

INDIANA GAS COMPANY, INC
d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC.

A CENTERPOINT ENERGY COMPANY

(VECTREN NORTH)

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INDIANA UTILITY
REGULATORY COMMISSION

IURC CAUSE NO. 45468

DIRECT TESTIMONY

OF

RICHARD C. LEGER

VICE PRESIDENT, IN/OH REGION

ON

PETITIONER'S OPERATIONS, POLICIES, AND STRUCTURE

SPONSORING PETITIONER'S EXHIBIT NO. 1,
ATTACHMENTS RCL-1 THROUGH RCL-5

Glossary of Acronyms

API	American Petroleum Institute
BSCI	Bare Steel and Cast-Iron
CAGR	Compound Annual Growth Rate
CenterPoint	CenterPoint Energy, Inc.
CSIA	Compliance and System Improvement Adjustment
DIMP	Distribution Integrity Management Program
IURC or Commission	Indiana Utility Regulatory Commission
O&M	Operations and Maintenance
Petitioner or Vectren North or Company	Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
PHMSA	Pipeline and Hazardous Materials Safety Administration
RP 1173	Recommended Practice 1173
Service Company	CenterPoint Energy Service Company, LLC
SIMP	Storage Integrity Management Program
SMS	Safety Management Systems
TDSIC	Transmission, Distribution, Storage Improvement Charge
TIMP	Transmission Integrity Management Program
Vectren	Vectren Corporation
Vectren South	Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc.
Vectren Ohio	Vectren Energy Delivery of Ohio, Inc.
VUHI	Vectren Utility Holdings Inc.

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DIRECT TESTIMONY OF RICHARD C LEGER

1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Richard C. Leger. My business address is 211 NW Riverside Drive,
5 Evansville, Indiana, 47708.

6

7 **Q. By whom are you employed?**

8 A. I am employed by CenterPoint Energy Service Company, LLC ("Service Company"),
9 a wholly-owned subsidiary of CenterPoint Energy, Inc. ("CenterPoint"). The Service
10 Company provides centralized support services to CenterPoint's operating units,
11 which includes Vectren Corporation ("Vectren"), a wholly-owned subsidiary of
12 CenterPoint.

13

14 **Q. On whose behalf are you testifying in this proceeding?**

15 A. I am testifying on behalf of Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery
16 of Indiana, Inc. ("Petitioner", "Vectren North" or "the Company"), which is a subsidiary
17 of Vectren.

18

19 **Q. What is your role with respect to Petitioner Vectren North?**

20 A. I am Regional Vice President of Operations for the Indiana and Ohio natural gas
21 service territories for CenterPoint, the ultimate parent company of Vectren North. I
22 have the same role with two other utility subsidiaries of Vectren – Southern Indiana
23 Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren

1 South”) and Vectren Energy Delivery of Ohio, Inc. (“Vectren Ohio”).

2

3 **Q. Please describe your educational background.**

4 A. I graduated in December of 2000 from McNeese State University with a Bachelor of
5 Science degree in Marketing and a Bachelor of Science degree in Accounting.

6

7 **Q. Please describe your professional experience.**

8 A. I began my career with CenterPoint in January, 2001 as a Marketing Consultant in
9 New Iberia, LA. Over the years I have worked in six of our eight natural gas service
10 territories in a variety of progressing roles including Marketing & Sales and as
11 Conservation Improvement Program Manager for Louisiana, Mississippi, Arkansas
12 and Oklahoma; Director of Regulatory Affairs for Louisiana and Mississippi; and
13 District Director for Central Arkansas operations. I was appointed to my current
14 position of Vice President of Operations for the Indiana and Ohio natural gas region in
15 February of 2019.

16

17 **Q. What are your present duties and responsibilities as Regional Vice President?**

18 A. I am responsible for all aspects of the company's natural gas distribution operations in
19 Indiana and Ohio. Direct responsibilities include execution and oversight of operations
20 and maintenance ("O&M") and capital budgets, compliance, leak repair, service,
21 natural gas distribution construction, industrial sales, commercial sales, residential
22 sales, and energy efficiency.

23

24 **Q. Have you testified before the IURC or any other state regulatory commission?**

25 A. Yes, I have filed testimony in Cause No. 45401 before the Indiana Utility Regulatory

1 Commission ("IURC" or "Commission") on behalf of Vectren South and Vectren North.
2 I have also testified on behalf of Vectren South in its general gas base rate case
3 proceeding, Cause No. 45447. Further, I have provided written and/or oral testimony
4 on behalf of CenterPoint before the Arkansas Public Service Commission, Louisiana
5 Public Service Commission, Mississippi Public Service Commission, and the
6 Oklahoma Corporation Commission.

7

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. My testimony provides an overview of the Company and its operations within the
10 Vectren North service territory, including a description of the Company's organizational
11 and management structure. I briefly summarize the Company's Case-In-Chief and
12 explain the reasons for this filing.

13

14 **Q. What is the requested rate increase for Vectren North in this case?**

15 A. Vectren North is requesting a base rate increase of \$20.8 million which represents an
16 overall increase of 3.38%.¹ Due to the Company's approach to expense management,
17 energy efficiency resulting in lower usage, customer growth and lower gas prices, the
18 total bill for residential customers after the proposed rate adjustment will still be lower
19 than the average bill at the time of the prior rate case in 2008. This is an important
20 point that puts our request in context: even after the rate increase that we are seeking,
21 residential customers will still be paying less for gas utility service than they were over
22 12 years ago in 2008.

23

¹ See Petitioner's Exhibit No. 18, Schedule A-1.

1 **Q. What is the status of natural gas supplies, demand and pricing?**

2 A. The natural gas industry continues to operate in a period of abundant supplies,
3 relatively flat demand, and historically low prices. Based on current information, we
4 expect these conditions to continue in the near future.

5

6 **Q. Do these conditions benefit consumers?**

7 A. Yes. The cost of gas continues to represent a significant share of a residential
8 customer's bill, with the cost of distributing gas making up the remainder. However,
9 the Company's wholesale costs of natural gas are passed directly to consumers;
10 therefore, continued low wholesale costs of gas benefit our customers. To further
11 illustrate that point, even as our customers have greatly benefitted from significant
12 investment in our system to improve safety and reliability, a typical residential
13 customer's average bill after the proposed rate increase will still be lower than their
14 average bill in 2008.

