ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	✓		
Freeman	✓		
Krevda	✓		
Ober	✓		
Ziegner	✓		

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 COMPANYFOR (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

ORDER OF THE COMMISSION

Presiding Officers:
James F. Huston, Chair
Loraine L. Seyfried, Chief Administrative Law Judge

On March 6, 2020, Indiana Governor Eric J. Holcomb issued Executive Order 20-02 declaring a public health emergency for the Coronavirus Disease of 2019 ("COVID-19"). On March 19, 2020, Governor Holcomb issued Executive Order 20-05, which prohibited providers of gas and electric utilities, broadband, telecommunication, water and wastewater services from discontinuing service to any customer in the state as these services are essential to Hoosiers and Hoosier businesses during this state of public health emergency. Indiana's COVID-19 public health emergency, including the

prohibition on utility disconnections, has been renewed through subsequent Executive Orders and is currently set to expire on June 30, 2020. The COVID-19 pandemic has resulted in a health and economic crisis across the world, including the United States and Indiana.

On May 8, 2020, the Indiana Office of Utility Consumer Counselor ("OUCC") filed, under Cause No. 45380, a Verified Petition for Generic Investigation into COVID-19 Impacts requesting the Commission commence an investigation involving all jurisdictional Indiana utilities to consider the impacts of the COVID-19 on utility service and seeking certain Indiana ratepayer protections.

Also on May 8, 2020, Duke Energy Indiana, LLC, Indiana Gas Company, Inc., Indiana Natural Gas Corporation, Indiana Michigan Power Company, Indianapolis Power & Light Company, Midwest Natural Gas Corporation, Northern Indiana Public Service Company, LLC, Ohio Valley Gas Corp. and Ohio Valley Gas, Inc., Southern Indiana Gas & Electric Co., and Sycamore Gas Company ("Joint Utility Petitioners") filed, under Cause No. 45377, a Verified Joint Petition seeking certain relief related to the impact of COVID-19 on their utility operations.

These two petitions (Cause Nos. 45380 and 45377) were consolidated under Cause No. 45380 by a docket entry issued on May 18, 2020.

Accordingly, the Commission finds it appropriate, as requested by the OUCC, to conduct a generic investigation under the consolidated Cause No. 45380 to consider and address the impacts of COVID-19 and the Indiana Governor's COVID-19 Executive Orders on the rates and provision of utility services by all jurisdictional Indiana utilities and on their ratepayers. Because Cause Nos. 45380 and 45377 have been consolidated, issues to be considered in this proceeding will also include those raised by the OUCC as well as the Joint Utility Petitioners. In addition, as discussed in further detail below, both the OUCC and Joint Utility Petitioners proposed addressing their specific requests for relief through a two-phase approach, which we find to be reasonable.

1. Commission Jurisdiction. The Commission is authorized under Ind. Code § 8-1-2-42 to approve changes in the schedule of rates, tolls, and charges of Indiana public utilities. Such charges must be reasonable and just. Ind. Code § 8-1-2-4. The Commission also has authority to initiate an investigation into all matters relating to any public utility pursuant to Ind. Code § 8-1-2-58. 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. 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. Ind. Code § 8-1-2-113. In addition to the foregoing statutory provisions, the Commission notes that 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 scheme." *South Eastern Indiana Natural Gas v. Ingram*, 617 N.E.2d 943, 948 (Ind. Ct. App. 1993). Accordingly, the Commission has jurisdiction over the Respondents and subject matter of this investigation.

2. Parties. All jurisdictional Indiana utilities should be notified of this proceeding and allowed an opportunity to participate in this proceeding. In addition, the Commission encourages those

with a substantial interest in the subject matter of this investigation to seek intervention in accordance with 170 IAC 1-1.1-11.

3. **Phase 1.** Both the OUCC and the Joint Utility Petitioners requested the Commission address certain immediate issues in Phase 1. The OUCC requests the Commission to require all jurisdictional Indiana utilities to: (1) stay disconnections of utility service that are pending or imminent with the expiration on June 4, 2020, of the moratorium on utility service disconnections under the Governor's Executive Order 20-25, as well as waive certain utility fees (e.g., late fees, convenience fees, deposits, and reconnection fees) and expand the use of customer payment arrangements; and (2) begin using regulatory accounting, such as the use of regulatory assets and liabilities, for any impacts related to the continuation of the service disconnection moratorium, waiver of fees, and expanded customer payment arrangements. The Joint Utility Petitioners request Commission authorization by July 15, 2020 to defer, as a regulatory asset, incremental expenses and accrue revenue reductions related to lost load and other revenue reductions attributable to changes in operations and customers loads caused by COVID-19.

