

RESOLUTION NO. 2, 2002

A RESOLUTION RELATING TO THE CLOSING OF NIPSCO SERVICE CENTERS

WHEREAS, Northern Indiana Public Service Company is proposing to close facilities in LaPorte, Plymouth, Hammond, Crown Point and Portage, which provide emergency assistance to NIPSCO customers; and

WHEREAS, many Valparaiso residents have expressed their concerns relating to their safety during times of emergency with the reduced manpower and reduced facilities; and

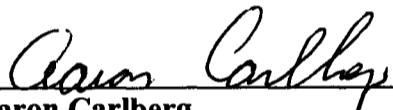
WHEREAS, the jobs of many current NIPSCO employees would be affected by these closures; and

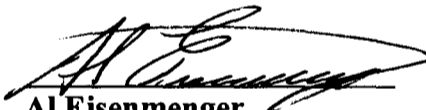
WHEREAS, the availability of NIPSCO personnel during times of either gas or electric emergencies is vital to the safety of Valparaiso residents.

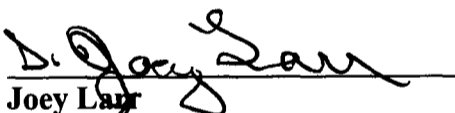
NOW, THEREFORE BE IT RESOLVED, by the Common Council of the City of Valparaiso as follows:

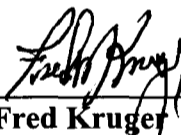
- (1) That the Common Council urges NIPSCO to consider the safety of its customers, including the residents of Valparaiso in their decisions relating to the closure of service facilities.
- (2) That the Indiana Utility Regulatory Commission consider the concerns of residents of Valparaiso.
- (3) The Council urges local residents to express their concerns directly to NIPSCO, the Indiana Regulatory Commission and the Office of the Utility Consumer Counselor.


ADOPTED this 25th day of February, 2002 by a 7-0 vote of all members present and voting.



Aaron Carlberg

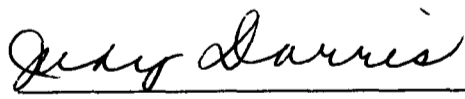

Al Eisenmenger



Joey Larr


Fred Kruger


Donald Ragsdale


Jan Dick


Judy Dorris


David A. Butterfield, Mayor

ATTEST:


Sharon Swihart, Clerk-Treasurer



United Steel Workers of America

LOCAL UNION 12775

2515 Portage Mall • Portage, Indiana 46368
(219) 762-3729 • Fax: (219) 763-6157

Barry Norvell
President
Richard B. Essig
Vice President
Tim Vaughan
Recording Secretary
Kevin Bishop
Financial Secretary
Joseph Szczerbowski
Treasurer

FAX TRANSMITTAL FORM

TO: Mayor Butterfield

FROM: D. Chlebek

DEPARTMENT _____

Name: USWA-LOCAL 12775

Phone number: 219 762-3729

Fax Number _____

Fax number: (219) 763-6157

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: 2/4/02

Number of pages including cover page: _____

Message:

This is a letter sent by the Michigan City
Mayor, along with some other info. as well
as my letters



United Steel Workers of America

LOCAL UNION 12775

2515 Portage Mall • Portage, Indiana 46368
(219) 762-3729 • Fax: (219) 763-6157



Barry Norvell
President

Richard B. Essig
Vice President

Tim Vaughan
Recording Secretary

Kevin Bishop
Financial Secretary

Joseph Szczerbowski
Treasurer

February 4, 2002

Mr. Michael Leppert
302 W Washington - Suite E306
Indianapolis, Indiana 46204

Dear Mr. Leppert:

I wish to thank you for your time on January 29th, it would appear that you and Mr. McCarty are genuinely concerned about the Nipsco issues. I believe that all of our comments to you on that day were substantiated on Wednesday, February 1, the date that the ice storm hit Northern Indiana (see articles). There are some things that I wish to bring to your attention which I believe have serious implications.

