CAC Exhibit 1

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC FOR APPROVAL OF: (1) ITS DEMAND SIDE MANAGEMENT AND ENERGY EFFICIENCY PLAN FOR 2024 -2026, INCLUDING ENERGY EFFICIENCY PROGRAMS AND DEMAND RESPONSE PROGRAMS; (2) ACCOUNTING AND RATEMAKING TREATMENT, INCLUDING TIMELY RECOVERY OF ASSOCIATED PROGRAM COSTS, INCLUDING REASONABLE LOST REVENUES AND FINANCIAL INCENTIVES, AND AUTHORITY TO DEFER COSTS; AND (3) NEW STANDARD CONTRACT RIDER 74, LOAD CONTROL ADJUSTMENT.	)	CAUSE NO. 45803

IURC
INTERVENOR'S -CAC
EXHIBIT NO. 1
3-21-23
DATE
REPORTER

DIRECT TESTIMONY OF BENJAMIN INSKEEP

ON BEHALF OF

CITIZENS ACTION COALITION OF INDIANA, INC.

FEBRUARY 9, 2023

OFFICIAL EXHIBITS

I. INTRODUCTION

Q. Please state your name, position and business address.

A. My name is Benjamin Inskeep, and I am the Program Director at Citizens Action Coalition of Indiana, Inc. ("CAC"). My business address is 1915 West 18th Street, Suite C, Indianapolis, Indiana 46202.

Q. Please describe your current responsibilities.

A. I have served as CAC's Program Director since March 2022. In that role, I work to advance CAC's policy and programmatic priorities related to energy, utilities, and consumer affordability and protection, including serving as a subject matter expert in proceedings before the Indiana Utility Regulatory Commission ("IURC") and at the General Assembly.

Q. Please briefly summarize your prior employment and educational background.

A. I have more than a decade of experience working on energy and utility issues. My prior employment includes working as a policy analyst at the North Carolina Clean Energy Technology Center at North Carolina State University (2014-2016), where I co-created and served as lead author and editor of *The 50 States of Solar*, a quarterly report series tracking distributed solar policy developments in U.S. states. I also conducted policy research and contributed to the *Database of State Incentives for Renewables and Efficiency (DSIRE)* project and provided technical support, analysis, and workshops for state and local governments through the U.S. Department of Energy's SunShot Solar Outreach Partnership.

I also worked for EQ Research LLC, a clean energy policy consulting firm, from 2016-2022. I managed EQ Research's general rate case subscription service, contributed as a researcher and analyst to other policy service offerings, such as a legislative and regulatory tracking services, and performed customized research and analysis for clients. In addition, my client engagements included participation in state utility regulatory proceedings, including analyzing utility proposals and serving as an expert witness on ratemaking and energy policy issues.

I earned a Bachelor of Science in Psychology with Highest Distinction from Indiana University in 2009 and both a Master of Science in Environmental Science and a Master of Public Affairs from the O'Neill School of Public and Environmental Affairs at Indiana University in 2012.

Q. Have you previously filed testimony before the Indiana Utility Regulatory Commission ("IURC" or "Commission")?

A. Yes. I previously testified before the IURC in Cause Nos. 45504, 45505, 45506, and 45508 addressing the excess distributed generation tariffs of AES Indiana, Northern Indiana Public Service Co., Indiana Michigan Power ("I&M"), and Duke Energy Indiana ("Duke"), respectively; Cause Nos. 45700 and 45797 regarding the coal combustion residuals ("CCR") compliance projects of NIPSCO, 45749 regarding a CCR compliance project of Duke; Cause No. 45701 addressing I&M's demand-side management plan; Cause No. 45722 regarding CenterPoint's securitization pilot program; Cause No. 45740 regarding Duke and International Paper's steam contract; Cause No. 45775 regarding Duke's Alternative Regulatory Plan to benefit Low-Income Home Energy Assistance recipient customers; and Cause No. 45772 regarding NIPSCO's electric general rate case.

I have also previously testified before the Kentucky Public Service Commission in Case Nos. 2020-00174 (Kentucky Power's 2020 rate case), 2020-00349 (Kentucky Utilities' 2020 rate case), and 2020-00350 (Louisville Gas & Electric's 2020 rate case).

Q. On whose behalf are you testifying?

A. I am testifying on behalf of CAC.

Q. Are there attachments to your testimony?

A. Yes. I am sponsoring Attachment BI-1: NIPSCO's 30-Day Filing No. 50499.

Q. What is the purpose of your testimony in this proceeding?

A. On November 8, 2022, Duke filed a petition and testimony with the Commission for approval of its Demand Side Management ("DSM") and Energy Efficiency ("EE") Plan for 2024 – 2026 ("DSM/EE Plan"). My testimony addresses the proposed DSM/EE Plan and offers several recommendations for enhancements and improvements. My silence on any issued raised by Duke in its testimony should not be construed as an endorsement or tacit approval of such a proposal.

