

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC
SERVICE COMPANY LLC PURSUANT TO IND.
CODE §§ 8-1-2-42.7, 8-1-2-61, AND, 8-1-2.5-6 FOR
(1) AUTHORITY TO MODIFY ITS RETAIL
RATES AND CHARGES FOR ELECTRIC
UTILITY SERVICE THROUGH A PHASE IN OF
RATES; (2) APPROVAL OF NEW SCHEDULES OF
RATES AND CHARGES, GENERAL RULES AND
REGULATIONS, AND RIDERS (BOTH EXISTING
AND NEW); (3) APPROVAL OF A NEW RIDER
FOR VARIABLE NON-LABOR O&M EXPENSES
ASSOCIATED WITH COAL-FIRED
GENERATION; (4) MODIFICATION OF THE
FUEL COST ADJUSTMENT TO PASS BACK 100%
OF OFF-SYSTEM SALES REVENUES NET OF
EXPENSES; (5) APPROVAL OF REVISED
COMMON AND ELECTRIC DEPRECIATION
RATES APPLICABLE TO ITS ELECTRIC PLANT
IN SERVICE; (6) APPROVAL OF NECESSARY
AND APPROPRIATE ACCOUNTING RELIEF,
INCLUDING BUT NOT LIMITED TO APPROVAL
OF (A) CERTAIN DEFERRAL MECHANISMS
FOR PENSION AND OTHER POST-
RETIREMENT BENEFITS EXPENSES; (B)
APPROVAL OF REGULATORY ACCOUNTING
FOR ACTUAL COSTS OF REMOVAL
ASSOCIATED WITH COAL UNITS FOLLOWING
THE RETIREMENT OF MICHIGAN CITY UNIT
12, AND (C) A MODIFICATION OF JOINT
VENTURE ACCOUNTING AUTHORITY TO
COMBINE RESERVE ACCOUNTS FOR
PURPOSES OF PASSING BACK JOINT VENTURE
CASH, (7) APPROVAL OF ALTERNATIVE
REGULATORY PLANS FOR THE (A)
MODIFICATION OF ITS INDUSTRIAL SERVICE
STRUCTURE, AND (B) IMPLEMENTATION OF A
LOW INCOME PROGRAM; AND (8) REVIEW
AND DETERMINATION OF NIPSCO'S
EARNINGS BANK FOR PURPOSES OF IND.
CODE § 8-1-2-42.3.

CAUSE NO. 45772

IURC
INTERVENOR'S - US Steel
EXHIBIT NO. 9-26-23
DATE REPORTER

OFFICIAL
EXHIBITS

SUBMISSION OF PREFILED VERIFIED DIRECT TESTIMONY OF
RALPH R. RIBERICH, JR.
ON BEHALF OF INTERVENOR UNITED STATES STEEL CORPORATION

United States Steel Corporation ("U.S. Steel"), by counsel, hereby submits the Direct Testimony
of Ralph R. Riberich, Jr.

Respectfully submitted,



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Counsel for Intervenor,
United States Steel Corporation

Date: January 20, 2022

1 **Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND BRIEF BUSINESS**
2 **DESCRIPTION.**

3 A. My name is Ralph R. Riberich, Jr. I am a Director of Procurement for United States Steel
4 Corporation ("USS"). My business address is 600 Grant Street, Pittsburgh, Pennsylvania
5 15219. USS has been a major industrial customer of Northern Indiana Public Service
6 Company ("NIPSCO") and one of its highest electrical users for decades.

7 **Q2. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.**

8 A. I have a Master of Business Administration degree and a B.S. in Electrical Engineering
9 from the University of Pittsburgh. In addition to my undergraduate and graduate degrees,
10 I am a registered Professional Engineer in the state of Pennsylvania. I am also a Certified
11 Professional in Supply Chain Management.

12 **Q3. WOULD YOU BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE?**

13 A. I have 25 years' experience in USS's operations, including energy procurement. As
14 Director of Procurement since 2014, I am responsible for more than \$2.5 Billion in annual
15 spending, representing direct and indirect materials. I lead a group of seven (7) employees
16 representing all U. S. Steel's North American Energy Industrial Gases, Fuels, Chemicals,
17 Coating Metals, Alloys and Deox Aluminum requirements. I have also served as U.S.
18 Steel's Manager of Global Procurement for Energy and Metals (2011-2014); Team Leader
19 of Energy Procurement (2006-2011); Team Leader of Maintenance, Repair and Operations
20 (2005-2006); Area Manager of the Utility Department (2001-2005); and Operations
21 Manager (1998-2001).