15

16 **Q. Are you sponsoring any attachments in this proceeding?**

17 A. Yes. I am sponsoring the following attachments in this proceeding:

- 18 • Petitioner's Exhibit No. 1, **Attachment RCL-1**: Vectren North Service Territory
- 19 • Petitioner's Exhibit No. 1, **Attachment RCL-2**: COVID-19 Premise Entry Safety
20 Protocol
- 21 • Petitioner's Exhibit No. 1, **Attachment RCL-3**: Impacted Premise Entry Safety
22 Protocol
- 23 • Petitioner's Exhibit No. 1, **Attachment RCL-4**: Proofs of Legal Notice Publication
24 (Late Filed Attachment)

- 1 • Petitioner's Exhibit No. 1, Attachment RCL-5: Customer Notice (Late Filed
2 Attachment)

3
4 **Q. Were these attachments prepared by you or under your supervision?**

5 A. Yes, they were.
6
7

8 **II. COMPANY DESCRIPTION**
9

10 **Q. Please describe CenterPoint's corporate structure as it relates to Vectren North.**

11 A. Vectren North is a subsidiary and an operating division of Vectren Utility Holdings, Inc.
12 ("VUHI"), which is a wholly owned subsidiary of Vectren. CenterPoint is a company
13 with more than 6 million metered gas and electric customers and a long history of utility
14 service. CenterPoint's natural gas distribution business, which is headquartered in
15 Evansville, Indiana, engages in natural gas sales to approximately 4.5 million
16 residential, commercial, and industrial customers in the states of Arkansas, Indiana,
17 Louisiana, Minnesota, Mississippi, Ohio, Oklahoma, and Texas. Additional information
18 concerning CenterPoint and its affiliates is available in CenterPoint's 2019 Annual
19 Report and SEC Form 10-K filing, each of which can be found at
20 CenterPointEnergy.com.
21

22 **Q. Where is the Company's principal office located, and where are its records kept?**

23 A. Vectren North's principal office in Indiana is located at 211 NW Riverside Drive,
24 Evansville, Indiana, and its books, accounts, and records are kept at that same
25 location.

1 **Q. How is the gas operations service territory for CenterPoint's Indiana/Ohio**
2 **Region organized?**

3 A. Upon the close of the merger, CenterPoint structured the natural gas operations of
4 Vectren North, Vectren South, and Vectren Ohio to align with the CenterPoint regional
5 service model. Under this model, the Indiana/Ohio Region is structured into two
6 separate operating districts and serves approximately 1.05 million residential,
7 commercial, and industrial customers. These operating districts consist of two
8 jurisdictions in Indiana, North and South, as well as a third jurisdiction located in Ohio.

9

10 **Q. How are the Indiana districts managed on a day-to-day basis?**

11 A. Reporting to me, at the state level, are: a Regional Operations Director; District
12 Directors for Field Operations; and a Director of Energy Efficiency, Economic
13 Development, and Industrial Sales. The Regional Operations Director and his staff
14 are responsible for operations compliance and contract services. The District
15 Directors are responsible for the operations within each district and are assisted by a
16 District Operations Manager. Area Managers report to the District Directors and are
17 responsible for smaller geographic areas within each district. Area Managers are
18 located at the district office or in communities where the Company has a significant
19 concentration of customers.

20

21 **Q. How many gas customers are served by Vectren North?**

22 A. The Company serves approximately 620,000 residential, commercial and industrial
23 customers throughout north central, central and southeastern Indiana. A map of the
24 service territory can be found in Petitioner's Exhibit No.1, Attachment RCL-1.

1 **Q. What guiding principle informs the Company's provision of natural gas service?**

2 A. We are committed to ensuring safe, reliable, efficient, and affordable energy delivery
3 and providing exceptional service to our customers, communities, and employees.
4 CenterPoint has a long track record of excellent customer service as recognized by
5 numerous organizations.

6

7

8 **III. OVERVIEW OF THE RATE REQUESTS AND RATE FILING**

9

10 **Q. Is Vectren North publishing a legal notice in accordance with Ind. Code 8-1-2-61**
11 **and 8-1-2.5-6(d) and providing notice to customers in accordance with 170 IAC**
12 **5-1-18?**

13 A. Yes, Vectren North has caused to be published a legal notice in a newspaper of
14 general circulation in any county in which the utility renders service. Proofs of
15 publication of the legal notice will be submitted as a late filed exhibit once received as
16 Petitioner's Exhibit No. 1, Attachment RCL-4. A copy of this notice will also be posted
17 on the Company's website and the website address will be provided to the
18 Commission when we late file the publication proofs. Vectren North also has caused
19 to be mailed to customers a bill insert, which will be provided as a late filed exhibit as
20 Petitioner's Exhibit No. 1, Attachment RCL-5.

21

22 **Q. What is the total cost Vectren North incurs to provide gas service to its**
23 **customers?**

24 A. As described and supported in the Company's Case-In-Chief, Vectren North's total
25 cost of service based on a future test year ending December 31, 2021, as adjusted, is

1 approximately \$634.7 million. This includes a proposed return on equity ("ROE") of
2 10.15% and a proposed overall weighted average cost of capital of 6.32% on a rate
3 base of approximately \$1,610.8 million. As demonstrated by Petitioner's Witness
4 Angie M. Bell's direct testimony, the Company has prepared the filing using a
5 forecasted test year with reasonable adjustments, using traditional and widely
6 accepted ratemaking principles.

7

8 **Q. Please briefly summarize the testimony of the Petitioner's other witnesses.**

9 A. In addition to my testimony, the Company offers the testimony of the following
10 Petitioner's Witnesses:

11

12 Ms. Angie M. Bell, Director, Regulatory & Rates, supports our revenue increase and
13 test year, and will sponsor the details around our phased in approach to implementing
14 rates consistent with other cases decided by the Commission under Indiana Code §
15 8-1-2-42.7 and IURC General Administrative Order 2013-5.

16

17 Mr. Ryan D. Moore, Manager of Finance, discusses and supports the 2021 unadjusted
18 test year, income statement, and balance sheet. Additionally, he will provide an
19 overview of the company's O&M budgeting and forecasting process. He also
20 describes the allocation process by which common costs of Vectren and VUHI are
21 allocated to the Indiana and Ohio jurisdictional utilities, with specific focus on the
22 allocations of operating expenses to Vectren North.