Q. Please summarize your testimony and recommendations.

A. I recommend that the Commission order or Duke modify its proposal to:

1. Make CAC a voting member of Duke's DSM Oversight Board;
2. Allow unspent funds (and associated savings) to rollover between years within the Demand Side Management and Energy Efficiency Plan for 2024 – 2026;
3. Implement a "stretch goal" over and above the energy savings goal so that ratepayers can receive the benefit of additional procurement of the least cost resource available;
4. Alter the performance incentive to better align Duke's motivation to achieve the energy savings goal and the "stretch goal";
5. Implement CAC's proposed improvements to the Commercial and Industrial DSM/EE programs;

6. Implement CAC's proposed improvements to attract those Commercial and Industrial customers who have opted out back into the DSM/EE programs;
7. Implement CAC's proposed improvements to the Residential DSM/EE programs; and
8. Cap lost revenue recovery to the lesser of four years or the life of the measure.

II. PROGRAM OVERSIGHT

Q. Duke is not proposing to make any changes to CAC's voting status on Duke's Oversight Board ("OSB"). Does CAC have any response?

A. While CAC is a voting member on every other investor owned electric utility's DSM OSB in the State, CAC is still a *non*-voting member on Duke's OSB. For over ten years, CAC has attended nearly every meeting and actively participated on and collaborated with Duke's OSB. CAC has shown its commitment to this collaborative process and believes it is a valued partner to Duke and the rest of the OSB members. CAC requests that Duke make CAC a voting member. If Duke does not offer to make CAC a voting member, CAC requests the Commission require Duke to do so.

Q. Is Duke proposing to allow for unspent funds (and associated savings) to rollover between years within the DSM/EE Plan for 2024 – 2026?

A. It does not appear so. Other Indiana investor owned electric utilities do have this ability, and it has worked well. *See, e.g.,* Cause No. 45701, Final Order (January 4, 2023), p. 11. Program delivery varies year-by-year for a multitude of reasons. Duke and its OSB should have the ability to rollover unspent funds and associated savings to keep up momentum and ensure overall three year targets are being achieved. CAC proposes that Duke change its proposal, or the Commission order this change, in order to better administer the fluctuation between years in the three-year portfolio.

III. ENERGY SAVINGS GOAL, STRETCH GOAL, AND PERFORMANCE INCENTIVE PROPOSAL

Q. Did Duke engage its OSB in the development of the DSM market potential study ("MPS")?

A. Yes. Duke and its vendor Nexant sought input from members of the OSB throughout the development of the DSM MPS through its completion in March 2021, which formed the basis for modeling in Duke's 2021 IRP and the basis for the energy savings goal in this proceeding. While CAC made and stands by several recommendations to improve certain assumptions and modeling related to DSM/EE,[1] as well as other matters, CAC found the overall MPS development process to be open and collaborative. Duke and Nexant were responsive to comments and incorporated many of the recommendations provided by CAC.

Q. Does CAC support the proposed three-year energy savings goal put forth by Duke in this proceeding?

A. While CAC supports the proposed three-year energy savings goal, CAC and its technical experts believe Duke can and should do more as explained in our Comments on the Duke 2021 IRP. Thus, CAC proposes Duke use best efforts to achieve a "stretch goal" over and above the energy savings goal by increasing the scale of programs and/or identifying new programs and measures, including emerging technologies and delivery channels, to

[1] *See* pp. 33-37 in our Comments on Duke's 2021 IRP available at: https://www.in.gov/iurc/files/PUBLIC-Report-of-CAC-Earthjustice-VoteSolar-on-DEI-2021-IRP-5-16-22FINAL.pdf.

produce additional energy savings.[2] CAC also proposes more consideration of the "Expanded Measure List" scenario in the MPS to inform measure types and measure volume for the "stretch goal."

Q. What level of energy savings should Duke aim for under the "stretch goal"?

A. CAC proposes that Duke use best efforts to achieve a 20% stretch goal, representing an additional 117,352 MWh (gross at plant) over the three-year plan, which we call the "stretch goal." If the additional 117,352 MWh are achieved through the "stretch goal," the level of energy savings reduction would be approximately 0.85% annually before opt-out and 1.38% annually after opt-out.[3]

To achieve said "stretch goal," CAC recommends Duke be allowed additional spending flexibility, or otherwise increase its budget incrementally, to increase energy efficiency investment and procurement. Duke requests to maintain its 20% discretionary spending cap as approved in DSM-8, but to also have the ability to exceed this cap as needed for the Non-Residential Demand Response program.[4] CAC is supportive of this request but also requests a "stretch goal" be put into place to be funded by this spending flexibility or that Duke otherwise increase its budget incrementally to achieve the "stretch

[2] We would note one large exception: CAC does not promote procurement of any additional behavioral savings. As we note below, there is an over-emphasis of behavioral savings in Duke's portfolio—in fact, we recommend below that Duke shift some savings from its behavioral program to other programs with longer-lasting measures and savings.

[3] Assumes average total retail sales of 25,796,000 MWh (at meter) per Duke Energy Indiana 2021 IRP, Appendix B, page 152 and average eligible retail sales of 17,007,515 MWh (at plant) per Duke witness Amy Dean direct testimony, page 7, lines 3-4. Conversions between plant and meter sales were made using 6.66% line losses (from the generator perspective) per the Company response to CAC Data Request 1.18.

