

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED JOINT PETITION OF DUKE ENERGY )  
INDIANA, LLC, INDIANA GAS COMPANY D/B/A )  
VECTREN ENERGY DELIVERY OF INDIANA, )  
INC., INDIANA MICHIGAN POWER COMPANY, )  
INDIANA NATURAL GAS CORPORATION, )  
INDIANAPOLIS POWER & LIGHT COMPANY, )  
MIDWEST NATURAL GAS CORPORATION, )  
NORTHERN INDIANA PUBLIC SERVICE )  
COMPANY, LLC, OHIO VALLEY GAS CORP. )  
AND OHIO VALLEY GAS, INC., SOUTHERN )  
INDIANA GAS & ELECTRIC COMPANY D/B/A )  
VECTREN ENERGY DELIVERY OF INDIANA, )  
INC., AND SYCAMORE GAS COMPANY FOR )  
(1) AUTHORITY FOR ALL JOINT PETITIONERS )  
TO DEFER AS A REGULATORY ASSET )  
CERTAIN INCREMENTAL EXPENSE )  
INCREASES AND REVENUE REDUCTIONS OF )  
THE UTILITY ATTRIBUTABLE TO COVID-19; )  
AND (2) THE ESTABLISHMENT OF SUB- )  
DOCKETS FOR EACH JOINT PETITIONER IN )  
WHICH EACH JOINT PETITIONER MAY )  
ADDRESS REPAYMENT PROGRAMS FOR PAST )  
DUE CUSTOMER ACCOUNTS, APPROVAL OF )  
NEW BAD DEBT TRACKERS, AND/OR DETAILS )  
CONCERNING THE FUTURE RECOVERY OF )  
THE COVID-19 REGULATORY ASSET )**

**CAUSE NO.** 45377

**VERIFIED JOINT PETITION**

Joint Petitioners Duke Energy Indiana, LLC (“Duke Energy Indiana”), Indiana Gas Company, Inc. (“Indiana Gas”), Indiana Natural Gas Corporation (“Indiana Natural Gas”), Indiana Michigan Power Company (“I&M”), Indianapolis Power & Light Company (“IPL”), Midwest Natural Gas Corporation (“Midwest Natural Gas”), Northern Indiana Public Service Company, LLC (“NIPSCO”), Ohio Valley Gas Corp. and Ohio Valley Gas, Inc. (together “OVG”), Southern Indiana Gas & Electric Co. (“SIGECO”), and Sycamore Gas Company (“Sycamore Gas”) (collectively “Joint Petitioners”) respectfully petition the Indiana Utility

Regulatory Commission (“Commission”) for (1) authority to defer, as a regulatory asset, incremental expenses and accrue revenue reductions related to lost load and other revenue reductions attributable to their changes in operations and customer loads caused by the Coronavirus Disease 2019 (“COVID-19”) and government orders issued in response thereto, incurred on or after March 1, 2020; (2) establishment of sub-dockets for each Joint Petitioner in which each Joint Petitioner may address (a) repayment programs for past due amounts accrued during and as a result of the COVID-19 pandemic that will allow customers to repay arrearages over longer periods of time; (b) approval of new bad debt trackers, that will capture both the effect on bad debt expense resulting from COVID-19 and related government orders, as well as the payments that are received from customers under any new repayment programs; and (c) approval of timing, tracking, and documentation requirements for the future recovery of the COVID-19 regulatory asset. Joint Petitioners seek that this Cause proceed on two tracks as described herein.

In support hereof, Joint Petitioners show the Commission:

**1. Joint Petitioners’ Corporate and Regulated Status and Operations.**

a. Joint Petitioner Duke Energy Indiana is an Indiana limited liability corporation with its principal office in the Town of Plainfield, Hendricks County, Indiana. Its address is 1000 East Main Street, Plainfield, Indiana 46168. It has the corporate power and authority, among others, to engage, and it is engaged, in the business of supplying electric utility service to the public in the State of Indiana. Accordingly, Duke Energy Indiana is a “public utility” within the meaning of that term as used in the Indiana Public Service Commission Act, as amended, I.C. § 8-1-2-1, and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the State of Indiana, including I.C. § 8-1-2-1 *et seq.* Duke Energy

