OFFICIAL
EXHIBITS

IURC
PETITIONER'S
EXHIBIT NO. 1-R
10-5-21 AT
DATE REPORTER

VERIFIED REBUTTAL TESTIMONY OF ALISON M. BECKER

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

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

Q2. Are you the same Alison M. Becker who prefiled direct testimony in this Cause on June 1, 2021?

A2. Yes.

Q3. What is the purpose of your rebuttal testimony?

A3. The purpose of my rebuttal testimony is to respond to direct testimony filed by Anthony A. Alvarez and Kaleb G. Lantrip on behalf of the Indiana Office of Utility Consumer Counselor ("OUCC") and filed by Brian C. Collins on behalf of the NIPSCO Industrial Group ("Industrial Group") on August 30, 20201. My rebuttal testimony is limited to a discussion of the issues set out below, and the failure to address each and every issue in each piece of testimony does not imply agreement with the positions taken by any party with respect to other issues.

General NIPSCO Response

Q4. Before you specifically address issues raised by any witness, please provide NIPSCO's perspective generally on issues that are raised by the OUCC and Industrial Group that have recently been addressed by the Commission in TDSIC proceedings.

A4. NIPSCO should not be required to relitigate the same (literally, the same) issues each time a TDSIC Plan is filed. The Commission has definitively spoken on several of the issues raised by Industrial Group and OUCC in very recent orders. Since the relevant statutory language has not changed and no party has identified any materially different facts or factors, the Commission's prior pronouncements and findings on each of these issues should be re-affirmed. While NIPSCO understands that each Cause before the Commission is an independent proceeding which will be evaluated on its own merits, when parties continue to raise arguments that have been rejected by the Commission, it forces NIPSCO to address such issues, which is not an efficient use of resources.

Q5. Please provide examples of issues raised in this proceeding that NIPSCO believes are settled issues based on recent Commission orders.

A5. The list includes, but is not necessarily limited to, the following issues, which I note below but address more fully later in my testimony: (1) inclusion of contingency as part of NIPSCO's cost estimates, which is challenged by Mr. Collins (at pp. 16-18); (2) Mr. Collins' arguments (at pp. 19-20) that NIPSCO should be required to go beyond the proposed depreciation offset/netting to address alleged "duplicative recovery" and wanting to reduce NIPSCO's approved return on equity ("ROE"); (3) the utilization of a "break/fix" analysis as a valid baseline for comparison of the risk reduction benefits of certain projects, raised by Mr. Collins (at pp. 9-10);[1] and (4) Mr. Lantrip advocating (at pp. 9-11) for to NIPSCO be required

---

[1] NIPSCO's substantive response on this issue is address in Mr. Vamos' rebuttal testimony, but I do note that the Commission evaluated and ultimately approved an electric TDSIC plan proposed by Indianapolis Power and Light ("IPL") (now AES Indiana) and recited a very similar challenge to IPL's estimated risk reduction which was actually offered by Mr. Collins in that proceeding. See the Commission's March 4, 2020 order in Cause No. 45264, at p. 10. On pages 15-16 of the order, the Commission also recited IPL Witness De Stitger's response to Mr. Collins and, ultimately, did not accept Mr. Collins' challenges or criticisms but found that "record evidence demonstrates that the IPL Plan is proposed to reduce risk of asset failure and maintain service reliability. In doing so, the TDSIC Plan provides incremental benefits compared to how the future would otherwise unfold."

to use actual retirements, instead of three-year historical average, for its depreciation offsetting methodology.

In none of these instances do Mr. Collins or Mr. Lantrip point to distinguishing facts or differences that would lead to a different conclusion. Nor do they generally even acknowledge they are asking for things the Commission has very recently rejected or that are the opposite of what the Commission has recently approved. They continue to repeat rejected arguments, thus requiring NIPSCO to incur time and expense to respond, when this is not necessary or helpful.

Q6. What other concerns would NIPSCO like to share before addressing individual issues that were raised by the OUCC and Industrial Group?

A6. Witness Alvarez paints NIPSCO's proposed AMI Project in the most unfavorable light possible and uses this inaccurate and unfair portrait to support his request to deny approval—or at least to deny approval at this time. Throughout his testimony, he does not provide proper context, overstates costs, and makes incorrect statements in order to support his pre-determined position. When looking at the evidence in this case, in the proper context and without making invalid negative inferences, it is clear

NIPSCO has put forth a well-supported AMI Project that should be approved.

