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VERIFIED DIRECT TESTIMONY OF ALISON M. BECKER

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1 Q1. Please state your name, business address, and job title.

2 A1. My name is Alison M. Becker. My business address is 150 W. Market Street,  
3 Suite 600, Indianapolis, Indiana 46204. I am employed by Northern Indiana  
4 Public Service Company LLC ("NIPSCO" or the "Company") as Manager  
5 of Regulatory Policy.

6 Q2. Please briefly describe your educational and business experience.

7 A2. I graduated from the University of Evansville with a Bachelor of Arts  
8 degree with a double major in History and Political Science and a Masters  
9 of Business Administration from Valparaiso University and am a 2016  
10 graduate of the Indiana University Robert H. McKinney School of Law. I  
11 was a Governor's Fellow from 1997 to 1998 and then worked as a Budget  
12 Analyst for the Indiana State Budget Agency from 1998 to 2000. In 2000, I  
13 joined the Indiana Family and Social Services Administration as the  
14 Director of Fiscal Services for the Division of Disability, Aging and  
15 Rehabilitative Services and was promoted to the Director of Developmental  
16 Disabilities Services in 2003. From 2004 until 2008, I held management

1 positions within nonprofit organizations providing services to individuals  
2 with developmental disabilities and community health centers. I joined  
3 NiSource in 2008 as a Lead Performance Measurement Analyst in  
4 Information Technology Service Performance. After leaving the Company  
5 briefly in 2008, I accepted the position of Senior Analyst, Regulatory Policy  
6 for NIPSCO in 2009 and was promoted to my current position as Manager,  
7 Regulatory Policy in 2011.

8 **Q3. What are your responsibilities as Manager of Regulatory Policy?**

9 A3. As Manager of Regulatory Policy, I am and/or have been responsible for  
10 supporting a variety of regulatory initiatives before the Indiana Utility  
11 Regulatory Commission ("Commission") including: NIPSCO's gas  
12 Federally Mandated Cost Adjustment ("FMCA") filings; NIPSCO's electric  
13 and gas demand side management and energy efficiency filings; NIPSCO's  
14 electric and gas Transmission, Distribution, and Storage System  
15 Improvement Charge ("TDSIC") filings; NIPSCO's electric vehicle and  
16 economic development pilot approved in Cause No. 44016; NIPSCO's low  
17 income program in Cause No. 45465; the development, negotiation and  
18 filing of NIPSCO's demand response tariffs approved in Cause No. 43566-

1 MISO-1; and the development of revised line extension practices governing  
2 residential real estate developments as approved by the Commission in  
3 Cause No. 43706. I also served as Chair of the Demand Side Management  
4 Coordination Committee and as a member of its subcommittees, as created  
5 in the Commission's December 9, 2009 Phase II Order in Cause No. 42693.

6 **Q4. Have you previously testified before this or any other regulatory**  
7 **commission?**

8 A4. Yes. Most relevant, I previously filed testimony before the Commission  
9 supporting NIPSCO's request for (1) a Certificate of Public Convenience  
10 and Necessity ("CPCN") for federally mandated projects associated with  
11 NIPSCO's proposed Pipeline Safety III Compliance Project to comply with  
12 various provisions of the U.S. Department of Transportation, Pipeline and  
13 Hazardous Materials Safety Administration (the "PHMSA Rules") in Cause  
14 No. 45703, (2) a CPCN for federally mandated projects associated with  
15 NIPSCO's proposed PHMSA Compliance Project to comply with various  
16 provisions of the PHMSA Rules in Cause No. 45183; and (3) a CPCN for  
17 federally mandated projects associated with NIPSCO's proposed Pipeline  
18 Safety II Compliance Project to comply with various provisions of the

