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**FILED**  
June 23, 2022  
**INDIANA UTILITY  
REGULATORY COMMISSION**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF INDIANA OFFICE OF )  
UTILITY CONSUMER COUNSELOR FOR )  
GENERIC INVESTIGATION INTO RESIDENTIAL ) CAUSE NO.  
CUSTOMER ARREARAGE AND UTILITY SERVICE )  
DISCONNECTION DATA AND REQUEST FOR )  
ONGOING REPORTING REQUIREMENTS )**

**INDIANA UTILITY CONSUMER COUNSELOR’S VERIFIED PETITION**

The Indiana Utility Consumer Counselor, William I. Fine, having been duly sworn upon his oath, respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) to commence a generic investigation to assess the need for monthly reporting of residential customer arrearage and utility service disconnection data by all jurisdictional Indiana utilities with 8,000 customers or more (“Petition”), similar to action taken by the Commission in the COVID-19 investigation (Cause No. 45380). Due to pervasive economic burdens, including inflation at 40-year highs driven by skyrocketing prices of fuel and energy commodities, many utility customers continue to face increasingly serious financial pressures that fundamentally affect the basic cost of living and unavoidably hinder their ability to keep current on their bills for necessary utility services. The financial insecurity attending the COVID-19 pandemic is pronounced with the added challenge of significant inflation in the costs of food and common commodities. This atmosphere requires proactive monitoring of the impact on utility ratepayers. At present, regulated utilities have no obligation to apprise the Commission of whether their customers are managing these financial stressors and to what extent customers are able to avoid disconnection of service for non-payment. This information deficit robs the Commission, the Office of Utility Consumer Counselor

(“OUCC”), interested stakeholders, and the public of the ability to timely assess the magnitude of this growing problem. Affordability should be a concern as prices for consumer goods and services soar. It is not possible to protect affordability without knowing how customers in financial distress are coping.

Through this request for investigation, the OUCC is asking the Commission to institute reporting requirements similar to those it ordered in Cause No. 45380 - but for all regulated Indiana utilities with at least 8,000 customers - through 2024 based on current predictions that high inflation will last until then.<sup>1</sup> Through the Indiana General Assembly, the Commission possesses broad authority to regulate operations of jurisdictional utilities within the State. In order to fulfill its statutory duties and provide meaningful oversight, the OUCC requests the Commission initiate an investigation to consider the need for ongoing reporting of certain residential customer arrearage and utility service disconnection data for all jurisdictional Indiana utilities. The OUCC proposes that each jurisdictional Indiana utility with at least 8,000 customers be made a party to this Cause and that a procedural schedule be set for the purpose of receiving testimony and other evidence that addresses the need and scope of any ongoing reporting of residential customer arrearage and disconnection data from all participating parties. In support of this Petition, the OUCC represents the following:

1. The Commission responded to the economic upheaval caused by the onset of the COVID-19 pandemic by instituting certain reporting requirements and payment arrangement terms. Its May 27, 2020 Order noted:

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

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<sup>1</sup><https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20220615.pdf>.

the COVID-19 pandemic may not be fully understood for months, if not years, as the effect is ongoing. (Cause No. 45380, May 27, 2020, Order, p. 4.)

As such, to “better understand the impact that COVID-19 is having on jurisdictional Indiana utilities and their customers,” the Commission ordered reporting on seventeen items, including but not limited to, number of accounts by customer class, number and accounts receivable balances of accounts past due, and the number and total value of accounts in payment plans. (*Id.*) Its Phase 1 and Interim Emergency Order added to these reporting requirements, ordering jurisdictional Indiana utilities to file two updates that “include a description of the utility’s efforts to contact delinquent customers ... and sufficient data from which to allow the Commission to determine the utility’s progress in getting delinquent customers to enter payment arrangements.” (Cause No. 45380, June 29, 2020, Phase 1 and Interim Emergency Order, p. 6.) The Commission’s Final Order in the COVID-19 docket approved an informal agreement between the OUCC and the Joint Utility Petitioners<sup>2</sup> to continue “reporting of certain, limited data through the end of the year ....” The Commission also approved Indiana American Water’s offer to file its monthly reports on a voluntary basis through the end of the year, finding that “such information is relevant and useful to the Commission.” (Cause No. 45380, August 25, 2021, Final Order, p. 3.)

2. In the wake of the unprecedented financial and public health crisis caused by the COVID-19 pandemic, consumers are vulnerable to worsening economic challenges that

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<sup>2</sup> Duke Energy Indiana, LLC; Indiana Michigan Power Company; AES Indiana f/k/a Indianapolis Power & Light Company; Northern Indiana Public Service Company, LLC; and Indiana Gas Company, Inc. and Southern Indiana Gas & Electric Company (now CenterPoint Energy Indiana North and South).

are affecting their quality of life. The US Bureau of Labor Statistics reports that the Consumer Price Index (“CPI”) for All Urban Consumers increased by 8.6% for the year ended May 2022, the largest increase in this gauge since 1981.<sup>3</sup> Prices for food were up 10.1%, and prices for energy were up 34.6%. The 12-month May 2022 CPI increase of 8.6% follows CPI spikes in March 2022 of 8.5% and 8.3% in April 2022.

