

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED JOINT PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY LLC ("NIPSCO") AND)
ROSEWATER WIND GENERATION LLC (THE "JOINT)
VENTURE") FOR (1) ISSUANCE TO NIPSCO OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY)
FOR THE PURCHASE AND ACQUISITION OF A 102 MW)
WIND FARM ("THE ROSEWATER PROJECT"); (2) APPROVAL)
OF THE ROSEWATER PROJECT AS A CLEAN ENERGY)
PROJECT UNDER IND. CODE § 8-1-8.8-11; (3) APPROVAL OF)
RATEMAKING AND ACCOUNTING TREATMENT)
ASSOCIATED WITH THE ROSEWATER PROJECT; (4))
AUTHORITY TO ESTABLISH AMORTIZATION RATES FOR) CAUSE NO. 45194
NIPSCO'S INVESTMENT IN THE JOINT VENTURE; (5))
APPROVAL PURSUANT TO IND. CODE § 8-1-2.5-6 OF AN)
ALTERNATIVE REGULATORY PLAN INCLUDING)
ESTABLISHMENT OF JOINT VENTURE THROUGH WHICH)
THE ROSEWATER PROJECT WILL SUPPORT NIPSCO'S)
GENERATION FLEET AND THE REFLECTION IN NIPSCO'S)
NET ORIGINAL COST RATE BASE OF ITS INVESTMENT IN)
JOINT VENTURE; (6) APPROVAL OF PURCHASED POWER)
AGREEMENTS THROUGH WHICH NIPSCO WILL RECEIVE)
THE ENERGY GENERATED BY THE ROSEWATER PROJECT,)
INCLUDING TIMELY COST RECOVERY PURSUANT TO IND.)
CODE § 8-1-8.8-11 THROUGH NIPSCO'S FUEL ADJUSTMENT)
CLAUSE; (7) AUTHORITY TO DEFER AMORTIZATION AND)
TO ACCRUE POST-IN SERVICE CARRYING CHARGES ON)
NIPSCO'S INVESTMENT IN JOINT VENTURE; (8) TO THE)
EXTENT GENERALLY ACCEPTED ACCOUNTING)
PRINCIPLES WOULD TREAT ANY ASPECT OF JOINT)
VENTURE AS DEBT ON NIPSCO'S FINANCIAL)
STATEMENTS, APPROVAL OF FINANCING; (9) APPROVAL)
OF AN ALTERNATIVE REGULATORY PLAN FOR NIPSCO IN)
ORDER TO FACILITATE THE IMPLEMENTATION OF THE)
ROSEWATER PROJECT; AND (10) TO THE EXTENT)
NECESSARY, ISSUANCE OF AN ORDER PURSUANT TO IND.)
CODE § 8-1-2.5-5 DECLINING TO EXERCISE JURISDICTION)
OVER JOINT VENTURE AS A PUBLIC UTILITY.)

VERIFIED JOINT PETITION

Joint Petitioners Northern Indiana Public Service Company LLC (“NIPSCO”) and RoseWater Wind Generation LLC (the “Joint Venture”) respectfully petition the Indiana Utility Regulatory Commission (“Commission”) to authorize NIPSCO to begin implementation of its generation transition plan as set forth in its Integrated Resource Plan submitted October 31, 2018 (“2018 IRP”) as follows: (1) issue NIPSCO a certificate of public convenience and necessity (“CPCN”) to purchase and acquire indirectly through Joint Venture a wind farm that will have an aggregate nameplate capacity of approximately 102 megawatt (“MW”) (“Rosewater Project”); (2) approve the Rosewater Project as a clean energy project under Ind. Code § 8-1-8.8-11; (3) approve associated ratemaking and accounting treatment for the Rosewater Project; (4) establish amortization rates for NIPSCO’s investment in the Rosewater Project through Joint Venture; (5) approve pursuant to Ind. Code § 8-1-2.5-6 an alternative regulatory plan to implement the Rosewater Project as set forth herein, including establishment of Joint Venture and the reflection in NIPSCO’s net original cost rate base of its investment in Joint Venture; (6) approve purchased power agreements through which NIPSCO will acquire the energy generated by the Rosewater Project, including timely cost recovery pursuant to Ind. Code § 8-1-8.8-11 through NIPSCO’s Fuel Adjustment Clause (“FAC”); (7) authorize NIPSCO to defer amortization and to accrue post-in service carrying

