

Cause No. 45007-FMCA-4
Northern Indiana Public Service Company LLC's
Objections and Responses to
NIPSCO Industrial Group's First Set of Data Requests

Industrials Request 1-004:

For each of the pipeline safety projects (identified with a project ID of "PS"):

- a. please state the total AFUDC for the project;
- b. please state the total indirect cost of the project;
- c. please state the estimated year NIPSCO would commence the project, and estimated year of completion;
- d. if the existing plant and equipment is to be retired, the estimated unamortized balance of property which would remain in rates after completion of the pipeline safety project;
- e. please state the number of units, i.e., miles of pipe, inspections, replacements, that are included in the cost estimate for each project as originally proposed, and the number of units completed to date;
- f. please state the number of units, i.e., miles of pipe, inspections, replacements, that are included in the cost estimate for each project as revised in this filing.

Objections:

NIPSCO objects to this Request on the grounds and to the extent the Request seeks publicly available information.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent that NIPSCO Industrial Group has the data to perform the analysis itself.

NIPSCO objects to Subparts (c) and (d) of this Request on the grounds and to the extent the Request seeks documents or information that are not relevant to the subject matter of this proceeding and are therefore not reasonably calculated to lead to the discovery of admissible evidence.

NIPSCO further objects to Subpart (d) of this Request on the separate and independent grounds and to the extent the Request solicits an analysis, calculation or compilation which has not already been performed and which NIPSCO objects to performing.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

IURC
INTERVENOR'S - IG
EXHIBIT NO. (X-1)
9-1-20
DATE REPORTER

OFFICIAL
EXHIBITS

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(a) The AFUDC for each of the pipeline safety projects (identified with a project ID of "PS") as of March 31, 2020 are included in Attachment 1, Schedule 1, Page 2, Column E. The support for these amounts are included in Audit Package Request 1-005 Attachment A (T&D Projects) and Audit Package Request 1-008 Attachment A (Gas Operations Projects),¹ both of which include a breakdown of 2018, 2019, 2020, Filing Period, and Cumulative. The amounts included in the Cumulative tab align with Attachment 1, Schedule 1, Page 2, Column E. The percentage ratio by project using Schedule 1, Page 2, can be computed by dividing the amounts in Column E (AFUDC) by the sum of the amounts in Column C (Direct Capital) and Column D (Indirect Capital). For purposes of convenience, Audit Package Request 1-005 Attachment A and Audit Package Request 1-008 Attachment A are attached.

The total AFUDC for 2020 and 2021 for each of the pipeline safety projects (identified with a project ID of "PS") can also be computed using the Progress Report (Attachment PSC-PR-4) as follows:

Step 1: Calculate the AFUDC percentage by year by dividing the annual AFUDC amount (Line 35) by the sum of the annual Pipeline Safety Compliance Plan Capital Direct Costs (Line 33) and Indirect Costs (Line 34). This will give you the annual AFUDC percentage.

Step 2: To calculate the AFUDC for each project, by year, multiply the sum of the annual Capital Direct (\$) (Columns N and O) and the annual Indirect \$ (Columns U and V) by the annual AFUDC percentage calculated in Step 1.

NIPSCO also includes the AFUDC percentages used in the calculations in the "Explanation of Proposed Revision" column of the Progress Report (Line 35). Industrials Request 1-004 Attachment A (Columns AA and AB) shows the AFUDC by project, by year, using this calculation.

(b) The indirect cost for each of the pipeline safety projects (identified with a project ID of "PS") as of March 31, 2020 are included in Attachment 1, Schedule 1, Page 2, Column D. The support for these amounts are included in Audit Package Request 1-005

¹ For the 2018 PS11 Farm Tap work orders that went in service in 2018, they are not included in the FMCA-4 audit packages, as they are not part of the tracker, however they are part of the total PS11 costs on the Pipeline Safety Compliance Project FMCA-4 Progress Report.

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Attachment A (T&D Projects) and Audit Package Request 1-008 Attachment A (Gas Operations Projects),² both of which include a breakdown of 2018, 2019, 2020, Filing Period, and Cumulative. The amounts included in the Cumulative tab align with Attachment 1, Schedule 1, Page 2, Column D. The percentage ratio by project using Schedule 1, Page 2, can be computed by dividing the amounts in Column D (Indirect Capital) by the amounts in Column C (Direct Capital).

The total indirect cost for 2020 and 2021 for each of the pipeline safety projects (identified with a project ID of "PS") can also be computed using the Progress Report (Attachment PSC-PR-4) as follows:

Step 1: Calculate the indirect cost percentage by year by dividing the annual indirect amount (Line 34) by the annual Pipeline Safety Compliance Plan Capital Direct Costs (Line 33). This will give you the annual indirect percentage.

Step 2: To calculate the indirect cost for each project, by year, multiply the annual Capital Direct \$ (Columns N and O) by the annual indirect percentage calculated in Step 1.

