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The heat will hurt more next winter

Geopolitical instability and increasing worldwide demand for fossil fuels have caused high energy prices. Indiana tax policies in support of the creation of ethanol and biodiesel production facilities are part of an effort to help wean our transportation infrastructure from fossil fuels. While ethanol may be a poor alternative to fossil fuels, Hoosier entrepreneurs' and policymakers' efforts in this area reflect a broad awareness that we need a sensible, comprehensive energy policy.

A corollary to \$3-per-gallon gas is increasing home-heating costs. Indiana's major gas utilities are already projecting a 28-percent to 43-percent increase in heating costs this winter. This increase is on top of home-heating costs that have risen 55 percent since 2002. These twin spikes in energy costs will affect those least able to absorb it: the working class and poor.

One set of 2005 data suggests that nearly 450,000 Indiana households are eligible to participate in the federal Low Income Home Energy Assistance Program (LIHEAP).

Last winter, a 17-year-old Indianapolis girl and her 9-year-old sister were killed in a house fire that resulted from the inappropriate use of a space heater.



**BRIAN
WILLIAMS**

Commentary

Their heat had been disconnected. While Hoosier elected officials have dedicated time and tax breaks to the creation of alternative-fuel facilities, they have not spent as much effort on ensuring that homes are kept adequately warm during the winter and reasonable safeguards are in place for the companies providing the power.

As a community, we must find ways to balance the needs of those most in need of our assistance with the fiscal and social responsibilities of those companies who provide the required services. Policymakers may wish to consider:

■ Expanding the Indiana Utility Regulatory Commission's ability to ensure that state policymakers have timely and accurate data on how many Hoosiers are without heat in the winter months and for how long. If policymakers are unable to quantify the problem, they cannot be expected to develop reasonable solutions.

■ Improving and expanding tax credits for homeowners and property owners who upgrade their home or multifamily dwellings' energy efficiency by using insulation and/or heating systems, including systems that use renewable energy sources for home heating and cooling.

■ Promoting heating-assistance programs such as the LIHEAP and those run by community service organizations and churches.

■ Tightening the restrictions on what utilities can charge for deposits and reconnection fees. Current rules allow a utility

to charge a deposit of up to four months of the average annual bill. For those least able to afford it, one-third of an annual bill may be an unattainable sum.

■ Fully implementing the universal-service program launched in 2004 by Vectren and Citizens Gas. This two-year pilot program is designed to provide tiered utility assistance and weatherization services to customers enrolled in LIHEAP. The goal of the program is to make natural-gas bills more affordable to low-income Hoosiers, which should improve payment patterns and reduce the business and social costs of an inability to pay. Universal-service programs in other states have been found to increase the number of payments made, improve the promptness of payments, and decrease the number of disconnections.

Affordable home energy helps keep homes warm and frees dollars that can go toward better nutrition, medical attention and education. Affordable-home-energy programs should help low-income customers pay their bills in full and should lower debt-collection expenses for utilities.

Several bills were offered during the 2006 session of the Indiana General Assembly to address these issues. Unfortunately, none became law. Urge your state representatives and senators to consider these issues when they gather in the Statehouse in January, when home-heating bills will be on the rise. •

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