FILED
July 7, 2023
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY LLC FOR)
APPROVAL OF ITS PROPOSED 2024-2026)
ENERGY EFFICIENCY PLAN FOR GAS SERVICE)
AND ASSOCIATED RATEMAKING AND)
ACCOUNTING TREATMENT, INCLUDING) CAUSE NO. 45850
TIMELY RECOVERY THROUGH NIPSCO'S)
GDSM MECHANISM OF ASSOCIATED COSTS)
(INCLUDING PROGRAM OPERATING COSTS)
AND LOST REVENUES), AND FOR AUTHORITY)
TO DEFER PROGRAM COSTS)

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

PUBLIC'S EXHIBIT NO. 1-S – SETTLEMENT TESTIMONY OF OUCC WITNESS MOHAB M. NOURELDIN

July 7, 2023

Respectfully submitted,

Thomas R. Harper Attorney No 16735-53

Deputy Consumer Counselor

NORTHERN INDIANA PUBLIC SERVICE COMPANY, LLC CAUSE NO. 45850 SETTLEMENT TESTIMONY OF OUCC WITNESS MOHAB M. NOURELDIN

I. <u>INTRODUCTION</u>

1	Q:	Please state your name and business address.
2	A:	My name is Mohab M. Noureldin, and my business address is 115 West
3		Washington Street, Suite 1500 South, Indianapolis, IN 46204.
4	Q:	By whom are you employed and in what capacity?
5	A:	I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as
6		a Utility Analyst with the Natural Gas Division. I have worked as a member of the
7		OUCC's Natural Gas Division since December 2021. For a summary of my
8		educational and professional experience, as well as my preparation for this case,
9		please see the Appendix MMN-1 attached to my testimony.
10	Q:	What is the purpose of your settlement testimony?
11	A:	The purpose of my settlement testimony is to provide the Indiana Utility Regulatory
12		Commission ("IURC" or "Commission") with support for the Settlement
13		Agreement ("Agreement") agreed to between Northern Indiana Public Service
14		Company LLC ("NIPSCO"), Citizens Action Coalition ("CAC") and the OUCC
15		(collectively the "Settling Parties"). The Agreement resolves all issues between the
16		Settling Parties regarding NIPSCO's proposed 2024–2026 Gas Energy Efficiency
17		Plan ("Plan"). Within the context of the overall settlement, the modified Plan is
18		reasonable. I recommend the Commission find the Agreement to be in the public
19		interest and approve it without modification, in its entirety.

II. AFFORDABILITY

- 1 Q: Did the OUCC consider affordability throughout the case and during settlement negotiations?
- 3 A: Yes. Affordability for all Indiana ratepayers is crucial to the OUCC. Therefore, the
- 4 OUCC negotiated to ensure NIPSCO's proposed demand side management
- 5 ("DSM") programs are cost-effective.

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III. SUMMARY OF THE SETTLEMENT AGREEMENT

6 Q: Please summarize the Settlement Agreement.

The Agreement includes programs up to the budget amounts set out in NIPSCO's case-in-chief (subject to the budget flexibility discussed below)., The OSB agrees to work collaboratively to identify and achieve additional cost-effective energy savings of an additional 1,725,768 gross therms over the three year plan period. As has been done previously, the OSB will have the opportunity to review and provide input on final program designs, including program offerings, each year prior to implementation. Further, to the extent measures are added to an existing program to achieve additional savings, the Agreement states that those measures, as a group, must be cost effective outside of the total program.

New budget flexibility terms permit NIPSCO, with OSB approval, to increase any individual program funding annually by up to 20% of the total program budget, even if the increase exceeds the Commission-approved overall 2024-2026 Plan budget by up to, but not exceeding, 20%. A majority vote of the OSB is required for flexible funding requests of 0-10%, and a unanimous vote of the OSB is required for flexible funding requests greater than 10%. Any additional funding

over and above the amount allotted by flexible funding could be requested from the Commission if the OSB approves by a unanimous vote. All other previous conditions set out in the settlement agreement in Cause No. 45456 related to flex funding shall apply to both the electric and gas programs, including that approval of flex funding will be sought before such flex funding is utilized.

