STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF WHITING CLEAN ENERGY, INC., AND BP PRODUCTS NORTH AMERICA, INC., SEEKING TERMINATION OF ALTERNATIVE REGULATORY TREATMENT PURSUANT TO IND. CODE 8-1-2.5 AND ESTABLISHMENT OF ASSOCIATED SERVICE TERMS, IN LIGHT OF MATERIAL CHANGES IN CIRCUMSTANCES.	**CAUSE NO. 45071**

Verified Direct Testimony and Attachment of

James R. Dauphinais

On behalf of

Whiting Clean Energy, Inc.
and
BP Products North America, Inc.

June 20, 2018

BRUBAKER & ASSOCIATES, INC.

Project 10296

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF WHITING CLEAN ENERGY, INC., AND BP PRODUCTS NORTH AMERICA, INC., SEEKING TERMINATION OF ALTERNATIVE REGULATORY TREATMENT PURSUANT TO IND. CODE 8-1-2.5 AND ESTABLISHMENT OF ASSOCIATED SERVICE TERMS, IN LIGHT OF MATERIAL CHANGES IN CIRCUMSTANCES.	CAUSE NO. 45071

Direct Testimony of James R. Dauphinais

I. Introduction

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A James R. Dauphinais. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and a Managing Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is provided in Appendix A to this testimony.

Q HAVE YOU BEEN INVOLVED WITH PRIOR PROCEEDINGS BEFORE THE INDIANA UTILITY REGULATORY COMMISSION ("IURC" OR "COMMISSION")?

A Yes. I have been involved in prior proceedings before this Commission and have presented testimony in many of those proceedings.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A Whiting Clean Energy, Inc. ("WCE") and BP Products North America, Inc. ("BP").

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A My testimony addresses the proposal of WCE and BP in this proceeding to electrically integrate their operations such that the WCE Facility, operating as a Qualifying Facility ("QF"), supplies the electric power needs of the BP Whiting Refinery ("Whiting Refinery") while NIPSCO provides backup and maintenance service; purchases excess power from the WCE Facility at avoided cost when it is offered to NIPSCO; and provides reasonable transitional services incident to the utilization of the WCE Facility to produce power to support Refinery operations.

Q PLEASE BRIEFLY SUMMARIZE YOUR RECOMMENDATIONS IN THIS PROCEEDING.

A I recommend the Commission:

1. Approve the electrical integration of the WCE Facility and the Whiting Refinery using the Aggregation of Delivery Points alternative;

2. If despite my recommendation, the Commission does not approve the Aggregation of Delivery Point alternative, the Commission approve the electrical integration of the WCE Facility and the Whiting Refinery using the Self-Wheeling Across the NIPSCO System alternative;

3. If despite my recommendation, the Commission does not approve the Aggregation of Delivery Points or Self-Wheeling Across the NIPSCO System

alternatives, the Commission recognize the status of WCE as a QF upon the electrical integration of the WCE Facility and the Whiting Refinery through the use of a private transmission line constructed by BP on property owned by BP;

4. Confirm that the eligibility of WCE and BP to receive standby service under NIPSCO Rider 776 to back stop the self-service power provided from the WCE Facility to the Whiting Refinery will coincide with the completion of the electrical integration and commencement of operation of WCE as a QF;

5. Confirm that, once the WCE Facility and the Whiting Refinery are electrically integrated, WCE and BP will be eligible to sell excess capacity and energy to NIPSCO pursuant to the terms and conditions of NIPSCO Rider 778, or otherwise sell excess capacity and energy consistent with applicable law; and

6. Confirm that BP will not be subject to NIPSCO Rate 733 11-month demand ratchet for its pre-electrical integration demand after it has implemented the electrical integration of the WCE Facility and the Whiting Refinery.

II. Overview of Regulatory Structure

Q PLEASE DESCRIBE WCE AND THE WCE FACILITY.