NIPSCO also includes the indirect cost percentages used in the calculations in the "Explanation of Proposed Revision" column of the Progress Report (Line 34). Industrials Request 1-004 Attachment A (Columns U and V) shows the indirect cost by project, by year, using this calculation.

(c) The Pipeline Safety Compliance Projects were approved in Cause No. 45007. For a description of the projects, please see the direct testimonies of NIPSCO witnesses Bull and Stone in Cause No. 45007. For a description of all updates for the projects, including the date the project commenced (or will commence), please see the direct testimonies of NIPSCO witnesses Bull, Kanoy and Stone in 45007-FMCA-1 and 45007-FMCA-2; Bull, Sylvester, and Kanoy in 450070-FMCA-3; and Carr, Sylvester, and Kanoy in this filing.

(d) See objections.

² For the 2018 PS11 Farm Tap work orders that went in service in 2018, they are not included in the FMCA-4 audit packages, as they are not part of the tracker, however they are part of the total PS11 costs on the Pipeline Safety Compliance Project FMCA-4 Progress Report.

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(e) The number of units completed to date is included in NIPSCO's case-in-chief. For purposes of convenience, please see Industrials Request 1-004 Attachment B for a description of the projects, including the number of units, i.e., miles of pipe, inspections, replacements, that are included in the cost estimate for each project as originally proposed and the number of units completed to date.

(f) Please see Industrials Request 1-004 Attachment B.

Pipeline Safety Compliance Plan - Capital						
Project No.	Project Name	Revised Plan				
		2018 Capital Direct (\$)	2019 Capital Direct (\$)	2020 Capital Direct (\$)	2021 Capital Direct (\$)	Total Capital Direct (\$)
PS1	TIMP Programmatic Improvements Project	\$0	\$0	\$0	\$0	\$0
PS2	Management of Change Project	\$0	\$0	\$0	\$0	\$0
PS3	Preventive and Mitigative Measures Project	\$0	\$0	\$0	\$0	\$0
PS4	Annual Plan Improvements Project	\$0	\$0	\$0	\$0	\$0
PS5	Enhanced Emergency Responder Outreach Program	\$0	\$0	\$0	\$0	\$0
PS6	DIMP Administration / Leak Data Verification Project	\$0	\$0	\$0	\$0	\$0
PS7	Service Card Enhancements Project	\$0	\$0	\$0	\$0	\$0
PS8	Fiberglass Riser Replacement Project	\$0	\$121,095	\$1,894,206	\$1,104,300	\$3,119,601
PS9	Legacy Cross Bore Remediation Project	\$0	\$0	\$0	\$0	\$0
PS10	Underground Storage Integrity Project	\$0	\$455,340	\$13,074	\$0	\$468,414
PS11	Farm Tap Remediation Project	\$1,362,865	\$1,768,745	\$357,860	\$0	\$3,489,470
PS12	ILI Project	\$484	\$17,943,024	\$14,673,251	\$16,224,209	\$48,840,968
PS13	Transmission Inspect & Mitigate Project	\$9,517	\$2,943,455	\$0	\$505,345	\$3,458,317
PS14	AC Mitigation Project	\$34,162	\$2,318,281	\$879,445	\$1,781,680	\$5,013,568
PS15	Transmission RCV Installation Project	\$0	\$0	\$0	\$2,235,118	\$2,235,118
PS16	Isolated Services Project	\$0	\$1,483,060	\$1,078,753	\$1,338,831	\$3,900,644
PS17	Emergency Valve Project	\$1,974	\$3,522,495	\$0	\$1,119,554	\$4,644,023
PS18	Casings Project	\$0	\$7,989	\$467,851	\$0	\$475,840
PS19	Casings Project	\$0	\$0	\$0	\$2,733,215	\$2,733,215
PS19	Distribution Inspect & Mitigate Project	\$0	\$611,625	\$1,338,624	\$1,019,222	\$2,969,471
PS20 (OM 2D)	Transmission Risk Modeling	\$0	\$0	\$0	\$0	\$0
PS21 (OM2F)	Legacy Cross Bore Inspection	\$0	\$0	\$0	\$0	\$0
PS22 (OM2R)	Test Station Casings	\$0	\$0	\$0	\$0	\$0
PS23 (OM 2H)	MAOP - Distribution	\$0	\$0	\$0	\$0	\$0
PS24 (OM 2I)	MAOP - Transmission	\$0	\$0	\$0	\$0	\$0
Pipeline Safety Compliance Plan Capital Direct Costs		\$1,409,002	\$31,175,109	\$20,703,064	\$28,061,474	\$81,348,649
Indirect Costs		\$237,296	\$2,920,476	\$3,107,529	\$2,977,322	\$9,242,623
AFUDC		\$22,107	\$451,417	\$672,033	\$876,043	\$2,021,600
Pipeline Safety Compliance Plan - Capital		\$1,668,405	\$34,547,002	\$24,482,626	\$31,914,839	\$92,612,872

