County, Indiana that we


1. Support the effort by the Indiana Utility Regulatory Commission staff to obtain an across-the-board electric rate reduction of at least 11.6%

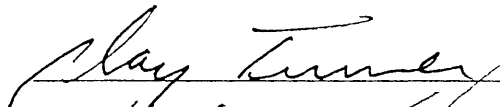
2. That we oppose the practice of NIPSCO in closing down various plant operations such as the LaPorte maintenance facility, thereby reducing employment within the county and likely adding additional response time for maintenance and repair. We sense that such closures may be more linked to a need by NISOURCE to raise cash to pay for the debt incurred in the Columbia acquisition than bearing any reasonable relationship to providing cost-efficient service to utility consumers.

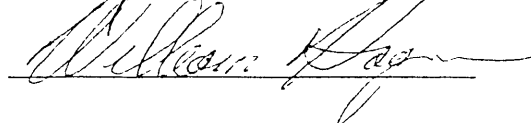
3. That we are opposed to the separation of NIPSCO's electric and gas utilities as we believe such action may hasten a possible sale or acquisition of either the gas or electric entity to an out-of-state for-profit entity having little or no interest in safe, reliable and cost-affordable service to Indiana consumers.

4. That we hereby authorize our counsel to file a formal intervention with the Indiana Utility Regulatory Commission so that the County of LaPorte and the residents, businesses and industries we serve are represented before the IURC on this very important question of separation of the two utilities. Furthermore that such counsel should take any other reasonable and necessary steps to insure that the interests of the County of LaPorte and the citizens we serve are preserved and protected before any regulatory bodies having jurisdiction over the issues cited above.

**BOARD OF COMMISSIONERS OF  
LAPORTE COUNTY, INDIANA**

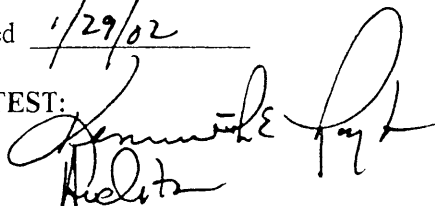
  
Matthew Keenan

  
Clay Turner

  
William Hagan

Dated 1/29/02

ATTEST:

  
Kenneth E. Foy  
Notary Public