charges (“PISCC”) on NIPSCO’s capital investments in Joint Venture; (8) to the extent generally accepted accounting principles (“GAAP”) would treat any aspect of Joint Venture as debt on NIPSCO’s financial statements, grant necessary financing approval; (9) approve an alternative regulatory plan for NIPSCO in order to facilitate the implementation of the Rosewater Project; and (10) to the extent necessary, pursuant to Ind. Code § 8-1-2.5-5, decline to exercise jurisdiction over Joint Venture as a public utility. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission’s Rules of Practice and Procedure, Joint Petitioners submit the following information in support of this petition.

1. **NIPSCO’s Corporate Status.** NIPSCO is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86th Avenue, Merrillville, Indiana. NIPSCO is a wholly-owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

2. **NIPSCO’s Regulated Status.** NIPSCO is a “public utility” within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. NIPSCO is also an “eligible business” as that term is defined in Ind. Code § 8-1-8.8-6. NIPSCO is also an “energy

utility” within the meaning of Ind. Code § 8-1-2.5-2 and provides “retail energy service” as that term is defined by Ind. Code § 8-1-2.5-3. NIPSCO is also subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”).

3. NIPSCO’s Operations. NIPSCO is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren and White Counties in northern Indiana. NIPSCO owns, operates, manages and controls electric generating, transmission and distribution plant and equipment and related facilities (“Utility Property”), which are used and useful in the production, transmission, distribution and furnishing of electric energy, heat, light and power to the public. The NIPSCO generating facilities have an installed capacity of 2,825 megawatts (“MW”) and consist of six (6) separate generation sites, including two (2) hydroelectric generating plants. NIPSCO’s transmission system, with voltages from 69,000 to 765,000 volts, consists of approximately 2,802 circuit miles. NIPSCO is interconnected with six (6) neighboring electric utilities. Pursuant to the Commission’s Order dated September 24, 2003 in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to the Midcontinent Independent System Operator, Inc. (“MISO”), a regional transmission organization (“RTO”) operated under the authority of FERC, which administers the use of NIPSCO’s transmission system and the economic dispatching of

NIPSCO's generating units pursuant to MISO's FERC approved tariff provisions. NIPSCO also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

4. **2018 IRP and All-Source RFP.** The 2018 IRP includes a short-term action plan consisting of the actions NIPSCO will take for the period 2019-2021. The short-term plan focuses on initiating the retirement process for all of the coal-fired units at R.M. Schahfer Generating Station and selecting/acquiring replacement projects to fill the capacity gap. In connection with the 2018 IRP, NIPSCO conducted an all-source request for proposals ("All-Source RFP"), which generated a robust response. The responses indicated there are more than enough diverse resources and projects to meet NIPSCO's supply needs in 2023. 90 proposals supported by 59 projects across 5 states were received. Each proposal was evaluated and scored independently from NIPSCO. The projects scoring the highest were short-listed and proceeded to negotiation of definitive agreements. The Rosewater Project was one of those short-listed proposals. The other two responses, which are the subject of petitions being filed in other dockets, are purchased power agreements between NIPSCO and Jordan Creek Wind Farm LLC and between NIPSCO and Roaming Bison Wind, LLC.