[4] Duke Witness Dean Direct Testimony, page 26, line 16 - page 27, line 6.

goal." Based on the EE budgets proposed by Duke, 20% spending flexibility would equal an additional $19,319,532.[5]

Q. What changes to the performance incentive does CAC recommend to encourage Duke to reach both the energy savings goal and the "stretch goal"?

A. In order to provide Duke with the proper incentive to meet both its as-filed energy savings goal and CAC's proposed "stretch goal," we recommend a restructured performance incentive (shared savings) mechanism. Specifically, CAC recommends the following, shown here next to Duke's proposal for purposes of comparison:

Achievement Level	Duke's Proposal	CAC's Proposal	CAC Proposal Change vs. Duke
	Share of UCT Net Benefits	Share of UCT Net Benefits	
< 70%	0.0%	0.0%	0.0%
70%	0.0%	0.0%	0.0%
75%	5.0%	5.0%	0.0%
80%	6.0%	6.0%	0.0%
85%	6.0%	6.5%	+0.5%
90%	7.0%	7.5%	+0.5%
95%	7.0%	8.0%	+1.0%
100%	8.0%	9.0%	+1.0%
105%	8.0%	10.0%	+2.0%
110%	10.0%	11.0%	+1.0%
115%	10.0%	12.0%	+2.0%
>115%	10.0%	13.0%	+3.0%

CAC's proposal would more gradually and linearly increase incentives for every 5% of achievement, rather than 10%. CAC's proposal would also provide a modest increase to the shared savings incentive to Duke for high achievement, particularly for savings above

[5] The total residential energy efficiency budget is $39,342,617 and the total non-residential energy efficiency budget is $57,255,041. *See* Duke Witness Dean Direct Testimony, page 17.

and beyond 100% achievement. We believe this will better motivate Duke to more vigorously pursue EE savings opportunities.

Q. Why does CAC suggest more procurement of energy efficiency?

A. Energy efficiency is typically the lowest cost resource available to a utility and its ratepayers. Utilities should be encouraged and rewarded (within reason) to pursue as much energy efficiency as possible as long as the overall portfolio remains cost effective. It is likely that additional savings can be acquired through program design enhancements, new technologies, targeted marketing, and recruiting opt-out customers back into the program. A stretch goal (and budget) provides Duke with the resources and motivation to pursue these additional energy efficiency opportunities.

In addition to the above proposal for a "stretch goal" and changes to the performance incentive, CAC has several other recommendations to enhance and expand Duke's proposed DSM/EE offerings as discussed below.

IV. PROGRAM RECOMMENDATIONS

Q. Please describe CAC's recommendations for Duke's commercial and industrial ("C&I") DSM/EE programs.

A. CAC offers several recommendations to enhance and expand C&I program offerings. Specifically, CAC recommends that Duke:

1. Perform market research for C&I midstream programs to quantify the number, size, and type of distributors operating within its service territory, and to increase the number of enrolled distributors by 25%. Strategies to recruit new distributors and to increase overall distributor activity may include (but are not limited to) sign-on

bonuses, sales incentives, administrative incentives, co-op marketing,[6] and additional education and training.

2. Expand midstream food service equipment eligibility to include used equipment.
3. Create a pathway within the small business program that offers enhanced rebates for self-install measures such as LED linear replacement lamps, thermostats, window A/C, and insulation products.
4. Offer enhanced energy management information system ("EMIS") incentives if not already.
5. Promote to C&I customers, as well as opt-out customers to encourage them to opt back into the program, the following technical services: project engineering, field support, audits, Strategic Energy Management, etc.
6. Offer no additional cost compressed air audits to participating C&I customers, as well as opt-out customers to encourage them to opt back into the program.

Q. Please explain CAC's recommendations specifically for customers who have opted out of programs pursuant to Indiana Code Section 8-1-8.5-9.

A. In addition to the above recommendations, CAC proposes that Duke:

1. Prepare and seek approval of revised opt-in tariff language similar to that approved for NIPSCO in 30-Day Filing No. 50499 (Attachment BI-1). This revised opt-in tariff language makes it easier for customers to opt back into the program at any

[6] Co-op marketing is an advertising cost-sharing agreement between a utility and a participating midstream distributor. Typically, a distributor creates an advertisement (including the utility logo), the utility reviews and approves the ad (with modifications if necessary), the distributor pays for the full ad placement (tv, radio, print), and the utility reimburses 50% of the cost up to a certain limit.

time, including mid-year. Duke could use spending flexibility to address budget limitations for mid-year opt ins.

2. Offer a workshop to opt-out customers to teach them about the C&I programs and encourage them to opt back into the program.

3. Offer a 10% increase in incentives for one year to any customer that opts back into the DSM program.

Experience across the nation repeatedly shows that energy efficiency measures in the industrial sector are the least expensive source of energy efficiency. Although Indiana Code allows many of these large customers to opt out of paying for and participating in the program, it is important that utilities continually seek cost-effective opportunities to bring these opt out customers back into the programs.

Q. Please describe CAC's recommendations to enhance and expand Duke's residential DSM/EE programs.

A. CAC offers several recommendations to enhance and expand residential program offerings. Specifically, CAC recommends that Duke:

1. Offer residential HVAC and domestic hot water ("DHW") measures through a midstream program by 2025 program delivery. Notably, NIPSCO, I&M, and CenterPoint currently offer such midstream measures. There are large opportunities with these measures, and they are a necessary next step to backfill savings lost from General Service Lighting measures.

