

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY LLC PURSUANT TO IND. CODE)
§§ 8-1-242.7, 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)
REVISED COMMON AND ELECTRIC)
DEPRECIATION RATES APPLICABLE TO ITS) CAUSE NO. 46120
ELECTRIC PLANT IN SERVICE; (4) APPROVAL OF)
NECESSARY AND APPROPRIATE ACCOUNTING)
RELIEF, INCLUDING, BUT LIMITED TO,)
AUTHORITY TO CAPITALIZE AS RATE BASE ALL)
EXPENDITURES FOR IMPROVEMENTS TO)
PETITIONER'S INFORMATION TECHNOLOGY)
SYSTEMS THROUGH THE DESIGN, DEVELOPMENT,)
AND IMPLEMENTATION OF A WORK AND ASSET)
MANAGEMENT ("WAM") PROGRAM, TO THE)
EXTENT NECESSARY; AND (5) APPROVAL OF)
ALTERNATIVE REGULATORY PLANS FOR THE)
PARTIAL WAIVER OF 170 IAC 4-1-16(f) AND)
PROPOSED REMOTE DISCONNECTION AND)
RECONNECTION PROCESS AND, TO THE EXTENT)
NECESSARY, IMPLEMENTATION OF A LOW)
INCOME PROGRAM.)

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PUBLIC'S EXHIBIT NO. 7
TESTIMONY OF OUCC WITNESS
GREGORY L. KRIEGER

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER
COUNSELOR



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TESTIMONY OF OUCC WITNESS GREGORY L. KRIEGER
CAUSE NO. 46120
NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Gregory Krieger, and my business address is 115 West Washington
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed as a Utility Analyst in the Indiana Office of Utility Consumer
6 Counselor's ("OUCC") Electric Division. A summary of my educational
7 background and experience is included in Appendix A attached to my testimony.

8 **Q: What is the purpose of your testimony?**

9 A: I explain why certain material and supply inventory should be removed from
10 Northern Indiana Public Service Company LLC's ("NIPSCO" or "Petitioner")
11 rate base. Specifically, I recommend the removal of \$556,951 in misclassified
12 natural gas-related material and supply inventory.

13 **Q: Please describe the review you conducted to prepare your testimony.**

14 A: I reviewed the direct testimony of NIPSCO witnesses Emily Bytnar, Richard
15 Weatherford, and Orville Cocking, focusing on specific rate base items.

16 I also assisted in developing data requests ("DRs") the OUCC served and
17 reviewed NIPSCO's DR responses to the OUCC, as well as NIPSCO's responses
18 to other parties' DRs. Additionally, I participated in meetings with NIPSCO
19 representatives, other OUCC staff members, and the OUCC's consultants to
20 discuss issues in this proceeding.

II. MATERIALS AND SUPPLIES

21 **Q: What inventory assets were added to NIPSCO's rate base?**

1 A: Both Fuel and Materials and Supplies (“M&S”) are included in NIPSCO’s
 2 proposed rate base. OUCC witness Michael Eckert discusses fuel in his
 3 testimony. M&S includes operations and maintenance (“O&M”) supplies, spare
 4 parts, and supplies used to maintain NIPSCO’s plant and equipment. This
 5 inventory is maintained to help make items available for outage repairs, routine
 6 maintenance, and normal usage of consumables. NIPSCO’s M&S inventory
 7 amount included in rate base is \$112.7 million per NIPSCO witness
 8 Weatherford’s Attachment 3-B-S2, line 13 column I.

9 **Q: Do you have any concerns with the M&S level included in Petitioner’s rate**
 10 **base?**

11 A: Yes. Four M&S items shown in Table GLK-01 below, with a total value of
 12 \$556,951, are natural gas utility items.¹ These should be removed from NIPSCO’s
 13 electric rate base calculations.²

TABLE GLK-01

Excel Line #	DESCRIPTION	CLASS NAME	BALANCE ON HAND	ELECTRIC INVENTORY VALUE
4704	FITTING, PIPE, SERVICE RISER	FITTING, GAS	3,797	\$218,770.23
4705	METER, LOOP, GAS AC250 10LT	GAS METER	2,544	\$172,108.98
4707	FITTING, PIPE, SERVICE RISER	FITTING, GAS	3,755	\$106,313.44
28066	BRACKET, MOUNTING, GAS METER	BRACKET	2,097	\$59,758.63
			TOTAL	\$556,951.27

¹ Summary of NIPSCO response to OUCC DR7-6 Attachment A is represented in Table GLK-01, which is a data extract using a word filter for the term “gas” in description field and item class; See Attachment GLK-02 for complete DR7-6 Attachment A response details.

