

LETTER

Vectren's infrastructure fees too high

From: Noel Taylor
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Thank you for Boris Ladwig's article on Vectren's petition for a rate increase, currently before the Indiana Utility Regulatory Commission.

I appreciate your keeping us private citizens informed, and I'm glad you put it on the front page or I might have missed it.

I wonder how many of Vectren's customers know the history of natural gas management here in this area.

Here's what I know, shared because I think it will help give the average natural gas consumer a better understanding of the whole issue.

Before the 1990s, natural gas was provided in this area by Indiana Gas.

Bills were calculated exclusively upon gas usage, meaning if you used twice as much as your neighbor, you paid twice as much as your neighbor, and if you used no natural gas at all,

you paid nothing.

This system worked very well for many decades, but in the 1990s the IURC was lobbied by business interests to allow a change.

As Indiana Gas operations were taken over by Vectren Energy, the gas pipes in the ground suddenly became "unreliable" and "outdated."

With much publicity about installing a whole new system, the minor detail behind it that escaped first notice was that a new item appeared on each user's monthly natural gas bill. This item was a fee for the infrastructure.

In the 1980s my home nonwinter gas bill was around

\$5/month, based entirely upon my gas usage. Interestingly, this year my nonwinter gas bill is still around \$5/month for the gas itself.

The balance of my monthly bill, another \$13 and some change, is for "infrastructure." In the 1980s my gas bill at what's

now my office would have been zero for nine out of 12 months because I used to use gas there only in December through February.

It's this last item that gets my goat now. If Vectren were to get what it's asking for before the IURC now, I would face about \$20 a month in "infrastructure" gas bills alone in each of the nine months every year that I use no gas at the office.

This \$180 would go directly into Vectren "infrastructure" funds and has nothing to do with the cost of natural gas.

Let's do a bit of math. Guessing at perhaps 28,000 customers in Bartholomew County, that's over \$5 million every year.

Note: This would represent a \$5 million increase over the big fat zero that Indiana Gas received from its customers only 20 years ago for the same line item.

Even if Vectren gets only half of the increase it's asking for this time, it will still be getting

over \$4.2 million more each year than Indiana Gas got. And that's just for one county.

I'm sure that Vectren can tell you all about how it can't afford to be in business without this windfall profit paid for by the citizens of Indiana courtesy of the IURC.

I'm not sure what Vectren would tell you if a significant number of people would do what I did at my office — disconnect from Vectren.

My electric bill is higher, but not by any more than I'm saving by not paying Vectren. And Duke Energy has no infrastructure fee separate from the cost of electricity.

Yet, what can you do? Talk to the IURC. Let it know what you think of funding energy business profits now that were illegal 20 years ago. Or maybe join me by disconnecting from Vectren.

Sure, it threatened me with a big fee to reconnect each winter, but that was four years ago, and I've not done it yet.

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