Indiana is a second tier wholly-owned subsidiary of Duke Energy Corporation. Duke Energy Indiana directly supplies electric energy throughout its 22,000-square mile service area to approximately 840,000 customers located in 69 counties in the central, north central, and southern parts of the State of Indiana, and supplies steam service to one customer from its Cayuga Generating Station. Duke Energy Indiana also sells electric energy for resale to Wabash Valley Power Association, Inc. (“WVPA”), Indiana Municipal Power Agency (“IMPA”), Hoosier Energy Rural Electric Cooperative, Inc. (“Hoosier Energy”), and to other public utilities that in turn supply electric utility service to numerous customers in areas not served directly by Duke Energy Indiana.

b. Joint Petitioner Indiana Gas is an operating public utility incorporated under the laws of the State of Indiana. Indiana Gas has its principal office at One Vectren Square, Evansville, Indiana 47708. Indiana Gas is a “public utility” and a “gas utility” within the meaning of those terms in Ind. Code §§ 8-1-2-1(a) and 8-1-2-87 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the laws of the State of Indiana. Indiana Gas has charter power and authority to engage in, and is engaged in, the business of rendering gas distribution service within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly acquired. Indiana Gas owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities which are used and useful for the production, storage, transmission, distribution, and furnishing of gas utility service to approximately 588,000 customers in central and southern Indiana.

c. Joint Petitioner I&M, a wholly-owned subsidiary of American Electric Power Company, Inc. (“AEP”), is a corporation organized and existing under the laws of the State of Indiana, with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M

is engaged in, among other things, rendering electric service in the States of Indiana and Michigan. I&M owns and operates plant and equipment within the States of Indiana and Michigan that are in service and used and useful in the generation, transmission, distribution and furnishing of such service to the public. I&M has maintained and continues to maintain its properties in an adequate state of operating condition. I&M supplies electric service to approximately 468,000 retail customers in northern and east-central Indiana and 129,000 retail customers in southwestern Michigan, within a service area covering approximately 4,573 square miles. In Indiana, I&M provides retail electric service to the following counties: Adams, Allen, Blackford, DeKalb, Delaware, Elkhart, Grant, Hamilton, Henry, Howard, Huntington, Jay, LaPorte, Madison, Marshall, Miami, Noble, Randolph, St. Joseph, Steuben, Tipton, Wabash, Wells and Whitley. In addition, I&M serves customers at wholesale in the States of Indiana and Michigan. I&M's electric system is an integrated and interconnected entity that is operated within Indiana and Michigan as a single utility. I&M is a "public utility" under Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. I&M is also subject to the jurisdiction of the Michigan Public Service Commission and the Federal Energy Regulatory Commission ("FERC") as to electric service provided by I&M to retail customers in Michigan and to wholesale customers, respectively.

d. Joint Petitioner Indiana Natural Gas Corporation is a corporation duly organized, and existing under and through the laws of the State of Indiana with its principal office located 1080 West Hospital Road, Paoli, Indiana 47454. Indiana Natural Gas Corporation is a public utility as defined by Ind. Code § 8-1-2-1. As such, Indiana Natural Gas Corporation is subject to the jurisdiction of the Indiana Utility Regulatory Commission. Indiana Natural Gas Corporation

owns and operates property, plant and equipment used and useful for the distribution of natural gas and rendering of service to approximately 8,000 customers in Bartholomew, Brown, Crawford, Dubois, Lawrence, Harrison and Orange Counties, Indiana.

e. Joint Petitioner IPL is a public utility corporation organized and existing under the laws of the State of Indiana with its principal office and place of business at One Monument Circle, Indianapolis, Indiana 46204. IPL is engaged in rendering electric utility service in the State of Indiana. IPL provides retail electric utility service to more than 500,000 retail customers located principally in and near the City of Indianapolis, Indiana, and in portions of the following Indiana counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Owen, Putnam and Shelby Counties. IPL is a “public utility” within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of the Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

f. Joint Petitioner Midwest Natural Gas Corporation is a corporation duly organized, and existing under and through the laws of the State of Indiana with its principal office located 101 Southeast Third Street, Washington, Indiana 47501. Midwest Natural Gas Corporation is a public utility as defined by Ind. Code § 8-1-2-1. As such, Midwest Natural Gas Corporation is subject to the jurisdiction of the Indiana Utility Regulatory Commission. Midwest Natural Gas Corporation owns and operates property, plant and equipment used and useful for the distribution of natural gas and rendering of service to approximately 14,500 customers in Daviess, Greene, Monroe, Jackson, Jennings, Knox, Orange, Scott, Clark and Washington Counties, Indiana.

