

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

FILED  
July 26, 2021  
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 )  
SUBDOCKETS 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  
(Consolidated under  
Cause No. 45380)

PETITION OF INDIANA OFFICE OF UTILITY CONSUMER )  
COUNSELOR FOR GENERIC INVESTIGATION INTO COVID- )  
19 IMPACTS TO BE CONDUCTED OVER TWO PHASES; )  
EMERGENCY RELIEF PURSUANT TO IND. CODE § 8-1-2-113 )  
TO RELIEVE INDIANA RATEPAYERS OF THE THREAT OF )  
UTILITY SERVICE DISCONNECTION AND PAYMENT )  
ARREARAGES DURING GLOBAL HEALTH AND ECONOMIC )  
CRISIS )

CAUSE NO. 45380

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR’S NOTICE PURSUANT TO  
JULY 7, 2021, DOCKET ENTRY**

The Indiana Office of Utility Consumer Counselor (“OUCC”), by counsel, hereby files its Notice in response to the Presiding Officers’ July 7, 2021, Docket Entry (the “Docket Entry”) in this Cause. In pertinent part, the Docket Entry states:

To the extent any party believes there are COVID-19 related issues that remain to be determined in Phase 2, the party shall file, on or before July 26, 2021, a notice

under this consolidated Cause identifying and explaining the issue(s) it believes remains to be addressed in Phase 2. If no filings are received, the reporting requirements currently imposed under this consolidated Cause will be terminated, and this docket will be closed.

In making its response, the OUCC conferred with utility counsel on the issues relevant to the Docket Entry. The below response indicates the areas in which the OUCC and certain utilities agree. The OUCC responds as follows:

**In lieu of Phase 2 subdockets, utilities should defer COVID cost recovery for consideration in its next base rate case**

The Commission's June 29, 2020, Phase 1 order in this Cause ("Phase 1 order") approved regulatory accounting treatment for all jurisdictional Indiana utilities related to "impacts directly associated with any prohibition on utility disconnection, collection of certain utility fees (i.e. late fees, convenience fees, deposits, and reconnection fees), and the use of expanded payment arrangements, as well as COVID-19 related uncollectible and incremental bad debt expense." (Order at 9 – 10.) The Commission further found that "[s]uch regulatory accounting authority may include costs incurred beginning March 6, 2020, the date of Governor Holcomb's emergency declaration." (Order at 8.) The Commission determined that "[g]iven the limited accounting authority authorized herein, we see no reason to include any carrying/finance costs associated with those deferrals." (Order at 8.) Footnote 10 of the Commission's Phase 1 Order also clarified the scope of regulatory deferral authority it authorized by stating, "Impacts, if any, related to the exclusion of late fees may be recorded, but utilities may not record or recover late fees not assessed."

The OUCC stands ready to evaluate whether requests for cost recovery comply with the accounting authority authorized in the Commission's Phase 1 order. However, customers would be best served if Indiana utilities defer authorized COVID regulatory assets, consistent with the Commission's Phase 1 order, until the utility's next base rate case, at which time all aspects of the utility's operations

and financial health can be reviewed for purposes of setting its base rates, including whether the utility reasonably pursued available COVID relief funding and made prudent cost control decisions. The responses to the Commission's July 2020 information request<sup>1</sup> show that, even as the effects of the pandemic were only beginning to unfold, many utilities could identify both potential opportunities for cost savings and some actual savings to date. The OUCC would expect that, as the pandemic progressed and its impacts became more known, utilities took prudent action to curtail expenses where possible while maintaining safe and reliable utility service to its customers.

The OUCC has conferred with counsel for AES Indiana, CenterPoint, Duke Energy Indiana, Indiana Michigan Power Company, Northern Indiana Public Service Company LLC, Indiana Natural Gas Corp., Midwest Natural Gas Corp., Ohio Valley Gas Corp., Ohio Valley Gas, Inc., and Sycamore Gas Corp. and confirmed that these utilities do not have Phase 2 issues to address.

Should the Commission determine that Phase 2 subdockets will proceed, utilities must file evidence showing all cost savings and COVID financial relief. Any Phase 2 subdocket should follow the standard the Commission set forth in its Phase 1 decision not to approve the Joint Utility Petitioners'<sup>2</sup> request for regulatory authority related to increased operation and maintenance<sup>3</sup> ("O&M") and pension expense:

At this time, we lack sufficient evidence demonstrating these expenses have created or will create any substantial financial burden on the utility or that the expenses are in any way so significant as to warrant extraordinary relief. Without knowing the extent of the financial impact, it is difficult to balance the interests of the utility and its customers. And because deferred regulatory accounting carries with it a presumption of cost recovery, if reasonable and prudent, we must be cautious in authorizing utilities that extraordinary relief. Consequently, we find

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<sup>1</sup> The Commission requested parties provide information relating to, among other things, "Actual and/or potential cost savings associated with impacts due to COVID-19" and "Actual and/or potential external sources of revenue that may provide reimbursement for COVID-19-related expenses." May 27, 2020 Order at 4 – 5.

<sup>2</sup> Duke Energy Indiana, LLC., Indiana Gas Company, Inc., Indiana Natural Gas Corporation, Indiana Michigan Power Company, 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 Co., and Sycamore Gas Company.

<sup>3</sup> The Commission also denied Joint Utility Petitioners' request for authority to defer and recover "lost revenues." (Order at 10.)

this request is better addressed in Phase 2 and/or through an individual utility's request for a subdocket wherein evidence of the impact of any costs or offsetting savings can be presented and considered in an evidentiary hearing. (Order at 8.)