Around 10:00 p.m. Wednesday, January 30th, 25 Linemen from Nipsco's Construction Department, along with 19 pieces of equipment, were called to go to Kansas City to help in storm restoration efforts there. Leaving at 3:00 a.m. Thursday, February 1, they made their way to just north of Champaign, Illinois when at 7:30 a.m. these crews were recalled to Indiana, arriving in Nipsco service territories around 1:00 p.m. Because Nipsco cancelled on Kansas City P & L, they bear the cost expense of these crews. Furthermore, Nipsco electric line crews that are assigned to the Gary Operating area had "cleaned up" the outages and problems in the Gary area at the end of their eight-hour shift on Thursday, February 1, making themselves available for storm duty elsewhere in Nipsco's territory, instead, they were sent home. This would include some 15 Linemen serving the Gary area that were available to work storm trouble. These are very troubling facts and should raise questions about Nipsco's ability to manage storm restorations to its service territory at the height of this winter storm. The LaPorte County area lost five 69 KV circuits and the electric substations that they fed into. Nine 12.5 KV distribution circuits, with some of these 12.5 KV circuits being "locked out" multiple times during the storm. Imagine a storm of this magnitude "hitting" LaPorte and Marshall counties devoid of service facilities under Nipsco's Operation Excellence program. It's understandable for a utility to go the aid of another, but it is unconscionable to deplete your workforce in the middle of a storm that is pounding your service territory, all the while making money on this scheme - something is terrible wrong. This storm, a storm that cut power to 20,000 customers, puts an exclamation point on the need for Nipsco to keep its operating facilities open - that they have scheduled to close.

These are further considerations that must be mulled over by all responsible parties. I remember a poster from a bucket truck manufacturer making the proclamation of "Real Crisis Management," with a bucket truck in the background lit up by bolts of lightning and buckets of rain pouring from the skies while a small group of linemen look over electric circuit maps to determine the best way to get the lights back on. That depiction marks the reality of the electric utility workforce is quite real. It begs the question, how much are we willing to allow utilities to cut back its service commitments to its customers for the sake of profits. Another question that must be asked is why did this storm create such a mess. I think that you will find that its computer system called NORS, which stands for Nipsco Outage Restoration System, went down on Thursday and crashed every day through the weekend.

Sincerely,

David Chlebek
Chairman
Legislative Committee

DC/jo

cc:	K. Zeller	J. Payne	S. Pelath	A. Bowser	M. K. Budak
	B. Alexa	J. Broden	F. Mrvan	C. Chroback	S. Brillson
	J. Ranfranz	D. Olson	N. Dembowski		D. Butterfield
	J. Yeazel	R. Soultz			

January 17, 2002

NIPSCO

Attn: Barnett Hatches, NIPSCO President & CEO
801 E. 86th Ave.
Merrillville, IN 46410

Dear Mr. Hatches,

The continued dilution of service by NIPSCO to Northwest Indiana is a matter of grave concern, and I strongly protest the recent changes made in our area. My constituents struggle every month to pay their NIPSCO bills, and now our community is faced with yet another reduction in services provided by your company.

My staff's research indicates that electricity rates quoted by other providers in this region are significantly lower than NIPSCO's, and yet those companies are not reducing the level of service they provide to their customers.

Further research at NIPSCO's parent company's website provided the following information: From the beginning of January 2001 through September 30, 2001, NiSource posted assets of \$17.3 billion, revenues of \$7.4 billion, and a net income of \$161 million. From 2000 to 2001, NiSource reported a reduction of \$187 million in electric generations, but the company also reported increases of \$265 million in gas distribution, \$477 million in transmission and storage revenues, and \$199 million in total operating income.

The website boasts to investors that NiSource is the 3rd largest gas distribution company in the U.S., 4th largest gas pipeline company, and one of the largest gas storage networks in the country.

It is impossible to fathom how a company with revenues such as these can justify continuous reductions in service while requesting rate increases for the hapless consumers. It is equally impossible to imagine how NIPSCO can promise that your customers' safety and service will not be reduced by these latest NIPSCO service center closings.

Our community has felt the impact of NIPSCO's financial strategies in many ways. After storms, repairs already take unreasonable lengths of time and no effort, such as installing the lines underground for improved efficiency, have been initiated. This community's residents are forced to drive long distances to speak to a real human being or to get service back after a storm. All of these issues are unacceptable to the people of Northern Indiana.