1 PHMSA Rules in Cause No. 45560. I also previously testified before the  
2 Commission in (1) NIPSCO's request for approval of its electric TDSIC plan  
3 for eligible transmission, distribution, and storage system improvements  
4 currently pending in Cause No. 45557; (2) NIPSCO's request for approval  
5 of its gas TDSIC plan for eligible transmission, distribution, and storage  
6 system improvements approved in Cause No. 45330; (3) NIPSCO's Electric  
7 TDSIC tracker proceedings in Cause Nos. 44733-TDSIC-X (including Cause  
8 No. 44733-TDSIC-1-S1); (4) NIPSCO's Gas TDSIC tracker proceedings in  
9 Cause Nos. 44403-TDSIC-X (beginning in TDSIC-6) and 45330-TDSIC-X  
10 (beginning in TDSIC-1); (5) NIPSCO's request in Cause No. 45465 for  
11 approval of a Low Income Program; and (6) a complaint brought by  
12 Thermo-Cycler Industries, Inc. in Cause No. 45163. I also routinely testify  
13 before the Commission in NIPSCO's requests for approval of electric and  
14 gas demand side management and energy efficiency programs, including  
15 Cause Nos. 44001, 44154, 44362, 44441, 44496, 44501, 44634, 44637, 45011,  
16 45012, 45455, and 45456 as well as NIPSCO's adjustment filings in Cause  
17 Nos. 43618-DSM-XX and 44001-GDSM-XX.

18 **Q5. What is the purpose of your direct testimony in this proceeding?**

1 A5. The purpose of my testimony is to (1) describe NIPSCO's request for a  
2 CPCN for federally mandated projects associated with NIPSCO's proposed  
3 Ash Pond Compliance Project (as defined below) to comply with federally  
4 mandated requirements under Ind. Code 8-1-8.4-5 for recovery through  
5 NIPSCO's Rider 887 – Adjustment of Charges for Federally Mandated Costs  
6 and Appendix I – Federally Mandated Cost Adjustment Factor (the "FMCA  
7 Mechanism"); (2) explain the statutory authority supporting NIPSCO's  
8 requested relief; (3) explain why NIPSCO's requested relief is appropriate  
9 and will serve the public interest; (4) support, to the extent necessary,  
10 NIPSCO's alternative regulatory plan; and (5) introduce NIPSCO's  
11 witnesses providing testimony supporting NIPSCO's request in this  
12 proceeding.

13 **Q6. Are you sponsoring any attachments to your direct testimony?**

14 A6. Yes. I am sponsoring Attachment 1-A, which is a copy of NIPSCO's  
15 Verified Petition filed March 30, 2022 in this Cause. I also sponsor  
16 Attachment 1-B as described below.

17 **Q7. Please summarize the relief NIPSCO is requesting in this proceeding.**

1 A7. Pursuant to Ind. Code §§ 8-1-8.4-1 *et seq.*, 8-1-2-19, 8-1-2-23, and 8-1-2-42,  
2 and by its Verified Petition, NIPSCO is requesting an order in this Cause:

- 3 • Finding that the public convenience and necessity will be served and  
4 issuing to Petitioner a CPCN for a federally mandated compliance  
5 project pursuant to Ind. Code §§ 8-1-8.4-6 and -7;
- 6 • Determining that the Resource Conservation and Recovery Act and  
7 Coal Combustion Residuals rule, as described below, are federally  
8 mandated requirements as defined by Ind. Code § 8-1-8.4-5;<sup>1</sup>
- 9 • Finding that NIPSCO is an energy utility as defined by Ind. Code §  
10 8-1-8.4-3;
- 11 • Finding that the Ash Pond Compliance Project is a compliance  
12 project under Ind. Code § 8-1-8.4-2;
- 13 • Finding that the Ash Pond Compliance Project will allow NIPSCO  
14 to comply directly or indirectly with the RCRA and CCR Rule;
- 15 • Authorizing Petitioner to recover federally mandated costs incurred  
16 in connection with the Ash Pond Compliance Project pursuant to  
17 Ind. Code § 8-1-8.4-7 including capital, operation and maintenance  
18 (“O&M”), amortization, taxes,<sup>2</sup> and financing and carrying costs;<sup>3</sup>

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<sup>1</sup> Petitioner and the electric utility industry are subject to federal environmental laws and regulations. One such regulation is the Coal Combustion Residuals (“CCR”) rule (40 C.F.R. Parts 257 and 261) promulgated by the Environmental Protection Agency (“EPA”) under Subtitle D of the Resource Conservation & Recovery Act (“RCRA”) (42 U.S.C. §6901) (the “CCR Rule”).

<sup>2</sup> Currently, NIPSCO does not anticipate that any property taxes will be incurred related to the Ash Pond Compliance Project. In addition, and as explained in Witness Blissmer’s testimony, there is no O&M proposed as part of the Ash Pond Compliance Project.