As an initial matter, we note that Governor Holcomb's Executive Order 20-28 extended the disconnection moratorium through June 30, 2020, and encouraged utilities and municipalities to work with customers to establish reasonable payment plans for past due amounts.[1] This Executive Order, like prior Orders, is subject to renewal. In addition, it would be unreasonable to expect that the financial, health, and other hardships currently being experienced as a result of the COVID-19 pandemic would immediately disappear upon expiration of any public health declaration or disconnection moratorium. We also note that prior to Governor Holcomb's declaration of a disconnection moratorium, the jurisdictional Indiana utilities recognized the gravity of the emerging COVID-19 pandemic and suspended disconnections and late payment fees, accordingly exercising their ongoing ability to do so. Consequently, if the disconnection moratorium is not renewed again, and in compliance with any Order issued under this Cause, we fully expect that jurisdictional Indiana utilities will not seek to immediately disconnect any customer without first providing notice of disconnection and seeking to enter into a reasonable payment arrangement, which may include the waiver of certain utilities fees, as they currently do upon expiration of the winter disconnection moratorium under Ind. Code §§ 8-1-2-121 and 122, and will continue to do so during the pendency of this proceeding.

Notwithstanding our expectations and in an effort to address the Joint Utility Petitioners' request for an order by July 15, 2020, we establish the following briefing schedule for responding to the Phase 1 requests of the OUCC and Joint Utility Petitioners that will allow for consideration of the issues and issuance of an Order on these matters prior to the current June 30, 2020 expiration of the executive disconnection moratorium.

A. Disconnections, Utility Fees, and Customer Payment Arrangements.

[1] Although Governor Holcomb's Executive Order applies to all Indiana utilities, this Order applies only to the utilities that are subject to the Commission's jurisdiction. However, we would encourage all non-jurisdictional Indiana utilities to also work with their customers in a similar manner by entering into reasonable payment arrangements to avoid disconnections when the executive disconnection moratorium expires.

1. **Response Date.** Responses to the OUCC's request for a continued moratorium on utility service disconnections and required waiver of certain utility fees and expanded customer payment arrangements shall be filed on or before June 10, 2020.

2. **Reply Date.** Replies to any Responses shall be filed on or before June 18, 2020.

B. **Regulatory Accounting.**[2]

1. **Response Date.** Responses to the OUCC's and/or Joint Utility Petitioners' request for regulatory accounting shall be filed on or before June 10, 2020.

2. **Reply Date.** Replies to any Responses shall be filed on or before June 18, 2020.

4. **Information Request and Phase 2.** A procedural schedule for Phase 2 will be established after consideration of the Phase 1 issues. The information requested below is not to 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. In 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, we request the Joint Utility Petitioners, OUCC, and any other party wishing to do so, to provide the following information, as well as any other information they believe would be helpful to our consideration of the issues, on or before July 15, 2020:

- A description of any federal or state legislation as well as any government, government-funded, or community programs that are intended to assist utility customers in the payment of utility bills. Include the classes of customers affected and an analysis of any impact on utility bill payments.

- A description of any federal legislation and government, government-funded, or community programs that are designed to assist utilities in their ongoing operations and obligations under the current COVID-19 pandemic.

- Actual and/or potential cost savings associated with impacts due to COVID-19.

[2] We note that the scope of the regulatory accounting request is broad. Briefings which address the COVID-19 related expenses and the lost revenue due to load reductions as distinct requests will provide clarity in considering the parties' requests.

- Actual and/or potential external sources of revenue that may provide reimbursement for COVID-19-related expenses.

We also request that the jurisdictional Indiana utilities provide a list of measures each utility has in place to assist customers during the COVID-19 pandemic and the utility's plan to continue such assistance in the future, including after expiration of Indiana's disconnection moratorium. Such information shall be provided by June 15, 2020.

Finally, we request that the Joint Utility Petitioners and any jurisdictional Indiana utility intending to participate in this proceeding and request rate relief provide the following additional information:

- Beginning from the date of this Order, monthly reports providing, where applicable, the following information for the previous month:

1. Number of accounts by customer class;
2. Number of accounts certified as eligible for energy assistance since October 1, 2019;
3. Number of accounts past due by customer class broken down by 30 days, 60 days, 90 days, and 120+ days past due;
4. Accounts receivable balances showing total, current, 30-day, 60-day and 90-day by customer class.
5. Number of accounts eligible for energy assistance and past due;
6. Total revenues owed on accounts eligible for energy assistance and past due;
7. Number of accounts determined uncollectible by customer class;
8. Number of accounts eligible for energy assistance and determined uncollectible;
9. The revenue received from the sale of any uncollectible debt.
10. The number and total value of accounts in payment plans by customer class;
11. The number and total sum of payment arrangements in default by customer class;
12. The number and total sum of deferred deposits by customer class;
13. The amounts of all other deferred O&M expenses by expense type;
14. Items (1) through (12) for each month in 2019; and
15. The amount of funds received from government, national, or local relief efforts.
16. Information related to each utility's financial condition, including earnings calls or any other medium in which the utility's financial position is discussed.
17. Weather normalization data that measures the impact to revenue for each month in 2019 as well as ongoing months.

- Beginning with March 6, 2020, the date of the Governor's Executive Order 20-02 declaring a public health emergency, accrued through June 30, 2020, provide a detailed list of all COVID-19 related expenses and revenues that each utility has incurred on or before July 15, 2020.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. All jurisdictional Indiana utilities shall be notified of this proceeding.

2. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, KREVDA, OBER AND ZIEGNER CONCUR:

APPROVED: MAY 27 2020

I hereby certify that the above is a true and correct copy of the Order as approved.

Mary M Becerra

Mary M. Becerra,
Secretary of the Commission