A WCE owns and operates a 545 MW natural gas-fired combined cycle cogeneration facility -- the WCE Facility. WCE is currently a wholly owned subsidiary of BP Alternative Energy North America, Inc. and is a commonly owned direct corporate affiliate with BP, the entity that owns and operates the Whiting Refinery. WCE was originally formed in 1998 in connection with the planned construction of the WCE Facility. At that time, WCE was a subsidiary of Primary Energy, an indirect wholly-owned subsidiary of NiSource, Inc. and hence an affiliate of NIPSCO. The WCE Facility was built on land owned by BP, immediately adjacent to the Whiting Refinery, and leased to WCE by BP. The steam output of the WCE Facility has been dedicated to the Whiting Refinery since the WCE Facility began operation. As discussed in the direct testimony of BP witness Mr. Cameron Eveland, at the time of the construction of the WCE Facility, the parties contemplated a potential electric integration of the WCE Facility and the Whiting Refinery, but ultimately chose not to

do so at the time. WCE was instead certified by the Federal Energy Regulatory Commission ("FERC") as an Exempt Wholesale Generator ("EWG") and, in that capacity, has sold electricity at wholesale to the Midcontinent Independent System Operator, Inc. ("MISO") market and to other wholesale counterparties. Both the WCE Facility and the Whiting Refinery are interconnected with the NIPSCO transmission system 138 kV. The two facilities are directly interconnected with each other through NIPSCO's Marktown substation by a NIPSCO 138 kV transmission line of less than 2 miles in length. They are also interconnected through a number of other electrically parallel 138 kV transmission lines. The historical marginal transmission congestion and losses cost from the MISO EPNode of the WCE Facility to the MISO EPNode of the Whiting Refinery has been -$0.30 per MWh based on MISO's posting of historical day-ahead Locational Marginal Prices ("LMPs") from September 1, 2015 to March 31, 2018 -- indicating that the movement of power from the WCE Facility to the Whiting Refinery would, if anything, generally act to reduce transmission congestion and losses rather than increase them.

Q PLEASE EXPLAIN HOW WCE AND BP ARE CHANGING THE ARRANGEMENTS FOR THE WCE FACILITY.

A As discussed in the direct testimony of Mr. Eveland, the WCE Facility has been self-certified as a QF in accordance with FERC procedure. With that change in status, WCE and BP will use the electric output of WCE Facility, in addition to the steam output of WCE Facility, to support a substantial portion of BP's host industrial load at the Whiting Refinery, with any excess electric capacity remaining available for sale to NIPSCO or in the wholesale market. BP's contracted full-service demand with NIPSCO under Rate 733 is being reduced to 20 MW. The rest of BP's electric

demand will be self-supplied from the WCE Facility and the 83 MW of existing BP generation that BP already uses to self-supply a portion of its electric power needs at the Whiting Refinery. BP's self-supplied power would be backstopped by standby service purchased from NIPSCO under Rider 776. Accordingly, WCE and BP in this proceeding seek recognition of the change in status and the establishment of reasonable and appropriate terms for BP's service arrangements with NIPSCO arising from WCE's status as a QF.

Q WHAT SERVICE ARRANGEMENTS ARE NECESSARY WITH NIPSCO FOR BP THAT ARISE FROM WCE'S STATUS AS A QF?

A There are four that are relevant here:

1. Integration;
2. Standby service;
3. Sales of excess capacity and energy; and
4. Transitional service.

I will address each of these in detail within this testimony.

III. Integration

Q PLEASE DESCRIBE INTEGRATION.

A Integration is the mechanism under which WCE will deliver electricity to the adjoining Whiting Refinery. There are three different ways the electrical integration of WCE and the Whiting Refinery can be accomplished:

1. Aggregation of Delivery Points;
2. Self-Wheeling Across the NIPSCO System, or
3. Construction of a Private BP Transmission Line.

A. Aggregation of Delivery Points Alternative

Q PLEASE EXPLAIN THE FIRST OF THESE THREE ALTERNATIVES -- AGGREGATION OF DELIVERY POINTS ("AGGREGATION").

A Aggregation is the most efficient and economical alternative for the electrical integration of the WCE Facility and the Whiting Refinery. Under Aggregation, the meters for the WCE Facility and the BP Refinery would for billing purposes be algebraically summed to a single value. For each given period of time there would either be a net output of power from WCE/BP to the NIPSCO transmission system or a net input of power from the NIPSCO transmission system to WCE/BP. This would recognize that WCE and BP are being operated as a single integrated operation with respect to the production and consumption of electric power and steam for the Whiting Refinery. WCE and BP are commonly owned and located on contiguous parcels of land. Furthermore, they are already electrically interconnected through NIPSCO's 138 kV transmission facilities with only one intervening NIPSCO substation located between them. Finally, as I noted earlier, the marginal transmission congestion and losses cost from the WCE Facility to the Whiting Refinery has been relatively small and negative (-$0.30 per MWh), which indicates that, if anything, self-supply of power from the WCE Facility to the Whiting Refinery through Aggregation would generally decrease transmission congestion and losses, rather than increase them. Given all the foregoing, it is reasonable and appropriate to consolidate the WCE Facility and the Whiting Refinery as a single customer premise and a single NIPSCO account. It is also the most efficient alternative for electrically integrating the WCE Facility with the Whiting Refinery.