<sup>3</sup> NIPSCO has traditionally also sought recovery of allowance for funds used during construction (“AFUDC”) associated with federally mandated compliance projects. However,

- 1           •       Finding that the costs incurred in connection with the Ash Pond  
2           Compliance Project are federally mandated costs under Ind. Code §  
3           8-1-8.4-4;
- 4           •       Approving the projected federally mandated costs associated with  
5           the Ash Pond Compliance Project pursuant to Ind. Code § 8-1-8.4-7;
- 6           •       Authorizing Petitioner to utilize its FMCA Mechanism pursuant to  
7           Ind. Code §§ 8-1-8.4-7 and 8-1-2-42 to effectuate the timely and  
8           periodic recovery of 80% of the federally mandated costs;
- 9           •       Authorizing the timely recovery of 80% of the federally mandated  
10          costs incurred in connection with the Ash Pond Compliance Project  
11          through the FMCA Mechanism pursuant to Ind. Code § 8-1-8.4-7;
- 12          •       Authorizing Petitioner to defer and recover through the FMCA  
13          Mechanism any federally mandated costs, including but not limited  
14          to, federally mandated costs incurred prior to and after approval of  
15          a final Order in this proceeding to the extent that such costs are  
16          reasonable and consistent with the scope of the Ash Pond  
17          Compliance Project described in Petitioner's evidence pursuant to  
18          Ind. Code § 8-1-8.4-4;<sup>4</sup>
- 19          •       Authorizing Petitioner to defer 20% of the federally mandated costs  
20          incurred in connection with the Ash Pond Compliance Project and  
21          authorizing Petitioner to recover in a future general rate case the  
22          deferred federally mandated costs pursuant to Ind. Code § 8-1-8.4-7;

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because the Ash Pond Compliance Project is a retirement project related to a capital asset, there will be no AFUDC.

<sup>4</sup> The authorization requested in this filing is consistent with Commission Orders issued in multiple NIPSCO proceedings (i.e., September 19, 2018 Order in Cause No. 45007 (p. 20), September 4, 2019 Order in Cause No. 45183 (p. 26), December 21, 2021 Order in Cause No. 45560 (p. 24), December 13, 2017 Order in Cause No. 44872 (p. 45), January 29, 2014 Order in Cause No. 44340 (p. 18), July 12, 2017 Order in Cause No. 44889 (p. 16), July 22, 2020 Order in Cause No. 45330 (p. 30); and December 28, 2021 Order in Cause No. 45557 (p. 47).

- 1           •       Authorizing Petitioner to record ongoing carrying charges based on  
2           the effective weighted average cost of capital ("WACC") on the  
3           deferred federally mandated costs until the deferred federally  
4           mandated costs are included for recovery in Petitioner's base rates  
5           or the FMCA Mechanism;
  
- 6           •       Approving amortization of the Ash Pond Compliance Project  
7           federally mandated costs through 2032;
  
- 8           •       Approval to adjust Petitioner's authorized net operating income to  
9           reflect any approved earnings associated with the Ash Pond  
10          Compliance Project for purposes of Ind. Code § 8-1-2-42(d)(3);
  
- 11          •       Approval of ongoing review of the Ash Pond Compliance Project as  
12          part of Petitioner's semi-annual FMCA Mechanism filings; and
  
- 13          •       Approval of an alternative regulatory plan to support recovery of all  
14          federally mandated costs incurred in connection with the Ash Pond  
15          Compliance Project, to the extent additional relief is necessary from  
16          the requirements of the FMCA Statute or traditional accounting and  
17          ratemaking rules.

18   **Q8. Please provide an overview of the statutory authority supporting**  
19   **NIPSCO's request for relief in this proceeding.**

20   A8. Indiana Code ch. 8-1-8.4 (Federally Mandated Requirements for Energy  
21   Utilities) was enacted in 2011 as part of Senate Enrolled Act 251 (the "FMCA  
22   Statute"). Generally speaking, it provides the ability for an energy utility,  
23   such as NIPSCO, to request a CPCN for a compliance project undertaken  
24   by the energy utility related to the direct or indirect compliance with one or  
25   more federally mandated requirements. A compliance project includes an