5. **The Rosewater Project and Joint Venture.** Attachment A to this Petition contains a description of the Rosewater Project, including entities and assets, contracts,

timeline and a transaction map. RoseWater Wind Generation LLC, which is herein referred to as “Joint Venture” is a limited liability company organized under Delaware law by NIPSCO. The Rosewater Project will be constructed by Rosewater Wind Farm LLC (“Rosewater ProjectCo”), which is a limited liability company organized under Delaware law and initially wholly owned by EDP Renewables North America, LLC (“Developer”). Joint Venture will purchase 100% of the equity interest in Rosewater ProjectCo from Developer. Once construction is complete, if all conditions precedent are met, Joint Venture will be owned by three Members. The Members of the Joint Venture will execute an Equity Capital Contribution Agreement prior to the construction completion, and a Joint Venture Operating Agreement (the “LLC Agreement”) in connection with the closing of the transaction under the Build Transfer Agreement (“BTA”). The first Member is a Tax Equity Partner (“TEP”) that is a financial investor, which will not be responsible for project operations. The second Member is Developer, which is the entity that is constructing the Rosewater Project through Rosewater ProjectCo. Third is NIPSCO, which will manage the Rosewater Project at the closing of the transaction under the BTA. NIPSCO is the Managing Member and will initially own 1% of Joint Venture. Developer will build the Rosewater Project through Rosewater ProjectCo, and Rosewater ProjectCo will own the Rosewater Project. Developer will transfer 100% of Rosewater ProjectCo to Joint Venture pursuant to the BTA when the Rosewater Project begins operating in late 2020. Immediately

prior to the transfer, Developer will invest a portion of the proceeds to be paid by Joint Venture pursuant to the BTA into the Joint Venture in return for an ownership share of the Joint Venture, which it will hold until 2023. For its share, TEP will invest a percentage of the amount needed to pay Joint Venture's obligation under the BTA. NIPSCO will invest the remaining amount needed under the BTA in return for its share of Joint Venture. In 2023, NIPSCO will purchase Developer's interest in Joint Venture for cash. TEP's interest in Joint Venture will enable it to receive 99% of the Production Tax Credits and tax losses generated by the Rosewater Project along with distributions of up to 30% of any excess cash generated by the Rosewater Project. Once TEP has attained an internal rate of return as specified in the LLC Agreement, the allocation of taxable income, loss, gain and deductions drops to 5%. At this point, NIPSCO will have the option to acquire the TEP interest for fair market value as defined in the LLC Agreement. By structuring the transaction in this fashion, the production tax credits and tax operating losses will flow to TEP, thus efficiently monetizing those benefits and ultimately resulting in a lower cost to NIPSCO's customers. Because Joint Venture will not own title to the Rosewater Project, Joint Venture will not qualify as a "public utility" under Indiana law. Joint Venture will not provide retail energy service and will not provide service to the public.

6. Description of Rosewater Project. The Rosewater Project will be an approximately 25 turbine wind generation facility with a nameplate capacity of

approximately 102 MWs located in White County, Indiana that will be built by Developer through Rosewater ProjectCo. The price to be paid for its interest in the Rosewater Project by Joint Venture is set out in Joint Petitioners' case-in-chief. The project will be interconnected at NIPSCO's 138 kV Reynolds Substation. Upgrades are required to be completed at NIPSCO's Reynolds substation. This work is expected to be completed in August of 2020 by NIPSCO as the interconnecting utility. The Rosewater Project is expected to achieve commercial operation in the fourth quarter of 2020. Concurrent with the filing of this petition, Rosewater ProjectCo is petitioning for declination of Commission jurisdiction over the Rosewater Project.

7. **Approval of NIPSCO's Indirect Acquisition of the Rosewater Project through the Joint Venture.** NIPSCO seeks approval of NIPSCO's indirect acquisition of the Rosewater Project through the Joint Venture and the BTA, assuming the conditions precedent to the BTA are met. Joint Venture's and NIPSCO's obligations under the BTA include obtaining Commission and FERC approvals of the joint venture structure and the BTA PPA, as well as acquiring Developer's interest in Joint Venture in 2023. NIPSCO also has the option to acquire at fair market value all TEP interests after the TEP has received its agreed upon internal rate of return. Rosewater ProjectCo's obligations under the BTA include the completion of the Rosewater Project by the end of 2020 in order to maximize the value of the available tax credits.

Pursuant to Ind. Code § 8-1-8.5-5(b)(2)(B), NIPSCO's indirect acquisition of the Rosewater Project through the Joint Venture is consistent with NIPSCO's 2018 IRP. Pursuant to Ind. Code § 8-1-8.5-5(b)(2)(A), the Rosewater Project is consistent with the Commission's analysis for expansion of electric generating capacity. The Rosewater Project will allow NIPSCO to continue to provide generating capacity and system reliability on an efficient and economical basis to meet the need for electricity within its service area.