23

1 Mr. Steven A. Hoover, Director of Indiana/Ohio Gas Engineering, discusses the
2 Company's estimates for gas projects as well as the overall approach to our capital
3 plan.

4

5 Ms. Sarah J. Vyvoda, Manager, Engineering Gas Transmission and Storage Integrity,
6 will discuss and support the Company's enhanced pipeline safety compliance
7 programs, including the transmission integrity management program ("TIMP"), storage
8 integrity management program ("SIMP"), facility damages program, operator
9 qualification and training program, and safety management systems ("SMS").
10 Petitioner's Witness Vyvoda also describes the evolving pipeline safety regulations
11 that mandate these compliance programs and the Company's resulting capital and
12 O&M expense investment required to support compliance with these programs.

13

14 Ms. Kate D. Porter, Director, Safety Management Systems and Quality, who was
15 previously Manager, Engineering Gas Distribution Integrity, will support the
16 Company's Distribution Integrity Management Program ("DIMP"). She will outline
17 Pipeline and Hazardous Materials Safety Administration's ("PHMSA") DIMP
18 requirements and how the Company has implemented its DIMP plan in response to
19 the requirements. She will also detail various specific programs and projects
20 developed to address risk identified through the implementation of the DIMP plan,
21 along with the underlying risk drivers. Her testimony will demonstrate the
22 reasonableness of the activities that contribute to the capital expenditures and
23 expenses resulting from the DIMP work included in this rate case.

24

1 Mr. Jeff S. Myerson, Director of Integration Management Office, addresses the
2 Company's Information Technology plan including replacement of end of life
3 technology and integration with the Company's core technology systems.

4
5 Ms. Michelle M. Townsend, Manager of Business Services Planning and Performance
6 Management, explains and supports the Service Company and other CenterPoint
7 entity allocations to Vectren Corporation, including description of services provided by
8 the Service Company and other CenterPoint entities, the allocation methodology for
9 assigning affiliate costs, and adjustments to requested affiliate expenses.

10

11 Ms. Bertha R. Villatoro, Director of Compensation, discusses and supports the level of
12 the Company's payroll and pension/benefits expense. Ms. Villatoro also provides an
13 overview of the Company's compensation and benefits philosophy.

14

15 Mr. John J. Spanos, Senior Vice President with Gannett Fleming Valuation and Rate
16 Consultants, LLC, will support the updated depreciation study and the Company's
17 proposed new depreciation accrual rates.

18

19 Ms. Brenda L. Musser, Director, Tax, explains the Company's methodology in the
20 computation of income tax expense and testifies on various income tax issues.

21

22 Ms. Ann E. Bulkley, Senior Vice President with Concentric Energy Advisors, supports
23 the Company's requested cost of equity, appropriateness of the capital structure, and
24 resulting rate of return.

25

1 Mr. Robert B. McRae, Vice President and Treasurer, presents the components of the
2 Company's capital structure and the reasonableness of their projected balances and
3 weighting. In addition, he will support the Company's proposed cost of debt.
4

5 Ms. Rina H. Harris, Director, Energy Efficiency will present testimony in support of the
6 extension of the Company's energy efficiency programs. She will discuss the role and
7 results of Vectren's 2022-2025 Market Potential Study and Action Plan; briefly discuss
8 Vectren's current and proposed natural gas energy efficiency initiatives; and discuss
9 the reasons why continuation of natural gas energy efficiency programs is in the public
10 interest.
11

12 Ms. Teresa J. Cullum, Supervisor, Credit and Collections will provide testimony in
13 support of our continuation of the Universal Service Program.
14

15 Mr. Russell A. Feingold, Vice President with Black & Veatch Management Consulting,
16 LLC will present the results of the Cost of Service study, rate design, and discuss its
17 effect on rates.
18

19 Ms. Katie J. Tieken, Manager, Regulatory and Rates, will sponsor the proposed rates
20 within the Tariff; implementation of Phase 1 and Phase 2 rates; the Company's request
21 to continue decoupling and Universal Service Program; and proposals associated with
22 new and existing adjustment mechanisms.
23

1 **Q. Will the rate of return established in this proceeding have an impact on the**
2 **Company's operations and its ability to attract capital for infrastructure**
3 **investments?**

4 A. Yes. The Company continues to invest substantially in growth, maintenance, and
5 replacement of its gas distribution system to continue to provide safe and reliable
6 service. A strong rate of return will allow Vectren North to attract on reasonable terms
7 the level of capital investment needed. As Petitioner's Witness Bulkley explains in her
8 direct testimony, if the ROE allowed for the Company is not comparable to other
9 investments of similar risk, investors will allocate their capital to alternative
10 investments. This case offers the opportunity for the Commission to affirm its support
11 for continued investment in the state of Indiana.

12

13 **Q. Have there been any internal announcements related to O&M that impact the**
14 **Company?**

15 A. Yes. During the November 5th earnings call, Dave Lesar, CenterPoint's Chief
16 Executive Officer, reported that CenterPoint is committed to delivering 1-2% in O&M
17 reductions each year from 2020 - 2025. In addition, he said CenterPoint will be able to
18 increase its capital investment plan by \$3 billion to \$16 billion from 2021 through 2025.
19 As a result of that announcement, my team and I will be looking for ways the Company
20 will achieve those O&M reductions each year from 2020 – 2025. We have not yet
21 identified the savings or the measures that would need to be taken to achieve them.
22 Some of these savings in future years may be created by capital investment that is not
23 captured in the rate base forecast in this case. To the extent we are able to achieve
24 savings during the test year that are not reflected in the forecast, those savings will be
25 captured in the Phase 2 submission described by Witness Bell.

1

2 **Q. What is the test year in this proceeding?**

3 A. Vectren North is filing a forward-looking test year using the Company's 2021 budget
4 year as the basis for building its base rate case. The Company believes the 2021
5 budget provides an accurate representation of the cost of service for Vectren North
6 during the period requested rates will be in effect.

7

8 **Q. Are there are any merger related costs included in the Company's costs of**
9 **service?**

10 A. No. As per rebuttal testimony of CenterPoint Witness Scott Doyle filed on September
11 12, 2018 in Cause No. 45109, the Company has agreed not to seek recovery of costs
12 related to consummating the purchase of Vectren by CenterPoint including those
13 incurred prior to, and during, the transaction's consummation and associated goodwill.
14 The Company has not included these costs in the rate case and such costs instead
15 would be classified as a shareholder expense.