Mr. Collins similarly overstates or distorts the facts in this proceeding. For example, he says NIPSCO "refused" to provide responses to the Industrial Group's discovery requests, when the Company did not have the data/analysis requested.[2] Mr. Collins claims NIPSCO is using inflated risk reductions numbers but undeniably and intentionally uses incorrect and significantly higher "total costs" for all projects as his basis for comparison when he acknowledges (at p. 12, lines 21-22) that only Aging Infrastructure projects are aimed at risk reduction.

Individual witnesses provide direct responses to some of these comments or claims, but NIPSCO's general response is that it is potentially misleading or inaccurate and is not helpful to NIPSCO, the OUCC and other intervenors in the proceeding, or the Commission and its staff.

<u>Overall Cost of NIPSCO's 2021-2026 Electric Plan</u>

---

[2] See page 9, lines 3-4 and page 11, lines 14-15.

Q7. What challenges to or criticisms of NIPSCO's 2021-2026 Electric Plan were offered by Industrial Group witness Collins?

A7. Mr. Collins implies (at p. 6, lines 7-16) that the 2021-2026 Electric Plan is somehow improper or should be rejected simply because the proposed expenditures are higher than those in NIPSCO's previous TDSIC plan. Mr. Collins (at pp. 6-7) also argues that it is problematic that NIPSCO's plan will increase the value of its rate base since NIPSCO's most recent rate case. He further alleges (at p. 3, lines 9-11) that NIPSCO's proposal will have a "serious impact on rates" and (at p. 3, lines 12-14 and p. 22, lines 7-8) that the increased spending levels are providing "clearly diminishing benefits to ratepayers." However, he ignores the benefits provided to customers by these investments, which is discussed in depth by NIPSCO's witnesses both in its case-in-chief and in rebuttal.

Q8. Has NIPSCO been transparent about the importance and size of its planned investments under the Plan?

A8. Yes. Both in meetings with stakeholders before making the filing on June 1, 2021 and in its case-in-chief, NIPSCO was transparent about the increased cost and increased level of annual spending being proposed.[3] It is the nature of the industry to have to continue to proactively replace aging assets each year, and there are "new project categories" that are of different scope driving much of the increase.

Additionally, as discussed below, NIPSCO is utilizing explicit authorization under the revised TDSIC Statute to propose additional kinds of investments.

Q9. Are all of the proposed projects under NIPSCO's 2021-2026 Electric Plan new or incremental projects?

A9. No. Approximately one-third (1/3) of the projects included in the 2021-2026 Electric Plan were included in the previous Plan. Therefore, approximately $526,613,628 in projects included in this Plan have previously been approved by the Commission as eligible TDSIC projects and previously been presented to stakeholders, including the OUCC and Industrial Group.

Q10. What level of investment is associated with completely new categories of projects under the 2021-2026 Electric Plan?

---

[3] See, e.g., my direct testimony at Question / Answer 12; see also Attachment 1-C at p. 6.

A10. In 2019, the General Assembly amended the TDSIC Statute to provide utilities with additional flexibility in the projects included in a TDSIC plan. Consistent with these changes, there are projects of a different type that are clearly needed and intended to address different issues/concerns than the traditional transmission and distribution projects under NIPSCO's prior Plan. The largest of these is the Grid Modernization category, which accounts for more than $322 million of NIPSCO's total Plan cost. NIPSCO's 2021-2026 Electric Plan takes advantage of that updated statute to undertake a broader scope of projects to benefit its customers.

Two other examples include Wood Poles and Circuit Performance projects. These projects were originally included and approved as part of NIPSCO's prior Plan as part of a Stipulation and Settlement Agreement that was approved by the Commission in Cause No. 44733 ("Settlement Agreement"). However, both projects were removed a couple years later because the parties to the Settlement Agreement did not believe they provided sufficient specificity as required by the statute, as it stood at that time. However, the 2019 revision to the statute allows for "projects that do not include the specific location or an exact number of inspection, repairs, or replacements, including inspection based projects such as pole or pipe inspection projects, and pole or pipe replacement". (IC 8-1-39-2 (b) (1).) NIPSCO's 2021-2026 Electric Plan also takes advantage of this change in statute in order to address important infrastructure projects. And these two project categories account for approximately $92 million of NIPSCO's proposed investments.

