FILED
August 7, 2020
INDIANA UTILITY
REGULATORY COMMISSION

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 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 MOTION TO EXTEND CUSTOMER PAYMENT ARRANGEMENTS AND ENHANCE UTILITY REPORTING REQUIREMENTS

In light of Governor Holcomb's recent statement indicating that Indiana's moratorium on utility disconnection for non-payment will not be renewed, the Indiana Office of Utility Consumer Counselor ("OUCC"), by counsel, respectfully requests the Indiana Utility Regulatory

Commission ("Commission") order jurisdictional utilities to extend customer payment arrangements to a minimum of twelve months for arrearages through December 1, 2020. The OUCC also seeks additional reporting requirements to allow for Commission oversight of utility disconnections and assessment of various fees, once resumed, as well as the expansion of reporting requirements, currently limited to those utilities intending to participate in Phase 2 of this proceeding, to all Indiana jurisdictional utilities. In support of this Motion, the OUCC states as follows:

1. The COVID-19 pandemic continues to impact Indiana's public health and economy. Acknowledging "a rise in COVID-19 positivity across the state" at page two, Governor Holcomb's July 30, 2020 Executive Order 20-39 extends, for the second time, Stage 4.5 of Indiana's "Back on Track" reopening plan. As of the beginning of July, national unemployment was 11.1%, with Indiana's unemployment rate at 11.2%. The federal supplemental unemployment benefits expired at the end of July and have not yet been renewed. At the same time, a number of school districts across Indiana have made the decision to either delay the start of in-person classes, are offering virtual learning in addition to in-person classes, or are opting to have virtual learning only. Many parents will not be able to return to work if their children do not return to the classrooms. Governor Holcomb stated at his August 5, 2020 COVID-19 press conference that the moratorium on utility disconnections will expire on August 14. He also stated, "But I don't want this lost; here's the most important thing: We do have programs and funding and resources to help residents who are in need, who need to have access and who qualify to funding and to payment plans." In the near term, customers will need access to meaningful assistance to avoid disconnection from critical utility services and long-term management of arrearages.

2. Indiana utilities have begun to submit reports and information showing the impact of the COVID-19 pandemic on utility customers and utility operations. However, due to missing data, inconsistencies, and vagaries, the utility data submitted to date does not paint a clear picture of that impact. For example, the reports submitted by the five largest investor-owned energy utilities in response to the Commission's July 15, 2020 docket entry indicate that 42,180 of their customers or customer accounts would be eligible for disconnection if the moratorium were lifted on August 14, 2020. The 42,180 figure is based on NIPSCO's supplemental response made on August 4, 2020, which reduced its number of accounts eligible for disconnection from 279,909 to 14,260. The significant adjustment made by this supplemental response calls into question the reliability of the reported utility data. Standardization of the Commission's definitions of the requested utility data could serve to improve the quality of the responses. Moreover, several other utilities provided no response to the Commission's July 15, 2020 docket entry, while many more, including several municipal and not for profit utilities, as well as Citizens Energy Group and Indiana-American Water Company, provided an incomplete response that did not state the number of customers eligible for disconnection or the dollar amount associated with those customer arrearages. Until confidence can be found in the utilities' responses and complete information can be gathered, the true impact of the COVID-19 pandemic on utility customers cannot be firmly understood.
3. Taken at face value, some of the detailed data in the monthly reports filed by Indiana's five largest energy investor-owned utilities show a concerning trend, namely that enrollment in customer payment arrangements is very low compared to the same period in 2019 even though customer arrearages are higher:

Utility	Accounts/ Customers 60+ days delinquent June 2020	60+ Day Amount Delinquent June 2020	Accounts/ Customers 60+ Days Delinquent June 2019	60+ Day Amount Delinquent June 2019	Accounts/ Customers Payment Plans June 2020	Accounts/ Customers Payment Plans June 2019	% of 60+ day Delinquent Customers/Accounts On Payment Plans June 2020
Duke Energy	56,780	$11,480,372	46,770	$7,225,601	2,301	9,569	4.05%
Vectren North	15,439	$2,495,660	14,543	$1,834,323	2,804	1,977	18.16%
Vectren South (electric and gas)	5,338	$1,898,121	3,991	$1,099,432	1,070	1,249	20%
I&M	32,461	$9,630,813	18,139	$1,750,949	3,032	2,733	9.3%
IPL	90,828	$14,446,130	66,716	$7,201,623	8,286	21,018	9.1%
NIPSCO (electric and gas)	142,600	$21,488,813	114,839	$9,031,910	3,094	13,562	2.17%