Finally, as supported with more detail below, while sizeable progress in Indiana's recovery from the effects of the COVID-19 pandemic has been made, many utility customers continue to face COVID-related economic and health challenges. As such, the Commission should encourage utilities to continue offering flexible payment arrangements to its customers that allow for 6 to 12-month payment terms to avoid disconnection for non-payment when possible.

### **Streamlined reporting requirements should remain through year-end 2021**

Indiana's state agencies continue to monitor the effects of the pandemic by collecting relevant data. The Indiana State Department of Health ("ISDH") continues to update its COVID dashboard, tracking new COVID cases, hospitalizations, and deaths.<sup>4</sup> It is also tracking Indiana's progress with vaccinating eligible people for COVID-19.<sup>5</sup> While some of the Governor's COVID-19 directives have been rescinded, the public health emergency in Indiana continues with several temporary measures in place to address it.<sup>6</sup>

COVID cases across the country are on the rise, mainly affecting non-vaccinated individuals.<sup>7</sup> ISDH shows that, as of the date of this filing, 50.1% of Indiana's age 12+ population is fully vaccinated against COVID-19.<sup>8</sup> Given the status of vaccinations in the State and continuing spread of more transmissible variants of the COVID-19 virus, Indiana's public health remains in an uncertain position, making access to safe and reliable utility service even more critical. The difficult economic conditions caused by the pandemic persist and could potentially worsen when the federal eviction moratorium

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<sup>4</sup> <https://www.coronavirus.in.gov/2393.htm>.

<sup>5</sup> <https://www.coronavirus.in.gov/vaccine/2680.htm>.

<sup>6</sup> <https://www.in.gov/gov/newsroom/executive-orders/>.

<sup>7</sup> <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/covidview/index.html>.

<sup>8</sup> <https://www.coronavirus.in.gov/vaccine/2680.htm>.

expires at the end of July, leaving many to contend with overdue rent bills that could lead to losing their homes.<sup>9</sup>

In recognition of these facts, in order to remain apprised of how utility operations are performing and how customers are faring, the Commission should require monthly reports from the six largest Joint Utility Petitioners (Duke Energy Indiana, LLC., Indiana Gas Company, Inc., Indiana Michigan Power Company, AES Indiana (Indianapolis Power & Light Company), Northern Indiana Public Service Company LLC, and Southern Indiana Gas & Electric Co.) within this docket. To gain insight into water operations within the State, the Commission should require Indiana American Water Company to also submit this information in a monthly report. These reports should be streamlined to include only the following data points, disaggregated for LIHEAP and non-LIHEAP customers, where possible:

- (1) Number of accounts by customer class;
- (2) Number and total value of accounts 90+ days past due for residential and commercial customers;
- (3) Number and total value of accounts in payment plans for residential and commercial customers;
- (4) Number and total value of payment arrangements in default for residential and commercial customers;
- (5) Amounts of all other deferred O&M expenses by expense type;
- (6) Number of account disconnections for non-payment for residential and commercial customers; and
- (7) Number of account reconnections, following disconnection for non-payment, for residential and commercial customers.

Requiring streamlined reports from Indiana's largest jurisdictional utilities through December 31, 2021, would not be burdensome or wasteful. Indeed, in order to discharge its Ind. Code § 8-1-2-4 duty of ensuring that public utilities provide reasonably adequate service and facilities at just and reasonable rates, the Commission must be informed as to how customers and utilities are being impacted by the ongoing COVID pandemic, regardless of whether utilities intend to seek recover of any COVID-related expense. Reducing the reporting requirements to these seven items while also clarifying the specific

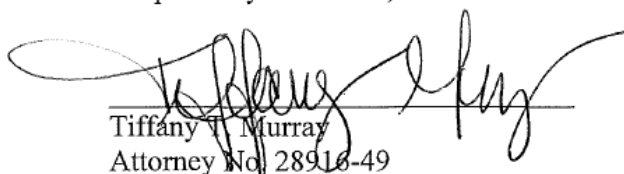
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<sup>9</sup> <https://www.nbcnews.com/politics/politics-news/federal-eviction-moratorium-set-expire-states-offer-patchwork-protections-n1273408>.

utilities from which reports are required serves to minimize the administrative burden on all parties and also provides the Commission and the public with data critical to monitoring the continuing impacts of the COVID pandemic.

The six Joint Utility Petitioners listed above have agreed to making these reports through December 31, 2021, in recognition that the above reporting requirements do not expand upon any of the previously required reporting and do not require anything these utilities were not already reporting. Counsel for Indiana American Water Company states that it may continue to provide its monthly reports voluntarily. These continuing reporting requirements should terminate as of December 31, 2021, unless a party requests, and the Commission approves, further continuation of such.

Respectfully submitted,



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## CERTIFICATE OF SERVICE

This is to certify that a copy of the *Utility Consumer Counselor's Notice Pursuant to July 7, 2021*, **Docket Entry** has been served upon the following parties of record in the captioned proceeding by electronic service on July 26, 2021.

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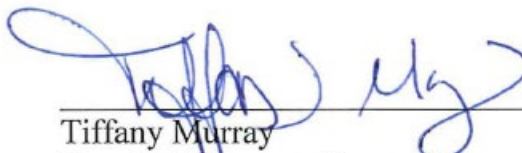
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