

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) CAUSE NO. 45377
COMPANY FOR (1) AUTHORITY FOR ALL JOINT) (Consolidated under
PETITIONERS TO DEFER AS A REGULATORY ASSET) Cause No. 45380)
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)

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) CAUSE NO. 45380
TO RELIEVE INDIANA RATEPAYERS OF THE THREAT OF)
UTILITY SERVICE DISCONNECTION AND PAYMENT)
ARREARAGES DURING GLOBAL HEALTH AND ECONOMIC)
CRISIS)

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR’S REPLY TO JOINT
UTILITIES’ AND CITIZENS ENERGY GROUP’S RESPONSES TO OUCC’S
OCTOBER 7, 2020 MOTION**

The Indiana Office of Utility Consumer Counselor (“OUCC”), by counsel, hereby files its reply to the October 12, 2020 Responses filed by the Joint Utilities and Citizens Energy Group

(“Citizens”) in response to the OUCC’s October 7, 2020 Motion in this Cause. The OUCC replies as follows:

The Joint Utilities¹ do not contradict the concerning economic statistics included in the OUCC’s Motion. Yet the Joint Utilities oppose the OUCC’s request to continue the temporary suspension of late fees, deposits, and disconnection/reconnection fees for residential customers. They assert that continuing the suspension of these fees “would upset the careful balance struck by the Commission’s previous orders” but they fail to consider the role that this temporary fee suspension could play in helping customers to ultimately pay off their outstanding utility balances, thereby reducing a utility’s incremental bad debt expense. Burdening struggling ratepayers with fees - particularly late fees, which are not associated with a direct utility cost - will only make it more difficult for customers to stay current on their bills. Indiana may be at Stage 5 of its reopening, but many customers have only started to find footing beneath them, and some may face additional economic hardship as temperatures drop. Proactive regulatory action is needed to head off this burgeoning crisis.

The Joint Utilities’ Response also states that “if the Commission finds it appropriate, the Joint Utilities are agreeable to extending the availability of customer payment arrangements for residential customers (a minimum of six (6) months) beyond the holidays, through December 31, 2020.” The OUCC believes extended payment arrangements are appropriate given the present circumstances and, as such, appreciates the Joint Utilities’ expression of agreement. As to the Joint Utilities’ distinction between residential and non-residential customers, their Response does not offer any substantive reason for distinguishing between residential and non-residential customers

¹ 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, Ohio Valley Gas Corp. and Ohio Valley Gas Inc., Southern Indiana Gas & Electric Co., and Sycamore Gas Company.

for purposes of extending this consumer benefit through December 31, 2020. Businesses, particularly small businesses, continue to be negatively affected by the pandemic. For example, a recent survey of Indiana restaurant operators showed that 41% of operators state it is unlikely their restaurant will still be in business six months from now if business conditions continue at current levels.² Current conditions continue to require non-discriminatory payment arrangements with a minimum term of 6 months for all unpaid balances.

The Joint Utilities' Response does not inform the Commission as to how they are implementing payment arrangements, such as whether payment plans are being offered with low or no deposits and/or whether each utility plans to disconnect a customer for missing a payment under the arrangement terms. Again, they simply reject this recommendation with no substantive justification. Given the unprecedented financial challenges now facing customers, utilities should be implementing payment plans that allow for flexibility and ease of entry. Flexible payment plans help the customer and help the utility manage its incremental bad debt expense, which serves to reduce the potential burden on all customers. In its October 9, 2020 docket entry, the Commission stated it:

[E]ncourage[s] utilities to continue offering flexible payment arrangements (not just the minimum required by the Commission's rules) as well as other additional customer protections and payment arrangements that were identified in the utilities' filings under this Cause, such as use of deposits to pay existing balances, no limits on the number of payment arrangements for customers that have fallen in arrears, and small required payments of outstanding balances.

Absent a requirement formally imposed by Commission order, as requested in the OUCC's Motion, customers must navigate through the discretionary offerings of their utilities, which can be modified or removed entirely at the utility's whim. Customers continue to experience

² <https://www.indystar.com/story/news/local/indianapolis/2020/09/23/many-indiana-restaurants-dont-think-theyll-survive-next-six-months/350200001/>.

significant financial and public health challenges during this time. Consistent utility practices that recognize the realities of this current environment are in the public interest.