Therefore, the Rosewater Project is reasonable and necessary and the public convenience and necessity will be served by NIPSCO's indirect acquisition of the Rosewater Project through the Joint Venture. Accordingly, NIPSCO should be granted a CPCN and all other necessary Commission approvals to proceed with the purchase and acquisition of the Rosewater Project as set forth in the BTA.

8. BTA Purchased Power Agreement. NIPSCO has entered into a Wind Energy Purchase Agreement with Rosewater ProjectCo under which Rosewater ProjectCo will sell and NIPSCO will purchase 100% of the electrical energy output of the Rosewater Project beginning on the Commercial Operation Date and continuing over a 15-year term (the "BTA PPA"). The purchase is a bundled product consisting of the wind energy projects' production, capacity, and environmental attributes, and the benefits associated with the environmental attributes in the form of Renewable Energy

Credits. Payments under the BTA PPA will pay Rosewater ProjectCo's operating and maintenance costs, property taxes, and debt service, if any, with any remaining amount split among the Joint Venture members pursuant to their respective percentage interests. Amounts NIPSCO receives as a member will be offset against its payments under the BTA PPA. The terms and conditions of the BTA PPA are reasonable and economic over the long-term. The terms and conditions of the BTA PPA are included in Joint Petitioners' evidence submitted herewith. NIPSCO's proposed cost recovery associated with the BTA PPA is set forth in Paragraph 10 herein.

9. **Back-Stop PPA.** In the event the relief requested herein is not granted in its entirety or the parties otherwise do not proceed with the joint venture structure described herein, NIPSCO has committed to enter into a Back-Stop Wind Energy Purchase Agreement with Rosewater ProjectCo (the "Back-Stop PPA"). The terms and conditions of the Back-Stop PPA are included in Joint Petitioners' evidence submitted herewith. The price under the Back-Stop PPA is higher per MWh than the BTA PPA with a term of 15 years. NIPSCO's proposed cost recovery under the Back-Stop PPA is set forth in Paragraph 10 herein.

10. **Ratemaking and Accounting.** The Rosewater Project is a clean energy resource under Ind. Code § 8-1-37-4 and so is a renewable energy resource under Ind. Code § 8-1-8.8-10 and a clean energy project under Ind. Code § 8-1-8.8-2. As such, it is

eligible for financial incentives under Ind. Code § 8-1-8.8-11, including NIPSCO's timely recovery of costs as described herein.

NIPSCO proposes the timely cost recovery of the BTA PPA and Back-Stop PPA costs (net of any payments NIPSCO receives as a member of the Joint Venture) via a rate adjustment mechanism in accordance with Ind. Code §§ 8-1-2-42(a) and 8-1-8.8-11 through NIPSCO's FAC proceedings (or successor mechanism). Although NIPSCO is proposing to have the cost recovery administered through its FAC, this cost recovery shall not be subject to the Ind. Code § 8-1-2-42(d) tests or any other FAC benchmarks. Rather, NIPSCO requests that the Commission make a definitive finding in this Cause that the BTA PPA and the Back-Stop PPA are reasonable and in the public interest so that NIPSCO will be authorized to recover those costs over the full term of the BTA PPA or Back-Stop PPA as the case may be. To the extent necessary for the exceptions to Ind. Code § 8-1-2-42(d), NIPSCO proposes an alternative regulatory procedure under Ind. Code § 8-1-2.5-6.

NIPSCO also requests authority (1) to accrue PISCC, both debt and equity, and to defer the accrual of amortization expense on each of NIPSCO's investments in Joint Venture from the date of investment until the date of a Commission order authorizing recovery of a return on that investment in Joint Venture and including the amortization expense thereon in NIPSCO's recoverable operating expenses; (2) to record such PISCC

(both debt and equity) and deferred amortization as regulatory assets in Account 182.3 Other Regulatory Assets; (3) to amortize such regulatory assets as a recoverable expense for ratemaking purposes over the estimated life of the Rosewater Project commencing on the date of the order authorizing recovery of a return on that portion of NIPSCO's investment in the Joint Venture (as requested herein), respectively, and including amortization expense thereon in NIPSCO's recoverable operating expenses; and (4) to include the unamortized portion of the regulatory assets in NIPSCO's rate base upon which it is permitted to earn a return. The PISCC will be computed by applying NIPSCO's overall weighted average cost of capital approved in its then most recent base rate case.