I strongly protest NIPSCO's recent additional reductions in service to this community, and I will continue to work toward helping the people of Northwest Indiana to receive the utility services they deserve at realistic cost.

Most sincerely,

Sheila Brillson, Mayor
City of Michigan City

Cc: Gov. Frank O'Bannon
Scott Pelath
Anita Bowser
Gary Neale
Citizens Action Coalition
Michigan City Chamber of Commerce
Michigan City Common Council
LaPorte County Commissioners
LaPorte County Council
Anne E. Becker, Indiana Office of Utility Consumer Counselor
Spencer Abraham, Secretary of Energy, Department of Energy

Business

Post-Tribune • Thursday, March 16, 2000

ROP

NIPSCO has plan to address outages

■ Utility says a power tracker and computerized mapping system should be in place by fall or winter.

BY KRISTI O'BRIEN
Staff Writer

MERRILLVILLE — Northern Indiana Public Service Co. announced steps Wednesday to shorten power outages.

The utility said the precautions should safeguard service during storm seasons and summer hours.

Robert Schacht, vice president of distribution operations, said the company is adding features that will help track outages and their causes more efficiently.

"We want to try to be as proactive as we can to help our customers," Schacht said.

The company's annual road show was started in part to increase communication and to address concerns after the March 1998 blizzard that knocked out power to much of NIPSCO's service area.

Schacht said a power tracker and a computerized mapping system should reach all customer areas by fall or winter of this year.

The power tracker, which is triggered by customers calling to say their power is out, will tell NIPSCO what equipment and wires are damaged. Then officials will be able to respond to the appropriate area immediately, Schacht said.

The mapping system is basically a refinement of what NIPSCO has now on paper, he said. The system will allow any dispatch center to pull up a map of a community in NIPSCO's customer base and see where each individual gas and electric wire is, he explained.

"They will be able to make a better judgment on what has gone wrong, where," Schacht said.

Please see NIPSCO, Page E3

NIPSCO

Utility says it has a plan to address outages

Continued from Page E1

NIPSCO is putting \$10 million into spanning the two systems across its customer base.

In certain areas the company is adding a computer-controlled smart switch that will shift a circuit from one substation to another if a substation is overloaded.

Schacht said substations can become overloaded during the summer because of the power demand for air conditioning.

An overload can lead to intentional rolling blackouts, but Schacht said NIPSCO has never been forced to do that.

"We feel we have plenty of power

for the customers in our area," he said. "We don't anticipate having any blackout problems."

The smart switch was installed in the Merrillville area within a couple weeks ago, Schacht said, because that is a major commercial area. The switch was first installed in Goshen last summer, and in Angela last fall.

NIPSCO has 58 of 750 circuits on the smart switch, Schacht said, adding he is unsure where else the feature will be added.

"We're not sure we'll have everyone on this," he said. "It's expensive; we've spent \$5 million so far on it."

Schacht said the company hopes to enhance its Web site with information about storms and outages.

In the case of any power outages, Schacht encouraged customers to always call the residential customer number, (800) 464-7726, (800-4-NIPSCO). He also warned customers against touching any downed wires because of the risk of electrocution.

WHY NIPSCO SHOULDN'T CLOSE ITS SERVICE FACILITIES

Experience is the best teacher, and the recent ice storm that devastated our area clearly illustrates the need for a Nipsco operating service facility in LaPorte county. Imagine if the repair crews would have been based and dispatched out of the Valparaiso facility. It's a recipe for disaster. It's bad enough that 25 Nipsco Linemen and 18 pieces of equipment were dispatched to Kansas City, to help in their restoration efforts, which is understandable and commendable. However, these Linemen were dispatched to Kansas City Wednesday night when the ice storm was pounding down on LaPorte county. I met with a couple of the Linemen who were called to go to Kansas City, and they couldn't believe that they were going to Kansas City with the ice and snow raging outside their windows. They told me that at times, they travel no more than 35 mph, making it almost to Champaign, Illinois before being recalled, turned around and reaching LaPorte mid-day Thursday. What is most alarming is the fact that because Nipsco cancelled the request for help, they absorb the cost of sending these crews. Without delay, these crews started restoring service to thousands of affected customers.

