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** **APPROVED: AUG 12 2020**

SECOND INTERIM EMERGENCY ORDER OF THE COMMISSION

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

On May 27, 2020, the Indiana Utility Regulatory Commission ("Commission") issued an Order ("May 27 Order") under this consolidated Cause notifying all jurisdictional Indiana utilities of its decision to conduct a generic investigation to consider and address the impacts of the Coronavirus Disease of 2019 ("COVID-19") and the Indiana Governor's COVID-19 Executive

Orders on the rates and provision of utility service by all jurisdictional Indiana utilities and on their ratepayers.

On June 29, 2020, the Commission issued its Phase 1 and Interim Emergency Order ("Emergency Order") temporarily amending jurisdictional Indiana utility practices by prohibiting utility service disconnections until August 14, 2020, and amending certain tariff rates and charges. The Commission also authorized jurisdictional Indiana utilities to use regulatory accounting for COVID-19 related impacts directly associated with any prohibition on utility disconnections, collection of certain utility fees (i.e., late fees, convenience fees, deposits, and reconnection fees), and the use of expanded payment arrangements as well as COVID-19 related uncollectible and incremental bad debt expense.

We found an emergency existed necessitating certain actions to prevent injury to Hoosiers and Hoosier businesses and also recognized that the COVID-19 pandemic is an on-going concern. Consequently, we noted that the Emergency Order would be "subject to further revision, either on the Commission's own initiative or at a party's request, should circumstances change that warrant additional action." Emergency Order at 6. We also informed the parties of our intent to continue to monitor the ongoing efforts of utilities and customers to enter into reasonable payment arrangements and required additional information to be submitted along with the information already required to be filed by our May 27 Order.

On July 30, 2020, Indiana Governor Holcomb issued Executive Order 20-38 extending the public health emergency for another 30 days, until September 2, 2020. He also issued Executive Order 20-39 to maintain Indiana's operation in Stage 4.5 of his Back on Track plan through August 27, 2020 in recognition of the recent increase in positive COVID-19 cases in Indiana. Indiana has continued to make progress in reopening its economy since the issuance of the Emergency Order, with unemployment rates dropping to 11.2% at the end of June.[1] As we transition toward the recovery phase of this pandemic, it is important to recognize that the overall health of the utility system is supported by policies and actions intended to keep customers connected and contributing to essential utility services.

The July 15, 2020 filings by the parties and other jurisdictional Indiana utilities in this Cause reflect that a range of government and community funding has been made available to Hoosiers and Hoosier businesses to help with the payment of utility bills during the time of this pandemic.[2] Such financial assistance includes that made available through the federal Coronavirus Aid, Relief, and Economic Security Act, which provided supplemental funding for the Low Income Home Energy Assistance Program, created the Paycheck Protection Program, and provided additional unemployment funding; the Indiana Energy Assistance Program; local community programs, such as the COVID-19 Crisis Response Fund of the Greater Evansville Region and those available through Indiana 2-1-1; and utility-specific programs, such as Vectren Energy Delivery of Indiana, Inc.'s Universal Service Program, Indianapolis Power & Light Company's Power of Change and Arrears

[1] https://calendar.in.gov/site/dwd/event/june-indiana-employment-report-4/

[2] We recognize that some financial assistance has expired and others have arisen since these filings occurred.

Management Programs, Citizens Energy's Warm Heart Warm Home program, and Indiana Michigan Power Company's Neighbor to Neighbor program.

Both the July 15 and July 27, 2020 filings in this Cause indicate that the jurisdictional Indiana utilities are making good faith efforts to contact customers through multiple forms of media and provide information about possible payment arrangements. While the filings indicate that the utilities have made some progress in enrolling customers in payment plans, it is clear that more effort is needed as a significant number of customers with outstanding balances have yet to enter into payment plans. The utilities' filings support the general proposition that when disconnection is prohibited, the usual inducement for customers to enter into payment arrangements is removed. The filings also reflect that both the number of customer accounts in arrears and the amount of arrearages are increasing, particularly with respect to accounts with arrearages in the 60-90 day or over 90 day categories. It is also important to note that for a certain segment of the customer base, electric and natural gas utility disconnections have been essentially suspended since December 1, 2019, or more than eight months.