g. Joint Petitioner NIPSCO is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86<sup>th</sup> Avenue, Merrillville, Indiana. NIPSCO is a wholly-owned subsidiary of NiSource Inc., an

energy holding company whose stock is listed on the New York Stock Exchange. NIPSCO is a “public utility” within the meaning of Ind. Code §8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. NIPSCO is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren and White Counties in northern Indiana. NIPSCO is also authorized by the Commission to provide natural gas utility service to the public in all or part of Adams, Allen, Benton, Carroll, Cass, Clinton, DeKalb, Elkhart, Fulton, Howard, Huntington, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Miami, Newton, Noble, Porter, Pulaski, St. Joseph, Starke, Steuben, Tippecanoe, Tipton, Wabash, Warren, Wells, White and Whitley Counties in northern Indiana. NIPSCO provides electric utility service to more than 475,000 residential, commercial, and industrial customers. NIPSCO provides gas utility service to more than 819,000 residential, commercial and industrial customers.

h. Joint Petitioners OVG are both duly organized and existing under the laws of the State of Indiana, each with its principal offices located at 111 Energy Park Drive, Winchester, Indiana. Both are public utilities as defined by Ind. Code § 8-1-2-1 and are therefore subject to regulation by the Commission in the manner and to the extent provided by the laws of the State of Indiana. OVG is authorized to and does provide gas utility service to approximately 28,800 customers in 16 counties in east central, western and southern Indiana and portions of one county in west central Ohio. It provides such gas utility service by means of utility plant, property, and equipment and related facilities owned, operated, managed and controlled by either of the two

OVG companies used and useful for the convenience of the public in the treatment, transmission, transportation, distribution and sale of natural gas.

i. Joint Petitioner SIGECO is an operating public utility incorporated under the laws of the State of Indiana. SIGECO has its principal office at One Vectren Square, Evansville, Indiana 47708. SIGECO is a “public utility,” an “electricity supplier” and a “gas utility” within the meaning of those terms in Ind. Code §§ 8-1-2-1(a), 8-1-2.3-2 and 8-1-2-87 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the laws of the State of Indiana. SIGECO has charter power and authority to engage in, and is engaged in, the business of rendering electric and gas distribution service within the State of Indiana under indeterminate permits, franchises, and necessity certificates heretofore duly acquired. SIGECO owns, operates, manages, and controls, among other things, plant, property, equipment, and facilities which are used and useful for the production, storage, transmission, distribution, and furnishing of electric utility service to approximately 146,000 customers and gas utility service to approximately 112,000 customers in southwestern Indiana.

j. Joint Petitioner Sycamore Gas is a public gas utility corporation organized and existing under the laws of the State of Indiana and has its principal office at 370 Industrial Drive, Suite 200, Lawrenceburg, Indiana 47025. It is engaged in rendering natural gas utility service in southeastern Indiana and owns, operates, manages and controls, among other things, plant and equipment within the State of Indiana used for the transportation, delivery, and furnishing of natural gas utility services to approximately 6,500 customers in Dearborn, Franklin, and Ohio Counties. Sycamore Gas is a “public utility” within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of the Commission as provided by the Public Service Commission Act, as amended, Ind. Code ch. 8-1-2.

**2. COVID-19.** The United States Secretary of Health and Human Services (HHS) declared a public health emergency on January 31, 2020, under section 319 of the Public Health Service Act (42 U.S.C. 247d), in response to COVID-19.<sup>1</sup> On March 6, 2020, Indiana Governor Eric Holcomb issued Executive Order 20-02, declaring a public health emergency in the State of Indiana as a result of the COVID-19 outbreak in Indiana, throughout the United States and worldwide. Since then, the International Health Regulations Emergency Committee of the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the President of the United States declared COVID-19 to be a national emergency and issued guidelines to protect Americans during the pandemic. States across the nation have issued unprecedented orders that have effectively shut down significant portions of the U.S. economy.