NIPSCO also requests the Commission approve amortization rates for NIPSCO's investment in the Joint Venture, amortizing over the life of the Rosewater Project, which is currently estimated at 30 years. NIPSCO does not anticipate a need for additional investment beyond what is contemplated in Paragraph 5 herein. In the event that additional investment is necessary as described by Witness Campbell, NIPSCO seeks authority to include any such additional payments as an increase of its investment in the Joint Venture.

11. Financing Approval. It is possible that GAAP will require the Joint Venture's financial statements to be consolidated with NIPSCO's and that, in

consolidation, debt will be created on the consolidated financial statements as a result of the Joint Venture. NIPSCO seeks Commission approval of such financing to the extent it results purely from GAAP requirements.

12. Alternative Regulatory Plan. Pursuant to Ind. Code § 8-1-2.5-6, NIPSCO may propose alternative regulatory practices, procedures and mechanisms. NIPSCO elects to become subject to Ind. Code § 8-1-2.5-6. NIPSCO is proposing the following four alternative practices, procedures and mechanisms in connection with the Joint Venture:

(a) Since the Rosewater Project arose out of the All-Source RFP, NIPSCO seeks to be relieved of or otherwise found to have complied with the obligations to receipt of a CPCN established under Ind. Code § 8-1-8.5-5(e).

(b) NIPSCO will not be the owner of the generating assets that make up the Rosewater Project. Instead, NIPSCO will own an interest in Joint Venture. NIPSCO seeks approval of the Joint Venture and the joint venture structure. NIPSCO further seeks to record its interest in the Joint Venture as a regulatory asset in Account 182.3 and to amortize the amounts so recorded using the amortization rates sought to be approved for the Rosewater Project. NIPSCO requests to include in net original cost rate base and in the value of its utility property for purposes of Ind. Code § 8-1-2-6 and

for ratemaking purposes the balance of the regulatory asset NIPSCO has recorded for the Joint Venture.

(c) As noted, NIPSCO seeks to recover its payments made to Rosewater ProjectCo pursuant to the BTA PPA and the Back-Stop PPA, through the FAC without regard to Ind. Code § 8-1-2-42(d)(1) through (4) and without regard to any benchmarks established by the Commission for PPAs.

(d) To the extent necessary, NIPSCO is seeking approval of financing. To the extent financing approval is sought and obtained herein, NIPSCO seeks to be relieved of the technical requirements set forth in Ind. Code §§ 8-1-2-79 and 80. These include corporate officer signatures and verifications, the elements in Ind. Code § 8-1-2-79(a)(1) through (6), and the specific provisions to be set forth in the Commission's certificate of authority set forth in Ind. Code § 8-1-2-80(a) and (b).

13. Declination of Jurisdiction. As described previously, because the Joint Venture will not be the title owner of the Rosewater Project, Joint Venture will not own electric generation facilities that provide electricity that NIPSCO will use to serve the public. As such, Joint Venture is not a "public utility." Joint Venture will own Rosewater ProjectCo, which will own facilities that only provide service to NIPSCO on a wholesale basis, and Joint Venture will not operate, manage or control those electric generation facilities. To the extent the Commission disagrees and determines that Joint

Venture is a “public utility,” Joint Venture elects to become subject to Ind. Code § 8-1-2.5-5. The unique circumstances of this arrangement, the Commission’s exercise of jurisdiction of NIPSCO, and the regulation by FERC render the exercise of jurisdiction by this Commission over Joint Venture as a public utility unnecessary or wasteful. Further, declining to exercise jurisdiction will be beneficial to Joint Venture, NIPSCO, NIPSCO’s customers and the State of Indiana. Declining to exercise jurisdiction will also promote energy utility efficiency. Finally, the exercise of the Commission’s jurisdiction over Joint Venture as a public utility will inhibit the implementation of NIPSCO’s generation transition plan as set forth in its 2018 IRP. Accordingly, the Commission should proceed to issue an order declining to exercise its jurisdiction over Joint Venture as a public utility.