16

17 **Q. What are the primary drivers necessitating the Company to file a base rate case**
18 **at this time?**

19 A. The Company has grown rate base for its gas operations from \$792.7 million
20 authorized in the last rate case to \$1,610.8 million projected as of the end of the test
21 year, and grown O&M expense at approximately 1% CAGR (compound annual growth
22 rate) over 15 years which is in line with inflation. Also, in accordance with Ind. Code
23 § 8-1-39 Transmission, Distribution, Storage Improvement Charge (the "TDSIC"
24 statute), the Company is statutorily required to file a base rate case at the end of the
25 Company's filed TDSIC plan. Further, as discussed by Petitioner's Witness Vyvoda,

1 PHMSA has issued many new regulations, advisories and alerts over the past several
2 years, which have greatly increased Vectren North's integrity management spending.
3 Many of these new regulations and advisories have also been discussed in the
4 Company's Compliance and System Improvement Adjustment ("CSIA") filings.
5

6 **Q. What are the main reasons for this level of capital expenditures?**

7 A. As Petitioner's Witnesses Porter and Vyvoda discuss in detail, the Company will
8 continue investing significant amounts of capital in its safety and integrity management
9 efforts. In addition, we expect the relatively higher level of relocations and
10 replacements related to public improvement projects to continue.
11

12 **Q. Are there positive impacts from the increased level of the Company's safety and**
13 **integrity management expenditures?**

14 A. Yes. Our customers and the public will continue to realize the benefits of a safe and
15 reliable distribution system, and we will achieve environmental benefits as well.
16 Additionally, the Company is in a better position to proactively assess and manage
17 operating risks going forward.
18

19 **Q. Is continued regulatory support of these efforts needed?**

20 A. Absolutely. The Company and our customers benefit when we operate in a supportive
21 regulatory environment – both with our safety regulators and financial regulators. As
22 discussed by Petitioner's Witness Bulkley, maintaining a strong regulatory
23 environment contributes to our ability to access the capital markets at reasonable
24 rates, controlling costs for our customers. Continued support from our regulators and

1 other stakeholders is critical to our ability to continue to provide safe, reliable service
2 and to meet the new challenges ahead.
3

4 **Q. What other capital investments has the Company made in Vectren North's gas**
5 **service territory?**

6 A. In addition to the investments related to our pipeline integrity efforts, we continually
7 invest in our system to meet our customers' needs. This includes investments in
8 distribution facilities to serve new customers; replacing or relocating distribution
9 facilities in coordination with local and state government public improvement projects
10 such as road reconstructions; and investing in communications and computer
11 systems, vehicles, buildings, and other general equipment. While most Compliance
12 Projects (Transmission Modernization, Distribution Modernization, Bare Steel and
13 Cast Iron ("BSCI") replacement, Storage Modernization) were included with the
14 TDSIC, similar projects were completed prior to the start of the 7-Year TDSIC Plan in
15 2014. In addition, only certain previously identified and approved new business,
16 system improvement, and public improvement projects were included in the TDSIC.
17 Petitioner's Witness Hoover describes these investments in detail.
18
19

20 **IV. SAFETY**
21

22 **Q. Please discuss Vectren North's integrity management work and focus on safety**
23 **and reliability of service.**

24 A. The Company places top priority on providing safe and reliable service. We are
25 dedicated to designing, constructing, operating and maintaining our system to ensure

1 the safety of our customers, the general public, and our employees. This priority is
2 critical and supersedes everything else we do. In addition, we design and operate our
3 system in a manner to maximize reliability and minimize service interruptions. When
4 customers need natural gas for cooking, water heating, space heating or any other
5 end use, we need to be able to provide that service safely and on demand. Our
6 emphasis on safe, reliable service enables us to meet those needs. The Company is
7 committed to sustaining a culture of safety excellence.

8

9 **Q. What steps has the Company taken to assure the safety expectations of its**
10 **customers are met?**

11 A. Safety remains our top priority and is at the forefront of everything we do. Therefore,
12 we engage our front-line employees regularly to help inform our safety programs to
13 not only keep safety top of mind but also inform us how to best protect our employees,
14 our community, and our system. Additionally, since our last rate case, Vectren has
15 launched an extensive BSCI replacement program. As detailed in numerous
16 TDSIC/CSIA filings and in Petitioner's Witness Hoover's direct testimony, Vectren
17 North has invested significant capital in the last 7 years to ensure system safety and
18 reliability.

19

20 **Q. How does the Company decide what safety-driven investments to make?**

21 A. The Company's investments are primarily informed by its TIMP, DIMP, and SIMP
22 programs. These programs and models inform investment decisions by providing us
23 with important risk rankings so that we can deploy our capital in the most efficient way
24 possible to address our riskiest assets and serve as inputs into SMS. The details of
25 these programs are explicitly discussed in the testimony of Petitioner's Witnesses

1 Vyvoda and Porter.

2

3

4 **Q. What are some of the technologies the Company has used to drive customer**
5 **safety?**

6 A. In addition to the SMS and integrity planning models, in 2014 Vectren developed and
7 implemented an emergency response application and deployed smart phones
8 assigned to each field employee. This application allows the employee to get the most
9 relevant information necessary (name, address, and emergency details) to quickly
10 respond to a customer's emergency. Additionally, the application geofences the
11 employee's location which eliminates the need for the employee to spend critical time
12 logging into the computer in their truck. This one piece of technology has shaved off
13 critical minutes and reduced Indiana's overall emergency response time by 15%. A
14 more significant impact has been the speed at which we can get the order to the field
15 technician which has improved 52%.

16

17 **Q. Does the Company have any plans to invest in new technologies that will**
18 **improve the safety of the system and customers?**

19 A. Yes. On July 2, 2020, the Company filed a Petition with the Commission, which was
20 docketed as Cause No. 45401, in which Petitioner requested authorization to replace
21 nearly fifty-five thousand non-compliant meters with new Intelis meters. Petitioner's
22 ultimate parent company, CenterPoint Energy, has tested this new meter and both the
23 initial lab tests and advanced deployment of the meters in the field have been positive.
24 These meters are smaller in footprint and improve the safety of our customers by
25 incorporating automatic shutoffs for high flow and excess temperature. If the meter

1 reads a flow rate greater than 480 cubic foot per hour for 15 seconds or senses a
2 temperature greater than 85 degrees Celsius (185 degrees Fahrenheit) a safety
3 shutoff is tripped that will stop the flow of gas. Additionally, there are internal alarms
4 (magnetic tamper, valve override status, battery counter, etc.) that can be detected
5 with the mobile meter reading unit to identify potential cases of meter tampering and
6 bypass. If our request in Cause No. 45401 is approved, then we will begin deploying
7 this technology in the Vectren North service territory pursuant to the schedule set forth
8 in that proceeding.