Q PLEASE EXPAND ON WHY THIS IS THE MOST EFFICIENT ALTERNATIVE FOR THE ELECTRICAL INTEGRATION OF WCE AND THE BP WHITING REFINERY.

A WCE and BP could be electrically integrated by BP constructing its own private transmission line between the WCE Facility and the Whiting Refinery. However, it would be inefficient and wasteful to require BP to incur the expense and delay of installing a private transmission line that would duplicate the function of the existing transmission facilities already in pace, without providing any benefits toward reducing NIPSCO's cost to serve its customers. Under Aggregation, there would be no need to undertake the unnecessary construction of redundant infrastructure, while NIPSCO's cost to serve its remaining customers would remain unchanged versus what it would have been if BP had built the private transmission line.

Q IS AGGREGATION IN THE MANNER YOU ARE PROPOSING CURRENTLY ALLOWED IN OTHER REGULATORY JURISDICTIONS?

A Yes. The Illinois Commerce Commission ("ICC") permits customers to combine meter readings at multiple points of delivery for a single premise. In Attachment JRD-1, I provide a copy of 3rd Revised Sheet No. 4.023 of Ameren Illinois Company Electric Service Schedule ILL.C.C. No. 1. This is an excerpt from the Standards and Qualifications for Electric Service under Ameren Illinois Company's ICC-approved retail electric service tariff. Section 4.A of that excerpt indicates:

> "Company may agree to combine meter readings taken at multiple points of delivery for a single premise under the following conditions:
>
> a) Company may combine meter readings taken at multiple points of delivery for a single premises provided that Company installs and maintains the meters and equipment needed to measure the usage of Company Service as well as systems necessary to combine data from multiple Points of Delivery. Customer shall pay in advance for the installation and removal of such equipment, as

well as any applicable Excess Facilities charges pursuant to Rider EFC; and

b) Customer receiving combination of meter readings taken at multiple points for delivery for a single premises indemnifies the Company for any tax liability, or other government mandated cost, that is imposed on the Company irrespective of the provision allowing combination of meter readings taken at multiple points for delivery."

This is the same approach that WCE and BP are proposing under the Aggregation alternative in this proceeding. For all of the reasons I have discussed, I recommend that the Commission approve the use of the Aggregation alternative to electrically integrate the WCE Facility and the Whiting Refinery.

B. Self-Wheeling Across the NIPSCO System Alternative

Q PLEASE EXPLAIN THE SECOND ALTERNATIVE FOR ELECTRICAL INTEGRATION -- SELF-WHEELING ACROSS THE NIPSCO SYSTEM ("SELF-WHEELING").

A Self-Wheeling is an integration alternative in the event the Commission does not approve the Aggregation alternative. Under Self-Wheeling, the BP Whiting Refinery would be permitted to receive electricity from WCE just like it would under the Aggregation alternative except that BP would pay NIPSCO a transmission wheeling charge for the portion of the BP Whiting Refinery load supplied by WCE. The appropriate transmission wheeling charge would be based on the MISO Tariff rates for Network Integration Transmission Service ("NITS") for the NIPSCO transmission pricing zone. In addition, for the electricity delivered from WCE to the BP Whiting Refinery, BP would be subject to a transmission congestion and losses charge equal to the MISO LMP at the Whiting Refinery EPNode less the LMP at the WCE EPNode. For the reasons I have discussed earlier, the application of transmission charges

should not be necessary as WCE and the BP Whiting Refinery will be operating as a single premise and are electrically very closely interconnected with each other. In addition, NIPSCO will not incur any incremental transmission costs under any of the integration alternatives. However, if despite my recommendation the Commission does not allow the use of the Aggregation alternative, the Self-Wheeling alternative would be the next most efficient alternative insofar as it avoids a need to construct unnecessary infrastructure to duplicate the function of existing transmission facilities.

Q HOW WOULD THE TRANSMISSION CHARGES BE COLLECTED UNDER THE SELF-WHEELING ALTERNATIVE?

