IURC Denies Utilities´ Request for Lost Revenue, Extends Disconnection Moratorium in COVID-19 Investigation

INDIANAPOLIS – The Indiana Utility Regulatory Commission (Commission) issued an Order today in Phase 1 of its investigation (Cause No. 45380) into the impact of the novel coronavirus (COVID-19) on ratepayers and utilities in the state. In the Order, the Commission denied joint utility petitioners’ request for cost recovery of lost revenue.

The Order states, “Under the regulatory compact, at a base level, utilities are obligated to provide safe, reliable service and customers are obligated to pay just and reasonable rates for any such service they receive. The balance of this Order seeks to work toward allowing customers to meet their obligation while providing utilities the reasonable relief they need to help such customers do so. However, asking customers to go beyond their obligation and pay for service they did not receive is beyond reasonable utility relief based on the facts before us.”

The Commission also deferred the joint utility petitioners’ request related to increased operations and maintenance and pension expenses until it can be evaluated in Phase 2 of the investigation.

Additionally, the Commission found that the service rules and tariffs of jurisdictional utilities should be temporarily amended to prohibit utility service disconnections for 45 days beyond the expiration of Executive Order 20-28, through August 14, 2020, for all customers of jurisdictional utilities, and prohibited the collection of certain utility fees (late fees, convenience fees, deposits, and reconnection fees). Many utilities implemented a disconnection moratorium voluntarily prior to the Governor’s Executive Order. In addition, the Commission doubled the minimum requirement for extended payment plans by requiring all jurisdictional utilities to offer payment plans of at least six months to all customers. The Commission expects customers and utilities to communicate as soon as possible to set up payment arrangements as necessary so utility service can be maintained. The Commission also encourages utilities not under its jurisdiction to consider implementing the practices provided in the Order, given the statewide impact of COVID-19.

The Commission states, “Temporarily prohibiting disconnections until August 14, 2020 is a balanced solution that allows both customers and utilities additional time to enter into reasonable payment arrangements to address any arrearages that may have accumulated and maintain essential utility services for the benefit of all customers, the utilities, and other stakeholders.”
Additionally, all jurisdictional Indiana utilities are authorized to record COVID-19 related impacts directly associated with any prohibition on utility disconnections, collection of certain utility fees, and the use of expanded payment arrangements, which may be considered for cost recovery in the future.

To review the Commission’s Order in Cause Number 45380, as well as all related documents in this case, please visit the Online Services Portal here and search by the Cause Number.

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The Indiana Utility Regulatory Commission (Commission) is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the Commission is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide safe and reliable service at just and reasonable rates. The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana's utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utilities issues affecting Indiana. For more information, please visit www.in.gov/iurc.