2. Offer induction stoves, ranges, and cooktops as rebated measures. Induction cooking is more efficient than traditional electric coil electric cooking, as well as

natural gas stoves. Recently, there has been tremendous national attention[7] following the publishing of peer-reviewed research demonstrating that 12.7% of current childhood asthma in the U.S. is attributable to gas stove use as a result of the substantial indoor air pollution caused by their use.[8] Accordingly, many customers have a newfound interest in considering electric stoves. Duke should leverage this opportunity to channel this customer-driven interest into high-efficiency induction stove options. The savings for induction stoves is characterized within the Illinois TRM v11.[9]

3. Include a separate budget line item for emerging technology / non-program measures to help secure additional savings above the energy savings goal. Examples include heat pump dryers, Energy Star electronics, Energy Star windows, electronically commutated motor ("ECM") pumps/motors (retrofit), and Consortium of Energy Efficiency ("CEE") Tier 2 appliances.
4. Include a targeted effort to pursue high-use, low income customers with comprehensive measures, including heat pumps and weatherization (similar to Duke Energy Carolinas IQ High-Energy Use Pilot).
5. Remove the co-pay for residential home blower door audits.
6. Increase the incentive for geothermal heat pumps to $700.

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[7] E.g., see Maxine Joselow, "Gas stove pollution causes 12.7% of childhood asthma, study finds," January 6, 2023, *Washington Post*, https://www.washingtonpost.com/politics/2023/01/06/gas-stove-pollution-causes-127-childhood-asthma-study-finds/

[8] Taylor Gruenwald, Brady A. Seals, Luke D. Knibbs, and H. Dean Hosgood III, "Population Attributable Fraction of Gas Stoves and Childhood Asthma in the United States," 2023, *International Journal of Environmental Research and Public Health* 20, no. 1: 75. https://doi.org/10.3390/ijerph20010075.

[9] Illinois TRM Version 11, Volume 3 (Residential Measures), measure number 5.1.14.

Q. Please describe CAC's concerns with regard to the DSM/EE Plan's over-reliance on short-lived residential behavioral program savings.

A. The DSM/EE Plan continues to be overly reliant on short-lived residential behavioral program savings in the Home Energy Report program, savings which will not endure in a way that will effectively help mitigate Duke's projections for load growth. In particular, CAC is concerned that Duke's one-year measure life behavioral program savings make up 32% of Duke's total portfolio savings and 68% of Duke's residential portfolio savings. Duke's projected participation for longer-lived measures that provide significant savings opportunities for customers are correspondingly not given anywhere near enough emphasis. Accordingly, Duke should revise its Plan, and/or work with its OSB, to incorporate CAC's program recommendations listed above to place less emphasis on behavioral savings.

Q. Has Duke made certain improvements to its Low Income Weatherization program since Duke's last DSM plan proceeding?

A. Yes, and we commend Duke for this work. Duke solicited feedback and worked with stakeholders on how to improve the Low Income Weatherization program through its Low Income Collaborative stemming from Duke's last general rate case, Cause No. 45253. We applaud Duke for its incorporation of many recommendations from CAC, the Indiana Community Action Association, and the Indiana Housing Community & Development Authority on improvement to the design, administration, and delivery of the Low Income Weatherization program. We appreciate the continued dialogue and commitment from Duke to members on the Low Income Collaborative and on the OSB to improve the program and look forward to seeing the impact of these changes.

Q. Does CAC have any other program-related recommendations?

A. Yes. CAC recommends that Duke commit to working with CAC, the OUCC, and other interested stakeholders to develop plans and strategies to leverage Inflation Reduction Act ("IRA") funding, and set aside funding to seize opportunities (but keep funding available for other opportunities if IRA items do not yet materialize during the pendency of the DSM/EE Plan). Specific IRA subjects include: Income eligible rebates for electrification measures, residential tax credits, commercial tax deductions, general awareness of funding availability and eligibility, and program design, such as aligning heat pump rebates with IRA performance criteria.

V. <u>LOST REVENUE RECOVERY</u>

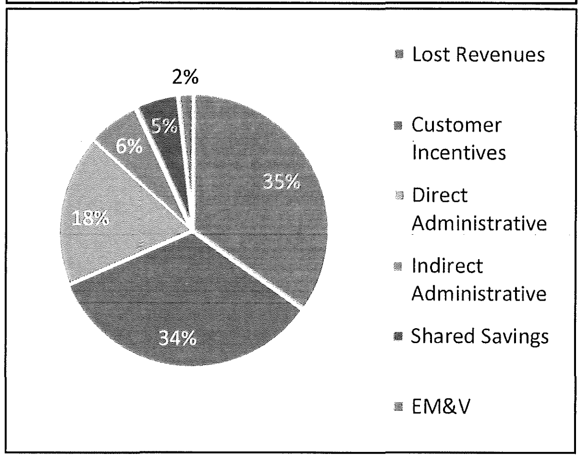
Q. What has Duke proposed for lost revenue recovery in this DSM/EE Plan?