A They would be collected under the terms and conditions of the service contract established between NIPSCO and BP pursuant to Rate 733 and Rider 776.

Q WHAT DO YOU RECOMMEND TO THE COMMISSION WITH RESPECT TO THE SELF-WHEELING ALTERNATIVE FOR INTEGRATION?

A If the Commission does not permit WCE and BP to use the Aggregation alternative, I recommend that the Commission permit WCE and BP use the Self-Wheeling alternative. The Self-Wheeling alternative, while requiring transmission compensation to NIPSCO in excess of what is necessary, would still efficiently avoid the expense and delay to install a new private transmission line to electrically integrate WCE and the BP Whiting Refinery.

C. Private Transmission Line Alternative

Q PLEASE EXPLAIN THE THIRD ALTERNATIVE FOR ELECTRICAL INTEGRATION -- THE PRIVATE TRANSMISSION LINE ("PRIVATE LINE") ALTERNATIVE.

A Under the Private Line alternative, BP would construct its own private 138 kV transmission line on its own property to directly connect the WCE Facility and the Whiting Refinery. This alternative is less efficient than the Aggregation alternative, or the Self-Wheeling alternative. However, as discussed in the direct testimony of BP witness Mr. Gregory Martin, if the Commission ultimately requires BP to utilize the Private Line alternative, BP will do so.

Q WOULD THE PRIVATE LINE ALTERNATIVE REQUIRE CHANGES TO THE EXISTING TRANSMISSION INTERCONNECTIONS OF WCE AND THE WHITING REFINERY WITH NIPSCO?

A No, the existing interconnections could be maintained. The only question that would have to be resolved is whether both of those interconnections should operate in a normally closed fashion or whether one interconnection or the other should operate in a normally open fashion. The Private Line could be operated either with both interconnections normally closed or with one or the other interconnection normally open. However, it is important that, just like under the Aggregation alternative, the meters at the WCE and Whiting Refinery interconnections with NIPSCO be algebraically summed together for billing purposes, reflecting whether WCE/BP for any given period of time has a net output to the NIPSCO transmission system or a net input from the NIPSCO transmission system. Otherwise, the net output of power from WCE/BP onto the NIPSCO transmission system or the net input of power from the NIPSCO transmission system to WCE/BP will not be properly captured.

IV. Standby Service

Q WHAT IS SELF-SERVICE POWER?

A Self-service power is electric power provided by a customer's own generation equipment to serve its own load as is being proposed in this proceeding by BP with respect to the WCE Facility. As with the case of BP, self-service power often involves the use of combined heat and power ("CHP") facilities that provide both useful electric and thermal energy from a single fuel source at or immediately adjacent to the customer's site. This is a much more efficient way to provide both electricity and thermal energy than traditional utility service. This improved efficiency reduces environmental impacts, lowers the customer's costs (making the customer more competitive) and incents electric utilities to improve their own cost efficiency in order for their electric service rates to become more competitive (lowering costs for all of the electric utility's customers).

Q WHAT IS STANDBY SERVICE?

A Standby Service (a/k/a backup and maintenance service) is electric service provided by the utility when a customer's self-service power is partially or fully curtailed due to a planned or unplanned deration or outage. While self-service power is highly reliable, just like with utility generation, there will be limited times when self-service power will be partially or fully unavailable due to deration or outages. Electric utilities, accordingly, are generally required to offer retail standby power to self-service power customers. To meet this requirement, NIPSCO provides standby service to its self-service power customers pursuant to the provisions of its Rider 776. In addition to providing Standby Service, NIPSCO also provides Supplemental Service for the

portion of a self-service customer's load that is not self-supplied. It does so pursuant to the provisions of its standard tariff rates such as Rate 733.

Q WHAT IS BACKUP SERVICE?

A Backup Service is the provision of standby electric energy and capacity to replace energy, ordinarily generated by a customer's own generation equipment, during an unscheduled (or forced) deration or outage of the customer's generation equipment.

Q WHAT IS MAINTENANCE SERVICE?

A Maintenance Service is the provision of standby electric energy and capacity to replace energy, ordinarily generated by a customer's own generation equipment, during a scheduled (or planned) outage of the customer's generation equipment.

Q WHAT IS SUPPLEMENTAL POWER?

A Supplemental Power is power that is purchased in addition to standby service. It is similar in character to the full service provided to non self-service customers. After the electrical integration of the WCE Facility and the Whiting Refinery, BP will continue to contract for 20 MW of supplemental power from NIPSCO under Rate 733.