1 addition or an integrity, enhancement, or a replacement project. In order to  
2 qualify, the energy utility must also demonstrate that the compliance  
3 project is undertaken for a federally mandated requirement in connection  
4 with, among other items, various federal statutes and including any other  
5 law, order, or regulation administered by EPA, U.S. Department of  
6 Transportation, the Federal Energy Regulatory Commission ("FERC"), or  
7 U.S. Department of Energy. The FMCA Statute also provides direction in  
8 terms of how an application for a CPCN should be reviewed; specifically,  
9 the following factors must be provided in the application by the energy  
10 utility: (i) a description of the federally mandated requirements, (ii) a  
11 description of the projected federally mandated costs associated with the  
12 proposed compliance project, including costs that are allocated to the  
13 energy utility: (a) in connection with regional transmission expansion  
14 planning and construction; or (b) under a FERC-approved tariff, rate  
15 schedule, or agreement, (iii) a description of how the proposed compliance  
16 project allows the energy utility to comply with the federally mandated  
17 requirements, (iv) alternative plans that demonstrate that the proposed  
18 compliance project is reasonable and necessary, and (v) information as to



1                   (ii) Twenty percent (20%) of the approved federally  
2 mandated costs, including depreciation, allowance for funds used  
3 during construction ("AFUDC"), and post in service carrying costs,  
4 based on the overall cost of capital most recently approved by the  
5 commission, shall be deferred and recovered by the energy utility as  
6 part of the next general rate case filed by the energy utility with the  
7 Commission.

8                   (iii) Actual costs that exceed the projected federally  
9 mandated costs of the approved compliance project by more than  
10 twenty-five percent (25%) shall require specific justification by the  
11 energy utility and specific approval by the Commission before being  
12 authorized in the next general rate case filed by the energy utility  
13 with the Commission.

14 **Ash Pond Compliance Project**

15 **Q9. Please describe the Ash Pond Compliance Project.**

16 A9. As discussed in greater detail by NIPSCO Witness Turman, five ash ponds  
17 (sometimes also called "surface impoundments") at NIPSCO's Michigan  
18 City Generating Station ("Michigan City"), are subject to an Indiana

1 Department of Environmental Management (“IDEM”) RCRA-based  
2 Agreed Order. Two of the ash ponds are also regulated under the CCR Rule  
3 and are required to complete closure by a date certain, the earliest by  
4 November 2023.<sup>5</sup> Under the Agreed Order, NIPSCO was required to  
5 submit closure and post-closure plans to IDEM for the three RCRA ash  
6 ponds no later than December 31, 2018. IDEM agreed to closing the three  
7 RCRA ash ponds *in combination with the two CCR ash ponds* in a combined  
8 IDEM closure application, approved by IDEM and received by NIPSCO on  
9 March 10, 2021. Because NIPSCO has initiated closure activities, the CCR  
10 Rule mandates that the ash ponds at Michigan City proceed with closure.  
11 Petitioner has selected the closure by removal option for its Ash Pond  
12 Compliance Project. NIPSCO has entered into an agreement to complete  
13 ash excavation and closure of the ash pond at Michigan City in a manner  
14 that complies with the CCR Rule.

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<sup>5</sup> For existing CCR ash ponds, closure must be complete within five years of commencing closure activities. The Michigan City CCR ash ponds ceased receipt of waste on October 11, 2018 and April 15, 2019, resulting in a compliance date for closure of the ash ponds of November 11, 2023 and May 15, 2024, respectively.

1 **Q10. Is the Ash Pond Compliance Project a “compliance project” under Ind.**  
2 **Code § 8-1-8.4-2?**

3 A10. Under Ind. Code § 8-1-8.4-2, a “compliance project” is defined as being  
4 undertaken by an energy utility to comply with a “federally mandated  
5 requirement.” NIPSCO’s Ash Pond Compliance Project is a “compliance  
6 project” that is undertaken by an energy utility and related to the direct or  
7 indirect compliance by the energy utility with one (1) or more federally  
8 mandated requirements and is therefore a “compliance project” under Ind.  
9 Code § 8-1-8.4-2. The costs Petitioner incurs in connection therewith are  
10 therefore also “federally mandated costs” under Ind. Code § 8-1-8.4-4.

11 **Q11. Are the RCRA and CCR Rule “federally mandated requirements” under**  
12 **Ind. Code § 8-1-8.4-5?**

13 A11. Yes. The RCRA and the CCR Rule (which was promulgated under RCRA),  
14 are “federally mandated requirements” under the FMCA Statute. RCRA is  
15 explicitly listed as a “federally mandated requirement” in Ind. Code § 8-1-  
16 8.4-5(3), and in the Commission’s December 13, 2017 Order in Cause No.