Through a series of Executive Orders, Governor Holcomb has thereafter implemented measures designed to reduce and slow the spread of COVID-19, based upon the recommendations of the Centers for Disease Control and Prevention (“CDC”) and the Indiana State Department of Health (“ISDH”). Pursuant to Executive Order 20-04, the State’s Emergency Operations Center was raised to its highest status (Level 1), the Indiana National Guard was activated and placed on duty as needed, public meetings were ordered limited, restaurants and bars were ordered closed to in-dining services, and non-essential surgical procedures were ordered postponed. The ban on restaurants and bars was extended to April 6, 2020 (by Executive Order 20-14), again to April 20, 2020 (by Executive Order 20-18), and again to May 1, 2020 (by Executive Order 20-22). The public health disaster emergency has been extended until at least June 4, 2020 (by Executive Order 20-25). In the initial days following the emergency declaration, the state and national economies ground nearly to a halt, with massive numbers of furloughs and layoffs leading to unprecedented growth in unemployment. Businesses

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<sup>1</sup> <https://www.cnn.com/2020/03/13/politics/trump-national-emergency-proclamation-text/index.htm>



have closed or, if feasible, moved operations to remote work status. Many businesses may not be in a position to re-open after the emergency recedes. Production, supply chain and markets have been disrupted; the financial markets are in turmoil. The Governor took certain actions to help Indiana residents, including a moratorium on utilities disconnecting customers for non-payment.<sup>2</sup>

**3. Executive Order 20-05.** On March 19, 2020, Governor Holcomb issued Executive Order 20-05 to address the significant economic impact from COVID-19. Executive Order 20-05 deems utility service to be essential and prohibits utilities from discontinuing their services. The Executive Order further directs that all state agencies with rulemaking power, including the Commission, are “authorized to waive, suspend, or modify any existing rule of their agency where the enforcement of which would be detrimental to the public welfare during this emergency.” Executive Order 20-05, p. 4. Pursuant to Executive Order 20-25, the actions taken by Executive Order 20-05 have been extended until at least June 4, 2020.

**4. Stay-at-Home Order.** On March 23, 2020, Governor Holcomb issued Executive Order 20-08, which was initially to be in effect from March 24, 2020 until April 6, 2020. Executive Order 20-08 required all non-essential businesses to cease all activities in the State except for “minimum basic operations.” Essential businesses, which include utilities, were ordered to maintain social distancing requirements recommended by the CDC and to maintain standards to prevent the exposure or spread of COVID-19. On March 30, 2020 Central Indiana was identified by the U.S. Surgeon General as a COVID 19 “hot spot”.<sup>3</sup> Executive Order 20-08, otherwise known as the “stay-at-home” order was later extended to April 20, 2020 (Executive Order 20-18) and again extended to May 1, 2020 (Executive Order 20-22). By Executive Order 20-16 issued on April 2, 2020, all K-12 schools were ordered closed for the balance of the 2019-

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<sup>2</sup> The Joint Petitioners all voluntarily suspended disconnections for nonpayment in advance of the Governor’s order to help their customers during these unprecedented times.

<sup>3</sup> <https://www.indystar.com/story/news/health/2020/03/30/indiana-hospitals-bracing-coronavirus-surge/5091054002/>

2020 school year (through June 30, 2020). Pursuant to Executive Order 20-25, Indiana may begin a staged and conditional approach to reducing the restrictions commencing May 4, 2020, but Marion and Lake, Counties are delayed until May 11, 2020, and Cass County until May 18, 2020. In addition, counties may continue to impose stricter restrictions indefinitely. The social distancing requirements applicable to Joint Petitioners and other essential service employers will continue and will now apply to all employers.