Q IS NIPSCO REQUIRED TO PROVIDE BACKUP AND MAINTENANCE POWER TO ITS CUSTOMERS?

A Yes. Pursuant to the Public Utility Regulatory Policy Act ("PURPA"), NIPSCO is required to offer Backup and Maintenance Service to Cogeneration and Small Power Production Facilities, what are collectively called "Qualifying Facilities" ("QFs") under FERC regulations, in order to support customer operations that utilize power

generated by a QF. As I have noted, NIPSCO currently does so pursuant to the provisions of its Rider 776.

Q CAN YOU PLEASE PROVIDE SOME BRIEF BACKGROUND IN REGARD TO PURPA?

A Yes. PURPA was enacted in 1978 and subsequently amended by the Energy Policy Act of 2005. PURPA is intended to encourage conservation and efficient use of energy resources. This included the encouragement of the development and use of Cogeneration and Small Power Production Facilities, including CHP.

The encouragement of these types of facilities reduces the amount of capacity the utilities such as NIPSCO require to serve their customers, and is generally more environmentally friendly due to their very high efficiency, particularly in the case of cogeneration facilities.

PURPA generally requires electric utilities to provide standby service to QFs at reasonable rates. PURPA also generally requires electric utilities to purchase excess electric energy from QFs, subject to an option allowing the customer instead to sell into a competitive wholesale market.

Consistent with PURPA, the Indiana General Assembly has reiterated the policy encouraging the development of cogeneration facilities and other private energy production alternatives, and has enacted provisions calling for energy utilities to provide standby services and to purchase excess energy, at Chapter 8-1-2.4 of the Indiana Code. The Commission's own Rule 4.1, Cogeneration and Alternative Energy Production Facilities, provides additional guidance regarding those requirements.

Q DOES BP CURRENTLY TAKE ANY STANDBY SERVICE UNDER RIDER 776?

A Yes, it does so for its existing 83 MW of smaller generating units when they are experiencing outages or derates.

Q AT WHAT POINT WILL BP AND WCE BE ELIGIBLE TO RECEIVE BACKUP AND MAINTENANCE SERVICE UNDER RIDER 776 FOR THE ELECTRIC POWER RECEIVED FROM THE WCE FACILITY, IN ADDITION TO THAT IT CURRENTLY RECEIVES FOR ITS EXISTING SMALLER GENERATING UNITS?

A Once the electrical integration is completed and the operation of WCE as a QF is implemented.

Q ARE ANY CHANGES NECESSARY TO RIDER 776 IN ORDER FOR BP AND WCE TO RECEIVE BACKUP AND MAINTENANCE POWER FOR THE ELECTRIC POWER SUPPLIED BY THE WCE FACILITY?

A No. The existing terms and conditions of Rider 776 are sufficient and appropriate to provide the backup and maintenance power that BP and WCE will need.

Q ARE THE EXISTING TRANSMISSION FACILITIES SERVING THE WHITING REFINERY SUFFICIENT TO PROVIDE BACKUP AND MAINTENANCE POWER UNDER RIDER 776 FOR THE ELECTRIC POWER BEING RECEIVED FROM THE WCE FACILITY?

A Yes. The existing transmission facilities currently provide on a full-service basis the same level of power for the Whiting Refinery as will be needed under standby service once the electrical integration between the WCE Facility and the Whiting Refinery is implemented.

Q WHAT DO YOU RECOMMEND TO THE COMMISSION WITH REQUEST TO THIS ISSUE?

A I recommend the Commission find that the eligibility of WCE and BP to receive standby service under Rider 776 to back stop the self-service power provided from the WCE Facility to the Whiting Refinery will coincide with the implementation of the electrical integration.

V. Sales of Excess Capacity and Energy

Q WHAT DO SALES OF EXCESS CAPACITY AND ENERGY INVOLVE?

A The capacity of the WCE Facility exceeds the electricity need of the BP Refinery. As a QF, WCE may continue to sell excess electricity from the WCE Facility into the MISO market and to other wholesale counterparties. However, since the WCE Facility is a QF, some or all of the excess capacity and energy could also be purchased by NIPSCO under NIPSCO's Rider 778.

Q PLEASE EXPLAIN NIPSCO'S PURPA OBLIGATION TO PURCHASE CAPACITY AND ENERGY FROM QFs.