Under any circumstance, especially during this extraordinary period of time, we find it is in the best interests of both the utility and its customers that payment arrangements are entered into for the continued provision of safe and reliable utility service. However, given the significant number of customers that have not yet entered into payment arrangements despite the increased communication about payment plans from their utilities, we are concerned that residential customers in particular may not enter into a payment plan until they face actual disconnection.[3] And, following disconnection, the requirement to pay reconnection fees or deposits to restore service will only increase the customer's outstanding arrearage, which could be already be substantial. For these reasons, we decline to extend beyond August 14 the prohibition on utility service disconnections.

In our Emergency Order, we found that utility tariff rates and charges approved pursuant to Commission rules and applicable orders should be temporarily amended to exclude the collection of late fees, convenience fees, deposits, and reconnection fees, specifically noting that deposits can be a significant barrier to customers obtaining or continuing to receive service. Although Indiana appears to be on the road to economic recovery, there is no dispute that the COVID-19 pandemic has created, and continues to create, significant financial and health difficulties for some customers. It has also created a greater immediate need for Hoosier households to have access to utility services, such as water and wastewater to maintain personal hygiene and assist in containing the spread of the virus and electricity to power computers necessary to work and attend school online.

Given the fact that a public health emergency continues to exist in Indiana and, more specifically, our authority under Ind. Code § 8-1-2-113 to find that an emergency continues to exist, we find it reasonably necessary to require jurisdictional Indiana utility tariff rates and charges be amended to exclude the collection of late fees, deposits, and disconnection/reconnection fees for an additional 60 days to prevent injury to residential ratepayers as the prohibition on utility disconnection expires. Given this finding, we also approve the associated regulatory accounting

[3] Residential customers are generally more likely to lack an awareness of, or a familiarity with, utility practices than non-residential customers.

treatment for such costs consistent with our findings in the Emergency Order.[4] However, jurisdictional Indiana utilities may resume charging any convenience fees per the rates and charges established in their tariffs as previously approved by the Commission. We find such action to be reasonable and necessary to protect residential customers, many of whom may have fallen significantly behind on their utility bills, from incurring additional costs that may prevent them from continuing to receive or obtaining essential utility services and assist the utilities in retaining paying customers that will contribute to funding the provision of such utility service.

The Commission finds it is reasonable to distinguish between residential and non-residential customers because it is rational to expect a higher level of direct, routine engagement from commercial and industrial customers with their utilities and because the Commission's administrative rules address only residential customers. Therefore, the Commission is limiting the continued amendment of jurisdictional Indiana utility tariff rates and charges to exclude the collection of late fees, deposits, and disconnection/reconnection fees to only residential customers. Commercial and industrial customers are generally more likely to be informed and active customers with better access to financial options and leveraging their historical community partnership connections. We continue to encourage our jurisdictional Indiana utilities to collaborate and establish flexible payment arrangements with their commercial and industrial customers, in particular those that are smaller entities, as it is in the best interest for the utilities' service territories and Indiana as a whole.

We further find that during this transition period of moving away from the prohibition on disconnections and into more customer payment arrangements, the utility practices of jurisdictional Indiana utilities should also continue to be temporarily amended to specifically require implementation of more flexible and extended payment arrangements. Over the next 60 days jurisdictional Indiana utilities shall continue to offer, at a minimum, payment arrangements with a period of at least six months over which arrearages may be paid, unless a shorter time period is specifically requested by the customer. As we noted in the Emergency Order, six months is double the three-month minimum required in the Commission's rules. In addition, while utilities are not prohibited from offering (and are instead encouraged to offer) payment plans that provide for payment periods of greater than six months, all payment plan offers must not unjustly discriminate between customers and address all arrearages, whether from the winter moratorium or public health emergency, in a single payment plan.