While enrollment in payment arrangements improved for some in July[1], it would be impossible to rule out the disconnection moratorium as a contributing factor to the lower number of payment arrangements. However, utility reports also show that certain Indiana utilities continue to offer three-month payment arrangements, including Duke Energy and IPL. Three-month payment arrangements are inconsistent with the Commission's June 29, 2020 Order[2] and could also be contributing to the low enrollment in payment arrangements. More favorable payment arrangement terms, including an extended payment duration, are an essential part of helping customers manage their arrearages and mitigating a utility's incremental bad debt expense. While the role of the moratorium is a factor, the low number of payment arrangements could equally reflect economic uncertainty in general as well as a common inability to make payments amortized over only six months.

[1] For example, IPL's July 27, 2020 submission at 9 states, "Since offering extended payment arrangements beginning July 18th through July 26th, IPL is seeing a 200% increase in the number of accounts enrolling in payment arrangements over the same time period in June."

[2] "At minimum, jurisdictional Indiana utilities shall offer payment arrangements with a period of at least six months from the expiration of the moratorium over which arrearages may be paid." (Order at 5.)

4. Indiana has taken the position that its response to the pandemic should be flexible and be based on complete, consistent, and current data. Utilities are only starting to provide reports that offer insight into their current operations, and the data received to date has not yielded reliable results. As utility disconnections are allowed to resume, the Commission should expand its required reporting requirements to include, at minimum, data on the number of disconnections and reconnections by customer class per month (including the same data for the same month in the prior year), as well as data showing the amount of late fees, convenience fees, customer deposits, and reconnection fees assessed and collected from customers. These data points, in addition to the monthly reporting items listed on page 5 of the Commission's May 27, 2020 Order should be required to be submitted by all Indiana jurisdictional utilities, not just those that intend to participate in Phase 2 of this Cause. These reports should be required to be filed with the Commission until August 31, 2021. It is reasonable to predict that the economic impact of the pandemic will continue with new challenges even after the number of cases drops. To assess the current impact of the pandemic on Indiana utility customers, the Commission should have accurate and complete data from all utilities within its jurisdiction.
5. Continuing to allow short-term payment arrangements only exacerbates what is an extraordinarily challenging and complex crisis that families and businesses are being forced to navigate. To address the ongoing impact of the COVID-19 pandemic on utility customers, the Commission should order minimum payment arrangements of at least twelve months and make them available for arrearages through December 1, 2020 for all customer classes. Payment arrangements offer a critical form of customer assistance, particularly as disconnections are permitted to resume. Many of the utilities that responded

to the Commission's July 15, 2020 docket entry stated they are already offering twelve month payment arrangements, including: Auburn Municipal Electric, Bloomington Municipal Water, Citizens Energy Group, Indiana American Water Company, IPL, NIPSCO (for LIHEAP-eligible customers), and South Bend Municipal Water. During this time of unprecedented economic hardships for their customers, utilities should be encouraged to offer creative, customer-focused solutions to encourage participation in payment arrangements, including discounts on total balances, automatic enrollment in payment arrangements when a customer's arrearage reaches a certain level, and generous missed payment terms. Customers may be more likely to enroll in payment arrangements if the terms provide for a timeframe over which customers can practically manage minimum payments. Favorable terms for customer payment arrangements serve to mitigate the system-wide burden that could result from increased incremental bad debt expense as a result of the COVID-19 pandemic.

WHEREFORE, the OUCC respectfully requests that the Commission promptly enter an order consistent with the OUCC's request in Paragraph 4 and 5 of this Motion and grant such other and further relief as may be appropriate and proper.

Respectfully submitted,

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Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the ***Utility Consumer Counselor's Motion to Extend Customer Payment Arrangements and Enhance Utility Reporting Requirements*** has been served upon the following parties of record in the captioned proceeding by electronic service on August 7, 2020.

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