A As I noted earlier, PURPA was intended to encourage conservation and efficient use of energy resources. This included the encouragement of Cogeneration and Small Power Production Facilities (i.e., QFs). In addition, PURPA generally requires electric utilities to purchase electric energy from QFs when a QF chooses to sell power to the utility rather than into the wholesale market. In this respect, PURPA requires FERC to establish rules for the rates at which utility purchases of power are made from QFs such that they are just and reasonable to electric consumers of the electric utility, in the public interest, and do not discriminate against QFs.

The IURC's rules for the rate at which an electric utility must purchase excess energy and capacity from a QF if the QF chooses to sell power to that utility are found at 170 IAC 4-4.1-8 and 4-4.1-9. These rules provide formulas for a default rate for such purchases from a QF and the option for an electric utility and a QF to negotiate a rate that differs from the default rate.

NIPSCO currently meets the foregoing FERC and IURC purchase obligation rules through its Rider 778.

Q ARE ANY CHANGES NECESSARY TO RIDER 778 IN ORDER FOR WCE AND BP TO SELL EXCESS CAPACITY AND ENERGY TO NIPSCO AT AVOIDED COST?

A No. The existing terms and conditions of Rider 778 are sufficient to allow WCE and BP to sell excess capacity and energy to NIPSCO at NIPSCO's avoided cost.

Q WHAT DO YOU RECOMMEND WITH RESPECT TO THIS ISSUE?

A I recommend the Commission find that the eligibility of WCE and BP to sell excess capacity and energy to NIPSCO under Rider 778 will coincide with the implementation of the electrical integration, and that the alternative involving sales into the competitive wholesale market will be available consistent with FERC rules.

VI. Transitional Services

Q WHAT ARE TRANSITIONAL SERVICES?

A These are related to BPs transition from full service from NIPSCO under Rate 733 to self-service for the portion of the Whiting Refinery's electric need that will be self-supplied from the WCE Facility and for which NIPSCO will on a going forward

basis be only providing standby service under Rider 776. The specific transition issue of concern is with respect to demand charges under Rate 733.

Q PLEASE EXPLAIN THE CONCERN.

A Under Rate 733, Billing Demand is subject to the following 11-month demand ratchet equal to the following:

> "Seventy-five percent (75%) of the highest Billing Demand established in the immediately preceding eleven (11) months, adjusted, if the Company's obligation to serve is increased or decreased. Each time the Company's obligation to serve is increased or decreased, the highest Billing Demand established in the immediately preceding eleven (11) months shall be adjusted by a ratio of the Company's current obligation to serve to the Company's obligation to serve in the month of the highest Billing Demand before multiplying by seventy-five percent (75%)."

As discussed in the Direct Testimony of Mr. Eveland, BP has given NIPSCO appropriate notice of reduction in demand and taken steps to revise contract demand to reflect the forthcoming electrical integration of the WCE Facility and the Whiting Refinery. NIPSCO has been given a reasonable opportunity to prepare for the change in the BP service arrangements without the need to impose demand charges on BP beyond the point that the electrical integration of the WCE Facility and the Whiting Refinery is implemented. Furthermore, NIPSCO can and should cooperate in coordinating the transition in an efficient manner that results in all arrangements being in place and ready for implementation at the same point that the electrical integration is implemented. For all of the foregoing reasons, BP should not be required to pay ratcheted demand charges to NIPSCO subsequent to electrical integration for its pre-electrical integration demand, or otherwise be forced to pay for services that are no longer required.

Q WHAT DO YOU RECOMMEND TO THE COMMISSION WITH RESPECT TO THIS ISSUE?

A I recommend that the Commission determine that BP will not be subject to the NIPSCO Rate 733 11-month demand ratchet for BP's pre-electrical integration demand after BP has implemented the electrical integration of the WCE Facility with the Whiting Refinery.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes, it does.

Qualifications of James R. Dauphinais

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A James R. Dauphinais. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017, USA.

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and a Managing Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A I graduated from Hartford State Technical College in 1983 with an Associate's Degree in Electrical Engineering Technology. Subsequent to graduation I was employed by the Transmission Planning Department of the Northeast Utilities Service Company[1] as an Engineering Technician.

While employed as an Engineering Technician, I completed undergraduate studies at the University of Hartford. I graduated in 1990 with a Bachelor's Degree in Electrical Engineering. Subsequent to graduation, I was promoted to the position of Associate Engineer. Between 1993 and 1994, I completed graduate level courses in the study of power system transients and power system protection through the Engineering Outreach Program of the University of Idaho. By 1996 I had been promoted to the position of Senior Engineer.