14. Applicable Law. Joint Petitioners consider the provisions of the Public Service Commission Act, as amended, may be applicable to this proceeding, including Ind. Code §§ 8-1-2-42(a), 79, 80, 8-1-2.5-5, and 6, 8-1-8.5-4, 5, 6, and 8-1-8.8-11, among others.

15. Confidentiality Request. Joint Petitioners requests confidential treatment of the Joint Venture pricing and other negotiated commercial terms and related confidential, proprietary and competitively sensitive information, since that information

is properly considered “trade secrets” under Ind. Code § 5-14-3-4(a)(4). A separate motion under 170 IAC 1-1.1-4 is being filed in this Cause to make this request.

16. Counsel for Joint Petitioners. The names and addresses of persons authorized to accept service of papers in this proceeding are:

Counsel of Record:

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16. Proposed Procedural Schedule. In accordance with 170 IAC 1-1.1-15(e),
Petitioner has met with the Indiana Office of Utility Consumer Counselor regarding a

procedural schedule and proposes the following to satisfy the 120 day schedule provided in Ind. Code § 8-1-8.8-11(d):

Petitioner Filing of Case in Chief	February 1, 2019
OUCC and Intervenor Filing of Case in Chief	March 20, 2019
Petitioner's Rebuttal, if any, and Cross Answering, if any	March 29, 2019
Hearing	One full day not conflicting with NIPSCO's Electric Rate Case Hearing Days in April, 2019

To facilitate the 120 day schedule, which is also necessary to allow sufficient time for NIPSCO to also acquire necessary FERC approvals, NIPSCO and the OUCC have agreed to informal discovery, with any response or objection to a request being made within seven calendar days of the receipt of such request prior to the OUCC and any Intervenor's pre-filing date, and three business days after the filing of the OUCC and any Intervenor's cases in chief.

WHEREFORE, Joint Petitioners Northern Indiana Public Service Company LLC and RoseWater Wind Generation LLC request that the Commission promptly publish notice, make such other investigation, and hold such hearings as are necessary or advisable and thereafter, make and enter appropriate orders in this Cause:

(a) Making findings as to the best estimate for the cost of the Rosewater Project;

(b) Making findings that the purchase and acquisition of the Rosewater Project is consistent with the Commission's plan for expansion of electric generating capacity and/or NIPSCO's 2018 Integrated Resource Plan;

(c) Making findings that public convenience and necessity require or will require the construction, purchase and acquisition of the Rosewater Project pursuant to the BTA as proposed herein;

(d) Granting NIPSCO a certificate of public convenience and necessity for the purchase and acquisition of the Rosewater Project pursuant to Ind. Code ch. 8-1-8.5;

(e) Making findings that the Rosewater Project is an eligible clean energy project pursuant to Ind. Code § 8-1-8.8-11(d);

(f) Approving the Joint Venture structure and approving NIPSCO's proposed alternative regulatory plan as set out in Paragraph 12 herein;

(g) Approving the BTA PPA and the Back-Stop PPA and authorizing NIPSCO's timely recovery of its costs through periodic rate adjustments pursuant to Ind. Code § 8-1-8.8-11;

(h) Authorizing NIPSCO to defer amortization and to accrue PISCC at NIPSCO's weighted average cost of capital on each of NIPSCO's investments in Joint Venture, with such amounts recorded in Account 182.3, included in NIPSCO's rate base, and amortized over the remaining life of the Rosewater Project;

(i) Approval of financing to the extent required by GAAP;

(j) Approving amortization rates for NIPSCO's investment in the Rosewater Project through the Joint Venture;

(k) As necessary, declining to exercise jurisdiction over Joint Venture as a public utility pursuant to Ind. Code § 8-1-2.5-5; and

(l) Making such further orders and providing such further relief to Joint Petitioners as may be appropriate.