I include these figures to provide context and demonstrate that about $618 million in projects were previously part of an approved TDSIC Plan, and another $322 million relates exclusively to new project categories as explicitly authorized under the revisions to the TDSIC Statute—accounting for $950 million of NIPSCO's total of $1.6 billion in proposed investments.

<u>**The AMI Project Is Necessary for NIPSCO to Adequately and Reliably Serve Customers**</u>

Q11. What is Mr. Alvarez' general conclusion about the AMI Project?

A11. As further addressed by NIPSCO witness Kiergan, Mr. Alvarez argues that NIPSCO's did not provide a "best estimate" as required by the TDSIC Statute and that the incremental benefits do not justify the project cost. He does not, however, allege that the AMI Project is not an eligible TDSIC project. Ultimately, he recommends that NIPSCO improve the estimate before including it in a subsequent TDSIC tracker proceeding.

Q12. Please respond to Mr. Alvarez on this point and explain why NIPSCO is proposing the AMI Project.

A12. Although NIPSCO has thoroughly addressed Mr. Alvarez' concerns in its case-in-chief, and other witnesses will address the substantive criticisms he raised in their rebuttal testimony, generally speaking, NIPSCO needs to invest in AMI in order to be a modern utility, and needs to begin the project at this time, as it will require multiple years to execute. As more fully addressed by Mr. Kiergan, NIPSCO has presented a cost benefit analysis ("CBA") that shows more benefits than costs, which is important.[4] NIPSCO's CBA is methodical and robust, but also conservative.

The Commission and various stakeholders have also been asking NIPSCO for additional information about and opportunities for customers on a variety of issues including distributed energy resources, electric vehicles, demand response programs, load forecasting, and time of use rates. It is

---

[4] A positive CBA is not a requirement under the TDSIC Statute, but this is important evidence for the Commission to consider when evaluating the AMI Project.

virtually impossible to meet these requests without AMI technology. It is of note that the 2019 update to the TDSIC Statute specifically allows for investments in "advanced technology" (IC 8-1-39-3 (b) (2)) demonstrating support for such projects in TDSIC plans. NIPSCO has provided sufficient evidence that its AMI Project meets the other requirements of the statute.

NIPSCO Has Provided "Best Estimates"

Q13. What criticisms does Mr. Alvarez raise about NIPSCO's cost estimates for the AMI Project?

A13. Mr. Alvarez implies that, if the AMI Project is approved, NIPSCO is getting a "blank check" and the Company can spend as much money as it wants, without any constraints, and have guaranteed cost recovery. Without citing to any evidence in support, he specifically claims (at p. 8, lines 16-17) that "the project has a high possibility of future cost escalations with magnitudes of several factors." He also ignores that, to the extent approved costs were to increase, that NIPSCO would have to specifically justify cost increases and receive an additional approval for the cost increases before getting to recover them in the TDSIC Tracker.[5]

---

5 The process of cost estimate updates and approvals is acknowledged by Mr. Collins on

Q14. What is NIPSCO's response to these criticisms raised by Mr. Alvarez?

A14. Although addressed more specifically by NIPSCO's other witnesses both in NIPSCO's case-in-chief and in Mr. Kiergan's rebuttal testimony, NIPSCO has continued to follow ACEE methodology for developing cost estimates, a practice repeatedly approved by the Commission, not just for NIPSCO, but for other utilities as well. Although Mr. Alvarez complains about the AMI project estimates, he does not claim NIPSCO deviated from its process of utilizing AACE estimating methodology and completely ignores that NIPSCO has used the same process effectively for years for other project types. Witness Kiergan directly responds to Mr. Alvarez and provides further explanation on how NIPSCO's estimate for the AMI Project was built and why it is a "best estimate" as that term is used in the TDSIC Statute and has been interpreted by the Commission. It is to be expected that some estimates that are part of a 5-7 year TDSIC plan will be Class 4 or 5 estimates, as projects in the latter part of a plan will not be as defined as earlier-year projects. Witness Kiergan also provides a more direct response to the specific criticisms raised by Mr. Alvarez, including discussing the

---

page 7, lines 17-18.

detailed cost model NIPSCO provided to the OUCC in discovery, but which was generally ignored by Mr. Alvarez.