The fundamental question must be asked; "why would a utility send essential repair crews to another utility when a storm is laying waste to your territory and your customers?" Something is wrong! It is wrong to close service facilities that are vital to keeping the lights on and the natural gas flowing, whether you are a customer or a shareholder. Closing facilities and laying off people (300) that service your customers, is wrong. Nisource is a Fortune 300 Company and Nipsco is a subsidiary. This company and its management must be made to realize that closing the facilities is a bad idea. Living without phone service is an inconvenience, but surely not life threatening. Try living or working without gas and electric service - 20,000 people in LaPorte county recently did. Who knows, maybe the next storm might be your turn, unless of course, you want to do something about it. Call or write the office of the Utility Counselor at 1-888-441-2494 or the Indiana Utility Regulatory Commission at 1-800-851-4268. Another reason why this storm created such a mess is because they had a difficult time getting a handle on the number and size of outages. Its computer system called NORS, which stands for Nipsco Outage Restoration System, went down on Thursday and then crashed every day through the weekend.

David Chlebek
1688 N. Pine Ridge Dr.
LaPorte 46350
(219) 324-7519

Post-it* Fax Note	7671	Date	2/19	# of pages	▶
To	D. Butterfield	From	D. Chlebek		
Co./Dept.		Co.			
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Tuesday, 19 February, 2002

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County hears all sides of the NIPSCO story

By: Stacey Creasy

February 19, 2002

PLYMOUTH - Marshall County Commissioners heard all sides of the NIPSCO story Monday.

The commissioners invited United Steelworker Union employees as well as company management to explain what is taking place with the Northern Indiana Public Service Company.

David Chlebek, spokesperson for the union, and Richard B. Essig, vice-president of the Local United Steelworkers explained they are mounting a grassroots effort to show communities in the area what impact the closing of NIPSCO offices will have in the area.

In January, NIPSCO announced its plans to consolidate five service offices into other offices. As part of that restructuring move the Plymouth office on 7C Road will be shut down.

The LaPorte office will also be closed.

The jobs and services in Plymouth will be moved to the Goshen NIPSCO office.

Chlebek and Essig, along with LaPorte attorney Shaw Freidman, told the commissioners the closure of the NIPSCO offices will have a detrimental effect on the local economy in addition to being a public safety issue.

"If a tree falls on your power line they will not be able to get to you as fast, it's simple geographics," Essig stated.

Freidman said NIPSCO has broken the trust of their consumers by closing offices and leaving them at risk. Union officials stated NIPSCO has not informed them of details behind their plans from day one.

NIPSCO Field Manager Devon Stull told the commissioners NIPSCO is not abandoning the community. Stull said there will be territorial employees in the area at all times.

"There will be four people on the electric side and four on the gas side," Stull said. "They will have vehicles and respond to emergencies from their homes. They are on call six days a week."

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The territory will be an area that includes Marshall County, a large portion of Fulton County and southern St. Joseph County.

Stull said there will also be some materials at the sites at Monroe St. and 1st Road and Lake Avenue.

"We are not abandoning Plymouth," Stull stated.

The union officials have said there are not enough NIPSCO service employees now. Fewer employees, spread over a larger area, will be worse news for customers.

Stull claimed NIPSCO is trying to work with the union while union officials claim NIPSCO has left them in the dark.

The commissioners are considering a resolution to join other communities in an effort to stop the NIPSCO moves. The commissioners did not act Monday.

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February 19, 2002

Commissioners oppose NIPSCO closing

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- ▶ Viewpoints
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By JENNIFER MACK
Tribune Staff Writer

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PLYMOUTH – The Marshall County commissioners don't want to see the NIPSCO service building on 7C Road in Plymouth closed.

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After hearing arguments from members of the United Steelworkers of America Local 12775 as to why they don't want that facility and four others closed, as well as representatives of NIPSCO, the commissioners seemingly agreed with the Steelworkers.

The board agreed to have county attorney Jim Clevenger draft a resolution against closing the Plymouth service facility. The resolution would then be sent to the Indiana Utility Regulatory Commission.

As part of NIPSCO's new Operational Excellence initiative, according to Plymouth Operations Field Manager Devon Stull, NIPSCO plans to close down five operating substations, including the Plymouth office.