[1] In 2015, Northeast Utilities changed its name to Eversource Energy.

In the employment of the Northeast Utilities Service Company, I was responsible for conducting thermal, voltage and stability analyses of the Northeast Utilities' transmission system to support planning and operating decisions. This involved the use of load flow, power system stability and production cost computer simulations. It also involved examination of potential solutions to operational and planning problems including, but not limited to, transmission line solutions and the routes that might be utilized by such transmission line solutions. Among the most notable achievements I had in this area include the solution of a transient stability problem near Millstone Nuclear Power Station, and the solution of a small signal (or dynamic) stability problem near Seabrook Nuclear Power Station. In 1993 I was awarded the Chairman's Award, Northeast Utilities' highest employee award, for my work involving stability analysis in the vicinity of Millstone Nuclear Power Station.

From 1990 to 1996, I represented Northeast Utilities on the New England Power Pool Stability Task Force. I also represented Northeast Utilities on several other technical working groups within the New England Power Pool ("NEPOOL") and the Northeast Power Coordinating Council ("NPCC"), including the 1992-1996 New York-New England Transmission Working Group, the Southeastern Massachusetts/Rhode Island Transmission Working Group, the NPCC CPSS-2 Working Group on Extreme Disturbances and the NPCC SS-38 Working Group on Interarea Dynamic Analysis. This latter working group also included participation from a number of ECAR, PJM and VACAR utilities.

From 1990 to 1995, I also acted as an internal consultant to the Nuclear Electrical Engineering Department of Northeast Utilities. This included interactions with the electrical engineering personnel of the Connecticut Yankee, Millstone and

Seabrook nuclear generation stations and inspectors from the Nuclear Regulatory Commission ("NRC").

In addition to my technical responsibilities, from 1995 to 1997, I was also responsible for oversight of the day-to-day administration of Northeast Utilities' Open Access Transmission Tariff. This included the creation of Northeast Utilities' pre-FERC Order No. 889 transmission electronic bulletin board and the coordination of Northeast Utilities' transmission tariff filings prior to and after the issuance of Federal Energy Regulatory Commission ("FERC" or "Commission") FERC Order No. 888. I was also responsible for spearheading the implementation of Northeast Utilities' Open Access Same-Time Information System and Northeast Utilities' Standard of Conduct under FERC Order No. 889. During this time I represented Northeast Utilities on the Federal Energy Regulatory Commission's "What" Working Group on Real-Time Information Networks. Later I served as Vice Chairman of the NEPOOL OASIS Working Group and Co-Chair of the Joint Transmission Services Information Network Functional Process Committee. I also served for a brief time on the Electric Power Research Institute facilitated "How" Working Group on OASIS and the North American Electric Reliability Council facilitated Commercial Practices Working Group.

In 1997 I joined the firm of Brubaker & Associates, Inc. The firm includes consultants with backgrounds in accounting, engineering, economics, mathematics, computer science and business. Since my employment with the firm, I have filed or presented testimony before the Federal Energy Regulatory Commission in Consumers Energy Company, Docket No. OA96-77-000; Midwest Independent Transmission System Operator, Inc., Docket No. ER98-1438-000; Montana Power Company, Docket No. ER98-2382-000; Inquiry Concerning the Commission's Policy on Independent System Operators, Docket No. PL98-5-003; SkyGen Energy LLC v.