Unlike his coworker, Mr. Lantrip,[6] Mr. Alvarez ignores the Section 10 Plan filing and the Section 9 tracker/update process, where cost estimates can be refined and updated. This is particularly disappointing given the great rapport NIPSCO and the OUCC have developed involving on-going review of project updates through the TDSIC tracker process under Section 9, which includes a stakeholder meeting approximately four weeks before the filing, a pre-meeting to review testimony with explanations for specific project increases, an audit package which includes the information the OUCC routinely needs to complete its review, and, frequently, post-filing meetings to discuss follow-up questions or concerns.

Q15. How will the Commission and interested stakeholders be kept apprised of AMI Project development and updates to cost estimates?

A15. As discussed in my direct testimony, assuming approval of NIPSCO's 2021-2026 Electric Plan as part of this Section 10 proceeding, NIPSCO will file

[6] See generally Mr. Lantrip's testimony at p. 6, lines 19-20.

annual "plan updates" under Section 9. Each plan update includes any updated estimates (whether increases or decreases) and explanations for any update. For updates that meet a specific threshold of an increase of at least 20% and $100,000, NIPSCO also provides testimony to support the increase. NIPSCO has successfully provided sufficient details for cost increases in its prior plan and will continue to do so, but is also open to discussing with the OUCC and other intervenors if information can be provided in a different way to assist with review of cost increases in Section 9 proceedings.

Q16. What challenges does Mr. Collins raise about NIPSCO's cost estimates?

A16. In pages 16-18 of his testimony, Mr. Collins takes issue with NIPSCO's inclusion of contingency as part of its estimates. He does not recommend a lower level of contingency, but plainly states (at p. 17, lines 19-20) that his "recommendation is that the proposed contingencies should be disallowed altogether." He attempts to justify his position by saying (at p. 18, lines 2-4) contingency provides "NIPSCO with an extra layer of cushion" and serves as disincentive for NIPSCO to "maintain cost discipline."

Q17. Please respond to this recommendation by Mr. Collins that the Commission disallow all contingency as part of NIPSCO's cost estimates.

A17. Mr. Collins himself offered similar testimony in IPL Cause No. 45264. There, the Commission explicitly rejected his arguments and was very definitive that exclusion of contingency in estimates would actually mean estimates are <u>not</u> "best estimates" as required by the TDSIC Statute. The Commission unequivocally found (at p. 23): "we find the exclusion of contingency from the cost estimate would be unreasonable and would not establish the best cost estimate as required by the TDSIC Statute." This could not be more definitive. Likewise, the Commission approved NIPSCO's estimation methodology, which included contingency, over this same objection by the Industrial Group for NIPSCO's Gas TDSIC Plan in its July 22, 2020 order in Cause No. 45330 Order (at p. 23).

NIPSCO has followed the same AACE estimation methodology (and no party has alleged the Company has not). This has been approved as recently as the 45330 Order, over this exact objection from the Industrial Group. Quite simply, the Commission has recognized time and time again that contingency is not just an allowable, but a required, component of a "best estimate."

NIPSCO's Depreciation Offset Proposal Fully Addresses ROE Concerns

Q18. What issues or concerns does Mr. Lantrip raise with respect to NIPSCO's proposed method for offsetting depreciation?

A18. Mr. Lantrip expresses concern (at p. 10, lines 3-6) because no other Indiana *electric* investor-owned utility uses the three-year historical average estimate to adjust depreciation expense for retirements. He says (at p. 11, lines 1-4) that because other utilities net depreciation differently than NIPSCO, "it should be possible" for NIPSCO to update its accumulated depreciation in reconciliation for the asset being replaced,[7] offsetting gross plant additions, rather than using the three-year average proposed by NIPSCO.

Q19. What is NIPSCO's response to this point?

A19. As Ms. Meece discussed in her direct testimony at pages 15-18, NIPSCO is proposing an identical methodology to that approved by the Commission in NIPSCO's most recent TDSIC case—which was a gas case. See the

---

[7] I also would note that, while Mr. Lantrip refers to accumulated depreciation being reconciled, consistent with what was approved by the Commission for NIPSOC's Gas TDSIC Plan, NIPSCO has proposed only to adjust its depreciation expense.

Commission's December 23, 2020 order in Cause No. 45330-TDSIC-1 at pp. 18-19 (Section C.i). Mr. Lantrip does not even acknowledge this order, let alone discuss its findings, despite NIPSCO citing to it.