Indirect % (Indirect Costs divided by Pipeline Safety Compliance Plan Capital Direct Costs) 16.8% 9.4% 15.0% 10.6%

AFUDC % (AFUDC divided by the sum of Indirect Costs and Pipeline Safety Compliance Plan Capital Direct Costs) 1.3% 1.3% 2.8% 2.8%

2018 Indirect (\$)	2019 Indirect (\$)	2020 Indirect (\$)	2021 Indirect (\$)	Total Indirect (\$)
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$10,464	\$284,320	\$117,166	\$411,950
\$0	\$0	\$0	\$0	\$0
\$0	\$37,550	\$1,962	\$0	\$39,512
\$230,969	\$188,483	\$53,715	\$0	\$473,167
\$214	\$1,534,407	\$2,202,454	\$1,721,388	\$5,458,464
\$1,968	\$217,006	\$0	\$53,617	\$272,591
\$3,971	\$170,817	\$132,005	\$189,036	\$495,829
\$0	\$0	\$0	\$237,146	\$237,146
\$0	\$181,846	\$161,921	\$142,050	\$485,817
\$174	\$520,526	\$0	\$118,785	\$639,485
\$0	\$3,052	\$70,224	\$0	\$73,276
\$0	\$0	\$0	\$289,994	\$289,994
\$0	\$56,325	\$200,927	\$108,139	\$365,392
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0

\$237,296	\$2,920,476	\$3,107,529	\$2,977,322	\$9,242,623
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2018 AFUDC (\$)	2019 AFUDC (\$)	2020 AFUDC (\$)	2021 AFUDC (\$)	Total AFUDC (\$)
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$361	\$61,487	\$34,475	\$96,323
\$0	\$0	\$0	\$0	\$0
\$0	\$6,111	\$424	\$0	\$6,535
\$18,282	\$4,145	\$11,616	\$0	\$34,043
\$10	\$306,514	\$476,302	\$506,499	\$1,289,325
\$2,196	\$7,003	\$0	\$15,776	\$24,975
\$1,407	\$27,160	\$28,547	\$55,622	\$112,736
\$0	\$0	\$0	\$69,777	\$69,777
\$0	\$50,618	\$35,017	\$41,797	\$127,431
\$212	\$45,479	\$0	\$34,951	\$80,642
\$0	\$87	\$15,187	\$0	\$15,274
\$0	\$0	\$0	\$85,327	\$85,327
\$0	\$3,939	\$43,452	\$31,819	\$79,210
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0

\$22,107	\$451,417	\$672,033	\$876,043	\$2,021,600
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NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC							
Pipeline Safety Compliance Plan - Capital							
Project No.	Project Name	Estimated Units	Units Completed - Capital				Unit Type
			FMCA-1	FMCA-2	FMCA-3	FMCA-4	
PS1	TIIMP Programmatic Improvements Project		NA	NA	NA	NA	
PS2	Management of Change Project		NA	NA	NA	NA	
PS3	Preventive and Mitigative Measures Project		NA	NA	NA	NA	
PS4	Annual Plan Improvements Project		NA	NA	NA	NA	
PS5	Enhanced Emergency Responder Outreach Program		NA	NA	NA	NA	
PS6	DIMP Administration / Leak Data Verification Project		NA	NA	NA	NA	
PS7	Service Card Enhancements Project		NA	NA	NA	NA	
PS8	Fiberglass Riser Replacement Project	NA	0	0	0	925	regulators and meters
PS9	Legacy Cross Bore Remediation Project		NA	NA	NA	NA	
PS10	Underground Storage Integrity Project	87	0	0	17	19	bollards
PS11	Farm Tap Remediation Project	153	21	17	30	6	projects
PS12	ILI Project	2	0	0	0	1	projects
PS13	Transmission Inspect & Mitigate Project	12	0	0	1	6	valves
PS14	AC Mitigation Project	4	0	0	0	1	projects
PS15	Transmission RCV Installation Project	4	0	0	0	0	valves
PS16	Isolated Services Project	750	0	227	203	7	services
PS17	Emergency Valve Project	225	0	0	86	74	valves
PS18	Casings Project	2	0	0	0	0	projects
	Casings Project	1	0	0	0	0	projects
PS19	Distribution Inspect & Mitigate Project	90	0	0	1 project	3 valves	
PS20 (OM 2D)	Transmission Risk Modeling		NA	NA	NA	NA	
PS21 (OM2F)	Legacy Cross Bore Inspection		NA	NA	NA	NA	
PS22 (OM2R)	Test Station Casings		NA	NA	NA	NA	
PS23 (OM 2H)	MAOP - Distribution		NA	NA	NA	NA	
PS24 (OM 2I)	MAOP - Transmission		NA	NA	NA	NA	

Originally all O&M