Southern Company Services, Inc., Docket No. EL00-77-000; Alliance Companies, et al., Docket No. EL02-65-000, et al.; Entergy Services, Inc., Docket No. ER01-2201-000; Remedying Undue Discrimination through Open Access Transmission Service, Standard Electricity Market Design, Docket No. RM01-12-000; Midwest Independent Transmission System Operator, Inc., Docket No. ER10-1791-000; NorthWestern Corporation, Docket No. ER10-1138-001, et al.; Illinois Industrial Energy Consumers v. Midcontinent Independent System Operator, Inc., Docket No. EL15-82-000; Midcontinent Independent System Operator, Inc., Docket No. ER16-833-000; Midcontinent Independent System Operator, Inc., Docket No. ER17-284-000; and Midcontinent Independent System Operator, Inc. and Ameren Services Company Docket No. ER18-463-000. I have also filed or presented testimony before the Alberta Utilities Commission, Colorado Public Utilities Commission, Connecticut Department of Public Utility Control, the Florida Public Service Commission, the Idaho Public Service Commission; Illinois Commerce Commission, the Indiana Utility Regulatory Commission, the Iowa Utilities Board, the Kentucky Public Service Commission, the Louisiana Public Service Commission, the Michigan Public Service Commission, the Missouri Public Service Commission, the Montana Public Service Commission, the New Mexico Public Regulation Commission, the Council of the City of New Orleans, the Oklahoma Corporation Commission, the Public Utility Commission of Texas, the Wisconsin Public Service Commission, the Wyoming Public Service Commission and various committees of the Missouri State Legislature. This testimony has been given regarding a wide variety of issues including, but not limited to, ancillary service rates, avoided cost calculations, certification of public convenience and necessity, class cost of service, cost allocation, fuel adjustment clauses, fuel costs, generation interconnection, interruptible rates, market power,

market structure, off-system sales, prudency, purchased power costs, resource planning, rate design, retail open access, standby rates, transmission losses, transmission planning, transmission rates and transmission line routing.

I have also participated on behalf of clients in the Southwest Power Pool Congestion Management System Working Group, the Alliance Market Development Advisory Group and several committees and working groups of the Midcontinent Independent System Operator, Inc. ("MISO"), including the Congestion Management Working Group; Economic Planning Users Group; Loss of Load Expectation Working Group; Planning Subcommittee; Regional Expansion, Criteria and Benefits Working Group and Resource Adequacy Subcommittee (formerly the Supply Adequacy Working Group). I am currently a member of the MISO Advisory Committee in the end-use customer sector on behalf of industrial customer groups in Illinois, Louisiana and Texas. I am also the past Chairman of the Issues/Solutions Subgroup of the MISO Revenue Sufficiency Guarantee ("RSG") Task Force.

In 2009, I completed the University of Wisconsin-Madison High Voltage Direct Current ("HVDC") Transmission course for Planners that was sponsored by MISO. I am a member of the Power and Energy Society ("PES") of the Institute of Electrical and Electronics Engineers ("IEEE").

In addition to our main office in St. Louis, the firm also has branch offices in Phoenix, Arizona and Corpus Christi, Texas.

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF WHITING CLEAN ENERGY, INC., AND BP PRODUCTS NORTH AMERICA, INC., SEEKING TERMINATION OF ALTERNATIVE REGULATORY TREATMENT PURSUANT TO IND. CODE 8-1-2.5 AND ESTABLISHMENT OF ASSOCIATED SERVICE TERMS, IN LIGHT OF MATERIAL CHANGES IN CIRCUMSTANCES.	**CAUSE NO. 45071**

Verification

I, James R. Dauphinais, a Consultant and Managing Principal of Brubaker & Associates, Inc., affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

James R. Dauphinais
6/20/2018

STANDARDS AND QUALIFICATIONS FOR ELECTRIC SERVICE

Customers taking temporary service under this provision are specifically exempted from Seasonal Service Disconnect charges.

Customer shall pay a one-time connect/disconnect charge for each Point of Delivery equal to the Customer Charge provided under Rate DS-2 multiplied by two (2).

Customer's Distribution Delivery Charge shall be billed under Rate DS-2. Kwh usage shall be determined by installation of suitable metering equipment or, at Company's option, estimated by the Company.

4. METERING

A. Meters

Company or an entity under contract with the Company will own, furnish, install, calibrate, test, and maintain all Company meters and all associated equipment used for retail billing and settlement purposes in its service area. In the event that the Customer arranges for an MSP to provide its metering and metering services, the MSP shall provide all services in accordance with the Supplier Terms and Conditions of this Schedule.

Company may agree to combine meter readings taken at multiple points of delivery for a single premise under the following conditions:

* a) Company may combine meter readings taken at multiple points of delivery for a single premises provided that Company installs and maintains the meters and equipment needed to measure the usage of Company Service as well as systems necessary to combine data from multiple Points of Delivery. Customer shall pay in advance for the installation and removal of such equipment, as well as any applicable Excess Facilities charges pursuant to Rider EFC; and

b) Customer receiving combination of meter readings taken at multiple points for delivery for a single premises indemnifies the Company for any tax liability, or other government mandated cost, that is imposed on the Company irrespective of the provision allowing combination of meter readings taken at multiple points for delivery.