**5. Effect on Indiana's Customers and Utility Response.** The effect of COVID-19 and the Governor's Executive Orders has been extensive. The citizens of Indiana, including Joint Petitioners' customers, are facing significant challenges and uncertainties as they are impacted by COVID-19 and the protective actions that the state and federal governments have taken. The numerous schools and businesses ordered closed are customers of Indiana utilities, including Joint Petitioners. Many businesses have had to make difficult decisions to reduce and, in some cases, suspend their operations, which in turn has created significant financial challenges for residential customers. Although utilities, the State of Indiana, and the federal government have taken unprecedented actions to respond to this event, including those described above, it is unknown at this time how long the event will last, whether it will recur, or how significant the impact will be on Indiana customers and the utilities that provide them with essential services.

Early on, the Joint Petitioners recognized the severity of the health crisis and its economic impact on our customers. As a result, many Joint Petitioners took rapid steps to suspend customer disconnects even prior to the Governor's Executive Order requiring disconnect suspension. Further, many Joint Petitioners reconnected recently disconnected customers without the requirement for a deposit or reconnect fee. Joint Petitioners also reviewed the flexibility they had under the Indiana rules and regulations and took further action such as expanding payment

options or waiving late fees, credit card and pay station fees, and insufficient fund fees for returned checks. All of these actions are unprecedented and were made solely for the benefit of Joint Petitioners' customers.

**6. Effect on Indiana Utilities.** Joint Petitioners' utility rates are calculated based on an assumption of normal ongoing customer operations and an ongoing level of revenues from customers. However, as described above, this COVID-19 crisis and related government orders have resulted in significantly reduced load and revenues for some utilities. At the same time, the additional social distancing and other requirements to prevent the spread of COVID-19 imposed on essential businesses, including utilities, has changed the way that the utilities perform their tasks, imposing costs that are not reflected in utility revenue requirements used for setting rates. COVID-19 related expense and revenue impacts being experienced by Joint Petitioners may include but are not limited to:

a. Operations and Maintenance ("O&M") labor costs in the form of overtime, the shifting of costs from capital to O&M to maintain utility service and as a result of emergency, sick time due to prolonged illness, and employee sequestration.

b. O&M non-labor materials costs, including those for cleaning supplies, health care costs, testing and temperature checks, personal protection equipment, and equipment and supplies to enable employees to work from home.

c. Other O&M non-labor remote working-related expenses, including for expanded conference line capacity, increased network bandwidth, other required information technology improvements, expanded video conferencing licenses, and increased company cellular telephone and data usage.

- d. O&M non-labor costs associated with sequestration, including those for food, lodging, and sequestration supplies.
- e. O&M non-labor communication expenses associated with informing customers of COVID-19-related and/or government ordered changes to typical utility service or practices.
- f. Financing costs and pension expenses associated with COVID-19.
- g. Uncollectible or bad debt expense associated with customers' inability to pay utility bills.
- h. Revenue impacts due to customer load reductions and therefore lower contribution to fixed costs of the utility attributable to COVID-19 and related government orders.
- i. Revenue impacts associated with suspending disconnections; late fees, credit card fees, bad check fees, and reconnection fees; and customer deposits in response to the COVID-19 pandemic and related government orders.

Collectively, these increased expenses and reduced revenues being experienced by each Joint Petitioner are significant, outside the control of Joint Petitioners, and are having substantial adverse financial impacts upon Joint Petitioners. Further, pursuant to this Commission's duly promulgated rules, utilities are normally permitted to disconnect service for non-payment. Utilities, through Commission-approved disconnection procedures, are better able to manage their bad debt expense and other collection expenses for the collective benefit of all customers. Rate cases have approved rates designed to recover a level of bad debt and other collection expense based upon the underlying assumption that utilities will prudently exercise their rights to disconnect service for non-payment. Now that this normal operating condition has been temporarily eliminated, it should be reasonably expected that bad debt and other collection expenses for utilities will increase materially and through no fault of the utilities. In addition, it is

likely that the impacts of the COVID-19 pandemic to the broad economy could last for an extended period of time following the moratorium on disconnecting service. Indeed, the economic impacts will likely extend well beyond the end of the Governor's emergency declaration. Filing rate cases does not address these increases in expense and declines in revenues because, as the Executive Orders are temporary, it must be assumed that once the crisis has abated (whenever that is), consumption levels and expenses and operation will return to more normal levels. Further, without specific accounting treatment, the COVID-19 cost impact would be lost forever.