9

10 Furthermore, in 2021, the Company plans to invest in the first Picarro Leak Surveyor
11 for the Indiana region. While Vectren South included a pro forma adjustment for a
12 Picarro Leak Surveyor for its territory, Vectren North has included the cost of
13 purchasing and implementing a separate Picarro Leak Surveyor tool within its 2021
14 budget for its service territory. The Picarro Leak Surveyor is significantly more
15 sensitive than prior technologies and is able to detect methane in parts per *billion*
16 rather than the parts per *million*. Methane detected over a naturally occurring baseline
17 value indicates a possible natural gas leak somewhere in the system. The general
18 location of the detected methane is determined by sophisticated algorithms which
19 evaluate wind speed, atmospheric characteristics and sample concentration levels.
20 The location is recorded in the GPS-based location tracking system. Once the leak
21 indication is identified, then a set of leak detection pin pointers are dispatched to the
22 area that has been surveyed to pinpoint the exact location and grade the leak.

23

24 This technology was first piloted in CenterPoint's Minnesota and Texas regions in 2014
25 and today we have 16 units successfully deployed across our 8-state footprint. As you

1 can imagine, this technology has shown to initially increase our leak find rate by 3 to
2 5 times the normal rate. That said, over time we expect the leak find rate to decline
3 due to a tighter system with fewer methane emissions, resulting in increased safety.

4

5 **Q. Will the implementation of Picarro greatly increase the backlog of leaks in**
6 **Vectren North?**

7 A. That is not a question that I can answer with a definitive yes or no. While I certainly
8 do expect the find rate of known leaks in Vectren North to increase, using Picarro will
9 allow us to identify and repair leaks sooner than without use of that technology;
10 thereby, contributing to an overall safer system for our service territory. In addition to
11 the safety benefits inherent with addressing more known leaks, it is anticipated to also
12 contribute to reduced methane emissions.

13

14

15 **V. COVID-19**

16

17 **Q. How has COVID-19 affected Vectren North's operations?**

18 A. Throughout the duration of the health emergency, the Company has remained
19 committed to safety, having activated its Pandemic Preparedness Plan in March 2020.
20 Since then, we have continued to monitor updates and impacts of COVID-19 while
21 implementing and following comprehensive emergency action plans and enhanced
22 safety protocols ("Enhanced Safety Protocols"), based upon guidelines issued by
23 Centers for Disease Control and Prevention and local government entities. The
24 Company's policies and protocols relative to COVID-19 are designed to reduce the
25 risk of exposure while protecting the health and safety of the Company's employees,

1 customers, and communities.

2

3 In an effort to prevent the spread of COVID-19, as well as protect the health and safety
4 of our employees and customers, we significantly modified our operations beginning
5 in March 2020. While the vast majority of our office personnel are currently, and have
6 been since March 2020, working remotely, CenterPoint implemented Enhanced Safety
7 Protocols for essential office personnel. For example, Petitioner created alternate
8 reporting locations and schedules for key personnel such as gas control to maintain
9 its essential services while safeguarding against, and preventing, interruptions of
10 critical services due to the spread of COVID 19. Field personnel have most likely seen
11 the greatest level of impact. To protect the health and well-being of our employees
12 and customers, we significantly altered reporting procedures for field employees. For
13 instance, we have all field employees reporting to alternate sites across the footprint
14 and where employees traditionally work in crews, we have asked such employees to
15 drive separately to job sites to allow for increased social distancing.

16

17 In addition, from March 2020 through August 2020, we only performed essential
18 services to reduce the spread of the virus.

19

20 **Q. Have you altered your PPE requirements as well?**

21 A. Yes, in addition to the aforementioned protocols, CenterPoint has developed PPE
22 protocols for the health and safety of its employees, customers, and communities as
23 shown in Petitioner's Exhibit No. 1, Attachment RCL-3. These Enhanced Safety
24 Protocols include wearing a cloth face covering, or equivalent, when mandated by
25 local orders, when social distancing cannot be maintained, or when entering

1 customers' homes and businesses; disinfecting solutions for our employees tools;
2 pump sprayers that can be used as mobile hand washing stations in the field; and an
3 entire additional set of PPE for safe entry into customer premises should an employee
4 need to enter a premise where the customer has been experiencing symptoms
5 consistent with, or exposed to, COVID-19.

6

7 **Q. Have you had sufficient PPE to protect your employees?**

8 A. As of right now we are outfitted appropriately with all PPE needed in order to complete
9 our work in a safe manner. In the beginning, it was extremely difficult to source
10 appropriate face coverings and hand sanitizer. Our sourcing group has done an
11 outstanding job in unprecedented times in order for our employees to have the safety
12 equipment needed to provide our essential services to our customers and reduce the
13 risk of spread of the virus. I would like to add that over this time I have witnessed
14 some of the most caring and heartwarming stories of our employees, and in some
15 instances, their families working to help protect our customers.

16

17 **Q. Have you experienced any issues with labor associated with COVID-19?**

18 A. Since the pandemic began, our employees have worked diligently to provide an
19 essential service to our customers, and the Company has made some changes to
20 ensure safe operations. As a result, the Company has incurred some additional costs
21 related to the way that employees work. These costs were spent to maintain a healthy
22 workforce that continues to provide vital services.

23

24 **Q. Have there been any revenue impacts associated with COVID-19?**

25 A. Yes, the Company has experienced reduced revenues in all customer classes

1 associated with reduction of usage, waived application and collection of deposits, late
2 fees, and convenience fees, and experienced an increase in bad debt expense
3 associated with the inability to disconnect customers for non-payment of their utility
4 bills.

5

6 **Q. How has the Company addressed COVID-19 in its request?**

7 A. As explained by Witness Moore, our budgets that are being used to forecast the test
8 year in this case were finalized in 2019, and we have not adjusted those pre-pandemic
9 budgets to account for the continued impacts of COVID-19. Because of the
10 uncertainty caused by the COVID-19 pandemic and the resulting public health
11 emergency, the Company has proposed a phased approach to implementation of
12 rates in this case that updates not only rate base and capital structure as of the time
13 rates take effect, but also captures actual results of operations. This is explained by
14 Witness Bell.