Throughout this Cause, the Commission has made it clear that the COVID-19 pandemic is an evolving situation that requires iterative review and updates as circumstances change. Citizens' Response seeks to keep the Commission in the dark with respect to critical information not just related to potential future cost recovery, but data relevant to current utility operations and customer conditions during this public health emergency. In its May 27, 2020 Order, the Commission requested information from the Joint Utility Petitioners, OUCC, and any other party wishing to do so. It made this information request "[i]n an effort to better understand the impact that COVID-19 is having on jurisdictional Indiana utilities and their customers as well as the anticipated timing for addressing Phase 2 issues" It also stated:

The information requested below is not be considered an exhaustive list and may be supplemented by additional requests through docket entries in this proceeding. The Commission is charged with the duty of ensuring that public utilities provide reasonably adequate service and facilities at just and reasonable rates. Ind. Code § 8-1-2-4. The Commission anticipates many impacts of the COVID-19 pandemic may not be fully understood for months, if not years, as the effect is ongoing.

The Commission also explained in its Second Interim Emergency Order (August 12, 2020) that it would continue to monitor the filings of the jurisdictional utilities and customer complaints of both jurisdictional and non-jurisdictional utilities, adding that "because of the ongoing nature of the emergency and pandemic, this Order remains subject to further revision, either on the Commission's own initiative or at a party's request, should circumstances change that warrant additional action." The OUCC's Motion is explicitly contemplated by the Commission's August 12, 2020 Order. The OUCC asks the Commission to revise the reporting requirements set by the May 27, 2020 Order.

COVID-19 and the effects of the pandemic are still with us, and rather than being alleviated, the economic effects in Indiana, to the extent known, are persisting and progressing. The OUCC's Motion noted that Indiana's utility disconnection moratorium expired on August 14, 2020 and the utility reports recently submitted, which included data through August 31, 2020, is the first indication of how the expiration of the moratorium is affecting customers and utilities. By and large, these reports show that customer enrollment in payment arrangements increased during the month of August. Now that disconnections have been allowed to resume and customers are making use of payment arrangements in greater numbers, utility operations in Indiana are in a new phase. Now is the appropriate time to revise the Commission's prior Order to address this new phase.

Citizens does not, in any substantive way, address or respond to that information. Rather, Citizens repeats the procedural defense that the OUCC is really filing an untimely Petition for Reconsideration. As to the substance of the OUCC's Motion, Citizens responds with the conclusory statement that "nothing has changed that makes it necessary to now extend to all jurisdictional Indiana utilities reporting requirements that previously applied only to utilities that intend to seek rate relief." An increase in the reported number of customers seeking payment arrangements is not nothing, particularly when disconnections can be performed if terms are not met. This warrants expanding existing data points to all utilities subject to the Commission's jurisdiction, including those owned and operated by the Citizens Energy Group, not just those that have already formed the intent to seek Phase 2 relief.

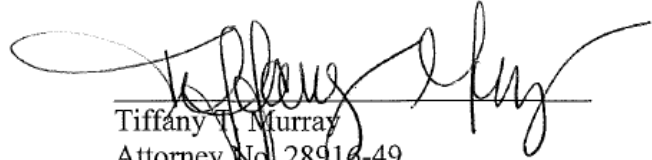
Citizens' Response incorrectly assumes that the monthly reporting requirements set in the Commission's May 27, 2020 Order only relate to potential future cost recovery. In fact, the data points included in the monthly utility reports provide direct insight into the status of current utility

operations and how customers are faring during the COVID-19 crisis. For example, the number of accounts in arrears indicates how many of a utility's customers could face potential disconnection while the accounts receivable balances associated with those arrearages can indicate the average arrearage owed by a customer. This information is critical in determining what kind of payment arrangement terms will set customers up for successful payoff of outstanding balances to avoid disconnection. Data showing the number of active payment plans and those that are in default provide similar insight into those customers who are now working to pay both current and past bills are managing. Monitoring the state of current utility operations during a public health emergency is central to the Commission's regulatory charge and is in the public interest.

To protect ratepayers and provide appropriate regulation of utilities and make proactive decisions are in the public interest, the Commission requires accurate and complete data and the broadest information within its jurisdiction. At this time, only some gas and electric utilities in Indiana submit these monthly utility reports, providing the Commission with no insight into how water and wastewater customers are navigating the current crisis. Broadening the number of utilities providing the existing data points is a reasonable response to the latest information the Commission has been provided. Contrary to Citizens' argument, this request is not prohibited by the Commission's Second Interim Emergency Order.