Additionally, based on conversations with NIPSCO's Accounting Department, in addition to the difficulty of "matching up" exact deployed and retired assets (as described in Ms. Meece's direct testimony at p. 16), there is often a significant lag between when a new asset is included in rates for recovery and when retired assets are actually "retired" on NIPSCO's books for accounting purposes. This makes it extremely challenging to determine the "actuals" like Mr. Lantrip would prefer, and it also means that the "actuals" NIPSCO would be required to use for any filing would only be estimates, and likely would need to be subject to reconciliation at a later time. Furthermore, if NIPSCO were required to implement a different netting process for its electric TDSIC Tracker than has been approved for its gas TDSIC Tracker, this would lead to inefficiencies, which can be avoided by utilizing the same netting process as NIPSCO has requested. For all these reasons, the Commission should approve NIPSCO's proposed depreciation offset (or netting) methodology.

Q20. What does Mr. Collins have to say about NIPSCO's depreciation offsetting proposal?

A20. Mr. Collins (at p. 19, lines 2-16) argues that NIPSCO does not propose to make any adjustment to eliminate the "return on" for replaced assets from rates. He says this means that, until its next rate case, NIPSCO will recover "return on" the new asset through the tracker as well as the removed asset in base rates. He considers this "duplicative recovery."[8] He ultimately concludes (at p. 20, lines 5-9) that this "warrants a downward adjustment to the pretax return approved by the Commission for TDSIC investments under the new Plan."

Q21. What is NIPSCO's response to this point?

A21. NIPSCO, after concerns expressed by both the OUCC and Industrial Group, offered a solution in Cause No. 45330-TDSIC-1 that was approved by the Commission in its December 23, 2020 order in that cause. This exact same claim of double or duplicative recovery was rejected by the Commission in that order as follows:

---

[8] See Mr. Collins' direct testimony at p. 19, line 8.

We agree with Petitioner that the netting of depreciation expense reflected in its proposal has the effect of reducing Petitioner's pre-tax return. *We recently approved IPL's netting proposal as appropriately addressing the double recovery concern raised by the OUCC and found that based on the reduction to TDSIC cost recovery, no further adjustment to the WACC was required.* Indeed, we commended IPL's approach. Similarly, here we find based on the evidence that it is not reasonable to, as proposed by Mr. Gorman, further effectively adjust the assets that were included in rate base in Petitioner's most recent base rate case. The TDSIC Statute addresses TDSIC costs, not rate-based asset costs. *See* Indiana Code § 8-1-39-7. Thus, we find *Petitioner's proposed depreciation netting addresses the OUCC and Industrial Group's double recovery concerns and that no further depreciation adjustment is necessary.*

See 45330-TDSIC-1 order at p. 19 (emphasis added). The Commission should not require more from NIPSCO here absent compelling reasons, which do not exist.

<u>**No Additional Adjustment or Offset Should Be Required Based on Inclusion of Deliverability Projects**</u>

Q22. Does Mr. Collins raise other challenges to NIPSCO's proposed TDISC Plan? If so, please explain them.

A22. Mr. Collins argues (at pp. 12-13) that NIPSCO's System Deliverability projects are driven by load growth and increasing demand, without any kind of offset for incremental rate revenue associated with increased sales. He uses this to claim (at p. 4, lines 5-11) NIPSCO should be required to "include incremental revenue received from new load as an offset to the costs of its System Deliverability projects."

Q23. What is NIPSCO's response to this claim from Mr. Collins?

A23. First, there is nothing in the TDSIC Statute that requires such an offset. In fact, through the targeted economic development ("TED") portion of the statute, the General Assembly goes as far as encouraging utilities to include projects that increase load, without an offset for incremental revenue, for projects that encourage economic development. To my knowledge, neither NIPSCO nor any other utility has been required to create such an offset in any plan previously approved by the Commission.[9] In addition, although allowed through TEDs, no project in this Plan is being proposed based on the needs of or to serve a single customer. As Mr. Vamos addresses in his

---

[9] I also note that NIPSCO's prior TDSIC Plan included Deliverability projects and that NIPSCO was not required to account for or pass back anything related to incremental revenue associated with such projects.

direct testimony, these deliverability projects are about ensuring NIPSCO meets its obligations to adequately and reliably serve current and reasonably anticipated load.

Additionally, it is important to note that NIPSCO is required to file an electric base rate case before the expiration of its TDSIC Plan. Therefore, to the extent the Commission shares the concern raised by Mr. Collins that NIPSCO will receive some undefined level of "incremental revenue," this would be only for a short duration following project execution and would be recognized in the required base rate case.