Dated this 1st day of February, 2019.

Northern Indiana Public Service Company LLC



Violet G. Sistovaris
President and Chief Executive Officer

RoseWater Wind Generation LLC



Violet G. Sistovaris
President and Chief Executive Officer

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Verification

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

Dated: February 1, 2019.



Violet G. Sistovaris

President and Chief Executive Officer

Northern Indiana Public Service Company LLC

Verification

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

Dated: February 1, 2019.



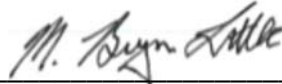
Violet G. Sistovaris
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RoseWater Wind Generation LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

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Dated this 1st day of February, 2019.



M. Bryan Little

Rosewater Wind Project

Entities and assets

EDP Resources North America LLC (<i>EDPR</i>)	Renewable energy subsidiary of <i>Energias de Portugal</i> , a European energy company. EDPR develops wind farms in North America.
Rosewater Project	102 MW wind farm to be built by EDPR in White County, IN. If this project achieves commercial operation by December 31, 2020, it will be eligible to receive 100% of the production tax credit for every kWh of power it generates from 2021-2030.
Rosewater Wind Farm, LLC (<i>ProjectCo</i>)	Company formed by EDPR to build Rosewater Project. EDPR will sell this company to Joint Venture at the end of 2020 if all legal obligations and regulatory approvals are satisfied.
RoseWater Wind Generation, LLC (<i>Joint Venture</i>)	Company formed by NIPSCO to purchase ProjectCo from EDPR. This company will become a joint venture when EDPR and a tax equity partner purchase interests in it at the end of 2020.
Tax Equity Partner (<i>TEP</i>)	Large, creditworthy financial institution that will invest in Joint Venture but will not have any operational control. This entity can use the tax credits and losses from Project more efficiently than either EDPR or NIPSCO, thereby reducing the cost of the wind farm to NIPSCO's customers. Although there may be more than one Tax Equity Partner, this document refers to this party in the singular.

Contracts

Build-Transfer Agreement (<i>BTA</i>)	Contract that obligates ProjectCo to build Rosewater Project in White County. ProjectCo must also sell Rosewater Project to Joint Venture if the conditions precedent in the Equity Capital Contribution Agreement have been met. Joint Venture's obligations under this contract include obtaining IURC and FERC approvals of the joint venture structure and the BTA PPA, as well as acquiring EDPR's interest in Joint Venture in 2023. ProjectCo's obligations under this contract include the completion of Rosewater Project by the end of 2020 in order to maximize the value of the available tax credits. If Rosewater Project is at least 90% complete by the end of 2020, Joint Venture must acquire, at a price that reflects the reduced economic value of all production tax
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credits, any portion of Rosewater Project that is not completed before 2021.

BTA PPA

Contract that obligates NIPSCO to purchase from ProjectCo 100% of the output of Rosewater Project for fifteen years after Joint Venture purchases ProjectCo in late 2020.

Backstop PPA

Contract that will not be actionable unless one of the conditions precedent to the BTA or the BTA PPA are not met. In that event, the contract will oblige NIPSCO to purchase 100% of the output of Rosewater Project, which will then still be owned by EDPR, for fifteen years.

LLC Agreement

Contract that specifies how Joint Venture will operate, as well as other tax and economic matters.

NIPSCO's equity contribution to Joint Venture will equal ~1% of the purchase price of ProjectCo.

EDPR's equity contribution to Joint Venture will equal the difference between the purchase price of ProjectCo and the total contributions to Joint Venture of NIPSCO and Tax Equity Partner.

Tax Equity Partner's equity contribution to Joint Venture is governed by a separate contract, the ECCA.

Joint Venture has the option to acquire at fair market value all Tax Equity Partner interests after Tax Equity Partner achieves its required internal rate of return (the achievement of this IRR is known as the "flip point").

Equity Capital
Contribution Agreement
(ECCA)

Contract that defines the conditions precedent to and amount of Tax Equity Partner's contribution to Joint Venture.