The Agreement also continues the practice of "rolling over" unspent budget amounts from one program year to the next within the three-year DSM Plan, with a corresponding increase to the savings goal. To better match budgets and actual costs, and to delineate a separation between the current Plan and the 2024-2026 Plan, unspent 2023 budget amounts available at the conclusion of the 2023 program year may be utilized for the purpose of paying 2023 program expenses that were either unbilled or unable to be paid prior to December 31, 2023. The 2024 savings goal will be increased to match this amount.

Finally, the Agreement provides that NIPSCO will continue to work with its OSB and its vendor(s) to use the flex funding to increase cost-effective energy savings.

The Parties have agreed to NIPSCO's proposed 2024-2026 DSM Plan implementation, marketing, lost revenues, evaluation, measurement and valuation ("EM&V") procedures, EM&V costs, program design and reporting requirements. The OSB remains intact. Cost recovery takes place through NIPSCO's existing Gas Demand Side Management Adjustment ("GDSM") Mechanism.

IV. RATEPAYER BENEFITS

1 Q: How do ratepayers benefit under the Settlement Agreement?
2 A: The Agreement is the product of extensive negotiations between the settlement agreement is the product of extensive negotiations.

The Agreement is the product of extensive negotiations between the OUCC, CAC and NIPSCO and resolves all issues in the case. Both ratepayers and shareholders are able to claim victories. In the end, the resulting compromise balances stakeholder and utility interests while simultaneously benefitting the public interest. It provides for continued energy efficiency / demand side management within NIPSCO's gas service territory. Ratepayers save on lost revenues while the increased spending flexibility for the OSB provides a pathway to optimizing energy savings.

V. RECOMMENDATION & CONCLUSION

- 10 Q: What is the OUCC's recommendation regarding approval of the Agreement?
- 11 A: The OUCC recommends the Commission approve the Agreement in its entirety
- without modification.
- 13 **Q:** Does this conclude your testimony?
- 14 A: Yes.

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APPENDIX TO TESTIMONY OF OUCC WITNESS MOHAB M. NOURELDIN

1 Q: Describe your educational background and experience. 2 A: I graduated from the Modern Academy in Maadi - Cairo, Egypt Department of 3 Business Administration with a Bachelor of Commerce in Accounting in August 4 2005, and an Applied Management Principles Certification from Krannert School 5 of Business Purdue University in May 2016. From August 2005 through July 2007, I worked for multiple companies in Egypt as an Accountant. From July 2007 6 7 through January 2012, I worked for Mercedes-Benz Egypt (formerly Daimler-8 Chrysler Egypt) as an Accountant and was promoted to Senior Accountant before 9 relocating to the United States in January 2012. 10 From March 2012 through June 2018, I worked for Purdue University in 11 Physical Facilities Fiscal Affairs ("PFFA") as a financial assistant / analyst. 12 From August 2018 through December 2021, I worked for Community 13 Health System (Dukes Memorial Hospital / Bluffton Regional Medical Center), 14 Ruoff Mortgage Company, and Aston Carter Staffing Agency as a Staff 15 Accountant. 16 In December 2021, I began my employment with the OUCC as a Utility 17 Analyst II – Accountant in the Natural Gas Division. My current responsibilities 18 include reviewing and analyzing rate cases filed by Indiana natural gas utilities with 19 the Commission. I also review Gas Cost Adjustment ("GCA"), Pipeline Safety 20 Adjustment ("PSA") cases, and Transmission, Distribution, and Storage System Improvement Charge ("TDSIC") tracker cases for natural gas utilities. 21

1	Q:	Have you previously testified before the Commission?
2	A:	Yes. I have testified in GCA cases, rate cases, TDSIC tracker cases, and PSA cases
3		involving gas utilities.
4	Q:	What review and analysis have you conducted to prepare your testimony?
5	A:	I reviewed NIPSCO's verified petition, pre-filed direct testimony, and exhibits. I
6		reviewed the Commission's Final Orders in Cause No. 45012 and 45455. I also
7		participated in meetings with other OUCC staff to identify and address the issues
8		in this Cause.

AFFIRMATION

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

Mohab Noureldin
Utility Analyst II
Indiana Office of
Utility Consumer Counselor
Cause No. 45850

Northern Indiana Public Service Company

07/7/2023_

Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following parties of record in the captioned proceeding by electronic service on July 7, 2023.

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