**7. Relief Requested.** Joint Petitioners respectfully request the following relief:

a. That the Commission issue an expeditious order authorizing them to defer, and record in Account 182.3, all expenses, costs, reduced revenues noted in paragraph 6 above, including incremental expenses, expenditures incurred and/or reduced revenues, including due to reduced customer load if applicable, from State directives or Commission orders and changed business practices resulting from the public health emergency caused by COVID-19. Due to the unprecedented nature of the COVID-19 emergency, Joint Petitioners believe accounting rules may not allow Joint Petitioners to record the COVID-19 impacts as a regulatory asset without a Commission order authorizing this treatment. If Joint Petitioners are not able to record these COVID-19 impacts as a regulatory asset, the impact will be reflected on their financial statements and could adversely impact credit metrics, over time, evaluated by ratings agencies. Access to capital might be more difficult or more expensive, particularly given utilities in other states may be perceived as less risky because such states have addressed COVID-19 related costs incurred by many other utilities.<sup>4</sup> A prompt order from the Commission authorizing, in

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<sup>4</sup> The following states have authorized utilities accounting treatment or other relief related to COVID-19 associated costs: Alaska, Arkansas, Connecticut, District of Columbia, Georgia, Illinois, Kentucky, Louisiana, Maryland,

accordance with accounting standards, the creation of a regulatory asset and the deferral of COVID-19 related expenses and reduced revenues will protect the financial health of Joint Petitioners, while allowing details and decisions about ultimate recovery of such deferred costs and revenues to be determined in subsequent proceedings.<sup>5</sup> Such an order should clearly state that the Joint Petitioners are authorized to defer for subsequent recovery costs incurred and revenues reduced and foregone as a result of COVID-19, as outlined in section 6 above.

b. In addition, separate and apart from, but on a parallel track with, the Commission's consideration and issuance of the requested deferred accounting order, Joint Petitioners seek the establishment of sub-dockets for each Joint Petitioner in which each Joint Petitioner may propose and address customer payment programs and/or the approval of bad debt tracking mechanisms, as well as seek authorization of mechanisms that permit Joint Petitioners to adjust future rates to recover deferred revenues within 24 months following the end of the period in which they are recognized, and other details related to tracking, auditing and recovering deferred amounts. Certain Joint Petitioners plan to implement new customer payment programs whereby customers with utility arrearages may make payment arrangements over longer periods than are presently used; such Joint Petitioners believe that by authorizing repayment of the amounts accruing during the period of the service termination moratorium over longer periods of time, it will reduce the financial demands on customers as they recover from these unprecedented times and customers are more likely to fully pay the arrearages. Additionally, certain Joint Petitioners may seek approval of bad debt trackers whereby changes in bad debt

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Michigan Minnesota, Mississippi, Nevada, Ohio, Oklahoma, Rhode Island, South Carolina, Texas, Virginia, Wisconsin and Wyoming.

<sup>5</sup> A mechanism that permits adjustment of future rates and meets other requirements consistent with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 980-605 is necessary in order to enable public utilities to defer foregone revenues; a simple deferral authorization without establishing a clear recovery mechanism is insufficient.

expense can be reflected on a timely basis in rates. These new trackers would work in tandem with the arrearage repayment programs in that, as customers ultimately repay the amounts previously expensed, such repayments will help mitigate the increase to bad debt expense reflected in the trackers over time.

Without the relief sought herein, the adverse financial impact of COVID-19 on Joint Petitioners would become permanent and would, in turn, adversely impact Joint Petitioners' financial well-being and ability to attract capital on reasonable terms. As such, the relief requested in this Cause is necessary in pursuit of the public health, as maintaining strong and viable utilities is critical to the State's public health. Pursuant to Executive Order 20-05, Joint Petitioners therefore request that the Commission waive, suspend, or modify any existing rule where the enforcement of such would be detrimental to implementation of Joint Petitioners' proposals.