David Chlebek, inner guard-legislative chairman for the Steelworkers, told the commissioners Monday that Marshall County would be serviced from the Goshen NIPSCO service office, causing long delays in service requests.

"It (the closings) will be a detriment to the community," said Chlebek, who said last week he's been a lineman with NIPSCO for 22 years.

He said that equipment to fix power outages, such as poles and transformers, are kept at the Plymouth service office. If the Plymouth office closes, those supplies will be coming from the Goshen office, which will delay service in Marshall County.

Union Vice President and Senior Grievance Committeeman Richard Essig told the commissioners that in his estimation, NIPSCO is on the list with police and fire

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departments of first responders when it comes to incidences regarding power outages.

"We're thinking about consumers because this is a public service company -- that's why we're here," Essig said.

Essig, a 34-year lineman with NIPSCO, said that if the Plymouth office is closed, travel times could be close to three to four hours for linemen trying to fix problems.

Stull said that even though the building on 7C Road will be closing, NIPSCO will still have employees in Plymouth servicing Marshall County.

Stull also said that NIPSCO will continue to keep other Plymouth facilities open, including one located at 1st and Monroe streets and another on Lake Avenue.

He said customers in Marshall County will continue to be served by the service employees living in Plymouth. He said they will travel from their homes with company trucks to fix any gas or electric outages that could occur.

"We're not abandoning the community or our customers," Stull said. "We'll have just as good response, if not better response."

LaPorte attorney Shaw Friedman also spoke to the commissioners, noting that he is representing the LaPorte County Board of Commissioners in trying to block closures of utility offices there and other complaints against NIPSCO, including rate increases. Friedman asked the commissioners to join with the LaPorte commissioners; however, the Marshall commissioners opted to only oppose the closing of the Plymouth service office.

Also during the meeting Marshall County Assessor Mike Boys gave the commissioners estimations regarding assessed value of property owned by NIPSCO.

Boys said the current assessed value of all the NIPSCO property in Marshall County totals \$4,113,686.

He said Marshall County could stand to lose an estimated \$102,842 in revenue if NIPSCO pulls out

Boys went on to say that the county losing Oxford Automotive, formerly known as Lobdell Emery, in Argos and Walker Manufacturing in Culver over the past several years has been tough, and if NIPSCO pulls out, the county will be hit even harder.

"Marshall County is being hit very hard on assessed values," Boys said. "I'm concerned as county assessor what money we could lose."

Marshall County Commissioner Don Ferguson commented that he believed response time from NIPSCO to outages is already slow, noting he was concerned that response times could get worse.

Commissioner Cliff Allen told Stull, "we're not trying to chase you out of town, we want to keep you."

Staff writer Jennifer Mack: jmack@sbtinfo.com (574) 936-2921

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NIPSCO workers seek city support

By: Carol Anders

February 12, 2002

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- Social
- Terri Dearth column
- Classifieds
- Information Links
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PLYMOUTH - NIPSCO employees crowded the city chambers Monday night, hoping the city would become their latest ally in the fight to keep their service center open here.

About 20 NIPSCO workers were joined by union representatives including David Chlebek, Inner-Guard-Legislative Chairman of United Steelworkers of American Local 12775.

Chlebek had contacted Mayor Jim Yeazel, who invited him to the meeting to speak.

Marshall County Commissioner Cliff Allen, who is also a local resident and NIPSCO employee, introduced Chlebek.

NIPSCO officials announced in January, its plan to close five northern Indiana offices, including the Plymouth facility. The local jobs and services will be consolidated with the Goshen office.

Chlebek asked the council to consider a resolution similar to one passed by the LaPorte County Commissioners late last month.

The LaPorte commissioners filed a petition opposing the sale of the NIPSCO office. The petition also sides with the Indiana Regulatory Commission in seeking an 11.6 percent decrease in NIPSCO's electric rates.

The commissioners are also opposed to the separation of the NIPSCO gas and electric companies.

Since the announcement, union representatives have been busy developing a coalition.

"I believe there is a very real possibility of stopping it (NIPSCO closing)," Chlebek said. "Response time can't be the same if they (service personnel) are coming from Valparaiso or Goshen."

The loss of jobs and the impact on the local economy are big concerns. Another concern is the impact on the local economy.