1           44872 (at pp. 32-33), the Commission specifically found that the CCR Rule  
2           was a “federally mandated requirement” under the FMCA Statute.<sup>6</sup>

3   **Q12. Please provide an overview of the Ash Pond Compliance Project's**  
4           **estimated costs for which NIPSCO seeks approval in this proceeding.**

5   A12. As discussed in greater detail by NIPSCO Witness Ridge, NIPSCO is  
6           requesting the Commission to approve \$40,000,000 as the projected  
7           federally mandated costs associated with the Ash Pond Compliance Project,  
8           which includes indirect costs. NIPSCO also seeks approval to recover all  
9           amortization, tax, and financing expenses incurred associated with these  
10          projects. NIPSCO is proposing to amortize the federally mandated costs of  
11          the Ash Pond Compliance Project through 2032.

12   **Q13. Please provide an overview of NIPSCO's FMCA Mechanism.**

13   A13. The Commission initially approved NIPSCO's Rider 687 – Adjustment of  
14          Charges for Federally Mandated Costs and Appendix I – Federally  
15          Mandated Cost Adjustment Factor on January 29, 2014 in Cause No. 44340

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<sup>6</sup>        See also the Commission's final orders in Cause No. 45052, at pp. 28-32 (IURC 4/24/2019) and Cause No. 44794, at p. 25 (IURC 4/26/2017).

1           for the timely and periodic recovery of 80% of NIPSCO's approved  
2           federally mandated costs. The Commission most recently approved  
3           NIPSCO's Rider 887 – Adjustment of Charges for Federally Mandated Costs  
4           and Appendix I – Federally Mandated Cost Adjustment Factor, both  
5           without any modifications, on December 4, 2019 in Cause No. 45159 (“45159  
6           Order”). The FMCA Mechanism is described in further detail by NIPSCO  
7           Witness Blissmer.

8           **Q14. Please describe the ratemaking authority NIPSCO is requesting in this**  
9           **Cause.**

10          A14. As further described by NIPSCO Witness Blissmer in this proceeding,  
11          NIPSCO requests approval to (1) recover 80% of the approved federally  
12          mandated costs incurred in connection with the Ash Pond Compliance  
13          Project through NIPSCO's FMCA Mechanism pursuant to Ind. Code § 8-1-  
14          8.4-7, including capital, amortization, financing and carrying costs based on  
15          the effective WACC as well as revenue gross-up,<sup>7</sup> (2) defer the remaining

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<sup>7</sup> As further discussed by Witness Blissmer, NIPSCO is seeking carrying costs only for the 20% of approved federally mandated costs that will be deferred for recovery in a future base rate case, and is not seeking carrying costs on the 80% of approved federally mandated costs that will be recovered through the FMCA Mechanism.

1           20% of the approved federally mandated costs for recovery in NIPSCO's  
2           ensuing general rate case; (3) defer and recover through the FMCA  
3           Mechanism any federally mandated costs, including but not limited to  
4           federally mandated costs incurred prior to and after approval of a Final  
5           Order in this proceeding to the extent such costs are reasonable and  
6           consistent with the scope of the Ash Pond Compliance Project pursuant to  
7           Ind. Code § 8-1-8.4-4, and (3) utilize the appropriate cost allocation factors,  
8           which are identified and supported by Mr. Blissmer.

9           As further described by NIPSCO Witnesses Gode and Blissmer, NIPSCO  
10          seeks authorization for recovery of a return on and of the Ash Pond  
11          Compliance Project. Because this project relates to the federally mandated  
12          closure of a capital asset, the compliance costs associated with the project  
13          will be recorded as a reduction to accumulated depreciation. Petitioner  
14          therefore proposes recovery on and of the Ash Pond Compliance Project  
15          costs, with 80% of that total amount timely recovered through the FMCA  
16          Mechanism, with the other 20% being deferred to a future electric base rate  
17          case. Rather than amortizing the federally mandated costs associated with  
18          the Ash Pond Compliance Project over the period during which they are



1           projected to be incurred, which would be over a period of less than 12  
2           months, upon project completion Petitioner proposes to amortize the costs  
3           associated with the Ash Pond Compliance Project through 2032.