Granting the requested deferral authority will encourage Joint Petitioners to continue taking proactive steps to provide relief to customers while appropriately preserving its financial integrity during this time when the provision of essential utility service is of paramount importance. The Commission should encourage utilities to take such actions and provide relief to customers, but in ways that do not sacrifice utility cash flows and financial strength. Granting the requested deferrals will provide such encouragement, for the benefit of customers, without the need for immediate rate impacts.

**8. Proposed Tracks.** As outlined in Paragraph 7 above, Joint Petitioners propose that this proceeding move forward on two separate tracks. The first track should be limited to obtaining expeditious general authority for all Joint Petitioners to defer and record in Account 182.3 for future recovery the incremental expenses, including bad debt expense incurred, and

reduced revenues, including waiver of late fees and reductions due to reduced customer load if applicable, from State directives or Commission orders and changed business practices resulting from the public health emergency caused by COVID-19. Joint Petitioners request that this first track proceed expeditiously so that an order can be issued granting this relief before July 15, 2020. Joint Petitioners recognize that this may require a hearing to be conducted remotely and explicitly consent to a remote hearing if necessary. Joint Petitioners will file, within the next few days, affidavits summarizing the nature and extent of the COVID-19 related incremental expenses and reduced revenues each Joint Petitioner is experiencing. At the same time, the Commission should establish individual sub-dockets for each Joint Petitioner, and in a second track of this proceeding, each Joint Petitioner may propose and address in its individual sub-docket proceeding arrearage repayment programs, bad debt trackers, the authorization of mechanisms consistent with ASC 980-605 for recovery of deferred revenues, and other details related to tracking, auditing and future recovery of deferred amounts.<sup>6</sup>

**9. Applicable Law.** Joint Petitioners consider the provisions of the Public Service Commission Act, as amended, may be applicable to this proceeding, including Ind. Code §§ 8-1-2-10, -12, -14 and -42(a), among others, as well as Governor Holcomb's Executive Orders 20-05 and 20-25.

**10. Joint Petitioners' Counsel.** Joint Petitioners' duly authorized representatives to whom all correspondence and communications in this Cause should be sent are:

*For Duke Energy Indiana:*

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<sup>6</sup> Joint Petitioners are differently situated in terms of rate design, costs recovered through existing mechanisms and rate case timing. These distinctions will warrant different approaches for recovery of the costs.



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**11. Prehearing Conferences and Preliminary Hearing Requested.** Joint Petitioners request that the Commission promptly conduct a preliminary hearing addressing the deferral

authority request (Track 1) and enabling IURC to issue an order authorizing deferral by July 15, 2020. Joint Petitioners also request that the Commission promptly issue an order establishing sub-dockets for each Joint Petitioner for Track 2. Joint Petitioners further request that the Commission conduct prehearing conferences to establish procedural schedules for the Track 2 sub-dockets.


WHEREFORE, Joint Petitioners request that the Commission promptly conduct a preliminary hearing that will enable the Commission expeditiously to issue an order authorizing Joint Petitioners to defer and record in Account 182.3 for future recovery the incremental expenses, expenditures incurred and/or reduced revenues, including those due to reduced customer load if applicable, from State directives or Commission orders and changed business practices resulting from the public health emergency caused by COVID-19 no later than July 15, 2020. Joint Petitioners further request that the Commission establish sub-dockets for each Joint Petitioner to expeditiously consider and, to the extent necessary, conduct evidentiary hearings and thereafter issue orders:

- (a) Addressing payment plans over time of past due bills if so requested;
- (b) Approving the implementation of bad debt trackers whereby the changes in bad debt expense (as offset by payments received pursuant to the payment program) can be promptly reflected in rates if so requested;
- (c) Addressing timing, tracking, and documentation requirements for the future recovery of the COVID-19 regulatory asset; and
- (d) making such further orders and providing such further relief to Joint Petitioners as may be appropriate.

[Signatures to Follow]

Dated this 8<sup>th</sup> day of May, 2020

NORTHERN INDIANA PUBLIC SERVICE  
COMPANY LLC

By: \_\_\_\_\_

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Dated this 8<sup>th</sup> day of May, 2020

DUKE ENERGY INDIANA, LLC

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Melanie D. Price, Atty. No. 21786-49

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Dated this 8<sup>th</sup> day of May, 2020

INDIANA GAS COMPANY and SOUTHERN  
INDIANA GAS & ELECTRIC COMPANY D/B/A  
VECTREN ENERGY DELIVERY OF INDIANA,  
INC.