Tax Equity Partner will contribute an amount to Joint Venture that, when LLC Agreement is signed, values the production tax credits, tax losses, and cash flows in order to provide Tax Equity Partner with an internal rate of return on the investment.

The date on which the production tax credits, tax losses, and cash distributions allocated to Tax Equity Partner provide Tax Equity Partner with the internal rate of return specified in ECCA is known as the "flip point". On this date, the allocation to Tax Equity Partner of Joint Venture's taxable income, loss, gain, and deductions drops.

Timeline

- 2016** EDPR purchases equipment, for planned future wind farm, equal to at least 5% of the wind farm's estimated cost so that the wind farm will be eligible to receive 100% of all allocated production tax credits if it is operational no later than December 31, 2020.
- Nov 2017** EDPR forms "Rosewater Wind *Farm* LLC, which will be the legal owner of the Rosewater Project, a 102 MW wind farm EDPR plans to build in White County, Indiana.
- Dec 11, 2018** NIPSCO forms "Rosewater Wind *Generation* LLC", which will be the legal name of Joint Venture. NIPSCO will be the initial sole owner of Rosewater Wind Generation, but the LLC will become a joint venture when EDPR and a tax equity partner chosen by NIPSCO invest cash into the entity in December 2020. This cash will be used to purchase ProjectCo from EDPR.
- Jan 23, 2019** Joint Venture executes Build-Transfer Agreement with EDPR. This contract obligates EDPR to build a 102 MW wind farm by December 2020 and to sell it upon completion to Joint Venture.
- NIPSCO signs fifteen year BTA PPA with Rosewater Wind Farm, which obligates NIPSCO, in the event NIPSCO receives all necessary authority, to purchase all of the power from the wind farm from 2021-2035.
- Rosewater Wind Farm and NIPSCO complete negotiations regarding "backstop" power purchase agreement with EDPR. This fully negotiated contract, if executed, will obligate NIPSCO to purchase power from Rosewater Wind Farm for fifteen years at a negotiated price if the IURC or FERC do not grant NIPSCO the approvals necessary to fulfill NIPSCO's obligations to EDPR and any tax equity partner.
- Feb 1, 2019** NIPSCO and Joint Venture jointly request that IURC award a CPCN for the power purchases and generation acquisitions embodied in the BTA and BTA PPA contracts. It requests an order within 120 days, in accordance with IC 8-1-8.8-11(d).
- EDPR requests that the IURC decline to exercise any jurisdiction to (a) require EDPR to obtain a certificate of public convenience and necessity to construct Rosewater Project under Ind. Code Ch. 8-1-8.5 and to (b) regulate, under Ind. Code Ch. 8-1-2, EDPR's construction, ownership, and operation of, and other activities in connection with, Rosewater Project.
- June 1, 2019** IURC awards requested relief in both NIPSCO and EDPR regulatory filings.

NIPSCO petitions FERC for necessary authorizations as soon as it receives state regulatory approval.

Sep 30, 2019 Anticipated date by which FERC authorizes NIPSCO's requests for relief.
NIPSCO and Joint Venture give EDPR notice to proceed with project construction.

Feb 28, 2020 NIPSCO's deadline for NIPSCO to obtain necessary FERC request for relief.
NIPSCO's deadline to inform EDPR whether NIPSCO can move forward with Joint Venture. LLC Agreement and Equity Cash Contribution Agreement must be fully executed to move forward.

Dec 31, 2020 Deadline for placing project into service in order to receive 100% PTC.
Tax Equity Partner invests cash into Joint Venture.
NIPSCO invests cash into Joint Venture.
EDPR invests cash into Joint Venture.
Joint Venture purchases ProjectCo from EDPR.

2023 NIPSCO acquires EDPR's membership interest in Joint Venture for cash.

2030 Estimated year in which Tax Equity Partner achieves the internal rate of return embodied in ECCA and "flip point" occurs.
Once the flip point is achieved, NIPSCO has the option to purchase Tax Equity Partner's remaining interest in Joint Venture for fair market value. If NIPSCO exercises this option, it will then own 100% of Rosewater Wind Generation and there will no longer be a need for the BTA PPA.

Transaction Map