15

16

17 **VI. SYSTEM INTEGRATION**

18

19 **Q. Please describe any requirements for Petitioner to replace legacy customer**
20 **systems.**

21 A. The Company has legacy customer systems that were due to be replaced. However,
22 as Petitioner's Witness Myerson describes in his direct testimony, as part of the
23 transaction between Vectren and CenterPoint, the entities agreed that Petitioner would
24 not move forward with system replacements to give the merged entities time to
25 evaluate the best approach to proceed with common systems for the combined

1 company. Upon evaluation and completion of the fit gap analysis completed in 2019,
2 it was decided to leverage the customer and accounting systems that have been
3 established at CenterPoint for many years. Doing so offered many advantages
4 including but not limited to the ability to take advantage of volume discounts by
5 leveraging the size of the combined organization, gain efficiencies by maintaining a
6 common set of systems and functionality, and being laser focused on one system as
7 we protect our systems against security vulnerabilities.

8

9

10 **VII. CONCLUSION**

11

12 **Q. Is there anything else you would like to add?**

13 A. Yes, CenterPoint is committed to be a leader and valued partner in the communities
14 we serve. Supporting our community either through a robust volunteer program or via
15 financial contributions to local non-profits has and will continue to be a large part of
16 our corporate responsibility. During 2019 alone, Vectren North colleagues engaged
17 in communities through various initiatives ranging from construction projects, walks,
18 and board and committee service, representing a total investment of more than 7,000
19 hours of community service. Additionally, the CenterPoint Foundation has partnered
20 with organizations across the state of Indiana with the goal of making our communities
21 stronger and more sustainable by investing our resources in initiatives that lead to
22 better education and community vitality outcomes while promoting diversity and
23 inclusion. Since our last rate case in 2008, the CenterPoint foundation has made
24 monetary donations totaling over \$30 million dollars into Indiana communities.

25

1 **Q.** **Does this conclude your prepared direct testimony?**

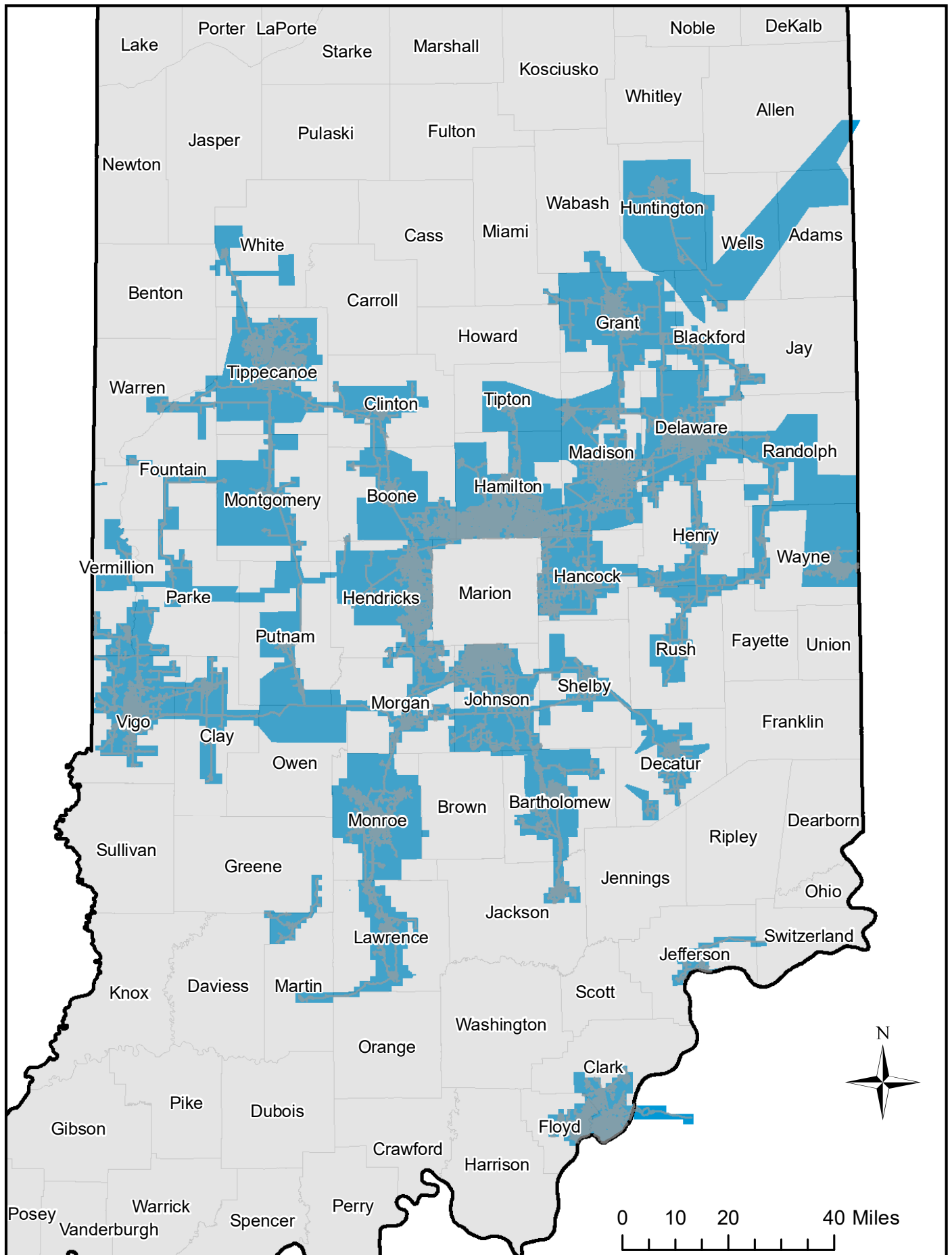
2 **A.** Yes, it does.

VERIFICATION

I, Richard C. Leger, affirm under the penalties of perjury that the forgoing representations of fact in my Direct Testimony are true to the best of my knowledge, information and belief.


Richard C. Leger

Dated: December 18, 2020



CenterPoint Energy Covid-19 Premise Entry Safety Protocol

Employees should always exercise good hygiene practices including frequent hand washing in accordance with Centers for Disease Control (CDC) guidance. This protocol is created to provide standard guidance to help prevent exposure to Covid-19, also known as the Coronavirus while performing work within customer premises. Contact your supervisor should you have a question about this subject that is not covered in this document.