4   **Q15. Please provide an overview of how the FMCA will be calculated.**

5   A15. Generally, the FMCA includes the development of a revenue requirement  
6           for 80% of the federally mandated costs, the allocation of such costs to  
7           customer classes based on usage, and utilizes forecasted sales to develop a  
8           factor for each customer class. NIPSCO Witness Blissmer provides more  
9           details about how the FMCA is calculated.

10 **Q16. Is NIPSCO proposing allocation factors to allocate the federally**  
11 **mandated costs?**

12 A16. Yes. As further described by NIPSCO Witness Blissmer, NIPSCO proposes  
13           that all federally mandated costs associated with the Ash Pond Compliance  
14           Plan be allocated based on the demand allocators set forth in the Cost of  
15           Service Study filed by NIPSCO in its most recent electric rate case in Cause  
16           No. 45159.

1 **Q17. What types of information has NIPSCO historically included in its**  
2 **periodic FMCA filings?**

3 A17. NIPSCO has included and will continue to include the following types of  
4 information in its periodic FMCA filings: (1) information supporting  
5 proposed revised FMCA factors, including forecasted expenses for the  
6 relevant period, and a reconciliation of prior period revenues and costs; (2)  
7 updated information regarding the Ash Pond Compliance Project including  
8 the scope, schedules, and costs for individual projects or for other approved  
9 projects; and (3) other information that the Commission finds important for  
10 purposes of explaining the progress of the Ash Pond Compliance Project.  
11 This is the same process NIPSCO used in its Cause No. 44340-FMCA-X  
12 filings.

13 **Q18. How does NIPSCO treat the remaining 20% of the Ash Pond Compliance**  
14 **Project costs?**

15 A18. Pursuant to Ind. Code § 8-1-8.4-7, NIPSCO defers 20% of the approved  
16 federally mandated costs for recovery as part of a future general gas rate  
17 case filed with the Commission. NIPSCO Witness Blissmer provides more

1 details about NIPSCO's ratemaking and accounting treatment for the  
2 remaining 20% of the Ash Pond Compliance Project costs.

3 **Q19. Is NIPSCO's requested relief appropriate and in the public interest?**

4 A19. Yes. The public convenience and necessity will be served by NIPSCO's  
5 compliance with the RCRA and CCR Rule. The Ash Pond Compliance  
6 Project is in the public interest since it will enable the Company to comply  
7 with the RCRA and CCR Rule and do so in an appropriate manner.  
8 Additionally, Indiana Code ch. 8-1-8.4 defines eligible projects as those that  
9 are federally mandated, including those mandated by the EPA. NIPSCO  
10 seeks relief within the bounds provided by the General Assembly in the  
11 enabling statute consistent with public policy and serves the public interest.  
12 As will be demonstrated by NIPSCO's witnesses in this proceeding,  
13 NIPSCO's approach to compliance with the RCRA and CCR Rule is sound  
14 and reasonable, the requested Ash Pond Compliance Project is appropriate,  
15 and the requested relief should be granted.

16 The public's reliance on electricity is linked directly with quality of life,  
17 economic enhancement and overall public safety. NIPSCO takes its role

1 seriously in serving its customers safely and reliably, and in compliance  
2 with all environmental regulations. The Ash Pond Compliance Project  
3 benefits NIPSCO's customers and serves the public interest by enabling the  
4 Company to comply with the RCRA and CCR Rule in an appropriate  
5 manner.

6 **Q20. Does NIPSCO's case-in-chief include all of the evidence and information**  
7 **necessary for the Commission to make the required findings for issuance**  
8 **of a CPCN under Ind. Code ch. 8-1-8.4?**

9 A20. Yes.

10 **Q21. Why has NIPSCO included a request for approval of an alternative**  
11 **regulatory plan, to the extent necessary, in this FMCA?**

12 A21. Pursuant to Ind. Code § 8-1-2.5-6, NIPSCO may propose alternative  
13 regulatory practices, procedures, and mechanisms. Specifically, to the  
14 extent additional relief is necessary from the requirements of the FMCA  
15 Statute or traditional accounting and ratemaking rules to allow for the  
16 requested accounting and ratemaking treatment described in its case-in-  
17 chief and to support recovery of all federally mandated costs incurred in

1 connection with the Ash Pond Compliance Project, NIPSCO seeks approval  
2 of an alternative regulatory plan and elects to become subject to Ind. Code  
3 § 8-1-2.5-6.