All major CPI indices for energy have substantially increased in the 12 months ending May 2022. In that period, the gasoline CPI index increased 48.7% and fuel oil increased 106.7%. The CPI index for electric service rose 12.0% and natural gas service rose 30.2%.<sup>4</sup> The US Energy Information Administration’s recent Short-Term Energy Outlook states that, in 2021, the average nominal retail electricity price paid by US residential electric customers “rose at the fastest rate since 2008.”<sup>5</sup> EIA forecasts that the average nominal price of electricity will again increase in 2022 in the range of 2.4% to 16.1%, based on geography.<sup>6</sup> Real Average Hourly Earnings for the year ended May 2022 fell 3.0%, and have fallen every month since September of 2021.<sup>7</sup>

The Commission is already aware of the potential ratepayer impact of these extraordinary fuel cost increases. Duke’s pending Cause No. 38707 FAC 132 is a 194% increase from the factor approved in FAC 131. Duke estimates its FAC 133 factor will be more than 372% higher than its current factor, and that the FAC factors will remain high in subsequent FACs through at least June 2023.<sup>8</sup> In addition, CenterPoint Energy Indiana

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<sup>3</sup> [https://www.bls.gov/news.release/archives/cpi\\_06102022.htm](https://www.bls.gov/news.release/archives/cpi_06102022.htm).

<sup>4</sup> *Id.*

<sup>5</sup> <https://www.eia.gov/todayinenergy/detail.php?id=51438#:~:text=In%202021%2C%20the%20average%20nominal,our%20latest%20Electric%20Power%20Monthly>.

<sup>6</sup> <https://www.eia.gov/outlooks/steo/>.

<sup>7</sup> [https://www.bls.gov/news.release/archives/realer\\_06102022.htm](https://www.bls.gov/news.release/archives/realer_06102022.htm).

<sup>8</sup> Cause No. 38707 FAC 132, Consumer Parties’ Motion for Subdocket, June 2, 2022. *See also* May 27, 2022, Duke

North's natural gas customers using 10 Dth will pay a GCA charge of \$132.57 for June 2022, an increase of \$60.78 over the April 2022 GCA charge.<sup>9</sup>

3. The Congressional Budget Office, incorporating the economic effects of the ongoing COVID-19 pandemic, supply chain challenges, and impacts related to Russia's invasion of Ukraine, estimates that high inflation will persist through at least the end of 2022, while price increases will likely not fall back to the Federal Reserve's targeted levels until 2024.<sup>10</sup> These economic pressures will inevitably lead toward a consumer crisis - nationally and within Indiana - and evidence of such a crisis is starting to emerge, particularly among vulnerable populations. Car loan and lease delinquencies among subprime borrowers hit a record in February 2022.<sup>11</sup> The Indianapolis Housing Agency's Section 8 waiting list has a 5-year average wait time, with the increased cost of rent eating into its federal grant dollars.<sup>12</sup> Homeowners in Indiana are facing exponential growth in their property taxes.<sup>13</sup>

While stakeholders have glimpses into how many Hoosiers continue to reel from the ongoing fallout of the COVID-19 pandemic, the complete picture remains unclear due to the absence of comprehensive reporting. A recent report produced by BailoutWatch and the Center for Biological Diversity showed that among the 33 states and the District of

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Energy Indiana President Stan Pinegar Op-Ed, "What's driving high electricity costs?"  
[https://www.pharostribune.com/opinion/article\\_8caa66ee-ddd4-11ec-ad0b-df18172eba30.html](https://www.pharostribune.com/opinion/article_8caa66ee-ddd4-11ec-ad0b-df18172eba30.html).

<sup>9</sup> Cause No. 37394 GCA 154, May 25, 2022, Final Order, p. 5.

<sup>10</sup> <https://www.washingtonpost.com/us-policy/2022/05/25/cbo-inflation-projection-debt/>.

<sup>11</sup> [https://www.wsj.com/articles/more-subprime-borrowers-are-missing-loan-payments-11652952602?mod=Searchresults\\_pos2&page=1](https://www.wsj.com/articles/more-subprime-borrowers-are-missing-loan-payments-11652952602?mod=Searchresults_pos2&page=1).

<sup>12</sup> <https://www.wrtv.com/news/wrtv-investigates/8-000-people-on-ihas-section-8-waiting-list-with-a-5-year-average-wait-time>.

<sup>13</sup> <https://www.indystar.com/story/news/real-estate/2022/05/31/indiana-property-taxes-appealing-property-tax-assessments/9889359002/>.