By: R. Jason Stephenson

Jason Stephenson (No. 21839-49)

Heather Watts (No. 35482-82)

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Dated this 8th day of May, 2020

INDIANA NATURAL GAS and MIDWEST  
NATURAL GAS

By:  \_\_\_\_\_

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Dated this 8th day of May, 2020

INDIANA MICHIGAN POWER COMPANY

By:  \_\_\_\_\_

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Dated this 8th day of May, 2020

INDIANAPOLIS POWER & LIGHT COMPANY



By: \_\_\_\_\_

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Dated this 8<sup>th</sup> day of May, 2020

OHIO VALLEY GAS CORP. AND OHIO  
VALLEY GAS, INC.

By: Clayton C. Miller

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Dated this 8<sup>th</sup> day of May, 2020

SYCAMORE GAS COMPANY

By:  \_\_\_\_\_

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**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

  
\_\_\_\_\_  
Signature

Michael Hooper  
\_\_\_\_\_  
Printed Name

Senior Vice President, Regulatory, Legislative  
Affairs and Strategy  
\_\_\_\_\_  
Printed Title

Northern Indiana Public Service Company LLC  
\_\_\_\_\_  
Printed Company Name(s)

**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

Stan Pinegar  
Signature

Stan Pinegar  
Printed Name

President  
Printed Title

Duke Energy Indiana, LLC  
Printed Company Name(s)

**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

P. Jason Stephenson  
Signature

P. Jason Stephenson  
Printed Name

Vice President, Associate General Counsel, Regulatory  
Printed Title Legal


Indiana Gas Company, Inc. and

Southern Indiana Gas and Electric Co.  
Printed Company Name(s)

**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: 5/8/20

  
\_\_\_\_\_  
Signature

David A. Osmon  
\_\_\_\_\_  
Printed Name

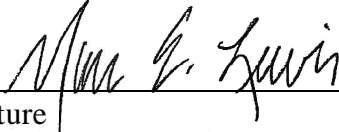
President  
\_\_\_\_\_  
Printed Title

Midwest Natural Gas Corporation  
INDIANA Natural Gas Corporation  
\_\_\_\_\_  
Printed Company Name(s)

**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

  
\_\_\_\_\_  
Signature

Marc E. Lewis  
\_\_\_\_\_  
Printed Name

Vice President, Regulatory & External Affairs  
\_\_\_\_\_  
Printed Title


Indiana Michigan Power  
\_\_\_\_\_  
Printed Company Name(s)



**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

  
\_\_\_\_\_  
Signature

Justin Sufan  
\_\_\_\_\_  
Printed Name

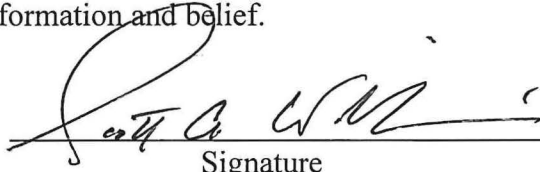
Director, Regulatory & RTO Policy  
\_\_\_\_\_  
Printed Title

Indianapolis Power & Light Company  
\_\_\_\_\_  
Printed Company Name

**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

  
\_\_\_\_\_  
Signature

Scott A. Williams  
Printed Name

Executive Vice President and General Manager  
Printed Title

Ohio Valley Gas Corp. & Ohio Valley Gas Inc.  
Printed Company Name(s)

**VERIFICATION**

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Date: May 8, 2020

John T. Stenger  
Signature

John T. Stenger, P.E.  
Printed Name

President and General Manager  
Printed Title

Sycamore Gas Company  
Printed Company Name(s)

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Verified Joint Petition was served via electronic transmission, upon the following:

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Dated this 8<sup>th</sup> day of May, 2020

  
\_\_\_\_\_  
Kay E. Pashos

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*Attorney for one of the Joint Petitioners*