The call center will be taking extra precautions by adjusting their customer contact scripts in order to identify any COVID-19 health risks. This precaution is to avoid dispatching non-emergency orders to the field where a known/suspected Covid-19 risk may exist.

Non-Emergency Orders

Non-emergency orders may be worked as normal at this time.

Follow the guidance below when speaking with the customer. It is strongly recommended that conversations with customers should take place in a well-ventilated area preferably outside of the premise with employees maintaining a 6-foot distance from the customer.

- Hello, I am ___ from CenterPoint Energy and I am here to perform [describe the work]
- The safety of our customers and workers is our top priority
- Given the situation with coronavirus, we are taking some extra safety precautions:
- For example, we should not shake hands, and we should keep at least six feet of distance between us and anyone else in the home out of an abundance of caution.
- May I ask if there is anyone in the home who is feeling ill today, and if so, could they please stay in a separate room so I can safely complete my work?
- May I ask if there is anyone in the home who has been diagnosed with coronavirus or who is being quarantined or monitored (self or otherwise) or who has recently traveled from an area heavily impacted by coronavirus?
- Are there any pets that may be a hazard to me as I perform my work?
- Finally, is there anything else I should know that may impact my safety before I enter?
- Are you comfortable with me proceeding with the work per these procedures?

If the following situation occurs, employees should politely inform the customer they will not be able to complete the work at this time, leave the premises and contact their supervisor. The employee should refer the order to pending with notes explaining the situation and contact the Call Center Tech-Line to move the customer appointment to a later date.

- A resident is wearing a face mask; this should be taken into consideration along with the observed physical condition of the occupants and other factors in this list
- A resident at the premise tells an employee that someone at the premises has tested positive for coronavirus or is being quarantined or monitored (self or otherwise) for coronavirus

- An employee witnesses a resident exhibiting symptoms of coronavirus (e.g., coughing, shortness of breath, fever, etc.) and they do not feel they can complete the work safely, or is otherwise concerned they cannot perform the work safely for all involved
- Techs should communicate to the customer that the work to be performed [describe the work to be performed] has been rescheduled to a later date and they will be contacted about the next service date.

Enhanced Personal Protective Equipment and Hygiene Guidance

These guidelines are being provided to allow employees to add a layer of protection. During this virus outbreak, CenterPoint Energy employees should follow these PPE guidelines while entering premises where there is no known exposure.

- Based on CDC guidance and requirements from local government entities, a cloth face-covering or equivalent should be worn when physical distancing cannot be maintained.
 - Employees must wear a face-covering at all times when in public spaces where state or local government officials have put such orders in place.
 - Techs should wear a face covering at all times within a customer's premise unless the face covering presents a hazard such as during re-lighting of appliances. If it must be removed for any task, it should be immediately donned after that task is complete.
- Wash hands or use sanitizer both before entering and after leaving a home. Hand soap and water may be carried on your vehicle.
- Put on disposable latex/nitrile gloves and shoe covers, if available, before entering the home
- *In the absence of latex gloves and shoe covers due to availability:* employees should wash hands before entering and after exiting premises. Shoes should be sprayed with Lysol disinfectant spray or equivalent.
- Work gloves may be worn on top of the latex gloves; but should be done sparingly as it is being recommended that these leather gloves be discarded after use if thought to be contaminated.
- Safety glasses should also be worn.
- Disinfect or wipe down any tools prior to loading them back in vehicles.
 - Bleach solutions for disinfecting must contain 5 tablespoons (1/3rd cup) bleach per gallon water, or 4 teaspoons bleach per quart of water
 - The cleaning of sensitive instruments and electrical/electronic equipment should be done in accordance with manufacturer's instruction.
- Employees should remove and dispose of the latex gloves and shoe covers after leaving the customer's home. Gloves and shoe covers may be disposed of in regular trash receptacles.
- Avoid touching your eyes, nose, and mouth.
- Wash hands or use sanitizer prior to getting into the company vehicle.
- Disinfect or wipe down any objects that are touched often in vehicles, such as door handles, arm rests, steering wheel, and seatbelts as appropriate.
- Surgical masks or N95 respirators are not being required as the Centers for Disease Control has communicated, they are not recommended in the prevention of coronavirus.
- At the end of the workday, launder any work clothing separately from other articles of clothing and store work shoes away from common-use areas.

Emergency Orders involving an Impacted Premise

If a location is known to have an occupant with coronavirus, employees will work with management on additional precautions that will be taken prior to entering the premise. Entry will only be made for emergency orders after consultation with your management team.

All efforts will be taken to resolve the emergency without entering the building. We will continue to follow our protocol of asking occupants to leave the building if there is a gas leak.

Customer Service Order Creation and Call Handling Protocol

Customer Service met with Legal, Operations, Safety and Dispatch to address both the Gas and Electric order creation and call handling process if a customer declares that they have coronavirus as well as, how do we proactively ask a customer if they have been exposed or have the virus.

There are two scripts that were approved by Legal, the first script below is the question that we will ask customers on every call that requires a service order for either Gas or Electric. The second question will be used for additional probing if needed:

- 1) "As a precautionary measure, we want to ensure safe access to the property. Can you please confirm no one at the location is currently ill?"
 - a. "May I ask if there is anyone in the home who has been diagnosed with coronavirus or who has recently traveled to one of the areas impacted with coronavirus?"

If a customer informs a contact center representative that the premise is not safe, the following steps below will be taken:

- 1) The Contact center agent will notate the customer's account using the following:
 - a. Category 1/Class – **Customer Service Order** and Category 2/Action - **Hazardous Conditions**.
- 2) A flag will be placed on the account with notes stating no orders should be issued for 14 days for the affected premise
- 3) The contact center will advise the customer that order will be fulfilled at least 14 days from the order origination date (unless we are advised differently by Safety and Operations)

If the Field arrives at a premise to fulfill an order and is made aware of hazardous conditions or becomes concerned, they are at risk:

- They will contact our tech line and inform the customer service representative.
 - Contact Center agents will note the account (with documented process previously outlined)

- Contact Center will contact customer to establish a new appointment date/time for work to be complete.
- Field personnel will complete order with appropriate notes including reference that tech line is rescheduling call for future date.