Columbia with available disconnection data, Indiana ranked third in utility disconnections in 2020 – 2021.<sup>14</sup> Instituting standardized reporting requirements that provide consistent data on residential arrearages and disconnections within the State would allow the Commission and interested stakeholders to evaluate how Indiana compares to its peers, the extent of the problem, and whether appropriate remedies are needed. While there is some federal money available to LIHEAP customers, there is no federal support being distributed to everyone such as during the pandemic. Even though much is unknown about the state of residential utility disconnections, it is clear that utility arrearages and disconnections disproportionately affect Hoosier households of color.<sup>15</sup>

4. The Commission has authority to initiate an investigation into all matters relating to any public utility pursuant to Ind. Code § 8-1-2-58. The Commission is also authorized to take emergency action when necessary to prevent injury to the business or interests of the people or any public utility of this state, including suspending any existing rates, services, practices, schedules, and order relating to or affecting any public utility or party of any public utility in this state. Ind. Code § 8-1-2-113. In addition, Ind. Code § 8-1-2-72 authorizes the Commission to alter or amend any order made by the Commission, upon notice and after opportunity to be heard. In addition to the foregoing statutory provisions, the Indiana Court of Appeals has specifically found that inherent in this grant of power is the implicit power and authority to "do that which is necessary to effectuate the regulatory

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<sup>14</sup> <https://bailoutwatch.org/analysis/powerless-in-the-pandemic2>. *See Also* <https://www.indystar.com/story/news/environment/2022/05/09/indiana-utilities-aes-duke-energy-hall-shame-electricity-disconnections/9632044002/>.

<sup>15</sup> <https://news.iu.edu/stories/2020/09/iub/releases/24-disconnected-utilities-disproportionate-impact-households-of-color.html>

scheme." *South Eastern Indiana Natural Gas v. Ingram*, 617 N.E.2d 943, 948 (Ind. Ct. App. 1993). Other applicable statutes include Ind. Code § 8-1.5-3-8, Ind. Code § 14-33-20-14 (conservancy districts) and Ind. Code § 8-1-11.1-3(c)(9), the last of which establishes the Commission's authority over the rates and charges and the rules and regulations of the Citizens Energy Group and CWA as a Department of Public Utilities of the City of Indianapolis.

5. Consistent with the Commission's authority and obligation under Ind. Code § 8-1-2-58, the OUCC requests the Commission open an investigation to consider the need for ongoing reporting of residential customer arrearage and utility service disconnection data for all regulated Indiana utilities. The OUCC proposes that each jurisdictional Indiana utility with at least 8,000 customers<sup>16</sup> be made a party to this Cause and that a procedural schedule be set for the purpose of receiving testimony and other evidence that addresses the need and scope of any ongoing reporting of residential customer arrearage and disconnection data from all participating parties. At a minimum, respondent utilities who choose to object should specifically state why the public interest would **not** be served by monthly reports that provide the following data:

- a. Residential customer count
- b. Number of residential accounts that are 60+ days delinquent
- c. Total balance associated with residential accounts that are 60+ days delinquent
- d. Number of residential customers on active payment arrangements
- e. Total balance associated with residential accounts in active payment arrangement
- f. Number of residential disconnections for non-payment

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<sup>16</sup> Ind. Code § 8-1-2-61.5 provides rate relief without a formal public hearing to any public or municipally owned utility that either serves less than 8,000 customers or whose single utility division seeking such relief serves less than 5,000 customers. The OUCC seeks to limit any obligations related to this docket to those utilities that would not qualify for rate relief under Section 61.5.

- g. Number of residential reconnections associated with accounts disconnected for non-payment
- h. Number of residential disconnection notices sent for non-payment

The Commission ordered nearly all of this data reporting on a monthly basis for certain utilities for most of 2020 and the 2021 calendar year. The OUCC monitored these reports and decided - at that time - that additional steps were not needed as the pandemic eased. However, the rapidly escalating current economic situation now demands that the Commission, the OUCC, and additional stakeholders have access to this information once again, to monitor the effects of inflation and utility rate creep while ensuring appropriate payment and consumer protection measures are instituted.

6. To the extent other requests for relief are submitted to the Commission, the OUCC requests the Commission conduct a uniform investigation to address all issues in a manner that supports administrative efficiency.

7. The OUCC's request for investigation should be construed broadly to include all utilities subject to the Commission's jurisdiction with at least 8,000 customers. The OUCC's request for investigation is not limited to public utilities as strictly defined under Ind. Code § 8-1-2-1 and is intended to apply to all municipally-owned utilities, conservancy districts, and other utilities over which the Commission exercises its usual and varied jurisdiction. While customer relationships with municipalities are different than with investor-owned utilities, there is a need to obtain a broad sample in order for this data to be as meaningful and comprehensive as possible.

8. I affirm under the penalties of perjury that the foregoing representations are true to the best of my knowledge and belief.



WHEREFORE, the OUCC respectfully requests that the Commission promptly enter an appropriate order consistent with the OUCC's request in Paragraph 6 of this Petition and granting such other and further relief as may be appropriate and proper.

Further affiant sayeth not.

Respectfully submitted,

A handwritten signature in black ink that reads "William I. Fine". The signature is written in a cursive, flowing style.

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William I. Fine  
Attorney No. 6830-45  
Utility Consumer Counselor, State of Indiana

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *Utility Consumer Counselor's Verified Petition for Generic Investigation Into Residential Customer Arrearage and Utility Service Disconnection Data and Request for Ongoing Reporting Requirements* has been served upon the following parties of record in the captioned proceeding by electronic service on June 23, 2022.

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