<u>Carrying Charges Should Not Be Disallowed on AMI Project O&M</u>

Q24. What does Mr. Lantrip argue with respect to NIPSCO's proposed recovery of O&M expenses?

A24. Unlike other TDSIC costs, Mr. Lantrip (at p. 12 lines 5-7) recommends that, if the AMI project is approved, the regulatory asset treatment on the O&M expenses associated with AMI project be granted as "conditional upon a deferred amount without carrying charges until the AMI projects are deployed." NIPSCO is not certain of exactly what Mr. Lantrip's proposal is,[10] but the Company believes it to be that Mr. Lantrip is recommending that NIPSCO not be allowed to accrue carrying charges *only* for the period between NIPSCO's expenditure of capital investment and the date of deployment of the AMI Project, but that NIPSCO would be allowed to accrue carrying charges for the period after the date of deployment of the AMI Project and until associated costs are fully recovered from NIPSCO's customers. He notes that Mr. Kiergan estimates meter deployment will begin in 2024. Therefore, it appears that Mr. Lantrip argues that NIPSCO should be able to defer any O&M expenses related to AMI for collection, without carrying costs, until 2024.

Q25. What is NIPSCO's response to Mr. Lantrip's proposal?

A25. Mr. Lantrip has cited to no Commission precedent in support of this proposal, and NIPSCO is unaware of any Commission support. However, in every applicable TDSIC order NIPSCO is aware of with O&M, carrying charges were allowed on all deferred amounts beginning when they are recognized in the TDSIC Tracker—not deployment or in-service. This

---

[10] NIPSCO has requested clarification from Mr. Lantrip through discovery, but, based upon the date that discovery was served, had not received a response at the time this testimony was filed.

would include multi-year projects, such as O&M for the System Integrity Data Integration Project that was approved by the Commission in Cause No. 44403.

<u>NIPSCO's Termination of a Prior Settlement Agreement Is Not Relevant</u>

Q26. On page 16, Mr. Collins asserts that the "Commission should scrutinize the increasing spending under the new plan in light of the cost caps previously agreed upon that are no longer in place." Please respond to this point.

A26. The Settlement Agreement in Cause No. 44733 was approved by the Commission and terminated by NIPSCO effective May 31, 2021 when it terminated its TDSIC Plan under that agreement. This prior Settlement Agreement is not relevant to the proposed 2021-2026 Electric Plan that is before the Commission. First, NIPSCO complied with the terms of that Settlement Agreement, and no party has claimed otherwise. For example, NIPSCO has abided by agreed-to annual and overall cost caps and other settlement terms. Second, that Settlement Agreement explicitly allowed NIPSCO to file a new Plan. It also explicitly provided that, in the event of terminating the prior Plan and approval of a new Plan, the agreed-to cost caps would be terminated. No term of the Settlement Agreement provides that NIPSCO's new filing should be "more closely scrutinized," and Mr. Collins has provided no support for his claim—beyond his personal opinion.

The standard to which NIPSCO should be held is simple. It should be held to the standards and requirements of the TDSIC Statute, as it has been interpreted and applied by the Commission, and nothing more. It would be improper and unfair to hold NIPSCO to any different or higher standard or level of scrutiny simply because it previously entered and properly terminated the Settlement Agreement.

Conclusion

Q27. Mr. Alvarez argues (at p. 15) that the AMI Project should be denied because it does not meet the affordability component included in IC 8-1-2-0.5. How do you respond?

A27. NIPSCO is always concerned with the impact its proposals have on its customers. And, while Mr. Alvarez is correct that IC 8-1-2-05 does discuss the need for utilities to address affordability as part of its provision of service, in considering a TDSIC plan, the Commission is better guided by

Section 14 of the TDSIC Statute (IC 8-1-39-14), which requires that the Commission deny any TDSIC plan that would result in an aggregate increase in a utility's total retail revenues of more than 2% in a 12-month period. This is frequently referred to as the "2% Test." NIPSCO's proposed plan passes the 2% Test, and the Company has demonstrated that. This is in contrast to Mr. Alvarez, who makes his broad, general statement without any analysis or support in terms of the actual bill impact or impact on affordability.

Q28. Does this conclude your rebuttal testimony?

A28. 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.

Alison M. Becker

Dated: September 15, 2021