² Weatherford Attachment 3-A-S2 p.4, line 13 Materials and Supplies.

1 **Q: How did you recognize these as natural gas utility items?**

2 A: After reviewing NIPSCO's response to OUCC DR 7-6, Attachment A, included
3 as Attachment GLK-01 to my testimony, I searched Petitioner's 33,000+ line
4 entries for "gas" in the description field and item class.

5 It would not be unusual to have minor quantities of natural gas related
6 items on hand, like warning labels or yard flags, but the quantities reflected in
7 Table GLK-01 range from 2,097 to 3,797 units in the balance on hand ("BOH")
8 inventory list. In addition to these large quantities, it would be unusual to utilize
9 gas meter loops and mounting brackets in electrical installations. Meter loop
10 connections use threads common to natural gas fittings. Meter mounting brackets
11 would be designed to hold natural gas meters, not common electrical items such
12 as electrical panels, breaker boxes, or other enclosures. I, therefore, recommend
13 excluding \$556,951 of M&S inventory that appears unrelated to NIPSCO's
14 provision of electric service.

III. RECOMMENDATIONS

15 **Q: Please summarize your recommendation to the Commission in this Cause.**

16 A: I recommend NIPSCO's proposed rate base be reduced by \$556,951 for M&S
17 natural gas related inventory NIPSCO included in its rate base.

18 **Q: Does this conclude your testimony?**

19 A: Yes.

APPENDIX A

1 **Q: Summarize your professional background and experience.**

2 A: I have a Bachelor of Science in Industrial Engineering from Purdue University.
3 After graduating Purdue, I was a Manufacturing Project Engineer, Manufacturing
4 Quality Manager, and Capital Investment Manager while I earned my Masters in
5 Business Administration from Indiana University's Kelley School of Business. I
6 then worked over 20 years with Technicolor (f/k/a Thomson S.A.) in the areas of
7 Operations, Finance, Marketing, and Sales. After completing my MBA, I was a
8 start-up Plant Controller, then a Project and Program Manager in Finance,
9 Operations, and Supply Chain. Ultimately at Technicolor, I was General Manager
10 of Sales, Operations, and Finance where I led three successive reorganization
11 Programs: Latin America Sales and Distribution, Audio-Video-Accessories
12 Division Operations, and Corporate Finance. Post Technicolor, I worked eight
13 years at Cummins in the areas of Business Development, Sales Functional
14 Excellence, Strategy, and Pricing. I have been with the OUCC since October 2022.

15 **Q: Describe some of your duties and training at the OUCC.**

16 A: I review and analyze utilities' requests and prepare testimony on behalf of the
17 OUCC in utility proceedings. My current focus is Engineering Project
18 Management and Engineering Cost Analysis. I have completed Michigan State
19 University's Institute of Public Utilities Advanced Cost Allocation and Rate
20 Design Course, EUCI's Seminar in Electric Cost of Service, NARUC's
21 Regulatory Training for Fundamentals of Utility Law, and the University of
22 Wisconsin's Regional Transmission Organization Fundamentals. Most recently, I
23 completed NARUC Staff Subcommittee on Accounting and Finance Depreciation
24 Training: Fundamental Concepts and Current Issues.

25 **Q: Have you previously provided testimony to the Commission?**

26 A: Yes.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Seventh Set of Data Requests

OUCR Request 7-006:

Please provide an inventory report or list by item, including item, short and long description, quantity on-hand, item cost, and extended value (quantity times cost) for the period ending 12/31/2023.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request solicits an analysis, calculation or compilation which has not already been performed and which NIPSCO is unable to prepare.

Response:

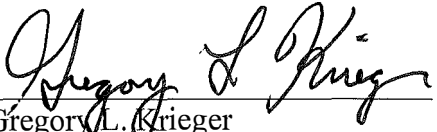
Subject to and without waiving the foregoing general and specific objections, NIPSCO submits the following response.

A detailed listing with the level of information requested is not available as of December 31, 2023. Please see OUCR Request 7-006 Attachment A for an inventory listing by item as of December 22, 2023.

OUCG Attachment GLK-2 is provided as an Excel file
Filename: "Public's Exhibit No. 9 - Attachment GLK-02.xlsx"

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Gregory L. Krieger
Utility Analyst II
Indiana Office of Utility Consumer Counselor

Cause No. 46120
NIPSCO, LLC

Date: December 19, 2024

CERTIFICATE OF SERVICE

This is to certify that a copy of the **Indiana Office of Utility Consumer Counselor Public's Exhibit No. 7 Testimony of OUCC Witness Gregory L. Krieger** has been served upon the following counsel of record in the captioned proceeding by electronic service on December 19, 2024.

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