Contact with a Presumptive Positive or Positive Person

If an employee comes into contact with an individual that is known to have a presumptive positive or positive test result for coronavirus, they should immediately:

- Remove themselves from close proximity of the individual by going to their company vehicle
- Notify any coworkers onsite of the exposure and ask them to follow the 6-foot distancing protocol
- Remove any protective items including latex gloves (remove inside out), shoe covers and safety glasses, and dispose of them
- Wash hands and any other unprotected skin surface that might have been exposed with soap and water for at least 20 seconds before rinsing and drying
- Alcohol, hand sanitizer or antiseptic towelettes should be used when soap and water are unavailable.
- Remove any clothing that has been contaminated with bodily fluids as soon as practical. Any contacted skin area should then be cleaned by washing with soap and warm water. Contaminated clothing should be bagged carefully and laundered in the normal fashion with HOT water but separated from family clothes.
- Any tools or equipment that may have been contaminated should be disinfected. Protective disposable latex or nitrile gloves should be worn during all phases of disinfection and disposed of after use. The cleaning of sensitive instruments and electrical/electronic equipment should be done in accordance with manufacturer's instruction.
- Contact their supervisor for further instructions
- Exposures will be evaluated on a case by case basis, but the exposed employee should not return to a company facility until they are instructed to by their supervisor or HR Business Partner

CenterPoint Energy Covid-19 Impacted Premise Entry Safety Protocol

This protocol details actions to take in the event work must be performed in a premise where a presumptive positive or confirmed case of coronavirus exists. Employees should always exercise good hygiene practices including frequent hand washing in accordance with Centers for Disease Control (CDC) guidance. This protocol is created to provide standard guidance to help prevent exposure to Covid-19, also known as the Coronavirus while performing work within customer premises. Contact your supervisor should you have a question about this subject that is not covered in this document.

Emergency Orders involving an Impacted Premise

If a location is known to have an occupant with coronavirus, employees will work with management on additional precautions that will be taken prior to entering the premise. Entry will only be made for emergency orders after consultation with your management team.

All efforts will be taken to resolve the emergency without entering the building. We will continue to follow our protocol of asking occupants to leave the building if there is a gas leak.

Some standard precautions include, but are not limited to:

- Based on CDC guidance and requirements from local government entities, a cloth face-covering or equivalent should be worn when physical distancing cannot be maintained.
 - Employees must wear a face-covering at all times when in public spaces where state or local government officials have put such orders in place.
 - Techs should wear a face-covering at all times within a customer's premise unless the face covering presents a hazard such as during re-lighting of appliances. If it must be removed for any task, it should be immediately donned after that task is complete.
 - Use of a N95 respirator during work inside the premise would meet the face-covering requirement.
- Contacting the customer and arranging for ill individuals to be located to a room away from the work area.
- Prior to entering, ask the customer if the area has been cleared and there are no additional hazards such as animals.
- Company employees will follow all the Level 2 PPE requirements (detailed below).
- Employees should wash hands or use an alcohol-based sanitizer that contains 60 to 95% alcohol prior to putting on PPE.
- Inspect all PPE for damage, defects, or other conditions which could lessen its effectiveness.
- Enter the premise once all PPE has been put on.
- Maintain a 6-foot distance from anyone in the home.
- Avoid touching any items that don't need to be disturbed to complete the work.
- Once the work is complete, inform the customer that you are finished and exit the premise.
- Disinfect or wipe down any tools prior to loading them back in vehicles.
 - Bleach solutions for disinfecting must contain 5 tablespoons (1/3rd cup) bleach per gallon water, or 4 teaspoons bleach per quart of water

- The cleaning of sensitive instruments and electrical/electronic equipment should be done in accordance with manufacturer's instruction.
- Employees should remove and dispose of the latex/nitrile gloves, disposable coveralls, disposable face shields and shoe covers after leaving the customer's building, but prior to getting into a company vehicle. All items may be disposed of in regular trash receptacles.
- In the absence of latex or nitrile gloves and shoe covers due to availability: employees should wash hands after exiting premises. Shoes should be sprayed with Lysol disinfectant spray or equivalent.
- If a non-disposable face shield is used, it must be disinfected with an approved disinfectant before being stored for next use.
- Avoid touching your eyes, nose and mouth.
- Protective disposable latex or nitrile gloves should be worn during all phases of disinfection and disposed of after use.
- Employees should wash hands or use an alcohol-based sanitizer that contains 60 to 95% alcohol after removing PPE.
- At the end of the workday, launder any work clothing separately from other articles of clothing and store work shoes away from common-use areas.

Level 2 PPE

Level 2 PPE includes the following items:

- Latex or nitrile gloves, if available
- Safety glasses (wrap-around or with side shields)
- Disposal coveralls
- Shoe/boot covers
- Face shield (disposable, if available), only required where infected person(s) cannot be moved to another room
- An N95 respirator or equivalent or higher-level respirator may be worn. Special care should be taken to ensure that respirators are reserved for situations where respiratory protection is most important, such as in the presence of confirmed COVID-19 cases.

Contact with a Presumptive Positive or Positive Person

If an employee comes into physical contact with an individual who is known to have a presumptive positive or positive test result for coronavirus, they should immediately:

- Remove themselves from close proximity of the individual by going to their company vehicle
- Notify any coworkers onsite of the exposure and ask them to follow the 6-foot distancing protocol
- Remove any protective items including latex gloves (remove inside out), shoe covers and safety glasses, and dispose of them
- Wash hands and any other unprotected skin surface that might have been exposed with soap and water for at least 20 seconds before rinsing and drying



- Alcohol-based, hand sanitizer or antiseptic towelettes should be used when soap and water are unavailable.
- Remove any clothing that has been contaminated with bodily fluids as soon as practical. Any contacted skin area should then be cleaned by washing with soap and warm water. Contaminated clothing should be bagged carefully and laundered in the normal fashion with HOT water but separated from family clothes.
- Any tools or equipment that may have been contaminated should be disinfected. Protective disposable latex or nitrile gloves should be worn during all phases of disinfection and disposed of after use. The cleaning of sensitive instruments and electrical/electronic equipment should be done in accordance with manufacturer's instruction.
- Contact their supervisor for further instructions
- Exposures will be evaluated on a case by case basis, but the exposed employee should not return to a company facility until they are instructed to by their supervisor or HR Business Partner

ATTACHMENT WILL BE LATE FILED

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