A. Duke is seeking the recovery of lost revenues for the life of measures unless a future base rate case occurs sooner. Lost revenues are based on energy savings at the meter, net of free riders. Duke is not requesting lost revenue for its newly proposed non-residential demand response program.

Q. Does CAC have concerns about Duke's lost revenue recovery proposal for this DSM/EE Plan?

A. Yes. I am concerned about Duke's request for lost revenues for the life of the measure. As CAC and other consumer advocates have long argued before this Commission, it is unreasonable for a utility to collect such exorbitant lost revenues for DSM/EE programs. Duke's estimated lost revenue total of $103,926,272 represents over 35% of the total cost of the 2024-2026 DSM/EE Plan.[10] As shown in Figure 1, lost revenues represent the single largest cost of the DSM/EE Plan, more than even customer incentives. This significant cost underrepresents the total impact to ratepayers since lost revenues will accrue beyond the DSM/EE Plan period for the life of measures.

Figure 1: Duke 2024-2026 DSM/EE Plan Cost Breakdown



Q. Is it reasonable for the Company to recover lost revenues for the full measure life?

A. No, certainly not. Allowing lost revenues to be recovered for the life of a measure requires certainty that a measure will persist for the assumed life. Many factors can undermine measure life such as early equipment failure, economic downturns, building renovations, or new codes/standards. Duke, like other Indiana utilities, uses deemed values for measure life, often based on the out-of-date 2015 Indiana Technical Reference Manual ("TRM") or TRMs from other states. Measure life is not something that has been studied or evaluated extensively in Indiana. Pegging more than $100,000,000 of ratepayer funds on something that is not well understood is unreasonable and irresponsible.

[10] Duke Witness Dean, Direct Testimony, page 20, lines 3-4.

Q. What change do you recommend to the lost revenue mechanism for Duke's DSM/EE Plan?

A. The Commission should return to its original rulings capping lost revenues to the *lesser* of four years or the life of the measure. Duke is currently the only Indiana investor-owned utility which recovers lost revenue without a cap, as shown below in Table 1.

Table 1: Lost Revenue Cap for Indiana Utilities

Utility	Cause Number	Lost Revenue Cap
AES	44945	Lesser of 4 years, measure life, or next base rate case
CenterPoint	45387	Lesser of 4 years, measure life, or next base rate case
Duke	43955	Measure life or next base rate case
I&M	45701	Lesser of 3 years, measure life, or next base rate case
NIPSCO	45456	Lesser of 4 years, measure life, or next base rate case

I would also note that counsel has informed me that because Duke is implementing a plan utilizing the Transmission, Distribution, and Storage System Improvement Charges ("TDSIC") statute, it is required, "before the expiration of the public utility's approved seven (7) year plan, [to] petition the commission for review and approval of the public utility's basic rates and charges with respect to the same type of utility service." I.C. § 8-1-39-9(d). I understand that this means Duke must file a base rate case no later than 2029, which will effectively mean a 7-year cap on lost revenue recovery for 2024 programs, 6-year cap for 2025 programs, and 5-year cap for 2026 programs, assuming Duke uses a forward-test period of 2030. Compare this to the projection of lifetime lost revenues shown in Attachment 4B in Witness Adams' testimony. Duke should clarify, or the Commission should make clear, that any lost revenue recovery shall be effectively capped through the implementation of new base rates and charges. In other words, there should be no ambiguity that Duke will zero out its Rider of all lost revenue recovery approved for the DSM Program years prior to and including the test year adopted for the setting of base rates in Duke's next base rate filing. CAC's recommendation of a four-year cap on lost revenue recovery would also address this.

VI. <u>CONCLUSION</u>

Q. Please summarize your conclusions and recommendations.

A. I recommend that the Commission order or Duke modify its proposal to:

1. Make CAC a voting member of Duke's DSM Oversight Board;
2. Allow unspent funds (and associated savings) to rollover between years within the Demand Side Management and Energy Efficiency Plan for 2024 – 2026;
3. Implement a 20% "stretch goal" over and above the energy savings goal so that ratepayers can receive the benefit of additional procurement of the least cost resource available;
4. Alter the performance incentive to better align Duke's motivation to achieve the energy savings goal and the "stretch goal";
5. Implement CAC's proposed improvements to the C&I DSM/EE programs;
6. Implement CAC's proposed improvements to attract those C&I customers who have opted out back into the DSM/EE programs;
7. Implement CAC's proposed improvements to the Residential DSM/EE programs; and
8. Cap lost revenue recovery to the lesser of four years or the life of the measure.

Q. Does this conclude your testimony?

A. Yes.

VERIFICATION

I, Ben Inskeep, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Ben Inskeep

February 9, 2023

Ben Inskeep

ATTACHMENT BI-1

NIPSCO

March 7, 2022

Via Electronic Filing – 30 Day Filings - Electric
Ms. Dana Kosco
Secretary to the Commission
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 East
Indianapolis, Indiana 46204

RE: Northern Indiana Public Service Company LLC – 30 Day Filing Pursuant to 170 IAC 1-6-1 et seq.