Allen noted the employees spend money in the community, income that will be lost if they work elsewhere.

However, the chief concerns is safety and response time.

What concerns coalition members is NIPSCO's ability to deal with gas leaks in a timely fashion after the Plymouth offices are closed.

"We're talking about health and safety here. We're talking about our friends and neighbors. It's not right," Allen said.

Fire Chief John Brown shared their concerns over gas leaks.

"I'm concerned about getting it (gas) off during an emergency," Brown said.

Brown told the council there has been discussion about REMC consolidating as well.

"The combination of the two puts us in a critical situation," he said.

According to Chlebek, 315 jobs are scheduled to be eliminated with the consolidation of NIPSCO facilities. Locally NIPSCO employs 47 people in both supervisory positions and those in the union. It is not clear how many of those jobs would be eliminated.

Chlebek said the deadline for information to be considered by the IURC is March 15. He said he is hoping to get support of mayors and city and county officials

"I know I'm 100 percent behind this," Yeazel said.

City Attorney Rick Huff told the council he would draft a resolution to present at the next regularly scheduled meeting for their consideration.

At the board of public works meeting:

*Police Chief Tom Chamberlin reported he had received a letter of resignation from Officer Tom Harley. Harley has been with the department for eight years and nine months. In that time, Harley has been a patrolman, investigator, and undercover policeman.

Chamberlin said March 8 would be Harley's last day on the job.

*City Engineer Mike Strang reported the total cost for the Oak Road project was \$3,819,322.38. Strang said the total reflected only a 4.1 percent increase over the original projected cost.

*A mobile home located on Plum Street just north of Jefferson Street will be removed by the city after unanimous board approval. In an agreement reached in 1994, the mobile home was allowed to remain the property as long as it was in use and that it would be removed at the city's cost after that time.

Clerk-Treasurer Toni Hutchings informed the board it was agreed upon

by a home improvement plan project in 1993 or 1994.

The owner is now deceased and the home is no longer being used.

(Pilot News reporter Stacey Creasy contributed to this report.)

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**Resolution Opposing
NIPSCO (Northern Indiana Public Service Company)
Closing the Plymouth Service Facility
by Center Township Board and Trustee,
Marshall County, Indiana**

WHEREAS, the Center Township Board and Trustee are responsible for providing to Center Township residents fire protection, emergency medical services, and poor relief; and

WHEREAS, the Center Township Board and Trustee are the duly elected representatives of Center Township and are compelled to speak to issues concerning public policy; and

WHEREAS, Center Township residents, businesses, and industry will be put at increased safety risk in the event of a gas emergency, since the closest NIPSCO assistance would come from Goshen or Valparaiso, each located more than 50 miles away from Plymouth; and

WHEREAS, in addition to Plymouth, NIPSCO is closing facilities in LaPorte, Hammond, Crown Point, and Portage, further compounding the safety risk; and

WHEREAS, in case of an electrical emergency, Center Township residents, businesses, and industries would be put at increased safety risk, having to go longer without electricity, since the closest NIPSCO service trucks would be dispatched from Goshen or Valparaiso, both located more than an hour from Plymouth, Center Township's largest city; and

WHEREAS, according to the *South Bend Tribune*, during the region's most recent ice storm, a South Bend mother and her nine-year-old twin daughters almost died, but miraculously survived carbon monoxide poisoning, because her husband and their father, who was out of town 1,200 miles away on business, woke up in the middle of the night with a mysteriously strong urge to call home. Their electricity was out for an extended period, so they were heating their home with a portable generator in the garage that could not be placed outside due to ice buildup; and

WHEREAS, if NIPSCO is allowed to continue to reduce manpower, move repair equipment to remote locations, and close facilities, tragedies such as these or worse will increase; and

WHEREAS, if NIPSCO closes the Plymouth facility, there would be considerable loss of tax revenue *and amounting to \$102,842 for Center Township; and*

WHEREAS, there would be increased burden of poor relief if NIPSCO closes its Plymouth Service Facility, due to loss of jobs; and

WHEREAS, public protest may prevent NIPSCO from being allowed to close facilities, separate gas and electric services into two companies, and engage in illusory cross-subsidy schemes that generate non-utility based income for the parent company, unrelated to any utility service provided to the ratepayers by the subsidiary utility; and