4 Just prior to the filing of this Verified Petition, the Indiana Supreme Court  
5 issued a decision related to Duke Energy Indiana which reversed the  
6 Commission and found that Duke should have obtained pre-approval from  
7 the Commission before recording certain environmental remediation costs  
8 as a regulatory asset on its books. Notably, in that case, it appears that the  
9 Order approving recovery of such costs was issued approximately ten (10)  
10 years after Duke created that entry on its books. While this proceeding  
11 involves a request for the recovery of federally mandated compliance costs  
12 pursuant to Indiana statute providing for such recovery, and is therefore  
13 different in terms of the applicable law and the timely nature of NIPSCO's  
14 request for cost recovery, given the potential uncertainty related to the  
15 interpretation of this recent court decision, NIPSCO has included this  
16 request for approval of an alternative regulatory plan to confirm that its  
17 federally mandated costs, which include costs that must be incurred  
18 throughout most of 2022 related to compliance requirements, are

1 authorized to be recovered. Recovery of the federally mandated costs as  
2 proposed by NIPSCO is in the public interest and enhances and maintains  
3 the value of NIPSCO's utility service for the reasons I have described. It is  
4 beneficial to NIPSCO, its customers, and the State of Indiana for NIPSCO  
5 to recover its federally mandated costs of the Ash Compliance Project.

6 **Q22. Will NIPSCO publish notice of the filing of this case in each County**  
7 **where it provides gas service?**

8 A22. Yes. Attachment 1-B will be a copy of each of the Publishers' Affidavits  
9 associated with the notices published in accordance with the law and  
10 Commission practice. This attachment will be organized alphabetically by  
11 County, and will be filed with the Commission once all of the Publishers'  
12 Affidavits have been received.

13 **Q23. Please introduce the other witnesses and the subject matter of their**  
14 **testimony.**

15 A23. Maureen Turman, Director of Environmental Policy & Sustain for NiSource  
16 Corporate Services Company ("NCSC"), explains the federally mandated  
17 requirements and associated compliance deadline related to the Ash Pond

1 Compliance Project. Specifically, she discusses (1) the federally mandated  
2 requirements, and (2) how these federally mandated requirements are  
3 driving the pond closure activities related to the Ash Pond Compliance  
4 Project.

5 Robert Ridge, Manager of Project Engineering for NIPSCO, explains  
6 NIPSCO's commercial and project execution activities related to the Ash  
7 Pond Compliance Project, and the alternatives NIPSCO considered,  
8 NIPSCO's cost estimate for the Ash Pond Compliance Project, and its  
9 execution timing to achieve compliance.

10 Gunnar J. Gode, Vice President and Chief Accounting Officer for NCSC,  
11 describes the accounting treatment for the federally mandated costs  
12 associated with the Ash Pond Compliance Project and discusses how that  
13 accounting treatment supports the requested recovery

14 Kevin J. Blissmer, Manager of Regulatory for NCSC, explains NIPSCO's  
15 proposed recovery of the Ash Pond Compliance Project" through the  
16 FMCA Mechanism. Specifically, he provides (1) a description of the cost  
17 recovery provided for under the FMCA Statute; (2) an overview of the

1 FMCA Mechanism and its related ratemaking treatment; (3) an explanation  
2 of how the deferred federally mandated costs will be reflected in NIPSCO's  
3 FMCA Mechanism tracker filings; and (4) a description of NIPSCO's  
4 proposed allocators to allocate the various components of the FMCA  
5 Mechanism.

6 **Q24. Does this conclude your prefiled direct testimony?**

7 A24. Yes.



## VERIFICATION

I, Alison M. Becker, Manager of Regulatory Policy for Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

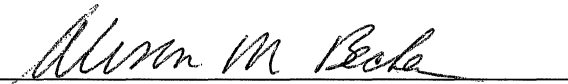
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Alison M. Becker

Date: May 2, 2022

## VERIFICATION

I, Alison M. Becker, Manager of Regulatory Policy for Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

  
Alison M. Becker

Dated: March 31, 2022

Attachment 1-A

[Verified Petition – Not duplicated herein]

Attachment 1-B

[Publisher's Affidavits – To be filed when available]