Dear Ms. Kosco:

In accordance with 170 IAC 1-6-1, enclosed please find revisions to Original Sheet No. 196 of Northern Indiana Public Service Company LLC's ("NIPSCO") Rider 883 – Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA) allowing a Qualifying Customer to opt back in to participation in NIPSCO's Energy Efficiency Program at any time (rather than the currently deadline of May 15). NIPSCO is also removing some language on Sheet No. 193 that should have been removed from the definition of Single Site. NIPSCO has shared this with the NIPSCO Electric Energy Efficiency Oversight Board and it supports these revisions. The proposed revisions are shown in the attached redlined tariff sheets.

170 IAC 1-6-3(3) states that changes to rules and regulations are an allowable type of filing and the proposed revision is a change to the operating rules of Rider 883. Thus, this filing is an allowable request under 170 IAC 1-6-3. This filing does not require confidential treatment nor does it seek any other relief identified in 170 IAC 1-6-4, so it is not prohibited under the Commission's Rule.

In accordance with 170 IAC 1-6-5(2), contact information for the utility regarding this filing is:

Alison M. Becker
Manager, Regulatory Policy
Northern Indiana Public Service Company LLC
150 West Market Street, Suite 600
Indianapolis, Indiana 46204
317-684-4910
317-684-4918 (Fax)
abecker@nisource.com

In accordance with 170 IAC 1-6-5(3), a clean and redlined version of the proposed tariff sheet is attached. There are no work papers necessary to support this filing as required in 170 IAC 1-6-5(4).

In accordance with 170 IAC 1-6-5(5), I have verified this letter as to these representations in compliance with 170 IAC 1-6-5(5). A copy of this filing is being provided via electronic mail to the Indiana Office of Utility Consumer Counselor ("OUCC").

In accordance with 170 IAC 1-6-6, NIPSCO provided notice to its customers in Lake County on March 5, 2022. A copy of the proof of publication is attached. NIPSCO has placed the notice on its website under pending tariffs (see http://www.nipsco.com/About-us/Rates-Tariffs/30-Day-Filings.aspx).[1]

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[1] Although 170 IAC 1-6-6(a)(1)(A) requires posting the notice in a public place at the utility's local customer service office or offices, to the extent the utility has such offices, NIPSCO advises that its customer service office located at 3229 Broadway, Gary, Indiana, has been shut down since March 16, 2020 due to the coronavirus.

Please let me know if the Commission Staff has any questions or concerns about this submission.

Sincerely,

Alison M. Becker

Alison M. Becker
Manager, Regulatory Policy

Encl.
cc (w/ encl. – via email transmission)
Randall C. Helmen, Office of Utility Consumer Counselor (rhelmen@oucc.in.gov, infomgt@oucc.in.gov)

RIDER 883
ADJUSTMENT OF CHARGES FOR
DEMAND SIDE MANAGEMENT ADJUSTMENT MECHANISM (DSMA)

"$Energy_p$" is the sum of the $Energy_{Rate}$ for all rates eligible for DSM program (P).
"Estimated Jurisdictional Billing" is determined by the 12 month kWh sales forecast.
"Projected Lost $Revenue_p$" is the projected lost revenue for the current twelve (12) month period for each DSM program (P).
"Reconciled Lost $Revenue_p$" is the reconciliation of lost revenue for the twelve (12) month period, including reconciliation for actual collections as well as adjustments for actual net energy and demand savings. For programs where the Commission has approved an allocation based on actual participation by Rate Schedule, the reconciliation will include reallocation due to actual participation by Rate Schedule. For programs where the Rate Class of participating Customers is not known, the reconciliation will not include a reallocation due to actual participation by Rate Schedule.

DSMA FACTORS

The Rate Schedules identified in Appendix A are subject to a DSMA Factor. The DSMA Factors in Appendix G are applicable hereto and are issued and effective at the dates shown on Appendix G. The DSMA Factors as computed above shall be further modified to allow for the recovery of the DSMA revenue requirement reconciled with actual sales and revenues. The DSMA Factors per kWh charge for each Rate Schedule are shown in Appendix G.

OPT-OUT OPTION FOR QUALIFYING COMMERCIAL AND INDUSTRIAL CUSTOMERS

A. Definitions

The following definitions are applicable to the opt-out provisions of this Rider 883 only:

Single Site: A Single Site shall be defined as contiguous property unless aggregation of multiple delivery points is specifically permitted under the applicable approved Rate Schedule.

Qualifying Customer: A Customer that receives electric service under an approved Rate Schedule at a Single Site constituting more than 1,000 kWs / one MW of electric capacity.

RIDER 883
ADJUSTMENT OF CHARGES FOR
DEMAND SIDE MANAGEMENT ADJUSTMENT MECHANISM (DSMA)

(1) A Qualifying Customer that opts out of participation effective January 1 of any year will pay:

- (a) Program Reconciliation costs for January through December of the previous year;
- (b) Lost Revenue Projections for January through December of the applicable year (which include all lost revenues to be collected during the period) for measures installed while the Qualifying Customer was participating in the Energy Efficiency Program;
- (c) Applicable Lost Revenue Reconciliation;
- (d) Performance Incentives (if applicable) for the applicable year; and
- (e) Program costs as described in Section D above.

