

RESOLUTION 83-35

To Express Opposition To PSI's Proposal To Charge Bloomington Consumers For
Costs Associated With the Marble Hill Power Plant

- WHEREAS, the Indiana Public Service Commission (PSC) is presently considering a "rate-control plan" proposed by Public Service Company of Indiana (PSI) which is designed to allow PSI to charge electric consumers with some of the costs of building the Marble Hill Power Plant, Units I & II, even before such plant is completed; and
- WHEREAS, the PSC, in an unprecedented order dated 20 January 1983, approved the concept of "a trended route toward integrating the costs of Marble Hill into rates " before its completion---and, in fact, ordered PSI to submit such a plan; and
- WHEREAS, Indiana law does not permit consumers to be charged for the cost of a utility plant and equipment before it is both "used and useful"; and
- WHEREAS, the Indiana legislature has recently rejected attempts to change such state law to allow utilities to charge consumers for Construction Works in Progress (such as Marble Hill) by an overwhelming margin; and
- WHEREAS, the Indiana Utility Consumer Counselor has brought suit to prevent the PSC from approving a rate-control plan to assist PSI with construction of its Marble Hill plant, but such litigation is likely to be protracted; and
- WHEREAS, the Utility Consumer Counselor has presented expert testimony before the PSC (in addition to others) that there is no need for the Marble Hill plant, characterizing the whole project as a "white elephant", and recommending that both units be cancelled immediately and that customers be protected from bearing costs imprudently incurred by PSI, and;
- WHEREAS, the effects of "trending" or otherwise incorporating costs of the Marble Hill plant into consumer ratebase will constitute an economic catastrophe to Bloomington residents, many of whom are already hard-pressed to survive increasing utility costs; and
- WHEREAS, the City of Bloomington, including the Utilities Department, whose electric budget is already approaching \$2 million per year, can ill-afford the additional costs that would result from "trending" Marble Hill into the ratebase; and
- WHEREAS, it is the duty of local government to take actions to preserve the general welfare and to protect its constituents from general harm such as that posed by the proposed "trending" of Marble Hill costs into the ratebase;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, THAT:

SECTION I. The Common Council of the City of Bloomington opposes "trended rates" and any other methods of charging consumers with any costs from construction of PSI's Marble Hill plant before it is completed; urges the Governor to act quickly and decisively to prevent the PSC from ordering consumers to help PSI pay for Marble Hill--even if this requires calling a special session of the state legislature or removal of PSC members from office for misconduct; and urges the state legislature to quickly enact legislation to prevent addition of Marble Hill costs into the rates paid by electric customers.

SECTION II. The Common Council of the City of Bloomington would support an appropriation of city revenues to fund an organized effort by city government to inform and advocate to prevent the injury that would result to this city and its inhabitants if PSI is successful in forcing local electric consumers to pay for the Marble Hill plant, if such becomes necessary.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 34 day of August, 1983.

ATTEST: Patricia Williams
Patricia Williams, City Clerk

Katherine Dilcher
Katherine Dilcher, President
Bloomington Common Council

SYNOPSIS

This Resolution, sponsored by Councilmember Pat Murphy, expresses opposition to the PSI proposal to charge consumers for costs associated with the Marble Hill Power Plant through its "rate-trending" plan, and indicates support for an appropriation to fund an organized effort to oppose the plan if such becomes necessary.

SIGNED and APPROVED by me upon this 25th day of August, 1983.

Tomilea Allison

Tomilea Allison, Mayor
City of Bloomington

This resolution passed by a roll call vote of Ayes: 7 (Morrison, Towell, Service, Dilcher, Murphy, Olcott, Gross) Nays: 2 (Hogan, Porter)

Mailed to:

Marilyn Schultz
Jerry Bales
Farrell Duckworth
Lee Hamilton
Frank McCloskey
Dan Quayle
Richard Lugar
Gov. Orr
PSI Chairman Larry Wallace