As we indicated in the Emergency Order, we continue to fully expect and encourage jurisdictional Indiana utilities to make all reasonable efforts to reach out, communicate (through bill inserts, phone calls, text messaging, email, U.S. mail, social media, and the utility's website), and engage with their customers as soon as possible so that utility service can be maintained. In addition, nothing in this Order is intended to prohibit or otherwise limit at any time a utility from not disconnecting a customer or entering into more flexible payment arrangements. Rather, utilities are again encouraged to offer other additional customer protections and payment arrangements that were

[4] Jurisdictional Indiana utilities were authorized in the Emergency Order to use regulatory accounting for any COVID-19 related impacts associated with any prohibition on disconnection, waiver or exclusion of certain utility fees (i.e., late fees, convenience fees, deposits, and disconnection/reconnection fees), and the use of expanded payment arrangements to aid customers.

identified in the utilities' filings, 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 smaller required payments of outstanding balances.

Generally, the efforts taken by jurisdictional Indiana utilities to help their customers maintain utility service while dealing with the uncertainty of this global pandemic have been commendable. Prior to Governor Holcomb's Executive Order 20-05 requiring utilities to suspend disconnections, many utilities had already started to take actions necessary to ensure their customers could continue to receive essential utility services. Duke Energy Indiana, LLC started a proactive campaign utilizing text messages and email communications to reach out to its residential and small business customers that had arrearages to encourage enrollment in payment arrangements. Since March 17, 2020, Citizens Energy Group's COVID-19 website page informed customers that utility services were not being terminated during the public health emergency and that fees and deposits were being waived. In addition, their Connection newsletter, which was included with April, May, June, and July bills, alerted customers to the availability of payment arrangements and other forms of financial assistance. Indiana Michigan Power Company implemented a targeted email campaign to provide customers with information regarding payment arrangement options specific to their needs, and Northern Indiana Public Service Company stopped disconnecting customers in mid-March and on April 20, 2020, began offering expanded payment plan options to customers of up to six months.

Jurisdictional Indiana utilities should also coordinate with customer assistance programs and services, such as Indiana 2-1-1 and other governmental and community organizations, to ensure that residential customers are made aware of assistance programs they could enroll in. We also continue to encourage the utilities to collaborate with interested stakeholders, such as the Citizens Action Coalition and the Indiana Office of Utility Consumer Counselor, to identify other customer assistance practices and measures that could be implemented by the utility.[5]

Finally, as we recognized in the Emergency Order, the Commission does not have jurisdiction over the issues addressed herein for all utilities operating in Indiana. However, we encourage those utilities not subject to the Commission's jurisdiction regarding the relief ordered herein to consider implementing the practices set forth in this Order.[6] We will also continue to monitor the jurisdictional Indiana utility filings in this Cause as well as customer complaints received by the Commission's Consumer Affairs Division, which often include complaints about non-jurisdictional as well as jurisdictional Indiana utilities, along with any further developments in the COVID-19 pandemic and future developments in the Governor's Back on Track plan. Consequently, like the Emergency Order and 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.

[5] Relief efforts such as that approved and implemented by Indianapolis Power & Light Company ("IPL") pursuant to Cause No. 45029 through which the Arrears Management Pilot Program as described in IPL's July 15, 2020 filing represent potential creative solutions that result from such collaboration.

[6] This Order is intended to apply only to those utilities subject to the Commission's jurisdiction as set forth in Indiana law and interpreted by the courts.

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

1. Until October 12, 2020 or otherwise ordered by the Commission, all jurisdictional Indiana utilities shall comply with the temporarily amended utility practices and tariff rates and charges as set forth herein.

2. Until October 12, 2020 or otherwise ordered by the Commission, all jurisdictional Indiana utilities shall continue to offer extended payment arrangements as set forth herein to all customers.

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

HUSTON, FREEMAN, KREVDA, OBER, AND ZIEGNER CONCUR:

APPROVED: AUG 12 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