22 **Q4. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS OR ANY OTHER**
23 **REGULATORY COMMISSION?**

1 A. Yes, I testified in two other Indiana Utility Regulatory Commission cases involving
2 NIPSCO and USS (Cause Nos. 44073 and 43674).

3 PURPOSE OF TESTIMONY

4 **Q5. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?**

5 A. I am testifying on behalf of United States Steel Corporation (“USS”), which is an existing
6 customer of Rate 831, and future customer of the proposed Rate 531.

7 **Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

8 A. The purpose of my testimony is to support the settlement between USS, other Large
9 Industrial Customers, and NIPSCO for the continuation of an alternative regulatory
10 approval of, and proposed rate structure for, Rate 531.

11 PROPOSED RATE 531 SUPPORT

12 **Q7. MR. RIBERICH, DO YOU SUPPORT THE NIPSCO PROPOSED RATE 531?**

13 A. Yes. The proposed Rate 531 is a reasonable continuation of the existing Rate 831 for Large
14 Industrial customers. It is a continued transition from a traditional, vertically-integrated
15 rate structure to one that provides Large Industrial Customers greater flexibility, risk
16 sharing, and access to wholesale power markets. Rate 531 also moves Large Industrial
17 Customers closer to their true cost of service.

18 **Q8. DOES THE PROPOSED RATE 531 BENEFIT NIPSCO’S CUSTOMERS?**

19 A. Yes. As currently proposed, Rate 531 provides continued long-term benefit to NIPSCO’s
20 customers by reducing fixed cost allocation risk. For example, the 10 MW minimum
21 contract demand and defined amount of cost recovery in Tier 1 ensures and provides a
22 defined contribution to the recovery of NIPSCO’s fixed costs. In addition, the five-year

1 notice provision provides an adequate planning horizon for fixed cost impacts of capacity
2 additions or reductions. This planning horizon is important because NIPSCO's 2021
3 Integrated Resource Plan ("IRP") does not include the energy consumption of industrial
4 customers under Tiers 2 and 3 on Rate 831 in its load forecast as this load is not currently
5 served by NIPSCO.¹ This means that NIPSCO's long-term planning has already taken into
6 account that the vast majority of Large Industrial Customer loads will not be covered by
7 NIPSCO's generation resources.

8 **Q9. IN WHAT OTHER WAYS DOES RATE 531 BENEFIT NIPSCO'S**
9 **CUSTOMERS?**

10 A. As electric costs are a large impact to the competitive position of many large industrial and
11 commercial customers, it is leading to increased consideration and implementation of self-
12 generation of power to avoid the rising costs of capacity and power from NIPSCO and to
13 remain competitive in their respective markets. In the absence of a flexible regulatory
14 option for Large Industrial Customers, USS would likely pursue alternatives to NIPSCO
15 capacity, thus reducing its reliance on NIPSCO's generating assets and their contribution
16 to fixed cost recovery. Rate 531 ensures these larger customers contribute to NIPSCO's
17 fixed cost recovery and reduce risks for NIPSCO and other customers. Other members of
18 this relatively small class of customers could easily make a similar decision. USS still
19 believes, as it did when it agreed to the original Rate 831, that Rate 531 remains better for
20 the other customer classes in the long term to keep the capacity burden of the Large
21 Industrial Customers mostly off of NIPSCO's system.

¹ NIPSCO 2021 IRP, p. 30, footnote 13.

1 **Q10. HOW DOES RATE 531 CONTRIBUTE TO REDUCING THE RISKS TO NIPSCO**
2 **AND OTHER CUSTOMER CLASSES?**

3 A. Many Large Industrial Customers, including USS, are tied to broader, global markets and
4 cycles which create additional risk associated with customer loss due to the business
5 environment. Loss of any large loads to NIPSCO would result in a significant reduction in
6 billed revenues and shifting of fixed costs and their recovery to other customer classes.

7 CONCLUSION

8 **Q11. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE IURC.**

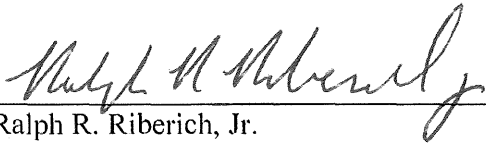
9 A. I recommend that the Commission approve Rate 531, as it is a just and reasonable
10 continuation of the existing Rate 831 structure, while at the same time moving Large
11 Industrial Customers closer to their actual cost of service.

12 **Q12. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 A. Yes, it does.

VERIFICATION

I affirm under the penalties of perjury that the foregoing Prefiled Verified Direct Testimony is true to the best of my knowledge, information and belief as of the date here filed.



Ralph R. Riberich, Jr.

CERTIFICATE OF SERVICE

I hereby certify that on January 20, 2022, a copy of the foregoing was served upon the following via electronic mail:

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