If the Company makes subsequent changes to the allocation of Energy Efficiency Program Costs, Qualifying Customers that opted out of participation will continue to pay rates that reflect those costs based on the allocation in effect at the time of the notice of opt out. Any reconciliation of Energy Efficiency Program Costs will likewise be allocated in the same manner in effect at the time of the Qualifying Customer's notice of opt out.

F. Opt-In

A Qualifying Customer may opt back in to participation in the Company's Energy Efficiency Program and Rider 883 at any point during the year by providing notice. The opt in shall be effective the next billing cycle following the notice. Requests to opt in received less than five business days prior to the next billing cycle will be effective one month later. If a Qualifying Customer provides notice of its intent to opt-in in a manner other than the form, the notice date of the Customer's opt-in will be the date of the original notice. However, the Qualifying Customer shall complete the Opt In form in a timely manner. If a Qualifying Customer opts back in to participation in the Company's Energy Efficiency Program and Rider 883, such Qualifying Customer must requalify to opt out again. If a Qualifying Customer opts back in to participation in the Company's Energy Efficiency Program and Rider 883, that Qualifying Customer must participate in the associated Energy Efficiency Program for at least three (3) years, and may only opt out effective January 1 of the year following the third year of participation. A Qualifying Customer may elect to opt out again before the end of the three (3) year period, but, in such event, remains liable for, and must continue to pay rates that reflect Rider 883 as if it were still participating in the Company's Energy Efficiency Program for the remainder of the three (3) year period. If a Qualifying Customer elects to opt back out after the three (3) year period, the Qualifying Customer shall be responsible for Energy Efficiency Program Costs in the same manner as other customers who have opted out consistent with the provisions contained herein.

The Opt Out DSMA Factors shown in Appendix G are applicable hereto and are issued and effective on the dates shown on Appendix G.

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RIDER 883
ADJUSTMENT OF CHARGES FOR
DEMAND SIDE MANAGEMENT ADJUSTMENT MECHANISM (DSMA)

"$Energy_p$" is the sum of the $Energy_{Rate}$ for all rates eligible for DSM program (P).
"Estimated Jurisdictional Billing" is determined by the 12 month kWh sales forecast.
"Projected Lost $Revenue_p$" is the projected lost revenue for the current twelve (12) month period for each DSM program (P).
"Reconciled Lost $Revenue_p$" is the reconciliation of lost revenue for the twelve (12) month period, including reconciliation for actual collections as well as adjustments for actual net energy and demand savings. For programs where the Commission has approved an allocation based on actual participation by Rate Schedule, the reconciliation will include reallocation due to actual participation by Rate Schedule. For programs where the Rate Class of participating Customers is not known, the reconciliation will not include a reallocation due to actual participation by Rate Schedule.

DSMA FACTORS

The Rate Schedules identified in Appendix A are subject to a DSMA Factor. The DSMA Factors in Appendix G are applicable hereto and are issued and effective at the dates shown on Appendix G. The DSMA Factors as computed above shall be further modified to allow for the recovery of the DSMA revenue requirement reconciled with actual sales and revenues. The DSMA Factors per kWh charge for each Rate Schedule are shown in Appendix G.

OPT-OUT OPTION FOR QUALIFYING COMMERCIAL AND INDUSTRIAL CUSTOMERS

A. Definitions

The following definitions are applicable to the opt-out provisions of this Rider 883 only:

Single Site: A Single Site shall be defined as contiguous property unless aggregation of multiple delivery points is specifically permitted under the applicable approved Rate Schedule.

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Qualifying Customer: A Customer that receives electric service under an approved Rate Schedule at a Single Site constituting more than 1,000 kWs / one MW of electric capacity.

Deleted: 12/04/2019
Deleted: 01/02/2020

NORTHERN INDIANA PUBLIC SERVICE COMPANY
IURC Electric Service Tariff
Original Volume No. 14
Cancelling All Previously Approved Tariffs

First Revised Sheet No. 196
Superseding
Original Sheet No. 196

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RIDER 883
ADJUSTMENT OF CHARGES FOR
DEMAND SIDE MANAGEMENT ADJUSTMENT MECHANISM (DSMA)

Sheet No. 5 of 5

(1) A Qualifying Customer that opts out of participation effective January 1 of any year will pay:

- (a) Program Reconciliation costs for January through December of the previous year;
- (b) Lost Revenue Projections for January through December of the applicable year (which include all lost revenues to be collected during the period) for measures installed while the Qualifying Customer was participating in the Energy Efficiency Program;
- (c) Applicable Lost Revenue Reconciliation;
- (d) Performance Incentives (if applicable) for the applicable year; and
- (e) Program costs as described in Section D above.

If the Company makes subsequent changes to the allocation of Energy Efficiency Program Costs, Qualifying Customers that opted out of participation will continue to pay rates that reflect those costs based on the allocation in effect at the time of the notice of opt out. Any reconciliation of Energy Efficiency Program Costs will likewise be allocated in the same manner in effect at the time of the Qualifying Customer's notice of opt out.

