

RESOLUTION NO. 2007-01 OF THE
LAPORTE COUNTY BOARD OF COMMISSIONERS

WHEREAS, LaPorte County has played a leading and successful role on behalf of NIPSCO ratepayers including residential, commercial and industrial ratepayers in various cases pending before the Indiana Utility Regulatory Commission, and

WHEREAS, NIPSCO's electric rates are the highest of all utilities in the State of Indiana and the company's service - as measured by the highly respected rating firm J.D. Power & Associates - remains among the worst in the country for customer satisfaction among mid-sized electric utilities, and

WHEREAS, media reports have surfaced that NIPSCO's corporate parent, NiSource, is apparently soliciting prospective purchasers for NIPSCO's electric operations and that such potential suitors include various out-of-state investor-owned utility holding companies, and

WHEREAS, continuing consolidations and mergers in the for-profit utility industry have meant further concentration of power and market influence in just a few key utility conglomerates and that one or more of such entities may even be targets for foreign investment and control, and

WHEREAS, this body is concerned that any prospective sale is being viewed primarily by NiSource corporate officers as a way to reduce the extraordinary \$6 billion in debt that still remains from the ill-advised 2000 hostile takeover of Columbia Energy by NiSource, and

WHEREAS, it is the captive ratepayers of northern Indiana who have paid for and continue to pay for the generation, transmission and distribution assets of NIPSCO and whose interests should be primarily considered in any asset sale, and

WHEREAS, both Section 83 of the Indiana Utility Law and Section 203 of the Federal Power Act require the "public interest" to be considered in any sale of utility assets to another utility or utility holding company, and

WHEREAS, NIPSCO's high rates and poor service are not only a significant burden to residential, commercial and industrial customers in LaPorte County, but they pose a needless hurdle to our attempts to lure in new business and industry to this county, and

WHEREAS, public power systems have a long and established history of success in Indiana in that both municipal utilities and REMC's have a solid record of providing affordable and dependable electric service, and

WHEREAS, the members of this body believe that full and complete consideration needs to be given to whether the electric generation, transmission and distribution system currently owned, operated and maintained by NIPSCO might be more effectively, efficiently and cost-affordably run by a public power authority,

NOW THEREFORE BE IT RESOLVED BY THE LAPORTE COUNTY BOARD OF COMMISSIONERS THAT:

1. Our legal counsel is hereby directed to undertake such efforts as may be reasonably necessary to see that a full and complete review of the merits of any proposed sale of NIPSCO electric operations is conducted by both the Indiana Utility Regulatory Commission and the Federal Energy Regulatory Commission prior to approval of such transfer and sale and to oppose such sale if evidence does not indicate it is in the public interest.
2. That we urge legislators to put in place a moratorium on any sale of NIPSCO's electric operations until such time as the public interest of such proposed sale or transfer can be reviewed by relevant federal and state agencies; and
3. That the legislature should consider legislation that might create a northern Indiana public power authority to bid for and acquire the assets of NIPSCO's electric operations and to then operate and maintain such assets in the public interest as a non-profit entity. We would urge careful consideration of successful public power systems such as those in Omaha, Nebraska and Sacramento, California as well as the Long Island Power Authority. We believe that reliable and cost-affordable electric service is too important to our constituents to trust to an out-of-state utility holding company and that the merits of public power must be carefully and completely considered as a viable alternative for northern Indiana ratepayers.

BOARD OF COUNTY COMMISSIONERS
OF LAPORTE COUNTY, INDIANA

Barbara Huston

Melissa Lopez

MRB

Attested to by me on this the 6th day
of February, 2007

Teresa M. Shuter

by Rita J. Layton, Chief Deputy Auditor