WHEREAS, closing the Plymouth NIPSCO Service Facility is not commensurate with the overall safety, convenience, and general welfare of this Township; and

WHEREAS, closing a local utility service facility does not result in the overall improvement of quality of life in this community; and

Resolution Opposing NIPSCO Closing Plymouth Service Facility

WHEREAS, regarding economic development, access to reliable utility services of electricity and natural gas play an important role in attracting business and industry to locate in the Plymouth area; 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 fourth highest electric rates in the nation; and

WHEREAS, on average over the past 10 years, electric rates for NIPSCO ratepayers have been 50% higher than for customers of other electric utilities in the state, according to the Citizens Action Coalition; and

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

WHEREAS, according to Indiana Code, "Every public utility is required to furnish reasonably adequate service and facilities;" and

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

WHEREAS, Indiana law requires utility rates to be just and reasonable; and

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, NIPSCO customers are getting billed for more than just electricity and gas, such as paying \$2.67 million annually to lease office space for the utility in NiSource's corporate headquarters in Merrillville; and

WHEREAS, NIPSCO ratepayers will pay more than \$54 million throughout the life of the 20-year lease to occupy a building that cost NIPSCO's parent company, NiSource, \$5.8 million to buy in 1988; and

WHEREAS, NIPSCO's parent company, NiSource, is milking cash from NIPSCO and plowing it into various unregulated subsidiaries that are not subject to public scrutiny or regulation, according to Citizens Action Coalition; and

WHEREAS, NIPSCO's parent company, NiSource undertook an expensive and very questionable acquisition of Columbia Energy Company and now must repay some \$6 billion in debt arising from the take over 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 facility and plant closings that will adversely affect 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

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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 the citizens, businesses and industries we serve;

Now be it hereby resolved that on February, 18, 2002, the Center Township Board and Trustee do hereby:

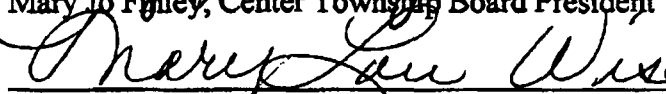
1. Decry the closing of the Plymouth NIPSCO Service Facility.
2. Request the Indiana Utility Regulatory Commission to prevent the closing of the local Plymouth NIPSCO Service Facility in Center Township.
3. Oppose the practice of NIPSCO risking public safety in closing down various plant operations such as the Plymouth Service Facility, thereby reducing employment within the township 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 enormous debt incurred in the Columbia acquisition than bearing any reasonable relationship to providing cost-efficient service to utility consumers.
4. Oppose 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.

Upon passage of this Resolution, copies of it shall be forwarded to William McCarty, Commissioner, Indiana Utility Regulatory Commission; Anne Becker, Utility Consumer Counselor; Indiana Governor Frank O'Bannon; Lt. Governor Joseph Kernan; State Senator Bill Alexa; Robert Garton, President Pro-Tem, Indiana Senate; State Representative Gary Cook; John Gregg, Speaker of the Indiana House; Indiana Attorney General Steve Carter; Tracy Boatwright, Indiana State Fire Marshall; Patrick Ralston, Coordinator, Indiana State Emergency Management Agency; U.S. Senator Evan Bayh; U.S. Senator Richard Lugar; U.S. Representative Steve Buyer; President George Bush, (remember Enron?); Plymouth Mayor Jim Yeazel; and Marshall County Commissioners Clifford Allen, Kevin Overmyer and Don Ferguson; and Citizens Action Coalition of Indiana.

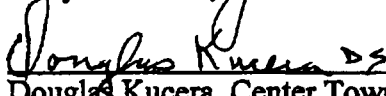
Passed and adopted by the Center Township Board and Trustee this 18th day of February, 2002.



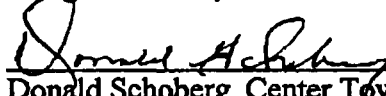
 Mary Jo Finley, Center Township Board President



 Mary Lou Wise, Center Township Board Secretary



 Douglas Kucera, Center Township Board Member



 Donald Schoberg, Center Township Trustee