F. Opt-In

A Qualifying Customer may opt back in to participation in the Company's Energy Efficiency Program and Rider 883 at any point during the year by providing notice. The opt in shall be effective the next billing cycle following the notice. Requests to opt in received less than five business days prior to the next billing cycle will be effective one month later. If a Qualifying Customer provides notice of its intent to opt-in in a manner other than the form, the notice date of the Customer's opt-in will be the date of the original notice. However, the Qualifying Customer shall complete the Opt In form in a timely manner. If a Qualifying Customer opts back in to participation in the Company's Energy Efficiency Program and Rider 883, such Qualifying Customer must requalify to opt out again. If a Qualifying Customer opts back in to participation in the Company's Energy Efficiency Program and Rider 883, that Qualifying Customer must participate in the associated Energy Efficiency Program for at least three (3) years, and may only opt out effective January 1 of the year following the third year of participation. A Qualifying Customer may elect to opt out again before the end of the three (3) year period, but, in such event, remains liable for, and must continue to pay rates that reflect Rider 883 as if it were still participating in the Company's Energy Efficiency Program for the remainder of the three (3) year period. If a Qualifying Customer elects to opt back out after the three (3) year period, the Qualifying Customer shall be responsible for Energy Efficiency Program Costs in the same manner as other customers who have opted out consistent with the provisions contained herein.

Deleted: on or before May 15 of the year prior to its requested opt in date

Deleted: January 1 of the year

The Opt Out DSMA Factors shown in Appendix G are applicable hereto and are issued and effective on the dates shown on Appendix G.

Deleted: 12/04/2019

Deleted: 01/02/2020

Issued Date
04/ /2022

Effective Date
04/ /2022

Verified Statement of Northern Indiana Public Service Company LLC Concerning Notification of Customers Affected by March 7, 2022 30-Day Filing

Northern Indiana Public Service Company LLC complied with the Notice Requirements under 170 IAC 1-6-6 in the following manner:

- The same notice was posted on NIPSCO's website under 30-Day Filings (see http://www.nipsco.com/About-us/Rates-Tariffs/30-Day-Filings.aspx); and
- A legal notice was published in the Post-Tribune (Lake County), a newspaper of general circulation that has a circulation encompassing the highest number of the utility's customers affected by the filing, on March 5, 2022.[1]

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Dated this 7th day of March, 2022.

Alison M Becker

Alison M. Becker
Manager, Regulatory Policy

[1] Although 170 IAC 1-6-6(a)(1)(A) requires posting the notice in a public place at the utility's local customer service office or offices, to the extent the utility has such offices, NIPSCO advises that its customer service office located at 3229 Broadway, Gary, Indiana, has been shut down since March 16, 2020 due to the coronavirus.

NOTICE OF 30-DAY FILING

On or about March 7, 2022, Northern Indiana Public Service Company LLC ("NIPSCO") will submit to the Indiana Utility Regulatory Commission for approval under its 30-Day Filing procedures, 170 IAC 1-6-1, *et seq*. a revised Rider 883 – Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA) allowing a Qualifying Customer to opt back in to participation in NIPSCO's Energy Efficiency Program at any time (rather than the currently deadline of May 15). NIPSCO is also removing some language on Sheet No. 193 that should have been removed from the definition of Single Site. A decision on the 30-Day Filing is anticipated at least thirty days after the March 9, 2022 filing date. Any objection to the filing should be directed to (a) the Secretary of the Indiana Utility Regulatory Commission, PNC Center, 101 West Washington Street, Suite 1500 East, Indianapolis, IN 46204 or (b) the Indiana Office of Utility Consumer Counselor, PNC Center, 115 West Washington Street, Suite 1500 South, Indianapolis, IN 46204.

CHICAGO TRIBUNE
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Proof of Publication

Order Number: 7163407
Purchase Order: N/A

State of Illinois
) ss:
County of Cook

I, Jeremy Gates , a principal clerk of Post Tribune newspaper of general circulation printed and published in the English language in the city of Crown Point, in the State of Indiana and County of Lake, and that the printed matter attached hereto is a true copy, which was duly published in said paper for 1 time(s), the date(s) of publication being as follows:

Mar 05, 2022.

The undersigned further states that the Post Tribune newspaper(s) maintains an Internet website, which is located at http://classifieds.chicagotribune.com/classifieds?category=public_notice website and that a copy of the above referenced printed matter was posted on such website on the date(s) of publication set forth above.

Dated at Chicago, Illinois on this 6 day of March,2022.

Jeremy Gates

160 N Stetson Ave.
Chicago, IL 60601

NOTICE OF 30-DAY FILING

On or about March 7, 2022, Northern Indiana Public Service Company LLC ("NIPSCO") will submit to the Indiana Utility Regulatory Commission for approval under its 30-Day Filing procedures, 170 IAC 1-6-1, et seq. a revised Rider 883 – Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA) allowing a Qualifying Customer to opt back in to participation in NIPSCO's Energy Efficiency Program at any time (rather than the currently deadline of May 15). NIPSCO is also removing some language on Sheet No. 193 that should have been removed from the definition of Single Site. A decision on the 30-Day Filing is anticipated at least thirty days after the March 9, 2022 filing date. Any objection to the filing should be directed to (a) the Secretary of the Indiana Utility Regulatory Commission, PNC Center, 101 West Washington Street, Suite 1500 East, Indianapolis, IN 46204 or (b) the Indiana Office of Utility Consumer Counselor, PNC Center, 115 West Washington Street, Suite 1500 South, Indianapolis, IN 46204.
3/5/22 7163407

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