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

Respectfully submitted,



Tiffany T. Murray
Attorney No. 28916-49
Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the *Utility Consumer Counselor's Reply to Joint Utilities' and Citizens Energy Group's Responses to OUCC's October 7, 2020 Motion* has been served upon the following parties of record in the captioned proceeding by electronic service on October 15, 2020.

Duke Energy Indiana:

Kelley A. Karn
Melanie D. Price
DUKE ENERGY BUSINESS SERVICES LLC
kelley.karn@duke-energy.com
melanie.price@duke-energy.com

Industrial Group:

Joseph Rompala
Todd A. Richardson
LEWIS & KAPPES, P.C.
JRompala@lewis-kappes.com
TRichardson@lewis-kappes.com
etennant@lewis-kappes.com
atyler@lewis-kappes.com

Indiana Natural Gas and
Midwest Natural Gas:

L. Parvin Price
BARNES & THORNBURG LLP
Parvin.Price@btlaw.com

I&M:

Jeffrey M. Peabody
BARNES & THORNBURG LLP
jpeabody@btlaw.com

Marc Lewis
AEP
melewis@aep.com

IPL:

Teresa Morton Nyhart
BARNES & THORNBURG LLP
tnyhart@btlaw.com

Indiana Gas and SIGECO:

Jason Stephenson
Heather Watts
Justin Hage
CENTERPOINT ENERGY, INC.
Jason.Stephenson@centerpointenergy.com
Heather.Watts@centerpointenergy.com
Justin.Hage@Centerpointenergy.com

Sycamore Gas:

Kay E. Pashos
ICE MILLER LLP
kay.pashos@icemiller.com

Aqua Indiana

Mark R. Alson
ICE MILLER LLP
mark.alson@icemiller.com

NIPSCO:

Robert E. Heidorn
NISOURCE CORPORATE SERVICES
rheidorn@nisource.com
demccall@nisource.com

Nicholas K. Kile
BARNES & THORNBURG LLP
Nicholas.kile@btlaw.com

CAC, INCAA:

Jennifer Washburn
CITIZENS ACTION COALITION
jwashburn@citact.org

Sierra Club:

Allison W. Gritton
Allison.Gritton@woodenlawyers.com

Indiana American Water Co.:

Hillary J. Close
BARNES & THORNBURG LLP
hillary.close@btlaw.com

Jt Intervenor Muni-NFP Utilities:

J. Christopher Janak
Nikki Gray Shoultz
Kristina Kern Wheeler
BOSE MCKINNEY & EVANS LLP
cjanak@boselaw.com
nshoultz@boselaw.com
kwheeler@boselaw.com

LaPorte County:

Shaw R. Friedman
FRIEDMAN & ASSOCIATES, P.C.
sfriedman.associates@frontier.com

Keith L. Beall
**CLARK, QUINN, MOSES, SCOTT & GRAHN,
LLP**
kbeall@clarkquinnlaw.com

OVG:

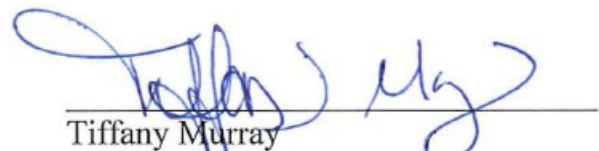
Clayton C. Miller
CLAYTON MILLER P.C
clay@claymillerlaw.com

Kroger

John P. Cook
John P. Cook & Associates
john.cookassociates@earthlink.net

Kurt J. Boehm, Esq
Jody Kyler Cohn, Esq
Boehm, Kurtz & Lowry
KBoehm@BKLLawfirm.com
JKylerCohn@BKLLawfirm.com

Kevin Higgins
Justin Bieber
Energy Strategies, LLC
khiggins@energystrat.com
jbieber@energystrat.com



Tiffany Murray
Deputy Consumer Counselor

Randall Helmen
Tiffany Murray
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PNC Center
115 West Washington Street, Suite 1500 South
Indianapolis, IN 46204
rhelmen@oucc.in.gov
timurray@oucc.in.gov
infomgt@oucc.in.gov
317/232-2494 – Telephone
317/232-5923 – Facsimile